

**Half Yearly Report
31 December 2014**



Rupali Polyester Limited

Corporate Data

Board of Directors

Chairman / Chief Executive Officer

Nooruddin Feerasta

Directors

Muhammad Rashid Zahir - Non-Executive	Muhammad Ali H. Sayani - Non-Executive
Sultan Ali Rajwany - Non-Executive	Amin A. Feerasta - Non-Executive
Shehzad Feerasta - Non-Executive	Abdul Hayee - Executive

Audit Committee

Sultan Ali Rajwany - Chairman	Muhammad Rashid Zahir - Member
Amin A. Feerasta - Member	

Human Resource & Remuneration Committee

Sultan Ali Rajwany - Chairman	Nooruddin Feerasta - Member
Amin A. Feerasta - Member	

Chief Financial Officer

Ayub Saqib

Company Secretary

S. Ghulam Shabbir Gilani

Bankers

Bank Alfalah Limited	Bank Al-Habib Limited
Faysal Bank Limited	Habib Bank Ltd
MCB Bank Limited	NIB Bank Limited
Soneri Bank Limited	

Auditors

Qavi & Co.

Chartered Accountants

Registered Office

Rupali House, 241-242 Upper Mall Scheme,
Anand Road, Lahore - 54000 PAKISTAN

Plant

30.2 Kilometer Lahore - Sheikhpura Road
Sheikhpura - 39350 PAKISTAN

Directors' Review

On behalf of the Board of Directors, I am pleased to present before you the Company's un-audited financial statements for the second quarter and half year period ended 31 December 2014.

Financial Results

The domestic Polyester Staple Fiber (PSF) and Polyester Filament Yarn (PFY) industry is an integral part and feedstock provider of the textile sector and plays a significant role towards the growth of Pakistan's value-added textile exports. It is undergoing one of the worst business downturns in recent years. The difficult market conditions, amplified by regional and domestic over-supply coupled with dumping of PSF from China and other far-eastern countries, have eroded margins and caused continuing losses to your Company. Uneconomic pricing competition with China continued to adversely affect our quantitative sales and overall revenues and resulted in heavy operational losses, throwing the bottom and top line in jeopardy. In a nutshell, the Company's earnings were dampened by a hefty fall in prices and demand for PSF and PFY.

The persistent energy crisis and weak security situation may decelerate the growth of the industry in the country as no permanent solution to these quandaries seems to be available at the government level in the near future.

Suspension of gas supply to downstream units resulted in the closure of many consumers of our products and it ultimately interrupted our operations as a chain reaction. The Company also suffered from heavy gas shortages and sporadic shutdowns in addition to severe power failures during the half year period under review. The falling prices and continued market volatility of raw materials caused demand/supply imbalances, thus disallowing our customer base from maintaining stable operations.

Sales revenue for the half year period ended 31 December 2014 declined to Rs.2,291 million from Rs.3,462 million in the same period of 2013. Revenue for the quarter Oct-Dec 2014 also declined to Rs.1,075 million compared to Rs.1,800 million in the same quarter of the year 2013 showing deterioration in gross margins. This situation was aggravated by the decrease in sales volume and revenue of PSF and PFY. Before-tax loss for the half year increased to Rs.312 million from Rs.146 million in the last year. After-tax loss also increased to Rs.297 million from Rs.168 million in the same period of the year 2013. Results of the quarter ended 31 December 2014 reflect before-tax loss of Rs.174 million against Rs.30 million and after-tax loss of Rs.158 million against Rs.35 million in the same quarter of the last year.

Administrative and general expenses remained under strict control during the half year and remained comparable with previous periods. Financial costs in the half year period increased to Rs.87 million from Rs.44 million in the same period of 2013 due to bank borrowings for working capital needs.

Future Outlook

Your Company has just completed a major Balancing, Modernization and Rehabilitation (BMR) project including the refurbishment of production lines and coal-based operations to maximize its operating efficiency and lower its energy-related cost. The necessary equipment has been installed and successfully put into operation. The production on poly-modification has started in full swing and will hopefully augment our sales volume. A slide in oil prices in the international market may further soften our raw material prices. Heavy stock inventories carrying higher manufacturing cost have now been fully depleted resulting in a substantial reduction in inventory losses. After the BMR project, the new production will be relatively more cost-effective to compensate for previous losses. Prices of global commodities like oil, PTA and MEG seem to be bottoming-out and thus restoring market confidence that will consequentially stabilize or increase the selling prices of our products and eventually lead to profitable margins. Due to the BMR modifications, our plant for the last three months was operating at lower capacity than usual and it has now started running at full capacity causing a decline in overhead cost and an increase in production.

The Company Management has implemented arduous operational modifications and the downturn cycle is hopefully transforming towards an economic revival.

On the Government front, efforts are needed for the creation of a conducive and enabling environment that puts an end to the miseries plaguing the industry and revives the polyester economy in Pakistan. National Tariff Commission should reconsider our pending application for imposing anti-dumping duty on PSF dumped from China to save the local industry from total closure.

The Management is committed to continue the growth momentum of transforming the Company's production facility into an operationally and economically sound manufacturing unit.

We are thankful to our valued customers, stakeholders, commercial banks and DFI's for their confidence in the Company. We also appreciate the unrelenting hard work put in by the Management and the staff of the Company.

On behalf of the Board

Nooruddin Feerasta
Chief Executive Officer

Lahore

20 February 2015

Independent Auditors' Report to the Members on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Rupali Polyester 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 condensed interim financial information for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 31 December 2014 and 31 December 2013 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed by us and we do not express a conclusion on them.

Lahore
Dated: 20 February 2015

Qavi & Co.
Chartered Accountants
Engagement partner: Ghulam Abbas

Condensed Interim Balance Sheet (Un-audited)

as at 31 December 2014

	Note	Un-audited 31 Dec. 2014	Audited 30 June 2014
Rupees in thousand			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	6	1,736,490	1,630,402
Investment Property	7	300,000	-
Long term deposits		4,361	4,361
		<u>2,040,851</u>	<u>1,634,763</u>
CURRENT ASSETS			
Stores, spares and loose tools		802,774	802,530
Stock-in-trade		637,879	894,259
Trade debts		11,340	4,748
Loans and advances		14,799	17,197
Trade deposits and short term prepayments		11,926	1,557
Other receivables		404,567	385,121
Taxation - net		195,619	181,955
Cash and bank balances		4,387	132,923
		<u>2,083,291</u>	<u>2,420,290</u>
		<u>4,124,142</u>	<u>4,055,053</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital: 35,000,000 (30 June 2014: 35,000,000) ordinary shares of Rs. 10 each		<u>350,000</u>	<u>350,000</u>
Issued, subscribed and paid-up capital: 34,068,514 (30 June 2014: 34,068,514) ordinary shares of Rs. 10 each		340,685	340,685
Capital reserve		71,490	71,490
General reserve		1,664,125	1,664,125
Accumulated loss		(910,153)	(613,511)
		<u>1,166,147</u>	<u>1,462,789</u>
Surplus on revaluation of property, plant and equipment		293,388	-
		<u>1,459,535</u>	<u>1,462,789</u>
NON-CURRENT LIABILITIES			
Long term borrowings		281,754	146,315
Staff retirement benefits - gratuity		89,065	85,362
Deferred taxation		269,629	284,876
Liabilities against assets subject to finance lease	9	1,048	-
		<u>641,496</u>	<u>516,553</u>
CURRENT LIABILITIES			
Trade and other payables		468,061	592,128
Short term borrowings	10	1,519,460	1,457,948
Current portion of long term liabilities		206	-
Accrued mark-up		35,384	25,635
		<u>2,023,111</u>	<u>2,075,711</u>
CONTINGENCIES AND COMMITMENTS			
	11		
		<u>4,124,142</u>	<u>4,055,053</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Condensed Interim Profit and Loss Account (Un-audited)

for the half year ended 31 December 2014

	Note	Quarter Ended		Half Year Ended	
		Dec. 2014	Dec. 2013	Dec. 2014	Dec. 2013
Rupees in thousand					
Sales		1,074,977	1,799,558	2,291,534	3,462,340
Cost of goods sold	12	(1,176,542)	(1,780,350)	(2,461,451)	(3,515,559)
Gross profit / (loss)		(101,565)	19,208	(169,917)	(53,219)
Selling and distribution expenses		(2,825)	(2,720)	(4,869)	(5,509)
Administrative and general expenses		(34,375)	(35,407)	(65,438)	(65,269)
Other operating charges		(6)	-	(6)	-
Other operating income		10,906	11,846	15,744	21,963
Operating loss		(127,865)	(7,073)	(224,486)	(102,034)
Finance costs		(45,856)	(22,630)	(87,403)	(44,071)
Loss before taxation		(173,721)	(29,703)	(311,889)	(146,105)
Taxation		15,247	(5,779)	15,247	(22,407)
Loss after taxation		(158,474)	(35,482)	(296,642)	(168,512)
Amount in Rupees					
Loss per share - basic and diluted		(4.65)	(1.04)	(8.71)	(4.95)

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director



Condensed Interim Statement of Comprehensive Income (Un-audited) for the half year ended 31 December 2014

	Quarter Ended Dec. 2014	Dec. 2013	Half Year Ended Dec. 2014	Dec. 2013
	Rupees in thousand			
Loss after taxation	(158,474)	(35,482)	(296,642)	(168,512)
Other comprehensive income				
Surplus on revaluation of property, plant and equipment	293,388	-	293,388	-
Total comprehensive income / (loss)	<u>134,914</u>	<u>(35,482)</u>	<u>(3,254)</u>	<u>(168,512)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Condensed Interim Cash Flow Statement (Un-audited)

for the half year ended 31 December 2014

	Note	Un-audited	
		31 Dec. 2014	31 Dec. 2013
		Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(311,889)	(146,105)
Adjustments for non-cash and other items			
Depreciation	6	71,654	71,322
Staff retirement benefits		7,669	9,120
Profit/(Loss) on disposal of property, plant and equipment		6	(733)
Mark-up / Interest income		(1,159)	(1,486)
Finance costs		87,403	44,071
		<u>165,573</u>	<u>122,294</u>
		(146,316)	(23,811)
Effect on cash flow due to working capital changes			
(Increase) / Decrease in current assets			
Stores, spares and loose tools		(244)	(143,089)
Stock-in-trade		256,380	(363,001)
Trade debts		(6,592)	3,074
Loans and advances		2,398	(1,241)
Trade deposits and short term prepayments		(10,369)	(6,311)
Other receivables		(19,446)	(64,700)
		<u>222,127</u>	<u>(575,268)</u>
Decrease / (Increase) in current liabilities			
Trade and other payables		(124,067)	561,935
Cash used in operations		(48,256)	(37,144)
Finance costs paid		(77,654)	(40,749)
Income tax paid		(13,664)	(12,739)
Mark-up / Interest income received		1,159	1,486
Staff retirement benefits paid		(3,966)	(5,097)
		<u>(142,381)</u>	<u>(94,243)</u>
Net Cash outflow from operating activities		(142,381)	(94,243)

Condensed Interim Cash Flow Statement (Un-audited)

for the half year ended 31 December 2014

	Note	Un-audited	
		31 Dec. 2014	31 Dec. 2013
		Rupees in thousand	
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(185,245)	(12,244)
Proceeds from disposal of operating assets		885	770
Net cash outflow from investing activities		<u>(184,360)</u>	<u>(11,474)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Finance lease		1,254	-
Long term borrowings		135,439	-
Net cash outflow from financing activities		<u>136,693</u>	<u>-</u>
Net decrease in cash and cash equivalents		(190,048)	(105,717)
Cash and cash equivalents at the beginning of the period		(1,325,025)	(921,810)
Cash and cash equivalents at the end of the period	13	<u>(1,515,073)</u>	<u>(1,027,527)</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Condensed Interim Statement of Changes in Equity (Un-audited) for the half year ended 31 December 2014

Rupees in thousand

	Issued, Subscribed and Paid - up Capital	Capital Reserve	Revenue Reserves		Total Reserves	Total Equity and Reserves	Revaluation Surplus
		Share Premium	General Reserve	Accumulated Loss			
Balance as on 01 July 2013	340,685	71,490	1,664,125	(210,227)	1,525,388	1,866,073	-
Final dividend for the year ended 30 June 2013	-	-	-	-	-	-	-
Loss for the half year ended 31 December 2013	-	-	-	(168,512)	(168,512)	(168,512)	-
Other comprehensive income for the half year ended 31 December 2013	-	-	-	-	-	-	-
Balance as on 31 December 2013	340,685	71,490	1,664,125	(378,739)	1,356,876	1,697,561	-
Balance as on 01 January 2014	340,685	71,490	1,664,125	(378,739)	1,356,876	1,697,561	-
Loss for the half year ended 30 June 2014	-	-	-	(234,772)	(234,772)	(234,772)	-
Other comprehensive income for the half year ended 30 June 2014	-	-	-	-	-	-	-
Balance as on 30 June 2014	340,685	71,490	1,664,125	(613,511)	1,122,104	1,462,789	-
Balance as on 01 July 2014	340,685	71,490	1,664,125	(613,511)	1,122,104	1,462,789	-
Final dividend for the year ended 30 June 2014	-	-	-	-	-	-	-
Loss for the half year ended 31 December 2014	-	-	-	(296,642)	(296,642)	(296,642)	-
Other comprehensive income for the half year ended 31 December 2014	-	-	-	-	-	-	293,388
Balance as on 31 December 2014	340,685	71,490	1,664,125	(910,153)	825,462	1,166,147	293,388

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director

Notes to the Condensed Interim Financial Information for the half year ended 31 December 2014

1. Legal status and nature of business

RUPALI POLYESTER LIMITED ("the Company") was incorporated in Pakistan on 24 May 1980 under the Companies Act 1913 (now the Companies Ordinance, 1984) as a Public Limited Company and is quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the Company is situated at 241-242 Upper Mall Scheme, Anand Road, Lahore. It is principally engaged in the manufacture and sale of polyester products.

2. Basis of preparation

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 the requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for full annual financial statements and, therefore, should be read in conjunction with audited annual financial statements of the Company for the year ended 30 June 2014.

3. Significant accounting policies

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended 30 June 2014.

The provision for taxation for the half year ended 31 December 2014 has been made using the tax rate that would be applicable to expected total annual earnings.

4. Accounting estimates, judgments and financial risk management

In preparing these condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements as at and for the year ended 30 June 2014, with the exception of changes in estimates that are required in determining the provision for income taxes.

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

5. Investment property

Property held to earn rentals or for capital appreciation or for both is classified as investment property. Investment property comprises freehold land. Investment property is carried at fair value.

Investment property of the Company has been valued by independent professionally qualified valuers. The fair value of the investment property is based on active market price.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and fair value of this item at the date of transfer is recognised in equity as a revaluation reserve for investment property. However, if fair value gain reverses a previous impairment loss, the gain is recognised in the profit and loss account. Upon the disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit and loss account.

If an investment property becomes owner-occupied or stock-in-trade, it is reclassified as property, plant and equipment or stock-in-trade and its fair value at the date of reclassification becomes its cost for accounting purpose for subsequent recording.

	Note	Un-audited 31 Dec. 2014	Audited 30 June 2014
Rupees in thousand			
6. Property, plant and equipment			
Operating fixed assets	6.1	1,499,230	1,532,078
Capital work-in-progress	6.2	237,260	98,324
		<u>1,736,490</u>	<u>1,630,402</u>

6.1 Operating Fixed Assets

Opening net book value (NBV)		1,532,078	1,540,900
Additions at cost during the period / year	6.1.1	46,309	135,913
Revaluation gain on freehold land	6.1.2	293,388	-
		<u>1,871,775</u>	<u>1,676,813</u>
Disposals at net book value (NBV) during the period / year	6.1.1	(891)	(47)
Transfers to investment property		(300,000)	-
Depreciation charge during the period / year		(71,654)	(144,688)
		<u>(372,545)</u>	<u>(144,735)</u>
		<u>1,499,230</u>	<u>1,532,078</u>

6.1.1 Additions and disposals of operating fixed assets during the period are as follows:

	Additions - at cost		Disposals - at NBV	
	31 Dec. 2014	30 June 2014	31 Dec. 2014	30 June 2014
Rupees in thousand				
Building - Factory on freehold land	487	396	-	-
Building - Office on freehold land	-	-	-	-
Building - Office on leasehold land	-	481	-	-
Plant and machinery	41,182	128,910	-	-
Furniture and fittings	-	122	-	-
Vehicles	4,095	2,889	891	37
Office equipment	536	3,025	-	10
Other assets	9	90	-	-
	<u>46,309</u>	<u>135,913</u>	<u>891</u>	<u>47</u>

6.1.2 During the period the Company carried out a revaluation of property, plant and equipment which represents an uncovered area measuring five kanals situated at Race Course Road Lahore. M/s Hamid Mukhtar & Co carried out the valuation, based on their assessment and prevailing market conditions of real estate in the area, they are of opinion that fair market value per kanal is assessed to be Rs. 60 million.

	Un-audited 31 Dec. 2014	Audited 30 June 2014
Rupees in thousand		
6.2 Capital work-in-progress		
Building and civil works	21,448	12,810
Plant and machinery	102,351	85,173
Furniture and fixture	-	230
Office equipment	-	111
Other assets	27	-
Capital stores	113,434	-
	<u>237,260</u>	<u>98,324</u>

	Un-audited 31 Dec. 2014	Audited 30 June 2014
Rupees in thousand		
7. Investment property		
Opening net book value	-	-
Transfer from owners' occupied property	300,000	-
Disposal of investment property	-	-
	300,000	-
Fair value gain/(loss)	-	-
Fair value as at 31 December 2014	300,000	-

The Company transferred a plot of land measuring five kanals out of property, plant and equipment and designated it as an investment property because of a change in managements' intention for such property. The resulting difference between the carrying amount and the fair value of such land at the date of transfer has been recognised as revaluation reserve in accordance with the requirement of IAS-40 'Investment Properties'.

8. Long term borrowings

The Company has obtained a term finance facility of Rs. 500 million from MCB Bank Limited for the purpose of import of plant and machinery, spare parts and related civil works. The facility is secured by way of first charge over fixed assets aggregating to Rs. 667 million, lien over import documents and promissory note of Rs. 975 million. The loan is repayable in ten equal bi-annual installments starting from May 2016 and carries mark-up of 6 months KIBOR plus 0.5 percent to be reset on semi annual basis.

9. Liabilities against assets subject to finance lease

	Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
Lease rentals	545	1,093	1,638	-	-	-
Residual value	-	-	-	-	-	-
Minimum lease payments	545	1,093	1,638	-	-	-
Future finance charges	339	45	384	-	-	-
Present value of minimum lease payments	206	1,048	1,254	-	-	-

Minimum lease payments have been discounted using the effective interest rate of 11.44% implicit in the lease to arrive at the present value. Rentals are payable in advance in monthly installments. The lease contains a bargain purchase option exercisable at the end of the lease and it is reasonably certain that the Company will exercise this option at maturity.

	Note	Un-audited 31 Dec. 2014	Audited 30 June 2014
Rupees in thousand			
10. Short term borrowings			
Secured- from banking companies			
Running finances utilized under mark-up arrangements	10.1 & 10.2	1,086,460	1,024,948
Term finances utilized under mark-up arrangements	10.1	433,000	433,000
		1,519,460	1,457,948

10.1 The aggregate finance facilities available from various commercial banks amounted to Rs. 1,700 million (30 June 2014: Rs. 1,700 million). These carry mark-up at the rates ranging from 9.92% to 11.19% (30 June 2014: 9.26% to 10.94%) p.a. and are secured against hypothecation charge on current assets of Rs. 2,074.265 million (30 June 2014: Rs. 2,074.265 million) and promissory notes of Rs. 2,038.847 million (30 June 2014: Rs. 2,061.356 million) respectively. Maximum amount utilised during the half year ended 31 December 2014 amounted to Rs. 1,598.020 million.

10.2 The facilities for opening letter of credit from various commercial banks as at 31 December 2014 aggregates to Rs. 2,350 million (30 June 2014: Rs. 2,350 million) of which the amount remained unutilised at the year-end was Rs. 2,109.960 million (30 June 2014: Rs. 1,662.828 million).

11. Contingencies and commitments

11.1 Contingencies

Guarantees issued to different organizations in the normal course of business amounted to Rs. 66.314 million (30 June 2014: Rs. 66.314 million).

Outstanding guarantees given on behalf of related parties amounted to Rs. Nil (30 June 2014: Rs. Nil).

11.2 Commitments

Contracts for Capital expenditure commitments outstanding as at 31 December 2014 amounted to Rs. 267.190 million (30 June 2014: Rs. 217.263 million).

Commitments against irrevocable letters of credit as at 31 December 2014 amounted to Rs. 240.039 million (30 June 2014: Rs. 687.172 million).

	Quarter Ended		Half Year Ended	
	31 Dec. 2014	31 Dec. 2013	31 Dec. 2014	31 Dec. 2013
	Rupees in thousand			
12. Cost of goods sold				
Raw and packing materials consumed	866,282	1,584,289	1,808,219	3,017,219
Stores and spares consumed	19,680	15,452	28,757	32,148
Salaries, wages and amenities	51,970	53,698	93,596	102,723
Fuel and power	130,680	279,656	272,960	521,194
Repair and maintenance	8,437	7,624	12,814	13,394
Running and maintenance of vehicles	3,146	3,987	6,905	7,600
Insurance	3,816	4,373	7,461	8,068
Depreciation	33,026	32,169	64,708	64,259
Rent, rate and taxes	162	58	409	318
Other expenses	399	678	896	995
	<u>1,117,598</u>	<u>1,981,984</u>	<u>2,296,725</u>	<u>3,767,918</u>
Add: Opening work in process	34,874	44,832	18,942	51,584
Less: Closing work in process	(17,200)	(50,946)	(17,200)	(50,946)
	<u>1,135,272</u>	<u>1,975,870</u>	<u>2,298,467</u>	<u>3,768,556</u>
Add: Opening finished goods	467,331	455,754	589,045	398,277
Less: Closing finished goods	(426,061)	(651,274)	(426,061)	(651,274)
	<u>1,176,542</u>	<u>1,780,350</u>	<u>2,461,451</u>	<u>3,515,559</u>

Half Year Ended
31 Dec. 2014 31 Dec. 2013
Rupees in thousand

13. Cash and cash equivalents

Cash and bank balances	4,387	24,459
Short term borrowings	(1,519,460)	(1,051,986)
	(1,515,073)	(1,027,527)

14. Transactions with related parties

The related parties include Associated Undertakings, Other Related Group Companies, Directors of the Company, Key Management Personnel and Defined Contribution Plan (Provident Fund). Transactions with related parties are as follows:

Relation with the Company	Nature of Transactions	Quarter Ended		Half Year Ended	
		31 Dec. 2014	31 Dec. 2013	31 Dec. 2014	31 Dec. 2013
Rupees in thousand					
(i) Associated Undertakings	- Sales of goods and services	29,601	440,715	107,969	671,588
	- Purchase of goods and services	397,585	159,054	544,756	484,269
	- Profit on bank deposits	449	703	1,062	1,176
(ii) Other Related Parties	- Sales of goods and services	-	-	-	-
	- Purchase of goods and services	-	1,264	80	1,264
(iii) Defined Contribution Plan (Provident Fund)	- Contribution to provident fund	260	458	595	851

There are no transactions with key management personnel other than under their terms of employment.

15. Date of authorisation for issue

These condensed interim financial statements were authorized for issue on 20 February 2015 by the Board of Directors of the Company.

16. Corresponding figures

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

17. General

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

Nooruddin Feerasta
Chief Executive Officer

Abdul Hayee
Director



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