



**Jubilee Spinning & Weaving Mills Ltd.**

**Condensed Interim Financial Information  
Half Year Accounts (Un-audited)  
31 December 2013**

**BOOK POST**

If undelivered please return to:

**Jubilee Spinning & Weaving Mills Ltd.**  
45-A, Off Zafar Ali Road, Gulberg-V,  
Lahore-Pakistan.



## Company Information

### Board of Directors

Mr. Shams Rafi (Chief Executive)  
Mr. Shaukat Shafi  
Mr. Ahmed Shafi  
Mr. Salman Rafi  
Mr. Umer Shafi  
Mr. Muhammad Arshad  
Mr. Masood A. Sheikh

### Audit Committee

Mr. Shaukat Shafi (Chairman)  
Mr. Salman Rafi (Member)  
Mr. Masood A. Sheikh (Member)

### Company Secretary

Mr. Masood A. Sheikh

### Auditors

Riaz Ahmed & Company  
Chartered Accountants

### Legal Advisor

Ghani Law Associate  
Mr. Anser Mukhtar

### Bankers

Habib Bank Limited  
National Bank of Pakistan  
Bank Al-Habib Limited  
Standard Chartered Bank (Pakistan) Limited  
Habib Metropolitan Bank Limited  
NIB Bank Limited  
Emirates Global Islamic Bank Limited

### Registered Office

45-A, Zafar Ali Road, Gulberg-V,  
Lahore, Pakistan.

### Mills

B-28, Manghopir Road, S.I.T.E.,  
Karachi.



## Directors' Report To The Share Holders

On behalf of the Board of Directors of the Company, I am pleased to present the results for the Half Year ending December 31, 2013.

During the period cotton and yarn demand showed a stable trend however liquidity constraints, prevented the Company to operate at full capacity. Management is making all efforts to improve cash flows and all resources are being deployed to ensure positive cash flows.

A drop in sales during this half year caused a gross loss of 21.09%. Administrative and selling & distribution expenses remained almost at the same level of the comparative period. Financial costs increased by .66 m.

Certain repayments of long-term financing obtained from banking companies could not be made on due dates. Investment in associated company has fully eroded due to losses of the associated company.

However the company has full support from the banks and creditors and the Management is confident that we will meet these challenges head-on and improve results for the remaining half year.

In closing, I would like to thank our stakeholders for their continued support.

For and on behalf of the Board of Directors.

**Shams Rafi**  
Chief Executive

February 28, 2014  
Karachi.



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2013

### Condensed Interim Balance Sheet

Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
	34,000,000 (30 June 2013: 34,000,000) ordinary shares of Rupees 10 each	
	<u>340,000,000</u>	<u>340,000,000</u>
<b>Issued, subscribed and paid up share capital</b>		
	32,491,205 (30 June 2013: 32,491,205) ordinary shares of Rupees 10 each	
	<u>324,912,050</u>	<u>324,912,050</u>
<b>Reserves</b>		
	<u>(387,036,764)</u>	<u>(363,938,383)</u>
<b>Total equity</b>		
	<u>(62,124,714)</u>	<u>(39,026,333)</u>
Surplus on revaluation of property, plant and equipment - Net of tax		
	<u>565,534,545</u>	<u>567,736,264</u>
Surplus on revaluation of investment property - Net of tax		
	<u>19,664,538</u>	<u>19,664,538</u>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
5	60,151,947	56,773,900
	15,315,862	16,086,464
	43,184,356	39,986,876
	<u>118,652,165</u>	<u>112,847,240</u>
<b>CURRENT LIABILITIES</b>		
	215,206,446	183,814,721
	31,100,844	30,522,745
	7,434,810	19,781,976
6	25,483,808	25,483,808
	9,928,940	9,928,940
	1,727,547	3,964,909
	<u>290,882,395</u>	<u>273,497,099</u>
<b>TOTAL LIABILITIES</b>		
	<u>409,534,560</u>	<u>386,344,339</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
7	<u>932,608,929</u>	<u>934,718,808</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2013

### As at December 31, 2013

Note	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
	Property, plant and equipment	601,324,792
8	<u>594,368,565</u>	<u>601,324,792</u>
	Investment property	23,940,655
	Long term investments	520,000
9	<u>520,000</u>	<u>520,000</u>
	Long term loans	1,005,306
	Long term deposits	710,722
	<u>1,088,856</u>	<u>1,005,306</u>
	<u>710,722</u>	<u>710,722</u>
	<u>620,628,798</u>	<u>627,501,475</u>
<b>CURRENT ASSETS</b>		
	Stores and spares	2,518,179
	Stock-in-trade	41,079,450
	Trade debts	185,750,106
	Loans and advances	1,436,867
	Short term deposits and prepayments	635,749
	Other receivables	17,447,397
	Advance income tax and refund	7,808,618
	Short term investments	49,396,954
	Cash and bank balances	1,144,013
	<u>2,356,015</u>	<u>2,518,179</u>
	<u>7,750,964</u>	<u>41,079,450</u>
	<u>219,566,261</u>	<u>185,750,106</u>
	<u>1,154,512</u>	<u>1,436,867</u>
	<u>655,609</u>	<u>635,749</u>
	<u>20,075,673</u>	<u>17,447,397</u>
	<u>6,528,797</u>	<u>7,808,618</u>
	<u>51,943,541</u>	<u>49,396,954</u>
	<u>1,948,759</u>	<u>1,144,013</u>
	<u>311,980,131</u>	<u>307,217,333</u>
<b>TOTAL ASSETS</b>		
	<u>932,608,929</u>	<u>934,718,808</u>

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

Shams Rafi  
Chief Executive

Shaukat Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2013

**Condensed Interim Profit & Loss Account (Un-audited)  
For the Period Ended 31 December 2013**

Note	HALF YEAR ENDED		Quarter Ended	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees			
SALES	172,754,738	218,947,423	100,275,868	108,957,938
COST OF SALES	(186,848,278)	(206,629,840)	(106,998,742)	(106,229,586)
GROSS (LOSS) / PROFIT	(14,093,540)	12,317,583	(6,722,874)	2,728,352
DISTRIBUTION AND SELLING COST	(740,612)	(269,487)	(397,921)	(142,069)
ADMINISTRATIVE EXPENSES	(10,861,118)	(10,194,818)	(5,608,426)	(5,749,504)
OTHER OPERATING EXPENSES	-	(14,872)	-	(14,872)
	(11,601,730)	(10,479,177)	(6,006,347)	(5,906,445)
	(25,695,270)	1,838,406	(12,729,221)	(3,178,093)
EFFECT OF FAIR VALUE ADJUSTMENT OF INTEREST FREE LONG TERM FINANCING FROM DIRECTORS - NET OTHER INCOME	(3,378,047)	(1,730,805)	(1,689,023)	(1,730,805)
	2,401,915	22,111,911	1,058,402	1,682,418
	(976,132)	20,381,106	(630,621)	(48,387)
(LOSS) / PROFIT FROM OPERATIONS	(26,671,402)	22,219,512	(13,359,842)	(3,226,480)
FINANCE COST	(1,625,331)	(963,962)	(855,375)	(513,741)
	(28,296,733)	21,255,550	(14,215,217)	(3,740,221)
SHARE OF LOSS IN ASSOCIATED COMPANIES	-	(2,376,493)	-	-
(LOSS) / PROFIT BEFORE TAXATION	(28,296,733)	18,879,057	(14,215,217)	(3,740,221)
PROVISION FOR TAXATION				
TAXATION - Current	(1,727,547)	(2,189,474)	(1,002,758)	(1,089,579)
- Prior	1,992,655	-	1,992,655	-
	265,108	(2,189,474)	989,897	(1,089,579)
(LOSS) / PROFIT AFTER TAXATION	(28,031,625)	16,689,583	(13,225,320)	(4,829,800)
(LOSS) / EARNINGS PER SHARE- BASIC AND DILUTED (RUPEES)	(0.86)	0.51	(0.41)	(0.15)

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

Shams Rafi  
Chief Executive

Shaukat Shafi  
Director



Jubilee Spinning & Weaving Mills Ltd.

Half Year Accounts 31 December 2013

**Condensed Interim Statement of Comprehensive Income (Un-audited)  
For the Period Ended 31 December 2013**

	HALF YEAR ENDED		QUARTER ENDED	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rupees			
(LOSS) / PROFIT AFTER TAXATION	(28,031,625)	16,689,583	(13,225,320)	(4,829,800)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss :				
Fair value adjustment on available for sale investments	1,960,923	10,113,633	(908,010)	7,966,813
Other comprehensive income / (loss) for the period	1,960,923	10,113,633	(908,010)	7,966,813
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(26,070,702)	26,803,216	(14,133,330)	3,137,013

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

Shams Rafi  
Chief Executive

Shaukat Shafi  
Director



## Condensed Interim Cash Flow Statement

For the Period Ended December 31, 2013 (Un-audited)

	Note	HALF YEAR ENDED	
		31 December	31 December
		2013	2012
		Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	12	<b>15,674,976</b>	1,133,946
Finance cost paid		(1,047,232)	(1,093,468)
Income tax paid		(692,433)	(5,306)
Gratuity paid		(982,230)	(896,841)
<b>Net cash flow from / (used in) operating activities</b>		<b>12,953,081</b>	(861,669)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend received		198,831	192,046
Long terms loans		-	115,550
<b>Net cash flow from investing activities</b>		<b>198,831</b>	307,596
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		-	-
Long term loan obtained		-	3,037,181
Repayment of finance lease liabilities		-	(80,037)
<b>Net cash flow from financing activities</b>		-	2,957,144
<b>Net increase in cash and cash equivalents</b>		<b>13,151,912</b>	2,403,071
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(18,637,963)</b>	(168,399)
<b>Cash and cash equivalents at the end of the period (Note 12.1)</b>		<b>(5,486,051)</b>	2,234,672

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

Shams Rafi  
Chief Executive

Shaikat Shafi  
Director



## Condensed Interim Statement of Changes In Equity

For the Period ended December 31, 2013 (Un-audited)

Share capital	RESERVES					TOTAL EQUITY	
	CAPITAL	REVENUE			TOTAL		
		Fair value reserve	General reserve	Accumulated loss			Sub total
<b>Rupees</b>							
<b>Balance as at 31 December 2012 - (Audited)</b>	324,912,050	12,703,545	51,012,000	(439,896,102)	(388,884,102)	(376,180,557)	(51,268,507)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	1,752,011	1,752,011	1,752,011	1,752,011
Related deferred tax	-	-	-	943,391	943,391	943,391	943,391
	-	-	-	2,695,402	2,695,402	2,695,402	2,695,402
Profit for the period	-	-	-	16,689,583	16,689,583	16,689,583	16,689,583
Other comprehensive income for the period	-	10,113,633	-	-	-	10,113,633	10,113,633
Total comprehensive income/(loss) for the half year ended 31 December 2012	-	10,113,633	-	16,689,583	16,689,583	26,803,216	26,803,216
<b>Balance as at 31 December 2012 - (Un-audited)</b>	324,912,050	22,817,178	51,012,000	(420,511,117)	(369,499,117)	(346,681,939)	(21,769,889)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	2,601,877	2,601,877	2,601,877	2,601,877
Related deferred tax	-	-	-	1,401,010	1,401,010	1,401,010	1,401,010
	-	-	-	4,002,887	4,002,887	4,002,887	4,002,887
Loss for the period	-	-	-	(30,170,402)	(30,170,402)	(30,170,402)	(30,170,402)
Other comprehensive income for the period	-	8,911,071	-	-	-	8,911,071	8,911,071
Total comprehensive (loss) for the half year ended 30 June 2013	-	8,911,071	-	(30,170,402)	(30,170,402)	(21,259,331)	(21,259,331)
<b>Balance as at 30 June 2013 - (audited)</b>	324,912,050	31,728,249	51,012,000	(446,678,632)	(395,666,632)	(363,938,383)	(39,026,333)
Transfer from surplus on revaluation of property plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	2,201,719	2,201,719	2,201,719	2,201,719
Related deferred tax	-	-	-	770,602	770,602	770,602	770,602
	-	-	-	2,972,321	2,972,321	2,972,321	2,972,321
Profit for the period	-	-	-	(28,031,625)	(28,031,625)	(28,031,625)	(28,031,625)
Other comprehensive income for the period	-	1,960,923	-	-	-	1,960,923	1,960,923
Total comprehensive income for the half year ended 31 December 2013	-	1,960,923	-	(28,031,625)	(28,031,625)	(26,070,702)	(26,070,702)
<b>Balance as at 31 December 2013 - (Un-audited)</b>	324,912,050	33,689,172	51,012,000	(471,737,936)	(420,725,936)	(387,036,764)	(62,124,714)

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

Shams Rafi  
Chief Executive

Shaikat Shafi  
Director



## Selected Notes To The Condensed Interim Financial Information (Un-audited) For the Period ended December 31, 2013

### 1. THE COMPANY AND ITS OPERATIONS

1.1 Jubilee Spinning & Weaving Mills Limited (the Company) was incorporated in Pakistan as a public limited company on 12 December 1973 under the Companies Act, 1913 (Now The Companies Ordinance, 1984). The Company obtained certificate of commencement of business in January 1974. Shares of the Company are listed on all Stock Exchanges in Pakistan. Its registered office is situated at 45-A, Off: Zafar Ali Khan Road, Gulberg V, Lahore whereas the production facilities are located at B-28, Manghopir Road, S.I.T.E, Karachi. The Company is engaged in the business of manufacturing and selling of yarn, buying, selling and otherwise dealing in yarn and raw cotton. The Company also operates electric power generation facilities which generate electricity primarily for the Company's own requirements.

### 1.2 GOING CONCERN ASSUMPTION

The Company incurred net loss of Rupees 28.032 million during the half year and its accumulated losses as at 31 December 2013 stood at Rupees 471.738 million (30 June 2013: Rupees 446.679 million). Certain repayments of long-term financing obtained from banking companies could not be made on due dates and are overdue as at the reporting date. The plant capacity also remained under-utilized due to intermittent availability of raw materials owing to hike in the prices and liquidity issues. These factors indicate the existence of material uncertainty that may cast significant doubts about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management of the Company is confident to overcome existing temporary factors that are negatively affecting its bottom line. It is expected that NBP's facility will be fully repaid during the next six months and the company will become debt-free. Raw material prices have also stabilized and the management looks forward to earn better throughput during the next half year.

The directors are fully committed to the profitable operations of the Company using maximum production capacities. The sponsor directors have already injected interest free funds as long term financing in previous periods and have expressed their continuing commitment to support the Company financially, if a need arises.

On the basis of assessment of the going concern assumption, financial projections and the factors stated above, the sponsor directors and the management are confident to achieve improved profitability and ease of cash flows going forward.

Accordingly, this condensed interim financial information has been prepared on going concern basis and do not include any adjustment relating to the realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of Compliance

This condensed interim financial information of the Company for the half year ended 31 December 2013 has been prepared in accordance with the requirements of the International Accounting Standard 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.

2.2 This condensed interim financial information is un-audited but subject to the limited scope review by the statutory auditors and is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984. This condensed interim information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2013.



### 2.3 Basis of measurement

This condensed interim financial information has been prepared under the historical cost convention except for certain fixed assets and financial assets and liabilities which have been stated at revalued amounts, fair values, cost, amortized cost and present value as mentioned in respective policy notes disclosed in the published financial statements of the preceding year ended 30 June 2013. Accrual basis of accounting has been used in this condensed interim financial information except for the cash flow information.

2.4 This condensed interim financial information is presented in Pak Rupees, which is the Company's functional and presentation currency.

### 3. ACCOUNTING POLICIES

The accounting policies and the method of computation adopted in preparation of this condensed interim financial report are the same as those applied in the preparation of the annual financial statements for the year ended 30 June 2013.

### 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.

	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>5. LONG TERM FINANCING - SECURED</b>		
Opening balance	84,017,181	80,980,000
Add: Obtained during the period / year	-	3,037,181
	<b>84,017,181</b>	84,017,181
Add / (less): Fair value adjustments under IAS-39		
Opening balance	(27,243,281)	(32,077,811)
Adjusted during the period / year	-	(1,203,088)
Reversal of fair value adjustment	3,378,047	6,037,618
	<b>(23,865,234)</b>	(27,243,281)
	<b>60,151,947</b>	56,773,900
Less: Current portion shown under current liabilities	-	-
	<b>60,151,947</b>	56,773,900
<b>6. CURRENT PORTION SHOWN UNDER CURRENT LIABILITIES</b>		
<b>Long term financing</b>		
Current portion of long term financing	-	-
Over due portion	6.1 25,483,808	25,483,808
	<b>25,483,808</b>	25,483,808

6.1 This represents the overdue balance of long term financing from National Bank of Pakistan.



**Jubilee Spinning & Weaving Mills Ltd.**

**Half Year Accounts 31 December 2013**

	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>7. CONTINGENCIES AND COMMITMENTS</b>		
<b>7.1 Contingencies</b>		
Bank Guarantee from:		
Faysal Bank Limited (formerly, Royal Bank of Scotland) (Note 7.1.1)	8,600,000	8,600,000
Standard Chartered Bank (Pakistan) Limited (Note 7.1.2)	793,800	793,800
Habib Bank Limited (Note 7.1.3)	2,000,000	2,000,000
	<u>11,393,800</u>	<u>11,393,800</u>
7.1.1 This represents a guarantee issued by Faysal Bank Limited to the collector of customs on behalf of the company against the custom duty on imports.		
7.1.2 This represents a guarantee issued by Standard Chartered Bank (Pakistan) Limited to the Honourable High Court, Sindh on account of cotton soft waste (carded and combed) fully paid.		
7.1.3 This represents a guarantee issued by Habib Bank Limited in favor of Sui Southern Gas Company Limited on behalf of the company for payment of gas bills. The guarantee is secured against a cash deposit of 0.50 million and hypothecation charge over current assets of Rupees 12 million.		
<b>7.2 Commitments</b>		
There were no capital or other commitments as at 31 December 2013 ( 30 June 2013: Nil).		
<b>8. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets (Note 8.1)	589,368,565	596,324,792
Capital work in progress - plant & machinery	5,000,000	5,000,000
	<u>594,368,565</u>	<u>601,324,792</u>
<b>8.1 Operating fixed assets</b>		
Opening book value	596,324,792	604,758,364
Add: Cost of additions during the period / year	-	6,683,050
	<u>596,324,792</u>	<u>611,441,414</u>
Less: Book value of assets disposed of during the period / year	-	-
	<u>596,324,792</u>	<u>611,441,414</u>
Less: Depreciation charged during the period / year	<u>(6,956,227)</u>	<u>(15,116,622)</u>
	<u>589,368,565</u>	<u>596,324,792</u>



**Jubilee Spinning & Weaving Mills Ltd.**

**Half Year Accounts 31 December 2013**

	Un-audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
<b>9. LONG TERM INVESTMENTS</b>		
<b>Available for sale - Associated company (without significant influence)</b>		
Taxmac (Private) Limited 52,000 (30 June 2013: 52,000) ordinary shares of Rupees 10 each	520,000	520,000
<b>Associated companies (with significant influence) - Under equity method</b>		
Cresox (Private) Limited (Note: 9.1) 8,982,160 (30 June 2013: 8,982,160) ordinary shares of Rupees 10 each	-	-
Premier Insurance Company Limited (Note: 9.2) 22,670 (30 June 2013: 22,670) ordinary shares of Rupees 10 each	-	-
Crescent Industrial Chemical Limited (Note: 9.3)	-	-
	<u>520,000</u>	<u>520,000</u>
<b>9.1 Cresox (Private) Limited</b>		
Opening balance	(103,473,145)	2,376,493
Share of loss for the period / year (Note 9.1.1)	(57,917,073)	(105,849,638)
	<u>(161,390,218)</u>	<u>(103,473,145)</u>
Unrecognised loss	161,390,218	103,473,145
	<u>-</u>	<u>-</u>
9.1.1 During the period, share of loss in Cresox (Private) Limited was Rupees 57,917,073. However, the loss recognition has been restricted upto the cost of investment which has already been fully eroded by share in losses during the preceding accounting years.		
<b>9.2 Premier Insurance Company Limited</b>		
Opening balance	(42,652)	(30,483)
Share of (loss) / profit for the period / year (Note 9.2.1)	(11,219)	10,501
Dividend received	-	(22,670)
	<u>(53,871)</u>	<u>(42,652)</u>
Unrecognised loss	53,871	42,652
	<u>-</u>	<u>-</u>
9.2.1 During the period, share of loss in Premier Insurance Company Limited was Rupees 11,219. However, the loss recognition has been restricted upto the cost of investment which has already been fully eroded by share in losses during the preceding accounting years.		
9.3 This represents investment of 184,000 ordinary shares in Crescent Industrial Chemical Limited which was fully impaired in previous years.		



	HALF YEAR ENDED		QUARTER ENDED	
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
	Rupees			
<b>10. COST OF SALES</b>				
Raw materials consumed	123,089,438	150,496,178	74,416,239	75,228,843
Salaries, wages and other benefits	28,627,250	24,104,498	16,539,475	11,790,757
Staff retirement benefits	3,283,359	3,736,954	1,611,517	3,736,954
Stores and spares	2,488,384	2,265,135	674,269	158,044
Packing materials	1,704,047	1,031,930	1,704,047	1,031,929
Repair and maintenance	34,450	84,482	34,450	84,482
Fuel and power	16,331,247	12,809,908	8,415,220	6,093,411
Insurance	972,775	1,156,226	972,775	1,156,226
Other factory overheads	1,520,844	1,835,399	(57,835)	554,933
Depreciation	6,641,813	7,157,665	3,320,907	3,578,834
	<u>184,693,607</u>	<u>204,678,375</u>	<u>107,631,064</u>	<u>103,414,413</u>
Work-in-process:				
Opening stock	6,517,653	6,008,184	3,758,439	6,836,110
Closing stock	(4,239,817)	(3,916,280)	(4,239,817)	(3,916,280)
	<u>2,277,836</u>	<u>2,091,904</u>	<u>(481,378)</u>	<u>2,919,830</u>
Cost of goods manufactured	<u>186,971,443</u>	<u>206,770,279</u>	<u>107,149,686</u>	<u>106,334,243</u>
Finished goods:				
Opening stock	1,234,650	1,067,838	1,206,871	1,103,620
Closing stock	(1,357,815)	(1,208,277)	(1,357,815)	(1,208,277)
	<u>(123,165)</u>	<u>(140,439)</u>	<u>(150,944)</u>	<u>(104,657)</u>
	<u>186,848,278</u>	<u>206,629,840</u>	<u>106,998,742</u>	<u>106,229,586</u>

**11. SEGMENT INFORMATION**

11.1 The company has 02 reportable business segments. The following summary describes the operation in each of the company's reportable segments:

**Spinning:** Production of different quality of yarn using natural and artificial fibers.  
**Power Generation:** Generation and distribution of power.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases have been eliminated from the total.

Segment Results	Spinning		Power Generation		Elimination of Inter-segment transactions		Total Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Sales	172,754,738	218,947,423	20,393,287	18,132,130	(20,393,287)	18,132,130	172,754,738	218,947,423
Cost of sales	(90,470,873)	(210,399,750)	(16,766,692)	(14,367,720)	20,393,287	(18,132,130)	(86,848,278)	(206,629,840)
Gross (loss) / profit	(17,720,135)	8,548,173	3,626,595	3,764,410	-	-	(14,093,540)	12,317,583
Distribution cost	(740,612)	(269,487)	-	-	-	-	(740,612)	(269,487)
Administrative expenses	(10,759,157)	(10,305,727)	(101,966)	(110,909)	-	-	(10,861,118)	(10,944,818)
(Loss) / profit before taxation and unallocated expenses and income	(11,499,764)	(10,575,214)	(101,966)	(110,909)	-	-	(11,601,730)	(10,464,306)
Unallocated income and expenses:								
Finance cost	(28,219,899)	(2,027,041)	3,524,629	3,658,911	-	-	(25,695,270)	1,853,278
Effect of fair value adjustment of interest free long term financing from directors-Net							(1,625,331)	(963,962)
Other operating expenses							(3,378,047)	(1,730,806)
Other income							2,401,915	(4,872)
Share of loss in associated companies							-	22,111,911
Taxation							-	(2,376,439)
- Current							(1,727,547)	(2,189,474)
- Prior							1,992,655	-
(Loss) / profit after taxation							265,108	(2,189,474)
							(28,031,625)	16,689,583

11.2.1 The sales of yarn to a single customer amounts to Rupees 153,251,000 out of the total revenue/sales of the company. All the reported segments operates in same geographical location.

Segment Assets	Spinning		Power Generation		Total Company	
	Dec 31, 2013	June 30, 2012	Dec 31, 2013	June 30, 2012	Dec 31, 2013	June 30, 2012
Segment assets	576,174,190	582,547,173	13,194,375	14,660,417	589,368,565	934,718,808
Unallocated assets					343,240,364	934,718,808
					<u>932,608,929</u>	<u>934,718,808</u>





	(Un-audited)	
	NINE MONTH ENDED	
	December 31, 2013 Rupees	December 31, 2012 Rupees
<b>12. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Loss before taxation</b>	(28,296,733)	18,879,057
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	6,956,227	7,550,774
Provision for Gratuity	4,179,710	4,763,482
Share of loss from associates	-	2,376,493
Dividend Income	(198,831)	(192,046)
Impairment loss on available for sale investment - net	-	14,872
Unrealised gain on remeasurement of investments	(585,664)	(462,651)
Imputed Interest Income under IAS-39	3,378,047	1,730,805
Provisions, write offs and write backs	-	(19,019,924)
Finance cost	1,625,331	963,962
	<u>(12,941,913)</u>	<u>16,604,824</u>
<b>Working capital changes</b>		
(Increase) / decrease in current assets:		
- Stores and spares	162,164	73,872
- Stock in trade	33,328,486	1,803,480
- Trade debts	(33,816,155)	(33,300,894)
- Loans and advances	198,805	(216,436)
- Other receivables	(2,628,276)	(2,504,010)
- Short term deposits and prepayments	(19,860)	(122,124)
	<u>(2,774,836)</u>	<u>(34,266,112)</u>
Increase in trade and other payables	31,391,725	18,795,234
	<u>15,674,976</u>	<u>1,133,946</u>
<b>12.1 Cash and cash equivalents include the following</b>		
Cash and bank balances	1,948,759	(3,935,118)
Short term borrowings	(7,434,810)	(1,700,446)
	<u>(5,486,051)</u>	<u>(2,234,672)</u>

**13. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise subsidiary companies, associated undertakings, other related companies and key management personnel. The company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, not disclosed elsewhere, is given below:

	(Un-audited)			
	HALF YEAR ENDED			
	Dec 31, 2013	Dec 31, 2012	QUARTER ENDED Dec 31, 2013	Dec 31, 2012
	Rupees			
<b>Associated companies</b>				
Sale of yarn/ black polyester and service revenue	153,251,000	215,899,400	89,112,150	107,218,900
Insurance premium expense	1,301,805	1,321,082	648,529	764,247
Rental income	1,595,100	2,392,650	398,775	1,196,325
Balance receivable from / (payable to)				
Premier Insurance Limited	(9,910,824)	(7,923,967)	(9,910,824)	(7,923,967)
Cresox (Private)Limited	231,693,828	154,025,945	231,693,828	154,025,945

**14. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 28, 2014.

**15. FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the preceding audited annual published financial statements of the company for the year ended 30 June 2013.

**16. GENERAL**

No significant reclassification/ rearrangement of corresponding figures has been made in this condensed interim financial information.

Figures have been rounded off to the nearest Rupee.

**Shams Rafi**  
Chief Executive

**Shaukat Shafi**  
Director