

Selected Notes to the Condensed Interim Financial Information

for the half year ended September 30, 2008 (Un-audited)

1. This condensed 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 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting" and has been reviewed by the auditors of the company as required by the Code of Corporate Governance.

	September 30 2008	March 31 2008
	(Rupees in thousand)	
4. Long term finances - secured Opening balance	500,000	2,541,667
Add: Disbursements during the period	<u>1,000,000</u>	<u>500,000</u>
	1,500,000	3,041,667
Less: Repaid during the period	-	(2,541,667)
	<u><u>1,500,000</u></u>	<u><u>500,000</u></u>

5. Contingencies and commitments

5.1 Contingencies

There is no significant change in contingencies from the preceeding 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 expenditures Rs 203.97 million (March 31, 2008: Rs 163.89 million)
- (ii) Letters of credit and purchase commitments for capital expenditure Rs 497.90 million (March 31, 2008: Rs 70.21 million)

	September 30 2008	March 31 2008
Note	(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 39,910	270,875
	<u>3,904,437</u>	<u>4,353,830</u>
Less: Disposals during the period (at book value)	-note 6.2 (85,885)	(25,131)
Depreciation charged during the period	<u>(217,627)</u>	<u>(464,172)</u>
	<u>(303,512)</u>	<u>(489,303)</u>
	<u>3,600,925</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	2,338	208,260
- Furniture and office equipment	1,345	6,366
- Vehicles	33,215	41,795
- Tools and equipments	249	6,091
- Computers	2,763	6,261
	<u>39,910</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	35	49
- Vehicles	12,143	24,943
- Tools and equipments	-	34
	<u>85,885</u>	<u>25,131</u>

	July - September		April - September	
	2008	2007	2008	2007
	(Rupees in thousand)		(Rupees in thousand)	
7. Sales				
Sales - Own manufactured goods	3,963,247	4,191,584	8,178,286	9,331,398
Less : Sales tax and excise duties	(736,968)	(578,113)	(1,318,220)	(1,248,488)
Commission to dealers	(72,824)	(89,381)	(159,896)	(199,270)
	3,153,455	3,524,090	6,700,170	7,883,640
Sales - Trading goods	547,636	205,743	731,838	409,090
Less: Sales tax	(75,116)	(26,843)	(99,122)	(53,373)
Commission to dealers	(5,315)	(710)	(5,565)	(1,450)
	467,205	178,190	627,151	354,267
	3,620,660	3,702,280	7,327,321	8,237,907
8. Cost of sales				
Raw material consumed	3,483,353	3,504,240	6,418,000	6,970,891
Stores and spares consumed	12,248	10,396	20,714	16,533
Salaries, wages and benefits	62,534	44,399	111,702	84,672
Fuel and power	13,986	11,056	26,141	21,851
Insurance	6,330	7,801	12,780	15,094
Travelling and vehicle running	19,330	15,553	32,022	30,134
Freight and handling	4,921	4,731	8,487	9,111
Repairs and maintenance	2,073	2,954	4,074	6,005
Technical assistance	3,103	6,287	5,244	11,318
Depreciation on property, plant & equipment	99,427	168,404	203,333	336,325
Royalty	71,180	74,831	146,482	166,541
Amortization - on intangible assets	7,061	4,797	14,367	15,298
Others expenses	2,938	3,131	6,145	6,989
	3,788,484	3,858,580	7,009,491	7,690,762
Opening stock of work-in-process	185,016	172,573	188,496	173,408
Closing stock of work-in-process	(188,016)	(191,453)	(188,016)	(191,453)
	(3,000)	(18,880)	480	(18,045)
Cost of goods manufactured	3,785,484	3,839,700	7,009,971	7,672,717
Less: Own work capitalized	1,203	27,919	3,889	37,842
Cost of damaged cars	2,012	-	6,816	-
	3,782,269	3,811,781	6,999,266	7,634,875
Opening stock of finished goods	178,123	294,178	400,312	672,368
Closing stock of finished goods	(916,614)	(724,557)	(916,614)	(724,557)
	(738,491)	(430,379)	(516,302)	(52,189)
	3,043,778	3,381,402	6,482,964	7,582,686
Cost of sales - Trading goods	408,616	158,176	553,778	312,694
	3,452,394	3,539,578	7,036,742	7,895,380

	April - September	
	2008	2007
	(Rupees in thousand)	
9. Transactions with associated companies / related parties		
Sale of goods	21,232	90,750
Sale of property, plant & equipment	87,076	-
Purchase of goods	4,319,675	3,929,640
Purchase of property, plant & equipment	789,051	25,026
Insurance premium	78,627	80,817
Technical assistance fee	19,685	26,076
Royalty	136,003	158,483
Profit on bank deposits	546	9,032
Markup on finances	437	-

September 30	March 31
2008	2007
(Rupees in thousand)	

Period end balances are as follows:

Receivable from related parties	20,467	15,832
Payable to related parties	984,283	573,599

	April - September	
	2008	2007
	(Rupees in thousand)	
10. Cash generated from operations		
(Loss) / Profit before taxation	(81,508)	58,767
Adjustment for:		
- Depreciation on property, plant & equipment	217,627	354,310
- Profit on disposal of property, plant and equipment	(14,092)	(953)
- Assets written off	332	19
- Profit on bank deposits, loans to employees and advances to suppliers	(40,096)	(12,946)
- Finance cost	46,476	125,475
- Provision for employee's retirement benefits & other obligations	11,001	12,521
- Amortization of intangible assets	14,510	15,611
- Royalty	136,468	158,610
- Worker's profit participation fund	-	3,156
- Worker's welfare fund	-	1,199
Working capital changes	- note 10.1 (1,225,248)	(126,816)
	<u>(934,530)</u>	<u>588,953</u>

	April - September	
	2008	2007
	(Rupees in thousand)	
10.1 Working capital changes		
Decrease / (Increase) in current assets		
- Stores and spares	4,034	(9,996)
- Stock in trade	(1,187,675)	138,211
- Trade & other receivables	(186,925)	(134,253)
Increase / (Decrease) in current liabilities		
- Trade and other payables	145,318	(120,778)
	<u>(1,225,248)</u>	<u>(126,816)</u>
 11. Cash and cash equivalents		
Cash and bank balances	39,240	32,522
Short term running finance	(832,714)	(1,163,757)
	<u>(793,474)</u>	<u>(1,131,235)</u>

12. Date of authorization for issue

These financial statements were authorized for issue on November 18, 2008 by the Board of Directors of the company.

13. Corresponding figures

Corresponding figures have been re-arranged, where necessary, for the purpose of comparison. For the purpose of better presentation, income from sale of CKD packing material (Rs 45.807 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