

ELAHI COTTON MILLS LIMITED

Annual Reports 2003

COMPANY'S INFORMATION

BOARD OF DIRECTORS

MAHBOOB ELAHI
MAHFOOZ ELAHI
MAHMOOD ELAHI
ABDUL RASHEED
FARRUKH AHMED
NAVEED AKHTER
S. M. RAUNAQ UD DIN

CHIEF EXECUTIVE

MAHBOOB ELAHI

AUDIT COMMITTEE

MAHFOOZ ELAHI
FARRUKH AHMED
NAVEED AKHTER

AUDITORS

MIS. S M. MASOOD & CO.
CHARTERED ACCOUNTANTS
23 EAST, SAEED PLAZA,
BLUE AREA,
ISLAMABAD.

REGISTERED OFFICE

270-SECTOR 1-9,
INDUSTRIAL AREA,
ISLAMABAD.

MILLS

JURIAN, MANDRA,
TEHSIL GUJAR KHAN,
DISTRICT RAWALPINDI.

STATEMENTS OF COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Directors state that:-

- a) The Financial Statements, prepared by the Management present a true and fair state of affairs of the Company, the results of its operations, cash flows and changes in equity.
- b) Proper Books of Accounts have been maintained.
- c) Appropriate Accounting Policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

Staff - management remained pleasantly co-operative .1 together with fellow Directors, wish acknowledge our gratitude to the staff members for performing their duties.

ON BEHALF OF THE BOARD

Islamabad,
December 06, 2003.

(MAHBOOB ELAHI)
Chief Executive

1. Restructuring of loans through SBP scheme

2. Arrangement of alternative funding

g) There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations.

h) Significant deviation from last year in operating results of the Company and reasons thereof have been explained.

i) The key operating and financial data for the last six years is annexed.

j) There are no outstanding statutory payments on account of taxes, duties, levies and charges except as shown in notes to the accounts.

k) The Company is operating as un-funded Gratuity Fund which were not invested and were retained for business of the Company.

m) Eight meetings of the Board of Directors of the Company were held during the year. The attendance of each Directors at the meeting of the Board of Directors is as under:-

Name of Director	Number of Meetings attended	
Mr. Mahboob Elahi	8	
Mr. Mahfooz Elahi	8	
Mr. Mahmood Elahi	8	
Mr. Abdul Rasheed	8	
Mr. Naveed Akhter	8	
Mr. Farrukh Ahmed	8	
Rana Ahmed Khan, ICP nominee Director	2	Resigned on June 04, 2003

10. The Board has approved appointment of a Chief Financial Officer, Head of Internal Audit and the Board approved the terms and conditions.

11. The Directors report for this year has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company have been duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board..

13. The Directors, Chief Executive do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.

14. The Company has complied with all the Corporate and financial reporting requirements of the Code.

15. The Board has formed an audit committee, It comprises three members.

16. The meetings of the Audit Committee were held once every quarter for prior approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.

17. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are involved in the internal audit function on a full time basis.

18. The Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they are not aware of any instance where shares of the Company are held by any of the partner of the firm, their spouse and minor children and are compliant with International Federation of Accountants guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

19. The statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have IFAC guidelines in this regard.

20. We confirm that all other material principles contained in the Code have been complied.

CHIEF EXECUTIVE

DIRECTOR

Islamabad December 06, 2003

STATEMENT OF COMPLIANCE WITH BEST PRACTICES ON TRANSFER PRICING.

The Company has complied with the best practices on Transfer Pricing as contained in the Listing Regulation No. 38 of the Karachi Stock Exchange.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE TO THE MEMBERS.

This statement is being presented to the Company with the code of corporate governance contained in the listing regulations of Stock Exchanges for the purpose of establishing a frame work with best practices of good corporate governance.

1. The Company welcomes the induction of independent Non-Executive Directors on the Board. At present the Board includes two independent non executive Directors

2. The Directors of the Company have confirmed that none of them are serving as a

Director in ten or more listed companies.

3. All the Directors of the Company are registered tax payer and none of them have defaulted in payment of any duties to a Banking Company, a Development Financial Institution or a non-Banking Financial Institution or Stock Exchanges.

4. A casual vacancy occurring in the Board on 07.05.2003 was filled within 30 days thereof.

5. The Company has prepared a "Statement of Ethics and Business Practices" which has been signed by all Directors and employees of the Company.

6. The Board has developed a vision / mission statement over all corporate strategy. Significant policies of the Company are being developed.

7. All major decisions on material transaction or significant matters are taken by the Board and are documented by a resolution passed at the meeting of the Board.

8. The meetings of the Board were presided by the Chairman and Board meets at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Orientation course for its Directors has been arranged to appraise them of their duties and responsibilities.

CATEGORIES OF SHARE HOLDING AS ON SEPTEMBER 30, 2003

CATEGORIES OF SHARE HOLDERS	NUMBERS	SHARES HELD
ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES		
NIT & ICP		
INVESTMENT CORPORATION OF PAKISTAN DIRECTORS, CEO, & THEIR SPOUSES AND MINOR CHILDREN	1	158,867
Mr. Mahboob Elahi, Director / Chief Executive	1	96,000
Mr. Mahfooz Elahi S/o Mr. Mahboob Elahi, Director	1	74,250
Mr. Mahmood Elahi S/o Mr. Mahboob Elahi, Director	1	74,250
Mrs. Samina Begum w/o Mr. Mahboob Elahi EXECUTIVE	1	73,500
PUBLIC SECTOR COMPANIES & CORPORATIONS	NIL	NIL
BANKS, DEVELOPMENT FINANCE INSTITUTIONS	NIL	NIL
Habib Bank Limited	1	190,900
NON BANKING FINANCIAL INSTITUTIONS	NIL	NIL
INSURANCE COMPANIES, MODARABS & MUTUAL FUNDS	NIL	NIL
JOINT STOCK COMPANIES	NIL	NIL
INVESTMENT COMPANIES	NIL	NIL
INDIVIDUALS	401	632,233
OTHERS	NIL	NIL
TOTAL		1,300,000

SIX YEARS AT A GLANCE

PARTICULARS	2001-2002	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
Paid up capital	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000	13,000,000
Reserve	10,327	—	—	—	—	-
Fixed asset at cost	58,912,523	63,160,623	67,114,554	71,119,009	77,266,847	68,303,237
Capital work in progress	—	~	—	474,884	463,435	269,929
Accumulated depreciation	64,709,103	62,914,127	58,763,654	54,537,797	49,718,782	44,034,770
Long term investment	32,995	25,000	25,000	25,000	25,000	25,000
Current assets	20,237,169	39,597,732	37,339,895	78,362,627	79,676,222	78,015,089
Current Liabilities	74,763,082	71,120,704	63,500,180	90,971,066	138,079,615	113,482,433
Income						
Sales	44,590,319	157,179,521	163,863,387	64,203,276	135,327,283	196,622,700
Other Income	31,608	146,021	7,046,021	5,298,113	2,525,648	1,327,700
Gross profit / (loss)	-8,276,069	8,756,586	-2,748,553	-15,622,550	-4,458,893	16,030,930
Pre tax profit / (loss)	-13,403,255	2,987,834	-7,826,834	-34,112,586	-28,475,211	-12,656,331
Taxation(prior year)	—	—	—	—	—	5,257,252
Taxation (current year)	395,757	785,898	819,317	347,507	676,637	983,113
Profit/(loss) after taxation	-13,799,012	2,201,936	-8,646,151	-3,446,093	-29,151,848	-18,896,696
Un-appropriated profit/(loss)	-107,165,935	-92,311,518	-93,863,454	-85,217,303	-50,757,210	-21,605,362

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of ELAHI COTTON MILLS LIMITED as at September 30, 2003 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we state that:-

The company has suffered net loss of Rs. 8.665 million for the year ended September 30, 2003 and has accumulated loss of Rs. 115.831 million. Current liabilities exceeded its current assets by Rs. 68.735 million and total liabilities exceeded its total assets by Rs. 102.831 million.

1. The company is also facing difficulties in meeting its financial obligations. Habib Bank Limited has filed a petition for recovery of Rs. 95.886 million in Honorable Lahore High Court, Rawalpindi Bench. The Company has paid an amount of Rs. 4.915 million out of the amount in litigation. This petition is pending as at the date of report. The Company did not account for interest amounting to Rs. 3.673 million (2002: Rs. 4.408 million) during the year under review and accumulated

interest of Rs. 16.256 million (2002: Rs. 12.583 million) upto September 30,2003 on the above-mentioned amount.

Further due to the theft of parts of plant and machinery and subsequent laying off the factory employees, company's operations are suspended since February 2002

These accounts have been prepared on the going concern assumption. Considering significance of the above matters, we are unable to form an opinion on the validity of the use of going concern assumption. Consequently adjustments may be required to the recorded assets and classification of liabilities.

2. Tax deducted at source under the Income Tax Ordinance, 2001 upto September 30, 2003 amounting to Rs. 657,972 was not deposited in the Treasury to date.

3. As fully explained in note 13.5, tax amounting to Rs. 390,0887- assessed for the assessment 2001 - 2002 was not provided in accounts. The Company has preferred appeal against the order.

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of ELAHI COTTON MILLS LIMITED to comply with the Listing Regulations of the Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, effective as at September 30, 2003.

S. M. MASOOD & CO.
Chartered Accountants

Place: Islamabad

Date: December 06, 2003.

BALANCE SHEET *

	Note	2003 Rupees	2002 Rupees
CAPITAL AND LIABILITIES			
SHARE CAPITAL			
Authorized			
5,000,000 ordinary shares of Rs. 10 each		50,000,000	50,000,000
. Issued, subscribed and paid up			
1,300,000 ordinary shares of Rs. 10 each fully paid in cash		13,000,000	13,000,000
Reserve	3	-	10,327
Accumulated loss		-115,831,306	-107,165,935
		-102,831,306	-94,155,608
REVALUATION RESERVE	4	33,215,659	33,215,659
LONG TERM AND DEFERRED LIABILITIES			
Long term finances - secured	5	55,916,064	64,188,112
Liabilities against assets subject to finance lease	6	-	640,142
Provision for gratuity	7	535,559	572,056
		56,451,623	65,400,310
CURRENT LIABILITIES			
Short term running finance	8	2,998,908	2,998,908
Current maturity of long term liabilities	9	48,394,518	40,045,467
Due to associated undertakings/directors	10	193,300	1,635,647
Creditors, accrued and other liabilities	11	26,451,410	28,254,893
Provision for taxation	12	234,119	1,828,167
		78,272,255	74,763,082
CONTINGENCIES AND COMMITMENTS	13	-	-
		65,108,231	79,223,443

The annexed notes form an integral part of these accounts.

Interest on Muslim Commercial Bank Limited, demand finance for the period April 01, - September 30, 2003 amounting to Rs. 1,160,5007- was not provided in the accounts. Accordingly, loss and expenses for the year are understated.

Except for the effect of adjustments, if any, as might have been determined to be necessary, had we been able to satisfy ourselves as to the matters set out above, we report that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:-

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied

(ii) the expenditure incurred during the year was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure during the year were in accordance with the objects of the Company ;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2003 and of the loss, its cash flows and changes in equity for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the company but was not deposited in Central Zakat Fund established under section 7 of the Ordinance.

S. M. MASOOD & CO.

Chartered Accountants

Islamabad

Date: December 06, 2003

ELAHI COTTON
MILLS LIMITED

	Note	2003 Rupees	2002 Rupees
PROPERTY AND ASSETS			
FIXED CAPITAL EXPENDITURE			
Operating assets (at cost less depreciation)	14	55,529,617	58,912,523
LONG TERM INVESTMENTS	15	~	32,095
LONG TERM SECURITY DEPOSITS		41,656	41,656
CURRENT ASSETS			
Stores, spares and loose tools	16	1,750,163	1,750,163
Stock in trade	17	1,667,342	5,438,168
Due from director	18	-	70,482
Trade debtors - unsecured considered good		3,761,075	9,130,496
Advances and other receivables	19	2,323,154	3,607,768
Cash and bank balances	20	35,224	240,092
		9,536,958	20,237,169
		65,108,231	79,223,443

ELAHI COTTON MILLS LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Note	2003 Rupees	2002 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss before taxation		-8,201,696	-13,403.26
Adjustment for:			
Depreciation		3,327,778	3,726.804
Financial charges		1,326,229	2,604.482
Provision for gratuity		38,703	65,728
Fair price shop receivables written off		143,582	-
Reserve - adjustment		-6,657	-

Gain on sale of long term investments		-3,800	-
Gain on sale of fixed assets		-99,872	-
		4,725,963	6,397,014
Loss before working capital changes		-3,475,733	-7,006,241
Change* in working capital:			
Decrease in inventories		3,770,826	13,495.92
Decrease in trade debtors		5,369,421	1,525,756
Decrease/increase) in advances and other receivables		1,100,182	(1,28.1.308)
Decrease/increase) in due from associated undertakings/directors		70,482	-16,473
(Decrease) in creditors, accrued and other liabilities		-4,241,131	-260,468
		6,069,780	13,461,429
Cash generated from operations		2,594,047	6,455,188
Financial charges paid/adjusted		-115,975	-251.035
Income tax paid		-178,331	-
Gratuity paid		-686,348	-388,371
		-980,654	-639,406
Net cash generated from operating activities		1,613,393	5,815.78
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed assets		.	-530,876
Sale proceeds of fixed assets		155,000	-
Sale proceeds of long term investment		32,225	-
Net cash generated from/(used in) investing activities		187,225	-530,876
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment against lease obligation		-563,139	-671,396
Payment to Associated undertakings / directors		-1,442,347	-4,610,702
Dividend paid		-	-256.209
Net cash used in financing activities		-2,005,486	-5,538,307
Net increase/(decrease) in cash and cash equivalents		-204,868	-253,401
Cash and cash equivalents at the beginning of the year		240,092	493,493
Cash and cash equivalents at the end of the year	20	35,224	240,092

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Note	2003 Rupees	2002 Rupees
Sales -(Net)	21	2,045,670	44,590,319
Cost of sales	22	7,335,940	52,866,388
Gross loss		-5,290,270	-8,276,069
Operating expenses			
Administrative	23	1,821,969	2,358,115
Selling and distribution	24	1	196,197
		1,821,969	2,554,312
Operating loss		-7,112,239	-10,830,381
Financial charges	25	-1,326,229	-2,604,482
Other income	26	236,772	31,608
Loss before taxation		-8,201,696	-13,403,255
Taxation			
Current year		11,167	222,952
Prior years'		452,508	172,805
	12	-463,675	-395,757
Loss after taxation		-8,665,371	-13,799,012

Extra-ordinary item	27	-	-1,052,172
Loss after extra-ordinary item		-8,665,371	-14,851,184
Accumulated loss brought forward	28	-107,165,935	-92,314,751
Accumulated loss carried forward		-115,831,306	-107,165,935
LOSS PER SHARE	29	-6.67	-11.42

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

ELAHI COTTON MILLS LIMITED

NOTES OF THE ACCOUNTS

FOR THE YEAR ENDED SEPTEMBER 30, 2003

1 STATUS AND NATURE OF BUSINESS

The Company was incorporated as a public limited Company on June 26, 1970 and is listed on Karachi and Islamabad Stock Exchanges. The Company is engaged in the manufacturing and sale of yarn.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Whenever, the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.2 ACCOUNTING CONVENTION

The accounts have been prepared under historical cost convention except that certain fixed assets have been included at revalued amounts and investments in available for sale securities are stated at fair value.

2.3 STAFF RETIREMENT BENEFITS

The Company operates defined contributory unfunded gratuity scheme for officers and employees. Provision for gratuity is made on the basis of last drawn salary for each completed year of service. Minimum qualifying period for gratuity benefit is one year from the date of joining. Gratuity becomes payable on lumpsum basis on the date of retirement or resignation. The Company does not contribute towards or maintain any pension or provident fund.

2.4 TAXATION

Current

The Company accounts for current taxation using on the basis of taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any, or half a percent of turnover, whichever is higher in accordance with the provisions of Income Tax Ordinance, 2001.

Deferred

The Company accounts for deferred taxation using liability method on all major timing differences which are expected to

reverse in the foreseeable future. However, provision for deferred taxation for the current year is not considered necessary due to heavy brought forward losses.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2003

	Share Capital Rupees	Reserve Rupees	Accumulated Loss Rupees	Net Equity Rupees
Balance as at October 1,2002	13,000,000	10327	-107,165,935	-94,155,608
Adjustment on sale of long term investments	-	-10327	-	-10327
Loss for die year	-	-	-8,665,371	-8,665,371
Balance as at September 30, 2003	13,000,000	-	-115,831,306	-102,831,306
	(COMPARA TIVE INFORMA TION)	:	:	:
Balance as at October 1,2001	13,000,000	-	-92,311,518	-79,311,518
Effect of remeasurement of available for sale investments to fair value held as at October 01, 2001	-	-	-3,233	-3,233
Effect of remeasurement of available for sale investments to fair value held as at October 01, 2002	-	10^27	-	10,327
Loss for die year	-	-	-14,851,184	-14,851,184
Balance as at September 30, 2002	13,000,000	10,327	-107,165,935	-94,155,608

The annexed notes form aa integral part of these account*

2.11 BORROWING COST

Marie up, interest and other borrowing costs are charged to income in the year in which they are incurred.

2.12 FOREIGN CURRENCY TRANSLATIONS

Assets and liabilities in foreign currencies are translated into rupees at exchange rates approximating those prevailing at the balance sheet date and exchange difference arising from translation are taken to profit and loss accounts.

2.13 CASH AND CASH EQUIVALENTS

For the purpose of cash flow statement, cash and cash equivalent comprise cash in hand, cash at bank and short term investments with maturity of not later than three months at known amount in Rupees.

2.14 FINANCIAL INSTRUMENTS

Financial assets and liabilities are recognized when the Company becomes party to die contractual provisions of the instruments.

3 RESERVE

It represents unrealised gain last year on measurement of available for sale investments to fair value.

Note	2003 Rupees	2002 Rupees
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4 REVALUATION RESERVE

Surplus on revaluation of fixed assets

33,215,659 33,215,659

Freehold land and building was revalued on June 30, 1996 by M/S. Zia Consultants, independent firm of industrial valuation consultants. The revaluation was based on prevailing market price for free hold land and replacement value for building. At the above date the revaluation resulted in a surplus of Rs, 33,215,659/- of these assets.

2.5 FIXED ASSETS

OWNED

Operating fixed assets except for freehold land are stated at cost or revalued amounts less accumulated depreciation. Freehold land is stated at cost or revalued amount and capital work in progress is stated at cost

Depreciation is charged on the basis of written down value method whereby cost or revalued amount of an asset is written off over its useful life without taking into account any residual value. The full annual rate of depreciation is applied on the cost of additions while no depreciation is charged on assets disposed off during the year.

Major renewals and repairs are capitalized and the assets so replaced are retired. Minor renewals or replacement, maintenance and repairs are charged to income as and when incurred. Gains or losses on disposal of fixed assets are accounted for as profit or loss for the year.

LEASED

Plant and machinery is stated at amounts computed on the basis of discounted value of total minimum lease payment and residual value of the asset at the end of lease period guaranteed, if any, by the Company. Financial charges are allocated to accounting period in the manner so as to provide a constant periodic rate of charge on the outstanding liability under finance lease agreement

Depreciation charge is based on the estimated useful life of the asset in view of the certainty of the ownership of the asset at the end of lease.

2.6 STORES, SPARES AND LOOSE TOOLS

These have been valued using moving average cost

2.7 STOCK IN TRADE

Raw materials are valued at moving average cost.

Work in process is valued at production cost which includes related portion of factory wages and overheads.

Finished goods are valued at lower of cost or net realizable value. Net realizable value signifies prevailing selling price in the ordinary course of business less costs incidental to sale of goods.

2.8 TRADE DEDTORS

The trade debtors are stated at their nominal value. Bad debts are written off when identified.

2.9 INVESTMENTS

Investments available for sale

These represent investments in equity instruments which are stated at their fair values with any resulting gains or losses recognized directly in equity through Statement of Changes in Equity. These are recognized / derecognized by the Company on the date of purchase / sale of investments. The fair value of investments in listed equity instruments is determined on the basis of year-end bid prices.

2.10 REVENUE RECOGNITION

Local sales are recorded on dispatch of goods to customers and export sales are recorded on shipment of goods.

	Note	2003 Rupees	2002 Rupees
6 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
The amounts of future minimum lease payments and related periods in which these payments shall fall due are:			
Payable not later than one year		-	900,000
Payable not later than five years		675,000	675,000
Obligation committed under finance lease agreements		675,000	1,575,000
Less: Finance charges not yet due		34,858	171,654
Obligation under finance lease		640,142	1,403,346
Less: current maturity		640,142	763,204
		-	640,142
Current maturity and over due shown under current liabilities:			
Due		640,142	763,204
Overdue		200,065	-
		840,207	763,204

6.1 The Company has entered into finance lease agreements on following terms and conditions:

Lessor	6.2	8.R.R International Modaraba
Leased asset		Auto cone winding machine
No. of monthly installments		60
Start of repayments		July 1999
Rate of return		12.89%
Security deposit		Nil

6.2 The Company has rescheduled its obligation against an agreement with B.R.R. International Modaraba. Accordingly rate of return has been revised from 22.71% per annum to 12.89% per annum and period of repayment has been extended, which shall expire on May 31, 2004.

The lease agreement contains purchase bargain option.

	Note	2003 Rupees	2002 Rupees
7 PROVISION FOR GRATUITY			
Opening balance		572,056	2,249,587
Add: Provision for the year		38,703	65,728
		610,759	2,315,315
Less: Paid during the year		43,000	388,371
Transferred to current liabilities	7.1	32,200	1,354,888
		75,200	1,743,259
Closing balance		535,559	572,056

7.1 It represents amount payable to employees left/transferred during the year, due to closure of the mills.

	Note	2003 Rupees	2002 Rupees
S LONG TERM FINANCES - SECURED			
Habib Bank Limited - Restructured Finances			
Demand Finance I	5.1	12,666,064	19,138,112
Demand Finance II	5.2	39,000,000	39,000,000
Demand Finance III	5.3	4,250,000	6,050,000
		55,916,064	64,188,112
		55,916,064	64,188,112

5.1 Habib Bank Limited - Demand Finance I	5.4	35,795,375	35,795,375
Less: - Current maturity and overdues		23,129,311	16,657,263
		12,666,064	19,138,112

Mark-up is chargeable @ 38.5 paisas per thousand per diem. Finance is repayable in 86 monthly installments of Rs. 730,000 commencing from April 1999 to April 2006.

5.2 Habib Bank Limited - Demand Finance II	5.4	39,000,000	39,000,000
The finance is mark-up free and repayable in monthly installments of Rs. 730,000 each, repayment will commence from May 01, 2006.			

5.3 Habib Bank Limited - Demand Finance III	5.4	12,050,000	12,050,000
Less: - Current maturity and overdues		7,800,000	6,000,000
		4,250,000	6,050,000

The finance is mark-up free and repayable in 93 monthly installments of Rs. 150,000 each from May 01, 1999 to January 2007

5.4 The above stated facilities from Habib Bank Limited resulted from a package announced in their letter MAH/CAD dated May 10, 1999 for restructuring of short term loans and long term liabilities and are secured by way of equitable mortgage over factory land and charge over all the fixed assets, hypothecation charge against stocks of the Company and personal guarantees of sponsoring directors. The Company has defaulted in the repayment of installments, so the restructuring arrangements have been cancelled and Habib Bank Limited has filed a suit in Honorable Lahore High Court for the recovery of its dues.

	Note	2003 Rupees	2002 Rupees
11 CREDITORS, ACCRUED AND OTHER LIABILITIES			
Creditors		8,343,561	8,802,856
Accrued expenses		2,381,645	5,657,185
Accrued interest on <u>secured</u> finance		8,870,221	7,703,220
Accrued interest on finance lease		24,933	-
Advances from customers		297,721	308,571
Sales tax payable		341,103	903,361
Deposits (Interest free, payable on demand)		-	15,000
Unclaimed dividend		314,653	314,653
Workers profit participation fund	11.1	201,521	183,201
Gratuity payable		711,400	1,354,888
Withholding tax		657,972	678,743
Zakat payable		393,600	393,600
Income tax payable		3,516,200	1,677,754
Other liabilities		396,644	261,861
		26,451,410	28,254,893
11.1 WORKER'S PROFIT PARTICIPATION FUND			
Opening balance		183,201	157,254
Add: Interest for the year		18,320	25,947
Closing balance		201,521	183,201
12 PROVISION FOR TAXATION			
Opening balance		1,828,167	6,817,675
Provision for taxation			
current		11,167	222,952
prior years'		452,508	172,805
		463,675	395,757
		2,291,842	7,213,432
Less: Payments/Adjustments		2,057,723	5,385,265
Closing balance		234,119	1,828,167

12.1 For the purpose of current taxation, unassessed losses available for carry forward at September 30, 2003 are estimated at Rs. 31,403,041 (2002: Rs. 44,698,025).

	Note	2003 Rupees	2002 Rupees
8 SHORT TERM RUNNING FINANCE			
Habib Bank Limited - PAD Account	8.1	2,998,908	2,998,908

8.1 The facility is granted by Habib Bank Limited for payment of L.C No. 932/97 created in favour of ICI Limited in 1999 for purchase of polyester. The facility is secured against pledge of the raw material. Mark-up rate is 50 paisas per thousand per day. As the Company has defaulted in the repayment of loans from Habib Bank Limited and the case is in Honorable Lahore High Court, so interest for current year is not provided for.

	Note	2003 Rupees	2002 Rupees
9 CURRENT MATURITY OF LONG TERM LIABILITIES			
Muslim Commercial Bank -Demand Finance	9.1	16,625,000	16,625,000
Habib Bank Limited - Demand Finance I	S.I	23,129,311	16,657,263
Habib Bank Limited - Demand Finance HI	5.3	7,800,000	6,000,000
Obligation under finance lease	6	840,207	763,204
		48,394,518	40,045,467

9.1 It represents short term running finance converted into long term finance with effect from July 01, 1998. The facility is secured against pari passu charge on fixed assets of the Company. Mark-up rate is 14% per annum. Principal is repayable in 20 quarterly installments along with mark-up from July 01,1998.

This facility was obtained from the bank in a lumpsum group package including facilities for other associates. Due to the adverse financial position of the Company, the bank has transferred this facility to International Beverages (Private) Limited - an associated undertaking of the Company. The management of the Company has shown strong disagreement with the bank and the matter is under negotiation with the bank.

9.2 Current maturity includes overdue installments of Rs. 16,625,000 (2002: Rs. 14,100,000) on demand finance from Muslim Commercial Bank, Rs. 22,657,263 (2002 : Rs. 15,223,143) on demand finances from Habib Bank Limited and Rs. 200,067 (2002 : NIL) on assets subject to finance lease.

	Note	2003 Rupees	2002 Rupees
10 DUE TO ASSOCIATED UNDERTAKINGS / DIRECTORS			
Taxila Cotton Mills limited	10.1	132,851	1,112,298
International Beverages (Private) Limited		-	25,000
Due to Dكتور		60,449	498,349
		193,300	1,635,647

10.1 This represents amount payable to Taxila Cotton Mills Limited - an associated undertaking, on account of purchase of yarn kst year. This has been charged at the average prevailing market rates.

None of the associated undertaking has been paid commission on the transaction.

10.2 The maximum aggregate amount due to associated undertakings at the end of any month during the year was Rs. 1,584,112 (2002 : Rs. 6,462,289).

10.3 The maximum aggregate amount due to Dكتور at the end of any month during the year was Rs. 776,749 (2002 : Rs. 498,349).

14 FIXED ASSETS

PARTICULARS	COST	
	As At October 1,2002	As At September 30, 2003
	Addition* /(Deletion.)	

Land free hold	25,515,000	-	-	25,515,000
Residential building on free hold land	2,257,500	-	-	2,257,500
Factory building on free hold land	12,891,331	-	-	12,891,331
Plant and machinery	71,799,409	-	-	71,799,409
Furniture fixture and office equipments	976,775	-	-	976,775
Power and other installations	2,085,640	-	-	2,085,640
Factory equipments and scientific instruments	2,001,887	-	-	2,201,887
Motor vehicles	3,115,584	-576,000	-	2,539,584
ASSETS SUBJECT TO FINANCE LEASE:				
Plant and machinery	2,978,500	-	-	2,978,500
Rupees 2003:	123,621,626	-576,000		123,045,626
Rupees 2002:	126,074,750	530,876	-2,984,000	123,621,626

2003
Rupees

14.1 DEPRECIATION HAS BEEN ALLOCATED AS FOLLOWS:

Cost of sales	22	3,078,014
Administrative expenses	23	249,764
		3,327,778

14.2 Adjustment represents parts of plant and machinery stolen last year (also refer to note 27).

13 CONTINGENCIES AND COMMITMENTS

CONTINGENCIES

13.1 The Company has provided demand promissory note amounting to Rs. 101 million favoring Habib Bank Limited against long and short term finances.

13.2 The Company has defaulted in repayment of installments, so the restructuring arrangements with Habib

have been cancelled and bank has filed a suit in Honorable Lahore High Court for the recovery of its dues for which the case is still pending.

13.3 The Company has defaulted in the repayment of loans from Habib Bank Limited against L.C No. 932/97 and the case is in Honorable Lahore High Court

13.4 The Company has not charged mark-up on Muslim Commercial Bank Limited, demand finance, for the period April 2003 - September 2003, amounting to Rs. 1,160,500, on the basis of application filed with the State Bank of Pakistan under BPD Circular No. 29 dated October 15, 2002 to write off irrecoverable loans and advances/The Company is hopeful that relief on outstanding amount would be allowed by the State Bank of Pakistan.

13.5 The assessing officer has taxed supplies, under section 113 of Income Tax Ordinance 2001, for the assessment year 2001-2002. Similarly, provision of Workers Welfare Fund was not made as the Company declared loss during the above mentioned year but the profit was assessed by the assessing officer. Appeal has been filed against above issues and management is hopeful that the relief would be allowed. The amount not provided for in accounts in this regard is Rs. 390,088.00

COMMITMENTS

13.6 There was no commitment of capital expenditure at the year end.

14.3 DETAIL OF DISPOSAL OF FIXED ASSETS

Particular*	COM	Accumulated Depredation	Book value	Sale Proceed*	Gain	Mode of diaposal	Sold to
-------------	-----	-------------------------	------------	---------------	------	------------------	---------

	Rupees	Rupees	Rupees	Rupees	Rupees	
Mitsubishi Lancer Model - 1991 (T- 7621)	470,000	419,534	50,466	120,000	69,534	Negotiation Mr. AafNateem Hou.eNo.918, Street 27, 1-10/4, Islamabad
Suzuki Pick up Model -1989 (TOT -8142)	106,000	101,338	4,662	35,000	30,338	Negotiation Mr. Safeer Khan Village & P.O. Bheri Laban Bandi, Haripur

	Note	2003 Rupees	2002 Rupees
15 LONG TERM INVESTMENTS			
Investment in listed companies			
Faisal Bank Limited, NIL [2002 : 550 (50 bonus shares) of Rs. 10 each] Cost Rs. 15,000		.	6,270
Tri-pack Films Limited, NIL (2002 : 500 ordinary shares of Rs. 10 each) Cost Rs. 5,000		.	22,075
		-	28,345
Investment in listed modaiaba			
First Paramount Modaraba, NIL (2002 : 500 certificates of Rs. 10 each) Cost Rs. 5,000		.	3,750
		-	32,095
16 STORES, SPARES AND LOOSE TOOL			
Stores		404,415	404,415
Spares		1,234,193	1,234,193
Loose tools		111,555	111,555
		1,750,163	1,750,163
17 STOCK IN TRADE			
Work in process		3,332,342	3,332,342
Less : Provision for Stock Obsolcnce		1,665,000	-
		1,667,342	3,332,342
Finished goods		-	2,090,000
Waste materials		-	15,826
		1,667,342	5,438,168

RATE *	DEPRECIATION			BOOK VALUE	
	Aon October 1,2002	Adjustment	Ffor the period	As on September 30, 2003	As on September 30, 2003
	-	-	-	-	25,515,000
5	681,004	-	78,825	759,829	1,497,671
10	6,522,038	-	636,929	7,158,967	5,732,64
10	50,096,301	-	2,170,311	52,266,612	19,532,797
10	714,647	-	26,213	740,860	235,915
10	1,508,321	-	57,712	1,566,233	519,407
10	1,630,043	-	37,184	1,667,227	334.66
20	2,336,824	-520,872	144,726	1,960,678	578,906
10	1,219,725	-	175,878	1,395,603	1,382,897
	64,709,103	-520,872	3,327,778	67,516,009	55,529,617
	62,914,127	-1,931,828	3,726,804	64,709,103	58,912,523

2002
Rupees

3,420,015
306,789
3,726,804

	Note	2003 Rupees	2002 Rupees
22 COST OF SALES			
Raw material consumed	22.1	-	25,971,346
Store and spares consumed	22.2	-	1,258,862
Salaries, wages and other benefits		487,100	2,697,245
Power charges		-	8,120,782
Repairs and Maintenance		-	11,067
Depredation	14.1	3,078,014	3,420,015
		3,565,114	41,479,17
Opening work in process		3,332,42	6,131,323
Closing work in process	17	-1,667,342	-3,332,342
		1,665,000	2,798,981
Cost of goods produced during the period		5,230,114	44,278,298
Opening stock of finished goods		2,105,826	10,671,271
Waste Purchases		-	22,645
Closing stock-finished goods		-	-2,105,826
		2,105,826	8,588,090
		7,335,940	52,866,388
22.1 RAW MATERIAL CONSUMED			
Opening Stock		-	2,172,806
Purchases		-	23,532,211
Direct expenses		-	266,329
Cost of raw materials available for use		-	25,971,346
Closing Stock		-	-
		-	25,971,346
22.2 STORES AND SPARES CONSUMED			
Opening stock		1,750,163	1,708,853
Purchases		-	1,300,172
		1,750,163	3,009,025
Closing stock		-1,750,163	-1,750,163
		-	1,258,862
	Note	2003 Rupees	2002 Rupees
18 DUE FROM DIRECTOR			
Due from Director	18.1	-	70,482
18.1 Mark-up on balance due from director is charged at the rate of 50 paisas per thousand per diem.			
18.2 Mark-up on balance due from director		-	15,386
183 Following is the maximum balance due from director at the end of any month during the year:			
Due from Director		70,482	70,482
19 ADVANCES AND OTHER RECEIVABLES			
Advances to:			
Employees		898,977	1,419,591
Suppliers		790,527	1,443,383
Others		505,241	505,241
		2,194,745	3,368,215
Income tax suffered at source		49,659	90,509
Other receivables		78,750	149,044
		2,223,154	3,607,768

20 CASH AND BANK BALANCES

Cash in hand	5,480	214,709
With banks (in current accounts)	29,744	25,833
	35,224	240,092

21 SALES (Net)

Yarn	2,035,000	40,870,021
Raw material	-	3,643,725
Waste Sales	10,670	79,902
Less: Waste expenses	-	3,329
	10,670	76,573
	2,045,670	44,590,319

	Note	2003 Rupees	2002 Rupees
26 OTHER INCOME			
Markup on balance due from director	18.2	.	15,386
Miscellaneous Income		123,608	13,672
Dividend Income		2,835	2,550
Gain on sale of fixed assets		99,872	-
Gain on sale of long term investments		3,800	-
Reserve - adjustment		6,657	.
		236,772	31,608
27 EXTRA-ORDINARY ITEM			
Loss due to theft	27.1	.	1,052,172

27.1 During last year some parts of plant and machinery were stolen against which an F.I.R (No. 097297 dated February 23, 2002) was lodged with the local police. Due to this incident the mills have been closed to date. Loss has been calculated by depreciating current replacement cost, determined by the management, over the life of the machinery as the actual cost of the parts was not available.

	Note	2003 Rupees	2002 Rupees
28 ACCUMULATED LOSS			
Opening balance		-107,165,935	-92,311,518
Adjustment for unrealized gain on revaluation of investments on account of change in accounting policy		-	-3,233
		-107,165,935	-92,314,751
Net loss for the year		-8,665,371	-14,851,184
		(115,831,066)	-107,165,935
29 LOSS PER SHARE			
Loss after extra-ordinary item		-8,665,371	-14,851,184
			Number of shares
Number of ordinary shares issued and subscribed at the end of the year		1,300,000	1,300,000
			Rupees
Loss per share		-6.67	-11.42

	Note	2003 Rupees	2002 Rupees
23 ADMINISTRATIVE EXPENSES			
Salaries and other benefits		1,013,319	1,431,981
Traveling, conveyance and entertainment		4,650	18,527
Motor running expenses		6%	76,559
Electricity, water and gas		-	2,267
Printing, stationery and periodicals		29,402	35,755
Postage, telephone and telegram		132,428	298,896
Advertisement		28,300	75,620

Subscription and membership fee		14,000	5,265
Repair and maintenance		-	367
Central Depository Company (CDC) charges		50,000	-
Fair price shop receivables written off		143,582	-
Audit fee		75,000	75,000
Depreciation	14.1	249,764	306,789
Legal and professional expenses		80,828	18,000
Textile cess		-	12,432
Other expenses		-	657
		1,821,969	2,358,115

23.1 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the accounts for the year for remuneration including benefits applicable to the chief executive, directors and executives of the Company are as follows:

			Chief Executive
Managerial remuneration		278,400	278,400
Number of person		1	1

Chief executive has been provided a free maintained vehicle. No fee was paid to the directors of the Company (2002:

Nil).

	Note	2003 Rupees	2002 Rupees
24 SELLING AND DISTRIBUTION EXPENSES			
Commission on sale of yarn		-	187,477
Other selling expense		-	8,720
		-	196,197
25 FINANCIAL CHARGES			
Mark-up on term finances		1,167,000	2,327,500
Bank commission and charges		4,114	22,431
Lease finance charges		136,795	228,604
Interest on WPPF		18,320	25,947
		1,326,229	2,604,482

		2003	2002
32 PLANT CAPACITY AND PRODUCTION			
No. of spindles installed		12,432	12,432
Installed capacity converted into 20"« count DM.		6,806,520	6,806,520
Actual production converted into 20*\$ count lbs.	32.1	-	1,175,56*
Actual production in DM.		-	910,100
Average count manufactured		-	26
No. of shifts worked daily		-	3
No. of employees - upto February 2002		-	146
- as at September 30		9	15

32.1 REASONS FOR UNDER UTILIZATION OF CAPACITY

Plant capacity was not utilized during the year due to closure of the mill (also refer to note 27).

33 DATE OF AUTHORIZATION

These **financial** statements are authorized for issue on December 6, 2003 by the Board of Directors of the Company.

34 FIGURES

have been rounded - off to the nearest Rupee.

**for prior year have been regrouped / rearranged, where necessary to facilitate comparison. Reclassification is stated below:
Last year's security guards salaries of Rs. 320,408 have been reclassified under cost of sale from administrative expenses.**

CHIEF EXECUTIVE

DIRECTOR

30 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURE

30.1 INTEREST RATE RISK EXPOSURE

The Company's exposure to interest nte risk and effective rates on it» financial assets and liabilities an summarized at follows: -

FINANCIAL INSTRUMENTS	Interest Bearing				Non interest beating		Interest Rate
	Due with in one year		Due after one year		2003	2002	
	2003	2002	2003	2002	2003	2002	
	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	(Rupees)	
Financial Assets							
Long Term investemnts	-	-	-	-	-	32,095	
Security deposits	-	-	-	-	41,656	41,656	
Due from director	-	70,482	-	-	-	-	18.25%
Trade debtors	-	-	-	-	3,761.08	9,130,496	
Advances and other receivables	-	-	-	-	1,027,387	1,659,144	
Cash and bank balances	-	-	-	-	35,224	240,092	
Total	-	70,482	-	-	4,865,342	11,103,483	
Financail Liabilities							
Long term finances	39,754,311	33,282,263	12,666,064	19,138,112	51,050,000	51,050,000	14%
Liabilities against asset subject to finance lease	840,207	763,204	-	640,142	-	-	12.89V.
Provision for gratuity	-	-	-	-	53S.5S9	572,056	
Short term finances	2,998,908	2,998,908	-	-	-	-	18.25%
Due to associated undertakings / director	-	-	-	-	193300	1,635,647	
Creditors, accrued and other liabilities	201521	183,201	-	-	22,094,769	25,182,006	
Total	43,794,947	37,227,576	12,666,064	19,778,254	73,873,628	78,439,709	

30.2 CREDIT RISK

The Company's credit risk exposure is not significantly different from that reflected from financial statements.

303 FAIR VALUE OP FINANCIAL ASSETS

The carrying amount of all **fitnri.1 instrument! reflected in the financial statements approximate their fair value.**

31 TRANSACTIONS WITH RELATED PARTIES

The related patties comprise group companies and directors. The Company in the normal course of business carries out transactions vim various related parties. Amounts due from and to related parties are shown under receivables and payable*.

ELAHI COTTON MILLS LIMITED

NOTICE OF

33rd ANNUAL GENERAL MEETING

Notice is hereby given that 33rd Annual General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at 270-Sector 1/9,

Industrial Area, Islamabad on December 31, 2003 at 10.30 a.m. to transact the following business:-

1. To Confirm the minutes of the 32nd Annual General Meeting.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended September 30, 2003 together with Auditors and Directors Reports thereon.
3. To appoint Auditors of the Company for the next financial year and to fix their remuneration.
4. To transact any other ordinary business of the Company with the prior permission of the Chairman.

BY ORDER OF THE BOARD

Islamabad,
December 06, 2003.

(MAHBOOB ELAHI)

Chief Executive

NOTES:

1. Share transfer Books of the Company shall remain closed from December 26, 2003 to December 31, 2003 (both days inclusive)
2. A member entitled to attend and vote in the meeting is authorised to appoint any other member of the Company a proxy to attend, speak and vote for him or her.
3. In order to valid, an instrument of proxy and the power of Attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or Authority, must be reached at the Registered Office of the Company not less than 48 hours before the time of the Meeting.
4. Share holders are requested to notify immediately any change in their registered address.

PATTERN OF HOLDINGS OF THE SHARES HELD BY THE SHAREHOLDERS AS AT SEPTEMBER 30, 2003.

NO. OF SHAREHOLDERS		SHAREHOLDERS		TOTAL SHARES HELD	
2003	2002			2003	2002
41	41	1	to 100	4,100	4,100
3	3	101	to 500	1,300	1,300
12	12	501	to 1,000	11,467	11,467
345	345	1,001	to 5,000	615,366	615,366
3	3	70,001	to 75,000	222,000	222,000
-	-	75,001	to 80,000		-
-	-	80,001	to 85,000	•••-	-
-	-	85,001	to 90,000	-	-
"	-	90,001	to 95,000	-	-
1	1	95,001	to 100,000	96,000	96,000

1	1	155,001	to 160,000	158,867	158,867
-	-	160,001	to 165,000	-	-
-	-	165,001	to 170,000	-	-
-	-	170,001	to 175,000	-	-
-	-	175,001	to 180,000	-	-
-	-	180,001	to 185,000	-	•
-	-	185,001	to 190,000	-	-
1	1	190,001	to 195,000	190,900	190,900
407	407			1,300,000	1,300,000

CATEGORIES OF SHAREHOLDERS:

PERCENTAGE	Number		SHARESHELD			
	2003	2002	2003	2002	2003	2002
Individuals	405	405	950,233	950,233	73.09	73.09
Investment Company	1	1	158,867	158,867	12.22	12.22
Insurance Company	-	-	-	-	-	-
Joint Stock Companies	-	-	-	-	-	-
Financial Institutions	1	1	190,900	190,900	14.69	14.69
	407	407	1,300,000	1,300,000	100	100