

Nine Month Accounts March 2013



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 MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA	Chairman Member Member
HUMAN RESOURCE & REMUNERATION COMMITTEE	MR. RAZA KULI KHAN KHATTAK LT. GEN. (RETD.) ALI KULI KHAN KHATTAK MR. AHMAD KULI KHAN KHATTAK MR. MUSHTAQ AHMAD KHAN, FCA	Chairman Chief Executive / Member Member Member
CHIEF FINANCIAL OFFICER & COMPANY SECRETARY	MR. AMIN-UR-RASHEED B. Com. (Hons.) FICS Sr. Gen. Manager Finance & Corporate Affairs	
HEAD OF INTERNAL AUDIT	MR. NADEEM AHMED, ACCA, CIA	
AUDITORS	HAMEED CHAUDHRI & CO., Chartered Accountants	
BANKERS	NATIONAL BANK OF PAKISTAN HABIB BANK LIMITED UNITED BANK LIMITED BANK ALFALAH LIMITED	
LEGAL ADVISOR	HASSAN & HASSAN (ADVOCATES) PAAF BUILDING, 7 D, KASHMIR ROAD, LAHORE	
TAX CONSULTANTS	M. NAWAZ KHAN & CO. GROUND FLOOR, FARRAH CENTRE, 2-MOZZANG ROAD, LAHORE	
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 EMAIL: registrationservices@live.co.uk	
REGISTERED OFFICE & MILLS	HABIBABAD, KOHAT (KPK) 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 2013.

FINANCIAL HIGHLIGHTS

During the current period your Company has posted the following results:

	Third Quarter		Cumulative	
	Jan – Mar.		Jul. – Mar.	
	2013	2012	2013	2012
	----- Rs. in million -----			
Sales	705.676	625.162	2,025.584	1,687.896
Gross profit	176.107	86.395	361.973	191.478
Profit from operations	158.807	68.002	300.127	142.593
Profit before taxation	127.467	36.959	237.434	93.034
Profit after taxation	155.608	35.708	225.632	84.076
	----- Rupees -----			
Earnings per share	32.52	7.46	47.16	17.57

During the nine months ended 31st March 2013 the turnover of the Company has increased by Rs.337.688 million as compared to previous nine months whereas the gross profit of the current period has increased by Rs.166.126 million. Main reasons of increase in gross profit were increase in sale rates, increase in quantity sold and decrease in cost of production as percentage of sales due to increase in use of domestic cotton.

GENERAL MARKET CONDITION

Power crisis & gas outages of unprecedented level being faced by textile sector have remained the single biggest hurdle in its performance during the period under report. Gas and Power outage at end user market have contributed towards adversely effecting the financial performance of the spinning sector. The spinning sector and ancillary industries remained on the lowest production level, seriously hampering growth rate and exports of the country. The tight financial position of our country on account dwindling foreign currency reserves due to payments of installment of loan to IMF resulted in further devaluation of currency which has ended in higher

production cost. The war on terror has tarnished the image of country resulting into diversion of textile related export orders to our competitors i.e. India, Bangladesh, Sri Lanka. So long as we are not going to adopt the aggressive marketing techniques more focused on global competitiveness, the country may slump into further financial crises. In spite of all these heavy odds, the company has shown commendable performance due to able guidance of the Board of Directors & impeccable performance of the professional team of the company.

FUTURE OUTLOOK

In order to address the future upcoming challenges spinning sector must work for higher value addition and competitiveness through technology up-gradation, adoption of best practices, human resource development. However your management will strive to achieve positive results and will try its utmost to maintain current profit margins by using every source on its disposal.

ACKNOWLEDGMENT

The Board places on record its appreciation for the support of its bankers who have constantly facilitated the Company in financially difficult times. The hard work and diligence of the Company's senior management and the production workers is also commendable. We look forward to same dedication and cooperation from them in the future as well.

For on behalf of the board



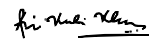
RAZA KULI KHAN KHATTAK
Chairman


Dated: 29th April, 2013

CONDENSED INTERIM BALANCE SHEET AS AT 31 MARCH, 2013

	Un-audited		Audited			Un-audited		Audited	
	31 March, 2013	30 June, 2012	31 March, 2013	30 June, 2012		31 March, 2013	30 June, 2012		
	Note	(Rupees in thousand)			Note	(Rupees in thousand)			
Equity and Liabilities				Assets					
Share Capital and Reserves				Non-current Assets					
Authorised capital	6	200,000	200,000	Property, plant and equipment	10	2,278,346	2,246,422		
Issued, subscribed and paid-up capital		47,848	47,848	Investments in Associated Companies	11	128,390	108,784		
Reserves		389,983	217,673	Loans to employees		3,688	1,065		
Unappropriated profit		403,293	335,281	Security deposits		1,029	1,029		
		841,124	600,802			2,411,453	2,357,300		
Term Finance Certificates		34,759	49,821	Current Assets					
Surplus on Revaluation of Property, Plant and Equipment		1,289,493	1,302,472	Stores, spares and loose tools		50,265	40,551		
Non-current Liabilities				Stock-in-trade	12	986,299	671,596		
Demand finances	7	89,690	210,892	Trade debts - unsecured considered good		7,629	7,527		
Staff retirement benefits - gratuity		66,654	48,693	Advances to employees		2,107	1,820		
Deferred taxation		200,623	200,623	Advance payments		32,311	16,595		
		356,967	460,208	Trade deposits and prepayments		8,904	1,215		
Current Liabilities				Due from Associated Companies		9,186	7,615		
Trade and other payables		111,525	223,931	Other receivables		1,500	3,421		
Accrued mark-up		30,214	25,142	Sales tax refundable		35,808	29,000		
Short term finances		889,174	461,246	Income tax refundable, advance tax and tax deducted at source		58,001	43,791		
Current portion of non-current liabilities: - term finance certificates		13,904	12,745	Cash and bank balances		21,209	3,134		
- demand finances	7	45,983	45,983			1,213,219	826,265		
Taxation	8	10,314	0						
Preference shares redemption account		1,215	1,215						
		1,102,329	770,262						
Contingencies and Commitments	9								
		3,624,672	3,183,565			3,624,672	3,183,565		

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


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



Mushtaq Ahmad Khan, FCA
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS ENDED 31 MARCH, 2013**

	For the 3rd Quarter		Cumulative	
	Jan. - Mar., 2013	Jan. - Mar., 2012	July - Mar., 2013	July - Mar., 2012
	----- Rupees in thousand -----			
Sales - net	705,676	625,162	2,025,584	1,687,896
Cost of sales	529,569	538,767	1,663,611	1,496,418
Gross profit	176,107	86,395	361,973	191,478
Distribution cost	1,576	1,524	6,103	7,322
Administrative expenses	15,692	14,045	48,965	42,426
Other operating expenses	36	3,731	9,006	8,838
Other operating income	(4)	(907)	(2,228)	(9,701)
	17,300	18,393	61,846	48,885
Profit from operations	158,807	68,002	300,127	142,593
Finance cost	31,340	31,043	82,344	61,147
	127,467	36,959	217,783	81,446
Share of profit of Associated Companies	0	0	19,651	11,588
Profit before taxation	127,467	36,959	237,434	93,034
Taxation				
- current	3,529	5,966	10,314	16,903
- prior year	0	0	1,488	102
- deferred	(31,670)	(4,715)	0	(8,047)
	(28,141)	1,251	11,802	8,958
Profit after taxation	155,608	35,708	225,632	84,076
Other comprehensive income	0	0	0	0
Total comprehensive income	155,608	35,708	225,632	84,076
	----- Rupees -----			
earnings per share	32.52	7.46	47.16	17.57

Note:

- The annexed notes form an integral part of this condensed interim financial information.
- Provision for the deferred tax has not been made in these accounts because in the considered opinion of the management no tax liability is likely to accrue in the next three years due to brought forward losses (Income tax) and the managements' policy to invest in Plant & Machinery - for renovation and replacement of 50 years old machinery.

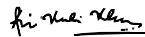

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive



Mushtaq Ahmad Khan, FCA
Director

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH, 2013**

	Nine months ended	
	31 March, 2013	31 March, 2012
	(Rupees in thousand)	
Cash flow from operating activities		
Profit for the period - before taxation and share of profit of Associated Companies	217,783	81,446
Adjustments for non-cash charges and other items:		
Depreciation	49,707	43,735
Loss on disposal of operating fixed assets - net	0	783
Staff retirement benefits - gratuity (net)	17,961	11,002
Unclaimed payable balances written back	0	(6,336)
Finance cost	82,344	61,147
Profit before working capital changes	367,795	191,777
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(9,714)	(14,092)
Stock-in-trade	(314,703)	(92,445)
Trade debts	(102)	11,946
Loans and advances to employees	(2,910)	(468)
Advance payments	(15,716)	(10,639)
Trade deposits and prepayments	(7,689)	(3,654)
Mark-up subsidy receivable	0	53,129
Due from Associated Companies	(1,571)	0
Other receivables	1,921	(6,071)
Sales tax refundable	(6,808)	(11,958)
(Decrease) / increase in trade and other payables	(112,406)	(30,782)
	(469,698)	(105,034)
Cash (used in) / generated from operations	(101,903)	86,743
Taxes paid	(15,698)	(9,689)
Net cash (used in) / generated from operating activities	(117,601)	77,054
Cash flow from investing activities		
Fixed capital expenditure	(81,630)	(6,832)
Sale proceeds and insurance claim of operating fixed assets	0	4,447
Dividend received from an Associated Company	1,756	2,926
Net cash (used in) / generated from investing activities	(79,874)	541
Cash flow from financing activities		
Term finance certificates repaid	(13,904)	(13,903)
Demand finances repaid	(121,202)	(50,837)
Short term finances - net	427,928	69,051
Preference shares redeemed	0	(3)
Finance cost paid	(77,272)	(84,004)
Net cash generated from / (used in) financing activities	215,550	(79,696)
Net increase / (decrease) in cash and cash equivalents	18,075	(2,101)
Cash and cash equivalents - at beginning of the period	3,134	21,193
Cash and cash equivalents - at end of the period	21,209	19,092

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

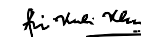

Lt. Gen (Retd)
Ali Kuli Khan Khattak
Chief Executive


Mushtaq Ahmad Khan, FCA
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH, 2013**

	Reserves						Unappropriated profit	Total
	Share capital	Capital			Revenue			
		Capital redemption	Tax holiday	Share premium	General	Sub-total		
	----- Rupees in thousand -----							
Balance as at 30 June, 2011	47,848	6,694	350	11,409	199,220	217,673	172,310	437,831
Profit after taxation for the nine months ended 31 March, 2012	0	0	0	0	0	0	84,076	84,076
Transfer from surplus on revaluation of property, plant & equipment:								
- on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	0	0	9,301	9,301
- upon disposal of revalued fixed assets - net of deferred taxation	0	0	0	0	0	0	2,194	2,194
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	0	0	969	969
Balance as at 31 March, 2012	47,848	6,694	350	11,409	199,220	217,673	268,850	534,371
Profit after taxation for the quarter ended 30 June, 2012	0	0	0	0	0	0	60,586	60,586
Transfer from surplus on revaluation of property, plant & equipment on account of incremental depreciation for the period net of deferred taxation	0	0	0	0	0	0	5,018	5,018
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	0	0	827	827
Balance as at 30 June, 2012	47,848	6,694	350	11,409	199,220	217,673	335,281	600,802
Transfer	0	0	0	0	172,310	172,310	(172,310)	0
Profit after taxation for the nine months ended 31 March, 2013	0	0	0	0	0	0	225,632	225,632
Transfer from surplus on revaluation of property, plant & equipment:								
- on account of incremental depreciation for the period - net of deferred taxation	0	0	0	0	0	0	12,979	12,979
Effect of items directly credited in equity by the Associated Companies	0	0	0	0	0	0	1,711	1,711
Balance as at 31 March, 2013	47,848	6,694	350	11,409	371,530	389,983	403,293	841,124

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 (UN-AUDITED)
FOR THE NINE MONTHS ENDED 31 MARCH, 2013**

1. Corporate information

Janana De Malucho Textile Mills Ltd. (the Company) was incorporated in Pakistan in the year 1960 as a Public Company and its shares are quoted on the Karachi Stock Exchange. It is principally engaged in manufacture and sale of yarn. The Company's mills and its registered office are located at Habibabad, Kohat.

2. Basis of preparation

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 (the Ordinance). It has been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting) and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements of the Company for the year ended 30 June, 2012.

3. Significant accounting policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June, 2012.

4. Amendments to published standards effective during the current period

4.1 Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on 01 July, 2012 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after 01 July, 2013 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial information except for IAS 19 - Amendment (Employee Benefits), which is applicable for accounting periods beginning on or after 01 January, 2013. The amendment will eliminate the corridor approach and calculates finance cost on a net funding basis. The Company will apply this amendment from 01 July, 2013 and its impact will be a decrease in unappropriated profit by Rs. 27.409 million due to recognition of current unrecognised actuarial loss on its defined benefit plan.

5. 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 the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, 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 applied to the preceding annual financial statements for the year ended 30 June, 2012.

6. Authorised capital

The Company's shareholders vide a special resolution dated 22 October, 2012 have increased the authorised capital of the Company from Rs.200 million to Rs.220 million divided in 10 million ordinary shares of Rs.10 each and 12 million non-voting 10.80% cumulative convertible unlisted redeemable preference shares of Rs.10 each. The change in authorised capital has been made to issue 11,615,626 preference shares to National Bank of Pakistan (NBP) in lieu of outstanding loans in accordance with section 87 of the Companies Ordinance, 1984 and finance facilities restructuring agreement dated 12 January, 2011 entered into with NBP. The Securities and Exchange Commission of Pakistan has not allowed to issue such shares in lieu of outstanding loan of NBP. However, the Company has started redeeming this loan @ Rs.20 million per month with the consent of National Bank of Pakistan and has paid a sum of 75 million to the date of this condensed interim financial information. The balance amount will be paid by 30th June, 2013 provided the electricity and gas supply is improved to the end users market.

7. Demand finances - secured

	Un-audited 31 Mar., 2013 Rupees in thousand
National Bank of Pakistan	
Balance of demand finances as at 30 June, 2012	254,461
Restructuring cost balance as at 30 June, 2012	2,414
	256,875
Less:	
Instalments of demand finances repaid during the period	120,984
Restructuring cost balance amortised during the period	218
	121,202
Balance of demand finances as at 31 March, 2013	135,673
Less: current portion grouped under current liabilities	45,983
	89,690

8. Taxation

8.1 Provision for the current period represents minimum tax payable under section 113 and tax on dividend under section 5 of the Income Tax Ordinance, 2001 (the Ordinance). Income tax assessments of the Company have been completed upto the Tax Year 2012 creating refund of Rs.13.198 million.

8.2 Due to location of the mills in the most affected area, the income of the Company was exempt from tax under clause 126F of the second schedule to the Ordinance starting from the Tax Year 2010. As per management's contention, exemption available under clause 126F was a specific exemption granted by the Federal Board of Revenue to the specific areas of Khyber Pakhtunkhwa. The Company had filed a writ petition before the Islamabad High Court, Islamabad praying exemption from levy of minimum tax under section 113 of the Ordinance. The Peshawar High Court, Peshawar, in an identical writ petition concerning exemption of minimum tax filed by a Group Company, had granted exemption from levy of minimum tax. The management is confident that Islamabad High Court will also grant exemption from levy of minimum tax; accordingly, no provision for minimum tax for the preceding financial year ended 30 June, 2012 amounting Rs.23.173 million was made in the books of account as well as provisions for minimum tax made during the financial years ended 30 June, 2010 and 30 June, 2011 aggregating Rs.28.655 million were written-back. An adverse judgment by the Islamabad High Court will create tax liability under section 113 of the Ordinance aggregating Rs.51.828 million.

8.3 The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's preceding annual financial statements for the year ended 30 June, 2012. There have been no changes in the risk management policies since the year-end.

8.4 The Income Tax Department (the Department) charged tax under section 221 of the Ordinance amounting Rs.2.772 million for the Tax Year 2007 against which an appeal has been filed with the CIR(A), who has remanded back the matter to concerned officer.

8.5 The Department, during the current period, has charged tax under section 122(5A) of the Ordinance amounting Rs.0.894 million for the Tax Year 2006 against which an appeal has been filed before the CIR(A), which is pending adjudication.

8.6 The Department has charged tax under sections 161/205 of the Ordinance amounting Rs.0.560 million for the Tax Year 2006 against which the Company and the Department have filed appeals with ATIR, which are pending adjudication.

8.7 The Department has charged tax under section 122(5A) of the Ordinance amounting Rs.2.289 million for the Tax Year 2005 against which the Company and the Department have filed appeals with ATIR, which are pending adjudication.

8.8 The Department has charged tax under section 122(5A) of the Ordinance amounting Rs.7.123 million for the Tax Year 2004 against which the Company and the Department have filed appeals with the ATIR, which are pending adjudication.

9. Contingencies and commitments

9.1 There has been no significant change in the status of contingencies as reported in the preceding published annual audited financial statements of the Company for the year ended 30 June, 2012.

9.2 Counter guarantee given by the Company to a commercial bank outstanding as at 31 March, 2013 was for Rs.40 million (30 June, 2012: Rs.30 million).

	Un-audited 31 Mar., 2013	Audited 30 June, 2012
	Rupees in thousand	
9.3 Commitments for irrevocable letters of credit outstanding at the period / year-end were for:		
- stores and spares	18,665	0
- raw materials	73,225	124,708
	<u>91,890</u>	<u>124,708</u>

9.4 Refer contents of taxation notes.

10. Property, plant and equipment

	Un-audited 31 Mar., 2013	Audited 30 June, 2012
	Rupees in thousand	
Note		
Operating fixed assets - tangible	2,203,241	2,246,422
Capital work-in-progress		
- plant & machinery - cost and expenses	75,105	0
	<u>2,278,346</u>	<u>2,246,422</u>
10.1 Operating fixed assets - owned		
Book value as at 30 June, 2012	2,246,422	
Additions during the period:		
- plant & machinery	2,779	
- generators	170	
- furniture & fixtures	538	
- office & other equipment	66	
- arms	2,973	
	6,526	
Depreciation charge for the period	(49,707)	
Book value as at 31 December, 2012	<u>2,203,241</u>	

11. Investments in Associated Companies - Quoted

	Un-audited 31 Mar., 2013	Audited 30 June, 2012
	Rupees in thousand	
Babri Cotton Mills Ltd. (BCM)		
587,493 (30 June, 2012: 587,493) ordinary shares of Rs.10 each - cost	10,973	10,973
Equity held: 16.09% (30 June, 2012: 16.09%)		
Post acquisition profit brought forward including effect of items directly credited in equity by BCM	48,154	32,751
Profit for the period / year - net of taxation	12,676	14,162
	<u>71,803</u>	<u>57,886</u>
Bannu Woollen Mills Ltd. (BWM)		
585,301 (30 June, 2012: 585,301) ordinary shares of Rs.10 each - cost	7,697	7,697
Equity held: 7.70% (30 June, 2012: 7.70%)		
Post acquisition profit brought forward including effect of items directly credited in equity by BWM	43,671	35,571
Dividend received during the period / year	(1,756)	(2,926)
Profit for the period / year - net of taxation	6,975	10,556
	<u>56,587</u>	<u>50,898</u>
	<u>128,390</u>	<u>108,784</u>

11.1 Market value of the Company's investment in BCM and BWM as at 31 March, 2013 was Rs.20.016 million (30 June, 2012: Rs.7.643 million) and Rs.28.598 million (30 June, 2012: Rs.13.169 million) respectively.

12. Stock-in-trade	Un-audited	Audited
	31 Mar., 2013	30 June, 2012
	Rupees in thousand	
Raw materials:		
- at mills	850,781	445,923
- in transit	0	125,091
	<u>850,781</u>	<u>571,014</u>
Work-in-process	61,250	62,397
Finished goods (30 June, 2012 balance included inventory valuing Rs.3.656 million valued at fair value)	74,268	38,185
	<u>986,299</u>	<u>671,596</u>

13. Transactions with related parties

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

	Nine-monthly ended 31 March,	
	2013	2012
	Rupees in thousand	
- purchase of goods and services	21	9,732
- sale of goods	1,809	1,420
- insurance claim received	0	1,400
- insurance premium paid	0	4,407
- residential rent paid	219	576
- mark-up expense	46	508
- dividend received	1,756	2,926

13.2 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.

13.3 Trade and other payables include due to Associated Companies on account of normal trading transactions aggregating Rs.0.435 million (30 June, 2012: Rs.1.386 million).

13.4 Accrued mark-up includes due to Associated Companies aggregating Rs.45 thousand (30 June, 2012: Rs.895 thousand).

14. Financial risk management

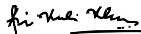
The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. This condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's preceding annual financial statements for the year ended 30 June, 2012. There have been no changes in the risk management policies since the year-end.


15. Date of authorisation for issue

This condensed interim financial information was authorised for issue on 28 April, 2013 by the Board of Directors of the Company.

16. Corresponding figures

- To comply with the requirements of International Accounting Standard 34 (Interim Financial Reporting), the condensed interim balance sheet has been compared with the balances of preceding annual audited financial statements of the Company for the year ended 30 June, 2012, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of the immediately preceding financial year, i.e. nine-months ended 31 March, 2012. In addition, corresponding figures in the condensed interim profit and loss account also include balances of the three months period ended 31 March, 2012.
- Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison; however, no material re-arrangements / re-classifications have been made in this condensed interim financial information.


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


Mushtaq Ahmad Khan, FCA
Director