

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the half yearly (reviewed) accounts for the period ended December 31, 2005. During the period under review your company earned pretax profit of **Rs. 279.261 (m)** and after tax profit of **Rs. 261.909 (m)**.

The earning per share is **Rs. 14.49** (par value Rs.10/= per share).

By the grace of God your company earned handsome profits during the period. Your management will try to maintain this profitability, but future results may not be as good.

" Towel unit " at Lahore is running smoothly. We have added 12 air jet looms in December 2005 and now the unit has 36 looms. Your management is planning to enter into a 'Joint Venture' for manufacturing of " Terry products " and hope the agreement will be finalized within a short period.

Labour / management relations remained cordial.

We further state that :

- a The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flow & 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 There are no significant doubts upon the company's ability to continue as a going concern.
- f Internal auditors are continuously reviewing the existing system of internal control and procedures. The process of review will continue and any weakness in controls will have immediate attention of the management.
- g There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

I would like to thank to the employees of the Company for their hard work and Company's Bankers for their co-operation.

Karachi : the **27th,February 2006**

For and behalf of Board
Shahzad Ahmad
Chief Executive