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BENGAL FIBRE INDUSTRIES LIMITED

Annual Reports 2002

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BOARD OF DIRECTORS

Executive Directors

Mr. Ali Mohammad Haji Mohammad	Chairman
Mr. Abdul Sattar H.A. Rehman Bengali	Chief Executive
Mr. Yunus Haji Hashim Bengali	

Non-Executive Directors

Mr. Noor Mohammad Abubakar
Mr. Faisal G. Bengali
Mr. Firasat Ali (NIT)
Mr. Behram Hasan (NIT)
Mr. Khizer Hayat Aamir (SLIC)

BOARD OF AUDIT COMMITTEE

Mr. Faisal G. Bengali	Chairman
Mr. Yunus Haji Hashim Bengali	Member
Mr. Khizer Hayat Aamir	Member
Mr. Abdul Rab	Secretary

PRINCIPAL OFFICERS

Mr. Abdul Ghani H.A. Rehman Bengali
Senior Executive Vice President

Mr. Ahmed Hashim Memon Chief Engineer

CHIEF FINANCIAL OFFICER

Mr. Rizwan Manai

COMPANY SECRETARY

Mr. Muhammad Iqbal Moon

AUDITORS

Sidat Hyder Qamar & Co.
Chartered Accountants

BANKERS

Habib Bank Limited
Muslim Commercial Bank Limited
United Bank Limited
Allied Bank of Pakistan Limited
Askari Commercial Bank Limited

REGISTERED OFFICE

Bengal House, Aga Khan/G. Allana Road,
Karachi-74000 Phone No. 7526338-41, 7529492
Fax: (09221) 7512857, E-mail: bengal@khi.compol.com

FACTORY

Plot No. 53 & 54, Sector 15,
Korangi Industrial Area,
Karachi, Phone No. 5063591-4 Fax : 5063590

SALES OFFICE

70-Alam Market, Near Ghordhandas Market,
Saleh Mohammad Street, Karachi.
Phones : 2419540-2415675, Fax: 2429520

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN to the members that the thirty-sixth Annual General Meeting will be held at the Registered Office of the Company at Bengal House, Aga Khan/G.Allana Road, Karachi on Friday, 25 October 2002 at 11:00 a.m. to transact the following business:

- 1) To receive and consider the Audited Accounts of the Company for the year ended 30 June together with the Directors' and Auditors' Reports thereon.
- 2) To appoint Auditors for the ensuing year, and to fix their remuneration.
- 3) To transact with the permission of the Chairman any other business which may be transacted.

Annual General Meeting.

By Order of the Board

Karachi: 02 October 2002

MUHAMMAD IQBAL MOOIS
Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from 17 October 2002 to 25 October 2002 (both days inclusive).
2. A Member of the Company entitled to attend and vote at the Annual General Meeting may appoint another Member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be valid, must be received at the Registered Office of the Company not later than 48 hours before the time of holding the Meeting. Form of proxy is enclosed.
3. Shareholders are requested to promptly notify the Company of any change in their registered addresses, to ensure delivery of mail.
4. To facilitate identification, for right to attend the Annual General Meeting, shareholder whose holdings are on the Central Depository System (CDS) or his/her Proxy should authenticate his/her identity showing his/her original National Identity Card (NIC) or original Passport at the time of attending the meeting, along with the Participant's Identity Number and Shareholder's account number allocated by the Central Depository Company.

In case of corporate entity, the Board of Directors' resolution/power of attorney with the signature of the nominee shall be produced at the time of the meeting.

Directors Report

The Directors of the Company are pleased to present the thirty-sixth Annual Report together with the audited accounts of the company for the year ended 30 June 2002.

FINANCIAL RESULTS

	2002	2001
	Rupees	Rupees
Operating Profit	20,502,771	62,172,123
Other Income	207,870	433,722
	20,710,641	62,605,845
Financial & other charges	19,344,666	28,878,112
Profit before Taxation	1,365,976	33,727,733
Taxation	1,371,422	14,456,331
(Loss) /Profit after Taxation	5,446	19,271,402
Accumulated (Loss) brought forward	3,670,787	22,942,189
Accumulated (Loss) carried forward	3,676,233	3,670,787
(Loss)/Earning per share	<u>(0.001)</u>	<u>3</u>

REVIEW OF RESULTS

Net sales during the year under review decreased by 11.5% to Rs. 344,701,650. This decrease is attributable to lower

volume, change in sales mix and reduction in selling prices. In case of operating expenses, inspite of strict cost cutting policies adopted by the management, there is a nominal increase of 1.40% to Rs. 17,019,355 due to inflation. Financial charges during the year under review decreased by 20.12% to Rs. 18,950,977 due to effective management of working capital, consistent repayments of long term debt and relief in mark-up rates allowed by the lenders.

The following are the major factors, which eroded the profitability of the company;

- 1) Enhanced imports of yarns at cheaper/under invoiced prices.
- 2) Smuggling of Fabric leading to closure of looms.
- 3) Reduction in selling prices of yarns.

PRODUCTION & SALES

Total production of Nylon & Polyester yarn during the year under review decreased by 213,687 kgs (7.05%) to 2,815,252 kgs as compared to 3,028,939 kgs produced during the previous year.

Sales volume during the review year decreased by 1.82% from 2,945,947 kgs to 2,892,468 kgs.

Net sales during the year decreased by Rs. 44,799,393 or 11.5% to Rs. 344,701,650.

CAPITAL EXPENDITURE

In order to increase the sales revenue by value addition in existing product, the Company has imported a Draw ^

machine from M/s. Zinser AG of Germany. The import documents for the machine were retired before close i financial year through disbursement against the consortium lease arrangement with Orix Leasing Pakistan Ltd. & I Leasing. This machine has successfully been installed at our production site and shall be used to convert the si pre-oriented yarn into FDY, which was being sold outright due to non availability of down stream production fa Currently this machine is in trial production.

CODE OF CORPORATE GOVERNANCE

The Company has already complied with certain requirements under the 'Code of Corporate Governance' and w aligning itself with the remaining areas in due course.

The directors hereby confirm the following as required by clause (xix) of the code;

- 1) The financial statements, prepared by the management present fairly the company's state of affairs, the n of its operations, cash flows and changes in equity.
- 2) Proper books of account have been maintained.
- 3) Appropriate Accounting Policies have been consistently applied in the preparation of financial statemer
- 4) International Accounting Standards, as applicable in Pakistan, have been followed in the preparation offina statements.
- 5) The system of internal control of the company is in place and is sound in design and is effectively moniti
- 6) The going concern assumption in the preparation of financial statements is appropriate.
- 7) The company has endeavoured its full to follow the best practices of corporate governance as detailed i] listing regulations.
- 8) During the year five Board meetings were held. Attendance by each director was as under:-

NAME OF DIRECTORS

NO. OF MEETINGS ATTENDED

Mr. Aii Mohammad Haji Mohammad (Chairman)	4
Mr. Abdul Sattar H.A. Rehman Bengali (Chief Executive)	4
Mr. Yunus Hashim Bengali	5
Mr. Faisal G. Bengali	3
Mr. Noor Mohammad Abubaker	5

Mr. Farooq Haji Mohammad	1
Mr. Firasat Ali	5
Mr. Khizar Hayat Aamir	2
Mr. Kh. Mansoor Mukhtar Shah	3
Mr. Mohammad Latif	1
Ms. Naz Afreen	Nil

During the year, election of directors took place. In place of Mr. Kh. Mansoor Mukhtar Shah (NIT) Mr. Abdul Latif (SLIC), Ms. Naz Afreen (NIT) and Mr. Khizar Hayat Aamir (SLIC) joined the B(subsequent to the end of the year under review, Ms. Naz Afreen resigned from the board and Mr. Beh Hasan has co-opted the board for her remaining term).

9) There are no material statutory payments on account of taxes, duties, levies and charges, which remain outstanding.

10) Key operating and financial data for the last six years are annexed.

11) Pattern of shareholding at 30 June 2002 as per revised format under the Code of Corporate Governance is annexed.

FUTURE OUTLOOK

The future outlook of the company must be viewed in the backdrop of the regional economic scenario:

1) The major industrialised economies of the world are passing through a recession as such the gigantic capacities of the Far East continue to take the local manufacturer's market share.

2) Fabric of man-made yarns continues to be smuggled into the country. The local yarn manufacturers, Fabric Producers and Processors are all faced with this predicament.

3) The Federal Budget 2002-2003 announced in mid June, reduced the duty on Nylon Yarn with no relief in duty on caprolactum. This coupled with under invoicing have made local nylon yarn uncompetitive.

4) Under invoicing of imported yarn adds to the plight of local yarn manufacturers.

5) Exports of Fabric made from local man-made yarn suffer due to duty drawback rebate reduced by the Government.

6) In light of the highly competitive market place, the company must resort to cost cutting and optimize efficiency to survive.

DIRECTORS

Elections to the Board of Directors of the Company took place on March 11, 2002. The following are currently the Directors of the Company.

1. Mr. Ali Mohammad Haji Mohammad (Chairman)
2. Mr. Abdul Sattar H.A. Rehman Bengali (Chief Executive)
3. Mr. Noor Mohammad Abubaker
4. Mr. Farooq Haji Mohammad
5. Mr. Yunus Hashim Bengali
6. Mr. Faisal G. Bengali
7. Mr. Firasat Ali (NIT)
8. Mr. Khizar Hayat Aamir (SLIC)
9. Mr. Behram Hasan (NIT)

STAFF RETIREMENT BENEFIT

The Company operates provident fund schemes for its administrative staff and factory workers, which are managed by the trustees. During the year total contribution of Rs. 1,209,003 was made by the company towards the funds. Value of investments in both the funds amounted to Rs. 13,650,689 as at June 30, 2002.

TRADING IN SHARES OF THE COMPANY

During the year no trading transaction in respect of shares of the company entered into by the directors, CEO, CFO, Company Secretary, their spouses or minor children.

DIVIDEND DECLARATION

Keeping in view the adverse figure of the revenue reserve, the directors of the Company are not in position to declare dividend.

ACKNOWLEDGEMENTS

The directors place on record their appreciation for the services rendered by the employees of the Company. The E is grateful to the Company's bankers for their valuable financial support. We thank our shareholders for their trust support.

PATTERN OF SHAREHOLDING

Information about the pattern of holding of shares as on 30 June 2002 is annexed to this report on Page 26-27.

AUDITORS

The present auditors M/s. Sidat Hyder Qamar & Co. - Chartered Accountants, retire and being eligible offer themselves re-appointment.

For and on behalf of the
Board of Directors

Abdul Sattar H. A. Rehman Bengali
Chief Executive

Auditors Review on Compliance of Code of Corporate Governance

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The Company has already complied with certain requirements under the "Code of Corporate Governance" and will be aligning itself with the remaining areas -in due course.

SIDAT HYDER QAMAR & Co
Chartered Accountants

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance applicable to the Company for the year ended 30 June 2002 prepared by the Board of Directors of Bengal Fibre Industries Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange where the Company is listed.

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

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

the effectiveness of such internal controls.

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

KARACHI: 26 SEPTEMBER 2002

LAHORE: Yousaf Islam House. W-Link Fafiti K»l R^it). Near A 0 OITict, Lihure-.MWXt (9;-42) 7: 'iftIM.7(> Tel 7;;>ht <rf> f ax
ULAMAIAD; 3rd Floor. Eagle Plaxa. 75-Wc«i. Fa/l-e.H.i.) Fioad. Blue Area, Itl;imub.id-44U(X) Pakisliin 03-51) ;K7(UW-2 Tel ^*,OW F.i»

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of BENGAL FIBRE INDUSTRIES LIMITED as at 30 June 2002 and the related profit and loss account and 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 except for a change of accounting policy as stated in note 2.1 with which we concur;

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 respectively give a true and fair view of the state of the Company's affairs as at 30 June 2002 and of the loss, 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.

KARACHI: 13 SEPTEMBER 2002

LAHORE; Yousaf Islam House, 3»-UiA Farid Kot Road. New A G Offw. Lahore.54(X)OCte«AiLU»<T69-70 Ttl 72M166 Fax
ISLAMABAD: 3rd Floor. Es>te Pb.a. TS-Wtea. Flil-e-Haq Road. Blue Area. hl.iinabail.441XXi Pakisian (92-'.) 1»21170290-2 ft] 2H702W Fax

Balance Sheet

As At 30 June 2002

	Note	2002 Rupees	2001 Rupees
Capital and Reserves			
Authorised Capital 10,000,000 (2001: 10,000,000) ordinary shares of Rs.10/- each		100,000,000	100,000,000
Issued, subscribed and paid-up capital	3	67,581,620	67,581,620
Capital reserve - share premium		27,840,933	27,840,933
Accumulated Loss		(3,676,233)	(3,670,787)
		91,746,320	91,751,766
Long-term loans and financial arrangements			
	4	-	10,000,000
Liabilities against assets subject to finance lease	5	40,887,043	18,257,561
Deferred taxation	6	30,488,535	30,811,591
Current Liabilities			
Finances under mark-up arrangements	7	83,618,955	47,435,581
Current maturity of long-term liabilities	8	23,973,521	21,385,419
Creditors, accrued and other liabilities	9	67,601,372	85,214,139
Unclaimed dividend		83,993	85,847
		175,277,841	154,120,986
Contingencies And Commitments	10	-	-
Fixed Assets - Tangible			
Operating assets	11.1	118,909,330	132,844,151
Assets subject to finance lease	11.2	22,791,048	25,422,478
Capital work-in-progress-subject to finance lease	12	36,603,003	-
		178,303,381	158,266,629
Long-term deposits			
	13	7,469,939	3,896,804
Current Assets			
Stores and spares	14	34,844,364	34,857,936
Stock-in-trade	15	79,143,178	71,642,402
Trade debts - unsecured, considered good		17,933,478	21,987,605
Advances, prepayments and other receivables	16	20,604,608	13,256,424
Cash and bank balances	17	100,791	1,034,104
		152,626,419	142,778,471
		338,399,739	304,941,904

Auditors' Report Annexed

These financial statements should be read with the annexed notes.

These financial statements were authorised for issue on 13 September 2002 by the board of directors of the company

Abdul Sattar H.A. Rehman Bengali
Chief Executive

Ali Mohamm
Director

Profit and Loss Recount

For The Year Ended 30 June 2002

	Note	2002 Rupees	2,001 Rupees
Sales - Net	18	344,701,650	389,501,043
Cost of sales	19	307,179,524	310,545,259

Gross profit		37,522,126	78,955,784
Administrative expenses	20	11,308,194	11,189,822
Selling expenses	20	5,711,161	5,593,839
Operating profit	21	20,502,771	62,172,123
Other income		207,870	433,722
Financial charges	22	18,950,977	
Other charges	23	393,688	5,154,780
		<hr/>	
		19,344,665	28,878,112
Profit before taxation		1,365,976	33,727,733
Taxation	24	1,371,422	14,546,331
(Loss)/profit after taxation		5,446	19,271,402
Accumulated loss brought forward		3,670,787	22,942,189
Accumulated loss carried forward		3,676,233	3,670,787
(Loss) / Earning per share	25	0.001	2,085

These financial statements should be read with the annexed notes.

Abdul Sattar H.A. Rehman Bengali
Chief Executive

Ali Mohammad Haji Mohammad
Director

	Note	2002 Rupees	2001 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year before tax		1,365,976	33,727,733
Adjustments for :			
Depreciation	11.4	16,681,469	16,053,946
Financial charges	22	18,950,977	23,723,332
Workers' welfare fund		93,870	116,433
Workers' profit participation fund		76,833	1,781,272
(Gain)/Loss on sale of fixed assets	11.3	59,517	222,294
		35,743,632	41,897,277
		37,109,608	75,625,010
Operating cash flow before changes in working capital			
(Increase) / decrease in current assets:			
Stores and spares		52,378	898,024
Stock-in-trade		7,500,776	13,027,092
Trade debts		4,054,127	662,240
Advances, prepayments and other receivables - net		2,416,045	3,293,917
		5,810,316	16,085,255
Increase/(decrease) in current liabilities:			
Creditors, accrued and other liabilities - net		16,920,263	27,869,311
		14,379,029	87,409,096
Income tax paid		6,759,313	4,916,077
		7,619,716	82,493,019

Net cash generated from operating activities**CASH FLOW FROM INVESTING ACTIVITIES**

Capital expenditure		36,718,683	918,111
Proceeds from disposal of fixed assets	11.3	60,000	23,832,731
Long-term deposits		88,165	3,233,944
Net cash (Used in) / generated from investing activities		36,570,518	19,680,676

Net cash flow after investing activities 28,950,802 102,173,695

CASH FLOW FROM FINANCING ACTIVITIES

Repayment of redeemable capital		-	8,507,476
Finance under sale and leaseback arrangement - net		32,941,703	
Repayment of long term loans and financial arrangements		15,000,018	29,498,768
Lease rentals paid		9,975,516	1,421,659
Finances under mark-up arrangements - net		36,183,374	36,905,551
Dividend paid		1,854	6,233
Financial charges paid		16,130,200	25,485,899

Net cash generated from/(used in) financing activities 28,017,489 101,825,586

Net (decrease)/increase in cash and cash equivalents 933,313 348,109

Cash and cash equivalents at the beginning of the year 1,034,104 685,995

Cash and cash equivalents at the end of the year 100,791 1,034,104

These financial statements should be read with the annexed notes.

Abdul Sattar H.A. Rehman Bengali
Chief Executive

Ali Mohammad Haji Mohammad
Director

	Share Capital	Capital Reserved Share Premium	Accumulated Profit / Loss	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2000	67,581,620	27,840,933	22,942,189	72,480,364
Net profit for the year			19,271,402	19,271,402
Balance as at 30 June 2001	67,581,620	27,840,933	3,670,787	91,751,766
Net loss for the year			5,446	5,446
Balance as at 30 June 2002	<u>67,581,620</u>	<u>27,840,933</u>	<u>3,676,233</u>	<u>91,746,320</u>

These financial statements should be read with the annexed notes.

Abdul Sattar HA. Rehman Bengali
Chief Executive

Ali Mohammad Haji Mohamnai
Director

THE COMPANY AND ITS OPERATIONS

1.1 Bengal Fibre Industries Limited is a public company limited by shares incorporated in Pakistan and is listed on Karachi Stock Exchange. The principal activity of the Company is to manufacture and sale of nylon and polyester yam.

1.2 The Company is sustaining losses for many years except for the year ended 30 June 2001, as at the balance sheet date, the accumulated losses were Rs. 3.676 million. The balance of equity including

share premium and after deducting the accumulated losses is Rs. 91.746 million. The current liabilities exceeded current assets by Rs. 22.65 million. The management is of the view that the situation is a result of the adverse economic conditions. However, it is endeavoring to strengthen the financial position through continued efforts. The management is expecting that in future the operations will yield favorable results. Furthermore, the Company has decided to utilize its surplus production capacity of pre-oriented yarn in order to contribute towards its sales for which Draw Winder machine has been purchased.

SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis for preparation of the Financial Statements

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 and accounting standards issued by the International Accounting Standards Committee (IASC) and interpretations issued by the Standing Interpretations Committee of the IASC, as adopted in Pakistan.

During the year, the Company has adopted both the International Accounting Standards (IASs) 36 on "Impairment of Assets" and 39 on "Financial Instruments-Recognition and measurement". However, there has been no material effect of adoption of such IASs.

2.2 Accounting convention

These accounts have been prepared under the historical cost convention without any adjustment for the effect of inflation or current values and for financial assets and liabilities, if any, in accordance with recognition and measurement criteria as laid down in IAS-39.

2.3 Retirement benefits

Defined contribution provident fund

The Company operates approved provident fund (defined contribution) schemes, each for administrative employees and factory workers. Equal contributions are made to the schemes by the company and the employees.

2.4 Taxation

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits available, if any or the minimum tax under section SOD whichever is higher.

Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which these can be utilized.

2.5 Foreign exchange transactions

Transactions in foreign currencies are accounted for in rupees at the rate prevailing on the date of transact:

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at exchange rates approxima those prevailing at the balance sheet date except where forward exchange contracts have been entered into repayment of liabilities, in which the rates contracted are applied.

Exchange differences in respect of foreign currency loans obtained for acquisition of fixed assets are incorpon in the cost of relevant fixed assets.

All other exchange gains and losses are recognised currently.

2.6 Trade debts

Trade debts are stated net off provision for doubtful debts, if any. Provision for doubtful debts is based on management's assessment of customers' outstanding balances and credit worthiness. Known bad debts, if any, are written off as and when identified.

2.7 Fixed assets

(a) Tangible fixed assets

Company owned fixed assets are stated at cost less accumulated depreciation except for leasehold land and capital work-in-progress which are stated at cost.

Borrowing costs relevant to acquisition of assets are capitalized until assets commence commercial production.

Depreciation is charged on reducing balance method at rates stated in respective note to the financial statements except refitting of generators, being depreciated on straight line basis over a period of five years commencing from the date of refitting.

Depreciation on assets is calculated after adjustment of exchange gains and losses arising from repayment instalments and conversion of outstanding foreign currency loan into Pak Rupees at balance sheet date.

Full year's depreciation is charged on additions during the year except in case of significant additions where charge for depreciation is made with reference to the date of use of such assets. No depreciation is charged on assets deleted or retired during the year.

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.

Gains or losses on disposal of fixed assets are recognised in the period of disposal.

(b) Leased assets

Assets held under finance lease are stated at cost or present value of minimum lease payments, whichever is lower less depreciation, at the same rates applicable to the Company owned fixed assets.

The outstanding obligations under the lease less finance charges allocated to future periods are shown as liability.

The finance charge is calculated at interest rate implicit in the lease and is charged to the profit and loss account. Lease rentals payable on assets held under operating lease are charged to the profit and loss account.

Stores and spares

Stores and spares are valued at lower of average cost and net realizable value. However, values of certain store items are written down for normal wear and tear. Items considered obsolete are retired and written-off.

Stock-in-trade

Raw materials, work-in-process and finished goods are valued at lower of weighted average cost and net realizable value.

Items-in-transit are valued at cost, comprising invoice value plus other charges paid and accrued thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Impairment

The carrying amounts of the fixed assets of the Company are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognised in the profit and loss account.

Revenue recognition

Revenue from sale is recognized upon passage of title to the customers, which generally coincides with physical delivery.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash and bank balances.

Financial Instruments

Financial assets include long term deposits, trade debts, advances, other receivables, cash and bank balances.

Trade debts, advances and other receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amount, if any, while other financial assets are stated at fair value.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include finance lease obligations, interest / mark-up bearing loans/ finances, creditors, accrued expenses and other liabilities. Interest / mark-up bearing loans / finances are recorded at the gross proceeds received. Finance lease obligations are recorded as described above. Other liabilities are stated at their nominal value. Finance charges are accounted for on accrual basis.

Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Company.

Any resulting gain / loss, on the recognition and derecognition of the financial assets and liabilities is included in the net profit and loss for the period in which it arises except for exchange loss capitalized on fixed assets in accordance with the policy defined in note 2.5 above.

Provisions

Provisions are recognised when the Company has present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the obligations can be made.

Employees' compensated absences

Accruals on account of compensated absences of employees are made using their current salary levels.

	Note	2002 Rupees	2001 Rupees
3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Fully paid ordinary shares of Rs. 10/- each			
	Number of shares		
2002	2001		
4,293,014	4,293,014	42,930,140	42,930,141
	Issued for cash		
	Issued for consideration		
197,460	197,460	1,974,600	1,974,601
	other than cash		
4,490,474	4,490,474	44,904,740	44,904,741
2,267,688	2,267,688	22,676,880	22,676,881
	Issued as bonus shares		
6,758,162	6,758,162	67,581,620	67,581,620

4. LONG-TERM LOANS AND FINANCIAL ARRANGEMENTS

HBL Fresh Demand Finance	4.1	-	5,000,018
HBL Fresh Demand Finance-2	4.2	10,000,000	20,000,000
		10,000,000	25,000,018
Less: Current maturity	8	10,000,000	15,000,018
		-	10,000,000

4.1 Represents fresh demand finance facility of Rs. 50 million from a commercial bank for a period of 33 months, repayable in 30 monthly installments, commenced from 1st April 1999. It carried mark-up at the rate of Re. 0.50 per Rs. 1,000/- per day and is secured against hypothecation of stock and spare parts, equitable mortgage of fixed assets, demand promissory notes and personal guarantees of working directors.

4.2 Represents fresh demand finance facility of Rs. 20 million, from a commercial bank for a period of three years, repayable in 24 monthly installments commencing from 01 July 2001. Mark-up rate is 300 basis points above the average cut-off rate on one year treasury bills immediately preceding the mark-up payment date, floor Re. 0.46 per Rs. 1,000/- per day and is secured against hypothecation of stock and spare parts, registered equitable mortgage on fixed assets of the Company ranking pari passu, demand promissory notes and personal guarantees of working directors.

5. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Balance as on 01 July	5.1	24,642,962	
Assets acquired during the year	5.2	36,603,003	25,850,539
		61,245,965	25,850,539
Less : Payments made during the year		6,385,401	1,205,577
		54,860,564	24,642,962
Less : Current maturity	8	13,973,521	6,385,401
		40,887,043	18,257,561

5.1 Represents finance lease agreements entered into with the leasing companies for plant and machinery and vehicles including sale and lease back arrangement for plant and machinery. The total lease rentals due under the various lease 24,642,962 36,603,003 installments latest by 2004. Overdue rental payable 61,245,965 6,385,401 Rs. 500 per month. Taxes, repairs and replacement 54,860,564 13,973,521 the lessee. In case of termination of agreement, the lessee has to pay the entire rent for unexpired period. Financing rates of approximately 16 to 19 percent per annum have been used as discounting factor.

5.2 Represents sale and lease back arrangement entered into with a consortium of leasing companies. The terms and conditions of the financing arrangement includes the total lease rentals payable in 48 monthly installments over the period of 4 years latest by 2006. Over due rental payments are subject to an additional charge of 0.1 percent per day. Taxes, repairs and maintenance and insurance costs are to be borne by the lessee. Financing rate of 17 percent per annum has been used as discounting factor.

5.3 The future minimum lease payments and their present value, to which the Company is committed under lease agreements are:

Year	2002		
	Future lease rentals / salvage value Rupees	Future financial charges Rupees	Present value Rupees
2003	20,191,926	6,218,405	13,973,521
2004	22,567,107	3,788,244	18,778,863
2005	11,260,956	2,389,533	8,871
2006	13,647,550	410,793	13,236,757
	67,667,539	12,806,975	54,860,564

2002	2001
Rupees	Rupees

6. DEFERRED TAXATION

On account of:			
Accelerated tax depreciation		28,901,822	30,538,760
Assets subject to finance lease		1,586,713	272,831
		<u>30,488,535</u>	<u>30,811,591</u>

7. FINANCES UNDER MARK-UP ARRANGEMENTS

Running Finances	7.1	34,692,442	5,504,581
Trust Receipt Finances	7.2	48,926,513	41,931,000
		<u>83,618,955</u>	<u>47,435,581</u>

7.1 Represents the utilised portion of running finance facilities available from commercial banks amounting to Rs. 50 million (2001: Rs. 70 million). These are secured against hypothecation of stock, stores, book debts and personal guarantees of directors and are subject to mark-up at the rate of Re. 0.46 to Re. 0.3836 per Rs. 1,000/- per day calculated on daily product basis. The mark-up is payable quarterly.

7.2 Represents the utilised portion of Trust Receipt Finance available from commercial bank amounting to Rs. 65 million (2001: Rs. 55 million). This is secured by way of equitable mortgage on fixed assets ranking pari passu and is subject to mark-up at the rate of Re. 0.4 to Re. 0.3836 per Rs. 1,000/- per day calculated on daily product basis. The mark-up is payable quarterly.

8. CURRENT MATURITY OF LONG-TERM LIABILITIES

Long-term loans and financial arrangements	4	10,000,000	15,000,018
Liabilities against assets subject to finance lease	5	13,973,521	6,385,419
		<u>23,973,521</u>	<u>21,385,419</u>

9. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		3,253,551	3,029,783
Bills payable		27,983,490	54,318,309
Accrued liabilities			
Expenses		9,308,213	7,170,989
Financial charges		2,384,098	3,318,753
Workers' Profit Participation Fund	9.1	242,150	1,809,037
Import duty and other charges on machinery		2,789,255	-
Deposits from customers	9.2	7,398,555	7,114,445
Custom duty		3,144,073	455,969
Sales tax		2,577,253	1,248,298
Provident fund payable		196,634	188,781
Payable to an associated company		1,636,277	1,280,566
Other liabilities		6,687,823	5,279,209
		<u>67,601,372</u>	<u>85,214,139</u>

2002	2001
Rupees	Rupees

9.1 Workers' Profit Participation Fund

Balance as at 01 July	1,809,037	27,765
Payment during the year	1,809,037	-
	<u>-</u>	<u>27,765</u>

Interest for the year	165,317	-
Contribution at the rate of 5 percent of the profit for the year	76,833	1,781,272
	242,150	1,809,037

9.2 Represents interest-free security deposits received from customers against cogs and are repayable on return of these cogs.

10. CONTINGENCIES AND COMMITMENTS

(a) Guarantees issued by bank on behalf of the Company	14,973,000	15,130,665
(b) Outstanding letters of credit	21,900,969	12,211,000
(c) Claim pending litigation	-	257,333

(d) During the year 1999, the Company had received several notices of demand from the Sales Tax authorities in respect of various cases relating to prior years aggregating to Rs. 5,067,043/- out of which Rs. 69,309/- were allowed to be refunded, hence net undecided amount comes to Rs. 4,997,734/-. The Company had paid the amounts so demanded, under protest, and had preferred appeals before the respective appellate authorities. The management is hopeful for a favourable decision, hence no provision has been made in these financial statements in this respect.

(e) Subsequent to the year end, the Customs, Excise and Sales Tax Appellate Tribunal has set aside the impugned order passed by the Deputy Collector of Sales Tax, where the assessing authority has treated the security deposit against cops as taxable supplies. The case is accordingly referred back to the adjudicating officer for de novo consideration.

11. FIXED ASSETS - TANGIBLE**11.1 Operating assets:**

Description	Cost at 01 July 2001	Additions/(deletions)	Transfer/ (Adjustment)	Cost at 30 June	Accumulated depreciation at 01 July 2001	Adjustments for disposals	Depreciation For The year	Accumulated depreciation at 30 June 2002	Book value at 30 June 2002	Annual Rate Of Dep. %
Leasehold Land	539,347	—	—	539,347	—	—	—	—	539,347	—
Factory building on leasehold land	19,328,321	—	—	19,328,321	13,818,330	—	550,999	14,369,329	4,958,992	10
Plant and machinery	340,104,096	—	-	340,104,096	220,395,809	—	11,970,829	232,366,638	107,737,458	10
Refitting of generators	2,890,488	—	—	2,890,488	1,826,156	—	578,096	2,404,252	486,236	20
Computers	2,139,317	55,780	—	2,195,097	1,792,008	—	120,927	1,912,935	282,162	30
Gas, Electric and Telephone installations	2,054,245	—	—	2,054,245	1,579,798	—	47,445	1,627,243	427,002	10
Motor vehicles and Trolleys	6,268,748	-5,000	—	6,263,748	3,710,899	-4,517	511,475	4,217,857	2,045,891	23
Office equipments	2,292,225	39,900	—	2,332,125	1,159,399	—	117,271	1,276,670	1,055,455	10
Furniture and fixture	2,195,210	—	—	2,195,210	1,494,790	—	70,042	1,564,832	630,378	10
Tools and equipments	1,745,109	20,000	—	1,765,109	935,766	—	82,934	1,018,700	746,409	10
Rupees	379,557,106	115,680 (5,000)	—	397,667,786	246,712,955	4,517	14,050,U1S	260,758,456	118,909,330	
2001-Rupees	426,502,859	918,111 47,863,864	—	379,557,106	254,895,909	(23,808,839)	15,625,885	246,712,955	132,844,151	

11.2 Assets subject to finance lease

Description	Cost at 01 July 2001	Additions/ (deletions)	Transfer / (Adjustment)	Cost At 30 June 2002	Accumulated depreciation at 01 July 2001	Transfer / Adjustment For Disposals	Depreciation for the year	Accumulated June Depreciation At 30 June 2002	Book value at 30-Jun-02	Annual rate of Dep %
Vehicles	1,115,030	-	-	1,115,000	223,000	-	178,400	-101,400	713,600	20
Plant and Machinery	24,735,539	-	-	24,735,539	205,041	-	2,453,050	2,658,091	22,077,448	10
Rupees	25,850,539	-	-	25,850,539	428,041	-	2,631,450	3,059,491	22,791,048	
2001 Rupees	-	25,850,539	-	25,850,539	-	-	428,061	428,061	25,422,478	

11.3 Disposal of fixed assets

The following assets were disposed off during the year:

Particulars	Original/Transfer cost	Accumulated Book depreciation	Book value	Sale proceed	Profit / (Loss)	Mode of disposal	Name and address of purchaser
SuzukiFXF-2703	5,000	4,517	483 60,000	59,517		Negotiation	Mrs. Mahnaz Sultani RC 4/118 Mowji Street, Gazdarabad Karachi.
Rupees	5,000	4,517	483 60,000	59,517			
2001-Rupees	47,863,864	23,808,839	24,055,025	23,832,731	-222,294		

11.4 Depreciation

	Note	2,002 Rupees	2,001 Rupees
Depreciation for the year has been allocated as under:			
Production expenses	20	16,039,730	15,274,479
Administrative expenses	20	392,334	471,991
Selling expenses	20	249,405	307,476
		<u>16,681,469</u>	<u>16,053,946</u>

12. CAPITAL WORK-IN-PROGRESS-Subject to finance lease

Represents cost of "Draw Winder Machine" and related charges and expenditures being incurred on installation. This machine has been financed under a sales and leaseback arrangement. Subsequent to the year end the machine has been installed and has successfully commenced its operation.

LONG - TERM DEPOSITS

Deposits against assets subject to finance lease	6,254,929	2,752,294
Others STORES AND SPARES	1,125,010	1,114,510
	<u>7,469,939</u>	<u>3,896,804</u>

Stores And Spares

Spare parts	28,170,984	28,163,073
General stores	4,786,376	5,420,821
Cops held by other parties	1,291,320	1,274,042
Spare parts in transit	595,684 -	
	<u>34,844,364</u>	<u>34,857,936</u>

STOCK-IN-TRADE

Raw materials	19	17,095,751	16,050,942
- In hand		10,084,511 -	
- In bond		8,325,304	9,370,008
- In transit		35,505,566	25,420,950
Work-in-process	19	8,226,428	5,721,843
Finished goods	19	35,411,184	40,499,609
		<u>79,143,178</u>	<u>71,642,402</u>

ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advances - unsecured, considered good			
Against expenses		16,000	25,000

Against imports		379,946	118,073
To employees		889	5,200
To suppliers		71,422	358,482
Income tax		8,415,907	3,450,988
Sales tax	16.1	9,322,897	7,766,020
Others		1,680,046	697,426
		<u>19,887,107</u>	<u>12,421,189</u>
Prepayments		632,971	737,246
Other receivables		84,530	97,989
		<u>20,604,608</u>	<u>13,256,424</u>

6.1 Includes Rs. 4,997,734/- (2001: Rs. 4,997,734/-) paid under protest as described in note 10
(d)

17 CASH AND BANK BALANCES

With banks			
Fixed deposit	-		750,000
Current Accounts		70,041	249,599
		30,750	999,599
Cash in hand		30,750	34,505
			1,034,104
		<u>100,791</u>	

18. SALES - NET

Gross sales		405,660,846	448,737,730
Less: Sales tax		60,959,196	59,236,687
		<u>344,701,650</u>	<u>389,520</u>

19. COST OF SALES

Raw materials			
Opening balance		16,050,942	8,009,703
Purchases		160,616,536	182,800,571
		<u>176,667,478</u>	<u>190,810,274</u>
Closing balance		17,095,751	16,050,942
Raw materials consumed	15	159,571,727	174,759,332
Packing materials consumed		12,422,698	13,073,327
Production expenses	20	132,601,259	125,064,934
Work-in-process			
Opening		5,721,843	11,218,410
Closing	15	8,226,428	5,721,843
		<u>2,504,585</u>	<u>5,496,567</u>
		302,091,099	318,394,160

Cost of production

Finished goods			
Opening		40,499,609	32,650,708
Closing		35,411,184	40,499,609
		5,088,425	7,848,901
		<u>307,179,524</u>	<u>310,545,259</u>

20. EXPENSES

	Note	Production		Administration		Selling	
		2,002	2,001	2001	2002	2002	2001
Salaries, wages and benefits		33,350,037	31,389,231	3,729,614	6,322,229	230,976	2,145,235
Provident fund contribution		834,340	840,377	275,048	306,757	99,615	54,812
Rent, rates and taxes		921,703	640,135	605,820	605,820	1,101,600	1,111,747
Insurance		1,006,739	1,066,388		5,666		
Repairs and maintenance		1,574,987	1,463,021	114,235	207,334	17,502	11,763

Directors' fee		-	-	8,000	15,500		
Auditors' remuneration	20.1	-	-	117,524	109,420		
Travelling expenses		184,510	-	145,333	177,270	60,165	53,445
Legal and professional charges		143,000	53,285	226,200	379,522		
Stores and spares consumed		14,712,951	13,315,244				
Fuel, power and electricity		53,966,815	49,301,128	447,378	291,327	73,386	151,820
Depreciation	11.4	16,039,730	15,274,479	392,334	471,991	249,405	307,476
Central Excise duty		6,013,069	7,919,208				
Advertisement & publicity			33,453	83,005	13,010	1,200	4,500
Freight charges		63,139				782,397	771,420
Sales tax and excise duty on Packing material		76,727	177,261				
Water charges		894,462	907,956				
printing & stationery		387,600	486,964	135,225	211,850	32,271	43,485
Communications		317,137	336,339	455,505	513,889	212,243	234,110
Entertainment		211,199	171,613	187,809	51,318	182,920	131,328
Vehicles upkeep		883,348	987,607	639,377	661,301	249,636	325,539
Wear & tear of stores		386,493	380,746				
Other expenses	20.2	633,273	320,499	745,787	845,618	343,845	247,159
Rupees		132,601,259	125,064,934	8,308,194	11,189,822	3,637,161	5,593,839

20.1. Auditors' Remuneration

	Note	2002	2001
Audit fee		100,000	90,000
Out of pocket expenses		117,524	19,420

20.2 Other production and administrative expenses include donations of Rs. 17,000/- (2001: Rs. 18,700/-) in which none of the directors or their spouses have any interest.

OTHER INCOME

Interest income		666	5,985
Miscellaneous income		147,687	427,737
Gain on sale of fixed asset		59,517	-
		207,870	433,722

FINANCIAL CHARGES

Mark-up on redeemable capital		-	715,484
Mark-up on finances under mark-up arrangements		12,139,979	15,665,112
Interest on Workers' Profit Participation Fund		165,317	
Financial charges on long-term loans and financial arrangements		2,619,041	6,811,856
Financial charges on finance leases		3,590,115	214,082
Bank charges		436,525	316,798
		18,950,977	23,723,332

OTHER CHARGES

Workers' Profit Participation Fund		76,833	1,781,272
Workers' Welfare Fund		93,870	116,433
Loss on disposal of fixed assets	11.3	-	222,294
Stores and spares written-off		222,985	2,910,371
Sales tax - prior years		-	124,410
		393,688	5,154,780

24. TAXATION

Current	1,694,479	1,976,860
Deferred	(323,057)	12,479,471
	<u>1,371,422</u>	<u>14,456,331</u>

24.1 Relationship between tax expense and accounting profit

Profit before tax	1,365,976
Tax calculated@ 35%	478,091
Tax effect of computation adjustments	1,164,633
Tax expense for the year	1,642,724
Turnover tax @ 0.5 %	<u>1,694,479</u>

25. (LOSS) / EARNING PER SHARE

In the year 2002, the number of shares remained constant at 6,758,162 (2001: 6,758,162); loss per share is Re. 0.001 (2001: earning per share Rs. 2.85). There were no subscription rights outstanding and therefore, there are no dilutive potential shares.

Managerial remuneration

	2002			2001		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
Managerial Remuneration	552,000	1,104,000	5,640,382	552,000	1,105,000	5,208,802
Provident fund contribution	39,894	79,986	263,738	39,984	79,968	270,431
Entertainment and medical expenses	187,714	293,041	367,040	49,841	255,606	266,824
Utilities and telephone expenses	133,563	222,064	403,653	188,160	279,237	390,832
Rupees	<u>913,171</u>	<u>1,699,091</u>	<u>6,674,813</u>	<u>829,985</u>	<u>1,688,811</u>	<u>6,136,889</u>
Number of persons	1	2	14	1	2	15

In addition, the Chief Executive, two Directors and certain Executives were provided with free use Company maintained cars.

26.1 Remuneration of other Directors;

Fee amounting to Rs.8,000/- (2001: Rs. 15,500/-) was paid to six directors (2001: four directors) for attend Board Meetings during the year.

27. FINANCIAL INSTRUMENTS

Interest rate risk

The Company's exposure to interest rate risk and the effective rates on its financial assets and liabilities as 30 June 2002 are summarised as follows:

	INTEREST BEARING			NON - INTEREST BEARING			Total
	Upto One year	One to Five Years	Total	Upto One year	One to Five Years	Total	
Financial assets:							
Trade debts	-	-	-	17933478 -	-	17933478	17933478
Long-term deposits	-	-	-	-	7469939	7469939	7469939
Advances, and other receivables	-	-	-	2232833 -	-	232933	232833
Cash and bank balances	-	-	-	100791 -	-	100791	100791
Rupees	<u>-</u>	<u>-</u>	<u>-</u>	<u>20267102</u>	<u>7469939</u>	<u>19014141</u>	<u>25737041</u>

2001 - Rupees	750000		750,000	23592320	3896804	27489124	28239124
Financial liabilities:							
Long-term loans and financial arrangements	10,000,000	-	10,000,000	-	-	-	10,000,000
Liabilities against assets							40,887,043
subject to finance lease	-	40,887,043	40,887,043	-	-	-	
Finances under mark-up arrangements	83,618,955	-	83,618,955	58,848,641	-	58,848,641	83,618,955
Creditors, accrued and other liabilities	-	-	-	83,993	-	83,993	58,848,641
Unclaimed dividend	-	-	-	-	-	-	83,993
Rupees	93,618,955	40,887,043	134,505,998	58,932,634	-	58,932,634	193,438,632
2001 - Rupees	62,435,599	28,257,561	90,693,160	83,595,719		83,595,719	174,288,879

Effective interest rates for the monetary financial liabilities are mentioned in the respective notes to the financial statements.

Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted. The Company has no major exposure to the credit risk, as the maximum of the sales are made on cash basis. However, the debtors and other receivables are unsecured.

Fair value of financial instruments

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

28. TRANSACTIONS WITH ASSOCIATED UNDERTAKING

	2002 Rupees	2001 Rupees
The transactions with an associated undertaking are		
Office and godown rent charges paid / payable	1,707,420	1,707,420

29. CAPACITY AND PRODUCTION

	M. Tons	M. Tons
Normal capacity	2,500	2,500
Actual production	2,815	3,029

30. NUMBER OF EMPLOYEES

The number of employees at the balance sheet date was as follows:

Production workers	397	414
Administration staff	55	55
Sales staff	16	13
	468	482

31. GENERAL

Figures of the previous year have been re-arranged and re-grouped wherever necessary.

Abdul Sattar H.A. Rehman Bengali
Chief Executive

Ali Mohammad Haji Mohammad
Director

Pattern of Shareholding

NUMBER OF SHAREHOLDERS		AS AT 30-6-2002				TOTAL SHARES HELD	
970	From	1	To	100	Shares	18,504	
321	From	101	To	500	Shares	72,450	

56	From	501	To	1000	Shares	39,628
64	From	1,001	To	5000	Shares	141,637
12	From	5,001	To	10000	Shares	75,834
3	From	10,001	To	15000	Shares	36,470
6	From	15,001	To	20000	Shares	104,074
5	From	20,001	To	25000	Shares	108,393
2	From	25,001	To	30000	Shares	56,500
3	From	30,001	To	35000	Shares	103,098
3	From	35,001	To	40000	Shares	115,554
1	From	40,001	To	45000	Shares	42,300
3	From	45,001	To	50000	Shares	143,700
1	From	50,001	To	55000	Shares	51,072
2	From	55,001	To	60000	Shares	114,940
1	From	60,001	To	65000	Shares	60,573
2	From	65,001	To	70000	Shares	140,000
1	From	70,001	To	75000	Shares	71,500
2	From	75,001	To	80000	Shares	159,300
1	From	85,001	To	90000	Shares	85,412
1	From	90,001	To	95000	Shares	92,581
1	From	95,001	To	100000	Shares	96,742
5	From	100,001	To	105000	Shares	511,216
1	From	105,001	To	110000	Shares	109,310
1	From	110,001	To	115000	Shares	112,875
2	From	115,001	To	120000	Shares	232,907
2	From	135,001	To	140000	Shares	272,987
1	From	155,001	To	160000	Shares	157,410
2	From	160,001	To	165000	Shares	322,657
1	From	175,001	To	180000	Shares	176,941
1	From	185,001	To	190000	Shares	185,900
2	From	245,001	To	250000	Shares	492,969
1	From	2,250,001	To	2255000	Shares	2,252,728
<hr/>						6,758.16
1480						

Categories Of Shareholders

Name of Shareholders	Nos.	No. Of Shares Held Percentage As At June 30, 2002	
SHARES HELD BY:			
(1) Associated Companies Undertakings and Related Parties	42		
Belon (Pvt) Limited		10,074	0
Bengal Oil Mills (Pvt) Limited		80,000	1
Aqeel Karim Dhedhi Securities (Pvt) Ltd.		26,500	0
Individuals (Family members of Sponsors)		2,773,627	41
		2,890,201	43
(2) NIT & ICP	2		
National Investment Trust Ltd. (NIT)		2,252,728	33.33
C/o National Bank of Pakistan Investment Corporation Of Pakistan		7,445	0.11
		2,260,173	33.44
(3) Directors, CEOs And Their Spouse And Mino Children	9		

Mr. Abdul Sattar Bengali (Director & CEO)	17,057	0.25
Mr. Ali Mohaminad Haji Mohammad (Director & Chairman)	154,403	2.29
Mrs. Khadija Ali Mohammad	57,844	0.86
Mr. Yunus Haji Hashim Bengali (Director)	112,875	1.67
Mrs. Ruxana Yunus	161,785	2.39
Mr. Noor Mohammad Abubakar (Director)	5,515	0.08
Mr. Farooq Haji Mohammad (Director)	132,412	1.96
Mrs. Shaheen Farooq	18,060	0.27
Mr. Faisal G. Bengali (Direcotr)	136,192	2.01
	796,143	11.78

(4) Executives NIL NIL

(5) Public Sector Companies & Corporations NIL NIL

**(6) Banks, Development Finance Institutions ,
Non-Banking Finance Institutions, Insurance
Companies, Modarabas & Mutual Funds** 7

Habib Bank Limited	2,685	0.04
United Bank Limited	200	0.00
Pakistan Industrial Credit & Invest. Corporation	185,900	2.75
Golden Arrow Selected Stock Fund Limited	17,000	0.25
Adamjee Insurance Company Limited	101,349	1.50
EFU General Insurance Limited	6,249	0.09
State Life Insurance Corporation of Pakistan	160,872	2.38
	474,252	70.02

**(7) Shareholders Holding 10% or more Voting
Intrests In Listed Company**

(Other Than Above) NIL NIL

(8) Individuals 1413 313,153 5

(9) Others 7

Habib Brothers (Pvt) Limited	374	0.01
Sarfaraz Mehmood (Pvt) Limited	43	0.00
Zam Zam Limited	468	0.01
Moosa, Noor Mohd Shahzad & Co. (Pvt) Limited	21,353	0.32
A. Sattar Motiwalla Securities (Pvt) Limited	1,064	0.02
Eastern Capital Limited	938	0.01
	24,240	0.36

TOTAL **1480** **6,758,162** **100**

Summary Of Financial Data 1997 - 2002

	1997	1,998	1,999	2000	2001	2002
Gross Sales	381,983	398,467	318,742	356,801	448,738	405,661
Net Sales	324,474	345,466	272,570	307,968	389,501	344,702
Gross Profit Profit	76,336	76,730	51,612	9,931	78,956	37,522
(Loss) before taxation	21,119	29,487	5,665	-31,172	33,728	1,366
Taxation	9,617	12,771	446	6,010	14,456	1,371
Profit / (Loss) after Taxation	11502	16,716	5,219	25,161	19,271	5,446
Dividend	-	5,069	3,379	-	-	-
Fixed Assets-at cost	419,325	426,171	425,031	426,503	405,408	405,518
Working Capital	-50,969	(50,532)	(24,171)	-51,560	-11,343	-22,651
Current Ratio	0.74:1	0.74:1	0.86:1	0.71:1	0.93:1	0.87:1
fis Long term Debts	78,034	37,988	43,006	29,897	28,258	40,887
Paid-up Capital	67,582	67,582	67,582	67,582	67,582	67,582
Reserves	16,573	28,220	30,060	4,899	24,170	24,165

Shareholders' Equity	84,154	95,802	97,642	72,480	91,752	91,746
Debt Equity Ratio	48:52	28:72	31:69	29:71	24:76	31:69
Per Share (Rupees)						
(Loss) / earning before taxation	3.13	4	1	(4.61)	4.99	0.20
(Loss) / earning after taxation	-	2	1	(3.72)	2.85	(0.00)
Dividend	1.71	1	1	-	-	-
Break-upvalue	12.46	14	14	10.72	13.58	13.58



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