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## COMPANY PROFILE

- Board of Directors** : Muhammad Yunus Tabba (Chairman)  
Muhammad Sohail Tabba (Chief Executive)  
Muhammad Ali Tabba  
Javed Yunus Tabba  
Mrs Marium Tabba Khan  
Ilyas Ismail  
Tariq Iqbal Khan
- Chief Financial Officer & Company Secretary** : Abdul Sattar Abdullah
- Audit Committee** : Muhammad Ali Tabba  
Javed Yunus Tabba  
Ilyas Ismail
- Auditors** : M. Yousuf Adil Saleem & Co.  
Chartered Accountants
- Registered Office/Factory** : 200-201, Gadoon Amazai Industrial Estate,  
Distt. Swabi, Khyber Pakhtunkhwa  
Phone No. :0938-270212-13  
Fax No. :0938-270311  
E-mail Address :secretary@gtmfactory.com
- Liaison Office** : 7 Park Avenue Road University Town Peshawer.  
Phone No. :091-5701496  
Fax No. :091-840273  
E-mail Address: secretary@gadoontextile.com
- Karachi Office** : 6-A, Muhammad Ali Housing Society,  
Abdul Aziz Haji Hashim Tabba Street,  
Karachi-75350.  
Phone No. :021-34397701-03  
Fax No. :021-34382436, 34536229  
E-mail Address: secretary@gadoonho.com
- Share Registrar** : Central Depository Company of Pakistan Ltd  
CDC House, 99-B, Block B, S.M.C.H.S.,  
Main Shahrah-e-Faisal, Karachi  
Ph # 021-111-111-500  
Fax # 021-34326027  
Email Address: info@cdcpak.com
- Bankers** : Bank Alfalah Limited (Islamic Banking)  
Bank Al Habib Limited  
Barclays Bank PLC, Pakistan  
Citibank N.A.  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
United Bank Limited



## DIRECTORS' REPORT TO THE MEMBERS

The Directors of your Company are pleased to present before you the financial statements of the Company for the quarter ended 30th September, 2010.

### Financial Results:

The salient features of the financial results are given below:

|   | July - September      |                  | %<br>Change |
|---|-----------------------|------------------|-------------|
|   | 2010<br>(Rs in '000') | 2009             |             |
| <b>Sales -Export</b>                        | <b>1,563,550</b>      | <b>1,146,612</b> | 36.36       |
| <b>Local</b>                                | <b>1,578,831</b>      | <b>1,068,976</b> | 47.70       |
| <b>Sales (net)</b>                          | <b>3,142,381</b>      | <b>2,215,588</b> | 41.83       |
| <b>Gross Profit</b>                         | <b>669,209</b>        | <b>258,120</b>   | 159.26      |
| <b>Finance cost</b>                         | <b>(4,123)</b>        | <b>61,114</b>    | 106.75      |
| <b>Profit before taxation</b>               | <b>536,825</b>        | <b>102,631</b>   | 423.06      |
| <b>Profit for the period after taxation</b> | <b>543,305</b>        | <b>55,920</b>    | 871.58      |
| <b>Earnings per share</b>                   | <b>23.18</b>          | <b>2.39</b>      |             |

As will be observed, the quarter under review witnessed healthy growth of 41.83% in sales over the corresponding period last year. The gross profit margin sustained upward trend owing to upbeat yarn market yielding better yarn prices and carryover effect of cheap raw cotton inventory. The profit for the period would have been substantially higher, had there been no interruption of gas supply. The finance cost is negative because of Khyber Pakhtunkhwa mark-up subsidy, pertaining to first half year of 2010, received in September and recorded on as and when received basis. The cumulative result is highly encouraging bottom-line.

### Expansion and Modernization Projects:

As stated in our Annual Report for 2010, the Company is in process of putting up additional production facility at Karachi. Part shipment of plant and machinery has been made against the letters of credit established.

### Future Outlook:

In view of high lint cotton prices, rising cost of fuel & power, other overheads and intermittent gas supply, your Company will continue its focus to achieve reasonable profitability through tight cost control and product and process optimization and efficient working capital management.

### Change in Board of Directors:

Mrs. Neelofar Hameed a nominee of National Investment Trust Limited, resigned from the Board of Directors of the Company on 27th September, 2010. Mr. Tariq Iqbal Khan has been co-opted as a Director to hold the office for the remainder of the term of Mrs. Hameed in whose place he is appointed.

### Acknowledgements:

The directors record their appreciation of the performance of the Company's workers, staff and executives.

For and on behalf of the Board

**Muhammad Sohail Tabba**  
Chief Executive

Karachi: 27th October, 2010



## CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2010 (UNAUDITED)

|   | Note | SEP<br>30, 2010      | June<br>30, 2010     |
|---|------|----------------------|----------------------|
| (Rupees)                                      |      |                      |                      |
| <b>NON CURRENT ASSETS</b>                     |      |                      |                      |
| Property, plant and equipment                 | 3    | 3,050,109,289        | 2,724,683,607        |
| Long term loans                               |      | 4,201,159            | 5,734,580            |
| Long term deposits                            |      | 7,277,958            | 7,272,958            |
| Long term investment                          |      | 66,666,667           | 66,666,667           |
|   |      | <b>3,128,255,073</b> | <b>2,804,357,812</b> |
| <b>CURRENT ASSETS</b>                         |      |                      |                      |
| Stores, spares & loose tools                  |      | 215,750,004          | 223,164,356          |
| Stock in trade                                |      | 800,426,336          | 2,159,942,139        |
| Trade debts                                   |      | 2,144,038,683        | 998,551,745          |
| Loans & advances                              |      | 237,460,140          | 149,629,913          |
| Trade deposits and short term prepayments     |      | 5,426,351            | 1,590,000            |
| Other receivables                             |      | 93,420,456           | 42,469,015           |
| Income Tax Refundable due from the government |      | 40,819,674           | 40,819,674           |
| Cash and Bank Balances                        |      | 862,204,950          | 125,509,669          |
|   |      | <b>4,399,546,594</b> | <b>3,741,676,511</b> |
|   |      | <b>7,527,801,667</b> | <b>6,546,034,323</b> |
| <b>SHARE CAPITAL AND RESERVES</b>             |      |                      |                      |
| Authorised                                    |      |                      |                      |
| 50,000,000 ordinary shares of Rs. 10/- each   |      | <b>500,000,000</b>   | <b>500,000,000</b>   |
| <b>Capital &amp; Reserves</b>                 |      |                      |                      |
| Issued, subscribed and paid up                |      | 234,375,000          | 234,375,000          |
| Capital reserves - Share premium              |      | 103,125,000          | 103,125,000          |
| Revenue reserves                              |      |                      |                      |
| General reserve                               |      | 1,000,000,000        | 1,000,000,000        |
| Un-appropriated profit                        |      | 2,008,014,550        | 1,464,709,963        |
|   |      | <b>3,008,014,550</b> | <b>2,464,709,963</b> |
|   |      | <b>3,345,514,550</b> | <b>2,802,209,963</b> |
| <b>NON CURRENT LIABILITIES</b>                |      |                      |                      |
| Long term financing                           |      | 630,160,747          | 630,160,747          |
| Deferred liabilities                          |      | 286,428,177          | 285,859,848          |
|   |      | <b>916,588,924</b>   | <b>916,020,595</b>   |
| <b>CURRENT LIABILITIES</b>                    |      |                      |                      |
| Current Portion of: Long term financing       |      | 17,813,502           | 17,813,502           |
| Short term borrowings                         |      | 1,611,412,715        | 1,543,076,423        |
| Trade and other payables                      |      | 1,531,850,964        | 1,141,007,304        |
| Provision for taxation                        |      | 59,058,633           | 59,058,624           |
| Accrued mark up                               |      | 45,562,379           | 66,847,912           |
|   |      | <b>3,265,698,193</b> | <b>2,827,803,765</b> |
| <b>CONTINGENT AND COMMITMENTS</b>             |      |                      |                      |
|   | 4    |                      |                      |
|   |      | <b>7,527,801,666</b> | <b>6,546,034,323</b> |

The annexed notes form an integral part of these financial statements

**Muhammad Yunus Tabba**  
Chairman / Director

**Muhammad Sohail Tabba**  
Chief Executive



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010 (UNAUDITED)

|   | Note | PERIOD ENDED          |                       |
|---|------|-----------------------|-----------------------|
|   |      | September<br>30, 2010 | September<br>30, 2009 |
|   |      | (Rupees)              |                       |
| Sales-net                                   |      | 3,142,381,206         | 2,215,588,063         |
| Cost of goods sales                         | 5    | 2,473,172,271         | 1,957,467,488         |
| Gross profit                                |      | 669,208,935           | 258,120,575           |
| Other operating income                      |      | 15,208,362            | 281,192               |
|   |      | 684,417,297           | 258,401,768           |
| Selling & distribution cost                 |      | 79,324,426            | 71,586,941            |
| Administrative expenses                     |      | 15,886,610            | 13,746,802            |
| Other operating expenses                    |      | 56,504,084            | 9,322,526             |
|   |      | 151,715,120           | 94,656,269            |
|   |      | 532,702,177           | 163,745,499           |
| <b>Finance cost</b>                         |      | <b>(4,122,340)</b>    | 61,114,259            |
| <b>Profit before taxation</b>               |      | <b>536,824,517</b>    | 102,631,240           |
| <b>Taxation</b>                             |      |                       |                       |
| Current                                     |      | -                     | 13,628,201            |
| Deferred                                    |      | (6,480,070)           | 33,082,978            |
|   |      | (6,480,070)           | 46,711,179            |
| <b>Net profit for the period</b>            |      | <b>543,304,587</b>    | 55,920,061            |
| <b>Basic and diluted earnings per share</b> |      |                       |                       |
| before taxation                             |      | 22.90                 | 4.38                  |
| after taxation                              |      | 23.18                 | 2.39                  |

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

**Muhammad Yunus Tabba**  
Chairman / Director

**Muhammad Sohail Tabba**  
Chief Executive



## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010 (UNAUDITED)

|   | September<br>30, 2010 | September<br>30, 2009 |
|---|-----------------------|-----------------------|
|   | (Rupees)              |                       |
| Profit for the period                     | 543,304,587           | 55,920,061            |
| Other comprehensive income                |                       |                       |
| Total comprehensive income for the period | <u>543,304,587</u>    | <u>55,920,061</u>     |



## CONDENSED INTERIM CASH FLOW STATEMENT

AS AT SEPTEMBER 30, 2010 (UNAUDITED)

|   | September<br>30, 2010       | September<br>30, 2009       |
|---|-----------------------------|-----------------------------|
|   | (Rupees)                    |                             |
| <b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                    |                             |                             |
| Profit / (loss) before taxation                                   | 536,824,517                 | 102,631,240                 |
| <b>Adjustments for</b>  |                             |                             |
| Depreciation  | 67,437,478                  | 68,143,775                  |
| (Gain) on disposal of fixed assets                                | (463,827)                   | -                           |
| (Profit) on deposits  | (14,463,367)                | (98,820)                    |
| Provision for gratuity  | 8,000,000                   | 8,310,000                   |
| Finance cost  | 25,180,683                  | 60,858,951                  |
|   | <u>85,690,967</u>           | <u>137,213,906</u>          |
| <b>Operating cash flow before working capital changes</b>         | <b>622,515,484</b>          | <b>239,845,146</b>          |
| <b>(Increase) / decrease in current assets</b>                    |                             |                             |
| Stores, spares & loose tools                                      | 7,414,352                   | 1,323,762                   |
| Stock in trade  | 1,359,515,803               | 370,673,888                 |
| Trade debts   | (1,145,486,938)             | (375,102,558)               |
| Loans and advances  | (82,273,000)                | (17,669,893)                |
| Trade deposits and short term prepayments                         | (3,836,351)                 | (1,142,609)                 |
| Other receivables   | (50,951,442)                | 47,674,946                  |
|   | <u>84,382,424</u>           | <u>25,757,536</u>           |
| <b>(Increase) / decrease in current liabilities</b>               |                             |                             |
| Trade and other payables  | <u>390,850,848</u>          | <u>961,179,500</u>          |
| <b>Changes in working capital</b>                                 | <u>475,233,272</u>          | <u>986,937,036</u>          |
| <b>Cash (used in) / generated from operation</b>                  | <b>1,097,748,756</b>        | <b>1,226,782,182</b>        |
| Gratuity paid   | (951,600)                   | (2,385,300)                 |
| Taxes paid (including tax deducted at source)                     | (2,990,397)                 | (12,278,275)                |
| Finance cost paid   | (46,466,215)                | (99,117,964)                |
|   | <u>(50,408,212)</u>         | <u>(113,781,539)</u>        |
| <b>Net Cash (used in) / generated from operating activities</b> A | <u><u>1,047,340,544</u></u> | <u><u>1,113,000,643</u></u> |



|   | September<br>30, 2009 | September<br>30, 2008 |
|---|-----------------------|-----------------------|
|   | (Rupees)              |                       |
| <b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>                    |                       |                       |
| (Addition) in property, plant and equipment                       | (393,999,320)         | (99,310,156)          |
| Long term loans recovered / (paid)                                | 4,818,443             | 3,914,765             |
| Long term deposits  | (5,000)               | (2,000)               |
| Profit received from bank deposits                                | 8,611,515             | 94,045                |
| Sale proceeds of fixed assets                                     | 1,600,000             |                       |
| <b>Net cash generated from / (used in) investing activities</b> B | <b>(378,974,360)</b>  | <b>(95,303,346)</b>   |
| <b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>                    |                       |                       |
| Dividend paid   | (7,194)               |                       |
| Short term borrowings-net   |                       | (466,469,780)         |
| <b>Net cash generated from / (used in) financing activities</b> C | <b>(7,194)</b>        | <b>(466,469,780)</b>  |
| <b>NET (DECREASE)/INCREASE IN CASH &amp; CASH EQUIVALENTS</b>     | <b>668,358,990</b>    | <b>551,227,517</b>    |
| <b>(A+B+C)</b>  |                       |                       |
| Cash & cash equivalent at the beginning of the period             | (1,417,566,754)       | (647,940,924)         |
| Cash & cash equivalent at the end of the period                   | (749,207,764)         | (96,713,407)          |
| <b>Cash &amp; cash equivalent</b>                                 |                       |                       |
| Cash and bank balances  | 862,204,950           | 139,187,042           |
| Short term borrowings   | (1,611,412,714)       | (235,900,449)         |
|   | (749,207,764)         | (96,713,407)          |

The annexed notes form an integral part of these financial statements

**Muhammad Yunus Tabba**  
Chairman / Director

**Muhammad Sohail Tabba**  
Chief Executive





## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED SEPTEMBER 30, 2010 (UNAUDITED)

|  | <----- Capital reserves ----->                        |                    |                    | <----- Revenue reserves -----> |                          |                      |                      |
|--|---|--------------------|--------------------|--------------------------------|--------------------------|----------------------|----------------------|
|  | Issued,<br>subscribed and<br>paid-up share<br>capital | Share<br>premium   | Sub<br>Total       | General<br>reserves            | Unappropriated<br>profit | Sub<br>Total         | Grand total          |
| Balance as at July 01,2009                         | 234,375,000   | 103,125,000        | 103,125,000        | 1,000,000,000                  | 636,519,294              | 1,636,519,294        | 1,974,019,294        |
| Profit for the period ended September30,2009       |   |                    |                    |                                | 55,920,061               | 55,920,061           | 55,920,061           |
| Profit for the period (October2009 to June30,2010) |   |                    |                    |                                | 772,270,608              | 772,270,608          | 772,270,608          |
| Balance as at June30,2010                          | 234,375,000   | 103,125,000        | 103,125,000        | 1,000,000,000                  | 1,464,709,963            | 2,464,709,963        | 2,802,209,963        |
| Profit for the period                              |   |                    |                    |                                | 543,304,587              | 543,304,587          | 543,304,587          |
| Balance as at September30, 2010                    | <b>234,375,000</b>                                    | <b>103,125,000</b> | <b>103,125,000</b> | <b>1,000,000,000</b>           | <b>2,008,014,550</b>     | <b>3,008,014,550</b> | <b>3,345,514,550</b> |

The annexed notes form an integral part of these financial statements

**Muhammad Yunus Tabba**  
Chairman / Director

**Muhammad Sohail Tabba**  
Chief Executive



## NOTES TO THE INTERIM CONDENSED ACCOUNTS

For the First Quarter ended September 30, 2010 (Unaudited)

### 1. THE COMPANY AND ITS OPERATIONS

- 1.1** Gadoon Textile Mills Limited (the Company) was incorporated in Pakistan on February 23, 1988 as a Public Limited Company under the Companies Ordinance, 1984 and listed on Karachi and Islamabad Stock Exchanges. The registered office of the Company and its manufacturing facilities are located at Gadoon Amazai Industrial Estate, Gadoon, District Swabi, Khyber Pakhtunkhawa. Principal activity of the Company is manufacturing and sale of yarn.
- 1.2** The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

### 2. STATEMENT OF COMPLIANCE

- 2.1** These unaudited interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and in compliance with requirement of Section 245 of the Companies Ordinance, 1984 and presented as per the requirement of the listing regulations of the Stock Exchanges.
- 2.2** These interim financial statements are in condensed form and should be read in conjunction with the annual financial statements of the Company.
- 2.3** The accounting convention, policies and methods of computation followed in the preparation of these financial statements are the same as those of the published annual financial statements for the year ended June 30, 2010.

|   | Notes | September<br>30, 2010 | June<br>30, 2010 |
|---|-------|-----------------------|------------------|
| <b>3. PROPERTY, PLANT AND EQUIPMENT</b> |       | <b>(Rupees)</b>       |                  |
| Operating fixed assets                  | 3.1   | <b>2,657,940,968</b>  | 2,695,556,675    |
| Capital work in progress                | 3.2   | <b>392,168,321</b>    | 29,126,932       |
|   |       | <b>3,050,109,289</b>  | 2,724,683,607    |

#### 3.1 Details of additions and disposals are as under

|                         | September<br>30, 2010<br>---- Rupees ---- |                            | September<br>30, 2009<br>---- Rupees ---- |                            |
|-------------------------|---|----------------------------|---|----------------------------|
|                         | Additions/<br>transfers                   | Disposals at<br>Book value | Additions/<br>transfers                   | Disposals at<br>Book value |
| Plant and machinery     | 19,376,499                                | 634,280                    | -   | -                          |
| Electrical installation | -   | -                          | 8,500,000                                 | -                          |
| Tools & Equipment       | 142,000                                   | -                          | -   | -                          |
| Computer equipment      | 77,044                                    | -                          | 80,267                                    | -                          |
| Office equipment        | -   | -                          | 18,000                                    | -                          |
| Vehicles                | 11,362,401                                | 501,893                    | 6,420                                     | -                          |
|                         | <b>30,957,944</b>                         | <b>1,136,173</b>           | <b>8,604,687</b>                          | -                          |



### 3.2 Details of additions and transfers are as under

|                      | September<br>30, 2010<br>--- Rupees ---- |                   | September<br>30, 2009<br>--- Rupees ---- |           |
|----------------------|--|-------------------|--|-----------|
|                      | Additions                                | Transfers         | Additions                                | Transfers |
| Civil works          | 2,788,002                                |                   | -  | -         |
| Plant and machinery  | 384,109,244                              | 19,101,857        | 97,623,969                               | -         |
| Electric Instalation | -  | -                 | 1,581,500                                | 8,500,000 |
| Vehicle              | 883,000                                  | 5,637,000         |  |           |
|                      | <b>387,780,246</b>                       | <b>24,738,857</b> | 99,205,469                               | 8,500,000 |

## 4 Contingencies

4.1 Outstanding guarantees given on behalf of the Company by banks in normal course of business amounting to Rs. 318.243 million (June 2010: Rs. 255.239 million).

4.2 Until the year ended June 30, 2010, the Company was charged by Sui Northern Gas Pipeline Limited (SNGPL) with an additional amount of Rs. 168 million on account of under billing of gas. Out of Rs. 168 million, the Company paid an amount of Rs. 90.50 million to avoid disconnection of gas supply and lodged complaint with Oil and Gas Regulatory Authority (OGRA) against SNGPL. On January 21, 2010, OGRA gave its decision and partly admitted the plea of the Company and allowed partial relief. The Company has filed a second appeal before the higher authorities for the unfavourable part of the decision and the management believes that no further provision is required.

### 4.3 Contingencies

|  | September<br>30, 2010 | June<br>30, 2010 |
|--|-----------------------|------------------|
|  | (Rupees)              |                  |
| Export bills discounted  | 36,515,800            | 787,524,928      |
| Indemnity bonds in favour of collector of custom against import<br>plant & machinery | 4,735,000             | 2,590,000        |
| Post dated cheques   | 76,922,171            | 58,029,703       |

Status of contingencies other than mentioned above are same as disclosed in the last published annual financial statements for the year ended June 30, 2009.



#### 4.4 Commitments

|  |                      |               |
|--|----------------------|---------------|
| Letters of credit opened by banks for: |                      |               |
| Plant and machinery                    | <b>721,408,360</b>   | 62,318,997    |
| Raw material                           | <b>169,765,848</b>   | 221,332,736   |
| Stores and spares                      | <b>21,875,954</b>    | 12,142,023    |
| Foreign currency forward contracts     | <b>1,355,865,754</b> | 1,072,185,087 |

|  |     | Quarter Ended         |                       |
|--|-----|-----------------------|-----------------------|
|  |     | September<br>30, 2010 | September<br>30, 2009 |
|  |     | (Rupees)              |                       |
| <b>5. Cost of sales</b>                    |     |                       |                       |
| Opening stock- finished goods              |     | 221,944,458           | 318,497,166           |
| Cost of goods manufactured                 | 5.1 | 2,440,946,491         | 1,851,635,221         |
|  | -   | -                     | -                     |
|  |     | <u>2,662,890,949</u>  | <u>2,170,132,387</u>  |
| Closing stock-finished goods               |     | <u>(189,718,678)</u>  | <u>(212,664,899)</u>  |
|  |     | <u>2,473,172,271</u>  | <u>1,957,467,488</u>  |
| <b>5.1 Cost of goods manufactured</b>      |     |                       |                       |
| Work in process at beginning of the period |     | 67,697,688            | 56,917,986            |
| Raw and packing material consumed          |     | <u>1,876,800,722</u>  | <u>1,363,123,148</u>  |
| Other manufacturing expenses               |     | <u>576,167,758</u>    | <u>487,482,104</u>    |
|  |     | <u>2,452,968,480</u>  | <u>1,850,605,252</u>  |
|  |     | <u>2,520,666,168</u>  | <u>1,907,523,238</u>  |
| Work in process at end of the period       |     | <u>(79,719,677)</u>   | <u>(55,888,017)</u>   |
|  |     | <u>2,440,946,491</u>  | <u>1,851,635,221</u>  |



## 6 TRANSACTIONS WITH RELATED PARTIES

| Name of Related Parties                              | Nature of Transaction   | Quarter Ended      |                    |
|--|-------------------------|--------------------|--------------------|
|  |                         | September 30, 2010 | September 30, 2009 |
| <b>(Rupees)</b>                                      |                         |                    |                    |
| <b>a. Associated companies</b>                       |                         |                    |                    |
| Lucky Cement Limited<br>(Common Directorship)        | Purchase of cement      | 126,152            | -                  |
| Fazal Textile Mills Limited<br>(Common Directorship) | Doubling charges        | -                  | 576,000            |
|  | Sale of yarn            | 56,985,903         | 66,888,125         |
|  | Sale of waste           | 5,177,475          | -                  |
| Yunus Textile Mills Limited<br>(Common Directorship) | Sale of yarn            | 158,327,640        | 38,562,375         |
| Lucky Knits (Pvt) Limited<br>(Common Directorship)   | Sale of yarn            | 91,930,150         | 81,197,600         |
| Nakshbandi Industries Limited                        | Sale of yarn            | 83,369,500         | -                  |
| <b>b. Associated Firms</b>                           |                         |                    |                    |
| Lucky Textile Mills                                  | Sale of yarn            | 21,745,753         | 110,881,250        |
|  | Purchase of store items | 482,310            | -                  |
| <b>c. Benefits to key management personnels</b>      |                         | 1,098,000          | 1,098,000          |

## 7 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors of the Company and authorized for issue on October 27, 2010.

## 8 FIGURES

Have been rounded off nearest to Rupee.

**Muhammad Yunus Tabba**  
Chairman / Director

**Muhammad Sohail Tabba**  
Chief Executive