

Selected Notes to the Condensed Interim Financial Information
for the period of nine months ended December 31, 2008 (Un-audited)

1. This interim financial information is un-audited and is being submitted to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges.
2. The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended March 31, 2008.
3. This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting".

	December 31 2008	March 31 2008
	(Rupees in thousand)	
4. Long-term finances- secured		
Opening balance	500,000	2,541,667
Add: Disbursements during the period	1,000,000	500,000
	<u>1,500,000</u>	<u>3,041,667</u>
Less: Repaid during the period	-	2,541,667
	<u>1,500,000</u>	<u>500,000</u>

5. Contingencies and Commitments

5.1 Contingencies

There is no significant change in contingencies from the preceding annual published financial statements of the company for the year ended March 31, 2008.

5.2 Commitments in respect of

- i) Letters of credit and purchase commitments other than capital expenditure Rs. 234.12 million (March 31,2008: Rs. 163.89 million).
- ii) Letters of credit and purchase commitments for capital expenditure Rs. 0.29 million (March 31, 2008: Rs. 70.21 million).

		December 31, 2008	March 31, 2008
(Rupees in thousand)			
6. Property, plant and equipment			
Opening book value		3,864,527	4,082,955
Add: Additions during the period	-note 6.1	43,547	270,875
		3,908,074	4,353,830
Less: Disposal during the period (book value)	-note 6.2	85,902	25,131
Depreciation charged during the period		324,713	464,172
		410,615	489,303
		<u>3,497,459</u>	<u>3,864,527</u>
6.1 Following is the detail of additions during the period:			
- Building on freehold land		-	2,102
- Plant and machinery		3,337	208,260
- Furniture and office equipment		2,346	6,366
- Vehicles		33,215	41,795
- Tools and equipments		417	6,091
- Computers		4,232	6,261
		<u>43,547</u>	<u>270,875</u>
6.2 Following is the detail of disposals during the period:			
- Plant and machinery		73,707	105
- Furniture and office equipment		52	49
- Vehicles		12,143	24,943
- Tools and equipments		-	34
		<u>85,902</u>	<u>25,131</u>

	October - December 2008 2007		April - December 2008 2007	
(Rupees in thousand)				
7. Sales				
Sales - Own manufactured goods	2,920,192	3,156,247	11,098,478	12,487,644
Less: Sales Tax and excise duties	542,941	435,113	1,861,161	1,683,601
Commission to dealers	59,127	66,934	219,023	266,204
	2,318,124	2,654,200	9,018,294	10,537,839
Sales - Trading goods	297,245	199,241	1,029,083	608,356
Less: Sales tax	41,000	25,985	140,122	79,357
Commission to dealers	1,250	940	6,815	2,415
	254,995	172,316	882,146	526,584
	<u>2,573,119</u>	<u>2,826,516</u>	<u>9,900,440</u>	<u>11,064,423</u>

	October - December		April - December	
	2008	2007	2008	2007
	(Rupees in thousand)		(Rupees in thousand)	
8. Cost of sales				
Raw material consumed	2,713,405	2,585,764	9,131,405	9,556,655
Stores and spares consumed	11,010	8,115	31,724	24,648
Salaries, wages and benefits	61,629	71,825	173,331	156,497
Fuel and power	11,409	8,442	37,550	30,293
Insurance	6,756	7,538	19,536	22,632
Travelling and vehicle running	16,655	15,975	48,677	46,109
Freight and handling	4,541	3,141	13,028	12,252
Repairs and maintenance	2,172	4,126	6,246	10,131
Technical assistance	4,894	8,367	10,138	19,685
Depreciation on property, plant and equipment	99,461	177,017	302,794	513,342
Royalty	50,477	56,474	196,959	223,015
Amortization - on intangible assets	7,061	7,075	21,428	22,373
Others expenses	3,145	2,315	9,290	9,304
	<u>2,992,615</u>	<u>2,956,174</u>	<u>10,002,106</u>	<u>10,646,936</u>
Opening stock of work-in-process	188,016	191,453	188,496	173,408
Closing stock of work-in-process	(283,868)	(165,472)	(283,868)	(165,472)
	<u>(95,852)</u>	<u>25,981</u>	<u>(95,372)</u>	<u>7,936</u>
Cost of goods manufactured	2,896,763	2,982,155	9,906,734	10,654,872
Less: Own work capitalized	-	-	3,889	37,842
Cost of damaged cars	-	-	6,816	-
	<u>2,896,763</u>	<u>2,982,155</u>	<u>9,896,029</u>	<u>10,617,030</u>
Opening stock of finished goods	916,614	724,557	400,312	672,368
Closing stock of finished goods	(1,454,128)	(1,101,430)	(1,454,128)	(1,101,430)
	<u>(537,514)</u>	<u>(376,873)</u>	<u>(1,053,816)</u>	<u>(429,062)</u>
	<u>2,359,249</u>	<u>2,605,282</u>	<u>8,842,213</u>	<u>10,187,968</u>
Cost of sales - Trading goods	222,440	158,880	776,218	471,574
	<u>2,581,689</u>	<u>2,764,162</u>	<u>9,618,431</u>	<u>10,659,542</u>

April - December
2008 2007
(Rupees in thousand)

9. Transactions with associated companies / related parties

Sale of goods	23,950	120,775
Sale of property, plant and equipment	87,076	-
Purchase of goods	5,972,476	5,518,444
Purchase of property, plant and equipment	1,484,086	17,327
Insurance premium	100,148	99,061
Technical assistance fee	48,527	33,329
Royalty	181,623	212,073
Profit on bank accounts	616	9,363
Mark-up on bank accounts	1,020	-

December 31 March 31
2008 2008
(Rupees in thousand)

Related party balances at period / year end are as follows:

Receivable from related parties	17,006	15,832
Payable to related parties	714,055	573,599

April - December
2008 2007
(Rupees in thousand)

10. Cash generated from operations

Loss before taxation	(237,861)	(23,921)
Adjustment for:		
- Depreciation on property, plant and equipment	324,713	540,946
- Profit on disposal of property, plant and equipment	(14,092)	(2,718)
- Assets written off	349	19
- Profit on bank deposits, loans to employees and advances to suppliers	(41,568)	(13,812)
- Finance cost	109,545	187,221
- Provision for employee's retirement benefits and other obligations	18,821	18,610
- Amortization on intangible assets	21,642	22,757
- Royalty	182,312	212,395
- Working capital changes	- note 10.1 (1,796,732)	(1,462,109)
	<u>(1,432,871)</u>	<u>(520,612)</u>

	April - December	
	2008	2007
	(Rupees in thousand)	
10.1 Working capital changes		
(Increase) / decrease in current assets		
- Stores and spares	447	(22,793)
- Stock in trade	(1,802,692)	(364,452)
- Trade and other receivables	(170,243)	(194,368)
Increase/ (decrease) in current liabilities		
- Trade and other payables	175,756	(880,496)
	<u>(1,796,732)</u>	<u>(1,462,109)</u>

11. Cash and cash equivalents

Cash and bank balances	10,266	35,597
Short term running finances	<u>(2,275,515)</u>	<u>(2,230,035)</u>
	<u>(2,265,249)</u>	<u>(2,194,438)</u>

12. Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. For the purpose of better presentation, income from sale of CKD packing material (Rs 62.29 million), previously classified as other operating income, has been netted off against raw material consumed included in cost of sales.


Yusuf H. Shirazi
Chairman


Atsushi Yamazaki
Chief Executive