

FAZAL CLOTH MILLS LIMITED
NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2007

1. GENERAL

1.1 These un-audited accounts are being presented to shareholders as required under SECP Notification No. SRO 764/(1)2001 dated November 05, 2001 and are in accordance with requirements of International Accounting Standard - 34 "Interim Reporting".

1.2 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 period ended June 30, 2006.

2. DEFERRED TAXATION

Provision for deferred taxation has not been made in these accounts for the reason that the temporary differences involved are not likely to reverse in the foreseeable future due to material expansion plans and planned export sales.

3. BASIC EARNINGS PER SHARE

	2007 Rupees	2006 Rupees
Profit after taxation attributable to ordinary shareholders	<u>106,067,663</u>	<u>105,491,938</u>
	Number of Shares	Number of Shares
Weighted average number of ordinary shares	<u>18,755,194</u>	<u>18,755,194</u>
	Rupees	Rupees
Earnings per share		
Basic	<u>5.66</u>	<u>5.62</u>
Diluted	<u>2.42</u>	<u>-</u>

Sd/-
CHIEF EXECUTIVE

Sd/-
DIRECTOR

Sd/-
CHIEF FINANCIAL OFFICER