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*Aslam Malik & Co.*

Chartered Accountants

**CONDENSED INTERIM FINANCIAL  
INFORMATION**

**OF**

**YOUSAF WEAVING MILLS LIMITED**

**FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

**Lahore:**

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

**Introduction**

We have reviewed the accompanying condensed interim balance sheet of **Yousaf Weaving Mills Limited** ("The Company") as at 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 approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

**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 condensed interim financial information consist 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 December 31, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Lahore.  
Date: February 28, 2015

  
(Aslam Malik & Co)  
Chartered Accountants

Engagement Partner  
Mohammad Aslam Malik

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of the Company are pleased to present before you the un-audited Financial Statements for the half year ended December 31, 2014. This condensed interim financial statement is un-audited. However, this condensed interim financial information has been reviewed by Aslam Malik & Co., Chartered Accountants, who are independent auditors of the Company and their report is attached to the financial statement.

The company earned Gross profit for the period amounted to Rs. 78.558 million as compared to Rs. 112.611 million in corresponding period. Net loss for the period was Rs. 33.677 million as compared to net loss Rs. 12.362 millions for the corresponding period. The continued energy crisis, devalued Pak Rupee as compare to US \$ and sluggish overall textile scenario affected the performance of the company. The company could not achieve the optimum capacity utilization which resulted decline in turnover as compared to corresponding period which contributed to the loss attained by the company. Administrative expenses decrease due to effective control over expenses. Finance costs increased due to increase short term borrowing as compared to corresponding period and distribution cost decrease due to decrease in sale as compared to corresponding period.

The management believes that the results of the company would be far better if the Government make the industry competitive by providing indiscriminating energy avoiding privilege to certain areas of the country. The textile sector has not made any significant investment during the last five years mainly for the uncertainty on the energy and fragile law and order situation. The export volume of overall industry has drop but the people who are in whelm of affairs are weary. The Government should move forward and make bold steps to provide uninterrupted power supply for a fair competitive environment in the country. The management of the company despite difficult business condition is making every possible efforts to turnaround the operating performance of the company. We are exploring marketing opportunities to get better price of our product by offering the best quality fabric in Pakistan. The spinning unit has been tuned to operate on sustainable profitability. The energy cost has become major crunch of the production and we are making indignant efforts for energy conservation. Although the State Bank of Pakistan has slashed the interest but the ailing textile industry demands far more support for its growth.

The directors of your Company like to put on record their appreciation and gratitude to the executives, officers, staff members and workers of the Company in performance of their duties. We would further put on record our profound and sincere gratitude to valued customers, regulators, external auditors, bankers and shareholders.

For and on behalf of the board

  
**Khawaja Mohammad Nadeem**  
Chief Executive

February 28, 2015

**YOUSAF WEAVING MILLS LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT DECEMBER 31, 2014 - (UN-AUDITED)**

		<b>Half Year Ended December 31, 2014</b>	<b>Year Ended June 30, 2014</b>
	Note	<b>(Un-audited)</b>	<b>(Audited)</b>
		Rupees	Rupees
<b>CAPITAL AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital			
40,000,000 (June 30, 2014: 40,000,000) ordinary shares of Rs. 10 each		400,000,000	400,000,000
Issued, subscribed and paid up capital		400,000,000	400,000,000
Accumulated loss		(288,792,483)	(253,539,034)
		111,207,517	146,460,966
<b>NON CURRENT LIABILITIES</b>			
Long term loans	5	497,707,712	512,257,712
Liabilities against assets subject to finance lease		12,530,761	11,954,798
Deferred liabilities		65,841,694	67,051,829
		576,080,167	591,264,339
<b>CURRENT LIABILITIES</b>			
Trade and other payables		499,860,969	459,083,047
Accrued mark up		13,578,410	12,452,814
Short term borrowings		425,331,618	425,972,338
Current maturity of non current liabilities		13,879,649	14,489,058
Provision for taxation		36,585,760	28,104,801
		989,236,406	940,102,058
<b>CONTIGENCIES AND COMMITMENTS</b>			
	6	-	-
		1,676,524,090	1,677,827,363






**YOUSAF WEAVING MILLS LIMITED**  
**INTERIM CONDENSED BALANCE SHEET**  
**AS AT DECEMBER 31, 2014 - (UN-AUDITED)**

		<b>Half Year Ended December 31, 2014</b>	<b>Year Ended June 30, 2014</b>
		<b>(Un-audited)</b>	<b>(Audited)</b>
		Rupees	Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	7	712,367,348	737,441,265
Intangible assets		798,929	887,700
Long term loans		17,403,804	17,825,702
Long term deposits		7,623,218	7,651,703
		738,193,299	763,806,370
<b>CURRENT ASSETS</b>			
Stores and spares		51,019,086	61,830,939
Stock in trade		438,240,724	390,369,696
Trade debts		72,982,370	112,938,420
Loans and advances		110,870,628	94,323,308
Trade deposits, prepayments and other receivables		29,767,624	25,078,967
Sales tax refundable		26,465,164	29,853,451
Assets held for disposal		192,560,299	198,382,447
Cash and bank balances		16,424,896	1,243,765
		938,330,791	914,020,993
		1,676,524,090	1,677,827,363

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

Lahore  
February 28, 2015

  
CHIEF EXECUTIVE

  
DIRECTOR

## YOUSAF WEAVING MILLS LIMITED

### INTERIM CONDENSED PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2014 - (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Sales - net	836,585,517	1,475,797,956	437,585,176	771,956,315
Cost of sales	(758,026,854)	(1,363,187,112)	(400,016,209)	(722,104,749)
<b>Gross Profit</b>	78,558,663	112,610,844	37,568,967	49,851,566
Operating expenses:				
- Distribution costs	(24,796,624)	(26,896,801)	(11,269,888)	(14,122,735)
- Administrative expenses	(33,410,381)	(39,077,336)	(14,815,759)	(19,910,967)
	(58,207,005)	(65,974,137)	(26,085,647)	(34,033,702)
<b>Operating Profit</b>	20,351,658	46,636,707	11,483,320	15,817,864
Other operating expenses	(5,484,410)	(7,784,125)	(238,521)	(5,047,725)
Finance cost	(40,184,245)	(36,155,011)	(21,132,783)	(17,306,972)
Other operating income	120,360	309,416	43,533	114,221
<b>(Loss) / Profit before Taxation</b>	(25,196,637)	3,006,987	(9,844,451)	(6,422,612)
Provision for taxation	(8,480,958)	(15,369,392)	(4,432,983)	(8,254,633)
<b>Loss after Taxation</b>	(33,677,595)	(12,362,405)	(14,277,434)	(14,677,245)
Loss for the Period from Discontinued Operations	(9,924,328)	(10,510,070)	(1,241,342)	(5,318,664)
<b>Loss for the Period from Continued Operations</b>	(23,753,267)	(1,852,335)	(13,036,092)	(9,358,581)
<b>Loss per Share - Basic:</b>				
- From continuing operations	(0.59)	(0.05)	(0.33)	(0.23)
- From discontinuing operations	(0.25)	(0.26)	(0.03)	(0.13)
<b>Loss per share for the period</b>	(0.84)	(0.31)	(0.36)	(0.36)

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

Lahore  
February 28, 2015

  
CHIEF EXECUTIVE

  
DIRECTOR

## YOUSAF WEAVING MILLS LIMITED

### INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014 - (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
<b>Loss for the Period</b>	(33,677,595)	(12,362,405)	(14,277,434)	(14,677,245)
Other comprehensive income for the period	-	-	-	-
<b>Total Comprehensive loss for the Period</b>	(33,677,595)	(12,362,405)	(14,277,434)	(14,677,245)

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

Lahore  
February 28, 2015

  
CHIEF EXECUTIVE

  
DIRECTOR



**YOUSAF WEAVING MILLS LIMITED**  
**INTERIM CONDENSED CASH FLOW STATEMENT**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2014 - (UN-AUDITED)**

	Half Year Ended	
	December 31, 2014	December 31, 2013
	Rupees	Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(25,196,637)	3,006,987
Adjustments for:		
- Depreciation	26,842,647	29,246,296
- Amortization of intangible assets	88,770	110,962
- Provision for gratuity	4,649,500	2,834,880
- (Profit) / Loss on sale of property, plant and equipment	(71,967)	-
- Loss on sale of biological assets	4,896,018	7,784,125
- Gain on sale of raw material and stores and spares	441	(64,101)
- Finance cost	40,184,245	36,155,011
<b>Operating profit before working capital changes</b>	<b>51,393,017</b>	<b>79,074,160</b>
Decrease / (increase) in current assets:		
- Stores and spares	10,571,412	(13,291,052)
- Stock in trade	(47,871,024)	(12,599,698)
- Trade debts	39,956,050	(25,362,046)
- Loan and advances	(10,691,033)	149,978
- Trade deposits, short term prepayments and other receivables	(4,688,659)	(4,939,357)
- Sales tax refundable	3,388,287	(6,406,060)
(Decrease) / increase in current liabilities:		
- Trade and other payables	40,596,258	16,106,296
	31,261,291	(46,341,939)
<b>Cash generated from / (used in) operations</b>	<b>82,654,308</b>	<b>32,732,221</b>
Gratuity paid	(5,859,640)	(2,796,940)
Finance cost paid	(39,058,649)	(35,060,963)
Income tax paid	(5,856,284)	(8,500,664)
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>31,879,735</b>	<b>(13,626,346)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,570,053)	(6,035,758)
Purchase of assets held for disposal	-	(1,523,240)
Capital work in progress	(126,789)	(705,124)
Proceeds from disposal of property, plant and equipment	2,000,081	-
Proceeds from disposal of raw material and stores and spares	240,000	2,300,496
Proceeds from disposal of biological assets	926,130	2,220,500
Long term loans to employees	421,898	(2,886,480)
Long term deposits	28,485	1,686,750
<b>Net Cash Used In Investing Activities</b>	<b>(80,248)</b>	<b>(4,942,856)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term loans	(14,550,000)	(32,550,000)
Liabilities against assets subject to finance lease	(33,446)	(1,090,135)
Short term borrowings	(640,720)	27,493,234
Dividend paid	(1,394,190)	-
<b>Net Cash Used In Financing Activities</b>	<b>(16,618,356)</b>	<b>(6,146,901)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>15,181,131</b>	<b>(24,716,103)</b>
Cash and cash equivalents at the beginning of the period	1,243,765	33,484,866
<b>Cash and Cash Equivalents at the End of Period</b>	<b>16,424,896</b>	<b>8,768,763</b>

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

Lahore  
February 28, 201

  
CHIEF EXECUTIVE

  
DIRECTOR



## YOUSAF WEAVING MILLS LIMITED

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2014 - (UN-AUDITED)

	Share Capital	Accumulated Loss	Total
	-----Rupees-----		
<b>Balance as at July 01, 2013</b>	400,000,000	(259,735,509)	140,264,491
Total comprehensive loss for six months ended December 31, 2013	-	(12,362,405)	(12,362,405)
<b>Balance as at December 31, 2013</b>	400,000,000	(272,097,914)	127,902,086
<b>Balance as at July 01, 2014</b>	400,000,000	(253,539,034)	146,460,966
Total comprehensive loss for the half year ended December 31, 2014	-	(33,677,595)	(33,677,595)
Final dividend for the year ended June 30, 2014 @ Rs. 0.25 per share		(1,575,854)	(1,575,854)
<b>Balance as at December 31, 2014</b>	400,000,000	(288,792,483)	111,207,517

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

Lahore  
February 28, 2015

  
CHIEF EXECUTIVE

  
DIRECTOR

## YOUSAF WEAVING MILLS LIMITED

### SELECTED NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2014 - (UN-AUDITED)

Note 1

#### **The Company and its Operations**

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Yousaf Weaving Mills Limited was incorporated on January 17, 1988 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is quoted on Karachi and Lahore Stock Exchanges. The Company is engaged in the business of textile weaving, spinning, sale of processed fabric and home textile and dairy products. The registered office of the Company is situated at 7/1- E-3, Main Boulevard Gulberg III, Lahore.

The shareholders through an extra ordinary general meeting in the year 2012 has decided to sell its dairy unit located at district Chakwal. In line with IFRS 5 non current assets held for sale and discontinued operations, the operations relating to dairy unit have been classified as discontinued operations. The assets related to discontinued operations were transferred to assets held for disposal directly associated with assets classified as held for sale. Based on above the dairy operations of the Company are now classified under discontinued operations.

Note 2

#### **Basis of Preparation**

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- 2.1 This financial information has been prepared in accordance with the requirements of the Companies Ordinance, 1984 and International Financial Reporting Standard, IAS 34 "Interim Financial Reporting".
- 2.2 This financial information is unaudited and is being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984. This interim financial information does not include all the information required for full annual financial information and should be read in conjunction with the annual financial information of the Company for the year ended June 30, 2014.

Note 3

#### **Significant Accounting Policies**

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The accounting policies and methods of computation of the interim financial information are the same as those followed in the preparation of annual financial information for the preceding year ended June 30, 2014.

Amendments to certain existing standards and new interpretation on approved accounting standards that become effective during the period either were not relevant to the Company's operations or did not have any significant impact on the accounting policies of the Company.

Note 4

#### **Accounting Estimates and Judgements**

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The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2014.

Note 5

#### **Long Term Loans**

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This includes unsecured, interest free loan from directors amounting of Rs. 472.732 million and are under subordination agreement with banks.

Note 6

#### **Contingencies and Commitments**

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##### **Contingencies**

There is no significant change in the contingencies as reported in the last published audited financial statements for the year ended June 30, 2014.



Commitments		Half Year Ended Dec 31, 2014 (Un-Audited) Rs. In Million	Year Ended June 30, 2014 (Audited) Rs. In Million
Commitments for lease rentals		2,400	2,400
Note 7			
Property, Plant and Equipment		Half Year Ended Dec 31, 2014 (Un-audited) Rupees	Year Ended June 30, 2014 (Audited) Rupees
Operating fixed assets	7.1	712,240,559	737,441,265
Capital work in progress		126,789	-
		<u>712,367,348</u>	<u>737,441,265</u>
<b>7.1</b> Opening written down value		737,441,265	791,850,634
Addition during the period / year (at cost)		3,570,053	10,465,458
		741,011,318	802,316,092
Disposal during the period / year (written down value)		(1,928,112)	(6,556,159)
		739,083,206	795,759,933
Depreciation charge for the period / year		(26,842,647)	(58,318,668)
Closing written down value		<u>712,240,559</u>	<u>737,441,265</u>

Note 8

**Transactions with Related Parties**

The related parties and associated undertakings comprise related group companies, associated companies, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key management personnel under the term of their employment are as follows:

	Half Year Ended December 31,	
	2014	2013
	(Un-audited) Rs. In Million	(Un-audited) Rs. In Million
<b>8.1</b> Significant transaction with related parties are as follows:		
Sale of material, goods and services		
- Chakwal Spinning Mills Limited	-	16.954
Purchase of material goods and services		
- Chakwal Textile Mills Limited	1.161	2.209
- Chakwal Spinning Mills Limited	0.579	2.404
- Kohinoor Spinning Mills Limited	3.216	12.857
- Loan received from/ (repaid to) directors - net	(9.000)	(23.389)
- Rent of building	0.600	0.600

Note 9

**Segment Information**

**9.1** The Company has three operating segments. The following summary describes the operation in each of the Company's reportable segments:

Weaving:	Production of grey and processed cloth.
Spinning:	Production of different qualities of yarn using natural and artificial fibers.
Dairy:	Sales of dairy products and allied business.

9.2 Segment revenues and results

For the Half Year Ended December 31, 2014				
	Weaving	Spinning	Dairy Segment	Total
Sales - net	715,060,853	86,991,596	34,533,068	836,585,517
Cost of sales	(626,903,436)	(92,355,622)	(38,767,796)	(758,026,854)
Gross Profit / (Loss)	88,157,417	(5,364,026)	(4,234,728)	78,558,663
Distribution cost	(24,449,526)	(347,098)	-	(24,796,624)
Administrative expenses	(28,329,636)	(4,792,920)	(287,825)	(33,410,381)
	(52,779,162)	(5,140,018)	(287,825)	(58,207,005)
Operating Profit / (Loss)	35,378,255	(10,504,044)	(4,522,553)	20,351,658
Other operating charges	(588,392)	-	(4,896,018)	(5,484,410)
Finance cost	(39,260,979)	(718,807)	(204,459)	(40,184,245)
Other operating income	76,327	-	44,033	120,360
Loss before Taxation	(4,394,789)	(11,222,851)	(9,578,997)	(25,196,637)
Taxation	(7,265,711)	(869,916)	(345,331)	(8,480,958)
<b>Loss after taxation</b>	<b>(11,660,500)</b>	<b>(12,092,767)</b>	<b>(9,924,328)</b>	<b>(33,677,595)</b>

For the Half Year Ended December 31, 2013				
	Weaving	Spinning	Dairy Segment	Total
Sales - net	1,061,340,589	380,826,014	33,631,353	1,475,797,956
Cost of sales	(962,176,988)	(365,372,759)	(35,637,365)	(1,363,187,112)
Gross Profit / (Loss)	99,163,601	15,453,255	(2,006,012)	112,610,844
Distribution cost	(24,926,692)	(1,970,109)	-	(26,896,801)
Administrative expenses	(28,407,043)	(10,381,895)	(288,398)	(39,077,336)
	(53,333,735)	(12,352,004)	(288,398)	(65,974,137)
Operating Profit / (Loss)	45,829,866	3,101,251	(2,294,410)	46,636,707
Other operating charges	-	-	(7,784,125)	(7,784,125)
Finance cost	(34,723,789)	(1,266,250)	(164,972)	(36,155,011)
Other operating income	175,565	64,101	69,750	309,416
Profit / (Loss) before taxation	11,281,642	1,899,102	(10,173,757)	3,006,987
Taxation	(10,758,319)	(4,274,759)	(336,314)	(15,369,392)
<b>Profit / (Loss) after taxation</b>	<b>523,323</b>	<b>(2,375,657)</b>	<b>(10,510,071)</b>	<b>(12,362,405)</b>

9.3 Segment Assets

For the Half Year ended December 31, 2014				
	Weaving	Spinning	Dairy Segment	Total
Segment assets for reportable segments	1,159,115,987	197,887,102	240,502,105	1,597,505,194
Unallocated corporate assets				79,018,896
Total assets as per balance sheet				1,676,524,090

For the Half Year ended June 30, 2014				
	Weaving	Spinning	Dairy Segment	Total
Segment assets for reportable segments	1,205,631,840	151,066,188	244,578,438	1,601,276,466
Unallocated corporate assets				76,550,897
Total assets as per balance sheet				1,677,827,363

9.4 Segment Liabilities

For the Half Year ended December 31, 2014				
	Weaving	Spinning	Dairy Segment	Total
Segment liabilities for reportable segments	1,357,672,680	75,305,817	95,752,316.00	1,528,730,813
Unallocated corporate liabilities				36,585,760
Total liabilities as per balance sheet				1,565,316,573



For the Half Year ended June 30, 2014				
	Weaving	Spinning	Dairy Segment	Total
Segment liabilities for reportable segments	1,362,472,375	46,265,165	94,524,056	1,503,261,596
Unallocated corporate liabilities				28,104,801
Total liabilities as per balance sheet				1,531,366,397

Note 10

**Financial Risk Management**

the company's activities expose it to a variety of financial risk: market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended June 30, 2014.

There has been no change in Company's sensitivity to these risks since June 30, 2014 except for general exposure to fluctuations in foreign currency and interest rates. There have been no change in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since June 30, 2014.

Note 11

**General**

**11.1** This interim financial information is authorized for issue on February 28, 2015 by the Board of Directors of the Company.

**11.2** Figures have been rounded off to the nearest Rupee; and

**11.3** Corresponding figures have been re-arranged wherever necessary to facilitate comparison. No material rearrangement has been made during the period.

Lahore  
February 28, 2015

  
CHIEF EXECUTIVE

  
DIRECTOR