



RESHAM TEXTILE INDUSTRIES LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2015



**CONDENSED INTERIM
FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED
31 MARCH 2015**

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COMPANY INFORMATION

CHIEF EXECUTIVE OFFICER : Mr. Muhammad Arshad Saeed

DIRECTORS : Ch. Rahman Bakhsh
Mrs. Salma Aziz
Mr. Muhammad Musharaf Khan
Mr. Kamran Ilyas
Ms. Kiran A. Chaudhry
Mr. Muhammad Ali Chaudhry

CHIEF FINANCIAL OFFICER : Mr. Muhammad Ali Chaudhry

COMPANY SECRETARY : Ms. Komal Daniel

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

AUDIT COMMITTEE : Mr. Kamran Ilyas Chairman
Mrs. Salma Aziz Member
Ms. Kiran A. Chaudhry 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
NIB 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)

REGISTERED OFFICE : 314-Upper Mall, Lahore.

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

DIRECTORS' REPORT

It is my pleasure to present the Directors' Report and the un-audited accounts for the period ended March 31, 2015.

Performance Review

By the grace of Allah, s.w.t., both during the nine month period and the last quarter ended on 31st March 2015 the Company made profit through micro-management and adjustments in operations according to the ever-changing market and other aspects of national life as also conditions in the international market. In the conditions where a number of similar size companies made losses, Alhamdulillah, we made gross profit of Rs. 229.07 Million as against Rs. 297.10 Million (s.p.l.y). Fortunately, we had covered cotton and our marketing department had done well on good bookings, in anticipation of fall in prices, with honest and reliable parties who honored their contracts. Similarly, the mill management was on the same wavelength and had prepared itself for all possible cost cuttings and adjustments in production plans according to the market.

Fortunately, the Company managed to bring the financial charges of 9 months to Rs. 30.59 Million from Rs. 63.39 Million (s.p.l.y). This was due to our prudent policy of pre-payments of long-term loans and relying more on Company's money and interest free Directors' loan and relying less heavily on bank credit, even for cash finance. This policy will continue and our excellent team work at head office and the mill will produce the required synergy and we will make profit in the next quarter also, Insha Allah.

This was a very hard year, nationally and internationally, and earnings per share reduced to Rs. 2.49 as against Rs. 3.62 (s.p.l.y) over the 9 month period.

The financial results in tabulated form are given below and details may be perused in other sections of this report:-

	Nine month period ended	
	31 March 2015 Rupees ('000)	31 March 2014 Rupees ('000)
Sales	2,591,789	3,073,831
Cost of sales	2,362,722	2,776,729
Gross profit	229,067	297,102
Administrative expenses	30,964	28,844
Distribution cost	13,752	13,572
	44,716	42,416
Operating profit	184,351	254,686
Other operating expenses	11,660	14,500
	172,691	240,186
Other income	2,577	17,161
	175,268	257,347
Finance cost	30,598	63,388
Profit before taxation	144,670	193,959
Taxation	55,187	63,807
Profit for the period	89,483	130,152
Earning per share - <i>Basic & diluted (Rupees)</i>	2.49	3.62

Future Prospects

The remaining part of the year does not seem to be worse, particularly because we have reasonable bookings and have procured cotton at a rate much lower than the present market rate and has been procured upto 15th July 2015. The main reason for lesser profit this year is increase in energy charges and 8% increase in salary wages and benefits as also 49.96% increase in stores consumed to improve the quality of yarn further which ensured inventories of our finished goods to be one of the lowest in the industry. Company also managed to reduce other expenses by 13%. To be honest the shareholders do not need to worry about short, medium and long-term future of the Company where the management and workers are working day and night to watch their interests. It is however mentioned that if the situation in the Middle East takes a worse turn then there will be direct impact on all businesses in the country as also in other countries, otherwise God willing, we will sail through all present difficulties, due to inherent strength of the Company, and commitment of management, executives and other employees, Insha Allah.

Acknowledgements

The Directors take this opportunity to thank the Company's Bankers, particularly National Bank of Pakistan, Bank Alfalah Limited, NIB 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

Lahore: April 27, 2015

Muhammad Arshad Saeed
(Chief Executive Officer)

CONDENSED INTERIM BALANCE SHEET

	Un-Audited 31 March 2015	Audited 30 June 2014
Note	Rupees	Rupees
EQUITY AND LIABILITIES		
Equity		
Authorised capital		
36,000,000 (June 2014: 36,000,000)		
ordinary shares of Rs. 10/- each	360,000,000	360,000,000
Issued, subscribed and paid up capital	360,000,000	360,000,000
Unappropriated profit	549,325,555	451,463,511
Total equity	909,325,555	811,463,511
Surplus on revaluation of fixed assets	238,962,303	257,359,415
Non-current liabilities		
Long term deposits	126,148	235,441
Deferred liabilities	311,199,052	316,511,317
	311,325,200	316,746,758
Current liabilities		
Trade and other payables	5 177,802,476	188,163,555
Balances with statutory authorities	3,369,440	-
Mark-up accrued on financing	16,274,247	13,593,121
Short term borrowings	6 509,882,864	144,755,608
Provision for taxation	88,437,695	85,547,905
	795,766,722	432,060,189
Total liabilities	1,107,091,922	748,806,947
Total Equity and Liabilities	2,255,379,780	1,817,629,873
CONTINGENCIES AND COMMITMENTS	7	

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

(Chief Executive Officer)

AS AT 31 MARCH 2015

	Note	Un-Audited 31 March 2015 Rupees	Audited 30 June 2014 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	8	1,229,189,900	1,293,242,416
Long term deposits		3,697,560	3,697,560
		1,232,887,460	1,296,939,976
Current assets			
Stores & spare parts		40,811,065	37,642,726
Stock in trade	9	842,561,372	268,454,450
Trade debts		78,759,047	101,807,905
Advances		8,712,755	6,252,172
Trade deposits and short term prepayments		4,442,240	3,370,004
Advance Income Tax - net		25,151,930	59,101,334
Tax refunds due from the Government		-	1,655,620
Cash and bank balances		22,053,911	42,405,686
		1,022,492,320	520,689,897
Total Assets		<u><u>2,255,379,780</u></u>	<u><u>1,817,629,873</u></u>

(Director)

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

	Note	Nine month period ended		Three month period ended	
		31 March 2015	31 March 2014	31 March 2015	31 March 2014
		Rupees	Rupees	Rupees	Rupees
Sales	10	2,591,788,670	3,073,831,154	838,219,095	962,060,073
Cost of sales	11	2,362,721,610	2,776,728,786	774,221,171	882,067,717
Gross profit		<u>229,067,060</u>	<u>297,102,368</u>	<u>63,997,924</u>	<u>79,992,356</u>
Administrative expenses		<u>30,964,158</u>	<u>28,843,509</u>	<u>13,283,194</u>	<u>13,212,767</u>
Distribution cost		<u>13,751,974</u>	<u>13,572,278</u>	<u>4,103,891</u>	<u>4,343,929</u>
		<u>44,716,132</u>	<u>42,415,787</u>	<u>17,387,085</u>	<u>17,556,696</u>
Operating profit		<u>184,350,928</u>	<u>254,686,581</u>	<u>46,610,839</u>	<u>62,435,660</u>
Other operating expenses	12	<u>11,659,872</u>	<u>14,500,105</u>	<u>2,507,134</u>	<u>3,050,859</u>
		<u>172,691,056</u>	<u>240,186,476</u>	<u>44,103,705</u>	<u>59,384,801</u>
Other income		<u>2,577,458</u>	<u>17,160,949</u>	<u>1,642,218</u>	<u>10,493,710</u>
		<u>175,268,514</u>	<u>257,347,425</u>	<u>45,745,923</u>	<u>69,878,511</u>
Finance cost		<u>30,598,002</u>	<u>63,387,950</u>	<u>16,585,509</u>	<u>28,284,535</u>
Profit before taxation		<u>144,670,512</u>	<u>193,959,475</u>	<u>29,160,414</u>	<u>41,593,976</u>
Taxation	13	<u>55,186,973</u>	<u>63,807,400</u>	<u>10,045,037</u>	<u>13,676,345</u>
Profit for the period		<u><u>89,483,539</u></u>	<u><u>130,152,075</u></u>	<u><u>19,115,377</u></u>	<u><u>27,917,631</u></u>
Earning per share - basic & diluted (Rupees)		<u><u>2.49</u></u>	<u><u>3.62</u></u>	<u><u>0.53</u></u>	<u><u>0.78</u></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 NINE MONTH PERIOD ENDED 31 MARCH 2015

	Nine month period ended		Three month period ended	
	31 March 2015 Rupees	31 March 2014 Rupees	31 March 2015 Rupees	31 March 2014 Rupees
Profit for the period	89,483,539	130,152,075	19,115,377	27,917,631
Other comprehensive income:				
<i>Items to be reclassified to profit or loss in subsequent periods</i>	-	-	-	-
<i>Items not to be reclassified to profit or loss in subsequent periods</i>				
Transferred from surplus on revaluation of fixed assets on account of Incremental depreciation - net of deferred tax	26,378,505	7,450,124	8,792,835	2,483,375
Actuarial loss on defined benefit plans-net of deferred tax	-	-	-	-
Total other comprehensive income for the period	26,378,505	7,450,124	8,792,835	2,483,375
Total comprehensive income for the period	115,862,044	137,602,199	27,908,212	30,401,006

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 NINE MONTH PERIOD ENDED 31 MARCH 2015**

	Nine month period ended	Nine month period ended
	31 March 2015 Rupees	31 March 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	144,670,512	193,959,475
Adjustment for non-cash charges and other items:		
Depreciation	60,640,663	52,288,985
Loss / (Gain) on sale of property, plant and equipment	756,123	(9,344,885)
	-	-
Provision for gratuity	11,685,603	8,916,708
Finance cost	30,598,002	63,387,950
Workers' welfare fund	3,843,353	4,077,126
Workers' profit participation fund	7,816,519	10,422,979
	115,340,263	129,748,863
Profit before working capital changes	260,010,775	323,708,338
Effect on cash flows due to working capital changes		
(Increase) / decrease in current assets:		
Stores and spare parts	(3,168,339)	(29,781,044)
Stock in trade	(574,106,922)	(332,868,481)
Trade debts	23,048,858	(79,015,184)
Advances	(2,460,583)	(32,728,903)
Trade deposits and short term prepayments	(1,072,236)	(1,655,540)
Tax refunds due from the Government	5,025,060	4,929,770
Increase / (Decrease) in current liabilities:		
Trade and other payables	(22,020,951)	(10,095,026)
Net cash used in working capital changes	(574,755,113)	(481,214,408)
Cash used in operations	(314,744,338)	(157,506,070)
Finance charges paid	(27,916,876)	(53,929,513)
Income tax paid	(21,166,942)	(26,593,419)
Gratuity paid	(6,197,312)	(8,995,798)
Net cash used in operating activities	(370,025,468)	(247,024,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred on property, plant and equipment	(1,013,397)	(51,244,966)
Proceeds from disposal of property, plant and equipment	3,669,127	14,655,408
Increase in long term deposits	-	(20,000)
Net cash from / (used in) investing activities	2,655,730	(36,609,558)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	(8,817,250)
Decrease in long term advances	(109,293)	(113,372)
Increase in short term borrowings-net	365,127,256	273,390,126
Dividend paid	(18,000,000)	-
Net cash from financing activities	347,017,963	264,459,504
Net decrease in cash and cash equivalents	(20,351,775)	(19,174,854)
Cash and cash equivalents at the beginning of the period	42,405,686	59,197,161
Cash and cash equivalents at the end of the period	22,053,911	40,022,307

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 CHANGES IN EQUITY
(UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED 31 MARCH 2015

	Share capital	Unappropriated profit	Total equity
	-----Rupees-----		
Balance as at 01 July 2013	360,000,000	378,798,050	738,798,050
Effect of change in accounting policy	<u>-</u>	<u>(2,461,739)</u>	<u>(2,461,739)</u>
Balance as on 01 July 2013	360,000,000	376,336,311	736,336,311
Net profit for the period ended 31 March 2014	<u>-</u>	<u>130,152,075</u>	<u>130,152,075</u>
Total other comprehensive income, net of deferred tax	<u>-</u>	<u>7,450,124</u>	<u>7,450,124</u>
Total comprehensive income for the period	-	137,602,199	137,602,199
Balance as at 31 March 2014	360,000,000	513,938,510	873,938,510
Balance as at 01 July 2014	360,000,000	451,463,511	811,463,511
Final dividend paid for the year ended 30 June 2014 @ Rs. 0.5 per share	<u>-</u>	<u>18,000,000</u>	<u>18,000,000</u>
Net profit for the period ended 31 March 2015	<u>-</u>	<u>89,483,539</u>	<u>89,483,539</u>
Total other comprehensive income, net of deferred tax	<u>-</u>	<u>26,378,505</u>	<u>26,378,505</u>
Total comprehensive income for the period	-	115,862,044	115,862,044
Balance as at 31 March 2015	<u>360,000,000</u>	<u>549,325,555</u>	<u>909,325,555</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 NINE MONTH PERIOD ENDED 31 MARCH 2015

1. THE COMPANY AND ITS OPERATIONS

The Company is a Public Limited Company incorporated in Pakistan on 06 June 1990 under the Companies Ordinance, 1984 and is quoted on Lahore and Karachi Stock Exchanges. Registered office of the Company is situated at 314- Upper Mall, 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 nine month period ended 31 March 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 2014.
- 3.2 The accounting policies 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 2014.
- 3.3 The Company has adopted the following amended International Financial Reporting Standards (IFRSs) which became effective during the period:

IAS 19 - Employee Benefits – (Amendment) - Defined Benefit Plans: Employee Contributions

IAS 32 - Financial Instruments : Presentation – (Amendment) - offsetting Financial Assets and Financial Liabilities

IAS 36 - Impairment of Assets – (Amendment) Recoverable Amount Disclosures for Non-Financial Assets.

IAS 39 - Financial Instruments: Recognition and Measurement – (Amendment) - Novation of derivatives and continuation of hedge accounting.

IFRIC 21 - Levies

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 2014.

		Un-Audited 31 March 2015	Audited 30 June 2014
	Note	Rupees	Rupees
5. TRADE AND OTHER PAYABLES			
Creditors		42,674,692	76,113,313
Morabaha finance		-	10,000,000
Accrued liabilities		100,865,917	60,084,503
Advances from customers		7,202,884	14,929,873
Advances from broker against customers		9,234,860	9,793,360
Unclaimed Workers' Profit Participation Fund		5,876,098	4,729,567
Workers' Profit Participation Fund		7,816,519	7,951,817
Workers' Welfare Fund		3,843,353	3,984,988
Unclaimed dividend		188,153	476,134
Others		100,000	100,000
		<u>177,802,476</u>	<u>188,163,555</u>
6. SHORT TERM BORROWINGS			
Loan from banks	(6.1)	439,263,864	144,755,608
Loan from directors	(6.2)	70,619,000	-
		<u>509,882,864</u>	<u>144,755,608</u>
6.1	The aggregate limit of short term borrowing facilities from commercial banks available at year end is Rs. 1,775 million (30 June 2014: Rs. 1,375 million). The rates of mark-up range from 3 months KIBOR plus 1% to 2.75% (30 June 2014: 3 months KIBOR plus 1.5% to 2.75%) per annum. These facilities are secured against pledge of cotton bales (with 10% to 15% 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 represent 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	Bank guarantees aggregating to Rs. 43,582,200 (June 2014: Rs. 43,331,000) issued on behalf of the Company were outstanding on balance sheet date against which margins amounting to Rs. 1,511,565 (June 2014: Rs. 1,511,565) have been deposited with the respective banks.		

	Un-Audited	Audited
	31 March 2015	30 June 2014
	Rupees	Rupees
8. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - tangible (8.1)	1,226,590,792	1,289,573,342
Capital work in progress	2,599,108	3,669,074
	<u>1,229,189,900</u>	<u>1,293,242,416</u>
8.1 Operating fixed assets - tangible		
Opening book value	1,289,573,342	1,019,514,295
Add: Additions during the period/year - cost (8.1.1)	2,083,360	150,679,557
Adjustments / Transfers	-	211,186,148
	<u>1,291,656,702</u>	<u>1,381,380,000</u>
Less:		
Book value of assets disposed during the period/year (8.1.2)	4,425,250	9,074,904
Depreciation charged during the period/year	60,640,659	82,731,754
	<u>65,065,909</u>	<u>91,806,658</u>
Net book value	<u>1,226,590,793</u>	<u>1,289,573,342</u>

	Un-Audited	Audited
	31 March 2015	30 June 2014
	Rupees	Rupees
8.1.1 Additions during the period/year - cost		
Free hold land	-	95,597,441
Building	-	3,924,984
Plant and machinery	-	47,638,382
Mill equipment	-	114,000
Office equipment	243,800	229,040
Vehicles	1,839,560	3,167,710
Furniture and fixtures	-	8,000
	<u>2,083,360</u>	<u>150,679,557</u>

8.1.2 Book value of assets disposed during the period/year

Plant and machinery	1,396,970	5,233,913
Office equipment	-	18,817
Vehicles	3,028,280	3,822,174
	<u>4,425,250</u>	<u>9,074,904</u>

9. STOCK IN TRADE

Raw material		738,221,960	181,312,119
Work in process		20,773,528	17,168,014
Finished goods		74,420,330	63,567,877
Packing material		4,914,758	4,863,640
Waste		4,230,796	1,542,800
		<u>842,561,372</u>	<u>268,454,450</u>

	Nine months period ended		Three months period ended	
	31 March 2015 Rupees	31 March 2014 Rupees	31 March 2015 Rupees	31 March 2014 Rupees
10. SALES				
Yarn Local	2,550,733,072	3,033,824,459	824,411,011	948,089,618
Waste	41,055,598	40,006,695	13,808,084	13,970,455
	<u>2,591,788,670</u>	<u>3,073,831,154</u>	<u>838,219,095</u>	<u>962,060,073</u>

	Nine month period ended		Three month period ended	
	31 March 2015 Rupees	31 March 2014 Rupees	31 March 2015 Rupees	31 March 2014 Rupees
11. COST OF SALES				
Raw material consumed	1,835,908,464	2,281,205,798	614,642,257	669,763,095
Salaries, wages and benefits	149,191,201	138,133,560	50,513,993	44,260,236
Store and spares consumed	41,265,829	27,518,265	14,796,076	10,802,317
Packing material consumed	33,724,344	31,795,430	11,324,909	10,499,479
Fuel and power	251,379,484	256,980,382	78,199,818	88,030,886
Insurance	4,383,962	5,079,932	834,583	2,076,727
Repair and maintenance	3,235,371	4,073,736	1,014,264	1,199,482
Other expenses	1,148,380	1,322,962	281,517	346,856
Ijarah rentals	-	2,298,221	-	-
Depreciation	59,630,537	51,014,999	19,891,107	17,330,134
	<u>2,379,867,572</u>	<u>2,799,423,285</u>	<u>791,498,524</u>	<u>844,309,212</u>

Effect of work in process

inventory

Opening

Closing

17,168,014	20,014,761	21,525,882	18,927,736
(20,773,528)	(20,905,719)	(20,773,528)	(20,905,719)
(3,605,514)	(890,958)	752,354	(1,977,983)

Cost of goods manufactured

Effect of finished goods

inventory

Opening

Closing

65,110,678	54,811,777	60,621,419	116,351,806
(78,651,126)	(76,615,318)	(78,651,126)	(76,615,318)
(13,540,448)	(21,803,541)	(18,029,707)	39,736,488
<u>2,362,721,610</u>	<u>2,776,728,786</u>	<u>774,221,171</u>	<u>882,067,717</u>

12. OTHER OPERATING EXPENSES

This amount includes workers' profit participation fund amounting to Rupees 7,816,519 (31 March 2014: Rupees 10,422,979) and workers' welfare fund amounting to Rupees 3,843,353 (31 March 2014: Rupees 4,077,126).

	Nine month period ended		Three month period ended	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
	Rupees	Rupees	Rupees	Rupees

13. TAXATION

Current	58,006,135	61,992,056	11,976,511	11,028,283
Deferred	(2,819,162)	1,815,344	(1,931,474)	2,648,062
	<u>55,186,973</u>	<u>63,807,400</u>	<u>10,045,037</u>	<u>13,676,345</u>

14. RELATED PARTY TRANSACTIONS

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

<u>Relationship with the Company</u>	<u>Nature of transactions</u>	Nine month period ended	
		31 March 2015	31 March 2014
		Rupees	Rupees
Chief Executive Officer	Remuneration	1,756,668	1,093,940
Directors	Remuneration	2,643,748	1,886,500
	Loan obtained	81,119,000	97,386,700
	Loan repaid	10,500,000	34,402,000
	Interest on loan	278,425	1,798,570
Executives	Remuneration	7,573,333	8,901,913

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

The outstanding balance of such parties are as under :

<u>Relationship with the Company</u>	<u>Nature of transactions</u>	Nine month period ended	
		31 March 2014	31 June 2014
		Rupees	Rupees
Director	Loan obtained	70,619,000	-

15. EVENT AFTER BALANCE SHEET DATE

The Board of Directors has declared Rs. 0.5 per share cash dividend (30 June 2014: Rs. 0.5 per share) and Nil bonus shares (30 June 2014: Nil) in their meeting held on 27 April 2015.

16. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors of the Company on 27 April 2015.

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 borrowing of the Company.

18. CORRESPONDING FIGURES

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

19. GENERAL

19.1 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.

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

(Chief Executive Officer)

(Director)

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