

AUDITORS' REPORT TO THE SHAREHOLDERS

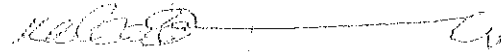
We have audited the annexed balance sheet of **ITTEFAQ SONS (PVT.) LIMITED**, as at June 30, 2014 and the related profit and loss account, cash flow statement and statement of changes in equity together with notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

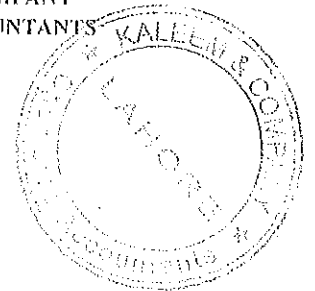
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Muhammad Kaleem Rathor
Lahore
Date: October 02, 2014



KALEEM AND COMPANY
CHARTERED ACCOUNTANTS



HITEPAQ SONS (PVT.) LIMITED
BALANCE SHEET AS AT JUNE 30, 2014

<u>EQUITY & LIABILITIES</u>	Notes	2014 RUPEES	2013 RUPEES	<u>ASSETS</u>	Notes	2014 RUPEES	2013 RUPEES
<u>SHARE CAPITAL & RESERVES</u>				<u>NON-CURRENT ASSETS</u>			
Share Capital							
Authorized Capital				Property Plant & Equipments	12	1,678,643,206	1,739,023,371
10,000,000 Ordinary Shares of Rs. 100/- each (2013: 10,000,000 Shares)		1,000,000,000	1,000,000,000	Capital W.I.P		12,631,572	-
Issued Subscribed & Paid-up Capital				Long-Term Security Deposits		18,439,804	14,990,500
8,947,124 Ordinary Shares of Rs. 100/- each (2013: 8,947,124 shares)		894,712,400	894,712,400				
Unappropriated Profit		408,044,330	278,315,459				
		1,302,756,730	1,173,027,859				
Surplus on Revaluation of Fixed Assets	4	437,766,554	480,387,310				
<u>NON-CURRENT LIABILITIES</u>							
Sponsors Loans -subordinated		316,329,215	316,329,215				
Long Term Loans	5	49,967,048	132,592,048				
Liabilities Against Assets Subject to Finance Lease	6	10,500,000	-				
		376,796,263	448,921,263				
Deferred Liabilities	7	19,989,100	17,394,852				
<u>CURRENT LIABILITIES</u>				<u>CURRENT ASSETS</u>			
Trade and Other Payables	8	734,919,745	801,453,597	Stores, Spares & Loose Tools		184,672,185	103,206,258
Finance Cost Payable		50,774,795	54,810,087	Stock in Trade	13	1,400,507,901	1,438,714,459
Short Term Borrowings	9	1,046,406,202	900,985,112	Trade Debts		301,788,564	295,676,279
Current Portion of Long Term Liabilities	10	111,900,000	104,375,000	Advances, Deposits, Prepayments &			
Provision for Taxation		178,414,540	128,731,143	Other Receivables	14	318,195,312	85,264,226
		2,122,415,282	1,990,354,939	Taxes Refundable	15	332,519,735	279,924,630
Contingencies & Commitments	11			Cash & Bank Balances	16	12,325,650	153,286,500
						2,530,009,347	2,356,072,352
		4,259,723,929	4,110,086,223			4,259,723,929	4,110,086,223

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

Mian. Zahid
CHIEF EXECUTIVE

Jamil
DIRECTOR



ITTEFAQ SONS (PVT.) LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	NOTE	2014 <u>RUPEES</u>	2013 <u>RUPEES</u>
Sales-Net	17	4,110,125,936	3,138,386,973
Less: Cost of Sales	18	3,749,261,333	2,852,758,382
Gross Profit		360,864,603	285,628,591
Distribution Cost	19	12,177,681	6,497,055
Administrative Expenses	20	37,867,674	31,438,114
		50,045,355	37,935,169
Operating Profit		310,819,248	247,693,422
Other Income	21	6,921,886	2,634,003
		317,741,134	250,327,425
Finance Cost	22	176,034,153	157,432,068
Workers Profit Participation Fund		7,085,349	4,644,768
Workers Welfare Fund		2,639,640	1,730,404
Profit Before taxation		131,981,992	86,520,185
Provision For taxation		44,873,877	30,282,065
Profit After taxation		87,108,115	56,238,120
Earning Per Share		9.74	6.29

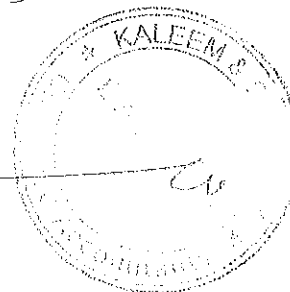
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Mian. Zahid

CHIEF EXECUTIVE

Kaleem

DIRECTOR



Kaleem

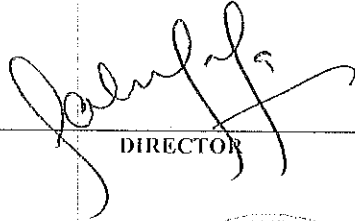
ITTEFAQ SONS (PVT.) LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED JUNE 30, 2014

	Share Capital <u>RUPEES</u>	Accumulated Profit <u>RUPEES</u>	Total <u>RUPEES</u>
Balance as on June 30, 2012	894,712,400	175,472,293	1,070,184,693
Net Profit for the year 2013	-	56,238,120	56,238,120
Prior Year Adjustment	-	(607,333)	(607,333)
Incremental Depreciation transferred from Surplus on Rev. of fixed assets	-	47,212,379	47,212,379
Balance as on June 30, 2013	894,712,400	278,315,459	1,173,027,859
Net Profit for the year 2014	-	87,108,115	87,108,115
Incremental Depreciation transferred from Surplus on Rev. of fixed assets	-	42,620,756	42,620,756
Balance as on June 30, 2014	894,712,400	408,044,330	1,302,756,730

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

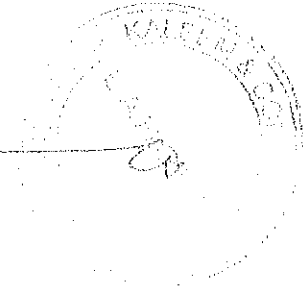


 CHIEF EXECUTIVE



 DIRECTOR

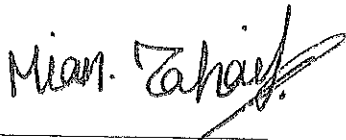




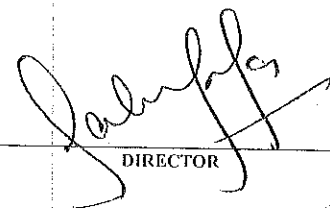
ITTEFAQ SONS (PVT.) LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	2014 RUPEES	2013 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	131,981,992	86,520,185
Adjustments for:		
Depreciation	154,776,885	116,199,246
Provision of Gratuity	11,122,979	6,371,038
Gain on Sale of Fixed Asset	(3,278,042)	(157,925)
Finance Cost	176,034,153	157,432,068
Profit Before Working Capital Changes	338,655,975	279,844,427
Working Capital Changes	470,637,967	366,364,612
(INCREASE)/ DECREASE IN		
Stores, Spares & Loose Tools	(81,465,927)	(32,747,110)
Stock in Trade	38,206,558	(138,545,068)
Trade Debts	(6,112,285)	26,818,194
Advances, Deposits, Prepayments & Other Receivables	(232,931,086)	26,075,597
INCREASE/ (DECREASE) IN	(282,302,740)	(118,398,386)
Trade and Other Payables	(66,533,852)	334,981,762
Cash Generated from Operations	121,801,375	582,947,988
Taxes Paid	(47,785,585)	(60,354,930)
Finance Cost Paid	(180,069,445)	(170,889,362)
Gratuity Paid	(8,528,731)	(3,885,875)
Net Cash (used in) Operating Activities	(236,383,761)	(235,130,167)
	(114,582,386)	347,817,821
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Assets Acquired	(69,640,686)	(643,116,755)
Capital Work in Progress	(12,631,572)	516,788,780
Disposal of Fixed Asset	7,811,718	450,000
Security Deposits	(3,449,304)	(87,500)
Net Cash (used in) Investing Activities	(77,909,844)	(125,965,475)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long Term Loans	(83,500,000)	(100,924,700)
Due to Associated Undertakings	-	-
Short Term Borrowings	145,421,090	(14,690,677)
Liabilities Against Assets Subject to Finance Lease	(10,389,710)	-
Net Cash From/(used in) Financing Activities	51,531,380	(115,615,377)
Net (Decrease) in Cash and Cash Equivalents	(140,960,850)	106,236,969
Cash & Cash Equivalents at the Beginning of the Year	153,286,500	47,049,531
Cash & Cash Equivalents at the End of the Year	12,325,650	153,286,500

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

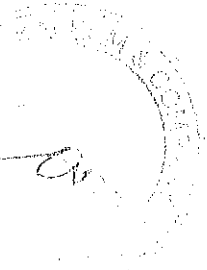


CHIEF EXECUTIVE



DIRECTOR





ITTEFAQ SONS (PVT.) LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2014

1 NATURE AND STATUS OF COMPANY

Ittefaq Sons (Pvt.) Limited ("the Company") was incorporated on February 20, 2004 as a Private Limited Company under the Companies Ordinance 1984. The principal activity of the company is manufacturing of Steel, Copper and other allied products. The registered office of the company is situated at 40, B-II Gulberg III M. M. Alam Road, Lahore.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the companies ordinance 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Measurement

These accounts have been prepared under historical cost convention without any adjustments for the effects of inflation or current values.

3.2 Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits available of Income Tax Ordinance 2001. As the company foresees no major timing differences likely to reverse in the foreseeable future, hence no provision for deferred tax is made.

3.3 Foreign Currency Transactions

Foreign Currency transactions are converted into Pak Rupees using the rates prevailing at the date of transaction while assets & liabilities are converted into Pak Rupees using the rates of exchange prevailing at the balance sheet date. Exchange gains and losses on conversion are charged to income currently.

3.4 Fixed Assets and Depreciation

- a) The company has changed its policy for the valuation of certain tangible fixed assets from cost to revaluation model.
- b) Maintenance and normal repairs are charged to current year's income. Major renewals and improvements are capitalized.
- c) Gains and losses on disposal of fixed assets are included in income currently.
- d) The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying amounts exceed the estimated recoverable amount, assets are written down to the recoverable amount.
- e) Depreciation on fixed assets is provided on the reducing balance method at the rates specified in the fixed asset schedule. Acquisitions during the year are depreciated proportionately, from date of purchase to accounting year end. Depreciation is also charged on assets sold during the year proportionately.

(Signature)



Depreciation for the year has been allocated as under :-

	2014	2013
	RUPEES	RUPEES
Cost of Sales	95%	147,038,041
Administrative Expenses	5%	7,738,844
		5,809,962
		116,199,246
		154,776,885

12.2 The Following Assets were sold during the year.

Particulars of Buyers	Description of Asset	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Gain/(Loss)	Mode of Disposal
Insurance Claim	LEN-8017	88,700	48,307	40,393	65,000	24,607	Negotiation
Mr. Gulraiz Nazeer S/O Nazeer Baig	LEM-08-9412	74,700	53,615	19,085	31,718	12,633	Negotiation
Mr. Shahbaz Aji S/O M. Ilyas	LEC-07-7355	1,575,000	1,116,068	458,932	1,215,000	756,068	Negotiation
Sold as scrap	Cold rolling mill	8,400,000	4,384,734	4,015,266	6,500,000	2,484,734	Negotiation
		10,138,400	5,604,724	4,533,676	7,811,718	3,278,042	

12.3 Property, Plant & Equipment for the year 2013

PARTICULARS	COST/Revalued Amount				Rate %	Depreciation				WDV As At 30-06-2013
	As At 01-07-2012	Addition	Adjustments	As At 30-06-2013		As At 01-07-2012	Adjustments	For The Year	As At 30-06-2013	
Land	62,875,000	-	-	62,875,000	-	-	-	-	62,875,000	
Building	296,220,420	171,428,011	-	467,648,431	5	14,811,021	16,207,449	31,018,470	436,630,961	
Plant & Machinery	765,053,388	379,213,835	115,000,000	1,259,267,223	10	76,505,339	78,309,177	208,698,801	1,050,568,422	
Grid Station	57,279,039	-	-	57,279,039	10	25,147,475	3,213,156	28,360,631	28,918,408	
Electric Installation	100,194,729	91,311,959	-	191,506,688	10	43,783,588	7,917,659	51,701,247	139,805,441	
Vehicles	18,591,487	787,160	1,575,000	20,953,647	20	6,101,474	2,561,020	9,592,692	10,836,955	
Furniture & Fixture	4,633,691	(524,000)	-	4,806,066	10	1,894,535	-	2,172,899	2,633,167	
Office Equipment	1,963,283	170,375	-	2,168,698	20	1,147,914	278,364	1,311,101	857,597	
Laboratory Equipment	1,232,088	205,415	-	1,232,088	10	4,931,274	630,081	5,561,355	5,670,733	
Arms & Ammunition	146,013	-	-	146,013	10	62,725	8,329	71,054	74,959	
Tools	302,509	-	-	302,509	10	132,811	16,970	149,781	152,728	
Year 2013	1,318,493,647	642,592,755	116,575,000	2,077,661,402		174,518,156	109,305,392	338,638,031	1,739,023,371	

LEASED ASSETS

PARTICULARS	COST				Rate %	Depreciation			
	As At 01-07-2012	Addition	Adjustments	As At 30-06-2013		As At 01-07-2012	Adjustment	For The Year	As At 30-06-2013
Plant & Machinery	115,000,000	-	(115,000,000)	-	10	47,093,650	(53,884,285)	6,790,635	-
Vehicles	1,575,000	-	(1,575,000)	-	20	1,058,904	(1,162,123)	103,219	-
Year 2013	116,575,000	-	-	-		48,152,554	(55,046,408)	6,893,854	-
Total for the Year 2013	1,435,068,647	642,592,755	116,575,000	2,077,661,402		222,670,710	(231,925)	116,199,246	338,638,031

12.4 The Following Assets were sold during the year 2013

Particulars of Buyers	Description of Asset	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Gain/(Loss)	Mode of Disposal
Art/Mash, Lake city Ltd	Vehicle	524,000	231,925	292,075	430,000	157,925	Negotiation

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12 PROPERTY, PLANT & EQUIPMENTS

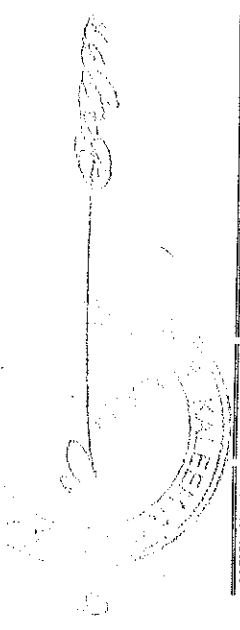
PARTICULARS	COST/Revalued Amount				Rate %	Depreciation				WDV As At 30-06-2014
	As At 01-07-2013	Addition/ (Deletion)	Adjustments	As At 30-06-2014		As At 01-07-2013	Adjustments	For The Year	As At 30-06-2014	
Land	62,873,000	-	-	62,873,000	-	-	-	-	62,873,000	
Building	467,648,431	28,002,836	-	495,651,267	5	-	22,184,410	53,202,880	442,448,387	
Plant & Machinery	1,259,267,223	34,928,902	-	1,294,196,125	10	-	108,270,546	312,684,595	973,111,530	
		(8,400,000)	-			(4,384,752)				
Grid Station	57,279,039	-	-	57,279,039	10	-	2,891,841	31,252,472	26,026,567	
Electric Installation	191,506,688	-	-	191,506,688	10	-	13,980,544	65,681,791	125,824,897	
Vehicles	20,429,647	6,233,200	-	24,924,447	20	-	3,310,345	11,683,065	13,241,382	
		(1,738,400)	-			(1,219,972)				
Furniture & Fixture	4,806,066	96,000	-	4,902,066	10	-	272,917	2,445,816	2,456,250	
Office Equipment	2,168,698	379,748	-	2,548,446	20	-	247,469	1,558,570	989,876	
Laboratory Equipment	11,232,088	-	-	11,232,088	10	-	567,073	6,128,428	5,103,660	
Arms & Ammunition	146,013	-	-	146,013	10	-	7,496	78,550	67,463	
Tools	302,509	-	-	302,509	10	-	15,273	165,054	137,455	
Year 2014	2,077,661,402	< 69,640,886	-	2,137,165,688		(5,604,724)	151,847,914	484,881,221	1,652,283,467	
		(10,138,400)								

12.1 The surplus on revaluation of land, building and plant & machinery was determined as on June 11, 2011 by M/S Riyadh Co. (Approved Valuer of Pakistan Bank's Association) on current replacement cost basis as follows:

	Original Cost Rupees	Book Value Rupees	Revalued amount Rupees	Revaluation Surplus Rupees
Land	33,322,002	33,322,002	62,873,000	29,551,998
Building	301,589,141	241,643,900	296,220,420	54,574,520
Plant & Machinery	428,928,610	269,374,614	765,053,388	495,778,774
Total	763,839,753	544,242,516	1,124,148,808	579,906,292

LEASED ASSETS

PARTICULARS	COST				Rate %	Depreciation				WDV As At 30-06-2014
	As At 01-07-2013	Addition	Adjustments	As At 30-06-2014		As At 01-07-2013	Adjustments	For The Year	As At 30-06-2014	
Plant & Machinery	-	29,289,710	-	29,289,710	10	-	2,928,971	2,928,971	26,360,739	
Vehicles	-	29,289,710	-	29,289,710	20	-	2,928,971	2,928,971	26,360,739	
Year 2014	-	29,289,710	-	29,289,710		-	2,928,971	2,928,971	26,360,739	
Total for the Year 2014	2,077,661,402	96,930,396	-	2,166,453,398		338,638,031	(5,604,724)	154,776,885	487,810,192	
									1,678,643,206	



3.5 Stores, Spares and Loose Tools

Stores, spares and loose tools are valued at cost on moving average basis, except store in transit which is stated at cost accumulated up to the balance sheet date.

3.6 Stock in Trade

Stock in trade is valued at lower of cost or Net realizable value.

3.7 Borrowing Cost

Interest, mark-up and other charges on long term liabilities are capitalized up to the date of commissioning of respective fixed assets acquired and produced out of the proceeds of such long term liabilities. All other interest, mark-up and other charges are charged to income.

3.8 Receivables

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.9 Trade and Other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

3.10 Provisions

Provisions are recognized when the company has a present obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.11 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to set-off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability.

3.12 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is included in the income currently.

4 SURPLUS ON REVALUATION OF FIXED ASSETS

This represents surplus over book value resulting from revaluation of fixed assets as referred to in fixed assets schedule.

	2014 <u>RUPEES</u>	2013 <u>RUPEES</u>
Opening Balance	480,387,310	527,599,689
Amount equal to Incremental Depreciation transferred to Equity	42,620,756	47,212,379
	<u>437,766,554</u>	<u>480,387,310</u>

The company has complied with the requirements of SRO 45(I)2003 for the effect of incremental depreciation. The incremental depreciation charged on revalued assets, except land, during the years has been transferred to retained earnings / accumulated profit/(Loss) to record realization of surplus to the extent of incremental depreciation to comply with the amendment in section 235 of Companies Ordinance, 1984 further notification of Securities and Exchange Commission of Pakistan to clarify the treatment of surplus arising on revaluation of fixed assets.



	2014 RUPEES	2013 RUPEES
5 LONG TERM LOANS		
Soneri Bank Limited	109,976,000	149,976,000
Bank of Punjab Limited	43,491,048	86,991,048
	<u>153,467,048</u>	<u>236,967,048</u>
Less: Current Portion	103,500,000	104,375,000
	<u>49,967,048</u>	<u>132,592,048</u>

5.1 Long term loans were obtained from various commercial banks. The loans are secured against mortgage of Land, Building, Plant & Machinery and the personal guarantees of all the directors of the company. Mark-up is charged at the rate ranging from 3-months to 6-months KIBOR plus 2.25% to 2.5% per annum. The loans will be expired on the dates ranging from 31 March, 2015 to 30 June, 2017.

6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2014		2013	
	Payable within one year	Payable after one year but less than five years	Payable within one year	Payable after one year but less than five years
Total of Minimum lease payments	11,506,855	12,053,425	-	-
Less: Finance cost	(3,106,855)	(1,553,425)	-	-
Present value of Minimum lease payments.	<u>8,400,000</u>	<u>10,500,000</u>	-	-

6.1 The rate of interest used as discounting factor ranging from 3 to 6 months KIBOR + 3 to 4 % per annum with floor of 12.5%. The taxes, repairs and insurance cost are borne by lessee. Lessee shall have no right to terminate the lease agreement and if lease agreement is terminated, the lessee shall pay entire amount of rentals for unexpired period of lease agreements. In all the above leases, the purchase option is available to the company which it intends to avail. This lease is secured against the ownership of leased asset in the name of bank and the Personal Guarantees of the Directors.

7 DEFERRED LIABILITIES

Staff Gratuity:

Opening Balance

Add: Provision for the Year

17,394,852	14,909,689
11,122,979	6,371,038
28,517,831	21,280,727
8,528,731	3,885,875
<u>19,989,100</u>	<u>17,394,852</u>

Less: Payments During the Year

8 TRADE AND OTHER PAYABLES

Sundry Creditors	528,003,896	497,441,089
Advances from Customers /Associated Undertaking	129,772,323	211,250,273
Accrued Expenses	51,401,913	54,498,024
Security Deposits Payable	5,450,900	22,351,811
Others Payables	4,190,552	9,537,228
Workers' Profit Participation Fund	11,730,117	4,644,768
Workers' Welfare Fund	4,370,044	1,730,404
	<u>734,919,745</u>	<u>801,453,597</u>

9	<u>2014</u> <u>RUPEES</u>	<u>2013</u> <u>RUPEES</u>
Bank of Punjab Ltd.	309,249,562	349,249,562
KASB Bank Limited	166,446,158	216,083,533
National Bank of Pakistan Ltd.	357,726,442	335,652,017
MCB Bank Limited	212,984,040	-
	<u>1,046,406,202</u>	<u>900,985,112</u>

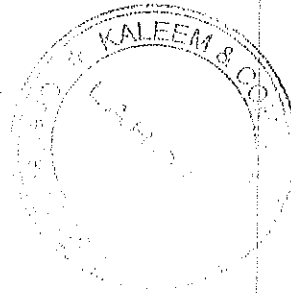
9.1 Short term borrowings were obtained from various commercial banks. The borrowings are secured against charge over Raw Material, Finished Goods, Imported Chemicals and the personal guarantees of all the directors of the company. Mark-up rate charged at the rate ranging from 3-months to 6-months KIBOR plus 2.25% to 3.0% per annum. These loan will expire within the period ranging from November 2014 to June 2015.

10 CURRENT PORTION OF LONG TERM LIABILITIES

Current Portion of Long Term Loans	103,500,000	104,375,000
Current Portion of Liabilities Against Assets Subject to Finance Lease	8,400,000	-
	<u>111,900,000</u>	<u>104,375,000</u>

11 CONTINGENCIES AND COMMITMENTS

There were no known contingencies as at June 30, 2014 (2013: Nil). The commitments against Letter of Credit are of Rs. 85,000,000 as at June 30, 2014 (2013: Rs.398,264,750).



	<u>2014</u> <u>RUPEES</u>	<u>2013</u> <u>RUPEES</u>
13 STOCK IN TRADE		
Stock of Raw Material	480,050,859	438,948,944
Finished Goods	920,457,042	999,765,515
	<u>1,400,507,901</u>	<u>1,438,714,459</u>
14 ADVANCES, DEPOSITS, PREPAYMENTS & OTHER RECEIVABLES		
Advance to :		
-Suppliers	46,374,051	45,813,788
-Office Staff	2,774,411	2,699,318
-Clearing Agent	2,186,338	3,289,054
-Staff for Expenses	7,616,566	8,496,110
Advances Against L/C	121,876,769	8,849,467
Security Deposits	62,252,331	5,295,830
Letter of Guarantee	4,907,984	1,800,000
Other Receivables	70,206,862	9,020,659
	<u>318,195,312</u>	<u>85,264,226</u>
15 TAXES REFUNDABLE		
Sales Tax Receivable	38,011,682	13,631,339
Advance Income Tax	294,508,053	266,293,291
	<u>332,519,735</u>	<u>279,924,630</u>
16 CASH AND BANK BALANCES		
Cash at Banks	2,290,864	148,944,179
Cash in Hand	10,034,786	4,342,321
	<u>12,325,650</u>	<u>153,286,500</u>
17 SALES		
Export Sales	9,861,522	36,317,113
Local Sales	4,175,935,242	3,154,133,437
Total Sales	4,185,796,764	3,190,450,550
Less : Sales Tax	75,670,828	52,063,577
	<u>4,110,125,936</u>	<u>3,138,386,973</u>
18 COST OF SALES		
Raw Material Consumed	2,203,703,345	1,916,712,142
Salaries, Wages & Benefits	132,044,974	105,270,474
Store Consumption	221,208,600	124,363,271
Fuel and Power	805,903,665	554,411,682
Repair & Maintenance	70,789,830	43,859,459
Freight Expenses	48,452,481	72,726,518
Vehicles Running Expenses	10,488,414	9,457,607
Insurance Charges	4,901,012	3,973,299
Traveling & Conveyance	224,370	87,072
Entertainment	716,704	995,818
Printing & Stationery	553,364	723,887
Rent, Rates & Taxes	293,918	1,404,000
Telephone Expense	869,546	865,918
Laboratory Expense	794,046	565,083
Misc. Expenses	21,970,550	4,442,066
Depreciation	147,038,041	110,389,284
	<u>3,669,952,860</u>	<u>2,950,247,581</u>
Opening Stock	999,765,515	902,276,316
Closing Stock	(920,457,042)	(999,765,515)
	<u>3,749,261,333</u>	<u>2,852,758,382</u>



	<u>2014</u> <u>RUPEES</u>	<u>2013</u> <u>RUPEES</u>
18.1 Raw Material consumed		
Opening Raw material stock	438,948,944	397,893,075
Add: Purchases during the year	2,244,805,260	1,957,768,011
	2,683,754,204	2,355,661,086
Less: Consumption during the year	2,203,703,345	1,916,712,142
Closing stock	480,050,859	438,948,944
19 DISTRIBUTION COST		
Salaries, Wages and Benefits	1,326,590	1,197,978
Advertising Expenses	1,509,265	737,790
Packing Expenses	3,553,472	2,333,539
Loading/Unloading	761,639	2,091,218
Sample Test Expenses	150,600	136,530
Others	4,876,115	-
	12,177,681	6,497,055
20 ADMINISTRATIVE EXPENSES		
Salaries, Wages and Benefits	18,792,239	14,768,235
Fee & Subscription	1,059,462	2,621,509
Legal & Professional Charges	1,166,761	553,000
Auditors' Remuneration	550,000	550,000
Vehicle Running Expenses	4,476,384	2,961,322
Traveling & Conveyance	1,479,190	2,501,269
Printing & Stationery	665,665	274,298
Donation	178,000	107,320
Insurance Charges	765,429	607,357
Telephone & Postage Charges	30,351	-
Entertainment	208,261	340,372
Advertisement	97,100	152,070
Misc. Expenses	659,988	191,400
Depreciation	7,738,844	5,809,962
	37,867,674	31,438,114
21 OTHER INCOME		
Interest and Other Income	3,643,844	2,476,078
Gain on Disposal of Fixed Assets	3,278,042	157,925
	6,921,886	2,634,003
22 FINANCE COST		
Finance Cost on Banks Borrowings	168,864,138	154,157,499
Finance Cost on Lease Liability	2,783,264	348,125
Bank Charges	4,386,751	2,926,444
	176,034,153	157,432,068



23 Earning Per Share

Profit after taxation for the year attributable to ordinary shareholders.

87,108,115 56,238,120

Weighted average number of ordinary shares outstanding during the year.

8,947,124 8,947,124

Earning Per Share (Rs./Share)

9.74 6.29

23.1 Diluted earning Per Share

There is no dilution effect on the basic earnings per share as the company has no such commitments.

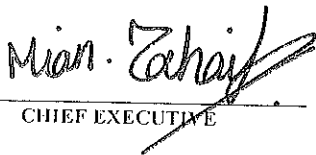
24 GENERAL

i - Figures have been rounded off to the nearest rupees.

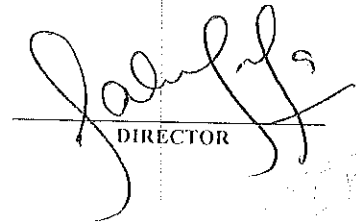
ii - Previous year's figures have been rearranged, where necessary for the purpose of comparison. No material rearrangements were made during the year.

25 DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorized for issue on October 02, 2014.



CHIEF EXECUTIVE



DIRECTOR



