



DIRECTORS' REPORT

The Directors take great pride in presenting the 50th Annual Report of your Company, along with Audited Financial Statements and Auditors Report thereon for the year ended June 30, 2007. Briefs of financial results for the period under review are as under:

	Rs.'000
Financial Review	
Profit after taxation	430,448
Un-appropriated profit brought forward	875,824
Profit available for appropriation	1,306,272
Transfer to General reserve	500,000
Dividend	27,110
Un-appropriated profit carried forward	779,230
Earning per share Rs	23.82

Present Year assessment.

Your Company has performed very well and earned a net profit Rs. 430.448 millions, including "Towel unit" profit Rs 31.974 millions. Net sales increased to the highest level of Rs.6.411 billions.

Dividend.

Your Directors are pleased to recommend 15% cash dividend for the year.

Investments and Sources of Financing

During the year Rs 580 millions were invested in the fixed assets. This is part of the company's expansion/BMR plan to increase and modernize its capacity and to enhance its captive power plants. Depreciation cash flow of Rs. 331 millions, retained earnings and long term debts were used to finance this expansion.

Future Outlook

Due to increase in cotton prices and other input costs like power, wages & mark-up rates it seems difficult to sustain such performance for next year. But the management will try its best to achieve the optimal results.

Corporate and Financial Reporting Framework:

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

- The Financial Statement prepared by the Management, present fairly its state of affairs, the result of its operations, Cash Flows and changes in equity;
- Proper books of accounts have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of Financial Statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan have been followed in preparation of Financial Statements.
- 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.
- There are no significant doubts upon the company's ability to continue as a going concern.
- 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 the trading in shares of the Company by the CEO, Directors and their spouses as follows:

	Purchase	Sales
1) Mian Mohammed Ahmed	NIL	10,000

During the year under review six (6) meetings were held. Attendance by each Director is as follows:

Name of Director	Attendance
Mian Mohammad Ahmed	5
Mian Riaz Ahmed	4
Mr. Shahzad Ahmed	5
Mr. Naveed Ahmed	7
Mr. Imran Ahmed	6
Mr. Irfan Ahmed	5
Mr. Kashif Riaz	4
Mr. Shafqat Masood	7
Mr. Mansoob A. Akhtar	7

Pattern of shareholding

The pattern of shareholding as at June 30, 2007 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
Karachi: 06th October, 2007.

Shahzad Ahmad
Chief Executive