

**Blades :**

Focused sales & marketing strategy worked out well this year to cope with imminent threats from competition from unorganized sector and we are able to increase the local sales volume considerably and efforts are also being made not only to develop new markets but to tap new sources of inexpensive raw material as well. Management is confident that new sales & marketing strategy will not only thwart the smuggled blades but also firm a strong foothold in the market.

Moreover, the company is strategically opting to pass on the benefit to the end –users by initiating various consumer promotions on its double edge brands in the local market, as envisaged it paid dividends in terms of retaining the broad base of consumers and also holding the interest of the trade channels alive. Moreover, our strategy on inventory management worked out well in bringing material costs down [and thus improving our throughputs].

**Soaps:**

The indigenous soap industries are under pressure due to the inflow of counterfeit toilet soaps in the country. The rates of customs duties on most of soap’s industrial raw material are irrational.

Despite the above factors your Company is able to increase the sale volume [and profitability] due to prompt response and stratagem.

**Corrugated Packaging :**

Demand of corrugated packaging material is derived demand stemming from industrial (and to some extent agricultural) growth. Economic and political conditions of the Country are hampering industrial growth; particularly textile sector is in jeopardy.

Your Company is continually reviewing its business strategy to cope with the threats. Following measures are being taken to manage targeted business objectives and performance.

- Tapping alternative cheap sources of raw material
- Improving yield and lead time and thus to add value

- Broadening customer-base through revamping sales and marketing strategy

Your Company has purchased **Paper & Board Mill** to meet the paper requirements of corrugation. Trial production will commence from November 2009 and commercial production by the end of this year. This will help us not only to bring cost of paper down but also would have better control on quality [and

lead time]. Further, surplus production can be sold out in the market and thus will generate extra revenues. With this vertical integration, we will be able not only to bring cost of paper down but also would have better control on quality [and lead time]. Moreover, it will strengthen our bargaining position vis-à-vis outside sources.

**General:**

In the short run, political uncertainty/unrest would have negative impact on economic activities in the country and this in turn may adversely affect the performance of the Company in the coming year.

In the long run your Company is envisaging various projects as part of its diversification strategy and will form various strategic business units that would be built on core competencies (developed through a process of continuous improvement and enhancement).

One of the projects under consideration is “**Motor Cycle Assembly**” which is under way. Your Company is also setting up “Trading House” for trading of industrial raw material. Your company is also actively engaged in BMR of existing plants to achieve higher production output to meet future requirements. Moreover, management is confident that impairment in investment value is short term and will be recovered before next financial year closure.

**Financing**

Your Company is also exploring [to strengthen its financial muscles] more feasible [and efficient] alternative financing options to replace existing borrowings.

**Acknowledgements**

We wish to place on record gratitude to our valued customers for their confidence in our products and we pledge ourselves to provide them the best quality by continuously improving our products. We would also like to thank all our colleagues, management and factory staff who are strongly committed to their work as the success of your Company is built around their efforts. We also thank our shareholders for their confidence in the Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

