



SALFI TEXTILE MILLS LIMITED

**Condensed Interim Financial Information
For The Half Year Ended December 31, 2015**

SALFI TEXTILE MILLS LIMITED

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SALFI TEXTILE MILLS LIMITED**01****COMPANY INFORMATION****BOARD OF DIRECTORS**

CHAIRMAN: Mr. Anwar Ahmed Tata
CHIEF EXECUTIVE: Mr. Adeel Shahid Anwar Tata

DIRECTORS: Mr. Shahid Anwar Tata
Mr. Aijaz Ahmed Tariq
Mr. Bilal Shahid Anwar
Mr. Muhammad Naseem
Sheikh Kausar Ejaz

**AUDIT COMMITTEE
CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:Mr. Bilal Shahid Anwar
Sheikh Kausar Ejaz**SECRETARY**

Mr. Owais Ahmed Abbasi

**HUMAN RESOURCE &
REMUNERATION COMMITTEE
CHAIRMAN:**

Mr. Muhammad Naseem

MEMBERS:Mr. Adeel Shahid Anwar Tata
Mr. Bilal Shahid Anwar**SECRETARY**

Mr. Umar Khawajah

**COMPANY SECRETARY &
CHIEF FINANCIAL OFFICER:**

Mr. Farooq Advani

BANKERS:Dubai Islamic Bank (Pakistan) Limited
Bank Alfalah Limited
Meezan Bank Limited
Habib Metropolitan Bank Limited
The Bank of Punjab
MCB Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Allied Bank Limited
Bank Islami Pakistan Limited
JS Bank Limited
Askari Bank Limited**AUDITORS:**M/s. Deloitte Yousuf Adil
Chartered Accountants**LEGAL ADVISOR:**

Ameen Bandukda & Co. Advocates

SHARE REGISTRAR:Central Depository Company of Pakistan Limited
CDC House, 99 – B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal
Tel# (Toll Free) 0800-CDCPL (23275)
Fax: (92-21) 34326053**REGISTERED OFFICE:**6th Floor Textile Plaza,
M.A Jinnah Road Karachi.
Tel# 32412955-3 Lines 32426761-2-4
Fax# 32417710**WEB SITE ADDRESS:**

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HX-1, Landhi Industrial Area, Landhi, Karachi

DIRECTORS' REPORT**Assalam-o-Alaikum**

The Financial Statements (un-audited) of the Company for the Half Year ended December 31, 2015 is being presented to you.

The Financial Results for the 2nd Quarter of the company continues to be discouraging. During the quarter under review, the Company incurred a pre-tax loss of Rs.109.25 Million as compared to a pre-tax profit of Rs.22.854 million during the corresponding period of last year.

Textile Industry

During the quarter under review, the Textile Industry continues to confront a turbulent and unstable situation and this is only due to the indifferent attitude of the incumbent Government. The country's share in the global market continues to decline due to the mounting cost of doing business, non-release of multiple tax refunds, i.e. Sales Tax, Income Tax and Custom Rebate Claims and compounded with the heavy burden of withholding Tax, the Textile Sector has been badly affected. In addition to above, the exchange control policy adopted by the Government has seriously hurt the country's exports which have declined by 15% in Textile Industry and 40% in Yarn exports. During the last 5 years, our neighboring country and competitor has depreciated its currency by 55%, whereas, Pakistan has depreciated the Rupee by 24% only. Therefore, this big difference in the currency valuation cannot be covered by achieving any level of efficiency in production or cost.

The Textile Industry is a major sector of providing employment and earning of foreign exchange but the Government has completely failed to lift the country's export and especially the manufacturing sector is being neglected, as most of the promises for support made by the Government, remains unfulfilled.

Cotton Situation

The failure of Pakistani Cotton Crop has been most detrimental and there is a shortage of approximately five million cotton bales as compared to last year. According to the latest figure the output of cotton crop is estimated at approximately 9.7 to 9.8 million bales, which is a big disaster. It is most unfortunate that the Government has shown no concern for this disastrous output of cotton crop as no enquiry committee has been set up to analyze the reasons for the crop failure and no corrective measures or steps have been taken by the Government to avoid such adversity in future.

The Textile sector is therefore compelled to import Cotton and in order to make the basic Textile Industry competitive, the levy of taxes and duties on import of Cotton must be withdrawn.

Power Issue

Energy shortages have continue this quarter as well and with the Government rising power tariffs has put extra financial burden on the Textile Industry. Moreover, the value of Fuel Adjustment Surcharges is above Rs.3.50 and the Prime Minister has announced Rs.3/= reduction in Power Tariff, which falls short of Fuel Adjustment surcharges, so actually speaking, in reality, there is no reduction in Power Tariff.

Acknowledgment

It is most important to mention the untiring endeavors of all our team members who are engaged in up-holding their commitment for the company's success and growth. We also thank our Bankers, Vendors and Clients for their consistent trust and support.

On behalf of the Board of Directors



ADEEL SHAHID ANWAR TATA
Chief Executive

Karachi:
Date: February 27, 2016

Deloitte.

Deloitte Yousuf Adil
Chartered Accountants
Cavish Court, A-35, Block 7 & 8
KCHSU, Sharea Faisal,
Karachi-75350
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AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**Introduction**

We have reviewed the accompanying condensed interim balance sheet of SALFI TEXTILE MILLS LIMITED (the Company) as at December 31, 2015, the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial information for the half year then ended (here-in-after referred to as condensed interim financial information). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for the interim financial reporting.

Chartered Accountants**Engagement Partner**

Mushtaq Ali Hirani

Dated: February 27, 2016
Karachi

Member of
Deloitte Touche Tohmatsu Ltd.

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015**

December 31,
2015
(Unaudited)
.....Rupees in '000'

June 30,
2015
(Audited)

Notes

ASSETS**NON-CURRENT ASSETS**

Property, plant and equipment	5	3,427,216	3,359,644
Intangible assets		2,296	2,984
Long term investments		549	489
Long term deposits		1,037	1,012
		3,431,098	3,364,129

CURRENT ASSETS

Stores, spares and loose tools		51,484	39,354
Stock-in-trade		1,842,286	956,771
Trade debts		511,384	375,037
Loans and advances		385,859	210,158
Trade deposits and short-term prepayments		3,688	2,392
Other receivables		396	403
Other financial assets		25,036	21,036
Sales tax refundable		34,495	51,742
Cash and bank balances		27,076	41,138
		2,881,704	1,698,031
TOTAL ASSETS		6,312,802	5,062,160

EQUITY AND LIABILITIES

Share capital and reserves	6	810,752	953,520
Surplus on revaluation of property, plant and equipment		1,559,425	1,583,021

NON-CURRENT LIABILITIES

Long-term finance	7	683,741	726,110
Deferred liabilities		65,653	63,506
		749,394	789,616

CURRENT LIABILITIES

Trade and other payables		961,236	407,809
Accrued interest / mark-up on borrowings		39,632	46,776
Short term borrowings		2,040,760	1,109,508
Current portion of long term finance		131,612	131,870
Provision for income tax		19,991	40,040
		3,193,231	1,736,003

Contingencies and commitments

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TOTAL EQUITY AND LIABILITIES

6,312,802 **5,062,160**

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR TATA
Chief Executive



ANWAR AHMED TATA
Chairman/Director

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

Notes	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
.....Rupees in '000'.....				
Sales	2,456,959	2,627,926	1,332,862	1,218,875
Cost of goods sold	9 (2,442,323)	(2,474,778)	(1,346,437)	(1,111,405)
Gross profit/(Loss)	14,636	153,148	(13,575)	107,470
Distribution cost	(62,905)	(74,670)	(28,631)	(36,752)
Administrative expenses	(55,286)	(42,914)	(30,226)	(19,126)
Other operating expenses	(8,166)	(1,894)	(3,389)	3,472
Finance cost	(75,026)	(61,825)	(36,171)	(34,728)
	(201,383)	(181,303)	(98,417)	(87,134)
Other income	4,005	3,879	2,742	2,518
(Loss) / profit before taxation	(182,742)	(24,276)	(109,250)	22,854
Provision for taxation	10 16,320	(27,160)	(12,916)	(13,655)
(Loss) / profit for the period	(166,422)	(51,436)	(122,166)	9,199
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Unrealised gain / (loss) on remeasurement of investment - available for sale	59	31	(46)	(63)
Total comprehensive income for the period	(166,363)	(51,405)	(122,212)	9,136
Earnings per share -				
Basic and diluted (Rupees)	(49.79)	(15.39)	(36.55)	2.75

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR TATA
Chief Executive


ANWAR AHMED TATA
Chairman/Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Half year ended	
	December 31, 2015	December 31, 2014
	.....Rupees in '000'.....	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(182,742)	(24,276)
Adjustments for		
Depreciation	73,080	51,299
Amortisation	688	688
Provision for staff retirement gratuity	11,585	10,747
Provision for staff compensated absences	4,238	2,081
Finance cost	75,026	61,825
Gain on disposal of property, plant and equipment	(663)	(904)
Operating cash flows before working capital changes	(18,788)	101,460
(Increase) / decrease in current assets		
Stores, spares and loose tools	(12,130)	(11,810)
Stock-in-trade	(885,515)	(876,101)
Trade debts	(136,347)	(98,241)
Loans and advances	(146,469)	(27,692)
Trade deposits and short-term prepayments	(1,296)	(2,577)
Other receivables	7	637
Other financial assets	(4,000)	(16,901)
Sales tax refundable	17,247	(21,973)
Increase in current liabilities		
Trade and other payables	553,426	93,290
Cash used in operations	(633,865)	(859,908)
Finance cost paid	(82,170)	(54,535)
Income tax paid	(32,961)	(34,913)
Staff gratuity paid	(10,005)	(4,398)
Compensated absences paid	(3,671)	(2,443)
Net cash used in operating activities	(762,672)	(956,197)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(142,027)	(173,462)
Proceeds from disposal of property, plant and equipment	2,038	2,533
Long term deposit paid	(25)	-
Net cash used in investing activities	(140,014)	(170,929)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	23,399	87,427
Repayment of long-term finance	(66,026)	(53,332)
Short term borrowings obtained-net	248,331	662,179
Dividend paid	-	(4,901)
Net cash generated from financing activities	205,704	691,373
Net decrease in cash and cash equivalents (A+B+C)	(696,982)	(435,753)
Cash and cash equivalents at the beginning of this period	(457,064)	36,298
Cash and cash equivalents at the end of this period	(1,154,046)	(399,455)
CASH AND CASH EQUIVALENTS		
Cash and bank balances	27,076	134,532
Short term running finances	(1,181,122)	(533,987)
	(1,154,046)	(399,455)

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR TATA
Chief Executive


ANWAR AHMED TATA
Chairman/Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015**

	Revenue Reserve					Total
	Issued, subscribed and paid-up Capital	General reserve	Other reserve	Unrealized (loss)/gain on remeasurement of investment available for-sale	Unappr- opriated profit	
	.....Rupees in '000'.....					
Balance at June 30, 2014	33,426	750,000	5,996	(198)	280,729	1,069,953
Total comprehensive income for the half year ended December 31, 2014						
Loss after taxation	-	-	-	-	(51,436)	(51,436)
Other comprehensive income	-	-	-	31	-	31
Total comprehensive income for the period	-	-	-	31	(51,436)	(51,405)
Transferred from surplus on revaluation of property, plant and equipment on account of:						
- incremental depreciation - net of deferred tax	-	-	-	-	13,933	13,933
- disposal - net of deferred tax	-	-	-	-	24	24
	-	-	-	-	13,957	13,957
Transactions with owners						
Final cash dividend for the year ended June 30, 2014 @ Rs. 1.5 per share	-	-	-	-	(5,014)	(5,014)
Balance at December 31, 2014	33,426	750,000	5,996	(167)	238,236	1,027,491
Total comprehensive income for the half year ended June 30, 2015						
Loss after taxation	-	-	-	-	(94,285)	(94,285)
Other comprehensive income	-	-	-	(151)	(170)	(321)
Total comprehensive income for the period	-	-	-	(151)	(94,455)	(94,606)

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2015**

	Revenue Reserve				Total
	Issued, subscribed and paid-up Capital	General reserve	Other reserve	Unrealized (loss)/gain on remeasurement of investment available for-sale	
.....Rupees in '000'.....					
Transferred from surplus on revaluation of property, plant and equipment on account of:					
- incremental depreciation - net of deferred tax	-	-	-	-	12,746
- disposal - net of deferred tax	-	-	-	-	7,889
	-	-	-	-	20,635
Balance at June 30, 2015	33,426	750,000	5,996	(318)	164,416
Total comprehensive income for the half year ended December 31, 2015					
Loss after taxation	-	-	-	-	(166,422)
Other comprehensive income	-	-	-	59	-
Total comprehensive income for the period	-	-	-	59	(166,422)
Transferred from surplus on revaluation of Property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	23,595
	-	-	-	-	23,595
Balance at December 31, 2015	33,426	750,000	5,996	(259)	21,589

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.


ADEEL SHAHID ANWAR TATA
Chief Executive


ANWAR AHMED TATA
Chairman/Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2015****1. LEGAL STATUS AND NATURE OF BUSINESS**

Salfi Textile Mills Limited (the Company) was incorporated in Pakistan on January 05, 1968 as a public limited company under the Companies Act, 1913 as repealed by the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange (formerly Karachi Stock Exchange Limited). The registered office of the Company is situated at 6th floor Textile Plaza, M.A. Jinnah Road, Karachi in the province of Sindh. The principal activity of the Company is manufacturing and sale of yarn. The Company's manufacturing facilities are located at Landhi Industrial Estate, Karachi in the province of Sindh.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company 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 shall prevail. This condensed interim financial information does not include all the information required for full financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2015.
- 2.2** This condensed interim financial information has been prepared under 'historical cost convention' modified by:
- certain items of property, plant and equipment have been included at the revalued amounts;
 - financial instruments at fair value; and
 - recognition of certain staff retirement benefits at present value.
- 2.3** This condensed interim financial information are presented in Pakistan Rupees which is the Company's functional currency and figures presented in this condensed interim financial information has been rounded off to the nearest thousand rupee.
- 2.4** This condensed interim financial information is unaudited. However, a limited scope review of this condensed interim financial information has been performed by the external auditors of the Company in accordance with the requirements of 5.19.13(b) of Rule Book of Pakistan Stock Exchange Limited and they have issued their review report thereon. This condensed interim financial information is being submitted to the shareholders as required by section 245 of Companies Ordinance, 1984.
- 2.5** The comparative balance sheet presented has been extracted from annual financial statements for the year ended June 30, 2015, whereas comparative condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity are stated from unaudited condensed interim financial information for the half year ended December 31, 2014.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The accounting policies, estimates, judgments and methods of computation followed in the preparation of this condensed interim financial information are the same as those applied in the preparation of the published annual financial statements for the year ended June 30, 2015.

Certain new IFRSs and amendments to existing IFRSs are effective for periods beginning on or after July 1, 2015, which do not have any impact on this condensed interim financial information except for IFRS 13 Fair Value Measurement. IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances.

The application of this standard does not have an impact on this condensed interim financial information except certain additional disclosures as given in note 5.2 and 12.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements as at and for the year ended June 30, 2015.

	Note	December 31, 2015 (Unaudited) ...Rupees in '000'...	June 30, 2015 (Audited)
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,325,372	3,350,559
Capital work-in-progress		101,844	9,084
		<u>3,427,216</u>	<u>3,359,644</u>

5.1 Following additions and disposals in operating fixed assets were made.

	Additions	Disposal (W.D.V)	Sales Proceeds
.....Rupees in '000'.....			
During the period ended December 31, 2015 (Unaudited)			
Plant and machinery	48,199	-	-
Factory equipment	214	-	-
Furniture and fixtures	193	-	-
Office equipment	570	-	-
Vehicles	91	1,375	2,038
	<u>49,267</u>	<u>1,375</u>	<u>2,038</u>

During the year ended June 30, 2015 (Audited)

Leasehold land	28,620	-	-
Building on leasehold land - Godown	127,204	-	-
Building on leasehold land - Mills	100,748	-	-
Plant and machinery	394,175	12,745	7,680
Factory equipment	13,377	-	-
Furniture and fixtures	1,452	-	-
Office equipment	2,766	178	801
Vehicles	9,068	1,140	3,062
	<u>677,410</u>	<u>14,063</u>	<u>11,543</u>

5.2 Fair value of property, plant and equipment

The Company's free hold land, building and plant and machinery are stated at revalued amounts, being the fair value at the date of revaluation, less subsequent depreciation and subsequent accumulated impairment losses, if any. The fair value measurements of the Company's free hold land, building and plant and machinery as at June 30, 2015 were performed by Iqbal A.Nanjee & Company (Private) Limited, an independent valuer.

Information about fair value hierarchy and assets classified under the hierarchy are as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

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	Level 1	Level 2	Level 3	Total
Rupees in '000'.....			
As at December 31, 2015				
Free hold land	-	696,000	-	696,000
Buliding on leasehold land	-	503,483	-	503,483
Plant and machinery	-	2,021,689	-	2,021,689
As at June 30, 2015				
Free hold land	-	696,000	-	696,000
Buliding on leasehold land	-	516,393	-	516,393
Plant and machinery	-	2,024,791	-	2,024,791

There were no transfers between levels of fair value hierarchy during the period / year.

	December 31, 2015 (Un-audited)	June 30, 2015 (Audited)
	.....Rupees in '000'.....	
6. SHARE CAPITAL AND RESERVES		
Authorized capital		
5,000,000 ordinary shares of Rs.10 each	50,000	50,000
Issued, subscribed and paid-up		
3,342,570 ordinary shares of Rs. 10 each	33,426	33,426
Revenue reserves		
-General reserve	750,000	750,000
-Other reserve	5,996	5,996
Revenue reserves		
-Unrealized loss in value of investments classified as available for sale	(259)	(318)
-Unappropriated profit	21,589	164,416
	810,752	953,520
7. LONG TERM FINANCE		
From banking companies - secured		
Term finance	810,796	852,680
Car finance	4,557	5,300
	815,353	857,980
Less: Current portion		
Term finance	(130,568)	(130,568)
Car finance	(1,044)	(1,302)
	(131,612)	(131,870)
	683,741	726,110

7.1 These finances are secured against first / joint pari passu charge on all present and future fixed assets and specific charge over imported machinery of the Company, vehicles acquired from vehicle loans and guarantee of the Company. These finances are subjected to mark-up at the rates ranging from 3 - 6 month KIBOR plus 1.00% to 1.25% per annum (June 30, 2015: 3 - 6 month KIBOR plus 1.00% to 1.25% per annum).

8. CONTINGENCIES AND COMMITMENTS**8.1 Contingencies**

There is no contingency to report as at December 31, 2015 and June 30, 2015

	Note	December 31, 2015 (Unaudited) ...Rupees in '000'...	June 30, 2015 (Audited)
8.2 Commitments			
(i) Civil works and machinery		124,967	1,922
(ii) Letters of credit for			
- plant and machinery		-	42,111
- stores and spares		1,238	693
- raw material		226,133	27,361
(iii) Bank guarantees	8.2.1	105,416	95,166
(iv) Bills discounted		461,807	361,893
(v) Outstanding sales contracts		80,005	42,917

8.2.1 This includes bank guarantee related to infrastructure cess amounting to Rs. 64.35 million (June 30, 2015: Rs.54.1 million) for which provision amounting to Rs. 49.5 million (June 30, 2015: Rs.44.4 million) has been made.

9. COST OF GOODS SOLD

Notes	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	.....Un-audited.....			
	.....Rupees in '000'.....			
Opening finished goods	247,210	186,670	178,393	111,618
Cost of goods manufactured	2,140,977	2,181,774	1,113,908	1,028,058
	2,388,187	2,368,444	1,292,301	1,139,676
Closing finished goods	(256,656)	(85,888)	(256,656)	(85,888)
Cost of manufactured goods sold	2,131,531	2,282,556	1,035,645	1,053,788
Cost of raw material sold	310,792	192,222	310,792	57,617
	<u>2,442,323</u>	<u>2,474,778</u>	<u>1,346,437</u>	<u>1,111,405</u>

9.1 Cost of goods manufactured

Raw material	9.1.1	1,611,907	1,663,284	858,757	766,267
Packing material		38,906	44,988	16,845	20,957
Stores and spares		30,093	25,423	14,825	11,970
Salaries, wages and benefits		154,346	126,243	80,229	64,268
Fuel and power		219,507	233,705	103,730	117,232
Insurance		4,934	8,193	1,499	3,567
Repairs and maintenance		7,253	7,025	4,979	3,166
Depreciation		68,336	46,377	34,340	24,066
Other overheads		9,574	15,463	5,200	10,311
		<u>2,144,856</u>	<u>2,170,701</u>	<u>1,120,404</u>	<u>1,021,804</u>
Work-in-process					
Opening stock		27,163	34,048	24,546	29,229
Closing stock		(31,042)	(22,975)	(31,042)	(22,975)
		(3,879)	11,073	(6,496)	6,254
		<u>2,140,977</u>	<u>2,181,774</u>	<u>1,113,908</u>	<u>1,028,058</u>

9.1.1 Raw material consumed

	Half Year Ended		Quarter Ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	.....Un-audited.....			
	.....Rupees in '000'.....			
Opening stock	682,397	629,002	537,269	499,503
Purchases - net	2,484,098	2,651,240	1,876,076	1,883,722
	<u>3,166,495</u>	<u>3,280,242</u>	<u>2,413,345</u>	<u>2,383,225</u>
Closing stock	(1,554,588)	(1,616,958)	(1,554,588)	(1,616,958)
	<u>1,611,907</u>	<u>1,663,284</u>	<u>858,757</u>	<u>766,267</u>

9.2 Net realisable value of finished goods was lower than its cost, which resulted in write down of Rs.16.17 million (December 31, 2014: 0.54) charged to cost of sales.

10. TAXATION

The charged for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

11. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Significant transactions with related parties are as follows:

Relationship with the party	Nature of transactions	December 31, 2015	December 31, 2014
		.....Un-audited.....	
		.....Rupees in '000'.....	
Associated undertakings	Share of expense received	2,280	2,001
	Share of expense paid	487	957
	Licensing fee received	2,124	2,124
	Purchase of raw material	-	42,088
	Rent income	300	-
	Purchase of Fixed Assets	1,989	-
	Purchase of power	205,392	215,119
	Dividend paid	-	549
	Sale of raw material	276,460	114,319
Directors	Meetings fee	55	60
	Short-term benefits	3,565	2,400
	Rent	1,814	1,814
	Dividend	-	3,928
Key management personnel	Short-term benefits	22,477	21,998

		December 31, 2015 (Unaudited) ...Rupees in '000'...	June 30, 2015 (Audited)
Outstanding balance			
Associated undertakings	Trade debts	123,518	-
	Trade creditors	(205,456)	-

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

Information about fair value hierarchy is defined in note 5.2 and financial assets classified under the hierarchy are as follows:

	Level 1	Level 2	Level 3	Total
	.....Rupees.....			
As at December 31, 2015				
Long term investment - available for sale	<u>549</u>	<u>-</u>	<u>-</u>	<u>549</u>
As at June 30, 2015				
Long term investment - available for sale	<u>489</u>	<u>-</u>	<u>-</u>	<u>489</u>

The Company has not disclosed the fair values of all other financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 27, 2016 by the Board of Directors of the Company.


ADEEL SHAHID ANWAR TATA
 Chief Executive


ANWAR AHMED TATA
 Chairman/Director

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