

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 6 monthly (reviewed) accounts for the period ended March 31, 2005. During the period under review your company earned pretax profit of Rs. 286.964 (m) and after tax profit of Rs. 232.864 (M).

The earning per share is Rs. 19.52 (par value Rs. 10/- per share).

By the grace of God your company earned handsome profits during the period and hope that company's profitability will maintain in the next quarter. The merger of Yusuf Textile Mills Ltd. with Indus Dyeing & Mfg Co. Ltd. has been approved by the shareholders and this matter is pending in the court.

Labour / management relations remained cordial.

We further state that :

- The financial statements prepared by the management, present fairly its state of affairs, the result of its operations, cash flow & 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.
- There are no significant doubts upon the company's ability to continue as a going concern.
- Internal auditor is 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.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

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

Karachi : the 28th May, 2005

For and behalf of Board
Shahzad Ahmed
Chief Executive