

## **DIRECTORS' REPORT**

The Directors take great pride in presenting the 53rd Annual Report of your Company, along with Audited Financial Statements and Auditors Report thereon for the year ended June 30, 2010. Briefs of financial results for the period under review are as under :

<b><u>Financial Review :</u></b>	<b><u>Rs.'000</u></b>
Profit after taxation	1,858,465
Other comprehensive income	1,944
Un-appropriated profit brought forward	273,926
Profit available for appropriation	2,134,335
Dividend paid	(27,110)
Transfer to General reserve	(1,000,000)
Un-appropriated profit carried forward	1,107,225
Earning per share	102.83

### **Present Year assessment :**

Your Company has performed very well and earned a net profit Rs. 1.858 billions, which is highest in the history of the company. Net sales increased to highest level of Rs.10.912 billions

### **Dividend :**

Your Directors are pleased to recommend 50% cash dividend for the year.

### **Investments and Sources of Financing.**

During the year Rs. 163.288 millions were invested in the fixed assets. This is part of the company's BMR plan and to enhance its captive power plants capacity. Depreciation cash flow, long term loan and retained earnings were used to finance this expansion.

### **Future Outlook :**

Due to increase in cotton prices and other costs like power, wages & mark-up rates it seems difficult to achieve such results in future, but we hope that company will inshallah earn handsome profits for the coming year.

In order to fully utilize the business potential we have an investment plan of Rs. 230 million. This is part of the company's BMR plan to increase its spinning capacity by 5,280 spindles with necessary back process & combing machines.

### **Corporate and Financial Reporting Framework :**

As required by the Code of Corporate Governance, Directors are pleased to report that :

a : The Financial Statement prepared by the Management, present fairly its state of affairs, the result of its operations, Cash Flows and 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 Financial Statements.

e : Internal Auditors 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.

f : There are no significant doubts upon the company's ability to continue as a going concern.

g : There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

h : Key operating and financial data for last six years is annexed.

i : The information about statutory payments on account of taxes, duties and levies is given in the notes to the accounts.

j : During the period under review, there has been no trading in shares of the Company by the CEO, Directors, Financial Officer, Company Secretary, their spouses and minor children.

k : During the year under review five (5) meetings were held.

**Attendance by each Director is as follows :**

<u>Name of Director</u>	<u>Attendance</u>
Mian Mohammad Ahmed	4
Mian Riaz Ahmed	4
Mr. Shahzad Ahmed	4
Mr. Naveed Ahmed	5
Mr. Imran Ahmed	5
Mr. Irfan Ahmed	4
Mr. Kashif Riaz	4
Mr. Shafqat Masood	5
Mr. Farooq Hassan	5

**Pattern of shareholding :**

The pattern of shareholding as at June 30, 2010 is annexed.

**Thanks & Gratitude :**

Your Directors are pleased to put on record their appreciation and gratitude to the executives, officers, staff members and workers of the company in performance of their duties. Your Directors would also like to put on record their profound and sincere gratitude to valued customers, regulators, external auditors, bankers and our shareholders.

For and behalf of the Board  
Shahzad Ahmad

Karachi: October 07, 2010.  
Chief Executive