

**CONDENSED INTERIM BALANCE SHEET**  
As at September 30, 2014



**CONDENSED INTERIM PROFIT & LOSS ACCOUNT**  
For The First Quarter Ended September 30, 2014  
(UN-AUDITED)



**CONDENSED INTERIM CASH FLOW STATEMENT**  
For The First Quarter Ended September 30, 2014  
(UN-AUDITED)



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION**  
For The First Quarter Ended September 30, 2014  
(UN-AUDITED)



Note	Un-audited September 30, 2014	Audited June 30, 2014
	Rupees	
<b>SHARE CAPITAL AND RESERVES</b>		
Authorised		
22,000,000 Ordinary shares of Rs.10/= each	220,000,000	220,000,000
Issued, subscribed and paid up	180,480,000	180,480,000
Unappropriated profit	393,368,630	391,660,728
	573,848,630	572,140,728
<b>SURPLUS ON REVALUATION OF PROPERTY PLANT &amp; EQUIPMENT</b>		
	527,539,162	527,539,162
<b>NON-CURRENT LIABILITIES</b>		
Long term financing		
From banking companies	-	-
From directors, associates and others	100,330,001	100,330,001
	100,330,001	100,330,001
Liabilities against assets subject to finance lease	72,514,873	67,314,404
Deferred liabilities	366,642,052	362,035,002
<b>CURRENT LIABILITIES</b>		
Trade and other payables		
Interest / markup on loans	201,894,407	202,675,162
Short term borrowings	11,342,866	19,172,191
Current portion of:	524,187,893	539,586,737
long term finance	3,428,523	9,428,523
liability against assets subject to finance lease	51,237,908	52,075,379
Provision for taxation	25,397,640	22,164,022
	817,489,237	845,102,014
<b>Contingencies and Commitments</b>	4	-
	2,458,363,955	2,474,461,311
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment		
Capital work in progress	1,417,193,556	1,421,111,564
	2,138,684	-
	1,419,332,240	1,421,111,564
<b>LONG-TERM DEPOSITS</b>		
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools		
Stock-in-trade	59,946,976	40,762,902
Trade debts	447,314,020	408,577,217
Loans and advances	376,982,368	423,341,712
Deposits and short term prepayments	46,877,816	87,439,928
Other receivables	18,066,148	13,515,751
Other financial assets	13,128,864	12,451,494
Cash and bank balances	31,550,710	32,009,710
	20,528,247	14,535,342
	1,014,395,149	1,032,634,056
	2,458,363,955	2,474,461,311

The annexed notes form an integral part of these financial statements.

S. M. MANSOOR ALLAWALA  
Chief Executive Officer

NAEEM IDREES ALLAWALA  
Director

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Note	September 30, 2014	September 30, 2013
	Rupees	
Sales	542,745,120	705,680,488
Cost of goods sold	(494,384,601)	(651,652,719)
Gross profit	5	48,360,519
	48,360,519	54,027,769
Distribution cost	3,951,593	4,455,095
Administrative expenses	15,801,926	16,662,501
Other operating expenses	156,547	1,360,655
Finance cost	18,467,815	21,157,437
Other operating income	(789,109)	(7,872,501)
	37,588,772	35,763,187
Profit before taxation	10,771,747	18,264,582
Provision for taxation	(3,233,618)	(4,080,308)
Profit after taxation	7,538,129	14,184,274
Other Comprehensive Income	-	-
Total Comprehensive Income	7,538,129	14,184,274
Earnings per share - basic and diluted	0.42	0.79

The annexed notes form an integral part of these financial statements.

**A. CASH FLOWS FROM OPERATING ACTIVITIES**

	September 30, 2014	September 30, 2013
	Rupees	
Profit before taxation	10,771,747	18,264,582
Adjustments for :		
Depreciation	22,012,583	22,370,064
Provision for gratuity	3,690,000	3,059,063
Financial charges	18,467,815	21,157,437
Profit before working capital changes	54,942,145	64,851,146
Changes in working capital		
<b>(Increase)/decrease in current assets</b>		
Stores and spares	(19,184,074)	(4,600,754)
Stock in trade	(38,736,803)	49,640,267
Trade debtors	46,359,344	(51,620,343)
Loans and advances	45,183,484	3,568,918
Deposits and prepayments	(4,550,397)	(1,292,761)
Other receivables	(677,370)	1,934,229
<b>Increase/(decrease) in current liabilities</b>		
Creditors, accrued and other liabilities	(1,521,783)	31,173,156
	26,872,401	28,802,712
Cash generated from operations	81,814,546	93,653,858
Financial charges paid	(26,297,139)	(22,849,350)
Gratuity paid	(4,172,150)	(837,400)
Taxes paid	(4,621,372)	(4,553,774)
	(35,090,661)	(28,240,524)
Net cash (used in)/generated from operating activities	46,723,885	65,413,334

**B. CASH FLOWS FROM INVESTING ACTIVITIES**

	September 30, 2014	September 30, 2013
	Rupees	
Purchase of property plant and equipment	(20,233,259)	(18,356,186)
Long term deposits	(3,920,875)	(829,595)
Net cash (used in)/generated from investing activities	(24,154,134)	(19,185,781)

**C. CASH FLOWS FROM FINANCING ACTIVITIES**

	September 30, 2014	September 30, 2013
	Rupees	
Repayment of long term loans	(6,000,000)	(12,000,000)
Export Refinance Obtained / (Paid)	-	(48,609,750)
Finance against Imported Merchandise (FIM) Obtained / (Paid)	(18,267,789)	(146,234,123)
Morabaha Finance Obtained / (Paid)	-	(19,155,369)
Finance Lease Obtained - net	4,362,998	1,838,743
Net cash used in financing activities	(19,904,791)	(224,160,499)

Net Increase/(decrease) in cash and cash equivalent (A+B+C)

	September 30, 2014	September 30, 2013
	Rupees	
Cash and cash equivalent at the beginning of the period	(469,649,797)	(343,013,499)
Cash and cash equivalent at the end of the period	(466,984,836)	(520,946,445)

	September 30, 2014	September 30, 2013
	Rupees	
<b>CASH AND CASH EQUIVALENTS</b>		
Cash & Bank Balances	52,078,957	40,046,521
Running Finance	(268,584,828)	(228,581,100)
Cash Finance	(250,478,965)	(332,411,866)
	(466,984,836)	(520,946,445)

The annexed notes form an integral part of these financial statements.

**1. General Information**

The Company was incorporated in Pakistan on June 05, 1990 as an unquoted public limited company and is listed on Karachi and Lahore Stock Exchanges. The registered office of the company is situated at 6-C, Ismail Center, Central Commercial Area, Bahadurabad, Karachi whereas the manufacturing facility of the company is located at Kot Shah Mohammad, Tehsil Nankana, District Nankana, Punjab. The principal activity of the Company is manufacture and sale of yam and fabric.

**2. Basis of Preparation**

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

**3. Accounting Policies**

The accounting convention, policies and methods of computation followed in the preparation of these interim financial statements are the same as those of the published annual financial statements for the year ended June 30, 2014.

**4. CONTINGENCIES AND COMMITMENTS**

**4.1 Contingencies**

There is no material change in Contingent liabilities as disclosed in annual financial statements of June 30, 2014.

**4.2 Commitments**

Letters of credit for import of spare parts, machinery & raw material

	September 30, 2014	September 30, 2013
	Rupees	
	-	132,736,631

**5. COST OF GOODS SOLD**

	September 30, 2014	September 30, 2013
	Rupees	
Finished goods opening stock	207,243,007	109,764,778
Cost of goods manufactured	505,378,566	662,327,564
Finished goods closing stock	(218,236,972)	(120,439,623)
	494,384,601	651,652,719

**5.1 COST OF GOODS MANUFACTURED**

	September 30, 2014	September 30, 2013
	Rupees	
Work in process opening	26,464,751	25,583,030
Raw material consumed / sold	363,596,471	495,668,044
Overheads	139,686,582	167,961,813
	529,747,804	689,212,887
Work in process closing	(24,369,238)	(26,885,323)
	505,378,566	662,327,564

**6. AGGREGATE TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS AND RELATED PARTIES**

The related parties comprise associated undertakings, key management personnel and post employment benefit scheme. There is no significant transaction with related parties other than contribution of Rs. 223,693/- to retirement benefits scheme during the period.

**7. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were authorized for issue on October 30, 2014 by the Board of Directors of the Company.

**8. GENERAL**

Figures have been re-arranged wherever it was necessary for the purpose of comparison and rounded off nearest to rupee.

STATEMENT OF CHANGES IN EQUITY  
For The First Quarter Ended September 30, 2014  
(UN-AUDITED)



	<i>Issued, subscribed and paid up capital</i>	<i>Unappropriated profit</i>	<i>Total</i>
	<i>..... Rupees .....</i>		
Balance as at September 30, 2013	180,480,000	364,142,033	544,622,033
Profit for the nine months ended June 30, 2014	-	17,120,797	17,120,797
Other Comprehensive Income		65,152	65,152
Transferred from / realization of surplus on revaluation of fixed assets on account of incremental depreciation - net of deferred tax	-	28,380,745	28,380,745
Final dividend for the year ended June 30, 2013@ Re 1/- per share to shareholders	-	(18,048,000)	(18,048,000)
<b>Balance as at June 30, 2014</b>	<b>180,480,000</b>	<b>391,660,727</b>	<b>572,140,727</b>
Profit for First quarter ended September 30, 2014	-	7,538,129	7,538,129
Final dividend for the year ended June 30, 2014@ Re 1/- per share to minority shareholders	-	(5,830,226)	(5,830,226)
<b>Balance as at September 30, 2014</b>	<b>180,480,000</b>	<b>393,368,630</b>	<b>573,848,630</b>

The annexed notes form an integral part of these financial statements.

S. M. MANSOOR ALLAWALA  
Chief Executive Officer

NAEEM IDREES ALLAWALA  
Director

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A MEMBER OF THE



ALLAWALA GROUP

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# IDREES

## TEXTILE MILLS LIMITED

### CONDENSED INTERIM FINANCIAL INFORMATION FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2014 (UN-AUDITED)



## DIRECTORS' REPORT



The Directors of your Company are pleased to present the un-audited interim financial statements for the first quarter ended September 30, 2014

### Operating financial results

During the period under review, your Company has earned a gross profit of Rs. 48.36 million on sales of Rs. 542.745 million compared to gross profit of Rs. 54,028 million on sales of Rs. 705.68 million in the corresponding period. Profit after taxation amounted to Rs. 7.538 million as compared to Rs. 14.18 million in the corresponding period. Earnings per share remained Re. 0.42 as compared to Re. 0.79 per share in the same period of last year.

The yarn market remained dull during the period under review. To mitigate the effect, we are adopting various measures along-with intensive marketing efforts to improve turnover. The management is exploring international markets to increase the share of exports in overall turnover. Gross margin, however, continued to remain under severe pressure due to enormously high electricity tariff and power stoppages which caused production losses. The government has to play its due role for growth and sustainability of the industry which, at present, is highly uncompetitive due to high cost of doing business.

### Future prospects

In view of the difficult politico-economic situation, we are constantly striving to increase revenue with better margin through BMR and better marketing. Going forward, continuous availability of electricity and gas, particularly in winter season, is the focal point on which performance of the entire industry depends. Volatility of Pak Rupee is another important factor which has a vital role in international trade.

### Acknowledgement

The Board highly appreciates the confidence and support of the shareholders, banks/financial institutions, suppliers and customers. We also acknowledge the valuable and sincere services rendered by the staff of the Company.

Karachi,  
October 30, 2014

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