GHARIBWAL CEMENT LIMITED

دیرپا ۔ مضبوط

PAIDAR CEMENT

Interim Financial Statements
for the half year ended
DECEMBER 31, 2009

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Company Information

BOARD OF DIRECTORS

Mr. Muhammad Tousif Peracha
Chairman & Chief Executive
Mr. Abdur Rafique Khan
Director
Mrs. Tabassum Tousif Peracha
Director
Mr. Muhammad Ishaq Khokhar
Director
Mr. Aameen Taqi Butt
Director
Mr. M. Niaz Piracha
Director
Mr. Jawaid Aziz Peracha
Director

BANKERS

Askari Bank Limited
Citibank N.A.
Faysal Bank Limited
Habib Bank Limited
KASB Bank Limited
MCB Bank Limited
My Bank Limited (Bolan Bank Limited)
National Bank of Pakistan
NIB Bank Limited
Silk Bank (Saudi Pak Commercial Bank Limited)
The Bank of Khyber
The Bank of Punjab
The Royal Bank of Scotland (ABN AMRO Bank (Pakistan) Limited)
United Bank Limited

REGISTERED OFFICE

34 - Main Gulberg, P.O. Box 1285, Lahore.
UAN : 042 - 111-210-310
Fax : 042 - 35871039 & 59
E-mail: info@gharibwalcement.com

WORKS

Ismailwal, Distt. Chakwal

WEBSITE

www.gharibwalcement.com

AUDIT COMMITTEE

Mrs. Tabassum Tousif Peracha
Chairperson and Member
Mr. M. Niaz Piracha
Member
Mr. Jawaid Aziz Peracha
Member

CHIEF FINANCIAL OFFICER

Mr. Salman Ahmad

COMPANY SECRETARY

Mr. Muhammad Shamail Javed

AUDITORS

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

INTERNAL AUDITORS

M/s. Aftab Nabi & Co.
Chartered Accountants

LEGAL ADVISOR

M/s. Bandial & Associates, Lahore.

SHARES REGISTRAR

M/s. Corplink (Pvt.) Limited
Shares Registrar, Wings Arcade,
1-K, Commercial,
Model Town, Lahore.
Tel: 042-35887262, 35839182
Fax: 042-35869037

Directors' Report to the Members

We are pleased to announce the Condensed Financial Statements of Gharibwal Cement Limited for half year ended December 31st 2009.

It was the 1st half year of the commercial operations from the new plant and company could not achieve anticipated production capacity due to deficiency of the working capital and worst market condition in terms of substantial decrease in Cement prices. During the period Company could manage to achieve only 40% of its total installed production capacity, which was not enough to meet the fixed production overheads and mark-up cost.

This crisis occurred due to unavoidable delay in the project and the cost overrun. Further massive devaluation of Pak Rupee, excessive markup cost and increase in the cost of Civil and Mechanical works led the project cost enhanced by 40%. The increased project cost curtailed company's ability to fund the working capital.

The drop in the Cement Prices also impacted heavily on our profitability, which was started mid last year due the excessive supply of the Cement and decrease in PSDP funds' allocation and their utilization. The excessive supply of Cement was mainly due to extra production capacity injected in the country vis-à-vis a short fall in the export prices and export sales. Therefore, export remained feasible only to the companies situated near Karachi and Afghanistan due to less inland freight. This led the other manufacturers dumping into the local markets which jeopardized the market perfection and started a price war among all the local Cement suppliers. During the last quarter most efficient cement factories in Pakistan were also suffering a loss of Rs 35 to Rs 45 per bag in their local supplies. The situation seems to have improved a little recently, where the local price has increased from lowest Rs. 220/bag to Rs. 255/bag.

The biggest issue that we encountered was the liquidity crises due to which we could not maintain capacity utilization. We negotiated lately with all our key financers to restructure loans and to assist us in terms of additional working capital. We expect to get the approval shortly.

As far as qualifications in auditor's report are concerned, we would look into the matters requiring adjustments in the year end financial results.

We are grateful to our bankers, contractors, suppliers, distributors, shareholders and bankers for their support and trust with us. We extend our gratitude to all the employees and the workers for their support in this difficult phase of our operation.

For and on behalf of the Board of Directors

MUHAMMAD TOUSIF PERACHA
(Chairman & Chief Executive)

Lahore: February 26, 2010

Auditors Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying interim condensed balance sheet of Gharibwal Cement Limited as at 31 December 2009 and the related condensed interim profit and loss account, and condensed interim statement of cash flow and changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the half year then ended. 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.

Basis for Qualified Conclusion

1) The company has not carried out impairment test for its operating fixed assets during the period in accordance with the requirements of International Accounting Standard 36 - Impairment of Assets. In our opinion there are strong indicators suggesting that the land and the assets related to old plant may have impaired against which no impairment loss has been recorded. Accordingly in absence of impairment testing and fresh valuation, we could not satisfy ourselves as to the carrying value of these assets along with the effect on the surplus on revaluation of operating fixed assets.

2) As reported in our audit report for the year ended 30 June 2009, the Company transferred the new cement plant from capital work in progress to operating fixed assets with effect from 1 April 2009 which is in contradiction to International Standard (IAS) 16 - Property, Plant and Equipment. Based on the financial information and the production data available, we are of the opinion that the new plant should have been transferred to operating fixed assets with effect from 1 October 2008.

Accordingly, the sales and loss for the operation of new plant of the comparative period have not been recorded by Rs. 1,141 (million) and Rs. 257 (million) respectively. Resulntantly, as at 31 December 2009, the carrying value of property, plant and equipment should have been decreased by Rs. 398 (million) and accumulated losses should have been increased by the same amount.

Conclusion

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Without qualifying our opinion we draw attention to Note 1 to the financial statements, which indicate that the Company incurred net loss for the period of Rs. 822 (million) and the Company's net liabilities exceeded its net assets by Rs. 8,184 (million) as at 31 December 2009. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

Ernest & Yound Ford Rhodes Sidat Hyder
Chartered Accountants

Lahore: February 26, 2010

Condensed Interim Balance Sheet

As at 31 December, 2009 (Un-audited)

	Note	Un-audited 31 December 2009	Audited 30 June 2009
		(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
PROPERTY, PLANT AND EQUIPMENT	5	10,203,135	10,259,678
OTHER NON CURRENT ASSETS			
Investments	6	-	-
Advances and deposits		61,074	62,354
		61,074	62,354
CURRENT ASSETS			
Stores, spares and loose tools		361,207	278,334
Stock in trade		265,318	371,989
Trade debtors		77,190	52,694
Advances, deposits and other receivables		504,336	432,032
Cash and bank balances		43,072	67,980
		1,251,123	1,203,029
TOTAL ASSETS		11,515,332	11,525,061

M. Tousif Peracha
Chief Executive

Condensed Interim Balance Sheet

As at 31 December, 2009 (Un-audited)

	Note	Un-audited 31 December 2009	Audited 30 June 2009
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 250,000,000 (30 June 2009: 250,000,000) ordinary shares of Rs. 10 each		2,500,000	2,500,000
Issued, subscribed and paid up capital		2,318,764	2,318,764
Revenue Reserves			
General reserve		332,000	332,000
Accumulated loss		(2,003,609)	(1,195,555)
		(1,671,609)	(863,555)
		647,155	1,455,209
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		996,894	1,011,107
NON CURRENT LIABILITIES			
Redeemable capital		333,226	399,680
Loans	7	2,828,524	2,769,723
Liabilities against assets subject to finance lease		28,908	52,297
		3,190,658	3,221,700
Deposits from customers		-	-
Deferred liabilities		147,000	147,035
		3,337,658	3,368,735
CURRENT LIABILITIES			
Trade and other payables	8	1,587,066	1,309,743
Accrued interest / mark-up		706,097	494,644
Short term borrowings		898,294	744,578
Current portion of non-current liabilities		2,452,555	2,588,898
Taxes and duties		889,613	552,147
		6,533,625	5,690,010
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL EQUITY AND LIABILITIES		11,515,332	11,525,061

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

Abdur Rafique Khan
Director

Condensed Interim Profit and Loss Account

For the half year ended 31 December, 2009 (Un-audited)

	Note	Half Year Ended 31 December 2009	Half Year Ended 31 December 2008	Second Quarter Ended 31 December 2009	Second Quarter Ended 31 December 2008
		(Rupees in thousand)		(Rupees in thousand)	
Sales - net	10	1,444,555	195,665	651,396	27,510
Cost of sales	11	1,514,203	150,063	721,621	59,408
Gross (loss)/profit		(69,648)	45,602	(70,225)	(31,898)
Selling and distribution expenses		129,572	1,049	90,464	83
General and administrative expenses		35,630	22,602	22,482	7,764
Other operating expenses		18	42	18	42
		165,220	23,693	112,964	7,889
		(234,868)	21,909	(183,189)	(39,787)
Other operating income		1,993	3,749	1,737	1,452
(Loss)/profit from operations		(232,875)	25,658	(181,452)	(38,335)
Finance costs		579,182	22,825	315,723	13,843
		(812,057)	2,833	(497,175)	(52,178)
Termination benefits		-	24,495	-	24,495
Loss before taxation		(812,057)	(21,662)	(497,175)	(76,673)
Provision for taxation/ (Taxation-reversal)		10,211	(103,731)	10,211	(95,788)
Loss after taxation		(822,268)	82,069	(507,386)	19,115
Earnings per share - basic and diluted		(3.55)	0.35	(2.19)	0.08

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

M. Tousif Peracha
Chief Executive

Abdur Rafique Khan
Director

Condensed Interim Cash Flow Statement

For the half year ended 31 December, 2009 (Un-audited)

	31 December 2009	31 December 2008
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before taxation	(822,268)	(21,662)
Adjustments for non cash charges and others:		
Depreciation on operating fixed assets	144,603	49,879
Profit/Interest income	(509)	(1,202)
Financial charges	579,182	22,825
Profit/(loss) due to exchange fluctuation	812	(103,731)
Taxes and duties	367,005	7,096
Amortization of discount on issue of shares	-	8
	1,091,093	(25,125)
	268,825	(46,787)
Increase in current assets		
Stores, spares and loose tools	(82,873)	(196,873)
Stock in trade	106,671	(143,165)
Loans and advances	-	75,510
Advances, deposits and other receivables	(72,309)	(152,035)
Trade debtors	(24,496)	-
Increase in current liabilities		
Trade and other payables	277,328	694,446
	204,321	277,883
	473,146	231,096
Deferred Liabilities	(35)	(1,098)
Financial charges paid	(367,728)	(42,319)
Taxes and duties paid	(29,539)	500,800
Net decrease in long term loans and advances to staff	-	759
Net decrease in long term deposits and prepayments	-	3,960
	(397,302)	462,102
Net cash generated from operating activities	75,844	693,198

Condensed Interim Cash Flow Statement

For the half year ended 31 December, 2009 (Un-audited)

	31 December 2009	31 December 2008
	(Rupees in thousand)	
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(88,060)	(686,655)
Security deposits paid against finance lease	1,279	-
Interest received	509	-
Net cash used in investing activities	(86,272)	(686,655)
CASH FLOW FROM FINANCING ACTIVITIES		
Receipts / adjustment of long term loan	245,000	152,594
Repayment of redeemable capital	(72)	(80)
Payment / adjustment of long term loans	(384,452)	(18,720)
Re payment of finance lease liabilities	(28,672)	(57,431)
Proceeds of short term finances	153,716	25,078
Net cash (used in)/generated from financing activities	(14,480)	101,441
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(24,908)	107,984
CASH AND CASH EQUIVALENTS - at the beginning of the period	67,980	156,506
CASH AND CASH EQUIVALENTS - at the end of the period	43,072	264,490

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

M. Tousif Peracha
Chief Executive

Abdur Rafique Khan
Director

Interim Condensed Statement of Changes in Equity

For the half year ended 31 December, 2009 (Un-audited)

Particulars	Share Capital	General Reserve	Accumulated Loss	Total
	(Rupees in thousand)			
Balance as at 01 July 2008	2,318,764	332,000	(856,049)	1,794,715
Profit for the half year ended 31 December 2008	-	-	82,069	82,069
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the period [net off deferred tax of Rs. 8,131 thousands]	-	-	15,100	15,100
Balance as at 31 December 2008	2,318,764	332,000	(758,880)	1,891,884
Loss for the period ended 30 June 2009	-	-	(451,917)	(451,917)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the year [net off deferred tax of Rs. 8,207 thousands]	-	-	15,242	15,242
Balance as at 30 June 2009	2,318,764	332,000	(1,195,555)	1,455,209
Loss for the half year ended 31 December 2009	-	-	(822,268)	(822,268)
Surplus on revaluation of fixed assets transferred: - Incremental depreciation charged during the half year [net off deferred tax of Rs.7,654 thousands]	-	-	14,214	14,214
Balance as at 31 December 2009	2,318,764	332,000	(2,003,609)	647,155

The annexed notes from 1 to 13 form an integral part of this condensed interim financial information.

M. Tousif Peracha
Chief Executive

Abdur Rafique Khan
Director

Notes to the Condensed Interim Financial Information

For the half year ended 31 December, 2009 (Un-audited)

1 COMPANY AND ITS OPERATION

The company was incorporated in Pakistan on 29 December 1960 as a public limited company; its shares are quoted on Karachi and Lahore Stock Exchanges. Registered office of the company is situated at 34-Main Gulberg, Lahore. It is principally engaged in production and sale of cement.

During the period, the Company has incurred a loss of Rs. 822,268 (thousand). The paid-up capital and reserves (net of losses), long term debt, current liabilities and current assets of the Company amounts to Rs.647,155 (thousand) 3,190,659 (thousand), Rs 6,533,630 (thousand) and Rs. 1,251,127 (thousand), respectively. In order to address this situation, management has been negotiating with its banks for working capital and restructuring of term loans and these are at the advance stages at the period end.

In addition to the negotiations with the various financial institutions, the sponsoring directors, being the majority shareholder of the Company, have extended their commitment to support and assist the Company in ensuring that it remains viable in achieving its objectives in the long run, accordingly, they have expressed their willingness to convert their outstanding balances into equity on the completion of all secretarial and legal compliances.

Based on the support of the sponsoring directors and the projections prepared by the Company's management, which have been approved by the Board of Directors, the Board is of the view that the Company would have adequate resources to continue its business on a sustainable basis in the foreseeable future and accordingly the financial infojmration has been prepared on going concern basis.

2 BASIS OF PRESENTATION AND MEASUREMENT

2.1 This condensed interim financial information has been prepared in accordance with International Accounting Standards - 34 "Interim Financial Reporting" as applicable in Pakistan.

2.2 This interim condensed financial information does not include all the information and the disclosures required in the annual financial information and should be read with in conjunction with financial statements of the company for the year ended 30 June 2009.

2.3 This interim condensed financial information is un-audited but subject to limited scope review by the auditors. Quarterly figures were not subject to limited scope review by the auditors as the scope of the review covered only the cumulative figures for the six months period ended 31 December 2009.

2.4 International Accounting Standard (IAS 1) (Revised), "Presentation of Financial Statements" (effective from 01 January 2009), was issued in September 2007. According to revised standard, those items of income and expenses that are not recognized in the profit or loss, and non-owner changes in equity should be recognized through Statement of comprehensive income. The revised standard requires an entity to opt for presenting such items of income and expenses in (a) single statement of comprehensive income or (b) two statements, a separate "income statement" and a "statement of comprehensive income". The Company has adopted the single statement approach. It has no further effect on presentation.

3 ACCOUNTING POLICIES

The accounting policies applied for the preparation of this condensed interim financial information are the same as those applied in preparation of the annual audited financial statements of the Company for the year ended 30 June 2009 except as stated in note 2.4.

4 CRITICAL ACOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgments,estimates and assumption that effect the application of accounting policies and reported amounts of assets and liabilities, Income and expense. 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 uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2009.

	Note	Un-audited 31 December 2009	Audited 30 June 2009
		(Rupees in thousand)	
5 PROPERTY, PLANT AND EQUIPMENT			
OPERATING FIXED ASSETS	5.1	10,022,639	10,163,325
CAPITAL WORK IN PROGRESS	5.2	180,496	96,353
		10,203,135	10,259,678
5.1 OPERATING FIXED ASSETS			
Opening balance		10,163,325	2,316,429
Additions during the period/year:			
Buildings & foundations		-	1,519,396
Plant and machinery - Line II		-	6,486,675
Furniture, fixtures and other office equipment		2,603	1,461
Transport assets (Owned)		1,313	2,241
Vehicles (leased)		-	5,658
		3,916	8,015,431
Depreciation Charge		(144,602)	(168,535)
Closing balance		10,022,639	10,163,325

Notes....

For the half year ended 31 December, 2009 (Un-audited)

	Note	Un-audited 31 December 2009	Audited 30 June 2009
		(Rupees in thousand)	
5.2 CAPITAL WORK IN PROGRESS			
Opening Balance		96,353	6,883,257
Civil works and buildings		84,143	19,925
Dry cement plant			
Civil Work		-	168,243
Plant and Machinery		-	975,153
		-	1,143,396
Dual fuel electric power generation plant			
Civil Work		-	1,417
Plant and Machinery		-	54,430
		-	55,847
Stores and spares held for capital expenditure			
Transfer to operating fixed assets		-	8,006,072
		180,496	96,353
6 INVESTMENTS			
At fair value through profit or loss			
Cost of acquisition	6.1	1,161	1,161
Less: Provision for impairment	6.2	(1,161)	(1,161)
		-	-

6.1 These represent investments in shares / certificates of various listed and unlisted companies / modarabas made in mid 1990s. Since the investment in these, number of investee companies have either merged or have been delisted. The present management has neither the complete information nor the physical possession of these shares / certificates. In view of the above, the management has made full provision thereagainst.

6.2 PROVISION FOR IMPAIRMENT		
Opening balance	1,016	508
Charge for the period / year	-	508
Closing balance	1,016	1,016

Notes....

For the half year ended 31 December, 2009 (Un-audited)

	Note	Un-audited 31 December 2009	Audited 30 June 2009
		(Rupees in thousand)	
7 LOANS			
Loans from related parties	7.1	1,770,784	1,895,127
Loans from banking companies and financial institutions		1,057,740	874,596
		2,828,524	2,769,723
7.1 LOANS FROM RELATED PARTIES - UNSECURED			
M Tousif Paracha		1,124,411	1,185,915
Abdur Rafiq Khan		632,468	643,307
	7.2	1,756,879	1,829,222
Associated undertaking-Pak Hy oils		-	46,000
Loan from Gharibwal employee Provident fund		13,905	19,905
		1,770,784	1,895,127

7.2 Sponsoring directors have expressed their willingness to conver the loans into equity on completion of secretarial and legal compliances.

	Un-audited 31 December 2009	Audited 30 June 2009
8 TRADE AND OTHER PAYABLES		
Creditors	824,839	536,805
Retention money	145,838	146,134
Accrued liabilities	488,231	408,396
Ijara Payable	20,891	26,860
Advance from customers	-	74,133
Due to workers' profit participation fund	15,162	16,499
Gratuity Fund	25,129	25,130
Provident Fund	3,899	-
Provision for freight	-	45,085
Unclaimed dividend	-	146
	1,523,989	1,279,188
Interest free deposits		
Repayable on demand	3,049	3,415
Others	50,479	19,530
	53,528	22,945
Others	9,549	7,610
	1,587,066	1,309,743

9 CONTINGENCIES AND COMMITMENTS

There is no significant change in the contingent liabilities and capital commitments of the company since the last annual balance sheet date.

Notes....

For the half year ended 31 December, 2009 (Un-audited)

	Note	Half Year Ended 31 December 2009	2008	Second Quarter Ended 31 December 2009	2008
		(Rupees in thousand)		(Rupees in thousand)	
10 SALE OF CEMENT					
LOCAL					
Cement		1,223,700	274,483	434,899	38,460
EXPORT					
Cement		615,007	-	371,449	-
Total Sales		1,838,707	274,483	806,348	38,460
LESS:	10.1				
Sales tax		167,604	37,587	59,579	5,266
Federal excise duty		190,833	37,631	77,797	5,246
Special excise duty		8,566	1,972	2,945	438
Discount/Rebate to dealers		27,149	1,628	14,631	-
		394,152	78,818	154,952	10,950
		1,444,555	195,665	651,396	27,510

10.1 Commission and unloading /forwarding charges have been included in the selling and distribution cost.

Notes....

For the half year ended 31 December, 2009 (Un-audited)

	Half Year Ended 31 December		Second Quarter Ended 31 December	
	2009	2008	2009	2008
11 COST OF SALES	(Rupees in thousand)		(Rupees in thousand)	
Raw materials consumed (Note:11.1)	87,465	12,232	87,895	4,841
Packing materials consumed	131,432	14,647	56,646	5,798
Provision for slow moving stores and spares	-	-	-	-
Stores and spares consumed	65,808	7,454	36,558	2,950
Salaries, wages and benefits	104,092	21,808	50,079	8,633
Fuel and power consumed	829,186	44,084	346,090	17,452
Electricity consumed	261,115	-	123,273	-
Coal consumed	526,691	25,318	212,817	10,023
Diesel	13,955	-	10,000	-
Sui gas - Kiln	27,425	18,766	-	7,429
Rent, rates and taxes	2,971	1,008	1,970	399
Repair and maintenance	16,585	12,204	13,238	4,831
Insurance	3,074	-	3,000	-
Vehicle running and traveling	1,177	642	500	254
Other expenses	795	7	300	3
Research and development	8	62	3	25
Depreciation	143,116	29,278	60,743	11,591
	1,385,709	143,427	657,022	56,776
Adjustment of work-in-process inventory				
Opening	251,877	9,893	128,967	3,917
Closing	(169,447)	(11,486)	(59,562)	(4,547)
Cost of goods manufactured				
Adjustment of finished goods inventory				
Opening	81,210	12,086	2,422	4,788
Closing	(35,146)	(3,857)	(7,228)	(1,526)
	1,514,203	150,063	721,621	59,408
Raw materials consumed				
Opening stock as at July 01	19,080	-	-	-
Cost of raw materials:				
Outside purchases and transportation cost	109,326	11,476	61,527	4,543
Royalty	14,433	323	17,579	127
Excise duty	1,360	433	8,789	171
	125,119	12,232	87,895	4,841
Closing stock as at June 30	(56,734)	-	-	-
	87,465	12,232	87,895	4,841

12 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated company/undertakings, directors of the Company, key management staff and staff retirement funds. Details of transaction with related parties during the half year other than those which have been disclosed elsewhere in these financial statements are stated below:

	Un-audited 31 December 2009	Audited 30 June 2009
	(Rupees in thousand)	
Associated Companies		
Baluchistan Glass Limited (BGL)	80,871	75,000
Sale of stores (including sales tax)	242	91
Purchase of stores (including sales tax)	-	8
Interest received	-	-
Interest charged	-	8,559
Expenses incurred	40,484	44,997
Expenses paid on behalf of BGL	-	15,189
Loans / advances given to BGL	13,226	99,215
Repayment of loans / advances given to BGL	2,175	54,013
Pak Hy Oils Liability Transfer to BGL	46,000	-
Pak Hy Oils Limited	-	46,000
Directors		
Loan paid during the year	72,457	210,317
Markup paid during the year	141,735	289,116
Staff Retirement benefits	-	-

All transactions were carried out on commercial terms and conditions and were valued at arm's length price using Comparable Uncontrollable Price method.

13 GENERAL

13.1 These financial infomration was authorized for issue by the Board of Directors on February 26, 2010.

13.2 The figures have been rounded off to the nearest thousand Rupees.

M. Tousif Peracha
Chief Executive

Abdur Rafique Khan
Director