

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2008

- 1 The Company is limited by shares incorporated in Pakistan under the Companies Ordinance, 1984 and listed on Stock Exchanges in Pakistan. The principal business of the Company is manufacturing and sale of yarn. The registered office of the company is located at 29-K.M. Sheikhpura Road, Tehsil Jaranwala, District Faisalabad, in the Province of Punjab.
- 2 These financial statements have been prepared under "historical cost convention" as modified by the staff retirement benefits carried at present value determined through actuarial valuation and certain property, plant and equipment and investments carried at revalued amount. These financial statements are prepared in compliance with the International Accounting Standard (IAS) 34 Interim Financial Reporting and section 245 of the Companies Ordinance 1984.
- 3 The accounting policies and method of computation adopted for the preparation of these quarterly accounts are the same as those applied in the preparation of preceding annually published accounts of the company for the year ended June 30, 2008.

	Sep 30, 2008	Sep 30, 2007
	RUPEES	RUPEES
4 COST OF SALES		
Cost of goods manufactured (note 4.1)	182,991,675	134,101,102
Finished goods		
Opening	22,470,006	2,735,751
Closing	(49,173,985)	(13,720,581)
	(26,703,979)	(10,984,830)
	156,287,696	123,116,272
4.1 COST OF GOODS MANUFACTURED		
Raw material (note 4.1.1)	140,132,344	102,118,543
Stores and spares	1,918,882	910,466
Packing material	2,114,775	2,126,232
Salaries and wages	10,281,042	8,410,700
Retirement benefits	329,629	313,957
Fuel and power	18,689,980	15,447,769
Repair and maintenance	171,257	123,525
Postage and telecommunication	20,173	14,924
Vehicle running and maintenance	87,884	65,877
Insurance	335,502	335,502
Depreciation	8,718,195	4,550,000
Others	569,897	153,457
	183,369,560	134,570,952
Work-in-process		
Opening	3,467,699	2,174,037
Closing	(3,845,584)	(2,643,887)
	(377,885)	(469,850)
	182,991,675	134,101,102

	Sep 30, 2008	Sep 30, 2007
	RUPEES	RUPEES
4.1.1 RAW MATERIAL CONSUMED		
Opening	494,952	10,275,083
Purchases	<u>143,218,634</u>	<u>92,831,223</u>
	143,713,586	103,106,306
Closing	<u>(3,581,242)</u>	<u>(987,763)</u>
	<u>140,132,344</u>	<u>102,118,543</u>

5 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 29, 2008 by the Board of directors of the company.

6 FIGURES

- have been rounded off to the nearest rupee.
- of prior year have been rearranged and regrouped wherever necessary for the purpose of comparison.

CHIEF EXECUTIVE

DIRECTOR