

DIRECTOR'S REVIEW FOR THE HALF YEAR DECEMBER 31, 2012

The Directors have the pleasure to submit un-audited accounts for the half year ended on 31st December, 2012.

The financial results are as under:-

PARTICULARS	HALF YEAR ENDING 31-12-2012 RUPEES IN MILLION	HALF YEAR ENDING 31-12-2011 RUPEES IN MILLION
Sales	692.549	750.053
Cost of Sales	(667.352)	(774.663)
Gross Profit / (Loss)	25.197	(24.610)
Other operating income	1.108	1.099
Distribution cost	(0.936)	(0.166)
Administrative expenses	(9.023)	(7.636)
Other operating expenses	(0.026)	(0.124)
Finance cost	(29.409)	(33.618)
Profit / (Loss) Before Taxation	(13.089)	(65.055)

During the period under review the company has made substantial improvements. The company is manufacturing major portion of its productions in CVC Warp, Weft yarn and knitting yarn. The company has imported long staple and high strength cotton from India for manufacturing of Fine count of cotton yarn which has been started in the current month of February 2012.

During the period the company faced extreme energy crises, SNGPL Company completely cut the supply of gas from the month of November 2012 and LESCO provided us only 12 hours electricity with too much trippings. In the month of December 2012, LESCO completely closed down the electricity, resultantly our mills remained completely close for approximately 10 days. In the corresponding period the energy supply was curtailed only 20% while in current period it was curtailed about 50%.

During the period your company made addition in fixed assets which was for creation of separate line of cotton. The machinery comprises of different types of beater, condenser, auto blender and transfer fan.

The company has now settled down dispute with various banks and is up to date.

The future outlook of the company looks very positive. The price of Raw material are on high side as compared with the previous period but positive side is the reciprocal increase in the price of yarn. The company has started manufacturing cotton yarn and the demand of cotton yarn is expected to increase internationally and prices of yarn should be stable or in upward trend.

The future of spinning industry in Textile sectors seems very bright and if energy crises is over then the industry will be in a very good phase.

Directors of the company wood like to place on record their appreciations of the hard work and dedications shown by executive, staff members and workers of the company in the performance of their duties

FOR AND ON BEHALF OF THE BOARD

Lahore:
February 27, 2013.

(NAUMAN ALMAS)
Chief Executive