

**BALANCE SHEET  
AS AT JUNE 30, 2010**

|  | Notes | June 30,<br>2010        | June 30,<br>2009        |
|--|-------|-------------------------|-------------------------|
|  |       | (Rupees in thousand)    |                         |
| <b>ASSETS</b>  |       |                         |                         |
| <b>NON CURRENT ASSETS</b>  |       |                         |                         |
| Property, plant and equipment  | 5     | 1,496,234               | 1,534,924               |
| Intangible asset   | 6     | 375                     | 188                     |
| Long term investments  | 7     | 305,064                 | 278,855                 |
| Long term deposits   | 8     | 11,706                  | 5,707                   |
|  |       | <u>1,813,379</u>        | <u>1,819,674</u>        |
| <b>CURRENT ASSETS</b>  |       |                         |                         |
| Stores, spares and loose tools   | 9     | 34,602                  | 40,842                  |
| Stock-in-trade   | 10    | 1,063,893               | 1,053,749               |
| Trade debts  | 11    | 234,671                 | 283,402                 |
| Loans and advances   | 12    | 14,713                  | 22,724                  |
| Prepayments  | 13    | 3,324                   | 4,015                   |
| Investment at fair value through profit and loss account               | 14    | -                       | 14                      |
| Other receivables  | 15    | 21,193                  | 25,885                  |
| Taxation-payments less provision                                       |       | 18,571                  | 44,594                  |
| Sales tax refundable / adjustable                                      |       | 83,566                  | 60,904                  |
| Bank balances  | 16    | 72,570                  | 36,293                  |
|  |       | <u>1,547,103</u>        | <u>1,572,422</u>        |
| <b>TOTAL ASSETS</b>  |       | <u><b>3,360,482</b></u> | <u><b>3,392,096</b></u> |
| <b>EQUITY AND LIABILITIES</b>  |       |                         |                         |
| <b>SHARE CAPITAL AND RESERVES</b>                                      |       |                         |                         |
| Share capital  | 17    | 450,025                 | 450,025                 |
| Share premium  | 18    | 40,000                  | 40,000                  |
| Item credited directly to equity of associated company                 |       | 57,203                  | 56,421                  |
| Accumulated profit   |       | 85,973                  | 151,804                 |
|  |       | <u>633,201</u>          | <u>698,250</u>          |
| <b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>                          | 19    | 980,532                 | 1,004,376               |
|  |       | <u>1,613,733</u>        | <u>1,702,626</u>        |
| <b>NON CURRENT LIABILITIES</b>   |       |                         |                         |
| Long term financing  | 20    | 136,215                 | -                       |
| Liabilities against assets subject to finance lease                    | 21    | 15,640                  | 2,006                   |
| Long term deposits   | 22    | 9,611                   | 10,611                  |
| Deferred liabilities   | 23    | 163,925                 | 196,585                 |
|  |       | <u>325,391</u>          | <u>209,202</u>          |
| <b>CURRENT LIABILITIES</b>   |       |                         |                         |
| Trade and other payables   | 24    | 493,118                 | 421,161                 |
| Accrued mark-up  | 25    | 21,375                  | 39,076                  |
| Short term financing   | 26    | 665,468                 | 618,819                 |
| Running finance under mark up arrangements                             | 27    | 171,766                 | 283,342                 |
| Current portion of long term financing                                 | 28    | 56,268                  | 116,666                 |
| Current portion of liabilities against assets subject to finance lease | 21    | 13,363                  | 1,204                   |
|  |       | <u>1,421,358</u>        | <u>1,480,268</u>        |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                   | 29    | -                       | -                       |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                    |       | <u><b>3,360,482</b></u> | <u><b>3,392,096</b></u> |

The annexed notes 1 to 47 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak  
**CHIEF EXECUTIVE**

Jamil A. Shah  
**DIRECTOR**



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2010**

|  | Share capital           | Share premium | Accumulated profit | Items credited directly to equity of associated company | Total     |
|--|-------------------------|---------------|--------------------|---|-----------|
|  | ( Rupees in Thousands ) |               |                    |   |           |
| <b>Balance as at July 1, 2008</b>  | 450,025                 | 40,000        | 463,977            | 55,326  | 1,009,328 |
| Loss for the year  | -                       | -             | (312,173)          | -   | (312,173) |
| Recognition of items directly credited in equity of associated company:  |                         |               |                    |   |           |
| -Incremental depreciation  | -                       | -             | -                  | 1,095   | 1,095     |
| <b>Balance as at June 30, 2009</b>   | 450,025                 | 40,000        | 151,804            | 56,421  | 698,250   |
| Loss for the year  | -                       | -             | (88,893)           | -   | (88,893)  |
| Recognition of items directly credited in equity of associated company:  |                         |               |                    |   |           |
| -Incremental depreciation  | -                       | -             | -                  | 782   | 782       |
| Transferred from surplus on revaluation of Fixed Assets on account of incremental depreciation charged during the year |                         |               | 23,062             | -   | 23,062    |
| <b>Balance as at June 30, 2010</b>   | 450,025                 | 40,000        | 85,973             | 57,203  | 633,201   |

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Ahmed Kuli Khan Khattak  
**CHIEF EXECUTIVE**

Jamil A. Shah  
**DIRECTOR**



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2010**

June 30,  
2010

June 30,  
2009

(Rupees in thousand)

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                  |                    |
|--|------------------|--------------------|
| Net loss before taxation                                       | (123,607)        | (484,565)          |
| Add / (less) adjustments for non-cash charges and other items: |                  |                    |
| Depreciation   | 67,541           | 89,442             |
| Amortization   | 313              | 93                 |
| Finance cost   | 131,558          | 160,962            |
| (Loss) / gain on disposal of property, plant and equipments    | 1,190            | (93)               |
| Exchange loss  | 11,815           | 179,076            |
| Share of (profit) / loss in associated company                 | (26,209)         | 26,240             |
| Gain on sale of investment through profit and loss account     | -                | (50)               |
| Provision for gratuity and compensated absences                | 17,377           | 7,533              |
|  | <b>203,585</b>   | <b>463,203</b>     |
| <b>Operating profit before working capital changes</b>         | <b>79,978</b>    | <b>(21,362)</b>    |
| <b>(Increase) / Decrease in current assets</b>                 |                  |                    |
| Stores, spares and loose tools                                 | 6,240            | 7,303              |
| Stock-in-trade   | (10,144)         | (264,086)          |
| Trade debts  | 48,731           | 239,148            |
| Loans and advances   | 8,011            | 2,442              |
| Prepayments  | 691              | 9,127              |
| Other receivables  | 4,692            | 77,594             |
| Sales tax refundable / adjustable                              | (22,662)         | (23,118)           |
|  | <b>35,559</b>    | <b>48,410</b>      |
| <b>Increase / (Decrease) in trade and other payables</b>       | <b>60,139</b>    | <b>(913,667)</b>   |
| <b>Cash generated / (outflow) from operations</b>              | <b>175,676</b>   | <b>(886,619)</b>   |
| Gratuity and compensated absences paid                         | (3,253)          | (3,332)            |
| Finance cost paid  | (125,607)        | (124,322)          |
| Tax refund/(paid)  | 13,958           | (22,340)           |
|  | <b>(114,902)</b> | <b>(149,994)</b>   |
| <b>Net cash flow from operating activities</b>                 | <b>60,774</b>    | <b>(1,036,613)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |                  |                    |
| Fixed capital expenditure                                      | (32,166)         | (4,926)            |
| Proceeds from disposal of property, plant and equipments       | 1,628            | 133                |
| Sale Proceeds of investment through profit and loss account    | 14               | 2,451              |
| Long term deposits   | (5,999)          | (159)              |
| <b>Net cash used in investing activities</b>                   | <b>(36,523)</b>  | <b>(2,501)</b>     |
| <b>Net cash flow before financing activities</b>               | <b>24,251</b>    | <b>(1,039,114)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |                  |                    |
| Increase/Repayment of lease liability                          | 25,793           | (2,155)            |
| Dividend paid  | (1)              | -                  |
| Proceeds from short term financing                             | 126,944          | 618,819            |
| Increase / (Decrease) in finance under mark-up arrangement     | (111,576)        | 252,766            |
| Repayment of long term deposit                                 | (1,000)          | (1,000)            |
| Repayment of long term financing                               | (28,134)         | -                  |
| <b>Net cash flow from financing activities</b>                 | <b>12,026</b>    | <b>868,430</b>     |
| <b>Net (decrease) / increase in cash and cash equivalents</b>  | <b>36,277</b>    | <b>(170,684)</b>   |
| <b>Cash and cash equivalents at the beginning of the year</b>  | <b>36,293</b>    | <b>206,977</b>     |
| <b>Cash and cash equivalents at the end of the year</b>        | <b>72,570</b>    | <b>36,293</b>      |

The annexed notes 1 to 47 form an integral part of these financial statements.

Ahmed Kuli Khan Khattak  
**CHIEF EXECUTIVE**

Jamil A. Shah  
**DIRECTOR**



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2010**

|  | Notes | June 30,<br>2010<br>(Rupees in thousand) | June 30,<br>2009 |
|--|-------|--|------------------|
| Net sales and services                         | 30    | 2,402,617                                | 2,053,959        |
| Cost of sales                                  | 31    | (2,283,238)                              | (2,048,631)      |
| Gross profit                                   |       | 119,379                                  | 5,328            |
| Distribution cost                              | 32    | (29,916)                                 | (35,928)         |
| Administrative expenses                        | 33    | (105,696)                                | (117,891)        |
| Operating loss                                 |       | (16,233)                                 | (148,491)        |
| Finance cost                                   | 34    | (147,328)                                | (344,953)        |
|  |       | (163,561)                                | (493,444)        |
| Other operating income                         | 35    | 14,245                                   | 35,669           |
| Other operating expense                        | 36    | (500)                                    | (550)            |
| Share of profit / (loss) of associated company |       | 26,209                                   | (26,240)         |
| Loss before taxation                           |       | (123,607)                                | (484,565)        |
| Taxation                                       | 37    | 34,714                                   | 172,392          |
| Loss after taxation                            |       | (88,893)                                 | (312,173)        |
| Other Comprehensive Income                     |       | -  | -                |
| Total comprehensive loss for the year          |       | (88,893)                                 | (312,173)        |
|  |       | <b>Rupees</b>                            |                  |
| Loss per share - Basic and diluted             | 38    | (1.98)                                   | (6.94)           |

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