



DIRECTOR'S REVIEW

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For the Half Year Ended March 31, 2006

The Director of your company take pleasure in presenting the reviewed accounts for the half year ended March 31, 2006.

FINANCIAL RESULTS :

The financial results of your company for the half year ended March 31, 2006 under review are summarized as follows :

	For the Half Year Ended March 31,	
	2006	2005
	(Rupees in thousand)	
Sales	333,101	690,908
Gross Profit / (Loss)	(26,420)	69,439
Operating Profit / (Loss)	(39,130)	55,054
Net Profit / (Loss) after Tax	(65,268)	24,898

Whole of the sugar industry faced the problem of shortage of sugar cane which has hampered the crushing during the period under review and has consequently reduced the total quantity of sugar produced. Furthermore, average recovery of sugar is also contributed in low productivity in the season. Due to shortages of cane the prices of cane shoot up to the ever highest level although the price of sugar also increased in the second quarter but it could not fetch the cost price. All these factors pushed the Company toward losses.

OPERATIONAL PERFORMANCE

The current crushing season started on November 22, 2005. Operating results for the period under review is as under :

		November 22, 2005	November 19, 2004
		to March 25, 2006	to March 29, 2005
Crushing days	No.	123	130
Average recovery	%	8.25	8.74
Cane crushed	M. Tonnes	424,017.130	564,054.280
Sugar produced	M. Tonnes	38,116.50	49,285
Average Cane Price per 40kg	Rupees	88.05	50.76

Due to non availability of sugarcane, the crushing reduced by 25%. The crushing season continue for 123 days but during the said days the mills remained closed for 26 days due to non availability of sugarcane which also reduce crushing quantity.

FUTURE OUTLOOK

Due to lower production and rising trend of prices in international market it is expected that a better price will be available during the remaining period of this financial year. The management is doing every effort to control this situation in the professional way.

ACKNOWLEDGMENT

The Directors wish to keep on record their appreciation for the patronage of our valued customers and dedicated efforts made by the employees for the Company.

On behalf of the Board

Lahore :
May 31, 2006

(MIAN WAQAS RIAZ)
Chief Executive