

COMPANY INFORMATION

Board of Directors	Sh. Naseem Ahmad Mr. Amir Naseem Sheikh Mr. Rehman Naseem Mr. Fazal Ahmad Sheikh Mr. Faisal Ahmad Mr. Fahd Mukhtar Mr. Jamal Nasim	Chairman & Chief Executive Officer Nominee NIT Ltd.
Audit Committee	Sh. Naseem Ahmad Mr. Rehman Naseem Mr. Faisal Ahmad	Chairman Member Member
Company Secretary	Mr. M.D. Kanwar	
Chief Financial Officer	Mr. Faizan-ul-Haq	
Auditors	M. Yousuf, Adil, Saleem & Co., Chartered Accountants	
Bankers	Habib Bank Limited United Bank Limited MCB Bank Limited Askari Bank Limited Bank Al Habib Limited National Bank of Pakistan Soneri Bank Limited Allied Bank Limited Meezan Bank Limited Faysal Bank Limited Standard Chartered Bank Pakistan Limited Bank Al-Falah Limited Dubai Islamic Bank Pakistan Limited Barclays Bank PLC, Pakistan Saudi Pak Industrial and Agricultural Investment Company Limited Silkbank Limited	
Head office & Shares Department:	129/1 Old Bahawalpur Road, Multan. Phone: (92) 61-4587632,4781637 Fax: (92) 61-4541832 e-mail: kanwar@fazalcloth.com Website: www.fazalcloth.com	
Shares Registrar:	Vision Consulting Ltd. 3-C, LDA Flats, Lawrence Road Lahore. Phone: (92) 42-36375531, 36375339 Fax: (92) 42-36374839	
Registered Office:	69/7, Abid Majeed Road, Survey # 248/7, Lahore Cantt, Lahore. Phone: (92) 300-8631543	
Mills:	i) Fazal Nagar, Jhang Road, Muzaffargarh-Pakistan Ph. (92) 66-2422216 & 18 Fax: (92) 66-2422217 ii) Qadirpur Rawan Bypass, Khanewal Road, Multan -Pakistan Ph. (92) 61-6740041-43 Fax: (92) 61-6740052	

DIRECTORS' REVIEW

Dear Shareholders,
Assalam-o-Alaikum

Your Directors are pleased to present before you un-audited accounts for the half year ended December 31, 2010. During the period, your Company has earned a pre-tax profit of Rs.759.888 Million as compared to Rs. 350.718 million for the same period last year.

During the half year under review, sales of the Company increased by 70.15 % when compared with corresponding period of previous year. On the back of an economic recovery in the world, demand for textiles was robust during the period under review. This resulted in increased margins and higher profit for the Company. Profit for the period also includes Specie Dividend of Rs. 128.953 million received from Pak Arab Fertilizers Ltd. We expect good results for the remaining half year as well.

With respect to the Auditor's qualification, we are of the view that as your Company is holding only 5.73 % (2009: 5.73 %) of total equity of the Company concerned, it does not exercise significant control over the concerned Company's policies and profits. So in lieu of prudence, your company is following its policy of valuing investment in Associated Companies at cost and booking profits/gains only after they are realized.

Dividend on redeemable Preference Shares was approved for the period in accordance with the agreement reached with the Preference Share holders. This amount has been included in Financial Charges for the period. The auditors of the Company have qualified this treatment of dividend paid on preference shares. However, in our view, terms and conditions under which these Preference Shares have been issued resulting in qualification of the same as "Financial Liability" of the Company, and not as an Equity Instrument, as defined by IAS 32.

The basic earnings per share of the Company for the six month ended December 31, 2010 is Rs. 30.88 as compared to Rs. 14.86 for corresponding period in previous year.

The relations between the workers and management remained cordial throughout the period. Your Directors wish to thank all workers and staff members for their hard work.

For and on behalf of the Board

Sd/-

(Sheikh Naseem Ahmad)
Chairman / Chief Executive

Multan

Dated: Feb. 23, 2011

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of FAZAL CLOTH MILLS LIMITED as at December 31, 2010, and the related condensed interim profit and loss account, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2010.

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 of Qualified Conclusion

1. The Company has valued its long term investment in associate at cost (refer note 5 to the condensed interim financial information) and the other at par value contrary to the requirement of International Accounting Standard - 28 "Investment in associates" which requires re-measurement of investment in associates on equity basis. Had the investment been valued using equity method, the value of the investment as at 30 June 2010, would have increased by Rs. 462 million and unappropriated profits higher by the same amount. Financial statements of the associates for the year ended December 31, 2010 have not been made available to us to quantify the effect of such non compliance for the six months period ended December 31, 2010.
2. The Company has shown dividend on redeemable preference shares as finance cost in condensed interim profit and loss account during the period, contrary to the provisions of Companies Ordinance, 1984 instead of appropriation of profits in statement of changes in equity.

Qualified Conclusion

Based on our review, except for the matters referred to in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months ended December 31, 2010 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Multan
Dated: February 23, 2011

sd/-
M.Yousuf Adil Saleem & Co.
Chartered Accountants

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

		(Unaudited) December 31, 2010 Rupees	(Audited) June 30, 2010 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	6,748,477,190	5,945,743,637
Intangible assets		5,379,555	6,220,596
Long term investments	5	538,242,616	596,841,506
Long term loans		993,050	1,504,830
Long term deposits		12,894,365	12,894,365
		7,305,986,776	6,563,204,934
CURRENT ASSETS			
Stores, spares and loose tools		246,566,211	175,918,362
Stock-in-trade		6,724,269,367	2,645,452,686
Trade debts		1,223,116,359	883,729,860
Loans and advances		541,763,450	427,308,670
Trade deposits and short term prepayments		42,208,915	12,282,677
Other receivables		8,778,141	2,648,375
Other financial assets	6	58,006,760	16,132,400
Tax refunds due from government		83,499,864	42,602,780
Cash and bank balances		107,554,887	123,497,519
		9,035,763,954	4,329,573,329
		16,341,750,730	10,892,778,263

sd/-
(SHEIKH NASEEM AHMAD)
Chief Executive Officer

sd/-
(REHMAN NASEEM)
Director

AS AT DECEMBER 31, 2010

		(Unaudited) December 31, 2010 Rupees	(Audited) June 30, 2010 Rupees
EQUITY AND LIABILITIES	Note		
Share capital	7	437,551,940	437,551,940
Capital reserve		177,616,000	177,616,000
Unappropriated profits		2,135,989,300	1,702,733,550
		2,751,157,240	2,317,901,490
Surplus on revaluation of property, plant and equipment		2,196,473,689	2,280,444,023
 NON CURRENT LIABILITIES			
Long term financing	8	2,446,261,268	1,573,814,880
Long term musharika		47,510,909	71,266,367
Bills payables		154,307,044	154,398,656
Deferred liabilities		899,854,858	848,175,803
Custom duties		115,658,950	104,416,117
		3,663,593,029	2,752,071,823
 CURRENT LIABILITIES			
Trade and other payables		608,622,174	589,896,693
Interest / mark-up accrued on loans		181,919,832	121,477,564
Short term borrowings		6,298,152,281	2,177,448,310
Current portion of non current liabilities		456,495,018	443,396,812
Provision for taxation	9	185,337,467	210,141,548
		7,730,526,772	3,542,360,927
Contingencies and commitments	10	-	-
		16,341,750,730	10,892,778,263

The annexed selected notes 1 to 13 form an integral part of this condensed interim financial information.

sd/-
(FAIZAN-UL-HAQ)
Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
(UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

	----- Six months ended -----		----- Three months ended -----	
	December 31, 2010 (July - December)	December 31, 2009	December 31, 2010 (October - December)	December 31, 2009
	----- Rupees -----			
Sales - net	8,484,139,460	4,986,329,607	4,451,294,466	2,628,544,211
Cost of sales	(7,317,482,089)	(4,313,991,403)	(3,797,339,566)	(2,255,626,136)
Gross profit	1,166,657,371	672,338,204	653,954,900	372,918,075
Other operating income	137,035,735	132,791,181	136,508,735	129,115,278
	1,303,693,106	805,129,385	790,463,635	502,033,353
Distribution cost	(131,840,484)	(88,427,408)	(69,827,953)	(46,726,632)
Administrative expenses	(56,603,003)	(45,654,146)	(30,159,488)	(21,587,219)
Other operating expenses	(60,313,873)	(29,043,458)	(36,357,484)	(19,334,034)
Finance cost	(295,047,566)	(291,286,868)	(186,127,839)	(174,685,413)
	(543,804,926)	(454,411,880)	(322,472,746)	(262,333,298)
Profit before taxation	759,888,180	350,717,505	467,990,889	239,700,055
Provision for taxation	(180,770,825)	(72,108,622)	(138,540,002)	(61,547,501)
Profit after taxation	579,117,355	278,608,883	329,450,887	178,152,554
Other comprehensive income	-	-	-	-
Total comprehensive income	579,117,355	278,608,883	329,450,887	178,152,554
Earnings per share				
Basic	30.88	14.86	17.57	9.50
Diluted	13.66	6.80	7.74	4.29

The annexed selected notes 1 to 13 form an integral part of this condensed interim financial information.

sd/-
(SHEIKH NASEEM AHMAD)
Chief Executive Officer

sd/-
(REHMAN NASEEM)
Director

sd/-
(FAIZAN-UL-HAQ)
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT

(UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

	Six months ended	
	December 31, 2010 Rupees	December 31, 2009 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	759,888,180	350,717,505
Adjustments for:		
Depreciation of property, plant and equipment	136,897,157	129,851,256
Amortization of intangible assets	841,037	841,037
Gain on re-measurement of other financial assets	(8,082,627)	(3,715,200)
Provision for gratuity	15,337,861	12,172,297
Provision for infrastructure cess	11,242,833	7,501,859
Gain on disposal of property, plant and equipment	-	(122,231)
Spacie dividend received from associate	(128,953,050)	(128,953,050)
Finance cost	295,047,566	291,286,868
Operating cash flows before movements in working capital	1,082,218,957	659,580,341
(Increase) / decrease in current assets		
Stores, spares and loose tools	(70,647,849)	(15,653,275)
Stock-in-trade	(4,078,816,681)	(1,716,787,590)
Trade debts	(339,386,499)	(133,366,198)
Loans and advances	(212,358,246)	(67,403,227)
Trade deposits and short term prepayments	(29,926,238)	(20,321,904)
Other receivables	(6,129,766)	17,375,816
Tax refunds due from the government	(17,860,170)	3,295,307
Interest / markup accrued	-	37,751,496
Increase in trade and other payables	18,725,481	87,451,875
	(4,736,399,968)	(1,807,657,700)
Cash used in operations	(3,654,181,011)	(1,148,077,359)
Gratuity paid	(5,938,806)	(7,354,270)
Income tax paid	(130,708,350)	(46,360,941)
	(136,647,156)	(53,715,211)
Net cash outflow from operating activities	(3,790,828,167)	(1,201,792,570)
Long term loans to employees - net	511,780	16,200
Long term deposits	-	(1,485,000)
Net cash used in operating activities	(3,790,316,387)	(1,203,261,370)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Addition to property, plant and equipment	(939,630,710)	(191,492,261)
Proceeds from disposal of property, plant and equipment	-	1,187,700
Purchase of intangible assets	-	(1,291,607)
Short term investment	(33,791,733)	-
Net cash used in investing activities	(973,422,443)	(191,596,168)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Long term financing obtained	840,916,483	67,068,150
Long term financing repaid	(205,371,888)	(172,214,758)
Long term musharika - net	226,244,542	(23,755,458)
Short term borrowings - net	4,120,703,971	1,684,446,585
Bills payable obtained / (repaid)	(91,612)	88,898,396
Finance cost paid	(234,605,298)	(260,591,592)
Net cash generated from financing activities	4,747,796,198	1,383,851,323
Net decrease in cash and cash equivalents (A+B+C)	(15,942,632)	(11,006,215)
Cash and cash equivalents - at beginning of the period	123,497,519	77,400,115
Cash and cash equivalents - at end of the period	107,554,887	66,393,900

The annexed selected notes 1 to 13 form an integral part of this condensed interim financial information.

sd/-
(SHEIKH NASEEM AHMAD)
Chief Executive Officer

sd/-
(REHMAN NASEEM)
Director

sd/-
(FAIZAN-UL-HAQ)
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

	Issued subscribed and paid up capital	Capital reserve		Un appropriated Profits	Total
		Share premium	Capital redemption reserve fund		
Balance as at July 01, 2009	437,551,940	77,616,000	50,000,000	1,135,491,465	1,700,659,405
Profit for the period	-	-	-	278,608,883	278,608,883
Total comprehensive income for the period ended December 31, 2009	-	-	-	278,608,883	278,608,883
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	43,746,884	43,746,884
Balance as at December 31, 2009	437,551,940	77,616,000	50,000,000	1,457,847,232	2,023,015,172
Balance as at July 01, 2010	437,551,940	77,616,000	100,000,000	1,702,733,550	2,317,901,490
Profit for the period	-	-	-	579,117,355	579,117,355
Total comprehensive income for the period ended December 31, 2010	-	-	-	579,117,355	579,117,355
Incremental depreciation arising due to surplus on revaluation of property, plant and equipment - net of deferred tax	-	-	-	41,690,335	41,690,335
Specie dividend (note 5.4)	-	-	-	(187,551,940)	(187,551,940)
Balance as at December 31, 2010	437,551,940	77,616,000	100,000,000	2,135,989,300	2,751,157,240

The annexed selected notes 1 to 13 form an integral part of this condensed interim financial information.

sd/-
(SHEIKH NASEEM AHMAD)
 Chief Executive Officer

sd/-
(REHMAN NASEEM)
 Director

sd/-
(FAIZAN-UL-HAQ)
 Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS ENDED DECEMBER 31, 2010

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan in 1966 as a public limited company under the Companies Act 1913 (now Companies Ordinance, 1984) and its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 69/7, Abid Majeed Road, Survey # 248/7, Lahore Cantt, Lahore. The Company is engaged in manufacture and sale of yarn. The manufacturing facilities are located at Fazal Nagar, Jhang Road, Muzaffargarh and Qadirpur Rawan Bypass, Khanewal Road, Multan in the province of Punjab.

These condensed interim financial information are presented in Pak Rupees, which is the Company's functional and presentation currency.

2. BASIS OF PRESENTATION

This condensed interim financial report of the Company for the six-months period ended December 31, 2010 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial information are un-audited but subject to limited scope review by the auditors and are being submitted to the shareholders as required under listing regulations of Karachi and Lahore Stock Exchange and section 245 of the Companies Ordinance, 1984. They do not include all of the information's required for the annual financial statements and should be read in conjunction with the annual financial statements of the Company for the year ended as at June 30, 2010.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

	Note	(Un-audited) December 31, 2010 Rupees	(Audited) June 30, 2010 Rupees
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	5,811,281,936	5,921,185,536
Capital work in progress		937,195,254	24,558,101
		<u>6,748,477,190</u>	<u>5,945,743,637</u>
4.1 Opening carrying value		5,921,185,536	5,655,304,083
Additions during the period – cost			
Freehold land		2,687,620	-
Factory building		-	92,746,418
Non-Factory building		-	9,317,113
Plant and machinery		14,724,550	399,172,879
Furniture and fixtures		2,360,414	145,434
Office equipment		1,029,973	2,289,850
Vehicles		3,624,610	15,091,314
Electric fittings and installations		384,590	14,397,688
Sui-gas installations		-	507,649
Tools, laboratory equipment and arms		38,300	-
Fire extinguishing equipments and scales		2,143,500	-
		26,993,557	533,668,345
Carrying value of assets disposed off during the period / year		-	(1,385,221)
Depreciation charge for the period / year			
Normal on cost		(84,993,798)	(157,131,438)
Incremental on revaluation surplus		(51,903,359)	(109,270,233)
Closing carrying value		<u>5,811,281,936</u>	<u>5,921,185,536</u>

5. LONG TERM INVESTMENTS

Un-audited December 31, 2010	Audited June 30, 2010		Note	Un-audited December 31, 2010 Rupees	Audited June 30, 2010 Rupees
Investment in associates					
104,500	104,500	Fazal Industries (Pvt) Limited Equity interest held 9.5% (June 30, 2010: 9.5%) Less: Provision for diminution in value	5.1	475,000	475,000
25,790,610	25,790,610	Pakarab Fertilizers Limited Equity interest held 5.73% (June 30, 2010: 5.73%)	5.2	252,966,706	252,966,706
28,527,591	34,387,480	Fatima Fertilizer Company Limited Equity interest held 1.42% (June 30, 2010: 1.72%)	5.3 & 5.4	285,275,910	343,874,800
				<u>538,242,616</u>	<u>596,841,506</u>

- 5.1 Break up value per share on the basis of latest audited financial statements is Rs. Nil (June 30, 2010: Rs. Nil)
- 5.2 The valuation of investments in Pakarab Fertilizers Limited has been made at cost. The financial statements of Pakarab Fertilizers Limited for the year ended December 31, 2010 were not available at the time of finalization of this condensed interim financial information.
- 5.3 During the period, the Company received 12,895,305 shares of Fatima Fertilizer Company Limited as specie distribution from Pakarab Fertilizers Limited. The cost of these shares is Rs.Nil. The valuation of investment in associate has been made at par value i.e. Rs.10. The financial statements of Fatima Fertilizers Company Limited for the year ended December 31, 2010 were not available at the time of finalization of this condensed interim financial information.
- 5.4 Furthermore, 18,755,194 shares of Fatima Fertilizer Company Limited were disbursed to the share holders of the Company as a specie dividend.

	(Un-audited) December 31, 2010 Rupees	(Audited) June 30, 2010 Rupees
6. OTHER FINANCIAL ASSETS		
Investment		
– Financial assets at fair value through profit and loss account		
In quoted equity securities		
Pakistan State Oil Company Limited 62,000 (June 30, 2010: 62,000) fully paid ordinary shares	18,301,160	16,132,400
Fatima Fertilizer Company Limited 3,520,000 fully paid ordinary shares (an associated undertaking)	39,705,600	-
		<u>16,132,400</u>

	(Un-audited) December 31, 2010 Rupees	(Audited) June 30, 2010 Rupees
7. SHARE CAPITAL		
Authorised capital		
40,000,000 Ordinary shares of Rs. 10 each	400,000,000	400,000,000
30,000,000 Preference shares of Rs. 10 each	300,000,000	300,000,000
	<u>700,000,000</u>	<u>700,000,000</u>
Issued, subscribed and paid up capital		
18,755,194 ordinary shares of Rs. 10 each	187,551,940	187,551,940
25,000,000 preference shares of Rs. 10 each	250,000,000	250,000,000
	<u>437,551,940</u>	<u>437,551,940</u>

8. LONG TERM FINANCING

8.1 Pak Kuwait Investment Company (Pvt) Ltd – Term Finance

During the period, Company obtained a Long Term Finance of Rs.300.00 million from Pak Kuwait Investment Company (Pvt) Ltd to finance the capital expenditure of the Company for its capacity expansion. It is repayable within the period of six years inclusive of one year grace period in 10 semi annual equal installments of principal amount. It carries mark up at the rate of 6 months KIBOR + 2.45% per annum. This finance is secured against 1st joint pari passu charge/mortgage of Rs.400.00 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.

8.2 Saudi Pak Industrial and Agricultural Investment Company Ltd – Term Finance

During the period, a long term finance amounting to Rs.83.87 million has been obtained from Saudi Pak Industrial and Agricultural Investment Company Ltd for retirement of letters of credit opened for imported plant and machinery. Sanctioned limit of this finance is Rs.250.00 million. It is repayable within the period of eight years inclusive of two years grace period in 12 semi-annual equal installments of principal amount. It carries mark up at the rate of 6 months KIBOR + 2.75% per annum. This finance is secured against 1st joint pari passu charge/mortgage of Rs.334.00 million on all present and future fixed assets of the Company and personal guarantees of the sponsoring directors.

8.3 Allied Bank Ltd – Term Finance – 3

During the period, this finance amounting to Rs.248.74 million has been obtained from Allied Bank Ltd for the purpose of retirement of letters of credit opened for imported textile machinery. It is repayable within a period of seven years inclusive of two years grace period in 10 half yearly equal installments of principal amount. This finance carries mark up at the rate of 6 months KIBOR + 2.15% per annum. This finance is secured against 1st joint pari passu charge/mortgage of Rs. 1,008.00 million on all present and future fixed assets of the Company and personal guarantees of sponsoring directors.

8.4 Meezan Bank Ltd – Term Finance

During the period, diminishing musharika-2 finance amounting to Rs.250.00 million has been obtained from Meezan Bank Ltd for the purpose of retirement of letters of credit opened for imported textile machinery. It is repayable within a period of seven years inclusive of two years grace period in 10 half yearly equal installments of principal amount. This finance carries mark up at the rate of 6 months KIBOR+ 2.00% per annum. This finance is secured against exclusive charge of Rs.334.00 million over machinery imported through Meezan Bank Ltd and personal guarantees of sponsoring directors.

9. TAXATION

Provision for current period taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax whichever is higher.

10. CONTINGENCIES AND COMMITMENTS

Contingencies

10.1 There has been no change in the status of contingent liabilities since the annual published audited financial statements as at June 30, 2010, except counter guarantees given by the Company to its bankers outstanding as on December 31, 2010 are Rs. 307.868 million (June 30, 2010: Rs. 237.886 million).

	(Un-audited) December 31, 2010 Rupees	(Audited) June 30, 2010 Rupees
Commitments		
10.2 Commitments for irrevocable letters of credit:		
Property, plant and equipment	84,425,500	759,576,193
Raw material, stores and spares	996,543,993	378,153,630
	<u>1,080,969,493</u>	<u>1,137,729,823</u>

11. RELATED PARTY TRANSACTIONS

11.1 Aggregate transactions made with the associated undertakings were as follows:

	Note	(Un-audited) December 31, 2010 Rupees	(Un-audited) Decemehr 31, 2009 Rupees
Associates			
Sale of goods		1,017,166,036	566,375,447
Purchase of goods		166,801,564	274,981,346
Mark up charged		15,234,192	14,127,322
Specie dividend received	5.3	-	-

11.2 Sales, purchases and other transactions with related parties are carried out on commercial terms and conditions.

12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information were authorized for issue by the Board of Directors on February 23, 2011.

13. FIGURES

Figures have been rounded-off to nearest rupee.

sd/-
(SHEIKH NASEEM AHMAD)
Chief Executive Officer

sd/-
(REHMAN NASEEM)
Director

sd/-
(FAIZAN-UL-HAQ)
Chief Financial Officer