

VISION STATEMENT

To be recognized globally by producing a high quality cable to click the resources efficiently and effectively.

MISSION STATEMENT

Our mission is to be the leader among corporation. We will strive to achieve excellence in any endeavors we undertake.

To fulfill this mission, we must be both responsive and anticipatory as we serve our major constituencies.

Management competence, customer service, technical progress, employee opportunity development, stockholders return, community well-being, national and international responsibilities.

ANNUAL REPORT 2008

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OBJECTIVES & DEVELOPMENT STRATEGY

Pakistan Telephone Cables is principally engaged in the manufacturing of Telecommunication & Power Wire/Cables of various specifications and selling to consumers like M/s. Pakistan Telecommunication Company Limited (PTCL) Islamabad, Special Communication Organization (SCO) Rawalpindi, National Telecommunication Corporation, Pakistan Ordnance Factories, KESC & WAPDA and others.

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

Corporate Objectives

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

Development Strategy

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

COMPANY POLICY

- The objective of Pakistan Telephone Cables Limited (PTCL) is to engage efficiently in the production of Telecommunication and Power Wire/ Cables.
- In doing so the organization recognizes its responsibility towards its shareholders, customers, employees and to those to whom it does business.
- Employees are required to demonstrate honesty, devotion and fairness in all aspects of their duty performance and avoid conflicts of interests between their private financial activities and their professional role in the conduct of company business.
- The PTCL seeks to compete fairly within the framework of all applicable laws of Pakistan.
- PTCL is absolutely committed to provide product which consistently offer value in terms of price/quality and are at the same time safe for their intended use, to satisfy customer needs and expectations.
- PTCL is committed to ensure the reliability of its financial reporting and transparency of its economic/business transactions.
- The Board of Directors' ensures the execution of the above principles through its committee.

COMPANY PROFILE

Pakistan Telephone Cables limited was incorporated as a public limited company on June 08,1983. The company is listed on the Karachi and Lahore Stock Exchange. The company is engaged in the manufacturing of Telecommunication and Power Wire/Cables and supplies to various consumers such as M/s. Pakistan Telecommunication Company Limited (PTCL) Islamabad, National Telecommunication Company Limited and Special Communication Organization (SCO) Rawalpindi, WAPDA & KESC and others. The company is located at survey Nos. 27/3/2 Mouza Bairut, Tehsil Hub District Lasbella Balochistan. The factory area is situated on Main RCD Highway.

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

CAPITAL

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

CAPACITY

The annual production capacity of plant has enhanced to 2,500,000 CCKM with completion of development project.

STAFF

The company's Registered office is located in Hub Baluchistan. The company's total manpower strength is 146 persons. The majority staff are technical because the project is Hi-tech.

ENVIRONMENT

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

The company has adopted a comprehensive Health, Safety and Environment Policy, which is a guideline to our business mechanics and decision-making processes.

INFORMATION TECHNOLOGY

The Company manages its financial activities with the help of existing software package developed by System Development Services. The management has planned to modify its existing Computer Package in order to meet the requirement of Corporate, Financial and Management information. It aimed to train the employees to maintain, modify and enhance the existing computer based applications and also develop new application as per its requirements.

CORPORATE INFORMATION

Board of Directors

Raza Abdul Aziz Al Raee	Chairman / Chief Executive
Aijaz Abdul Aziz Al Raee	Director
Riyadh Abdul Aziz Al Raee	Director
Rabia Barkat Ali	Director
Abdullah Raza Al Raee	Director
Sumiah Saeedurrehman	Director
Asma Hafeez Al Raee	Director

Muhammad Azhar Jamali	Company Secretary
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Aftab Safder Cheema	Chief Financial Officer
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Audit Committee

Aijaz Abdul Aziz Al- Raee	Chairmen
Riyadh Abdul Aziz Al- Raee	Member
Rabia Barkat Ali	Member
Aftab Safder Cheema	Secretary

Primary Bank

KASB Bank Limited
 NIB Bank Limited
 Soneri Bank Limited
 Bank Alfalah Limited

Auditors

Rehman Sarfraz Rahim Iqbal Rafiq
 Chartered Accountants, Karachi.

Share Registrar

M/s. Technology Trades (Pvt) Ltd.
 241-C, Block - 2,
 P.E.C.H.S. off, Sharah-e-Qaideen
 Karachi.
 Ph # (92-21) 4391316-7
 Fax# (92-21) 4391318

Registered Office

18th Mile RCD Highway 27/3/2
 Mouza Bairut, Tehsil Hub
 District Lasbella
 Baluchistan.
 Ph# 085-3363248, 3363249
 Fax# 085-3363245

Head Office

E-3, Block - 17, Al- Raee Avenue,
 Behind National Stadium,
 Gulshan-e- Iqbal,
 Karachi.

Phones Nos

92-21- 4815840 92-21-4802940
 4815841 4802941
 4815842
 4815843
 4815844

UAN: 111-111-905

Fax

92-21-4802942
 4802943

E-Mail

alraee@cyber.net.pk

Website

www.ptclcables.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of PAKISTAN TELEPHONE CABLES LIMITED will be held on Thursday, the 30th October 2008 at 11:00 Hours at Registered Office 18th Mile RCD Highway 27/3/2 Mouza Bairut, Tehsil Hub, District Lasbella, Balochistan to transact the following business:

1. To confirm the minutes of the 24th Annual General Meeting of the Company held on Tuesday, October 30th 2007.
2. To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 2008 together with the Auditor's report thereon and Director's report for the year then ended.
3. To approve the Interim Cash Dividend of Rs.0.50 per share i.e.5% as already paid during current financial year on recommendation of Board of Directors in their meeting held in February, 2008
4. To appoint Auditors for the next term i.e. year 2008-2009 and fix their remuneration. The retiring auditors M/s.Rehman Sarfraz Rahim Iqbal Rafiq (Chartered Accounts) being eligible and offer themselves for reappointment.
5. To transact any other business with the permission of the chairman.

By Order of the Board

Muhammad Azhar Jamali

Company Secretary

Dated: September 29, 2008

Notes:

1. Share Transfer Books of the Company will remain closed from 23-10-2008 to 30-10-2008 (both days inclusive).
2. A member of the Company entitled to attend, speak and vote at the meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. The completed proxy form must be deposited with the Registrars of the Company, M/s Technology Trade (Private) Ltd not less than 48 hours before the meetings.

3. Any individual Beneficial Owner of CDC, entitled to vote at the meeting must bring his/her original CNIC with him/her to prove his/her identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.
4. Shareholders are requested to notify any change in their addresses to the Company immediately.
5. Members are requested to immediately notify any change of address to the Company's Registers, M/s Technology Trade (Pvt) Limited.
6. The correspondence address of the Company's Registrar is as follows:-

Technology Trade (Pvt) Ltd
 Dagia House,
 241-C, Block-2,
 P.E.C.H.S Off: Shahra-e-Quaideen,
 Karachi.
 Ph # (92-21) 4391316-7 & 19

DIRECTORS' REPORTS

I am pleased to present the 25th Annual Report along with the Audited Financial Statements of the Company for the year ended June 30, 2008.

FINANCIAL RESULTS

	(Rupees in '000)	
	2008	2007
Sales	783,544	671,903
Gross Profit	68,623	52,646
Profit/ (Loss) before tax	11,635	(5,953)
Profit/ (Loss) after tax	5,239	(13,469)
Interim Dividend	3,950	-
Accumulated Loss Brought Forward	(78,666)	(82,299)
Transfer from surplus on revaluation of fixed assets on a/c incremental dep.	<u>15,392</u>	<u>17,102</u>
Accumulated Loss Carried Forward	<u>(61,985)</u>	<u>(78,666)</u>
Earnings/ (Loss) per share	Rs. 0.25	(0.64)

The Sales has increase to Rs.783.544 Million during the year whereas it was at Rs.671.903 Million in last year .The increase in Sales is 16.62% in terms of value and the Gross Profit marginally enhanced to 8.75% as compared to last year's Gross Profit of 7.84%.

The Operative Expenses and Finance cost have been controlled to sum extend by the management of the company resulting net profit of Rs.11.634 Million during the current financial year while, last year there was loss of Rs.5.953 Million.

The company also paid Interim Cash Dividend of Rs.0.50 per share (i.e. 5%) to the shareholder during the financial year and Board of Directors in their meeting held in February, 2008 decided to withdraw their right of dividend against their shareholding to accommodate other shareholders in the profit

OPERATING & FINANCIAL DATA

Key operating and financial data of last six years is annexed with this report.

ACCOUNTING AND COMPANY POLICIES

The accounting policies followed in preparation of these financial statements are the same as those of the published in annual financial statements for last year, except the employees benefit scheme of gratuity the provision is made annually to cover the obligation on the basis of actuarial valuation.

The company complies with the requirement of the Code of Corporate Governance for adaptation of significant policies.

TECHNOLOGY

Your Company realizes its commitment to quality and integral part of its values and vision, our product has to conform to stringent international specifications. In order to achieve this fine degree of control, extensive monitoring is conducted at every stage of process with the aid of modern and technologically sophisticated instruments. Quality Control laboratory which was earlier certified to ISO 9001 and has now been re-certified to ISO 9001: 2000 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 personal who are engaged to check process variables at every step of the manufacturing process to ensure that all our final products are in compliance with relevant international specifications.

MANAGEMENT COMMITMENT

The claims of liquidity damages amounting Rs. 30.04 Million is due from Pakistan Telecommunication Company Ltd. which is in process and we have made various correspondences in this respect. The management has already persuaded the higher management of Pakistan Telecommunication Company Ltd., with certain SOLID GROUNDS with proofs and evidences. It is a fact that Pakistan Telecommunication Company Limited had also previously decided such matters of refunds on the similar grounds.

MARKET LEADERSHIP

The main buyer of our manufactured telephone & Power cables are Pakistan Telecommunication Company Limited Islamabad, National Telecommunication Corporation (NTC), Special Communication Organization (SCO), KESC, WAPDA & others.

BUSINESS PROCESSES RE-ENGINEERING

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 function. The company's strategy is to focus on finding new technology for improving and modernizing its various production processes to keep in line with the changing need of time.

HEALTH, SAFETY & ENVIRONMENT

Operational safety continues to receive the highest priority to keep it in compliance with internationally recognized safety management system. Up-gradation of firefighting, safety and personal protective equipment is done regularly to meet the international safety standards. The company ensures that all new machinery and equipment incorporate the latest technology in safety standards and are operated by a skilled and experienced team of professionals dedicated to the cause of safety.

MANAGEMENT AND WORKFORCE

The total manpower strength is 146, which comprises management, financial and technical professionals. The company enjoys proficient technical management aided by an equally experienced workforce. The company management has achieved harmonious industrial relations assuring a congeniality and productive work environment.

INFRASTRUCTURE DEVELOPMENT

Your company is continuously working for the best maintenance of assets, and best efforts are being made to increase plant integrity and reliability.

CORPORATE SOCIAL RESPONSIBILITY

The company firmly believes that corporate sector should play an active role in the discharge of its responsibilities towards the society. Being fully aware of its social obligations, it continues to proactively contribute towards social welfare, healthcare, education and etc. to help improve the quality of life for the under privileged members of the country. During the year our social support activities were speeded up, and we extended support to a number of Charitable & religious institutions,

CORPORATE GOVERNANCE

The company is committed to high standards of corporate governance. The Board of Directors is accountable to the shareholders for good corporate governance. We have and shall continue to comply with the provisions of best practices set out in the code of corporate governance. The Company has

been and shall remain committed to the conducting of its business in line with listing regulations of the Stock Exchange, which clearly defines the role and responsibilities of the Board of Directors and management.

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

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

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

International Accounting Standards have been followed in preparation of financial statements without any material departure.

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

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

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

(Rupees in million)

Outstanding taxes and levies:

Income Tax Provision (Current)	3.947
Central Excise Duty	0.344

During the year five (5) meeting of the Board of Directors were held. Attendance of each Director was as follows.

Name of Director	No. of Meetings Attended
Mr. Raza Abdul Aziz Al Raee	05
Mr. Aijaz Abdul Aziz Al Raee	03
Mr. Riyadh Abdul Aziz Al Raee	03
Mr. Abdullah Raza Al Raee	05
Mrs. Rabia Barkat Ali	05
Mrs. Asma Hafeez	04
Mrs. Sumiah Rehman	03

Leave of absence was granted to directors who could not attend the board meeting.

The prescribed pattern of shareholding is attached with this report.

BOARD CHANGES

There was no change in the Board of Directors of the company during the financial year ended June 30, 2008.

FUTURE PROSPECTS

We are pleased to report that there are different tenders approx for Rs.405.51 Million in pipe line for supply of Telecommunication and Power cables to various consumers such as Pakistan Telecommunication Company Limited (PTCL) Islamabad, National Telecommunication Company Limited and Special Communication Organization (SCO) Rawalpindi, Wapda & K.E.S.C. for the year 2008-09. We are confident for better results in the year ahead.

APPOINTMENT OF AUDITORS

The existing Auditors Rehman Sarfraz Rahim Iqbal Rafiq (Chartered Accountants) have retired and offer themselves for re-appointment of Auditors of the Company for the year ending June 30, 2009.

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 in achieving best results.

On behalf of the Board of Directors and employees of the company, we express our gratitude to all our valued customers, bankers, shareholder for their enduring relationship and their continued support towards the prosperity of the company

On Behalf of the Board

- Sd -

RAZA ABDUL AZIZ AL RAEI
 Chief Executive

STAKEHOLDERS INFORMATION

PARTICULARS	2008	2007	2006	2005	2004	2003
FINANCIAL POSITION						
Paid up Capital	210,000,000	210,000,000	210,000,000	210,000,000	210,000,000	210,000,000
Surplus of Revaluation of Fixed Assets	110,983,741	120,988,879	132,105,699	144,457,721	47,096,817	51,464,083
Long term Loans	-	-	-	-	-	-
Assets Subjected to Finance Lease	4,936,687	10,857,120	18,132,648	4,783,112	13,082,680	30,773,357
Fixed Assets at Cost and revaluation	451,648,729	432,412,803	434,199,479	353,404,671	182,514,573	179,921,896
Accumulated Depreciation	113,125,451	82,484,963	48,034,910	13,757,469	50,004,415	35,412,943
Current Assets	311,004,822	296,462,612	266,599,652	298,888,030	173,293,542	123,820,471
Current Liabilities	240,214,003	290,427,602	302,423,760	283,254,677	137,827,820	82,475,662
INCOME						
Sales	783,544,829	671,903,529	907,524,524	682,767,060	440,821,816	372,052,346
Other Income/(Loss)	11,255,765	4,646,821	5,774,848	524,464	40,867	(2,773,519)
Reversal of Liabilities	-	-	-	-	-	-
Workers' profit participation fund	(612,355)	-	-	(281,189)	(517,951)	(197,744)
Pre-Tax Profit/ (Loss)	11,634,750	(5,853,239)	(12,829,718)	5,342,585	9,841,078	3,757,142
After-Tax Profit/ (Loss)	5,239,024	(7,516,457)	(14,497,518)	(8,191,387)	2,053,376	(22,878,165)
STATISTICS AND RATIOS						
Pre-Tax Profit to Sales %	1.48%	-0.89%	-1.41%	0.78%	2.23%	1.01%
Pre-Tax Profit to Capital %	5.54%	-2.83%	-1.60%	2.54%	4.69%	1.79%
Current Ratio	1.92:1	1.02:1	0.88:1	1.06:1	1.26:1	1.34:1
Paid-up Value per Share (Rs.)	10	10	10	10	10	10
Earning after Tax per Share (Rs.)	0.25	(0.64)	(1.30)	(0.136)	0.57	(0.91)
Cash Dividend %	5	-	-	-	-	-
Right Shares %	-	-	-	-	-	-
Retained Earnings per Share (Rs.)	(2.96)	(3.75)	(3.92)	(3.52)	(0.40)	(5.71)
Break-up Value per Share (Rs.)	7.05	6.25	6.00	6.48	5.08	4.29
Market Value per Share (Rs.)	10.00	10.00	10.00	10.00	10.00	14.90
SHARE PERFORMANCE						
Highest (Rs.)	26.55	9.90	20.15	13.25	12.96	18.95
Lowest (Rs.)	6.30	5.50	4.50	5.50	10.50	7.75
Turnover of share (Rs.)	4,052,000.00	233,500.00	903,500.00	151,500.00	21,500.00	551,500.00
PRODUCTION: Various Telephone cables						
Measured in Conductor Core KM.	555,192	531,108	992,383	794,627	574,412	610,328
Measured in Cable KM.	3,030	3,173	5,559	4,877	3,399	4,590
Drop Wire Measured in Conductor Core KM.	38,700	58,433	28,020	66,010	53,903	44,132

**STATEMENT OF COMPLIANCE WITH THE
CODE OF CORPORATE GOVERNANCE**
**PAKISTAN TELEPHONE CABLES LIMITED
YEAR ENDED June 30, 2008**

This statement is being presented to comply with the Code of Corporate Governance as contained in the listing regulations of Stock Exchanges 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:

- The company encourages representation of independent non-executive directors, at present the Board has five independent non-executive directors.
- The directors have confirmed, where applicable, that none of them is serving as a director in more than ten listed companies, including this company.
- All the resident directors of the company are registered as taxpayers and none of them have defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the directors is a member of a stock exchange.
- No casual vacancy occurred during the year ended June 30, 2008.
- The company has prepared a 'Statement of Ethics and Business Practices', during the last year which has been signed by the directors and employees of the company.
- The Board had developed a vision and mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with dates on which they were approved or amended has been maintained.
- All the power of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (CEO) have been taken by the Board.
- The meeting of the Board were presided by the Chairmen. The Board met at least once in every quarter during the year ended June 30, 2008. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meeting. The minutes of the meeting were appropriately recorded, circulated in time.
- The company has ensured that its directors are fully apprised their duties and responsibilities.

10. The Board of Directors has approved the appointment of CFO and Company Secretary including their remuneration and terms and conditions of employment, as determined by CEO.
11. The directors' report for this year ended June 30, 2008 has been prepared in compliance with the requirement of the code and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and other executives do not hold any interest in the shares of the company, other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the code.
15. The Board has formed an audit committee. It comprises 3 members, all of whom are non Executive Directors.
16. The meeting of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the code. The terms of reference of the committee have been framed, approved by the Board and advised to the committee for compliance.
17. The Company has setup an effective internal audit function for the company.
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 the 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 listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all material principles contained in the Code have been complied with.

On Behalf of the Board

- Sd -

Raza Abdul Aziz Al Rae
 Chief Executive

Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

Plot No. 180, Block-A,

S.M.C.H.S., Karachi-74400, Pakistan.

Tel No. : (021) 4549345-9

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Email : info@rsrir.com

rirmri@fascom.com

Website : www.rsrir.com

Other Offices: Lahore, Islamabad.

**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 Telephone Cables Limited, to comply with the Listing Regulations of the respective Stock Exchanges, where the Company is listed

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2008.

- Sd -

Karachi
 Date: 29-Sep-2008

Rahman Sarfaraz Rahim Iqbal Rafiq
 Chartered Accountants

Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

Plot No. 180, Block-A,

S.M.C.H.S., Karachi-74400, Pakistan.

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AUDITOTS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of PAKISTAN TELEPHONE CABLES LIMITED as at June 30, 2008 and the related profit & loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts 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

Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

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Website : www.rsrir.com

Other Offices: Lahore, Islamabad.

- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) Except for the effect of the matters stated in Note 17, and the extent to which these may affect the financial results of the company, in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and 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 30th June, 2008 and of the profit, its cash flow and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under Zakat and Ushr Ordinance, 1980, (XVII OF 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

- Sd -

Karachi

Date: 29-Sep-2008

Rahman Sarfaraz Rahim Iqbal Rafiq

Chartered Accountants

**BALANCE
AS ON**

NOTES	2008 Rupees	2007 Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL & RESERVES		
AUTHORIZED CAPITAL		
	<u>220,000,000</u>	<u>220,000,000</u>
Issued, subscribed and paid-up 21,000,000 Ordinary shares of Rs.10 each.	4 <u>210,000,000</u>	<u>210,000,000</u>
Accumulated loss	<u>(61,985,738)</u>	<u>(78,666,817)</u>
	<u>148,014,262</u>	<u>131,333,183</u>
Surplus on Revaluation of Fixed Assets	5 110,983,741	120,988,879
NON CURRENT LIABILITIES		
Long term loan from director	6 86,708,370	39,743,316
Liabilities against assets subject to finance lease	7 4,936,687	10,857,120
Deferred liabilities	8 62,095,316	63,656,844
CURRENT LIABILITIES		
Trade and other liabilities	9 <u>125,341,264</u>	<u>186,647,692</u>
Accrued markup	10 <u>4,124,957</u>	<u>4,307,567</u>
Short term borrowings	11 <u>100,761,481</u>	<u>87,514,712</u>
Current portion of non-current liabilities	12 <u>6,038,801</u>	<u>7,337,968</u>
Taxation	29 <u>3,947,500</u>	<u>4,619,663</u>
	<u>240,214,003</u>	<u>290,427,602</u>
CONTINGENCIES & COMMITMENTS	13	-
	<u>652,952,379</u>	<u>657,006,944</u>

The annexed notes form an integral part of these financial statements.

- Sd -

RAZA ABDUL AZIZ AL RAEI
 CHIEF EXECUTIVE

**SHEET
JUNE 30,2008**

NOTES	2008 Rupees	2007 Rupees
ASSETS		
NON CURRENT ASSETS		
Property, plant & equipment	14 338,523,278	349,927,840
Intangible asset	14 629	1,073
Capital work in progress	14 -	6,500,121
Long term security deposits	3,423,550	4,115,298
CURRENT ASSETS		
Stores, spares and loose tools	15 8,843,736	6,178,746
Stock in trade	16 212,173,921	188,791,295
Trade debts - secured considered good	17 57,934,873	68,035,979
Loans and advances	18 4,637,441	13,338,254
Trade deposits and prepayments	19 5,696,983	5,455,827
Interest Receivable	-	1,418,473
Other receivables	20 11,409,359	6,758,150
Advance tax	5,709,536	3,660,417
Cash and bank balances	21 4,599,073	2,825,471
	<u>311,004,922</u>	<u>296,462,612</u>
	<u>652,952,379</u>	<u>657,006,944</u>

- Sd -

ABDULLAH RAZA AL RAEI
 DIRECTOR

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2008**

	NOTES	2008 Rupees	2007 Rupees
Sales	22	783,544,829	671,903,529
Cost Of Sales	23	(714,920,868)	(619,257,410)
Gross Profit		<u>68,623,961</u>	<u>52,646,119</u>
Administrative expenses	24	<u>30,670,067</u>	<u>25,380,212</u>
Selling and distribution cost	25	<u>6,923,720</u>	<u>5,544,134</u>
		<u>(37,593,787)</u>	<u>(30,924,346)</u>
		<u>31,030,174</u>	<u>21,721,773</u>
Finance cost	26	<u>(30,038,834)</u>	<u>(32,321,833)</u>
		<u>991,340</u>	<u>(10,600,060)</u>
Other income	27	<u>11,255,765</u>	<u>4,646,821</u>
		<u>12,247,105</u>	<u>(5,953,239)</u>
W.P.P.F @ 5%		<u>(612,355)</u>	<u>-</u>
Profit/(Loss) before taxation		<u>11,634,750</u>	<u>(5,953,239)</u>
Provision for taxation		<u>(3,947,500)</u>	<u>(4,619,663)</u>
- Current		<u>1,217,149</u>	<u>(3,425,294)</u>
- Prior		<u>(3,665,375)</u>	<u>528,500</u>
- Deferred		<u>(6,395,726)</u>	<u>(7,516,457)</u>
Profit/(Loss) after taxation		<u>5,239,024</u>	<u>(13,469,696)</u>
Profit/(Loss) per share-basic and diluted	31	0.25	(0.64)

The annexed notes form an integral part of these financial statements.

- Sd -

RAZA ABDUL AZIZ AL RAEI
CHIEF EXECUTIVE

- Sd -

ABDULLAH RAZA AL RAEI
DIRECTOR

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30,2008**

	Share Capital	Accumulated Loss	Total
Balance as at 30th June, 2006	210,000,000	(82,299,921)	127,700,079
Loss for the year	-	(13,469,696)	(13,469,696)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation for the year- net of deferred taxation.		17,102,800	17,102,800
Balance as at 30th June, 2007	210,000,000	(78,666,817)	131,333,183
Profit for the year	-	5,239,024	5,239,024
Interim dividend		(3,950,465)	(3,950,465)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation for the year- net of deferred taxation.	-	15,392,520	15,392,520
Balance as at 30th June, 2008	<u>210,000,000</u>	<u>(61,985,738)</u>	<u>148,014,262</u>

The annexed notes form an integral part of these financial statements.

- Sd -

RAZA ABDUL AZIZ AL RAEI
CHIEF EXECUTIVE

- Sd -

ABDULLAH RAZA AL RAEI
DIRECTOR

**CASH FLOW STATEMENT
 FOR THE YEAR ENDED JUNE 30,2008**

	2008 Rupees	2007 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,634,750	(5,953,239)
Adjustment for :		
Depreciation	33,018,602	36,249,664
Finance cost	30,038,834	32,321,833
Provision for gratuity	1,541,190	1,288,634
Provision for leave salary	852,600	625,105
Amortization of intangible assets	444	759
Workers' profit participation fund	612,355	-
Other Income	(11,255,765)	(4,646,821)
	54,808,260	65,839,174
Operating profit before working capital changes	66,443,010	59,885,935
Changes in working capital (Increase)/ Decrease in current assets		
Stores, spares and loose tools	(2,664,990)	791,010
Stock-in-trade	(23,382,626)	(53,538,227)
Trade debts	10,101,106	(54,929,341)
Loans and advances	8,700,813	39,665,523
Trade deposits and prepayments	(241,157)	(208,284)
Other receivables	(4,651,209)	1,627,179
	(12,138,062)	(66,592,140)
Increase/(decrease) in current liabilities		
Trade and other payables	(39,559,906)	52,508,144
Cash generated from operations	14,745,042	45,801,939
Taxes paid	(7,885,931)	(5,325,860)
Gratuity paid	(1,591,923)	(636,475)
Leave salary paid	(535,261)	(359,834)
Finance cost paid	(30,221,444)	(33,019,863)
	(40,234,559)	(39,342,032)
Net cash (used in) / generated from operating activities	(25,489,517)	6,459,907

	2008 Rupees	2007 Rupees
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(25,310,124)	(832,824)
Capital work in process	-	(6,500,121)
Long term security deposits	(265,000)	-
Sale proceeds of fixed assets	-	795,000
Interest received from associates	-	8,212,291
Net cash used in investing activities	(25,575,124)	1,674,346
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance obtained	-	1,505,000
Repayment of long term finance	-	(42,305,000)
Loan from director	61,443,248	39,743,316
Repayment of the director loan	(14,006,194)	-
Payment of long term lease liability	(6,282,852)	(6,734,129)
Short term ruing finance	13,246,769	-
Dividend paid	(3,825,306)	-
Worker profit participation fund paid	(10,984,191)	-
Net cash from financing activities	39,591,474	(7,790,813)
Net increase/ (decrease) in cash and cash equivalents	(11,473,167)	343,440
Cash and cash equivalents at the beginning of the year	(84,689,241)	(85,032,681)
Cash and cash equivalent at the end of the year	(96,162,408)	(84,689,241)
Cash and cash equivalents comprise:		
Cash and bank balances	4,599,073	2,825,471
Short term borrowings	(100,761,481)	(87,514,712)
	(96,162,408)	(84,689,241)
The annexed notes form an integral part of these financial statements.		

- Sd -

RAZA ABDUL AZIZ AL RAEI
 CHIEF EXECUTIVE

- Sd -

ABDULLAH RAZA AL RAEI
 DIRECTOR

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 2008**
1 STATUS AND NATURE OF BUSINESS

The company was incorporated on June 8, 1983 as public limited company under Companies Ordinance 1984 and is quoted on the Karachi and Lahore Stock Exchanges. The registered office of the Company is situated at 18th Mile RCD Highway 27/3/2, Mouza Bairut, Tehsil Hub, District Lasbella, Baluchistan. The principal activity of the company is manufacturing and selling of telecommunication cables mainly to Pakistan Telecommunication Company Limited against contract secured by the company after participation in its international tenders.

2 STATEMENT OF COMPLIANCE AND BASIS OF MEASUREMENT
2.1 Statement of compliance

These Financial Statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or Directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of said directives take precedence.

Standards, interpretations and amendments to published approved accounting standards that are not yet effective

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

Revised IAS 1 - Presentation of Financial Statements (effective for annual periods Beginning on or after 1 January 2009). The objective of revising IAS 1 is to aggregate information in the financial statement on the basis of shared characteristics.

IAS 29- Financial Reporting in Hyperinflationary Economies (effective for annual periods beginning on or after 1 July 2008)

Revised IAS 23 - Borrowing Costs (effective from 1 January 2009). Amendment relating to mandatory capitalization of borrowing costs relating to qualifying assets.

IAS 32 (amendment) - Financial Instruments: Presentation and consequential amendment to IAS 1- Presentation of financial statements(effective for annual period beginning on or after 1 January 2009). IAS 32 amended classification of Puttable Financial Instruments.

IFRS 2 (amendment)- Share-based payments (effective for annual period beginning on or after 1 January. IFRS 2 classification of Puttable Financial Instruments.

IFRS 3 (amendment)- Business Combinations and consequential amendments to IAS 327- Consolidation and Separate financial statements, IAS 28- Investment in Associates and IAS 28-

Interest in Joint Ventures. (effective prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009.

IFRS 7- Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 July 2008).

IFRIC 12- Services Concession Agreements (effective for annual period beginning on or after 1 January 2008).

IFRIC 13 - Customer Loyalty Programs (effective for annual period beginning on or after 1 July 2008).

IFRIC 14 IAS 19- The Limit on Defined Benefit Asset, Minimum Funding Requirements and their interaction (effective 1 January 2008).

IFRIC 15- Agreements for the Construction of Real Estate (effective for annual period beginning on or after 1 January 2009)

IFRIC 16- Hedge of Net Investment in a Foreign Operation (effective for annual period beginning on or after 1 October 2008).

2.2 Basis of measurement

These financial statements have been prepared under the "historical cost convention" except for free hold land, building on free hold land, plant and machinery and electric generator which are stated at revalued amounts and measurement of certain financial instruments at fair value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
3.1 Employee's retirement benefit and other obligations
Gratuity scheme

The Company operates an unfunded gratuity scheme covering all its permanent employees who have completed prescribed period of service. Provision are made to cover the obligation on the basis of actuarial Valuation.

Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn salary.

3.2 Taxation
Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation on income. The charge for current tax is calculated using prevailing tax rates. The tax charge as calculated above is compared with turnover tax under section 113 of the Income tax Ordinance, 2001 and whichever is higher is provided in the financial statements.

Deferred

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

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

3.3 Property, Plant and Equipment
Owned

Operating fixed assets are stated at cost less accumulated depreciation and impairment losses, if any, except free hold land which is stated at cost. Free hold land, buildings, plant and machinery and electric generator were revalued and are shown at such revalued figures and additions subsequent to that date are recorded at cost.

Exchange differences in respect of foreign currency transactions relating to fixed assets are incorporated in the cost of relevant assets.

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

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

Gains and losses on disposal of assets are taken to profit and loss account.

Leased

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

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

3.4 Capital work-in-progress

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

3.5 Stores, spares and chemicals

Usable stores and spares are valued at moving average cost while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice values and other charges paid thereon.

3.6 Stock-in-trade

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

Raw & packing materials	:	moving average
Work in process	:	Prime cost plus an appropriate allocation of manufacturing overheads.
Finished goods	:	moving average
Scrap stocks	:	estimated net realizable value.
Stock-in-transit	:	cost comprising invoice values plus other charges paid thereon.

3.7 Trade debts and other receivables

Receivables are measured at original invoice amount less an estimate made for doubtful receivable balances based on the review of all outstanding amounts at the year end. Bad debts are written off when identified.

3.8 Provisions

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

3.9 Financial Instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognizing of the financial assets and financial liabilities are taken to profit and loss account currently.

3.10 Offsetting of financial assets and financial liabilities

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

3.11 Impairment

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the profit and loss account.

3.12 Foreign currencies

Transactions in foreign currencies are recorded in the books at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies at each period end are translated into rupees at the rates prevailing on the balance sheet date. Exchange differences are included in the profit and loss account for the year.

3.13 Borrowing cost

Borrowing costs are charged to profit and loss account in the year when they are incurred, except to the extent that they are directly attributable to the construction of a qualifying assets in which case they are capitalized as part of the cost of that assets.

3.14 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and short term finances under mark up arrangements. In the balance sheet, finances under mark up arrangements are included in current liabilities.

3.15 Revenue recognition

Sales are recorded on dispatch of goods to the customers.

4 ISSUED SUBSCRIBED & PAID-UP CAPITAL

	2008 Rupees	2007 Rupees
21,000,000 ordinary shares of Rs. 10/- each fully paid in cash (2006 : 21,000,000)	<u>210,000,000</u>	<u>210,000,000</u>

5 SURPLUS ON REVALUATION OF FIXED ASSETS

This represents surplus over book values resulting from the revaluation of fixed assets carried out in the year 1998, 2001 and 2005 adjusted only by surplus realized on disposal if any of revalued assets, incremental depreciation arising out of revaluation.

Surplus on revaluation :	174,862,698	191,965,498
- As at July 01		
- Transferred to retained earnings in respect of incremental depreciation charged during the year	(15,392,520)	(17,102,800)
- Increase in value of surplus during the year	<u>159,470,178</u>	<u>174,862,698</u>
- As at June 30		
Related deferred tax :		
- As at July 01	53,873,819	59,859,799
- on Incremental depreciation charged during the year	(5,387,382)	(5,985,980)
- on increase in value of surplus during the year	-	-
- As at June 30	<u>48,486,437</u>	<u>53,873,819</u>
	<u>110,983,741</u>	<u>120,988,879</u>

6 LONG TERM LOAN FROM DIRECTOR

This represents long-term, interest free loan received from the Director Mr. Raza Al-Raei during the year Rs.64,451,194 were obtain

7 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

Opening balance	18,195,088	24,929,217
Obtained during the year	-	-
Paid during the year	(6,282,852)	(6,734,129)
	11,912,236	18,195,088
Adjustment of security deposit	(936,748)	-
	10,975,488	18,195,088
Current portion		
- Current maturity	(6,038,801)	(7,337,968)
	(6,038,801)	(7,337,968)
	<u>4,936,687</u>	<u>10,857,120</u>

7.1

	2008			2007		
	Minimum lease payments	Mark up	Present value	Minimum lease payments	Mark up	Present value
Within one year	6,949,164	791,996	6,157,168	8,479,486	1,141,518	7,337,968
more than five years	4,921,862	182,762	4,818,329	12,546,088	1,688,968	10,857,120
	<u>11,870,246</u>	<u>974,758</u>	<u>10,975,488</u>	<u>21,825,574</u>	<u>2,830,486</u>	<u>18,195,088</u>

7.2 Finance Lease-Significant terms and conditions

S.No.	Name of Leasing of Company	Installments			Date of Expiry	I.R.R.
		Frequency	Amount	Number		
1	SALE AND LEASE BACK Orta Leasing Pakistan Limited	Quarterly	913,500	16	31 Aug 2009	15%
2	Saudi Pak Leasing Company Limited	Monthly	274,587	48	09 Dec 2009	15%

7.3 Lease arrangements do not impose any restrictions on the Company concerning dividends, additional debts and further leasing.

8 DEFERRED LIABILITY

2008 Rupees	2007 Rupees
----------------	----------------

Deferred taxation

Debit balance arising in respect of:

- Liability against asset subject to finance lease

3,841,424	6,368,281
-----------	-----------

- Gratuity

2,713,149	2,730,907
-----------	-----------

- Minimum tax

11,814,865	11,310,976
------------	------------

<u>18,369,438</u>	<u>20,410,164</u>
-------------------	-------------------

Credit balance arising in respect of:

- Accelerated tax depreciation

24,226,460	22,390,599
------------	------------

- Surplus on revaluation of fixed assets

48,486,437	53,873,819
------------	------------

<u>72,712,897</u>	<u>76,264,418</u>
-------------------	-------------------

54,343,459	55,854,254
------------	------------

7,751,857	7,802,590
-----------	-----------

<u>62,095,316</u>	<u>63,656,844</u>
-------------------	-------------------

Staff Gratuity

8.1

8.1 Staff Gratuity Fund

Present value of the defined benefit obligation

7,910,090	7,802,590
-----------	-----------

Fair value of plan assets

-	-
---	---

Unrecognized actuarial (loss)/gain

-	-
---	---

Liability / (asset) recognized in the accounts

<u>7,910,090</u>	<u>7,802,590</u>
------------------	------------------

Expense recognized

Current service cost

852,708	765,595
---------	---------

Interest cost

688,482	523,039
---------	---------

Expected return on plan assets

-	-
---	---

Actuarial gain/(loss) recognized

-	-
---	---

Expense recognized in the income statement

<u>1,541,190</u>	<u>1,288,634</u>
------------------	------------------

Reconciliation for the year

Opening net (asset)/liability

7,802,590	7,150,431
-----------	-----------

Expense as above

1,541,190	1,288,634
-----------	-----------

Contribution paid

(1,591,923)	(636,475)
-------------	-----------

Closing net liability/(asset)

<u>7,751,857</u>	<u>7,802,590</u>
------------------	------------------

Discount rate

10% per annum	10% per annum
---------------	---------------

Expected rate of eligible salary increase in future years

9% per annum	9% per annum
--------------	--------------

Average expected remaining working life time of employees

10 years	10 years
----------	----------

9	TRADE AND OTHER PAYABLES	2008 Rupees	2007 Rupees
	Creditors	58,388,215	131,558,960
	Accrued liabilities	13,489,885	16,188,780
	Associated undertaking	50,189,460	14,292,408
	Advance from customers	-	425,000
	Workers' Profit participation fund	612,159	21,604,583
	Unclaimed Dividend	2,294,232	2,169,073
	Withholding tax	22,842	3,221
	Sales Tax	-	405,687
	Central Excise Duty	344,471	-
		<u>125,341,264</u>	<u>186,647,692</u>
9.1	This includes payable to Mr.Raza Al-Raei, Chief Executive, against acquisition of Al-Raei House amounting to Rs. 14.25 million.		
9.2	Workers' Profit Participation Fund		
	Balance as at July 01,	21,604,583	18,705,267
	Interest accrued during the year	851,261	2,899,316
		<u>22,455,844</u>	<u>21,604,583</u>
	Allocation During the Year	612,355	-
	Paid during the year	(10,984,191)	-
	Waiver of Mark-up On Wppf.	(11,471,849)	-
		<u>612,159</u>	<u>21,604,583</u>
10	ACCRUED MARKUP		
	Interest on loan- Associated Undertakings	3,381,051	-
	Adjustment Interest receivable during the prior year	(1,418,473)	-
	Accrued Markup- Running Finance KASB	2,321,641	4,307,567
	Bank Charges Paid During the Year	(159,262)	-
		<u>4,124,957</u>	<u>4,307,567</u>
11	SHORT TERM BORROWINGS		
	FIM		
	Soneri Bank Ltd.	19,066,233	-
	NIB Bank	11,914,612	3,298,411
		30,980,845	3,298,411
	Running finance		
	Askari Commercial Bank Limited	-	14,500,000
	KASB Bank Limited	69,780,636	69,716,301
		69,780,636	84,216,301
		<u>100,761,481</u>	<u>87,514,712</u>

11.1	Soneri Bank Limited
	The company has obtained following credit facilities from Soneri Bank Limited
	Finance For Imported Merchandize Under Pledge
	Facility limit : Rs.100 million
	Purpose : To finance procurement of raw material.
	Markup : 6 months KIBOR +2.50 %
	Margin : 10% excluding custom duties & Other taxes
	Security : Pledge of Imported Raw Material
	Personal Guarantee of two directors including Mr. Raza Al Raei.
	Expiry : 30 Sept 2008
11.2	NIB Bank Limited
	The company has obtained following credit facilities from NIB Bank Limited
	Finance For Imported Merchandize Under Pledge
	Facility limit : Rs.30 million
	Purpose : To finance procurement of raw material.
	Markup : 3 months KIBOR +1.5 % per annum payable on quarterly basis.
	Security : Hypothecation charge over current assets, personal guarantee of Directors and pledge of imported goods.
11.3	KASB Bank Limited
	The Company has obtained a running finance facility from KASB Bank Limited.
	Running Finance Facility
	Facility Limit : Rs. 70 million
	Purpose : Working Capital Requirements
	Mark up : 6months KIBOR+3.5% p.a. with no floor no cap
	Security : Ranking charge over all present & future movable assets and receivables
	Margin : 25%
	Letter of Credit - Slight
	Facility Limit : Rs. 150 Million
	Purpose : For Import of Raw Material
	Repayment : Through customer's own sources on first presentation.
	Security : Lien on import documents covering import of raw material.
	Markup : As per Bank's schedule of Charges

	2008 Rupees	2007 Rupees
12 CURRENT PORTION OF NON CURRENT LIABILITIES		
Liability against assets subject to finance lease	<u>6,038,801</u>	<u>7,337,968</u>
- Current maturity	<u>6,038,801</u>	<u>7,337,968</u>

13 CONTINGENCIES & COMMITMENTS
Commitments

- Bank guarantee in respect of contracts for supply to customers as at June 30, 2008 amounting to Rs.127.23 million (2007: Rs.101.290 million).
- Commitment in respect of corporate guarantee valid till January 2009 given by the Company to Askari Leasing Limited for the balance amount of Rs. 7.40 million outstanding against lease finance of Rs. 35.679 million extended to its associated company in January, 2004 thereagainst which was subsequently approved by the shareholders as per the requirements of Section 208 of the Companies Ordinance, 1984.

14 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	COST			Rate %	DEPRECIATION				Written down value a on June 30, 2008	
	As on July 31, 2007	Inter transfer	Additions / (Decreases)		As on July 31, 2008	As on July 31, 2007	Inter transfer	For the Period		As on June 30, 2008
	TANGIBLE OWNED									
Land - free hold	24,060,045	-	-	24,060,045	-	-	-	-	24,060,045	
Factory building on free hold land	48,112,282	-	3,357,969	48,470,251	10	8,429,143	3,713,251	12,142,434	37,327,817	
Office premises(AI Raas Houses)	52,500,000	-	-	52,500,000	10	6,240,476	4,655,159	10,895,635	41,604,365	
Plant & machinery	221,855,994	-	17,142,533	240,998,424	10	43,435,630	(18,575,710)	62,011,518	198,986,906	
Electric fittings	3,027,675	-	76,500	3,104,175	10	2,267,177	78,706	2,345,883	758,292	
Furniture & fixture	3,023,563	-	-	3,023,563	10	1,035,341	114,441	1,149,782	1,873,781	
Office equipment	960,411	-	1,027,700	1,988,101	10	445,282	61,837	507,119	1,480,982	
Computer equipment	1,691,693	-	30,000	1,991,693	50	1,361,434	91,379	1,452,813	78,500	
Tools and equipment	1,532,963	-	260,900	1,793,863	10	305,032	63,250	368,282	701,538	
Telephone installations	296,730	-	-	296,730	10	101,032	(9,173)	111,210	65,498	
Motor vehicles	11,380,045	7,344,421	3,388,425	16,852,891	20	4,291,283	3,116,975	2,164,822	7,134,526	
			(6,674,198)			(2,376,114)			8,822,867	
Electric Generators	23,723,000	-	-	23,723,000	10	3,826,035	-	1,723,644	7,250,249	
Forklifter	1,434,783	-	-	1,434,783	10	493,067	-	99,860	332,433	
LEASED HOLD										
Motor Vehicle	7,344,421	(7,344,421)	-	-	20	3,116,975	(3,116,975)	-	-	
Plant & Machinery	23,690,000	-	-	23,690,000	10	3,394,448	-	5,928,776	5,221,224	
Rupees - June 30 2008	432,412,863	-	25,912,124	451,648,729		62,494,963	-	33,019,662	113,125,451	338,523,278
			(6,674,198)			(2,376,114)				349,827,943
Rupees - June 30 2007	434,199,479	-	852,534	435,412,803		49,034,910	-	38,249,664	(1,799,611)	349,827,943
INTANGIBLE										
Computer Software	190,000	-	-	190,000	50	96,027	-	444	99,371	629

14.1 Depreciation for the period has been allocated as follows.

	June 30 2008	June 30 2007
Cost of Goods Sold	26,200,786	28,503,843
Administration Expenses	6,817,816	7,746,580
	<u>33,018,602</u>	<u>36,250,423</u>

14.1 Details of disposal of fixed assets

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceed	Gain / (Loss)	Mode of disposal	Particulars of buyers
Toyota Carry ALB - 905	1,850,000	(602,825)	1,247,175	1,200,000	(47,175)	Negotiation	Prime Motor
IGA Storage BD-7778	1,255,000	(399,168)	855,832	800,000	(55,832)	Negotiation	Prime Motor
Toyota Corolla AFC-8177	1,666,300	(473,345)	591,155	575,000	(16,155)	Negotiation	Prime Motor
Honda VTI AEN-563	951,349	(450,388)	500,961	450,000	(50,961)	Negotiation	Prime Motor
Honda VTI AEN-564	951,349	(450,388)	500,961	455,000	(45,961)	Negotiation	Prime Motor
Rupees - 2008	6,674,198	(2,378,114)	3,696,084	3,480,000	(216,084)		
Rupees - 2007	2,619,300	(1,799,612)	819,688	795,000	(24,688)		

14.2

S.No.	Class of Fixed Assets	Element of Revaluation Surplus			Total Revaluation Surplus
		June 30, 1998	June 30, 2001	June 30, 2005	
1.	Land	1,157,273	720,182	19,060,045	20,937,500
2.	Factory Building	21,032,462	2,784,239	14,125,004	37,941,705
3.	Plant and Machinery	12,391,532	67,770,983	27,802,669	107,965,184
4.	Electric Generator	-	5,081,187	12,942,420	18,023,607
5.	Plant and Machinery-leased	-	-	26,100,613	26,100,613
		34,581,267	76,356,591	100,030,751	210,968,609

14.3 CAPITAL WORK IN PROGRESS

	2008 Rupees	2007 Rupees
Civil work	3,357,970	157,012
Plant and machinery	17,142,630	4,789,691
Advances against capital expenditures-civil work	-	1,553,418
	<u>20,500,600</u>	<u>6,500,121</u>
Less: Transfer to Plant & Machinery account	<u>20,500,600</u>	-
	-	<u>6,500,121</u>

	2008 Rupees	2007 Rupees
15 STORES, SPARES AND LOOSE TOOLS		
Stores	2,378,872	1,335,660
Spares	6,342,242	4,733,585
Loose tools	122,622	109,501
	<u>8,843,736</u>	<u>6,178,746</u>
16 STOCK - IN - TRADE		
Raw material	47,191,337	60,622,350
Packing material	1,796,084	5,599,880
Work in process	163,186,501	122,569,065
	<u>212,173,921</u>	<u>188,791,295</u>
17 TRADE DEBTS		
Debtors balances includes an amount of Rs.30.8 million out of which Rs.16.1 million pertains to current year and Rs.14.7 million related to prior years (2007 Rs.14.7 million) which is considered as due from Pakistan Telecommunication Company Limited (PTCL) having been deducted by said customer on account of Liquidated Damages due to late Delivery against the contract executed.		
Company is of the opinion that delays in deliveries were caused by reasons beyond its control and this does not fall in the purview of liquidated damages based on the agreement with PTCL. The company has accordingly submitted various applications to PTCL for regularizing the late deliveries and refund of the amount so deducted and has consequently recovered some amounts by way of refunds,		
No provision against the said amount has been made during the year, the Company is of the view that with the changes of management of the PTCL, the recovery of the said amounts has become more probable in future.		
18 LOANS AND ADVANCES		
Loan to		
- Employees	1,744,794	1,857,294
- Associates	2,000	6,576,298
	<u>1,746,794</u>	<u>8,433,592</u>
Advances - considered good		
- Suppliers Foreign		
- Suppliers	2,539,783	4,904,662
- Sales Tax	350,864	
	<u>2,890,647</u>	<u>4,904,662</u>
	<u>4,637,441</u>	<u>13,338,254</u>
19 TRADE DEPOSITS AND PREPAYMENTS		
Container Deposits	4,085,784	4,141,334
Deposit with Lasbella Court	675,000	675,000
Canteen deposit	150,000	150,000
Rent deposit Islamabad office	408,000	245,000
Prepayments	378,199	244,493
	<u>5,696,983</u>	<u>5,455,827</u>

19.1 This amount is deposited with Lasbella Court as bail for 23 employees involved in a brawl and were arrested near the factory in April, 2001. As the employees fled to their native villages upon release, the bail is deposited with the Court. On return of each employee the respective amount of bail against him is being retired.

	2008 Rupees	2007 Rupees
20 OTHER RECEIVABLE		
L/C margin and charges	11,400,325	6,734,178
Others	9,034	23,972
	<u>11,409,359</u>	<u>6,758,150</u>
21 CASH AND BANK BALANCES		
Cash in hand	79,214	204,598
Cash at banks - current account	4,501,309	2,602,323
- deposit account	18,550	18,550
	<u>4,599,073</u>	<u>2,825,471</u>
22 SALES		
Sales	908,810,197	772,689,058
Sales tax	(117,436,284)	(100,785,529)
Federal excise duty	(7,829,084)	-
	<u>783,544,829</u>	<u>671,903,529</u>
23 COST OF SALES		
Manufacturing expenses	23.1	
Raw material consumed	660,538,147	599,030,039
Packing material consumed	14,053,623	9,970,759
Store and spares consumed	2,224,128	2,806,239
Fuel, power and light	22,762,038	18,886,344
Salaries, wages and other benefits	20,875,888	14,114,583
Rent, rates and taxes	231,400	231,400
Insurance	583,083	736,527
Repairs and maintenance	3,978,915	1,655,484
Vehicles running	2,105,180	2,248,461
Printing and stationery	749,819	491,662
Telephone expenses	62,020	76,610
Depreciation	26,200,786	28,503,843
Others	1,173,277	910,942
	<u>755,538,304</u>	<u>679,662,893</u>
Work in process		
- Opening stock	122,569,065	62,163,582
- Closing stock	(163,186,501)	(122,569,065)
	<u>(40,617,436)</u>	<u>(60,405,483)</u>
Cost of goods manufactured	714,920,868	619,257,410
Finished goods		
- Opening Stock	-	-
- Closing Stock	-	-
	<u>714,920,868</u>	<u>619,257,410</u>

	2008 Rupees	2007 Rupees
23.1 Raw material consumed :		
Opening stock of raw material	<u>60,622,350</u>	<u>66,308,519</u>
- Purchases Raw materials	<u>653,062,351</u>	<u>597,271,631</u>
	<u>713,684,701</u>	<u>663,580,150</u>
Scrap sales	<u>(5,955,217)</u>	<u>(3,927,761)</u>
Closing stock of raw material	<u>(47,191,337)</u>	<u>(60,622,350)</u>
	<u>660,538,147</u>	<u>599,030,039</u>
23.2 Packing material consumed :		
Opening stock of packaging material	<u>5,599,880</u>	<u>6,780,966</u>
- Packing materials	<u>10,249,827</u>	<u>8,789,673</u>
	<u>15,849,707</u>	<u>15,570,639</u>
Closing stock of Packing Material	<u>(1,796,084)</u>	<u>(5,599,880)</u>
	<u>14,053,623</u>	<u>9,970,759</u>
24 ADMINISTRATIVE EXPENSES		
Salaries, wages and other benefits	9,505,362	8,118,541
Rent, rates and taxes	598,040	397,040
Electricity, gas & other expenses	720,039	618,988
Insurance	343,572	207,626
Office maintenance	364,550	277,578
Traveling, conveyance and entertainment	4,646,423	3,265,044
Legal and professional	1,667,000	726,000
Printing and stationery	908,641	622,808
Postage, telegram, telephone and telex	1,209,234	968,722
Subscriptions	956,079	293,867
Depreciation	6,817,816	7,745,823
Amortization of intangible asset	444	757
Audit fee	350,000	350,000
Others	2,582,867	1,787,418
	<u>30,670,067</u>	<u>25,380,212</u>
24.1 Audit Remuneration		
Auditors' Remuneration		
- Audit fee	<u>200,000</u>	<u>200,000</u>
- Special Reports and half yearly review	<u>150,000</u>	<u>150,000</u>
	<u>350,000</u>	<u>350,000</u>
	<u>350,000</u>	<u>350,000</u>

	2008 Rupees	2007 Rupees		
25 SELLING AND DISTRIBUTION COST				
Carriage and forwarding	4,507,780	3,752,465		
Bank charges on performance bonds, bid bonds, collection etc	1,109,975	1,223,905		
Tender charges	259,055	42,520		
Advertising and sales promotion	738,159	401,117		
Others	308,751	124,127		
	<u>6,923,720</u>	<u>5,544,134</u>		
26 FINANCE COST				
Markup on lease finance	1,894,631	3,156,332		
Exchange Loss	(84,736)	(7,218)		
Markup on Workers' Profit Participation Fund	851,261	2,899,316		
Markup on Associated loan	3,381,051	-		
Markup on long term finance	-	3,630,917		
Markup on short term finance	23,036,703	20,758,642		
Bank charges	959,924	1,883,844		
	<u>30,038,834</u>	<u>32,321,833</u>		
27 OTHER INCOME				
Loss on sale of fixed assets	(216,084)	(24,888)		
Mark-up from associated undertakings	-	4,671,709		
Waiver of WPPF Mark-up	11,471,849	-		
	<u>11,255,765</u>	<u>4,646,821</u>		
28 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE				
	2008		2007	
Particulars	Chief Executive	Executives	Chief Executive	Executives
Basic salary	1,546,065	2,068,966	1,546,065	1,348,800
House rent	695,729	931,034	695,729	606,959
Conveyance allowance	3,600	7,200	3,600	7,200
Leave encashment	-	250,000	-	174,220
Utilities	154,606	206,897	154,606	134,880
Gratuity	200,000	250,000	200,000	174,220
Total	<u>2,600,000</u>	<u>3,714,097</u>	<u>2,600,000</u>	<u>2,446,279</u>
No. of persons	1	2	1	2

28.1 Company's owned and maintained cars have been provided to the Chief Executive, Director and two Executives.

29 TAXATION

The income tax assessments of the Company have been finalized upto and including the assessment year 2006.

30 RELATED PARTY TRANSACTIONS

Related parties comprises parent, subsidiary and associated companies, major shareholders, directors, companies with common directorship, key management staff and employees.

During the year company has under taken following transaction with its associated under taking which were entered into at arm's length prices using the comparable uncontrolled valuation method other than remuneration and benefits to executives under the terms of their employment.

	2008 Rupees	2007 Rupees
- Rent charged for office premises	110,000	-
- Interest from loan to associate undertakings	-	4,671,709
- Long term Loan received from director	64,451,194	33,404,320

31 EARNINGS PER SHARE

Profit/(Loss) after tax	5,239,024	(13,469,696)
Number of ordinary shares	21,000,000	21,000,000
Earnings/(Loss) per share	0.25	(0.64)

32 PLANT CAPACITY

The capacity of plant of the Company is 2,500,000 core kilometers per annum. During the period company has started production of power Cables. The production capacity of power cables plant can not be determined as this depends on the relative proportions of the various sizes of cables and wires produced. Installation of Plant and machinery for this product line is not completed yet.

33 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

34 FINANCIAL RISK MANAGEMENT OBJECTIVES

The company's activities expose it to a variety of financial risks, including the effects of changes in foreign exchange rates, credit and liquidity risk associated with various financial assets and liabilities, respectively.

The company finances its operations through equity and management of working capital with a view to maintaining a reasonable mix between the various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

35 INTEREST RATE RISK

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

INTEREST RATE RISK EXPOSURE

Financial Assets and Financial Liabilities

	Interest / Markup bearing			Non - Interest / Markup bearing			Total	
	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	2008 Rupees	2007 Rupees
Financial Assets								
Long term deposits	-	-	-	-	3,423,550	3,423,550	3,423,550	4,115,298
Trade debts	-	-	-	57,934,873	-	57,934,873	57,934,873	68,035,979
Loans & Advances	2,000	-	2,000	4,635,441	-	4,635,441	4,637,441	13,338,254
Deposits	-	-	-	5,318,794	-	5,318,794	5,318,794	5,211,334
Other Receivable	-	-	-	11,409,359	-	11,409,359	11,409,359	6,758,150
Cash and bank balances	18,550	-	18,550	4,580,523	-	4,580,523	4,599,073	2,825,471
	20,550	-	20,550	83,878,980	3,423,550	87,302,530	87,323,979	100,284,486
Financial Liabilities								
Provision for gratuity	-	-	-	-	7,751,857	7,751,857	7,751,857	7,802,590
Liability against asset subject to finance lease	6,038,801	4,836,687	10,975,488	-	-	-	10,975,488	18,195,088
Short term borrowings	100,761,481	-	100,761,481	-	-	-	100,761,481	87,514,712
Trade and other payables	-	-	-	125,318,422	-	125,318,422	125,318,422	186,644,471
	106,800,282	4,836,687	111,736,969	125,318,422	7,751,857	133,070,279	244,867,246	300,156,861
Balance sheet Gap	(106,779,732)	(4,836,687)	(111,736,419)	(41,439,442)	(4,328,307)	(45,767,749)	(157,484,169)	(199,872,375)
							2008	2007
Loans to associates							13.20% to 14.50%	13.20% to 15.92%
Savings account							-	-
Long term finance							Kibor plus 3.5%	Kibor plus 3.5%
Liabilities against assets subject to finance lease							13.69% to 22.57%	13.69% to 22.57%
Short term borrowings							Kibor plus 1.5% to 3%	Kibor plus 1.5% to 3%

36 CREDIT RISK

Credit risk is the risk that, the company will not be able to recover from creditors in foreseeable future. The company believes that it is not exposed to credit risk. To manage exposure to credit risk the company applies credit period limit to its major customers and suppliers. The major customer of the company is Pakistan Telecommunication Company Limited and the amount due from the said customer is secured by way of inland L/C.

37 FOREIGN EXCHANGE RISK

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. In line with the current economic conditions of Pakistan the Company exposed to foreign currency risk on purchases and import of raw material and machinery that are entered in a currency other than local currency. The Company is planning to mitigate this risk through effective hedge.

38 LIQUIDITY RISK

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instrument. The management of the Company meets its exposure to liquidity risk through monitoring its short term borrowings and stock turnover cycle.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29 Sep 2008 by the Board of Directors of the Company.

40 GENERAL

- Figures have been rounded off to the nearest rupee.
- Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison.

- Sd -

RAZA ABDUL AZIZ AL RAEI
 CHIEF EXECUTIVE

- Sd -

ABDULLAH RAZA AL RAEI
 DIRECTOR

PATEREN OF SHAREHOLDING
FORM 34 U/S 236(1) & 464 OF COMPANIES ORDINANCE 1984
AS AT JUNE 30, 2008

Total No. of Shareholders	Shareholding		Total Shares Held
	From	To	
1120	1	100	110,996
118	101	500	46,599
103	501	1,000	97,806
129	1,001	5,000	356,599
32	5,001	10,000	233,800
11	10,001	15,000	131,500
6	15,001	20,000	99,500
3	20,001	25,000	70,500
1	25,001	30,000	27,000
2	35,001	40,000	79,000
2	45,001	50,000	100,000
2	55,001	60,000	116,900
2	70,001	75,000	145,500
2	90,001	95,000	185,600
1	710,001	715,000	713,500
1	2,500,001	2,505,000	2,502,600
1	3,600,001	3,605,000	3,601,028
1	4,045,001	4,050,000	4,048,029
1	4,065,001	4,070,000	4,065,329
1	4,265,001	4,270,000	4,268,214
	<u>1,539</u>		<u>21,000,000</u>

Shareholder's Category	Number of Shareholders	Number of Shares Held	Percentage
Financial Institutions	4	191,900	0.92
Individuals	1,523	20,660,700	98.38
Joint Stock Companies	12	147,400	0.70
	<u>1,539</u>	<u>21,000,000</u>	<u>100.00</u>

**PATEREN OF SHAREHOLDING
 AS AT JUNE 30, 2008**

Categories of Shareholders	Number	Shares held	Percentage
Director CEO & Other Spouse & Children			
Mr. Raza Abdul Aziz Al Raee		4,268,714	
Mr. Aijaz Abdul Aziz Al Raee		4,065,829	
Mr. Riyadh Abdul Aziz Al Raee		4,048,529	
Mrs. Rabia Barkat Ali		714,000	
Mrs. Asma Hafeez Al Raee		500	
Mrs. Sumiah Saeedurehman Al Raee		500	
Mr. Abdullah s/o Raza Abdul Aziz Al Raee		1,000	
	7	<u>13,099,072</u>	62.37
NBP & ICP			
M/s. National Bank of Pakistan		91,424	
M/s. National Bank of Pakistan		94,176	
Investment Corporation of Pakistan		300	
	3	<u>185,900</u>	0.89
Public Sector Comapnies		Nil	
Banks, DFI, Non Banking Finance Institution			
Bankers Equity	1	<u>6,000</u>	0.03
Shareholders ten Percent or more voting interest in the Company			
Mr. Nisar Abdul Aziz Al- Raee	1	<u>3,601,028</u>	17.15
Individuals	1515	<u>3,960,600</u>	18.86
Others			
Perwaiz Trading Company Ltd.		71,100	
Pakistan Management & Service Ltd.		100	
Millennium Securities & Investment(Pvt)		1,000	
Ismail Abdul Shakoor (Pvt)		19,500	
Wsi Securities Ltd		23,000	
M.R Securitis (Pvt)		1,000	
HK Securitis (Pvt) Ltd		1,000	
Time Securitis (Pvt) Ltd		4,000	
Mars Securitis (Pvt) Ltd		1,000	
M/S. Bawany Madina Foundation		16,000	
M/S.Madina Estate & Properties Ltd		9,700	
	12	<u>147,400</u>	0.70
		<u>1,539</u>	<u>21,000,000</u>
			<u>100.00</u>

PROXY FORM

I, _____
 of _____
 being a member of **Pakistan Telephone Cables Limited**, and a holder
 of _____ Ordinary Share as per Share

(No. of Shares)

Register Folio No. _____ and / or CDC Participant I.D. No. _____
 and Sub Account No. _____

hereby appoint _____
 (Name)

of _____

Who is also a member of Pakistan Telephone Cables Limited as my proxy to vote for me
 and my self at the 25th Annual General Meeting of the Company to be held on Thursday
 October 30, 2008 at 11:00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2008.

Signature on Rs. 5/- Revenue Stamp

WITNESSES:
WITNESSES:

1. Signature _____	2. Signature _____
Name _____	Name _____
Address _____	Address _____
_____	_____
CNIC or _____	CNIC or _____
Passport No. _____	Passport No. _____

Note:

- The Proxy in order to be valid must be signed across a Five Rupees Revenue Stamp and should be deposited in the Registered Office of the Company or Share Registrar Office not later than 48 hours before the time of holding the Meeting.
- No person shall act as proxy unless he is a member of the Company.
- Signature should agree with the specimen signature registered with the Comapny.
- CDC Shareholder and their Proxies must attach either an attested photocopy of their Computerized National Identity Card or Passport with this Proxy Form.