DIRECTORS REVIEW

The board of directors is pleased to present before you the un-audited financial statements for the nine months ended 31st March 2008. These financial statements have been prepared in compliance with IAS-34 and are being submitted under section 245 of The Companies Ordinance 1984.

Operating Results

Operating result of the company for the nine months ended 31st March 2008 is as under;

	PKR in Million
Sales	2,703.236
Gross profit	274.140
Profit before tax	78.358
Profit after tax	50.937
	======
	PKR per share
Earning per share	5.09
Breakup value per share	96.88

The profitability of the company reduced as compared to the corresponding period of last year due to depressed yarn prices both in international and local markets as against of high cotton prices. Moreover break downs in gas supply are affecting the efficiency of the machines and the targeted production is not being achieved. In the absence of gas supply in Punjab the machineries were being operated on high cost of electricity which causes increase in cost of production.

Future Prospects

Burden of increase in cotton prices are not being absorbed by the yarn market both in local and international. The profitability of the company may be affected due to depressed yarn prices. The management is doing its best efforts to maintain the profitability of company but it entirely depend upon absorption of increased cotton price by yarn prices.

Acknowledgment

Yours directors would like to place their appreciation of the cooperation of the financial institutions and dedication shown by the executives, officers, staff, technicians and workers of the company in the performance of their duties.

On behalf of the Board
MOHAMMAD SHARIF
CHIEF EXECUTIVE / DIRECTOR

Karachi: April 26, 2008

BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2008

EQUITY AND LIABILITIES	NOTE	MARCH 31 2008 RUPEES	JUNE 30 2007 RUPEES
SHARE CAPITAL AND RESERVES			
Authorized capital 12,000,000 (June 2007: 12,000,000) Ordinary shares of Rs.10 each		**120,000,000**	**120,000,000**
Issued, subscribed and paid-up capital	4	100,000,000	100,000,000
General reserves		740,000,000	740,000,000
Unappropriated profit		128,853,157	87,915,299
		968,853,157	**927,915,299**
Loan from sponsors	5	**100,000,000**	**100,000,000**
NON - CURRENT LIABILITIES			
Long-term financing - secured	6	**572,352,391**	**618,133,345**
Obligation under finance lease	7	**30,051,486**	**13,255,413**
Infrastructure fee payable		**12,451,406**	**6,795,302**
Employees retirement benefits		**33,505,055**	**35,643,365**
		648,360,338	**673,827,425**
CURRENT LIABILITIES			
Trade and other payables		211,780,274	149,653,142
Mark-up accrued on loans		33,391,131	30,188,947
Short-term borrowings - secured		1,562,322,949	794,000,000
Current portion of long term borrowing		294,819,644	294,281,387
		2,102,313,998	**1,268,123,476**
CONTINGENCIES AND COMMITMENTS	8	-	-
		3,819,527,493	**2,969,866,200**

The annexed notes form an integral part of these financial statements.

MOHAMMAD SHARIF
Chief Executive

Karachi : 26th April 2008

BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2008

	NOTE	MARCH 31 2008 RUPEES	JUNE 30 2007 RUPEES
NON CURRENT ASSETS			
FIXED ASSETS			
Property, plant and equipment	9	**1,625,806,109**	**1,720,050,799**
Capital work-in-progress		**524,357**	**5,223,399**
LONG-TERM INVESTMENT - Associated undertaking		**139,261,713**	**130,085,811**
LONG-TERM LOANS		**6,391,604**	**4,302,784**
LONG-TERM DEPOSITS		**7,478,095**	**4,377,095**
CURRENT ASSETS			
Stores, spare and loose tools		57,708,766	35,437,734
Stock in trade		1,393,598,049	685,830,829
Trade debts		485,565,943	293,439,063
Loans and advances		25,134,023	19,280,385
Trade deposits, prepayments and bank margin		21,088,696	9,608,472
Other receivables		1,405,272	2,251,100
Advance income tax		15,796,692	18,195,775
Sales tax refundable		13,985,300	17,631,115
Cash and bank balances		25,782,874	24,151,839
		2,040,065,615	**1,105,826,312**
		3,819,527,493	**2,969,866,200**

MOHAMMAD SALIM
Director

PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

		NINE MONTHS ENDED		QUARTER ENDED	
		MARCH 31 2008	MARCH 31 2007	MARCH 31 2008	MARCH 31 2007
		RUPEES		RUPEES	
Sales		2,703,236,588	2,574,642,516	1,039,998,184	911,404,112
Cost of goods sold		2,429,095,651	2,291,496,466	940,409,251	802,810,066
Gross profit		**274,140,937**	**283,146,050**	**99,588,933**	**108,594,046**
Other operating income		676,774	2,091,345	251,912	1,666,483
		274,817,711	**285,237,395**	**99,840,845**	**110,260,529**
Distribution cost		52,471,522	44,605,430	19,811,956	11,945,864
Administrative expenses		20,152,308	19,674,299	7,248,824	6,770,815
Other operating expenses		3,551,848	4,767,070	721,431	1,936,653
Finance cost		130,648,567	126,235,302	57,843,105	53,429,840
		206,824,245	**195,282,101**	**85,625,316**	**74,083,172**
		67,993,466	**89,955,294**	**14,215,529**	**36,177,357**
Share of profit from associated undertaking		**10,365,062**	**15,805,153**	1,114,347	6,554,438
Profit before tax		**78,358,528**	**105,760,447**	**15,329,876**	**42,731,795**
Provision for taxation		27,420,670	35,084,739	10,609,047	18,273,116
Profit after tax		**50,937,858**	**70,675,708**	**4,720,829**	**24,458,679**
Earnings per share - basic and diluted	10	**5.09**	**7.07**	**0.47**	**2.45**

The annexed notes form an integral part of these financial statements.

MOHAMMAD SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi : 26th April 2008

CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

	NINE MONTHS ENDED	
CASH FLOWS FROM OPERATING ACTIVITIES	**MARCH 31 2008 RUPEES**	**MARCH 31 2007 RUPEES**
Profit before tax	78,358,528	105,760,447
Adjustments for:		
Depreciation of property, plant and equipment	137,885,719	141,639,500
Provision for employee benefits	4,095,000	7,650,000
Infrastructure fee	5,656,104	1,530,204
Share of profit from associated undertaking	(10,365,062)	(15,805,153)
(Gain) / loss on disposal of property, plant and equipment	(148,240)	(361,572)
Finance cost	130,648,567	126,235,302
	346,130,616	366,648,728
Decrease/(increase) in current assets and current liabilities		
Stock in trade, stores, spares and loose tools	(730,038,252)	(195,814,763)
Trade debts	(192,126,880)	(131,205,133)
Loans and advances	(5,853,638)	(23,920,926)
Trade deposits, prepayments and bank margin	(11,480,224)	2,305,455
Other receivable and sales tax payable	4,491,643	(5,072,007)
Trade and other payables	62,129,963	(11,871,895)
Short term borrowing	768,322,949	488,408,201
	(104,554,439)	122,828,932
Cash generated from operations	241,576,177	489,477,660
Finance cost paid	(127,446,383)	(133,192,665)
Employee benefit cost paid	(6,233,310)	(3,463,289)
Income taxes paid	(25,021,587)	(33,811,636)
Dividend paid	(10,002,831)	(7,500,000)
	(168,704,111)	(177,967,590)
Net cash from operating activities	72,872,066	311,510,070

CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

	NINE MONTHS ENDED	
	MARCH 31 2008 RUPEES	MARCH 31 2007 RUPEES
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant and equipment	304,855	16,665,000
Purchase of property, plant and equipment	(39,098,602)	(194,719,089)
Dividend income	1,189,160	891,870
Long-term loans	(2,088,820)	781,521
Long-term deposits	(3,101,000)	(1,681,370)
Net cash used in investing activities	(42,794,407)	(178,062,068)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of long-term financing	(198,812,403)	(305,623,648)
Payment of finance lease liabilities	(9,597,421)	-
Proceeds from medium-long term financing	150,000,000	60,592,224
Proceeds from sponsors	-	100,000,000
Proceeds from finance lease	29,963,200	-
Net cash from financing activities	(28,446,624)	(145,031,424)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,631,035	(11,583,422)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	24,151,839	29,489,883
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**25,782,874**	**17,906,461**

MOHAMMAD SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi : 26th April 2008

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

	SHARE CAPITAL	SHARE PREMIUM	GENERAL RESERVES	PROFIT FOR THE PERIOD AND APPROPRIATION	TOTAL
	RUPEES				
Balance as at June 30, 2006	100,000,000	24,150,000	615,850,000	108,057,732	848,057,732
Profit for the period ended 31st March 2007	-	-	-	70,675,708	70,675,708
Final dividend for the year ended June 30, 2006 @ Rs. 0.75 per share	-	-	-	(7,500,000)	(7,500,000)
Balance as at March 31, 2007	100,000,000	24,150,000	615,850,000	171,233,440	911,233,440
Profit for the remaining period	-	-	-	16,681,859	16,681,859
Transferred to general reserve	-	-	100,000,000	(100,000,000)	-
Balance as at June 30, 2007	100,000,000	24,150,000	715,850,000	87,915,299	927,915,299
Profit for the period ended 31st March 2008	-	-	-	50,937,858	50,937,858
Final dividend for the year ended June 30, 2007 @ Re. 1.00 per share	-	-	-	(10,000,000)	(10,000,000)
Balance as at March 31, 2008	100,000,000	24,150,000	715,850,000	128,853,157	968,853,157

MOHAMMAD SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi : 26th April 2008

NOTES TO THE ACCOUNTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

1 STATUS AND ACTIVITIES

The Company was incorporated in Pakistan on January 31, 1985 under the Companies Ordinance 1984 as a Public Limited Company and its shares are quoted on all stock exchanges of Pakistan. The registered office of the Company is situated at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi. The Company is principally engaged in the manufacture and sale of yarn and woven fabrics.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan and are in compliance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and being submitted to shareholders as required by Section 245 of the Companies Ordinance, 1984.

These financial statements have been prepared under "Historical Cost Convention" except for staff gratuity accounted for in accordance with "International Accounting Standard - 19"

These interim financial statements are unaudited.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these interim financial statements are consistent with those applied in the preparation of the preceding annual published financial statements of the Company for the year ended June 30, 2007

4 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

NUMBER OF SHARES			RUPEES	
MARCH 31, 2008	JUNE 30, 2007		MARCH 31, 2008	JUNE 30, 2007
6,300,000	6,300,000	ordinary shares of Rs.10 each fully paid in cash	63,000,000	63,000,000
3,700,000	3,700,000	ordinary shares of Rs.10 each fully paid as bonus shares	37,000,000	37,000,000
10,000,000	10,000,000		100,000,000	100,000,000

5	LOAN FROM SPONSORS - UNSECURED	5.1	100,000,000	100,000,000

5.1 The loan is unsecured and interest free. The loan is repayable on demand however the sponsors have given undertaking that they have no intention to demand the loan with in the period of next twelve months.

NOTES TO THE ACCOUNTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

			MARCH 31 2008 RUPEES	JUNE 30 2007 RUPEES
6	**LONG TERM LOANS - SECURED**			
	Opening balance		905,787,025	1,213,472,220
	Loan availed during the period		150,000,000	60,592,224
	Loan paid during the period		(198,812,403)	(368,277,419)
			856,974,622	905,787,025
	Current portion		(284,622,231)	(287,653,680)
			572,352,391	**618,133,345**
7	**LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE**			
	Present value of Minimum lease payment		40,248,899	19,883,120
	Current portion		(10,197,413)	(6,627,707)
			30,051,486	**13,255,413**
8	**CONTINGENCIES AND COMMITMENTS**			
	There are no material changes in contingencies and commitments as disclosed in the note to the financial statements for the period ending June 30, 2007			
9	**OPERATING FIXED ASSETS**			
	Operating fixed assets	9.1	**1,625,806,109**	**1,720,050,799**
9.1	Opening balance		1,720,050,799	1,662,322,670
	Addition during the period	9.2	43,797,644	253,313,865
	W.D.V. of assets disposed off		(156,615)	(16,575,122)
	Depreciation charged during the period		(137,885,719)	(179,010,614)
			1,625,806,109	**1,720,050,799**

NOTES TO THE ACCOUNTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

9.2 ACQUISITIONS AND DISPOSALS

	March 31, 2008		June 30, 2007	
	RUPEES		RUPEES	
	Acquisition	Disposal	Acquisition	Disposal
Owned				
Freehold land	6,360,000	-	-	-
Building on freehold land				
Factory	-	-	12,523,839	-
Non factory	-	-	957,042	-
Building on leasehold land				
Factory	811,173		1,651,657	
Non factory	5,326,488		290,731	
Plant and Machinery	-	-	182,533,149	16,237,905
Gas and pipeline	-	-	4,050,602	
Electric installation	1,197,783	-	21,248,607	-
Office equipments - factory	80,000	-	276,500	-
Office equipments - office	59,000	-	153,500	-
Equipment and other assets	-	-	7,156,802	-
Furniture and fixture - factory	-	-	175,804	-
Vehicles	-	156,615	1,055,300	337,217
	13,834,444	156,615	232,073,533	16,575,122
Leased				
Plant and Machinery	28,950,000	-	21,240,332	-
Vehicles	1,013,200	-	-	-
	29,963,200	-	21,240,332	-
	43,797,644	**156,615**	**253,313,865**	**16,575,122**

10 EARNINGS PER SHARE

There is no dilutive effect on basic earnings per share of the Company which is based on:

	NINE MONTHS ENDED		QUARTER ENDED	
	MARCH 31 2008	MARCH 31 2007	MARCH 31 2008	MARCH 31 2007
	RUPEES		RUPEES	
Profit after tax for the period	**50,937,858**	**70,675,708**	**4,720,829**	**24,458,679**
Weighted average number of ordinary shares	**10,000,000**	**10,000,000**	**10,000,000**	**10,000,000**
Earning per share - Basic	**5.09**	**7.07**	**0.47**	**2.45**

NOTES TO THE ACCOUNTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2008

11 TRANSACTIONS WITH RELATED PARTIES

The Company enters into transactions with related parties in normal course of business at arm's length determined in accordance with "Comparable Uncontrolled Price Method". Transactions with related parties other than remuneration and benefits to key management personnel under the term of employment are as follows: -

	NINE MONTHS ENDED	
	MARCH 31 2008 RUPEES	MARCH 31 2007 RUPEES
Sale of yarn, fabric and cotton	20,863,899	85,298,554
Purchase of yarn, fabric and cotton	265,363,959	237,860,025
Electricity purchased	10,240,378	33,303,828
Services rendered	4,647,867	2,498,650
Services availed	1,920,831	2,041,000
Dividend received	1,189,160	891,870

12 DATE OF AUTHORIZATION FOR ISSUE

These interim financial statements were authorized for issue on 26th April 2008 by the board of directors of the company.

13 OTHERS

13.1 There are no other significant activities since June 30, 2007 affecting the financial statements other than disclosed in these financial statements.

13.2 In consonance with other companies in the textile sector, the operations of the Company are subject to seasonal and cyclical trends. These seasonal and cyclical trends reflect in these interim financial statements.

13.3 During the period a medium term loan of PKR 150,000,000 has been obtained for the period of 36 months. The loan is secured against hypothecation of assets. The rate of markup is one month KIBOR plus 0.4%. The loan would be paid in lump sum at the time of maturity.

14 FIGURES

Figures have been rounded off to the nearest rupee.

MOHAMMAD SHARIF
Chief Executive

MOHAMMAD SALIM
Director

Karachi : 26th April 2008

Vision

A Company,
providing quality textile products
and maintaining
an excellent level of esthetical
and
professional standards.

Mission Statement

To become the leaders of
Textile products
in the local
&
international market
and to achieve
the highest level of success.