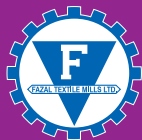




A Part of  
YUNUS BROTHERS  
GROUP



FAZAL TEXTILE MILLS LIMITED

Half Yearly Report  
December 31,

**2014**



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## Half Yearly Report 2014



## Corporate Information

### BOARD OF DIRECTORS

Mr. Muhammad Yunus 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 Faheemullah

### AUDIT COMMITTEE

Mr. Abdul Kadir Adam	Chairman
Mr. Muhammad Javed Tabba	Member
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

Kreston 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 AND MILLS

LA-2/B Block # 21,  
Rashid Minhas Road,  
Federal 'B' Area, Karachi - 75950.  
Phones: 36321311-36322048  
Fax: 92-21-36313372  
E-mail: [finance@fazaltextile.com](mailto:finance@fazaltextile.com)  
Website : [www.fazaltextile.com](http://www.fazaltextile.com)

### FACTORY SUPER HIGHWAY:

57 Km Mile Stone, near Lucky  
Cement, Besides Edhi Village,  
Super Highway, Karachi.



## Directors' Report To The Members

We feel pleasure in submitting herewith the un-audited half yearly financial statement for the half ended December 31, 2014.

### FINANCIAL RESULTS

	Rs in "000"		
	Period ended Dec 2014	Period ended Dec 2013	Percentage % Favorable/ (Unfavorable)
Sales	3,737,241	3,314,419	12.76%
Gross Profit	367,993	366,930	0.30%
Profit before tax	156,376	209,385	(25.32%)
Profit after tax	110,872	142,286	(22.08%)
Earning per shares Rs	17.92	23.00	(22.08%)

Your Company earned post-tax profit of Rs 110.872 million as compared to Rs 209.385 million for the corresponding period. During the period under review the sales increased to Rs 3.737 billion from Rs 3.314 billion i.e 12.76% due to increase in sales volume of fabrics and increase in capacity and production of yarn. However the gross profit decreased to 9.85% from 11.07% due to pressure that is prevailing in the market owing to the continuing availability of subsidized Indian cotton yarn, increase in other cost components beyond the management control, and appreciation of Pak rupee by almost 6%. The financial charges also increased tremendously due the capital investment and additional requirement of working capital.

### FUTURE OUTLOOK:

The size of cotton crop is reportedly sizeable and we foresee that the price will remain stable and in line with the international prices, however the energy crisis, inflation, availability of subsidized Indian yarn resulting pressure of yarn prices in local market this could affect adversely the profitability for the coming period. Furthermore, the country has witnessed a sharp decrease in both petrol and furnace oil prices in the international market, however the merits of such significant prices cuts are yet to be passed on to the business community, and to the economy as a whole. 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 Company while exploring the potential opportunities to expand, grow and reorganize, identified opportunity for expansion / reorganization by virtue of merging the textile business of the company with and into the Gadoon Textile Mills Limited (GTML), a public listed company, and the real estate business of the company with and into Lucky Landmark (Private) Limited (LLPL), a private limited company, and for the purpose resolved to proceed for merger for which petition no. 41/2014 has been filed before the Honorable High Court of Sindh at Karachi on December 30, 2014 wherein it has been prayed, inter alia, that the scheme of arrangement prepared for the proposed merger be sanctioned. Pursuant to the Order of High Court of Sindh at Karachi dated January 01, 2015, (i) an Extra Ordinary General Meeting of the members of company was held on February 19, 2015 in which the members unanimously approved the scheme of arrangement,; and (ii) a meeting of the secured creditors of the company was held on February 20, 2015 where at NOCs with respect to the scheme of arrangement were issued / submitted.



The construction work for Mall & Apartment is in full swing and hopefully the phase I on Mall will be completed by the end of June 2016

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

Chairman

Karachi: February 23, 2015



## *Auditor's 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** ("the Company") as of **December 31, 2014**, 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 (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim 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 for the quarters ended December 31, 2014 and December 31, 2013 in the interim financial information have not been reviewed, as we are required to review only the cumulative figures for the six months' period ended December 31, 2014.

### Scope of Review

We conducted our review in accordance with the International Standards on review engagements 2410, "Review of condensed 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 at and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

### Emphasis of Matter

We draw attention to note 2 of the condensed interim financial information which more fully explains the board of director's intention for merger / amalgamation of the company's textile business with and into Gadoon Textile Mills Limited and real estate business with and into Lucky Land Mark (Private) Limited and for the purpose resolved to proceed for merger for which Petition no. 41/2014 has been filed in the Honorable High Court of Sindh at Karachi dated December 30, 2014 wherein it is prayed that scheme of arrangement so prepared and is in process of approval by the shareholders be granted. Our conclusion is not qualified in respect of this matter.

**KRESTON HYDER BHIMJI & CO.**  
**CHARTERED ACCOUNTANTS**  
ENGAGEMENT PARTNER  
MUHAMMAD HANIF RAZZAK

Karachi: February 23, 2015



## Condensed Interim Balance Sheet (Un-Audited)

AS AT DECEMBER 31, 2014

	Note	Dec 2014 (Un-Audited)	Jun 2014 (Audited)
Rupees in "000"			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	5,980,823	5,617,963
Long term loans and advances		7,376	10,976
Long term security deposits		1,199	1,199
		<u>5,989,398</u>	<u>5,630,138</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		76,105	76,603
Stock in trade		2,155,080	754,167
Trade debts		597,692	860,014
Loans and advances		75,575	69,528
Trade deposits and short term prepayments		1,861	681
Other receivables		60	60
Sales Tax refunds due from government		129,318	146,137
Income tax refundable - net of provision		73,632	82,065
Cash and bank balances		113,423	89,310
		<u>3,222,746</u>	<u>2,078,565</u>
<b>TOTAL ASSETS</b>		<u><b>9,212,144</b></u>	<u><b>7,708,703</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital		<u>150,000</u>	<u>150,000</u>
Issued, subscribed and paid-up capital		61,875	61,875
Reserves		2,254,371	2,174,437
Remeasurement on post retirement benefits obligation - net of tax		(10,881)	(10,881)
		<u>2,305,365</u>	<u>2,225,431</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Long term financing		1,508,333	1,633,333
Deferred Liabilities			
Staff retirement benefits		91,561	82,083
Deferred taxation		80,186	77,476
		<u>171,747</u>	<u>159,559</u>
		<u>1,680,080</u>	<u>1,792,892</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		663,805	418,322
Accrued markup		123,495	84,390
Short term borrowings		4,022,732	2,896,001
Current portion of long term financing		416,667	291,667
		<u>5,226,699</u>	<u>3,690,380</u>
Contingencies and Commitments	7	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>9,212,144</b></u>	<u><b>7,708,703</b></u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Karachi: February 23, 2015

Chairman

Chief Executive



## Condensed Interim Profit and Loss Account (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	Rupees in thousand			
		For the half yearly ended		For the quarter ended	
		Dec 2014	Dec 2013	Dec 2014	Dec 2013
Sales	8	3,737,241	3,314,419	1,597,891	1,574,572
Cost of sales	9	3,369,248	2,947,489	1,454,798	1,446,581
<b>Gross profit</b>		<b>367,993</b>	<b>366,930</b>	<b>143,093</b>	<b>127,991</b>
Distribution Costs		86,728	65,188	34,956	28,805
Administrative expenses		30,343	28,187	13,287	14,497
Other operating expenses		8,260	11,084	2,631	2,301
		125,331	104,459	50,874	45,603
		242,662	262,471	92,219	82,388
Other Income		1,783	15,359	867	5,427
<b>Operating profit</b>		<b>244,445</b>	<b>277,830</b>	<b>93,086</b>	<b>87,815</b>
Finance cost		88,069	68,445	43,657	45,309
<b>Profit before taxation</b>		<b>156,376</b>	<b>209,385</b>	<b>49,429</b>	<b>42,506</b>
Taxation		45,504	67,099	16,977	51,382
<b>Profit after taxation</b>		<b>110,872</b>	<b>142,286</b>	<b>32,452</b>	<b>(8,876)</b>
Earning per share-basic and diluted (Rupees)		17.92	23.00	5.24	(1.43)

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Karachi: February 23, 2015

  
Chairman

  
Chief Executive





*Condensed Interim Statement of Comprehensive Income (Un-audited)*  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Rupees in thousand			
	For the half yearly ended		For the quarter ended	
	Dec 2014	Dec 2013	Dec 2014	Dec 2013
Profit after taxation	110,872	142,286	32,452	(8,876)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>110,872</u>	<u>142,286</u>	<u>32,452</u>	<u>(8,876)</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Karachi: February 23, 2015

  
Chairman

  
Chief Executive



## Condensed Interim Cash Flow Statement (Un-audited)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

		Rupees in thousand	
	Note	Dec 2014	Dec 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	10	(490,633)	742,124
Gratuity paid		(11,311)	(10,360)
Finance cost paid		(48,964)	(49,096)
Income tax paid		(34,361)	(32,456)
Long term loans and advances		4,105	2,590
		(90,531)	(89,322)
Net cash (outflow) / inflow from operating activities		(581,164)	652,802
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Direct additions in operating fixed assets		(1,811)	(23,983)
Additions to capital work in progress		(489,734)	(545,107)
Sale proceeds from disposal of Property plant and equipment		650	10,990
Net cash outflow from investing activities		(490,895)	(558,100)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Net decrease in long term financing		-	(183,300)
Dividend paid		(30,559)	(3,058)
Net cash outflow from financing activities		(30,559)	(186,358)
Net decrease in cash and cash equivalents		(1,102,618)	(91,655)
Cash and cash equivalents at the beginning of the period		(2,806,691)	(2,365,739)
Cash and cash equivalents at the end of the period	11	(3,909,309)	(2,457,394)

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Karachi: February 23, 2015

  
Chairman

  
Chief Executive



*Condensed Interim Statement of Changes in Equity (Un-audited)*  
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

Rupees in thousand

Description	Issued, Subscribed and Paid up Capital	RESERVES				Reasurement on post retiremnt benefits obligation net of tax	Total Equity
		Capital Reserve	Revenue Reserves				
		Share premium	General Reserve	Unapp- ropriated Profit	Total reserves		
Balance as on July 01, 2013 as restated	61,875	34,416	1,605,584	447,073	2,087,073	(2,681)	2,146,267
Transfer to revenue reserves	-	-	400,000	(400,000)	-	-	-
Transaction with owners Final Dividend for the year ended June 30, 2013 Cash Rs. 5 per share	-	-	-	(30,938)	(30,938)	-	(30,938)
<b>Total comprehensive income for the year ended December 31, 2013</b>	-	-	-	142,286	142,286	-	142,286
Balance as on December 31, 2013	61,875	34,416	2,005,584	158,421	2,198,421	(2,681)	2,257,616
Total comprehensive income for the year ended June 30, 2014	-	-	-	(23,984)	(23,984)	(8,200)	(32,184)
Balance as on June 30, 2014	61,875	34,416	2,005,584	134,437	2,174,437	(10,881)	2,225,431
Transfer to revenue reserve	-	-	85,000	(85,000)	-	-	-
Total comprehensive income for the year ended December 31, 2014	-	-	-	110,872	110,872	-	110,872
Transaction with owners Final Dividend for the year ended June 30, 2014 Cash Rs. 5 per share	-	-	-	(30,938)	(30,938)	-	(30,938)
<b>Balance as on December 31, 2014</b>	<b>61,875</b>	<b>34,416</b>	<b>2,090,584</b>	<b>129,371</b>	<b>2,254,371</b>	<b>(10,881)</b>	<b>2,305,365</b>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

Karachi: February 23, 2015

  
Chairman

  
Chief Executive



## *Notes to the Condensed Interim Financial Statements (Un-audited)*

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

### **1 LEGAL STATUS AND OPERATION:**

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 04, 1966. The Company is listed and its shares are quoted on 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. The address of its registered office is LA-2/B, Block 21, Rashid Minhas Road, Federal "B" Area, Karachi, Pakistan. The Company has also undertaken a joint venture of constructing a Mega Mall and Residential Tower located at Plot # LA-2/B, Block 21, Rashid Minhas Road, Federal "B" Area, Karachi. The Company is Subsidiary Company of Y.B. Holding (Private) Limited.

### **2 MERGER / AMALGAMATION**

The Company while exploring the potential opportunities to expand, grow and reorganize, identified opportunity for expansion / reorganization by virtue of merging the textile business of the company with and into the Gadoon Textile Mills Limited (GTML), a public listed company, and the real estate business of the company with and into Lucky Landmark (Private) Limited (LLPL), a private limited company, and for the purpose resolved to proceed for merger for which petition no. 41/2014 has been filed before the Honorable High Court of Sindh at Karachi on December 30, 2014 wherein it has been, inter alia, prayed that the scheme of arrangement prepared for the proposed merger be sanctioned. The approvals of the shareholders and secured creditors of the company have been obtained in the manner required under section 284 of the Companies Ordinance, 1984. The company based upon evaluation by the consultant determined swap ratio of 0.3347 shares each for one share held in the company of Gadoon Textile Mills Limited for sponsor shareholders while 1.9555 shares for other shareholders. Besides the sponsor shareholders will be given shares in Lucky Landmark (Private) Limited which will eventually own real estate project initiated by the company.

### **3 BASIS OF PREPARATION**

These condensed interim financial statements have been prepared in accordance with the requirements of International accounting standards (IAS-34), "Interim financial reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provisions of and directives issued under the Companies Ordinance, 1984 have been followed.

These condensed interim financial statements comprise of condensed interim balance sheet as at December 31, 2014, 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 notes to the condensed interim financial statements for the half year ended December 31, 2014 which have been subjected to a review in accordance with the Listing Regulations but not audited. These condensed interim financial statements also include the condensed interim profit and loss account and condensed interim statement of comprehensive income for the half year ended December 31, 2014 as the same is not subjected to review.



The comparative balance sheet, presented in these condensed interim financial statements, as at June 30, 2014 has been extracted from the audited financial statements of the company for the year ended June 30, 2014 where as 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, 2014 have been extracted from the condensed interim financial statements 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, 2013 is also included in these condensed interim financial statements.

These condensed interim financial statements 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, 2014.

**4 FUNCTIONAL AND PRESENTATION CURRENCY**

These condensed interim financial statements have been prepared in Pak Rupees, which is the Company's functional currency.

**5 ACCOUNTING POLICIES**

The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the company for the year ended June 30, 2014.

		Rupees in thousand	
	Note	Dec 2014 (Un-Audited)	Jun 2014 (Audited)
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	3,164,904	3,264,436
Capital work in progress	6.2	2,815,919	2,353,527
		<b>5,980,823</b>	<b>5,617,963</b>
<b>6.1 OPERATING FIXED ASSETS</b>			
Opening written down value		3,264,436	2,704,638
<b>Additions during the period:</b>			
Main factory building		-	549,742
Other factory building		-	27,846
Plant & machinery		27,342	231,128
Office equipment		151	406
Vehicles		1,424	12,149
Computer equipment		236	1,099
		<b>29,153</b>	<b>822,370</b>
<b>Written down value of disposals during the period:</b>			
Main factory building		-	(2,550)
Other factory building		-	(38,848)
Plant & machinery		-	(8,481)
Vehicles		(594)	(1,815)
		<b>(594)</b>	<b>(51,694)</b>
Depreciation		<b>(128,091)</b>	<b>(210,878)</b>
		<b><u>3,164,904</u></b>	<b><u>3,264,436</u></b>



	Rupees in thousand		
	Note	Dec 2014 (Un-Audited)	Jun 2014 (Audited)
<b>6.2 CAPITAL WORK IN PROGRESS</b>			
<b>Opening balance</b>		2,353,527	1,969,546
Additions during the period			
Factory building - civil works		16,148	82,557
Plant, machinery & store items - held for installation		27,342	231,128
Construction cost incurred for Lucky one project		24,596	18,131
Mobilization advance to Lucky One (Private) Limited		287,000	665,000
Supervision fees		1,067	4,568
		356,153	1,001,384
<b>Borrowing Cost capitalized during the period</b>			
Borrowing cost related to Construction		133,581	191,313
<b>Transferred to Operating fixed assets</b>			
Factory building - civil works		-	(577,588)
Plant, machinery & store items - held for installation		(27,342)	(231,128)
		(27,342)	(808,716)
<b>Closing balance</b>		<u>2,815,919</u>	<u>2,353,527</u>

## 7 CONTINGENCIES AND COMMITMENTS

### 7.1 Contingencies:

The status of contingencies, as reported in the annual financial statements for the year ended June 30, 2014 remained unchanged during the current period.

### 7.2 Guarantees:

	Rupees in thousand	
	Dec 2014 (Un-Audited)	Jun 2014 (Audited)
Bank guarantees for:		
Lucky One (Pvt.) Limited against financing for project approved under Section 208 of Companies Ordinance, 1984.	49,918	49,918
Others	81,945	81,945
	131,863	131,863
Post dated cheques issued to collector of customs	104,141	104,141
	<u>236,004</u>	<u>236,004</u>

### 7.3 Commitments:

Outstanding letter of credits in respect of		
- capital expenditure	-	16,720
- non capital expenditure	254	16,965
	254	33,685



		Rupees in thousand	
	Note	Dec 2014 (Un-Audited)	Dec 2013 (Un-Audited)
<b>8 SALES - Net</b>			
Export		2,096,225	1,713,971
Local		1,678,781	1,635,867
Export rebate		2,143	1,250
Research & Development Support		365	-
Gross sales		3,777,515	3,351,087
Less:			
- Sales tax		34,730	32,186
- Export duty and surcharge		5,544	4,483
		40,274	36,669
		<u>3,737,241</u>	<u>3,314,419</u>
<b>9 COST OF SALES</b>			
Opening stock of finished goods		620,311	322,292
Cost of goods manufactured		3,145,117	3,022,335
Closing stock of finished goods		(396,180)	(397,138)
		<u>3,369,248</u>	<u>2,947,489</u>
<b>10 CASH GENERATED FROM OPERATION</b>			
Profit before taxation		156,376	209,385
Adjustment for non cash charges:			
Depreciation		128,091	100,683
Gain on sale of operating fixed assets		(55)	(3,113)
Finance cost		88,069	68,445
Provision for gratuity of staff retirement benefits		20,789	11,058
		236,894	177,073
Net changes in working capital	10.1	(883,903)	355,666
		<u>(490,633)</u>	<u>742,124</u>
<b>10.1 CHANGES IN WORKING CAPITAL</b>			
(Increase) / Decrease in current assets			
Stores, spare parts and loose tools		498	9,048
Stock in trade		(1,400,913)	(440,711)
Trade debts		262,322	635,432
Loans and advances		(6,552)	(102,699)
Trade deposits and short term prepayments		(1,180)	(30,444)
Other receivable		-	1,044
Sales Tax refunds due from government		16,819	(60,409)
		(1,129,006)	11,261
Increase / (Decrease) in current liabilities			
Trade and other payables		245,103	344,405
Net changes in working capital		<u>(883,903)</u>	<u>355,666</u>



	Rupees in thousand	
	Dec 2014 (Un-Audited)	Dec 2013 (Un-Audited)
<b>11 CASH AND CASH EQUIVALENTS</b>		
Cash & cash equivalent comprise of the following items:		
Cash and bank balances	113,423	77,906
Short term borrowings	(4,022,732)	(2,535,300)
	<u>(3,909,309)</u>	<u>(2,457,394)</u>

**12 TRANSACTIONS 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 during the period and outstanding balances of related parties as on period end are as follows:

	Rupees in thousand	
	Dec 2014 (Un-Audited)	Dec 2013 (Un-Audited)
<b>With Associates:</b>		
<u>Sale of Goods and Providing of Services</u>		
- Lucky Knits (Pvt) Ltd.	72,073	181,820
- Lucky Textile Mills Ltd.	385,781	290,337
- Gadoon Textile Mills Ltd.	1,454	11,150
- Lucky one (Private) Limited	1,067	-
- Feroze 1888 Mills	5,032	-
	<u>465,407</u>	<u>483,307</u>
<u>Purchase of Goods and Receipt of Services</u>		
- Lucky Cement Limited	3,611	6,761
- Lucky Textile Mills Limited	-	7,910
- Gadoon Textile Mills Limited	84,170	76,038
- Lucky Knits (Private) Limited	14,549	9,576
- Lucky Energy (Private) Limited	447,092	361,908
- ICI Pakistan Limited	284,955	98,955
	<u>834,377</u>	<u>561,148</u>
<u>Sale proceeds from disposal</u>		
- Gadoon Textile Mills Limited	-	1,800
<u>Mobilization advance</u>		
- Lucky one (Private) Limited	287,000	395,000
<u>Long Term Loan Received / adjusted</u>		
- Lucky Energy (Private) Limited	-	250,000
- Lucky Knits (Private) Limited	-	325,000
<u>Remuneration to key management personnel</u>		
- Salaries and benefits	10,117	10,122





	Rupees in thousand	
	Dec 2014 (Un-Audited)	Jun 2014 (Audited)
Related Parties outstanding receivable / (payable)		
- Lucky Knits (Private) Limited	-	25,355
- Lucky Textile Mills Limited	9,077	5,651
- Gadoon Textile Mills Limited	-	47
- Lucky Energy (Private) Limited	(425,000)	(425,000)
- Lucky Energy (Private) Limited	(63,271)	(11,227)
- Lucky Knits (Private) Limited	(107,606)	(26,962)
- Lucky Textile Mills Limited	-	(10)
- Lucky one (Private) Limited	(5,635)	(4,568)
- Feroze 1888 Mills	(61)	-
- ICI Pakistan Limited	4,001	2,078
	<u>(588,495)</u>	<u>(434,636)</u>

**13 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim Financial Statements were authorized for issue by the Board of Directors on February 23, 2015.

**14 GENERAL**

14.1 Figures have been rounded off to the nearest thousand rupees.

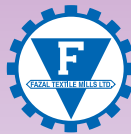
14.2 Provisions of worker's profit participation fund and income tax are interim and final liability will be determined on the basis of annual results.

Karachi: February 23, 2015

  
Chairman

  
Chief Executive

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CORPORATE