



Selected Notes to the Condensed Interim Financial Statements for the quarter ended June 30, 2009 (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, 2009.
3. This condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting".

	June 30, 2009	March 31, 2009
	(Rupees in thousand)	
4. Long-term finances - secured		
Opening balance	1,500,000	500,000
Disbursements during the period	500,000	1,000,000
	2,000,000	1,500,000
Repayments during the period	-	-
Current portion shown under current liabilities	(500,000)	-
	(500,000)	-
	1,500,000	1,500,000
5. Contingencies and commitments		
Contingencies		
There is no significant change in contingencies from the preceding annual published accounts of the company for the year ended March 31, 2009.		
Commitments in respect of		
i) Letters of credit and purchase commitments other than capital expenditure Rs 72.83 million (March 31, 2009 : Rs 231.54 million)		
ii) Letters of credit and purchase commitments for capital expenditure Rs 0.22 million (March 31, 2009 : Rs nil)		

	Note	June 30, 2009 (Rupees in thousand)	March 31, 2009
6. Property, plant and equipment			
Opening book value		5,190,535	3,864,527
Additions during the period	6.1	4,710	2,019,576
		5,195,245	5,884,103
Disposal during the period (book value)	6.2	(6,220)	(171,301)
Depreciation charged during the period		(188,803)	(522,267)
		(195,023)	(693,568)
		<u>5,000,222</u>	<u>5,190,535</u>
6.1 Following is the detail of additions during the period:			
- Plant and machinery		4,317	1,938,006
- Furniture and office equipment		32	7,959
- Vehicles		-	63,526
- Tools and equipments		111	4,115
- Computers		250	5,970
		<u>4,710</u>	<u>2,019,576</u>
6.2 Following is the detail of disposals during the period:			
- Plant and machinery		-	153,503
- Furniture and office equipment		-	36
- Vehicles		6,220	17,679
- Tools and equipments		-	83
		<u>6,220</u>	<u>171,301</u>
		April - June	
		2009	2008
		(Rupees in thousand)	
7. Sales			
Sales - Own manufactured goods		3,749,547	4,215,039
Sales tax		(512,895)	(544,924)
Excise duties		(141,331)	(36,328)
Commission to dealers		(70,095)	(87,072)
		3,025,226	3,546,715
Sales - Trading goods		230,841	184,202
Sales tax		(31,840)	(24,006)
Commission to dealers		(350)	(250)
		198,651	159,946
		<u>3,223,877</u>	<u>3,706,661</u>

	April - June 2009 2008 (Rupees in thousand)	
8. Cost of sales		
Raw material consumed	2,560,923	2,916,551
Stores and spares consumed	7,042	8,466
Salaries, wages and benefits	58,119	49,168
Fuel and power	11,156	12,155
Insurance	8,202	6,450
Traveling and vehicle running	10,072	12,692
Freight and handling	4,324	3,566
Repairs and maintenance	1,373	2,001
Technical assistance	2,095	2,141
Depreciation on property, plant and equipment	179,832	103,906
Amortization on intangible assets	17,672	7,306
Royalty	66,976	75,302
Other expenses	2,802	3,207
	2,930,588	3,202,911
Opening stock of work-in-process	248,184	188,496
Closing stock of work-in-process	(209,639)	(185,016)
	38,545	3,480
Cost of goods manufactured	2,969,133	3,206,391
Own work capitalized	-	(2,686)
Cost of damaged cars	-	(4,804)
	2,969,133	3,198,901
Opening stock of finished goods	1,065,836	400,312
Closing stock of finished goods	(946,816)	(178,123)
	119,020	222,189
	3,088,153	3,421,090
Cost of sales - Trading goods	165,342	145,162
	3,253,495	3,566,252
9. Transactions with related parties		
Sale of goods	33,845	9,264
Purchase of goods	1,867,698	2,185,914
Purchase of property, plant and equipments	444	33,953
Insurance premium	61,983	52,784
Technical assistance fee	1,726	5,682
Royalty	60,666	71,501
Profit on bank accounts	-	205
	June 30,	March 31,
	2009	2009
	(Rupees in thousand)	
Related party balances at period / year end as follows:		
Receivable from related parties	26,444	32,180
Payable to related parties	1,239,389	567,212

	Note	April - June	
		2009	2008
(Rupees in thousand)			
10. Cash generated from operations			
(Loss) / profit before taxation		(249,543)	55,140
Adjustment for:			
-Depreciation on property, plant and equipment		188,803	110,702
-Profit on disposal of property, plant and equipment		(6,194)	(29)
-Assets written off		-	331
-Profit on bank deposits		(112)	(24,615)
-Interest on loans to employees and advances to suppliers		(1,054)	(855)
-Finance cost		159,181	19,250
-Provision for employees retirement benefits and other obligations		7,327	4,432
-Amortization on intangible assets		17,738	7,377
-Royalty		60,887	71,716
-Working capital changes	10.1	(461,588)	1,281,070
		<u>(284,555)</u>	<u>1,524,519</u>
10.1 Working capital changes			
(Increase) / decrease in current assets			
-Stores and spares		(16,044)	676
-Stock-in-trade		(102,568)	(535,259)
-Advances, prepayments and other receivables		35,482	(289,163)
Increase / (decrease) in current liabilities			
-Trade and other payables		(378,458)	2,104,816
		<u>(461,588)</u>	<u>1,281,070</u>
11. Cash and cash equivalents			
Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:			
Cash and bank balances		15,540	1,492,127
Short term running finances		(2,145,855)	-
		<u>(2,130,315)</u>	<u>1,492,127</u>
12. Corresponding figures			
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.			
 Yusuf H. Shirazi Chairman		 Atsushi Yamazaki Chief Executive	