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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Rasheed (Chairman)
Mrs. Tanveer Rasheed
Mr. Mansoor Rasheed (Chief Executive)
Mr. Saud Rasheed
Ms. Rizwana Rasheed
Mrs. Ayesha Mansoor
Mrs. Amina Saud

AUDIT COMMITTEE

Mr. Saud Rasheed (Chairman)
Mrs. Ayesha Mansoor
Mrs. Amina Saud

CHIEF FINANCIAL OFFICER

Mr. Muhammad Kamran

COMPANY SECRETARY

Mr. Muhammad Kamran

STATUTORY AUDITORS

Amin, Mudassar & Co.
Chartered Accountants

LEGAL ADVISOR

International Legal Services

BANKERS

The Bank of Punjab
KASB Bank Limited
United Bank Limited
National Bank of Pakistan
Habib Bank Limited
Bank Alfalah Limited

REGISTERED OFFICE

30-Sher Shah Block, New Garden Town, Lahore.
Telephone: 042-35869827, 35842316, Fax: 042-35831846

FACTORY

DANDOT R.S., Distt. Jhelum.
Telephone: 0544-211371, 211491, Fax: 0544-211490

SHARE REGISTRAR

Corplink (Pvt.) Ltd.
Wings Arcade 1-K-Commerical, Model Town, Lahore.
Telephone: 042-35839182, 35887262, Fax: 042-35869037

WEBSITE

www.dandotcement.com

DIRECTOR'S REPORT TO THE SHAREHOLDERS

The Board of Directors presents the reviewed condensed interim financial statements of the company for the half year ended December 31, 2010.

Operational Performance

As disclosed in note no. 1 of these interim financial statements, the operations of the company were temporarily suspended during the first quarter of the period which were resumed in October, 2010. Following is the comparative data in M.Ton for the period under review:

| Particulars | Second Quarter ended | | Half Year ended | |
|--------------------|----------------------|-----------|-----------------|-----------|
| | Dec. 2010 | Dec. 2009 | Dec. 2010 | Dec. 2009 |
| Clinker production | 54,895 | 14,818 | 54,895 | 69,150 |
| Cement production | 50,650 | 16,728 | 50,650 | 72,513 |
| Cement dispatch | 48,881 | 17,328 | 48,881 | 72,627 |

Operating Results

The comparative financial results of the company for the period are summarized as below and all the figures are in Rupees in thousands:

| Particulars | Second Quarter ended | | Half Year ended | |
|----------------------|----------------------|-----------|-----------------|-----------|
| | Dec. 2010 | Dec. 2009 | Dec. 2010 | Dec. 2009 |
| Net sales | 189,302 | 44,674 | 189,302 | 233,269 |
| Gross loss | (74,455) | (74,976) | (136,429) | (126,572) |
| Loss before taxation | (151,146) | (144,935) | (271,702) | (272,324) |
| Net loss | (90,922) | (76,114) | (211,478) | (204,455) |

Future Prospects

Industry:

The cement industry during the period under review has been on the mend. Despite weakening demand in domestic and international market, the domestic cement prices gained some strength and consolidated during the period.

Once the winter is over, cement demand and prices are likely to improve on anticipated revival in construction activities in the past flood scenario. However, steep rise in input cost is more than offsetting improvement in prices. Prevailing general inflation in the country has bolstered all input cost including raw material, packing material and transportation cost. The impact is more pronounced in an unabated rise in electricity cost and the rise in prices of coal.

Company:

Energy efficiency, labour efficiency & productivity and right financial modeling, smooth plant operations are key factors to success of any cement plant. The management is committed for a balanced delivery of long term values to all stake holders including financiers, employees and shareholders.

Auditors' Observations

Due to the fact mentioned in note 5 of the reviewed condensed interim financial statements, current portion of the loan has not been classified in current liabilities. Due to closure of operations of the company in first quarter and financial crunch, the company was unable to pay dues of provident fund; However, management is very much confident that the payments will be regularized in subsequent period. Letters for the balance confirmations have been sent. Further, the directors have reasonable expectations that the company would be able to generate adequate resources in future to continue as going concern.

Acknowledgement

The board of directors is thankful to all stakeholders including but not limited to bankers, employees, suppliers, distributors as well as regulators and shareholders for their continued support, cooperation and trust especially in crises tenure faced by the company in the period under review.



MANSOOR RASHEED

Chief Executive

Lahore: March 05, 2011.

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED

INTERIM FINANCIAL INFORMATION

We have reviewed the accompanying condensed interim balance sheet of **Dandot Cement Co. Limited** as at December 31, 2010 and the related condensed interim profit and loss account, interim condensed cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (hereinafter referred to as "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 persons 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.

Basis for Qualified Conclusion

- (i) As referred in note no. 5 to the interim financial information, current portion and overdue installments aggregating Rs.402.142 million have not been classified under current liabilities.
- (ii) As explained in note no.6.2 to the interim financial information, the company could not pay dues of the Provident Fund Trust.
- (iii) Loans from Bank of Punjab, KASB Bank Limited, Economic Affairs Division (EAD), ex-sponsors and amount receivable from ex-associates remained unconfirmed as referred to note nos.5, 6 and 7 to the interim financial information.
- (iv) These interim financial information have been prepared on going concern basis despite the fact that the company has accumulated losses of Rs.2,768.496 million. Its current liabilities exceed the current assets by Rs.1,631.974 million. The company could not pay the installments due of long term loan, short term loan and amount due to employees benefits amounting Rs.641.206 million. Consequently, note no.1.2 to the interim financial information is equivocal.

Qualified Conclusion

Based on our review, with the exception of the matters described in preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.



CHARTERED ACCOUNTANTS

Engagement Partner: Muhammad Amin

Lahore: March 05, 2011.

Condensed Interim Balance Sheet

| | Note | (Un-Audited) Dec 31, 2010 (Rupees in thousand) | (Audited) June 30, 2010 |
|--|------|--|----------------------------|
| EQUITY AND LIABILITIES | | | |
| CAPITAL AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised capital 100,000,000 (June 2010:100,000,000) ordinary shares of Rs.10 each | | <u>1,000,000</u> | <u>1,000,000</u> |
| Issued, subscribed and paid-up capital | | 948,400 | 948,400 |
| Share premium reserve | | 31,801 | 31,801 |
| Accumulated loss | | (2,768,496) | (2,576,474) |
| | | <u>(1,788,295)</u> | <u>(1,596,273)</u> |
| SURPLUS ON REVALUATION OF FIXED ASSETS | | | |
| | | 1,158,173 | 1,177,629 |
| | | <u>(630,122)</u> | <u>(418,644)</u> |
| NON CURRENT LIABILITIES | | | |
| Loan from banking companies | 5 | 1,020,000 | 1,020,000 |
| Other loans | 6 | 368,992 | 378,366 |
| Liabilities against assets subject to finance lease | | - | - |
| Deferred liabilities | | - | 60,224 |
| Long term advances and deposits | | 7,379 | 7,358 |
| | | <u>1,396,371</u> | <u>1,465,948</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 922,524 | 801,321 |
| Mark up accrued | | 797,093 | 664,113 |
| Short term borrowings | 7 | 493,628 | 446,066 |
| Current portion of long term loans and liabilities | | 62,353 | 56,170 |
| Provision for taxation - income tax | | 15,790 | 15,790 |
| | | <u>2,291,388</u> | <u>1,983,460</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 8 | - | - |
| | | <u>3,057,637</u> | <u>3,030,764</u> |



MANSOOR RASHEED
Chief Executive



As at December 31, 2010

| | Note | (Un-Audited) Dec 31, 2010 (Rupees in thousand) | (Audited) June 30, 2010 |
|-------------------------------------|------|--|----------------------------|
| ASSETS | | | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | | | |
| Operating fixed assets | 9 | 2,193,030 | 2,230,649 |
| Capital work in progress | | 190,681 | 190,681 |
| | | 2,383,711 | 2,421,330 |
| Long term loans | | 187 | 202 |
| Long term security deposits | | 14,325 | 10,325 |
| | | 2,398,223 | 2,431,857 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 150,390 | 141,276 |
| Stock in trade | | 81,265 | 41,860 |
| Loans and advances | 10 | 355,657 | 348,035 |
| Deposits and short term prepayments | | - | - |
| Balances with statutory authorities | | 57,341 | 53,970 |
| Interest accrued | | 9,389 | 9,408 |
| Other receivables | | 514 | 569 |
| Cash and bank balances | | 4,858 | 3,789 |
| | | 659,414 | 598,907 |
| | | 3,057,637 | 3,030,764 |

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



SAUD RASHEED
Director



Condensed Interim Profit And Loss Account (Un-Audited)

For the Half Year ended December 31, 2010

| | Note | Second Quarter ended | | Half Year ended | |
|---|------|----------------------|------------------|----------------------|------------------|
| | | December 2010 | December 2009 | December 2010 | December 2009 |
| | | (Rupees in thousand) | | (Rupees in thousand) | |
| Sales (Net) | | 189,302 | 44,674 | 189,302 | 233,269 |
| Cost of sales | 11 | 263,757 | 119,650 | 325,731 | 359,841 |
| Gross loss | | (74,455) | (74,976) | (136,429) | (126,572) |
| Operating Expenses | | | | | |
| Distribution costs | | 1,085 | 566 | 1,182 | 1,276 |
| Administrative expenses | | 5,961 | 5,884 | 9,538 | 19,147 |
| | | 7,046 | 6,450 | 10,720 | 20,423 |
| Operating loss | | (81,501) | (81,426) | (147,149) | (146,995) |
| Finance costs | | (69,726) | (63,655) | (133,584) | (125,495) |
| Other income | 12 | 81 | 146 | 9,031 | 166 |
| | | (69,645) | (63,509) | (124,553) | (125,329) |
| Loss before taxation | | (151,146) | (144,935) | (271,702) | (272,324) |
| Taxation : | | | | | |
| Current | 13 | - | 228 | - | 1,180 |
| Deferred | | (60,224) | (69,049) | (60,224) | (69,049) |
| | | (60,224) | (68,821) | (60,224) | (67,869) |
| Net Loss after taxation | | (90,922) | (76,114) | (211,478) | (204,455) |
| Loss per weighted average shares- Basic (Rupees) | | (0.96) | (0.80) | (2.23) | (2.16) |

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



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director



Condensed Interim Statement of Comprehensive Income (Un-Audited)

For the Half Year ended December 31, 2010

| | Six months ended | | Quarter ended | |
|---|----------------------|-----------|----------------------|----------|
| | July to December | | October to December | |
| | 2010 | 2009 | 2010 | 2009 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| Loss for the period | (211,478) | (204,455) | (90,922) | (76,114) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | (211,478) | (204,455) | (90,922) | (76,114) |

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



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director

Condensed Interim Statement of Changes in Equity (Un-Audited)

For the Half Year ended December 31, 2010

| | SHARE CAPITAL | SHARE PREMIUM RESERVE | ACCUMULATED LOSS | TOTAL SHARE CAPITAL AND RESERVES | SURPLUS ON REVALUATION OF FIXED ASSETS | TOTAL |
|---|----------------|-----------------------|--------------------|----------------------------------|--|------------------|
| (Rupees in thousand) | | | | | | |
| Balance as at July 01, 2009 | 948,400 | 31,801 | (2,182,389) | (1,202,188) | 1,219,669 | 17,481 |
| Total comprehensive loss for the half year ended December 31, 2009 | - | - | (204,455) | (204,455) | - | (204,455) |
| Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax | - | - | 20,461 | 20,461 | (20,461) | - |
| Balance as at December 31, 2009 | 948,400 | 31,801 | (2,366,383) | (1,386,182) | 1,199,208 | (186,974) |
| Balance as at July 01, 2010 | 948,400 | 31,801 | (2,576,474) | (1,596,273) | 1,177,629 | (418,644) |
| Total comprehensive loss for the half year ended December 31, 2010 | - | - | (211,478) | (211,478) | - | (211,478) |
| Incremental depreciation transferred from surplus on revaluation of fixed assets -Net of deferred tax | - | - | 19,456 | 19,456 | (19,456) | - |
| Balance as at December 31, 2010 | 948,400 | 31,801 | (2,768,496) | (1,788,295) | 1,158,173 | (630,122) |

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


MANSOOR RASHEED
 Chief Executive


SAUD RASHEED
 Director

Condensed Interim Cash Flow Statement (Un-Audited)

For the Half Year ended December 31, 2010

| | Dec 31, 2010 | Dec. 31, 2009 |
|---|----------------------|---------------|
| | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (271,702) | (272,324) |
| Adjustments of items not involving movement of cash: | | |
| Depreciation | 37,736 | 40,099 |
| Provision for gratuity | - | - |
| Amortization of deferred cost | - | - |
| Finance cost | 133,584 | 125,495 |
| | 171,320 | 165,594 |
| Operating cash flows before working capital changes | (100,382) | (106,730) |
| (Increase)/Decrease in operating assets: | | |
| Stores, spares and loose tools | (9,114) | (1,623) |
| Stock in trade | (39,405) | (11,096) |
| Loans and advances | (7,622) | (9,142) |
| Deposits and short term prepayments | - | 522 |
| Other receivables | 55 | (26) |
| Increase/(Decrease) in trade and other payables | 121,204 | 147,315 |
| | 65,118 | 125,950 |
| | (35,264) | 19,220 |
| Long term advances and deposits | 21 | 96 |
| Gratuity paid | - | (376) |
| Finance cost paid | (586) | (471) |
| Income tax paid | (3,371) | (6,986) |
| Net Cash Flows From Operating Activities | (39,200) | 11,483 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditure | (117) | - |
| Long term security deposits | (4,000) | - |
| Long term loans | 15 | (139) |
| Net Cash Flows From Investing Activities | (4,102) | (139) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Other loans | (3,191) | 1,697 |
| Short term borrowings | 47,562 | (12,895) |
| Net Cash Flows From Financing Activities | 44,371 | (11,198) |
| Net Increase in Cash and Cash Equivalents | 1,069 | 146 |
| Cash and Cash Equivalents at Beginning of the Period | 3,789 | 3,867 |
| Cash and Cash Equivalents at End of the Period | 4,858 | 4,013 |

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


MANSOOR RASHEED
 Chief Executive


SAUD RASHEED
 Director

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the Half Year ended December 31, 2010

1 THE COMPANY AND ITS OPERATIONS

1.1 The Company is a Public Limited Company incorporated in Pakistan and is listed on Karachi and Lahore Stock exchanges. The Company started its production on March 01, 1983 and has been engaged in production and sale of cement. The company is a subsidiary of Three Stars Cement (Pvt) Ltd.

1.2 The company has accumulated loss of Rs.2,768.496 million and its current liabilities exceed its current assets by Rs. 1,631.974 million as at December 31, 2010. In spite of the adverse current ratio and large accumulated loss, the company has continued financial support from its sponsoring directors as they are planning to inject further working capital in the company. In October 2009, due to poor economic conditions, low prices of cement and financial crunch, management has decided the temporary shutdown of the operations of the company. However, in October 2010, with the increase in cement prices and rise in demand of cement, the operations of the company have been resumed after arranging necessary funds by the management.

The directors of the company are confident that in view of the above factors and their full commitment and determination to promote the company's objectives in the long run the company will continue its operations as going concern. Accordingly, these interim condensed financial information have been prepared on going concern basis.

2 STATEMENT OF COMPLIANCE

These condensed interim financial information have been reviewed by Auditors of the company and is prepared in accordance with International Financial Reporting Standard 'IAS-34 - Interim Financial Reporting' and should be read in conjunction with the Annual Audited Financial Statements for the year ended June 30, 2010. These condensed interim financial information are being submitted to the shareholders as required by Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi and Lahore Stock Exchange.

3 STATEMENT OF CONSISTENCY IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial information are the same as those adopted in preparation of financial statements for the year ended June 30, 2010.

4 SIGNIFICANT ESTIMATES

The preparation of these condensed interim financial information requires management to make judgment, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and related disclosures at the date of financial information. Actual results may differ from these estimates. In preparing these financial information, the significant judgments made by the management in applying accounting policies. Key estimates and uncertainty includes, but not limited to:

- Depreciation methods, residual values and useful life of depreciable assets
- Taxation
- Provisions and Contingencies

| | Note | Dec. 31, 2010 (Rupees in thousand) | June 30, 2010 |
|--------------------------------------|------|---------------------------------------|------------------|
| 5 LOAN FROM BANKING COMPANIES | | | |
| The Bank of Punjab Limited | | | |
| - Demand finance facility | | 750,000 | 750,000 |
| - Bridge finance facility | | 270,000 | 270,000 |
| | 5.1 | <u>1,020,000</u> | <u>1,020,000</u> |

5.1 The company has filed a suit in the Lahore High Court, Lahore against BOP for declaration, permanent injunction, discharge, cancellation of documents, redemption of property and damages to the tune of Rs.1,926 Million on account of various breaches of its obligation committed by BOP. BOP has also filed its Petition for Leave to Appeal (PLA) in the same and the matter is pending adjudication before the honorable court.

BOP has instituted a suit against the company for recovery of Rs.1,626.625 Millions along with markup / Cost of funds in the Lahore High Court, Lahore. Petition for Leave to Appeal (PLA) on behalf of the company has been filed in the same and the matter is pending adjudication.

6 OTHER LOANS

| | | | |
|---|-----|----------------|----------------|
| Economic Affairs Division, Government of Pakistan (EAD) | | 35,232 | 35,232 |
| Ex-Sponsors' Loan | 6.1 | 250,000 | 250,000 |
| Holding Company | | 53,675 | 53,675 |
| Provident Fund Trust | 6.2 | 60,252 | 60,252 |
| Peace agreement arrears | | 32,170 | 35,362 |
| | | <u>431,329</u> | <u>434,521</u> |
| Less: Current maturity | | 62,337 | 56,155 |
| | | <u>368,992</u> | <u>378,366</u> |

6.1 This represents loan received from Ex-management Mr.A.Rafique Khan and Mr.Tousif Peracha as subordinated to Bank of Punjab loan facility. It is interest free, unsecured and is repayable after repayment of loan of Bank of Punjab.

6.2 The Securities & Exchange Commission of Pakistan (SECP) had passed an order on August 13, 2009 that the company should provide mark-up on old dues till June 30, 2008 and an overdue current provident fund contributions till September 30, 2009 and repay all the principal portion of old dues and overdue current provident fund contributions along with mark-up there on in installments of Rs. 0.5 million per month from October 2009. The markup accruals has been made in the books of accounts and interim financial information in accordance with the SECP order. Due to financial crunch, the company was unable to pay current and old dues of provident fund. However, management is committed to regularize the payments in the subsequent period.

| | Note | Dec. 31, 2010 (Rupees in thousand) | June 30, 2010 |
|--|------|---------------------------------------|---------------|
| 7 SHORT TERM BORROWINGS | | | |
| Running finances - secured | | | |
| KASB Bank Limited | 7.1 | 290,000 | 290,000 |
| Others - Secured | | | |
| The Bank of Punjab | | 57,256 | 57,256 |
| The Bank of Punjab | | 83,600 | 83,600 |
| | | 140,856 | 140,856 |
| Bank Overdraft - unsecured | | 1,590 | 456 |
| Loan from Related Parties - unsecured | | | |
| Director | | 42,984 | 1,097 |
| Others | | 18,198 | 13,657 |
| | | 61,182 | 14,754 |
| | | 493,628 | 446,066 |

7.1 KASB Bank Limited has instituted a suit against the company for recovery of Rs.351.732 million alongwith markup / cost of funds in the Lahore High Court, Lahore. Petition for Leave to Appeal (PLA) on behalf of the company has been filed in the same and the matter is pending adjudication.

The facility is secured by 1st pari passu charge on plant and machinery of the company amounting Rs.400 million and lien over deposit of Rs.176.5 million in saving account of Mr. Tauseef Peracha and Mr. A. Rafique Khan.

8 CONTINGENCIES AND COMMITMENTS

- The company has not accounted for Rs.165.375 Million (June 30, 2010: Rs. 137.825 Million) additional profit/ liquidated damages on the loan payable to KASB Bank Limited as the matter is subjudice with the honourable Lahore High Court as referred to note no. 6.1 to the financial information.
- Except the above there has been no significant change in contingencies and commitments since the date of preceding published annual financial statements.

9 OPERATING FIXED ASSETS

| | | |
|-----------------------------|-----------|-----------|
| Opening fixed assets at WDV | 2,230,649 | 2,313,958 |
| Additions | 117 | - |
| (Deletions) | - | (23,922) |
| | 2,230,766 | 2,290,036 |
| Less: depreciation: | | |
| For the period | 37,736 | 79,856 |
| On disposal | - | (20,469) |
| | 37,736 | 59,387 |
| | 2,193,030 | 2,230,649 |

10 LOAN AND ADVANCES

These include amount Rs. 250 million (June 30, 2010: Rs. 250 million) receivable from Gharibwal Cement Limited (GCL), the past associated company.

11 COST OF SALES

| | Second Quarter ended | | Half Year ended | |
|---------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
| | Dec. 2010 (Rupees in thousand) | Dec. 2009 | Dec. 2010 (Rupees in thousand) | Dec. 2009 |
| Raw materials consumed | 27,455 | 12,333 | 27,455 | 21,877 |
| Salaries, wages and benefits | 28,549 | 29,334 | 70,549 | 73,604 |
| Fuel, gas and electricity | 199,041 | 46,236 | 201,135 | 193,747 |
| Stores and spares | 5,560 | 873 | 5,560 | 6,659 |
| Rent, rates and taxes | 46 | 3 | 46 | 17 |
| Vehicle running and maintenance | 3,562 | 1,186 | 3,562 | 4,991 |
| Packing material | 18,165 | 5,617 | 18,165 | 23,390 |
| Depreciation | 17,881 | 18,920 | 35,761 | 37,841 |
| Others | 6,197 | 2,417 | 6,197 | 8,808 |
| | 306,456 | 116,919 | 368,430 | 370,934 |
| Adjustment of work in process | (31,221) | 1,159 | (31,221) | (11,118) |
| Cost of goods manufactured | 275,235 | 118,078 | 337,209 | 359,816 |
| Adjustment of finished goods | (11,478) | 1,572 | (11,478) | 25 |
| | 263,757 | 119,650 | 325,731 | 359,841 |

12 OTHER INCOME

Other income includes an amount of Rs. 8.950 Million in respect of tenderable gain surrendered by the two directors of the company under section 224 of the Companies Ordinance, 1984.

13 TAXATION

Minimum tax u/s 113 of Income Tax Ordinance, 2001 has not been made as the company suffered gross loss before depreciation charge.

| Half Year ended | |
|----------------------|---------------|
| Dec. 31, 2010 | Dec. 31, 2009 |
| (Rupees in thousand) | |

14 TRANSACTIONS WITH RELATED PARTIES

Three Stars Hosiery Mills (pvt) Ltd.

(Associated company due to common directorship)

| | | |
|--------------------|-------|---|
| Goods and services | 30 | - |
| Funds paid back | 43 | - |
| Loan received | 1,000 | - |

Active Apparel International (Pvt) Ltd

(Associated company due to common directorship)

| | | |
|-----------------|-------|---|
| Loan received | 5,060 | - |
| Funds paid back | 505 | - |

The Forwarder (Pvt) Ltd

(Associated company due to common directorship)

| | | |
|--------------------|---|-------|
| Fund received back | - | 3,400 |
|--------------------|---|-------|

15 CORRESPONDING FIGURES

- Corresponding figures, wherever necessary, have been rearranged. However, there was no material reclassifications to report.
- Figures have been rounded off to the nearest thousand rupees.

16 DATE OF AUTHORISATION

These condensed interim financial information were authorised for issue on March 05, 2011 by the Board of Directors of the company.



MANSOOR RASHEED
Chief Executive



SAUD RASHEED
Director