



Company Information

Board of Directors	Asghar D. Habib Ali Raza D. Habib Muhammad Nawaz Tishna Murtaza H. Habib Farouq Habib Rahimtoola Amin Ali Abdul Hamid Imran A. Habib Raeesul Hasan	<i>Chairman</i> <i>Chief Executive</i>
Audit Committee	Ali Raza D. Habib Amin Ali Abdul Hamid Imran A. Habib	Chairman Member Member
Company Secretary	Cawas R. Sethna	
Registered Office	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	
Mills	Nawabshah Phones : (+92-244) 360751 - 5 Lines Fax : (+92-244) 361314	
Bankers	Allied Bank of Pakistan Limited Bank AL Habib Limited Barclays Bank PLC, Pakistan Citibank N.A. 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	
Statutory Auditors	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants	
Share Registrars	Corporate Management Services (Pvt) Ltd. 3rd Floor, Imperial Court, Dr. Ziauddin Ahmed Road, Karachi-75530 Phones : (+92-21) 35693741-42 Fax : (+92-21) 35693743	



VISION STATEMENT

We aim to be a leading manufacturer and supplier of quality sugar, ethanol, liquid carbon dioxide (CO₂) 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, liquid carbon dioxide (CO₂) 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 – Assalamu Alaikum

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 three quarters ended June 30, 2010.

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. 636.48 million. The financial results for the three quarters are as follows:

	(Rupees in thousands)
Profit before taxation	636,484
Taxation	200,000
Profit after taxation	436,484
Unappropriated profit brought forward	3,706
Unappropriated profit carried forward	440,190
Earnings per share – Basic and diluted	Rs. 3.64

Performance Review

Sugar Division

Crushing operations 2009-10 commenced on November 11, 2009 and the plant operated upto March 2, 2010 for 112 days as against 120 days in the preceding season. Sugarcane crushed during the current season was 681,623 M.Tons with average sucrose recovery of 10.24% and sugar production of 69,784 M.Tons, as compared with crushing of 780,578 M.Tons with average sucrose recovery of 9.87% and sugar production of 77,051 M.Tons during the preceding season.

The Government of Sindh fixed the minimum sugarcane support price at Rs. 102 per 40 kgs for the crushing season 2009-10 as against Rs. 81 per 40 kgs for the crushing season 2008-09. Due to shortage in sugarcane availability and supply, the growers were demanding much higher prices over and above the minimum support price of Rs. 102 per 40 kgs fixed by the Government of Sindh. This resulted in a serious price war amongst the mills.

By the Grace of Allah, the division earned profit of Rs. 538.30 million during the period under review as against profit of Rs. 229.42 million in the corresponding period of last year. As per Company's policy, sale of sugar continued on regular basis resulting in higher sale volume and increased profitability.



Distillery Division

The production of ethanol during the nine months ended June 30, 2010 was 20,757 M.Tons as compared with 16,475 M.Tons during the corresponding period of the previous year. The division earned profit of Rs. 98.95 million during the period under review as against profit of Rs. 232.67 million in the corresponding period of last year. The profitability of the division during the period has been affected due to increase in price of molasses without corresponding increase in ethanol prices in the international market. Further, recovery of ethanol was also affected due to lower sugar contents in the raw material.

The liquid carbon dioxide (CO₂) unit operated satisfactorily and earned profit of Rs.10.21 million as against Rs. 9.33 million during the corresponding period of previous year. This profit is included in the distillery division's profit.

Textile Division

The division earned profit of Rs. 0.47 million during the period under review as against Rs. 4.23 million in the corresponding period of last year.

The profitability of the division was affected due to intense competition in the international market, abnormal increase in yarn prices and adverse currency fluctuations in the rate of the Pound Sterling and the Euro.

Trading Division

During the period under review, the division earned profit of Rs. 2.29 million on export of molasses as against profit of Rs. 15.48 million in the corresponding period of last year.

General

The Directors are pleased to place on record their appreciation for 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: July 29, 2010



Condensed Interim Balance Sheet as at June 30, 2010 (Unaudited)

	Note	(Unaudited) June 30, 2010 (Rupees in thousands)	(Audited) September 30, 2009
Assets			
Non-Current Assets			
Fixed assets			
Property, plant and equipment	4	814,210	834,424
Long-term investments	5	609,332	555,710
Long-term loans		4,106	4,019
Long-term deposits		2,952	2,936
Current Assets			
Stores and spares		74,696	58,386
Stock-in-trade	6	753,258	211,039
Trade debts		401,639	353,397
Loans and advances		64,239	168,490
Trade deposits and short-term prepayments		11,488	7,904
Profit accrued on treasury call accounts		4,726	9,223
Sales tax and excise duty adjustable		40,090	—
Other receivables		4,251	5,314
Cash and bank balances		1,464,649	1,595,667
		<u>2,819,036</u>	<u>2,409,420</u>
Total Assets		<u>4,249,636</u>	<u>3,806,509</u>
Equity and Liabilities			
Share Capital and Reserves			
Share Capital			
Authorised			
120,000,000 (2009: 100,000,000)			
Ordinary shares of Rs. 5 each		600,000	500,000
Issued, subscribed and paid-up capital			
120,000,000 (2009: 96,000,000)			
Ordinary shares of Rs. 5 each		600,000	480,000
Reserves		1,655,190	1,506,706
Unrealised gain on long-term investments - available for sale		511,882	466,954
		<u>2,167,072</u>	<u>1,973,660</u>
		<u>2,767,072</u>	<u>2,453,660</u>
Non-Current Liabilities			
Deferred taxation		87,500	87,500
Current Liabilities			
Trade and other payables		531,114	774,314
Short-term borrowings	7	761,000	426,000
Accrued mark-up on short-term borrowings		16,485	4,635
Provision for income tax - net		86,465	60,400
		<u>1,395,064</u>	<u>1,265,349</u>
Contingencies and Commitments	8		
		<u>4,249,636</u>	<u>3,806,509</u>

The annexed notes 1 to 18 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 and cumulative for three quarters ended June 30, 2010 (Unaudited)

	Note	Three Quarters ended		Quarter ended	
		June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
(Rupees in thousands)					
Segment operating results	9				
Net sales and services		5,148,094	3,284,346	2,313,774	1,153,721
Cost of sales		(4,333,321)	(2,646,144)	(1,973,372)	(917,584)
Gross profit		814,773	638,202	340,402	236,137
Distribution and marketing expenses		(106,221)	(96,572)	(39,876)	(27,791)
Administrative expenses		(68,545)	(59,823)	(22,911)	(19,565)
Other operating expenses	10	(47,908)	(36,765)	(19,740)	(14,236)
Impairment on long-term investments		-	(13,989)	-	(533)
Other operating income	11	36,602	23,934	9,192	6,579
		(186,072)	(183,215)	(73,335)	(55,546)
Operating profit		628,701	454,987	267,067	180,591
Finance income / (cost) - net	12	7,783	33,461	(4,814)	8,545
Profit before taxation		636,484	488,448	262,253	189,136
Taxation	13	(200,000)	(110,000)	(85,000)	(45,000)
Profit after taxation		436,484	378,448	177,253	144,136
			(Restated)		(Restated)
Earnings per share - basic and diluted	Rs.	3.64	3.15	1.48	1.20

The annexed notes 1 to 18 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 and cumulative for three quarters ended June 30, 2010 (Unaudited)

	<u>Three Quarters ended</u>		<u>Quarter ended</u>	
	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(Rupees in thousands)			
Profit after taxation	436,484	378,448	177,253	144,136
Other comprehensive income / (loss)				
Gain / (loss) on changes in fair values of investments available for sale	46,428	(97,393)	10,673	(28,099)
Total comprehensive income for the period	<u>482,912</u>	<u>281,055</u>	<u>187,926</u>	<u>116,037</u>

The annexed notes 1 to 18 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 three quarters ended June 30, 2010 (Unaudited)

	Issued subscribed and paid-up capital	Reserves				Unrealised gain/(loss) on changes in fair values of investments available for sale	Total equity
		Capital reserve	General reserve	Unappro- priated profit	Total reserves		
(Rupees in thousands)							
Balance as on October 1, 2008	360,000	34,000	786,000	406,890	1,226,890	443,574	2,030,464
Cash dividend for the year ended September 30, 2008 @25% i.e. Rs. 1.25 per Ordinary share of Rs. 5 each	-	-	-	(90,000)	(90,000)	-	(90,000)
Fully paid bonus shares for the year ended September 30, 2008 @33.33% i.e. in the ratio of one bonus share for every three Ordinary shares of Rs. 5 each held	120,000	-	-	(120,000)	(120,000)	-	-
Transfer to general reserve	-	-	195,000	(195,000)	-	-	-
Total comprehensive income for the period	-	-	-	378,448	378,448	(97,393)	281,055
Balance as on June 30, 2009	<u>480,000</u>	<u>34,000</u>	<u>981,000</u>	<u>380,338</u>	<u>1,395,338</u>	<u>346,181</u>	<u>2,221,519</u>
Balance as on October 1, 2009	480,000	34,000	981,000	491,706	1,506,706	466,954	2,453,660
Cash dividend for the year ended September 30, 2009 @35% i.e. Rs. 1.75 per Ordinary share of Rs. 5 each	-	-	-	(168,000)	(168,000)	-	(168,000)
Fully paid bonus shares for the year ended September 30, 2009 @25% i.e. in the ratio of one bonus share for every four Ordinary shares of Rs. 5 each held	120,000	-	-	(120,000)	(120,000)	-	-
Transfer to general reserve	-	-	200,000	(200,000)	-	-	-
Unrealised gain realised on disposal of investments available for sale	-	-	-	-	-	(1,500)	(1,500)
Total comprehensive income for the period	-	-	-	436,484	436,484	46,428	482,912
Balance as on June 30, 2010	<u>600,000</u>	<u>34,000</u>	<u>1,181,000</u>	<u>440,190</u>	<u>1,655,190</u>	<u>511,882</u>	<u>2,767,072</u>

The annexed notes 1 to 18 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 three quarters ended June 30, 2010 (Unaudited)

	Note	June 30, 2010	June 30, 2009
(Rupees in thousands)			
Cash flows from operating activities			
Cash generated form / (used in) operations	14	(136,960)	651,886
Profit received on treasury call accounts		80,151	75,973
Finance costs paid		(56,022)	(36,381)
		24,129	39,592
Income tax paid		(173,935)	(38,105)
Long-term loans		(87)	1,012
Long-term deposits		(16)	(302)
Net cash generated from / (used) in operating activities		(286,869)	654,083
Cash flows from investing activities			
Fixed capital expenditure		(40,244)	(92,539)
Sale proceeds of long-term investments		8,981	40
Dividend received		30,910	15,309
Purchase of long-term investments		(16,523)	(3,743)
Sale proceeds of fixed assets		1,986	3,428
Net cash used in investing activities		(14,890)	(77,505)
Cash flows from financing activities			
Dividend paid		(164,259)	(88,204)
Net cash used in financing activities		(164,259)	(88,204)
Net increase / (decrease) in cash and cash equivalents		(466,018)	488,374
Cash and cash equivalents at the beginning of the period		1,169,667	271,381
Cash and cash equivalents at the end of the period	15	703,649	759,755

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Raeesul Hasan
 Chief Executive


Murtaza H. Habib
 Director



Notes to the Condensed Interim Financial Statements for the three quarters ended June 30, 2010 (Unaudited)

1. The Company and its operations

Habib Sugar Mills Limited is a public limited company incorporated in Pakistan, with its shares quoted on the Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacturing and marketing of refined sugar, molasses, ethanol, liquid carbon dioxide, household textiles and providing bulk storage facilities.

2. Statement of Compliance

These condensed interim financial statements are unaudited and are being submitted to the members in accordance with Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, 'Interim Financial Reporting', as applicable in Pakistan. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2009.

3. Significant accounting policies and disclosures

- 3.1** The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the Company for the year ended September 30, 2009, except amendments in IAS-1 (Revised) 'Presentation of Financial Statements'.
- 3.2** The presentation of these condensed interim financial statements has been amended to reflect the changes introduced by IAS-1 (Revised) 'Presentation of Financial Statements' which became effective from the periods beginning on or after January 01, 2009. The adoption of IAS-1 (Revised) does not materially affect the computations of the results except some changes in presentation and disclosures. The standard introduces the statement of comprehensive income which presents all items of income and expenses either in one single statement or two linked statements. The Company has adopted two linked statements approach and has prepared a profit and loss account and a statement of comprehensive income to reflect these changes.
- 3.3** IFRS-8 'Operating Segments' requires disclosure of information about the Company's operating segments and replaces the requirement to determine primary and secondary reporting segments. Adoption of this standard does not have any effect on the financial position or performance of the Company. The Company determined that the operating segments were the same as the business segments as previously identified under IAS-14 'Segment Reporting'.



June 30, September 30,
2010 2009
(Rupees in thousands)

4. Fixed assets

4.1 Property, plant and equipment

Operating fixed assets	768,982	790,891
Capital work-in-progress	45,228	43,533
	814,210	834,424

4.2 Cost of additions to / deletions from fixed assets during the nine months ended June 30, 2010 were as follows:

	Additions (Rupees in thousands)	Deletions
Non Factory Building		
Sugar	20,746	-
Plant and machinery		
Sugar	2,675	1,271
Distillery	16,258	-
Furniture, fittings and office equipment	423	444
Motor cars / vehicles	142	315
	40,244	2,030

June 30, September 30,
2010 2009
(Rupees in thousands)

5. Long-term investments

Available for sale - quoted

Investments in related parties	427,317	372,611
Investments in other companies	182,015	183,099
	609,332	555,710

5.1 The aggregate cost of the above referred investments, net of impairment, is Rs. 97.450 (September 30, 2009: Rs. 88.756) million.

5.2 The above investments are stated at fair value. Unrealised gain of Rs. 46.428 (September 30, 2009: Rs. 23.380) million arising from a change in fair value of investments has been recognised directly in equity. There has been no impairment during the period under review (September 30, 2009: Rs. 27.134 million).



	June 30, 2010	September 30, 2009
	(Rupees in thousands)	
6. Stock-in-trade		
Raw materials	445,945	52,875
Work-in-process	2,070	3,138
Finished goods	305,243	155,026
	<u>753,258</u>	<u>211,039</u>
7. Short-term borrowings	<u>761,000</u>	<u>426,000</u>

The short-term borrowings are secured by way of registered charge against hypothecation of stock-in-trade and assignment of trade debts and other receivables. The rate of mark-up was 7.5% to 14.09% (September 30, 2009: 7.5%) per annum. The funded facility for short-term borrowings amounted to Rs. 2,275 (September 30, 2009: Rs. 1,975) million.

8. Contingencies and commitments

8.1 The Company has provided counter guarantees to banks, aggregating to Rs. 105.763 million (September 30, 2009: Rs. 162.476) million against agriculture finance facilities to growers and guarantees issued by banks in favour of third parties on behalf of the Company.

	June 30, 2010	September 30, 2009
	(Rupees in thousands)	
8.2 Commitments in respect of:		
Capital expenditure	<u>3,360</u>	<u>10,150</u>
Rentals under operating lease agreements with First Habib Modraba in respect of vehicles, payable over the next four financial years	<u>23,057</u>	<u>22,336</u>



9. Segment operating results for the three quarters ended June 30, 2010 (Unaudited)

		Sugar Division		Distillery Division		Textile Division		Trading Division		(Rupees in thousands) Total	
		Three quarters ended		Three quarters ended		Three quarters ended		Three quarters ended		Three quarters ended	
		June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Net sales and services											
Sales	Local	3,717,537	1,935,000	227,882	149,732	–	–	–	–	3,945,419	2,084,732
	Export	–	–	998,160	880,630	176,969	223,982	26,706	93,836	1,201,835	1,198,448
		3,717,537	1,935,000	1,226,042	1,030,362	176,969	223,982	26,706	93,836	5,147,254	3,283,180
Services - Storage income - net		–	–	840	1,166	–	–	–	–	840	1,166
		3,717,537	1,935,000	1,226,882	1,031,528	176,969	223,982	26,706	93,836	5,148,094	3,284,346
Less: Cost of sales		(3,080,769)	(1,617,831)	(1,063,745)	(746,349)	(165,721)	(205,155)	(23,086)	(76,809)	(4,333,321)	(2,646,144)
Gross Profit		636,768	317,169	163,137	285,179	11,248	18,827	3,620	17,027	814,773	638,202
Less: Distribution and marketing expenses		(39,414)	(37,198)	(58,779)	(47,252)	(7,832)	(11,456)	(196)	(666)	(106,221)	(96,572)
Administrative expenses		(59,058)	(50,555)	(5,411)	(5,252)	(2,942)	(3,139)	(1,134)	(877)	(68,545)	(59,823)
		(98,472)	(87,753)	(64,190)	(52,504)	(10,774)	(14,595)	(1,330)	(1,543)	(174,766)	(156,395)
Profit before other operating expenses, impairment on long-term investments and other operating income		538,296	229,416	98,947	232,675	474	4,232	2,290	15,484	640,007	481,807
Other operating expenses -note 10										(47,908)	(36,765)
Impairment on long-term investments										–	(13,989)
Other operating income - note 11										36,602	23,934
Operating profit										628,701	454,987

Company accounts for inter-segment revenue / transfers at arm's length.



9a. Segment operating results for the quarter ended June 30, 2010 (Unaudited)

(Rupees in thousands)											
		Sugar Division		Distillery Division		Textile Division		Trading Division		Total	
		Quarter ended		Quarter ended		Quarter ended		Quarter ended		Quarter ended	
		June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Net sales and services											
Sales	Local	1,659,774	695,528	77,986	75,543	-	-	-	-	1,737,760	771,071
	Export	-	-	494,569	281,772	54,306	50,948	26,706	49,198	575,581	381,918
		1,659,774	695,528	572,555	357,315	54,306	50,948	26,706	49,198	2,313,341	1,152,989
Services - Storage income - net		-	-	433	732	-	-	-	-	433	732
		1,659,774	695,528	572,988	358,047	54,306	50,948	26,706	49,198	2,313,774	1,153,721
Less: Cost of sales		(1,396,858)	(570,355)	(498,987)	(257,454)	(54,441)	(43,941)	(23,086)	(45,834)	(1,973,372)	(917,584)
Gross Profit / (loss)		262,916	125,173	74,001	100,593	(135)	7,007	3,620	3,364	340,402	236,137
Less: Distribution and marketing expenses		(12,091)	(11,902)	(25,707)	(10,532)	(1,882)	(5,267)	(196)	(90)	(39,876)	(27,791)
Administrative expenses		(19,715)	(16,259)	(1,634)	(1,628)	(428)	(985)	(1,134)	(693)	(22,911)	(19,565)
		(31,806)	(28,161)	(27,341)	(12,160)	(2,310)	(6,252)	(1,330)	(783)	(62,787)	(47,356)
Profit / (loss) before other operating expenses, impairment on long-term investments and other operating income		231,110	97,012	46,660	88,433	(2,445)	755	2,290	2,581	277,615	188,781
Other operating expenses -note 10										(19,740)	(14,236)
Impairment on long-term investments										-	(533)
Other operating income - note 11										9,192	6,579
Operating profit										267,067	180,591

Company accounts for inter-segment revenue / transfers at arm's length.



	Three quarters ended		Quarter ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	(Rupees in thousands)			
10. Other operating expenses				
Workers' Profit Participation Fund	34,220	26,261	14,100	10,169
Workers' Welfare Fund	13,688	10,504	5,640	4,067
	<u>47,908</u>	<u>36,765</u>	<u>19,740</u>	<u>14,236</u>
11. Other operating income				
Dividend income	30,694	15,083	7,032	2,702
Profit on sale of long-term investments	1,151	40	–	–
Agriculture income	128	314	42	234
Gain on disposal of fixed assets	1,266	2,265	465	1,459
Gain on sale of fixed assets previously written off	–	3,649	–	–
Scrap sale	2,021	943	888	206
Exchange gain	1,342	1,640	765	1,978
	<u>36,602</u>	<u>23,934</u>	<u>9,192</u>	<u>6,579</u>
12. Finance income / (cost) - net				
Sugar division	26,049	47,390	8,577	12,151
Distillery division	(19,451)	(16,320)	(14,051)	(4,642)
Textile division	1,245	2,520	720	1,103
Trading division	(60)	(129)	(60)	(67)
	<u>7,783</u>	<u>33,461</u>	<u>(4,814)</u>	<u>8,545</u>
13. Taxation				
Current	200,000	105,000	87,000	45,000
Deferred	–	5,000	(2,000)	–
	<u>200,000</u>	<u>110,000</u>	<u>85,000</u>	<u>45,000</u>
			June 30, 2010	June 30, 2009
14. Cash generated from / (used in) operations			(Rupees in thousands)	
Profit before taxation			636,484	488,448
Adjustment for non-cash charges and other items				
Depreciation			59,738	56,162
Profit on sale of long-term investments			(1,151)	(40)
Gain on disposal of fixed assets			(1,266)	(2,265)
Finance (income) / cost - net			(7,783)	(33,461)
Impairment on long-term investments			–	13,989
Dividend income			(30,694)	(15,083)
Working capital changes - note 14.1			(792,288)	144,136
			<u>(136,960)</u>	<u>651,886</u>



June 30, 2010 June 30, 2009
(Rupees in thousands)

14.1 Working capital changes

(Increase) / decrease in current assets

Stores and spares	(16,310)	(7,355)
Stock-in-trade	(542,219)	(542,089)
Trade debts	(48,242)	188,794
Loans and advances	104,251	238,803
Trade deposits and short-term prepayments	(3,584)	(1,653)
Sales tax and excise duty adjustable	(40,090)	–
Other receivables	847	4,117
	(545,347)	(119,383)

Increase / (decrease) in current liabilities

Trade and other payables	(246,941)	263,519
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Net changes in working capital

	(792,288)	144,136
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15. Cash and cash equivalents at the end of the period

These comprise of the following :

Cash and bank balances	1,464,649	1,310,255
Short-term borrowings	(761,000)	(550,500)
	703,649	759,755

16. Transactions with related parties

Material transactions with related parties, other than remuneration and benefits to directors and key management personnel under the terms of their employment, are given below:

	Three quarters ended		Quarter ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
	(Rupees in thousands)			
Insurance premium paid	15,527	14,454	4,292	10,031
Insurance claim received	1,170	9,496	–	248
Profit on treasury call accounts	45,159	38,449	15,865	10,560
Purchases / sales / services	269	133	38	–
Dividend received	26,365	11,876	6,068	1,926
Dividend paid	27,509	14,668	–	–
Bonus shares received at nominal value	20,297	23,815	–	1,926
Bonus shares issued at nominal value	19,649	19,558	–	–
Bank charges	439	416	126	156

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

17. Date of Authorisation for issue

These condensed interim financial statements were authorised for issue on July 29, 2010 by the Board of Directors of the Company.

18. General

Figures presented in these condensed interim financial statements have been rounded off to the nearest thousand rupees.

Raeesul Hasan
Chief Executive

Murtaza H. Habib
Director