



Notes to the Interim Condensed Financial Statements (Unaudited)
for the period ended March 31, 2008

1. NATURE AND STATUS OF BUSINESS

The Company was incorporated in Pakistan on September 30, 1986 as a public limited company under the Companies Ordinance, 1984 and is quoted on Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at Lakson Square, Building No. 2, Sarwar Shaheed Road, Karachi. The principal business of the Company is manufacture and sale of food and plastic products and trading in food and personal care products.

2. BASIS OF PRESENTATION

These financial statements are unaudited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2007.

		March 31, 2008	June 30, 2007
	Note	(Unaudited)	(Audited)
—— (Rupees in '000) ——			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	4.1	62,793	56,266
Capital work in progress	4.2	2,361	3,232
		<u>65,154</u>	<u>59,498</u>
4.1 Operating Assets			
Book value at the beginning of the period / year		56,266	58,031
Additions during the period / year (including transfer from CWIP)	4.1.1	14,827	10,265
Less :			
Disposals during the period/year - at book value	4.1.2	438	680
Depreciation charged during the period/year		7,862	11,350
		<u>8,300</u>	<u>12,030</u>
		<u>62,793</u>	<u>56,266</u>
4.2 Capital Work in Progress			
At the beginning of the period / year		3,232	-
Additions during the period / year		5,376	3,232
Transfer to fixed assets during the period / year		(6,247)	-
At the end of the period / year		<u>2,361</u>	<u>3,232</u>



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8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There were no major changes in the contingencies as reported in the financial statements for the year ended June 30, 2007.

8.2 Guarantees

There is a contingent liability in respect of indemnities given to banks for guarantees issued by them in the normal course of business aggregating to Rs. 1.354 million (June 30, 2007: 1.354 million).

	March 31, 2008 (Unaudited)	June 30, 2007 (Audited)
	— (Rupees in '000) —	
8.3 Commitments		
Acceptance and letters of credit	423,523	7,590
Capital commitments	1,669	2,137
Lease rentals payable	-	60

	Quarter ended		Nine months ended	
	March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
	(Rupees in '000)			
9. COST OF SALES				
Cost of goods manufactured	221,766	155,654	420,013	322,454
Purchase of trading goods	11,352	(91)	29,294	8,757
Opening stock of finished goods (including trading goods)	67,877	51,233	30,474	33,176
	<u>300,995</u>	<u>206,796</u>	<u>479,781</u>	<u>364,387</u>
Closing stock of finished goods (including trading goods)	(144,976)	(100,639)	(144,976)	(100,639)
	<u>156,019</u>	<u>106,157</u>	<u>334,805</u>	<u>263,748</u>
10. TAXATION				
Current				
- for the period	4,367	2,765	17,301	9,030
- for prior year	-	11	1,336	(825)
	<u>4,367</u>	<u>2,776</u>	<u>18,637</u>	<u>8,205</u>
Deferred	498	-	771	(765)
	<u>4,865</u>	<u>2,776</u>	<u>19,408</u>	<u>7,440</u>
11. EARNINGS PER SHARE - BASIC AND DILUTED				
Profit after taxation	<u>22,809</u>	<u>5,287</u>	<u>46,337</u>	<u>15,819</u>
Weighted average number of ordinary shares outstanding during the period	<u>7,862,400</u>	<u>7,862,400</u>	<u>7,862,400</u>	<u>7,862,400</u>
Earnings per share basic and diluted	<u>Rs. 2.90</u>	<u>Re. 0.67</u>	<u>Rs. 5.89</u>	<u>Rs. 2.01</u>



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12. RELATED PARTIES DISCLOSURE

The related parties include associates, group companies, trade mark licensor, staff retirement funds, directors and key management personnel. Transactions with related parties are as follows:

Relationship	Nature of transactions / balances	Quarter ended		Nine months ended	
		March 31, 2008	March 31, 2007	March 31, 2008	March 31, 2007
(Rupees in '000)					
Group Companies					
	Sale of goods and services	4,279	821	11,159	1,309
	Purchase of goods and services	12,975	10,572	31,213	19,149
	Rent and allied expenses	534	891	1,622	3,042
	Insurance premium	1,669	900	4,828	3,725
	Dividend paid	-	-	16,540	10,123
	Issue of bonus shares (No. of shares)	-	-	735,110	337,428
	Due from related parties	5,099	360	5,099	360
	Due to related parties	57,904	5,556	57,904	5,556
Staff retirement benefits plans					
	Contribution to staff retirement benefit	439	572	1,451	1,431
	Payable to provident fund	368	155	368	155
Key management personnel					
	Remuneration and benefits	3,930	2,966	10,456	8,965
Licensor of product in respect of which the company has exclusive trademark rights					
	Royalty on sale of licensed products	9,311	6,295	20,228	15,407
Other related parties					
	Purchase of goods and services	107,441	25,611	150,572	59,756

The Company enters into transactions with related parties for the purchase of raw material, services, royalty charges and rent and allied expenses which are charged between related parties on the basis of mutually agreed terms.



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	Nine months ended	
	March 31, 2008	March 31, 2007
(Rupees in '000)		
13. CASH USED IN OPERATIONS		
Profit before taxation	65,745	23,259
Adjustments for non cash charges and other items:		
Depreciation	7,862	8,241
Gain on sale of property, plant and equipment	(1,012)	(101)
Financial charges	2,219	1,738
	<u>74,814</u>	<u>33,137</u>
(Increase) / decrease in current assets		
Stores	(423)	37
Stock-in-trade	(235,762)	(74,980)
Trade debts	(4,787)	11,668
Loans and advances	(19,433)	480
Trade deposits and short-term prepayments	(5,678)	(23,763)
Other receivables	(9,858)	85
Profit accrued on investment and deposits	62	(7)
	<u>(275,879)</u>	<u>(86,480)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	15,432	(38,645)
Sales tax payable / refundable	(48,119)	(7,937)
	<u>(32,687)</u>	<u>(46,582)</u>
Cash used in operations	<u>(233,752)</u>	<u>(99,925)</u>

14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on April 24, 2008.

15. GENERAL

15.1 No material corresponding period figures have been rearranged, however, earnings per share have been restated as disclosed in note 11 to the financial statements.

15.2 Amounts have been rounded off to the nearest thousand rupees.

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director