



## Company Information

<b>Board of Directors</b>	Asgar D. Habib Ali Raza D. Habib Muhammad Nawaz Tishna Murtaza H. Habib Shams Mohammad Haji Amin Ali Abdul Hamid Imran A. Habib Raeesul Hasan	<i>Chairman</i>
<b>Audit Committee</b>	Amin Ali Abdul Hamid Ali Raza D. Habib Shams Mohammad Haji	<i>Chief Executive</i> Chairman Member Member
<b>Human Resource &amp; Remuneration Committee</b>	Shams Mohammad Haji Amin Ali Abdul Hamid Raeesul Hasan	Chairman Member Member
<b>Company Secretary</b>	Amir Bashir Ahmed	
<b>Registered Office</b>	4th Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530 Phones : (+92-21) 35680036 - 5 Lines Fax : (+92-21) 35684086 www : habib.com/sugar E-mail : sugar@habib.com	
<b>Mills</b>	Nawabshah Phones : (+92-244) 360751 - 5 Lines Fax : (+92-244) 361314	
<b>Bankers</b>	Allied Bank of Pakistan Limited Bank AL Habib Limited Barclays Bank PLC, Pakistan First Women Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan Standard Chartered Bank (Pakistan) Limited United Bank Limited	
<b>Statutory Auditors</b>	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants	
<b>Share Registrar</b>	THK Associates (Pvt.) Limited 2nd Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi-75530 Phones : (+92-21) 111-000-322 Fax : (+92-21) 35655595 E-mail : secretariat@thk.com.pk info@thk.com.pk Website : www.thk.com.pk	



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## **VISION STATEMENT**

We aim to be a leading manufacturer and supplier of quality sugar, ethanol, liquidified carbon dioxide (CO<sub>2</sub>) and household textiles in local and international markets. We aspire to be known for the quality of our products and intend to play a pivotal role in the economic and social development of Pakistan.

## **MISSION STATEMENT**

As a prominent producer and supplier of sugar, ethanol, liquidified carbon dioxide (CO<sub>2</sub>) and household textiles, we shall continue to strive to achieve excellence in performance and aim to exceed the expectations of all stakeholders. We target to achieve technological advancements to inculcate the most efficient, ethical and time tested business practices in our management.



## Directors' Report

### Dear Members – Assalam-o-Alekum

On behalf of the Board of Directors, it is my privilege to present to you the unaudited condensed interim financial statements of the Company for the first quarter ended December 31, 2013.

### Financial Results

By the Grace of Allah, during the period under review the operations of your Company resulted in a pre-tax profit of Rs. 56.38 million. The financial results for the quarter are as follows:

	(Rupees in thousands)
Profit before taxation	56,383
Taxation	10,000
Profit after taxation	46,383
Un-appropriated profit brought forward	6,965
Un-appropriated profit carried forward	53,348
Earnings per share - Basic and diluted	Rupee 0.31

### Performance Review

#### Sugar Division

The crushing season 2013-14 commenced on November 1, 2013 and upto December 31, 2013, 333,364 M. Tons of sugarcane was crushed with average sucrose recovery of 9.46% and sugar production of 31,511 M. Tons including sugar in process as compared with crushing of 264,155 M. Tons with average sucrose recovery of 10.11% and sugar production of 26,710 M. Tons during the corresponding quarter of the previous year.

For the crushing season 2013-14, the minimum support price of sugarcane remained unchanged at Rs.172 per 40 kgs as announced by the Sindh government. In addition, mills would be required to pay quality premium at the rate of paisas fifty for every 0.1 percent recovery in excess of the bench mark of 8.7%. However, in accordance with the notification, while the matter is still pending with the Honourable Supreme Court of Pakistan and as per decision of the Federal Government Steering Committee, the quality premium shall remain suspended till the decision of the Honourable Supreme Court or the consensus on uniform formula developed by the Federal Government.

The prevailing sugar prices both in international market as well as in domestic market continue to remain depressed due to carry over stock of last year and expected increased sugar production during the current crushing season.

For the financial year 2013-14, the government has allowed export of 500,000 M. Tons of sugar and directed Trading Corporation of Pakistan to procure reasonable quantity of sugar in order to maintain strategic stock reserves and to ease the liquidity crunch of the sugar mills in the country.



The Company has entered into export contracts of 1,600 M. Tons of sugar, out of which 400 M. Tons of sugar have been exported upto December 31, 2013. The Company is actively pursuing negotiations with foreign buyers in order to maximize exports of sugar allowed by the government. In addition, the Company also participated in the tenders floated by the Trading Corporation of Pakistan for procurement of sugar and has been awarded a quantity of 1,900 M. Tons of sugar on prorata basis.

During the period, the sugar division earned operating profit of Rs.3.34 million as against Rs. 6.01 million during the corresponding quarter of the previous year. In view of the depressed selling prices and increased cost of production, the profitability of the division may be adversely affected.

#### **Distillery Division**

During the quarter ended December 31, 2013 the division produced 5,078 M. Tons of ethanol as compared with 4,499 M. Tons during the corresponding period of the previous year. By the Grace of Allah, the division continues to operate satisfactorily and earned operating profit of Rs. 33.21 million as compared with Rs. 47.70 million during the corresponding quarter of the previous year. Decrease in profit was mainly on account of higher raw material cost.

The liquidified carbon dioxide (CO<sub>2</sub>) unit also operated satisfactorily and produced 1,529 M. Tons as compared with 964 M. Tons during the corresponding period of the previous year. The operating profit earned by the unit is included in the profit of the division.

#### **Textile Division**

The division earned profit of 5.13 million during the quarter under review, as against Rs. 4.52 million during the corresponding period of previous year. Increase in profit of division was mainly on account of better margin.

#### **Trading Division**

During the period under review, the division made operating profit of Rs. 2.44 million on account of trading of sugar.

#### **General**

The Directors are pleased to place on record their appreciation of the devoted and dedicated services of the officers, staff and workers of the Company.

On behalf of the Board of Directors

**Asghar D. Habib**  
Chairman

Karachi: January 30, 2014



## Condensed Interim Balance Sheet as at December 31, 2013 (Unaudited)

	Note	Unaudited Dec. 31, 2013	Audited Sept. 30, 2013
<b>Assets</b>			
<b>Non-Current Assets</b>			
Fixed assets			
Property, plant and equipment	4	1,084,330	952,130
investments	5	1,134,754	999,888
Long-term loans		3,528	2,889
Long-term deposits		2,963	2,963
<b>Current Assets</b>			
Stores and spare parts		144,482	99,876
Stock-in-trade		2,230,146	698,845
Trade debts		76,452	284,227
Loans and advances		215,220	360,588
Trade deposits and short-term prepayments		16,168	9,456
Profit accrued on bank deposits		1,748	-
Other receivables		14,634	14,743
Investments	6	3,679,987	2,127,242
Taxation-net		42,905	-
Cash and bank balances		788,258	331,639
		<u>7,210,000</u>	<u>3,926,616</u>
<b>Total Assets</b>		<u>9,435,575</u>	<u>5,884,486</u>
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Share Capital			
Authorised			
150,000,000 Ordinary shares of Rs. 5 each		750,000	750,000
Issued, subscribed and paid-up capital			
150,000,000 Ordinary shares of Rs. 5 each		750,000	750,000
Reserves			
Unrealised gain on investments - available for sale		2,688,348	3,016,965
		1,049,665	865,802
		<u>3,738,013</u>	<u>3,882,767</u>
		4,488,013	4,632,767
<b>Non-Current Liabilities</b>			
Deferred taxation		75,000	75,000
<b>Current Liabilities</b>			
Trade and other payables		1,696,901	911,734
Advance from customers		2,298,353	252,926
Short-term borrowings		500,000	-
Accrued mark-up on short-term borrowings		2,308	-
Taxation-net		-	12,059
Proposed dividend		375,000	-
		<u>4,872,562</u>	<u>1,176,719</u>
<b>Contingencies and Commitments</b>	7		
<b>Total Equity and Liabilities</b>		<u>9,435,575</u>	<u>5,884,486</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director



**Condensed Interim Profit and Loss Account for the  
quarter ended December 31, 2013 (Unaudited)**

	Note	Dec. 31, 2013	Dec. 31, 2012
		(Rupees in thousands)	
<b>Segment operating results</b>	8		
Net sales and services		989,175	758,614
Cost of sales		(881,702)	(643,208)
<b>Gross Profit</b>		107,473	115,406
Selling and distribution expenses		(29,218)	(25,516)
Administrative expenses		(34,132)	(31,651)
Other operating expenses	9	(6,623)	(5,012)
Other income	10	14,247	9,072
		(55,726)	(53,107)
<b>Operating profit</b>		51,747	62,299
Finance income - net		4,636	4,283
<b>Profit before taxation</b>		56,383	66,582
Taxation		(10,000)	(12,000)
<b>Profit after taxation</b>		46,383	54,582
<b>Earnings per share - basic and diluted</b>	(Rupee)	0.31	0.36

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director



**Condensed Interim Statement of Comprehensive Income  
for the quarter ended December 31, 2013 (Unaudited)**

	Dec. 31, 2013	Dec. 31, 2012
	(Rupees in thousands)	
<b>Profit after taxation</b>	46,383	54,582
<b>Other comprehensive income :</b>		
Items that will be reclassified subsequently to Profit & Loss:		
Net gain on available for sale investments		
Unrealised gain on revaluation of investments for the period	185,487	83,654
Reclassification adjustments included in the profit and loss account for:		
Loss / (gain) on sale of investments - net	(1,624)	-
	183,863	83,654
<b>Total comprehensive income for the quarter ended December 31, 2013</b>	<u>230,246</u>	<u>138,236</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director



## Condensed Interim Statement of Changes in Equity for the quarter ended December 31, 2013 (Unaudited)

	Issued Subscribed and Paid-up Capital	Capital Reserve	Revenue Reserves		Unrealised gain/(loss) on investments available for sale	Total Equity	
			General Reserve	Unappro- priated Profit			
(Rupees in thousands)							
<b>Balance as on October 1, 2012</b>	750,000	34,000	1,791,000	789,407	2,614,407	690,444	4,054,851
Cash dividend for 2012 @ 50%	-	-	-	(375,000)	(375,000)	-	(375,000)
Transfer to general reserve	-	-	410,000	(410,000)	-	-	-
Total comprehensive income for the quarter ended December 31, 2012	-	-	-	54,582	54,582	83,654	138,236
<b>Balance as on December 31, 2012</b>	<u>750,000</u>	<u>34,000</u>	<u>2,201,000</u>	<u>58,989</u>	<u>2,293,989</u>	<u>774,098</u>	<u>3,818,087</u>
<b>Balance as on October 1, 2013</b>	750,000	34,000	2,201,000	781,965	3,016,965	865,802	4,632,767
Proposed cash dividend for 2013 @ 50%	-	-	-	(375,000)	(375,000)	-	(375,000)
Proposed transfer to general reserve	-	-	400,000	(400,000)	-	-	-
Total comprehensive income for the quarter ended December 31, 2013	-	-	-	46,383	46,383	183,863	230,246
<b>Balance as on December 31, 2013</b>	<u>750,000</u>	<u>34,000</u>	<u>2,601,000</u>	<u>53,348</u>	<u>2,688,348</u>	<u>1,049,665</u>	<u>4,488,013</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director





## Condensed Interim Cash Flow Statement for the quarter ended December 31, 2013 (Unaudited)

	Note	Dec. 31, 2013	Dec. 31, 2012
(Rupees in thousands)			
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	11	1,660,325	(160,957)
Finance income received - net		5,196	4,551
Income tax paid		(64,964)	(38,094)
Long-term loans		(639)	165
Net cash generated / (used in) operating activities		1,599,918	(194,335)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(153,381)	(33,682)
Sale proceeds / redemption of investments		7,104	500,313
Dividend received		11,703	6,329
Purchase of investments		(1,508,559)	(1,100,000)
Sale proceeds of fixed assets		19	-
Net cash used in investing activities		(1,643,114)	(627,040)
<b>Cash flows from financing activities</b>			
Dividend paid		(185)	(139)
Net cash used in financing activities		(185)	(139)
Net decrease in cash and cash equivalents		(43,381)	(821,514)
Cash and cash equivalents at the beginning of the quarter		331,639	636,083
Cash and cash equivalents at the end of the quarter	12	288,258	(185,431)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director





**4.2** Cost of additions to / deletions from fixed assets during the period ended December 31, 2013 were as follows:

	Additions (Rupees in thousands)	Deletions
Land	5,775	–
Plant and machinery		
Sugar	124,245	–
Distillery	14,337	–
Vehicle	7,819	39
Furniture, fittings and office equipment	1,205	26
	<u>153,381</u>	<u>65</u>
	Dec. 31, 2013	Sept. 30, 2013
	(Rupees in thousands)	

**5. Investments**

Long-term investments - available for sale

Investments in shares of listed companies are as follows:

Investments in related parties	764,039	673,471
Investments in other companies	370,715	326,417
	<u>1,134,754</u>	<u>999,888</u>

**5.1** The aggregate book value of the above referred long-term investments, net of impairment, is Rs. 165.08 (September 30, 2013: Rs. 161.33) million.

**5.2** The above long-term investments are stated at fair value. Increase in unrealised gain of Rs. 132.74 (September 30, 2013: Rs. 148.12) million arising from a change in fair value of these investments during the quarter has been recognised directly in equity.

Dec. 31, 2013	Sept. 30, 2013
(Rupees in thousands)	

**6. Investments**

Short-term investments - available for sale

Investments in Units of Mutual Funds are as follows:

Investments in related parties	1,647,163	1,418,341
Investments in other mutual funds	2,032,824	708,901
	<u>3,679,987</u>	<u>2,127,242</u>



- 6.1** The aggregate cost of the above investments is Rs. 3,600 (2013: Rs.2,100) million.
- 6.2** The above investments are stated at fair value. Increase in unrealised gain of Rs. 52.74 (2013: Rs. 27.24) million arising from a change in the fair value of these short-term investments during the current quarter has been recognised directly in equity.

## **7. Contingencies and commitments**

### **7.1 Contingencies**

**7.1.1** The Company has provided counter guarantees to banks, aggregating to Rs. 241.69 million (September 30, 2013: Rs. 244.14 million) against agriculture finance facilities to growers and guarantees issued by banks in favour of third parties on behalf of the Company.

**7.1.2** During 2009-10, the Company received show cause notice from Competition Commission of Pakistan (CCP) under the Competition Ordinance, 2009 for violation of certain provisions of the Ordinance. The Company alongwith other sugar mills filed a Constitutional Petition before the Honourable High Court of Sindh challenging the Ordinance. The Honourable High Court of Sindh, granted stay and restrained the Commission not to pass final order in respect of the show cause notice. The CCP filed an appeal before the Honourable Supreme Court of Pakistan which was disposed off by the Honourable Supreme Court based on the grounds that the matter was pending before the Honourable High Courts of Sindh and Lahore.

The Competition Ordinance of 2009 was repealed on March 25, 2010 and thereafter a new Ordinance, 2010 was promulgated which also stood repealed on August 15, 2010. The Parliament thereafter enacted the Competition Act, 2010 (ACT XIX of 2010). The Company filed amended application in view of the promulgation of the Competition Act 2010 which was accepted by the Honourable High Court of Sindh, with the consent of both the parties.

The case was lastly fixed on November 7, 2013 and was adjourned to date in office. Since the financial impact is indeterminate no liability has been recorded in these financial statements.

**7.1.3** During the year 2009-10 the Company alongwith other sugar mills filed a Constitutional Petition before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority - PSQCA (the Authority) challenging the notifications issued in respect of registration of the Standard Mark for refined sugar manufactured and sold by the Company and charging of marking fee under PSQCA Act-VI of 1996. The Authority has demanded payment of marking fee at the rate of 0.1% of ex-factory price of sugar sold with effect from January 1, 2009. The Company is of the view that the demand raised is without any lawful authority under the PSQCA Act-VI of 1996 and is in violation of the Constitution.

The Honourable High Court of Sindh on December 4, 2012 decided the case in favour of the Company. However, PSQCA filed Civil Petition for Leave to Appeal (CPLA) before the Honourable Supreme Court of Pakistan which was admitted on November 25, 2013 and was adjourned to date in office.



Meanwhile, the Honourable Supreme of Court of Pakistan maintained the judgement of Honourable High Court of Sindh and restrained PSQCA from demanding any marks or licensing fee from the Sugar Mills till the further order. No provision has been made in this regard since the management is confident that the outcome would be in Company's favour and the amount is insignificant and is not likely to be materialized.

**7.1.4** Under the Gas Infrastructure Development Cess Act, 2011, the Government of Pakistan levied Gas Infrastructure Development (GID) Cess on gas bills at the rate of Rs. 13 / MMBTU on all Industrial consumers. In the month of June 2012, the Federal Govt. revised GID Cess rate from Rs. 13 / MMBTU to Rs. 100 / MMBTU and recommended this increase under Section 8(3) of the OGRA Ordinance 2002.

In this respect, the Company filed a Suit before the Honourable High Court of Sindh, challenging the applicability of Gas Infrastructure Cess Act, 2011 along with increase in GID Cess as being illegal, void and not in congruence to the Constitution of the Islamic Republic of Pakistan, 1973. The Company further sought refund of all amounts paid to the Government in shape of cess from the date of imposition of same under the GID Cess Act, 2011.

On August 25, 2012, the suit came up for hearing and an ad-interim stay was granted in favour of the Company, restraining the Sui Southern Gas Company Limited from charging any amount of GID Cess over and above Rs. 13 / MMBTU till the final decision of the case.

On September 7, 2012, the Federal Govt. issued another notification revising the rate of GID Cess from Rs. 13 / MMBTU to Rs. 50 / MMBTU and accordingly the prayer Clause of the suit also stands amended.

After the grant of the stay orders the matter had been fixed for hearing on various dates and was argued at length. The suit was lastly fixed on January 20, 2014 and was adjourned to date in office.

The financial exposure of the Company under the suit upto December 31, 2013 is Rs. 21.07 (September 30, 2013: Rs.17.49) million. The Company is confident of a favourable outcome of the suit and accordingly no provision has been made in these financial statements.

**7.1.5** Appeals filed by the Tax authorities for the Tax years 1998, 2001 and 2002 (corresponding financial years ended September 30, 1997, 2000 and 2001 respectively) against decisions of the Income Tax Appellate Tribunal (ITAT) in favour of the Company are pending before the Honourable High Court of Sindh. The tax exposure against these appeals in aggregate amounts to Rs. 14.6 million. The Company is confident of a favourable outcome and accordingly no provision for the aforesaid amount has been made in these financial statements.



7.1.6 The Company has filed a Suit before the Honourable High Court of Sindh challenging the levy of market committee fee on sugarcane purchased at the factory. The High Court of Sindh has granted status quo. As a matter of prudence, full todate provision of Rs. 21.85 million has been made in these financial statements.

7.1.7 The Company alongwith other petitioners filed a Suit before the Honourable High Court of Sindh against Federation of Pakistan and Large Taxpayers' Unit challenging the vires of Section 3A of the Federal Excise Act 2005 and SRO 655(1)/2007 dated June 6, 2007 said to have been issued in terms thereof. On February 22, 2013 the Honourable High Court of Sindh decided the case in favour of the Company by suspending the above SRO and ordered refund of all collected amount by way of direct repayment or adjustment (against any tax or duty). Against the above order, the department has filed a Civil Petition for Leave to Appeal (CPLA) which is pending before the Honourable Supreme Court of Pakistan. Considering the contingent nature of the above refund, the Company has not recognised the said refund claim in the financial statements.

Dec. 31,            Sept. 30,  
2013                2013  
(Rupees in thousands)

**7.2 Commitments**

7.2.1 Capital expenditure	<u>20,696</u>	<u>51,145</u>
7.2.2 Rentals payable over next four years under operating lease agreements with First Habib Modaraba in respect of vehicles	<u>30,305</u>	<u>31,364</u>



### 8. Segment operating results and related information for the quarter ended December 31, 2013 (Unaudited)

(Rupees in thousands)

	Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2012
<b>Net sales and services</b>										
Sales										
Local	455,144	277,273	76,332	39,931	1,362	1,431	29,167	–	562,005	318,635
Export	19,934	26,498	284,793	281,397	122,328	131,958	–	–	427,055	439,853
Services - Storage income - net	475,078	303,771	361,125	321,328	123,690	133,389	29,167	–	989,060	758,488
	–	–	115	126	–	–	–	–	115	126
Less: Cost of sales	475,078	303,771	361,240	321,454	123,690	133,389	29,167	–	989,175	758,614
	(436,003)	(265,167)	(310,295)	(257,165)	(108,737)	(120,876)	(26,667)	–	(881,702)	(643,208)
<b>Gross Profit</b>	39,075	38,604	50,945	64,289	14,953	12,513	2,500	–	107,473	115,406
Less: Selling and distribution expenses	(7,906)	(6,473)	(12,448)	(12,060)	(8,799)	(6,983)	(65)	–	(29,218)	(25,516)
Administrative expenses	(27,826)	(26,117)	(5,285)	(4,525)	(1,021)	(1,009)	–	–	(34,132)	(31,651)
	(35,732)	(32,590)	(17,733)	(16,585)	(9,820)	(7,992)	(65)	–	(63,350)	(57,167)
<b>Profit before other operating expenses and other income</b>	3,343	6,014	33,212	47,704	5,133	4,521	2,435	–	44,123	58,239
Other operating expenses -note 9									(6,623)	(5,012)
Other income - note 10									14,247	9,072
<b>Operating profit</b>									51,747	62,299



	Dec. 31, 2013	Dec. 31, 2012
	(Rupees in thousands)	
<b>9. Other operating expenses</b>		
Workers' Profit Participation Fund	3,031	3,580
Workers' Welfare Fund	1,213	1,432
Exchange loss	2,379	-
	6,623	5,012
<b>10. Other income</b>		
Dividend income	9,882	4,641
Gain on disposal of fixed assets	2	-
Profit on sale / redemption of investments	2,293	313
Scrap sale	2,070	1,533
Exchange gain	-	2,585
	14,247	9,072
<b>11. Cash generated from / (used in) operations</b>		
Profit before taxation	56,383	66,582
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	21,164	18,610
Gain on disposal of fixed assets	(2)	-
Profit on sale / redemption of investments	(2,293)	(313)
Finance income - net	(4,636)	(4,283)
Dividend income	(9,882)	(4,641)
Working capital changes - note 11.1	1,599,591	(236,912)
	1,660,325	(160,957)
<b>11.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spare parts	(44,606)	(36,639)
Stock-in-trade	(1,531,301)	(1,198,048)
Trade debts	207,775	321,969
Loans and advances	145,368	(209,271)
Trade deposits and short-term prepayments	(6,712)	1,506
Other receivables	(1,712)	(1,373)
	(1,231,188)	(1,121,856)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	785,352	725,947
Advance from customers	2,045,427	158,997
<b>Net changes in working capital</b>	1,599,591	(236,912)





Dec. 31, 2013  
Dec. 31, 2012  
(Rupees in thousands)

## 12. Cash and cash equivalents at the end of the quarter

These comprise of the following:

Cash and bank balances	788,258	1,094,569
Short-term borrowings	(500,000)	(1,280,000)
	<u>288,258</u>	<u>(185,431)</u>

## 13. Transactions with related parties

Material transactions with related parties are given below:

	Dec. 31, 2013 (Rupees in thousands)	Dec. 31, 2012
Insurance premium paid	7,405	10,263
Insurance claim received	581	–
Profit on treasury call accounts / term deposits	8,175	11,066
Bonus units received at nominal value	29,764	21,870
Bank charges	71	110
Compensation of Key management personnel		
Remuneration	6,660	6,660
Retirement benefits	564	551

Transactions with related parties are carried out at arm's length.

## 14. Dividend

The Board of Directors of the Company in their meeting held on December 26, 2013 had proposed a final cash dividend of Rs. 2.50 per share (50%) for the year ended September 30, 2013. The cash dividend as proposed by the Board of Directors of the Company was approved by the members at the Annual General Meeting of the Company held on January 30, 2014. The proposed cash dividend has been accounted for in these condensed interim financial statements.

## 15. General

- Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.
- These condensed interim financial statements were authorised for issue on January 30, 2014 by the Board of Directors of the Company.

**Raeesul Hasan**  
Chief Executive

**Murtaza H. Habib**  
Director