Directors' Report

Dear Shareholders,

We are pleased to present the half yearly (un-audited) accounts for the period ended December 31, 2011. Your company earned a pretax profit of **Rs. 654.105 million** and after tax profit of **Rs. 618.467 million.** Earning per share is **Rs. 34.22** (par value Rs. 10/= per share)

By the grace of God your company earned handsome profits during the period in spite of variations in cotton prices and increase in gas tariff. Timely procurement of raw material helped the company to achieve these good results.

Your management has acquired 100% shares of MIMA COTTON MILLS LIMITED as wholly owned subsidiary of the company as mentioned in note 1.2.

Your management is trying its best to get better results in future. In order to fully utilize the business potential we are continuing BMR plan to get optimum results.

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.

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

For and behalf of Board

Karachi : the 28th February, 2012   Shahzad Ahmad
Chief Executive Officer