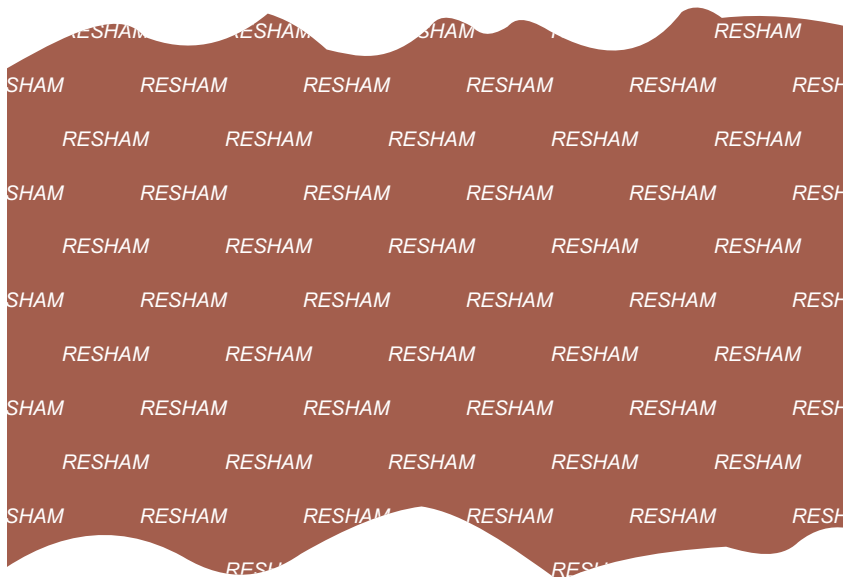
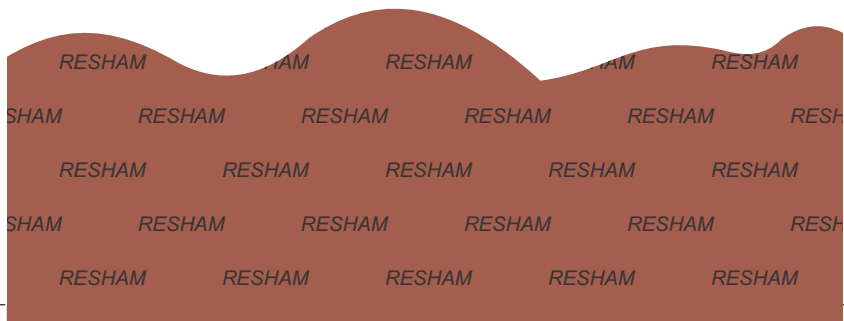




RESHAM TEXTILE INDUSTRIES LIMITED



CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015





**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED
31 DECEMBER 2015**

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COMPANY INFORMATION

CEO / EXECUTIVE DIRECTOR : Mr. Muhammad Arshad Saeed

EXECUTIVE DIRECTOR : Mr. Muhammad Ali Chaudhry

NON-EXECUTIVE DIRECTORS : Ch. Rahman Bakhsh
Mrs. Salma Aziz
Ms. Kiran A. Chaudhry
Mr. Kamran Ilyas

**NON-EXECUTIVE /
INDEPENDENT DIRECTOR** : Mr. Muhammad Musharaf Khan

CHIEF FINANCIAL OFFICER : Mr. Muhammad Ali Chaudhry

COMPANY SECRETARY : Mr. Muhammad Javed

AUDITORS : M/s Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Lahore.

AUDIT COMMITTEE : Mr. Kamran Ilyas Chairman
Mrs. Salma Aziz Member
Mr. Muhammad Musharaf Khan Member

HR - COMMITTEE : Mr. Kamran Ilyas Chairman
Mr. Muhammad Ali Chaudhry Secretary
Ms. Kiran A. Chaudhry Member

BANKERS : National Bank of Pakistan
Bank Alfalah Limited
Askari Islamic Bank Limited
Al Baraka Bank (Pakistan) Ltd.
Faysal Bank Limited

SHARE REGISTRAR : Corplink (Pvt.) Ltd.

LEGAL ADVISORS : Mr. Shaukat Haroon (Advocate)
Barrister Salman Rahim (Advocate High Court)
Yousaf Islam Associates

REGISTERED OFFICE : 36-A Lawrence Road, Lahore.

MILLS : 1.5 Kilometer,
Habibabad Chunian Road,
Tehsil Chunian,
District Kasur.

DIRECTORS' REPORT

The Directors are pleased to present the un-audited accounts of the Company for the period ended 31 December 2015.

Performance Review

The following results indicate the achievements of the Company during the period under review which are self-explanatory:-

	Six month period ended	
	31 December 2015 Rupees (‘000)	31 December 2014 Rupees (‘000) (Restated)
Sales	1,432,021	1,753,569
Cost of sales	1,390,345	1,595,055
Gross profit	41,676	158,514
Distribution cost	10,249	9,648
Administrative expenses	25,322	17,681
Other operating expenses	1,144	9,153
	36,715	36,482
	4,961	122,032
Other income	2,734	935
Operating profit	7,695	122,967
Finance cost	2,214	14,012
Profit before taxation	5,481	108,955
Taxation	8,319	42,979
Net (loss)/profit for the period	(2,838)	65,976
Earnings per share		
- Basic and diluted (Rupees)	(0.08)	1.83

Both the sales and cost of sales decreased but gross profit at Rs. 41.676 million decreased by 74% and loss after taxation was recorded at Rs. (2.838) million as compared to profit of Rs.65.978 million (s.p.l.y) showing a decline by 104%. Earnings per share, as a result, decreased by 104%. This was in spite of best efforts by the management and mainly on account of factors beyond

control such as cost of energy going up, failure of cotton crop in Pakistan and flooding of market by cheap yarn and cotton by India. The entire textile chain continued to protest through public advertisements and meetings with Government officials. As a result, the exports from Pakistan suffered a setback which may take a time to recover. These are midterm problems and we hope the Government will pay attention to improve the quality of seeds, give incentives to growers to grow good quality cotton and handle imports from India in a more pragmatic manner fair to the industry specially the textile sector.

This period was the worst in last 6 years or so, however, the Company's strong equity base and Directors' interest free loan provided needed support to the operations.

Future Prospects

During the remaining period of the year the things do not seem to be getting better and we feel that unless some drastic policy changes are made by the Government and meaningful reforms are made to improve the viability of operations in the industry, the sector will probably continue in the direction as has happened from first quarter to second quarter where the profit of Rs.16.756 million was reduced to loss of Rs. (2.838) million. The Company has procured cotton for remaining part of the year and we hope that if yarn rates improve, which have shown a declining trend during the period under review, the prospects may improve. The Company on its own is doing best, cutting costs and availing every opportunity to ensure the interest of the shareholders. There is uncertainty due the political situation in the country, compounded by major attention being given to war on terror which is a universal phenomenon now and a heavy price in terms of cost of handling terrorism is being paid. It is difficult to predict future prospects for the year and mid-term. In the long-term, however, the management remains confident that the Company, with the support of the shareholders, its executives and employees will perform better, InshaAllah.

Acknowledgements

The Directors take this opportunity to thank the Company's Bankers, particularly National Bank of Pakistan, Bank Alfalah Limited, Askari Islamic Bank Limited, Faysal Bank Limited, Al Baraka Bank (Pakistan) Limited and other financial Institutions for their confidence in the Company and strong financial support. The Directors feel pleasure in expressing appreciation for the continued interest and support of all the shareholders of the Company. The Directors would also like to particularly mention the dedication and devotion displayed by the employees while performing their duties during the period and hope that the same spirit will prevail in the future as well.

For and on behalf of the Board

Muhammad Arshad Saeed
(Chief Executive Officer)

Lahore: February 25, 2016

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Resham Textile Industries Limited** as at **31 December 2015** 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 accounts, for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this 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 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Engagement Partner: Naseem Akbar

Lahore: February 25, 2016

CONDENSED INTERIM BALANCE SHEET

	Un-Audited 31 December 2015	Audited 30 June 2015
Note	Rupees	Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital 36,000,000 (30 June 2015: 36,000,000) ordinary shares of Rs. 10/- each	<u>360,000,000</u>	<u>360,000,000</u>
Issued, subscribed and paid up share capital	360,000,000	360,000,000
Unappropriated profits	527,438,509	539,159,162
Total equity	887,438,509	899,159,162
Surplus on revaluation of fixed assets	228,132,964	236,393,980
Non-current liabilities		
Long term deposits	75,548	130,748
Deferred liabilities	287,588,169	296,914,442
	287,663,717	297,045,190
Current liabilities		
Trade and other payables 5	185,993,504	178,718,547
Balances with statutory authorities	8,179,044	1,641,270
Mark-up accrued on financing	1,182,472	5,153,641
Short term borrowings 6	506,388,180	55,745,482
Provision for taxation	40,581,374	85,649,670
	742,324,574	326,908,610
Total liabilities	1,029,988,291	623,953,800
TOTAL EQUITY AND LIABILITIES	2,145,559,764	1,759,506,942
CONTINGENCIES AND COMMITMENTS	7	

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

(Chief Executive Officer)

AS AT 31 DECEMBER 2015

ASSETS	Note	Un-Audited	Audited
		31 December 2015	30 June 2015
		Rupees	Rupees
Non-current assets			
Property, plant and equipment	8	1,194,268,242	1,224,124,423
Long term deposits		3,697,560	3,697,560
		<u>1,197,965,802</u>	<u>1,227,821,983</u>
Current assets			
Stores and spares parts		40,804,264	37,360,227
Stocks in trade	9	723,701,414	270,966,529
Trade debts		133,304,969	115,572,506
Advances		5,715,769	2,532,386
Trade deposits and short term prepayments		6,391,651	2,377,508
Advance income tax		9,423,546	63,455,130
Cash and bank balances		28,252,349	39,420,673
		947,593,962	531,684,959
TOTAL ASSETS		<u><u>2,145,559,764</u></u>	<u><u>1,759,506,942</u></u>

(Director)

**CONDENSED INTERIM
PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015**

	Note	Six month period ended		Three month period ended	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
		Rupees	Rupees (Restated)	Rupees	Rupees (Restated)
Sales	10	1,432,021,244	1,753,569,575	778,533,144	876,804,006
Cost of sales	11	<u>1,390,344,779</u>	<u>1,595,055,430</u>	<u>772,872,218</u>	<u>797,349,515</u>
Gross profit		41,676,465	158,514,145	5,660,926	79,454,491
Distribution cost		<u>10,248,517</u>	<u>9,648,083</u>	<u>6,405,086</u>	<u>5,291,781</u>
Administrative expenses		<u>25,322,467</u>	<u>17,680,964</u>	<u>15,771,321</u>	<u>8,012,614</u>
Other operating expenses	12	<u>1,144,184</u>	<u>9,152,738</u>	<u>(670,069)</u>	<u>4,237,431</u>
		<u>36,715,168</u>	<u>36,481,785</u>	<u>21,506,338</u>	<u>17,541,826</u>
		4,961,297	122,032,360	(15,845,412)	61,912,665
Other income		<u>2,733,926</u>	<u>935,240</u>	<u>788,720</u>	<u>407,140</u>
Operating profit		7,695,223	122,967,600	(15,056,692)	62,319,805
Finance cost		<u>2,213,656</u>	<u>14,012,493</u>	<u>1,847,098</u>	<u>11,720,703</u>
Profit before taxation		<u>5,481,567</u>	<u>108,955,107</u>	<u>(16,903,790)</u>	<u>50,599,102</u>
Taxation	13	<u>8,319,256</u>	<u>42,978,789</u>	<u>2,689,966</u>	<u>22,126,540</u>
Net (loss)/profit for the period		<u>(2,837,689)</u>	<u>65,976,318</u>	<u>(19,593,756)</u>	<u>28,472,562</u>
Earnings per share					
- Basic and diluted (Rupees)		<u>(0.08)</u>	<u>1.83</u>	<u>(0.54)</u>	<u>0.79</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

(Chief Executive Officer)

(Director)

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015**

	Six month period ended		Three month period ended	
	31 December 2015 Rupees	31 December 2014 Rupees (Restated)	31 December 2015 Rupees	31 December 2014 Rupees (Restated)
(Loss)/profit for the period	(2,837,689)	65,976,318	(19,593,756)	28,472,562
Other comprehensive income:				
Transferred from surplus on revaluation of fixed assets -net of deferred tax	16,317,036	18,030,628	8,158,518	9,015,314
Total other comprehensive income for the period	16,317,036	18,030,628	8,158,518	9,015,314
Total comprehensive income/(loss) for the period	13,479,347	84,006,946	(11,435,238)	37,487,876

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

(Chief Executive Officer)

(Director)

**CONDENSED INTERIM
STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015**

	<u>Six month period ended</u> 31 December 2015 Rupees	<u>Six month period ended</u> 31 December 2014 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	5,481,567	108,955,107
Adjustment for non cash charges and other items:		
Depreciation	36,176,068	40,412,697
Loss / (gain) on disposal of property, plant and equipment	203,568	756,123
Provision for gratuity	8,209,831	8,931,584
Finance cost	2,213,656	14,012,493
Provision for workers' welfare fund	812,896	2,919,596
Provision for workers' profit participation fund	331,288	6,233,142
	<u>47,947,307</u>	<u>73,265,635</u>
Cash flows from operating activities	53,428,874	182,220,742
Effect on cash flows due to working capital changes		
Decrease / (increase) in current assets:		
Stores and spares	(3,444,037)	3,794,997
Stocks in trade	(452,734,885)	(709,976,790)
Trade debts	(17,732,463)	8,743,325
Advances	(3,183,383)	1,962,858
Trade deposits and short term prepayments	(4,014,143)	(2,139,887)
(Decrease) / increase in current liabilities:		
Balances with statutory authorities	6,537,774	2,035,285
Trade and other payables	6,130,773	(1,486,670)
Net cash used in working capital changes	<u>(468,440,364)</u>	<u>(697,066,882)</u>
Cash used in operations	(415,011,490)	(514,846,140)
Finance cost paid	(6,184,825)	(16,863,613)
Income tax paid	(13,440,285)	(14,220,531)
Gratuity paid	<u>(3,451,788)</u>	<u>(6,197,312)</u>
Net cash used in operating activities	(438,088,388)	(552,127,596)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,395,839)	(4,575,990)
Proceeds from disposal of property, plant and equipment	2,928,404	3,669,127
Net cash generated from / (used in) investing activities	1,532,565	(906,863)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in long term deposits	(55,200)	(116,193)
Increase in short term borrowings - net	450,642,698	567,681,706
Dividend paid	<u>(25,200,000)</u>	<u>(18,000,000)</u>
Net cash flow from financing activities	425,387,498	549,565,513
Net decrease in cash and cash equivalents	<u>(11,168,325)</u>	<u>(3,468,946)</u>
Cash and cash equivalents at the beginning of the period	<u>39,420,673</u>	<u>42,405,686</u>
Cash and cash equivalents at the end of the period	<u><u>28,252,348</u></u>	<u><u>38,936,740</u></u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

(Chief Executive Officer)

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(Director)

**CONDENSED INTERIM
STATEMENT OF CHANGES IN EQUITY
(UN-AUDITED)**

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

	Share capital	Unappropri- ated profit	Total
	-----Rupees-----		
Balance as at 01 July 2014 - Restated	360,000,000	446,893,760	806,893,760
Final dividend paid for the year ended 30 June 2014 @ Rs.0.5 per share	-	(18,000,000)	(18,000,000)
Net profit for the period ended 31 December 2014	-	65,976,318	65,976,318
Other comprehensive income	-	18,030,628	18,030,628
Total comprehensive income for the period	-	84,006,946	84,006,946
Balance as at 31 December 2014	<u>360,000,000</u>	<u>512,900,706</u>	<u>872,900,706</u>
Balance as at 01 July 2015	360,000,000	539,159,162	899,159,162
Final dividend paid for the year ended 30 June 2015 @ Rs.0.7 per share	-	(25,200,000)	(25,200,000)
Net loss for the period ended 31 December 2015	-	(2,837,689)	(2,837,689)
Other comprehensive income	-	16,317,036	16,317,036
Total comprehensive income f or the period	-	13,479,347	13,479,347
Balance as at 31 December 2015	<u>360,000,000</u>	<u>527,438,509</u>	<u>887,438,509</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

(Chief Executive Officer)

(Director)

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)**

FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2015

1. THE COMPANY AND ITS OPERATIONS

Resham Textile Industries Limited (the Company) is a Public Limited Company incorporated in Pakistan on 06 June 1990 under the Companies Ordinance, 1984 and is quoted on Pakistan Stock Exchange. Registered office of the Company is situated at 36-A Lawrence Road, Lahore. The Company is principally engaged in the business of manufacturing and selling of yarn.

2. STATEMENT OF COMPLIANCE

2.1 This condensed interim financial information of the Company for the six month period ended 31 December 2015 has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2 This condensed interim financial information is un-audited and is being submitted to shareholders, as required by section 245 of the Companies Ordinance, 1984.

3. BASIS OF PREPARATION

3.1 This condensed interim financial information does not include all the information and disclosures required in annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 June 2015.

3.2 The accounting policies and computation methods adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the Company for the year ended 30 June 2015 except for as disclosed in note 3.3 below.

3.3 The Company has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:

IFRS 10 – Consolidated Financial Statements
IFRS 11 – Joint Arrangements
IFRS 12 – Disclosure of Interests in Other Entities
IFRS 13 – Fair Value Measurement

The adoption of the above amendments and interpretation did not have any significant impact on this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amount of assets and liabilities, incomes and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation are the same as those that applied to the financial statements for the year ended 30 June 2015.

	Un-Audited	Audited
	31 December	30 June
	2015	2015
Note	Rupees	Rupees
5. TRADE AND OTHER PAYABLES		
Creditors	40,036,151	14,172,583
Accrued liabilities	113,644,535	137,614,521
Advances from customers	7,973,748	7,532,178
Advances from brokers against customers	8,252,360	1,733,860
Unclaimed Workers' Profit Participation Fund	14,704,805	5,824,898
Workers' Profit Participation Fund	331,288	7,492,386
Workers' Welfare Fund	812,896	4,039,281
Unclaimed dividend	237,721	208,840
Others	-	100,000
	<u>185,993,504</u>	<u>178,718,547</u>

6. SHORT TERM BORROWINGS

Loan from Banks	(6.1)	494,088,180	31,721,634
Loan from directors	(6.2)	<u>12,300,000</u>	<u>24,023,848</u>
		<u>506,388,180</u>	<u>55,745,482</u>

6.1 The aggregate limit of short term borrowing facilities from commercial banks available at year end is Rs. 1,275 million (30 June 2015: Rs. 1,275 million). The rates of mark-up range from 3 months KIBOR plus 1% to 2.75% (30 June 2015: 3 months KIBOR plus 1% to 2.75%) per annum. These facilities are secured against pledge of cotton bales (with 10% margin for local and imported cotton), yarn bags and first pari passu charge on all current assets of the Company and personal guarantee of the directors of the Company.

6.2 This represents interest free loan from directors.

7. CONTINGENCIES AND COMMITMENTS

7.1 There is no significant change in the contingencies since the date of preceding published annual financial statements.

7.2 Commitments in respect of bank guarantee amounts to Rs. 47,742,200 (30 June 2015: Rs. 43,582,200).

		<u>Un-Audited</u>	<u>Audited</u>
		31 December	30 June
		2015	2015
Note		Rupees	Rupees
8. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets - tangible	(8.1)	1,191,691,614	1,218,378,299
Capital work-in-progress		<u>2,576,628</u>	<u>5,746,124</u>
		<u>1,194,268,242</u>	<u>1,224,124,423</u>
8.1 Operating fixed assets - tangible			
Opening book value		1,218,378,299	1,289,573,342
Add:			
Additions during the period / year - cost	(8.1.1)	<u>12,621,355</u>	<u>14,094,570</u>
		1,230,999,654	1,303,667,912
Less:			
Book value of assets disposed during the period / year	(8.1.2)	<u>3,131,972</u>	<u>4,425,250</u>
Depreciation charged for the period / year		<u>36,176,068</u>	<u>80,864,363</u>
		39,308,040	85,289,613
Net book value		<u>1,191,691,614</u>	<u>1,218,378,299</u>
8.1.1 Additions during the period / year - cost			
Free hold land		-	11,847,500
Building head office		6,900,265	-
Mill equipment		96,000	122,710
Office equipment		17,520	284,800
Vehicles		<u>5,607,570</u>	<u>1,839,560</u>
		<u>12,621,355</u>	<u>14,094,570</u>
8.1.2 Book value of assets disposed during the period / year			
Plant and machinery		1,408,521	1,396,970
Vehicles		<u>1,723,451</u>	<u>3,028,280</u>
		<u>3,131,972</u>	<u>4,425,250</u>

	Un-Audited	Audited
	31 December 2015 Rupees	30 June 2015 Rupees
9. STOCK IN TRADE		
Raw material	377,791,096	211,598,536
Raw material - in transit	250,951,513	-
Work in process	19,001,686	18,980,136
Finished goods	70,160,429	31,302,878
Packing material	5,295,394	5,990,047
Waste	501,296	3,094,932
	<u>723,701,414</u>	<u>270,966,529</u>

	Un-audited		Un-audited	
	Six month period ended		Three month period ended	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
10. SALES				
Yarn	1,405,410,178	1,726,322,061	764,107,228	862,971,346
Waste	26,611,066	27,247,514	14,425,916	13,832,660
	<u>1,432,021,244</u>	<u>1,753,569,575</u>	<u>778,533,144</u>	<u>876,804,006</u>

	Un-audited		Un-audited	
	Six month period ended		Three month period ended	
	31 December 2015 Rupees	31 December 2014 Rupees	31 December 2015 Rupees	31 December 2014 Rupees
11. COST OF SALES				
Raw material consumed	1,076,917,449	1,221,266,207	608,469,262	626,824,363
Salaries, wages and benefits	102,811,909	98,677,210	52,845,027	50,723,282
Store and spares consumed	20,014,301	26,469,753	9,489,506	15,838,715
Packing material consumed	20,973,085	22,399,435	11,144,084	12,028,789
Fuel and power	164,087,723	179,734,657	81,118,239	103,245,755
Insurance	3,096,701	3,549,379	1,510,543	1,686,244
Repair and maintenance	2,235,070	2,221,106	979,737	1,377,020
Other expenses	1,041,459	866,863	850,347	351,014
Depreciation	35,452,547	39,739,430	17,547,895	19,837,110
	<u>1,426,630,244</u>	<u>1,594,924,040</u>	<u>783,954,640</u>	<u>831,912,292</u>
Effect of work in process inventory				
Opening	18,980,136	17,168,014	17,497,709	21,188,530
Closing	(19,001,686)	(21,525,882)	(19,001,686)	(21,525,882)
	<u>(21,550)</u>	<u>(4,357,868)</u>	<u>(1,503,977)</u>	<u>(337,352)</u>
Cost of goods manufactured	1,426,608,694	1,590,566,172	782,450,663	831,574,940
Effect of finished goods inventory				
Opening	34,397,810	65,110,677	61,083,280	26,395,994
Closing	(70,661,725)	(60,621,419)	(70,661,725)	(60,621,419)
	<u>(36,263,915)</u>	<u>4,489,258</u>	<u>(9,578,445)</u>	<u>(34,225,425)</u>
	<u>1,390,344,779</u>	<u>1,595,055,430</u>	<u>772,872,218</u>	<u>797,349,515</u>

12. OTHER OPERATING EXPENSES

This amount includes provision for workers' profit participation fund amounting to Rs. 331,288 (31 December 2014: Rs. 6,233,142) and provision for workers' welfare fund amounting to Rs. 812,896 (31 December 2014: Rs. 2,919,596)

	Six month period ended		Three month period ended	
	31 December 2015	31 December 2014 (Restated)	31 December 2015	31 December 2014 (Restated)
13. TAXATION	Rupees	Rupees (Restated)	Rupees	Rupees (Restated)
Current	14,347,552	43,866,477	4,820,746	20,625,677
Deferred	(6,028,296)	(887,688)	(2,130,780)	1,500,863
	<u>8,319,256</u>	<u>42,978,789</u>	<u>2,689,966</u>	<u>22,126,540</u>

14. RELATED PARTY TRANSACTIONS

The related parties comprise of chief executive, directors of the Company and key management personnel. Detail of transactions with related parties are as follows:

<u>Relationship with the Company</u>	<u>Nature of transactions</u>	Six month period ended	Six month period ended
		31 December 2015 Rupees	31 December 2014 Rupees
Chief Executive	Remuneration	1,612,500	1,006,668
Director	Remuneration	1,290,000	2,043,748
	Loan obtained	12,300,000	56,000,000
	Loan repaid	24,023,848	9,000,000
	Interest on loan	-	278,425
Executives	Remuneration	5,498,628	5,015,833

Transactions entered into with the key managements personnel as per their terms of employment are excluded from related party transactions.

The outstanding balances of such parties are as under:

<u>Relationship with the Company</u>	<u>Nature of transactions</u>	Un-audited	Audited
		31 December 2015 Rupees	30 June 2015 Rupees
Director	Loan obtained	12,300,000	24,023,848

15. EVENTS AFTER BALANCE SHEET DATE

The Board of Directors has declared Nil cash dividend (30 June 2015: Rs. 0.7 per share) in their meeting held on February 25, 2016.

16. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on February 25, 2016.

17. SEASONALITY EFFECT

The purchases of the Company are on the higher side in the first half of the financial year due to the fact that cotton is purchased in this part of the year and resultantly this has impact on stocks in trade, trade and other payables and short term borrowings of the Company.

18. CORRESPONDING FIGURES

Corresponding figures have been rearranged/restated, wherever necessary, for the purpose of comparison. However, no significant rearrangement/restatement has been made in this condensed interim financial information.

19. GENERAL

19.1 The figures of condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2015 and 2014 were not subject to limited scope review by the auditors as scope of review covered only the cumulative figures.

19.2 Provisions in respect of Worker's Welfare Fund, Worker's Profit Participation Fund, employee benefits plan and taxation are estimated and these are subject to final adjustment in the annual financial statements.

19.3 Figures have been rounded off to the nearest rupee unless otherwise stated.

(Chief Executive Officer)

(Director)

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