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D.M. TEXTILE MILLS LIMITED

Industrial Area, Westridge Rawalpindi

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 **D.M. TEXTILE
MILLS LIMITED**

**INTERIM CONDENSED
FINANCIAL INFORMATION
FOR THE HALF YEAR
ENDED**

DECEMBER 31,

2013



D.M. TEXTILE MILLS LIMITED

COMPANY'S INFORMATION

BOARD OF DIRECTORS

CHAIRMAN & CHIEF EXECUTIVE:

Mr. Habib Ullah

DIRECTORS:

Mr. Shahid Aziz (Nominee of NIT)
Mr. Hussain Ahmad Ozgen
Ch. Mohammad Yasin
Mr. Hussain Ahmad Qureshi
Syed Obaid ul Haq
Rao Khalid Pervaiz

AUDIT COMMITTEE:

CHAIRMAN: MEMBERS:

Mr. Hussain Ahmad Qureshi
Syed Obaid ul Haq
Rao Khalid Pervaiz

HUMAN RESOURCE & REMUNERATION COMMITTEE:

CHAIRMAN: MEMBERS:

Mr. Hussain Ahmad Ozgen
Hussain Ahmad Qureshi
Rao Khalid Pervaiz

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Mr. M.F. Zaman Qureshi -FCA

BANKERS:

NIB Bank Limited
Faysal Bank Limited
Silk Bank Limited
Meezan Bank Ltd
Habib Metropolitan Bank
MCB Bank Limited

AUDITORS:

M/S Riaz Ahmad & Company
Chartered Accountants
2-A, ATS Centre, 30-West, Fazal ul Haq Road, Blue Area, Islamabad.

LEGAL ADVISER:

M/S Hassan & Hassan Advocates
PAAF Building, 7-D, Kashmir
Egerton Road, Lahore.

REGISTRAR:

Corplink (Pvt) Ltd,
Wings Arcade, 1-K, Commerical, Model Town, Lahore.

REGISTERED OFFICE & MILLS AT:

Industrial Area, Westridge
Rawalpindi
Telephone: 051-5181981-5181977-78
Fax: 051-5181979
E-Mail: dmtm@dmtextile.com.pk
dmtextilemills@yahoo.com
Website: www.dmttextile.com.pk



D.M. TEXTILE MILLS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

The Directors present before you the condensed financial statements for the half year ended 31 December 2013 with Auditors' Review.

1. Net Loss

The company suffered a net loss of Rs. (0.429) Million during the period ended 31 December 2013 as compared to previous period net loss of Rs. (9.543) Million.

2- Comparative financial results are given below:

Half year Ended	Rupees	
	31-December-13	31-December-12
Gross Sales	282,637,097	2,409,367
Cost of Sales	(257,072,959)	(11,493,194)
Gross Profit/(Loss)	25,564,138	(9,083,827)
Gross Profit / (Loss) Rate (%)	(9.04)	(377.02)
Selling, Admin & Other operating Expenses	(7,833,858)	(6,888,471)
Other Operating Income	1,959,056	31,480,996
Financial and Other Charges	(12,605,384)	(12,645,095)
Profit / (Loss) before taxation	7,083,952	2,863,603
Provision for Taxation	(7,513,012)	(12,407,011)
Profit / (Loss) after taxation	(429,060)	(9,543,011)
Basic Earning/(Loss) per share in Rs	(0.14)	(3.13)
Breakup Value per share in Rs	118.81	126.54

3- Debt Servicing

The management had successfully settled its liabilities with several financial institutions. CEO of the company is in the process of negotiating with other debt provider companies to reduce the financial liabilities of the company.

4- Dividend

The Directors have not recommended any dividend due to losses

5- Directors have granted specific approval for the following Transactions/Adjustments mentioned in the financial statements:

Property, Plant and equipment – owned	Rupees
Cost of additions	1,180,000

6- Future Prospects & Plans

After successful resumption of the operations of the mills, directors are hopeful for better results and upgradation of the machinery though the prediction is difficult due to continuing energy crises and high inflation costs.

7- Remarks in Auditor's review report to the Members.

By the Grace of God mills resumed its operations from May 2013 and upgraded some machinery as well. Losses of the company have been reduced as compared to same period of last year. Management has successfully settled with financial institutions and further we are trying to settle with the other debt providers and we are hopeful to settle on better terms.

Emphasis of Matter: The auditors have given factual position.

For and behalf of the Board of Directors

Habib Ullah
Chief Executive
Rawalpindi: February 21, 2014

Hussain Ahmad Qureshi
Director



D.M. TEXTILE MILLS LIMITED

AUDITORS' REPORT TO THE MEMBERS

ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of D.M. TEXTILE MILLS LIMITED as at 31 December 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to the accounts for the half year then ended (herein 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 for interim financial reporting. 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 and condensed interim statement of comprehensive income for the quarters ended 31 December 2013 and 31 December 2012 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2013.

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 condensed 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.

Basis for Adverse Conclusion

a) The company sustained net loss of Rupees 0.429 million during the half year ended 31 December 2013 and as of that date its accumulated loss was Rupees 240.480 million due to which total equity stood at negative balance of Rupees 209.955 million. As of 31 December 2013, the company's current liabilities exceeded its current assets by Rupees 412.837 million. Financing from banking companies is overdue. The management of the company did not provide us its assessment of going concern assumption used in preparation of this condensed interim financial information and the future financial projections indicating the economic viability of the company. These events indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. This condensed interim financial information has been prepared on the going concern basis.

Adverse Conclusion

Our review indicates that management's use of the going concern assumption in this condensed interim financial information is inappropriate due to the reasons mentioned



D.M. TEXTILE MILLS LIMITED

in the Basis for Adverse Opinion paragraph. This 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.

Emphasis of Matter

We draw attention to Note 9 to this condensed interim financial information, which states that the company has advanced an amount of Rupees 51.150 million against purchase of property. The property has not yet been transferred in the company's name due to the want of completion of legal formalities. Directions were given for transferring the property in the name of the company within thirty days of the order of Securities and Exchange Commission of Pakistan (SECP) dated 29 November 2007. The Chief Executive Officer of the company filed an appeal before the Lahore High Court, Rawalpindi Bench whereby stay order was granted to suspend the operation of above said order. Pending the outcome of this matter, no adjustment has been made in these financial statements, which may be required consequent to the outcome of the aforesaid uncertainty. Our conclusion is not qualified in respect of this matter

Date: February 21, 2014
Islamabad

RIAZ AHMAD & COMPANY
Chartered Accountants
Name of engagement partner:
Mubashar Mehmood



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET

	NOTE	Un-audited 31 December 2013 Rupees	Audited 30 June 2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
5,000,000 (30 June 2013: 5,000,000) ordinary shares of Rupees 10 each		50,000,000	50,000,000
Issued, subscribed and paid-up share capital			
3,052,429 (30 June 2013: 3,052,429) ordinary shares of Rupees 10 each		30,524,290	30,524,290
Accumulated loss		(240,479,646)	(241,357,152)
Total equity		(209,955,356)	(210,832,862)
Surplus on revaluation of property, plant and equipment - net of deferred income tax		572,613,522	573,920,088
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	5	-	-
Liabilities against assets subject to finance lease	6	-	-
Employees' retirement benefit		8,260,481	8,158,433
Deferred income tax liability		72,308,250	67,784,307
Deferred mark-up		2,260,444	3,028,501
		82,829,175	78,971,241
CURRENT LIABILITIES			
Trade and other payables		132,465,805	115,575,659
Accrued mark-up		141,948,056	131,391,394
Short term borrowings		115,503,771	127,363,917
Current portion of non-current liabilities		72,311,467	85,907,555
		462,229,099	460,238,525
Total liabilities		545,058,274	539,209,766
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		907,716,440	902,296,992

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

CHIEF EXECUTIVE OFFICER



D.M. TEXTILE MILLS LIMITED

AS AT 31 DECEMBER 2013

	NOTE	Un-audited 31 December 2013 Rupees	Audited 30 June 2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	781,638,400	787,975,327
Advance against property	9	51,150,000	51,150,000
Long term investments		-	-
Long term deposits		25,535,946	24,282,046
		858,324,346	863,407,373
CURRENT ASSETS			
Stores, spare parts and loose tools		7,206,504	6,236,914
Stock-in-trade		19,885,833	16,179,288
Trade debts		7,999,471	-
Advances		417,095	447,912
Short term deposits		2,000,000	2,000,000
Other receivables		8,234,422	11,487,397
Short term investments		2,083,221	2,083,221
Cash and bank balances		1,565,548	454,887
		49,392,094	38,889,619
TOTAL ASSETS		907,716,440	902,296,992

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(Rupees)			
SALES	282,637,097	2,409,367	153,264,814	-
COST OF SALES	(257,072,959)	(11,493,194)	(139,987,673)	(4,579,681)
GROSS PROFIT / (LOSS)	25,564,138	(9,083,827)	13,277,141	(4,579,681)
DISTRIBUTION COST	(1,217,845)	(370,982)	(650,391)	(215,140)
ADMINISTRATIVE EXPENSES	(6,580,653)	(5,872,401)	(3,602,575)	(3,284,699)
OTHER EXPENSES	(35,360)	(645,088)	16,776	(306,863)
	(7,833,858)	(6,888,471)	(4,236,190)	(3,806,702)
OTHER INCOME	17,730,280	(15,972,298)	9,040,951	(8,386,383)
	1,959,056	31,480,996	1,079,486	30,402,003
PROFIT FROM OPERATIONS	19,689,336	15,508,698	10,120,437	22,015,620
FINANCE COST	(12,605,384)	(12,645,095)	(6,449,299)	(6,285,375)
PROFIT BEFORE TAXATION	7,083,952	2,863,603	3,671,138	15,730,245
TAXATION				
- Current	(2,989,070)	(103,000)	(1,581,497)	(103,000)
- Deferred	(4,523,942)	(12,304,011)	(4,523,942)	(12,304,011)
	(7,513,012)	(12,407,011)	(6,105,439)	(12,407,011)
(LOSS) / PROFIT AFTER TAXATION	(429,060)	(9,543,408)	(2,434,301)	3,323,234
(LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED	(0.14)	(3.13)	(0.80)	1.09

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	HALF YEAR ENDED		QUARTER ENDED	
	31 December 2013	31 December 2012	31 December 2013	31 December 2012
	(Rupees)			
(LOSS) / PROFIT AFTER TAXATION	(429,060)	(9,543,408)	(2,434,301)	3,323,234
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income for the period	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(429,060)	(9,543,408)	(2,434,301)	3,323,234

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	NOTE	31 December 2013 Rupees	31 December 2012 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	10	32,302,081	(9,193,588)
Finance cost paid		(1,834,544)	(26,059)
Income tax paid		(315,707)	(85,561)
Gratuity paid		(168,800)	(479,840)
Deferred mark-up paid		(910,000)	(910,000)
Net increase in long term deposits		(1,253,900)	-
Net cash generated from / (used in) operating activities		27,819,130	(10,695,048)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		-	2,600,000
Capital expenditure on property, plant and equipment		(1,180,000)	-
Net cash (used in) / from investing activities		(1,180,000)	2,600,000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liabilities against assets subject to finance lease		(7,668,323)	(3,853,635)
Repayment of long term financing		(6,000,000)	-
Short term borrowings - net		(11,860,146)	12,387,479
Net cash (used in) / from financing activities		(25,528,469)	8,533,844
Net increase in cash and cash equivalents		1,110,661	438,796
Cash and cash equivalents at the beginning of the period		454,887	383,582
Cash and cash equivalents at the end of the period		1,565,548	822,378

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL EQUITY
	(Rupees)		
Balance as at 30 June 2012 - Audited	30,524,290	(210,541,133)	(180,016,843)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,414,900	1,414,900
Loss after taxation for the half year ended 31 December 2012	-	(9,543,408)	(9,543,408)
Other comprehensive loss for the half year ended 31 December 2012	-	-	-
Total comprehensive loss for the half year ended 31 December 2012	-	(9,543,408)	(9,543,408)
Balance as at 31 December 2012 - Un-audited	30,524,290	(218,669,641)	(188,145,351)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,461,002	1,461,002
Loss after taxation for the half year ended 30 June 2013	-	(24,148,513)	(24,148,513)
Other comprehensive loss for the half year ended 30 June 2013	-	-	-
Total comprehensive loss for the half year ended 30 June 2013	-	(24,148,513)	(24,148,513)
Balance as at 30 June 2013 - Audited	30,524,290	(241,357,152)	(210,832,862)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment to accumulated loss - net of deferred income tax	-	1,306,566	1,306,566
Loss after taxation for the half year ended 31 December 2013	-	(429,060)	(429,060)
Other comprehensive loss for the half year ended 31 December 2013	-	-	-
Total comprehensive loss for the half year ended 31 December 2013	-	(429,060)	(429,060)
Balance as at 31 December 2013 - Un-audited	30,524,290	(240,479,646)	(209,955,356)

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

CHIEF EXECUTIVE OFFICER

DIRECTOR



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

1 THE COMPANY AND ITS OPERATIONS

1.1 D.M. Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now the Companies Ordinance, 1984) and listed on Karachi and Islamabad Stock Exchanges in Pakistan. Its registered office is situated at Westridge, Rawalpindi. The Company is engaged in the business of manufacturing, sale and trading of cotton, polyester, viscose and blended yarn.

1.2 During the half year ended 31 December 2013, the Company sustained net loss of Rupees 0.429 million. As of that date the accumulated loss was of Rupees 240.480 million. The current liabilities of the Company exceeded its current assets by Rupees 412.837 million. These events indicate a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. However, this condensed interim financial information has been prepared under going concern assumption as the management is hopeful in negotiation with banks for restructuring / rescheduling of loans. The management is also trying to avail suppliers' credit to continue the operations of the mill.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors 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 half year ended 31 December 2013 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. This condensed interim financial information should be read in conjunction with the audited annual published financial statements of the Company for the year ended 30 June 2013.

3 ACCOUNTING POLICIES

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.

Consequent to the revision of IAS 19 "Employee Benefits" which is effective for annual periods beginning on or after 01 January 2013, the Company has changed its accounting policy wherein, the actuarial gains and losses (measurement gains / losses) on employees' retirement benefit plans are recognized immediately in other comprehensive income. Previously, the actuarial gains / losses were recognized immediately in profit and loss account. This change in accounting policy has been accounted for retrospectively. However, this change has no impact on the condensed interim balance sheet as the Company has no unrecognized actuarial gains or losses. Therefore, balance sheet at the beginning of the preceding period has not been presented.

The effect on the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the half year ended 31 December 2013 has not been disclosed separately since the actuarial valuation is carried out on annual basis. There is no impact on condensed interim statement of cash flows.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied in the preceding audited annual published financial statements of the Company for the year ended 30 June 2013.



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Un-audited 31 December 2013 Rupees	Audited 30 June 2013 Rupees
5 LONG TERM FINANCING		
From banking companies - secured	67,193,999	73,193,999
Less: Current portion of long term financing	<u>67,193,999</u>	<u>73,193,999</u>
	-	-
6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Future minimum lease payments	3,618,363	11,501,074
Less: Un-amortized finance charges	-	214,388
Present value of future minimum lease payments	<u>3,618,363</u>	<u>11,286,686</u>
Less: Current portion shown under current liabilities	<u>3,618,363</u>	<u>11,286,686</u>
	-	-
7 CONTINGENCIES AND COMMITMENTS		
7.1 Contingencies		
There is no significant change in the status of contingencies, as disclosed in preceding audited annual published financial statements of the Company for the year ended 30 June 2013 except following: Guarantee of Rupees 7.140 million (30 June 2013: .0399 million) has been given by the bank of the company to Islamabad Electric Supply Company (IESCO) against electricity connection.		
	Un-audited 31 December 2013 Rupees	Audited 30 June 2013 Rupees
7.2 Commitments	Nil	Nil
8 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets		
Owned (Note 8.1)	719,333,956	724,073,333
Leased (Note 8.2)	62,304,444	63,901,994
	<u>781,638,400</u>	<u>787,975,327</u>
8.1 Operating fixed assets - Owned		
Opening book value	724,073,333	754,711,066
Add: Cost of additions during the period / year (Note 8.1.1)	<u>1,180,000</u>	<u>4,165,455</u>
	725,253,333	758,876,521
Less: Book value of deletions during the period / year (Note 8.1.2)	-	20,432,000
Less: Depreciation charged during the period / year	<u>5,919,377</u>	<u>14,371,188</u>
Closing book value	<u>719,333,956</u>	<u>724,073,333</u>
8.1.1 Cost of additions		
Plant and machinery	1,044,300	3,165,000
Electric installations	31,000	1,000,455
Factory equipment	104,700	-
	<u>1,180,000</u>	<u>4,165,455</u>
8.1.2 Book value of deletions		
Plant and machinery	-	<u>20,432,000</u>
8.2 Operating fixed assets - Leased		
Opening book value	63,901,994	67,265,257
Less: Depreciation charged during the period / year	<u>1,597,550</u>	<u>3,363,263</u>
Closing book value	<u>62,304,444</u>	<u>63,901,994</u>



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013



D.M. TEXTILE MILLS LIMITED

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)

FOR THE HALF YEAR ENDED 31 DECEMBER 2013

9 ADVANCE AGAINST PROPERTY

It represents full consideration of Rupees 51.150 million given as advance for purchase of property. The Property has not yet been transferred in the Company's name due to the want of completion of legal formalities. With reference to this advance, the Director (Enforcement) of Securities and Exchange Commission of Pakistan (SECP) vide his Order dated 29 November 2007 imposed a penalty of Rupees 100,000 on each of the director except one (nominee NIT) of the Company for contravention of Section 196(2j) of the Companies Ordinance, 1984. Further directions were given under section 473 for transferring the property in the name of the Company within thirty days from the Order date. The Chief Executive Officer of the Company filed a revision application with the Appellate Bench of SECP under section 484 of the Companies Ordinance, 1984 against this Order on 10 January 2008, where the Appellate Bench decided not to interfere with the impugned order.

The Chief Executive Officer also filed an appeal under section 485 of the Companies Ordinance, 1984 read with Section 34 of SECP Act, 1997 before the Lahore High Court Rawalpindi Bench whereby stay order was granted to suspend the operation of above said impugned order.

(Un-audited)

HALF YEAR ENDED	
31 December 2013	31 December 2012
Rupees	Rupees

10 CASH GENERATED FROM / (USED IN) OPERATIONS

Profit before taxation	7,083,952	2,863,603
Adjustments for non-cash charges and other items:		
Depreciation	7,516,927	8,304,299
Provision for gratuity	270,850	237,140
Loss on disposal of property, plant and equipment	-	507,000
Gain on settlement of lease liabilities	-	(30,002,889)
Long outstanding balances written back	-	(72,455)
Finance cost	12,605,384	12,645,095
Working capital changes (Note 10.1)	4,824,968	(3,675,381)
	<u>32,302,081</u>	<u>(9,193,588)</u>

10.1 Working capital changes

(Increase) / decrease in current assets:

Stores, spare parts and loose tools	(969,590)	-
Stock in trade	(3,706,545)	2,440,017
Trade debts	(7,999,471)	-
Advances	30,817	2,237,966
Other receivables	579,611	(66,183)
	(12,065,178)	4,611,800
Increase / (decrease) in trade and other payables	16,890,146	(8,287,181)
	<u>4,824,968</u>	<u>(3,675,381)</u>

11 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings 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)

HALF YEAR ENDED		QUARTER ENDED	
31 December 2013	31 December 2012	31 December 2013	31 December 2012
(Rupees)			

Remuneration to Chief Executive Officer and Directors	1,600,440	1,540,440	800,220	770,220
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	Un-audited 31 December 2013 Rupees	Audited 30 June 2013 Rupees
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11.1 Period end balances

Due to Chief Executive Officer (C.E.O)	41,933,400	50,206,666
Due to close family members of C.E.O	2,283,120	3,870,000

12 FINANCIAL RISK MANAGEMENT

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

13 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was approved by the Board of Directors and authorized for issue on February 21, 2014

14 CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison, however, no significant re-arrangements have been made.

15 GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

CHIEF EXECUTIVE OFFICER

DIRECTOR