



*of Companies*

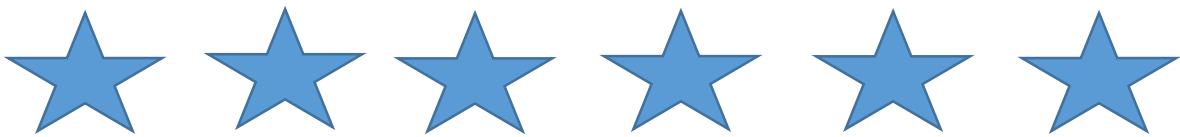
HALF YEARLY ACCOUNTS  
2018-2019  
(UN - AUDITED)

UMER GROUP OF COMPANIES

FAISAL SPINNING MILLS LIMITED

# VISION

A company providing quality textile products and maintaining an excellent level of ethical and professional standards.



# MISION STATEMENT

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

## Directors' Review

On behalf of the board of directors of Faisal Spinning Mills Limited, I am presenting the unaudited condensed interim financial statements for the half year ended December 31, 2018.

### **Significant financial performance of the half year ended December 31, 2018;**

Profit after tax for the half year ended December 31, 2018 is PKR 310.966 million as compared to PKR 249.480 million for the corresponding period ended December 31, 2017.

Earnings per share for the half year ended December 31, 2018 is PKR 31.10 (PKR 24.95; December 2017).

Break-up value of the share as on December 31, 2018 is PKR 465.40 (PKR 457.51: June 30, 2018).

During the half year ended December 31, 2018 profit after tax is increased by 24.65% as compared to corresponding period ended December 31, 2017.

### **Impediments to the growth of textile industry**

Pakistan has been a net importer of cotton for nearly two decades and the country imported around 1 billion even when its cotton production hit the maximum streak of 13.96 million in 2014-15.

In the current 2018-19 season, Pakistan is expected to face a shortfall of 3 to 4 million bales with production estimated at 10.738 million bales against the initial target of 14.37 million bales. The government so far showed intention to boost textile sector by providing a bailout out package and gas subsidy for the textile sector but a lot more need to be done to encourage the shrinking cultivation of cotton and enhancing of the cotton.

In Pakistan, the cotton yield stands at approximately 700 kg, showing a modest rise over the corresponding period whereas the area under cotton cultivation decreased from 3 million to 2.7 million hectares in 2017-18. As per the US Department of Agriculture, Pakistan is no longer the fourth largest producer of cotton in the world as Brazil has recently overtaken it.

Further, our cotton yield has not kept pace with the world. Since the 1980s, major competitors such as Australia, Turkey and China have enhanced their cotton productivity by almost 10 fold, increasing from 200-300 kg to 1,000-2,000 kg per hectare.

The government rather focusing only textile barons needs to emphasis its efforts towards cotton ginning industry by providing them subsidized loans for upgrading their machinery that will assist in reducing the contamination and improving the productivity. Besides, they should also develop in consultation with the stakeholders to attract leading international seed companies for latest technologies and varieties that will enhance the cotton yield.

The management is quite optimistic for the textile sectors in upcoming years.

### **Acknowledgment**

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

On behalf of the Board



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**Bilal Sharif**

(Chief Executive)

Karachi: February 25, 2019

## *Independent auditor's review report to the members of Faisal Spinning Mills Limited*

### ***Report on the Review of the Interim Financial Statements***

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Faisal Spinning Mills Limited as at December 31, 2018 and the related condensed interim statement of profit or loss and condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2018 and December 31, 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

#### **Scope of Review**

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements 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 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on review resulting in this independent auditor's report is Zahid Hussain Zahid.

**MUSHTAQ & CO**  
Chartered Accountants

Lahore  
Dated: February 25, 2019


# Faisal Spinning Mills Limited

## Condensed Interim Statement of Financial Position (Un-Audited)

As at December 31, 2018

	Note	December 31, 2018	June 30, 2018		Note	December 31, 2018	June 30, 2018
		Un-Audited Rupees	Audited Rupees	ASSETS		Un-Audited Rupees	Audited Rupees
<b><u>EQUITY AND LIABILITIES</u></b>							
<b><u>SHARE CAPITAL AND RESERVES</u></b>				<b><u>NON CURRENT ASSETS</u></b>			
Authorized capital 12,000,000 (June 30, 2018: 12,000,000) ordinary shares of PKR 10 each		<u>120,000,000</u>	<u>120,000,000</u>	Property, plant and equipment	7	<b>3,538,123,609</b>	3,511,191,266
Issued, subscribed and paid up capital		<b>100,000,000</b>	100,000,000	Long term investment		<b>610,611,244</b>	599,526,101
Reserves		<b>4,200,000,000</b>	4,200,000,000	Long term deposits		<b>9,154,135</b>	9,154,135
Unappropriated profits		<b>354,052,075</b>	275,085,662			<b>4,157,888,988</b>	4,119,871,502
		<b>4,654,052,075</b>	4,575,085,662				
<b><u>NON CURRENT LIABILITIES</u></b>				<b><u>CURRENT ASSETS</u></b>			
Long term financing - secured		<b>1,355,501,143</b>	1,475,536,209	Stores, spare parts and loose tools		<b>73,045,652</b>	70,806,434
Deferred liabilities	5	<b>905,011,531</b>	818,451,774	Stock in trade		<b>4,737,040,322</b>	2,403,295,127
		<b>2,260,512,674</b>	2,293,987,983	Trade debts	8	<b>760,542,572</b>	1,035,166,834
<b><u>CURRENT LIABILITIES</u></b>				Loans and advances		<b>58,877,782</b>	71,454,064
Trade and other payables		<b>653,005,548</b>	599,665,652	Trade deposits and prepayments		<b>112,387,992</b>	93,073,897
Unclaimed Dividend		<b>10,665,060</b>	7,226,735	Other receivables		<b>15,224,679</b>	13,271,023
Accrued markup / interest		<b>36,952,569</b>	19,613,533	Advance income tax		<b>316,293,531</b>	304,036,327
Short term borrowings - secured		<b>2,671,373,796</b>	645,651,760	Sales tax refundable		<b>152,047,738</b>	129,563,165
Current portion of non current liabilities		<b>251,495,253</b>	224,493,423	Cash and bank balances		<b>154,707,719</b>	125,186,375
		<b>3,623,492,226</b>	1,496,651,103			<b>6,380,167,987</b>	4,245,853,246
<b><u>CONTINGENCIES AND COMMITMENTS</u></b>				<b><u>TOTAL ASSETS</u></b>			
	6	-	-			<b>10,538,056,975</b>	<b>8,365,724,748</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,538,056,975</b>	<b>8,365,724,748</b>				

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

  
Chief Executive  
Karachi: February 25, 2019

  
Director


  
Chief Financial Officer

# Faisal Spinning Mills Limited

## Condensed Interim Statement of Profit or Loss (Un-Audited) For the half year ended December 31, 2018

	Note	Half year Ended		Quarter Ended	
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
		Rupees	Rupees	Rupees	Rupees
Sales		<b>6,476,917,825</b>	5,625,038,459	<b>3,532,938,592</b>	2,944,053,573
Cost of goods sold		<b>5,783,657,225</b>	5,049,631,705	<b>3,159,242,817</b>	2,640,820,333
<b>Gross profit</b>		<b>693,260,600</b>	575,406,754	<b>373,695,775</b>	303,233,240
Distribution cost		<b>166,663,884</b>	151,709,069	<b>87,463,055</b>	70,041,923
Administrative expenses		<b>57,875,913</b>	52,872,892	<b>28,890,862</b>	26,039,094
		<b>224,539,797</b>	204,581,961	<b>116,353,917</b>	96,081,017
Other income		<b>7,983,359</b>	1,752,162	<b>6,246,415</b>	797,962
		<b>476,704,162</b>	372,576,955	<b>263,588,273</b>	207,950,185
Other operating expenses		<b>25,846,012</b>	22,470,812	<b>14,059,627</b>	12,686,877
Finance cost		<b>111,459,162</b>	60,106,554	<b>77,208,471</b>	34,775,223
		<b>137,305,174</b>	82,577,366	<b>91,268,098</b>	47,462,100
<b>Operating Profit</b>		<b>339,398,988</b>	289,999,589	<b>172,320,175</b>	160,488,085
Share of profit of associated undertaking		<b>38,435,823</b>	29,793,378	<b>19,728,706</b>	18,346,749
<b>Profit before tax</b>		<b>377,834,811</b>	319,792,967	<b>192,048,881</b>	178,834,834
Provision for taxation - current year	9	<b>66,868,398</b>	70,312,980	<b>36,393,284</b>	36,800,669
<b>Profit after tax</b>		<b>310,966,413</b>	249,479,987	<b>155,655,597</b>	142,034,165
<b>Earnings per share - basic and diluted</b>		<b>31.10</b>	24.95	<b>15.57</b>	14.20

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

  
Chief Executive  
Karachi: February 25, 2019

  
Director

  
Chief Financial Officer

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## Faisal Spinning Mills Limited

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### Condensed Interim Statement of Comprehensive Income (Un-Audited) For the half year ended December 31, 2018

Note	Half year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Rupees	Rupees	Rupees	Rupees
Profit for the period after taxation	310,966,413	249,479,987	155,655,597	142,034,165
Other comprehensive income for the year	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>310,966,413</b>	<b>249,479,987</b>	<b>155,655,597</b>	<b>142,034,165</b>

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

  
Chief Executive  
Karachi: February 25, 2019

  
Director

  
Chief Financial Officer

## Faisal Spinning Mills Limited

### Condensed Interim Statement of Changes in Equity (Un-Audited) For the half year ended December 31, 2018

	Share Capital	Capital Reserves	Revenue Reserves		Grand Total
			General Reserves	Unappropriated Profit	
	PKR	PKR	PKR	PKR	PKR
<b>Balance as at 1st July, 2017</b>	100,000,000	24,150,000	3,865,850,000	181,011,828	4,171,011,828
Final dividend for the year ended June 30, 2017 PKR 17.25 per share	-	-	-	(172,499,970)	(172,499,970)
Total comprehensive income for the half year ended as at December 31, 2017	-	-	-	249,479,987	249,479,987
<b>Balance as at December 31, 2017</b>	<b>100,000,000</b>	<b>24,150,000</b>	<b>3,865,850,000</b>	<b>257,991,845</b>	<b>4,247,991,845</b>
<b>Balance as at 1st July, 2018</b>	100,000,000	24,150,000	4,175,850,000	275,085,662	4,575,085,662
Final dividend for the year ended June 30, 2018 PKR 23.20 per share	-	-	-	(232,000,000)	(232,000,000)
Total comprehensive income for half year ended December 31, 2018	-	-	-	310,966,413	310,966,413
Transferred to general reserve	-	-	-	-	-
<b>Balance as at December 31, 2018</b>	<b>100,000,000</b>	<b>24,150,000</b>	<b>4,175,850,000</b>	<b>354,052,075</b>	<b>4,654,052,075</b>

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

  
Chief Executive  
Karachi: February 25, 2019

  
Director

  
Chief Financial Officer



# Faisal Spinning Mills Limited

## Condensed Interim Statement of Cash Flows (Un-Audited) For the half year ended December 31, 2018

	December 31, 2018	December 31, 2017
	Rupees	Rupees
<b>Cash flows from operating activities</b>		
Profit before tax	377,834,811	319,792,967
<b>Adjustments for:</b>		
Depreciation of property, plant and equipment	175,926,737	173,034,000
Share of profit of associated undertaking	(38,435,823)	(29,793,378)
Infrastructure fee - ETO	12,616,424	4,906,962
Infrastructure fee - Gas	60,423,635	69,791,923
Provision for employee benefits	26,850,000	24,210,000
Gain on disposal of property, plant and equipment	(4,899,629)	(143,021)
Finance cost	111,459,162	60,106,554
	<u>343,940,506</u>	<u>302,113,040</u>
<b>Operating cash flows before movements in working capital</b>	<b>721,775,317</b>	<b>621,906,007</b>
(Increase) / Decrease in stores, spares and loose tools	(2,239,218)	2,987,996
Increase in stock in trade	(2,333,745,195)	(1,060,148,067)
Decrease / (Increase) in trade debts	274,624,262	(364,250,991)
Decrease in loans and advances	12,576,282	1,227,178
Increase in trade deposits	(19,314,095)	(8,903,931)
(Increase) in other receivable	(1,953,656)	-
(Increase) / Decrease in sales tax refund and other receivables	(22,484,573)	83,105,674
Increase in trade and other payables	53,339,896	137,348,513
	<u>(2,039,196,297)</u>	<u>(1,208,633,628)</u>
<b>Cash used in from operations</b>	<b>(1,317,420,980)</b>	<b>(586,727,621)</b>
Finance cost paid	(94,120,126)	(58,651,469)
Employee benefit costs paid	(13,330,302)	(8,557,172)
Income taxes paid	(79,125,602)	(58,037,379)
	<u>(186,576,030)</u>	<u>(125,246,020)</u>
<b>Net cash used in operating activities</b>	<b>(1,503,997,010)</b>	<b>(711,973,641)</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	64,941,150	250,000
Addition in property plant and equipment	(262,900,601)	(232,692,535)
Dividend received	27,350,680	18,194,148
	<u>(170,608,771)</u>	<u>(214,248,387)</u>
<b>Net cash used in investing activities</b>	<b>(170,608,771)</b>	<b>(214,248,387)</b>
<b>Cash flows from financing activities</b>		
Proceed from long term finance	9,769,800	-
Repayment of long term financing	(102,803,036)	(77,022,099)
Increase in short term borrowings	2,025,722,036	1,127,427,007
Dividends paid	(228,561,675)	(169,958,449)
	<u>1,704,127,125</u>	<u>880,446,459</u>
<b>Net cash generated from financing activities</b>	<b>1,704,127,125</b>	<b>880,446,459</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>29,521,344</b>	<b>(45,775,569)</b>
<b>Cash and cash equivalent at the beginning of period</b>	<b>125,186,375</b>	<b>110,714,973</b>
<b>Cash and cash equivalent at the end of period</b>	<b>154,707,719</b>	<b>64,939,404</b>

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



Chief Executive

Karachi: February 25, 2019



Director



Chief Financial Officer

**1 REPORTING ENTITY**

Faisal Spinning Mills 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 Limited. The Company is primarily a spinning and weaving unit 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 Nooriabad District Dadu in the Province of Sindh and District Sheikhupura in the Province of Punjab.

**2 BASIS OF PREPARATION**

This interim financial information is not 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, 2018.

**2.1 Statement of compliance**

This condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting, and provisions of and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Basis of measurement**

This condensed interim financial information 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.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2018, except of change referred to in note 4.

**4 CHANGE IN ACCOUNTING STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the Company's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

\* In addition to that a new standard (i.e. IFRS 15) have become applicable to the Company effective from July 1, 2018. Because of this new standard certain changes to the accounting policies have been made in light of the following paragraphs:

**IFRS 15 'Revenue from contracts with customers'**

IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on the amounts reported in all current and periods presented in these condensed interim financial statements of the Company.

**\* IFRS 9 'Financial Instruments'**

The Company has deferred the adoption of IFRS 9, in pursuant to SRO 229(I)/2019 dated February 14, 2019. Through this SRO the SECP has modified the effective date for applicability of IFRS 9 (Financial Instruments) in place of IAS 39 (Financial Instruments: Recognition & Measurement) as " Reporting Period / Year ending on or after June 30, 2019.

Previously Through SRO 1007(I)/2017 dated October 04, 2017, the SECP had notified IFRS 9 replacing IAS 39 with effect from reporting periods starting from July 01, 2018.

	<i>Note</i>	<b>December 31, 2018</b>	June 30, 2018
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>5 DEFERRED LIABILITIES</b>			
Infra structure fee payable - ETO		103,919,268	91,302,844
Infra structure fee payable - Gas		558,856,116	498,432,481
Staff retirement benefits - gratuity		178,427,347	164,907,649
Deferred taxation		63,808,800	63,808,800
		<u>905,011,531</u>	<u>818,451,774</u>
<b>6 CONTINGENCIES AND COMMITMENTS</b>			
There is no material change in contingencies and commitments as disclosed in annual financial statements for the year ended June 30, 2018 except following:			
<b>6.1 Contingencies</b>			
Bills Discounted		<u>2,220,961,318</u>	<u>2,100,450,091</u>
<b>6.2 Commitments</b>			
Letter of credit (for store, raw material and machinery)		<u>1,388,579,509</u>	<u>581,418,960</u>
	<i>Note</i>	<b>December 31, 2018</b>	June 30, 2018
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>7 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets			
- assets owned by the Company	7.1	3,307,535,118	3,491,381,821
Capital work in progress		230,588,491	19,809,445
		<u>3,538,123,609</u>	<u>3,511,191,266</u>
<b>7.1 Assets owned by the Company</b>			
Net book value at the beginning of the period/year		3,491,381,821	3,256,739,268
Additions during the period/year			
Freehold land		-	446,237,501
Factory buildings		-	19,674,282
Non factory buildings		-	473,999
Plant and machinery		36,683,088	81,580,398
Office Equipment		-	31,500
Equipment and other assets		-	21,723,467
Vehicles		15,438,467	6,963,116
		52,121,555	576,684,263
Net book value of assets disposed during the period/year		(60,041,521)	(12,618,232)
Depreciation for the period/year		(175,926,737)	(329,423,478)
Net book value at the end of the period/year		<u>3,307,535,118</u>	<u>3,491,381,821</u>

	<i>Note</i>	<b>December 31, 2018</b>	June 30, 2018
		<i>Rupees</i>	<i>Rupees</i>
		<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>8 TRADE DEBTS</b>			
Considered good			
Foreign secured		<b>196,292,907</b>	743,434,353
Local unsecured		<b>564,249,665</b>	291,732,481
		<b>760,542,572</b>	1,035,166,834
Considered doubtful:		-	
Export		<b>14,204,494</b>	14,204,494
Local		<b>77,156,656</b>	77,156,656
		<b>91,361,150</b>	91,361,150
Provision for doubtful debts		<b>(91,361,150)</b>	(91,361,150)
		<b>760,542,572</b>	1,035,166,834

## 9 PROVISION FOR TAXATION

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

## 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 include the Chief Executive and Directors of the Company.

Transactions with key management personnel are limited to payment of short term employee benefits only. 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 commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction.

Names and details of transactions and balances with related parties are as under:

Name	Nature of relationship	Shareholding percentage
Bhanero Textile Mills Limited	Associated companies	N/A
Blessed Textiles Limited	Associated companies	18.49
Bhanero Energy Limited	Associated companies	N/A
Admiral (Private) Limited	Associated companies	N/A

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
	Rupees	Rupees	Rupees	Rupees
	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>	<i>(Un-Audited)</i>
<b>10.1 Transactions with related parties</b>				
<b>Nature of transaction</b>				
Purchases	<b>748,146,176</b>	650,275,725	394,764,842	332,086,754
Sales	<b>13,540,702</b>	15,240,076	10,990,359	5,886,462
Services received	<b>154,500</b>	154,500	77,250	77,250
Purchase of electricity	<b>49,613,470</b>	212,438,891	16,867,797	123,621,292
Dividend Received	<b>27,350,680</b>	18,194,148	27,350,680	18,194,148

## 10.2 Balances with related parties

There are no balances with related parties as at the reporting date.

## 11 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, 2018 is as follows:

	Half Year Ended December 31, 2018			
	Spinning Rupees	Weaving Rupees	Total Rupees	
Revenue from external customers	<u>3,014,446,489</u>	<u>3,462,471,336</u>	<u>6,476,917,825</u>	
Inter-segment transfers	<u>81,081,400</u>	<u>-</u>	<u>81,081,400</u>	
Segment results	<u>269,417,594</u>	<u>207,286,568</u>	<u>476,704,162</u>	
	Half Year Ended December 31, 2017			
	Spinning Rupees	Weaving Rupees	Total Rupees	
Revenue from external customers	<u>2,715,335,542</u>	<u>2,909,702,917</u>	<u>5,625,038,459</u>	
Inter-segment transfers	<u>23,820,500</u>	<u>-</u>	<u>23,820,500</u>	
Segment results	<u>189,893,164</u>	<u>182,683,791</u>	<u>372,576,955</u>	
	As at December 31, 2018			
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>6,174,837,180</u>	<u>3,378,804,349</u>	<u>984,415,446</u>	<u>10,538,056,975</u>
	As at Jun 30, 2018			
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment assets	<u>4,142,479,406</u>	<u>3,089,484,348</u>	<u>1,133,760,994</u>	<u>8,365,724,748</u>
	As at December 31, 2018			
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>4,166,541,099</u>	<u>1,549,735,733</u>	<u>167,728,068</u>	<u>5,884,004,900</u>
	As at Jun 30, 2018			
	Spinning Rupees	Weaving Rupees	Un-allocated Rupees	Total Rupees
Segment liabilities	<u>2,000,544,231</u>	<u>1,627,756,476</u>	<u>162,338,379</u>	<u>3,790,639,086</u>

## 12 EVENTS AFTER THE REPORTING PERIOD

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

## 13 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.

## 14 GENERAL

14.1 There are no other significant activities since June 30, 2018 affecting the interim financial information.

14.2 Figures have been rounded off to the nearest Rupee.

## 15 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 25, 2019.

  
Chief Executive  
Karachi: February 25, 2019

  
Director

  
Chief Financial Officer