

ISHAQ

TEXTILE MILLS LIMITED



ARSHAD GROUP

**3rd Quarterly
Accounts**

**MARCH 31, 2014
(UN-AUDITED)**

COMPANY INFORMATION

CHAIRMAN	Mr. Muhammad Arshad
CHIEF EXECUTIVE	Mr. Nisar Ahmad Sheikh (Executive)
DIRECTORS	Mr. Shahzad Ahmad Sheikh (Executive) Mr. Shehryar Arshad Mr. Aizad Amer Mrs. Zareen Akhtar Mrs. Memoona Waseem Mrs. Noreen Shahzad
AUDIT COMMITTEE	
CHAIRMAN	Mr. Shehryar Arshad
MEMBER	Mr. Aizad Amer
MEMBER	Mrs. Noreen Shahzad
HR & REMUNERATION COMMITTEE	
CHAIRMAN	Mr. Muhammad Arshad
MEMBER	Mr. Shahzad Ahmad Sheikh
MEMBER	Mr. Shehryar Arshad
CHIEF FINANCIAL OFFICER	Mian Muhammad Tariq Iqbal
COMPANY SECRETARY	Mr. Muhammad Ikram Elahi
AUDITORS	Riaz Ahmad & Co. Chartered Accountants
BANKERS	Habib Bank Limited United Bank Limited Bank Alfalah Limited Faysal Bank Limited Bank Al-Habib Limited Al-Baraka Bank (Pakistan) Limited Habib Metropolitan Bank Limited
REGISTERED OFFICE	404-405, 4 th Floor, Business Centre, Mumtaz Hassan Road, Karachi. Tel. 021-32412814 <u>Web: www.arshadgroup.com</u>
SHARES REGISTRAR	Consulting One (Pvt) Limited, 478-D, Peoples Colony No.1, Faisalabad.
FACTORY	Sheikhupura Road, Tehsil Jaranwala, District Faisalabad.

DIRECTORS' REVIEW TO THE MEMBERS

The Directors of your Company feel pleasure in submitting un-audited financial information of your Company for the period ended March 31, 2014.

FINANCIAL RESULTS

	3 rd Quarter ended March 31, 2014	3 rd Quarter ended March 31, 2013
	(Rupees in Million)	
Sales	3,239.163	2,753.015
Cost of sales	<u>(2,962.824)</u>	<u>(2,461.675)</u>
Gross Profit	276.339	291.340
Operating and financial expenses	257.084	225.761
Profit after taxation	9.205	48.451
Earnings per share-basic	0.95	5.02

During the period under review sales were Rs.3,239.163 million as compared to Rs.2,753.015 million of corresponding period. Cost of sales was Rs.2,962.824 i.e. 91.47% as compared to Rs.2,461.675 million i.e. 89.42% of corresponding period. Gross profit was 8.53% as compared as compared to 10.58% in the corresponding period of last year.

During the period under review cost of sales was increased as compared to corresponding period. The operations of the Company were effected due to curtailment of supply of gas/power and increase in cost of other inputs including salaries wages and fuel power.

Future outlook

In the coming period profitability mostly depend upon availability of gas and power supply. The foreign currency rates are also not stable, steep drop in dollar against rupee will affect the profitability. By the grace of Almighty Allah, we are making efforts for better profitability in the period to come.

The Board places on record its appreciation for the loyalty and devotion to work by staff and workers of the Company.

FAISALABAD.

Dated: April 29, 2014

On behalf of the Board



(Nisar Ahmad Sheikh)

Chief Executive

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH 2014

	NOTE	UN-AUDITED 31 MAR 2014	AUDITED 30 June 2013	NOTE	UN-AUDITED 31 MAR 2014	AUDITED 30 June 2013
(Rupees in thousand)						
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized (before re-approval): 10 000 000 ordinary shares of Rupees 10 each		100,000	100,000			
Issued, subscribed & paid up share capital		96,600	96,600			
Reserves		479,162	467,013			
Total equity		575,762	563,613			
Surplus on revaluation of operating fixed assets - net of deferred tax		235,704	240,269			
LIABILITIES						
NON-CURRENT LIABILITIES						
Long term financing	5	169,486	186,278			
Deferred income tax liability		66,722	85,391			
Staff retirement gratuity	6	5,358	19,681			
Total		241,566	291,350			
CURRENT LIABILITIES						
Trade and other payables		238,749	177,040			
Accrued mark-up		33,688	27,709			
Short term borrowings		1,317,422	1,009,879			
Current portion of non-current liabilities		62,569	66,961			
Provision for taxation		30,358	27,342			
Total		1,682,786	1,308,931			
TOTAL LIABILITIES		1,924,352	1,600,281			
CONTINGENCIES AND COMMITMENTS						
TOTAL EQUITY AND LIABILITIES		2,735,818	2,404,163			
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	8	1,011,939	947,230			
Long term investments		7,228	6,831			
Long term loans		48	59			
Long term deposits		3,813	3,956			
Total		1,023,028	958,076			
CURRENT ASSETS						
Stores, spare parts and loose tools		50,884	61,045			
Stock-in-trade		879,829	679,963			
Trade debts		643,557	542,722			
Loans and advances		48,297	54,336			
Short term deposits and prepayments		1,798	378			
Other receivables		81,646	51,986			
Cash and bank balances		6,779	55,657			
Total		1,712,790	1,446,087			
TOTAL ASSETS		2,735,818	2,404,163			

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

Nisar Ahmad Sheikh

NISAR AHMAD SHEIKH
Chief Executive Officer

Shahzad Ahmad Sheikh

SHAHZAD AHMAD SHEIKH
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE 3RD QUARTER ENDED 31 MARCH 2014

NOTE	3rd QUARTER ENDED		QUARTER ENDED	
	31-Mar-14	31-Mar-13	31-Mar-14	31-Mar-13
----- (Rupees in Thousand) -----				
Sales	3,239,163	2,753,015	1,153,924	904,439
Cost of sales	9 (2,962,824)	(2,461,675)	(1,081,462)	(819,432)
Gross profit	276,339	291,340	72,462	85,007
Distribution cost	(92,616)	(72,037)	(29,785)	(22,692)
Administrative expenses	(50,783)	(44,587)	(15,740)	(15,185)
Other expenses	(1,180)	(5,232)	1,268	(709)
	(144,579)	(121,856)	(44,257)	(38,586)
	131,760	169,484	28,205	46,421
Other income	2,757	4,699	834	1,913
Profit from operations	134,517	174,183	29,039	48,334
Finance cost	(112,505)	(103,905)	(39,554)	(38,662)
Profit before taxation	22,012	70,278	(10,515)	9,672
Taxation	(12,807)	(21,827)	(847)	(10,893)
Profit/(loss) after taxation	9,205	48,451	(11,362)	(1,221)
Earnings/(loss) per share - basic and diluted (Rupees)	0.95	5.02	(1.18)	(0.13)

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



NISAR AHMAD SHEIKH
Chief Executive Officer



SHAHZAD AHMAD SHEIKH
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 3RD QUARTER ENDED 31 MARCH 2014

3rd Quarter ended		Quarter ended	
31 Mar 14	31 Mar 13	31 Mar 14	31 Mar 13

----- (Rupees in thousand) -----

Profit/(loss) after taxation	9,205	48,451	(11,362)	(1,221)
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income/(loss) for the period	<u>9,205</u>	<u>48,451</u>	<u>(11,362)</u>	<u>(1,221)</u>

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



NISAR AHMAD SHEIKH
Chief Executive Officer



SHAHZAD AHMAD SHEIKH
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 3RD QUARTER ENDED 31 MARCH 2014

	NOTE	3rd Quarter ended	
		31 Mar 2014	31 Mar 2013
Rupees in thousand			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash utilized in operations	10	(72,025)	(153,679)
Finance cost paid		(106,526)	(94,993)
Income tax paid		(39,473)	(22,611)
Staff retirement gratuity paid		(4,901)	(5,991)
Dividend paid		(1,548)	-
Net decrease in long term deposits		143	121
Net decrease in long term loans		11	21
Net cash utilized in operating activities		(224,319)	(277,132)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant & equipment		87	13,700
Investments made		-	(5,501)
Capital expenditure on property, plant & equipment		(111,209)	(119,702)
Net cash used in investing activities		(111,122)	(111,503)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		19,000	100,000
Repayment of long term financing		(39,980)	(33,689)
Short term borrowings - net		307,543	336,068
Net cash from financing activities		286,563	402,379
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(48,878)	13,744
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		55,657	9,388
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		6,779	23,132

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



NISAR AHMAD SHEIKH
Chief Executive Officer




SHAHZAD AHMAD SHEIKH
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 3RD QUARTER ENDED 31 MARCH 2014

	RESERVES			SUB TOTAL	TOTAL EQUITY
	CAPITAL RESERVES	REVENUE RESERVES			
	Share premium	Unappropri- ated Profit			
----- (Rupees in thousand) -----					
Balance as at 30 June 2012 (audited)	96,600	17,250	374,224	391,474	488,074
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	1,080	1,080	1,080
Profit for the 3rd quarter ended 31 March 2013	-	-	48,451	48,451	48,451
Other comprehensive income for the 3rd quarter ended 31 March 2013	-	-	-	-	-
Total comprehensive income for the 3rd quarter ended 31 March 2013	-	-	48,451	48,451	48,451
Balance as at 31 March 2013 (un-audited)	96,600	17,250	423,755	441,005	537,605
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	2,396	2,396	2,396
Profit for the quarter ended 30 June 2013	-	-	23,612	23,612	23,612
Other comprehensive income for the quarter ended 30 June 2013	-	-	-	-	-
Total comprehensive income for the quarter ended 30 June 2013	-	-	23,612	23,612	23,612
Balance as at 30 June 2013 (audited)	96,600	17,250	449,763	467,013	563,613
Final dividend for the year ended 30 June 2013 at the rate of Rupees 1.00 per share	-	-	(1,622)	(1,622)	(1,622)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	4,566	4,566	4,566
Profit for the 3rd quarter ended 31 March 2014	-	-	9,205	9,205	9,205
Other comprehensive income for the 3rd quarter ended 31 March 2014	-	-	-	-	-
Total comprehensive income for the 3rd quarter ended 31 March 2014	-	-	9,205	9,205	9,205
Balance as at 31 March 2014 (un-audited)	96,600	17,250	461,912	479,162	575,762

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


NISAR AHMAD SHEIKH
Chief Executive Officer


SHAHZAD AHMAD SHEIKH
Director

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE 3RD QUARTER ENDED 31 MARCH 2014

1. THE COMPANY AND ITS OPERATIONS

Ishaq Textile Mills Limited (the Company) is incorporated in Pakistan as a public limited Company under the Companies Ordinance, 1984 and is listed on the stock exchanges in Pakistan. The principal activity of the Company is manufacturing, sale and trading of yarn and cloth. The registered office of the Company is situated at Room No. 404-405, 4th Floor, Business Centre, Mumtaz Hassan Road, Karachi. The mills is located at Tehsil Jaranwala, District Faisalabad, in the province of Punjab.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited 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 period 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 as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). 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 for the year ended 30 June 2013.

3. ACCOUNTING POLICIES AND COMPUTATION METHODS

The accounting policies and methods of computations adopted 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 estimate as given below:

- 3.1** Until the previous year, the Company was operating unfunded gratuity scheme for all its employees except the employees at Head Office. However, from the current year, the Company has curtailed the unfunded gratuity scheme and started provident fund scheme for all of its permanent employees. The accounting policy of employees' provident fund as mentioned in annual published financial statements is adopted to these employees also. Impact of change of this accounting estimate on figures recognized in this condensed interim financial information could not be determined due to non-availability of actuarial valuation of gratuity.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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 31 Mar 2014	Audited 30 June 2013
	Rupees in thousand	
5. LONG TERM FINANCING		
Opening balance	243,614	221,250
Add: Obtained during the period / year	19,000	100,000
Less: Repaid during the period / year	39,980	68,011
Closing balance	222,634	253,239
Less: Current portion shown under current liabilities	53,148	66,961
	<u>169,486</u>	<u>186,278</u>
6. STAFF RETIREMENT GRATUITY		
Opening balance	19,680	24,184
Add: Charged for the period / year	-	9,915
Less: Paid during the period / year	4,901	14,418
	14,779	19,681
Less: Current portion shown under current liabilities	9,421	-
	<u>5,358</u>	<u>19,681</u>

- 6.1 Board of Directors in their meeting held on 30 September 2013, decided to curtail the staff retirement gratuity with effect from 01 July 2013 and transferred all its permanent employees to provident fund scheme. The amount of staff retirement gratuity will be paid to all the employees on monthly basis upto 30 September 2015.

7. CONTINGENCIES AND COMMITMENTS

a) Contingencies

- i) The Company is contingently liable for Rupees 2.400 million (30 June 2013: Rupees 2.100 million) to Director Excise and Taxation on account of import duty.
- ii) Guarantees of Rupees 34.442 million (30 June 2013: Rupees 26.942 million) have been given by the banks of the Company to Sui Northern Gas Pipelines Limited against gas connections and to Faisalabad Electric Supply Company Ltd. against electricity connection.
- iii) Post dated cheques of Rupees 4.551 million (30 June 2013: Rupees 8.409) are issued to custom authorities in respect of duties on imported machinery availed on the basis of installation and manufacturing. If documents of installations are not provided on due dates, cheques issued as security shall be encashable.

b) Commitments

- i) Letters of credit for capital expenditure are of Rupees Nil (30 June 2013: Rupees 3.063 million).
- ii) Letters of credit for other than capital expenditure are of Rupees 2.643 million (30 June 2013: Rupees Nil).

Un-Audited	Audited
31 Mar	30 June
2014	2013

Rupees in thousand

8. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets (Note 8.1)	931,395	945,960
Capital work-in-progress	80,544	1,270
	<u>1,011,939</u>	<u>947,230</u>

8.1 Operating fixed assets

Opening book value	945,960	699,155
Add: Cost of additions during the period/year (Note 8.1.1)	31,935	148,719
Effect of surplus on revaluation as at 28 June 2013	-	161,888
	<u>977,895</u>	<u>1,009,762</u>
Less: Book value of deletions during the period/year (Note 8.1.2)	74	12,314
	<u>977,821</u>	<u>997,448</u>
Less: Depreciation charged for the period/year	46,426	51,488
	<u>931,395</u>	<u>945,960</u>

8.1.1 Cost of additions during the period/year

Plant and machinery	19,418	142,694
Electric installations / appliances	-	1,624
Generators	2,495	958
Office equipment	-	59
Factory equipment	73	44
Computers	48	75
Vehicles	9,901	3,265
	<u>31,935</u>	<u>148,719</u>

8.1.2 Book value of deletions during the period / year

Plant and machinery	-	12,314
Vehicles	74	-
	<u>74</u>	<u>12,314</u>

(Un-audited)			
3rd Quarter Ended		Quarter Ended	
31 Mar 2014	31 Mar 2013	31 Mar 2014	31 Mar 2013

----- (Rupees in Thousand) -----

9. COST OF SALES

Raw material consumed	1,957,951	1,733,293	699,746	531,114
Cloth purchases	262,343	83,875	78,988	35,541
Processing charges	253,807	155,006	81,360	53,307
Sizing and beam filling	31,679	29,265	11,803	10,342
Loading and unloading	6,344	7,142	2,415	3,627
Salaries, wages and other benefits	140,394	126,659	43,531	40,003
Stores, spares and loose tools consumed	51,219	39,323	17,530	13,770
Packing material consumed	22,221	17,526	7,607	5,976
Repairs and maintenance	5,494	3,537	2,739	1,667
Fuel and power	282,397	228,322	102,972	82,856
Insurance	3,384	2,923	1,238	1,065
Other factory overheads	3,434	1,143	80	420
Depreciation	43,349	36,417	14,584	12,452
	<u>3,064,016</u>	<u>2,464,431</u>	<u>1,064,593</u>	<u>792,140</u>
Work in process				
Opening stock	53,192	31,214	40,875	29,022
Closing stock	(43,126)	(41,630)	(43,126)	(41,630)
	<u>10,066</u>	<u>(10,416)</u>	<u>(2,251)</u>	<u>(12,608)</u>
Cost of goods manufactured	3,074,082	2,454,015	1,062,342	779,532
Less: Transferred to weaving section	-	-	-	-
	<u>3,074,082</u>	<u>2,454,015</u>	<u>1,062,342</u>	<u>779,532</u>
Finished goods				
Opening stock	378,574	510,935	508,952	484,540
Closing stock	(489,832)	(503,275)	(489,832)	(503,275)
	<u>(111,258)</u>	<u>7,660</u>	<u>19,120</u>	<u>(18,735)</u>
	<u><u>2,962,824</u></u>	<u><u>2,461,675</u></u>	<u><u>1,081,462</u></u>	<u><u>760,797</u></u>

3rd Quarter ended	
31 Mar	31 Mar
2014	2013
Rupees in thousand	

10. CASH UTILIZED IN OPERATIONS

Profit before taxation	22,012	70,278
Adjustments for non-cash charges and other items:		
Depreciation	46,426	38,076
Provision for staff retirement benefits	-	2,567
Provision for workers' profit participation fund	1,180	3,780
Provision for workers' welfare fund	-	1,452
Gain on disposal of property, plant and equipment	(13)	(1,386)
Profit on long term investments	(397)	(347)
Finance cost	112,505	103,905
Working capital changes (10.1)	(253,738)	(372,004)
	<u>(72,025)</u>	<u>(153,679)</u>

10.1 Working capital changes**(Increase) / decrease in current assets:**

Stores, spare parts and loose tools	10,161	(16,710)
Stock in trade	(199,866)	(221,605)
Trade debts	(100,835)	(163,719)
Loans and advances	(19,264)	(6,974)
Short term deposits and prepayments	(1,420)	(11,758)
Other receivables	7,449	6,027
	<u>(303,775)</u>	<u>(414,739)</u>

Increase/(decrease) in current liabilities:

Trade and other payables	50,037	42,735
	<u>(253,738)</u>	<u>(372,004)</u>

11. SEGMENT INFORMATION

11.1

	Spinning		Weaving		Elimination of Inter-segment transactions		Total - Company	
	3rd Quarter ended (Un-audited)		3rd Quarter ended (Un-audited)		3rd Quarter ended (Un-audited)		3rd Quarter ended (Un-audited)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	(Rupees in thousand)							
Sales	1,375,050	1,218,599	2,122,112	1,667,064	(267,999)	(176,902)	3,239,163	2,708,701
Cost of sales	(1,072,885)	(1,025,499)	(2,147,938)	(1,632,468)	257,999	176,902	(2,962,824)	(2,481,065)
Gross profit	302,165	193,100	(25,826)	34,536	-	-	276,339	227,636
Distribution cost	(6,067)	(6,788)	(86,550)	(68,774)	-	-	(92,617)	(75,562)
Administrative expenses	(24,332)	(17,654)	(26,450)	(20,973)	-	-	(50,782)	(38,627)
Other operating expenses	-	-	(1,229)	-	-	-	(1,180)	-
	(30,399)	(24,442)	(114,229)	(89,747)	-	-	(144,579)	(114,189)
Profit/(loss) before taxation and unallocated income and expenses	271,766	168,658	(140,055)	(55,211)	-	-	131,760	113,447
Unallocated income and expenses								
Other operating income							2,757	2,813
Finance cost							(112,505)	(120,926)
Taxation							(12,607)	(12,005)
Profit/(loss) after taxation							9,205	(16,671)

11.2 Reconciliation of reportable segment assets and liabilities:

	Spinning		Weaving		Total - Company	
	3rd Quarter ended (Un-audited)		3rd Quarter ended (Un-audited)		3rd Quarter ended (Un-audited)	
	March 31, 2014	June 30, 2013	March 31, 2014	June 30, 2013	March 31, 2014	June 30, 2013
	(Rupees in thousand)					
Total assets for reportable segments	1,540,043	1,099,178	1,195,775	1,334,985	2,735,818	2,404,163
Total liabilities for reportable segments	707,076	532,819	1,150,554	982,071	1,857,630	1,514,890
Unallocated liabilities:						
Deferred tax					66,722	85,391
Total liabilities as per balance sheet					1,924,352	1,600,281

12. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated 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 are as follows:

(Un-Audited)		(Un-Audited)	
3rd QUARTER ENDED		QUARTER ENDED	
31 Mar	31 Mar	31 Mar	31 Mar
2014	2013	2014	2013

----- Rupees in thousand -----

i) Transactions**Associated companies/undertakings**

Purchase of goods	307,925	196,113	131,846	80,980
Fuel and power purchased	9,911	26,740	267	9,514
Processing, packing & doubling charges paid	205,939	139,654	80,558	52,026
Purchase of spare parts	2,107	-	1	-
Sale of goods	947,566	716,495	326,220	230,838
Sale of spare parts, chemicals, etc.	1,227	-	211	-
Sale of operating fixed assets	-	6,000	-	-
Doubling and conversion income	-	560	-	-
Other charges recovered / (paid) - net	26,851	1,413	8,659	929

Other related parties

Remuneration paid to Chief Executive Officer, Directors and executives	10,061	8,889	3,196	3,090
Loan obtained from directors	19,000	-	-	-
Company's contribution to Employees' Provident Fund Trust	5,172	3,153	1,942	2,676

Un-Audited	Audited
31-Mar-14	30-Jun-13
(Rupees in thousand)	

ii) Period end balances

Long term financing	118,000	99,000
Trade and other payables	42,638	17,448
Trade debts	231,261	163,209
Loans and advances	9,720	4,198

13. 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.

14. DATE OF AUTHORIZATION

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

15. 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 profit or loss and other comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

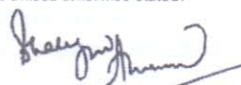
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made except for making certain re-arrangements in cost of sales as staff retirement benefits have been grouped in salaries, wages and other benefits instead of showing separately and showing net figure of raw material consumed instead of giving its reconciliation.

16. GENERAL

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



NISAR AHMAD SHEIKH
Chief Executive Officer



SHAHZAD AHMAD SHEIKH
Director