

DIRECTORS' REPORT

The Directors of your Company are pleased to issue this report on the financial position and performance of your Company for the second quarter and half year ended December 31, 2009.

Sales achieved for the period was Rs. 1.698 billion as compared to Rs. 992.350 million of the corresponding period last year thus registering an increase of 71% . The profit before tax increased from Rs. 101.823 million to Rs. 351.637 million, an increase of Rs. 249.814 million or 245% as compared to corresponding period of last year.

The passenger car segment grew by 49% over the corresponding period which is reflected in our sales and profitability. The political and law & order concerns still prevail in the country and could retard the entire process of development.

The auto market is steady and locally produced passenger cars are in demand because of their quality and cost effectiveness.

RECONSTITUTION OF THE BOARD

During the period Mr. Qazi Ebadullah Khan retired from the position of the Chief Executive and in his position the Board appointed Mr. Fahim Kapadia as the new Chief Executive of the Company with effect from January 01, 2010. The casual vacancy created on retirement of Mr. Khan was filled up by Mr. Asif Rizvi.

Mr. Tariq S. Quddusi also resigned from the Board and his place the Board appointed Mr. Alireza M. Alladin to fill the casual vacancy.

The Board places on record its appreciation to Mr. Qazi Ebadullah Khan and Mr. Tariq S. Quddusi for their untiring efforts in all spheres of management, production, sales and profitability of the Company.

We welcome Mr. Asif Rizvi and Mr. Alireza M. Alladin on the Board.

We would like to convey our appreciation to all our customers, dealers, bankers and foreign technical collaborators for their unabated support and confidence in the Company. We are also thankful to all our team members who have worked diligently to support our customers and the progress of the Company.

On behalf of the Board of Directors.

Fahim Kapadia
Chief Executive

Dated : February 17, 2010