Annual Report 2008

Pakistan Cables Limited

Contents

Board of Directors

Mr. Mustapha A. Chinoy
Director since 1-1-1986

Mr. Towfiq H. Chinoy (Chairman)
Director since 17-5-1996

Syed Naseem Ahmad
Director since 17-5-1999

Mr. Saquib H. Shirazi
Director since 8-5-2008

Mr. Javaid Anwar
Director since 16-10-2006


Mr. Shahpur Channah
Director since 3-12-1992
Mr. Ansar Hussain
Director since 10-5-2005
Mr. Haroun Rashid
Director since 17-5-1993
Mr. Kamal A. Chinoy
(Chief Executive)
Director since 31-5-1992
Mr. M. Khalil Mian
Director since 7-2-2006
Mr. Aslam Sadruddin
Director since 25-2-1998

Mr. Towfiq H. Chinoy (Chairman)

is presently the Managing Director of International Industries Ltd., Chairman of New Jubilee Insurance Co. Ltd. & Packages Ltd. and Director of BOC Pakistan Ltd., New Jubilee Life Insurance Co. Ltd., IGI Investment Bank Ltd., HBL Asset Management Ltd., Pakistan Business Council, Trustee of Mohatta Palace Gallery Trust and Director of Pakistan Centre for Philanthropy.

He has also served as a Member of the Engineering Development Board, Govt. of Pakistan, and as a Director of Port Qasim Authority and National Refinery Ltd. He has held various appointments at the Aga Khan Economic Planning Board and Sultan Mohammad Shah Aga Khan III Foundation School, Karachi.

He is on the Board of PCL since 17-5-1996.

Mr. Kamal A. Chinoy (Chief Executive)

is a B.Sc. Economics from the Wharton School, University of Pennsylvania, USA and a 'Certified Director' having been Certified by the Pakistan Institute of Corporate Governance.

Presently, he is on the Board of International Industries Ltd., Pak Chemicals Ltd., International Steels Ltd. and Atlas Insurance Company Ltd.

He is on the Executive Committee of Management Association of Pakistan, International Chamber of Commerce, Advisory Council of Citizens Archive of Pakistan and Member of Admission Committee of Aga Khan University. He is also the Honorary Consul General of Republic of Cyprus.

Previously, he has served as the Chairman of the Aga Khan Foundation, Pakistan and was on the Board of First International Investment Bank (now IGI Bank), Pakistan Centre for Philanthropy and Army Burn Hall Institutions.

He is on the Board of PCL since 31-5-1992.

Mr. Mustapha A. Chinoy

is a Bachelor of Science in Economics from Wharton School of Finance, University of Pennsylvania, USA.

He is presently CEO of Intermark (Pvt.) Ltd. and on the Board of Galileo Pakistan (Pvt.) Ltd., Global E-Comm Services (Pvt.) Ltd., International Industries Ltd. and Security Papers Ltd. He is also the Honorary Consul General of Greece.

Previously he has served on the Board of Pak Chemicals Ltd., Union Bank Ltd. and ABM Infotech (Pvt.) Ltd.

He is on the Board of PCL since 1-1-1986.

Mr. Haroun Rashid

is a Fellow Member of the Institute of Chartered Accountants (England & Wales), Certified Investment Advisor & Securities Dealer, Securities Commission of Hong Kong.

Presently he is Director of Pakistan Agricultural Storage & Services Corporation Ltd. and Heritage Developments.

Previously he has been Managing Director of Kashmir Edible Oils Ltd., ANZ Securities Asia Ltd - Hong Kong and Director in Financial Executives Institute – Hong Kong, Union Bank Ltd and Fidelity Investment Bank Ltd. He has also been a Governor of Lahore General Hospital.

He has been on the Board of PCL since 17-5-1993.

Syed Naseem Ahmad

has done his Masters' in Physics.

He is presently Chairman Faysal Bank Ltd. and previously he was Chairman and Chief Executive of Philips Electrical Industries of Pakistan Ltd., Pakistan Security Printing Corporation, Security Papers Ltd. and Sicpa Inks Pakistan (Pvt.) Ltd. He has also served on the Board of Wazir Ali Industries Ltd., Security Leasing (Pvt.) Ltd. and ABN AMRO Bank.

He is on the Board of PCL since 17-5-1999.

Mr. Javaid Anwar
holds a Masters Degree in Chemical Tech from University of Punjab.

Presently he is on the Board of Cherat Cement Co. Ltd., AKD Investment Management Ltd., International Industries Ltd. and AGS Battery Ltd.

Previously he was the Managing Director and CEO of BOC Pakistan Ltd. for 15 years and served on the Board of Siemens Pakistan Engineering Company Ltd., Pakistan,

He is on the Board of PCL since 16-10-2006.

Mr. Ansar Hussain
is a FCMA and M.Phil (Finance).

Presently he is on the Board of Nina Industries Ltd., First Dawood Investment Bank Ltd., Alpha Insurance Co. Ltd., Shahtaj Sugar Mills Ltd. and State Asset Management Co. Ltd.

Previously he has served on the Board of Bawany Sugar Mills Ltd. and PICIC Ltd.

He is on the Board of PCL since 10-5-2005.

Mr. M. Khalil Mian
is a Fellow Member of the Institute of Chartered Accountants of Pakistan and England & Wales.

He is the Chairman of the Board of Dawood Family Takaful Ltd. In the past he has held important positions of Chairman Pakistan Credit Rating Agency Ltd., Investment Corporation of Pakistan, and Chairman of the Policy Board of Securities & Exchange Commission of Pakistan.

He has also served on the Board of The Bank of Punjab, Sui Northern Gas Pipeline Ltd., Privatization Board – Government of Pakistan and Punjab Privatization Board. He was the Senior Partner of A. F. Ferguson & Company – Chartered Accountant.

He is on the Board of PCL since 7-2-2008.

Mr. Saquib H. Shirazi
is a MBA from Harvard Business School.

He is presently CEO Atlas Honda Ltd.. He is also on the Board of Atlas Power Ltd., Atlas Capital Market (Pvt.) Ltd., Shirazi Investments (Pvt.) Ltd., Shirazi Trading Company (Pvt.) Ltd., Shirazi Capital (Pvt.) Ltd., Inter State Gas Systems (Pvt.) Ltd., Cherat Papersack Ltd., National Logistics Cell, NTTFC and Techlogix International Ltd..

Previously he was the CEO of Atlas Bank Ltd. and has served on the Board of various companies.

He joined the Board of PCL on 8-5-2008.

Mr. Shahpur Channah
Masters' in International Relations, from Karachi University, passed the Central Superior Services examination in 1976-77 and worked for a year in Cabinet Division, Government of Pakistan. He spent nine years at Lever Brothers in various positions and joined Pakistan Cables' Marketing Department in 1989. Presently he is the Deputy Chief Executive.

He is on the Board of PCL since 3-12-1992

Mr. Aslam Sadruddin
is a Fellow Member of the Institute of Chartered Accountants of Pakistan. He is also a law graduate.

Presently he is on the Board of FOCUS Humanitarian Assistance - Pakistan, The First Microinsurance Agency (Pvt.) Ltd. and a member of the National Committee - Aga Khan University Foundation. He is the Chairman of the International Professionals Network – Pakistan.

Previously he has served on the Board of Aga Khan Health Services – Pakistan.

He joined the company in 1993 and is on the Board of PCL since 25-2-1998.

Company Information

Audit Committee

Haroun Rashid - Chairman
Mustapha A. Chinoy
M. Khalil Mian

Senior Management Human Resource and Compensation Committee

Towfiq H. Chinoy - Chairman
Syed Naseem Ahmad
Mustapha A. Chinoy

Management Committee

Kamal A. Chinoy - Chairman
Shahpur Channah
Aslam Sadruddin
Haroon Rashid Zaman

System and Technology Committee

Kamal A. Chinoy - Chairman
Aslam Sadruddin
Touseef ul Bari

Company Secretary

Aslam Sadruddin

Legal Advisor

Ghulam Ghous Law Associates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

Standard Chartered Bank (Pakistan) Limited
Bank AL Habib Limited
Habib Bank Limited
MCB Bank Limited
HSBC Bank Middle East Limited
NIB Bank Limited
Oman International Bank

Registered Office, Factory and Marketing Office

B/21, Sindh Industrial Trading Estates, P. O. Box 5050, Karachi -75700
Telephone Nos. (021) 2561170-75 Fax: (021) 2564614
E-mail: info@pakistancables.com, sales@pakistancables.com
Web site: www.pakistancables.com

Regional Office

Lahore
Co-operative Insurance Building,
Shahrah-e-Quaid-e-Azam, Lahore
Telephone Nos. (042) 7355783, 7353520, 7120790-91
Fax: (042) 7355480
E-mail: lahore@pakistancables.com

Branch Offices

Rawalpindi
455-A, Adamjee Street, Rawalpindi.
Telephone Nos. (051) 5568895, 5512797 Fax: (051) 5587029
E-mail: pindi@pakistancables.com

Multan
1592, Quaid-e-Azam Shopping Centre No.1, Multan Cantt.
Telephone No: (061) 4583332 Fax: (061) 4549336
E-mail: multan@pakistancables.com

Abbottabad
13-14, Sitara Market, Mansehra Road, Abbottabad.
Telephone No. (0992) 383616 Fax: (0992) 385510
E-mail: abbottabad@pakistancables.com

Peshawar
Shop # 1 & 2, 1st Floor, Hurmaz Plaza,
Opp. Airport Runway, University Road, Peshawar
Telephone No. (091) 5845068 Fax: (091) 5846314
E-mail: peshawar@pakistancables.com

Quetta
Shop # 1-26/36-1312, Haji Fateh Khan Building
Opp. Press Club, Sharah-e-Adalat, Quetta
Telephone No. (081) 2843987 Fax: (081) 2843990
E-mail: quetta@pakistancables.com

Mr. Ahmad Bagia
(Sales & Operation Manager)
BE (Metallurgy from NED University in 1979. Rejoined PCL in 2002.

Mr. Iftikhar Ahmed
(Engineering Manager)
B.E. (Electrical) from NED University, MS in Communication Engineering from the US Navy Post Graduate School, Monterey California. Joined PCL in 2002.

Mr. Shahid B. Bhatty
(Regional Manager)
Bachelor in Economics & Political Science from University of Punjab. Joined PCL in 1989.

Mr. Moinuddin Silat
(Manager Materials)
Graduate in Commerce from S.M. College. Joined PCL in 2003.

Mr. Fayyaz A. Butt
(Branch Manager)
Graduated from Gordon College, Rawalpindi. Joined PCL in 2002.

Mr. Haroon Rashid Zaman
(Works Manager)
Bachelors degree in Mechanical Engineering from N.E.D. University, Karachi. Joined PCL in 2006.

Mr. Shahpur Channah
(Deputy Chief Executive)
M. A. International Relations, from Karachi University. Central Superior Services 1976/77. With PCL since 1989.

Mr. Kamal A. Chinoy
(Chief Executive)
B.Sc. Economics from the Wharton School, University of Pennsylvania, USA Joined PCL in 1992.

Mr. Aslam Sadruddin
(Finance Director)
Fellow Member of the Institute of Chartered Accountants of Pakistan Also a law graduate. Joined PCL in 1993.

Mr. S. M. Athar Farid
(Technical Manager)
B.E. in Electrical Engineering from N.E.D. and MBA in Marketing from IBA. With PCL since 1976.

Vision

To be the company of first choice for customers & partners for Wire and Cables and other engineering products.

Mission

To strengthen industry leadership in the manufacturing and marketing of wire and cables and to have a strong presence in the engineering products market while retaining the options to participate in other profitable businesses.

To operate ethically while maximizing profits and satisfying customers needs and stakeholders interests.

To assist in the socio-economic development of Pakistan by being good corporate citizens.

Statement of Ethics and Business Practices

- The Company's policy is to conduct its business with honesty and integrity and be ethical in its dealings showing respect for the interest of those with whom it has a relationship.
- The Company is committed to comply with all laws and regulations. The Board and Management are expected to familiarize themselves with laws and regulations governing their individual areas of responsibility and not to transgress them. If in doubt they are expected to seek advice. The company believes in fair competition and supports appropriate competition laws.
- The Company does not support any political party or contributes funds to groups whose activities promote party interests. The Company will promote its legitimate business interests through trade associations.
- The Company is committed to provide products which consistently offer value in terms of price and quality and are safe for their intended use, to satisfy customer needs and expectations.
- The Company is committed to run its business in an environmentally sound and sustainable manner and promote preservation of the environment.
- The Company recognizes its social responsibility and will contribute to community activities as a good corporate citizen.
- The Company is committed and fully adheres to the reliability of financial reporting and transparent transactions.
- The Company is committed to recruit and promote employees on merit and provides safe and healthy working conditions for all its employees. It also believes in maintaining good communications with employees.
- Employees must not use company information and assets for their personal advantage. Conflict of interest should be avoided and disclosed where they exist and guidance sought.
- It is the responsibility of the Board to ensure that the above principles are complied with, and Sub-committees constituted by the Board support their compliance.
- It is recognized that enforcement of laws and regulations is the responsibility of the Management.

Journey Over The Years

1953

Started manufacturing of General Wiring Cables with Natural Rubber insulation.

1960

Introduced General Wiring Cables with PVC insulation for the first time in Pakistan.

1968

Established Factory for L.V. Armoured Cables up to 3.3 KV for the first time in Pakistan.

Installed Aluminium Rod Extrusion plant.

1974

Manufactured Field Communicat-ion Cables for use by Pakistan's Armed Forces.

1978

Received the Top 25 Companies Award from Karachi Stock Exchange.

1979

Launched Aluminium extruded sections comprising pipes & curtain railings.

1980

Again received Top 25 Companies Award from Karachi Stock Exchange.

1982, 1983 & 1984

Received Corporate Excellence Award by Management Association of Pakistan. Awarded to the 6 best managed companies.

1984

Established Anodizing Plant for manufacturing of Aluminium Doors & Window Section.

Introduced for the first time in Pakistan M.V. 15 KV XLPE Cables for supply to KESC.

1996

Setup a state-of-the-art plant to manufacture High Conductivity Oxygen Free Copper Rod.

1997

Became the first ISO9002 certified cable manufacturer in Pakistan.

1998

Received Achievement Award for outstanding performance in 1996-97 presented by the President of Pakistan.

2000

Became the first and only cable and aluminium manufacturer in Pakistan to be certified for the ISO 9001 : 2000 version.

2001

Introduced LV XLPE cables fully type tested by KEMA, Holland for the first time in Pakistan.

2003

Introduced powder coated Aluminium Profiles.

Commemorated 50^{th} Anniversary

2004

Achieved net sales of over Rs. 1 billion.

Selected for Top 25 Companies Award from Karachi Stock Exchange.

2005

Achieved net sales of over Rs. 2 billion.

2006

Achieved net sales of over Rs. 3 billion.

Expanded the facility of manufacturing of Copper Rods with the installation of plant procured from the original supplier M/s. Outokumpu Castform, Finland.

2007

Achieved net sales of over Rs. 4 billion.

Received "Brands of the Year Award 2007" for Wire & Cables and Copper Rod.

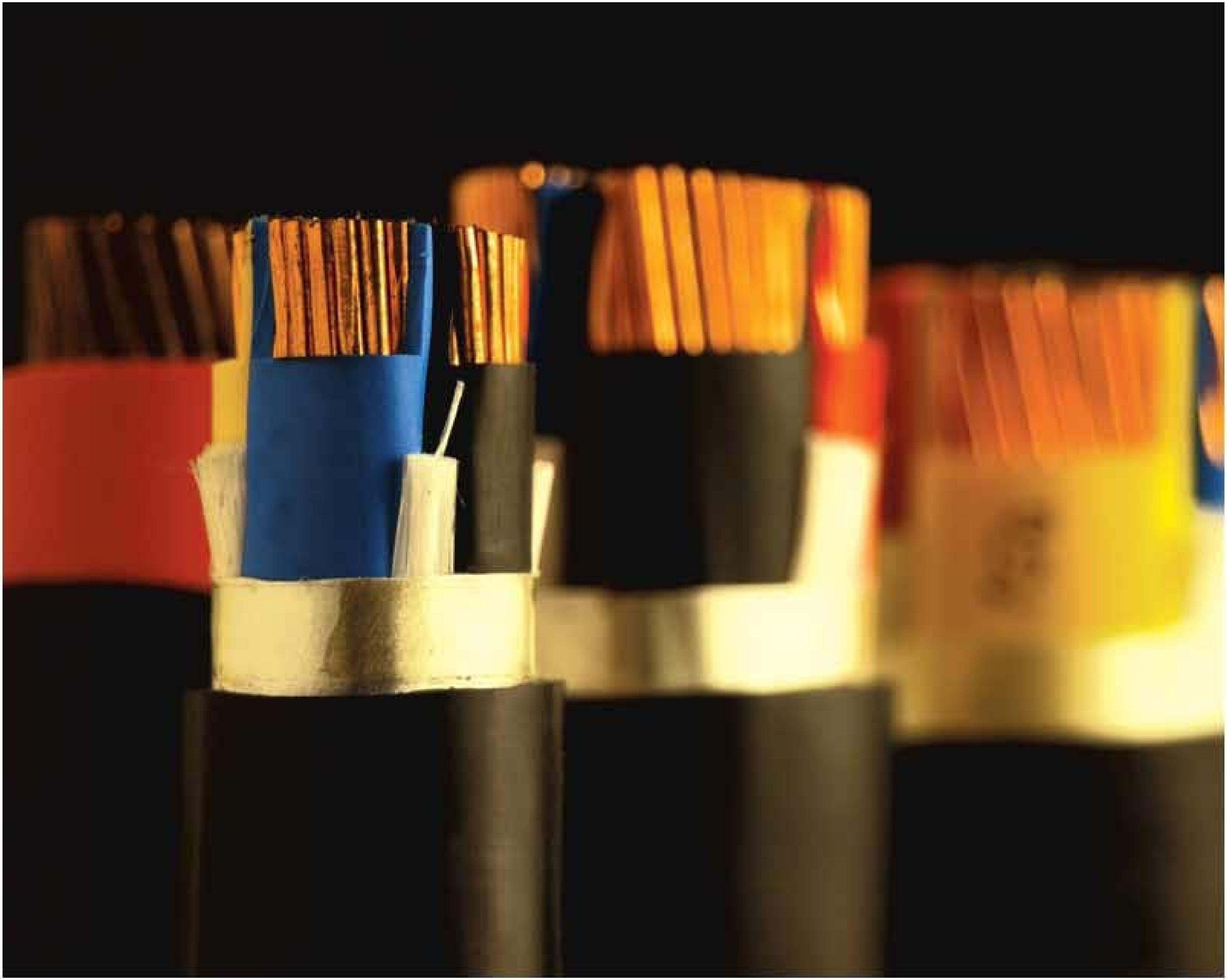
2008

Received Top 25 Companies Award from Karachi Stock Exchange for the Year 2006 and 2007.

Received Best Corporate Report Award from Joint Committee of ICAP & ICMAP for the Year 2006 and 2007.

Our Products

Pakistan Cables Limited provides a wide variety and range of products according to the needs of the domestic and industrial users.



Wires & Cables

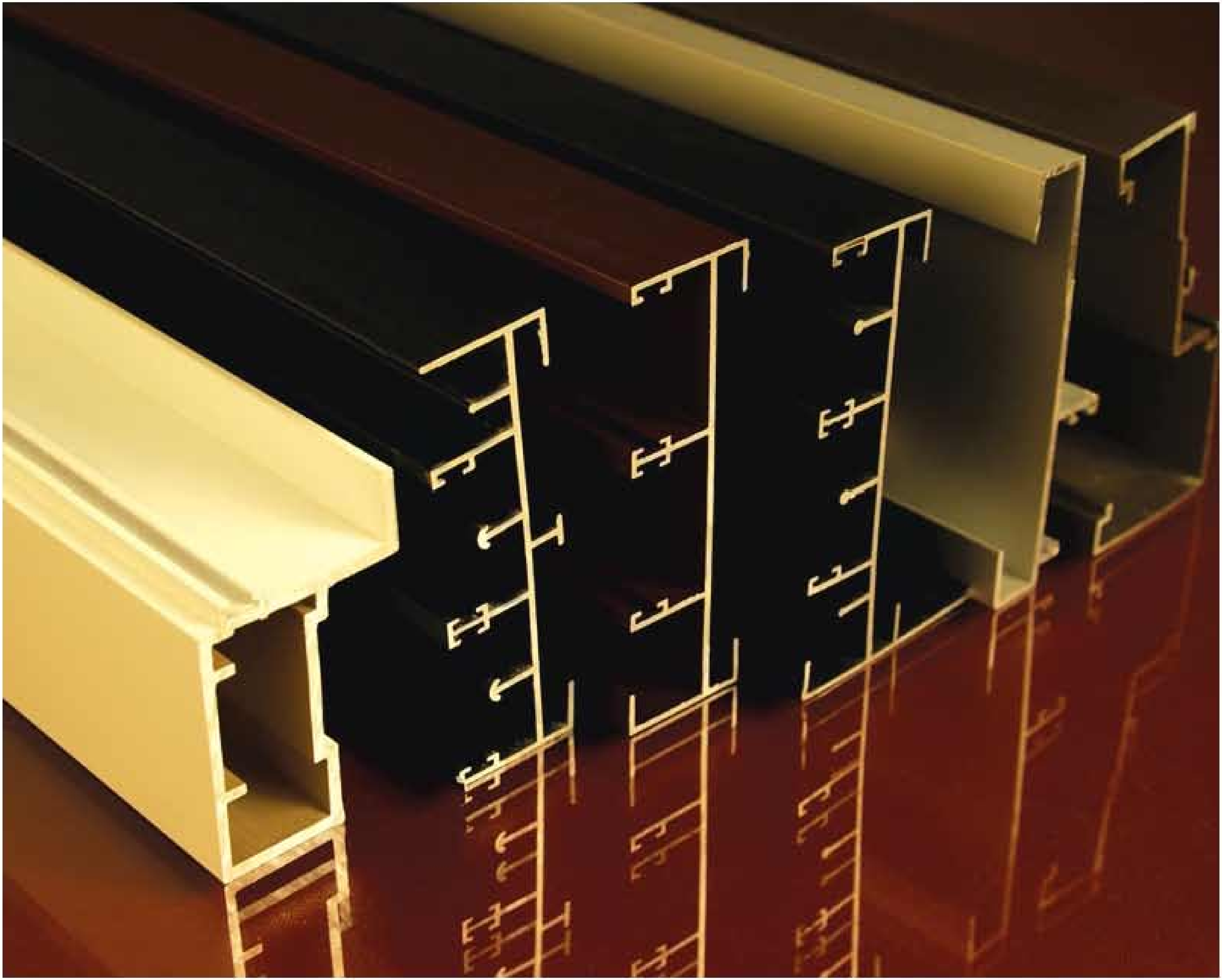
Pakistan Cables was established in 1953 in collaboration with BICC Plc UK. It is the country's oldest and the most reputed cable manufacturer. During the initial years the product range was then just, rubber insulated general wiring cables. In the subsequent five decades, PCL has earned a reputation as a market leader in the industry and as a premier company that is trusted not to compromise on product quality.

For lighting and general use, we manufacture General Wiring Cables in the range of 250/750 Volts. These cables are manufactured in conformity with national & international standards that provides safety and savings in electricity consumption because of the use of 99.99% pure copper, cable grade PVC and thorough quality tests of every meter of cable.

To cater to the requirements of Utilities, Projects and Industries, Pakistan Cables manufactures Low Voltage (LV) and Medium Voltage (MV) cables up to 15KV, with PVC and XLPE insulation. All our cables are subject to rigorous in-house quality checks. LV and MV cables have been fully type tested by KEMA - Holland in accordance with IEC 502.

With the increasing power demand in the country, the use of overhead conductors for power transmission purposes has increased. PCL provides high quality overhead conductors to the utility companies, WAPDA and KESC, which are manufactured from EC grade Aluminium and Copper Rod.

We also manufacture telephone, intercom, coaxial and numerous types of special cables which include airfield lighting, control cables, as per the requirements of the customers.



ALUM-EX

Alum-Ex is the brand name under which Pakistan Cables Ltd. manufactures aluminium sections for the housing and commercial construction industry.

Alum-Ex sections are extruded from prime quality imported AA6063 billets. This is the internationally recommended alloy grade for architectural and structural applications. These sections are anodized on a fully automatic plant. We have the capability to offer six elegant colours of anodized sections.

Pakistan Cables Limited has lately commissioned 'Powder Coating' facilities in their Aluminium Profile Business segment. We can now offer architectural aluminium sections of any imaginable colour to match the taste of the customers in the housing industry.

Pakistan Cables uses only polyester based powders, manufactured & supplied by reputable companies. These are thermosetting types, specially designed for 'façade' use. These coatings can withstand the rigours of ultra violet rays in the atmosphere.

The advantages of Alum-Ex aluminium sections are:

(1) Smooth and possess durable finish
(2) Colour retention
(3) Corrosion resistant
(4) No extrusion defects
(5) Scratch free
(6) Ultra violet and humidity resistant.

Pakistan Cables continuously reviews and improves the effectiveness of its Quality Management System in line with objectives of achieving higher productivity, uncompromising quality and maximum customer satisfaction.

Copper Rod

In 1996, PCL set up a plant to manufacture High Conductivity Oxygen Free 8mm COPPER ROD. This plant was supplied by Outokumpu Castform Oy, Finland and uses the upcast system of manufacturing rod. 8mm diameter rod is cast directly from the furnace. Oxygen Free Copper is particularly suited for drawing into wires.

The company expanded its facility of manufacturing of copper rods with the installation of plant procured from the original supplier M/s. Outokumpu Castform, Finland.

Numerous satisfied customers, particularly Enamel Wire Manufacturers will attest to the quality of our Rod. The raw material used is only LME registered "A" grade copper cathodes.

PVC Compound

During the year, Pakistan Cables set up its own PVC Compound Plant. This plant is just a part of our on-going expansion plans.

The plant produces flexible PVC compounds for insulation and sheathing of electric cables. Pakistan Cables uses the most sophisticated machinery, including automated weighing and dosing systems for each component of the various formulations. The centralized control system allows for user-friendly operation of the whole plant while maintaining accurate control of each component. Our plant also has a polymers laboratory to enable the development of customer specific formulations.

Pakistan Cables' PVC compound plant will ensure timely availability of raw materials for production. The plant also provides us with improved control of our manufacturing processes as the company continues to expand.


PAKISTAN
RED
Cables Limited

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 55th Annual General Meeting of the shareholders of Pakistan Cables Limited will be held on Friday the 26th September 2008 at 10.00 a.m. at Council Hall of the Overseas Investors Chamber of Commerce and Industry, Chamber of Commerce Building, Talpur Road, Karachi, to transact the following business:

Ordinary Business

1. To receive and consider the Statement of Accounts for the year ended June 30, 2008 together with the Reports of the Directors and Auditors thereon.
2. To appoint Auditors for the ensuing year and to fix their remuneration. KPMG Taseer Hadi & Co. Chartered Accountants, retire, and being eligible, have offered themselves for re-appointment. As required by paragraph xxxix of the Code of Corporate Governance, the Board of Directors recommends, based on the recommendation of the Audit Committee the appointment of KPMG Taseer Hadi & Co.

Special Business

3. To consider and if thought fit, pass the following resolution as Ordinary Resolution:

   "Resolved that a sum of Rs. 19,511,250 out of the unappropriated profit of the company be capitalized and applied to issue of 1,951,125 Ordinary Shares of Rs. 10/- each and allotted as fully paid up Bonus Shares to the members who are registered in the books of the company on September 26, 2008 in the proportion of ONE new share for every TEN existing Ordinary Shares held and that such new shares shall rank pari passu with the existing Ordinary Shares of the company.

   Further resolved that members entitled to a fraction of a share shall be given the sale proceeds of their fractional entitlement, for which purpose the Directors be and are hereby authorized to consolidate the fractions into whole shares and sell such shares in the stock market.

   Further resolved that for the purpose of giving effect to the foregoing the directors be and are hereby authorized to give such directions as may be necessary and as they deem fit to settle any questions or any difficulties that may arise in the distribution of the said new shares or in the payment of the sale proceeds of the fractions."

4. To consider and if thought fit to pass the following resolution as Special Resolution, with or without modification, for approval of purchase of right shares of International Industries Limited:

   "RESOLVED that:

   (a) the approval of the shareholders of the Company be and is hereby granted in terms of Section 208 of the Companies Ordinance, 1984 for the investment of an amount of Rs.5,000,000/- (Rupees five million only) for the subscription of the rights ordinary shares of International Industries Limited, an associated company of the Company.

   (b) the Chief Executive of the Company (or any officer(s) of the Company authorised by the Chief Executive for this purpose) be and is hereby authorised to take any and all actions which may be required for the investment of the abovementioned amount in the subscription of rights shares of International Industries Limited".

5. To transact any other business which may legally be transacted at an Annual General Meeting.

By Order of the Board
Aslam Sadruddin
Finance Director and
Company Secretary

KARACHI: September 04, 2008

NOTES:

1. The Shares Transfer Books of the Company will remain closed from September 15, 2008 to September 26, 2008 (both days inclusive). No transfer will be accepted for registration during this period.

2. A member entitled to attend and vote at this Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy must be a member of the Company.

3. The instrument appointing the proxy and the Power of Attorney or other authority under which it is signed, or a notarially certified copy thereof, must be lodged at the Company's Registered Office i.e. B/21, S.I.T.E., Karachi, not later than 48 hours before the time of the Meeting.

4. CDC Account Holders will have to follow the guidelines below as laid down in Circular 1 dated January 26, 2000 issued by Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting

(i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the Regulations, shall authenticate his/her identity by showing their original National Identity Card (NIC) or original passport at the time of attending the Meeting.

(ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

(i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the Regulations, shall submit the proxy form as per above requirement.

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

(iii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his original NIC or original passport at the time of the Meeting.

(v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted alongwith proxy form to the Company.

Statement Under Section 160 of the Companies Ordinance 1984 Pertaining to Special Business

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on September 26, 2008.

Agenda item: 3

The Directors consider it justified to capitalize a sum of Rs. 19,511,250 for issue of bonus shares in the proportion of ONE ordinary share for every TEN ordinary shares held.
The Directors are not interested in this business except to the extent of their entitlement to bonus shares as shareholders.

Agenda item: 4

One of the investee companies namely International Industries Limited (IIL) is offering 25% right shares to the existing shareholders at a premium of Rs.40 per share (i.e. at subscription price of Rs.50 per share). At present, Pakistan Cables has 400,000 shares of IIL at carrying value of Rs.50.2 million i.e. Rs.125.5 per share. These shares were recently purchased by the company in accordance with and within the limit of the amount approved by the members at the Extraordinary General Meeting of the Company on May 08, 2008. The members have approved investment upto Rs.100 million in the shares of IIL, however, in view of the uncertain situation prevailing at present the company has not fully invested the approved amount. However, the right shares are being offered at a price lower than the prevailing market price. Hence, it will be beneficial for the company to buy these Right Shares.

The information required under SRO 865/2000 dated December 6, 2000 is as under:

Name of the Investee Company	International Industries Limited
Nature, amount and extent of investment	Investment of upto Rs.5,000,000 (Rupees five million only) by way of subscription of rights ordinary shares of the investee company offered to the Company
Average market price of the shares intended to be purchased during preceding six months in case of listed companies	Average market price upto June 30, 2008 is Rs.134.77 per share.
Break-up value of shares intended to be purchased on the basis of last published financial statements	Rs.45.5 per share
Price at which shares will be purchased	The said rights shares will be subscribed at the subscription price of Rs.50 per share
Earning per share of investee company in last three years	2005-06 Rs. 12.5 per share 2006-07 Rs. 10.8 per share 2007-08 Rs. 8.5 per share
Source of funds from where shares will be purchased	Company's own resources
Period for which investment will be made	Not applicable being long term equity investment
Purpose of investment	Long term equity investment to earn dividend income as well as prospective capital gains
Benefits likely to accrue to the company and the shareholders from the proposed investment	Dividend/capital gains and good future returns to the shareholders
Interest of directors and their relatives in the investee companies	Mr. Towfiq H. Chinoy, Mr. Kamal A. Chinoy, Mr. Mustapha A. Chinoy, and Mr. Javaid Anwar, the Chairman, Chief Executive and directors of this company respectively are also on the Board of directors of the investee company. They are interested in this business to the extent of their investment in this company.

Key Financial Data

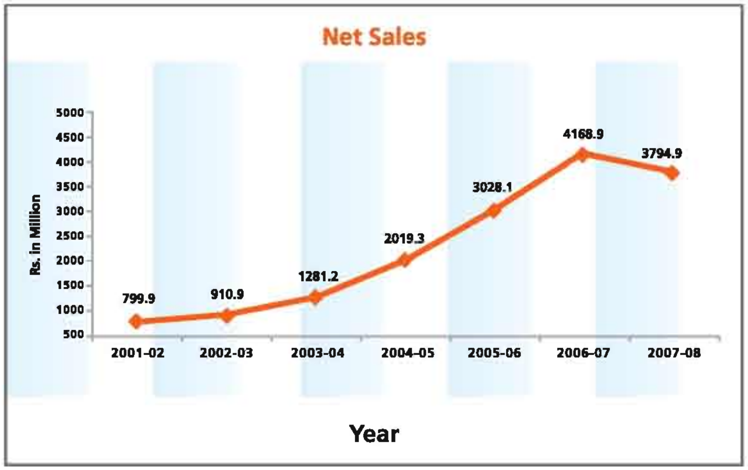
	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Sales	**3,794.9**	4,168.9	3,028.1	2,019.3	1,279.9	910.9	799.9
Gross Profit	**369.9**	614.2	495.1	319.5	184.3	141.7	98.0
Operating profit	**7.0**	390.5	329.5	207.1	104.6	73.2	39.6
Profit before tax	**53.6**	293.3	261.2	170.3	91.3	63.1	18.3
Profit after tax	**65.4**	194.3	173.0	112.5	62.5	44.5	11.7
Earnings before interest, tax, depreciation and amortization (EBITDA)	**257.0**	464.7	371.6	224.5	121.0	92.9	55.6
Dividend	**-**	54.8	24.4	38.0	19.5	21.9	9.4
Bonus Issue	**19.5**	48.8	68.3	19.5	19.5	7.8	-
Capital expenditure	**338.4**	280.0	272.0	124.5	29.3	11.2	6.0
Fixed assets at cost/revaluation	**1,776.4**	1,429.6	1,274.9	1,007.9	313.1	293.2	284.3
Current assets less current liabilities	**2.7**	142.6	145.7	112.1	105.8	77.1	62.7
Current assets : Current liabilities	**1:1**	1.1:1	1.1:1	1.1:1	1.2:1	1.2:1	1.2:1
Shareholders' funds							
Issued capital	**195.1**	146.3	97.5	58.5	39.0	31.2	31.2
Reserve & retained earnings	**455.9**	456.4	358.6	227.7	149.4	114.2	91.5
Total Shareholders' fund	**651.0**	602.7	456.1	286.2	188.4	145.4	122.7
Surplus on revaluation of fixed assets	**687.6**	549.0	551.3	549.4	-	-	-
Long term Loans & Liabilities	**378.2**	259.0	174.4	46.3	21.2	20.4	19.9
Net Assets employed	**1,716.8**	1,410.8	1,181.8	881.9	209.6	165.8	142.6
Debt equity ratio	**60:40**	61:39	63:37	54:46	77:23	75:25	76:24

Key Financial Data (Continued)

		2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
Debtors turnover	(Times)	**9.6**	8.3	7.7	8.2	7.5	6.0	5.3
Inventory turnover	(Times)	**3.4**	3.1	2.6	2.4	2.2	2.8	3.5
Total assets turnover	(Times)	**1.1**	1.4	1.1	1.1	1.5	1.6	1.5
Interest coverage	(Times)	**1.4**	3.6	4.4	5.6	8.1	4.4	1.7
Fixed assets turnover	(Times)	**2.3**	3.4	3.0	2.7	17.1	15.3	13.4
Capital employed turnover	(Times)	**2.2**	2.9	2.6	2.3	6.1	5.5	5.6
Gross profit	%	**9.7**	14.7	16.3	15.8	14.4	15.6	12.3
Net profit	%	**1.7**	4.7	5.7	5.6	4.9	4.9	1.5
EBITDA margin	%	**6.8**	11.1	12.3	11.1	9.4	10.2	7.0
Return on capital employed	%	**10.7**	28.7	28.6	23.5	49.7	49.2	30.6
Return on total assets	%	**1.9**	6.5	6.4	6.2	7.5	7.7	2.3
Price earning ratio		**36.4**	20.2	10.2	10.1	8.6	4.8	4.8
Earning per rupee of sales	Rs.	**0.02**	0.05	0.06	0.06	0.05	0.05	0.01
Earning per share	Rs.	**3.35**	13.28	17.73	19.20	16.02	11.41	3.74
Cash dividend per share	Rs.	**-**	3.75	2.50	6.50	5.00	7.00	3.00
Bonus issue per share	Rs.	**1.00**	3.33	7.50	3.30	5.00	2.50	-
Dividend (cash+bonus) yield*	%	**10.00**	34.70	76.40	36.7	53.6	35.3	16.7
Dividend payout	%	**29.8**	53.3	54.0	51.1	62.4	66.7	80.3
Market value per share	Rs.	**122.0**	267.9	180.0	195.0	137.0	68.0	18.0
Market value per share high during the year	Rs.	**276.0**	273.2	263.0	261.0	155.0	68.0	21.7
Market value per share low during the year	Rs.	**122.0**	162.0	169.0	135.0	68.0	18.0	15.1
Break-up value per share including surplus on revaluation	Rs.	**68.60**	78.70	103.30	142.8	-	-	-
Break-up value per share excluding surplus on revaluation	Rs.	**33.4**	41.2	46.8	51.9	48.3	46.6	39.3

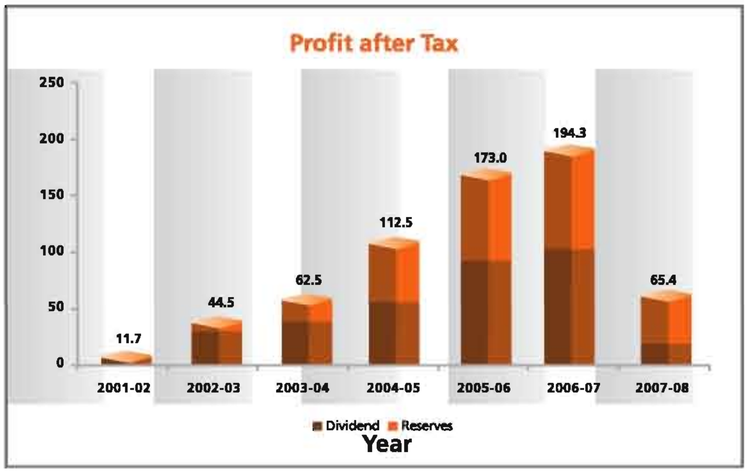
	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Value addition and its distribution							
Employees as remuneration	**229.2**	204.6	167.2	136.1	105.9	92.4	75.6
Government as taxes	**698.7**	838.1	755.2	484.4	305.6	289.3	240.9
Shareholders as dividends	**19.5**	103.6	92.7	57.6	39.0	29.7	9.4
Retained within the business	**58.0**	93.0	100.9	55.3	23.5	14.9	2.3

* Based on market value of June 30

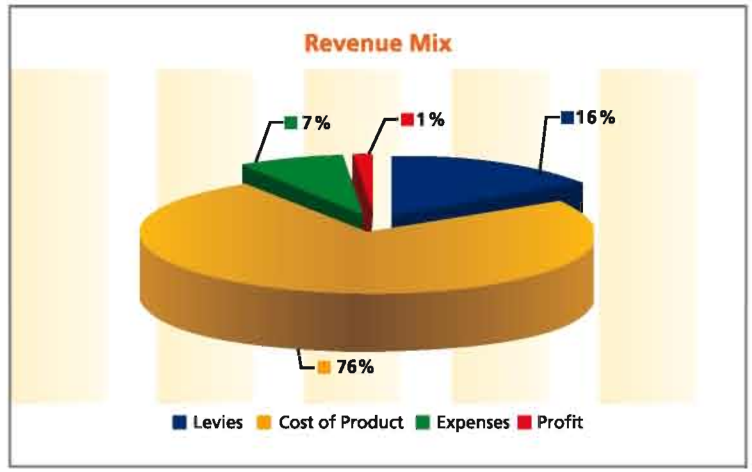

Net Sales
Rs. in Million
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
799.9
910.9
1281.2
2019.3
3028.1
4168.9
3794.9
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
Year


Earning per Share & Paid-up Capital
Rs. in Million
Rs.
3.74
11.41
16.02
19.21
17.73
31.2
31.2
39.0
58.5
97.5
146.3
195.4
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
Paid-up Capital
Earning per Share
Year


Shareholders' Equity
Rs. in Million
700
600
500
400
300
200
100
0
91.5
114.2
149.4
227.7
358.6
456.4
455.9
31.2
31.2
39.0
58.5
97.5
146.3
195.1
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
Paid Up Capital
Reserves & Retained Earnings
Year



Profit after Tax
250
200
150
100
50
0
11.7
44.5
62.5
112.5
173.0
194.3
65.4
2001-02
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
Dividend
Reserves
Year



Revenue Mix
7%
1%
16%
76%
Levies
Cost of Product
Expenses
Profit

Directors' Report

The Directors are pleased to present the 55th Annual Report along with the audited accounts of the company for the year ended June 30, 2008.

The Company is engaged in the manufacture of Conductors and Wire & Cables for transmission of electricity since 1953. In 1979, the Company started extrusion of Aluminium Rod from billets, which was upgraded in 1984 to manufacture Anodized Aluminium Profile sections for architectural uses. In 1996, the Company set up a state of the art plant to manufacture high conductivity oxygen free Copper Rod. During the current year, the company set up a PVC Compounding Plant to manufacture high quality electric cable grade PVC compound for the first time in Pakistan.

Pakistan Cables is the leading manufacturer in the wire and cable industry. During the year the Company incurred a capital expenditure of Rs. 338 million for balancing, modernization and replacement of machinery as well as for setting up new projects which is discussed later in this report. The company is able to offer its customers a single source for most of their wire and cable requirements and is the market leader for these products. The company believes that it has developed strong customer relations as a result of its ability to supply customer needs across a broad range of products, its commitment to quality and continuous improvement.

Operating Performance

The year under review was affected by uncertainty and political unrest. A number of developments took place both at domestic and international levels which had a major impact on the economy of the country. The unprecedented rise in oil prices in the international market, high inflation, substantial increase in current account deficit and severe energy crisis were some of the major challenges faced by the country.

Commercial activity and industrial demand for your products remained low during the year mainly due to the decline in new industrial investment, economic slowdown and political uncertainty in the country.

Inspite of these difficult conditions, your company achieved net sales of Rs. 3.8 billion which is 9% lower than last year's sales of Rs. 4.2 billion. The decline in sales as compared to last year is due to the demand shrinking as a result of the factors mentioned above and also due to considerably lower sales to Utilities.

Gross profit for the year amounting to Rs. 370 million is 9.7% of sales compared to Rs. 614 million, which is 14.7% of sales. The lower gross profit percentage as compared to last year is due to orders taken at low margin as a result of tough competition in the market, devaluation of rupee against the dollar which increased the cost of our inputs and increase in copper prices, all of which could not be passed on to customers. Copper prices on the London Metal Exchange showed exceptional volatility, plunging to a low of US$ 6,272 a ton during the month of December and touching a record high of US$ 8,880 in the month of March mainly on fund buying prompted by global inventory declines, steady demand and ongoing dollar weakness. The price as on June 30, 2008 was US$ 8,775 per metric ton.

Other operating expenses of Rs. 149 million includes exchange loss of Rs. 133 million. This is mainly due to the sharp increase in the exchange rate of US Dollar against the Pak. Rupee which depreciated by 12.5% against the US Dollar during the year. Strong demand for dollars by the importers because of costlier payments after the record oil prices in the international market, slowdown in capital inflows and decline in exports, continued to exert downward pressure on the rupee. The rupee closed at Rs. 68.20 against the US dollar at the end of the year as compared to Rs. 60.60 at the beginning of the year. Most of our borrowings were in US Dollars at a low interest rates ranging between 3% to 6% but against which forward cover is not available as per State Bank's regulation. The company has been successfully borrowing in foreign exchange for the last 3 – 4 years and saving substantially in the financial charges. Even in the current year we saved Rs. 65 million in financial cost by borrowing in this manner. However, due to sudden change in the exchange rate we had to repay at a higher exchange rate which resulted in this exchange loss. On the positive side, the company made capital gain of Rs. 168 million on sale of company's investment in associate companies i.e. NJI & IIL.

The rise in financial cost is due to high interest rates and enhanced borrowings related to capital expenditure as well as the increase in working capital due to increase in prices of raw materials.

As a result of the above factors, your company earned a profit after tax of Rs. 65.4 million compared to Rs. 194.3 million last year.

Dividends and Appropriations

For the current year, your Directors have recommended issue of bonus shares in the proportion of one share for every ten held (10%) (2007: Final 20% cash and 33.33% bonus shares in addition to the interim cash dividend of 17.5%). The appropriation of profit will be as under:

		2007-08 Rs. '000
The net profit after tax amounted to		65,397
To this is added un-appropriated profit brought forward from last year		171,423
Transfer from surplus on revaluation - Own		2,227
- Associate		63
Transfer from surplus on revaluation - Associate (on sale of shares)		9,787
		12,077
		248,897

Appropriations:

Payment of final cash dividend at the rate of Rs. 2.0 per share (20%) for the year ended June 30, 2007		29,267
Issuance of fully paid bonus shares for the year ended June 30, 2007		48,778
Transfer to General Reserve for the year ended June 30, 2007		93,000
Leaving un-appropriated profit to be carried forward		77,852
		248,897
Earning per share	Rs.	3.35

Subsequent Effects

Proposed issue of bonus shares in the ratio of one share for every ten shares held for the year 2007-08	19,511
Transfer to General Reserve	58,000

Major New Projects Completed & Initiated during the year

The PVC Compounding Plant, imported from Germany & Italy, was commissioned during the year. The plant manufactures PVC Compounds for insulation and sheathing of cables and other types of PVC compounds for sale to local and export market. This plant is in line with the company's strategic objective on-going expansion and policy of backward integration.

During the year, the company started work on building an environment friendly 2MW gas fed Co-generation Power Plant for in-house use. This facility will help in reduction of carbon dioxide emissions through the use of natural gas to operate engines. Moreover, it will also reduce wastages during the production process as a result of un-interrupted supply of power. Co-generation will, Inshallah, give a meaningful contribution to our future years' bottom line on a regular basis.

The Company is also further expanding the range of cables and in future we will be manufacturing Flexible Cables for use in automotives and other uses. This will give further diversity to our product range.

Business Risks & Challenges

The inherent risks and uncertainties in running a business directly affect the success of the Company. Your company is exposed to the risk of volatility in prices of metals, particularly of copper, which is highly unpredictable. Volatility in prices of copper will in turn lead to significant fluctuation in cost of sales. Moreover, the sharp increase in price of copper can also reduce demand if customer decides to defer their purchases of copper wire and cables or seek to purchase substitute products.

The company is also exposed to foreign exchange risk as most of the raw materials purchased are imported and are denominated in foreign currency, mainly US Dollars. In order to reduce the exposure emanating from any major fluctuation in US Dollar / PKR parity, as happened during the current year, the company plans to hedge itself to a large extent as and when permitted by the State Bank.

The interest rates have shot up drastically as a result of further remedial measures taken by the State Bank to stop the rupee depreciating against the dollar. Your company has availed Long Term Loans for financing its new projects. The high interest rates on these loans may have a direct impact on the profitability of the company.

The influx of low quality cables from the unorganized sector has increased substantially during the last couple of years. This affects mainly the House-wiring segment as it is fed by low tech unscrupulous backyard manufacturers mainly using scrap or low quality raw material. PSI and other quality standards must be enforced not only at the manufacturing stage but also in the market.

Technology

Pakistan Cables is committed to produce high quality cables which conform to the customers' requirements and strengthen our position as a quality managed company. The company has a highly advanced Quality Assurance Laboratory which is equipped with the latest state of the art equipment such as high voltage testing equipment and partial discharge detector imported from Hipotronics of USA, to conduct tests on raw materials, process components and finished products. All the equipments used for testing are regularly checked & calibrated and manned by professional and skilled personnel.

The company constantly improves on process technologies to give its products enhanced performance features that can rarely be equaled by its competitors. All performance tests are regularly carried out in accordance with various international standards. Pakistan Cables medium and low voltage cables have been accepted as world class following the type testing and certification of its products by KEMA high voltage laboratory in Netherlands.

Business Process Improvement & Development

In today's dynamic business environment, it is essential to focus on continual improvement. Process improvement is the first step leading towards achieving this. The driving force behind this initiative is to save process wastage and time, improve quality, lower cost and maximize revenue. The company's strategy is to focus on finding new technology for improving and modernizing its various production processes to keep in line with the changing need of time.

Safety, Health & Environment

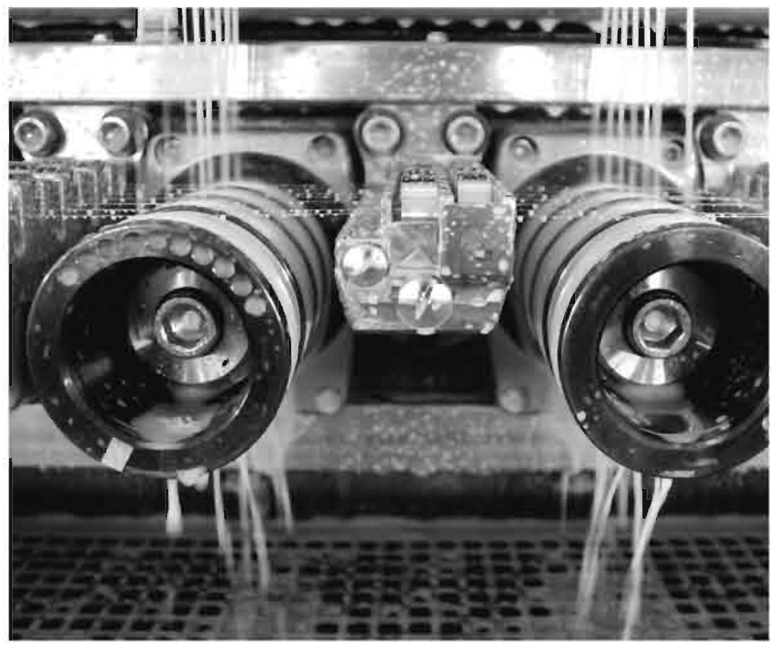
Pakistan Cables is firmly committed to manage its operations with utmost responsibility, protecting the environment and safeguarding the health & safety of its employees and other stakeholders' associated with company's activities. It is our endeavour to ensure that the work place is safe and the environment is protected at all times. Safety culture is endorsed through training sessions on handling of safety equipment, fire fighting drills, safety related rehearsals, etc. Employees have been adequately covered under various insurance policies. Medical facilities are provided free of charge to all employees and the Company operates an on-site dispensary with a full time doctor.

The Company continues to show its commitment for improvement in all respects of the environment and pays special emphasis for plantation and preservation of trees not only in the vicinity of the factory but also in its surroundings outside for a healthy environment.

Corporate Social Responsibility

Corporate social responsibility is an important aspect of the company's operations. As a responsible corporate citizen, we try to contribute for social and environmental causes on regular basis. It is our continued commitment to contribute towards improving the quality of life of not only our employees and their families, but also the local community and the society in which we operate.

Our emphasis remains primarily on health and education. During the year the company made a contribution towards Amir Sultan Chinoy Foundation in memory of Mr. Amir Sultan Chinoy, the late Chairman of the Company. Financial support was also provided to several reputable and well established institutions like Patients Welfare Project, The Ida Rieu Poor Welfare Association, The Kidney Centre, etc. to carry out social welfare work.



Contribution to National Economy

The company's contribution to the National Exchequer by way of taxes, levies, sales tax, etc. amounted to Rs. 699 million during the year (2006-07 : Rs. 838 million.)

Board Changes

During the year the following changes took place in the Board:

i. Mr. M. Khalil Mian was appointed as NIT's nominee director on 07-02-2008 in place of (Late) Mr. Irtiza Hussain.
ii. Mr. Saquib H. Shirazi was appointment as director of the company on 08-05-2008.

The Company wishes to place on record the valuable contribution made by the (Late) Mr. Irtiza Hussain during the period he was on the Board of the Company. The Board also takes pleasure in welcoming the new directors and hopes to benefit from their vast experience.

The Board in its meeting held on 30-01-08 decided to increase the number of directors from ten to eleven. Subsequently, in the Extra Ordinary General Meeting (EGM) held on 8th May, 2008 the following directors were elected unopposed with effect from May 08, 2008:

1. Mr. Towfiq H.Chinoy
2. Mr. Mustapha A. Chinoy
3. Mr. Haroun Rashid
4. Syed Naseem Ahmad
5. Mr. Ansar Hussain - representing SLIC
6. Mr. Javaid Anwar - representing NIT
7. Mr. M. Khalil Mian - representing NIT
8. Mr. Saquib H. Shirazi
9. Mr. Shahpur Channah
10. Mr. Aslam Sadruddin
11. Mr. Kamal A. Chinoy

Corporate Governance

In compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance we are pleased to state that:

a. The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and the changes in equity.
b. Proper books of accounts have been maintained by the company.
c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
e. The system of internal control is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts upon the company's ability to continue as a going concern.
g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

The key operating and financial data of last seven years is given on page 28, while the pattern of shareholding is provided on page 84.

The value of investments of provident and pension funds as per their accounts for the year ended December 31, 2007 are as follows:

Provident Fund	Rs. 143.158 Million
Pension Fund	Rs. 59.473 Million

During the year five (05) meetings of Board of Directors were held. Attendance by each Director is as follows:

Director	No. of meetings Attended
Mr. Towfiq H. Chinoy	05/05
Mr. Mustapha A. Chinoy	05/05
Mr. Haroun Rashid	03/05
Syed Naseem Ahmad	04/05
Mr. Irtiza Hussain (Late)	02/02
Mr. Ansar Hussain	05/05
Mr. Javaid Anwar	04/05
Mr. M. Khalil Mian (Appointed during the year)	02/02
Mr. Saquib H. Shirazi (Appointed during the year)	01/01
Mr. Shahpur Channah	04/05
Mr. Aslam Sadruddin	05/05
Mr. Kamal A. Chinoy	05/05

Ex Governor State Bank, Mr. Ishrat Hussain presenting Best Corporate Report Award to our Finance Director, Mr. Aslam Sadruddin

Particulars of trading in the shares of the company by the Directors, Chief Executive, Chief Financial Officer/Company Secretary and their spouses and minor children including shares gifted to/by them are given below:

	Transferor or transferee	Office held/ reletionship	Number of shares	Whether by Sale/ Purchase or gift
Mr. Shahpur Channah	Transferor	Director	(6,000)	Sale

Excellence Awards

It is a matter of great pride to report that the Company received four prestigious awards during the year. The company was awarded the "Top 25 Companies Award" twice in the current period, for the year 2006 and again for 2007. It also won the "Best Corporate Report Award" for the year 2006 securing fourth position in the engineering sector. This is awarded by a Joint Evaluation Committee comprising members from the Institute of Chartered Accountants (ICAP) and Institute of Cost and Management Accountants of Pakistan (ICMAP). Lastly, the company was also conferred with the "Brand of the year Award" 2007 in the category of wire & cables and copper rods for maintaining high quality of products. Subsequently in July 2008, we again won the "Best Corporate Report Award" for the year 2007 securing third position in Engineering Sector which is an improvement over last year.

These awards represent a milestone achievement in corporate excellence which demonstrates our unrelenting emphasis on accountability through transparency, timeliness and prompt sharing of information with our shareholders.

Auditors

The present auditors, M/s. KPMG Taseer, Hadi & Co., have retired and being eligible, have offered themselves for re-appointment. The Audit Committee and the Board of Directors have recommended their reappointment as auditors of the company for the year ending June 30, 2009.

Training & Human Resource Development

Employees are the Company's most valuable resources. The Company continuously evolves policies and processes to attract and retain its scientific, technical and managerial resources through friendly work environment that encourages initiatives by individuals and recognizes their performance. To meet the challenges of the rapidly changing and highly competitive business environment, the company ensures a transparent and merit based recruitment process. It firmly believes that only qualified and high potential individuals can bring about a positive change, which is fundamental to the success of the company.

The company continues to give utmost importance to training and development of its human resources for maximizing their contribution towards the attainment of the goals of the company. To ensure that employees keep themselves abreast with the latest techniques and developments in their respective fields, employees are nominated regularly to training sessions, seminars and workshops conducted by reputable training institutions of the country.

Staff Relations

The total number of employees as on June 30, 2008 was 482. The relationship with the employees at all levels remained cordial and conducive throughout the year. The Union-Management relations continued to be friendly and industrial peace prevailed during the year under review.

The two-year agreement with the workers union expired on 31st December 2007 and a new agreement has been negotiated with the CBA, which is valid till December 31st, 2009.

Future prospects

The year under review, witnessed a notable turnaround in Pakistan's economic performance as compared to last few years. Political instability, deteriorating law & order, record high inflation, currency depreciation, higher current account deficit, downgrading of the country's rating, decline in Foreign Direct Investment etc. are some of the factors which resulted in poor economic growth of the country.

Political stability is a pre-requisite for economic re-generation in the country. The Government policy should be aimed at increasing sustainable growth via restoration of investors' confidence by creating a business friendly environment. Your company's success is inextricably linked to the country's broad based economic recovery and the future needs to be viewed in that context. In this regard we would view it with cautious optimism.

The capacity expansion and de-bottle necking that we invested in during the last two years will further consolidate our market presence and allow improved returns to the Company. However, we need to bear in mind that the increase in prices of raw materials, mainly copper, coupled with high interest rates is a cause of concern to the company.

Acknowledgement

The Directors would like to place on record their sincere appreciation for the hard work and dedication shown by the management and employees of the company throughout the year. On behalf of the Board of Directors and employees of the company, we express our gratitude to all our valued customers, distributors, dealers and bankers for their enduring relationship and their continued support towards the prosperity of the company.

On behalf of the Board

Karachi: August 19, 2008

Towfiq H. Chinoy
Chairman

Kamal A. Chinoy
Chief Executive

Mr. Akhtar Hussain Samdani receiving gold medal for outstanding performance from Deputy Chief Executive, Mr. Shahpur Channah

Mr. Ashiq Ali received gold medal for outstanding performance

Winner of the March Trade Scheme, holding the key of the car with our Sales Team

The Audit Committee of the Board

Constitution

The Audit Committee (the Committee) is a Committee of the Board constituted by a resolution of the Board dated June 28, 2002. The terms of reference of the Committee is as under:-

Membership

The Committee shall be appointed by the Board and shall comprise of not less than three members majority of whom shall be non-executive Directors. Two members shall constitute a quorum. In case if any member is out of country then he can appoint any other director as his replacement for the period, however, such replacement should be in a manner that the majority of the members of the committee shall always consist of non-executive directors. The period of appointment shall be determined by the Board who shall have the powers to remove members or add new members at anytime.

The Chairman of the Committee who should be a non executive director, shall be appointed by the Board.

Frequency of meetings

Meetings of the Committee shall be held not less than four times a year.

Attendance at meetings

The Committee, at its discretion, may require the Chief Executive, Finance Director and other Senior Management to attend meetings and provide information and explanations relevant to the Company and its operations as outlined below. The Committee may, again at its discretion, ask the company's external auditors to attend meetings and answer questions relating to the company's financial controls and audit procedures. The committee may also invite other non-executive Directors to its meetings as appropriate.

Specific and general areas of activity which the committee is required to monitor and oversee on behalf of the board

The Audit Committee shall;

a. be responsible for recommending to the Board of Directors the appointment of external auditors by the company's shareholders and shall consider any questions of resignation or removal of external auditors, audit fees and provision by external auditors of any service to the listed company in addition to audit of its financial statements,
b. determine appropriate measures to safeguard the listed company's assets,
c. review preliminary announcements of results prior to publication,
d. review quarterly, half-yearly and annual financial statements of the company, prior to their approval by the Board of Directors, focusing on:
   - major judgmental areas;
   - significant adjustments resulting from the audit;
   - the going-concern assumption;
   - any changes in accounting policies and practices;
   - compliance with applicable accounting standards; and
   - compliance with listing regulations and other statutory and regulatory requirements.
e. facilitate the external audit and conduct discussion with external auditors on major observations arising from interim and final audits and on any matter that the auditors may wish to highlight (in the absence of management, where necessary),
f. review of management letter issued by external auditors and management's response thereto,
g. ensure coordination between the internal and external auditors of the company,
h. review the scope and extent of internal audit and ensure that the internal audit function has adequate resources and is appropriately placed within the company,
i. consider major findings of internal investigations and management's response thereto,
j. ascertain that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective,
k. review the company's statement on internal control systems prior to endorsement by the Board of Directors,
l. institute special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body,
m. determine compliance with relevant statutory requirements,
n. monitor compliance with the best practices of corporate governance and identify significant violations thereof, and
o. consider any other issue or matter as may be assigned by the Board of Directors.

Reporting procedures

The Committee shall report to the Board through its Chairman, it may raise any matter within its terms of reference and may make comments and make proposals. The Secretary shall circulate the minutes of meetings of the Committee after their approval by the committee Chairman to all members of the Board.

Management Committee

The mission of the management Committee is to support the Chief Executive Officer to determine and implement the business policies within the strategy approved by the Board of Directors.

Members

• Chief Executive Officer	Chairman
• Deputy Chief Executive	Member
• Director Finance	Member
• Works Manager	Member

Role of the Committee

The Committee is responsible for the following:

- Review matters / suggestions arising from Operations Committee meetings and take decisions as necessary to improve efficiencies, operations, safety, reduce costs etc.
- Discuss, define and update HR policies.
- Approve parameters for annual increments and ex-gratia.
- Approve all promotions and transfers relating to management staff.
- Assign tasks to the Operations Committee and expand (or subtract) their charter.
- Review & propose annual budget to the BOD.
- Review company strategy and its implementation. Implement changes as required within the guidelines approved the BOD.
- Explore new avenues for business.
- Take on any other tasks assigned to it by the CEO or Board Committees.
- Deal with issues arising from Internal Audit investigations.

Committee Procedures

Formal meetings will be conducted on a monthly basis or more frequently as circumstances dictate.

The Director Finance is the Secretary of the Management Committee. A record will be maintained of the minutes of the formal and informal meetings of the Management Committee. Minutes of the meeting will be circulated to all members of the Management Committee within seven days of the meeting.

In order to form a quorum at least 2 members need to be present including the Chief Executive.

Operations Committee

The mission of the Operations Committee is to support the Management Committee in implementing the business policies within the strategy approved by the Board of Directors.

Members

• Deputy Chief Executive	Chairman
• Director Finance	Vice Chairman
• Manager Finance	Member / Secretary
• National Sales Manager	Member
• Works Manager	Member
• Engineering Manager	Member
• Human Resources / I. R. Manager	Member
• Manager Technical	Member
• Manager Materials	Member

Role Of The Committee

The Committee is responsible for the following:

- Review in detail ways to cut costs and recommend the same to the Management Committee.
- Review in detail ways to improve efficiencies and recommend the same to the Management Committee.
- Review progress of departments towards their respective annual budgets (expenses, output, sales etc).
- Review progress of departments towards their respective annual goals.
- Review safety measures and recommend improvements to the Management Committee.
- Review and monitor the supply chain and ensure raw material availability for all products.
- Review and monitor work in progress and finished goods and take actions to control these.
- Define and monitor Key Management Indicators for each department.
- Review staff training needs.
- Identify capital investment projects and propose the same to the Management Committee.

Committee Procedures

Formal meetings are to be conducted on a monthly basis or more frequently as circumstances dictate.

The Manager Finance is the Secretary of the Operations Committee. A record will be maintained of the minutes of the Operations Committee. Minutes of the meeting will be circulated to all members of the Operations Committee within seven days of the meeting. On approval, the minutes of the meeting are sent to all members of the Management Committee.

The Operations Committee may form sub committees as and when deemed necessary. The Operations Committee may invite other members as and when deemed necessary and may exempt members from meetings if they are deemed superfluous.

In order to form a quorum for the meeting, at least four members shall be present. In the absence of the Chairman, Director Finance will chair the meeting.

Statement of Compliance with the Code of Corporate Governance

For The Year Ended 30 June 2008

This statement is being presented to comply with the Code of Corporate Governance as contained in Regulation No. 37 of listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes two directors representing National Investment Trust Limited and one representing State Life Insurance Corporation.

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 have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non Banking Finance Company and none of them is a member of a stock exchange.

4. A casual vacancy occurring on the Board on January 10, 2008 was filled up by the directors within twenty eight days thereof.

5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and management 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 Chief Executive Officer and other executive directors, have been taken by the Board.

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

9. The directors have been provided with copies of the listing regulations of the Karachi Stock Exchange (Guarantee) Limited, Company's Memorandum and Articles of Association and the Code of Corporate Governance and they are well conversant with their duties and responsibilities.

10. No new appointment of CFO, Company Secretary and Head of Internal Audit was made during the year.

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

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

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

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

15. The Board has formed a Board Audit Committee. It comprises three members, of whom all are non-executive directors including the chairman of the committee.

16. The meetings of the Board 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 formed and advised to the Committee for compliance.

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

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

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

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

Towfiq H. Chinoy
Chairman

Kamal A. Chinoy
Chief Executive

Date: 19 August 2008

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Pakistan Cables Limited** ("the Company") to comply with the Listing Regulation 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 for the year ended 30 June 2008.

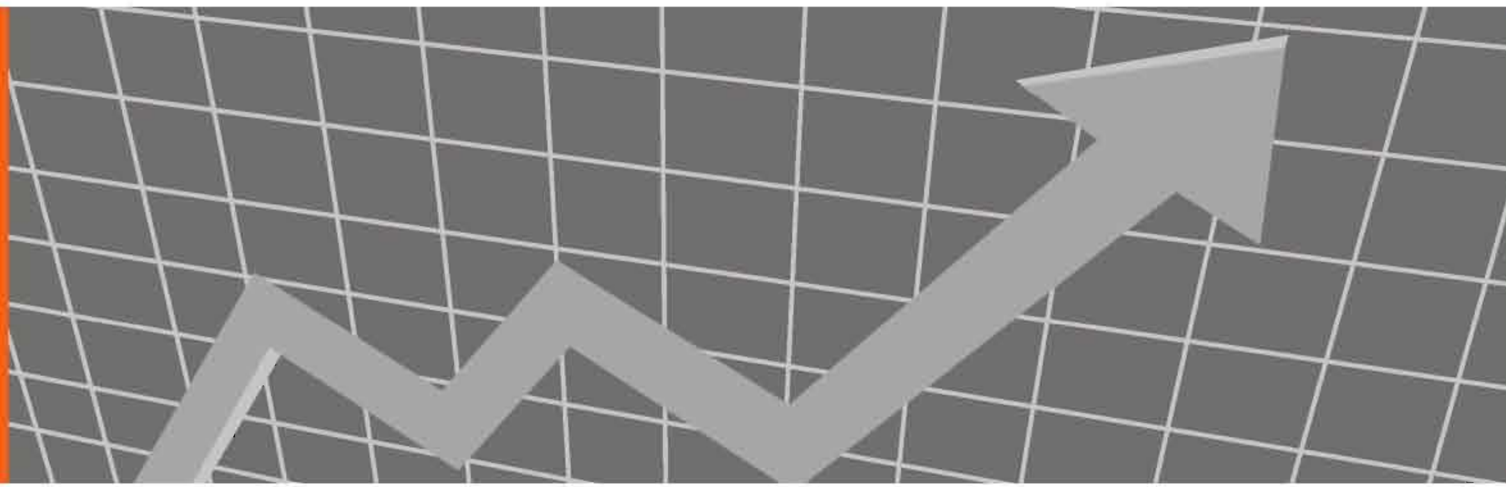
KPMG Taseer Hadi & Co

Date: 19 August 2008

KPMG Taseer Hadi & Co.
Chartered Accountants

The directors are pleased to present the 55th annual audited financial statements of the company for the year ended 30 June 2008.

Financials



Auditors' Report to the Members

We have audited the annexed balance sheet of Pakistan Cables Limited ("the Company") as at 30 June 2008 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 respectively give a true and fair view of the state of the Company's affairs as at 30 June 2008 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.

KPMG Taseer Hadi & Co

Karachi: 19 August 2008

KPMG Taseer Hadi & Co.
Chartered Accountants

Balance Sheet
As at 30 June 2008

	Note	2008	2007
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	4	195,112	146,334
General reserves		378,000	285,000
Unappropriated profit		77,852	171,423
		650,964	602,757
Surplus on revaluation of Land and buildings - net of tax	5	687,557	549,004
Non-current liabilities			
Long-term loans	6	270,770	135,784
Deferred liability for staff gratuity	7	16,890	14,840
Other long-term employee benefits	8	13,726	12,774
Deferred tax liability - net	9	76,868	95,652
Current liabilities			
Current portion of long-term loans	6	59,286	87,620
Trade and other payables	10	449,277	525,889
Short term borrowings	11	1,092,487	938,890
Mark-up accrued on bank borrowings		28,075	15,911
		1,629,125	1,568,310
Contingencies and commitments	12		
		3,345,900	2,979,121

The annexed notes from 1 to 40 form an integral part of these financial statements.

	Note	2008	2007
		(Rupees in '000)	
ASSETS			
Non-current assets			
Property, plant and equipment	13	**1,643,567**	1,215,459
Investments in associates	14	**66,617**	47,932
Long-term loans	15	**1,407**	2,289
Long-term security deposits		**2,494**	2,494
Current assets			
Stores and spares	16	**28,773**	26,508
Stock-in-trade	17	**1,018,606**	1,133,430
Trade debts	18	**397,375**	504,951
Short-term loans and advances	19	**27,255**	11,250
Short-term deposits and prepayments	20	**4,179**	3,912
Other receivables	21	**3,028**	14,663
Advance tax - net of provisions		**57,617**	8,842
Assets classified as held for sale	14	**71,239**	-
Cash and bank balances	22	**23,743**	7,391
		1,631,815	1,710,947
		3,345,900	2,979,121

Kamal A. Chinoy
Chief Executive

Haroun Rashid
Director

Aslam Sadruddin
Finance Director

Profit and Loss Account

For the year ended 30 June 2008

	Note	2008	2007
		(Rupees in '000)	
Net sales	23	3,794,949	4,168,938
Cost of sales	24	(3,425,069)	(3,554,727)
Gross profit		369,880	614,211
Selling costs	25	(146,107)	(119,897)
Administrative expenses	26	(74,592)	(64,439)
		(220,699)	(184,336)
		149,181	429,875
Other operating expenses	27	(148,683)	(62,876)
Other operating income	28	6,461	23,477
		(142,222)	(39,399)
Operating profit		6,959	390,476
Finance cost	29	(130,378)	(112,052)
Gain on sale of investments in associates	14.3	167,926	-
Share of profit from associates		9,100	14,852
		46,648	(97,200)
Profit before taxation		53,607	293,276
Taxation	30	11,790	(99,000)
Profit after taxation		65,397	194,276
		(Rupees)	(Restated)
Earnings per share - basic and diluted	31	3.35	9.96

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy	Haroun Rashid	Aslam Sadruddin
Chief Executive	Director	Finance Director

Cash Flow Statement

For the year ended 30 June 2008

	Note	2008	2007
		(Rupees in '000)	
Cash flows from operating activities			
Cash generated from operations	32	224,314	(151,783)
Staff retirement benefits paid	7.3	(1,926)	(1,732)
Finance cost paid		(118,214)	(104,721)
Taxes paid		(73,296)	(85,917)
Long term loans		882	(1,081)
Long term security deposits (net)		-	(180)
Net cash flows from operating activities		31,760	(345,414)
Cash flows from investing activities			
Fixed capital expenditure		(338,436)	(280,029)
Sale proceeds on disposal of fixed assets	13.1.2	842	3,893
Interest received		-	1,421
Dividends received		2,785	4,288
Proceeds from sales of investments in associates		227,562	-
Investments in associates		(139,597)	-
Net cash flows from investing activities		(246,844)	(270,427)
Cash flows from financing activities			
Long term loan obtained		194,272	146,737
Repayment of principal amount		(87,620)	(65,000)
Net (decrease) / increase in short-term finance		(526,348)	321,008
Dividends paid		(28,813)	(48,974)
Net cash flows from financing activities		(448,509)	353,771
Net decrease in cash and cash equivalents		(663,593)	(262,070)
Cash and cash equivalents at beginning of the year		(50,428)	211,642
Cash and cash equivalents at end of the year	33	(714,021)	(50,428)

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy
Chief Executive

Haroun Rashid
Director

Aslam Sadruddin
Finance Director

Statement of Changes in Equity

For the year ended 30 June 2008

	Share capital	General reserve	Unappropriated profit	Total
	(Rupees in '000)			
Balance as at 30 June 2006	97,556	184,500	174,088	456,144
Changes in equity for the year ended 30 June 2007				
Final cash dividend for the year ended 30 June 2006 at Rs. 2.5 per share	-	-	(24,389)	(24,389)
Bonus shares issued at 50% for the year ended 30 June 2006	48,778	-	(48,778)	-
Transfer to general reserve for the year ended 30 June 2006	-	100,500	(100,500)	-
Interim dividend for the year ended 30 June 2007 at Rs. 1.75 per share	-	-	(25,609)	(25,609)
Transfer from surplus on revaluation of building - net of deferred tax	-	-	2,227	2,227
Share of transfer from surplus on revaluation of building by an associate	-	-	108	108
Net income recognised directly in equity	-	-	2,335	2,335
Net profit for the year	-	-	194,276	194,276
Total recognised income for the year	-	-	196,611	196,611
Balance as at 30 June 2007	**146,334**	**285,000**	**171,423**	**602,757**
Changes in equity for the year ended 30 June 2008				
Final cash dividend for the year ended 30 June 2007 at Rs. 2 per share	-	-	**(29,267)**	**(29,267)**
Bonus shares issued at 33.3% for the year ended 30 June 2007	**48,778**	-	**(48,778)**	-
Transfer to general reserve for the year ended 30 June 2007	-	**93,000**	**(93,000)**	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	**2,227**	**2,227**
Share of transfer from surplus on revaluation of building by an associate	-	-	**63**	**63**
Transfer from surplus on revaluation of building by an associate on sale of share	-	-	**9,787**	**9,787**
Net income recognised directly in equity	-	-	**12,077**	**12,077**
Net profit for the year	-	-	**65,397**	**65,397**
Total recognised income for the year	-	-	**77,474**	**77,474**
Balance as at 30 June 2008	**195,112**	**378,000**	**77,852**	**650,964**

The annexed notes from 1 to 40 form an integral part of these financial statements.

Kamal A. Chinoy
Chief Executive

Haroun Rashid
Director

Aslam Sadruddin
Finance Director

Notes to the Financial Statements

For the year ended 30 June 2008

1. LEGAL STATUS AND OPERATIONS

The Company was incorporated in Pakistan as a private limited company on 22 April 1953 and in 1955 it was converted into a public limited company in which year it also obtained a listing on the Karachi Stock Exchange. The Company is engaged in the manufacturing of copper rods, wires, cables and conductors, and aluminium extrusion profiles.

The registered office of the Company is situated at B/21, S.I.T.E., Karachi, Pakistan.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of, or directives issued under the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except that the land and buildings are stated at revalued amounts.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the future years are as follows:

2.4.1 Income Taxes

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

2.4.2 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in these financial statements (note - 7.1) for actuarial valuation of funded pension and unfunded gratuity schemes. Changes in these assumptions in future years may effect the liability under these schemes in those years.

2.4.3 Trade and other debts

Impairment loss against doubtful trade and other debts is made on judgemental basis, for which provision may differ in the future years based on the actual experience. The difference in provision if any, would be recognised in the future years.

2.4.4 Property, plant and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its plant and equipment. The estimates for revalued amounts of land and buildings are based on a valuation carried out by external professional valuer of the Company. The Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding affect on the depreciation charge and impairment.

2.5 New accounting standards and IFRIC interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards, effective for accounting periods beginning on or after 1 July 2008 are either not relevant to Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures:

IFRS 2 - (amendment)-Share-based payments. IFRS 2 clarifies the vesting conditions and cancellations in the share-based payment arrangement.

IFRS 3 - (amendment)-Business Combinations and consequential amendments to IAS 27-Consolidated and separate financial statements, IAS 28-Investment in associates and IAS 31 - Interest in Joint Ventures.

IFRS 7 - Financial Instruments: Disclosures

IFRS 8 - Operating Segments

Revised IAS 1 - Presentation of financial statements. The objective of revising IAS 1 is to aggregate information in the financial statements on the basis of shared characteristics

Revised IAS 23-Borrowing costs. Amendments relating to mandatory capitalisation of borrowing costs relating to qualifying assets.

IAS 29 - Financial Reporting in Hyperinflationary Economies

IAS 32 - (amendment)-Financial instruments: Presentation and consequential amendment to IAS 1- Presentation of Financial Statements. IAS 32 amended classification of Puttable Financial Instruments.

IFRIC10 - Interim Financial Reporting and Impairment

IFRIC 11 - Group and Treasury Share Transactions

IFRIC 12 - Service Concession Arrangements

IFRIC 13 - Customer Loyalty Programmes

IFRIC 14 - IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction

IFRIC 15 - Agreement for the Construction of Real Estate

IFRIC 16 - Hedge of Net Investment in a Foreign Operation

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented.

3.1 Investments in associates

Investments in associated companies (excluding those which are held for sale - refer note 3.17) are accounted for using equity basis of accounting, under which the investments in associates are initially recognised at cost and the carrying amounts are increased or decreased to recognise the Company's share of the profit or loss of the associates after the date of acquisition, less impairment losses, if any. The Company's share of the profit or loss of the associates is recognised in the Company's profit or loss. Distributions received from associates reduce the carrying amount of the investment. Adjustments to the carrying amounts are also made for changes in the Company's proportionate interest in the associates arising from changes in the associates' equity that have not been recognised in the associates' profit or loss. The Company's share of those changes is recognised directly in equity of the Company.

The carrying amount of the investment is tested for impairment, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount and loss, if any is recognised in the profit and loss account.

3.2 Staff retirement benefits

Defined benefit plans

The Company operates a defined benefit funded pension scheme for all permanent employees who are in the management cadre and the executive directors.

In addition, the Company operates an unfunded gratuity scheme, for all permanent employees other than those covered by the pension fund scheme.

The Company's obligation under the pension and gratuity schemes is determined through actuarial valuations carried out under the "Projected Unit Credit Method". Actuarial valuations are conducted annually and the latest valuation was conducted at the balance sheet date (30 June 2008). Actuarial gains and losses arising during the year are included in income currently. Past service cost resulting from changes to defined benefit plans to the extent the benefits are already vested is recognised immediately and remaining unrecognised past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested.

Defined contribution plan

The Company also operates a recognised provident fund scheme for its employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% of basic pay and dearness allowance.

3.3 Financial Liabilities

Financial Liabilities include long-term loan, short-term borrowings, trade and other payables and mark-up accrued on bank borrowings. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest rate method.

3.4 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current

Provision for current taxation in the accounts is based on taxable income at the current rates of taxation after taking into account the available tax credits and tax rebates.

Deferred

Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base. This is recognised on the basis of the expected manner of the realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised. The company also recognises deferred tax liability on surplus on revaluation of fixed assets which is adjusted and the related surplus in accordance with the requirements of International Accounting Standard 12 'Income Taxes'.

3.5 Property, plant and equipment

- Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any, except that buildings are stated at revalued amount less accumulated depreciation and impairment losses, if any, while land is stated at revalued amount. Capital work-in- progress is stated at cost accumulated to the balance sheet date less impairment losses, if any. Cost of leasehold land is not amortised since the lease is renewable at nominal price at the option of the lessee.
- Depreciation is charged to income applying the straight line method where by the cost of an asset is written off over its estimated useful life. Depreciation on addition is charged from the month the asset is available for use, while in case of disposal it is charged upto the month of disposal. The rates of depreciation are stated in note 13.
- Surplus on revaluation of building to the extent of incremental depreciation charged there on is transferred from surplus on revaluation of building to retained earnings (unappropriated profit), net of deferred tax.
- Expenditure incurred subsequent to the initial acquisition of asset is capitalised only when it increases the future economic lives embodied in the items of above assets. All other expenditure is recognised in the profit and loss account as an expense is incurred.
- Gains and losses on disposal are included in income currently.

3.6 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except that those which are directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset.

3.7 Stores and spares

Stores and spares are stated at lower of cost and net realisable value. Cost is determined using weighted average method. Items in-transit are valued at cost comprising invoice value and other charges paid thereon.

3.8 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined under the weighted average basis. Cost of work-in-process and finished goods consists of direct materials, labour and applicable production overheads. Net realizable value signifies the estimated selling price in the ordinary course of the business less estimated cost of completion and selling expenses.

Items in-transit are valued at cost comprising invoice value plus other charges paid thereon up to the balance sheet date.

Scrap is valued at estimated realizable value.

3.9 Financial assets other than investments

Financial assets includes trade debts, other receivables, loans, advances and deposits. These are recognised initially at fair value plus directly attributable transaction costs, if any and subsequently measured at amortised cost using effective interest rate method less provision for impairment, if any. A provision for impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

3.10 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand and with banks, short-term running finances under mark-up arrangements and short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

3.11 Foreign currency translation

Transactions in foreign currencies are recorded in Pakistan rupees at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are reported in Pakistan rupees at the rates of exchange ruling at the balance sheet date. Exchange gains and losses on translation are included in income currently.

3.12 Revenue recognition

Revenue from sale of goods is measured at fair value of the consideration received or receivable. The Company records revenue from sale of goods on despatch of goods to its customers.

3.13 Financial instruments

All the financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial asset and financial liabilities is taken to income directly.

3.14 Impairment

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

3.15 Provisions

Provisions are recognised when the Company has a present 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.

3.16 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are only offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.17 Assets Held for sale

Assets held for sale stated at the lower of carrying amount and fair value less cost to sell.

3.18 Dividends and reserve appropriation

Dividends and reserve appropriations are recognized as a liability in the period in which these are declared / approved.

4. SHARE CAPITAL

2008	2007		2008	2007
(Number of shares)			(Rupees in '000)	
Authorized				
25,000,000	25,000,000	Ordinary shares of Rs.10 each	**250,000**	250,000
Issued, subscribed and paid up				
1,475,225	1,475,225	Ordinary shares of Rs. 10 each fully paid in cash	**14,752**	14,752
174,775	174,775	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	**1,748**	1,748
17,861,251	12,983,438	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**178,612**	129,834
19,511,251	14,633,438		**195,112**	146,334

4.1 At 30 June 2008, none of the associated companies of the Company had any shareholding in the Company.

5. SURPLUS ON REVALUATION OF LAND AND BUILDINGS - net of tax

	2008	2007
- Own assets	(Rupees in '000)	
Leasehold land		
Balance as at July 01	501,750	501,750
Surplus arising on revaluation carried out as at 30 June 2008	111,500	-
	613,250	501,750
Buildings		
Revaluation surplus over written down value at beginning	66,477	69,903
Surplus arising on revaluation carried out as at 30 June 2008	51,267	-
Transferred to retained earnings (unappropriated profit) in respect of incremental depreciation charged during the year - net of deferred tax	(2,227)	(2,227)
Related deferred tax liability of incremental depreciation charged during the year	(1,199)	(1,199)
	114,318	66,477
Related deferred tax liability at beginning of the year	(23,267)	(24,466)
Related deferred tax liability on revaluation over carrying amount as on 30 June 2008	(17,943)	-
Less: Related to incremental depreciation	1,199	1,199
	(40,011)	(23,267)
	687,557	544,960
- Associate's assets		
Company's share of revaluation surplus on land and buildings - net of tax	-	4,044
	687,557	549,004

6. LONG TERM LOANS

From banking companies - secured

		Number of installments and commencement date	Installment amount (Rs. in '000)	Mark-up rate per annum	2008	2007
					(Rupees in '000)	
Loan 1		12 quarterly commencing from 15-Feb-06	4,167	3 months KIBOR plus 1.25%	8,333	25,000
Loan 2		5 half yearly commencing from 19-Nov-06	20,000	6 months KIBOR plus 1.25%	20,000	60,000
Loan 3		7 half yearly commencing from 27-Oct-07	7,143	6 months KIBOR plus 1.25%	35,714	50,000
Loan 4		12 quarterly commencing from 31-Jan-07	4,167	3 months KIBOR plus 1.25%	25,000	41,667
Loan 5		6 half yearly commencing from 17-Oct-09	13,333	6 months KIBOR plus 1.00%	80,000	46,737
Loan 6		6 half yearly commencing from 13-Aug-09	12,000	6 months KIBOR plus 1.25%	60,000	-
Loan 7	6.2	6 half yearly commencing from 31-Jul-09	6,002	6 months KIBOR plus 1.25%	36,009	-
Loan 8		6 half yearly commencing from 05-Nov-09	4,167	6 months KIBOR plus 1.25%	25,000	-
Loan 9		8 half yearly commencing from 02-Dec-09	5,000	6 months KIBOR plus 1.00%	40,000	-
					330,056	223,404
Current portion shown under current liabilities					(59,286)	(87,620)
					270,770	135,784

6.1 All long term loans are secured against hypothecation of specific items of plant and machinery.

6.2 Currently the loan is in US Dollar and is convertible into a local currency loan from 31 July 2008 and carries interest rate at 6 months LIBOR plus 1% per annum. The instalments details given above are for local currency loan.

7. STAFF RETIREMENT BENEFITS - defined benefit plans

The details of the actuarial valuation under the projected unit credit method as at 30 June 2008 for funded pension and unfunded gratuity schemes are as follows:

7.1 Actuarial assumptions

	2008		2007	
	Pension	Gratuity	Pension	Gratuity
	%		%	
Discount rate	**13.20**	**13.20**	11.00	11.00
Expected rate of salary increase	**11.10**	**11.10**	8.90	8.90
Expected rate of return on plan assets	**13.20**	**-**	11.00	-
Pension increase	**4.40**	**-**	2.80	-

7.2 Balance sheet reconciliation

		2008		2007	
		Pension	Gratuity	Pension	Gratuity
		(Rupees in '000)		(Rupees in '000)	
Fair value of plan assets	*7.4*	**156,408**	**-**	140,928	-
Present value of defined benefit obligations	*7.3*	**(170,568)**	**(16,890)**	(142,611)	(16,821)
		(14,160)	**(16,890)**	(1,683)	(16,821)
Unrecognised past service cost		**-**	**-**	797	1,981
Net liability		**(14,160)**	**(16,890)**	(886)	(14,840)

7.3 Changes in present value of defined benefit obligation

	2008 Pension	2008 Gratuity	2007 Pension	2007 Gratuity
Obligation as at 1 July	**142,611**	**16,821**	126,471	14,238
Current service cost	**8,717**	**1,234**	3,230	1,002
Interest cost	**15,471**	**1,747**	13,779	1,479
Past service cost	**-**	**-**	797	1,981
Actuarial loss / (gain)	**7,807**	**(986)**	1,748	(147)
Benefits paid	**(4,038)**	**(1,926)**	(3,414)	(1,732)
Obligation as at 30 June	**170,568**	**16,890**	142,611	16,821

	2008		2007	
	Pension	Gratuity	Pension	Gratuity
	(Rupees in '000)		(Rupees in '000)	
7.4 Changes in fair value of plan assets				
Fair value as at 1 July	140,928	-	123,849	-
Expected return on plan assets	15,657	-	13,843	-
Net actuarial gain	(3,067)	-	77	-
Benefits paid	(4,038)	-	(3,414)	-
Contribution to fund	6,928	-	6,573	-
Fair value as at 30 June	156,408	-	140,928	-
7.5 Amounts recognised in the profit and loss account				
Current service cost	8,717	1,234	3,230	1,002
Interest cost	15,471	1,747	13,779	1,479
Expected return on plan assets	(15,657)	-	(13,843)	-
Post service cost	797	1,981	-	-
Net actuarial (gain) / loss	10,874	(986)	1,671	(147)
	20,202	3,976	4,837	2,334
7.6 Recognised liability				
Balance as on 1 July	(886)	(14,840)	(2,622)	(14,238)
Expense recognised	(20,202)	(3,976)	(4,837)	(2,334)
Payments during the year	6,928	1,926	6,573	1,732
Company's liability at 30 June	(14,160)	(16,890)	(886)	(14,840)
7.7 Actual return on plan assets	12,590	-	13,920	-
7.8 Fund Investment Composition / fair value of plan assets (in percentage)				
Debt instruments	23%	-	93%	-
Equity	25%	-	-	-
Mutual funds	13%	-	-	-
Cash	39%	-	7%	-

	2008	2007	2006	2005	2004
			(Rupees in '000)		
7.9 Historical information					
Fair value of plan assets	**156,408**	140,928	123,849	103,321	106,868
Present value of the defined benefit obligation	**(187,458)**	(159,432)	(140,709)	(118,187)	(116,191)
Deficit in the plan	**(31,050)**	(18,504)	(16,860)	(14,866)	(9,323)
7.10 Experience adjustments					
- on plan assets	**2%**	-	6%	10%	12%
- on plan liabilities	**7%**	1%	4%	10%	7%

8. OTHER LONG-TERM EMPLOYEE BENEFITS

This represents accrual for staff compensated absences and includes liability in respect of key management personnel amounting to Rs. 2.845 million (2007: Rs. 3.512 million).

9. DEFERRED TAX LIABILITY - net

	Note	2008	2007
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax depreciation allowances		**124,295**	96,316
Surplus on revaluation of buildings	*5*	**40,011**	23,267
Share of income from associate		**-**	1,702
Deductible temporary differences			
Provision for staff retirement and other benefits		**(8,202)**	(7,484)
Provision for doubtful debts		**(4,399)**	(1,212)
Provision for slow-moving stores and spares		**(2,259)**	(2,556)
Provision for import levies		**(20,493)**	(14,797)
Carried forward tax loss	*9.1*	**(52,085)**	-
		76,868	95,236
Share of an associate's deferred tax liability on surplus on revaluation of fixed assets		-	416
		76,868	95,652

9.1 Total unrecognised deferred tax asset amounted to Rs. 7.957million (2007: Nil) on account of carried forward tax losses expiring on 30 June 2014.

10. TRADE AND OTHER PAYABLES

	Note	2008	2007
		(Rupees in '000)	
Creditors	*10.1*	**94,536**	232,033
Accrued expenses	*10.2*	**35,765**	22,946
Advances from customers		**205,272**	188,785
Deposits from distributors		**10,000**	-
Payable to staff pension fund	*7.2*	**14,160**	886
Payable to staff provident fund		**-**	80
Provision for import levies	*10.3*	**58,552**	42,277
Sales tax payable		**8,203**	-
Special excise duty payable		**3,377**	-
Workers' profit participation fund	*10.4*	**395**	16,039
Workers' welfare fund		**1,076**	6,286
Income tax deducted at source		**1,416**	1,225
Unclaimed dividends		**5,094**	4,640
Others		**11,431**	10,692
		449,277	525,889

10.1 This includes mark-up free unsecured balance of Rs. 0.295 million (2007: Rs. 1.552 million) payable to a related party.

10.2 This includes an accrual of Rs. 1.536 million (2007: Nil) due to a related party.

10.3 Provision for import levies

This represents provision for import levies on raw materials. The movement in this provision during the year is as follows:

	Note	2008	2007
		(Rupees in '000)	
Balance as on 1 July		**42,277**	42,832
charge / (Reversal) for the year - net		**16,275**	(555)
Balance as at 30 June		**58,552**	42,277

10.4 Workers' profit participation fund

	Note	2008	2007
Balance as on 1 July		**16,039**	14,685
Mark-up on funds utilised in the Company's business	*29*	**395**	262
Allocation for the year		**-**	15,782
		16,434	30,729
Amount paid to the fund		**(16,039)**	(14,690)
Balance as at 30 June		**395**	16,039

11. SHORT TERM BORROWINGS

	Note	2008	2007
		(Rupees in '000)	
Secured - from banking companies			
Running finance under mark-up arrangements	*11.1*	**737,764**	57,819
Term finance	*11.2*	**75,000**	-
Foreign currency import finance	*11.3*	**279,723**	881,071
		1,092,487	938,890

11.1 Running finances

The Company has arranged short-term running finance facilities from certain banks. The overall facility for these running finances under mark-up arrangements amounts to Rs.2,210 million (2007: Rs.1,760 million). The rate of mark-up on the running finance facilities ranges between 11.2% to 15.2% net of prompt payment rebate (2007: 10.2% to 11.9%). These facilities expire between 30 June 2008 to 31 December 2008 and are renewable.

11.2 Term finances

This facility has been earmarked out for the total running fiance facility of Rs. 500 million obtained from a bank. This carries mark-up at 12.74% per annum and is due for repayment on 13 July 2008.

11.3 Foreign currency import finance

Foreign currency import finance facilities are available from various banks, amounting to Rs. 2,150 million (2007: Rs. 1,760 million) and are repayable on different dates by September 2008. These balances carry mark-up ranging from 4.33 % to 4.81% per annum (2007 : 5.86 % to 6.46% per annum).

11.4 Other facilities

The facility for opening letters of credit and guarantees as at 30 June 2008 amounted to Rs. 2,920 million (2007: Rs.2,790 million) of which the amount remaining unutilised as at that date was Rs. 2,334 million (2007: Rs. 1,830.610 million).

11.5 Securities

The above arrangements are secured by way of joint hypothecation over stocks, stores and spares and present and future trade debts of the Company.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

a) The Company has issued to the Collector of Customs post dated cheques amounting to Rs.12.571 million (2007: Rs. 39.534 million) against partial exemption of import levies.

b) Bank guarantees amounting to Rs. 233.493 million (2007: Rs. 323.814 million) have been given to various parties for contract performance, tender deposits, etc.

12.2 Commitments

a) Aggregate commitments for capital expenditure as at 30 June 2008 amounted to Rs. 98.961 million (2007: Rs. 128.711 million).

b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) at 30 June 2008 amounted to Rs. 267.525 million (2007: Rs. 555.066 million).

13. PROPERTY PLANT AND EQUIPMENT

	Note	2008	2007
		(Rupees in '000)	
Operating assets	*13.1*	**1,389,001**	1,095,752
Capital work-in-progress	*13.2*	**254,566**	119,707
		1,643,567	1,215,459

13.1 Operating assets

	2008											
	COST/ REVALUATION						DEPRECIATION					
	As at 01 July 2007	Additions	Revaluation (Adjustment)*	Surplus	(Disposals)	As at 30 June 2008	As at 01 July 2007	For the year	(Adjustemnt)* / (Disposal)	As at 30 June 2008	Net book value as at 30 June 2008	Rate %
	(Rupees in '000)											
Leasehold land at revalued amount	501,750	-	-	111,500	-	613,250	-	-	-	-	613,250	-
Buildings on leasehold land at revalued amount	133,811	67,769	(16,562)	51,267	-	236,285	9,535	7,027	(16,562)*	-	236,285	5
Plant and machinery	727,348	117,994	-	-	(969)	844,373	287,466	55,716	(969)	342,213	502,160	8, 12 & 25
Office equipment and appliances	35,694	11,029	-	-	(853)	45,870	22,326	5,171	(851)	26,646	19,224	12 & 25
Furniture and fittings	7,746	933	-	-	-	8,679	2,857	763	-	3,620	5,059	8, 12 & 25
Vehicles	22,635	5,145	-	-	(1,215)	26,565	11,293	4,174	(1,166)	14,301	12,264	20
Loose tools	637	707	-	-	-	1,344	392	193	-	585	759	20
	1,429,621	203,577	(16,562)	162,767	(3,037)	1,776,366	333,869	73,044	(19,548)	387,365	1,389,001	

* This represents elimination of accumulated depreciation at the date of revaluation (30 June 2008) against the gross carrying amount of the assets.

	2007											
	COST/ REVALUATION						DEPRECIATION					
	As at 01 July 2006	Additions	(Adjustment)	Revaluation Surplus	(Disposals)	As at 30 June 2007	As at 01 July 2006	For the year	(Adjustemnt) / (Disposal)	As at 30 June 2007	Net book value as at 30 June 2007	Rate %
	(Rupees in '000)											
Leasehold land at revalued amount	501,750	-	-	-	-	501,750	-	-	-	-	501,750	-
Buildings on leasehold land at revalued amount	96,109	37,702	-	-	-	133,811	4,220	5,315	-	9,535	124,276	5
Plant and machinery	597,702	132,042	-	-	(2,396)	727,348	243,622	46,240	(2,396)	287,466	439,882	8, 12 & 25
Office equipment and appliances	29,579	7,636	-	-	(1,521)	35,694	20,306	3,533	(1,513)	22,326	13,368	12 & 25
Furniture and fittings	5,931	2,593	-	-	(778)	7,746	3,038	530	(711)	2,857	4,889	8, 12 & 25
Vehicles	21,081	2,481	-	-	(927)	22,635	8,204	3,686	(597)	11,293	11,342	20
Loose tools	567	70	-	-	-	637	305	87	-	392	245	20
	1,252,719	**182,524**	-	-	**(5,622)**	**1,429,621**	**279,695**	**59,391**	**(5,217)**	**333,869**	**1,095,752**	

13.1.1 Revaluation of leasehold land and building was carried out on 30 June 2008 by M/s. Iqbal A.Nanjee & Co. professional valuers on the basis of market value. The revaluation has resulted in additional surplus of Rs. 162.767 million before tax and cumulative surplus of Rs. 737.846 million. Had there been no revaluation, the carrying amount of leasehold land and buildings would have been as follows:

	2008	2007
	(Rupees in '000)	
Land	-	-
Building	**121,967**	57,799

13.1.2 Details of fixed assets disposed off during the year ended are as follows:

Assets		Cost	Accumulated depreciation	Net book value	Sale proceeds	Mode of disposal	Purchaser
		(Rupees in '000)					
Items of net book value below Rs.50,000 each	**2008**	**3,037**	**(2,986)**	**51**	**842**	Various	Various
	2007	5,622	(5,217)	405	3,893		

13.1.3 Depreciation has been allocated as follows:

		2008	2007
		(Rupees in '000)	
Cost of sales	*24*	**66,544**	53,960
Selling costs	*25*	**2,157**	1,995
Administrative expenses	*26*	**4,343**	3,436
		73,044	59,391

13.2 Capital work-in-progress

	Cost			
	As at 01 July 2007	Additions	(Transfers)	As at 30 June 2008
	(Rupees in '000)			
Civil Works	15,123	52,603	(63,334)	4,392
Plant and machinery	104,584	258,467	(112,877)	250,174
	119,707	311,070	(176,211)	254,566

14. INVESTMENTS IN ASSOCIATES

		% of holding		2008	2007
		2008	2007	(Rupees in '000)	
International Industries Limited (IIL) 400,000 (2007: 441,642) fully paid ordinary shares of Rs. 10 each [market value of Rs. 50.184 million (2007: Rs. 65.473 million)]		**0.48**	0.78	**50,184**	21,356
New Jubilee Insurance Company Limited (NJI) 500,000 (2007: 1,367,527) fully paid ordinary shares of Rs. 10 each [market value of Rs.84.22 million (2007: Rs. 165.471 million)]		**0.76**	1.24	**87,672**	26,576
				137,856	47,932
Investments classified as held for sale	*14.5*			**(71,239)**	-
			-	**66,617**	47,932

14.1 Associates are entities over which the Company has significant influence and no control. Company's two investee companies are considered to be its associates by virtue of common directorship.

14.2 Summarised financial information of associated companies

	Assets	Liabilities	Revenues	Profit after tax
	(Rupees in '000)			
2008	**As at 31 March 2008**		**For the nine months period ended 31 March 2008**	
International Industries Limited	**10,778,123**	**7,270,686**	**8,418,633**	**421,208**
	As at 31 March 2008		**For the three months period ended 31 March 2008**	
New Jubilee Insurance Company Limited	**6,308,960**	**3,970,143**	**489,553**	**9,548**
2007	As at 30 June 2007		For the year ended 30 June 2007	
International Industries Limited	8,600,340	6,258,403	9,700,192	612,981
	As at 31 December 2007		For the year ended 31 December 2007	
New Jubilee Insurance Company Limited	5,932,706	3,521,043	1,818,775	588,456

14.3 During the year , the Company sold 1,417,765 number of shares and repurchased 900,000 number of shares in the above associated companies, resulting in a capital gain of Rs. 167.926 million. This transaction is within the limit approved in the Extraordinary General Meeting held on 8 May 2008.

14.4 The Company's policy is to account for the above investments under the equity basis of accounting (except for those investments which are held for sale), the financial impact of the results of operation and movement in reserves of above associates subsequent ot their acquisition is not considered to be material.

14.5 Out of the investments held, the Company has decided to sell 400,000 shares of International Industries Limited and 125,000 shares of New Jubilee Insurance Company Limited. Accordingly, these have been classified as asset held for sale as required by International Financial Reporting Standard 5 - Non-current Assets Held for Sale and Discontinued Operations. The sale is expected to be finalised within the next twelve months. An impairment loss of Rs. 1.741 million, representing the difference between the carrying value and the market value as of 30 June 2008, has been recognised on these investments.

15. LONG TERM LOANS

		2008	2007
		(Rupees in '000)	
Considered good - secured			
Due from employees	*15.1*	**2,360**	3,472
Due from executive		**100**	13
		2,460	3,485
Recoverable within one year	*19*	**(1,053)**	(1,196)
		1,407	2,289

15.1 Mark-up free loans have been given to the employees for purchase of motor cars, motorcycles and other purposes as per the agreement with the workers' union. These are repayable in thirty-five to sixty equal monthly installments.

16. STORES AND SPARES

		2008	2007
Stores		**944**	766
Spares (including Rs. 1 million in transit; 2007: Rs. 0.354 million)		**34,283**	33,045
		35,227	33,811
Provision against slow moving stores and spares		**(6,454)**	(7,303)
		28,773	26,508

17. STOCK-IN-TRADE

		2008	2007
Raw materials (including Rs. 59.8 million in transit; 2007: Rs. 270.1 million)	*17.1*	**295,113**	534,174
Work-in-process	*17.2*	**300,726**	305,787
Finished goods	*17.2*	**408,896**	286,519
Scrap		**13,871**	6,950
		1,018,606	1,133,430

17.1 This includes certain raw materials of an aggregate value of Rs. 0.2 million (2007: Rs. 4.8 million) held by third parties.

17.2 Work-in-process and finished goods include items aggregating Rs. 12.7 million (2007: Rs. 12.9 million) and Rs. 19.2 million (2007: Rs. 13.5 million) respectively stated at their net realizable values as against their cost of Rs. 20 million (2007: Rs. 23 million) and Rs. 33.6 million (2007: Rs. 22.2 million) respectively.

18. TRADE DEBTS - unsecured

		2008	2007
		(Rupees in '000)	
Considered good			
Due from related parties	*18.1*	**70,606**	75,221
Others		**326,769**	429,730
		397,375	504,951
Considered doubtful			
Others		**12,568**	3,462
		409,943	508,413
Provision for doubtful debts		**(12,568)**	(3,462)
		397,375	504,951

18.1 The related parties from whom the debts are due are as under:

	2008	2007
Cherat Cement Company Limited	**17**	-
Heritage Developments	-	44
Intermark (Private) Limited	**40,971**	42,324
International Industries Limited	**1,282**	22,860
Packages Limited	**28,336**	-
Siemens Pakistan Engineering Limited	-	9,798
Pakistan Security Printing Corporation	-	195
	70,606	75,221

The above balances are mark up free and unsecured.

19. SHORT TERM LOANS AND ADVANCES - unsecured

		2008	2007
Considered good			
Current portion of long term loans	*15*	**1,053**	1,196
Short term advances to employees		**1,248**	329
Advances to suppliers		**24,954**	9,725
		27,255	11,250

20. SHORT TERM DEPOSITS AND PREPAYMENTS

	2008	2007
	(Rupees in '000)	
Deposits - considered good	**3,597**	3,223
Prepayments	**582**	689
	4,179	3,912

21. OTHER RECEIVABLES

Sales tax	**-**	12,763
Claim receivable	**1,068**	1,068
Receivable from staff pension fund - related party	**-**	797
Receivable from staff provident fund - related party	**811**	-
Others	**1,149**	35
	3,028	14,663

22. CASH AND BANK BALANCES

With banks in current accounts	**23,523**	7,121
Cash in hand	**220**	270
	23,743	7,391

23. NET SALES

Gross sales	**4,442,611**	4,810,838
Sales tax and special excise duty	**(611,903)**	(624,949)
	3,830,708	4,185,889
Discounts	**(35,759)**	(16,951)
	3,794,949	4,168,938

24. COST OF SALES

	Note	2008	2007
		(Rupees in '000)	
Opening work-in-process		305,787	206,404
Opening stock - raw material		534,174	629,000
Opening stock - metal scrap		6,950	20,474
		541,124	649,474
Purchases of raw material		3,075,909	3,471,096
		3,617,033	4,120,570
Sales of scrap material during the year		(83,760)	(62,466)
Closing stock - raw material		(295,113)	(534,174)
Closing stock - metal scrap		(13,871)	(6,950)
		(308,984)	(541,124)
		(392,744)	(603,590)
		3,224,289	3,516,980
Stores and spares consumed		33,980	30,765
Fuel and power		56,057	53,663
Salaries, wages and benefits	*24.1*	143,540	120,138
Rent, rates and taxes		5,728	2,645
Insurance		3,118	2,453
Repairs and maintenance		22,275	20,348
Depreciation	*13.1.3*	66,544	53,960
Communication and stationery		700	729
Training, traveling and entertainment		3,620	5,481
General works		6,988	4,981
Cost of production		342,550	295,163
		3,872,626	4,018,547
Closing work-in-process		(300,726)	(305,787)
Cost of goods manufactured		3,571,900	3,712,760
Opening stock of finished goods		286,519	128,486
		3,858,419	3,841,246
Closing stock of finished goods		(408,896)	(286,519)
		3,449,523	3,554,727
Cost of good used in capital project		(13,830)	-
Insurance claim on good destroyed		(10,624)	-
		3,425,069	3,554,727

24.1 Details of salaries, wages and benefits

		2008	2007
		(Rupees in '000)	
Salaries, wages and benefits		**129,854**	113,916
Provident fund contributions		**2,715**	2,351
Provision for pension fund obligation		**7,170**	1,687
Provision for staff retirement gratuity		**3,801**	2,184
		143,540	120,138

25. SELLING COSTS

Salaries, wages and benefits	*25.1*	**40,785**	30,621
Rent, rates and taxes		**2,542**	1,551
Insurance		**216**	228
Repairs and maintenance		**388**	4,818
Consultancy		**35**	60
Communication and stationery		**1,700**	1,833
Training, traveling and entertainment		**5,249**	5,159
Advertising and publicity		**45,156**	32,132
Carriage and forwarding expenses		**43,652**	38,386
Commission		**1,255**	1,394
Depreciation	*13.1.3*	**2,157**	1,995
Subscriptions		**374**	638
Fuel and power		**611**	623
Others		**1,987**	459
		146,107	119,897

25.1 Details of salaries, wages and benefits

Salaries, wages and benefits	**33,365**	28,072
Provident fund contributions	**1,494**	1,209
Provision for pension fund obligation	**5,852**	1,247
Provision for staff retirement gratuity	**74**	93
	40,785	30,621

26. ADMINISTRATIVE EXPENSES

		2008	2007
		(Rupees in '000)	
Salaries, wages and benefits	26.1	44,855	38,070
Insurance		362	379
Repairs and maintenance		3,679	6,703
Legal and professional		1,354	1,900
Donations	26.2	1,020	5,265
Auditors' remuneration	26.3	633	620
Communications and stationery		4,713	3,719
Provision for doubtful debts		9,180	682
Bad debts written off		171	-
Training, traveling and entertainment		3,055	2,975
Depreciation	13.1.3	4,343	3,436
Fuel and power		336	339
Others		891	351
		74,592	64,439

26.1 Details of salaries, wages and benefits

	2008	2007
Salaries, wages and benefits	35,526	34,398
Provident fund contributions	2,048	1,712
Provision for pension fund obligation	7,180	1,903
Provision for staff retirement gratuity	101	57
	44,855	38,070

26.2 Donations were not made to any donee in which the Company or a director or his spouse had any interest. Donation given during 2007 include the following in which the directors had interest:

Name of Director	Name & address of Donee	Interest in Donee	2008	2007
1. Mr. Aslam Sadruddin	Aga Khan University Foundation (AKUF), Stadium Road, Karachi	Member, National Committee AKUF	-	2,250
2. Mr. Irtiza Hussain	The Layton Rehmatullah Benevolent Trust, 37-C, Sunset Lane No. 4, Phase II, Extension, D.H.A., Karachi	Trustee	-	100
			-	2,350

		2008	2007
		(Rupees in '000)	

26.3 Auditors' remuneration

		2008	2007
Audit fee		350	322
Fee for the review of half yearly financial statements		127	127
Special certification		95	120
Out of pocket expenses		61	51
		633	620

27. OTHER OPERATING EXPENSES

		2008	2007
Liquidated damages for late deliveries		12,831	39,845
Workers' profits participation fund		-	15,782
Workers' welfare fund		1,076	6,312
Exchange loss		133,035	937
Impairment loss on investments in associates	*14.5*	1,741	-
		148,683	62,876

28. OTHER OPERATING INCOME

		2008	2007
Income from related parties - insurance commission		717	798
Income from non-financial assets			
- Sale of general scrap		4,913	6,589
- Gain on disposal of fixed assets		791	3,488
Others			
- Balance no longer payable written back		-	11,309
- Interest on term deposits		-	1,215
- Others		40	78
		6,461	23,477

29. FINANCE COST

		2008	2007
Mark-up on finances under mark-up arrangements		94,046	73,461
Mark-up on long-term loans		27,751	21,060
Mark-up on workers' profits participation fund	*10.4*	395	262
Usance charges		1,083	8,405
Bank charges		7,103	8,864
		130,378	112,052

30. TAXATION

	Note	2008	2007
		(Rupees in '000)	
Current - for the year		19,695	68,346
- Prior year		4,826	-
Deferred		(36,311)	30,654
	30.1	(11,790)	99,000

30.1 Relationship between tax expense and accounting profit:

	2008	2007
Profit before taxation	53,607	293,276
Tax at the applicable rate of 35% (2007: 35%)	18,762	102,647
Tax effect of expenses that are not allowable in determining taxable income	78	-
Tax effect of exempt income on sale of shares	(58,774)	-
Tax effect of minimum tax on turnover	18,975	
Tax effect of share of profit from associates and dividend received from them	(3,185)	(3,166)
Tax effect of current year tax loss for which deferred tax was not recognised	7,957	-
Tax effect of export proceeds and commission income taxed at lower rate	(429)	(481)
Prior years' tax charge	4,826	-
Tax charge	(11,790)	99,000

30.2 The income tax assessments of the Company have been finalised upto and including the financial year ended 30 June 2001, while returns filed for subsequent years upto the financial year ended 30 June 2007 by the Company are deemed to be assessed under section 120 of Income Tax Ordinance, 2001 (Ordinance) unless amended by the Commissioner of Income Tax (CIT). The return for the tax year 2006 has been selected for audit under section 177 of the Ordinance, however, no assessment order has been passed as yet. The management is confident that there may not arise any material tax liability once this attains finality.

31. EARNINGS PER SHARE - basic and diluted

	2008	2007
	(Rupees in '000)	
Profit after taxation	65,397	194,276
	(Number of shares)	
		(Restated)
Weighted average number of ordinary shares issued and subscribed at the end of the year (2007: adjusted for the bonus issues during the year)	19,511,251	19,511,251
	(Rupees)	(Restated)
Earnings per share - basic and diluted	3.35	9.96

32. CASH GENERATED FROM OPERATIONS

	Note	2008	2007
		(Rupees in '000)	
Profit before taxation		53,607	293,276
Adjustment for non cash charges and other items:			
- Depreciation	13.1.3	73,044	59,391
- Provision for staff retirement gratuity	7.5	3,976	2,334
- Other long-term employee benefits		953	2,671
- Gain on disposal of fixed assets		(791)	(3,488)
- Share of profit from associates		(9,100)	(14,852)
- Gain on sale of investments in associates	14.3	(167,926)	-
- Impairment loss on investments		1,741	-
- Interest on bank deposits		-	(1,215)
- Finance cost		130,378	112,052
- Working capital changes	32.1	138,432	(601,952)
		224,314	(151,783)

32.1 Working capital changes

	2008	2007
(Increase)/ decrease in current assets		
- Stores and spares	(2,265)	(6,370)
- Stock-in-trade	114,824	(149,066)
- Trade debts	107,576	(111,998)
- Short-term loans and advances	(16,005)	568
- Short-term deposits and prepayments	(267)	(976)
- Other receivables (net)	11,635	7,014
	215,498	(260,828)
decrease in current liabilities		
Trade and other payables (net)	(77,066)	(341,124)
	138,432	(601,952)

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items:

	Note	2008	2007
Cash and bank balances	22	23,743	7,391
Running finance under mark-up arrangements	11	(737,764)	(57,819)
		(714,021)	(50,428)

34. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

i) Mark-up / profit rate risk

Information about the company's exposure to mark-up / profit rate risk based on contractual repricing and maturity dates, whichever is earlier at 30 June 2008, is as follows:

2008

	Mark-up rate	Mark-up / profit bearing			Non-mark-up / profit bearing			
		Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
	%	(Rupees in '000)						
Financial assets								
Loans and advances to employees	-	-	-	-	1,053	1,407	2,460	2,460
Deposits	-	-	-	-	3,597	2,494	6,091	6,091
Investments held for sale	-	-	-	-	71,239	-	71,239	71,239
Trade debts	-	-	-	-	397,375	-	397,375	397,375
Other receivables	-	-	-	-	2,217	-	2,217	2,217
Cash and bank balances	-	-	-	-	23,743	-	23,743	23,743
		-	-	-	499,224	3,901	503,125	503,125
Financial liabilities								
Long-term loans	11.51 -14.15	59,286	270,770	330,056	-	-	-	330,056
Trade and other payables	-	-	-	-	168,406	-	168,406	168,406
Short term borrowings	11.18 - 15.2	1,092,487	-	1,092,487	-	-	-	1,092,487
Mark-up accrued on bank borrowings	-	-	-	-	28,075	-	28,075	28,075
		1,151,773	270,770	1,422,543	196,481	-	196,481	1,619,024
On-balance sheet gap (a)		(1,151,773)	(270,770)	(1,422,543)	302,743	3,901	306,644	(1,115,899)
Off-balance sheet items								
Letters of credit	-	-	-	-	352,643	-	352,643	352,643
Financial guarantees (including post dated cheques)	-	-	-	-	248,433	-	248,433	248,433

	2007							
	Mark-up	Mark-up / profit bearing			Non-mark-up / profit bearing			
	rate	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total
	%	(Rupees in '000)						
Financial assets								
Loans and advances to employees	-	-	-	-	1,196	2,289	3,485	3,485
Deposits	-	-	-	-	3,223	2,494	5,717	5,717
Trade debts	-	-	-	-	504,951	-	504,951	504,951
Other receivables	-	-	-	-	1,103	-	1,103	1,103
Cash and bank balances	-	-	-	-	7,391	-	7,391	7,391
		-	**-**	**-**	**517,864**	**4,783**	**522,647**	**522,647**
Financial liabilities								
Long-term loans	11.09 -11.46	87,620	135,784	223,404	-	-	-	223,404
Trade and other payables	-	-	-	-	270,391	-	270,391	270,391
Short term borrowings	5.58 - 11.9	938,890	-	938,890	-	-	-	938,890
Mark-up accrued on bank borrowings	-	-	-	-	15,911	-	15,911	15,911
		1,026,510	**135,784**	**1,162,294**	**286,302**	**-**	**286,302**	**1,448,596**
On-balance sheet gap (a)		**(1,026,510)**	**(135,784)**	**(1,162,294)**	**231,562**	**4,783**	**236,345**	**(925,949)**
Off-balance sheet items								
Letters of credit	-	-	-	-	670,550	-	670,550	670,550
Financial guarantees (including post dated cheques)	-	-	-	-	363,348	-	363,348	363,348

(a) On-balance sheet gap represents the net amounts of on-balance sheet items.

ii) Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss without taking into account the fair value of any collateral. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continuously assessing the credit worthiness of counterparties.

Concentration of credit risk arise when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

All the financial assets of the Company, except cash in hand of Rs. 0.220 million (2007: Rs. 0.270 million), are exposed to credit risk. The Company believes that it is not exposed to major concentration of credit risk. The Company seeks to minimise the credit risk exposure through having exposure only to customers considered credit worthy, obtaining securities where applicable and makes provision against those balances considered doubtful of recovery.

iii) Foreign exchange risk management and hedges of anticipated future transactions

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The Company is exposed to foreign currency risk on sales and purchases that are entered in a currency other than Pak. Rupees. The Company uses forward foreign exchange contracts to hedge its foreign currency risk, when considered appropriate. At the year end no balances denominated in foreign currency were receivable by the Company. At the year end the Company had liabilities in foreign currencies aggregating to Rs. 286.005 million (2007: Rs. 1,021.24 million).

iv) Fair values of financial assets and liabilities

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

v) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising fund to meet commitments associated with financial instruments. The Company closely monitors its liquidity and cash flow position. This includes maintenance of balance sheet ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

vi) Capital risk management

The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue new shares.

35. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

35.1 Remuneration of the chief executive, executive directors and executives

The aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive, directors and executives of the company were as follows:

	2008			2007		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
		(Rupees in '000)			(Rupees in '000)	
Managerial remuneration (including performance bonus)	10,843	9,502	17,011	9,588	7,085	12,278
Retirement benefits	4,026	3,602	4,504	1,535	1,166	1,900
House rent, utilities and others	2,880	2,698	7,079	2,539	1,958	4,934
	17,749	15,802	28,594	13,662	10,209	19,112
Number of persons	1	2	17	1	2	12

Executive means an employee of a listed company other than the chief executive and directors whose basic salary exceeds Rs. 0.5 million in a financial year. The chief executive, executive directors and certain executives of the Company are provided with free use of cars. The chief executive, executive directors and executives are also provided with medical facilities in accordance with their entitlements.

35.2 Remuneration to non-executive directors

In addition to the above, the aggregate amount charged in these financial statements for directors' fee paid to nine directors was Rs. 0.465 million (2007: eight directors - Rs. 0.235 million).

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, directors of the Company, key management employees and staff retirement funds. The Company continues to have a policy whereby all transactions with related parties undertakings are entered into at commercial terms and conditions. Further, contribution to defined contribution plan (provident fund) are made as per the terms of employment and contribution to the defined benefit plan (gratuity scheme) are in accordance with the actuarial advice. Remuneration of key management personnel are in accordance with their terms of engagements. Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Transactions		**2008**	2007
		(Rupees in '000)	
Associated companies			
Sale of goods		**327,877**	278,831
Discount		**13,003**	5,387
Purchase of goods, services and materials		**9,313**	9,855
Commission earned		**717**	798
Insurance premium		**8,570**	8,175
Insurance claim received		**18,423**	305
Dividend received		**2,787**	4,288
Distribution expenses		**6,537**	4,417
Donations	*26.2*	**-**	2,350
Share of profit of associated companies under the equity basis of accounting		**9,100**	14,852
Proceeds from sales of investment in associates		**65,243**	-
Net charge in respect of staff retirement benefit plans		**26,459**	10,109

Balances

The details of balances with related parties are disclosed in notes 7, 8, 10.1, 10.2, 14, 18.1 and 28 to these financial statements.

37. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as this depends on the relative proportions of the various types of aluminium sections and types and sizes of cables and wires produced.

38. NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on 19 August 2008 have proposed for the year ended 30 June 2008, bonus share issue in the proportion of 1 share for every 10 shares held amounting amounting to Rs. 19.511 million (2007: Rs. 48.778 million), final cash dividend of Rs. Nil per share (2007: Rs. 2 per share), and appropriation to general reserves amounting to Rs. 58 million (2007: Rs 93 million) for approval by the members of the Company in the Annual General Meeting to be held on 26 September 2008. The financial statements for the year ended 30 June 2008 do not include the effect of the proposed bonus issue and appropriation to general reserve, which will be recognised in the financial statements for the year ending 30 June 2009.

39. GENERAL

Figures have been rounded off to the nearest thousand rupees.

40. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 19 August 2008 by the board of directors of the Company.

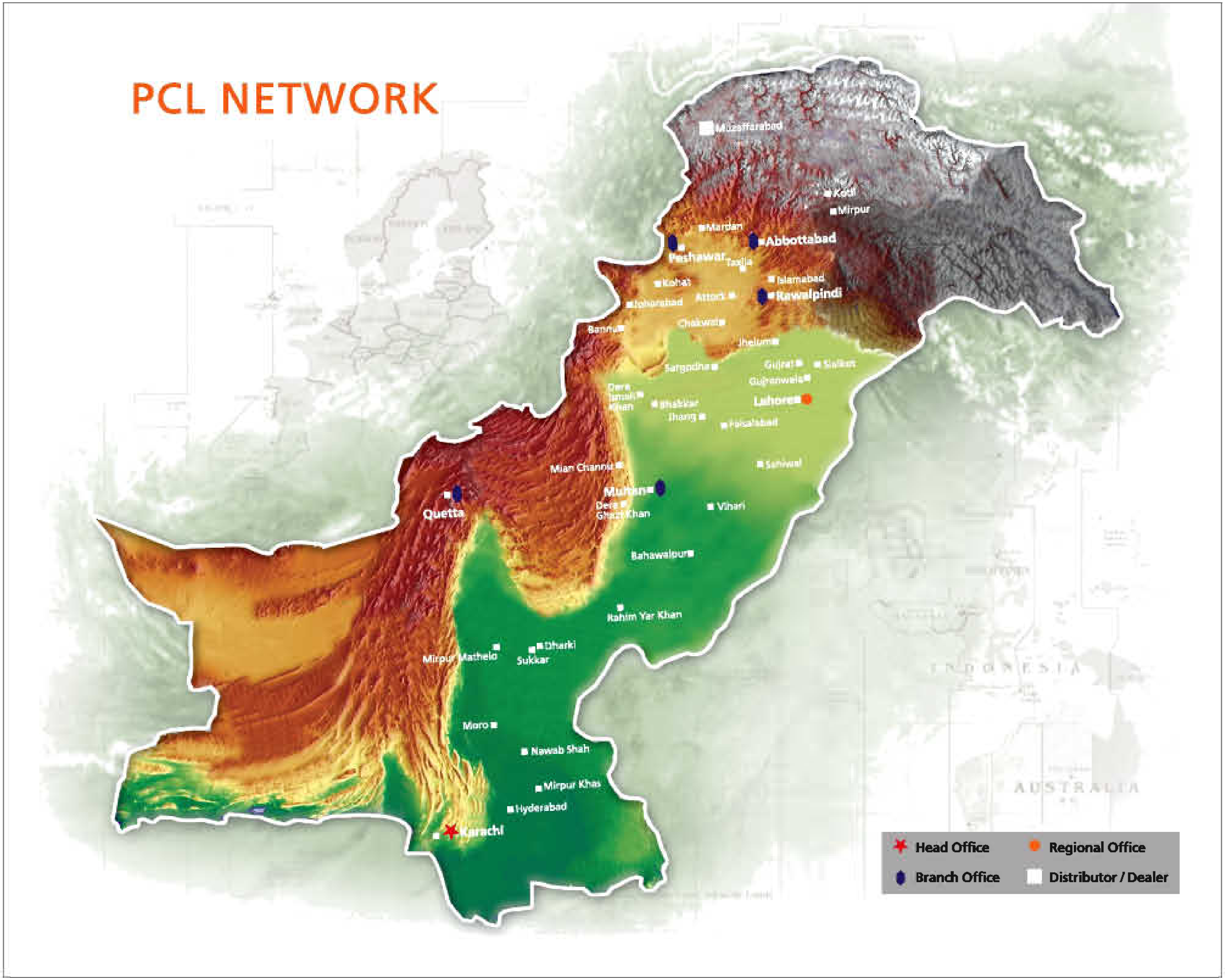
Kamal A. Chinoy	Haroun Rashid	Aslam Sadruddin
Chief Executive	**Director**	**Finance Director**

Pattern of Shareholding
As at 30 June 2008

No. of Shareholders	Shareholding From	To	Total Shares Held
352	1	100	16,977
556	101	500	159,873
299	501	1,000	234,289
409	1,001	5,000	954,559
97	5,001	10,000	681,753
27	10,001	15,000	320,362
11	15,001	20,000	189,436
6	20,001	25,000	132,223
5	25,001	30,000	141,723
7	30,001	35,000	223,636
3	35,001	40,000	110,150
-	40,001	45,000	-
1	45,001	50,000	46,812
2	50,001	55,000	100,504
-	55,001	60,000	-
1	60,001	65,000	61,109
1	65,001	70,000	65,045
2	70,001	75,000	144,550
1	75,001	80,000	78,833
-	80,001	85,000	-
1	85,001	90,000	86,156
2	90,001	95,000	187,498
-	95,001	110,000	-
1	110,001	115,000	111,400
-	115,001	295,000	-
1	295,001	300,000	296,480
-	300,001	345,000	-
1	345,001	350,000	346,509
-	350,001	630,000	-
1	630,001	635,000	633,744
-	635,001	665,000	-
1	665,001	670,000	667,589
-	670,001	675,000	-
1	675,001	680,000	677,962
1	680,001	685,000	684,629
-	685,001	955,000	-
1	955,001	960,000	957,523
-	960,001	1,200,000	-
1	1,200,001	1,205,000	1,200,803
-	1,205,001	1,525,000	-
1	1,525,001	1,530,000	1,526,420
-	1,530,001	1,595,000	-
1	1,595,001	1,600,000	1,598,934
-	1,600,001	1,645,000	-
1	1,645,001	1,650,000	1,647,037
-	1,650,001	1,825,000	-
1	1,825,001	1,830,000	1,826,429
-	1,830,001	3,400,000	-
1	3,400,001	3,405,000	3,400,304
-	3,405,001	19,511,251	-
Total 1,797			**19,511,251**

Categories of Shareholders	Number	Shares held	Percentage
Associated Companies, Undertakings and Related Parties	-	-	-
NIT and ICP	2		
National Bank of Pakistan Trustee Deptt.		3,245,971	16.64
Investment Corporation of Pakistan		432	0.00
Directors, Chief Executive Officer, their Spouses and Minor Children	9		
Mr. Towfiq H. Chinoy		346,509	1.78
Mr. Mustapha A. Chinoy		1,526,420	7.82
Mrs. Mustapha Chinoy		22,161	0.11
Mr. Kamal A. Chinoy		3,400,304	17.44
Mrs. Kamal Chinoy		61,109	0.31
Mr. Haroun Rashid		1	0.00
Mrs. Saadia Rashid		667,589	3.42
Syed Naseem Ahmad		1	0.00
Mr. Shahpur Channah		1	0.00
Executives	1	684,629	3.51
Public Sector Companies and Corporations	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas, and Mutual Funds	17	5,617,673	28.79
Joint Stock Companies	34	122,857	0.63
Shareholders holding ten Percent or more voting Interest in the Company	-	-	-
Individuals	1,724	3,636,729	18.65
Others	10		
Trustees of Aminia Muslim Girls School		70,649	0.36
Karachi Zarthosti Banu Mandal		65,045	0.33
Pakistan Masonic Institution		7,089	0.03
The Pakistan Memon Educational & Welfare Society		12,500	0.07
Government Of Pakistan, Corporate Law Authority (S.E.C.P.)		1	0.00
Administrator Abandoned Properties Organization		4,580	0.02
Trustees of Gul Ahmed Textile Mills Ltd. Emp. Provident Fund		649	0.00
Kaymo Trading (FZE)		9,684	0.05
Trustee-PPF Equity (Sub-Fund)		8,666	0.04
The Karachi Stock Exchange (G) Ltd.		2	0.00
Total	**1,797**	**19,511,251**	**100.00**

PCL NETWORK


Muzaffarabad
Kotli
Mirpur
Mardan
Abbottabad
Peshawar
Taxila
Kohat
Islamabad
Attock
Rawalpindi
Joharabad
Bannu
Chakwal
Jhelum
Sargodha
Gujrat
Sialkot
Gujranwala
Dera Ismail Khan
Bhakkar
Jhang
Lahore
Faisalabad
Sahiwal
Mian Channu
Multan
Quetta
Dera Ghazi Khan
Vihari
Bahawalpur
Rahim Yar Khan
Dharki
Sukkar
Mirpur Mathelo
Moro
Nawab Shah
Mirpur Khas
Hyderabad
Karachi
INDONESIA
AUSTRALIA
Head Office
Regional Office
Branch Office
Distributor / Dealer

PROXY FORM

I ____

of ____

being a member of **Pakistan Cables limited** hereby appoint:

________________________________ Folio No. ________________

of ____

____ (full address)

or failing him ____________________________ Folio No. ________________

of ____

____ (full address)

as my Proxy to attend and vote on my behalf at the 55th Annual General Meeting of the Company to be held on 26th September 2008 and at any adjournment thereof.

As witness my hand this ______________________ day of ________________ 2008

Signed by the proxy holder

Please affix Revenue Stamp of Rs. 5/-

Signature of Member

In the presence of (Signature / name and address of witnesses)

1) ______________________ ______________________

2) ______________________ ______________________

Shareholder's Folio No. ______________ Number of Shares held ______________

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of him. Such proxy must be a member of the company.

The instrument appointing a proxy should be signed by the member or by his attorney duly authorised in writing. If the member is a corporation, its common seal should be affixed to the instrument.

The instrument appointing a proxy, together with the Power of Attorney under which it is signed or a notarially certified copy thereof, should be deposited at the Registered Office of the company not less than 48 hours before the time of holding the meeting.

CDC shareholders or their Proxies should bring their original National Identity Card or Passport along with the Participant's ID Number and their Account Number to facilitate their identification.

The Company Secretary
Pakistan Cables Limited
B/21, S.I.T.E.,
Karachi-75700

AFFIX
CORRECT
POSTAGE

PRODUCT RANGE

PRODUCT	SPECIFICATION	RANGE	USAGE
GENERAL WIRING	450 / 750 V & 300 / 500 V BSS - 6004 : 2000	a) SINGLE CORE 1mm² to 16 mm² b) MULTICORE 1 mm² to 10mm²	House wiring, Industrial lighting & Commercial buildings
L. V. CABLES COPPER OR ALUMINIUM CONDUCTOR XLPE OR PVC INSULATED	600 / 1000 V & 1900 / 3300 V BSS - 6346 : 1997	a) SINGLE CORE 25mm² to 1000 mm² Armoured / Unarmoured b) MULTICORE 16 mm² to 400 mm² Armoured / Unarmoured	Industrial Projects e.g. Textile, Fertilizer, Sugar, Refineries, Cement etc.
M. V. CABLES COPPER OR ALUMINIUM CONDUCTOR XLPE OR PVC INSULATED	11000 - 15000 V IEC - 502 : 1994	a) SINGLE CORE 16 mm² to 630 mm² b) MULTICORE 16 mm² to 300 mm²	Primary Cable of Utility Companies for distribution to Sub-Station
CONDUCTORS PACC/HDBC/ACSR/AAC	BSS : 6360 : 7884, 215	Upto 500 mm²	Overhead Transmission Lines
CONTROL CABLES	600 / 1000 V BSS - 6346	MUL TICORE 1.5 mm² to 4.0 mm²	Industrial Control Wiring
WELDING CABLES	PCL design with synthetic rubber insulation	16 mm² to 300 mm²	Arc Welding Plant
TELEPHONE CABLES PVC / PE INSULATED	PCL Design	1 pair to 20 pairs Armoured / Unarmoured	Telecommunication
SPECIAL CABLES			
a) AIR FIELD LIGHTING CABLES	Civil Aviation Authority	–	Airport Lighting
b) COAXIAL CABLES	5C - 2V 75 ohm, RG - 6, RG -11	–	Dish Antenna CC TV and Cable Wiring
c) SUBMERSIBLE CABLES	–	–	Water Submersible Pumps
d) MISCELLANEOUS OTHER CABLES	As per customers' requirements	–	–
ALUMINIUM SECTIONS (Profiles) Brand Alum-Ex	AAMA CLASS-1 & International Standard	a) Sections for sliding doors/windows b) Sections for hinged doors/windows c) Sections for fixed glazing/shop front d) Glass door sections e) Curtain wall sections f) Centrally pivoted window sections g) Swing Door sections h) Sections for casement/awning windows i) Double glazed openable doors/windows j) Double glazed sliding doors/windows k) Special sections to suit customers' specific needs	Architectural, Industrial & Commercial
High conductivity Oxygen free COPPER ROD	ASTM B-49	8 mm Dia	Enamel wire manufacturing, Electrical/communication wires, cables, conductor & enamelled wire

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