ADAM SUGAR MILLS LIMITED



HALF YEARLY REPORT

FOR THE HALF YEAR ENDED
31 MARCH, 2013
(UN-AUDITED)

NOTES TO THE CONDENSED INTERIM FINANCIAL REPORT (UNAUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2013

1 THE COMPANY AND ITS OPERATIONS

Adam Sugar Mills Limited (the Company) was Incorporated in Pakistan in 1965 as a public limited company. The shares of the Company are quoted on Karachi and Lahore Stock Exchanges. The Company is principally engaged in the Manufacturing and Sale of Sugar. The Company's registered office is situated at Haji Adam Chambers, Altaf Hussain Road, New Challi, Karachi.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial report of the company for the six months period ended March 31, 2013 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, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial report is unaudited but subject to limited scope review by auditors. This condensed interim financial report do not include all of the information and disclosures required in the financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2012. The figures in comparative condensed interim balance sheet are taken from audited financial statements for the year ended September 30, 2012 whereas comparative figures of other components of this condensed interim financial information are taken from condensed interim financial information for the half year or quarter ended March 31, 2012.

2.2 Functional presentation currency

This condensed interim financial report has been presented in Pakistan Rupees, which is the functional currency of the Company.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial report is the same as those applied in the preparation of the financial statements for the year ended September 30, 2012.

Certain standards, amendments and interpretations to the approved accounting standards are effective for accounting periods beginning on or after October 1, 2012 but are considered not to be relevant or have any significant effect on the Company's operation and are therefore not detailed in this condensed interim financial report.

4 ESTIMATES

The preparation of this condensed interim financial report in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing this condensed interim financial report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended September 30, 2012.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 30, 2012.

		Note	March 31, 2013 (Un-audited) Rupees	September 30, 2012 (Audited) Rupees
5	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	5.1	**1,408,379,061**	882,595,204
	Capital work-in-progress	5.4	-	280,863,822
			1,408,379,061	1,163,459,026
5.1	Opening Written down Value		**882,595,204**	831,331,341
	Additions	5.2	**554,711,633**	97,906,059
	Disposal	5.3	-	(809,529)
	Depreciation charged		**(28,927,776)**	(45,832,667)
			1,408,379,061	882,595,204
5.2	***Additions to fixed assets - tangible***			
	Freehold land		**4,990,620**	12,405,000
	Factory building on free hold land		**21,967,106**	4,447,944
	Approach road		**900,000**	-
	Plant and machinery		**514,142,290**	63,112,678
	Computer and other equipments		**184,820**	361,566
	Vehicles		**12,034,832**	10,093,060
	Office equipments		-	828,400
	Furniture and fixture		**491,965**	371,044
	Water connection and electric installation		-	3,712,647
	Tools and other equipments		-	2,422,720
	Arms & Ammunition		-	151,000
			554,711,633	97,906,059
5.3	***Disposals of fixed assets at WDV - tangible***			
	Vehicles - WDV		-	809,529
5.4	***Capital work-in-progress***			
	Factory building - Civil works	5.4.1	-	26,486,812
	Plant and Machinery		-	254,377,010
			-	280,863,822
5.4.1	**Factory building - Civil works**			
	Opening		**26,486,812**	5,427,892
	Additions		-	21,058,920
	Transferred to operating assets		**(26,486,812)**	-
	Closing		-	26,486,812
6	***INTANGIBLE ASSET***			
	Computer software			
	Cost		**1,209,500**	1,000,000
	Addition	6.1	-	**209,500**
	Amortization		**(661,266)**	(540,316)
			548,234	669,184

6.1 This is amortized at the rate of 20% per annum on straight line basis from the month of purchase.

18 TAXATION - CURRENT

The Company was subject to minimum tax under section 113 of the Income Tax Ordinance, 2001 on account of taxable losses arising during the period due to initial depreciation allowance on additions.

19 TRANSACTION WITH RELATED PARTIES

The related parties comprise associated undertakings, related group companies, local associates, directors and key management personnel. Transaction with related parties are carried out on arm's length basis.

Transactions with associated undertakings and related parties and other key management personnel under the term of their employment are as follows:

	Half year Ended March 31,		Quarter Ended March 31,	
	2013	2012	2013	2012
	------ ----- --- Rupees ------ ----- ---			
Receipt of unsecured short term borrowings from the Chief Executive	-	100,000,000	-	-
Repayment of unsecured short term borrowings from the Chief Executive	71,500,000	-	71,000,000	-
Purchases of oil and lubricants - from associated undertaking	8,126,373	4,831,101	3,773,495	-
Payment to associated undertaking against oil and lubricants	8,073,633	4,834,841	3,720,755	-
Remuneration and other benefits of Chief Executive and Directors	332,250	332,250	166,125	116,125

20 RECLASSIFICATION

Figure of Tax Refund due from Government has been reclassified for comparison purpose.

21 DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue on May 23, 2013 by the Board of Directors of the Company.

22 SEASONALITY OF OPERATIONS

The Sugar Industry are operating on seasonal basis normally from November to March / April as raw material i.e. sugarcane is available only in this period.

23 GENERAL

23.1 Figures for the quarters ended March 31, 2012 and 2013 were not subject to limited scope review by the auditors.

23.2 Figures have been rounded off to the nearest rupees.

Chief Executive *Director*

IN THE NAME OF AALAH
THE BENEIFICENT, THE MERCIFUL

CHIEF EXECUTIVE'S REVIEW

On behalf of the Board of Directors, I am pleased to present to you the unaudited accounts of the Company for the six months ended 31 March, 2013.

The mills crushed 506,091 tons of sugarcane at an average recovery of 10.01% and produced 50,650 tons of sugar as compared to 523,588 tons of sugarcane at an average recovery of 9.84% and production of 51,530 tons of sugar in the previous period.

Although the Government raised the sugarcane price from Rs. 150/- per 40 KG to Rs.170/- per 40 KG., the company managed to earn satisfactory profit.

The directors are pleased to placed on record their appreciation for the devoted and dedicated services of the officers, staff and workers of the company.

(GHULAM AHMED ADAM)
CHIEF EXECTTUIVE

Karachi: 23 May, 2013

	Note	March 31, 2013 (Un-audited) Rupees	September 30, 2012 (Audited) Rupees
7 STOCK IN TRADE			
Sugar in process		**27,116,196**	4,352,446
Sugar - Finished good		**2,294,619,021**	1,127,778,503
Molasses		**57,257,558**	1,106,072
		2,378,992,775	1,133,237,021
8 TRADE DEBTS			
- Considered good		**52,805,574**	37,843,149

The company has filed case in Honourable Lahore High Court, Bahawalpur Bench, Bahawalpur against Province of Punjab through District Collector Bahawalnagar and other related Government departments for the recovery of Rs.55,161000, being market value of sugar stock forcefully lifted by the Government of Punjab over and above from the quantity fixed by the Honourable Supreme Court of Pakistan at the rate of Rs.38/kg. The management of the company is confident that the decision of the case will be in favour of the company. However, the company has recorded receivable amounting to Rs.37,507,900 at Rs.38/kg.

9 LOANS AND ADVANCES		
Loans		
Considered good		
- staff	**1,850,126**	1,546,820
Advances		
Considered good		
- growers	**6,623,478**	15,492,434
- suppliers	**11,127,352**	33,046,316
- expenses	**314,743**	3,856,718
- income tax	**36,632,465**	24,157,232
	54,698,038	76,552,700
	56,548,164	78,099,520
10 CASH AND BANK BALANCES		
Cash in hand	**3,357,662**	1,052,490
Cash at banks		
Current accounts	**61,720,236**	25,779,656
Deposit accounts	**201,666,108**	19,274,319
	263,386,344	45,053,975
	266,744,006	46,106,465

11 SUBORDINATED LOAN FROM DIRECTOR

- Related party

This is an interest free and unsecured long term loan from Chief Executive of the company and not payable within twelve months from balance sheet.

12 LONG TERM FINANCES			
From banking companies - secured			
Term Loan		**200,000,000**	200,000,000
Current maturity as shown under current liabilities	12.1	**(25,000,000)**	-
		175,000,000	200,000,000

ADAM SUGAR MILLS LIMITED

VISION

To be the leader in sugar industry by building the company's image through quality improvement, competitive price and meeting social obligations.

MISSION

- To endeavour to be the market leader by offering high quality sugar to our customers at competitive prices.
- To continue improving operating performance and profitability thereby ensuring growth for the Company while serving best interest of shareholders.

COMPANY INFORMATION

BOARD OF DIRECTORS	MR. GHULAM AHMED ADAM MR. SYED NAZAR MOHAMMAD SHAH MR. JAWAID AHMED LT. COL. (RTD) MUHAMMAD MUJTABA MR. JUNAID G. ADAM MR. OMAR G. ADAM MR. MUSTAFA G. ADAM
AUDIT COMMITTEE	
CHAIRMAN	MR. JUNAID G. ADAM
MEMBER	MR. MUSTAFA G. ADAM
MEMBER	MR. JAWAID AHMED
HUMAN RESOURCE AND REMUNERATION COMMITEE	MR. JUNAID G. ADAM MR. OMAR G. ADAM LT. COL (RTD) MUHAMMAD MUJTABA
DIRECTOR FINANCE/ CORPORATE SECRETARY	MR. QAMAR RAFI KHAN Chartered Accountant
REGISTERED OFFICE	HAJI ADAM CHAMBERS, ALTAF HUSSAIN ROAD, NEW CHALLI, KARACHI-2 TEL NO. 32417812-16 & 32401139-43 FAX NO. 32427560 / 32417907 WEBSITE: www. Adam.com.pk. / adamsugar.htm
FACTORY	CHAK NO. 4, FORDWAH, CHISHTIAN District bahawalnagar
STATUTORY AUDITORS	HAROON ZAKARIA & COMPANY CHARTERED ACCOUNTANTS
SHARE REGISTRARS	C & K MANAGEMENT ASSOCIATES (PVT) LTD 4TH FLOOR, 404 TRADE TOWER, ABDULLAH HAROON ROAD, KARACHI. TEL NO. 35685930 FAX NO. 35687839

IN THE NAME OF ALLAH
THE BENEFICENT, THE MERCIFUL

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ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2013

	Note	March 31, 2013 (Un-audited) Rupees	September 30, 2012 (Audited) Rupees
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	**1,408,379,061**	1,163,459,026
Long term deposits		**40,000**	40,000
Intangible assets	6	**548,234**	669,184
		1,408,967,295	1,164,168,210
Current Assets			
Biological assets - at fair value		-	112,513
Stores and spares		**86,586,291**	90,226,603
Stock in trade	7	**2,378,992,775**	1,133,237,021
Short term investments		**18,814,639**	18,814,639
Trade debts	8	**52,805,574**	37,843,149
Loans and advances	9	**56,548,164**	78,099,520
Deposits and prepayments		**45,807,249**	33,483,953
Others receivables - considered good		**1,430,491**	766,921
Interest accrued		**805,759**	561,420
Cash and bank balances	10	**266,744,006**	46,106,465
		2,908,534,948	1,439,252,204
Total Assets		**4,317,502,243**	2,603,420,414
EQUITY AND LIABILITIES			
Share Capital			
Authorised			
10,000,000 Ordinary shares of Rs. 10/- each		**100,000,000**	100,000,000
Issued, subscribed and paid-up capital			
5,763,654 Ordinary shares of Rs. 10/- each		**57,636,540**	57,636,540
Reserves			
General Reserve		**200,000,000**	200,000,000
Accumulated profit		**196,077,743**	112,185,754
		396,077,743	312,185,754
Total shareholders' equity		**453,714,283**	369,822,294
Surplus on revaluation of fixed assets		**239,276,410**	244,649,461
Non-Current Liabilities			
Subordinated loan from director	11	**239,324,437**	239,324,437
Long term finances	12	**175,000,000**	200,000,000
Deferred liabilities	13	**308,616,091**	241,456,020
		722,940,528	680,780,457
Current Liabilities			
Short term borrowings	14	**1,493,751,215**	515,251,863
Current maturity of long term loan		**25,000,000**	-
Trade and other payables	15	**1,339,745,771**	759,623,769
Accrued markup on borrowings		**19,906,861**	6,318,588
Unclaimed dividend		**7,755,335**	2,444,807
Provision for taxation		**15,411,840**	24,529,175
		2,901,571,022	1,308,168,202
Contingencies and commitment	16	-	-
Total Equity and Liabilities		**4,317,502,243**	2,603,420,414

The annexed notes form an integral part of these financial statements

Chief Executive *Director*

12.1 This represents term loan of Rs.200 million and carries mark up at the rate of average of 3 months KIBOR plus 2.5%. The loan is payable in 8 equal semi annual installments of Rs.25 million starting from November 11, 2013. The loan is secured against first equitable mortgage over mill premises and first pari passu charge of Rs.267 million on the present and future fixed assets of the Company and subordination of loan agreement of Rs.267 million

	Note	*March 31, 2013 (Un-audited)* Rupees	*September 30, 2012 (Audited)* Rupees
13 DEFERRED LIABILITIES			
Deferred taxation		**306,981,402**	239,869,331
Staff retirement benefits		**1,634,689**	1,586,689
		308,616,091	241,456,020
14 SHORT TERM BORROWINGS			
Unsecured			
from chief executive	14.1	**443,751,863**	515,251,863
Secured			
from banking companies	14.2	**1,049,999,352**	-
		1,493,751,215	515,251,863

14.1 This represent an interest free short term loan from Chief Executive of the Company.

14.2 The short term credit facilities available from banking companies in respect of cash finances as at March 31, 2013 amount to Rs. 2.3 (September 30, 2012 : Rs.1.45) billion. These finances are secured against pledge of refined white sugar, pari passu charge on fixed assets, subordination of director's loan and personal guarantee of chief executive of the Company. Mark up charging rate ranges from three month KIBOR + 2.0% to three months KIBOR + 3 % (September 30, 2012: one month KIBOR + 2.75 % to three months KIBOR + 3 %).

15 TRADE AND OTHER PAYABLES		
Trade creditors	**597,261,971**	45,375,711
Accrued expenses	**14,747,083**	13,672,888
Advance from customers	**675,436,752**	658,667,806
Sales tax payable	**217,374**	-
Retention money	**163,686**	163,686
Workers' Profit Participation Fund	**26,580,573**	17,647,568
Workers' Welfare Fund	**8,866,023**	5,471,481
Provident fund payable	**6,877,738**	6,976,191
Market committee fee	**2,766,297**	1,362,203
Others	**6,828,274**	10,286,235
	1,339,745,771	759,623,769

16 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments as reported in the audited financial statements for the year ended September 30, 2012 except as follows: -

Commitments for capital expenditure	**250,000,000**	-

17 SALES - NET	*Half year Ended March 31,*		*Quarter Ended March 31,*	
	2013	*2012*	*2013*	*2012*
	Rupees			
Sales - Sugar	**1,248,091,920**	707,171,757	**704,732,520**	242,679,777
Sales - molasses	**102,842,325**	25,074,420	**100,903,350**	-
Federal Excise duty/Sales tax	**(92,451,253)**	(52,383,093)	**(52,202,409)**	(26,898,910)
	1,258,482,992	679,863,084	**753,433,461**	215,780,867

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2013

	Half year ended March 31,		*Quarter ended March 31,*	
	2013	*2012*	***2013***	*2012*
	---------- *Rupees* ----------			
Profit after tax	**92,928,073**	69,574,403	**83,787,221**	77,798,164
Other comprehensive income				
Transferred from surplus on revaluation on account of incremental depreciation - net of deferred tax	**5,373,051**	5,673,066	**3,926,460**	2,836,533
Total comprehensive income	**98,301,124**	75,247,469	**87,713,681**	80,634,697

The annexed notes form an integral part of these financial statements

Chief Executive *Director*

ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE SIX MONTHS ENDED MARCH 31, 2013

	Note	Half year ended March 31		Quarter ended March 31	
		2013	2012	2013	2012
		Rupees			
Sales - net	17	**1,258,482,992**	679,863,084	**753,433,461**	215,780,867
Cost of sales		**(1,041,686,560)**	(527,281,923)	**(560,803,346)**	(68,326,551)
Gross Profit		**216,796,432**	152,581,161	**192,630,115**	147,454,316
Administrative expenses		**(23,609,096)**	(20,657,201)	**(14,297,386)**	(11,726,073)
Distribution cost		**(3,373,656)**	(1,986,545)	**(2,685,075)**	(1,462,999)
		(26,982,752)	(22,643,746)	**(16,982,461)**	(13,189,072)
Operating profit		**189,813,680**	129,937,415	**175,647,654**	134,265,244
Other operating income		**8,411,842**	3,980,587	**3,460,238**	739,941
		198,225,522	133,918,002	**179,107,892**	135,005,185
Finance cost		**(19,565,416)**	(19,282,664)	**(19,198,964)**	(16,786,908)
Other operating charges		**(12,327,547)**	(7,909,838)	**(10,996,213)**	(7,909,838)
Profit before taxation		**166,332,559**	106,725,500	**148,912,715**	110,308,439
Taxation					
Current	18	**(6,292,415)**	(34,473,587)	**1,986,577**	(29,832,765)
Deferred		**(67,112,071)**	(2,677,510)	**(67,112,071)**	(2,677,510)
		(73,404,486)	**(37,151,097)**	**(65,125,494)**	(32,510,235)
Profit after taxation		**92,928,073**	69,574,403	**83,787,221**	77,798,164
Earning per share- basic and diluted		**16.12**	12.07	**14.54**	13.50

The annexed notes form an integral part of these financial statements

Chief Executive *Director*

ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED MARCH 31, 2013

	Share Capital	Reserves		Total
		General Reserves	Accumulated Profit	
	---------- Rupees ----------			
Balance as at October 1, 2011	57,636,540	100,000,000	172,538,222	330,174,762
Total Comprehensive Income				
Recognized profit for the six months ended	-	-	69,574,403	69,574,403
Other Comprehensive Income				
Incremental depreciation net of deferred tax transferred from surplus on revaluation of fixed assets	-	-	5,673,066	5,673,066
Total Comprehensive income for the period	-	-	75,247,469	75,247,469
Transactions with owners				
Final dividend paid @ 25% (Rs. 2.5 per share) for the year ended September 30, 2011	-	-	(14,409,135)	(14,409,135)
Balance as at March 31, 2012	**57,636,540**	**100,000,000**	**233,376,556**	**391,013,096**
Balance as at October 1, 2012	**57,636,540**	**200,000,000**	**112,185,754**	**369,822,294**
Total Comprehensive Income				
Recognized profit for the six months October 2012 to March 2013	-	-	**92,928,073**	**92,928,073**
Other Comprehensive Income				
Incremental depreciation net of deferred tax transferred from surplus on revaluation of fixed assets	-	-	**5,373,051**	**5,373,051**
Total Comprehensive income for the period	-	-	**98,301,124**	**98,301,124**
Transactions with owners				
Final dividend paid @ 25% (Rs. 2.5 per share) for the year ended September 30, 2012	-	-	(14,409,135)	(14,409,135)
Balance as at March 31, 2013	**57,636,540**	**200,000,000**	**196,077,743**	**453,714,283**

The annexed notes form an integral part of these financial statements

Chief Executive *Director*

ADAM SUGAR MILLS LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE SIX MONTHS ENDED MARCH 31, 2013

	March 31, 2013 Rupees	March 31, 2012 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**166,332,559**	106,725,500
Adjustment for:		
Depreciation	**28,927,776**	21,911,357
Amortization	**120,950**	100,000
Finance cost	**19,565,416**	19,282,664
Workers' Profit Participation Fund	**8,933,005**	5,731,767
Workers' Welfare Fund	**3,394,542**	2,178,071
Provision for gratuity	**48,000**	24,418
	60,989,689	49,228,277
Operating profit before working capital changes	**227,322,248**	155,953,777
Decrease / (Increase) in current assets		
Biological assets at - at fair value	**112,513**	1,228,264
Stores and spares	**3,640,312**	2,159,432
Stock in trade	**(1,245,755,754)**	(1,649,167,038)
Trade debtors	**(14,962,425)**	(23,207,987)
Loans, advances	**34,026,589**	(14,077,226)
Deposits and prepayments	**(12,323,296)**	(953,652)
Others receivables - considered good	**(663,570)**	(30,420)
Interest accrued	**(244,339)**	(149,978)
Increase in current liabilities	**(1,236,169,970)**	(1,684,198,605)
Trade and other payables	**567,794,455**	608,184,263
Cash used in operations after working capital changes	**(668,375,515)**	(1,076,014,342)
	(441,053,267)	(920,060,565)
Finance cost paid	**(5,977,143)**	(2,819,415)
Dividend paid	**(9,098,607)**	(12,277,483)
Tax paid - net	**(27,884,986)**	(16,744,984)
	(42,960,733)	(31,841,882)
Net cash used in operating activities	**(484,014,000)**	(951,902,448)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	**(273,847,811)**	(45,299,921)
Addition in capital work in progress	-	(71,435,447)
Net cash used in investing activities	**(273,847,811)**	(116,735,368)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment from long term loan - net	-	(29,333,332)
Proceeds from short term loans - net	**978,499,352**	1,199,960,828
Repayment of lease liability	-	(3,022,072)
Net cash generated from financing activities	**978,499,352**	1,167,605,424
Net increase in cash and cash equivalents (A + B + C)	**220,637,541**	98,967,608
Cash and cash equivalents at the beginning of the period	**46,106,465**	121,854,288
Cash and cash equivalents at the end of the period	**266,744,006**	220,821,896

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

Chief Executive *Director*

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

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **Adam Sugar Mills Limited** as at March 31, 2013, and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and notes to accounts for the six months period then ended (here-in-after referred to as the "Interim financial information"). Management is responsible for the preparation and fair 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. The figures of the condensed profit and loss account for the quarters ended March 31,2013 and 2012 have not been reviewed as we are required to review only the cumulative figures for the six months period ended march 31, 2013.

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.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information for the period ended March 31, 2013, is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Haroon Zakaria & Company
Chartered Accountants

Engagement Partner:
Zakaria

Karachi
Dated: May 23, 2013