

PAKISTAN TELEPHONE CABLES LIMITED ANNUAL REPORT 2004

Board of Directors

Raza Abdul Aziz Al- Raee
Aijaz Abdul Aziz Al- Raee
Riyadh Abdul Aziz Al- Raee
Rabia Barkat All
Muhammad Kashif
Sumiah Saeed-ur- Rehman Al- Raee
Asma Hafeez

Chairman / Chief Executive

Director
Director
Director
Director
Director
Director

Chief Financial Officer / Company Secretary Muhammad Ishaq Ahmed

Audit Committee

Aijaz Abdul Aziz Al- Raee
Riyadh Abdul Aziz Al- Raee
Rabia Barkat Ali
Muhammad Ishaq Ahmed

Chairmen
Member
Member
Secretary

Auditors

Khalid Majid Rehman Sarfraz
Rahim Iqbal Rafiq & Co
Chartered Accountants, Karachi.

Primary Bankers

PICIC Commercial Bank Limited
Bank Al- Falah Limited
Muslim Commercial Bank Limited
National Bank of Pakistan

Registered Office

18th Mile RCD Highway 27/3/2

Mouza Bairut, Tehsil Hub

District Lasbella

Baluchistan.

Liaison Office

E-3, Block - 1 7, AJ- Raee Avenue,
Behind National Stadium,
Gulshan-e- Iqbal,
Karachi.

Phones (Systek)

4802940-41,4815840-44

Fax

92-21-4802943

E-Mail

alraee@cyber.net.pk

Pakistan Telephone Cables is principally engaged in the manufacturing of TeJecommiwiciort Cables of various specification and sale it to its consumer M/s. Pakistan Telecommunication Company Limited (PTCL) Islamabad, Special Communication Organization (SCO) Rawalpindi, National Telecommunication Corporation, Alpha Tech Corporation and Pakistan Ordinance factories etc.

PTCL objectives and development strategy are aimed at achieving sustainable productivity and profitability and highly standards of safety, occupational health and environmental care. This entails human resource re-engineering & development, and continuing growth through upgradation of existing as well as addition of new facilities. In the changing global environment and coming of WTO, corporate objective and development strategy has been defined to meet the challenges of business.

Corporate Objectives

- Contribute in meeting the consumer's demand of Telecommunication Cables.
- Customer's satisfaction by providing best value and quality products.
- Achieving and maintaining a high standard of Occupational Health, Safety and Environment
- Maintain modern management system conforming to international standards needed for an efficient organization.

Development Strategy

- Human resource development by upgrading training facilities and exposure to modern technologies / management techniques.
- Expansion of Industry by establishing new imported machinery.

Notes:

1. Share Transfer Books of the Company will remain closed from 20-1 0-2004 to 30-1 0-2004 (both days inclusive).

2. All members are entitled to attend and vote at the meeting. A member may appoint a proxy who be a member of the Company.

3. In terms of SECP Notification No: S.R.O. 49(1) 2003 dated 15th January 2003, Form "A" for filling of Annual Return has been re-designed. In the new format, SECP has provided an additional column for inserting the National Identity Card number of each shareholder. Therefore, to comply with the SECP requirement, shareholders are requested to send us a photocopy of their new Computerized National Identity Card (both side) alongwith Folio Number at the earliest.

4. The instrument appointing the proxy and other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the company's Registered Office or Liaison Office duly revenue stamped of Rs. 5/- and signed not later than 48 hours before the time of the meeting.

5. Any change of address should be notified immediately to the company.

6. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 Dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

FOR ATTENDING THE MEETING

(i) In case of individuals, the account holder or sub-account holders and / or the persons whose securities in group and their registration details are up-loaded as per the regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card (C.N.I.C) or original passport at the time of attending the meeting.

FOR APPOINTING PROXIES

(i) In case of individuals, the account holders or sub-account holders and / or the persons whose securities in Group account and their registration details are up-loaded as per the regulations, shall submit the proxy form as per the above requirement.

(ii) The proxy shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

Pakistan Telephone Cables Limited was incorporated as a Public Limited Company on June 08, 1983. The Company is listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacturing of Telecommunication Cables and supply it to its largest consumer M/s. Pakistan Telecommunication Company Limited, Islamabad. The company is located at survey Nos. 27/3 Mouza Bairut, Tehsil, Hub, District Lasbella, Balochistan. The area is prominently Lies on Main RCD Highway.

The management of the company has taken over by AL- RAEE GROUP since July 1988, and manufacture the Telecommunication Cables very successfully.

CAPITAL

The company has a paid up capital of Rs. 210.00 Million. CAPACITY

The annual production capacity of plant is 502,000 CCKM approved by IBP. PROJECT & DEVELOPMENT

Another plant, imported from China is in a final stage of completion. The project trial run is

expected in October 2004. The total capacity will be enhanced by 500,000 CCKM.

project is Rs. 90.00 Million. STAFF The company's Registered office is located in Hub, Baluchistan. The company's total manpower

strength is 133 persons. The majority staff are technical because the project is Hi-tech. ENVIRONMENT

The company has a well-defined Environment Policy which pays a key role in its decision making process to ensure compliance with relevant laws and to achieve continues improvement.

a guideline to our business mechanics and decision-making processes. INFORMATION TECHNOLOGY

The Company manages its financial activities with the help of existing software package

developed by System Development Services. The management has planned to modify its existing

Computer Package in order to meet the requirement of Corporate, Financial and Management

information. It is aimed to train the employees to maintain, modify and enhance the existing

computer based applications and also- develop new application as per its requirements.

DIRECTOR'S REPORTS

The Board of Directors of the company have pleasure in presenting 21st Annual Report on the performance and the audited financial statement of the Company for the year ended June 30, 2004.

FINANCIAL RESULTS

(Rupees in 000)

The profit of the company for the year ended

June 30, 2004 after providing for administrative,

selling & distribution, financial and other charges

amount to 10,359

Less: Provision for Workers Profit Participation Fund 518

9,841

Add: Taxation -3,853

Current 5,907

Deferred 2,053

Profit after taxation 11,894

Accumulated Loss -120,009

Brought Forward

Accumulated Loss

Carried Forward -108,115

The earning per share is Rs.0.566 (2003: Loss 0.911)

The Board of Director has decided that the company has made minimum profit and the second unit of cable manufacturing, imported from China, is in stage of completion whose

trial run commences in coming month. Therefore, the outflow of FUNDS is not feasible

at this time. Because we are managing the resources to meet the supply of awarded Contracts.

OPERATING & FINANCIAL DATA

Key operating and financial data of last six years (1999 - 2004) is shown on page 13.

ACCOUNTING AND COMPANY POLICIES

The accounting policies followed in preparation of these financial statements are the same

as those of the published annual financial statements for the same period last year. The

stock in trade cost is computed at moving average instead of average cost. Subsequent to

the balance sheet date, the company has decided to appoint its entire existing staff on

contract basis and Gratuity is to be paid accordingly SCHEDULE. While in past the Company

operated unfunded gratuity scheme covering all its permanent Employees who have completed prescribed period of service and provision was made to cover the Liability. The company complies with the requirement of the Code of Corporate Governance for adaptation of significant policies. During the year under review, the Board has approved several policies including Corporate Social Responsibility, Procurement, Employees Leave and Service Rules etc.

Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable & prudent judgment. International Accounting Standards have been followed in preparation of financial statements without any material departure.

The system of internal control is sound in design and has been effectively implemented and monitored.

The Board of Directors considered that the Company is a going concern.

There has been no material departure from the best practice of the corporate governance as detailed in the listing regulations.

	(Rupees)
Outstanding taxes and levies:	
Income Tax Provision (Current)	3.853 Million
Workers' Profit Participation Fund	14.853 Million
Sales Tax	0.318 Million

Name of Director	No. of Meetings Attended 06
Mr. Raza Abdul Aziz Al- Raee	
Mr. Ejaz Abdul Aziz Al- Raee	6
Mr. Riyadh Abdul Aziz Al- Raee	6
Mr. Muhammad Kashif	5
Mrs. Rabia Barkat Ali	6
Mrs. Asma Hafeez	6
Mrs. Sumiah Saeed -DR Rehman Al- Raee	6

MANAGEMENT COMMITMENTS

5.1 Our auditors have reported that the company has provided corporate guarantee on behalf of its associated company M/s The Plaza Companies (Pvt) Limited to Askari Leasing Limited amounting to Rs. 35.679 Million and explain that it is in a contravention of the provision of the Companies Ordinance 1984. As this is indicated, the management has thoroughly analyses the legal matter and noted that this is Lease finance on equipment and machinery of the Plaza Companies (Pvt) Limited, Karachi. The assets of the company and the Director's personal Guarantees are provided to Askari Leasing Limited in security support. We have approached towards Askari Leasing Limited for withdrawal of this guarantee. The management of Askari Leasing is agreed to revoke it by following the leasing rules and regulations. We also assure that there will be no legal consequences and financial burden on our Company because a sufficient security support is already provided to Askari Leasing Limited and we hope that we resolve this matter at our earliest and provide and ease to Company from the future commitment and burdens.

5.2 The liabilities of Workers Participation Fund amounts Rs. 14.536 Million is still outstanding. The proposed methodology advised by our legal counsels is not suitable for our Company. Therefore, the management has regretted to establish the trade union which was already abolished since 1998 because of continuous lock down and disturbances in industry. The management is committed to provide funds in a separate account against Workers Profit Participation Fund and seeking legal opinion through its advisors and lawyers to distribute the funds according to the provision of Workers Participation Act 1 968. The Board of Director has declared that the contract scheme is executed for all staff members inspiring corporate culture, efficiency in works and to activate strength, find out weakness and face all threats. There is no abstinence's of "Benefits" The service benefits will be rendered in every current year. Therefore, its is concluded that this matter is solved during the current financial year.

5.3 The claim of liquidity damages amounting Rs. 3.9 Million as due from M/s. Pakistan Telecommunication Company Ltd. are in process for which we have made various correspondence. The management has already pursued to the higher management of M/s. Pakistan Telecommunication Company Ltd., on certain SOLID GROUNDS with proofs and evidences. It is fact that M/s. Pakistan Telecommunication Company Ltd, had previously decided matter of refunds on the similar grounds.

CORPORATE GOVERNANCE

The company is committed to high standards of corporate governance. The Board of Directors is accountable to the shareholders for good corporate governance. We have and shall continue to comply with the provisions of best practices set out in the code of corporate governance. The Company has been and shall remain committed to the conducting of its business in line with listing regulations of the Stock Exchange, which clearly defines the role and responsibilities of the Board of Directors and management.

STATEMENT BY BOARD OF DIRECTORS IN COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The financial statements prepared by the management of the Company present fairly its state of affairs, the result off its operation, cash flows and change in equity.

The Board of Directors of the Company believes that proper books of account have been maintained.

INFRASTRUCTURE DEVELOPMENT

Your company is continuously working for best maintenance of assets, and best efforts are being engaged to increase plant integrity and reliability. CORPORATE SOCIAL RESPONSIBILITY In following our mission statement and in recognition to the fact that each corporate entity has a social responsibility to discharge, your company has decided to take up relevant, pertinent activities.

FUTURE PROSPECTS

The Company has made the contracts having a worth Rs. 318.92 Million. The Company is engaged with Askari Commercial Bank Limited to provide performance bond for the contracts Rs. 1,106.71 Million for which the Letter of Indent is already issued. The Company would focus on cost-effective techniques for the management of RESOURCES. The Company shall, by the completion of its plants, be able to execute orders for higher quantities as per schedule and expects to improve its competitiveness against foreign competition to end up with higher sale and higher profit.

The board is confident for better results in the year ahead and will deemed the reasonable profit in future.

ACKNOWLEDGEMENT

I wish to endorse my appreciation for the efforts and dedication of the management team, all staff, workers and directors on the Board. The performance of the company has been the outcome of teamwork. This performance would greatly assist in moving towards our vision of attaining a distinctive leadership in the corporate success. I also take this opportunity to express my thanks to customers, banks, financial institutions and contractors for their cooperation and partnership in our continuing success.

I conclude with a word about you, our esteemed shareholders. It is heartening to know that we continue to receive your support, confidence and trust, which I am confident, will be with us in future as well.

STAKEHOLDERS INFORMATION

Particulars	2004	2003	2002	2001	2000	1999
FINANCIAL POSITION						
Paid up Capital	210,000,000	210,000,000	210,000,000	210,000,000	210,000,000	30,000,000
Surplus of Revaluation of Fixed Assets	47,096,817	51,464,083	110,937,858	110,937,858	34,581,267	34,581,267
Long term Loans	-	-	-	4,500,000	36,673,750	193,449,734
Assets Subject to Finance Lease	13,082,680	30,773,357	1,482,316	258,465	-	-
Fixed Assets at Cost and revaluation	182,914,573	179,921,986	168,040,866	157,606,339	86,978,286	75,361,556
Accumulated Depreciation	499,410,665	35,412,943	22,324,676	5,741,482	10,405,524	3,454,069
Current Assets	173,293,542	123,820,471	132,567,580	95,957,764	78,684,484	77,745,122
Current Liabilities	137,827,820	92,475,662	95,287,760	98,434,882	68,335,254	86,752,975
INCOME						
Sales	440,821,816	372,952,346	422,968,936	326,962,004	527,776,762	83,910,552
Other Income/(loss)	40,867	-2,773,519	-238,275	93,198	332,928	136,809
Reversal of Liabilities	-	-	3,054,226	-	-	1,298,059
Workers' profit participation fund	-517,951	-197,744	-4,988,288	-3,016,014	-	-
Pre-Tax Profit	9,841,078	3,757,142	94,777,466	57,056,418	39,656,082	-39,856,230
Taxation/Deferred tax income	2,053,376	-22,878,165	-15,624,810	-1,634,810	-2,641,393	-419,912

STATISTICS AND MTIOS

Pre-Tax Profit to Sales %	2.23%	1.01%	22.41%	17.45%	7.51%	-47.50%
Pre-Tax Profit to Capital %	4.69%	1.79%	45.13%	27.17%	18.88%	-132.85%
Current Ratio	1.26:1	1.34:1	1.39:1	0.97:1	1.15:1	0.90 : 1
Paid-up Value per Share (Rs.)	10	10	10	10	10	10
Earning after Tax per Share (Rs.,	0.566	-0.911	3.769	2.639	1.763	-13.425
Cash Dividend %	-	-	20	15	10	-
Right Shares %	-	-	-	-	-	600
Retained Earnings per Share (Rs.)	0.49	-5.71	-6.1	-7.87	-8.92	-67.77
Break-up Value per Share (Rs.)	5.09	4.29	3.9	2.13	1.08	-57.77
Market Value per Share (Rs.)	10	14.8	8.75	3.55	2.75	2.5

SHARE PERFORMANCE

Highest (Rs.)	12.95	18.95	10.25	9	3.5	2.75
Lowest(Rs.)	10.5	7.75	5.75	2.5	2	2
Turnover of share	21,500	551,500	85,000	59,500	44,000	22,500

PRODUCTION: Various Telephone cables

Measured in Conductor Core KM.	610,328	466,948	456,820	575,927	160,155	
Measured in Cable KM.	4,590	3,189	2,677	1,771	1,229	
Drop Wire Measured in Conductor Core KM..	44,132	-	-	-	-	

The Board arranged in house orientation courses for its directors to apprise them for their duties and responsibilities.

The Chief Financial Officer, Company Secretary and Head of Internal Audit, were appointed according to enactment of code of Corporate Governance. Remuneration an terms and conditions of employment in case of future appointments on these positions will be approved by the Board.

The directors' report for this year has been prepared in compliance with the requirement

of the code and fully describes the salient matters required to be disclosed.

The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

The directors, CEO and other executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

The company has complied with all the corporate and financial reporting requirements of the code.

The Board has formed an audit committee. It comprises THREE member, to whom ONE is non-executive directors including the chairman of the company.

The meeting of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the code. The term of reference of the company have been formed and advised to the committee for compliance.

The Board has set-up an effective internal audit department which is manned by experience and qualified personnel. The audit team is fully conversant with the policies and procedures of the Company and they are involved in the Internal Audit function on a full time basis relating to the business and other affairs of the company.

The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

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

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

Several measures have been initiated to put a check, control and optimize operating expenses. As a result, manufacturing and administrative, selling and general expenses have been reduced just by 16 percent. At the same time financial expenses have been increased from Rs. 3.483 in the previous year to Rs. 8.246 million during the period under review.

The operating profit increased by 01 percent to Rs. 18.564 million (2003: Rs. 10.21 1). This has been achieved despite adverse financial impact on account of higher cost of raw material but manufacturing expenses, Administrative, Selling and distribution charges are controlled to a great extent.

MARKET LEADERSHIP

The company sells its products to M/s. Pakistan Telecommunication Company Limited Islamabad, Pakistan. In addition, during the year under review, your company has entered into a new business relationship and started supply of products to M/s. National Telecommunication Corporation (NTC), Special Communication Organization (SCO), Alpha Tech Corporation & others.

PRODUCT QUALITY

Your Company considers commitment to quality an integral part of its values and vision, our product has to conform to stringent international specifications. In order to achieve this fine degree of control, extensive monitoring is conducted at every stage of process with the aid of modern and technologically sophisticated instruments. Quality Control laboratory which was earlier certified to ISO 9001 has now been re- certified to ISO 9001 : 2000 Quality Management System.

BUSINESS PROCESSES RE-ENGINEERING

In order to streamline the core business activities and create complete harmony amongst all business processes, your company undertook re-engineering of all its business processes to enable it to resolve various issues of relevance, duplication, time lags, ownership, prudence of process and thus implant best practices for achieving corporate excellence.

HEALTH, SAFETY & ENVIRONMENT

Your company has adopted to remain committed to good health and safety of all those associated with its business and best environmental care and practice.

The Company has been providing safety equipment to its employee to prevent any untoward incident. The Company has commitments to meet the environmental standards. It has also aimed to provide appropriate safety, healthy and environment training and information to all its employees, contractors and others who work and handle its product.

MANAGEMENT AND WORKFORCE

The total manpower strength is 133, which comprises management, financial and technical professionals. The company enjoys proficient technical management aided by an equally experienced workforce. The company management has achieved harmonious industrial relations assuring a congenially and productive work environment.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of PAKISTAN TELEPHONE CABLES LIMITED as at June 30, 2004, and the related profit & 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 report that:

1. Company has provided corporate guarantee on behalf of its associated company i.e. Plaza Company (Private) Limited to the Askari Leasing Limited amounting to Rs 35.679 million in contravention of the provisions of the Companies Ordinance, 1984.
2. Company's compliance with the requirement of Companies Profits (Workers' Participation) Act, 1968 relating to creation of Fund and its distribution is still pending (refer Note 9.1).
 - a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 (Chapter XI) of listing regulations of Karachi Stock Exchange (Guarantee) Ltd, Clause 40 (Chapter XIII) of the listing regulation of the Lahore Stock Exchange Ltd respectively, for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the code in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes at least Six (6) independent non-executive.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them have defaulted in payment of any loan to a banking company, a DPI or an NBF or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board on during the current year.
5. The company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the company.
6. The Board had developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. The directors of the company have exercised their powers and had carried out their fiduciary duties with a sense of objective judgment and independence in the best interests of the company, all major decisions relating to various items mentioned in clause viii (d) and xiii of the Code of Corporate Governance has been taken or ratified by the Board.
8. The meeting of the Board were presided over by the Chairman, Director and in his absence, by a non-executive director elected by Board for this purpose and attended by the Chief Financial Officer/ Company Secretary. The Board meets at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded, circulated and signed by the Chairmen of the Board of Directors.

BALANCE AS AT

	Notes	2004 Rupees	2003 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
22,000,000 (June 30, 2003: 22,000,000)			
ordinary shares of Rs. 1 0/- each Issued, subscribed and	3	220,000,000	220,000,000
		-103,089,912	210,000,000
		106,910,088	89,991,260
SURPLUS ON REVALUATION OF FIXED ASSETS	4	47,096,817	51,464,083
LIABILITY AGAINST ASSETS SUBJECT TO FINANCE L	5	13,082,680	30,773,357
DEFERRED LIABILITY	6	51,269,178	56,450,395
CURRENT	7		
LIABILITIES Short			
term finances		24,439,452	4,800,000
Current portion of long-term liabilities	8	17,721,520	15,751,977
Creditors		47,139,852	23,517,222
Accrued and other liabilities	9	26,974,728	30,707,870

Taxation		21,552,268	17,698,593
		137,827,820	92,475,662
CONTINGENCIES & COMMITMENTS	10		
		356,186,583	321,154,757

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 Pakistan Telephone Cables Limited, to comply with the Listing Regulations of the respective 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 the 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 as applicable to the Company for the year ended June 30, 2004.

PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2004

	Notes	2004 Rupees	2003 Rupees
Sales	21	440,821,816	372,952,346
Cost of sales Gross profit	22	-384,886,286	-318,243,143
		55,935,530	54,709,203
Operating Expenses: Administration			
	23	23,517,430	21,939,026
Selling and distribution	24	13,853,891	22,558,873
		-37,371,321	-44,497,899
Operating profit		18,564,209	10,211,304
Financial charges	25	-8,246,047	(3,483,259)
		10,318,162	6,728,045
Other income / (loss)	26	40,867	-2,773,159
		10,359,029	3,954,886
Workers' Profit Participation Fund		-517,951	-197,744
Profit before taxation		9,841,078	3,757,142
Provision for taxation			
- Current		-3,853,675	-2,073,783
- Deferred		5,907,051	-20,804,382
		2,053,376	-22,878,165
Profit / (loss) after taxation		11,894,454	-19,121,023
Accumulated loss brought forward		-120,008,740	-128,203,595
Accumulated loss carried forward		-108,114,286	-147,324,618
Earnings / (loss) per share- basic and diluted	30	0.566	-0.911

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2004

	Note	2004 Rupees	2003 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		-4,718,399	-59,781,558
Long term security deposits		-84,280	-2,757,700
Sale proceeds of fixed assets		240,000	1,311,994
Profit received from PLS account		120,739	515,105
Net cash used in investing activities		-4,441,940	-60,712,159
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease finance obtained		-	50,764,000
Lease rentals paid against finance lease		-15,721,134	-7,305,538
Short term finances obtained		-	4,800,000
Short term finances paid		-4,800,000	-
Net cash from financing activities		-20,521,134	48,258,462
Net increase/ (decrease) in cash and cash equivalents		-25,684,227	-9,758,841
Cash and cash equivalents at the beginning of the year		8,592,778	18,351,619
Cash and bank balances at the end of the year		-17,091,449	8,592,778
Cash and cash equivalents comprise: Cash and bank balances		7,348,003	8,592,778

Running finance under markup arrangements		-24,439,452	-
		-17,091,449	8,592,778
	Notes	2004 Rupees	2003 Rupees
PROPERTY AND ASSETS			
TANGIBLE ASSETS Operating fixed assets	11	133,003,907	144,496,942
Capital work in progress	12	46,074,654	45,036,842
INTANGIBLE ASSETS Computer software		6,250	12,500
LONG TERM SECURITY DEPOSITS		3,808,230	3,723,950
DEFERRED COST	13	-	4,064,052
CURRENT ASSETS	14	6,068,046	5,232,082
Stores and spares	15	79,053,671	55,604,841
Stock-in-trade	16	33,553,968	6,410,143*
Trade debts-unsecured considered good	17	41,872,963	45,365,067
Advances	18	3,851,295	1,621,736
Deposits and prepayments	19	1,545,596	993,824
Other receivables	20	7,348,003	8,592,778
Cash and bank balances		173,293,542	123,820,471
		356,186,583	321,154,757

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED JUNE 30, 2004

THE COMPANY AND ITS OPERATION

The company was incorporated on June 8, 1983. The company is listed on the Karachi and Lahore Stock Exchanges. The principal activity of the company is manufacturing and selling of telecommunication cables mainly to Pakistan Telecommunication Company Limited against contract secured by the company after participation in its international tender.

SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards (IASs) as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan (SECP) 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 financial statements have been prepared under the 'historical cost convention' except certain fixed assets which are stated at revalued amount.

2.3 Employee's benefit

Long term

The Company operates an unfunded gratuity scheme covering all its permanent employees who have completed prescribed period of service. Provision is made annually to cover the liability under the scheme.

Subsequent to the balance sheet date, the company has decided to re-appoint all of its existing staff on contract basis after paying off its gratuity obligation.

Short term

The Company short term benefits provide for its estimated liability towards leaves accumulated by employees on accrual basis using current salary levels.

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2004

	2004 Rupees	2003 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation		
Adjustment for : Depreciation		
	14,853,750	15,381,501
Amortization of deferred cost	4,064,052	4,060,052
Financial charges	8,246,047	3,473,259
Provision for gratuity	2,440,470	1,467,231
Amortization of Intangible assets	6,250	12,500
Workers' profit participation fund	517,951	197,744
Other loss	79,872	2,773,159
Stock-in-trade	-120,739	(515,105)
Trade debts	30,087,653	26,850,341
Advances	39,928,731	30,607,483
Deposits and Prepayments	-835,964	(276,013)
Other Receivables Increase/(decrease) in current liabilities Creditors	-23,448,830	24,170,996
Accrued and other liabilities Cash generated from operations Taxes paid	-27,143,825	5,673,007

Dividend paid	12,413,456	-10,663,505
Gratuity paid	-2,229,559	815,086
Financial charges	-551,772	
paid Net cash	-41,796,494	(247,198)
generated from		19,472,373
operating activities	23,622,630	7,911,823

Capital work-in-progress

All costs/expenditures incurred on specific assets during the implementation period are carried under this head. These are transferred to operating assets as and when the assets are available for use.

Deferred cost

Deferred cost is amortized in five years commencing from the financial year 1999-2000 in which the cost was incurred.

Stores and spares

These are valued on average cost. Items in transit are valued at cost comprising invoice values and other charges paid thereon upto the balance sheet date.

Stock-in-trade

These are valued at lower of cost and net realizable value. The cost is computed by using the following methods :

Raw & packing materials	:	at moving average
Work in process	:	at moving average
Finished goods	:	at moving average
Scrap stocks	:	at estimated net realizable value
Stock-in-transit	:	at cost comprising invoice values plus other charges paid thereon upto the balance sheet date.

Trade debts

These are stated net of provision for doubtful debts, if any. Full provision is made against the debts considered doubtful.

Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Financial Assets

Financial Assets are loans, advances, deposits, trade debts, other receivables, cash & banks. These are initially recognized at cost which represent fair value of consideration given for it and subsequent to initial recognition financial assets are carried at cost, if fair value is not materially different at the balance sheet date.

STATEMENT OF CHANGES IN EQUITY**FOR THE YEAR ENDED JUNE 30, 2004**

	Share Capital Rupees	Accumulated Loss Rupees	Total Rupees
Balance as at July 01 , 2002	210,000,000	-128,203,595	81,796,405
(Loss) for the year	-	-19,121,023	-19,121,023
Transferred from Surplus on Revaluation of fixed assets on account of incremental depreciation charged in prior years.		19,058,153	19,058,153
Transferred from Surplus on Revaluation of fixed assets on account of incremental depreciation for the year net of deferred taxation		8,257,725	8,257,725
Balance as at June 30, 2003	210,000,000	-120,008,740	89,991,260
profit for the year	-	11,894,454	11,894,454
Transferred from Surplus on Revaluation of fixed assets on account of incremental depreciation for the year	-	5,024,374	5,024,374
Balance as at June 30, 2004	210,000,000	-103,089,912	106,910,088

	2004 Rupees	2003 Rupees
ISSUED SUBSCRIBED & PAID-UP CAPITAL		
21,000,000 ordinary shares of Rs. 10/- each fully paid in cash	210,000,000	210,000,000
	210,000,000	210,000,000
Balance as July 01, 2003	79,175,510	110,937,858
Surplus relating to incremental depreciation charged in prior years- transferred to retained earnings Surplus realized on disposal	-	-19,058,153
	-	-2,675,087
Related deferred tax liability Transferred to retained earnings in respect of in	-	-1,440,432
	-	-4,115,519
	-5,024,374	-5,582,638
Related deferred tax liability Surplus on revaluation of fixed assets as at Jun	-2,705,432	-3,006,038
	-7,729,806	-8,588,676
	71,445,704	79,175,510
	27,054,319	32,157,897
- on Disposal of revalued assets transferred to profit and loss account	—	-1,440,432

- on Incremental depreciation charged during the year transferred to profit an	-2,705,432	-3,006,038
	24,348,887	27,711,427

Taxation

Current

Provision for current taxation is based on taxable income at current tax rate after taking into account tax credits, rebates and exemptions available, if any or half percent of turnover, whichever is higher.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the year when the differences reverse based on tax rates that have enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

Operating fixed assets

Owned

Operating fixed assets are stated at cost less accumulated depreciation except free hold land and capital work in progress which are stated at cost. Buildings, plant and machinery and electric generator revalued in 1998 and 2001 by independent valuers, are shown at such revalued figures and additions subsequent to that date are recorded at cost. Depreciation is charged to income applying written down value method at the rates specified in note 11, whereby the cost of assets are depreciated over their useful lives without taking into account any residual value.

Depreciation on additions is charged from the quarter in which the assets are put to use while no depreciation is charged in the quarter in which the assets are disposed.

Maintenance and normal repairs are charged to income as and when incurred; major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Leased

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of the leased assets. The related obligation under the lease are accounted for as liabilities. Depreciation charge is based on written down value method at the rates used for similar class of owned assets.

The finance charge is calculated at the rate implicit in the lease.

	2004 Rupees	2003 Rupees
DEFERRED LIABILITY		
Deferred Taxation	22,049,233	
Accelerated tax depreciation		25,250,852
Surplus on revaluation of fixed assets	46,398,120	27,711,427
		52,962,279
Staff Gratuity SHORT TERM FINANCES		
	4,871,058	3,488,116
	51,269,178	56,450,395
BinBak Industries -Unsecured (associated)		4,800,000
Running finance- PICIC (Karachi)	31 24,439,452	-
	24,439,452	4,800,000

2.13 Financial Liabilities

Financial Liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are assets subject to finance lease, creditors, accrued and other liabilities.

All financial liabilities are initially recognized at cost, which represents fair value of the consideration received at initial recognition. After initial recognition financial liabilities held for trading are carried at fair value and all other financial liabilities are measured at amortized cost.

2.14 Off setting of financial assets and financial liabilities.

A financial asset and financial liability is offset and the net amount is reported in the balance sheet if the company has a legally enforceable right to offset off the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

2.15 Impairment of Assets

In accordance with IAS-36, Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not

be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the profit and loss account.

2.16 Foreign currency translation

Foreign currency translations during the year are recorded at the exchange rate ruling on the transaction date. Foreign currency balances at the year end are translated at official rate ruling on the balance sheet date. Gain or loss on translation is taken to income currently.

2.17 Borrowing Cost

Borrowing costs are charged to the year they are incurred in.

2.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to and insignificant risk of change in value and finances under markup arrangements. In the balance sheet finances under mark up arrangements are included in current liabilities.

2.19 Revenue recognition

- Sales are recognized dispatch of goods to the customers.
- Return on deposits with bank is recognized on time proportion basis.

COST & REVALUATION

Particulars	COST & REVALUATION				DEPRECIATION			
	As on July 01, 2003	Additions/ (Deletions) Transfers	As on June 30, 2004	Rate %	As on July 01, 2003	For the Year	As on June 30, 2004	Written down value as on June 30, 2004
TANGIBLE OWNED								
Land - free hold	5,000,000		5,000,000					5,000,000
Factory building on free hold land	30,931,717	-	30,931,717	10	5,877,027	2,505,469	8,382,496	22,549,221
Plant & machinery	102,235,496	1,291,250	103,526,746	10	18,935,978	8,393,433	27,329,411	76,197,335
Electric fittings	2,817,275	19,400	2,836,675	10	1,954,593	87,603	2,042,196	794,479
Furniture & fixture	2,900,653	63,000	2,963,653	10	1,249,291	166,711	1,416,002	1,547,651
Office equipment	803,691	278,604	1,082,295	10	381,705	54,879	436,584	645,711
Computer equipment	1,422,913	143,400	1,566,313	50	1,140,621	200,171	1,340,792	225,521
Tools and equipment	1,530,263	2,700	1,532,963	10	632,142	90,082	722,224	810,739
Telephone installations	124,058	13,950	138,008	10	55,692	7,640	63,332	74,675
Motor vehicles	7,566,420	58,500	7,036,920	20	2,961,774	907,861	3,601,507	3,435,413
		-588,000			268,128			
Electric Generators	1,000,000	375,000	1,375,000	10	190,000	90,375	280,375	1,094,625
Forklifter		1,434,783	1,434,783	10		35,870	35,870	1,398,913
LEASED HOLD Motor Vehicle	2,489,500		2,489,500	20	896,220	318,656	1,214,876	1,274,624
Plant & Machinery	13,000,000		13,000,000	10	650,000	1,235,000	1,885,000	11,115,000
Electric Generator	8,000,000		8,000,000	10	400,000	760,000	1,160,000	6,840,000
Rupees- June 30 '2004	179,821,986	3,680,587	182,914,573		35,325,043	14,853,750	49,910,665	133,003,907
		-588,000			268,128			
Rupees - June 30 7003	167,940,866	39,787,512	179,821,986		22,249,676	15,381,501	35,325,043	144,496,942
		-27,906,392			-2,306,134			
INTANGIBLE								
Computer Software	100,000	-	100,000	50	87,500	6,250	93,750	6,250

2004
Rupees

2003
Rupees

CAPITAL WORK IN PROGRESS

Building and Workers Colony	12.1	10,332,090	9,294,278
Plant and Machinery	12.2	35,742,564	35,742,564
		46,074,654	45,036,842

DEFERRED COST

Deferred cost as at July, 01		20,300,260	20,300,260
Addition during the year	-	--	--
1 PCC* Amorti Tatin	13.1	20,300,260	20,300,260
Accumulated as at July 01		-16,236,208	-12,176,156
During the year		-4,064,052	-4,060,052
		-20,300,260	-16,236,208
		-	4,064,052

13.1 Deferred cost represents

Preliminary expenses on ISO 9002 Certification		240,598	240,598
Discount on issuance of shares		20,059,662	20,059,662
		20,300,260	20,300,260

STORES, SPARES AND LOOSE TOOLS

Stores		1,726,325	1,218,095
Spares		4,208,132	3,880,123
Loose Tools	14.1	133,589	133,864
		6,068,046	5,232,082

2004
Rupees

2003
Rupees

CURRENT PORTION OF LONG TERM LIABILITIES

Liability against assets subject to finance lease	17,721,520	15,751,977
ACCRUED AND OTHER LIABILITIES		
Expenses	9,947,464	9,354,144
Sales Tax	318,970	335,097
	10,266,434	9,689,241
Unclaimed Dividend	2,171,734	6,092,368
Due to associated undertakings- Agro Oil Extraction Ltd.		2,239,737
Workers' Profit participation fund	9.1	14,536,560
	26,974,728	30,707,870
Workers' Profit Participation Fund		
Balance as at July 01,	12,686,524	10,859,809
Interest accrued during the year	1,332,085	1,628,971
	14,018,609	12,488,780
Allocated during the year	517,951	197,744
	14,536,560	12,686,524

2004
Rupees

2003
Rupees

OTHER RECEIVABLE

Excise Duty	13,637	13,637
L/C. margin and charges	860,825	697,661
Others	114,306	110,000
Due from associated undertaking	556,828	172,526
	1,545,596	993,824

CASH AND BANK BALANCES

Cash in hand	58,385	18,042
Cash at banks - current account	4,035,862	744,395
- deposit account	3,253,756	7,830,341
	7,348,003	8,592,778

SALES

Sales	506,946,363	469,620,477
Less: Excise duty	.	35,362,979
Sales tax	66,124,547	61,305,152
	-66,124,547	-96,668,131
	440,821,816	372,952,346

Note
2004
Rupees

2003
Rupees

ADMINISTRATION EXPENSES

Salaries, wages and other benefits	23.1	9,481,593	6,392,600
Rent, rates and taxes		485,268	37,600
Electricity, gas & other expenses		413,978	245,791
Insurance		374,369	349,518
Office maintenance		213,660	73,993
Traveling, conveyance and entertainment		2,239,200	3,120,984
Legal and professional		207,443	146,290
Auditors' Remuneration	23.2	355,000	435,000
Printing and stationery		623,753	667,096
Postage, telegram, telephone and telex		796,832	730,586
Subscriptions		523,825	526,993
Depreciation		1,655,918	2,099,602
Amortization of intangible asset		6,250	12,500
Amortization of deferred cost		4,064,052	4,060,052
Others		2,076,289	3,040,421
		23,517,430	21,939,026

23.2 Auditors' Remuneration

Audit fee		125,000	125,000
Out of Pocket Expenses		20,000	20,000
Half yearly review fee		50,000	40,000
Tax Consultancy		160,000	250,000

SELLING AND DISTRIBUTION

		355,000	435,000
Carriage and forwarding		10,009,498	6,592,746
Bank charges on performance bonds, bid bonds, collection etc		1,286,351	2,490,410
Tender charges		318,600	198,980
Advertising and sales promotion		346,377	240,100
Liquidated damages deducted by PTCL	24.1	1,074,037	12,611,486
Others		819,028	425,151
		13,853,891	22,558,873

2004
Rupees

2003
Rupees

STOCK-IN-TRADE

Raw material		50,795,974	40,354,916
Packing material		4,749,546	2,738,818
Work in process		23,508,151	12,511,107
		79,053,671	55,604,841

ADVANCES

Advances - considered good	23,716	11,255,051
- Executives	485,156	425,120
- Employees	8,141,994	9,384,151
- Suppliers	33,222,097	24,300,745
- Income Tax	41,872,963	45,365,067

DEPOSITS AND PREPAYMENTS

Trade Deposits		
- Performance Deposit	1,178,260	-
- Container Deposits	1,474,678	550,079
	2,652,938	550,079
Deposit with Lasbella Court	18.1	675,000
Haj deposit		94,612
Canteen deposit		150,000
Rent deposit Islamabad office		37,500
Prepayments		241,245
	3,851,295	1,621,736

2004
Rupees

2003
Rupees

Relationship between tax expense and accounting profit		
Profit for the current year	9,841,078	3,757,142
Tax at the rate 35%	3,444,377	1,315,000
Tax effect of expenses that are not deductible in determining taxable profit	9,477,798	7,915,252
Tax effect of expenses that are deductible in determining taxable profit	-9,068,500	-7,156,468
Deferred tax adjustment	-5,907,051	20,804,382
Tax charge for the current year *	-2,053,376	22,878,166
Tax charge for the current year	3,853,675	2,073,784
Deferred tax adjustment	-5,907,051	20,804,382
	-2,053,376	22,878,166

2004
Rupees

2003
Rupees

COST OF SALES

Raw and Packing material consumed : Opening stock		
Raw materials	40,354,916	52,344,494
Packing materials	2,738,818,	3,295,001
Purchases	43,093,734	55,639,495
Raw materials	346,956,443	240,991,241
Packing materials	16,056,860	11,030,506
	363,013,303	252,021,747
Scrap Sales	-8,353,946	-10,052,993
	354,659,357	241,968,754
	397,753,091	297,608,249
Closing stock		
Raw materials	50,795,974	40,354,916
Packing materials	4,749,546	2,738,818
	-55,545,520	-43,093,734
Raw and Packing material consumed : Manufacturing expenses	342,207,571	254,514,515
Store and spares consumed	4,540,966	4,113,122
Fuel, power and light	15,484,091	16,083,316
Salaries, wages a 22.1	15,181,786	14,293,410
Rent, rates and taxes	74,975	76,975
Insurance	542,994	307,968
Repairs and maintenance	1,914,951	1,410,118
Vehicles running	885,660	620,360
Printing and stationery	1,025,066	680,208
Telephone expenses	152,390	162,445
Depreciation	13,197,832	13,281,899
Others	675,048	1,073,572
	53,675,759	52,103,393
Work in process	395,883,330	306,617,908
Opening stock	12,511,107	24,136,342
Closing stock	-23,508,151	-12,511,107
	-10,997,044	11,625,235
Cost of goods manufactured	384,886,286	318,243,143

31.4 L/C (Performance and Bid bonds)

The limit is Rs. 1 50 million. This facility is secured against lien over directors deposits, first charge on factory land and building, first hypothecation charge over movable/ immovable assets including stock and receivables for Rs. 185 million and equitable mortgage over Managing Director's residential property valuing Rs. 16.5 million.

PLANT CAPACITY

Installed capacity as sanctioned by I.B.P. is 502,000 conductor core kilometers. During the year, capacity has been achieved at 126% (2003 : 130.37%) against the installed capacity, as 628,375 (2003 : 654,460) conductor core kilometer produced for various types of Telephone Cables. The production capacity in relation to past record achieved

to more than sanctioned capacity. The achievement is attributable to modification in the plant made locally which also resulted in enhancement of capacity to the tune of 1 million conductor core kilometers.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of financial assets and liabilities reflected in the Financial Statements approximate to their fair values.

Financial risk management objectives

The company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates, credit and liquidity risk associated with various financial assets and liabilities respectively as referred to in note no. 35-38. The company finances its operations through equity and management of working capital with a view to maintaining a reasonable mix between the various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

CREDIT RISK EXPOSURE AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk faced when one party to a financial instrument fails to discharge its obligation and causes the other party to incur a financial loss. Following financial assets of the company are exposed to credit risk:

REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

Particulars	Chief Executive	Director	Executives	Chief Executive	Director	Executives
Basic salary	1,546,065	288,000	1,834,839	771,876	288,000	1,589,419
House rent	695,729	129,600	825,677	347,340	129,600	715,239
Conveyance allowance	3,600	3,600	18,000	3,600	3,600	25,200
Leave encashment	200,000	37,500	237,000	100,000	37,500	205,300
Utilities	154,606	28,800	183,484	77,184	28,800	158,942
Gratuity	200,000	37,500	237,000	100,000	37,500	205,300
Total	2,800,000	525,000	3,336,000	1,400,000	525,000	2,899,400
No. of persons	1	1	5	1	1	7

2004

2003

Rupees

Rupees

Transaction With Associated Undertakings

Amount paid on behalf of Saudi Spinning & Weaving Industries Ltd.

-

172,526

Amount received from Agro Oil Extraction Ltd.

-

2,239,739

Short term finance from BinBak Industries

-

4,800,000

Rent charged to Raza & Co.

448,000

24,000

EARNINGS PER SHARE

Profit after tax	11,894,454	-19,121,023
Number of ordinary shares	21,000,000	21,000,000
Earnings per share	0.566	-0.911

PATTERN OF SHAREHOLDING

SHAREHOLDER STATISTICS

As on June 30, 2004

Total No. of Shareholders	SHAREHOLDINGS		Total Shares Held
	From	To	
4004	1	100	400,400
117	101	500	15,700
26	501	1000	17,000
38	1001	5000	204,100
35	5001	10000	54,200
17	10001	15000	62,100
7	15601	20000	33,000
2	20001	25000	46,400
3	85001	90000	179,700.00
3	185001	200000	389,200
2	200001	205000	401,528
1	645001	650000	648,529
1	665001	670000	665,829
1	710001	715000	713,600
1	865001	870000	868,714
1	2695001	2700000	2,700,000
4	16295001	16300000	13,600,000
4263			21,000,000

Sr. No.	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
1	Individuals	4244	17,756,100	84.55
2	Financial Institution	3	198,700	0.95
3	Joint Stock Companies	13	143,000	0.68
4	Investment Companies	3	2,902,200	13.82
		4263	21,000,000	100

