

5. PROPERTY, PLANT AND EQUIPMENT	Note	Unaudited	Audited
		30 Sept 2011	30 June, 2011
		Rupees	
Operating fixed assets	5.1	827,398,675	830,911,170
Capital work in progress	5.2	6,082,524	4,391,057
		833,481,199	835,302,227
5.1 Operating fixed assets			
Opening book value		830,911,170	760,143,178
Additions during the period / year			
Owned			
- building on leased premises		868,550	1,277,783
- building on freehold land		-	897,849
- plant and machinery		3,576,428	95,207,149
- electric installations		718,918	3,392,090
- mill equipments		340,522	1,830,941
- office equipment		135,773	688,250
- furniture and fixtures		17,550	3,289,087
Leased			
- vehicles		2,161,000	5,168,000
		7,818,741	111,751,149
Transfer from CWIP during the period / year		-	3,010,174
Less:			
Depreciation charge for the period / year		(11,331,236)	(43,993,331)
Closing book value		827,398,675	830,911,170
5.2 Capital work in progress			
At the beginning of the period		4,391,057	3,266,325
Addition during the period / year		1,691,467	4,134,906
Transfer to fixed assets during the period / year		-	(3,010,174)
At the end of the period / year		6,082,524	4,391,057

6. CONTINGENCIES AND COMMITMENTS

6.1 Contingencies

There were no significant change in contingencies as reported in note 28.1 in the annual financial statements for the year ended June 30, 2011.

6.2 Commitments

	As at	Sept	As at
	30,		June 30,
	2011		2011
Rupees			
Building and civil works	174,040		768,310
Guarantees issued	9,067,410		24,851,700
Raw material - confirmed letter of credit	102,308,648		267,576,300
	111,550,098		293,196,310
Bills discounted	478,845,562		422,990,544

7. SALES

QUARTER ENDED

	30-Sep	
	2011	2010
	Rupees	
Export Sales	836,302,275	767,269,226
Local Sales	93,828,025	310,732,013
	<u>930,130,300</u>	<u>1,078,001,239</u>

8. TAXATION

Current	8,768,037	9,073,049
Deferred	(19,953,525)	-
	<u>(11,185,488)</u>	<u>9,073,049</u>

9. CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	889,863	63,056,363
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Adjustments for non cash charges and other items:

Depreciation	11,331,236	10,361,321
Provision of gratuity	4,511,569	5,774,491
Interest income	(53,629)	(4,532)
Worker's profit participation fund	16,988	3,127,528
Worker's welfare fund	-	987,255
Share of profit from associate	(567,097)	(4,620,579)
Deferred Income	(11,593)	(189,483)
Finance Cost	66,465,301	60,136,500
	<u>81,692,775</u>	<u>75,572,501</u>
Cash flow from operating activities before working capital changes	82,582,638	138,628,864

(Increase)/decrease in current assets

Stores , spares parts and loose tools	5,925,323	1,702,013
Stock in trade	70,976,273	(21,202,945)
Trade debts	(21,267,349)	109,764,630
Loan and advances	(10,865,671)	(2,501,548)
Trade deposits and short term prepayments	(523,539)	(364,772)
Other receivables	(1,632,455)	8,671,086
	<u>42,612,582</u>	<u>96,068,464</u>

Increase in current liabilities

Trade and other payables	(85,109,320)	(12,242,475)
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Cash generated from operating activities

	<u>40,085,900</u>	<u>222,454,853</u>
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Receipts/Payments for

Interest paid	(67,516,378)	(58,854,484)
Interest received	150,306	(6,730)
Taxes paid	(5,358,337)	(6,136,520)
Gratuity paid	(5,160,091)	(1,712,172)
	<u>(77,884,500)</u>	<u>(66,709,906)</u>

Net cash from operating activities

	<u>(37,798,601)</u>	<u>155,744,947</u>
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10. SEGMENT INFORMATION

10.1 A business segment is a group of assets and operations engaged in providing products that are subject to risks and returns that are different from those of other business segments. Management has determined the operating segments based on the information that is presented to the Chief Executive Officer of the Company for allocation of resources and assessment of performance. Based on internal management reporting structure and products produced and sold, the Company is organised into the following four operating segments:

SPINNING
DYING
GARMENTS
WEAVING

For the period ended 30 Sept 2011					
Spinning Segment	Dying Segment	Garments Segment	Weaving Segment	Total	
------(Rupees)-----					
Sales	329,184,747	130,004,582	467,008,369	3,932,601	930,130,300
Cost of sales	271,385,032	115,812,160	417,786,203	1,302,452	806,285,847
Gross profit	57,799,715	14,192,422	49,222,166	2,630,149	123,844,453

For the period ended 30 Sept 2010					
Spinning Segment	Dying Segment	Garments Segment	Weaving Segment	Total	
------(Rupees)-----					
Sales	656,214,668	100,044,468	317,888,456	3,853,647	1,078,001,239
Cost of sales	527,428,676	91,106,370	279,530,176	1,351,820	899,417,043
Gross profit	128,785,992	8,938,098	38,358,280	2,501,827	178,584,196

11. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its Associated Companies, employee benefit plan, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with Associated Companies during the period were as follows:

Nature of transaction	Relationship with the company	QUARTER ENDED	
		Unaudited 30 Sept 2011	Unaudited 30 Sept 2010
		Rupees	
Transactions			
Purchase of goods and services	Associated Companies	56,127,058	98,025,911
Sale of goods and services	Associated Companies	5,209,155	56,195,500
Dyeing / Processing income	Associated Companies	13,042,089	6,478,239
Processing charges	Associated Companies	-	22,446,668

12. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 31 **October 2010** by the Board of Directors of the Company.

13. GENERAL

Figures in the condensed interim financial statements have been rounded-off to the nearest Rupees.

CHIEF EXECUTIVE

DIRECTOR