

Nine Month Accounts March 2011



Janana De Malucho Textile
Mills Limited

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JANANA DE MALUCHO TEXTILE MILLS LIMITED
Habibabad - KOHAT

COMPANY'S PROFILE

BOARD OF DIRECTORS	MR. RAZA KULI KHAN KHATTAK Chairman
	LT. GEN. (RETD.) ALI KULI KHAN KHATTAK Chief Executive
	MR. AHMAD KULI KHAN KHATTAK
	MR. MUSHTAQ AHMAD KHAN, FCA
	MRS. ZEB GOHAR AYUB
	MRS. SHAHNAZ SAJJAD AHMAD
	DR. SHAHEEN KULI KHAN
AUDIT COMMITTEE	MR. RAZA KULI KHAN KHATTAK Chairman MR. AHMAD KULI KHAN KHATTAK Member MR. MUSHTAQ AHMAD KHAN, FCA Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance, Commercial & Corporate Affairs
INTERNAL AUDITOR	MR. ABID RAZA
AUDITORS	M/S HAMEED CHAUDHRI & CO. Chartered Accountants
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED
REGISTRARS & SHARES REGISTRATION OFFICE	MANAGEMENT & REGISTRATION SERVICES (PVT) LTD. BUSINESS EXECUTIVE CENTRE, F/17/3, BLOCK 8, CLIFTON, KARACHI TEL. 021 - 35375127-29 FAX. 021 - 35820325 E-MAIL: registrationservices@live.co.uk
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (K.P.K) TEL. 0922 - 510063 - 512930 - 510494 FAX. 0922 - 510474 E-MAIL: janana@brain.net.pk janana_textile@hotmail.com WEB SITE: www.jdm.com.pk

DIRECTORS' REPORT TO THE SHAREHOLDERS

On behalf of the Board of Directors, I feel pleasure in presenting the unaudited financial statements of the company for the 3rd quarter & nine months ended 31st March 2010.

1. FINANCIAL HIGHLIGHTS

During the nine months ended 31st March 2011, your Company has posted a Gross Profit of Rs. 199.434 Million (Gross Profit Margin: 12.25 %) as compared to the Gross Profit of Rs. 133.738 Million for the corresponding period of last year (Gross Profit Margin: 13.90%) while facing different challenges. Turnover increased by Rs. 665,016 Million from Rs. 962.421 Million to Rs. 1,627.437 Million as compared to the corresponding period of the last year which was mainly due to increase in sales rates by about 51% as compared to the sales rates of the last year. The improvement in turnover indicates that the Company was able to maintain sales despite the difficult operational environments in the shape of constant increase in the cotton prices at unprecedented levels. The prices of cotton are so volatile and are breaking all previous record. The prices of raw material have registered an increase of 90% as compared to the corresponding period of last year. Every level of price reached looked too high and after a week or so it crossed that limit. We guess the world is going through a new economic transition and new realities are emerging.

The primary reasons which helped in the improvement of the operating results of the Company included the strengthening of yarn prices in international market and the subsidy provided by the Federal Government's special package in the shape of markup subsidy for the revival of economic activities in the Khyber Pakhtunkhwa Province.

These factors contributed towards improvement in the Company's operations and improved the Operating Profit to Rs. 145.313 Million as compared to Rs. 100.004 Million for the corresponding period of the last year. The company's profit before tax had also increased to Rs. 115.507 million from Rs 6.317 million of the corresponding period of the last year.

Earnings per share is Rs. 25.77 as compared to Rs. 0.60 of the corresponding period of the last year which is remarkable.

2. GENERAL MARKET CONDITIONS

The cotton crisis cropped up last year when global cotton quantity stood less by around 10 to 11 percent against local demand. China and USA being the largest producers of cotton witnessed major shortfall in their production. The cotton rates which initially were being quoted below 90 cents per lb begin to move up and touched highest level of 254 cents per lb. Similarly our Pakistani raw cotton prices sky rocketed to the level of Rs. 13,000 per maund as compared to the average cotton sale price of Rs. 4000 per maund during the cotton season of last year. The blatant refusal of the Indian exporters to ship cotton of cheaper rates to the Pakistani buyers against all ethical norms of business resulted in shortage of cotton, pushing its price upward and high prices of cotton yarn in domestic market, which deprived the Pakistani textile industry of its basic raw material.

In Pakistan, business conditions remained stagnant & dismal; however the increase in the yarn demand in foreign markets has impacted the spinning industry favourably. In order to control the yarn prices in Pakistan government imposed restrictions on the yarn exports without putting any embargo on the export of cotton from Pakistan which resulted into decrease in prices of yarn in the local market which again adversely affected the profitability of the spinning industry. Also the profitability of the spinning industry was affected by the energy crisis, shrinking economic activity and declining foreign investments. The domestic economy has been further weakened by the spillover from the Global War on "Terror" where Pakistan is a front line state and main brunt of this turmoil is being faced by the industries in Khyber Pakhtunkhwa Province. The direct and indirect cost of this war not only includes the loss of life, property and business but also deterioration of the country's image as a direct result of which developing and maintaining international & local business has become extremely difficult.

The Federal Government, through SRO 283 (I)/2011, dated 01 April, 2011, has levied sales tax on those sales of Textile sector which they will make to unregistered persons. A rate of 6% shall be charged by spinners and 4% shall be charged by weavers. However electricity and gas supply to textile sector is still zero rated and special excise duty shall be treated as exempt keeping in view the shrinking export market for Pakistani yarn due to constant increase in its manufacturing cost. The spinners have to sell at least 50% yarn in the local market to unorganized/unregistered sector and therefore the levy of 6% Sales Tax will adversely effect the profitability of the company further.

3. FUTURE OUTLOOK

The Management will try its level best to improve your Company's efficiency and profit margins despite of whole spinning industry facing great decline in its growth rate. The economies of the world's leading countries are facing a severe crises and the Pakistan economy is at a very critical stage. The present trend of increase in hyper inflation in the country, cost of other inputs i.e. wages, salaries, store spares, repairs, maintenance and administrative expenses shall also increase.

In addition to above domestic borrowings costs, deadly flash floods and unprecedented continuous abnormal hike in power costs, coupled with shortage of electricity & gas outages in the end user markets for consecutive 3 days or for 18 hours a day are likely to be continued whereas value of the rupee relative to a basket of international currencies is expected to be weakened further. Therefore it would be a significant challenge & an uphill task to maintain the gross margins.

Under these very difficult challenges, your company remains committed to business growth and your company's management is well aware of the challenges that are ahead and focusing to deal with the ongoing crisis and will be making all out efforts to ensure continued growth, operational efficiency and optimal results for the company and its valued stakeholders in the days to come.

It is important to note that the benefits of this recovery will remain muted unless the Government addresses the following issues:

- 1) An improvement in the public safety and security environment of the country, especially in the Khyber Pakhtunkhwa (KPK) Province.
- 2) Disruptions in grid electric power supply.
- 3) Unending rise in electricity and fuel tariffs.

4. ACKNOWLEDGMENT

The Board places on record its appreciation for the support of our bankers and our valued customers towards your company's progress and prosperity. We would also like to highlight the hard work and diligence of the Company's employees. We look forward to the same dedication and cooperation from them in the year ahead.

for & on behalf of the Board of Directors



(Raza Kuli Khan Khattak)
Chairman

Dated: 30th April, 2011

Janana De Malucho Textile Mills Ltd.

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH, 2011

	Note	Un-audited	Audited		Note	Un-audited	Audited
		31 March, 2011	30 June, 2010			31 March, 2011	30 June, 2010
		Rupees in thousand				Rupees in thousand	
EQUITY AND LIABILITIES				ASSETS			
SHARE CAPITAL AND RESERVES				NON-CURRENT ASSETS			
Authorised capital		200,000	200,000	Property, plant and equipment	10	1,892,629	1,929,393
Issued, subscribed and paid-up capital	6	47,848	43,064	Investments in Associated Companies	11	89,644	52,228
Reserves		217,673	139,624	Loans to employees		1,307	1,398
Unappropriated profit		133,460	80,649	Security deposits		1,029	1,029
		398,981	263,337			1,984,609	1,984,048
TERM FINANCE CERTIFICATES	7	76,470	0				
FROZEN MARK-UP ON DEMAND FINANCES	7	0	75,790	CURRENT ASSETS			
				Stores, spares and loose tools		33,123	25,049
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		1,017,271	1,028,438	Stock-in-trade		668,297	364,761
				Trade debts - unsecured considered good		72,018	12,082
NON-CURRENT LIABILITIES				Advances to employees		1,144	1,111
Demand finances	8	254,461	285,438	Advance payments		21,411	15,672
Staff retirement benefits-gratuity		29,346	17,569	Trade deposits and prepayments	12	55,955	326
Deferred taxation		227,598	214,474	Sales tax refundable		14,595	9,419
		511,405	517,481	Due from Associated Companies		0	9,439
CURRENT LIABILITIES				Income tax refundable, advance tax and tax deducted at source		16,632	17,205
Current portion of demand finances		54,559	40,901	Cash and bank balances		16,776	5,850
Short term finances		504,354	388,972			899,951	460,914
Trade and other payables		273,732	102,537				
Accrued mark-up/interest		30,274	18,986				
Taxation		16,296	7,285				
Preference shares redemption account		1,218	1,235				
		880,433	559,916				
Contingencies & Commitments	9						
		2,884,560	2,444,962			2,884,560	2,444,962

The annexed notes form an integral part of these financial statements.


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

Janana De Malucho Textile Mills Ltd.

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
 FOR THE QUARTER & NINE MONTHS ENDED 31 MARCH, 2011**

	Note	For the 3rd quarter		Cumulative	
		Jan.-Mar. 2011	Jan.-Mar. 2010	July - Mar. 2011	July - Mar. 2010
		(Rupees in thousand)		(Rupees in thousand)	
SALES		618,388	361,990	1,627,437	962,421
COST OF SALES		567,827	324,728	1,428,003	828,683
GROSS PROFIT		50,561	37,262	199,434	133,738
DISTRIBUTION COST		4,992	1,560	11,023	5,099
ADMINISTRATIVE EXPENSES		13,971	8,195	34,038	23,950
OTHER OPERATING EXPENSES		8	388	9,061	4,685
		18,971	10,143	54,122	33,734
OPERATING PROFIT		31,590	27,119	145,312	100,004
OTHER INCOME		4	1,140	2,595	4,267
		31,594	28,259	147,907	104,271
FINANCE COST	13	5,576	35,919	32,401	97,954
		26,018	(7,660)	115,506	6,317
SHARE OF PROFIT OF ASSOCIATED COMPANIES		0	0	33,431	2,803
IMPAIRMENT LOSS ON INVESTMENT IN ASSOCIATED COMPANIES - Net		0	0	0	(719)
		0	0	33,431	2,084
PROFIT/(LOSS)/ BEFORE TAXATION		26,018	(7,660)	148,937	8,401
TAXATION					
- Current & prior years	14	11,164	2,010	21,276	5,012
- Deferred		0	(2,324)	13,124	678
		11,164	(314)	34,400	5,690
(LOSS)/ PROFIT AFTER TAXATION		14,854	(7,346)	114,537	2,711
			----- Rupees -----		
(LOSS)/PROFIT PER SHARE		3.34	(1.47)	25.77	0.60

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Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive

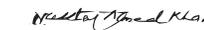

Mushtaq Ahmad Khan, FCA
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH, 2011**

	Nine months ended	
	31 March, 2011	31 March, 2010
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period - before taxation	115,506	6,317
Adjustments for non-cash charges and other items:		
Depreciation	44,919	38,881
Loss on sale of operating fixed assets	130	4,649
Staff retirement benefits - gratuity (net)	11,777	29,849
Unclaimed balances payable written back	(382)	0
Finance cost	32,401	97,954
CASH FLOW FROM OPERATING ACTIVITIES Before working capital changes	204,351	177,650
(Increase)/decrease in current assets:		
Stores, spares and loose tools	(8,074)	(243)
Stock-in-trade	(303,536)	(219,165)
Trade debts	(59,936)	6,866
Advances to employees	58	206
Advance payments	(5,739)	(2,448)
Trade deposits and prepayments	(55,629)	(437)
Sales tax refundable	(5,176)	(1,179)
Due from Associated Companies	9,439	(5,434)
Increase/(decrease) in trade and other payables	171,577	(9,228)
	(257,016)	(231,062)
CASH OUTFLOW FROM OPERATING ACTIVITIES - Before taxation	(52,665)	(53,412)
Taxes paid	(11,692)	(11,991)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES - After taxation	(64,357)	(65,403)
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(10,215)	(50,452)
Sale proceeds of operating fixed assets	1,930	9,325
Dividend received from an associated company	1,171	0
Security deposits	0	(25)
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(7,114)	(41,152)
CASH FLOW FROM FINANCING ACTIVITIES		
Demand finances - net	(12,535)	(12,535)
Short term finances - net	115,382	179,723
Preference shares redeemed	(17)	0
Finance cost paid	(20,433)	(60,295)
NET CASH INFLOW FROM FINANCING ACTIVITIES	82,397	106,893
NET INCREASE IN CASH AND CASH EQUIVALENTS	10,926	338
CASH AND CASH EQUIVALENTS - At the beginning of the period	5,850	3,177
CASH AND CASH EQUIVALENTS - At the end of the period	16,776	3,515

The annexed notes form an integral part of these financial statements.

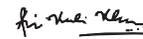

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive

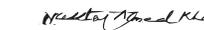

Mushtaq Ahmad Khan, FCA
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH 2011**

Share capital	Reserves					Sub-total	Unappropriated profit / (Accumulated loss)/	Total
	Capital			Revenue				
	Capital redemption	Tax holiday	Share premium	General				
Rupees in thousands								
Balance as at 30 June 2009	31,655	6,694	350	0	121,171	128,215	(51,594)	108,276
Nominal value of ordinary shares issued	11,409	0	0	0	0	0	0	11,409
Premium received on issue of ordinary shares	0	0	0	11,409	0	11,409	0	11,409
Profit for the half year ended 31 December 2009	0	0	0	0	0	0	24,990	24,990
Balance as at 31 December 2009	43,064	6,694	350	11,409	121,171	139,624	(26,604)	156,084
Profit for the half year ended 30 June 2010	0	0	0	0	0	0	91,652	91,652
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation net of deferred tax.	0	0	0	0	0	0	10,024	10,024
- realised on disposal of revalued fixed assets (net of deferred taxation)	0	0	0	0	0	0	7,245	7,245
Effect of items directly credited in other comprehensive income by the Associated Companies	0	0	0	0	0	0	(1,668)	(1,668)
Balance as at 30 June 2010	43,064	6,694	350	11,409	121,171	139,624	80,649	263,337
Transfer to General Reserves	0	0	0	0	78,049	78,049	(78,049)	0
Nominal value of ordinary shares issued	4,784	0	0	0	0	0	0	4,784
Total profit for the nine months ended 31 March 2011	0	0	0	0	0	0	114,537	114,537
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation net of deferred tax.	0	0	0	0	0	0	9,900	9,900
- realised on disposal of revalued fixed assets (net of deferred taxation)	0	0	0	0	0	0	1,267	1,267
Effect of items directly credited in other comprehensive income by the Associated Companies	0	0	0	0	0	0	5,156	5,156
Balance as at 31 March 2011	47,848	6,694	350	11,409	199,220	217,673	133,460	398,981

- The annexed notes form an integral part of these financial statements


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTHS ENDED 31 MARCH, 2011 (UN-AUDITED)**

- Janana De Malucho Textile Mills Limited (the company) was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on Karachi Stock Exchange (Guarantee) Limited. It is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.
- This condensed interim financial information is un-audited and has been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan and is in compliance with the International Accounting Standard - 34 "Interim Financial Reporting". It is being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984 and listing regulations of Karachi Stock Exchange.
- This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company as at and for the year ended 30 June, 2010.
- The accounting policies and methods of computations adopted for preparation of this financial information are the same as those applied in the preparation of audited financial statements of the Company for the preceding year ended 30 June 2010.
- Except for IFRIC 19 (Extinguishing Financial Liabilities with Equity Instruments), amendments to certain existing standards and new interpretation on approved accounting standards effective during the current period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company. The accounting effects of IFRIC 19 will be incorporated in the Company's financial statements for the year ending 30 June 2011 as the Company has issued shares to National Bank of Pakistan during the month of January 2011.

6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Note	Un-audited	Audited
		31 March 2011	30 June 2010
Rupees in thousand			
Issued for cash :			
500,000 ordinary shares of Rs.10 each		5,000	5,000
2,130,544 (30 June, 2010:1,652,100) ordinary shares of Rs.10 each issued to Financial Institutions by conversion of loans and debentures	6.1	21,305	16,521
1,140,900 ordinary shares of Rs.10 each issued to Bannu Woollen Mills Ltd. by conversion of Shares Deposit Money		11,409	11,409
6,832 ordinary shares of Rs.10 each issued by conversion of preference shares		68	68
		<u>37,782</u>	<u>32,998</u>
Issued as bonus shares :			
1,006,518 ordinary shares of Rs. 10 each		10,066	10,066
		<u>47,848</u>	<u>43,064</u>

6.1 The Company, on 12 January, 2011, has issued 478,444 ordinary shares of Rs.10 each to National Bank of Pakistan (NBP) against partial settlement of principal portion of overdue demand finance liabilities.

7. TERM FINANCE CERTIFICATES

The Company, on 12 January, 2011, has also issued term finance certificates (TFCs) valuing Rs.76.470 million to NBP against settlement of frozen mark-up accrued on demand finances. Main features of TFCs issued are as under:

Tenor	6 years from the Issue Date
Repayment	6 years with the condition that at-least 10% of the original TFCs amount will be redeemed each year. An installment of Rs.12,745,044 shall be paid each year starting 01 July, 2011.
Security	1st charge on entire fixed assets of the company for PKR 1,099 million
Profit Rate	Nil

8. DEMAND FINANCES - Secured	Un-audited	Audited
	31 March 2011	30 June 2010
Rupees in thousand		
Demand Finance I (DF I)	201,930	201,930
Demand Finance III (DF III)	7,177	7,177
Demand Finance IV (DF IV)	27,500	27,500
Demand Finance V (DF V)	69,818	69,818
Rescheduled Demand Finance I (RDF I)	4,801	9,603
Rescheduled Demand Finance III (RDF III)	2,578	10,311
	<u>313,804</u>	<u>326,339</u>
Less:		
478,444 ordinary shares issued against partial settlement of overdue demand finance liabilities	6.1	0
current portion grouped under current liabilities		40,901
	<u>54,559</u>	<u>40,901</u>
	<u>59,343</u>	<u>40,901</u>
	<u>254,461</u>	<u>285,438</u>

The Company and NBP have entered into an agreement on 12 January, 2011 incorporating following significant alterations in the existing repayment terms, and these have already been detailed in note 13 to the Company's audited financial statements for the year ended 30 June, 2010, which interalia states:

- during the validity of Fiscal Relief Package for Khyber Pakhtunkhwa (KPK), there will be no conversion into preference shares and outstanding liabilities shall continue as demand finances. After the expiry / termination of KPK package, the preference shares shall be issued for repayment of any unpaid overdue principal instalments;

- payment of principal amount of instalments has been linked to the actual cash flows and gross profit of the Company. If the Company generates excess cash flows due to any reason other than operations i.e. sale of fixed assets, sale of investments and issuance of securities / equity injection, the Company has been allowed to make excess payments above the regular payments without any prepayment charges;

- during the validity of KPK package, mark-up will be paid from 01 January, 2011 on quarterly basis commencing 31 March, 2011 at the KPK rate. However, after the expiry / termination of KPK package the mark-up will be at the rate of 6 month KIBOR + 1.85% on total principal outstanding amount.

9. CONTINGENCIES AND COMMITMENTS

9.1 There has been no significant change in the status of contingencies as reported in the preceding published annual financial statements of the Company for the year ended 30 June 2010.

9.2 There has been no significant change in the status of contingencies as reported in the Commitments for irrevocable letters of credit outstanding as at 31 March, 2011 aggregated Rs.126.514 million (30 June, 2010: Rs.37.112 million).

10. OPERATING FIXED ASSETS - Tangible

	Rupees in thousand
Book value of operating fixed assets at 30 June, 2010	1,929,393
Additions during the period	
Roads, paths & culverts	128
Plant and machinery	3,679
Furniture & Fixture	337
Office and other equipment	75
Vehicles	5,996
	<u>10,215</u>
Book value of assets disposed off during the period/year	(4,466)
Depreciation on assets disposed off during the period/year	2,406
depreciation charge for the period	(44,919)
Book value of operating fixed assets at 31 March, 2011	<u>1,892,629</u>

11. INVESTMENTS IN ASSOCIATED COMPANIES - Quoted

Un-audited 31 March 2011	Audited 30 June 2010
Rupees in thousand	

Babri Cotton Mills Ltd. (BCM)

587,493 (30 June, 2010: 510,864) ordinary shares
of Rs.10 each including the 76,629 bonus shares - cost
Equity held: 17.64%
Post acquisition profit brought forward including effect
of items directly credited in equity by BCM
Profit for the period/year - net of taxation

10,973	10,973
13,425	(5,489)
23,089	15,971
47,487	21,455

Bannu Woollen Mills Ltd. (BWM)

585,301 (30 June, 2010: 585,301) ordinary shares
of Rs.10 each including 285,146 bonus shares - cost
Equity held: 7.70%
Post acquisition profit brought forward including effect
of items directly credited in equity by BWM
Dividend received during the period
Profit for the period/year - net of taxation

7,697	7,697
25,289	17,549
(1,171)	0
10,342	5,527
42,157	30,773
89,644	52,228

12. TRADE DEPOSITS AND PREPAYMENTS

Un-audited 31 March 2011	Audited 30 June 2010
Rupees in thousand	

Letters of credit	695	208
Margin deposit	52,910	0
Prepayments	2,350	118
55,955	326	

13. FINANCE COST

The Federal Government, during the current period, has included the entire Textile Sector of Khyber Pakhtunkhwa in the Prime Minister's Fiscal Relief Package to rehabilitate the economic life of FATA/PATA/Khyber Pakhtunkhwa. The Company, in terms of SMEFD Circular No.11 dated 10 July 2010 read with SMEFD Circular letter No.13 of 2010 dated 31 August 2010, has applied to avail markup rate differential on business loans comprising of demand finances and short term finances outstanding as at 31 December 2009. During the current period, the Company's claims aggregating Rs.54.202 million have been processed by National Bank of Pakistan and credited to the Company. Subsidy received has been netted-off against finance cost for the current period.

14. TAXATION

Provision for the current period represents minimum tax payable under section 113 of the Income Tax Ordinance, 2001.

15. TRANSACTIONS WITH ASSOCIATED COMPANIES AND RELATED PARTIES

	Un-audited	
	31 March 2011	31 March 2010
Rupees in thousand		

Aggregate transactions during the period with the Associated Companies were as follows:

Sale of goods and services	0	2,672
Purchase of goods and services	9,263	6,700
Residential rent received	0	99
Mark-up:		
- earned	61	2,566
- expensed	350	452
Management charges:		
- paid	59	1,681
- received	3,824	6,026
Dividend received	1,171	0
Purchase of vehicles	4,366	0

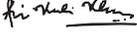
- No other transactions, other than remuneration and benefits to key management personnel under the terms of their employment, were executed with other related parties during the period.
- Trade and other payables include due to Associated Companies amounting Rs.907 thousand (30 June, 2010: Rs.Nil).
- Accrued mark-up includes due to Associated Companies aggregating Rs.143 thousand (30 June, 2010: Rs.308 thousand).

16. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 30, 2011 by the Board of Directors of the Company.

17. GENERAL

- Figures in the financial statements have been rounded-off to the nearest thousand Rupees except stated otherwise.
- Corresponding figures have neither been re-arranged and nor re-classified.


Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director