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# Company Information

## Board of Directors

Abdul Razak Dawood

### Chairman

Taimur Saeed

### Chief Executive Officer

Dr. Salman Zakaria

Farooq Nazir

### Chief Financial Officer

Syed Zamanat Abbas

Taimur Dawood

Muhammad Sadiq

Faisal Dawood

## Audit Committee

Abdul Razak Dawood

Chairman

Taimur Dawood

Member

Syed Zamanat Abbas

Member

Muhammad Sadiq

Member

## Company Secretary

Abdul Sohail

## Auditors

M/s A.F Ferguson & Co.

Chartered Accountants

## Internal Auditors

M/s KPMG Taseer Hadi & Co.

Chartered Accountants

## Legal Advisors

Hassan & Hassan

Advocates

## Bankers

Allied Bank Limited

Bank Al Habib Limited

Habib Metropolitan Bank Limited

Habib Bank Limited

KASB Bank Limited

Summit Bank Limited

Sonari Bank Limited

Askari Bank Limited

## Share Registrar

M/s Corplink (Pvt.) Limited

Wings Arcade, I-K Commercial Area

Model Town, Lahore - 53000

Tel : 92 42 35887262, 35839182

Fax : 92 42 35869037

## Registered Office

Descon Headquarters

18-KM Ferozepur Road

Lahore - 53000 Pakistan.

Tel : 92 42 35923721-9

Fax : 92 42 35923749

## Plant Site

18-KM Lahore - Sheikhpura Road,

Lahore, Pakistan.

Tel : 92 42 3797 1822-243

Fax : 92 42 3797 1831

## Karachi Office

Business Avenue, 26/A, 9th Floor, Block 6, PECHS,

Shahra-e-Faisal, Karachi, Pakistan

Tel : 92 21 34544485-6

Fax : 92 21 34382674

## Web Presence

Updated Company's Information together with the latest Annual Report can be accessed at Descon's website,

[www.descon.com](http://www.descon.com)

[www.desconoxychem.com](http://www.desconoxychem.com)

**DESCON OXYCHEM LIMITED**  
**DIRECTORS REPORT TO THE SHAREHOLDERS**  
**For the Nine Months Ended March 31, 2012**

**Ladies and Gentlemen:**

The Board presents to you the financial statements for the nine months ended March 31, 2012. Due to the weak demand of Hydrogen per oxide, international prices have been on an easing trend for the last six months. Your company has increased the share of local sales as compared to last year, achieving a healthy mix between export and local sales. Production has averaged at 99% of rated capacity, despite facing the county wide shortage of utilities, however, the prices are firming up now and this trend is expected to continue.

**Financial Highlights**

	Quarter ended		Nine Months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rupees '000		Rupees '000	
Sales	275,218	365,582	878,666	1,071,473
Gross profit /(loss)	35,458	135,506	197,047	370,292
Operating Profit / (loss)	20,899	110,662	142,501	296,255
Profit / (loss) for the period	(65,956)	13,565	(111,859)	52,037
Earnings / (loss) per share (PKR)	<b>(0.67)</b>	<b>0.13</b>	<b>(1.10)</b>	<b>0.51</b>

Sales value for the quarter has dropped by 25% compared to last year, mainly due to a fall in demand internationally leading to easing of the international prices. Certain international players have started to dump their surplus production in the local market which has also become a challenge. The price of natural gas and electricity has led to a negative impact on margins resulting in a reduction of gross margin to 12.9% as compared to 37.1% last year. However, the company has been successful in controlling the distribution costs which showed a reduction of 24% as compared to the same period last year. Finance cost has also decreased 7% as compared to the same period last year, mainly due to the reduction in KIBOR.

The company has made the first principal payment of the Syndicated Loan amounting to PKR 93m, along with the mark-up of PKR 119m in February 2012.

**Future Outlook**

While the international competitive environment will remain challenging in the short term, however, as the global economic recovery takes hold the international prices will gradually reach a level where the margins will be fully restored. The prices have already started to firm. We will continue to enter new markets in the region to profitably grow sales and establish Descon as a regional brand. The erosion of margins due to increase in utility prices is an area which has the management's attention to find innovative ways of reducing the full impact of such increases along with a broader initiative of finding solutions for the various factors that impact margins. Finally, we thank the shareholders and other stakeholders for their constant support.

For and on behalf of the Board



Taimur Saeed  
Chief Executive Officer

Lahore  
April 24, 2012

**DESCON OXYCHEM LIMITED**  
**CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012**

	Note	Unaudited March 31, 2010	Audited June 30, 2011
(Rupees in thousand)			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 110,000,000 (June 2011: 110,000,000) ordinary shares of Rs 10 each		1,100,000	1,100,000
Issued, subscribed and paid up capital 102,000,000 (June 2011: 102,000,000) ordinary shares of Rs 10 each		1,020,000	1,020,000
Reserves		1,380	2,115
Accumulated loss		(397,144)	(285,285)
		624,236	736,830
<b>NON-CURRENT LIABILITIES</b>			
Long term finances			
- secured	5	1,281,663	1,476,764
- unsecured	6	408,785	408,785
Liabilities against assets subject to finance lease		91,206	115,039
Accrued finance cost		104,269	54,520
		1,885,923	2,055,108
<b>CURRENT LIABILITIES</b>			
Current portion of long term liabilities		226,026	113,906
Finances under markup arrangement- secured		151,381	114,188
Trade and other payables		124,283	142,964
Accrued finance cost		32,281	102,594
		533,971	473,652
<b>CONTINGENCIES AND COMMITMENTS</b>			
	7	3,044,130	3,265,590
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	2,216,056	2,330,710
Capital work-in progress		528	-
Intangible assets		34,225	47,616
Long term deposits		79,551	79,551
Deferred taxation		208,603	188,442
		2,538,963	2,646,319
<b>CURRENT ASSETS</b>			
Stores and spares		125,731	165,016
Stock-in-trade	9	126,278	128,052
Trade debts - unsecured		85,941	93,475
Investments - available for sale	10	29,226	110,347
Advances, deposits, prepayments and other receivables		124,465	84,714
Cash and bank balances		13,526	37,667
		505,167	619,271
		3,044,130	3,265,590

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**DESCON OXYCHEM LIMITED**

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	Note	Quarter ended		Nine months ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
(Rupees in thousand)					
Sales	11	275,218	365,582	878,666	1,071,473
Cost of sales	12	(239,760)	(230,076)	(681,619)	(701,181)
<b>Gross profit</b>		35,458	135,506	197,047	370,292
Administrative expenses		(8,708)	(9,415)	(28,471)	(26,945)
Distribution and selling cost		(14,134)	(18,503)	(41,555)	(55,109)
Other operating expenses		(49)	(30)	(49)	(1,298)
Other operating income		8,332	3,104	15,529	9,315
<b>Profit from operations</b>		20,899	110,662	142,501	296,255
Finance cost		(86,855)	(93,363)	(265,453)	(266,965)
<b>(Loss) / profit before taxation</b>		(65,956)	17,299	(122,952)	29,290
Taxation		(2,850)	(3,734)	11,093	22,747
<b>(Loss) / profit for the period</b>		(68,806)	13,565	(111,859)	52,037
<b>(Loss) / earnings per share - Rupees</b>	13	(0.67)	0.13	(1.10)	0.51

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**DESCON OXYCHEM LIMITED**

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	Quarter ended		Nine months ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	(Rupees in thousand)			
(Loss) / profit for the period	(68,806)	13,565	(111,859)	52,037
<b>Other comprehensive income</b>				
Fair value gain on 'Available for sale' investments	3,272	380	9,879	380
Gain during the period transferred to profit and loss on account of derecognition of investment	(8,202)	-	(10,614)	-
Other comprehensive income for the period	(4,930)	380	(735)	380
<b>Total comprehensive (loss) / income for the period</b>	<u>(73,736)</u>	<u>13,945</u>	<u>(112,594)</u>	<u>52,417</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**DESCON OXYCHEM LIMITED**

**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

Cash flow from operating activities	Nine months ended	
	March 31, 2012	March 31, 2011
Note	(Rupees in thousand)	
(Loss) / profit before taxation	(122,952)	29,290
Adjustments for:		
- Depreciation on property, plant and equipment	120,318	118,924
- Amortization of intangible assets	13,391	13,392
- Loss on disposal of non-current assets	-	5
- Finance cost	265,453	266,965
- Interest from bank deposits	(1,406)	(5,264)
- Provision for accumulating leave balances	(371)	(1,187)
- Provision for workers' welfare fund	-	634
- Provision for workers' welfare fund written back	(1,776)	-
- Provision for bad debts	1,500	-
- Provision for worker's profit participation fund	-	634
- Net exchange gain	(674)	(361)
- Gain on sale of investment	(10,614)	(2,210)
<b>Profit before working capital changes</b>	<b>262,869</b>	<b>420,822</b>
Effect on cash flow due to working capital changes		
- Decrease/(increase) in stores and spares	39,285	18,673
- Decrease/(increase) in stock-in-trade	1,774	(52,517)
- Decrease/(increase) in trade debts	6,708	(106,947)
- (Increase)/decrease in advances, deposits, prepayments and other receivables	(33,047)	14,075
- (Decrease)/increase in trade and other payables	(16,534)	(30,533)
	(1,814)	(157,249)
<b>Cash flow from operating activities</b>	<b>261,055</b>	<b>263,573</b>
Finance cost paid	(286,017)	(277,986)
Profit on deposits received	1,406	4,577
Income tax paid	(15,772)	(19,355)
<b>Net cash generated from operating activities</b>	<b>(39,328)</b>	<b>(29,191)</b>
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(6,192)	(350)
Investments purchased during the period	(165,000)	-
Long term security deposits - net	-	29
Proceeds from sale of available for sale investment	256,000	(9,783)
<b>Net cash (used in) / generated from investing activities</b>	<b>84,808</b>	<b>(10,104)</b>
<b>Cash flows from financing activities</b>		
Transfer from short term loan - secured	-	100,000
Long term loan paid	(93,054)	-
Finance lease liabilities - net	(13,760)	(3,064)
<b>Net cash (used in) / generated from financing activities</b>	<b>(106,814)</b>	<b>96,936</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(61,334)</b>	<b>57,641</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>(76,521)</b>	<b>(226,305)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>15 (137,855)</b>	<b>(168,664)</b>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

**DESCON OXYCHEM LIMITED**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)**

	Share capital	Fair Value Reserve (Rupees in thousand)	Accumulated loss	Total
<b>Balance as on July 1, 2010</b>	1,020,000	437	(465,255)	555,182
<b>Total comprehensive income for the period ended March 31, 2011</b>				
Profit for the period	-	-	52,037	52,037
Available for sale investment gain realised in the period		(437)		(437)
Other comprehensive income for the period:				
Fair value gain on 'Available for sale' investments	-	380	-	380
<b>Total comprehensive income for the period</b>	-	(57)	52,037	51,980
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	-	-	-	-
<b>Balance as on March 31, 2011</b>	<u>1,020,000</u>	<u>380</u>	<u>(413,218)</u>	<u>607,162</u>
<b>Balance as on July 1, 2011</b>	1,020,000	2,115	(285,285)	736,830
<b>Total comprehensive loss for the period ended March 31, 2012</b>				
Loss for the period	-	-	(111,859)	(111,859)
Available for sale investment gain realised in the period		(10,614)		
Other comprehensive income for the period:				
Fair value gain on 'Available for sale' investments	-	9,879	-	9,879
<b>Total comprehensive income / (loss) for the period</b>	-	(735)	(111,859)	(101,980)
<b>Total contributions by and distributions to owners of the Company recognised directly in equity</b>	-	-	-	-
<b>Balance as on March 31, 2012</b>	<u>1,020,000</u>	<u>1,380</u>	<u>(397,144)</u>	<u>634,850</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**



## DESCON OXYCHEM LIMITED

### NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE QUARTER AND NINE MONTHS ENDED MARCH 31, 2012 (UN-AUDITED)

#### 1. The Company and its operations

The company was incorporated in Pakistan as a private limited company on November 12, 2004 under the Companies Ordinance, 1984 and was converted into a public limited company with effect from February 28, 2008. Subsequently, on September 15, 2008, it was listed on Karachi Stock Exchange. The registered office of the company is situated at 18-KM Ferozepur Road, Lahore and the factory is situated at 18-KM Lahore-Sheikhupura Road, Lahore. It is principally engaged in the manufacture, procurement and sale of hydrogen peroxide and allied products. The Company commenced its commercial production on March 1, 2009.

#### 2. Basis of preparation

This condensed interim financial information is unaudited and has been prepared under International Accounting Standard (IAS) 34 - 'Interim Financial Reporting'. 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 for the year ended June 30, 2011.

#### 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 June 30, 2011.

#### 4. Taxation

The provision for taxation for the nine months ended March 31, 2012 has been made using the tax rate that would be applicable to expected total annual earnings.

		Unaudited March 31, 2012	Audited June 30, 2011
(Rupees in thousand)			
<b>5. Long term loans - secured</b>			
Loan - 1	- note 5.1	1,376,764	1,469,818
Loan - 2	- note 5.2	100,000	100,000
		<u>1,476,764</u>	<u>1,569,818</u>
Less: Current portion shown under current liabilities		(195,101)	(93,054)
		<u>1,281,663</u>	<u>1,476,764</u>

**5.1** This loan has been obtained from a consortium of financial institutions led by Allied Bank Limited to finance the capital expenditure in relation to the hydrogen peroxide plant installation, construction and fabrication project. It is secured by way of hypothecation charge over all present and future fixed assets, wherever situated other than the immovable property and first pari passu mortgage charge over immovable property. It carries markup at six month KIBOR plus 2.75% per annum and is payable semi annually. The loan is repayable in 12 six monthly installments commencing on February 24, 2012.

**5.2** This represents the loan obtained from KASB Bank Limited and is secured by a way of pari passu charge over present and future fixed assets (including land, building, plant and machinery) of the company for Rs 134 million. It carries markup at six month KIBOR plus 2.50% per annum and is payable semi annually. The loan is repayable in 10 equal semi annual installments commencing on December 01, 2012.

<b>Unaudited</b>	<b>Audited</b>
<b>March</b>	<b>June</b>
<b>31, 2012</b>	<b>30, 2011</b>
<b>(Rupees in thousand)</b>	

## **6. Subordinated loans from associated companies - unsecured**

- Descon Engineering Limited - Loan 1	- note 6.2	276,785	276,785
- Descon Engineering Limited - Loan 2	- note 6.3	112,000	112,000
- Interworld Travels (Private) Limited - Loan 3	- note 6.4	20,000	20,000
		408,785	408,785
		408,785	408,785

**6.1** The Company signed the 'Subordination Agreement' with Descon Engineering Limited, Interworld Travels (Private) Limited and Allied Bank Limited dated November 15, 2010, through which the repayment of both the principal and interest has been subordinated to the repayment of the syndicate loan as referred to in note 5.1. As per the terms of the 'Subordination Agreements', the Company may repay loan 2 and 3 aggregating to Rs 132 million and markup accrued on the entire balance of subordinated loans only after at least 50% of the principal of the syndicate loan has been repaid. Loan 1 of Rs 276.785 million may be repaid only after entire syndicate loan and related markup has been settled by the Company.

**6.2** This loan was granted by DEL, an associated company on June 30, 2010 by converting its short term non-interest bearing receivables of Rs 276.78 million into an un-secured interest bearing long term loan. The principal is repayable only after the repayment of the entire facility referred to in note 5.1. The markup is payable only after 50% of the facility under note 6.1 has been repaid. Mark-up is accruable for the period at six months Kibor plus 2.75 %.

**6.3** The loan was granted by DEL, an associated company on May 19, 2010. The principal and markup accrued thereon are repayable only after the repayment of 50% of the facility referred to in note 5.1. Mark-up is accruable for the period at six months Kibor plus 2%.

**6.4** This loan was granted by Interworld Travels (Private) Limited, an associated company on June 30, 2010. The principal and markup accrued thereon are repayable only after the repayment of 50% of the facility referred to in note 5.1. Mark-up is accruable for the period at six months Kibor plus 1 %.

## **7. Contingencies and commitments**

### **7.1 Contingencies**

- (i) Guarantee issued to Sui Northern Gas Pipeline Limited against the performance of a contract amounting to Rs 48.64 million (June 2011: Rs 48.64 million).
- (ii) Shipping guarantee issued to suppliers against the purchase of raw materials amounting to Rs 6.33 million (June 2011: Nil)

### **7.2 Commitments**

The company has commitments in respect of letters of credit other than capital expenditure of Rs 52.70 million (June 2011: Rs 40.273 million)

	<b>Unaudited March 31, 2012</b>	<b>Audited June 30, 2011</b>
	<b>(Rupees in thousand)</b>	
<b>8. Property, plant and equipment</b>		
Operating assets - at net book value		
- Owned assets	2,094,596	2,202,585
- Leased assets	121,460	128,125
- note 8.1	<u>2,216,056</u>	<u>2,330,710</u>
<b>8.1 Operating assets - at net book value</b>		
Opening book value	2,330,710	2,444,077
Add: Additions during the period	5,664	46,497
	<u>2,336,374</u>	<u>2,490,574</u>
Less: Disposals during the period (at book value)	-	224
Less: Depreciation charged during the period	120,318	159,640
	<u>120,318</u>	<u>159,864</u>
Closing book value	<u>2,216,056</u>	<u>2,330,710</u>
<b>8.1.1 Additions during the period</b>		
Buildings on freehold land	-	44,558
Plant, machinery and equipment	4,622	1,402
Lab equipment	-	467
Material Handling	-	70
Vehicles	970	-
Computer Equipment	72	-
	<u>5,664</u>	<u>46,497</u>
<b>9. Stock in trade</b>		
Raw materials [including in transit of Rs 12.53 million (June 2011: 62.63 million)]		
	77,050	88,328
Packing material	805	5,265
Work-in-process	2,923	2,548
Finished goods	45,500	31,911
	<u>126,278</u>	<u>128,052</u>
<b>10. Investments - available for sale</b>		
Available for sale - at cost		
Investment in 218,035 units (March 2012: 17,858 units) of MCB Cash Optimizer Fund		
	1,603	54,228
Investment in 2,139,960 units (March 2012: 77,376 units) of ABL Cash Fund		
	705	54,000
Investment in 84 units (March 2012: 93 units) of Pakistan Cash Fund		
	4	4
Investment in 624,007 units (March 2012: 137,275) of Lakson Investments		
	13,018	-
Investment in 587,467 units (March 2012: 125,420) of HBL Investments		
	12,516	-
	<u>27,846</u>	<u>108,232</u>
Add: Cumulative fair value gain	1,380	2,115
	<u>29,226</u>	<u>110,347</u>

	Quarter ended		Nine months ended	
	March	March	March	March
	31, 2012	31, 2011	31, 2012	31, 2011
	(Rupees in thousand)		(Rupees in thousand)	
<b>11. Sales</b>				
Gross sales:				
- Local	176,098	246,329	623,812	787,657
- Export	107,683	126,305	280,843	300,702
	283,781	372,634	904,655	1,088,359
Less: Commission on sales	(8,563)	(7,052)	(25,989)	(16,886)
	275,218	365,582	878,666	1,071,473

	Quarter ended		Nine months ended	
	March	March	March	March
	31, 2012	31, 2011	31, 2012	31, 2011
	(Rupees in thousand)		(Rupees in thousand)	

## 12. Cost of goods sold

Raw and packing materials consumed	117,539	110,611	342,225	353,516
Salaries, wages and other benefits	17,958	16,682	38,497	34,267
Repairs and maintenance	5,298	10,412	23,384	24,840
Production supplies	-	257	20	1,195
Fuel and power	43,348	33,897	121,343	104,369
Printing and stationery	93	125	367	347
Services through contractors	638	5,865	26,632	31,696
Traveling	72	35	245	137
Communication	144	102	325	327
Depreciation on property, plant and equipment	39,942	39,396	119,636	118,205
Amortization on intangible assets	4,464	4,464	13,392	13,392
Insurance	1,463	1,213	4,495	4,088
Safety items consumed	4	285	79	383
Miscellaneous	4,694	551	6,221	1,506
	235,657	223,895	696,861	688,268
Add: Opening work in process	2,922	3,724	2,548	3,126
Less: Closing work in process	(2,923)	(87)	(2,923)	(87)
	(1)	3,637	(375)	3,039
Cost of goods produced	235,656	227,532	696,486	691,307
Add: Opening finished goods	49,604	7,505	30,633	14,835
Less: Closing finished goods	(45,500)	(4,961)	(45,500)	(4,961)
	4,104	2,544	(14,867)	9,874
	239,760	230,076	681,619	701,181

		Quarter ended		Nine months ended	
		March	March	March	March
		31, 2012	31, 2011	31, 2012	31, 2011
		(Rupees in thousand)		(Rupees in thousand)	
<b>13.</b>	<b>Earnings / (loss) per share</b>				
<b>13.1</b>	<b>Basic earnings / (loss) per share</b>				
(Loss) / earnings for the period	<b>Rupees in thousand</b>	(68,806)	13,565	(111,859)	52,037
Weighted average number of ordinary shares	<b>Number</b>	102,000	102,000	102,000	102,000
(Loss) / earnings per share	<b>Rupees</b>	(0.67)	0.13	(1.10)	0.51

### 13.2 Diluted earnings per share

Diluted earnings per share has not been presented as the company does not have any convertible instrument in issue as at March 31, 2012 and March 31, 2011 which would have any effect on the earnings per share if the option to convert is exercised.

### 14. Transactions with related parties

Relationship with the company	Nature of transaction	Nine months ended	
		March 31, 2012	March 31, 2011
		(Rupees in thousand)	
i. Associated undertakings	Purchase of goods and services	-	12,701
	Purchases in respect of services rendered	1,853	-
	Sale of goods/scrap	579	400
	Share of common expenses charged from associated companies	19,345	17,259
	Share of common expenses charged to associated companies	3,806	3,047
	Mark-up expense	49,750	28,614
ii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	1,096	1,243
		<b>Unaudited</b>	<b>Audited</b>
		<b>March</b>	<b>June</b>
		<b>31, 2012</b>	<b>30, 2011</b>
		(Rupees in thousand)	
<b>Relationship with the company</b>	<b>Nature of transaction</b>		
<b>Period-end balances</b>			
Associated undertakings			
	Payable to related parties	3,052	44,920
	Receivable from related parties	219	724
	Accrued finance cost	104,269	28,225

	<b>Unaudited March 31, 2012</b>	<b>Audited June 30, 2011</b>
	<b>(Rupees in thousand)</b>	
<b>15 Cash and cash equivalents</b>		
Cash and bank balances	13,526	37,667
Finances under markup arrangement - secured	(151,381)	(114,188)
	<u>(137,855)</u>	<u>(76,521)</u>
<b>16. Date of authorization for issue</b>		

This condensed interim financial information was authorised for issue on April 24, 2012 by the Board of Directors of the Company.

**17. Corresponding figures**

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework.

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

  
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**CHIEF EXECUTIVE**

  
\_\_\_\_\_  
**DIRECTOR**