

DIRECTORS' REPORT TO THE SHARE HOLDERS

The Directors, have the pleasure to submit un-audited accounts for the quarter ended on March 31, 2013.

During the period under review the company produced 1,052,503 Kgs. of yarn as compared to 1,615,633 Kgs. in the corresponding period of the last year.

The financial results are as under:-

PARTICULARS	QUARTER ENDING 31-03-2013 RUPEES IN MILLION	QUARTER ENDING 31-03-2012 RUPEES IN MILLION
Sales	308.577	376.302
Cost of Sales	(299.332)	(389.166)
Gross Profit/(Loss)	9.245	(12.864)
Other operating income	0.607	0.848
Distribution cost	(0.278)	(1.017)
Administrative expenses	(4.403)	(3.561)
Other operating expenses	(0.004)	(0.015)
Finance cost	(18.280)	(17.158)
(Loss)/Profit Before Taxation	(13.113)	(33.767)

Heavy energy crises again badly damaged our production process. Yarn production decreased by 34.86% as compared to corresponding period of last year . Heavy increase in Electricity, Gas, Petroleum products coupled with depressed yarn market badly affected profitability of the Company.

Increasing trend of prices in all walks of life, especially in fuel and energy sector coupled with heavy energy crises will badly affect our production and cost of production in the ensuing period.

Directors of the company would like to place on record their appreciation 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.
April 30 , 2013.

(NAUMAN ALMAS)
Chief Executive