

Selected Notes to the Condensed Interim Financial Statements

for the period of Three months ended June 30, 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. These condensed interim financial information have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, "Interim Financial Reporting".

	June 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	-	500,000
	500,000	3,041,667
Less: Repayments during the period	-	2,541,667
	500,000	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, 2008.

Commitments in respect of

- i) Letters of credit and purchase commitments other than capital expenditure Rs 158.69 million (March 31, 2008 : Rs 163.89 million)
- ii) Letters of credit and purchase commitments for capital expenditure Rs 151.83 million (March 31, 2008 : Rs 70.21 million)

	June 30, 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	11,598	270,875
	3,876,125	4,353,830
Less: Disposal during the period (book value)	352	25,131
Depreciation charged during the period	110,702	464,172
	111,054	489,303
	<u>3,765,071</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	2,127	208,260
- Furniture and office equipment	281	6,366
- Vehicles	7,989	41,795
- Tools and equipments	95	6,091
- Computers	1,106	6,261
	<u>11,598</u>	<u>270,875</u>
6.2 Following is the detail of disposals during the period:		
- Building on freehold land	-	-
- Plant and machinery	331	105
- Furniture and office equipment	-	49
- Vehicles	21	24,943
- Tools and equipments	-	34
- Computers	-	-
	<u>352</u>	<u>25,131</u>

	April - June	
	2008	2007
	(Rupees in thousand)	
7. Transactions with related parties		
Sales of goods	9,264	43,665
Purchase of goods	2,185,914	1,808,000
Purchase of property, plant & equipments	33,953	4,862
Insurance premium	52,784	55,910
Technical assistance fee	5,682	16,279
Royalty	71,501	87,401
Profit on bank accounts	205	-
	June 30,	March 31,
	2008	2008
	(Rupees in thousand)	
Related party balances at period / year end are as follows:		
- Receivable from related parties	14,609	15,832
- Payable to related parties	2,221,695	573,599
	April - June	
	2008	2007
	(Rupees in thousand)	
8. Cash generated from operations		
Profit before taxation	55,140	30,993
Adjustment for:		
- Depreciation on property, plant & equipment	110,702	176,673
- Loss on disposal of property, plant and equipment	(29)	(953)
- Assets written off	331	19
- Profit on bank deposits	(24,615)	(9,518)
- Interest on loans to employees and advances to suppliers	(855)	(1,385)
- Finance cost	19,250	73,449
- Provision for employees retirement benefits & other obligations	4,432	5,453
- Amortization on intangible assets	7,377	10,743
- Royalty	71,716	91,710
- Working capital changes	- note 8.1 1,281,070	377,157
	<u>1,524,519</u>	<u>754,341</u>

April - June
2008 2007
(Rupees in thousand)

8.1 Working capital changes

(Increase) / decrease in current assets

- Stores and spares	676	(5,115)
- Stock-in-trade	(535,259)	704,996
- Trade and other receivables	(289,163)	(185,792)

Increase / (decrease) in current liabilities

- Trade and other payables	<u>2,104,816</u>	<u>(136,932)</u>
	<u>1,281,070</u>	<u>377,157</u>

9. Cash and cash equivalents

Cash and bank balances	1,492,127	239,503
Short-term running finances	-	(224,416)
	<u>1,492,127</u>	<u>15,087</u>

10. Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison.


Yusuf H. Shirazi
Chairman


Atsushi Yamazaki
Chief Executive