



Balance Sheet (Un-audited)
as at March 31, 2006

		March 31, 2006 Un-audited	June 30, 2005 Audited
	Note	Rupees in thousands	
ASSETS			
NON CURRENT ASSETS			
Fixed assets - property, plant and equipment	4	45,429	39,487
Long-term loans		1,374	1,114
Long-term security deposits		563	647
		<u>47,366</u>	<u>41,248</u>
CURRENT ASSETS			
Stores		315	222
Stock-in-trade		115,950	72,400
Trade debts		27,593	15,009
Loans and advances		19,415	4,290
Trade deposits and short term prepayments		2,140	3,085
Other receivables		1,293	1,001
Profit accrued on investment and deposits		210	424
Income tax - net		10,012	-
Short term investment	5	25,000	25,000
Cash and bank balances	6	54,359	172,622
		<u>256,287</u>	<u>294,053</u>
TOTAL ASSETS		<u>303,653</u>	<u>335,301</u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised share capital			
10,000,000 Ordinary shares of Rs. 10/- each		100,000	100,000
Issued, subscribed and paid-up capital		54,600	54,600
General reserves		121,000	85,000
Unappropriated profit		28,076	71,551
		<u>203,676</u>	<u>211,151</u>
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		224	319
Deferred taxation		26	186
Long-term deposits		2,452	2,367
		<u>2,702</u>	<u>2,872</u>
CURRENT LIABILITIES			
Current portion of liabilities against assets subject to finance lease		211	386
Trade and other payables		91,609	100,425
Mark up accrued		44	132
Sales tax payable		5,411	12,153
Income tax - net		-	8,182
		<u>97,275</u>	<u>121,278</u>
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		<u>303,653</u>	<u>335,301</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.


Zulfiqar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director



Company Information

BOARD OF DIRECTORS

Iqbal Ali Lakhani	Chairman
Zulfiqar Ali Lakhani	Chief Executive
Amin Mohammed Lakhani	
Tasleemuddin Ahmed Batlay	
A. Aziz Ebrahim	
Ramzan Ali Halani	
M. A. Qadir	

ADVISOR

Sultanali Lakhani

COMPANY SECRETARY

Ramzan Ali Halani

AUDIT COMMITTEE

Iqbal Ali Lakhani	Chairman
Tasleemuddin Ahmed Batlay	
Ramzan Ali Halani	
M. A. Qadir	

AUDITORS

FORD RHODES SIDAT HYDER & CO.
Chartered Accountants

REGISTERED OFFICE

Lakson Square, Building No. 2
Sarwar Shaheed Road
Karachi-74200

FACTORY

B-182, Hub Industrial Trading Estate
Hub, District Lasbella
Baluchistan

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Directors' Review

The un-audited financial statements of the Company for the third quarter ended March 31, 2006 together with results for the nine months to that date are presented along-with an update on the Company's performance.

Gross sales during the third quarter recorded an increase of 45.86% higher at Rs. 177.839 million as compared to Rs. 121.923 million for the third quarter of last year. Gross sales for the nine months registered an increase of 36.12% from Rs. 318.710 million to Rs. 433.828 million.

The net sales revenue for the quarter ended March 31, 2006 registered an increase of 46.37% higher at Rs. 140.562 million as compared to Rs. 96.030 million for the quarter ended March 31, 2005. Gross profit earned during the period rose from Rs. 40.031 million to Rs. 62.219 million, an increase of 55.43%.

The operating profit for the quarter recorded an increase of Rs. 12.016 million or 78.33%. Operating profit for the nine months registered an increase of Rs. 19.498 million or 76.33% this was despite increase in the cost of sugar and fuel.

The Company continued to promote Tang aggressively throughout the year, relatively warmer weather during Ramzan and a shorter winter had helped in boosting the volume. We have plans to continue to support the brand through media and promotions.

We are once again grateful to all our customers, shareholders, bankers, leasing and insurance companies for their continuing support. We also thank our staff for their contribution to the improvement of the Company's performance and look forward to their continued support.

On behalf of the Board of Directors

IQBAL ALI LAKHANI
Chairman

Karachi: April 24, 2006

Notes to the Financial Statements (Un-audited)

for the 3rd quarter ended March 31, 2006

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 PREPARATION

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 the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2005.

	Note	March 31, 2006 (Unaudited)	June 30, 2005 (Audited)
— Rupees in thousands —			
4. TANGIBLE FIXED ASSETS			
Operating property, plant and equipment	4.1	38,476	36,873
Capital work in progress	4.2	<u>6,953</u>	<u>2,614</u>
		<u>45,429</u>	<u>39,487</u>
4.1 Operating property, plant and equipment			
Net book value (NBV) as at July 01, 2006 / 2005		39,487	48,019
Add: Additions to tangible fixed assets		6,116	3,946
Less: Disposal during the period (NBV)		(842)	(737)
Depreciation charged during the period / year		<u>(6,285)</u>	<u>(14,355)</u>
		<u>(7,127)</u>	<u>(15,092)</u>
		<u>38,476</u>	<u>36,873</u>
4.2 Capital work in progress			
Balance at the beginning of the period / year		2,614	491
Addition during the period / year		7,571	2,614
Transferred to operating plant and equipment during the period / year		(3,232)	(491)
		<u>6,953</u>	<u>2,614</u>
5. SHORT TERM INVESTMENT			
This represents investment in Musharika deposit of Rs. 25 million with Guardian Modaraba carrying markup rate of 10% per annum (June 2005: 25 million carrying markup rate of 7.5%).			



Notes to the Financial Statements (Un-audited)
for the 3rd quarter ended March 31, 2006

	March 31, 2006 (Unaudited)	June 30, 2005 (Audited)
Note		
	—Rupees in thousands—	

6. CASH AND BANK BALANCES

Cash at banks in:

- Current accounts	26,860	2,514
- Saving accounts	27,356	165,418
	54,216	167,932

Cash in hand	143	72
Cheques in hand	—	4,618
	<u>54,359</u>	<u>172,622</u>

7. CONTINGENCIES AND COMMITMENTS

7.1 (a) Contingencies

The status of the contingency which was reported in note 20.1(a) to the financial statements for the year ended June 30, 2005 has remained unchanged.

(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. 6.430 million (June 30, 2005: 1.354 million).

	March 31, 2006 (Unaudited)	June 30, 2005 (Audited)
Note		
	—Rupees in thousands—	

7.2 Commitments

Acceptances and letters of credit	46,530	9,407
Lease rentals payable during 2005-2008	216	343
Duty payable on raw material and import of trading goods	2,199	309

	Quarter ended		Nine months ended	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
	—Rupees in thousands—			

8. COST OF SALES

Cost of goods manufactured	101,152	70,694	221,847	152,999
Purchase of trading goods	8,955	11,800	29,627	19,773
Opening stock of finished goods (including trading goods)	35,288	31,108	16,142	34,338
	<u>145,395</u>	<u>113,602</u>	<u>267,616</u>	<u>207,110</u>
Closing stocks of finished goods (including trading goods)	67,052	57,603	67,052	57,603
	<u>78,343</u>	<u>55,999</u>	<u>200,564</u>	<u>149,507</u>



Notes to the Financial Statements (Un-audited) for the 3rd quarter ended March 31, 2006

9. BASIC AND DILUTED EARNINGS PER SHARE

	Quarter ended		Nine months ended	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
	—Rupees in thousands—			
Profit after taxation	<u>18,035</u>	<u>9,491</u>	<u>28,015</u>	<u>15,754</u>
	Number of shares			
Issued ordinary shares	<u>5,460,000</u>	<u>5,460,000</u>	<u>5,460,000</u>	<u>5,460,000</u>
Basic and diluted earnings per share	<u>Rs. 3.30</u>	<u>Rs. 1.74</u>	<u>Rs. 5.13</u>	<u>Rs. 2.89</u>

10. TRANSACTIONS WITH RELATED PARTIES

The related parties include associated undertakings, local associated undertakings, trade mark licensor, staff retirement funds, directors and key management personnel. Transactions with related parties are as follows:

	Quarter ended		Nine months ended	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
	—Rupees in thousands—			
Sales of goods and services	115	175	1,173	863
Purchase of goods and services	28,670	35,754	76,633	60,541
Rent, allied and other charges	974	1,092	2,556	2,454
Royalty on sale of licensed products	5,294	3,493	12,300	8,665
Insurance premium	425	327	2,473	2,762
Insurance commission	365	—	365	—
Contribution to staff retirement benefit plans	312	288	907	851
Contribution to key management personnel	1,887	1,711	5,186	5,134

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices determined using the comparable uncontrolled price method.



Notes to the Financial Statements (Un-audited) for the 3rd quarter ended March 31, 2006

11. GENERAL

- 11.1 Corresponding figures have been rearranged, wherever necessary, for the purpose of comparison
- 11.2 Due to change in accounting treatment of export rebate, the prior period figure of sales and cost of sales have been reclassified.
- 11.3 Amounts have been rounded off to the nearest thousand rupees unless otherwise stated.
- 11.4 These financial statements were authorised for issue by the Board of Directors on April 24, 2006.

A handwritten signature in black ink, appearing to read "Zulfiqar Ali Lakhani".

Zulfiqar Ali Lakhani
Chief Executive

A handwritten signature in black ink, appearing to read "Tasleemuddin Ahmed Batlay".

Tasleemuddin Ahmed Batlay
Director



Profit and Loss Account (Un-audited)
for the 3rd quarter ended March 31, 2006

Note	Quarter ended		Nine months ended	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
	Rupees in thousands			
Gross turnover	177,839	121,923	433,828	318,710
Sales tax	(26,537)	(16,270)	(64,018)	(41,260)
Trade discount	(10,740)	(9,623)	(30,234)	(28,798)
Net turnover	140,562	96,030	339,576	248,652
Cost of sales	8 (78,343)	(55,999)	(200,564)	(149,507)
Gross profit	62,219	40,031	139,012	99,145
Distribution and marketing expenses	(31,748)	(19,539)	(87,270)	(62,175)
Administrative expenses	(3,505)	(4,466)	(10,648)	(12,504)
Other operating expenses	(1,993)	(1,179)	(3,405)	(1,991)
Other operating income	2,383	493	7,353	3,069
Operating profit	27,356	15,340	45,042	25,544
Finance cost	(1,162)	(381)	(1,496)	(734)
Profit before taxation	26,194	14,959	43,546	24,810
Taxation	(8,159)	(5,468)	(15,531)	(9,056)
Profit after taxation	<u>18,035</u>	<u>9,491</u>	<u>28,015</u>	<u>15,754</u>
	Rupees			
Basic and diluted earnings per share	9 <u>3.30</u>	<u>1.74</u>	<u>5.13</u>	<u>2.89</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.


Zulfiqar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director



Statement of Changes In Equity (Un-audited) for the period ended March 31, 2006

	Issued, subscribed and paid up capital	Reserves			Total
		Revenue reserves	Unappropriated profit	Sub total	
Rupees in thousands					
Balance as at July 1, 2004	54,600	85,000	773	85,773	140,373
Final dividend for the year ended June 30, 2004	-	-	24,570	24,570	24,570
Appropriation of general reserve for the year ended June 30, 2004	-	(40,000)	40,000	-	-
Balance as at June 30, 2004 (restated)	54,600	45,000	65,343	110,343	164,943
Final dividend for the year ended June 30, 2004	-	-	(24,570)	(24,570)	(24,570)
Appropriation of general reserve for the year ended June 30, 2004	-	40,000	(40,000)	-	-
Profit after taxation for the nine months ended March 31, 2005	-	-	15,754	15,754	15,754
Balance as at March 31, 2005	54,600	85,000	16,527	101,527	156,127
Profit after taxation for the quarter ended June 30, 2005	-	-	55,024	55,024	55,024
Balance as at June 30, 2005	54,600	85,000	71,551	156,551	211,151
Final dividend for the year ended June 30, 2005	-	-	(35,490)	(35,490)	(35,490)
Appropriation of general reserve for the year ended June 30, 2005	-	36,000	(36,000)	-	-
Profit after taxation for the nine months ended March 31, 2006	-	-	28,015	28,015	28,015
Balance as at March 31, 2006	54,600	121,000	28,076	149,076	203,676

The annexed notes from 1 to 11 form an integral part of these financial statements.


Zulfiqar Ali Lakhani
Chief Executive


Tasleemuddin Ahmed Batlay
Director