



**KTM**

**FINANCIAL STATEMENTS  
QUARTER ENDED  
30 SEPTEMBER 2005**

**KOHINOOR**  
**TEXTILE MILLS LIMITED**  
A Kohinoor Maple Leaf Group Company

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

MR. TARIQ SAYEED SAIGOL  
MR. SAYEED TARIQ SAIGOL  
MR. WALEED TARIQ SAIGOL  
MR. USMAN SAID  
MR. ZAMIRUDDIN AZAR  
MR. S.M. IMRAN  
MR. ABDUL HAI MEHMOOD BHAIMIA

Chairman / Chief Executive

### COMPANY SECRETARY

MR. MUHAMMAD ASHRAF

### AUDIT COMMITTEE

MR. ZAMIRUDDIN AZAR  
MR. WALEED TARIQ SAIGOL  
MR. S.M. IMRAN  
MR. MUHAMMAD ASHRAF

Chairman  
Member  
Member  
Secretary

### CHIEF FINANCIAL OFFICER

MR. USMAN SAID

### AUDITORS

M/S. RIAZ AHMAD & COMPANY  
CHARTERED ACCOUNTANTS

### MANAGER INTERNAL AUDIT

MR. AHSAN JAMEEL RATHORE

### BANKERS

AL BARAKA ISLAMIC BANK B.S.C. (E.C.)  
ALLIED BANK LIMITED  
ASKARI COMMERCIAL BANK LIMITED  
BANK ALFALAH LIMITED  
FAYSAL BANK LIMITED  
MCB BANK LIMITED  
NATIONAL BANK OF PAKISTAN  
NDLC-IFIC BANK LIMITED (NIB)  
PICIC COMMERCIAL BANK LIMITED  
PRIME COMMERCIAL BANK LIMITED  
THE BANK OF PUNJAB  
UNITED BANK LIMITED  
UNION BANK LIMITED

### REGISTERED OFFICE & SHARES DEPARTMENT

42-LAWRENCE ROAD, LAHORE.  
TEL : (92-042) 6302261-62 FAX : (92-042) 6368721

### MILLS

- PESHAWAR ROAD, RAWALPINDI.  
TEL : (92-051) 5473941-3 FAX : (92-051) 5473083
- 8TH K.M, MANGA RAIWIND ROAD, DISTRICT KASUR.  
TEL: (92-042) 5391941 FAX: (92-042) 5391947
- GULYANA ROAD, GUJAR KHAN, DISTRICT RAWALPINDI.  
TEL: (92-0571 ) 564472-73 FAX: (92-0571) 564336

WEB SITE [www.kmlg.com](http://www.kmlg.com)

## DIRECTORS' REVIEW

The Directors feel pleasure in presenting un-audited accounts of the Company for the quarter ended 30 September 2005 in compliance with the requirements of Section 245 of the Companies Ordinance 1984, as amended through Companies (Amendment) Ordinance 2002.

### OPERATING AND FINANCIAL RESULTS

Replacement, relocating of machines continued in this period also. This activity consumed production time. Major part of this operation has now been completed.

Continued surging prices of Oil made thermal power generation more costly and resultantly had negative impact on profitability of the Company.

Financial Charges of the period are substantially higher due to: i) additional financing for new machines and ii) increase in rates of mark up.

Operational performance of spinning and weaving was satisfactory but due to under utilization of capacity of processing and stitching departments results of Cloth segment were not up to expectation.

During the period under review, the Company registered sale of Rs. 1,622,459 thousand (previous corresponding period: Rs. 1,407,775 thousand) showing gross profit of Rs. 239,475 thousand (previous corresponding period: Rs. 144,379 thousand) and operating profit of Rs. 125,328 thousand (previous corresponding period: Rs. 10,770 thousand). After adjusting other operating income, finance cost and provision for taxation, the Company's profit after taxation amounted to Rs. 33,958 thousand (previous corresponding period: Rs. 121,942 thousand which included dividend income of Rs. 135,715 thousand).

### FUTURE PROSPECTS

Relocation, replacement and modernization of machines as well as installation of new machines are near completion and full utilization and optimum working efficiency of the Plant are expected. Additional production will contribute towards better financial results. However, availability of good quality of cotton – indigenous as well as imported – at reasonable price will as usual have far reaching effect on the results.

Sale of surplus land has been somewhat delayed due to procedural difficulties which are being resolved.

### ACKNOWLEDGEMENT

The Directors are grateful to the Company's members, financial institutions, customers and suppliers for their continuous support, cooperation and patronage. The Directors also give due consideration to and appreciate the Company employees' hard work, committed and devoted services without which progress and better results are never possible.

For and on behalf of the Board

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director

**BALANCE SHEET AS AT 30 SEPTEMBER 2005**  
**(Un-Audited)**

	Note	30 Sep 2005 (Rs. "000")
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
120,735,325 ordinary shares of Rupees 10 each		1,207,353
30,000,000 preference shares of Rupees 10 each		300,000
		<u>1,507,353</u>
<b>Issued, subscribed and paid up share capital</b>		962,158
<b>Reserves</b>		4,003,086
<b>Shareholders' equity</b>		4,965,244
<b>NON-CURRENT LIABILITIES</b>		
Long term financing		1,580,469
Term finance certificates		124,687
Liabilities against assets subject to finance lease		152,541
Deferred tax liability		30,479
		1,888,176
<b>CURRENT LIABILITIES</b>		
Trade and other payables		545,893
Accrued mark-up		58,359
Short term borrowings		2,186,231
Current portion of non-current liabilities		443,719
		3,234,202
<b>CONTINGENCIES AND COMMITMENTS</b> 4		-
		<u>10,087,622</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5	2,731,020
Long term investment		4,105,394
Long term deposits		16,324
		6,852,738
<b>CURRENT ASSETS</b>		
Stores and spares		503,630
Stock -in- trade		1,059,811
Trade debts		713,543
Advances		107,982
Security deposits and short term prepayments		38,034
Accrued interest		792
Other receivables		340,085
Short term investments		340,769
Taxation recoverable		16,188
Cash and bank balances		114,050
		3,234,884
		<u>10,087,622</u>

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director

**PROFIT AND LOSS ACCOUNT**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2005  
(Un-Audited)

	<b>30 Sep 2005</b> (Rs. "000")
Sales	1,622,459
Cost of sales	<u>1,382,984</u>
Gross profit	239,475
Selling and distribution expenses	84,060
Administrative expenses	27,039
Other operating expenses	3,048
	<u>114,147</u>
	125,328
Other operating income	<u>9,311</u>
Profit from operations	134,639
Finance cost	<u>92,581</u>
Profit before taxation	42,058
Provision for taxation	<u>8,100</u>
Profit after taxation	<u><u>33,958</u></u>
Basic Earnings per Share	Rs. 0.35

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director

**CASH FLOW STATEMENT**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2005  
(Un-Audited)

	Note	30 Sep 2005 (Rs. "000")
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	6.1	105,898
Finance cost paid		(77,208)
WPPF paid		(428)
Taxes paid		(11,995)
<b>Net cash from operating activities</b>		<u>16,267</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment		(130,000)
Long term deposits		4,443
Return on bank deposits		22
Proceeds from sale of property, plant and Equipment		28,203
Dividend received		-
<b>Net cash used in investing Activities</b>		<u>(97,332)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Long term financing – secured		75,008
Short term borrowing (Net)		71,076
Repayment of:		
Long term financing – secured		(51,288)
Finance leases		(29,241)
Term finance certificates		(17,813)
Dividend paid		(967)
<b>Net cash from financing activities</b>		<u>46,775</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(34,290)</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>148,340</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>114,050</u></u>

The annexed notes form an integral part of these financial statements.

<p>Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.</p>
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Lahore  
28 October 2005

Director

Director

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE QUARTER ENDED 30 SEPTEMBER 2005

(Rupees in thousand)

	Share Capital	Reserves									Total Reserves	Total Equity
		Capital Reserves					Revenue Reserves					
		Capital Reserve	Share premium	Fair Value Reserve	Reserve for Bonus Shares	Sub – Total	General Reserve	Dividend Equalization Reserve	Un-appropriated Profit	Sub – Total		
<b>Balance as at 30 June 2005</b>	<b>962,158</b>	<b>18,901</b>	<b>55,639</b>	<b>1,429,049</b>	<b>96,216</b>	<b>1,599,805</b>	<b>1,190,491</b>	<b>9,509</b>	<b>36,989</b>	<b>1,236,989</b>	<b>2,836,794</b>	<b>3,798,952</b>
Gain on revaluation of investment to fair value	-	-	-	1,132,334	-	1,132,334	-	-	-	-	1,132,334	1,132,334
Net profit for the quarter ended 30 Sep 2005	-	-	-	-	-	-	-	-	33,958	33,958	33,958	33,958
<b>Balance as at 30 Sep 2005</b>	<b>962,158</b>	<b>18,901</b>	<b>55,639</b>	<b>2,561,383</b>	<b>96,216</b>	<b>2,732,139</b>	<b>1,190,491</b>	<b>9,509</b>	<b>70,947</b>	<b>1,270,947</b>	<b>4,003,086</b>	<b>4,965,244</b>

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.
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Lahore  
28 October 2005

Director

Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2005**

**1. THE COMPANY AND ITS OPERATIONS**

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trading textile products.

**2. STATEMENT OF COMPLIANCE**

These periodical financial statements are un-audited and are being submitted to the shareholders in compliance with provisions of section 245 of the Companies Ordinance, 1984, as amended through the Companies (Amendment) Ordinance, 2002. These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting).

**3. ACCOUNTING POLICIES**

Accounting policies and methods of computations adopted for preparation of these periodical financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company.

**4. CONTINGENCIES AND COMMITMENTS**

**4.1** There has been no significant change in contingencies since the last audited financial statements.

**4.2** Commitments in respect of:

- (i) Letters of credit for capital expenditure as at 30 September 2005 were Rs. 577,321 thousand.
- (ii) Letters of credit other than capital expenditure as at 30 September 2005 were Rs. 45,174 thousand.

**5. PROPERTY, PLANT AND EQUIPMENT**

	Note	<b>Quarter Ended 30 Sep 2005</b> (Rs. "000")
<b>5.1 Owned</b>		
Written down value at the start of the quarter		2,167,783
Add : Addition during the quarter	5.1.1	<u>224,626</u>
		2,392,409
Less : Disposed off during the quarter	5.1.1	<u>23,606</u>
		2,368,803
Less : Depreciation for the quarter		<u>56,544</u>
Written down value at the end of the quarter		2,312,259
<b>5.2 Leased Assets</b>		
Written down value at the start of the quarter		388,704
Add : Addition during the quarter	5.2.1	<u>25,000</u>
		413,704
Less : Depreciation for the quarter		<u>10,489</u>
Written down value at the end of the quarter		403,215
<b>5.3 Capital work in progress</b>		<u>15,546</u>
<b>Property, Plant and Equipment – Total</b>		<u><u>2,731,020</u></u>

### 5.1.1 Detail of additions / deletions – Own Assets

Quarter ended 30 Sep 2005		
	Additions	Deletions
	(Rs. "000")	
Buildings	4,349	–
Plant and Machinery	211,803	22,171
Service and Other Equipments	67	–
Furniture and Fixtures	948	–
Office Equipments	1,666	36
Vehicles	5,793	1,399
	224,626	23,606
	224,626	23,606

### 5.2.1 Detail of additions / deletions – Leased Assets

Plant and Machinery	25,000	–
	25,000	–
	25,000	–

	Note	Quarter ended 30 Sep 2005 (Rs. "000")
<b>6. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation		42,058
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation		67,033
Finance cost		92,581
Net gain on sale of fixed assets		(4,773)
Return on bank deposits		(22)
Provision for WPPF		2,213
Working capital changes	6.1	(93,192)
		105,898
<b>6.1 Working capital changes</b>		
<b>(Increase)/ decrease in current assets:</b>		
Stores and spares		(39,929)
Stock-in-trade		52,874
Trade debts		(73,161)
Advances		14,034
Security deposits and short term prepayments		(10,891)
Other receivables		(53,179)
		(110,252)
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables		17,060
		(93,192)

**7. TRANSACTIONS WITH RELATED PARTIES AND TRANSFER PRICING POLICY**

The related parties comprise of subsidiary, associated companies, directors of the Company, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follow:

	<b>Quarter Ended 30 Sep 2005 (Rs. "000")</b>
Purchase of goods and services	156,609
Sale of goods and services	385,902

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method.

**8. AUTHORIZATION**

These accounts have been authorised for issue by the Board of Directors of the Company on 28 October 2005

**9. GENERAL**

**9.1** Calculation of amounts for taxation and allocation to workers' profit participation fund is provisional, based on interim financial results / status. Actual calculations and provision will be based upon financial results for the whole year.

**9.2** Figures have been rounded off to the nearest thousand rupees.

**9.3** The comparative figures of the corresponding period have not been disclosed due to relaxation granted by Security Exchange Commission of Pakistan vide press release dated 25 October 2005.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director

**CONSOLIDATED BALANCE SHEET  
AS AT 30 SEPTEMBER 2005  
(Un-Audited)**

	Note	30 Sep 2005 (Rs. "000")
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
120,735,325 Ordinary shares of Rupees 10 each		1,207,353
30,000,000 preference shares of Rupees 10 each		300,000
		<u>1,507,353</u>
<b>Issued, subscribed and paid up share capital</b>		962,158
<b>Reserves</b>		<u>2,626,471</u>
<b>Shareholders' equity</b>		3,588,629
<b>MINORITY INTEREST</b>		3,549,588
<b>NON-CURRENT LIABILITIES</b>		
Long term financing		5,526,720
Term finance certificates		124,687
Liabilities against assets subject to finance lease		152,541
Long term deposits		6,888
Deferred liability for vacation benefits		9,036
Deferred tax liability		495,023
		<u>6,314,895</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables		1,098,023
Accrued mark-up		142,246
Short term borrowings		2,812,045
Current portion of non-current liabilities		987,549
		<u>5,039,863</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	4	-
		<u>18,492,975</u>
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment		12,908,780
Long term investment		5,000
Long term loans to employees		8,712
Long term deposits		22,053
Goodwill		(279,967)
		<u>12,664,578</u>
<b>CURRENT ASSETS</b>		
Stores and spares		1,978,600
Stock -in- trade		1,236,102
Trade debts		822,821
Loans and advances		372,015
Security deposits and short term prepayments		38,034
Accrued interest		792
Other receivables		340,085
Short term investments		340,769
Taxation recoverable		2,700
Cash and bank balances		696,479
		<u>5,828,397</u>
		<u>18,492,975</u>

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2005**  
(Un-Audited)

	<b>30 Sep 2005</b> (Rs. "000")
Sales	2,996,027
Cost of sales	<u>2,239,471</u>
Gross profit	756,556
Selling and distribution expenses	<u>87,428</u>
Administrative expenses	37,964
Other operating expenses	<u>24,764</u>
	<u>150,156</u>
	606,400
Other operating income	<u>27,486</u>
Profit from operations	633,886
Finance cost	<u>171,031</u>
Profit before taxation	462,855
Provision for taxation	<u>151,045</u>
Profit after taxation	311,810
Minority Interest	
Dividend on Preference Shares	<u>13,306</u>
Share in profit for the period	<u>125,863</u>
	<u>139,169</u>
Profit after taxation and Minority Interest	<u><u>172,641</u></u>
Basic earning per share	Rs. 1.79

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2005**  
(Un-Audited)

	<b>Note</b>	<b>30 Sep 2005</b> (Rs. "000")
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	<b>6.1</b>	344,384
Finance cost paid		(110,417)
WPPF paid		(428)
Earned leave		(292)
Taxes paid		(9,484)
<b>Net cash from operating activities</b>		<u>223,763</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment		(1,932,372)
Long term deposits		2,284
Return on bank deposits		22
Proceeds from sale of property, plant and Equipment		28,541
<b>Net cash used in investing activities</b>		<u>(1,901,525)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Long term financing - secured (Net)		1,838,765
Short term borrowing (Net)		107,047
Repayment of:		
Finance leases		(29,241)
Term finance certificates		(59,463)
Dividend paid		(1,009)
<b>Net cash from financing activities</b>		<u>1,856,099</u>
<b>Net increase in cash and cash equivalents</b>		<u>178,337</u>
<b>Cash and cash equivalents at the beginning of the period</b>		<u>518,142</u>
<b>Cash and cash equivalents at the end of the period</b>		<u><u>696,479</u></u>

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.
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Lahore  
28 October 2005

Director

Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED 30 SEPTEMBER 2005**  
(Un-Audited)

(Rupees in thousand)

Share Capital	Reserves										Total Reserves	Total Equity
	Capital Reserves					Revenue Reserves						
	Capital Reserve	Share premium	Fair Value Reserve	Reserve for Bonus Shares	Sub – Total	General Reserve	Dividend Equalization Reserve	Un-appropriated Profit	Sub – Total			
<b>Balance as at 30 June 2005</b>	<b>962,158</b>	<b>18,901</b>	<b>55,639</b>	<b>252,899</b>	<b>96,216</b>	<b>423,655</b>	<b>1,190,491</b>	<b>9,509</b>	<b>844,637</b>	<b>2,044,637</b>	<b>2,468,292</b>	<b>3,430,450</b>
Deficit on revaluation of investment to fair value	-	-	-	(14,462)	-	(14,462)	-	-	-	-	(14,462)	(14,462)
Net profit for the quarter ended 30 September 2005	-	-	-	-	-	-	-	-	172,641	172,641	172,641	172,641
<b>Balance as at 30 September 2005</b>	<b>962,158</b>	<b>18,901</b>	<b>55,639</b>	<b>238,437</b>	<b>96,216</b>	<b>409,193</b>	<b>1,190,491</b>	<b>9,509</b>	<b>1,017,278</b>	<b>2,217,278</b>	<b>2,626,471</b>	<b>3,588,629</b>

The annexed notes form an integral part of these financial statements.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.
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Lahore  
28 October 2005

Director

Director

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE QUARTER ENDED 30 SEPTEMBER 2005**

**1. THE GROUP AND ITS OPERATIONS**

**Holding Company**

Kohinoor Textile Mills Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi, Lahore and Islamabad Stock Exchanges. The principal activity of the Company is manufacturing of yarn and cloth, processing and stitching the cloth and trading textile products. The Company holds 135,715,498 ordinary shares of Rs. 10 each in Maple Leaf Cement Factory Limited as at 30 September 2005.

**Subsidiary Company**

Maple Leaf Cement Factory Limited is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now Companies Ordinance, 1984) and is listed on Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in the preparation and sale of cement.

**2. STATEMENT OF COMPLIANCE**

These periodical financial statements are un-audited and are being submitted to the shareholders in compliance with provisions of section 245 of the Companies Ordinance, 1984, as amended through the Companies (Amendment) Ordinance, 2002. These financial statements have been prepared in accordance with the requirements of International Accounting Standard 34 (Interim Financial Reporting).

**3. ACCOUNTING POLICIES**

Accounting policies and methods of computations adopted for preparation of these periodical financial statements are the same as those applied in preparation of the preceding annual published financial statements of the Company.

**4. CONTINGENCIES AND COMMITMENTS**

**4.1** There has been no significant change in contingencies since the last audited financial statements.

**4.2** Commitments in respect of :

- (i) Letters of credit for capital expenditure as at 30 September 2005 were Rs. 2.465 billion.
- (ii) Letters of credit other than capital expenditure as at 30 September 2005 were Rs. 3.845 billion.

**5. PROPERTY, PLANT AND EQUIPMENT**

**5.1 Acquisition and disposal of Property, plant & equipment**

Quarter ended 30 Sep 2005	
Additions	Deletions

(Rupees in thousand)

**5.1.1 Detail of additions/deletions – Own Assets**

Buildings	4,642	–
Plant and Machinery	484,772	22,171
Service and Other Equipments	67	–
Furniture and Fixtures	4,777	–
Office Equipments	1,666	36
Vehicles	9,220	1,839
	<u>505,144</u>	<u>24,046</u>

**5.1.2 Detail of additions / deletions – Leased Assets**

Plant and Machinery	25,000	–
	<u>25,000</u>	<u>–</u>

	Note	Quarter ended 30 Sep 2005 (Rs. "000")
<b>6. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation		462,855
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation		153,958
Good will		(12,173)
Finance cost		171,031
Net gain on sale of fixed assets		(5,042)
Return on bank deposits		(22)
Provision for WPPF		2,213
Provision for earned leave		815
Working capital changes	6.1	(429,251)
		<u>344,384</u>
<b>6.1 Working capital changes</b>		
<b>(Increase)/ decrease in current assets:</b>		
Stores and spares		(413,932)
Stock-in-trade		59,800
Trade debts		(89,842)
Loans and advances		(120,593)
		<u>(564,567)</u>
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables		135,316
		<u>(429,251)</u>

**7. TRANSACTIONS WITH RELATED PARTIES AND TRANSFER PRICING POLICY:**

The related parties comprise of subsidiary, associated companies, directors of the Group, key management personnel and staff retirement fund. Detail of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follow:

Purchase of goods and services	155,776
Sale of goods and services	388,751

Transactions in relation to sales, purchases and services with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method.

**8. AUTHORIZATION**

These accounts have been authorised for issue by the Board of Directors on 28 October 2005

**9. GENERAL**

**9.1** Calculation of amounts for taxation and allocation to workers' profit participation fund is provisional, based on interim financial results / status. Actual calculations and provision will be based upon financial results for the whole year.

**9.2** Figures have been rounded off to the nearest thousand rupees.

**9.3** The comparative figures of the corresponding period have not been disclosed due to relaxation granted by Security Exchange Commission of Pakistan vide press release dated 25 October 2005.

Statement u/s 241(2) of the Companies Ordinance, 1984. These financial statements have not been authenticated by the Chief Executive as he is presently out of Pakistan.

Lahore  
28 October 2005

Director

Director