

DIRECTORS REPORT

The Directors of your company have the pleasure to submit un audited accounts for the First quarter ended as on 30th September 2012.

During the period under review, the total sales of the company decreased in value as compared to correspondence period which was due acute energy crises in the country and non availability of natural Gas and load shedding by LESCO badly effected the continuous process of Production. The management of your company made major changes in technical side and introduced fine quality yarn to cloth exporters who uses benchmark quality of CVC. Now we are producing 40/S CVC and 31/S CVC and also quality Knitting yarn which is evidence that in spite of a decrease in total sales the rate of Gross Profit increased from 5.45% to 6.35%.

The Financial performance is as under:-

Particular	Quarter Ended 30-09-2012 Rupees	Quarter Ended 30-09-2011 Rupees
SALES	349,050,535	379,079,412
COST OF SALES	(327,036,391)	(358,404,423)
GROSS PROFIT	22,014,145	20,674,989
OTHER OPERATING INCOME	549,591	549,591
DISTRIBUTION COST	(658,317)	(67,565)
ADMINISTRATIVE COST	(4,110,369)	(3,698,757)
OTHER OPERATING EXP.	(11,050)	(27,530)
FINANCIAL COST	(14,603,200)	(15,210,926)
PROFIT BEFORE TAXATION	3,180,800	2,219,802

As already mentioned that management is trying best to bring the company in profit which can be viewed by these results that instead of acute energy crises and low production your company stressed on quality of production and gained some required results. The distribution cost increased due to increase in rates of petroleum products and carrying cost even doubled with in a years. The increase in admin expenses is due to annual increase in salaries of employees and change of office from 76 B Muslim Town to 55 B New Garden Town.

The future prospects of the company are very bright because global demand of PC and CVC yarn has been increased and expected to increase day by day.

The company is trying to settle disputes with all lender Banks and in touch with all banks for settlement on favorable terms which will bring the company on regular status with all banks.

The Directors acknowledge the devotion to duty of workers and are appreciate the hard working of employees and also thankful to customers for their support and co-operation to the company.

FOR AND ON BEHALF OF THE BOARD

Lahore.
October 31, 2012.

(NAUMAN ALMAS)
Chief Executive