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## COMPANY INFORMATION

### Board Of Directors

Mr. Mughis A. Sheikh	(Chairman)
Mr. Fareed M. Sheikh	(Chief Executive Officer)
Mr. Muhammad Tariq	
Mr. Muhammad Atta Ullah Khan	
Mr. Muhammad Ashraf Saif	
Mr. Abdul Hakeem Khan Qasuria	
Mr. Muhammad Ikram UI Haq	

### Board Committees

#### Audit Committee

Mr. Muhammad Ashraf Saif	(Chairman)
Mr. Muhammad Atta Ullah Khan	
Mr. Abdul Hakeem Khan Qasuria	

#### HR & Remuneration Committee

Mr. Muhammad Ashraf Saif	(Chairman)
Mr. Muhammad Ikram UI Haq	
Mr. Abdul Hakeem Khan Qasuria	

#### Chief Financial Officer

Mr. Atta Mohyuddin Khan

#### Company Secretary

Mr. Muhammad Abid

#### Auditors

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

#### Legal Advisor

Mrs. Aniqua Riaz  
Advocate

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**Registered Office**

M. Ismail Aiwan-e-Science Building  
205 Ferozpur Road, Lahore-54600  
Phone: 042-35758970-2  
Fax : 042-35763247  
Email: [corporate@colonytextiles.com](mailto:corporate@colonytextiles.com)  
Website: [www.colonytextiles.com](http://www.colonytextiles.com)

**Share Registrar**

Hameed Majeed Associates (Pvt.) Limited  
HM House, 7 Bank Square  
Lahore.  
Phone: (042) 37235081-2, Fax: 042-37358817  
Email: [shares@hmaconsultants.com](mailto:shares@hmaconsultants.com)

**Bankers**

Faysal Bank Limited  
Habib Bank Limited  
KASB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Soneri Bank Limited  
Standard Chartered Bank (Pakistan) Limited  
Silk Bank Limited  
The Bank of Punjab  
United Bank Limited  
Summit Bank Limited  
Albarka Bank (Pakistan) Limited  
First Punjab Modarba

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## DIRECTORS' REVIEW

Dear Members

It is our pleasure to present here our interim condensed financial statements for the half year ended December 31, 2014, duly reviewed by statutory auditors.

Your company has achieved net turnover of Rs. 8,251 million for this half year (2013: Rs. 11,126 million) and earned gross profit of Rs. 499 million as compared with Rs. 871 million for the same period of the last year. The net loss for the period is Rs. 338 million compared with loss of Rs. 193 million for the same period of the last year and consequently loss per share is Rs. 0.68 (2013: loss per share Rs. 0.39).

Depressed global market conditions and heavy government subsidies given by the competing countries for exports are making the Pakistani products extremely unviable. Pakistan is losing edge to its competitors and pushed many of its international buyers towards India and China. On the other hand there are insufficient barriers of entry to protect dumping of yarns and fabrics in our domestic market by India and China and we are facing intense hardship internationally and at home.

Load shedding and lower share of cheap gas available to Punjab mills along with higher wage structure is creating disparity even within the country and making it extremely tough for Punjab mills to survive. To make matters worse, government's decision to keep Rupee unnaturally higher is making our exports further unviable.

The biggest obstacle that your company is facing is lack of sufficient banking lines which exposes us to raw material fluctuations and makes it extremely difficult to explore and capitalise on business opportunities.

### Future Outlook

Without proper export subsidies and import barriers it is difficult for the textile sector to perform. Our government also needs to devalue the Rupee immediately.

Alhamdulillah we've been blessed with a sizeable cotton crop but large part of the crop has been picked up by the mills and now largely inferior quality is left behind and we fear that the prices may start moving up. Energy crises, law and order and high inflation clubbed with aggressively subsidized Indian and Chinese textiles would make the next quarters tough as well.

On the positive side the prime rate has been reduced and the new textile policy is on the horizon which will hopefully address some of our worries.

We would like to place on record our deep appreciation for the efforts of our executives, officers and other staff members for their hard work, cooperation and sincerity to the company. We would also like to thank our bankers for their support and facilitation.

**For and on behalf of the Board**

**Multan**  
**February 28, 2015**

**Fareed M. Sheikh**  
**Chief Executive Officer**

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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 Colony Textile Mills Limited ("the company") as at 31 December 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the financial information for the six months period then ended (here-in-after referred to as the "interim financial information"). Management of the company is responsible for the preparation and presentation of this 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 interim financial information based on our review" The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures of the six months period ended 31 December 2014.

### Scope of Review

We conducted our review in accordance with the 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 procedure. 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 interim financial information as of and for the half year ended 31 December 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore  
February 28, 2015

**Tariq Abdul Ghani Maqbool & Co.**  
**Chartered Accountants**  
**Shahid Mehmood**

## CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2014

	Note	Un-Audited December 31, 2014	Audited June 30, 2014
(Rupees "000")			
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital	7	4,980,100	4,980,100
Reserve arising on amalgamation		3,156,388	3,156,388
General reserves		4,702	4,702
Revenue reserves		1,084,583	1,422,468
Surplus on remeasurement of investments		548	612
		<u>9,226,321</u>	<u>9,564,270</u>
<b>Non Current Liabilities</b>			
Long term finances	8	6,986,620	7,341,006
Director subordinated loan		120,000	120,000
Liabilities against assets subject to finance lease		49,133	50,581
Deferred liabilities		2,476,725	2,162,505
		<u>9,632,478</u>	<u>9,674,092</u>
<b>Current Liabilities</b>			
Trade and other payables		1,540,292	1,499,618
Short term borrowings	9	4,325,584	4,495,475
Accrued mark-up		881,435	948,806
Current portion of long term liabilities		1,896,524	1,705,848
Provision for taxation		306,707	226,743
		<u>8,950,542</u>	<u>8,876,490</u>
		<u>27,809,341</u>	<u>28,114,852</u>
<b>Contingencies and Commitments</b>			
	10	-	-
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Property, plant and equipment	11	20,005,268	20,023,366
Investment property		431,615	431,615
Long term investments	12	274,978	290,602
Long term deposits		58,193	58,193
		<u>20,770,054</u>	<u>20,803,776</u>
<b>Current Assets</b>			
Stores, spares and loose tools		256,142	241,547
Stock in trade	13	5,020,449	5,179,487
Trade debts		831,948	997,097
Loans and advances		221,604	184,950
Trade deposits and short term prepayments		85,925	79,445
Other financial assets		31	30
Tax refunds due from Government		562,724	563,639
Cash and bank balances		60,464	64,881
		<u>7,039,287</u>	<u>7,311,076</u>
		<u>27,809,341</u>	<u>28,114,852</u>

The annexed notes from 01 to 20 form an integral part of this condensed interim financial information.

Chief Financial Officer

Director

Chief Executive Officer

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	Six months period ended		Three months period ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		(Rupees "000")		(Rupees "000")	
Sales - net	14	8,251,366	11,126,760	4,173,180	5,556,190
Cost of sales	15	(7,752,432)	(10,255,998)	(3,942,830)	(5,184,414)
Gross profit		498,934	870,762	230,350	371,776
Distribution cost		(101,702)	(150,052)	(57,233)	(72,267)
Administrative expenses		(110,780)	(143,278)	(55,229)	(78,277)
Finance cost		(535,777)	(701,740)	(248,725)	(333,453)
		(748,259)	(995,070)	(361,187)	(483,997)
Loss before taxation		(249,325)	(124,308)	(130,837)	(112,221)
Other (loss)/income	16	(8,596)	42,829	(13,472)	10,418
		(257,921)	(81,479)	(144,309)	(101,803)
Taxation		(79,964)	(111,268)	(42,810)	(55,562)
Loss for the period		(337,885)	(192,747)	(187,119)	(157,365)
<b>Other comprehensive income:</b>					
Items that may be reclassified to profit and loss account:					
(Loss)/gain on remeasurement of Investments					
		(64)	53	(64)	53
<b>Total comprehensive loss</b>		<b>(337,949)</b>	<b>(192,694)</b>	<b>(187,183)</b>	<b>(157,312)</b>
Loss per share - basic and diluted (Rupees)		<b>(0.68)</b>	(0.39)	<b>(0.38)</b>	(0.32)

The annexed notes from 01 to 20 form an integral part of this condensed interim financial information.

Chief Financial Officer

Director

Chief Executive Officer

## CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Un-Audited December 31, 2014	Un-Audited December 31, 2013
	(Rupees "000")	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period before taxation	(257,921)	(81,479)
Adjustments for:		
Provision for staff retirement benefits	32,634	26,627
Depreciation	414,696	418,893
Share of loss/(profit) from investment in CSUML	15,560	(602)
Gain on disposal of property, plant and equipment	-	(1,097)
Finance cost	535,777	701,740
	<u>998,667</u>	<u>1,145,561</u>
Operating cash flows before working capital changes	740,746	1,064,082
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(14,595)	(77,224)
Stock in trade	159,038	(73,257)
Trade debts	165,149	(232,700)
Loans, advances, deposits and other receivables	(43,134)	(130,549)
Tax refunds due from Government	915	(31,933)
Increase / (decrease) in current liabilities:		
Trade and other payables	89,396	104,263
	<u>356,769</u>	<u>(441,400)</u>
Cash generated from operating activities	1,097,515	622,682
Finance cost paid	(305,611)	(331,979)
Gratuity paid	(13,560)	(13,600)
Income tax paid	(56,511)	(83,794)
	<u>(375,682)</u>	<u>(429,373)</u>
<b>Net cash generated from operating activities</b>	<b>721,833</b>	<b>193,309</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(410,969)	(178,442)
Proceeds from disposal of property, plant and equipment	-	3,336
<b>Net cash used in investing activities</b>	<b>(410,969)</b>	<b>(175,106)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finances repaid	(134,830)	(203,491)
Repayment of lease finance	(10,560)	(12,536)
Short term borrowings - net	(169,891)	191,022
<b>Net cash used in financing activities</b>	<b>(315,281)</b>	<b>(25,005)</b>
Net decrease in cash and cash equivalents	(4,417)	(6,802)
Cash and cash equivalents at beginning of the period	64,881	74,262
Cash and cash equivalents at end of the period	<u>60,464</u>	<u>67,460</u>

The annexed notes from 01 to 20 form an integral part of this condensed interim financial information.

Chief Financial Officer

Director

Chief Executive Officer



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Share capital	Reserve arising on amalgamation	RESERVES			Total
			General reserves	Unappropriated profit/(loss)	Remeasurement gain/(loss)	
..... Rupees "000" .....						
Balance at 01 July 2013	4,980,100	3,156,388	4,702	1,633,586	637	9,775,413
<b>Other comprehensive Income:</b>						
Loss for the half year ended 31 December 2013	-	-	-	(192,747)	-	(192,747)
Gain on remeasurement of investments	-	-	-	-	53	53
Total comprehensive loss for the six months period ended 31 December 2013	-	-	-	(192,747)	53	(192,694)
Balance as at 31 December 2013	4,980,100	3,156,388	4,702	1,440,839	690	9,582,719
<b>Other comprehensive Income:</b>						
Loss for the half year ended 30 June 2014	-	-	-	(19,797)	-	(19,797)
Effect of change in accounting policy in respect of remeasurement of staff retirement benefit obligation	-	-	-	1,426	-	1,426
Loss on remeasurement of investments	-	-	-	-	(78)	(78)
Total comprehensive loss for the six months period ended 30 June 2014	-	-	-	(18,371)	(78)	(18,449)
Balance at 01 July 2014	4,980,100	3,156,388	4,702	1,422,468	612	9,564,270
<b>Other comprehensive Income:</b>						
Loss for the half year ended 31 December 2014	-	-	-	(337,885)	-	(337,885)
Loss on remeasurement of investments	-	-	-	-	(64)	(64)
Total comprehensive loss for the six months period ended 31 December 2014	-	-	-	(337,885)	(64)	(337,949)
Balance as at 31 December 2014	<b>4,980,100</b>	<b>3,156,388</b>	<b>4,702</b>	<b>1,084,583</b>	<b>548</b>	<b>9,226,321</b>

The annexed notes from 01 to 20 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Financial Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Executive Officer

## SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Colony Textile Mills Limited is a public company limited by shares incorporated in Pakistan on 12 January 2011 under the provisions of the Companies Ordinance, 1984. The company is listed on Karachi Stock Exchange Limited. The company's registered office is located at M. Ismail Aiwan-i-Science, Ferozpur Road, Lahore, Pakistan. The principal activity of the company is manufacturing and sale of yarn, fabrics, garments made ups and trading in real estate.

### 2. AMALGAMATION OF COLONY MILLS LIMITED AND COLONY INDUSTRIES (PRIVATE) LIMITED WITH AND INTO COLONY TEXTILE MILLS LIMITED

During last year the Honourable Lahore High Court through its order vide C.O. No. 20/2013 dated 24 March 2014 along with amended order dated 04 April 2014 had approved the scheme of amalgamation (the scheme) and granted sanction order for the amalgamation of Colony Mills Limited (CML) and Colony Industries (Private) Limited (CIL) with and into Colony Textile Mills Limited (CTML). The proposal for the amalgamation and a scheme of amalgamation was approved by the Board of Directors and shareholders of the company, CML and CIL.

Pursuant to the aforementioned approvals and the sanction of the scheme of amalgamation by the Honourable Lahore High Court, the entire undertakings of CML and CIL including properties, assets, liabilities and the rights and obligations of CML and CIL with effect from 01 July 2013 had been amalgamated into and vested in the company (CTML).

This amalgamation was accounted for in the books using "Pooling of interest" method as it was a business combination of entities under common control and not covered under the scope of IFRS-3 "Business Combinations". The difference in the net assets of CML and CIL, the merging entities, and the above shares issued to the shareholders of CML and CIL had been carried in the equity under "Reserve arising on amalgamation".

Further, since "Pooling of interest" method assumes that both CML and CIL were merged with and into CTML from the beginning of the earliest period presented, therefore, the comparative figures of profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity for the half year ended 31 December 2013 and three months period ended 31 December 2013 represent the results of operations of the company being a merged entity.

### 3. BASIS OF PREPARATION

**3.01** This condensed interim financial information is un-audited and has been prepared in accordance with the requirements of International Accounting Standard IAS 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. The figures for the half year ended 31 December 2014 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all of the information and disclosures required for full annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2014.

**3.02** This condensed interim financial information is being submitted to the shareholders as required by the listing regulation of Karachi Stock Exchange Limited and section 245 of the Companies Ordinance, 1984.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method/basis of computation which have been used in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June 2014.

#### 5. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and used judgments that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing this condensed interim financial information, the significant judgments made by management in applying the company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the financial statements as at and for the year ended 30 June 2014.

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2014.

#### 6. PRESENTATION AND FUNCTIONAL CURRENCY

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

	<u>December 31,</u> <u>2014</u>	<u>June 30,</u> <u>2014</u>
	(Rupees "000")	
<b>7. SHARE CAPITAL</b>		
<b>7.01 Authorized share capital</b>		
Opening balance (100,000 ordinary shares of Rs. 10 each)	1,000	1,000
Capital of merged companies (345,000,000 ordinary shares of Rs. 10 each)	3,450,000	3,450,000
Capital increased during the year (184,900,000 ordinary shares of Rs. 10 each)	1,849,000	1,849,000
	<u>5,300,000</u>	<u>5,300,000</u>
<b>7.02 Issued, subscribed and paid up capital</b>		
20,000 (30 June 2014: 20,000) ordinary shares of Rs. 10 each issued as fully paid shares	200	200
497,989,959 (30 June 2014: 497,989,959) ordinary shares of Rs. 10 each issued to the shareholders of amalgamated entities	4,979,900	4,979,900
	<u>4,980,100</u>	<u>4,980,100</u>

	Note	December 31, 2014	June 30, 2014
(Rupees "000")			
<b>8. LONG TERM FINANCING - Secured</b>			
From banking companies and financial institutions		8,792,000	9,011,074
Current portion shown under current liabilities		<u>(1,805,380)</u>	<u>(1,670,068)</u>
		<u>6,986,620</u>	<u>7,341,006</u>
<b>9. SHORT TERM BORROWINGS - Secured</b>			
Short term finances availed from various banking companies/other financial institutions under mark-up arrangements aggregate to Rs. 4,326 million (30 June 2014: Rs. 4,495 million).			
<b>10. CONTINGENCIES AND COMMITMENTS</b>			
There is no significant change in the status of contingencies and commitments as reported in the annual financial statements for the year ended 30 June 2014.			
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating assets - owned	11.01	18,394,614	18,394,717
Operating assets - leased		284,988	309,189
Capital work in progress		<u>1,325,666</u>	<u>1,319,460</u>
		<u>20,005,268</u>	<u>20,023,366</u>
<b>11.01 Operating assets - owned</b>			
Opening book value		18,394,718	17,935,718
<b>Additions during the period/year:</b>			
Building on freehold land		50,676	110,060
Plant and machinery		336,741	754,692
Furniture and fixtures		842	1,983
Office and hospital equipments		2,240	3,909
Factory tools and equipments		11,510	72,803
Vehicles		2,650	13,606
		<u>404,659</u>	957,053
Book value of assets transferred from leased to owned		-	314,431
Book value of assets disposed off during the period/year		-	(4,012)
Depreciation charge for the period/year		<u>(404,763)</u>	<u>(808,473)</u>
Closing book value		<u>18,394,614</u>	<u>18,394,717</u>
<b>12. LONG TERM INVESTMENTS</b>			
Investment in Colony Sugar Mills Limited		273,956	289,516
Investment-available for sale		<u>1,022</u>	<u>1,086</u>
		<u>274,978</u>	<u>290,602</u>
<b>13. STOCK IN TRADE</b>			
<b>Textile</b>			
Raw material		1,056,740	1,128,312
Work in process		446,661	489,205
Finished goods		<u>3,020,301</u>	<u>3,065,223</u>
		<u>4,523,702</u>	<u>4,682,740</u>
<b>Real estate business</b>			
Land held for development and re-sale		<u>496,747</u>	<u>496,747</u>
		<u>5,020,449</u>	<u>5,179,487</u>

	Six months period ended		Three months period ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Rupees "000")		(Rupees "000")	
<b>14. SALES - NET</b>				
Local	5,604,454	7,663,311	2,592,103	3,485,717
Export	2,684,825	3,497,927	1,600,264	2,087,712
	<u>8,289,279</u>	<u>11,161,238</u>	<u>4,192,367</u>	<u>5,573,429</u>
Commission	(37,913)	(34,478)	(19,187)	(17,239)
	<u>8,251,366</u>	<u>11,126,760</u>	<u>4,173,180</u>	<u>5,556,190</u>
<b>15. COST OF SALES</b>				
Raw material consumed	5,148,747	7,080,571	2,386,647	2,855,250
Stores and spares consumed	239,268	284,263	45,876	12,259
Salaries, wages and benefits	652,838	737,335	370,112	363,095
Power and Fuel	1,178,433	1,328,608	643,964	651,902
Insurance	33,074	32,961	25,864	21,253
Depreciation	395,479	413,011	168,752	208,995
Other factory overheads	17,127	159,878	11,305	149,375
	<u>7,664,966</u>	<u>10,036,627</u>	<u>3,652,520</u>	<u>4,262,129</u>
Work in process:				
Opening Stock	489,205	395,022	311,502	369,994
Closing Stock	(446,661)	(391,217)	(446,661)	(391,217)
	<u>42,544</u>	<u>3,805</u>	<u>(135,159)</u>	<u>(21,223)</u>
Cost of goods manufactured	7,707,510	10,040,432	3,517,361	4,240,906
Finished goods:				
Opening Stock	3,065,223	2,352,070	3,445,770	3,080,012
Closing Stock	(3,020,301)	(2,136,504)	(3,020,301)	(2,136,504)
	<u>44,922</u>	<u>215,566</u>	<u>425,469</u>	<u>943,508</u>
Cost of sales	<u>7,752,432</u>	<u>10,255,998</u>	<u>3,942,830</u>	<u>5,184,414</u>
<b>16. OTHER INCOME</b>				
<b>Income from financial assets</b>				
Profit on deposits with banks	533	637	315	299
Exchange gain-realised	5,356	38,708	1,197	7,049
<b>Income from other than financial assets</b>				
Gain on sale of property, plant and equipment	-	1,097	-	893
Share of (loss)/profit from investment in CSUML	(15,560)	602	(15,560)	602
Miscellaneous income	1,075	1,785	576	1,575
	<u>(8,596)</u>	<u>42,829</u>	<u>(13,472)</u>	<u>10,418</u>
<b>17. TRANSACTIONS WITH RELATED PARTIES</b>				
Related parties comprise, directors and provident fund trust. The company in the normal course of business carries out transactions with various related parties. Aggregate transactions are as follows:				
<b>Related parties</b>				
Contribution to Provident Fund Trust	6,587	4,778	3,329	2,230

## 18. SEGMENT INFORMATION

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

- Spinning: Production of different qualities of yarn using cotton and man-made fibers.

- Weaving: Production of different qualities of greige fabric using cotton and man-made fibre yarn.

Transactions among the business segments are recorded at cost. Intersegment sales and purchases have been eliminated from the total.

Spinning		Weaving		Total-Compay	
Six months period ended					
December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees (000)-----		-----Rupees (000)-----		-----Rupees (000)-----	

Sales:

Total Sales	<b>6,196,606</b>	9,042,513	<b>2,210,942</b>	2,674,988	<b>8,407,548</b>	11,717,501
Inter segment	<b>(156,182)</b>	(264,352)	-	(326,389)	<b>(156,182)</b>	(590,741)
External Sales	<b>6,040,424</b>	8,778,161	<b>2,210,942</b>	2,348,599	<b>8,251,366</b>	11,126,760
Cost of sales	<b>5,679,956</b>	8,194,818	<b>2,072,476</b>	2,061,180	<b>7,752,432</b>	10,255,998
Gross profit	<b>360,468</b>	583,343	<b>138,466</b>	287,419	<b>498,934</b>	870,762
Distribution cost	<b>63,236</b>	104,314	<b>38,466</b>	45,738	<b>101,702</b>	150,052
Administrative expenses	<b>95,091</b>	111,376	<b>15,689</b>	31,902	<b>110,780</b>	143,278
	<b>158,327</b>	215,690	<b>54,155</b>	77,640	<b>212,482</b>	293,330
	<b>202,141</b>	367,653	<b>84,311</b>	209,779	<b>286,452</b>	577,433
Finance cost	<b>337,302</b>	421,927	<b>198,475</b>	279,813	<b>535,777</b>	701,740
	<b>(135,161)</b>	(54,274)	<b>(114,164)</b>	(70,034)	<b>(249,325)</b>	(124,308)

### Unallocated income and expenses

Other (loss)/income					<b>(8,596)</b>	42,829
Loss before tax					<b>(257,921)</b>	(81,479)
Taxation					<b>(79,964)</b>	(111,268)
Loss after tax for the period					<b>(337,885)</b>	(192,747)
Other comprehensive (loss)/income					<b>(64)</b>	53
Total comprehensive loss for the period					<b>(337,949)</b>	(192,694)

Spinning		Weaving		Total-Compay	
Three months period ended					
December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
-----Rupees (000)-----		-----Rupees (000)-----		-----Rupees (000)-----	

Sales:

Total Sales	<b>3,092,139</b>	4,381,891	<b>1,189,607</b>	1,337,493	<b>4,281,746</b>	5,719,384
Inter segment	<b>(108,566)</b>	-	-	(163,194)	<b>(108,566)</b>	(163,194)
External Sales	<b>2,983,573</b>	4,381,891	<b>1,189,607</b>	1,174,299	<b>4,173,180</b>	5,556,190
Cost of sales	<b>2,823,503</b>	4,153,823	<b>1,119,327</b>	1,030,591	<b>3,942,830</b>	5,184,414
Gross profit	<b>160,070</b>	228,068	<b>70,280</b>	143,708	<b>230,350</b>	371,776
Distribution cost	<b>37,900</b>	49,398	<b>19,333</b>	22,869	<b>57,233</b>	72,267
Administrative expenses	<b>52,093</b>	62,326	<b>3,136</b>	15,951	<b>55,229</b>	78,277
	<b>89,993</b>	111,724	<b>22,469</b>	38,820	<b>112,462</b>	150,544
	<b>70,077</b>	116,344	<b>47,811</b>	104,888	<b>117,888</b>	221,232
Finance cost	<b>151,814</b>	193,546	<b>96,911</b>	139,907	<b>248,725</b>	333,453
	<b>(81,737)</b>	(77,202)	<b>(49,100)</b>	(35,019)	<b>(130,837)</b>	(112,221)

**Unallocated income and expenses**

Other (loss)/income					<b>(13,472)</b>	10,418
Loss before tax					<b>(144,309)</b>	(101,803)
Taxation					<b>(42,810)</b>	(55,562)
Loss after tax for the period					<b>(187,119)</b>	(157,365)
Other comprehensive (loss)/income					<b>(64)</b>	53
Total comprehensive loss for the period					<b>(187,183)</b>	(157,312)

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**19 DATE OF AUTHORIZATION FOR ISSUE**

The condensed interim financial information were authorized for issue on 28 February 2015 by the Board of Directors of the Company.

**20 GENERAL**

- Corresponding figures have been re-arranged, wherever necessary to the facilitation of comparison.
- Figures in the condensed interim financial information have been rounded-off to the nearest rupee in thousand except stated otherwise.

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Chief Financial Officer

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Director

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Chief Executive Officer