

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the third quarterly (un-audited) accounts for the period ended March 31, 2009. During the nine months under review your company earned pretax profit of **Rs. 121.484 (m)** and after tax profit of **Rs. 76.967 (m)**.

The earning per share is **Rs. 4.26** (par value Rs.10/ = per share).

The third quarter was a difficult period due to crises in textile industry, however your company managed to earn profit. Mark up rates are very high in this quarter and still going up inspite of reduction in discount rate by the State Bank Of Pakistan. We are thankful to the Government for extending the mark up subsidy and hope this will continue till next year.

Future Prospects.

Yarn prices are improving since mid of April 2009 and we hope better results for the last quarter. We also hope that mark up rates will reduce in future.

Labour / management relations remained cordial.

We further state that :

- a The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flow & changes in equity;
- b Proper books of Accounts have been maintained;
- c Appropriate Accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d International Accounting Standards, as applicable in Pakistan have been followed in preparation of these financial statements.
- e There are no significant doubts upon the company's ability to continue as a going concern.
- f Internal auditor is continuously reviewing the existing system of internal control and procedures. The process of review will continue and any weakness in controls will have immediate attention of the management.
- g There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

I would like to thank to the employees of the Company for their hard work and Company's Bankers for their co-operation.

Karachi : the April 29, 2009

For and behalf of Board
Shahzad Ahmad
Chief Executive