

NOON PAKISTAN LIMITED

ANNUAL REPORT 2004

Role of shareholders

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half-yearly and annual reports. The Board encourages the shareholders' participation at the annual general meeting to ensure a high level of accountability.

Auditors' qualification

The Auditors have qualified their opinion due to non-charging of depreciation on UHT plant additions during the Trial Run Operations and capitalization of Trial Run Loss amounting Rs. 13.706 million.

The management is of the view that as the newly installed UHT plant operated only for 95 days during the current financial year, far below its planned capacity, and was not ready for production of intended products in commercially feasible quantities, therefore its decision to carry-out Trial Run Operations was in the best interest of the Company.

Appointment of auditors

The Company's Auditors' M/s Hameed Chaudhri & Co., Chartered Accountants retire and offer themselves for reappointment. The board of directors of the Company, as recommended by the Audit Committee, has decided that the retiring Auditors be reappointed. However, in accordance with the provisions of clause (xii) of the Code of Corporate Governance as contained in listing regulations of the respective Stock Exchange where the Company is listed, Partner Incharge of the audit engagement will be rotated and for this purpose approval of Securities & Exchange Commission of Pakistan will be obtained by the Company.

Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance set-out by the Karachi and Lahore Stock Exchanges in their Listing Rules, relevant for the year ended 30 June, 2004, have been duly complied with. A statement to this effect is annexed with the report.

Acknowledgment

The Board places on record its appreciation of the commendable services of the Company's staff whose hard work and untiring commitment made it possible to achieve the desired goals. We are confident that with the continued zeal and hard work, the Company has a very bright future.

Finally, I wish to thank our valued shareholders for their patronage and confidence reposed in the Company and their support in the present challenging scenario.

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 WITH RESPECT TO SPECIAL BUSINESS

PLACEMENT OF QUARTERLY ACCOUNTS ON WEBSITE

The Securities & Exchange Commission of Pakistan (SECP) vide Circular No. 19 of 2004 has allowed the listed companies to place the accounts on their website instead of sending the same to each shareholder by post. We appreciate this decision which is a step towards modernization as well as cost saving.

The Company however will supply the copies of the accounts to the shareholders on demand at

their registered addresses free of cost within one week of such demand.

The address of the Company's website is "http://www.noonpak.com" and all quarterly accounts will be available there. (The members are welcome to make suggestions for improvement of the website.)

The Company will apply to SECP for permission after this resolution has been passed and the necessary clearance obtained from the stock exchanges.

The directors of the Company do not have any interest in this resolution that would need a disclosure.

An orientation course for directors has been conducted during the year to apprise them of their duties and responsibilities.

There were no new appointments of the Company Secretary or head of Internal Audit Department during the current year except that Mr. Ahsan Iqbal was appointed as new CFO of the Company in place of Mr. Asim Zaheer Malik.

The Directors' Report for this year has been prepared in compliance with the requirements of the Code and it fully describes the salient matters required to be disclosed.

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

The directors, CEO and 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, which comprises of three members, of whom one is non-executive director.

The meetings 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 terms of reference of the Committee have been formulated and advised to the Committee for compliance.

The Board has set-up an effective internal audit function.

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 (ICAP), 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 ICAP.

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 observed IFAC guidelines in this regard.

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

Future prospectus

In line with the vision of the Company, we have initiated a program to achieve optimum efficiency in all departments especially the milk procurement department, where intake of raw milk is projected to increase many folds in the coming years due to increased sales volume of Nurpur products especially UHT Milk, inspite of new dairies commencing production in the ensuing period.

A UHT Milk Plant from Tetra Pak, to be commissioned during the financial year 2004-05, will improve the viability of the Company. Insha Allah the benefits of this addition will be enjoyed by the shareholders in the years to come.

Corporate and financial reporting framework

- The financial statements, prepared by the management of Noon Pakistan Limited, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

Proper books of account of Noon Pakistan Limited have been maintained.

Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.

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

- There are no doubts upon Noon Pakistan Limited's ability to continue as a 'going concern'.

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

Key operating and financial data for the last six years in summarised form is annexed.

There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at 30 June, 2004, except for those disclosed in the financial statements.

- The value of investments of staff provident fund, based on audited accounts, was Rs.14.378 million as at 30 June, 2004.

During the year, seven meetings of the Board of Directors were held. Attendance by each director was as follows:

Names of Directors

No. of meetings attended

Mr. Manzoor Hayat Noon	5
Mr. M. Anwar Mir	5
Mr. K. Iqbal Talib	7
Mr. Javed Ali Khan	1
Mr. Ahmed Ali	1
Mr. Salman Hayat Noon	7

Raja Asghar Mehmood	3
Mr. Adnan Hayat Noon	2

SIX YEARS REVIEW AT A GLANCE

PARTICULARS	YEAR	YEAR					
		1999	2000	2001	2002	2003	2004
Raw Material Processed							
Fresh Milk	Kg.	13,122,887	17,963,301	15,320,275	16,401,828	16,939,865	18,906,499
Skimmed milk		342,379	433,125	—	641	—	—
Production							
Butter		633,473	615,442	640,185	746,282	682,813	580,284
Milk powder	Kg.	889,625	1,246,629	1,039,084	996,709	968,350	869,636
Cheese	Kg.	107,981	395,826	109,421	125,147	140,402	506,563
Ghee	Kg.	7,824	27,535	40,055	74,952	82,086	133,819
Cream	Kg.	54,920	550,298	135,568	1,493	43,562	5,006
Pasteurised milk	Kg.	652,627	1,795,364	2,019,552	2,926,625	2,982,220	3,024,694
Jam		—	—	—	—	—	8,155
Paid up capital		6,000	6,000	6,000	6,000	6,000	79,200
Reserves and surplus		31,869	26,776	25,751	29,916	30,957	32,942
Shareholders equity		37,869	32,776	31,751	35,316	36,957	112,142
Fixed Assets -							
Cost less depreciation		37,098	77,541	81,244	87,092	87,910	260,092
Sales - Net		209,510	268,428	259,410	278,711	303,596	311,265
Cost of sales		184,056	238,113	224,091	235,443	256,041	269,979
Gross profit		25,454	30,314	35,319	43,268	47,554	41,286
Profit/(Loss) before tax		1,249	-1,785	1,549	7,930	7,862	7,870
Profit/(Loss) after tax		-1,062	-4,193	-0.124	6,565	4,446	3,370
Cash dividend		20%	15%	15%	50%	—	—
Bonus shares		—	—	—	—	20%	—
Preference Dividend on							
Prorata basis		—	—	—	—	—	12%

Statement of Compliance with the Code of Corporate Governance and Best Practices on Transfer Pricing

A. Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulation No.37 of the Karachi Stock Exchange and Chapter XIII of the listing regulations of the Lahore Stock Exchange 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; at present the Board includes four independent non-executive directors.
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 has defaulted in payment of any loan to a banking company, a DPI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. During the year, Raja Asghar Mehmood resigned on 20.04.2004 and Mr. Adnan Hayat Noon was appointed as Director on the same date.
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 has 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. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman when he was present, and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

THE COMPANIES ORDINANCE 1984

PATTERN OF SHAREHOLDING - PREFERENCE SHARE.S

	Number of Shareholding		Total Shares
	Shareholders	From To	
	10	1 100	800
	11	101 500	3,380
	53	501 1,000	38,200
	23	1,001 5,000	47,300
	3	5,001 10,000	19,440
	5	10,001 15,000	57,580
	3	15,001 20,000	48,460
	2	25,001 30,000	58,380
	1	35,001 40,000	36,000
	1	70,001 75,000	74,890
	1	80,001 85,000	80,980
	1	100,001 105,000	104,630
	2	120,001 125,000	244,000
	1	390,001 395,000	395,000
	1	655,001 660,000	660,000
	1	695,001 700,000	700,000
	1	1,135,001 1,140,000	1,140,000
	1	1,490,001 1,495,000	1,490,960
	1	1,995,001 2,000,000	2,000,000

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE 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 Noon Pakistan Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited and Chapter XIII of Lahore Stock Exchange (Guarantee) Limited 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 the 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 30 June, 2004.

BALANCE SHEET AS AT

	Note	2004 Rupees	2003 Rupees
SHARE CAPITAL AND RESERVES			
Authorised capital	3.1	100,000,000	10,000,000
Issued, subscribed and paid-up capital	3.2	79,200,000	6,000,000
Reserve for issue of bonus shares		—	1,200,000
Unappropriated profit		32,941,779	29,756,607
		112,141,779	36,956,607
SURPLUS ON REVALUATION OF FIXED ASSETS			
	4	24,636,358	25,339,311
LONG TERM FINANCES			
	5	97,170,259	-
LIABILITIES AGAINST ASSETS			
SUBJECT TO FINANCE LEASE			
	6	10,209,638	7,665,513
DEFERRED TAXATION			
	7	15,786,799	12,807,294
CURRENT LIABILITIES			
Current portion of			
long term liabilities			
	8	14,792,688	4,868,107
Short term finances			
	9	33,841,048	29,289,076
Creditors, accruals and other liabilities			
	10	70,764,285	29,890,525
Taxation			
	11	2,094,200	2,873,000
Dividends			
	12	1,509,731	630,219
		123,001,952	67,550,927
CONTINGENCIES AND COMMITMENTS			
	13		

382,946,785 150,319,652

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE, 2004

	Note	2004 Rupees	2003 Rupees
SALES - Net	23	311,264,727	303,595,643
COST OF SALES	24	269,978,520	256,041,229
GROSS PROFIT		41,286,207	47,554,414
ADMINISTRATIVE AND SELLING EXPENSES	25	30,385,715	32,400,450
OPERATING PROFIT		10,900,492	15,153,964
OTHER INCOME	26	1,651,318	821,472
		12,551,810	15,975,436
FINANCIAL CHARGES	27	4,154,250	7,459,708
MISCELLANEOUS CHARGES	28	108,347	51,100
WORKERS' WELFARE FUND		4,681	179,526
WORKERS' (PROFIT) PARTICIPATION FUND	10.1	414,461	423,300
		4,681,739	8,113,634
PROFIT BEFORE TAXATION		7,870,071	7,861,802
TAXATION			
Current	11	1,520,643	2,868,313
Deferred	7	2,979,505	547,594
		4,500,148	3,415,907
PROFIT AFTER TAXATION		3,369,923	4,445,895
UNAPPROPRIATED PROFIT - Brought forward		29,756,607	21,262,693
TRANSFER FROM SURPLUS ON REVALUATION OF FIXED ASSETS ON ACCOUNT OF INCREMENTAL DEPRECIATION FOR :			
Prior years'		—	4,466,961
Current year-net of deferred taxation		702,953	781,058
PROFIT AVAILABLE FOR APPROPRIATION		33,829,483	30,956,607
APPROPRIATIONS :			
Transfer to reserve for issue of bonus shares		—	1,200,000
Proposed preference dividend		887,704	-
		887,704	1,200,000
UNAPPROPRIATED PROFIT - Carried to Balance Sheet		32,941,779	29,756,607
EARNING PER SHARE	29		
- Basic		3.45	6.17
- Diluted		2.31	0

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of NOON PAKISTAN LIMITED as at 30 June, 2004 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 report that:

(a) in our opinion, proper books of account 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 incurred 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 except for the contents of notes 14.6 and 14.7 and the extent to which these may affect the annexed financial statements, respectively give a true and fair view of the state of the Company's affairs as at 30 June, 2004 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVI11 of 1980)..

	2004	2003
	Rupees	Rupees
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of preference shares	72,000,000	-
Long term finances obtained	103,905,637	-
Lease finances - net	-10,733,379	-5,519,826
Short term finances - net	4,551,972	-595,139
Financial charges paid	-4,386,040	-7,020,843
Dividends paid	-8,192	-2,923,181
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	165,329,998	-16,058,989

NET INCREASE IN CASH AND CASH EQUIVALENTS	11,021,197	1,710,043
CASH AND CASH EQUIVALENTS		
- At the beginning of the year	5,634,291	3,924,248
CASH AND CASH EQUIVALENTS		
- At the end of the year	16,655,488	5,634,291

30 JUNE, 2004

	Note	2004 Rupees	2003 Rupees
TANGIBLE FIXED ASSETS			
Operating fixed assets	14	260,091,730	87,909,648
Capital work-in-progress	15	4,539,230	-
Stores held for capital expenditure	16	818,091	982,616
		265,449,051	88,892,264
DEFERRED COST	17	1,662,453	968,728
LONG TERM LOANS	18	258,350	175,327
SECURITY DEPOSITS		619,232	319,769
CURRENT ASSETS			
Stores, spares and loose tools	19	30,136,480	14,321,693
Stock-in-trade	20	37,800,000	20,471,000
Trade debtors - unsecured			
Considered good		18,418,466	12,841,513
Advances, prepayments			
and other receivables	21	11,947,265	6,695,067
Cash and bank balances	22	16,655,488	5,634,291
		114,957,699	59,963,564
		382,946,785	150,319,652

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE, 2004****STATUS AND NATURE OF BUSINESS**

The Company was incorporated in Pakistan on 26 September, 1966 as a Public Company and its shares are quoted on Karachi and Lahore Stock Exchanges. It is principally engaged in manufacture and sale of dairy and its allied products.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Statement of compliance**

These financial statement 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

These financial statements have been prepared under the historical cost convention, except for:

- certain fixed assets which have been included at revaluation and certain exchange elements referred to in note 2.5 have been incorporated in the cost of relevant assets; and
- modification of foreign currency translation adjustments as stated in note 2.14.

2.3 Staff retirement benefits (defined contribution plan)

The Company is operating a Provident Fund Scheme for all its employees since 01 May, 1986; Contribution to the Fund is made monthly at the rate of 10% of the basic salaries both by the employees and the Company.

2.4 Taxation

(a) Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any, or minimum tax at the rate of 0.5% of turnover, whichever is higher.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE, 2004

	2004	2003
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the year - before taxation	7,870,071	7,861,802
Adjustment for :		
Depreciation	11,919,705	8,883,976
Gain on sale of fixed assets	-1,341,238	-607,469
Loss on sale and lease-back of plant & machinery	14,500	-
Financial charges	7,245,494	6,624,264
Deferred cost amortised	629,609	364,942
Unclaimed balances - written back	-24,451	-
Profit on PLS/savings accounts	-19,356	-33,299
CASH INFLOW FROM OPERATING ACTIVITIES	26,294,334	23,094,216
Before working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	-15,814,787	418,840
Stock-in-trade	-17,329,000	7,565,000
Trade debtors	-5,576,953	1,750,412
Advance, prepayments and other receivables (excluding income taxes, accrued profit and current portion of long term loans)	-432,654	91,380
Increase/(decrease) in creditors, accruals and other liabilities (excluding accrued mark-up)	39,969,280	-8,837,740
	815,886	987,892
CASH INFLOW FROM OPERATING ACTIVITIES		
- Before taxation	27,110,220	24,082,108
Taxes paid	-7,017,702	-1,914,127

NET CASH INFLOW FROM OPERATING ACTIVITIES

- After taxation	20,092,518	22,167,981
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CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure	-178,729,954	-6,320,632
Sale proceeds of fixed assets	1,465,200	1,979,000
Sale and lease-back of plant & machinery	4,651,184	-
Deferred costs incurred	-1,323,334	-254,600
Long term loans to employees	-186,591	158,495
Security deposits	-299,463	-8,195
Profit on PLS/savings accounts	21,639	46,983

Depreciation is charged to income at the rates stated in note 14 applying reducing balance method to write-off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of asset at the end of the lease period.

2.7 Deferred cost

Expenses, the benefit of which is expected to spread over several years, are deferred and amortised over a period of not more than five years.

2.8 Stores and spares

These are valued at moving average cost. Items-in-transit are valued at cost accumulated to balance sheet date.

- Cost in relation to work-in-process and finished goods represents annual average cost which consists of prime cost and appropriate manufacturing overheads.

- Net realisable value signifies the selling price in the ordinary course of business less cost of completion and cost necessary to be incurred to effect such sale.

2.10 Trade debtors

Trade debtors are carried at original invoice amount less an estimate for doubtful debtors based on review of outstanding amounts at the year-end. Bad debt are writing-off when identified.

2.11 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash-in-hand, cheques-in-hand and balances at banks.

2.12 Borrowing costs

Borrowing cost are recognised as an expense in the period in which these are incurred except to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing cost, if any, are capitalised as part of the cost of that asset.

2.13 Provisions

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

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

	Share Capital	Reserve for issue of Bonus shares	Unappropri- ated Profit	Total
	(R u p e e s)			
Balance as at 30 June, 2002	6,000,000	—	21,262,693	27,262,693
Profit for the year after taxation	-	-	4,445,895	4,445,895
Transfer from surplus on revaluation of fixed assets on account of Incremental depreciation for :				
- prior years'	-	-	4,466,961	4,466,961
- current year-net of deferred taxation	-	-	781,058	781,058
Transfer to reserve for issue of bonus shares	-	1,200,000	-1,200,000	-
Balance as at 30 June, 2003	6,000,000	1,200,000	29,756,607	36,956,607
Nominal value of preference shares issued	72,000,000	-	-	72,000,000
Nominal value of bonus shares issued	1,200,000	(1,200,000)	3,369,923	3,369,923
Profit for the year after taxation	1,200,000	(1,200,000)	3,369,923	3,369,923
Transfer from surplus on revaluation of fixed assets on account of Incremental depreciation for the year-net of deferred taxation	-	-	702,953	702,953
Proposed preference dividend	-	-	-887,704	-887,704
Balance as at 30 June, 2004	79,200,000	-	32,941,779	112,141,779

3.2.1 The Company, during the current financial year, offered to the existing shareholders of the Company 7,200,000 preference share of Rs. 10 each at par value. This preference shares right issue has been made in the ratio of 1,000 preference shares (non-voting) for every 100 ordinary shares held by the Company's shareholders on 17 February, 2004. These shares are listed on Karachi and Lahore Stock Exchanges. The salient terms of this issue are as follows:

(a) The preference shareholder shall not be entitled to:

receive notice, attend general meetings of the Company and vote at meetings of the shareholders of the Company, except as otherwise provided by the Companies Ordinance, 1984 (the Ordinance), whereby the holders of such shares would be entitled to vote separately as a class i.e. with respect to voting entitlement of preference shareholders on matters/issues affecting substantive rights or liabilities of preference shareholders.

Bonus or right shares, in case the Company / Directors decide to increase the capital of the Company by issue of further shares.

Participate in any profits or assets of the Company, except the right of dividend

being attached to the preference shares.

(b) The Company may at its option convert the preference shares into non-voting ordinary shares (as defined in the Articles of Association of the Company), at the expiry of the period of five years after issuance/allotment to be converted at par value of Rs. 10 each, if the same are not redeemed.

(c) The preference shares will be redeemed after five years of issuance/allotment, if conversion option is not offered by the Company to preference shareholders subject to the provisions of section 85 of the Ordinance.

(d) The preference shareholders shall be paid preferred dividend @ 12% per annum on cumulative basis. If the Company does not pay dividend annually the rate of dividend for the following year(s) shall be increased accordingly in order to account for the delay in payment of dividend.

(e) At the end of period of five years from the date of allotment, any unpaid accrued dividend will also be convertible into non-voting ordinary shares in the same manner as the preference shares.

3.2.2 The Company's directors and Associates have fully subscribed the preference shares valuing Rs. 35.020 million offered to them whereas shareholders, other than the Company's directors, have subscribed Rs. 24.984 million against the total preference shares valuing Rs. 36.980 million offered to them; the unsubscribed balance of Rs. 11.996 million has been subscribed by the Chief Executive (Underwriter) - Rs. 1.064 million, Employees' Provident Fund of Noon Sugar Mills Ltd. - Rs. 3.950 million and Prime Commercial Bank Limited (Underwriter) - Rs. 7.000 million.

3.2.3 The management is contemplating to maintain a Redemption Fund with respect to the preference shares as per the terms required by SECP.

(b) **Deferred**

Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised 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 utilised. Deferred tax liability is based on the expected tax rates applicable at the time of reversal.

Tangible fixed assets and depreciation

Operating fixed assets except freehold land, buildings on freehold land and plant & machinery are stated at cost less accumulated depreciation. Freehold land is stated at re-valued amount. Buildings on freehold land and plant & machinery are stated at re-valued amounts less accumulated depreciation. Cost of plant and machinery consists of historical cost and exchange rate fluctuations on foreign currency loans capitalised in prior years. Capital work-in-progress is stated at cost.

Depreciation charge is based on reducing balance method whereby the cost / revalued amount and capitalised exchange fluctuation of an asset are written-off over its estimated useful life. The useful life of major components of fixed assets is reviewed

annually to determine that expectations are not significantly different from the previous estimates. Adjustment in depreciation rate for current and future periods is made if expectations are significantly different from the previous estimates. Rates of depreciation are stated in note 14. No depreciation is provided on assets in the year of disposal whereas full year's depreciation is charged in the year of purchase / commercial operations / revaluation.

Gains / losses on disposal of assets are taken to Profit and Loss Account.

Normal repairs and replacements are taken to Profit and Loss Account. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by are retired.

The management assesses at each balance sheet date whether there is any indication that an asset is impaired. If any such indication exists, the management estimates the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount by charging the impairment loss against income for the year.

Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Finance charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

2.14 Foreign currency translation

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing on the date of transactions. Assets and liabilities in forcing currencies are translated into Pak Rupees at the exchange rates prevailing on the balance sheet date. Exchange fluctuations on principal loans are transferred to the cost of respective assets acquired out of the proceeds of such loans. All other exchange fluctuations are taken to profit and loss account.

2.15 Financial instruments

The Company's principal financial assets are long term loans, security deposits, trade debtors, advances & other receivables and cash & bank balances. All purchases and sales of financial assets are recognized on the trade date.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are long term finances, liabilities against assets subject to finance lease, short term finance, creditors, accruals & other liabilities and dividends. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

2.16 Off setting of financial instruments

Financial assets and liabilities are off-set and the net amount reported in the balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

2.17 Related party transactions

Sales, purchases and other transactions with related parties are made at arm's length prices determined in accordance with the comparable uncontrolled price method except for the allocation of expenses relating to combined offices shared with the Associated Companies, which are on the actual basis.

2.18 Revenue recognition

Sales are recognized on dispatch of goods to customers.

Return on deposits/saving accounts is accounted for on 'accrual basis'.

	Note	2004 Rupees	2003 Rupees
SHARE CAPITAL			
3.1	Authorised		
	2,500,000(2003: 1,000,000) ordinary shares of Rs. 10 each	25,000,000	10,000,000
	7,500,00012% redeemable cumulative convertible preference shares of Rs. 10 each	75,000,000	-
	10,000,000	100,000,000	10,000,000
3.2	Issued, subscribed and paid-up:		
	500,000ordinary shares of Rs. 10 each fully paid in cash	5,000,000	5,000,000
	220,000(2003: 100, 000) ordinary shares of Rs. 10 each issued as fully paid bonus shares	2,200,000	1,000,000
	7,200,00012% redeemable cumulative preference right shares (non-voting) of Rs. 10 each fully paid in cash	72,000,000	-
	7,920,000	79,200,000	6,000,000
DEFERRED TAXATION			
	Note	2004 Rupees	2003 Rupees
	Credit balances arising in respect of:		
	- accelerated tax depreciation allowances	9,782,344	6,806,268
	- lease finances	2,597,838	2,215,896
	- surplus on revaluation of fixed assets	3,406,617	3,785,130
		15,786,799	12,807,294
CURRENT PORTION OF LONG TERM LIABILITIES			
	Long term finances	5	6,735,378
	Liabilities against assets subject to finance lease	6	8,057,310
		14,792,688	4,868,107
SHORT TERM FINANCES			
	Running / cash finances - secured	9.1	33,723,025
	Payment against document (PADs) - secured	9.2	-
	Temporary bank overdrafts - unsecured	9.3	118,023
		33,841,048	28,563,060
			726,016
			-
			29,289,076

SURPLUS ON REVALUATION OF FIXED ASSETS

This represents surplus over book values resulting from the revaluations of fixed assets carried-out in the year 1999, adjusted only by incremental depreciation arising out of revaluation and deferred taxation. This year-end balance has been arrived at as follows:

	Note	2004 Rupees	2003 Rupees
Balance as at 01 July		25,339,311	34,793,030
Less: Transferred to unappropriated profit on account of incremental depreciation charged in prior years	4.1	-	4,466,961
		25,339,311	30,326,069
Less: Related deferred taxation		—	4,205,700
		25,339,311	26,120,369
Less: Transferred to unappropriated profit on account of incremental depreciation for the year net of deferred taxation	4.1	702,953	781,058
		24,636,358	25,339,311

LONG TERM FINANCE - Secured

ABN AMRO Bank (ABN)			
- Term finance	5.1	57,905,637	—
The Bank of Punjab (BOP)			
- Demand finance	5.2	46,000,000	-
		103,905,637	—
Less: Current portion grouped under current liabilities			
-ABN		3,860,376	-
-BOP		2,875,002	-
		6,735,378	—
		97,170,259	

	Note	2004 Rupees	2003 Rupees
PROVISION FOR TAXATION - Net			
Opening balance		2,873,000	1,400,000
Add : Provision made during the year			
- Current year		2,000,000	2,873,000
- Prior year's - net		-479,357	-4,687
		1,520,643	2,868,313
		4,393,643	4,268,313
Less : Adjustments against completed assessments		2,299,443	1,395,313
		2,094,200	2,873,000

11.3 Relationship between tax expense and accounting profit

Accounting profit before tax	—	7,861,802	
Tax at the applicable rate of 35%	—	2,751,631	
Tax effect of differences relating to excess perquisites and other inadmissible deductions	-	121,369	
Charge for prior year	-	-4,687	
Tax expense for the current year	-	2,868,313	

DIVIDENDS

Unclaimed dividends on ordinary shares		622,027	630,219
Proposed dividend on preference shares	12.1	887,704	-
		1,509,731	630,219

	Note	2004 Rupees	2003 Rupees
CREDITORS, ACCRUALS AND OTHER LIABILITIES			
Due to Employees		68,625	58,070
Creditors		54,500,929	20,704,967
Advance payments		2,462,202	554,899
Accrued expenses		10,245,286	6,028,975
Mark-up accrued on long term finances		1,328,503	-
Finance charges accrued on liabilities against assets subject to finance lease		34,230	3,226
Mark-up accrued on short term finances		340,722	771,298
Sales tax payable		932,688	851,097
income tax deducted at source		303,719	65,532
Employees' provident fund		115,484	169,047
Workers' welfare fund		-	164,000
Workers' (profit) participation fund	10.1	414,461	494,200
Others		17,436	25,214
		70,764,285	29,890,525
10.1 Workers' (profit) participation fund			
Balance as at 01 July		494,200	466,495
Allocation for the year		414,461	423,300
Interest on funds utilised in the Company's business		-	70,900
		414,461	494,200
		908,661	960,695
Less: Amount paid during the year		494,200	466,495
Balance as at 30 June,		414,461	494,200

13. CONTINGENCIES AND COMMITMENTS

13.1 The Collector Sales Tax Adjudication, Faisalabad raised sales tax demand aggregating Rs. 272,036 alongwith additional tax and penalty on account of sale of vehicles, scrap and advances received pertaining to prior years. The Company filed an appeal with the Customs, Central Excise and Sales Tax Appellate Tribunal, Lahore, which partly accepted the Company's appeal and determined a refund of Rs. 380,320. The Collectorate, however, has filed an appeal against the judgment passed by the Tribunal with the Lahore High Court; the matter is presently subjudice before the Court.

13.2 Sui Northern Gas Pipelines Limited (SNGPL), during the year ended 30 June, 2001, raised demands aggregating Rs. 1.831 million being the additional security deposit for gas supply on the basis of average monthly gas consumption. Provision against these demands has not been made in the books of account as the management is negotiating with SNGPL for their waiver.

13.3 As at 30 June, 2004, guarantees issued by National Bank of Pakistan on behalf of the Company to SNGPL were outstanding for Rs. 1.500 million (2003: Rs. 1.500 million). Also refer contents of note 22.1.

13.4 The Company, during the year, has imported dairy plant & machinery availing exemption from sales tax and customs duty on importation thereof under SRO Nos. 439(1)72001 and 505(1)72003. In case the conditions of the aforementioned SROs are violated, sales tax aggregating Rs. 16,288,824 and customs duty aggregating

Rs 5,842,162 exempted shall be recoverable by the Customs Authorities along with penalties under section 202 of the Customs Act, 1969.

	2004	2003
	Rupees	Rupees
13.5 Commitments outstanding as at 30 June were for:		
- capital expenditure	7,239,906	-
- others	684,806	-
	7,924,712	-
14.4 Trial run operations account		
		28 March
		2004 to 30
		June, 2004
		Rupees
UHT milk and cream gross sales		87,561,726
Less:		
Sales tax		42,705
Shortages/leakages allowed		765,851
Discounts		173,622
		982,178
Sales - net	A	86,579,548
Cost of sales		
Raw materials consumed		42,004,007
Salaries, wages and benefits		3,706,920
Power and fuel		2,543,622
Packing materials consumed		28,936,903
Stores consumed		3,490,096
Repair and maintenance		1,129,514
Insurance		126,621
Others		38,775
		81,976,458
Adjustment of closing work-in-process		-574,000
Cost of goods manufactured		81,402,458
Adjustment of closing finished goods		-3,548,000
	B	77,854,458
Trial run gross gain (A-B)		8,725,090
Administrative and selling expenses		-18,728,057
		-10,002,967
Financial charges		-3,702,696
Trial run net loss		-13,705,663
Allocated to:		
- buildings on freehold land		1,384,272
- plant and machinery		12,321,391
		13,705,663
	2004	2003
	Rupees	Rupees

14.2 Depreciation for the year has been apportioned as under :

Cost of sales	9,385,424	6,671,797
Administrative expenses	2,151,569	2,212,179
Trial run operations	382,712	-
	11,919,705*	8,883,976

Disposal of fixed assets

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	(Loss)/ Gain Sold through Negotiations to/insurance claim received from
	(R u p e e s)				
Office Equipments					
Mobile phone	8,200	820	7,380	5,200	-2,180Mr. Khurram Khan, ex-employee
Vehicles					
Suzuki pick-up	248,348	183,246	65,102	175,000	109,898EFU General Insurance Co. Ltd. Insurance claim.
Mazda truck	443,900	416,445	27,455	395,000	367,545Mr. Nadeem, Village Allahabad, Tehsil & Distric Swat.
Mazda truck	15,650	14,440	1,210	405,000	403,790Mr. Behri Malik Kamal Pur, Tehsil & District Swat.
Mazda truck	366,000	343,185	22,815	485,000	462,185Mr. Ghulam Mujtaba, Chak No. 13, Tehsil Bhalwal, District Sargodha.
	1,073,898	957,316	116,582	1,460,000	1,343,418
	1,082,098	958,136	123,962	1,465,200	1,341,238

Note**2004
Rupees****2003
Rupees****ADVANCES, PREPAYMENTS AND****OTHER RECEIVABLES**

Due from an Associated Company	29,500	-
Advance payments - Considered good	1,706,801	1,888,862
Advances due from :		
- executives (including current portion of long term loans)	232,920	77,265
- Other employees(including current portion of long term loans)	249,248	295,278
	482,168	372,543
Prepayments	2,280,304	1,702,851
Advance income tax/tax deducted at source	7,186,376	2,000,653
Income tax refundable	250,709	718,173
Accrued profit on saving accounts	9,702	11,985
Letters of credit	1,705	-
	11,947,265	6,695,067

CASH AND BANK BALANCES

Cash in hand	28,505	323,683
Cheques-in-hand	5,728,467	-
Cash at banks on :		
- Current accounts	8,983,060	3,609,637

- PLS/Saving accounts	22.1	1,817,459	1,597,984
- Dividend accounts		97,997	102,987
		10,898,516	5,310,608
Cash at Co-operative Society National Industrial Cooperative Finance Corporation Limited			
- On current account		752	752
Less : Provision for doubtful balance		752	752
		16,655,488	5,634,291
SALES - Net		127,974,530	121,186,180
Milk powder		96,922,133	105,037,656
Butter		29,040,620	24,236,107
Cheese		54,675,137	54,781,630
Pasteurised milk		20,343,018	14,030,308
Others		328,955,438	319,271,881
Less :		14,976,123	12,681,871
Sales tax		2,703,690	2,874,483
Shortages/leakages allowed		10,898	119,884
Discounts		17,690,711	15,676,238
		311,264,727	303,595,643

	Note	2004 Rupees	2003 Rupees
CAPITAL WORK-IN-PROGRESS			
Advance payments for:			
- buildings on freehold land		1,448,052	—
- plant & machinery		2,364,250	—
- electric and gas installations		726,928	-
		4,539,230	-

STORES HELD FOR CAPITL EXPENDITURE

The year-end balance includes stores-in-transit - nil (2003 : valuing Rs. 806, 329)

DEFERRED COST

Opening balance		968,728	1,079,070
Add: Cost incurred during the year:			
- underwriting commission		369,800	—
- preference shares issue expenses		953,534	—
- neon signs and sui gas line charges		-	254,600
		1,323,334	254,600
Less : Amortised during the year		629,609	364,942
		1,662,453	968,728

LONG TERM LOANS - Unsecured, considered good

Executives	18.1	359,621	56,000
Employees		122,627	239,657
		482,248	295,657
Less: Current portion grouped under current asset:		223,898	120,330
		258,350,	175,327

STORES, SPARES AND LOOSE TOOLS

Stores

- at mills including in transit valuing Rs. 1,772,181 (2003: Nil)	26,382,233	10,869,147
- In bond	729,558	—
	27,111,791	10,869,147
Spares	2,945,496	3,366,544
Loose tools	79,193	86,002
	30,136,480	14,321,693
STOCK-IN-TRADE	5,500,000	3,697,000
Work-in-process	32,300,000	16,774,000
Finished goods - 'A' grade	37,800,000	20,471,000

	Note	2004 Rupees	2003 Rupees
ADMINISTRATIVE AND SELLING EXPENSES			
ADMINISTRATIVE :			
Salaries and benefits	25.1	8,904,282	8,928,849
Travelling and conveyance :			
- Directors		139,928	308,175
- Others		598,925	698,118
Rent, rates and taxes		1,449,103	1,520,820
Entertainment		596,926	471,105
Communication		1,295,438	1,322,277
Printing and stationery		700,795	524,735
Electricity and gas		357,453	503,074
Insurance		402,262	528,040
Repair and maintenance		895,171	761,100
Advertisement		232,272	67,955
Vehicles' running		1,323,865	1,524,190
Subscription		69,716	183,122
Auditors' remuneration	25.2	165,000	135,000
Legal and professional charges (other than Auditors')		430,466	449,170
Amortisation of deferred cost		534,296	364,942
Cash security charges		21,851	67,913
General		283,679	276,196
Depreciation		2,151,569	2,212,179
		20,552,997	20,846,960
SELLING :			
Salaries and benefits	25.1	2,008,459	1,375,723
Freight and forwarding		4,933,809	3,114,112
Vehicles' running and maintenance		134,308	162,223
Advertisement and sales promotion		2,201,154	6,191,813
Samples		362,630	519,175
Others		192,358	190,444
		9,832,718	11,553,490
		30,385,715	32,400,450
Auditors' remuneration		75,000	75,000
Audit fee		25,000	25,000
Half yearly review		25,000	20,000
Consultancy		40,000	10,000
Certification fee			5,000

Out-of-pocket expenses	165,000	135,000
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	Note	2004	2003
		Rupees	Rupees
COST OF SALES			
Raw materials consumed	24.1	210,627,316	186,252,497
Salaries, wages and benefits	24.2	18,264,853	16,442,115
Power and fuel		14,058,047	13,144,723
Packing materials consumed		17,458,053	15,319,649
Stores consumed		8,374,385	5,980,444
Repair and maintenance		4,438,597	4,165,374
Depreciation		9,385,424	6,671,797
Insurance		537,067	436,030
Others		41,778	63,600
		283,185,520	248,476,229
Adjustment of work-in-process			
Opening		3,697,000	4,264,000
Closing		-4,926,000-3,697,000	
		-1,229,000	567,000
Cost of goods manufactured		281,956,520	249,043,229
Adjustment of finished goods			
Opening stock		16,774,000	23,772,000
Closing stock		-28,752,000-16,774,000	
		-11,978,000	6,998,000
		269,978,520	256,041,229
24.1 Raw materials consumed :			
Fresh milk purchases		205,075,394	181,564,763
Skimmed milk purchases		1,780,561-	
Jam purchases		934,927	
Milk collection expenses		2,287,403	4,247,518
Rent, rates and taxes		549,031	440,216
		210,627,316	186,252,497

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors		Executives	
	2004	2003	2004	2003	2004	2003
Remuneration						
(including bonus)	—	—	600,000	240,000	6,938,563	4,743,462
Provident fund	—	—	18,000	18,000	366,487	251,550
Rent and utilities	883,427	1,011,341	804,346	502,266	636,015	425,080
Medical	—	—	223,294	191,794	269,218	196,663
Club bills	—	39,510	196,430	38,905	—	—
Rupees	883,427	1,050,851	1,842,070	990,965	8,210,283	5,616,755
Number of persons	1	1	2	1	19	12

	Note	2004	2003
		Rupees	Rupees
OTHER INCOME			
Sale of scrap - net of sales tax		217,699	180,704
Gain on sale of fixed assets	14.3	1,341,238	607,469

Profit on PLS/saving accounts	19,356	33,299
Unclaimed balances written-back	24,451	—
Miscellaneous	48,574	-
	1,651,318	821,472

FINANCIAL CHARGES

Lease finance charges	1,663,562	2,020,826
Mark-up on short term finances	1,995,786	4,603,438
Interest on workers' (profit) participation fund	-	70,900
Bank charges	494,902	764,544
	4,154,250	7,459,708

MISCELLANEOUS CHARGES

Donations (without directors' interest)	93,847	51,100
Loss on sale & lease back of plant and machinery	14,500	—
	108,347	51,100

EARNING PER SHARE (EPS)

29.1 BASIC

Profit after taxation	3,369,923	4,445,895
Less: Proposed preference dividend	887,704	-
Profit attributable to ordinary shareholders	2,482,219	4,445,895

Number of Shares

Weighted average number of ordinary share; Outstanding during the year	5	
	720,000	720,000
	Rupees	
EPS	3.45	6.17

2004

Diluted	No. of shares	Rupees
Profit attributable to ordinary shareholder		2,482,219
Number of ordinary shares issued and subscribed at the end of the year	720,000	
Option		
Increase in net profit		887,704
Incremental shares	739,754	
	1,459,754	3,369,923
EPS (Diluted)	-	2.31

33.3 Foreign exchange risk

Foreign currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company believes that it is not exposed to major foreign exchange risk in this respect.

33.4 Interest rate risk

Interest rate risk is the risk that value of a financial instrument will fluctuate due to changes in the market interest rates. The Company has adopted appropriate policies to minimize its exposure to this risk.

33.5 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitment associated with financial instruments. The management of the

Company believes that it is not exposed to significant level of liquidity risk.

33.6 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

	2004 Kgs.	2003 Kgs.
CAPACITY AND PRODUCTION		
Milk Powder and Butter Plant		
- Annual rated capacity of milk processing based on two shifts	26,127,500	26,127,500
Fresh milk processed during the year	16,802,469	15,320,885
Cheese Plant		
Annual rated capacity of milk processing based on 24 hours per day	2,000,000	2,000,000
Fresh milk processed during the year	2,104,030	1,618,980
Pasteurised Milk Plant		
Annual rated capacity of milk pasteurisation based on two shifts	4,200,000	4,200,000
Milk pasteurised during the year	2,759,456	2,982,221
UHT Milk Plant	Ltrs.	Ltrs.
Annual rated capacity of milk processing based on 20 hours per day	58,400,000	-
Milk processed during the year	2,776,416	-

FINANCIAL INSTRUMENTS

33.1 Financial assets and liabilities

	INTEREST / MARK-UP BEARING		NON INTEREST/ MARK-UP BEARING				Sub-total	Total	
	Interest / mark-up rate range %per annum	Maturity upto one year	Maturity after one year	Sub-total		Maturity upto one year			Maturity after one year
			(R U P E E S)						
FINANCIAL ASSETS:									
Long term loans		—	—	—	—	223,898	258,350	482,248	482,248
Security deposits		—	—	—	—	—	619,232	619,232	619,232
Trade debtors		—	—	—	—	18,418,466	—	18,418,466	18,418,466
Advances and other receivables		—	—	—	—	267,972	—	267,972	267,972
Cash and bank balances	120%	1,817,459	—	—	—	14,838,029	—	14,838,029	16,655,488
	2004	1,817,459	—	—	—	33,748,365	877,582	34,625,947	36,443,406
	2003	1,597,984	—	—	—	17,382,678	495,096	17,877,774	19,475,758
FINANCIAL LIABILITIES									
Long term finances	416% to 6.80%	6,735,378	97,170,25	3	103,905,637	—	—	—	103,905,637
Liabilities against assets subject to	7.01 % to	—	—	—	—	—	—	—	—

finance lease	1746%	8,057,31	10,209,63	3 1,266,94	—	—	—	18,266,948
Short term finances	5.80%	33,723,025	—	33,723,025	118,023	—	118,023	33,841,048
Creditors, accruals and other liabilities		—	—	—	66,954,934	—	66,954,934	66,954,93
Dividends		—	—	—	1,509,731	—	1,509,731	1,509,731
	2004	48,515,71:	107,379,89	155,895.61	68,582,686	—	68,582,688	224,478,298
	2003	34,157,18:	7,665,51	41 ,822,696	28,391,016	—	28,391,016	70,213,712
Off balance sheet items								
Financial liabilities								
Guarantees		—	—	—	1,500.00	—	1,500,008	1,500,000
Commitments		—	—	—	7,924.71	—	7,924,712	7,924,712
	2004	—	—	—	9,424,712	—	9,424,712	9,424,712
	2003	—	—	—	1,500,008	—	1,500,008	1,500,000