

**NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

1. GENERAL

- 1.1** These un-audited accounts are being presented to shareholders as required under SECP Notification No. SRO 764/(1)2001 dated November 05, 2001 and are in accordance with requirements of International Accounting Standard - 34 "Interim Reporting".
- 1.2** The accounting policies adopted for the preparation of these interim financial statements are consistent except as stated in Note 1.3 below, with those applied in the preparation of the preceding annual published financial statements of the Company for the period ended June 30, 2007.
- 1.3** During the current year, Company reviewed the useful life of some of the operating assets and estimated that useful life of these assets is higher than existing. Accordingly depreciation rates of the following operating assets were reduced from 10% p.a to 5% pa:

Nature of operating assets

Factory building
Plant and machinery
Electric fittings and installation
Sui gas installations
Tools, laboratory equipments and arms
Fire extinguishing equipment and weighing scales

The above mentioned revision has been accounted for as change in accounting estimates in accordance with the requirements of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors". Accordingly the effect of change in accounting estimate has been recognized prospectively in the profit and loss account for the current quarter. Had there been no change in the accounting estimate, the profit before taxation for the quarter and written down value of these operating assets would have been decreased by Rs.55.857 million .

2. BASIC EARNINGS PER SHARE

	2007 Rupees	2006 Rupees
Profit after taxation attributable to ordinary shareholders	<u>58,344,280</u>	<u>54,100,204</u>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares for the purpose of basic earnings per share	18,755,194	16,308,864
Effect of dilutive potential ordinary shares: Convertible preference shares	25,000,000	25,000,000
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>43,755,194</u>	<u>41,308,864</u>
	Rupees	Rupees
Basic earnings per share	<u>3.11</u>	<u>3.32</u>
Diluted earnings per share	<u>1.33</u>	<u>1.31</u>
Revised due to issue of bonus shares (2006)		
Basic earnings per share		<u>2.88</u>
Diluted earnings per share		<u>1.24</u>

Sd/-
CHIEF EXECUTIVE OFFICER

Sd/-
DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER