

Half Yearly Report  
December 31,  
*2013*



FAZAL TEXTILE MILLS LIMITED



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## Half Yearly Report 2013





## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Muhammad Younus Tabba (Chairman)  
Mr. Muhammad Sohail Tabba (Chief Executive)  
Mr. Muhammad Ali Tabba  
Mr. Imran Yunus Tabba  
Mr. Javed Yunus Tabba  
Mrs. Mariam Tabba Khan  
Mrs. Raheela Aleem  
Mr. Ilyas Ismail  
Mr. Abdul Kadir Adam

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Toufique Yusuf  
FCA FICS

### HEAD OF INTERNAL AUDIT DEPARTMENT

Mr. Muhammad Faheem ullah

### AUDIT COMMITTEE

Mr. Javed Yunus Tabba Chairman  
Mr. Muhammad Ali Tabba Member  
Mr. Imran Yunus Tabba Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Imran Yunus Tabba Chairman  
Mr. Javed Yunus Tabba Member  
Mrs. Mariam Tabba Khan Member

### AUDITORS

Hyder Bhimji & Co.  
Chartered Accountants

### LEGAL ADVISOR

Mr. Mohammad Aleem  
(Advocate)

### BANKERS

Bank Al-Habib Limited  
Bank Al-Falah Limited (Islamic Division)  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited

### REGISTERED OFFICE

LA-2/B Block # 21,  
Rashid Minhas Road,  
Federal 'B' Area, Karachi - 75950.  
Phones: 36321311-36322048  
Fax: 92-21-36334792  
E-mail: [finance@fazaltextile.com](mailto:finance@fazaltextile.com)  
Website : [www.fazaltextile.com](http://www.fazaltextile.com)



## DIRECTORS' REPORT TO THE MEMBERS

We feel pleasure in submitting herewith the un-audited half yearly financial statement for the period ended December 31, 2013.

### FINANCIAL RESULTS

	Rs in "000"	
	Half year ended December 2013	Half year ended December 2012
Sales	3,314,419	2,792,485
Gross Profit	366,930	325,771
Profit before tax	209,385	192,379
Profit after tax	142,286	175,216

Your Company earned post-tax profit of Rs 209.385 million as compared to Rs 192.379 million for the corresponding period. However the pretax profit decreased to Rs 142.286 million from 175.216 million for the corresponding period due the provision of deferred tax amounting to Rs . 53.748 During the period under review the sales increased to Rs 3.314 billion from Rs 2.792 billion due to increase in sales volume of fabrics and increase in capacity and production of yarn.

### FUTURE OUTLOOK:

The size of cotton crop is reportedly short of domestic consumption, as a result, the prices of lint cotton are a little high adding to cost of production. The energy crisis, inflation, erosion of value of Pak rupee etc. and the pressure of yarn prices in local as well as in international market could affect adversely the profitability for the coming period. Notwithstanding the foregoing constraints, your director would like to assure you that every endeavor will be made to achieve the better results for the current year.

The demolition of the old buildings has completed and the construction work for Mall & Apartments is in full swing and hopefully the phase I on Mall will be completed by the end of 2015

### ACKNOWLEDGEMENTS

The Board also wishes to place in record the appreciation to all banks for continued support to the company with zeal and dedications. The management is quite confident that these relation and cooperation will continue in the years to come.

On behalf of the Board

Karachi: February 25, 2014

Chairman



## AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

### INTRODUCTION:

We have reviewed the accompanying condensed interim balance sheet of FAZAL TEXTILE MILLS LIMITED as of December 31, 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 together with the notes forming part thereof (hereinafter referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with the approved accounting standards as applicable in Pakistan. 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 for quarters ended December 31, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

### 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 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.

### CONCLUSION:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended on December 31, 2013, is not prepared, in all material respects, in accordance with approved Accounting Standards as applicable in Pakistan.

**HYDER BHIMJI & CO.**  
**CHARTERED ACCOUNTANTS**

Karachi: February 25, 2014

Engagement partner: Muhammad Hanif Razzak





## Condensed Interim Balance Sheet

As at December 31, 2013

	Note	December 31, 2013 (Un-Audited)	June 30, 2013 (Audited) Restated
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	3	5,134,714	4,674,184
Long term loans and advances		15,381	17,971
Long term security deposits		1,259	1,259
		5,151,354	4,693,414
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		69,338	78,386
Stock in trade		1,726,682	1,285,971
Trade debts		519,444	1,154,876
Loans and advances		160,486	57,787
Trade deposits and short term prepayments		30,742	298
Other receivables		5,159	6,203
Tax refunds due from government		218,402	93,653
Income tax refundable-payments less provision		2,188	47,422
Cash and bank balances		77,906	19,325
		2,810,347	2,743,921
<b>TOTAL ASSETS</b>		<b>7,961,701</b>	<b>7,437,335</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		150,000	150,000
Issued, subscribed and paid-up share capital		61,875	61,875
Reserves		2,195,741	2,084,392
		2,257,616	2,146,267
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		1,991,700	2,175,000
Deferred Liabilities			
Staff retirement benefits		61,159	60,460
Deferred taxation		71,181	17,433
		132,340	77,893
		2,124,040	2,252,893
<b>CURRENT LIABILITIES</b>			
Trade and other payables		973,449	601,164
Accrued markup		71,296	51,947
Short term borrowings	4	2,535,300	2,385,064
		3,580,045	3,038,175
<b>Contingencies and Commitments</b>	5	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,961,701</b>	<b>7,437,335</b>

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

Karachi : February 25, 2014

Chairman  
Fazal Textile Mills Limited

Director

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## Condensed Interim Profit And Loss Account

For the Half year ended December 31, 2013 (Un-audited)

	Note	For The Half Year		For The Quarter	
		December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Rs. in " 000 "					
Sales- net	6	3,314,419	2,792,485	1,574,572	1,510,677
Cost of sales	7	2,947,489	2,466,714	1,446,581	1,340,244
<b>Gross profit</b>		<b>366,930</b>	<b>325,771</b>	<b>127,991</b>	<b>170,433</b>
Selling and Distribution Expenses		65,188	77,280	28,805	38,064
Administrative expenses		28,187	28,679	14,497	15,174
Other operating expenses		11,084	10,125	2,301	5,485
		<b>104,459</b>	<b>116,084</b>	<b>45,603</b>	<b>58,723</b>
		<b>262,471</b>	<b>209,687</b>	<b>82,388</b>	<b>111,710</b>
Other operating Income		15,359	3,270	5,427	2,403
<b>Operating profit</b>		<b>277,830</b>	<b>212,957</b>	<b>87,815</b>	<b>114,113</b>
Finance cost		68,445	20,578	45,309	9,901
<b>Profit before taxation</b>		<b>209,385</b>	<b>192,379</b>	<b>42,506</b>	<b>104,212</b>
Taxation		67,099	17,163	51,382	13,956
<b>Profit after taxation</b>		<b>142,286</b>	<b>175,216</b>	<b>(8,876)</b>	<b>90,256</b>
Earning per share-basic and diluted (Rupees)		<b>23.00</b>	<b>28.32</b>	<b>(1.43)</b>	<b>14.59</b>

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

Karachi : February 25, 2014

Chairman

Director





## Condensed Interim Statement of Comprehensive Income For the Half year ended December 31, 2013 (Un-audited)

Note	For The Half Year		For The Quarter	
	December 31, 2013	December 31, 2012	December 31, 2013	December 31, 2012
	Rs. in " 000 "			
Profit after taxation	142,286	175,216	(8,876)	90,256
Other Comprehensive Income				
Items that will never be reclassified to profit or loss				
Effect of Change in accounting Policy	-	(5,568)	-	-
Remeasurment actuarial loss	-	1,893	-	-
Less: Related deferred tax assets	-	(3,675)	-	-
Total comprehensive income	<u>142,286</u>	<u>171,541</u>	<u>(8,876)</u>	<u>90,256</u>

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

Karachi : February 25, 2014

Chairman

Director

Fazal Textile Mills Limited







## Condensed Interim Cash Flow Statement

For the Half year ended December 31, 2013 (Un-audited)

	Note	December 31, 2013	December 31, 2012
<b>Rupees in "000"</b>			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	8	742,124	(1,092,648)
Gratuity paid		(10,360)	(6,643)
Finance cost paid		(49,096)	(8,637)
Income tax paid		(32,456)	(19,857)
Net Cash in/(outflow) from operating activities		<u>650,212</u>	<u>(1,127,785)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Direct additions to Property Plant and Equipment		(23,983)	(5,723)
Additions to capital work in progress		(545,107)	(404,693)
Long term loans and advances		2,590	(892)
Sale proceeds from disposal of Property plant and equipment		10,990	700
Net cash In/(Outflow) from investing activities		<u>(555,509)</u>	<u>(410,608)</u>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
Proceeds from long term loans		(183,300)	1,175,000
Payment of dividend		(3,058)	(3,717)
Net cash In/(Outflow) from financial activities		<u>(186,358)</u>	<u>1,171,283</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(91,655)</u>	<u>(367,110)</u>
Cash and cash equivalents at the beginning of the period		(2,365,739)	(2,285,259)
<b>Cash and cash equivalents at the end of the period</b>	9	<u><u>(2,457,394)</u></u>	<u><u>(2,652,369)</u></u>

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

Karachi : February 25, 2014

Chairman

Director





## Condensed Interim Statement Of Changes In Equity For the Half year ended December 31, 2013 (Un-audited)

Description	Issued, Subscribed and Paid up Capital	Reserve				Total
		Capital Reserve	General Reserve	Unappropriated Profit	Total Reserves	
-----Rupees in "000"-----						
Balance as on June 30, 2012 as previously reported	61,875	34,416	1,485,584	156,194	1,676,194	1,738,069
Impact of change in accounting policy Note 2.2						
Gain on Remeasurement of defined benefit plan	-	-	-	7,074	7,074	7,074
Less: Related Tax Liability	-	-	-	(2,405)	(2,405)	(2,405)
				4,669	4,669	4,669
Balance as on June 30, 2012-restated	61,875	34,416	1,485,584	160,863	1,680,863	1,742,738
Transfer to revenue reserves	-	-	120,000	(120,000)	-	-
Total comprehensive income for the half year ended December 31, 2012				171,541	171,541	171,541
<b>Transaction with owners</b>						
Final Dividend for the year ended June 30, 2011 Cash Rs. 4 per share	-	-	-	(24,750)	(24,750)	(24,750)
Balance as at December 31, 2012 as restated	61,875	34,416	1,605,584	187,654	1,827,654	1,889,529
Impact of change in accounting policy Note 2.2						
Remeasurement actuarial loss	-	-	-	(11,136)	(11,136)	(11,136)
Less: Related deferred tax assets	-	-	-	3,786	3,786	3,786
	-	-	-	(7,350)	(7,350)	(7,350)
Total comprehensive income for the half year ended June 30, 2013	-	-	-	264,088	264,088	264,088
Balance as at June 30, 2013 as restated	61,875	34,416	1,605,584	444,392	2,084,392	2,146,267
Balance as on July 01, 2013 as previously reported	61,875	34,416	1,605,584	447,690	2,087,690	2,149,565
Net Impact of change in accounting policy Note 2.2	-	-	-	(2,681)	(2,681)	(2,681)
Reversal of Provision for Gratuity of previous period	-	-	-	(617)	(617)	(617)
	-	-	-	(3,298)	(3,298)	(3,298)
Balance as on July 01, 2013 as restated	61,875	34,416	1,605,584	444,392	2,084,392	2,146,267
Transfer to revenue reserve	-	-	400,000	(400,000)	-	-
Total comprehensive income for the half year ended December 31, 2013				142,286	142,286	142,286
<b>Transaction with owners</b>						
Final Dividend for the year ended June 30, 2013	-	-	-	(30,938)	(30,938)	(30,938)
<b>Balance as on December 31, 2013</b>	<b>61,875</b>	<b>34,416</b>	<b>2,005,584</b>	<b>155,741</b>	<b>2,195,741</b>	<b>2,257,616</b>

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

Karachi : February 25, 2014

Chairman

Director

Fazal Textile Mills Limited

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## Notes To The Condensed Interim Financial Statements For the Half Year Ended December 31, 2013 (Un-audited)

### 1 LEGAL STATUS AND OPERATIONS

The Company was incorporated on July 6, 1963 as a Private Limited Company under the Companies Act 1913, (Companies Ordinance 1984) and was converted into a Public Limited Company on May 4, 1966. The Company's shares are listed at Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in manufacturing, selling, buying and dealing in all types of yarn and knitted fabrics. Presently the Company is constructing a mega mall and residential towers at Karachi in joint venture with Lucky Textile Mills.

### 2 BASIS OF PREPARATION

These condensed interim financial information have 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 requirement differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

These Condensed Interim financial information comprise of the condensed interim balance sheet as at December 31, 2013 and the 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 together with the condensed interim notes to the financial information for the half year ended December 31, 2013 which have been subjected to a review in accordance with the listing regulations but not audited. These condensed interim financial information also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the half year ended December 31, 2013 as the same is not subjected to review.

The comparative balance sheet, presented in these condensed interim financial information, as at June 30, 2013 has been extracted from the audited financial statements of the Company for the year ended June 30, 2013 whereas the comparative 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 are for the half year ended December 31, 2012 have been extracted from the condensed interim financial information of the company for the half year then ended, which were subjected to a review but not audited. The comparative condensed interim profit and loss account and condensed interim statement of comprehensive income for the half year ended December 31, 2012 is also included in these condensed interim financial information.

These condensed interim financial information do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2013.

#### 2.1 ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended June 30, 2013.





## 2.2 Change in accounting policy for employee benefits – defined benefit plan

IAS 19 (revised) 'Employee benefits' amends the accounting for employment benefits which became effective to the company from 1st July 2013. The changes introduced by the IAS 19 (revised) are as follows:

- a) The standard requires past service cost to be recognized immediately in profit or loss;
- b) The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit assets or liability and the discount rate, measured at the beginning of the year;
- c) There is new term "measurement". This is made up of actuarial gains and losses, the difference between actual investment returns and return implied by the net interest cost: and
- d) The amendment requires an entity to recognize Remeasurement immediately in other comprehensive income. Actuarial gains or losses beyond corridor limits were previously amortized over the expected future services of the employees.

The management believes that the effects of these changes would not have significant effect on this condensed interim financial statements except for the changes referred to in (d) above that has been accounted for retrospectively in accordance with International Accounting Standard – 8 "Accounting Policies, Changes in Accounting Estimates and Errors", resulting in restatement of financial statements of prior periods.

As a result of the above mentioned changes, the cumulative balance for unrecognised actuarial losses that existed as at 1 July 2012 has been presented and disclosed as part of the statement of changes in equity, while the corresponding period adjustment through other comprehensive income is re-stated and disclosed as part of the Statement of Comprehensive Income. The Balance Sheet also presents the prior year numbers as restated due to the said change.

The effect of the change in accounting policy has been demonstrated below:

	30th June 2013	1st July 2012
	Rupees in "000"	
<b>Effect on the balance sheet</b>		
<b>Unappropriated profit</b>		
As previously reported	447,690	156,194
<b>Effect of change in accounting policy</b>		
Effect of change in accounting policy	(3,298)	4,669
Unappropriated profit as restated	<u>444,392</u>	<u>160,863</u>
<b>Staff retirement benefit</b>		
As previously reported	55,781	46,972
Effect of change in accounting policy	4,679	(7,074)
As restated	<u>60,460</u>	<u>39,898</u>
<b>Deferred Taxation</b>		
As previously reported	18,814	26,169
Effect of change in accounting policy	(1,381)	2,405
As restated	<u>17,433</u>	<u>28,574</u>



	Note	December 31, 2013 (Un-Audited)	June 30, 2013 (Audited)
<b>Rupees in "000"</b>			
<b>3 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating Fixed Assets	3.1	2,641,027	2,704,638
Capital Work in Progress	3.2	2,493,687	1,969,546
		<u>5,134,714</u>	<u>4,674,184</u>
<b>3.1 OPERATING FIXED ASSETS</b>			
Opening Written Down Value		2,704,638	2,197,596
<b>Additions during the period:</b>			
Main factory building		-	127,090
Other factory Building		-	25,362
Plant & machinery		33,463	515,703
Office equipments		184	1,150
Vehicles		14,478	5,898
Computer equipments		642	1,567
		48,767	676,770
<b>Written down value of disposal during the period:</b>			
Plant & machinery		(10,992)	(8,717)
Vehicles		(704)	(52)
Computer equipments		-	(143)
		(11,696)	(8,912)
Depreciation		(100,683)	(160,816)
		<u>2,641,027</u>	<u>2,704,638</u>
<b>3.2 CAPITAL WORK IN PROGRESS</b>			
Opening		1,969,546	1,100,859
<b>Addition</b>			
Factory Building-Civil work		47,914	194,826
Plant, machinery and store items held for installation		20,966	34,484
Construction Cost incurred for Lucky One Project		10,066	19,014
Mobilization advance to Lucky One (Pvt) Ltd.		395,000	665,612
		473,946	913,936
<b>Borrowing Cost</b>			
Factory Building-Civil work		-	38,801
Construction cost		71,161	102,886
		71,161	141,687
<b>Transferred</b>			
Factory Building-Civil work		-	(152,452)
Plant, machinery and store items held for installation		(20,966)	(34,484)
		(20,966)	(186,936)
Closing		<u>2,493,687</u>	<u>1,969,546</u>
<b>4 SHORT TERM BORROWINGS</b>			
Running Finances under mark-up arrangement		1,968,226	520,459
Export finance and import bills		567,074	1,864,605
		<u>2,535,300</u>	<u>2,385,064</u>



- 4.1 Running finances carry markup at the rates ranging between 9.15% to 13.5% (2012: 10.5% to 15%) payable on quarterly basis, whereas export finances and Import bills are in foreign currency carrying markup at the rates ranging from 1.15% to 1.5% (2012: 1.2% to 2.25%) payable on quarterly basis. As at the balance sheet date the aggregate sanctioned limit of these short term borrowing facilities aggregated to Rs. 3,700 million (2012: 3,200 million) out of which un availed facilities amounted Rs. 1,248 million (2012: 902 million).
- 4.2 These finances are secured by first / joint / subordinated pari passu hypothecation charge over all the present and future movables and receivables including but not limited to stocks, book debts and other receivables of the company and by Lien on duly accepted foreign bills.

## 5 CONTINGENCIES AND COMMITMENTS

### 5.1 Contingencies:

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2013 remained unchanged during the current period.

	December 31, 2013 (Un-Audited)	June 30, 2013 (Audited)
	Rupees in "000"	
<b>5.2 Guarantees:</b>		
Bank guarantees for		
Related Party	49,918	49,918
Others	76,945	75,248
	126,863	125,166
Post dated cheques issued to Collector of Customs	89,611	75,916
	<u>216,474</u>	<u>201,082</u>
<b>5.3 Commitments:</b>		
Outstanding letter of credits in respect of -		
capital expenditure	-	71,901
- non capital expenditure	300,353	27,080
	<u>300,353</u>	<u>98,981</u>

	December 31, 2013 (Un-Audited)	December 31, 2012 (Un-Audited)
	Rupees in "000"	
<b>6 SALES-Net</b>		
Export	1,713,971	1,740,479
Local / Indirect to exporters	1,635,867	1,054,071
Export rebate	1,250	977
Research & Development Support	-	829
Gross sales	3,351,087	2,796,356
Less:		
- Sales tax	32,186	-
- Export duty and surcharge	4,483	3,871
	36,669	3,871
	<u>3,314,419</u>	<u>2,792,485</u>



	December 31, 2013 (Un-Audited)	December 31, 2012 (Un-Audited)
Rupees in "000"		
<b>7 COST OF SALES</b>		
Cost of Goods manufactured	3,022,335	2,453,229
Opening Stock of Finished Goods	322,292	197,670
Closing Stock of Finished Goods	(397,138)	(184,185)
	<u>2,947,489</u>	<u>2,466,714</u>
<b>8 CASH GENERATED FROM OPERATION</b>		
Profit before taxation	209,385	192,379
Adjustment for non cash charges:		
Depreciation	100,683	74,380
(Gain)/loss on sale of fixed assets	(3,113)	(155)
Finance cost	68,445	20,578
Provision for gratuity	11,058	7,426
	177,073	102,229
Changes in working capital - Note 8.1	355,666	(1,387,256)
	<u>742,124</u>	<u>(1,092,648)</u>
<b>8.1 Changes in working capital</b>		
<i>(Increase)/Decrease in current assets</i>		
Stores, spare parts and loose tools	9,048	4,569
Stock in trade	(440,711)	(416,282)
Trade debts	635,432	(400,898)
Loans and advances	(102,699)	(638,029)
Trade deposits and short term prepayments	(30,444)	(11,659)
Other receivable	1,044	(715)
Tax refunds due from government	(60,409)	-
	11,261	(1,463,014)
<i>Increase/(Decrease) in current liabilities</i>		
Trade and other payables	344,405	75,758
Net Increase/(Decrease) in working capital	<u>355,666</u>	<u>(1,387,256)</u>
<b>9 CASH AND CASH EQUIVALENTS</b>		
Cash & cash equivalent comprise the following items as included in the balance sheet		
Cash and bank balances	77,906	87,395
Short term borrowing	(2,535,300)	(2,739,764)
	<u>(2,457,394)</u>	<u>(2,652,369)</u>



## 10 TRANSACTION & BALANCES WITH RELATED PARTIES

Related parties comprise of associated companies, directors of the Company, companies in which directors also hold directorship, related group companies and key management personnel.

### Transactions with related parties

The Company in the normal course of business carried out transaction with various related parties.

	December 31, 2013 (Un-Audited)	December 31, 2012 (Un-Audited)
	Rupees in "000"	
<b>With Associates</b>		
<b>Sale of Goods and Providing of Services</b>		
- Lucky Knits (Pvt) Ltd.	181,820	159,059
- Lucky Textile Mills Ltd.	290,337	23,748
- Gadoon Textile Mills Ltd.	11,150	964
- Younus Textile Mills Ltd.	-	2,357
	<u>483,307</u>	<u>186,128</u>
<b>Purchase of Goods and Receipt of Services</b>		
- Lucky Cement Ltd.	6,761	17,625
- Lucky Textile Mills Ltd.	7,910	40
- Gadoon Textile Mills Ltd.	76,038	178,080
- Lucky Knits (Pvt) Ltd.	9,576	10,527
- Lucky Energy (Pvt) Ltd.	361,908	245,202
- ICI Pakistan Ltd.	98,955	-
	<u>561,148</u>	<u>451,474</u>
<b>Sale of Machinery</b>		
- Gadoon Textile Mills Ltd.	1,800	-
<b>Mobilization advance</b>		
- Lucky one (Pvt) Ltd	395,000	210,700
<b>Long Term Loan Received</b>		
- Lucky Energy (Pvt) Ltd.	250,000	200,000
- Lucky Knits (Pvt) Ltd.	325,000	650,000
<b>Benefits to Key management personnel</b>		
Long Term Loans to Executive	13,300	6,698
Bonus and Earned leaves	-	3047
	Key management personnel	

All transactions with associated undertaking are at arm's length.

### Balances due to/ due from related parties

The outstanding balances due to or due from the related parties, except as those disclosed in the balance sheet and notes, as at the balance sheet date are as under;





		December 31, 2013	June 30, 2013
		Rupees in "000"	
<b>Receivables</b>			
Lucky Textile Mills Ltd.	Associate	49,537	26,447
Yunus Textile Mills Ltd.	Associate	362	362
ICI Pakistan Ltd.	Associate	947	
		<u>50,846</u>	<u>26,809</u>
<b>Payables</b>			
Lucky Energy (Pvt) Ltd.	Associate	108,121	191,208
		<u>108,121</u>	<u>191,208</u>

#### 11 DATE OF AUTHORIZATION

These Condensed Interim Financial Statements were authorized for issue on February 25, 2014 by the Board of Directors of the Company

#### 12 GENERAL

- 12.1 Provisions whenever made are estimated and are subject to final adjustment in the annual financial statements.
- 12.2 Figures have been rounded off to the nearest thousand rupees.
- 12.3 For better presentation, following reclassification has been made in the comparative figures of financial information;

		Amount Rs in '000'
Reclassification From Component	Reclassification To Component	
<b>Administrative expenses</b>	<b>Selling and Distribution Expenses</b>	
Depreciation	Depreciation	382

Karachi : February 25, 2014

Chairman

Director

Statement u/s 241(2) of the Companies Ordinance 1948  
The financial statements have not been authenticated by  
the Chief Executive as he is presently out of Pakistan.

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CORPORATE