



Notes to the Interim Condensed Financial Statements (Unaudited)
for the period ended March 31, 2009

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 interim condensed 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, 2008.

	March 31, 2009	June 30, 2008
Note	(Unaudited)	(Audited)
	—— (Rupees in '000) ——	

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Book value at the beginning of the period / year	82,390	56,266
Additions during the period / year 4.1	35,606	35,276
Less:		
Disposals during the period / year - at book value 4.2	1,378	1,028
Depreciation charged during the period / year	9,261	8,124
	10,639	9,152
	<u>107,357</u>	<u>82,390</u>

4.1 Additions during the period / year are as follows:

Leasehold land	30,224	-
Building on leasehold land	-	11,433
Plant and machinery	1,929	13,043
Furniture and fittings	276	3,168
Office equipment	248	817
Tools and equipment	27	1,633
Vehicles	2,329	3,075
Computer and data processing equipment	464	2,107
Capital work in progress	109	-
	<u>35,606</u>	<u>35,276</u>



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	March 31, 2009 (Unaudited)	June 30, 2008 (Audited)
	— (Rupees in '000) —	
4.2 Disposals during the period / year - at book value		
Office equipment	-	19
Furniture and fittings	1,102	-
Vehicles	276	1,009
	<u>1,378</u>	<u>1,028</u>
5. INTANGIBLE ASSET		
Computer software	<u>645</u>	<u>-</u>
Represents carrying amount of computer software acquired during the period at cost of Rs. 0.728 million (2008: Nil).		
6. STOCK-IN-TRADE		
Raw material	81,155	111,434
Packing material	22,670	26,836
Work in process	6,924	2,282
Finished goods	135,029	40,664
Trading goods	20,466	27,635
	<u>266,244</u>	<u>208,851</u>
7. OTHER RECEIVABLES	<u>28,749</u>	<u>10,871</u>
It includes duty refund claim in respect of import of sugar amounting to Rs.20.998 million, filed with the custom authorities.		
8. SHORT TERM INVESTMENTS		
Held to maturity - at amortised cost	-	5,018
Available for sale - at fair value	-	140,801
	<u>-</u>	<u>145,819</u>
9. SHARE CAPITAL		
Issued, subscribed and paid-up capital		
Fully paid ordinary shares of Rs. 10/- each		
Number of shares		
March 31, 2009	June 30, 2008	
3,900,000	3,900,000	Issued for Cash 39,000 39,000
Issued as fully paid bonus shares		
3,962,400	2,652,000	Opening balance 39,624 26,520
1,572,480	1,310,400	Issued during the 15,725 13,104
5,534,880	3,962,400	period/year 55,349 39,624
<u>9,434,880</u>	<u>7,862,400</u>	<u>94,349</u> <u>78,624</u>



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March 31, June 30,
2009 2008
(Unaudited) (Audited)
— (Rupees in '000) —

10. SHORT TERM RUNNING FINANCES	34,227	-
	<u> </u>	<u> </u>

The facilities for running finance available from various banks amount to Rs.188 million (June 30, 2008: Rs.215 million). The rate of the markup ranges from one month to three months KIBOR plus rates varying from 2% to 3.5% per annum.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There were no changes in the contingencies as reported in the financial statements for the year ended June 30, 2008.

11.2 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.0.075 million (June 30, 2008: Rs.1.354 million).

11.3 Commitments

Acceptance and letters of credit	214,482	174,555
	<u> </u>	<u> </u>

	<u>Quarter ended</u>		<u>Nine months ended</u>	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	(Rupees in '000)			
12. COST OF SALES				
Cost of goods manufactured	209,837	231,542	407,771	441,252
Purchase of trading goods	4,161	11,352	13,168	29,294
Opening stock of finished goods (including trading goods)	73,817	67,877	68,299	30,474
	<u>287,815</u>	<u>310,771</u>	<u>489,238</u>	<u>501,020</u>
Closing stocks of finished goods (including trading goods)	(155,495)	(144,976)	(155,495)	(144,976)
	<u>132,320</u>	<u>165,795</u>	<u>333,743</u>	<u>356,044</u>



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	Quarter ended		Nine months ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008

(Rupees in '000)

13. TAXATION

Current				
- for the period	99	4,367	338	17,301
- for prior year	4,099	-	4,099	1,336
	4,198	4,367	4,437	18,637
Deferred	(109)	498	(603)	771
	4,089	4,865	3,834	19,408

14. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

Profit / (loss) after taxation	(60)	22,809	(50,221)	46,337
	----- (Number of shares) -----			
Weighted average number of ordinary shares outstanding during the period	9,434,880	9,434,880	9,434,880	9,434,880
Earnings / (loss) per share - basic and diluted (Rupees)	(0.01)	2.42	(5.32)	4.91

14.1 Weighted average number of ordinary shares for the corresponding periods have been restated based on bonus shares issued.

15. RELATED PARTIES DISCLOSURE

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



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		Nine months ended	
		March 31, 2009	March 31, 2008
		— (Rupees in '000) —	
Relationship	Nature of transactions / balances		
Group Companies			
	Sale of goods and services	23,870	11,159
	Purchase of goods and services	33,870	31,213
	Rent and allied expenses	1,971	1,622
	Insurance premium	4,876	4,828
	Insurance commission	499	—
	Dividend paid	23,905	16,541
	Issue of bonus shares (No. of shares)	1,365,972	735,110
	Due from related parties	2,499	5,099
	Due to related parties	59,626	57,904
Staff retirement benefits plans	Contribution to staff retirement benefits	2,917	1,451
	Payable to provident fund	323	368
Key management personnel	Remuneration and benefits	13,105	10,456
Licensors of product in respect of which the company has exclusive trademark rights	Royalty on sale of licensed products	16,081	20,228
Other related parties	Purchase of goods and services	69,858	150,572

The company enters into transactions with related parties for the sale of its products and purchase of raw and packing materials. Services, rent and allied expenses are shared between related parties on the basis of mutually agreed terms.



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	Nine months ended	
	March 31, 2009	March 31, 2008
	— (Rupees in '000) —	
16. CASH USED IN OPERATIONS		
Profit / (loss) before taxation	(46,387)	65,745
Adjustment for non cash charges and other items:		
Depreciation	9,342	7,862
Loss / (Gain) on sale of property, plant and equipment	447	(1,012)
Finance costs	5,187	2,219
	<u>(31,411)</u>	<u>74,814</u>
(Increase) / decrease in current assets		
Stores	(786)	(423)
Stock in trade	(57,394)	(235,762)
Trade debts	14,059	(4,787)
Loan and advances	(5,203)	(19,433)
Trade deposits and short term prepayments	(2,417)	(5,678)
Other receivables	(17,878)	(9,858)
Profit accrued	—	62
	<u>(69,619)</u>	<u>(275,879)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(49,347)	15,432
Sales tax payable	(10,633)	(48,119)
	<u>(59,980)</u>	<u>(32,687)</u>
Cash used in operations	<u><u>(161,010)</u></u>	<u><u>(233,752)</u></u>

17. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on April 24, 2009.



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18. GENERAL

18.1 Previous period's figures have been rearranged and reclassified wherever necessary for the purposes of comparison. Following significant corresponding figures have been changed for more appropriate comparison.

Royalty expense		2008 Rupees in '000
From	To	
Distribution costs	Cost of sales	21,240

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

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director