

13
Half Yearly Report
December



Siltara Peroxide
Limited

Company Information



Company Information

Mrs. Sharmeen Imran Mr. Imran Ghafoor Mr. Muhammad Adrees Mr. Muhammad Asif Pasha Mr. Muhammad Khalil Mr. Saim Bin Saeed Mr. Waleed Asif	Chairperson CEO	Board of Directors
Mr. Waqas Ashraf (FCA)		Chief Financial Officer
Mr. Mazhar Ali Khan		Company Secretary
Mr. Zia-ul-Mustafa		Head of Internal Audit
Mr. Saim Bin Saeed (Chairman) Mrs. Sharmeen Imran (Member) Mr. Waleed Asif (Member) Mr. Zia-ul-Mustafa (Secretary)		Audit Committee
Mr. Muhammad Asif Pasha (Chairman) Mr. Saim Bin Saeed (Member) Mr. Waleed Asif (Member)		Human Resource and Remuneration Committee
M/s. M. Yousuf Adil Saleem & Co., Chartered Accountants		External Auditors
Sahibzada Waqar Arif		Legal Advisor
601-602 Business Centre, Mumtaz Hassan Road, Off. I.I. Chundrigar Road, Karachi-74000. Ph: 021 32401373, 32413944		Registered Office
www.sitaraperoxide.com		Company Website
Askari Bank Limited Al-Baraka Islamic Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited MCB Bank Limited Meezan Bank Limited National Bank Limited Silk Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited Summit Bank Limited United Bank Limited		Bankers
THK Associates (Private) Limited Ground Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi, 75530 P.O. Box No. 8533 UAN : +92 (21) 111-000-322 Fax: +92 (21) 35655595,		Share Registrar
26 - KM Sheikhpura Road, Faisalabad. Ph : (92 41) 2400900 - 5		Head Office & Project Location

Directors' Review

On behalf of Board of Directors of Sitara Peroxide Limited, I am pleased to submit the half year report along with the reviewed condensed interim financial information of the Company for the six months period ended December 31, 2013.

Review of operating results

Your Company continued to exhibit stable growth and increase its market share in local markets as well as in international markets.

Production remained buoyant during the six months period; registering a growth of 10% as compared to corresponding period of last year. Sales volume of the Company during the period under review showed a healthy growth of 20% than that of comparative period.

The company achieved net revenue of Rs. 721 million against Rs. 534 million in the corresponding period. Cost of sales increased to Rs. 546 million from Rs. 430 million. Our gross profit improved to Rs. 175 million as compared to Rs. 104 million in the same period last year mainly due to increased sales volume, higher production, better efficiency and strict control and monitoring of input costs. Net profit after tax improved to Rs. 24 million against the loss of Rs. 45 million in the corresponding period.

Future outlook and challenges

Pakistan's economic environment continues to face daunting challenges resulting from deteriorating law and order situation, energy crises, significant currency devaluation, rising raw material and utilities cost. However, we expect improvement in supply of natural gas in future. Despite such significant challenges to the industry, your Company is endeavoring to deliver optimum value by focusing on simplifying our operational processes and developing marketing strategy in line with our strategic priorities.

Throughout the period, industrial relations climate remained congenial and all employees showed great dedication towards achievement of Company's objectives. On behalf of the Board, I would take this opportunity to record our appreciation for the passion and commitment shown by all the staff and our stakeholders for their continuing support.

On behalf of Board of Directors



Independent Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Sitara Peroxide Limited as at December 31, 2013, and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as "the interim financial information"). 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. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2013 and December 31, 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2013.

Scope of Review

We conducted our review in accordance with the 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 the person 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended December 31, 2013 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

M. Jousuf Adil Sadeq

Chartered Accountants

Engagement Partner: Talat Javed

February 24, 2014

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Condensed Interim Balance Sheet As At December 30, 2013

	Note	Un-Audited December 31, 2013	Audited June 30, 2013
		Rupees	
		-----	-----
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,742,019,098	1,832,861,429
Long term advances and deposits		44,905,000	46,205,000
		<u>1,786,924,098</u>	<u>1,879,066,429</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		76,996,576	70,054,497
Stock-in-trade		419,785,378	438,579,847
Trade debts	5	41,917,169	35,557,733
Advances	6	88,189,439	62,212,816
Deposits and short-term prepayments		52,228,248	22,792,839
Sales tax refundable		59,301,417	64,808,319
Cash and bank balances		50,693,620	15,972,007
		<u>789,111,847</u>	<u>709,978,058</u>
		<u>2,576,035,945</u>	<u>2,589,044,487</u>
SHARE CAPITAL AND RESERVES			
Share capital	7	551,000,000	551,000,000
Accumulated losses		(250,651,201)	(289,753,009)
		<u>300,348,799</u>	<u>261,246,991</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
	8	412,786,641	427,709,455
NON - CURRENT LIABILITIES			
Long-term financing	9	1,020,072,616	987,829,376
Liabilities against assets subject to finance lease		973,070	6,255,827
Deferred liabilities		34,439,940	27,042,661
Deferred markup		101,186,016	73,544,266
		<u>1,156,671,642</u>	<u>1,094,672,130</u>
CURRENT LIABILITIES			
Trade and other payables	10	169,882,226	126,249,012
Accrued markup		6,908,904	33,005,516
Short term borrowings		286,581,923	415,612,810
Current portion of			
-Long term financing		235,003,211	220,291,677
-Liabilities against assets subject to finance lease		544,909	4,540,246
Provision for taxation		7,307,690	5,716,650
		<u>706,228,863</u>	<u>805,415,911</u>
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		<u>2,576,035,945</u>	<u>2,589,044,487</u>

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Profit and Loss Account (Un-audited) for the Six Months Ended December 31, 2013

	Note	Six months ended		Three months ended	
		December 31 2013	December 31 2012	December 31 2013	December 31 2012
----- Rupees -----					
Sales - net	12	720,929,403	534,032,076	382,449,795	310,782,481
Cost of sales	13	546,218,312	429,680,710	297,076,285	225,728,058
Gross profit		174,711,091	104,351,366	85,373,510	85,054,423
Other income		4,237,197	914,460	2,641,008	914,460
		178,948,288	105,265,826	88,014,518	85,968,883
Distribution cost		16,780,854	20,315,529	9,336,327	13,964,624
Administrative expenses		29,310,240	27,618,434	12,681,605	14,986,059
Other operating expenses		8,442,189	1,815,027	6,556,305	995,805
Finance cost		85,589,868	97,845,916	42,090,517	42,322,292
		140,123,151	147,594,906	70,664,754	72,268,780
Profit /(loss)					
before taxation		38,825,137	(42,329,080)	17,349,764	13,700,103
Provision for taxation	14	14,646,143	2,782,693	11,170,929	1,597,953
Profit / (loss) for the period		24,178,994	(45,111,773)	6,178,835	12,102,150
Other comprehensive income		-	-	-	-
Total comprehensive income/(loss) for the period		24,178,994	(45,111,773)	6,178,835	12,102,150
Earnings /(loss) per share - basic and diluted	15	0.44	(0.82)	0.11	0.22

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Cash Flow Statement (Un-audited) for the Six Months Ended December 31, 2013

	Note	Six months ended	
		December 31	December 31
		2013	2012
		----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		38,825,137	(42,329,080)
Adjustments for:			
Depreciation of property, plant and equipment		84,612,619	85,226,106
Gain on sale of property, plant and equipment		(1,731,159)	-
Profit on bank deposit		(1,206,738)	(801,360)
Provision for staff retirement gratuity		780,978	2,080,244
Finance cost		85,589,868	97,845,916
		168,045,568	184,350,906
Operating cash flow before working capital changes		206,870,705	142,021,826
Changes in working capital	17	4,271,702	(10,217,378)
Cash generated from operations		211,142,407	131,804,448
Finance cost paid		(84,044,730)	(108,133,966)
Staff retirement gratuity paid		(640,203)	(268,830)
Income taxes paid - net		(10,849,261)	(9,642,982)
		(95,534,194)	(118,045,778)
Net cash from operating activities		115,608,213	13,758,670
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(3,489,131)	(15,268,911)
Proceeds from sale of property, plant and equipment		11,450,000	-
Proceeds from suppliers of capital work		-	37,292,563
Profit received on bank deposits		1,206,738	801,360
Decrease in long term deposits		1,300,000	-
Net cash from investing activities		10,467,607	22,825,012
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		135,000,000	-
Payment of long-term financing		(88,045,226)	(10,616,818)
Short term financing - net		(129,030,887)	(28,141,832)
Payment of finance lease liabilities		(9,278,094)	(1,639,060)
Net cash used in financing activities		(91,354,207)	(40,397,710)
Net increase / (decrease) in cash and cash equivalents		34,721,613	(3,814,028)
Cash and cash equivalents at beginning of period		15,972,007	10,953,312
Cash and cash equivalents at end of the period		50,693,620	7,139,284

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Condensed Interim Statement of Changes In Equity (Un-audited) for the Six Months Ended December 31, 2013

	Share capital	Accumulated losses	Total
 Rupees		
Balance as at July 01, 2012	551,000,000	(302,450,712)	248,549,288
Total comprehensive income			
Loss for the six months ended December 31, 2012	-	(45,111,773)	(45,111,773)
Other comprehensive income for the six months ended December 31, 2012	-	-	-
Total comprehensive income	-	(45,111,773)	(45,111,773)
Transfer to accumulated losses on account of incremental depreciation	-	14,696,710	14,696,710
Balance as at December 31, 2012	551,000,000	(332,865,775)	218,134,225
Balance as at July 01, 2013	551,000,000	(289,753,009)	261,246,991
Total comprehensive income			
Profit for the six months ended December 31, 2013	-	24,178,994	24,178,994
Other comprehensive income for the six months ended December 31, 2013	-	-	-
Total comprehensive income	-	24,178,994	24,178,994
Transfer to accumulated losses on account of incremental depreciation	-	14,922,814	14,922,814
Balance as at December 31, 2013	551,000,000	(250,651,201)	300,348,799

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



CHIEF EXECUTIVE OFFICER



DIRECTOR

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

1 LEGAL STATUS AND OPERATIONS

- 1.1 Sitara Peroxide Limited ("the Company") is limited by shares, incorporated in Pakistan on March 08, 2004 as a public limited company under the Companies Ordinance, 1984. The Company is listed on Karachi Stock Exchange since July 23, 2007. The registered office of the Company is situated at 601-602, Business Centre, Mumtaz Hassan Road, Karachi in the province of Sindh and the manufacturing facilities are located at 26 KM Sheikhpura Road, Faisalabad in the province of Punjab. The principal activity of the Company is manufacturing and sale of hydrogen peroxide (H₂O₂).
- 1.2 This condensed interim financial information is presented in Pak Rupee, which is the Company's functional and presentation currency.

2 BASIS OF PREPARATION

- 2.1 This condensed interim financial information of the Company for the six month period ended December 31, 2013 has been prepared in accordance with the International Accounting Standard - 34 "Interim Financial Reporting" provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 This condensed interim financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2013. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2013 whereas comparative profit and loss account, comparative statement of changes in equity and comparative cash flow statement are stated from un-audited condensed interim financial information for the six months ended on December 31, 2012.
- 2.3 This condensed interim financial information is un-audited. However, a limited scope review has been performed by the statutory auditors of the Company in accordance with the clause (xxi) of the Code of Corporate Governance and they have issued their review report thereon.

3 ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2013, except as described below:

IAS 19 (revised) - "Employee Benefits" effective for annual periods beginning on or after 01 January 2013 amends the accounting for employee benefits. The standard requires immediate recognition of past service cost and also replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year.

Further, a new term "remeasurements" has been introduced. This is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The standard requires "remeasurements" to be recognized in the

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

balance sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

Amendments to IAS 19 'Employee Benefits' are applicable to the Company from 01 July 2013, and are required to be applied retrospectively if material, however, the Company has decided to apply amendments in the annual financial statements for the year ending June 30, 2014 as the impact of application is considered immaterial.

		(Un-Audited) December 31 2013	(Audited) June 30 2013
	Note	----- Rupees -----	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	1,735,527,842	1,826,370,173
Capital work-in-progress	4.2	6,491,256	6,491,256
		<u>1,742,019,098</u>	<u>1,832,861,429</u>
4.1 Operating assets			
Opening carrying value		1,826,370,173	1,971,872,231
Additions during the period / year:			
Plant and machinery		-	22,732,927
Electric installations		114,600	424,655
Office equipment		64,583	154,243
Furniture and fittings		176,273	74,270
Vehicles		3,133,675	2,288,625
		3,489,131	25,674,720
Disposal during the period		(9,718,843)	-
		1,820,140,461	1,997,546,951
Depreciation charged during the period / year		(84,612,619)	(171,176,778)
		<u>1,735,527,842</u>	<u>1,826,370,173</u>
4.2 Capital work-in-progress			
Civil works		6,491,256	6,491,256
		<u>6,491,256</u>	<u>6,491,256</u>
5	These include receivable from related parties amounting Nil (June 30, 2013: Rs. 3,727,980).		

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

	(Un-Audited) December 31 2013	(Audited) June 30 2013
Note	----- Rupees -----	
6 Advances		
Considered good advances to:		
Employees against salary - secure	834,092	670,168
Employees for expenses - unsecured	1,862,639	1,358,256
Supplier - unsecured (local)	39,756,919	20,084,101
Supplier - unsecured (foreign)	2,195,774	1,610,940
Advance income tax	43,540,015	38,489,351
	<u>88,189,439</u>	<u>62,212,816</u>
7 SHARE CAPITAL		
Authorized		
60,000,000 (June 30, 2013: 60,000,000) ordinary shares of Rs. 10 each	<u>600,000,000</u>	<u>600,000,000</u>
Issued, subscribed and paid up		
55,100,000 (June 30, 2013: 55,100,000) ordinary shares of Rs. 10 each	<u>551,000,000</u>	<u>551,000,000</u>
8 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT		
Balance at beginning of the period / year	427,709,455	457,102,878
Transfer to accumulated losses in respect of incremental depreciation charged during the period / year - net of deferred tax	8.1 <u>14,922,814</u>	<u>29,393,423</u>
	<u>412,786,641</u>	<u>427,709,455</u>
8.1 Incremental depreciation charged during the period / year		
Charge of the period / year	22,610,324	45,220,648
Less: deferred tax liability relating to incremental depreciation	<u>7,687,510</u>	<u>15,827,225</u>
	<u>14,922,814</u>	<u>29,393,423</u>

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

Note	(Un-Audited) December 31 2013	(Audited) June 30 2013
	----- Rupees -----	
9 LONG-TERM FINANCING		
Secured - from financial institutions		
Under diminishing musharaka arrangements		
Balance at beginning of period / year	1,178,921,053	1,243,421,053
Less: paid during the period / year	83,253,557	64,500,000
Less: current portion	216,303,211	213,091,677
Balance at the end of period / year 9.1	879,364,285	965,829,376
Under diminishing musharaka arrangements		
Balance at beginning of period / year	-	20,347,762
Less: paid during the period / year	-	20,347,762
Balance at the end of period / year	-	-
Under mark-up arrangements		
Obtained during the year	135,000,000	-
Less: paid during the period / year	4,791,669	-
Less: current portion	11,500,000	-
Balance at the end of period / year	118,708,331	-
Un-secured - From other parties		
Balance at beginning of period / year	29,200,000	29,200,000
Less: current portion	7,200,000	7,200,000
Balance at the end of period / year	22,000,000	22,000,000
	<u>1,020,072,616</u>	<u>987,829,376</u>

9.1 During 2008 the Company had issued privately placed diminishing musharaka based SUKUK certificates arranged by consortium of financial institutions through trustee, amounting to Rs. 1,400 million. On November 19, 2012 the Company had entered into second supplemental agreement which is effective from February 19, 2012. The major terms and conditions of the second supplemental agreement are given below:

Profit Rate:

According to the revised terms of the loan agreement, profit rate is 1 Month KIBOR + 1% p.a. (KIBOR to be reset on monthly basis).

Rental / Profit Payment:

Each year, rental / profit payments will be made for six months at the rate of 1 Month KIBOR. The 1% spread for the first six months and the rental / profit for the remaining six months shall be deferred to be paid in 12 equal installments after repayment of principal.

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

Principal Repayment:

The principal will be repaid in seven years period in 80 monthly installments starting from July 19, 2012.

Call Option:

The Company has a call option in accordance with terms and conditions of the entire amount or partial amount in the event it has free cash flows available. The Company shall use at least 70% of its free cash flows, if available, in exercising the call option.

Security:

First Joint Pari Passu charge on the fixed assets of the company through equitable mortgage of land & building and Hypothecation charge on plant & machinery with a margin of 25%. First exclusive charge over fixed assets of the company for PKR 1,866.667 million, pledge over 10 million shares of SPL in the name of sponsors, and personal guarantees of Chief Executive Officer and three directors of the company.

Other conditions:

The Company is required not to declare any dividend during the entire tenor of the SUKUK issue.

10 These include Rs. 86,744,347 (June 30, 2013: Rs. 67,791 192) due to associated undertakings.

11 CONTINGENCIES AND COMMITMENTS

	(Un-Audited) December 31 2013	(Audited) June 30 2013
	----- Rupees -----	
11.1 Contingencies		
Bank guarantees issued by Faysal Bank Limited in favor of Sui Northern Gas Pipelines Limited for supply of Gas	53,538,000	53,538,000
11.2 Commitments		
Irrevocable letters of credit	111,321,716	13,158,510
11.3		
The Company has not recognized the Gas Infrastructure Development Cess amounting to Rs. 8.223 million in this interim financial information relating to year 2012-13 in pursuant to the interim stay order granted by the Divisional Bench of Honorable Islamabad High Court.		

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

	Six months ended		Three months ended	
	December 31 2013	December 31 2012	December 31 2013	December 31 2012
----- Rupees -----				
12 Raw SALES - NET				
Local	731,092,249	559,687,395	383,385,144	322,739,315
Export	8,197,971	1,757,970	8,197,971	1,757,970
	<u>739,290,220</u>	<u>561,445,365</u>	<u>391,583,115</u>	<u>324,497,285</u>
Less:				
Commission	18,037,592	23,198,814	8,995,758	11,412,019
Trade discount	323,225	4,214,475	137,562	2,302,785
	<u>18,360,817</u>	<u>27,413,289</u>	<u>9,133,320</u>	<u>13,714,804</u>
	<u>720,929,403</u>	<u>534,032,076</u>	<u>382,449,795</u>	<u>310,782,481</u>
13 COST OF SALES				
Raw material consumed	76,250,822	71,068,427	41,540,379	30,810,072
Fuel and power	126,457,003	118,552,149	65,752,371	70,492,431
Packing material consumed	122,332,938	90,292,555	60,563,897	46,562,912
Salaries, wages and benefits	26,422,803	23,505,851	11,513,167	12,711,786
Factory overheads	113,197,480	110,001,085	57,740,273	56,810,001
	<u>464,661,046</u>	<u>413,420,067</u>	<u>237,110,087</u>	<u>217,387,202</u>
Work-in-process				
Opening stock	341,025,388	319,414,175	330,022,391	329,108,808
Closing stock	(329,958,890)	(321,304,623)	(329,958,890)	(321,304,623)
	<u>11,066,498</u>	<u>(1,890,448)</u>	<u>63,501</u>	<u>7,804,185</u>
Cost of goods manufactured	475,727,544	411,529,619	237,173,588	225,191,387
Finished goods				
Opening stock	11,545,648	25,103,496	18,069,397	7,489,076
Outside purchases	67,591,084	696,630	50,479,264	696,630
Closing stock	(8,645,964)	(7,649,035)	(8,645,964)	(7,649,035)
	<u>70,490,768</u>	<u>18,151,091</u>	<u>59,902,697</u>	<u>536,671</u>
	<u>546,218,312</u>	<u>429,680,710</u>	<u>297,076,285</u>	<u>225,728,058</u>
14 PROVISION FOR TAXATION				
Current - for the period	7,389,637	2,782,693	3,914,423	1,597,953
Deferred	7,256,506	-	7,256,506	-
	<u>14,646,143</u>	<u>2,782,693</u>	<u>11,170,929</u>	<u>1,597,953</u>

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

	Six months ended		Three months ended	
	December 31 2013	December 31 2012	December 31 2013	December 31 2012
----- Rupees -----				
15 EARNINGS PER SHARE - BASIC AND DILUTED				
Profit / (loss) for the period	24,178,994	(45,111,773)	6,178,835	12,102,150
Weighted average number of ordinary shares outstanding during the period	55,100,000	55,100,000	55,100,000	55,100,000
Earnings / (loss) per share	0.44	(0.82)	0.11	0.22

16 TRANSACTIONS WITH RELATED PARTIES - UN-AUDITED

The related parties comprise associated companies, directors, key management personnel and post employment benefit plans. The company in the normal course of business carries out transactions with various related parties. The significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	Six months ended	
		December 31 2013	December 31 2012
----- Rupees -----			
Associated companies	Organizational charges charged	170,689	753,898
	Purchases	17,130,740	15,168,836
	Sales	-	8,320,000
Key Management Personnel	Loan obtained from Chief Executive Officer	10,000,000	13,730,944
	Repayment of loan to Chief Executive Officer	19,726,372	-
	Remuneration and other benefits	8,337,848	5,481,251
Employee benefit plan	Payment during the period	640,203	268,830

Notes to the Condensed Interim Financial Information (Un-audited) for the Six Months Ended December 31, 2013

	Six months ended	
	December 31 2013	December 31 2012
Rupees	

17 CHANGES IN WORKING CAPITAL

(Increase) / decrease in current assets

Stores, spare parts and loose tools

(6,942,079) (786,351)

Stock-in-trade

18,794,469 3,067,792

Trade debts

(6,359,436) (23,806,370)

Advances

(20,925,959) 18,663,625

Deposits and short term prepayments

(29,435,409) 6,200,658

Sales tax refundable

5,506,902 (4,246,840)

(Decrease) / Increase in trade and other payables

43,633,214 (9,309,892)

4,271,702 (10,217,378)

18 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information has been approved by the Board of Directors of the Company and authorized for issue on February 24, 2014.

19 GENERAL

Figures have been rounded off to the nearest Rupee.



CHIEF EXECUTIVE OFFICER



DIRECTOR



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