

Directors' Report

Dear Shareholders,

We are pleased to present the 3rd quarterly (un-audited) accounts for the period ended March 31, 2012. Your company earned a pretax profit of **Rs. 1.174 billion** and after tax profit of **Rs. 1.095 billion**. Earning per share is **Rs. 60.58** (par value Rs. 10/= per share)

The Directors of the company are pleased to recommend the 2nd interim cash dividend 100% i.e Rs. 10/= per share.

By the grace of God your company earned handsome profits during the period in spite of fuel price increase and major fall in cotton prices but by the better cost control measures and timely procurement of raw material helped the company to achieve these good results.

Your management is trying hard to remain competitive and get better results in coming quarter, through raw material purchases, marketing strategies, intensive cost control and focusing on specialized and value added products.

In order to fully utilize the business potential we are continuing BMR plan to get optimum results. As part of this vision, your company acquired 100% shares of MIMA Cotton Mills Limited which consist 23,640 spindles with necessary back process including one set of comber machines. By the grace of God MIMA Cotton Mills Limited started production at the end of February 2012 and we hope the mill will be fully operational by the end of June 2012.

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 other 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.

The labour management relations remained cordial and we would like to thanks to the employees of the Company for their hard work and Company's Bankers for their co-operation.

Karachi : the 30th April, 2012

For and behalf of Board
Shahzad Ahmad
Chief Executive Officer