



Notes to the Interim Condensed Financial Statements (Unaudited)  
for the quarter ended September 30, 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, 2009.

	September 30, 2009	June 30, 2009
Note	(Unaudited)	(Audited)
—— (Rupees in '000) ——		

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets

Book value at the beginning of the period / year	105,940	82,390
Additions during the period / year 4.1	1,001	37,358
Less: Disposals during the period - at book value 4.2	246	1,377
Depreciation charged during the period / year	3,104	12,431
	3,350	13,808
	103,591	105,940

4.1 Additions during the period / year are as follows:

Leasehold land	-	30,224
Plant and machinery	-	1,930
Furniture and fittings	-	1,103
Office equipment	43	1,176
Tools and equipment	-	38
Vehicles	952	2,374
Computer and data processing equipment	6	513
	1,001	37,358
	1,001	37,358



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	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
—— (Rupees in '000) ——		
4.2 Disposals during the period / year - at book value		
Plant and machinery	38	-
Furniture and fittings	-	1,278
Office & electrical equipment	201	-
Vehicles	6	1,297
	<u>245</u>	<u>2,575</u>
5. INTANGIBLE ASSETS		
Computer software	<u>526</u>	<u>586</u>
Represents carrying amount of computer software acquired during the period at a cost of Rs. 0.728 million (June 30, 2009: 0.728 million).		
6. STOCK-IN-TRADE		
Raw Material	76,483	104,094
Packing Material	46,105	36,469
Work in process	3,877	4,438
Finished goods	45,554	62,898
Trading goods	21,597	22,236
	<u>193,616</u>	<u>230,135</u>
7. OTHER RECEIVABLES	<u>27,167</u>	<u>27,059</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	8.1 50,000	60,598
Available for sale - at fair value	8.2 25,509	-
	<u>75,509</u>	<u>60,598</u>
8.1 Held to maturity		
This represents investment in term deposit with a bank, having maturity of one month, and carrying mark-up @ 11.5% (June 30, 2009: 13%) per annum.		
8.2 Available for sale		
	Number of units	Name of investee
	September 30, 2009	June 30, 2009
	2,488,330	-
		NAFA Government
		25,509
		Securities Liquid Fund
		<u>25,509</u>
		<u>-</u>



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9. SHARE CAPITAL

Issued, subscribed and paid-up capital

Fully paid ordinary shares of Rs. 10/- each

Number of shares			September 30, 2009	June 30, 2009	September 30, 2009	June 30, 2009
					—— (Rupees in '000) ——	
3,900,000	3,900,000	Issued for Cash			39,000	39,000
		Issued as fully paid bonus shares				
5,534,880	3,962,400	Opening balance	55,349	39,624		
-	1,572,480	Issued during the period/year	-	15,725		
5,534,880	5,534,880		55,349	55,349		
<u>9,434,880</u>	<u>9,434,880</u>		<u>94,349</u>	<u>94,349</u>		

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There were no changes in the contingencies as reported in the financial statements for the year ended June 30, 2009.

10.2 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, 2009: Rs.0.075 million).

10.3 Commitments

Commitments in respect of letters of credit amounted to Rs. 47.6 million (June 30, 2009: Rs.69.871 million).

11. COST OF SALES

	Quarter ended	
	September 30, 2009	September 30, 2008
	—— (Rupees in '000) ——	
Cost of goods manufactured	255,739	162,072
Purchase of trading goods	4,990	7,425
Opening stock of finished goods (including trading goods)	<u>85,134</u>	<u>68,298</u>
	345,863	237,795
Closing stock of finished goods (including trading goods)	<u>(67,151)</u>	<u>(76,181)</u>
	<u>278,712</u>	<u>161,614</u>



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	Quarter ended	
	September 30, 2009	September 30, 2008
	— (Rupees in '000) —	
<b>12. LOSS PER SHARE - BASIC AND DILUTED</b>		
Loss after taxation	<u>(3,611)</u>	<u>(26,388)</u>
Weighted average number of ordinary shares outstanding during the period	<u>9,434,880</u>	<u>9,434,880</u>
Loss per share - basic and diluted	<u>Rs. (0.38)</u>	<u>Rs. (2.80)</u>

**13. TAXATION**

	— (Rupees in '000) —	
Current		
- for the period	2,209	-
- for prior year	<u>5,668</u>	<u>-</u>
	7,877	-
Deferred	<u>-</u>	<u>-</u>
	<u>7,877</u>	<u>-</u>

**14. 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:

Relationship	Nature of transactions / balances	September 30,	September 30,
		2009	2008
		— (Rupees in '000) —	
<b>Group Companies</b>			
	Sale of goods and services	2,895	3,747
	Purchase of goods and services	15,478	13,345
	Rent, utilities and allied services	537	395
	Insurance premium	1,296	3,216
	Dividend paid	-	23,905
	Issue of bonus shares (No. of shares)	-	1,366
	Due from related parties	4,635	3,563
	Due to related parties	33,506	3,051
<b>Staff retirement benefits plans</b>			
	Contribution to staff retirement benefits	1,071	498
	Payable to provident fund	334	31
<b>Key management personnel</b>			
	Remuneration and benefits	6,099	4,903
<b>Licensor of product in respect of which the company has exclusive trademark rights</b>			
	Royalty on sale of licensed products	13,949	8,468
<b>Other related parties</b>			
	Purchase of goods and services	66,102	17,133



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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 charged between related parties on the basis of mutually agreed terms.

	September 30, 2009	September 30, 2008
	———— (Rupees in '000) ————	
<b>15. CASH USED IN OPERATIONS</b>		
Profit / (loss) before taxation	4,265	(26,388)
Adjustment for non cash charges and other items:		
Depreciation	3,104	2,935
Amortization	61	-
Gain on disposal of fixed assets	(37)	-
Interest accrued on short term investment	(331)	-
Provision for gratuity	578	-
Provision for doubtful debts	21	-
Financial charges	3,498	9,004
	<u>11,159</u>	<u>(14,449)</u>
(Increase) / decrease in current assets		
Stores	(60)	15
Stock in trade	36,519	(12,412)
Trade debts	32,993	6,996
Loan and advances	2,882	(360)
Trade deposits and short term prepayments	2,275	(5,175)
Other receivables	(107)	117
	<u>74,502</u>	<u>(10,819)</u>
Decrease in current liabilities		
Trade and other payables	(152,672)	(55,605)
Sales tax and special excise duty payable	(3,338)	(3,290)
	<u>(156,010)</u>	<u>(58,895)</u>
Cash used in operations	<u>(70,349)</u>	<u>(84,163)</u>

**16. DATE OF AUTHORISATION FOR ISSUE**

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

**17. GENERAL**

No material corresponding period figures have been rearranged.

Amounts have been rounded off to the nearest thousand rupees.

Zulfqar Ali Lakhani  
Chief Executive

Tasleemuddin Ahmed Batlay  
Director