

Selected Notes to the Condensed Interim Financial Statements for the quarter ended June 30, 2010 (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, 2010.
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, 2010	March 31, 2010
(Rupees in thousand)		
4. Long-term finances - secured		
Opening balance	1,500,000	1,500,000
Disbursements during the period	-	<u>1,500,000</u>
	<u>1,500,000</u>	<u>3,000,000</u>
Repayments during the period	<u>(500,000)</u>	<u>(1,500,000)</u>
Current portion shown under current liabilities	<u>(166,667)</u>	<u>(166,667)</u>
	<u>(666,667)</u>	<u>(1,666,667)</u>
	<u>833,333</u>	<u>1,333,333</u>

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, 2010.

Commitments in respect of

- i) Letters of credit and purchase commitments other than capital expenditure Rs 318.40 million (March 31, 2010 : Rs 505.83 million)
- ii) Letters of credit and purchase commitments for capital expenditure Rs 1.34 million (March 31, 2010 : Rs nil)

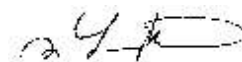
		June 30, 2010	March 31, 2010
		(Rupees in thousand)	
6.	Property, plant and equipment		
	Opening book value	4,445,810	5,190,535
	Additions during the period	24,223	25,181
		4,470,033	5,215,716
	Disposal during the period (book value)	(7,214)	(13,618)
	Depreciation charged during the period	(180,973)	(756,288)
		(188,187)	(769,906)
		<u>4,281,846</u>	<u>4,445,810</u>
6.1	Following is the detail of additions during the period:		
	- Plant and machinery	7,505	17,967
	- Furniture and office equipment	-	1,588
	- Vehicles	16,108	1,480
	- Tools and equipments	159	2,467
	- Computers	451	1,679
		<u>24,223</u>	<u>25,181</u>
6.2	Following is the detail of disposals during the period:		
	- Plant and machinery	145	-
	- Furniture and office equipment	-	86
	- Vehicles	7,031	13,448
	- Tools and equipments	32	-
	- Computers	6	84
		<u>7,214</u>	<u>13,618</u>
		April - June	
		2010	2009
		(Rupees in thousand)	
7.	Sales		
	Sales - Own manufactured goods	6,426,602	3,749,547
	Sales tax	(878,211)	(512,895)
	Excise duties	(54,947)	(141,331)
	Commission to dealers	(114,397)	(70,095)
		5,379,047	3,025,226
	Sales - Trading goods	299,933	230,841
	Sales tax	(41,361)	(31,840)
	Commission to dealers	(450)	(350)
		258,122	198,651
		<u>5,637,169</u>	<u>3,223,877</u>

	April - June	
	2010	2009
	(Rupees in thousand)	
8. Cost of sales		
Raw material consumed	4,507,859	2,560,923
Stores and spares consumed	14,602	7,042
Salaries, wages and benefits	48,562	58,119
Fuel and power	16,477	11,156
Insurance	7,509	8,202
Traveling and vehicle running	10,302	10,072
Freight and handling	5,056	4,324
Repairs and maintenance	1,391	1,373
Technical assistance	9,624	2,095
Depreciation on property, plant and equipment	173,143	179,832
Amortization on intangible assets	17,767	17,672
Royalty	119,328	66,976
Canteen Subsidy	3,246	2,662
Other expenses	117	140
	<u>4,934,983</u>	<u>2,930,588</u>
Opening stock of work-in-process	265,139	248,184
Closing stock of work-in-process	(263,781)	(209,639)
	<u>1,358</u>	<u>38,545</u>
Cost of goods manufactured	4,936,341	2,969,133
Own work capitalized	(13,318)	-
	<u>4,923,023</u>	<u>2,969,133</u>
Opening stock of finished goods	650,786	1,065,836
Closing stock of finished goods	(233,584)	(946,816)
	<u>417,202</u>	<u>119,020</u>
	<u>5,340,225</u>	<u>3,088,153</u>
Cost of sales - Trading goods	210,825	165,342
	<u>5,551,050</u>	<u>3,253,495</u>
9. Transactions with related parties		
Sale of goods	12,551	33,845
Purchase of goods	3,283,749	1,867,698
Purchase of property, plant and equipments	-	444
Insurance premium	75,192	61,983
Insurance Claim	347	372
Technical assistance fee	7,990	1,726
Royalty	108,082	60,666
	June 30,	March 31,
	2010	2010
	(Rupees in thousand)	
Related party balances at period / year end are as follows:		
Receivable from related parties	15,236	14,297
Payable to related parties	4,327,604	2,902,940

		April - June	
		2010	2009
		(Rupees in thousand)	
	Note		
10. Cash generated from operations			
Loss before taxation		(60,131)	(249,543)
Adjustment for:			
-Depreciation on property, plant and equipment		180,973	188,803
-Profit on disposal of property, plant and equipment		(1,768)	(6,194)
-Assets written off		183	-
-Profit on bank deposits		(10,437)	(112)
-Interest on loans to employees and advances to suppliers		(1,428)	(1,054)
-Finance cost		39,756	159,181
-Provision for employees retirement benefits and other obligations		6,114	7,327
-Amortization on intangible assets		17,809	17,738
-Royalty		108,480	60,887
-Working capital changes	10.1	1,116,367	(461,588)
		<u>1,395,918</u>	<u>(284,555)</u>
10.1 Working capital changes			
(Increase) / decrease in current assets			
-Stores and spares		11,681	(16,044)
-Stock-in-trade		(246,980)	(102,568)
-Advances, prepayments and other receivables		(75,199)	35,482
Increase / (decrease) in current liabilities			
-Trade and other payables		1,426,865	(378,458)
		<u>1,116,367</u>	<u>(461,588)</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		765,830	15,540
Short term running finances		-	(2,145,855)
		<u>765,830</u>	<u>(2,130,315)</u>
12. Corresponding figures			
Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant rearrangements have been made.			



Yusuf H. Shirazi
Chairman



Atsushi Yamazaki
Chief Executive