



of Companies

**HALF YEARLY ACCOUNTS
2017-2018
(UN - AUDITED)**

UMER GROUP OF COMPANIES

BLESSED TEXTILES LIMITED

Vision

A Premier quality Company
providing quality products
and maintaining an excellent
level of ethical and
professional standard.



Mission Statement

To become the leaders of
Textile products
in the local
&
international market
and to achieve
the highest level of success.

Directors' Review

On behalf of the board of directors of **Blessed Textiles Limited**, I am presenting the un-audited condensed interim financial statements for the half year ended 31st December, 2017.

Significant financial performance of the half year ended 31st December, 2017;

Profit after tax for the half year ended 31st December 2017 is PKR 161.148 million compared to PKR 139.575 million of the corresponding period ended 31st December, 2016.

Earnings per share for the half year ended 31st December 2017 is PKR 25.05 (31st December, 2016 PKR 21.70).

Break-up value of the share as on 31st December, 2017 is PKR 472.02 (30th June 2017: 462.26).

During the half year ended 31st December, 2017 profit has increased by PKR 21.574 million as compared to corresponding period ended 31st December, 2016.

Future Outlook

Despite huge strides made by Pakistan in the field of economic development since its existence, the textiles export profile is not as impressive as it should have been. The most concerned factor is reliance on too few trading partners that made us vulnerable to both external and internal exposures. After attaining the peak at \$13.73 billion in 2013-14, textile exports dropped to \$13.47 billion in 2014-15 and \$12.44 billion in 2015-16. Later, primarily due to propped up cash incentives under trade package they inched up 0.04% at \$12.45 billion in 2016-17 though still lower by more than a billion dollars than the peak.

Nonetheless, the textile exports took off, but challenges are still there that should be addressed to further ramp up growth of the sector. The industry's lack of competitiveness both in domestic and international arenas, in particular due higher cost of energy and liquidity issues.

The energy is a serious concern where industrial gas tariff is almost 100% higher and electricity price was about 50% higher compared to regional competitors. Punjab-based industries are compelled to consume high-priced regasified liquefied natural gas (RLNG) in winter, which puts them at a disadvantage compared to industrial units in other provinces. The next is liquidity stuck in the tax refund system is another stumbling block where exporters are awaiting for the release of billions of rupees blocked in sales tax, income tax and customs duty rebate claims, which has sparked severe liquidity crunch.

In spite of existing impediments faced by the textile industry the management is still optimistic for the promising future and determined to deliver improved financial results during the upcoming quarters.

Acknowledgement

The Board highly appreciates the contribution of employees, bankers, corporate regulators, stakeholders and other government authorities for their extended co-operation and support.



On behalf of the Board
MOHAMMAD AMIN
Chief Executive

Karachi: 23rd February, 2018



**RAHMAN SARFARAZ RAHIM
IQBAL RAFIQ**
Chartered Accountants

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Auditors' Report to the Members on Review Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Blessed Textiles Limited** ("the Company") as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of profit or loss and other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six months period then ended (here-in-after referred to as ("the 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 for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures for three months period ended December 31, 2017 of the condensed interim profit and loss account and condensed interim statement of profit or loss and other comprehensive income have not been reviewed as we are required to review only cumulative figures for the six months period ended on that date.

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 consist 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 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi: 23rd February, 2018

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Engagement Partner: IRFAN RAHMAN MALIK

**Condensed Interim Balance Sheet
as at December 31, 2017**

	December 31, 2017	June 30, 2017
Note	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited)</i>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
6,500,000 (June 30, 2017: 6,500,000) ordinary shares of Rs. 10 each	<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid-up capital	64,320,000	64,320,000
General reserve	2,800,000,000	2,800,000,000
Accumulated profits	171,697,210	108,958,561
TOTAL EQUITY	<u>3,036,017,210</u>	<u>2,973,278,561</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Long term finances - Secured	1,704,432,089	1,817,590,905
Deferred liabilities	470,461,818	444,531,359
	2,174,893,907	2,262,122,264
CURRENT LIABILITIES		
Trade and other payables	584,597,676	350,867,867
Accrued markup/interest	30,185,908	30,863,256
Short term borrowings - Secured	1,408,367,811	1,242,800,994
Current portion of non-current liabilities	263,283,068	221,741,940
	2,286,434,463	1,846,274,057
CONTINGENCIES AND COMMITMENTS		
	7	
TOTAL EQUITY AND LIABILITIES	<u>7,497,345,580</u>	<u>7,081,674,882</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



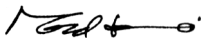
MOHAMMAD AMIN
Chief Executive

Karachi: 23rd February, 2018

**Condensed Interim Balance Sheet
as at December 31, 2017**

	December 31, 2017	June 30, 2017
Note	Rupees (Un-audited)	Rupees (Audited)
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	8	3,768,084,540
Long term deposits - <i>Unsecured, Considered good</i>	14,154,095	3,897,890,705
	3,782,238,635	3,912,044,800
CURRENT ASSETS		
Stores, spares and loose tools	81,439,894	72,384,810
Stock in trade	2,333,993,727	1,821,519,639
Trade debts	577,600,173	523,159,134
Advances, deposits, prepayments and other receivables	116,014,470	91,496,284
Sales tax refundable	156,761,702	264,688,706
Advance income tax	345,703,559	360,939,015
Cash and bank balances	103,593,420	35,442,494
	3,715,106,945	3,169,630,082
TOTAL ASSETS	<u>7,497,345,580</u>	<u>7,081,674,882</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


MOHAMMAD SALIM
Director


ANWAR HUSSAIN
Chief Financial Officer


**Condensed Interim Profit and Loss Account (Un-audited)
for the half year ended December 31, 2017**

Note	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Rupees	Rupees	Rupees	Rupees
Sales - net	4,799,777,185	3,955,397,126	2,410,399,799	2,035,393,345
Cost of sales	4,333,747,868	3,603,421,819	2,158,874,320	1,836,940,618
Gross profit	466,029,317	351,975,307	251,525,479	198,452,727
Selling and distribution expenses	91,037,711	68,098,991	41,017,925	33,709,983
Administrative and general expenses	60,095,649	53,754,438	29,624,990	27,497,226
	151,133,360	121,853,429	70,642,915	61,207,209
	314,895,957	230,121,878	180,882,564	137,245,518
Other income	1,834,537	40,105,180	881,138	517,705
Operating profit	316,730,494	270,227,058	181,763,702	137,763,223
Finance cost	79,121,523	77,123,497	42,697,932	40,474,261
Other charges	16,463,543	13,987,346	9,700,775	6,877,521
	95,585,066	91,110,843	52,398,707	47,351,782
Profit before taxation	221,145,428	179,116,215	129,364,995	90,411,441
Provision for taxation 9	59,997,215	39,541,691	30,129,998	20,363,930
Profit after taxation	161,148,213	139,574,524	99,234,997	70,047,511
Earnings per share - basic and diluted	25.05	21.70	15.43	10.89

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.




MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 23rd February, 2018



ANWAR HUSSAIN
Chief Financial Officer


**Condensed Interim Statement of Profit or Loss and Other
Comprehensive Income (Un-audited)
for the half year ended December 31, 2017**

	Half year ended		Quarter ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Profit after taxation	161,148,213	139,574,524	99,234,997	70,047,511
Other comprehensive income	-	-	-	-
Total comprehensive income	161,148,213	139,574,524	99,234,997	70,047,511

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 23rd February, 2018



ANWAR HUSSAIN
Chief Financial Officer

**Condensed Interim Cash Flow Statement (Un-audited)
for the half year ended December 31, 2017**

	December 31, 2017	December 31, 2016
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	221,145,428	179,116,215
Adjustments for non-cash and other items		
Finance cost	79,121,523	77,123,497
Gain on disposal of property, plant and equipment	(384,899)	(38,860,613)
Provision for employees retirement benefits	16,970,000	16,680,000
Depreciation	193,092,000	172,980,000
	288,798,624	227,922,884
Operating profit before changes in working capital	509,944,052	407,039,099
Changes in working capital		
Stores, spares and loose tools	(9,055,084)	(13,326,133)
Stock in trade	(512,474,088)	(98,535,409)
Trade debts	(54,441,039)	(84,386,794)
Advances, deposits, prepayments and other receivables	(24,518,186)	30,101,470
Sales tax refundable	107,927,004	(2,994,944)
Trade and other payables	232,688,274	173,118,907
Long term payables	20,099,517	653,744
	(239,773,602)	4,630,841
Net cash generated from operations	270,170,450	411,669,940
Payments for:		
Employees retirement benefits	(11,139,058)	(11,568,604)
Interest/markup	(79,798,871)	(74,705,666)
Income tax	(44,761,759)	(34,413,108)
Net cash generated from operating activities	134,470,762	290,982,562
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	(63,650,936)	(111,152,233)
Proceeds from disposal of property, plant and equipment	750,000	86,067,694
Net cash used in investing activities	(62,900,936)	(25,084,539)


**Condensed Interim Cash Flow Statement (Un-audited)
for the half year ended December 31, 2017**

	December 31, 2017	December 31, 2016
	<i>Rupees</i>	<i>Rupees</i>
CASH FLOW FROM FINANCING ACTIVITIES		
Long term finances obtained	28,868,000	42,134,620
Repayment of long term finances	(100,485,688)	(127,004,813)
Net increase/(decrease) in short term borrowings	165,566,817	(55,399,980)
Dividend paid	(97,368,029)	(29,595,395)
Net cash used in financing activities	(3,418,900)	(169,865,568)
NET INCREASE IN CASH AND CASH EQUIVALENTS	68,150,926	96,032,455
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	35,442,494	65,245,024
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	103,593,420	161,277,479

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.



MOHAMMAD AMIN
Chief Executive



MOHAMMAD SALIM
Director

Karachi: 23rd February, 2018




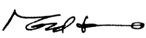
ANWAR HUSSAIN
Chief Financial Officer

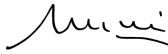
**Condensed Interim Statement of Changes in Equity (Un-audited)
for the half year ended December 31, 2017**

	Share capital	Revenue reserves		Total equity
	Issued subscribed and paid-up capital	General reserves	Accumulated profit	
	Rupees	Rupees	Rupees	Rupees
Balance as at July 01, 2016 - Audited	64,320,000	2,600,000,000	94,730,673	2,759,050,673
Comprehensive income				
Profit after taxation	-	-	139,574,524	139,574,524
Other comprehensive income	-	-	-	-
	-	-	139,574,524	139,574,524
Transaction with owners				
Final dividend @ 50% i.e. Rs. 5 per ordinary share	-	-	(32,160,000)	(32,160,000)
Balance as at December 31, 2016 - Un-audited	<u>64,320,000</u>	<u>2,600,000,000</u>	<u>202,145,197</u>	<u>2,866,465,197</u>
Balance as at January 01, 2017 - Un-audited	64,320,000	2,600,000,000	202,145,197	2,866,465,197
Comprehensive income				
Profit after taxation	-	-	106,221,976	106,221,976
Other comprehensive income	-	-	591,388	591,388
Total comprehensive income	-	-	106,813,364	106,813,364
Transaction with owners				
Profit transferred to general reserve	-	200,000,000	(200,000,000)	-
Balance as at June 30, 2017 - Audited	<u>64,320,000</u>	<u>2,800,000,000</u>	<u>108,958,561</u>	<u>2,973,278,561</u>
Balance as at July 01, 2017 - Audited	64,320,000	2,800,000,000	108,958,561	2,973,278,561
Comprehensive income				
Profit after taxation	-	-	161,148,213	161,148,213
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	161,148,213	161,148,213
Transaction with owners				
Final dividend @153% i.e. Rs.15.30 per ordinary share	-	-	(98,409,564)	(98,409,564)
Balance as at December 31, 2017- Un-audited	<u>64,320,000</u>	<u>2,800,000,000</u>	<u>171,697,210</u>	<u>3,036,017,210</u>

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.


MOHAMMAD AMIN
Chief Executive


MOHAMMAD SALIM
Director


ANWAR HUSSAIN
Chief Financial Officer

Karachi: 23rd February, 2018

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

1 REPORTING ENTITY

Blessed Textiles Limited ('the Company') is incorporated in Pakistan as a Public Limited Company under the repealed Companies Ordinance, 1984 (now Companies Act 2017) and is listed on Pakistan Stock Exchange. The Company is primarily engaged in the manufacture and sale of yarn and woven fabric, however, it is also engaged in the generation of electricity for self consumption. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S.M. Farooq Road, Korangi Industrial Area, Karachi. The manufacturing facility is located at District Sheikhpura in the Province of Punjab.

2 BASIS OF PREPARATION

The financial information contained in this interim financial report is un-audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial information should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2016.

This condensed interim financial information has been subjected to limited scope review by the auditors of the Company, as required by the Code of Corporate Governance. The comparative interim balance sheet as at June 30, 2017 and the related notes to the condensed interim financial information are based on audited financial statements. The comparative interim profit and loss account, interim statement of profit or loss and other comprehensive income, interim cash flow statement, interim statement of changes in equity and related notes to the condensed interim financial information for the six months period ended December 31, 2017 are based on unaudited, reviewed interim financial information. The interim profit and loss account and interim statement of profit or loss and other comprehensive income for the three months period ended December 31, 2017 and December 31, 2016 are neither audited nor reviewed.

2.1 Statement of compliance

The Companies Act 2017 ('the Act') has been enacted on May 30, 2017, however, Securities and Exchange Commission of Pakistan vide its circular no. 23 of 2017 dated October 04, 2017 communicated that the Commission has decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements including the interim financial information in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, this interim financial report has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of and directives issued under the repealed Companies Ordinance, 1984 have been followed.

2.2 Basis of measurement

The financial information contained in this interim has been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In this financial information, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

2.3 Judgments, estimates and assumptions

The preparation of financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

2.4 Functional currency

This financial information is prepared in Pak Rupees which is the Company's functional currency.

Notes to the Condensed Interim Financial Information (Un-audited) for the half year ended December 31, 2017

3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE YEAR.

The following new and revised standards, interpretations and amendments are effective in the current year but are either not relevant to the Company or their application does not have any material impact on the financial statements of the Company other than presentation and disclosures.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12 - Income Taxes)

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets have been amended to clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

Disclosure initiative (Amendments to IAS 7 - Statement of Cash Flows)

IAS 7 - Statement of Cash Flows have been amended to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 12 - Disclosure of Interests in Other Entities)

IFRS 12 - Disclosure of Interests in Other Entities have been amended to clarify the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments (2014)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers (2014)	January 01, 2018
IFRS 16 – Leases (2016)	January 01, 2019
IFRS 17 – Insurance contracts (2017)	January 01, 2021
Clarifications to IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 - Foreign Currency Transactions and Advances Consideration	January 01, 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	January 01, 2019
Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)	January 01, 2018

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

	Effective date (annual periods beginning on or after)
Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 - Insurance Contracts)	January 01, 2018
Transfers of Investment Property (Amendments to IAS 40)	January 01, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle (IFRS 1 - First-time Adoption of International Financial Reporting Standards and IAS 28 - Investments in Associates and Joint Ventures)	January 01, 2018
Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)	January 01, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)	January 01, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 01, 2019
Companies Act, 2017	January 01, 2018

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 234 of the repealed Companies Ordinance, 1984 regarding their adoption. The management anticipates that, except as stated below, the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

IFRS 9 – Financial Instruments: Classification and Measurement (2014)

IFRS 9 replaces IAS 39 - Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their cash flow characteristics. The standard introduces a 'fair value through comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to measurement of entity's own credit risk.
- Impairment: IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit loss to have occurred before a credit loss is recognized.
- Hedge accounting: IFRS 9 introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposure.
- Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Adoption of this IFRS 9 may result in material adjustment to carrying amounts of financial assets and liabilities. However, the financial impact of the same cannot be estimated with reasonable certainty at this stage.

5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2017.

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

		December 31, 2017	June 30, 2017
	<i>Note</i>	<i>Rupees (Un-audited)</i>	<i>Rupees (Audited)</i>
6 DEFERRED LIABILITIES			
These include the following:			
Employees retirement benefits		113,961,002	108,130,060
Long term payables		143,054,553	122,955,036
Deferred taxation		213,446,263	213,446,263
		<u>470,461,818</u>	<u>444,531,359</u>
7 CONTINGENCIES AND COMMITMENTS			
7.1 Contingencies			
7.1.1 Bills discounted/negotiated as at the reporting date amount to Rs. 142.904 million (June 30, 2017: Rs. 988.406 million).			
7.1.2 There is no significant change in the status of remaining contingencies since June 30, 2017.			
7.2 Commitments			
7.2.1 Commitments under irrevocable letters of credit for:			
- purchase of stores, spares and loose tools		1,882,670,796	2,079,514
- purchase of raw material		11,932,154	12,649,155
		<u>1,894,602,950</u>	<u>14,728,669</u>
7.2.2 Commitments for capital expenditure		-	109,362,790
8 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	8.1	3,675,294,485	3,868,751,586
Capital work in progress		92,790,055	29,139,119
		<u>3,768,084,540</u>	<u>3,897,890,705</u>
8.1 Operating fixed assets			
Net book value at the beginning of the period/year		3,868,751,586	3,511,366,822
Additions during the period/year			
Factory buildings		-	37,539,856
Plant and machinery		-	702,718,833
Equipment and other assets		-	3,449,505
Electric installation		-	22,016,393
Vehicles		-	11,342,512
		-	777,067,099
Net book value of assets disposed during the period/year		(365,101)	(58,756,818)
Depreciation for the period/year		(193,092,000)	(360,925,517)
Net book value at the end of the period/year		<u>3,675,294,485</u>	<u>3,868,751,586</u>

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

	Note	Half year ended		Quarter ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
9 PROVISION FOR TAXATION					
Provision for taxation					
Current taxation	9.1	59,997,215	39,541,691	30,129,998	20,363,930
Deferred taxation	9.2	-	-	-	-
		<u>59,997,215</u>	<u>39,541,691</u>	<u>30,129,998</u>	<u>20,363,930</u>

9.1 Provision for current tax has been made in accordance with the requirements of section 113 and 169 of the Income Tax Ordinance, 2001.

9.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits and dividend on ordinary shares. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on arm's length basis .

Details of transactions and balances with related parties is as follows:

	Nature of relationship	Nature of transaction	Half year ended	
			December 31, 2017	December 31, 2016
			<i>Rupees (Un-Audited)</i>	<i>Rupees (Un-Audited)</i>
10.1 Transactions with related parties				
	Associated companies	Purchases	238,665,351	150,205,460
		Sales	608,195,324	513,854,127
		Service received	154,500	162,000
		Purchase of electricity	322,880,495	310,461,874
		Dividend paid	18,194,148	5,945,800
	Key management Personal	Short term employees benefits	16,970,000	8,700,000

10.2 Balances with related parties

There are no balances due to/from related parties as at the reporting date.

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**
11 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	December 31, 2017	June 30, 2017
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
Financial assets		
<i>Loans and receivables</i>		
Long term deposits	14,154,095	14,154,095
Trade debts	577,600,173	523,159,134
Security deposits	54,941,088	54,074,816
Bank balances	103,593,420	35,442,494
	<u>750,288,776</u>	<u>626,830,539</u>
Financial liabilities		
<i>Financial liabilities at amortized cost</i>		
Long term finances	1,967,715,157	2,039,332,845
Short term borrowings	1,408,367,811	1,242,800,994
Accrued interest/markup	30,185,908	30,863,256
Trade creditors	394,616,464	199,316,254
Accrued liabilities	152,303,487	111,577,080
Unclaimed dividend	4,300,124	3,258,589
	<u>3,957,488,951</u>	<u>3,627,149,018</u>

12 FAIR VALUE MEASUREMENTS

The Company measures some of its financial instruments at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy as specified in IFRS-13 fair value measurement. The aforementioned hierarchy reflects the significance of the inputs used in making the measurements and has the following levels.

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).

The fair value hierarchy of financial instruments measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

12.1 Financial instruments measured at fair value
12.1.1 Recurring fair value measurements

There are no recurring fair value measurements as at the reporting date.

12.1.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

12.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value at the end of each reporting period to approximate their fair values as at the reporting date.

12.3 Assets and liabilities other than financial instruments.

None of the assets and liabilities other than financial instruments are measured at fair value.

13 SEGMENT REPORTING

The Company has two reportable segments, which offer different products and are managed separately. The following summary describes the operations in each of the company's reportable segments.

Reportable segment	Principal activity
Spinning	Manufacture and sale of yarn
Weaving	Manufacture and sale of woven fabric

Information about operating segments as at December 31, 2017 and for the half year then ended is as follows:

	Half year ended December 31, 2017		
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	<u>3,481,240,291</u>	<u>1,318,536,894</u>	<u>4,799,777,185</u>
Inter-segment transfers	<u>167,702,827</u>	<u>-</u>	<u>167,702,827</u>
Segment results	<u>206,202,008</u>	<u>110,528,486</u>	<u>316,730,494</u>

	Half year ended December 31, 2016		
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Total Rupees (Un-audited)
Revenue from external customers	<u>2,731,239,040</u>	<u>1,224,158,086</u>	<u>3,955,397,126</u>
Inter-segment transfers	<u>194,482,315</u>	<u>-</u>	<u>194,482,315</u>
Segment results	<u>163,058,948</u>	<u>107,168,110</u>	<u>270,227,058</u>

	As at December 31, 2017			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment assets	<u>5,373,796,930</u>	<u>1,763,690,996</u>	<u>359,857,654</u>	<u>7,497,345,580</u>

**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

	As at June 30, 2017			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment assets	<u>4,954,154,963</u>	<u>1,752,426,809</u>	<u>375,093,110</u>	<u>7,081,674,882</u>

	As at December 31, 2017			
	Spinning Rupees (Un-audited)	Weaving Rupees (Un-audited)	Un-allocated Rupees (Un-audited)	Total Rupees (Un-audited)
Segment liabilities	<u>560,674,957</u>	<u>251,618,675</u>	<u>3,649,034,738</u>	<u>4,461,328,370</u>

	As at June 30, 2017			
	Spinning Rupees (Audited)	Weaving Rupees (Audited)	Un-allocated Rupees (Audited)	Total Rupees (Audited)
Segment liabilities	<u>344,448,076</u>	<u>205,535,395</u>	<u>3,558,412,850</u>	<u>4,108,396,321</u>

14 RECLASSIFICATIONS

The following have been reclassified for better presentation.

Particulars	From	To	December 31, 2017	June 30, 2017
			Rupees (Un-audited)	Rupees (Audited)
Gas Infrastructure Development Cess Payable	Accrued liabilities	Long term payable	88,852,261	69,683,970

15 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in this condensed interim financial report.

16 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these financial statements.

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information have been approved by the Board of Directors of the Company and authorized for issue on February 23, 2018.


**Notes to the Condensed Interim Financial Information (Un-audited)
for the half year ended December 31, 2017**

18 GENERAL

- 18.1** There are no other significant activities since June 30, 2017 affecting the interim financial information.
- 18.2** Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there were no significant reclassifications during the period other than those referred to in note 14.
- 18.3** Figures have been rounded off to the nearest Rupee.



MOHAMMAD AMIN
Chief Executive


MOHAMMAD SALIM
Director

Karachi: 23rd February, 2018


ANWAR HUSSAIN
Chief Financial Officer

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