

DIRECTORS' REVIEW

It is my pleasure to present the un-audited financial statements of the company for the first quarter ended September 30, 2008, together with an up-date on the company's performance.

OPERATING AND FINANCIAL RESULTS

We are pleased to inform the board that by intensive search we imported raw material from cheapest sources to increase our profitability and Alhamdulillah it may be appreciated that sales revenue for the first quarter jumped to Rs. 723.8 million as compared to Rs. 398.1 million during the same period of the last year. This means an increase of 82% as compared to last year for the same period only through our procurement criteria.

This generated gross profit of Rs. 158.6 million as against Rs. 61.6 million in the corresponding period of last year. It means gross profit spiked considerably by 157% as compared to the last year in the same period. As percentage of sales, the gross profit was 22% as compared to 15% of the corresponding period.

However due to other factors of international level we suffered badly from following unfavourable circumstances which diminished our profits, i.e.:

- Increase in financial charges from Rs. 9.8 million to Rs. 32.9 million due to average rate of markup going up from 5% to 14%.
- Exchange losses from Rs. 3.3 million to 26.4 million, due to pointy from Rs.60/- to Rs.80/-
- Investment losses of Rs. 49.38 million, due to closure of stock market.

All the above losses totaling Rs. 108.68 million resulted in eating up our extra profit but still we made Rs. 38.3 million as compared to Rs. 42.4 million for the corresponding period last year. That means net profit after tax decreased by 9.7% as compared to same period of the last year.

ACKNOWLEDGEMENT

The Board places on record its gratitude to its shareholders, partners, customers, government authorities and the financial institutions whose co-operation & continued support has always been there. Board also acknowledges untiring efforts of the staff in keeping this Company in good shape despite all the odds.

On behalf of the Board of Directors

Karachi: October 28, 2008

Abdullah Rafi
Chairman