Pakistan Cables Limited annual report 2009

onefamilyonegoal

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we are family

we are family

Pakistan Cables Annual Report 2009

This year we salute, value and treasure the force that makes us who we are. Diverse, innovative and diligent is how we describe the large group of individuals who are working day in and day out to raise the bar for themselves as professionals and for us as an organization.

Our People
Our strength are people who work at PAKISTAN CABLES. They are the force.

Our Products
Our family of products is of the highest quality standards.

Our Spirit
At Pakistan Cables, we function like a team, while valuing individuality.

vision

"To be the company of first choice for customers & partners for wire and cables and other engineering products."

mission statement

"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 & business practices

statement of ethics & 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 contribute 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 recruiting and promoting 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 it exists 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."

company information

Company Information

BOARD OF DIRECTORS

Towfiq H. Chinoy	Non-Independent Non-Executive Director	Chairman	Director since 1996
Syed Naseem Ahmad	Independent Non Executive Director		Director since 1999
Javaid Anwar	Independent Non Executive Director		Director since 2006
Mustapha A. Chinoy	Non-Independent Non-Executive Director		Director since 1986
Ansar Hussain	Independent Non Executive Director		Director since 2005
M. Khalil Mian	Independent Non Executive Director		Director since 2008
Haroun Rashid	Non-Independent Non-Executive Director		Director since 1993
Saquib Shirazi	Independent Non Executive Director		Director since 2008
Shahpur Channah	Executive Director		Director since 1992
Aslam Sadruddin	Executive Director		Director since 1998
Kamal A. Chinoy	Executive Director	Chief Executive	Director since 1992

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 No.: (021) 32561170-75
Fax: (021) 32564614
E-mail: info@pakistancables.com
sales@pakistancables.com
URL: www.pakistancables.com

Regional Office

Lahore

Co-operative Insurance Building
Shahrah-e-Quaid-e-Azam, Lahore.
Telephone No.: (042) 37355783, 37353520, 37120790-91
Fax: (042) 37355480
E-mail: lahore@pakistancables.com

Branch Offices

Rawalpindi

455-A, Adamjee Street, Rawalpindi.
Telephone No.: (051) 5568895, 5512797
Fax: (051) 5587029
E-mail: pindi@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

Multan

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

Quetta

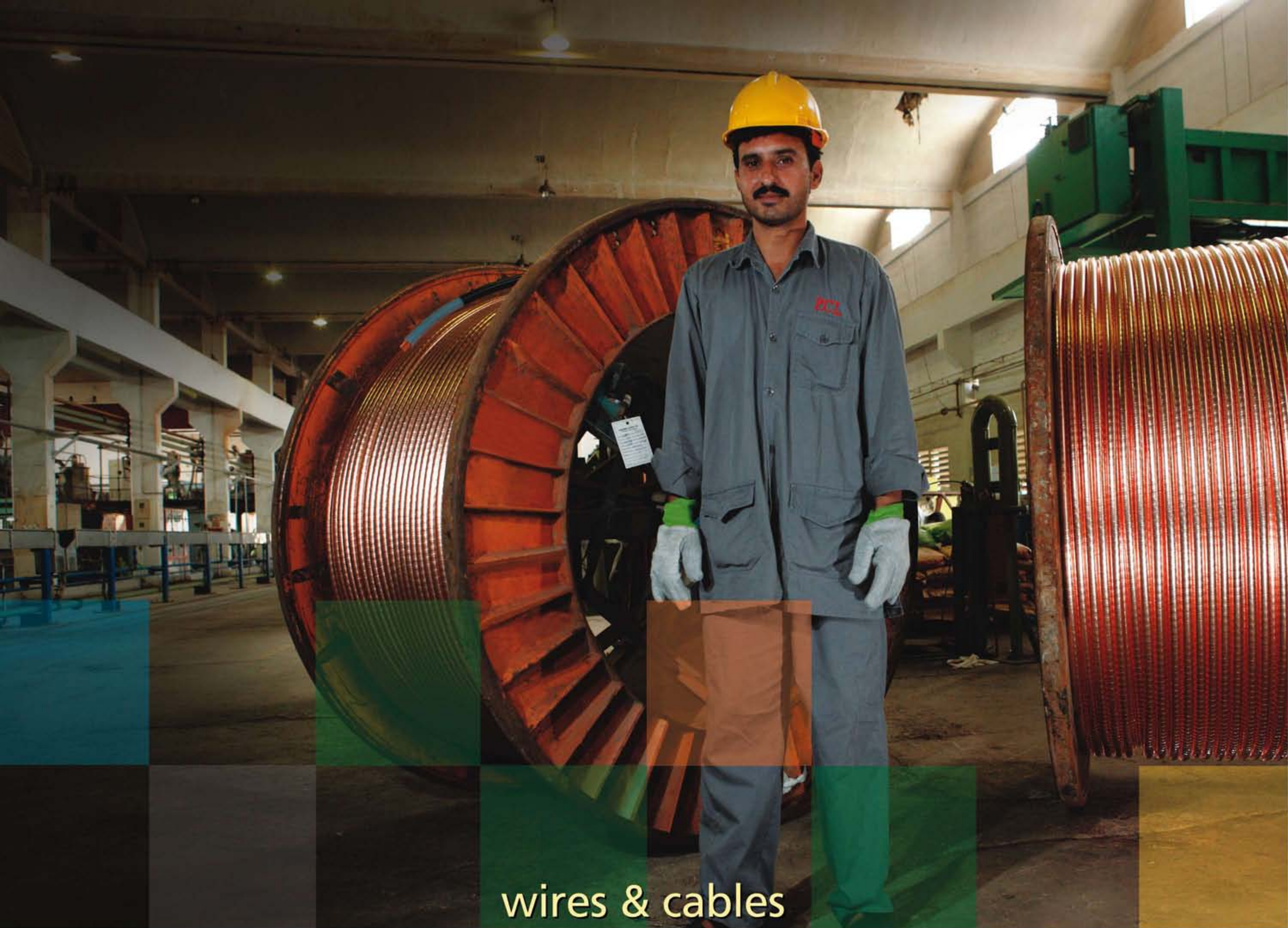
Shop# 1-26/36-1312, Haji Fateh Khan Building
Opp. Press Club, Sharah-e-Adalat, Quetta
Telephone No.: (081) 2843987
Fax: (081) 2843990
E-mail: quetta@pakistancables.com

Abbottabad

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

our products

"Wires & Cables
Alum-Ex
Copper Rod
PVC Compound"



wires & cables

Wires & Cables

Pakistan Cables Limited, the country's oldest and most reputable cable manufacturer, was established over 5 decades ago in 1953 in collaboration with BICC, UK. In the subsequent five decades, Pakistan Cables has earned a reputation as a market leader in the industry and a company that does not compromise on quality. Consequently, the company has gained a position as being the premier cable manufacturer in the country. Pakistan Cables is listed on the Karachi Stock Exchange since 1955.

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

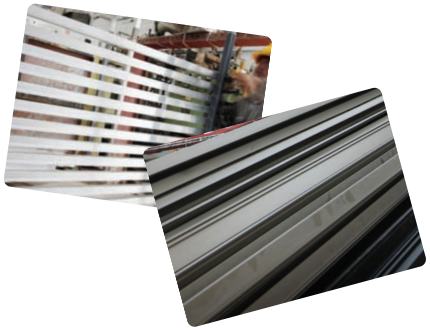
To cater to the requirements of Utilities, Projects and Industries, Pakistan Cables manufactures Low Voltage (LV) and Medium Voltage (MV) cables up to 15KV, with PVC and XLPE insulation. All our cables are subject to rigorous in-house quality checks. LV and MV cables have been fully type tested by KEMA - 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. Pakistan Cables provides high quality overhead conductors to the utility companies, PEPCO and KESC, which are manufactured from EC grade Aluminium and Copper Rod.

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


ALUM-EX

ALUM-EX



Alum-Ex is the brand name under which Pakistan Cables Ltd. manufactures aluminium sections for architectural, construction and industrial applications.

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.

In addition to anodized sections, powder coated Alum-Ex sections are also available in any imaginable colour to match the taste of the customers. We use only polyester based powders, manufactured & supplied by reputable companies. These are thermosetting types, specially designed for "façde" use. These coatings can withstand the rigors of ultra violet rays in the atmosphere.

The advantages of Alum-Ex aluminium sections are:

(1) Scratch free and Corrosion Resistant
(2) Strength & Durability
(3) Uniform Colour & Smooth Finish
(4) Colour Retention
(5) Ultra-violet and Humidity Resistant

copper rod

Copper Rod

In 1996, Pakistan Cables 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 8mm diameter. Our Copper 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 (Outokumpu Castform Oy, 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

PVC Compound

In 2008 Pakistan Cables set up its own state-of-the-art PVC Compounding Plant. This plant is designed to provide premium quality PVC compounds for various applications. It has the most sophisticated machinery imported from Kraus Maffei (Germany) and Plasmec (Italy), including automated weighing and dosing systems supported by a polymer laboratory to enable development of customer specific formulations.

Pakistan Cables PVC compound plant ensures 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.

We produce flexible PVC compounds for insulation and sheathing of electric cables, and other flexible PVC compounds for sale to the local and export markets.

board of directors

Board of Directors

Mr. Towfiq H. Chinoy

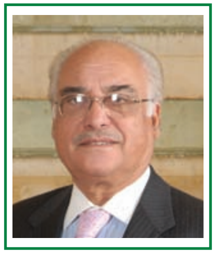
Non-Independent Non-Executive Director

(Chairman)

is presently the Managing Director of International Industries Ltd., non-executive Chairman of New Jubilee Insurance Co. Ltd. & Packages Ltd. He is also Director of BOC Pakistan Ltd., New Jubilee Life Insurance Co. Ltd. IGI Investment Bank, HBL Asset Management Ltd. and Pakistan Business Council. Mr Chinoy is 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, the Advisory Board of Ports & Shipping Sector, Ministry of Communications 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.



Syed Naseem Ahmad

Independent Non Executive Director

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

Independent Non Executive Director

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 and National Refinery Limited.

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

Mr. Mustapha A. Chinoy

Non-Independent Non-Executive Director

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

He is presently CEO of Intermark (Pvt.) Ltd. He is 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. and Union Bank Ltd.

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

Mr. Ansar Hussain

Independent Non Executive Director

is a FCMA, M. Phil (Finance), LLB, MA (Economics) and Executive MBA. 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

Independent Non Executive Director

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. and is Director of JS Value Fund and Ferozsons Laboratories 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 & Co. - Chartered Accountants.

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

Mr. Haroun Rashid

Non-Independent Non-Executive Director

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., Public Procurement Regulatory Authority (PPRA) and Heritage Developments.

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

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

Mr. Saquib H. Shirazi

Independent Non Executive Director

is an MBA from Harvard Business School. He is presently CEO Atlas Honda Ltd. He is also on the Board of Atlas Power Ltd., Shirazi Investment (Pvt.) Ltd., Shirazi Trading Company (Pvt.) Ltd., Shirazi Capital (Pvt.) Ltd., Cherat Papersack Ltd., and National Logistics Cell, NTTFC.

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

He is on the Board of PCL since 8-5-2008.

Mr. Shahpur Channah

Executive Director

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 eleven years at Lever Brothers at 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

Executive Director

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 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 and FOCUS Humanitarian Assistance, Pakistan.

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

Mr. Kamal A. Chinoy

Executive Director

(Chief Executive)

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., Pakistan Security Printing Corp. 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, Management Committee of the Sind Club and 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.

management team

Standing (Starting left). Mr. Haroon Rashid Zaman (Works Manager), Mr. Kamal A. Chinoy (Chief Executive), Mr. Touseef ul Bari (Finance Manager), Mr. Shahid B. Bhatty (Regional Manager), Mr. Ahmad Bagia (Sales & Operation Manager), Mr. S. M. Athar Farid (Technical Manager), Mr. Moinuddin Silat (Manager Materials), Mr. Fayyaz A. Butt (Branch Manager) **Sitting (Starting left).** Mr. Shahpur Channah (Deputy Chief Executive), Mr. Aslam Sadruddin (Finance Director), Mr. Iftikhar Ahmed (Engineering Manager)

Management Team

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

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

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

Mr. Haroon Rashid Zaman (Works Manager)
Bechelors degree in Mechanical Engineering from NED University, Karachi. Joined PCL in 2006.

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

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

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

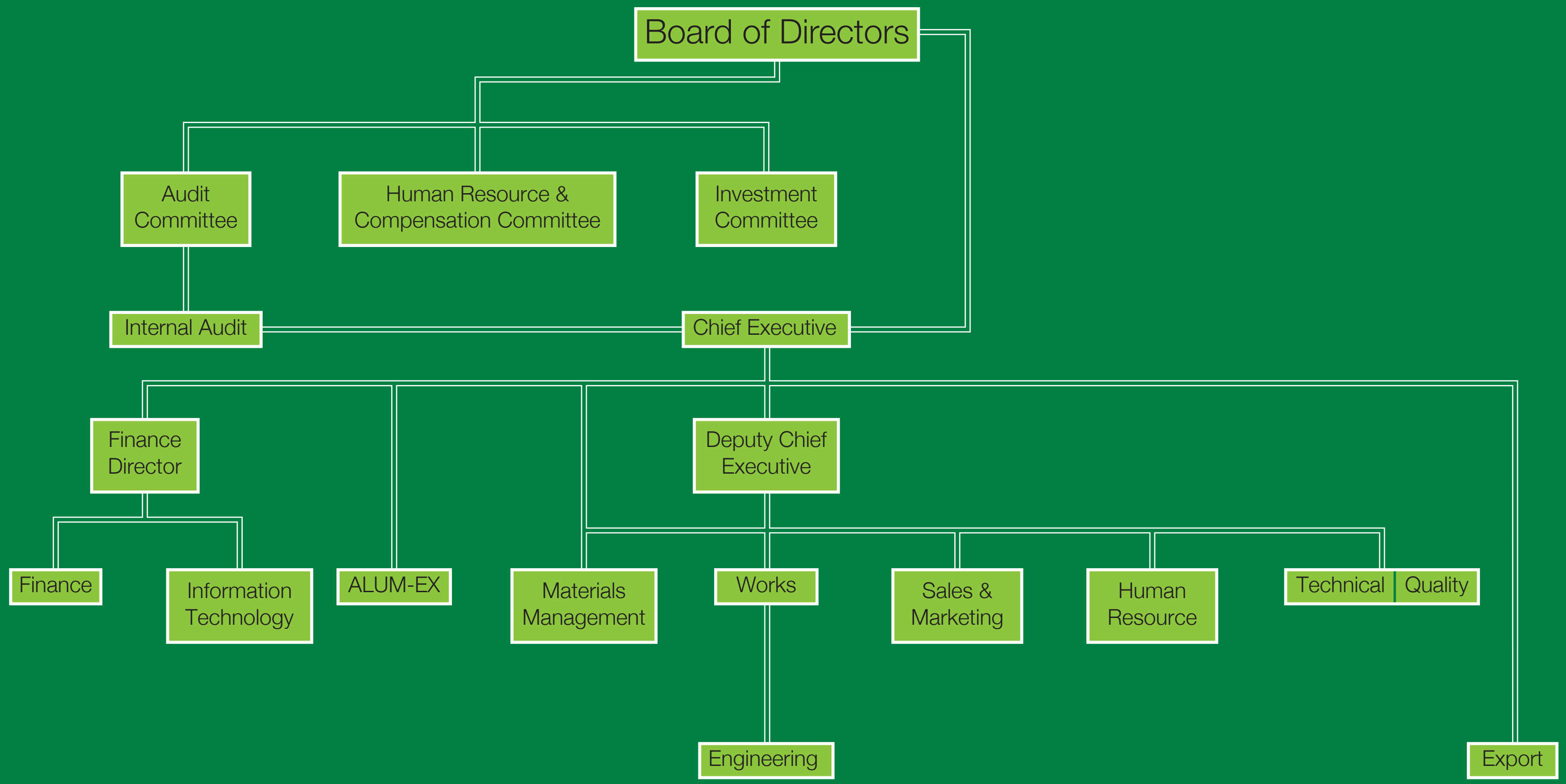
Mr. Iftikhar Ahmed (Engineering Manager)
B.E. Electrical from NED University, MS in Communication Engineering from the US Navy Post Graduate School, Monterey California. Joined PCL in 2002.

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

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

Mr. Touseef ul Bari (Finance Manager)
Associate Member of the Institute of Chartered Accountants of Pakistan. Joined PCL in 2001.

Organizational Structure



Committees of the Board of Directors & Management

COMMITTEES OF THE BOARD OF DIRECTORS

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	

INVESTMENT COMMITTEE

Towfiq H. Chinoy	Chairman
Ansar Hussain	
Aslam Sadruddin	

COMMITTEES OF THE MANAGEMENT

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	

OPERATIONS COMMITTEE

Shahpur Channah	Chairman
Aslam Sadruddin	
Touseef ul Bari	
Haroon Rashid Zaman	
Iftikhar Ahmad	
Muhammad Fayyaz	
S.M. Athar Farid	
Moinuddin Silat	
Fahd K. Chinoy	

shareholders information

Shareholders' Information

Annual General Meeting
The annual meeting of the shareholders will be held on **28th September 2009 at 11:00 a.m.** at Council Hall of the Overseas Investors Chamber of Commerce and Industry, Chamber of Commerce Building, Talpur Road, Karachi.

Any shareholder may appoint a proxy to attend and vote at the meeting on his or her behalf. Proxies should be filed with the Company at least 48 hours before the meeting time.

CDC shareholders or their proxies are requested to bring copies of their National Identity Card along with the participant's ID number and their account number at the time of attending the Annual General Meeting in order to facilitate their identification.

Financial Calendar
The Company follows the period of July 01 to June 30 as the Financial Year.

For the Financial Year 2009-10, Financial Results will be announced as per the following tentative schedule:

1st Quarter ending September 30, 2009	Last week of October 2009
2nd Quarter ending December 31, 2009	Last week of January 2010
3rd Quarter ending March 31, 2010	Last week of April 2010
Year ending June 30, 2010	Second week of August 2010

Investor Relations Contact
Mr. Aslam Sadruddin (Finance Director and Company Secretary)
Email: finance@pakistancables.com Phone: (021) 32561170-5 Fax: (021) 32564614

In compliance with the requirements of section 204 (A) of Companies Ordinance 1984, THK Associates (Pvt.) Limited has been appointed as Share Registrar of the Company.
The address, contact numbers and timings of THK Associates (Pvt.) Limited is given below:

THK Associates (Pvt.) Limited
Ground Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi-75530
Telephone No. : (021) 111-000-322, Fax No. : (021) 35655595
Timings : 9:30 am to 12:30 pm & 2:30 pm to 4:30 pm (Monday to Friday)

Share transfers, dividend payment and all other investor related matters are attended and processed by our Registrar and Share Transfer Agent.

notice of annual general meeting

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 56th Annual General Meeting of the shareholders of Pakistan Cables Limited will be held on Monday the 28th of September 2009 at 11.00 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, 2009 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of dividend as recommended by the Directors. The Directors have recommended a final cash dividend of 22.5% for the financial year ended June 30, 2009.

3. 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. with rotation of the engagement partner in terms of paragraph xli(b) of the Code of Corporate Governance as the said firm has completed five years as auditors of the Company.

SPECIAL BUSINESS

4. To consider and if thought fit, approve increase in authorized capital of the company from Rs. 250 million to Rs. 300 million and pass the following ordinary resolution, with or without any amendments.

   "Resolved that the authorized capital of the company be and is hereby increased from rupees two hundred and fifty million divided into 25,000,000 shares of Rs. 10 each to rupees three hundred million divided into 30,000,000 shares of Rs. 10 each, and in that connection, clause 5 of the Memorandum of Association of the Company be and is hereby substituted by the following new clause:

   5. The capital of the company is Rs. 300,000,000 (three hundred million) divided into 30,000,000 shares of Rs. 10 each but is capable of being increased or reduced in accordance with company's regulations and legislative provisions for the time being in force in that behalf."

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, 2009

NOTES:

1. The Shares Transfer Books of the Company will remain closed from September 15 2009 to September 28, 2009 (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 individuals, the account holder or sub-account holder and/or the person whose securities are in group account 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 individuals, the account holder or sub-account holder and/or the person whose securities are in group account 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 along with 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 28th, 2009.

Agenda item 4

The present authorized capital of the company is Rs. 250 million divided into 25,000,000 ordinary shares of Rs. 10 each of which 21,462,376 ordinary shares are fully subscribed, issued and paid up.

In order to facilitate future increase in the paid up capital, as and when deemed necessary, the Board of Directors of the company has recommended that the authorized capital of the company should be raised to Rs. 300 million divided into 30,000,000 shares of Rs. 10 each.

The Directors of the company have no interest in the above resolution that would need a further disclosure.

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 Communication Cables for use by Pakistan 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 & Windows Sections.

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 ISO 9002 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 50th 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.

Received Top 25 Companies Award from Karachi Stock Exchange.

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 Brand of the Year Award for Wire & Cables and Copper Rod.

2008

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

Received Top 25 Companies Award from Karachi Stock Exchange for 2007.

Completed downstream expansion by inaugurating new PVC Compounding Plant

2009

Received Brand of the Year Award for Wire & Cables and Aluminium Profiles.

Made operational a 2 MW gas-fired power generation plant

Set up a new plant for the manufacture of automobile cables

Key Financial Data

	2008-2009 Rs. Million	2007-2008 Rs. Million	2006-2007 Rs. Million	2005-2006 Rs. Million	2004-2005 Rs. Million	2003-2004 Rs. Million	2002-2003 Rs. Million
Financial Results							
Sales	**3,352.3**	3,794.9	4,168.9	3,028.1	2,019.3	1,279.9	910.9
Gross profit	**532.4**	369.9	614.2	495.1	319.5	184.3	141.7
Operating profit	**350.9**	7.0	390.5	329.5	207.1	104.6	73.2
Profit before tax	**101.8**	53.6	293.3	261.2	170.3	91.3	63.1
Profit after tax	**63.9**	65.4	194.3	173.0	112.5	62.5	44.5
Dividend	**48.3**	-	54.8	24.4	38.0	19.5	21.9
Bonus issue	**-**	19.5	48.8	68.3	19.5	19.5	7.8
Capital expenditure	**169.9**	338.4	280.0	272.0	124.5	29.3	11.2
Fixed assets at cost/revaluation	**2,192.0**	1,776.4	1,429.6	1,274.9	1,007.9	313.1	293.2
Current assets less current liabilities	**78.7**	2.7	142.6	145.7	112.1	105.8	77.1
Cash Flow from:							
Operating activities	**630.2**	31.8	(345.4)	211.9	57.7	(175.5)	52.7
Investing activities	**(164.9)**	(246.8)	(270.4)	(265.9)	(120.9)	(25.2)	(9.0)
Financing activities	**(58.5)**	(448.5)	353.7	444.4	(51.9)	(24.7)	(14.1)
Cash and cash equivalents	**(307.2)**	(714.0)	(50.4)	211.6	(178.8)	(324.0)	(98.6)
Shareholders' funds							
Issued capital	**214.6**	195.1	146.3	97.5	58.5	39.0	31.2
Reserve & retained earning	**503.6**	455.9	456.4	358.6	227.7	149.4	114.2
Total Shareholders' fund	**718.2**	651.0	602.7	456.1	286.2	188.4	145.4
Surplus on revaluation of fixed assets	**684.2**	687.6	549.0	551.3	549.4	-	-
Long term loans & liabilities	**510.0**	378.2	259.0	174.4	46.3	21.2	20.4
Net assets employed	**1,912.4**	1,716.8	1,410.7	1,181.8	881.9	209.6	165.8
Liquidity							
Current ratio	**1.1:1**	1:1	1.1:1	1.1:1	1.1:1	1.2:1	1.2:1
Acid test ratio	**0.4:1**	0.4:1	0.4:1	0.4:1	0.3:1	0.3:1	0.5:1
Financial Gearing							
Debt equity ratio	**53:47**	60:40	61:39	63:37	54:46	77:23	75:25
Interest coverage (Times)	**1.4**	1.4	3.6	4.4	5.6	8.1	4.4

		2008-2009	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Capital efficiency								
Debtors turnover	(Times)	**10.4**	9.6	8.3	7.7	8.2	7.5	6.0
Inventory turnover	(Times)	**4.3**	3.4	3.1	2.6	2.4	2.2	2.8
Total assets turnover	(Times)	**1.1**	1.1	1.4	1.1	1.1	1.5	1.6
Creditor turnover	(Times)	**14.1**	36.2	15.3	5.1	4.8	15.0	15.6
Operating cycle	No. of days	**94**	135	138	116	121	190	168
Fixed assets turnover	(Times)	**2.0**	2.3	3.4	3.0	2.7	17.1	15.3
Capital employed turnover	(Times)	**1.8**	2.2	2.9	2.6	2.3	6.1	5.5
Profitability								
Gross profit %		**15.9**	9.7	14.7	16.3	15.8	14.4	15.6
Net profit %		**1.9**	1.7	4.7	5.7	5.6	4.9	4.9
EBITDA margin %		**12.9**	6.8	11.1	12.3	11.1	9.4	10.2
Return on capital employed %		**17.4**	10.7	28.7	28.6	23.5	49.7	49.2
Return on equity %		**8.9**	10.0	32.2	37.9	39.3	33.2	30.6
Return on total assets %		**2.1**	1.9	6.5	6.4	6.2	7.5	7.7
Investment								
Price earning ratio		**11.4**	36.4	20.2	10.2	10.1	8.6	4.8
Earning per rupee of sales	Rs.	**0.02**	0.02	0.05	0.06	0.06	0.05	0.05
Earning per share	Rs.	**2.98**	3.35	13.28	17.73	19.20	16.02	14.26
Cash dividend per share	Rs.	**2.25**	-	3.75	2.50	6.50	5.00	7.00
Bonus issue per share	Rs.	**-**	1.00	3.33	7.50	3.30	5.00	2.50
Dividend (cash+bonus) yield*	%	**6.61**	10.00	34.70	76.40	36.7	53.6	35.3
Dividend payout	%	**75.6**	29.8	53.3	54.0	51.1	62.4	66.7
Dividend Cover	(Times)	**1.3**	3.4	1.9	1.8	2.0	1.6	1.5
Market value per share	Rs.	**34.0**	122.0	267.9	180.0	195.0	137.0	68.0
Market value per share high during the year	Rs.	**120.8**	276.0	273.2	263.0	261.0	155.0	68.0
Market value per share low during the year	Rs.	**27.8**	122.0	162.0	169.0	135.0	68.0	18.0
Break-up value per share including surplus on revaluation	Rs.	**65.3**	68.6	78.7	103.3	142.8	-	-
Break-up value per share excluding surplus on revaluation	Rs.	**33.5**	33.4	41.2	46.8	51.9	48.3	46.6
		Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million	Rs. Million
Value addition and its distribution								
Employees as remuneration		**239.8**	229.2	204.6	167.2	136.1	105.9	92.4
Government as taxes		**582.7**	698.7	838.1	755.2	484.4	305.6	289.3
Shareholders as dividends		**48.3**	19.5	103.6	92.7	57.6	39.0	29.7
Provider of finance		**230.0**	130.3	112.1	77.2	36.9	12.8	18.9
Society		**1.5**	1.0	5.3	5.3	1.6	1.4	0.5
Retained within the business		**19.0**	58.0	93.0	100.9	55.3	23.5	14.9

*Based on market value of June 30

Horizontal Analysis of Financial Statements

	2008-2009	% Change	2007-2008	% Change	2006-2007	% Change
	Rs. '000	w.r.t. 2008	Rs. '000	w.r.t. 2007	Rs. '000	w.r.t. 2006
Balance Sheet						
Total equity	1,402,442	5	1,338,521	16	1,151,761	14
Total non-current liabilities	510,026	35	378,254	46	259,050	49
Total current liabilities	1,095,266	(33)	1,629,125	4	1,568,310	2
Total equity and liabilities	3,007,734	(10)	3,345,900	12	2,979,121	10
Totoal non-current assets	1,833,749	7	1,714,085	35	1,268,174	22
Total current assets	1,173,985	(28)	1,631,815	(5)	1,710,947	2
Total assets	3,007,734	(10)	3,345,900	12	2,979,121	10
Profit and Loss Account						
Net sales	3,352,328	(12)	3,794,949	(9)	4,168,938	38
Gross profit	532,355	44	369,880	(40)	614,211	24
Operating profit	332,335	4,676	6,959	(98)	390,476	19
Profit before tax	101,841	90	53,607	(82)	293,276	12
Profit after tax	63,921	(2)	65,397	(66)	194,276	12

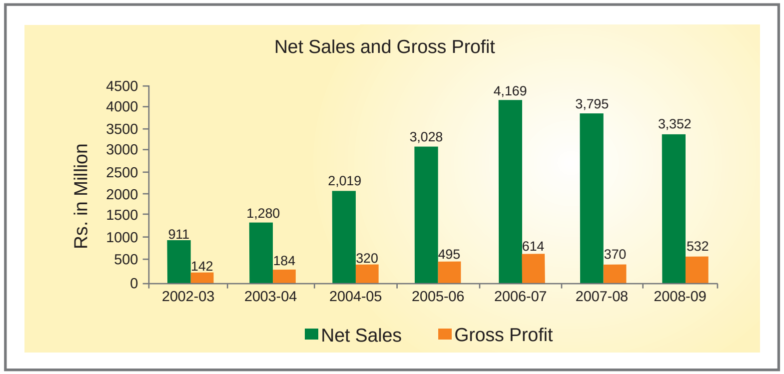
2005-2006	% Change	2004-2005	% Change	2003-2004	% Change	2002-2003
Rs. '000	w.r.t. 2005	Rs. '000	w.r.t. 2004	Rs. '000	w.r.t. 2003	Rs. '000
1,007,483	21	835,674	344	188,426	30	145,414
174,370	276	46,361	119	21,215	4	20,367
1,536,409	65	930,583	49	623,395	51	413,888
2,718,262	50	1,812,618	118	833,036	44	579,669
1,036,149	35	769,909	641	103,837	17	88,680
1,682,113	61	1,042,709	43	729,199	49	490,989
2,718,262	50	1,812,618	118	833,036	44	579,669
3,028,057	50	2,019,306	58	1,279,916	41	910,938
495,121	55	319,478	73	184,299	30	141,731
329,506	59	207,154	99	104,161	28	81,660
261,214	53	170,267	86	91,324	45	63,092
173,014	54	112,467	80	62,524	40	44,523

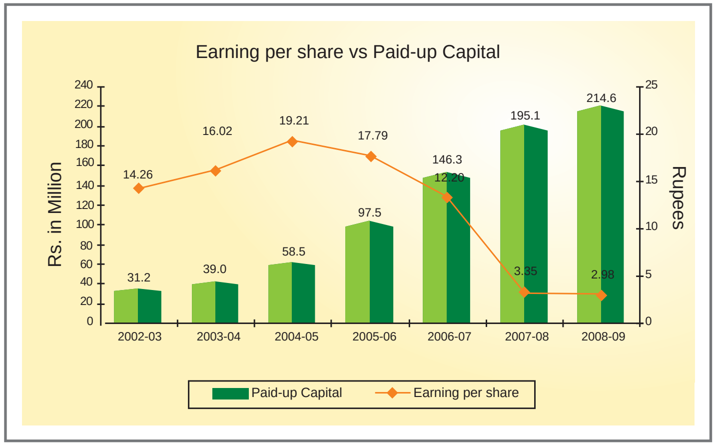
Vertical Analysis of Financial Statements

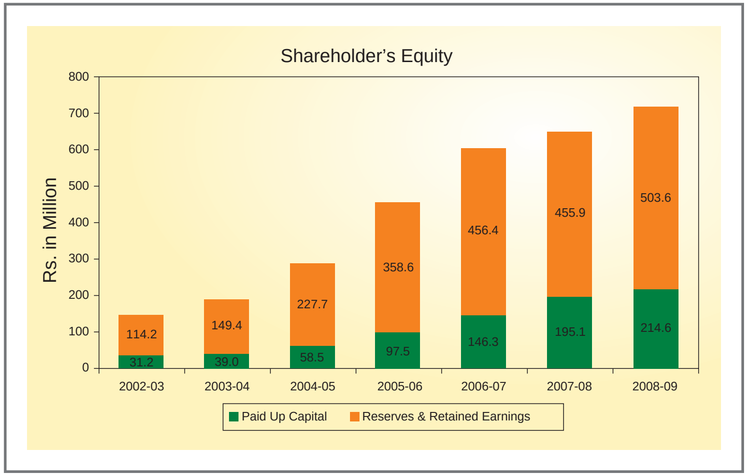
	2008-2009		2007-2008		2006-2007	
	Rs. '000	%	Rs. '000	%	Rs. '000	%
Balance Sheet						
Total equity	1,402,442	46.63	1,338,521	40.00	1,151,761	38.66
Total non-current liabilities	510,026	16.96	378,254	11.31	259,050	8.70
Total current liabilities	1,095,266	36.41	1,629,125	48.69	1,568,310	52.64
Total equity and liabilities	3,007,734	100.00	3,345,900	100.00	2,979,121	100.00
Total non-current assets	1,833,749	60.97	1,714,085	51.23	1,268,174	42.57
Total current assets	1,173,985	39.03	1,631,815	48.77	1,710,947	57.43
Total assets	3,007,734	100.00	3,345,900	100.00	2,979,121	100.00
Profit and Loss Account						
Net sales	3,352,328	100.00	3,794,949	100.00	4,168,938	100.00
Gross profit	532,355	15.88	369,880	9.75	614,211	14.73
Operating profit	332,335	9.91	6,959	0.18	390,476	9.37
Profit before tax	101,841	3.04	53,607	1.41	293,276	7.03
Profit after tax	63,921	1.91	65,397	1.72	194,276	4.66

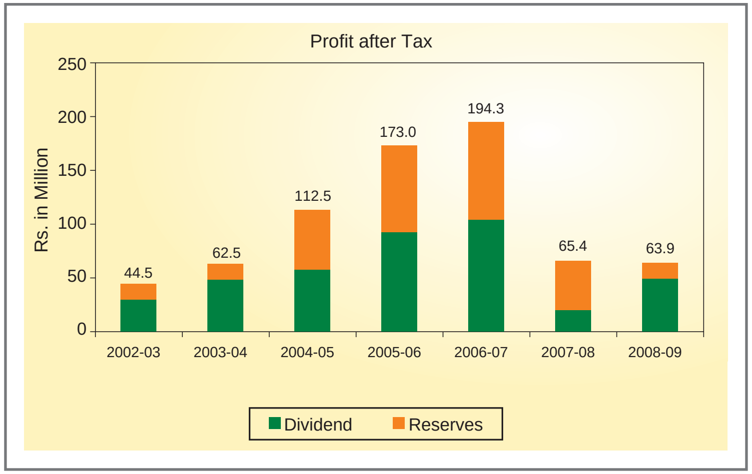
2005-2006		2004-2005		2003-2004		2002-2003	
Rs. '000	%	Rs. '000	%	Rs. '000	%	Rs. '000	%
1,007,483	37.06	835,674	46.10	188,426	22.62	145,414	25.09
174,370	6.41	46,361	2.56	21,215	2.55	20,367	3.51
1,536,409	56.52	930,583	51.34	623,395	74.83	413,888	71.40
2,718,262	100.00	1,812,618	100.00	833,036	100.00	579,669	100.00
1,036,149	38.12	769,909	42.47	103,837	12.46	88,680	15.30
1,682,113	61.88	1,042,709	57.53	729,199	87.54	490,989	84.70
2,718,262	100.00	1,812,618	100.00	833,036	100.00	579,669	100.00

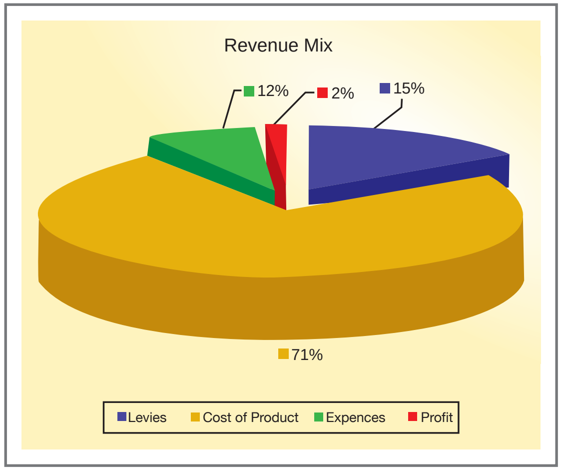
3,028,057	100.00	2,019,306	100.00	1,279,916	100.00	910,938	100.00
495,121	16.35	319,478	15.82	184,299	14.40	141,731	15.56
329,506	10.88	207,154	10.26	104,161	8.14	81,660	8.96
261,214	8.63	170,267	8.43	91,324	7.14	63,092	6.93
173,014	5.71	112,467	5.57	62,524	4.89	44,523	4.89


Net Sales and Gross Profit
Rs. in Million
4500
4000
3500
3000
2500
2000
1500
1000
500
0
911
142
1,280
184
2,019
320
3,028
495
4,169
614
3,795
370
3,352
532
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
Net Sales
Gross Profit

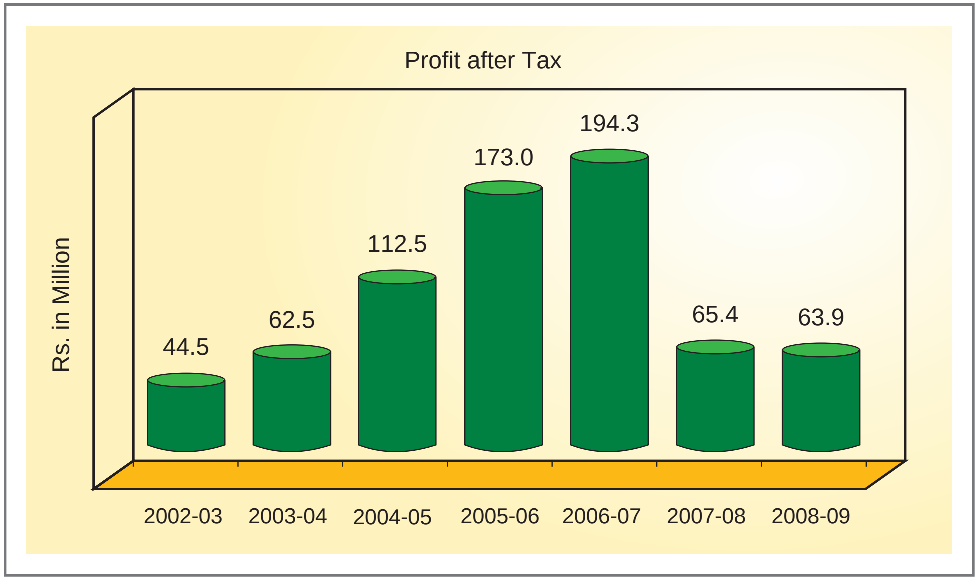

Earning per share vs Paid-up Capital
Rs. in Million
Rupees
240
220
200
180
160
140
120
100
80
60
40
20
0
25
20
15
10
5
0
14.26
16.02
19.21
17.79
12.20
3.35
2.98
31.2
39.0
58.5
97.5
146.3
195.1
214.6
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
Paid-up Capital
Earning per share


Shareholder's Equity
Rs. in Million
800
700
600
500
400
300
200
100
0
114.2
31.2
149.4
39.0
227.7
58.5
358.6
97.5
456.4
146.3
455.9
195.1
503.6
214.6
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
Paid Up Capital
Reserves & Retained Earnings

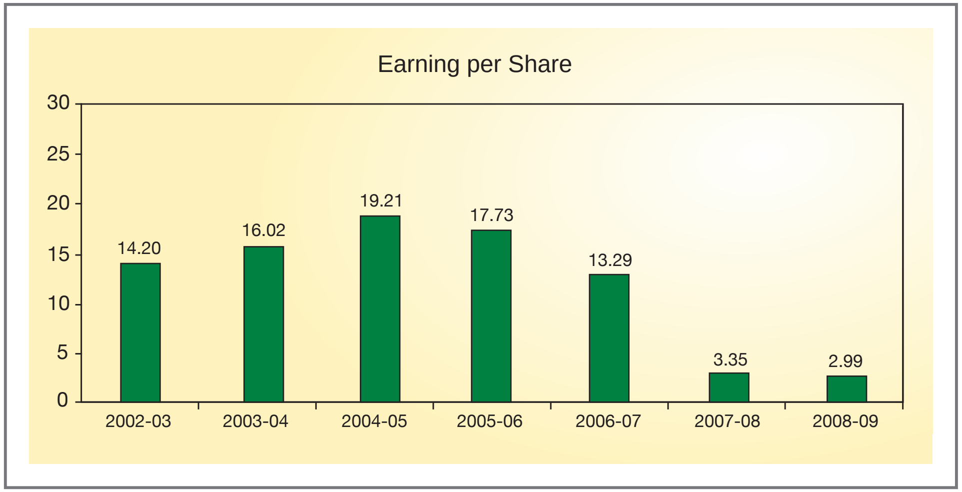

Profit after Tax
Rs. in Million
250
200
150
100
50
0
44.5
62.5
112.5
173.0
194.3
65.4
63.9
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09
Dividend
Reserves



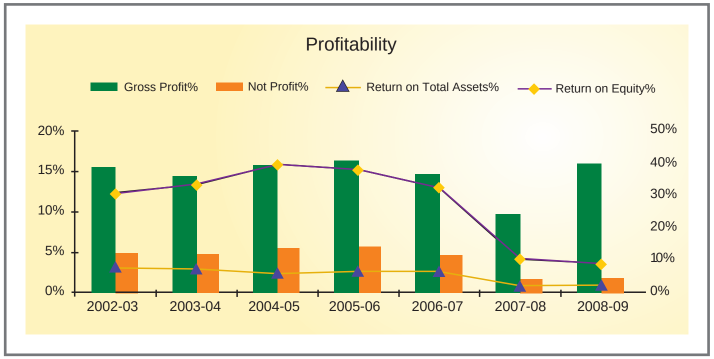
Revenue Mix
12%
2%
15%
71%
Levies
Cost of Product
Expences
Profit

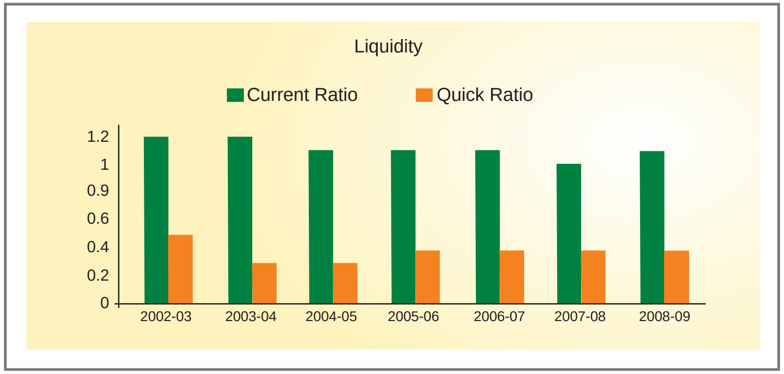


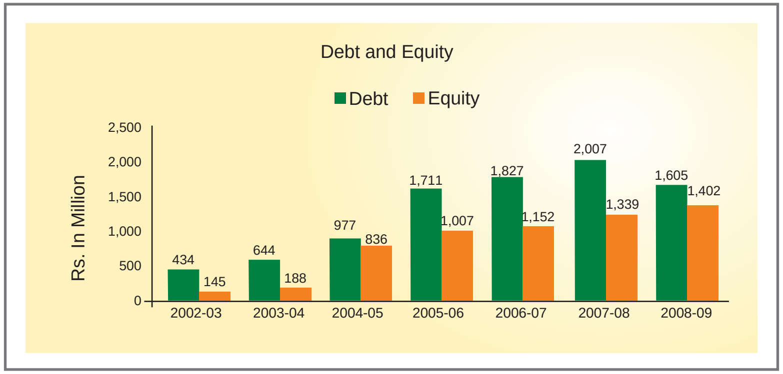
Profit after Tax
Rs. in Million
44.5
62.5
112.5
173.0
194.3
65.4
63.9
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09

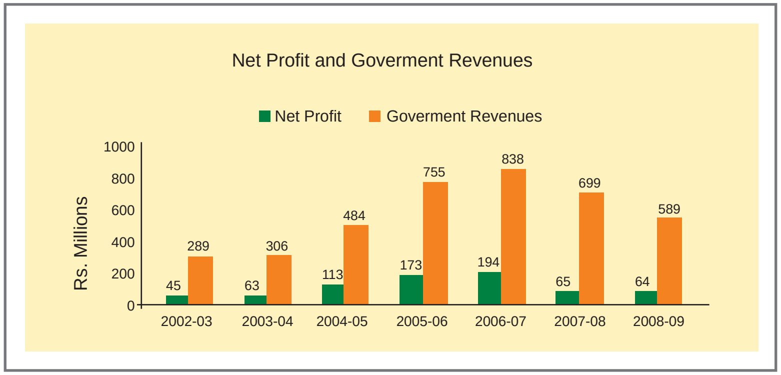


Earning per Share
30
25
20
15
10
5
0
14.20
16.02
19.21
17.73
13.29
3.35
2.99
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09


Profitability
Gross Profit%
Not Profit%
Return on Total Assets%
Return on Equity%
20%
15%
10%
5%
0%
50%
40%
30%
20%
10%
0%
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09


Liquidity
Current Ratio
Quick Ratio
1.2
1
0.9
0.6
0.4
0.2
0
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09

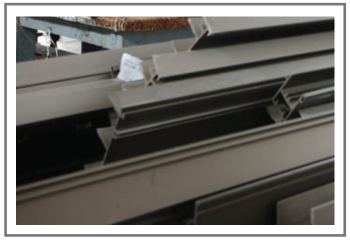

Debt and Equity
Debt
Equity
Rs. In Million
2,500
2,000
1,500
1,000
500
0
434
145
644
188
977
836
1,711
1,007
1,827
1,152
2,007
1,339
1,605
1,402
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09


Net Profit and Goverment Revenues
Net Profit
Goverment Revenues
Rs. Millions
1000
800
600
400
200
0
45
289
63
306
113
484
173
755
194
838
65
699
64
589
2002-03
2003-04
2004-05
2005-06
2006-07
2007-08
2008-09

Directors' Report

The Directors are pleased to present the 56th Annual Report along with the audited accounts of the Company for the year ended June 30, 2009.

The Company is engaged in the manufacture of Conductors, Wires and 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 applications. In 1996, the Company set up a state of the art plant to manufacture high conductivity oxygen free Copper Rod. Due to the increased requirement of rods for manufacturing wire & cables as a result of growing customer demand, the production capacity of the plant has been regularly enhanced over recent years. In 2008, the company set up a PVC Compounding Plant to manufacture high quality electric cable grade PVC compound. The Company also set up a 2-MW gas fired Tri-generation Power Plant, allowing it to be mostly self sufficient for its electricity needs.

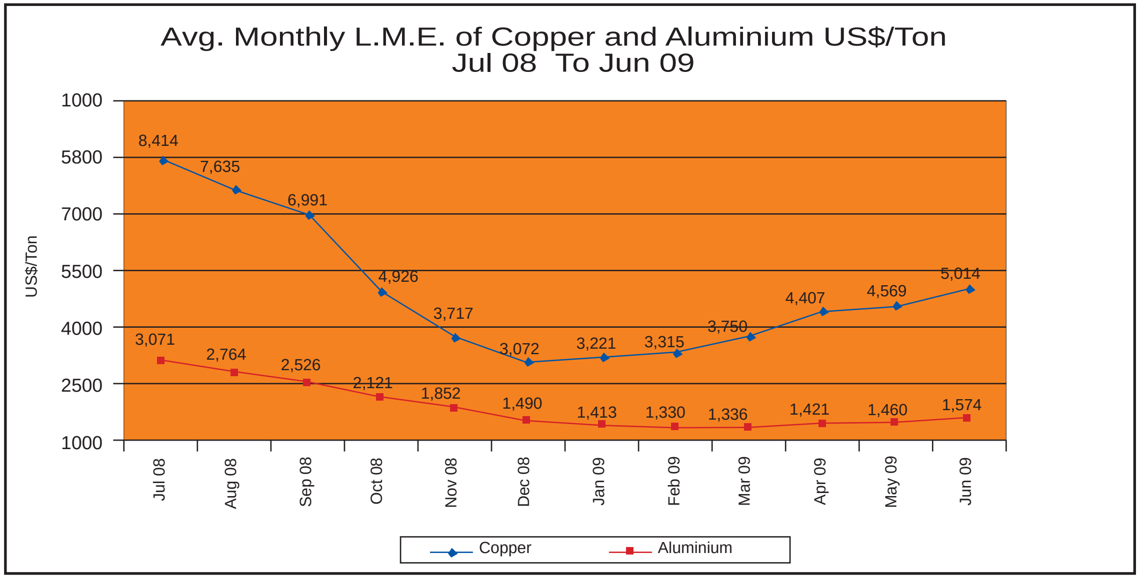


Global Copper & Aluminium Scenario

The prices of cables, copper rod and aluminium extrusions are closely linked to the global markets for Copper and Aluminium. Both base metals are traded on the London Metal Exchange (LME), the world's premier non-ferrous metals market. The LME is a highly liquid market and in 2007 achieved volumes of 93 million lots, equivalent to $9,500 billion annually and between $35-45 billion on an average business day. The price of both these metals is therefore determined at the LME and any fluctuations in Copper or Aluminium prices have a direct effect on the pricing of our products.

During this financial year, we have witnessed unprecedented fluctuations in the price of copper. In context of the financial year, the monthly average price of copper swung from a high of $8,414 per ton during the month of July 2008 to a low of $3,072 per ton during the month of December 2008. Subsequently copper rebounded to over $5,000 per ton in the month of June 2009.

The trend for Aluminium prices was similar to Copper, with prices dropping from a high for the financial year of over $3,000 per ton in July 2008 to a low of just over $1,300 per ton in February / March 2009 and recovering thereafter.



Overview of National Economy

The financial year 2009 was a challenging year for the Pakistani economy, as the socio-political climate remained volatile throughout this period. This was highlighted by the slowdown in GDP growth from 5.8% in 2008 to 2.5% in 2009. While Pakistan's economy remained somewhat cushioned from the severest shocks of the global economic crisis, it remained susceptible to difficult domestic conditions. The Pakistani economy was burdened by stubbornly high inflation, deterioration in external accounts and declining industrial output. The State Bank of Pakistan relied on tight monetary policy to counter inflationary pressures, resulting in high interest rates. This, coupled with energy and gas shortages, resulted in a high cost of doing business and was reflected in the slow down of the manufacturing sector, with large scale manufacturing showing a decline of 7.7% during the financial year. Moreover, the current account deficit persisted in 2007/8. During the period between July 2008 and April 2009, the current account deficit stood at $8.5 billion.

Despite the difficulties described above, the National economy started to show some encouraging signs during the course of the fiscal year. Pakistan was able to overcome acute shortages in its foreign currency reserves when the IMF approved a US$7.6 billion loan in November 2008 to support the country's economic stabilization program. However, by the time Pakistan received the inflow of IMF funds, the Pakistani rupee had depreciated considerably against the US$. The exchange rate depreciated from around Rs. 62 / US$ in March 2008 to over Rs. 80 / US$ by October 2008. By August 2009, the Rupee had fallen further to Rs. 83 / US$.

Notwithstanding the decline in the rupee, there were encouraging trends in the later half of the financial year. These included a drop in headline inflation from 25% p.a. in August 2008 to an estimated 13% p.a. in June 2009. This in turn resulted in a cut in the Central Bank's benchmark interest rate by 100 basis points to 14% in April 2009. The State Bank of Pakistan announced a further cut of 100 basis points to 13% in August 2009.

Segment Highlights

Wires & Cables

Pakistan Cables has established itself as a key player with more than 56 years of experience in the wire & cables business and can rightly claim to be the No.1 Company of its kind in the country. Our business is driven by the strength, growth prospects and activity in the end market in which our products are used. Our product strategy is to manufacture an extensive array of high quality wires & cables to meet the diverse, dynamic and time-sensitive needs of our customers. Our sales strategy is, (i) to continue to generate market awareness of our brand, (ii) to identify profitable markets and (iii) to penetrate targeted markets through cost benefit analysis and customized service offering.

During the financial year, the Company maintained its leadership position in the market for cables and wires in Pakistan. Pakistan Cables' Trade Network includes over many hundred of dealers in over 50 towns. The Company also continued to win large orders from a number of significant commercial projects. Some of the landmark projects in which Pakistan Cables' products were used during the financial year included Tuwairqi Steel Mills Limited, Atlas Power Limited, Mustehkam Cement, Engro Chemicals, Bestway Cement, Fauji Cement, Lahore University of Management Sciences, Creek Marina and SOS Children's Village.

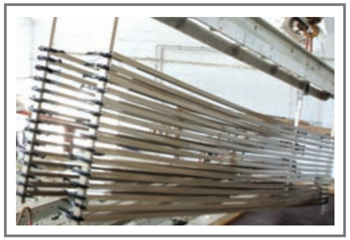
Pakistan Cables also continued to focus on innovation. During the year, HVSC-Rawat, Pakistan's most prestigious electrical testing laboratory, approved Pakistan Cables' Triple Extruded 15 kv Medium Voltage aluminium cable in a rigorous type test. Pakistan Cables was the first cable manufacturer in Pakistan to have passed this test on the very first attempt.

Aluminium Sections

Alum-Ex sales remained strong throughout the year, as the company focused on enhancing production capacity and improving efficiencies. The Company is committed to providing the highest quality aluminium sections in the country. This is underlined by the confidence in our products from Pakistan's leading architects and contractors. Some of the significant projects in which Alum-Ex sections were used included Al-Tijarah Building - Karachi, Government of Pakistan Foreign Office - Islamabad, Quaid-e-Azam International Hospital - Islamabad and CDC Building - Karachi.

PVC Compound & Copper Rod

Pakistan Cables' PVC Compound & Copper Rod is primarily used for in-house consumption and is sold to commercial customers as and when there is excess capacity available.



Market Share

There is no independent source that identifies the market shares of cable manufacturers in Pakistan. Furthermore, Pakistan Cables is the only cable manufacturer that is a listed public limited company. As a result, the financial information of our competitors is not publicly available and it is therefore not possible to present any market share information in this report.

Manufacturers of cables in Pakistan can be broadly divided between the organized and unorganized sector. While the unorganized sector has a fair chunk of the overall market share of house wiring, Pakistan Cables has high market share within the organized sector. Similarly, the company also has a very strong presence in the sales of cables to industries, commercial projects, housing developments, government organizations, builders, institutions and the general public. Moreover, your Company's products often command a significant premium due to the high quality materials and quality oriented nature of the Company.

Operating Performance

The country's economy grew by only 2.0% in 2008-09 against the target of 4.5%, due to poor performance of almost all sectors as a result of a number of factors, both internal and external. These factors included political uncertainty, unstable law & order situation, record high inflation, unfavorable balance of trade, acute energy shortages, high interest rates, currency depreciation, worsening of international financial crisis, and to a lesser extent, the global recession.

Commercial activity and industrial demand for your Company's products remained subdued during the year. Construction activity was affected and industrial investment remained shy, except for the cement sector which invested in modernization and expansion.

Inspite of adverse economic factors and the non-conducive business environment prevailing in the country, the Company's results for the year are reasonably satisfactory. Your Company achieved sales of Rs. 3.4 billion which is 12.0% lower than last year's sales of Rs. 3.8 billion. The decline in sale compared to last year is a function of lower prices of our products, due to the sharp decline in copper prices during the first half of the financial year, and also reduced demand as a result of the the overall economic situation in Pakistan.

Gross profit for the year amounted to Rs. 532 million (15.9% of sales), compared to gross profit in the previous year of Rs. 370 million (9.7% of sales). The higher gross profit is attributed mainly due to better sales mix, reduction in prices of copper, productivity improvement and cost savings initiatives.

The impact of financial charges has affected the bottom line results of the Company. Finance cost has almost doubled as compared to last year due to high interest rates.

Notwithstanding the difficult economic environment within the country, high financial charges, and sever fluctuations in the price of raw materials, the Company was successful in achieving a Profit before Income Tax of Rs. 101.8 million, as compared to Rs. 53.6 million in the previous year. This is a result of prudent cost controls, improved efficiencies and strategic decisions to ensure optimum product mix.

Despite a much higher Profit before Tax in the current financial year the Company earned a Profit after Tax of Rs. 63.9 million compared to Rs. 65.4 million last year. This was due to the normalization of tax expense as compared to the previous year, when the Company benefited from a tax write-back

Dividends and Appropriations

For the current year, your Directors recommend payment of Rs. 2.25 per share (22.5%) as final cash dividend (2008: 10% bonus shares). The appropriation of profit will be as under:

		2008-09 Rs. '000
The net profit after tax amounted to		63,921
To this is added un-appropriated profit brought forward from last year		77,852
Transfer from surplus on revaluation - Own		3,356
		145,129
APPROPRIATIONS:		
Issuance of fully paid bonus shares for the year ended June 30, 2008		19,511
Transfer to General Reserve for the year ended June 30, 2008		58,000
Leaving un-appropriated profit to be carried forward		67,618
		145,129
Earning per share	Rs.	2.98

Subsequent Effects

Proposed final cash dividend of Rs. 2.25 per share for the year 2008-09	48,290
Transfer to General Reserve	19,000

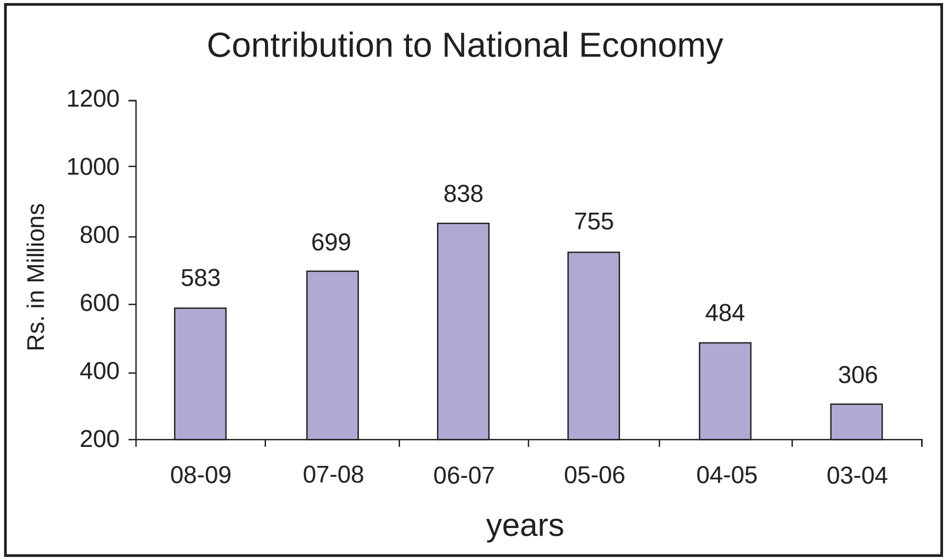
Cash Flow & Liquidity

The Company is constantly monitoring cash flow to ensure overall liquidity. During the financial year, Pakistan Cables generated Rs. 901.6 million in cash from operations. This was the result of lower working capital requirements, as the Company focused on tight inventory management across all stages of the production process and on controlling credit to customers. Furthermore, reductions in the price of copper allowed us to manage our cash flow more effectively.

Pakistan Cables is committed to reducing its long term debt position through scheduled repayments. The Company also closely monitors interest and foreign exchange rates to take advantage of any potential saving or hedging opportunities.

Contribution to National Economy

The Company's contribution to the National Exchequer by way of taxes, levies, sales tax, etc. amounted to Rs. 583 million during the year (2007-08 : Rs. 699 million.)



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 33, while the pattern of shareholding is provided on page 109.

Mr. Shaukat Tareen presenting TOP 25 Companies Award for the years 2006 & 2007 to Mr. Kamal A. Chinoy, PCL's CEO.

The value of investments of provident and pension funds as per their accounts for the year ended December 31, 2008 are as follows:

Provident Fund	Rs. 110.922 Million
Pension Fund	Rs. 78.407 Million

During the year five (05) meetings of the Board of Directors and four (04) meetings of the Audit Committee were held. Attendance by each Director is as follows:

Board of Directors Meetings

Director	No. of meetings Attended
Mr. Towfiq H. Chinoy	05 / 05
Mr. Mustapha A. Chinoy	03 / 05
Mr. Haroun Rashid	05 / 05
Syed Naseem Ahmad	03 / 05
Mr. Ansar Hussain	04 / 05
Mr. Javed Anwar	04 / 05
Mr. M. Khalil Mian	03 / 05
Mr. Saquib H. Shirazi	02 / 05
Mr. Shahpur Channah	05 / 05
Mr. Aslam Sadruddin	05 / 05
Mr. Kamal A. Chinoy	05 / 05

Audit Committee Meetings

Member	No. of meetings Attended
Mr. Haroun Rashid	04 / 04
Mr. Mustapha A. Chinoy	04 / 04
Mr. M. Khalil Mian	03 / 04

The Directors, Chief Executive, Chief Financial Officer/Company Secretary and their spouses and minor children did not carry out any transactions in the shares of the Company during the year.

Corporate Social Responsibility

At Pakistan Cables, Corporate Social Responsibility encompasses much more than social outreach programs and is an integral part of the way the Company conducts its business. We believe that we need to make a conscious effort to consider and balance the interest of all stakeholders, in particular the community in which we live and who form our customer base. For example, the Company informs and educates electricians about electrical safety and precautions through regular communications.

The Company continues to play an active role in supporting social sector programs and has always been at the forefront in its recognition and responsibility towards meeting society needs. The Company's efforts mainly focused on the areas of health and education. The Company evaluates in detail each organization that it supports and contributes towards. During the year the company made a contribution towards the following organizations:

- WWF Pakistan
- Layton Rehmatullah Benevolent Trust
- Amir Sultan Chinoy Foundation
- The Kidney Centre
- SAARC Women's Association

The Company has also sponsored “The Amir Sultan Chinoy Chair” for the Institute of Educational Development at the Aga Khan University Hospital.

In addition, the Company gave large discounts on its products to charitable organizations and philanthropic projects throughout the year.

Quality & Technology

Pakistan Cables is committed to strive for product quality, excellent customer service, innovation and efficiencies. The Company reiterates its commitment to consistently deliver enhanced value to customers, through continual improvement of its product and processes. The quality management system of the Company continued to conform to ISO 9001:2000 across all departments of the Company as certified by BVQI, UK. During the current year, the company has undergone successful surveillance audits of its Quality Management System.

The Company has a highly advanced Quality Assurance Laboratory which is equipped with the latest state of the art equipment and is manned by professional and skilled personnel who are engaged to check process variables in every step of manufacturing process, to ensure that all our final products are in compliance with the relevant international specifications. Pakistan Cables is the only cable manufacturer in Pakistan with medium and low voltage cables that 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 and Development

Improvement in business processes is paramount for any industry to stay competitive in today's market place. The Company is continuously engaged in business process re-engineering activities to optimize its activities and benefit from the technological advances in operational, technical and engineering functions. Current initiatives are underway that will improve efficiencies and excess wastages in the near future.

The Company has invested in a 2 MW gas fired tri-generation plant and a state of the art PVC Compounding plant. These plants will ensure that the company has uninterrupted power supply and availability of key raw materials at lower input costs. Your Company, during the year, successfully carried out trial production of 'Triple Extruded Medium Voltage Cables' and 'Aerial Bundle Cables'

Information Technology

The Company is actively pursuing its commitment towards modernization of its information technology and communication infrastructure & facilities. A project for broadband data connectivity with most of the branches has been started using WiMAX and DSL facility of a local ISP. This will give a faster network link between head office and branches. Furthermore, Pakistan Cables has upgraded its head office and factory network backbone and has migrated to a fiber optic based technology.

A comprehensive plan has also been prepared for establishing a disaster recovery site. Under this plan, backup of all data, IT Systems and services is stored at this site on real time basis to ensure availability of these services in case of any possible disaster that disrupts the central systems at the primary location.



Safety, Health & Environment

Protecting the health and safety of our people and ensuring a healthy working environment is of great importance to Pakistan Cables. The Company is committed to working towards designing a workplace that minimizes work related risks and occupational health and safety. We have well established policies and management systems on the wide range of health, safety and environmental issues we encounter in our operations.

The Company provides training to all its employees to safely perform their duties with the objective of preventing occupational injuries, illness and loss due to accidents. Safety culture is endorsed through training sessions on handling of safety equipment, safety related rehearsals, fire fighting drills, incident investigation and reporting, etc. Medical facilities are also provided to all employees and the Company operates an on-site dispensary with a full time doctor.

Your Company lays great stress on environment protection. Plant operations are strictly controlled to maintain safe environment for workers as well as the surrounding community. Several measures have been taken to control pollution and to maintain a clean, green and healthy environment which includes prevention of process gas emission into the atmosphere, recycling of waste heat and continuous efforts to improve greenery and maintain a clean environment in and around the factory through horticulture, better housekeeping, etc. All potentially hazardous material is monitored by the Company to ensure that best practices are followed in environmental protection, e.g. any anodizing waste is neutralized prior to discharge.

As the Company has invested in its own combined cycle 2 MW Tri-Generation Power Plant, with waste heat recovery and vapor absorption chillers, it is able to more efficiently utilize gas and electricity, thus ensuring energy conservation.

Training & Human Resource Development

Attracting and retaining the best talent is critical in enhancing and sustaining any company's performance. We strongly believe that employees are our greatest assets and therefore continue to work for its development. The main focus is on Human Resource Development, taking into account the industry norms and accomplishments. The Company continues to motivate its employees through proper placement, effective appraisal, employee recognition and skills development programs to develop the most competent and challenging work force.

Your Company attaches great importance to training and development of its employees. The Human Resource Development activities focus on multi-skill training and enhancing managerial competencies. Competency mapping for identification of skill gaps and training were initiated during the year. Various training programs were conducted using various methods to impart the best instructional techniques, like on the job, in-house training, job rotation, seminars, workshops, etc.

Staff Relations

The total number of employees as on June 30, 2009 was 458. 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.

During the year, due to unfavourable business environment, slowdown in the economy, weak economic indicators and the current financial position of the company, the Management of your Company for the first time in its history decided to right-size its organization structure.

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, 2010.

Business Risk and Challenges

Volatility in prices of Metals

Your Company is exposed to fluctuations in the prices of metals, particularly of copper, which have historically affected your operating results. To the extent higher copper prices result in increase in the costs of our product, we attempt to reflect the increase in the prices we charge our customers. Similarly, a reduction in copper prices is reflected through lower prices of our cables. While we historically have been able to pass on all or part of these cost increases to our customers, we may be unable to do so at times, due to prevailing slowdown and competition. In addition, as copper prices increase, our customers may delay or decrease their purchases of our wire and cable, which could adversely affect the demand for our products. The Company has comprehensive risk management, procurement and hedging strategies that ensure that fluctuations in the prices of copper and aluminium do not expose it to losses.

Foreign Exchange Risk

Your 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. Any sharp fall in the value of Rupee against the US Dollar will increase the cost of our inputs, resulting in lower margins. At present, foreign exchange for imports is without the benefit of forward cover, due to State Bank of Pakistan regulations, which increases the uncertainty in costing our materials.

High Interest Rates

The interest rates shot up to an all time high during the year resulting in high borrowing cost. 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.

Risk Associated with Inventory

Our business requires us to maintain certain levels of inventory. We must identify the right mix and quantity of products to keep in our inventory to meet customer orders. Failure to do so could adversely affect our sales and profit. However, if our inventory levels are too high, we are at risk that unexpected changes in circumstances, such as shift in market demand or drop in prices, could have material adverse impact on the net realizable value of our inventory.

Increase in Competition

Your company operates in a highly competitive industry. To the extent existing or future competitors seek to gain or retain market share by reducing prices, we may also be required to lower our prices, thereby adversely affecting our financial results.

Downturn in Capital Spending by Customers

Majority of our products are used in construction, maintenance and operation of facilities, engineering, energy, infrastructure, petrochemical, textile and fertilizer industries. The demand of our products also depends on the capital spending levels of end-users. Many of them defer capital expenditures or cancel projects during economic downturns. Until the economy of the country recovers, the demand for our products may remain weak, which could have an adverse affect on our results.

Overall, your Company is vigilant and aware of the risks it faces and has put in place an encompassing risk management system in order to avoid, mitigate or transfer risks, where possible.

Future Prospects

Your Company has benefited from sustained economic growth in the last few years. The year under review, however, witnessed a slowdown in domestic consumption of cables due to political and economic uncertainty, deteriorating law & order situation, rising inflation, high interest rates, international financial crisis and the global recession. As a result our outlook for the year ahead remains watchful. While there have been some recent encouraging signs, energy shortages persist and the cost of doing business, though lower than before, still remains high. Also, the issue of around US$ 2 billion in circular debt that is stuck up between key utility, power generation and oil and gas companies will continue to remain an overhang over Pakistan's economy. Any early resolution of the circular debt conundrum will have positive repercussions on the outlook for next year.

The recent macroeconomic data releases have shown that the economy is showing early signs of stabilizing. However, sustained efforts from the government are required to ensure that the economy moves from stability mode towards one which focuses on growth by encouraging industrial investments, lowering interest rates and freeing liquidity for the commercial sector which in turn will have positive repercussions on companies like ours, which manufacture infrastructural items.

The strategy of your company is to continue to concentrate on the development of its core business and to realize benefits from investments made in state of the art wire & cable machinery and new projects viz. Tri-Generation Power Plant, PVC Compounding Plant and also on balancing, modernization and replacement of some of machines. However, there is considerable competition within the Pakistani wire & cable industry. Consequently, margins could be under pressure.

The Management of your Company is fully aware of the challenges that lie ahead and is taking all possible measures to faces those challenges by adopting an aggressive marketing strategy, continuing to strive for operational excellence, prudently utilizing funds and adopting better controls to reduce costs. Our focus will remain on providing best-in-class customer services and through this effort retain existing customers and acquire new business. However, we will constantly monitor the current trend of increasing prices of raw materials coupled with the depreciation of Rupee against the US Dollar to ensure continued profitability of the Company.

Excellence Awards

For the second consecutive year, Pakistan Cables received "Brand of the Year Award". The Company received this award in the category of Wire & Cables, as well as Aluminium Sections. This award is given by an independent body that evaluates brand performance and was presented by the Prime Minister, Mr. Yousuf Raza Gilani, in Karachi on 25th November 2008.

Prime Minister, Syed Yousuf Raza Gilani presenting the Brands of the Year Award 2008 to Mr. Aslam Sadruddin, PCL's Finance Director.

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 and appreciation to all our valued customers, distributors, dealers and bankers for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

On behalf of the Board

TOWFIQ H. CHINOY
Chairman

KAMAL A. CHINOY
Chief Executive

KARACHI: August 19, 2009

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 by 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
Works Manager	Member
Engineering Manager	Member
Human Resources/ I. R. Manager	Member
Manager Technical	Member
Manager Materials	Member
Product Manager GWC	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 2009

This statement is being presented to comply with the Code of Corporate Governance as contained in Regulation No. 35 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 are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI and none of them is a member of a stock exchange.

4. No casual vacancy occurred in the Board during the year.

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 CEO 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. The Board has approved appointment of Head of Internal Audit, including his remuneration and terms and conditions of employment, as determined by the CEO. No new appointment of CEO and Company Secretary 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 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 an audit committee. It comprises three members, of whom all are non-executive directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been 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 including the requirements of newly inserted clause 'xiii a' relating to related party transactions have been complied with.

TOWFIQ H. CHINOY
Chairman

KAMAL A. CHINOY
Chief Executive

Date: August 19, 2009

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.

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.

Further, Sub-Regulation (xiii a) of Listing Regulation No. 35 (previously Regulation No. 37) notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevailed in arm's length transactions and transaction which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 19 August 2009

financial statements

Auditors' Report to the Members

We have audited the annexed balance sheet of **Pakistan Cables Limited** ("the Company") as at 30 June 2009 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 2009 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.

Date: 19 August 2009

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Pirani

Balance Sheet
As at 30 June 2009

	Note	2009	2008
		(Rupees in '000)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	4	**214,623**	195,112
General reserves		**436,000**	378,000
Unappropriated profit		**67,618**	77,852
		718,241	650,964
Surplus on revaluation of land and buildings - net of tax	5	**684,201**	687,557
Non-current liabilities			
Long-term loans	6	**364,185**	270,770
Deferred liability for staff gratuity	7	**18,636**	16,890
Other long-term employee benefits	8	**14,117**	13,726
Deferred tax liability - net	9	**113,088**	76,868
Total non current liabilities		**510,026**	378,254
Current liabilities			
Current portion of long-term loans	6	**115,577**	59,286
Trade and other payables	10	**446,731**	449,277
Short term borrowings	11	**493,919**	1,092,487
Mark-up accrued on bank borrowings		**39,039**	28,075
Total current liabilities		**1,095,266**	1,629,125
Contingencies and commitments	12		
Total equity and liabilities		**3,007,734**	3,345,900

The annexed notes from 1 to 39 form an integral part of these financial statements.

	Note	2009	2008
		(Rupees in '000)	
			(Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	13	**1,711,507**	1,643,567
Investments in associates	14	**117,418**	137,856
Long-term loans	15	**2,330**	1,407
Long-term security deposits		**2,494**	2,494
Total non current assets		**1,833,749**	1,785,324
Current assets			
Stores and spares	16	**28,128**	28,773
Stock-in-trade	17	**657,915**	1,018,606
Trade debts	18	**323,219**	397,375
Short-term loans and advances	19	**8,858**	27,255
Short-term deposits and prepayments	20	**5,146**	4,179
Other receivables	21	**4,684**	3,028
Advance tax - net of provisions		**105,814**	57,617
Cash and bank balances	22	**40,221**	23,743
Total current assets		**1,173,985**	1,560,576
Total assets		**3,007,734**	3,345,900

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

Profit and Loss Account

For the year ended 30 June 2009

	Note	2009	2008
		(Rupees in '000)	
Net sales	23	**3,352,328**	3,794,949
Cost of sales	24	**(2,819,973)**	(3,425,069)
Gross profit		**532,355**	369,880
Selling costs	25	**(125,555)**	(146,107)
Administrative expenses	26	**(70,573)**	(74,592)
		(196,128)	(220,699)
		336,227	149,181
Other operating expenses	27	**(9,908)**	(146,942)
Other operating income	28	**24,617**	6,461
		14,709	(140,481)
		350,936	8,700
Finance expenses	29	**(230,007)**	(130,378)
Gain on sale of investments in associates		**-**	167,926
Share of (loss) / profit from associates - net	14	**(487)**	9,100
Impairment loss on investments	14	**(18,601)**	(1,741)
		(19,088)	175,285
Profit before income tax		**101,841**	53,607
Taxation	30	**(37,920)**	11,790
Profit for the year		**63,921**	65,397
		(Rupees)	
			(Restated)
Earnings per share - basic and diluted	31	**2.98**	3.05

The annexed notes from 1 to 39 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 2009

	Note	2009	2008
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	32	**901,608**	224,314
Staff retirement benefits paid	7.4	**(1,477)**	(1,926)
Finance expenses paid		**(219,043)**	(118,214)
Taxes paid		**(49,897)**	(73,296)
Long term loans		**(923)**	882
Net cash flows from operating activities		**630,268**	31,760
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(169,852)**	(338,436)
Sale proceeds on disposal of fixed assets	13.1.2	**3,577**	842
Dividends received		**1,350**	2,785
Proceeds from sales of investments in associates		**-**	227,562
Investments in associates		**-**	(139,597)
Net cash flows from investing activities		**(164,925)**	(246,844)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loan obtained		**208,991**	194,272
Repayment of principal amount		**(59,285)**	(87,620)
Net decrease in short-term finance		**(208,220)**	(526,348)
Dividends paid		**(3)**	(28,813)
Net cash flows from financing activities		**(58,517)**	(448,509)
Net increase/(decrease) in cash and cash equivalents		**406,826**	(663,593)
Cash and cash equivalents at beginning of the year		**(714,021)**	(50,428)
Cash and cash equivalents at end of the year	33	**(307,195)**	(714,021)

The annexed notes from 1 to 39 form an integral part of these financial statements.

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

Statements of Changes in Equity

For the year ended 30 June 2009

	Share capital	General reserve	Unappropriated profit	Total
	------------------- (Rupees in '000) -------------------			
Balance as at 01 July 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**
Changes in equity for the year ended 30 June 2009				
Bonus shares issued at 10% for the year ended 30 June 2008	19,511	-	(19,511)	-
Transfer to general reserve for the year ended 30 June 2008	-	58,000	(58,000)	-
Transfer from surplus on revaluation of building - net of deferred tax	-	-	3,356	3,356
Net profit for the year	-	-	63,921	63,921
Total recognised income for the year	-	-	67,277	67,277
Balance as at 30 June 2009	**214,623**	**436,000**	**67,618**	**718,241**

The annexed notes from 1 to 39 form an integral part of these financial statements.

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

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

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 building are stated at revalued amounts, less accumulated depreciation and impairment losses, if any.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani rupee which is the Company's functional currency. All financial information presented in Pakistani rupee has been rounded to the nearest thousand.

2.4 Initial application of a standard or an interpretation

The following standards, amendments and interpretations become effective during the current year

IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after 28 April 2008) supersedes IAS 30 – Disclosures in the Financial Statements of Banks and Similar Financial Institutions and the disclosure requirements of IAS 32 – Financial Instruments: Disclosure and Presentation. The application of the standard is not expected to have significant impact on the Company's financial statements other than increase in disclosures.

IAS 29 – Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 28 April 2008). The Company does not have any operations in Hyperinflationary Economies and therefore the application of the standard is not likely to have an effect on the Company's financial statements.

IFRIC 13 Customer Loyalty Programmes (effective for annual periods beginning on or after 01 July 2008) addresses the accounting by entities that operate or otherwise participate in customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. The application of IFRIC 13 is not likely to have a material effect on the Company's financial statements.

IFRIC 14 IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective for annual periods beginning on or after 01 January 2008). IFRIC 14 clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on minimum funding requirements (MFR) for such asset. The interpretation has no effect on Company's financial statements for the year ended 30 June 2009.

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

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 30 June 2009, and have not been applied in preparing these financial statements.

Revised IAS 1 – "Presentation of Financial Statements" (effective for annual periods beginning on or after 01 January 2009) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income.

Revised IAS 23 – "Borrowing Costs" (effective for annual periods beginning on or after 01 January 2009) removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

IAS 27 – "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 01 January 2009). The amendment removes the definition of the cost method from IAS 27 and replaces it with a requirement to present dividends as income in the separate financial statements of the investor.

IAS 27 – "Consolidated and Separate Financial Statements" (effective for annual periods beginning on or after 01 July 2009) requires accounting for changes in ownership interest by the group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with gain or loss recognised in the profit or loss.

Amendment to IAS 32 – "Financial Instruments: Presentation" and IAS 1 – "Presentation of Financial Statements" (effective for annual periods beginning on or after 01 January 2009) - Puttable financial instruments and obligations arising on liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met.

Amendments to IAS 39 and IFRIC 9 – "Embedded derivatives" (effective for annual periods beginning on or after 01 January 2009). Amendments require entities to assess whether they need to separate an embedded derivative from a hybrid (combined) financial instrument when financial assets are reclassified out of the fair value.

The International Accounting Standards Board made certain amendments to existing standards as part of its Second annual improvement project. The effective dates for these amendments vary by standard and most will be applicable to the Company's 2010 financial statements.

Amendments to IAS 39 – "Financial Instruments: Recognition and Measurement - Eligible hedged items" (effective for annual periods beginning on or after 01 July 2009) clarifies the application of existing principles that determine whether specific risks or portions of cash flows are eligible for designation in a hedging relationship.

IFRS 2 (Amendment) – "Share-based Payment - Vesting Conditions and Cancellations" (effective for annual periods beginning on or after 01 January 2009) clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations.

Amendment to IFRS 2 – "Share-based Payment - Group Cash-settled Share-based Payment Transactions" (effective for annual periods beginning on or after 01 January 2010). Currently effective IFRS requires attribution of group share-based payment transactions only if they are equity-settled. The amendment resolves diversity in practice regarding attribution of cash-settled share-based payment transactions and require an entity receiving goods or services in either an equity-settled or a cash-settled payment transaction to account for the transaction in its separate or individual financial statements.

Revised IFRS 3 – "Business Combinations" (applicable for annual periods beginning on or after 01 July 2009) broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent considerations to be measured at fair value, transaction costs other than share and debt issue costs to be expensed, any pre-existing interest in an acquiree to be measured at fair value, with the related gain or loss recognised in profit or loss and any non-controlling (minority) interest to be measured at either fair value, or at its proportionate interests in identifiable assets and liabilities of an acquiree, on a transaction-by-transaction basis.

IFRS 4 – "Insurance Contracts" (effective for annual periods beginning on or after 01 January 2009). The IFRS makes limited improvements to accounting for insurance contracts until the Board completes the second phase of its project on insurance contracts. The standard also requires the entity issuing insurance contracts (an insurer) to disclose information about those contracts.

IFRS 5 (Amendment) – "Non-current assets held-for-sale and discontinued operations" (effective from 01 July 2009). The amendment clarifies that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

Amendment to IFRS 7 – "Improving Disclosures about Financial Instruments" (effective for annual periods beginning on or after 01 January 2009). These amendments have been made to bring the disclosure requirements of IFRS 7 more closely in line with US standards. The amendments introduce a three-level hierarchy for fair value measurement disclosures and require entities to provide additional disclosures about the relative reliability of fair value measurements.

IFRS 8 – "Operating segments" (effective for annual periods beginning on or after 01 January 2009) introduces the management's approach to segment reporting. IFRS 8 will require a change in presentation and disclosure of segment information based on the internal reports that are regularly reviewed by the Company's chief operating decision maker in order to assess each segment's performance and to allocate resources to them.

IFRIC 15 – "Agreement for Construction of Real Estate" (effective for annual periods beginning on or after 01 October 2009) clarifies the recognition of revenues by real estate developers for sale of units, such as apartments or houses, 'off-plan', that is, before construction is complete.

IFRIC 16 – "Hedge of Net Investment in a Foreign Operation" (effective for annual periods beginning on or after 01 October 2008) clarifies that net investment hedging can be applied only to foreign exchange differences arising between the functional currency of a foreign operation and the parent entity's functional currency and only in an amount equal to or less than the net assets of the foreign operation, the hedging instrument may be held by any entity within the group except the foreign operation that is being hedged and that on disposal of a hedged operation, the cumulative gain or loss on the hedging instrument that was determined to be effective is reclassified to profit or loss. The Interpretation allows an entity that uses the step-by-step method of consolidation an accounting policy choice to determine the cumulative currency translation adjustment that is reclassified to profit or loss on disposal of a net investment as if the direct method of consolidation had been used.

IFRIC 17 – "Distributions of Non-cash Assets to Owners" (effective annual periods beginning on or after 01 July 2009) states that when a company distributes non cash assets to its shareholders as dividend, the liability for the dividend is measured at fair value. If there are subsequent changes in the fair value before the liability is discharged, this is recognised in equity. When the non cash asset is distributed, the difference between the carrying amount and fair value is recognised in the income statement.

IFRIC 18 – "Transfers of Assets from Customers" (to be applied prospectively to transfers of assets from customers received on or after 01 July 2009). This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant, and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

2.6 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 accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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:

2.6.1 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.

2.6.2 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.

2.6.3 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.

2.6.4 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.

2.6.5 Stock in trade

The Company reviews the net realizable value of stock in trade and stores and spares to assess any diminution in the respective carrying values. Any change in the estimates in future years might affect the carrying amounts of stock in trade with a corresponding affect on the profit and loss account of those future years.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

3.1 Investments in associates - equity method

Investments in associates where the Company has significant influence but not control over the financial and operating policies 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.

Gain / (loss) on sales of above investments, if any, are recognised in the period of sale.

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 2009). 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 loans, 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, where applicable. The Company derecognises the financial liabilities when it ceases to be a party to the contratual provisions of such instruments.

3.4 Taxation

Income tax on the profit or loss for the year comprises current and deferred tax.

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 (less impairment losses, if any). 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.

- 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 if applaicable, 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. The Company derecognises the financial assets when it ceases to be a party to the contractual provisions of such assets.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances. Short term running finances that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

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 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired. A financial assets is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occuring after the impairment loss was recognised.

Non-financial assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.14 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.

3.15 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.

3.16 Assets held for sale

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

3.17 Dividends and reserve appropriation

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

4. SHARE CAPITAL

2009	2008		2009	2008
(Number of shares)			(Rupees in '000)	
Authorised				
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
19,812,376	17,861,251	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**198,123**	178,612
21,462,376	19,511,251		**214,623**	195,112

4.1 At 30 June 2009, 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

	2009	2008
Own assets	**(Rupees in '000)**	
Leasehold land		
Balance as at July 01	**613,250**	501,750
Surplus on revaluation carried out as at 30 June 2008	**-**	111,500
	613,250	613,250
Buildings		
Revaluation surplus over written down value at beginning	**114,318**	66,477
Surplus on revaluation carried out as at 30 June 2008	**-**	51,267
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	**(3,356)**	(2,227)
Related deferred tax liability of incremental depreciation charged during the year	**(1,807)**	(1,199)
	109,155	114,318
Related deferred tax liability at beginning of the year	**(40,011)**	(23,267)
Related deferred tax liability on revaluation over carrying amount as on 30 June 2008	**-**	(17,943)
Less: Related to incremental depreciation	**1,807**	1,199
	(38,204)	(40,011)
	684,201	687,557

6. LONG-TERM LOANS
From banking companies - secured

	Number of instalments and commencement date	Instalment amount (Rs. in '000)	Date of maturity	Mark-up rate per annum	2009	2008
					(Rupees in '000)	
Loan 1	12 quarterly commencing from 15-Feb-06	4,167	15-Nov-09	3 months KIBOR plus 1.25%	**-**	8,333
Loan 2	5 half yearly commencing from 19-Nov-06	20,000	19-Nov-08	6 months KIBOR plus 1.25%	**-**	20,000
Loan 3	7 half yearly commencing from 27-Oct-07	7,143	27-Oct-10	6 months KIBOR plus 1.25%	**21,428**	35,714
Loan 4	12 quarterly commencing from 31-Jan-07	4,167	30-Oct-09	3 months KIBOR plus 1.25%	**8,334**	25,000
Loan 5	6 half yearly commencing from 17-Oct-09	13,333	17-Apr-12	6 months KIBOR plus 1.00%	**80,000**	80,000
Loan 6	5 half yearly commencing from 13-Aug-09	12,000	13-Aug-11	6 months KIBOR plus 1.25%	**60,000**	60,000
Loan 7	6 half yearly commencing from 29-Jul-09	6,667	29-Jan-12	6 months KIBOR plus 1.25%	**40,000**	36,009
Loan 8	6 half yearly commencing from 05-Nov-09	4,167	05-May-12	6 months KIBOR plus 1.25%	**25,000**	25,000
Loan 9	8 half yearly commencing from 02-Dec-09	8,750	02-Jun-13	6 months KIBOR plus 1.00%	**70,000**	40,000
Loan 10	8 half yearly commencing from 11-Jun-10	3,125	11-Dec-13	6 months KIBOR plus 1.25%	**25,000**	-
Loan 11	6 half yearly commencing from 06-Dec-11	25,000	16-Jun-14	6 months KIBOR plus 1.75%	**150,000**	-
					479,762	330,056
Current portion shown under current liabilities					**(115,577)**	(59,286)
					364,185	270,770

6.1 All long term loans are secured against hypothecation of specific items of plant and machinery except for loan 11 which is secured against equitable mortgage charge over property.

7. STAFF RETIREMENT BENEFITS - defined benefit plans

The details of the actuarial valuation under the projected unit credit method as at 30 June 2009 for funded pension and unfunded gratuity schemes are as follows:

7.1 Actuarial assumptions

	Note	2009		2008	
		Pension	**Gratuity**	Pension	Gratuity
		----------%----------		-----------%-----------	
Discount rate		**12.5**	**12.5**	13.20	13.20
Expected rate of salary increase		**10.36**	**10.36**	11.10	11.10
Expected rate of return on plan assets		**12.5**	**-**	13.20	-
Pension increase		**3.69**	**-**	4.40	-

7.2 Balance sheet reconciliation

	Note	**Pension**	**Gratuity**	Pension	Gratuity
		(Rupees in '000)		(Rupees in '000)	
Fair value of plan assets	7.3	**185,133**	**-**	156,408	-
Present value of defined benefit obligations	7.4	**(197,114)**	**(18,636)**	(170,568)	(16,890)
Net liability		**(11,981)**	**(18,636)**	(14,160)	(16,890)

7.3 Changes in fair value of plan assets

	Pension	**Gratuity**	Pension	Gratuity
Fair value as at 1 July	**156,408**	**-**	140,928	-
Expected return on plan assets	**21,078**	**-**	15,657	-
Net actuarial gain	**(12,022)**	**-**	(3,067)	-
Benefits paid	**(5,682)**	**-**	(4,038)	-
Contribution to fund	**25,351**	**-**	6,928	-
Fair value as at 30 June	**185,133**	**-**	156,408	-

	2009 Pension	2009 Gratuity	2008 Pension	2008 Gratuity
	(Rupees in '000)		(Rupees in '000)	
7.4 Changes in present value defined benefit obligation				
Obligation as at 1 July	**170,568**	**16,890**	142,611	16,821
Current service cost	**9,662**	**1,325**	8,717	1,234
Interest cost	**22,236**	**2,143**	15,471	1,747
Actuarial loss / (gain)	**330**	**(245)**	7,807	(986)
Benefits paid	**(5,682)**	**(1,477)**	(4,038)	(1,926)
Obligation as at 30 June	**197,114**	**18,636**	170,568	16,890
7.5 Amounts recognised in the profit and loss account				
Current service cost	**9,662**	**1,325**	8,717	1,234
Interest cost	**22,236**	**2,143**	15,471	1,747
Expected return on plan assets	**(21,078)**	**-**	(15,657)	-
Past service cost	**-**	**-**	797	1,981
Net actuarial (gain) / Loss	**12,352**	**(245)**	10,874	(986)
	23,172	**3,223**	20,202	3,976
7.6 Recognised liability				
Balance as on 1 July	**(14,160)**	**(16,890)**	(886)	(14,840)
Expense recognised	**(23,172)**	**(3,223)**	(20,202)	(3,976)
Payments during the year	**25,351**	**1,477**	6,928	1,926
Company's liability at 30 June	**(11,981)**	**(18,636)**	(14,160)	(16,890)
7.7 Actual return on plan assets	**9,056**	**-**	12,590	-
7.8 Fund investments composition / fair value of plan assets (in percentage)				
Debt instruments	**22%**	**-**	23%	-
Equity	**5%**	**-**	25%	-
Mutual funds	**23%**	**-**	13%	-
Cash	**50%**	**-**	39%	-

7.9 Historical information

	2009	2008	2007	2006	2005
	(Rupees in '000)				
Fair value of plan assets	**185,133**	156,408	140,928	123,849	103,321
Present value of the defined benefit obligation	**(215,750)**	(187,458)	(159,432)	(140,709)	(118,187)
Deficit in the plan	**(30,617)**	(31,050)	(18,504)	(16,860)	(14,866)

7.10 Experience adjustments

	2009	2008	2007	2006	2005
- on plan assets	**6%**	2%	-	6%	10%
- on plan liabilities	**-**	7%	1%	4%	10%

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. 1.797 million (2008: Rs. 2.845 million).

9. DEFERRED TAX LIABILITY - net

	Note	2009	2008
		(Rupees in '000)	
Taxable temporary differences			
Accelerated tax deprecation		**190,137**	124,295
Surplus on revaluation of building	5	**38,204**	40,011
		228,341	164,306
Deductible temporary differences			
Provision for staff retirement and other benefits		**(8,997)**	(8,202)
Provision for doubtful debts		**(5,218)**	(4,399)
Provision for slow-moving stores and spares		**(2,326)**	(2,259)
Provision for import levies		**(25,033)**	(20,493)
Carried forward tax loss		**(73,679)**	(52,085)
		(115,253)	(87,438)
		113,088	76,868

10. TRADE AND OTHER PAYABLES

	Note	2009	2008
		(Rupees in '000)	
Creditors	10.1	**173,191**	94,536
Accrued expenses	10.2	**18,451**	35,765
Advances from customers		**116,883**	205,272
Deposits from distributors		**7,500**	10,000
Payable to staff pension fund	7.2	**11,981**	14,160
Provision for import levies	10.3	**71,522**	58,552
Sales tax payable		**15,196**	8,203
Special excise duty payable		**2,126**	3,377
Workers' profit participation fund	10.4	**6,498**	395
Workers' welfare fund		**2,591**	1,076
Income tax deducted at source		**1,809**	1,416
Unclaimed dividend		**5,090**	5,094
Others		**13,893**	11,431
		446,731	449,277

10.1 This includes mark-up free unsecured balance of Rs. 0.009 million (2008: Rs. 0.295 million) payable to a related party.

10.2 This includes an accrual of Rs. Nil (2008: Rs.1.536) 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	2009	2008
		(Rupees in '000)	
Balance as on 1 July		**58,552**	42,277
Charge for the year - net		**12,970**	16,275
Balance as at 30 June		**71,522**	58,552

10.4 Workers' profit participation fund

	Note	2009	2008
Balance as on 1 July		**395**	16,039
Mark-up on funds utilised in the Company's business	29	**22**	395
Allocation for the year		**6,476**	-
		6,893	16,434
Amount paid to the fund		**(395)**	(16,039)
Balance as at 30 June		**6,498**	395

11. SHORT TERM BORROWINGS

	Note	2009	2008
		(Rupees in '000)	
From banking companies - secured			
Running finance under mark-up arrangements	11.1	**347,416**	737,764
Term finance		**-**	75,000
Foreign currency import finance	11.2	**146,503**	279,723
		493,919	1,092,487

11.1 Running finance under mark-up arrangements

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. 2,195 million (2008: Rs. 2,210 million). The rate of mark-up on the running finance facilities ranges between 13.98% to 16.11% per annum net of prompt payment rebate (2008: 11.2% to 15.2% per annum). These facilities will expire between 30th June 2009 to 31st December 2009 and are renewable.

11.2 Foreign currency import finance

Foreign currency import finance facilities are available from various banks amounting to Rs. 1,982 million (2008: Rs. 2,150 million) and are repayable on different dates. This facility is a sub limit of the overall facility mentioned in note 11.1 above. These balances carry mark-up ranging from 2.98 % to 4.64% per annum (2008 : 4.33 % to 4.81% per annum).

11.3 Other facilities

The facility for opening letters of credit and guarantees as at 30th June 2009 amounted to Rs. 2,938 million (2008: Rs. 2,920 million) of which the amount remaining unutilised as at that date was Rs. 2,398 million (2008: Rs. 2,334 million).

11.4 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. 2.517 million (2008: Rs. 12.571 million) against partial exemption of import levies.
b) Bank guarantees amounting to Rs. 194.199 million (2008: Rs. 233.493 million) have been given to various parties for contract performance, tender deposits, etc.

12.2 Commitments

a) Aggregate commitments for capital expenditure as at 30th June 2009 amounted to Rs. Nil (2008: Rs. 98.961 million).
b) Commitments under letters of credit for the import of raw materials, etc. (non-capital expenditure) at 30th June 2009 amounted to Rs. 265.887 million (2008: Rs. 267.525 million).

13. PROPERTY, PLANT AND EQUIPMENT

	Note	2009	2008
		(Rupees in '000)	
Operating assets	13.1	**1,708,731**	1,389,001
Capital work-in-progress	13.2	**2,776**	254,566
		1,711,507	1,643,567

13.1 Operating assets

	2009											
	Cost / revaluation						Depreciation					
	As at 01st July 2008	Additions	Revaluation (Adjustment)	Revaluation Surplus	(Disposals)	As at 30th June 2009	As at 01st July 2008	For the year	(Disposal)	As at 30th June 2009	Net book value as at 30 June 2009	Rate %
	(Rupees in '000)											
Lease hold land at revalued amount	613,250	-	-		-	613,250	-	-	-	-	613,250	-
Building on leasehold land at revalued amount	236,285	1,838	-	-	-	238,123	-	11,838		11,838	226,285	5
Plant and machinery	844,373	405,518	-	-	-	1,249,891	342,213	76,967		419,180	830,711	8,12 & 25
Office equipment and appliances	45,870	4,975	-	-	(1,007)	49,838	26,646	6,287	(1,006)	31,927	17,911	12 & 25
Furniture and fittings	8,679	4,023	-	-	-	12,702	3,620	992	-	4,612	8,090	8,12 & 25
Vehicles	26,565	5,191	-	-	(5,393)	26,363	14,301	4,716	(4,516)	14,501	11,862	20
Loose tools	1,344	96	-	-	-	1,440	585	233	-	818	622	20
	1,776,366	421,641	-	-	(6,400)	2,191,607	387,365	101,033	(5,522)	482,876	1,708,731	

2008

	Cost / revaluation						Depreciation					
	As at 01st July 2007	Additions	Revaluation (Adjustment)	Revaluation Surplus	(Disposals)	As at 30th June 2008	As at 01st July 2007	For the year	(Disposal)	As at 30th 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	-
Building 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	

13.1.1 The latest 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. Had there been no revaluation, the carrying amounts of leasehold land and building would have been Nil (2008: Nil) and Rs. 117.132 million (2008: Rs. 121.967 million) respectively. At 30 June 2009, undepreciated surplus on land and building amounted to Rs. 722.405 million (2008: Rs. 727.568 million).

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

Assets	**Cost**	**Accumulated depreciation**	**Net book value**	**Sale proceeds**	**Mode of disposal**	**Purchaser**	**Address**
	----------(Rupees in '000)----------						
Motor vehicles							
Suzuki Baleno	749	(512)	237	502	Negotiation	M. Irfan Ibrahim	A -202, Panama Centre, Karachi
Daihatsu Cuore	439	(168)	271	501	Negotiation	Marif Bin Anis	R-23, F.B. Area, Block 15, Karachi
Suzuki Mehran	365	(152)	213	381	Negotiation	Raheel Methani	D-87/1, Kehkashan Clifton, Karachi
Honda Motorcycle	60	(3)	57	60	Insurance Claim	New Jubilee Insurance Company Limited	I.I. Chundrigar Road, Karachi
Honda Motorcycle	63	(3)	60	63	Insurance Claim	New Jubilee Insurance Company Limited	I.I. Chundrigar Road, Karachi
Items of net book value below Rs. 50,000 each	4,724	(4,684)	40	2,070	Negotiation	Various	
2009	**6,400**	**(5,522)**	**878**	**3,577**			
2008	3,037	(2,986)	51	842			

13.1.3 Depreciation has been allocated as follows:

	Note	2009	2008
		(Rupees in '000)	
Cost of sales	24	**93,819**	66,544
Selling costs	25	**2,383**	2,157
Administrative expenses	26	**4,831**	4,343
		101,033	73,044

13.2 Capital work-in-progress

	Cost			
	As at 01st July 2008	Additions	(Transfers)	As at 30th June 2009
	(Rupees in '000)			
Civil works	**4,392**	**495**	**(4,887)**	
Plant and machinery	**250,174**	**157,480**	**(404,878)**	**2,776**
	254,566	**157,975**	**(409,765)**	**2,776**

14. INVESTMENTS IN ASSOCIATES - equity accounted for

	% of holding 2009	% of holding 2008	2009	2008
			(Rupees in '000)	(Restated)
International Industries Limited (IIL) 480,000 (2008: 400,000) fully paid ordinary shares of Rs. 10 each [market value of Rs. 21.643 million (2008: Rs. 50.184 million)]	**0.48**	0.48	**39,899**	50,184
New Jubilee Insurance Company Limited (NJI) 500,000 (2008: 500,000) fully paid ordinary shares of Rs.10 each [market value of Rs. 25.375 million (2008: Rs. 84.22 million)]	**0.76**	0.76	**77,519**	87,672
			117,418	137,856

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

	International Industries Limited (IIL)		New Jubilee Insurance Company Limited (NJI)	
	31 March 2009	31 March 2008	**31 March 2009**	31 March 2008
	------------------ (Rupees in '000) ------------------			
Assets	**9,335,776**	10,626,211	**6,034,586**	5,425,172
Liabilities	**5,463,478**	6,837,272	**3,852,755**	3,363,858
	For the nine months ended 31 March 2009	For the year ended 30 June 2008	**For the three months ended 31 March 2009**	For the year ended 31 December 2008
	------------------ (Rupees in '000) ------------------			
Total revenue	**9,226,720**	12,067,796	**572,333**	2,186,443
Profit / (loss) after tax	**208,247**	705,303	**119,124**	(267,249)

14.3 On 30 June 2008, the Company had decided to sell 400,000 shares of International Industries Limited and 125,000 shares of New Jubilee Insurance Company Limited (carrying value as of the above date being Rs. 71.239 million). Accordingly, these shares were classified as 'Asset Held for Sale' as required under International Financial Reporting Standard (IFRS) 5 - Non-current Asset Held for Sale and Discontinued Operations.

However, the management subsequently decided to abandon its plan to dispose off these investments and hopes to benefit from the performance of these associated companies (as it is of the view that these benefits may exceed the benefits it could have derived from their disposal). Accordingly, as required under International Accounting Standard (IAS) 28, "Investments in Associates", these investments are being accounted for under the equity method of accounting and the balance of Rs. 71.239 million previously classified as 'Asset Held for Sale' as of 30 June 2008 has been reclassified as Equity accounted for investments'. However, the effect in the profit and loss account of the previous period due to the above change in plan and reclassification is not material. A loss of Rs 18.6 million has been recognised in the current period as a result of the above change.

14.4 Above associates have been equity accounted for upto 31 March 2009. The financial impact for the quarter ended 30 June 2009 of the above associates are not considered to be material.

15. LONG-TERM LOANS

	Note	2009	2008
		(Rupees in '000)	
Considered good - secured			
Due from employees		**3,601**	2,360
Due from executive		**60**	100
		3,661	2,460
Recoverable within one year	19	**(1,331)**	(1,053)
		2,330	1,407

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 instalments.

16. STORES AND SPARES

	Note	2009	2008
		(Rupees in '000)	
Stores		**1,030**	944
Spares [including Rs.0.189 million in transit (2008: Rs. 1.0 million)]		**33,745**	34,283
		34,775	35,227
Provision against slow moving stores and spares		**(6,647)**	(6,454)
		28,128	28,773

17. STOCK-IN-TRADE

	Note	2009	2008
Raw materials (including Rs. 153.5 million in transit; 2008: Rs. 59.8 million)	17.1	**293,612**	295,113
Work-in-process	17.2	**159,919**	300,726
Finished goods	17.2	**185,718**	408,896
Scrap		**18,666**	13,871
		657,915	1,018,606

17.1 This includes certain raw materials of an aggregate value of Rs. nil (2008: Rs. 0.2 million) held by third parties.

17.2 Work-in-process and finished goods include slow moving items aggregating Rs. 8.3 million (2008: Rs. 12.7 million) and Rs. 13.8 million (2008: Rs. 19.2 million) respectively stated at their net realizable values as against their cost of Rs. 10.2 million (2008: Rs. 20 million) and Rs. 36.7 million (2008: Rs. 33.6 million) respectively.

18. TRADE DEBTS - unsecured

	Note	2009	2008
		(Rupees in '000)	
Considered good			
Due from related parties	18.1	**48,507**	70,606
Others		**274,712**	326,769
		323,219	397,375
Considered doubtful			
Others		**14,907**	12,568
		338,126	409,943
Provision for doubtful debts	18.2	**(14,907)**	(12,568)
		323,219	397,375

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

	2009	2008
Cherat Cement Company Limited	**17**	17
Heritage Developments	**19**	-
Intermark (Private) Limited	**47,556**	40,971
International Industries Limited	**250**	1,282
Packages Limited	**588**	28,336
BOC Pakistan Limited	**77**	-
	48,507	70,606

The above balances are mark-up free and unsecured.

18.2 Provision for doubtful debts

	2009	2008
Opening balance	**12,568**	3,462
Provision made during the year	**2,755**	9,180
Write off from the provision	**(416)**	(74)
	14,907	12,568

19. SHORT-TERM LOANS AND ADVANCES - unsecured, considered good

	Note	2009	2008
Current portion of long term loans	15	**1,331**	1,053
Short-term advances to employees		**394**	1,248
Advances to suppliers		**7,133**	24,954
		8,858	27,255

20. SHORT TERM DEPOSITS AND PREPAYMENTS

	2009	2008
	(Rupees in '000)	
Deposits - considered good	**4,374**	3,597
Prepayments	**772**	582
	5,146	4,179

21. OTHER RECEIVABLES

Claim receivable	**1,033**	1,068
Receivable from staff provident fund - related party	**2,260**	811
Others	**1,391**	1,149
	4,684	3,028

22. CASH AND BANK BALANCES

With banks in current accounts	**40,123**	23,523
Cash in hand	**98**	220
	40,221	23,743

23. NET SALES

Gross sales	**3,941,372**	4,442,611
Sales tax and special excise duty	**(552,517)**	(611,903)
	3,388,855	3,830,708
Discounts	**(36,527)**	(35,759)
	3,352,328	3,794,949

24. COST OF SALES

	Note	2009	2008
		(Rupees in '000)	
Opening work-in-process		**300,726**	305,787
Opening stock - raw material		**295,113**	534,174
Opening stock - metal scrap		**13,871**	6,950
		308,984	541,124
Purchases of raw material		**2,133,653**	3,075,909
		2,442,637	3,617,033
Sales of scrap material during the year		**(46,438)**	(83,760)
Closing stock - raw material		**(293,612)**	(295,113)
Closing stock - metal scrap		**(18,666)**	(13,871)
		(312,278)	(308,984)
		(358,716)	(392,744)
		2,083,921	3,224,289
Stores and spares consumed		**30,648**	33,980
Fuel and power		**59,712**	56,057
Salaries, wages and benefits	24.1	**150,343**	143,540
Rent, rates and taxes		**1,027**	5,728
Insurance		**3,438**	3,118
Repairs and maintenance		**23,995**	22,275
Depreciation	13.1.3	**93,819**	66,544
Communication and stationery		**904**	700
Training, travelling and entertainment		**2,582**	3,620
General works		**5,599**	6,988
Cost of production		**372,067**	342,550
		2,756,714	3,872,626
Closing work-in-process		**(159,919)**	(300,726)
Cost of goods manufactured		**2,596,795**	3,571,900
Opening stock of finished goods		**408,896**	286,519
		3,005,691	3,858,419
Closing stock of finished goods		**(185,718)**	(408,896)
		2,819,973	3,449,523
Cost of goods used in capital project		**-**	(13,830)
Insurance claim on goods destroyed		**-**	(10,624)
		2,819,973	3,425,069

24.1 Details of salaries, wages and benefits

	Note	2009	2008
		(Rupees in '000)	
Salaries, wages and benefits		**135,882**	129,854
Provident fund contributions		**3,208**	2,715
Provision for pension fund obligation		**8,147**	7,170
Provision for staff retirement gratuity		**3,106**	3,801
		150,343	143,540

25. SELLING COSTS

	Note	2009	2008
Salaries, wages and benefits	25.1	**40,889**	40,785
Rent, rates and taxes		**1,930**	2,542
Insurance		**501**	216
Repairs and maintenance		**296**	388
Consultancy		**-**	35
Communication and stationery		**1,814**	1,700
Training, travelling and entertainment		**4,949**	5,249
Advertising and publicity		**38,084**	45,156
Carriage and forwarding expenses		**32,355**	43,652
Commission		**508**	1,255
Depreciation	13.1.3	**2,383**	2,157
Subscriptions		**424**	374
Fuel and power		**784**	611
Others		**638**	1,987
		125,555	146,107

25.1 Details of salaries, wages and benefits

		2009	2008
Salaries, wages and benefits		**32,909**	33,365
Provident fund contributions		**1,568**	1,494
Provision for pension fund obligation		**6,353**	5,852
Provision for staff retirement gratuity		**59**	74
		40,889	40,785

26. ADMINISTRATIVE EXPENSES

	Note	2009	2008
		(Rupees in '000)	
Salaries, wages and benefits	26.1	**48,902**	44,855
Insurance		**829**	362
Repairs and maintenance		**744**	3,679
Legal and professional		**1,665**	1,354
Donations	26.2	**1,500**	1,020
Auditors' remuneration	26.3	**695**	633
Communications and stationery		**3,635**	4,713
Provision for doubtful debts		**2,755**	9,180
Bad debts written off		**8**	171
Training, travelling and entertainment		**3,573**	3,055
Depreciation	13.1.3	**4,831**	4,343
Fuel and power		**667**	336
Others		**769**	891
		70,573	74,592

26.1 Details of salaries, wages and benefits

	2009	2008
Salaries, wages and benefits	**38,069**	35,526
Provident fund contributions	**2,103**	2,048
Provision for pension fund obligation	**8,672**	7,180
Provision for staff retirement gratuity	**58**	101
	48,902	44,855

26.2 Donations were not made to any donee in which the Company or a director or his spouse had any interest.

26.3 Auditors' remuneration

	2009	2008
	(Rupees in '000)	
Audit fee	**350**	350
Fee for the review of half yearly financial statements	**127**	127
Special certifications	**120**	95
Out of pocket expenses	**98**	61
	695	633

27. OTHER OPERATING EXPENSES

	Note	2009	2008
		(Rupees in '000)	
Liquidated damages for late deliveries		**841**	12,831
Workers' profits participation fund	10.4	**6,476**	-
Workers' welfare fund		**2,591**	1,076
Exchange loss		**-**	133,035
		9,908	146,942

28. OTHER OPERATING INCOME

Income from a related party - insurance commission		**986**	717
Income from non-financial assets			
- Sale of general scrap		**2,903**	4,913
- Gain on disposal of fixed assets		**2,699**	791
Others			
- Exchange gain		**18,009**	-
- Others		**20**	40
		24,617	6,461

29. FINANCE EXPENSES

Mark-up on finances under mark-up arrangements		**173,431**	94,046
Mark-up on long-term loans		**51,008**	27,751
Mark-up on workers' profits participation fund	10.4	**22**	395
Usance charges		**135**	1,083
Bank charges		**5,411**	7,103
		230,007	130,378

30. TAXATION

Current - for the year		**1,700**	19,695
- prior year		**-**	4,826
Deferred		**36,220**	(36,311)
	30.1	**37,920**	(11,790)

30.1 Relationship between tax expense and accounting profit:

	2009	2008
	(Rupees in '000)	
Profit before taxation	**101,841**	53,607
Tax at the applicable rate of 35% (2008: 35%)	**35,644**	18,762
Tax effect of expenses that are not allowable in determining taxable income	**7,035**	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	**392**	(3,185)
Tax effect of previous year's tax loss on which deferred tax has been recognised in current year	**(7,271)**	7,957
Tax effect of export proceeds and commission income taxed at lower rate	**2,120**	(429)
Prior years' tax charge	**-**	4,826
Tax charge	**37,920**	(11,790)

30.2 The income tax assessments of the Company have been finalised upto and including the financial year ended 30 June 2005.

30.3 During the year, the Taxation Officer passed an assessment order in respect of tax year 2006 consequent to the finalization of tax audit proceedings in which certain disallowances were made by the taxation authorities. The company has filed an appeal against the subject order before the Commissioner of Income Tax which is still pending. However, adequate provision is being held by the Company.

30.4 The Company has also received notices under section 122 of the Income Tax Ordinance 2001 in respect of tax years 2007 and 2008 against which representations have been made to the tax authorities. The Company is confident about the outcome of these representations in its favor. Subsequent to these representations by the year end, no further proceedings have yet been initiated by the taxation authorities.

31. EARNINGS PER SHARE - basic and diluted

	Note	2009	2008
		(Rupees in '000)	
Profit after taxation		**63,921**	65,397
		(Number of shares)	(Restated)
Weighted average number of ordinary shares issued and subscribed at the end of the year (2008: adjusted for the bonus issues during the year)		**21,462,376**	21,462,376
		(Rupees)	(Restated)
Earnings per share - basic and diluted		**2.98**	3.05

32. CASH GENERATED FROM OPERATIONS

	Note	2009	2008
		(Rupees in '000)	
Profit before taxation		**101,841**	53,607
Adjustment for non-cash charges and other items:			
- Depreciation	13.1.3	**101,033**	73,044
- Provision for staff retirement gratuity	7.5	**3,223**	3,976
- Other long-term employee benefits		**391**	953
- Gain on disposal of fixed assets		**(2,699)**	(791)
- Share of profit / (loss) from associates		**487**	(9,100)
- Gain on sale of investments in associates	14.3	**-**	(167,926)
- Impairment loss on investments		**18,601**	1,741
- Finance expenses		**230,007**	130,378
- Working capital changes	32.1	**448,724**	138,432
		901,608	224,314

32.1 Working capital changes

	2009	2008
Decrease / (increase) in current assets		
- Stores and spares	**645**	(2,265)
- Stock-in-trade	**360,691**	114,824
- Trade debts	**74,156**	107,576
- Short-term loans and advances	**18,397**	(16,005)
- Short term deposits and payments	**(967)**	(267)
- Other receivables (net)	**(1,656)**	11,635
	451,266	215,498
Decrease in current liabilities		
Trade and other payables (net)	**(2,542)**	(77,066)
	448,724	138,432

33. CASH AND CASH EQUIVALENTS

	Note	2009	2008
		(Rupees in '000)	
Cash and cash equivalents comprise of the following items:			
Cash and bank balances	22	**40,221**	23,743
Running finance under mark-up arrangements	11	**(347,416)**	(737,764)
		(307,195)	(714,021)

34. FINANCIAL INSTRUMENTS

Financial risk management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

34.1 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. Concentration of credit risk arises 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.

Credit risk of the Company arises principally from the trade debts, loans and advances, trade deposits, bank balances and other receivables. The carrying amount of financial assets represents the maximum credit exposure. To reduce the exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery (and also obtains security / advance payments, wherever considered necessary). Cash is held only with reputable banks with high quality credit worthiness.

The maximum exposure to credit risk at the reporting date is as follows:

	2009	2008
	(Rupees in '000)	
Trade debts	**323,219**	397,375
Loans and advances	**4,055**	3,708
Deposits	**6,868**	6,091
Bank balances	**40,123**	23,523
Other receivables	**2,424**	3,028
	376,689	433,725

34.1.1 The maximum exposure to credit risk at the balance sheet date by geographic region was as follows:

	2009	2008
Domestic (Pakistan)	**331,519**	428,974
Export Processing Zone	**45,170**	4,751
	376,689	433,725

34.1.2 The maximum exposure to credit risk for trade debts at the balance sheet date by type of customer is as follows:

	2009	2008
Dealers and distributors	**110,628**	138,874
End-user customers	**212,591**	258,501
	323,219	397,375

34.1.3 As at the year end the Company's most significant customers included a distributor from whom Rs. 47.56 million was due (2008: Rs. 40.97 million) and an end-user from whom Rs. 45.17 million was due (2008: Rs. 35.42 million) as at 30 June 2009.

34.1.4 Impairment losses and past due balances

The aging of trade debt balances at the balance sheet date was as follows:

	2009		2008	
	Gross	Impairment	Gross	Impairment
	(Rupees in '000)			
Not past due	**187,886**	**-**	270,587	-
Past due 1-60 days	**52,357**	**-**	86,271	-
Past due 61 days -1 year	**83,314**	**338**	43,292	2,775
More than one year	**14,569**	**14,569**	9,793	9,793
Total	**338,126**	**14,907**	409,943	12,568

34.1.5 Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due upto one year do not require any impairment except as provided in these financial statements. None of the other financial assets are past due or impaired. Movement of provision against trade debts is disclosed in note 18.2.

34.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments:

	2009					
	Carrying Amount	**Contractual cash flows**	**Six months or less**	**Six to twelve months**	**Two to Five years**	**More than five years**
	(Rupees in '000)					
Non-Derivative Financial liabilities						
Long term loans and mark up payable	**491,710**	**(605,909)**	**(83,188)**	**(75,418)**	**(447,303)**	**-**
Trade and other payables	**241,004**	**(241,004)**	**(241,004)**	**-**	**-**	**-**
Short-term borrowings and mark up payable	**521,010**	**(521,010)**	**(521,010)**	**-**	**-**	**-**
	1,253,724	**(1,367,923)**	**(845,202)**	**(75,418)**	**(447,303)**	**-**

	2008					
	Carrying Amount	Contractual cash flows	Six months or less	Six to twelve months	Two to Five years	More than five years
	(Rupees in '000)					
Non-Derivative Financial liabilities						
Long term loans and mark up payable	337,103	(513,004)	(52,826)	(50,086)	(410,092)	-
Trade and other payables	173,873	(173,873)	(173,873)	-	-	-
Short-term borrowings and mark up payable	1,071,459	(1,071,459)	(1,071,459)	-	-	-
	1,582,435	(1,758,336)	(1,298,158)	(50,086)	(410,092)	-

34.2.1 The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at 30 June (and includes both principal and interest payable thereon). The rates of mark-up have been disclosed in notes 6 and 11 to these financial statements.

34.3 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

34.3.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The Company is exposed to currency risk on trade debts, borrowings and sales that are denominated in a foreign currency (primarily U.S. Dollar). The Company's exposure to foreign currency risk is as follows:

	2009		2008	
	Rupees in '000	**US Dollars**	Rupees in '000	US Dollars
Trade debts	**45,170**	**556,973**	4,751	69,872
Creditors	**(138,864)**	**(1,708,045)**	(6,282)	(92,116)
Short term borrowings	**(146,503)**	**(1,802,008)**	(279,723)	(4,101,516)
Accrued mark-up on short term borrowings	**(278)**	**(3,425)**	(4,873)	(71,449)
Gross balance sheet exposure	**(240,475)**	**(2,956,505)**	(286,127)	(4,195,209)
Estimated forecast purchases	**(265,887)**	**(3,270,443)**	(267,525)	(3,922,654)
Gross exposure	**(506,362)**	**(6,226,948)**	(553,652)	(8,117,863)

Above net exposure is payable by the Company in Rupees at the rate on which these are settled by the Company. Currently, the Company does not obtain forward cover against the net exposure due to existing restrictions by the State Bank of Pakistan.

Following are the significant exchange rates applied during the year:

	Average rates		Balance sheet date rate	
	2009	2008	**2009**	2008
	Rupees		Rupees	
US Dollars	**79.73**	63.35	**81.30**	68.20

Sensitivity analysis

A five percent strengthening / (weakening) of the Rupee against US Dollar at 30 June would have increased / (decreased) equity and profit and loss account by Rs. 11.907 million (2008: Rs. 14.292 million). This analysis assumes that all other variables, in particular interest rates, remaining constant. The analysis is performed on the same basis for 2008.

34.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from banks. At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	Carrying amount	
	2009	2008
	(Rupees in '000)	
Fixed rate instruments		
Financial liabilities	**146,503**	354,723
Variable rate instruments		
Financial liabilities	**827,178**	1,067,820

Foreign currency loans bear fixed interest rate while all other borrowings bear variable interest rate and are indexed to KIBOR. Borrowing is generally determined on the basis of business needs.

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account and the equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased or (decreased) the equity and profit or loss as of 30 June 2009 by Rs. 2.56 million (2008: Rs. 2.04 million) . This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

34.4 Fair value of financial assets and liabilities

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently differences can arise between carrying values and the fair value estimates.

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

34.5 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 to the shareholders or issue bonus / new shares.

The Company is not subject to externally imposed capital requirements.

Details of transactions with related parties, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

	2009	2008
	(Rupees in '000)	
Associated companies		
Sale of goods	**300,698**	327,877
Discount	**11,324**	13,003
Purchase of goods, services and materials	**920**	9,313
Commission earned	**986**	717
Insurance premium	**6,954**	8,570
Insurance claim received	**286**	18,423
Dividend received	**1,350**	2,787
Distribution expenses	**7,273**	6,537
Share of (loss) / profit from associated companies	**(487)**	9,100
Proceeds from sales of investments in associates	**-**	65,243
Net charge in respect of staff retirement benefit plans	**30,051**	26,459

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. Key management personnel of the Company comprises of the Chief Executive Officer and other directors. Their remuneration are disclosed in note 35.1 and 35.2.

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 2009 have proposed for the year ended 30 June 2009, final cash dividend of Rs. 2.25 per share (2008: Rs. Nil) amounting to Rs. 48.290 million (2008 : Rs. Nil), and appropriation to general reserves amounting to Rs. 19 million (2008: Rs.58 million) for approval by the members of the Company in the Annual General Meeting to be held on 28 September 2009. The financial statements for the year ended 30 June 2009 do not include the effect of the proposed cash dividend and appropriation to general reserves, which will be recognised in the financial statements for the year ending 30 June 2010.

39. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 19 August 2009 by the board of directors of the Company.

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

Pattern of Shareholding

No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held
414	1	100	17,593
556	101	500	143,301
318	501	1,000	229,741
474	1,001	5,000	1,019,514
104	5,001	10,000	723,539
38	10,001	15,000	455,759
9	15,001	20,000	150,825
6	20,001	25,000	135,187
2	25,001	30,000	57,500
6	30,001	35,000	198,842
5	35,001	40,000	185,125
2	40,001	45,000	81,893
-	45,001	50,000	-
1	50,001	55,000	51,493
2	55,001	60,000	110,554
-	60,001	65,000	-
2	65,001	70,000	135,298
-	70,001	75,000	-
2	75,001	80,000	156,413
1	80,001	85,000	81,291
1	85,001	90,000	86,716
1	90,001	95,000	94,771
-	95,001	100,000	-
2	100,001	105,000	206,246
-	105,001	120,000	-
1	120,001	125,000	122,540
-	125,001	325,000	-
1	325,001	330,000	326,128
-	330,001	380,000	-
1	380,001	385,000	381,159
-	385,001	695,000	-
1	695,001	700,000	697,118
-	700,001	730,000	-
1	730,001	735,000	734,347
-	735,001	750,000	-
2	750,001	755,000	1,506,291
-	755,001	1,050,000	-
1	1,050,001	1,055,000	1,053,275
-	1,055,001	1,320,000	-
1	1,320,001	1,325,000	1,320,883
-	1,325,001	1,675,000	-
1	1,675,001	1,680,000	1,679,062
-	1,680,001	1,755,000	-
1	1,755,001	1,760,000	1,758,827
-	1,760,001	1,810,000	-
1	1,810,001	1,815,000	1,811,740
-	1,815,001	2,005,000	-
1	2,005,001	2,010,000	2,009,071
-	2,010,001	3,740,000	-
1	3,740,001	3,745,000	3,740,334
-	3,745,001	21,462,376	-
Total 1,960			21,462,376

PCL Network

Muzaffarabad
Mongora
Mardan
PESHAWAR
Mansehra
Kotli AJK
Mirpur
Haripur
Texila
ABBOTTABAD
Kohat
Attock
Gujar Khan
Joharabad
ISLAMABAD
Chakwal
RAWALPINDI
Bannu
Jhelum
Lalamusa
Gujrat
Sialkot
Charsaddah
Gujar Khan
Gujranwala
Dera Ismail Khan
Sargodha
LAHORE
Bhakkar
Faisalabad
Jhang
Toba Tek Singh
Shekhupura
Okara
Mian Chunnu
MULTAN
Sahiwal
Vehari
Khanewal
QUETTA
Dera-Ghazi Khan
Muzaffargarh
Bahawalpur
PAKISTAN
Rahimyar Khan
Dharki
Sukkur
Mirpur Mathelo
Moro
Sanghar
Tando Adam
Nawabshah
Hyderabad
Mirpur Khas
KARACHI
HEAD OFFICE
REGIONAL OFFICE
BRANCH OFFICE
DISTRIBUTORS

Proxy Form

I ____

of ____

being a member of Pakistan Calbes Limited hereby appoint:

____ Folio No. ______________________

of ____

____(full address)

of failing him ____ Folio No. ______________________

of ____

____(full address)

as my proxy to attend and vote on my behalf at the 56th Annual General Meeting of the Company to be held on 28th September 2009 and at any adjournment thereof.

As witness my hand this ____ day of ____________ 2009

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) ______________________________________ ___________________________________

Shereholder's Folio No. _______________________ Number of Shares held ____________________________

A member entitiled 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 insturment 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

Pakistan Cables Limited

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