

	Un Audit 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		
Opening Balance	573,661,722	579,949,867
Transferred to accumulated losses in respect of surplus realized on disposal of revalued property, plant and equipment	(3,901,700)	(1,642,967)
Related deferred tax liability	1,365,595	575,038
	(2,536,105)	(1,067,929)
Transferred to statement of accumulated losses in respect of incremental depreciation charged during the period / year	(5,434,186)	(8,031,102)
Related deferred tax liability	1,901,965	2,810,886
	(3,532,221)	(5,220,216)
	<u>567,593,396</u>	<u>573,661,722</u>
<b>7. LONG TERM FINANCING</b>		
Financing From banking companies-secured	-	-
From related parties-Unsecured	21,223,934	16,795,000
Closing balance	<u>21,223,934</u>	<u>16,795,000</u>
<b>Financing from banking companies-Secured</b>		
Opening balance	73,193,999	73,638,999
Less: Repaid during the period /year	-	445,000
	73,193,999	73,193,999
Less:Current portion shown under current liabilities	(73,193,999)	(73,193,999)
	<u>-</u>	<u>-</u>
<b>From related parties-Unsecured</b>		
Opening balance	16,795,000	24,140,000
Add: Obtained during the period / Year	12,010,000	7,700,000
Less:Repaid during the period / Year	(7,581,066)	(15,045,000)
Closing balance	<u>21,223,934</u>	<u>16,795,000</u>
<b>8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Minimum lease payments	134,219,916	149,857,836
Less: Un-amortized finance charges	(23,463,276)	(28,514,288)
Present value of minimum lease payments	110,756,640	121,343,548
Less: Current portion shown under current liabilities	(61,596,132)	(48,513,856)
	<u>49,160,508</u>	<u>72,829,692</u>
<b>9. Deferred Markup</b>		
Deferred markup -MCB	6,051,474	6,919,138
Deferred markup -Finance Lease	5,392,964	8,381,033
	<u>11,444,438</u>	<u>15,300,171</u>

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

- (a) Sui Northern Gas Pipelines Limited (SNGPL) Islamabad demanded arrears of Rupees 10.405 million for the period from November 2006 to November 2007 due to slow meter reading. The company filed a case in the Court of Senior Civil Judge on 18 December 2007. SNGPL has encashed the bank guarantee amounting to Rupees 15.293 million issued to it by NIB Bank Limited on behalf of the company. The company, based on advice of its legal counsel, is hopeful for recovering this balance from SNGPL. Consequently, no provision there against has been made in this condensed financial information and this amount has been shown as long term deposit with SNGPL.
- (b) The company filed an appeal before Lahore High Court, Rawalpindi Bench, Rawalpindi against conservancy charges amounting to Rupees 420,000 (Rupees 60,000 per annum) from the year 2003 to year 2009 charged by the Cantonment Board Rawalpindi. The Court has issued a notice for suspension of recovery of these charges. The case is still pending and has been reverted to the Appellate forum of Cantonment Board Rawalpindi.
- (c) NIB Bank Limited has filed a suit before Lahore High Court against the company for recovery of outstanding loans amounting to Rupees 183.428 Million. The suit is pending before Lahore High Court. The Company has filed a counter case against NIB Bank Limited before Lahore High Court for seeking leave to deferred / written statement in the above said recovery case.
- (d) Guarantees of Rupees 1.094 million (June 2010: Rupees 1.094 million) has been given by the Banks of the company to SNGPL against gas connection.

	NOTE	Un-audited 31 March 2011 Rupees	Audited 30 June 2010 Rupees
<b>11. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	11.1	723,257,598	752,017,760
Assets subject to finance lease	11.2	152,686,908	158,705,133
		<u>875,944,506</u>	<u>910,722,893</u>
<b>11.1 OPERATING FIXED ASSETS</b>			
Opening written down value		752,017,760	769,339,830
Add : Cost of additions during the period / year	11.1.1	723,313	2,395,491
		<u>752,741,073</u>	<u>771,735,321</u>
Less : Book value of deletions during the period / year	11.1.2	(17,867,345)	(2,831,940)
Less : Depreciation charged for the period / year		(11,616,130)	(16,885,621)
		<u>723,257,598</u>	<u>752,017,760</u>
<b>11.1.1 Cost of additions</b>			
Plant and machinery		7,808	381,194
Factory equipment		78,470	118,950
Vehicles		629,035	1,895,347
Furniture & Fixture		8,000	-
		<u>723,313</u>	<u>2,395,491</u>
<b>11.1.2 Book value of deletions</b>			
Plant and machinery		17,867,345	2,740,932
Vehicles		-	91,008
		<u>17,867,345</u>	<u>2,831,940</u>
<b>11.2 ASSETS SUBJECT TO FINANCE LEASE</b>			
Opening book value		158,705,133	167,175,197
Less : Depreciation charged for the period / year		6,018,225	8,470,064
		<u>152,686,908</u>	<u>158,705,133</u>

## 12. ADVANCE AGAINST PROPERTY

It represents full consideration of Rupees 51.150 million given as advance for purchase of property. The property has not yet been transferred in the Company's name which is in the process of completion of legal formalities. With reference to this advance, the Director (Enforcement) of Securities and Exchange Commission of Pakistan (SECP) vide his order dated 29 November 2007 imposed a penalty of Rupees 100,000 on each of the director except one nominee director (NIT) for contravention of Section 196(2j) of the Companies Ordinance, 1984. Further directions were given under section 473 for transfer of the property in the name of the Company within thirty days from the order date. The Chief Executive of the Company filed a revision application with the Appellate bench of SECP under section 484 of Companies Ordinance, 1984 against this order on 10 January 2008, which is still pending. The Chief Executive also filed an appeal under section 485 of the Companies Ordinance, 1984 read with section 34 of SEAP Act, 1997 before the Lahore High Court Rawalpindi Bench whereby stay order was granted to suspend the operating of above said impugned order.

(Un-audited)

THREE QUARTERS ENDED		QUARTER ENDED	
31 March 2011	31 March 2010	31 March 2011	31 March 2010
----- R u p e e s -----			

## 13. COST OF SALES

Raw materials consumed	580,024,223	467,304,203	230,508,949	173,982,290
Stores, spare parts and loose tools consumed	23,249,539	15,454,808	5,218,521	6,250,776
Salaries, wages and other benefits	58,674,836	51,222,858	18,602,090	19,130,529
Fuel and power	69,158,493	70,565,021	24,565,653	27,158,730
Insurance	1,514,909	936,704	604,434	357,620
Packing materials	10,845,394	11,397,547	3,309,812	4,180,405
Labour welfare	1,013,232	581,178	204,999	141,349
Depreciation	15,443,285	16,914,998	5,068,414	5,660,717
	<u>759,923,911</u>	<u>634,377,317</u>	<u>288,082,872</u>	<u>236,862,416</u>
Work-in-process:				
Opening stock	16,075,718	13,796,698	27,576,632	19,453,882
Closing stock	(13,781,995)	(19,397,936)	(13,781,995)	(19,397,936)
	<u>2,293,723</u>	<u>(5,601,238)</u>	<u>13,794,637</u>	<u>55,946</u>
Cost of goods manufactured	<u>762,217,634</u>	<u>628,776,079</u>	<u>301,877,509</u>	<u>236,918,362</u>
Finished goods including waste:				
Opening stock	7,759,646	34,674,640	55,491,407	19,982,792
Add: Purchase (YARN)	15,413,000	-	-	-
Closing stock	(10,180,506)	(24,953,527)	(10,180,506)	(24,953,527)
	<u>12,992,140</u>	<u>9,721,113</u>	<u>45,310,901</u>	<u>(4,970,735)</u>
Cost of yarn sold	<u>775,209,775</u>	<u>638,497,192</u>	<u>347,188,409</u>	<u>231,947,627</u>
Cost of raw materials sold	-	3,659,576	-	-
Cost of goods sold	<u><u>775,209,775</u></u>	<u><u>642,156,769</u></u>	<u><u>347,188,409</u></u>	<u><u>231,947,627</u></u>

## 14. OTHER OPERATING EXPENSES

Workers' welfare fund	60,369	458,579	-	321,240
Workers' Profit Participation Fund	-	158,550	-	158,550
Loss on sale of property, plant and equipment	-	124,462	(536,505)	(408,914)
Donations (Note 14.1)	366,450	273,662	107,160	17,000
	<u>426,819</u>	<u>1,015,253</u>	<u>(429,345)</u>	<u>87,876</u>

14.1 There is no interest of any director or his spouse in donees' fund

15 There is no diluted effect on the earnings per share.

**16. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of associated undertakings, directors of the company and key management personnel. Detail of transactions with related parties other than those which have been specifically disclosed elsewhere in this interim financial information are as follows:

		(Un-audited)		
THREE QUARTERS ENDED		QUARTER ENDED		
31 March 2011	31 March 2010	31 March 2011	31 March 2010	
----- R u p e e s -----				
ASSOCIATED COMPANIES				
Bilal Textile (Private) Limited				
Sale of goods and services	2,500,000	3,739,546	-	3,739,546
Short term borrowings - receipt	-	61,235,000	-	28,684,000
Short term borrowings - repaid	19,115,032	29,842,289	-	9,761,180
Purchase of goods and services	15,413,000	2,410	-	2,410
Bilal Fibers Limited				
Purchase of goods & Services	4,985,600	-	1,755,600	-
Sale of goods and services	-	-	-	-
Famous Securities (Private) Limited				
Long term borrowings - receipt	480,000	-	-	-
Long term borrowings - repaid	252,836	605,000	38,443	605,000
Directors -receipt	11,530,000	14,340,000	2,000,000	12,840,000
Directors-repaid	7,328,230	-	1,278,230	-
OTHER RELATED PARTIES				
Remuneration paid to chief executive and directors	2,473,860	2,425,860	832,620	808,620

**17. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was approved by the Board of Directors and authorized for issue on April 26, 2011.

**18. COMPARATIVE FIGURES**

No significant reclassifications or rearrangements of corresponding figures have been made.

**19. GENERAL**

Figures have been rounded off to the nearest Rupees.

\_\_\_\_\_  
CHIEF EXECUTIVE

\_\_\_\_\_  
DIRECTOR