



Notes to the Interim Condensed Financial Statements (Unaudited)
for the half year ended December 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 interim condensed financial statements are unaudited but subject to limited scope review by auditors. These are required to be presented to the shareholders under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) - 34, "Interim Financial Reporting", as applicable in Pakistan. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2008.

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.

4. SEASONALITY OF OPERATIONS

Due to the seasonal nature of the Company's business, higher revenues and operating profits are usually expected in the second half of the year as compared to first six months due to the summer season and consequent increase in the demand of the Company's product.

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

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Book value at the beginning of the period / year	82,390	56,266
Additions during the period / year 5.1	33,670	35,276
Less:		
Disposals during the period / year - at book value 5.2	178	1,028
Depreciation charged during the period / year	6,094	8,124
	6,272	9,152
	<u>109,788</u>	<u>82,390</u>



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	December 31, 2008 (Unaudited)	June 30, 2008 (Audited)
	—— (Rupees in '000) ——	
5.1 Additions during the period / year		
Leasehold land	5.1.1 30,184	-
Building on leasehold land	-	11,433
Plant and machinery	1,649	13,043
Furniture and fittings	89	3,168
Office equipment	198	817
Tools and equipment	27	1,633
Vehicles	1,060	3,075
Computer and data processing equipment	463	2,107
	<u>33,670</u>	<u>35,276</u>
5.1.1 Represents plot of land measuring 16,648 square meters acquired by the Company in Sunder Industrial Estate, Lahore from Government of Punjab.		
5.2 Disposals during the period / year - at book value		
Computer and data processing equipment	-	19
Vehicles	178	1,009
	<u>178</u>	<u>1,028</u>
6. Represents carrying amount of computers software acquired during the period at cost of Rs. 0.728 million (2008: Nil).		
7. STOCK-IN-TRADE		
Raw material	126,603	111,434
Packing material	36,184	26,836
Work in process	3,871	2,282
Finished goods	52,480	40,664
Trading goods	21,337	27,635
	<u>240,475</u>	<u>208,851</u>
8. OTHER RECEIVABLE	8.1 <u>28,084</u>	<u>10,871</u>
8.1 Includes duty refund claim in respect of import of sugar amounting to Rs. 17.01 million filed with the custom authorities.		
9. SHORT-TERM INVESTMENTS		
Held to maturity - at amortised cost	9.1 4,030	5,018
Available for sale - at fair value	-	140,801
	<u>4,030</u>	<u>145,819</u>



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9.1 Held to maturity

This represents investment in Musharika deposit with a Modaraba having maturity of one month with an option of roll forward and carrying mark-up @ 12% (June 30, 2008: 10%) per annum.

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

10. SHARE CAPITAL

Issued, subscribed and paid-up capital

Fully paid ordinary shares of Rs. 10/- each

Number of shares				
December 31, 2008	June 30, 2008	Issued for / as		
3,900,000	3,900,000	Cash	39,000	39,000
		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 period/year	15,725	13,104
5,534,880	3,962,400		55,349	39,624
<u>9,434,880</u>	<u>7,862,400</u>		<u>94,349</u>	<u>78,624</u>

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

12. CONTINGENCIES AND COMMITMENTS

(a) Contingencies

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

(b) 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: 1.354 million).

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

Commitments

Acceptance and letters of credit 145,551 174,555



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	Half year ended		Quarter ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	(Rupees in '000)			
13. COST OF SALES				
Cost of goods manufactured	197,934	209,710	24,960	70,755
Purchase of trading goods	9,008	17,942	1,583	17,942
Opening stock of finished goods (including trading goods)	68,298	30,474	76,181	17,669
	<u>275,240</u>	<u>258,126</u>	<u>102,724</u>	<u>106,366</u>
Closing stocks of finished goods (including trading goods)	(73,817)	(67,877)	(73,817)	(67,877)
	<u>201,423</u>	<u>190,249</u>	<u>28,907</u>	<u>38,489</u>

14. OTHER OPERATING INCOME

This includes gain on sale of available for sale investments amounting to Rs. 4.317 million (December 31, 2007: Rs. 11.296 million).

	Half year ended	
	December 31, 2008	December 31, 2007
	(Rupees in '000)	
15. TAXATION		
Current		
- for the half year	240	12,934
- for prior year	-	1,336
	<u>240</u>	<u>14,270</u>
Deferred	(494)	273
	<u>(254)</u>	<u>14,543</u>

	Half year ended		Quarter ended	
	December 31, 2008	December 31, 2007	December 31, 2008	December 31, 2007
	(Rupees in '000)			

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

(Loss) / profit after taxation	(50,162)	23,528	(24,027)	(1,912)
	----- (Number of shares) -----			
	(Restated)		(Restated)	
Issued ordinary shares	<u>9,434,880</u>	<u>9,434,880</u>	<u>9,434,880</u>	<u>9,434,880</u>
(Loss) / earnings per share	<u>Rs. (5.32)</u>	<u>Rs. 2.49</u>	<u>Rs. (2.55)</u>	<u>Rs. (0.20)</u>

There was no dilution effect on the basic (loss) / earnings per share as the Company had no such outstanding commitments during the period/ year.



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17. 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:

	Half year ended		
	December 31, 2008	December 31, 2007	
	—— (Rupees in '000) ——		
Relationship	Nature of transactions / balances		
Group Companies			
	Sale of goods and services	7,825	6,881
	Purchase of goods and services	23,895	18,238
	Rent and allied services	1,183	1,087
	Insurance premium and commission	3,743	3,159
	Due from related parties	3,949	5,864
	Due to related parties	13,583	3,578
Staff retirement benefits plans	Contribution to staff retirement benefits	1,959	648
	Payable to provident fund	31	7
Key management personnel	Remuneration and benefits	9,237	6,526
Licensor of product in respect of which the company has exclusive trademark rights	Royalty on sale of licensed products	9,204	14,778
Other related parties	Purchase of goods and services	17,116	39,270

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



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	Half year ended	
	December 31, 2008	December 31, 2007
	— (Rupees in '000) —	
18. CASH USED IN OPERATIONS		
Profit before taxation	(50,416)	38,071
Adjustment for non cash charges and other items:		
Depreciation	6,114	5,323
Gain on sale of property, plant and equipment	(387)	(937)
Reversal of provision for doubtful debts	-	-
Profit on investment and deposit	-	(14,495)
Finance cost	1,614	1,002
	<u>(43,075)</u>	<u>28,964</u>
(Increase) / decrease in current assets		
Stores	(1,368)	(311)
Stock in trade	(31,624)	(49,961)
Trade debts	47,977	8,026
Loan and advances	3,232	(15,615)
Trade deposits and short term prepayments	(2,099)	(2,672)
Other receivables	(17,213)	(9,982)
	(1,095)	(70,515)
Increase / (decrease) in current liabilities		
Trade and other payables	(136,223)	(113,994)
Sales tax payable	(18,973)	(32,919)
	(155,196)	(146,913)
	<u>(199,366)</u>	<u>(188,464)</u>

19. DATE OF AUTHORIZATION FOR ISSUE

These interim condensed financial statements were authorised for issue by the Board of Directors on January 29, 2009.



Notes to the Interim Condensed Financial Statements (Unaudited)
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20. GENERAL

20.1 The figures of the profit and loss account for the quarters ended December 31, 2008 and December 31, 2007 have not been subject to a limited scope review, as scope of the review covered only the cumulative figures for the half year ended December 31, 2008 and December 31, 2007.

20.2 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		Rupees in '000
From	To	
Distribution costs	Cost of sales	11,463

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

Zulfiqar Ali Lakhani
Chief Executive

Tasleemuddin Ahmed Batlay
Director