

Shabbir Tiles and Ceramics Limited

Annual Reports 2002

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COMPANY INFORMATION

BOARD OF DIRECTORS

RAFIQ M. HABIB Chairman
ALIREZA M. ALLADIN Chief Executive
ALI S. HABIB
ABDULHAI M. BHAIMIA
KERSI D. KAPADIA
MANSOOR G. HABIB
NAZIM F. HAJI

AUDIT COMMITTEE

MANSOOR G. HABIB Chairman
KERSI D. KAPADIA
NAZIM F. HAJI

COMPANY SECRETARY

SHABBIR ABBAS

AUDITORS

Ford, Rhodes, Robson, Morrow
Chartered Accountants

BANKERS

ABN AMRO Bank N.V.
Bank AL Habib Limited
Habib Bank Limited
Habib Bank A. G. Zurich
Metropolitan Bank Limited
Muslim Commercial Bank Limited
National Bank of Pakistan
Standard Chartered Bank

KARACHI DISPLAY CENTRE & SALES OFFICE

Stile House, 1st & 2nd Floor, Plot No. 15-C & 17-C,
Zamzama Commercial Lane, Phase V,
Defence Housing Authority, Karachi.
Phones : (021) 5866001-2, 5871753, 5872630, 5820962

LAHORE SALES OFFICE

FB-2, Second Floor, Awami Complex, Usman Block,
New Garden Town, Lahore.
Phones : (042)5839982, 5864430 & 5864211

ISLAMABAD SALES OFFICE

Plot No. H-226, Street No. 7,
Industrial Area, Sector I-9, Islamabad.
Phones: (051) 4432019 & 4432976

PESHAWAR SALES OFFICE

Hall No. 10, Fawwad Plaza,
Jahangirabad, Jamrud Road, Peshawar.

Phone:(091)843750

MULTAN SALES OFFICE

Office No. 153, Mall Plaza,
Multan Cantt.
Phone: (061)546439

REGISTRARS AND SHARE

TRANSFER OFFICE

Noble Computer Services (Pvt.) Ltd.,
14, Banglore Town Housing Society,
Main Sharea Faisal, Karachi.
Phones: (021)4546978, 4520121

NOTICE OF MEETING

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of the Company will be held at the auditorium of Finance & Trade Centre, Shahrah-e-Faisal, Karachi on Monday, the 28th October, 2002 at 2:30 p.m. to transact the following business :

ORDINARY BUSINESS

1. To confirm the minutes of the Twenty-Third Annual General Meeting held on 26th December, 2001
2. To receive, consider and adopt the audited accounts of the Company for the year ended 30th June, 2002 alongwith the reports of the Directors and Auditors thereon.
3. To approve the payment of dividend to the shareholders @ 25% as recommended by the Directors.
4. To appoint auditors for the year ending 30th June, 2003 and fix their remuneration.

SPECIAL BUSINESS

To consider and pass the following resolution as a special Resolution:

RESOLVED that the Article 92 of The Articles of Association be deleted and substituted as under:

"The remuneration of a Director, shall, from time to time be determined by the Board of Directors and unless otherwise determined shall not exceed Rs. 500/- per meeting at which the Director shall be present. The Directors shall be paid such travelling, boarding lodging and other expenses properly incurred by them in or about the performance of their duties or business if any of them has to come to attend the Board meeting of the Company from outstation.

By Order of the Board

SHABBIR ABBAS

Company Secretary

Karachi : 25th September, 2002.

NOTES:

1. The share transfer books of the Company will be closed from 17th October, 2002 to 28th October, 2002 (both days inclusive). Transfers received in order at the office of the Company's Share Registrars, M/s. Noble Computer Services (Pvt.) Ltd., 14, Banglore Town Housing Society, Sharea Faisal, Karachi, at the close of business on 16th October, 2002 will be treated in time for the purpose of payment of cash dividend to transferees.

2. A member eligible to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies to be effective must be received by the Company not less than 48 hours before the time for holding of the meeting.

3. FOR CDC ACCOUNT HOLDERS

(i) Account holders and sub-account holders and/or the person whose securities are in group account and their registration details are uploaded as per the regulations who wish to attend the Annual General Meeting shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport in case of non-resident and in case of proxy must also enclose attested copy of his/her NIC or passport.

(ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting and in case of proxy the said document shall be submitted (unless it has been provided earlier) alongwith proxy form.

4. Members are requested to communicate to the Company or the Share Registrars to the Company of any change in their address.

Statement under section 160 of the Company Ordinance, 1984.

Substitution of Article 92 of the Articles of Association is necessitated as due to the abolition of Controller of Capital Issue Act, the approval in AGM is not required. The Board can perform this function under the Companies Ordinance, 1984.

**TWENTY-FOURTH REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE, 2002**

The Directors have pleasure in presenting their report alongwith the audited accounts of the Company for the year ended 30th June, 2002.

Turnover of the Company for the year under review was Rs. 578,012 million. This reflects a growth of 11.21% over the same period last year. The contributory factor being the volume and not the selling price, which remained under enormous pressure due to keen competition. Gross profit declined due to sharp rise in utilities cost etc. and lower average selling price.

FINANCIAL RESULTS

Profit after taxation for the year under review amounted to Rs. 43,281 million as against Rs. 49,595 million for the previous year. Details of the appropriations recommended by the Directors are as under:

	2002	2001
	(Rs. In 000's)	
Profit before taxation	66,840	76,062
Less : Taxation - Current	23,000	25,000
- Prior	(1,249)	(1,544)
- Deferred	1,808	3,011
Profit after taxation	43,281	49,595
Unappropriated profit brought forward	718	683
Available for appropriation	43,999	50,278
APPROPRIATIONS		
Proposed dividend @ 25% (2001 : 25%)	21,560	21,560
Transfer to general reserve	22,000	28,000
	43,560	49,560
Unappropriated profit carried forward	439	718

Earning per Share: Earning per share for the year ended June 30, 2002 comes to Rs. 2.51 as compared to Rs. 2.88 in the preceding year.

CORPORATE GOVERNANCE

We are pleased to report that the Company has taken necessary measures to comply with the provisions of the Code of Corporate Governance as incorporated in the Listing Rules of the Stock Exchanges.

We give below a statement in accordance with the corporate and financial reporting frame work:

- a. The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flow statement and statement of changes in equity.
- b. Proper books of account of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
- d. International Accounting Standard, as applicable in Pakistan, have been followed in preparation of financial statements.
- e. The system of internal control, which was in place, is being continuously reviewed by internal audit and other such procedures. The process of review will continue with the objective to further improve.
- f. There are no significant doubts about 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.
- h. Key operating and financial data of the Company in summarized form is annexed hereto.
- i. Outstanding taxes and levies have been detailed in Note 19 and 20.1.2 to the annexed financial

statements.

j. The value of investments of Provident Fund stood at Rs. 19.020 million as on June 30, 2002 (unaudited) and Rs. 19.430 million as on June 30, 2001 (audited)

k. During the year three meetings of the Board of Directors were held which were attended by the Directors as indicated below:

	Number of Meetings attended
Mr. Rafiq M. Habib	3
Mr. Ali S. Habib/Mr.AQ. Mogri (Alternate)	3
Mr. Alireza M. Alladin	3
Mr. Abdul Hai M. Bhaimia	2
Mr. Kersi D. Kapadia	3
Mr. Mansoor G. Habib	3
Mr. Nazim F. Haji	3

Leave of absence was granted to a director who could not attend a meeting.

FUTURE PROSPECTS

Initiative of the Government to improve the tax collection system based on the principles of equity and reasonableness is bound to restore investors' confidence

The Company will continue to pursue its strategy of exploring new avenues for its products and seeking profitable opportunities despite impending pressure of slashing of duties on imported tiles under the WTO regime.

EMPLOYEE RELATIONS

The industrial relations climate remained cordial and satisfactory. The agreement with collective bargaining agents was negotiated and signed for a period of two years to end December 31, 2003.

ACKNOWLEDGEMENT

In the end, we wish to express our thanks to all our customers for their patronage and goodwill. We appreciate the support received from the bankers, shareholders and other stakeholders who continue to repose trust in the Company. We thank our team of dedicated executives, managers, supervisors and workers for their hard work in achieving optimum results.

On behalf of the Board

ALIREZA M. ALLADIN

Chief Executive

Karachi : 16th September, 2002.

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 Shabbir Tiles and Ceramics Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange (Guarantee) Limited, Chapter XIII of the Lahore Stock Exchange (Guarantee) Limited and Chapter XI of the Islamabad Stock Exchange (Guarantee) Limited where the company is listed.

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

As part of our audit of 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 for the period from May 2, 2002 to June 30, 2002.

Karachi : 16th September, 2002

FORD,RHODES, ROBSON,MORROW

Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of SHABBIR TILES AND CERAMICS LIMITED as at June 30, 2002 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 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 June 30, 2002 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi : 16th September, 2002

FORD,RHODES, ROBSON,MORROW

Chartered Accountants

BALANCE SHEET AS AT JUNE 30,

	Note	2002	2001
		(Rs. In 000's)	
ASSETS			
NON CURRENT ASSETS			
Operating fixed assets	3	184,668	186,386
Capital work-in-progress	4	35,772	2,005
		220,440	188,391
Long-term loans	5	102	47
Long-term deposits	6	8,110	4,070

CURRENT ASSETS			
Stores and spares	7	28,035	27,400
Stock-in-trade	8	96,803	89,033
Trade debts	9	138,572	119,328
Loans, advances and other receivables	10	15,832	7,580
Deposits and prepayments	11	1,577	4,526
Cash and bank balances	12	24,430	24,124
		305,249	271,991
		<hr/>	<hr/>
TOTAL ASSETS		533,901	464,499
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
20,000,000 (2001 : 20,000,000) ordinary shares of Rs. 5 each		100,000	100,000
Issued, subscribed and paid-up capital	13	86,240	86,240
Reserves	14	230,439	208,718
SHAREHOLDERS' EQUITY		316,679	294,958
NON-CURRENT LIABILITIES			
Long-term loan	15	22,232	-
Liabilities against assets subject to finance leases	16	28,879	31,869
Deferred taxation	17	30,012	28,204
CURRENT LIABILITIES			
Current portion of long-term loan	15	20,250	—
Current portion of liabilities against assets subject to finance leases	16	10,197	10,495
Short-term running finances	18	16,043	19,614
Creditors, accrued and other liabilities	19	68,049	57,799
Proposed dividend		21,560	21,560
CONTINGENCIES AND COMMITMENTS	20	136,099	109,468
TOTAL EQUITY AND LIABILITIES		533,901	464,499

The accounting policies and explanatory notes on pages 1 to 15 form an integral part of these financial statements.

ALIREZA M. ALLADIN **KERSI D. KAPADIA**

Chief Executive Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30,**

	Note	2002	2001
		(Rs. In 000's)	
Turnover	21	587,012	527,830
Less : Cost of sales	22	421,549	362,595
Gross profit		165,463	165,235
Other income	23	1,084	1,108
		166,547	166,343
Less: Administrative expenses	24	17,174	17,280
Selling and distribution expenses	25	65,644	55,654
Other charges	27	4,931	5,516
		87,749	78,450
Operating profit		78,798	87,893
Less : Financial charges	28	11,958	11,831
Profit before taxation		66,840	76,062
Less: Taxation	29	23,559	26,467
Profit after taxation		43,281	49,595
Unappropriated profit brought forward		718	683
Appropriations:		43,999	50,278
Proposed dividend Rs. 1.25 per share (2001 : Rs. 1.25 per share)		21,560	21,560
Transferred to general reserve		22,000	28,000
		<hr/>	<hr/>
		43,560	49,560
		<hr/>	<hr/>
Unappropriated profit carried forward to revenue reserves		439	718
		<hr/>	<hr/>
Basic earnings per share (Rs.)	30	3	3

The accounting policies and explanatory notes on pages 1 to 15 form an integral part of these financial statements.

ALIREZA M. ALLADIN

Chief Executive

KERSI D. KAPADIA

Director

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

Note	2002	2001
	(Rs. In 000's)	
Cash flows from operating activities		
Profit before taxation	66,840	76,062
Adjustments for non-cash charges and other items :		
Depreciation	19,384	19,646
Return on bank deposit	(543)	(721)
Financial charges	11,958	11,831
Gain on disposal of fixed assets	(452)	(387)
	30,347	30,369
Operating profit before working capital changes	97,187	106,431
Working capital changes:		
(Increase) / decrease in current assets		
Stores and spares	(635)	(1,983)
Stock-in-trade	(7,770)	(17,873)
Trade debts	(19,244)	(30,498)
Loans, advances and other receivables	(2,645)	293
Deposits and prepayments	2,949	(2,453)
	(27,345)	(52,514)
Increase in current liabilities		
Creditors, accrued and other liabilities	8,337	7,527
	(19,008)	(44,987)
Cash generated from operations	78,179	61,444
Financial charges paid	(10,097)	(11,854)
Long-term loans	(55)	7
Long-term deposits	(4,040)	494
Income-tax paid	(27,373)	(15,721)
Net cash inflow from operating activities	36,614	34,370
Cash flows from investing activities		
Purchase of fixed assets including capital work-in-progress	(44,732)	(18,954)
Proceeds from disposal of fixed assets	1,501	986
Return on bank deposit	558	881
Net cash outflow in investing activities	(42,673)	(17,087)
Cash flows from financing activities		
Long-term loan	42,482	—
Payment of liabilities against assets subject to finance leases	(11,038)	(14,016)
Dividend paid	(21,508)	(20,415)
Net cash inflow / (outflow) from financing activities	9,936	(34,431)
Net increase/(decrease) in cash and cash equivalents	3,877	(17,148)
Cash and cash equivalents at the beginning of the year	4,510	21,658
Cash and cash equivalents at the end of the year	8,387	4,510
Cash and cash equivalents comprise of:		
Cash and bank balances	12	24,430
Short-term running finances	18	(16,043)
	8,387	4,510

The accounting policies and explanatory notes on pages 1 to 15 form an integral part of these financial statements.

ALIREZA M. ALLADIN

Chief Executive

KERSI D. KAPADIA

Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2002****Issued,**

	subscribed & paid-up capital (Rs. '000s)	Capital reserve (Rs. '000s)	General reserve (Rs. '000s)	Unappr opriated profit (Rs. '000s)	Total (Rs. '000s)
Balance as at July, 2000	74,991	11,249	180,000	683	266,923
Profit after taxation	-	-	-	49,595	49,595
Transfers	-	-	28,000	(28,000)	-
Dividend	-	-	-	(21,560)	(21,560)
Issue of bonus shares	11,249	(11,249)	-	-	-
Balance as at June 30, 2001	86,240	-	208,000	718	294,958
Profit after taxation	-	-	-	43,281	43,281
Transfers	-	-	22,000	(22,000)	-
Dividend	-	-	-	(21,560)	(21,560)
Balance at June 30, 2002	86,240	-	230,000	439	316,679

The accounting policies and explanatory notes on pages 1 to 15 form an integral part of these financial statements.

ALIREZA M. ALLADIN

Chief Executive

KERSID. KAPADIA

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2002

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan on November 07, 1978 as a public limited company and is listed on all Stock Exchanges in Pakistan. The company is principally engaged in manufacture and sale of tiles. The registered office of the company is situated at 15th Mile Stone, National Highway, Landhi, Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

These financial statements have been prepared, in all material respects, in accordance with International Accounting Standards issued by International Accounting Standards Board (IASB) and interpretations issued by Standing Interpretation Committee of the IASB, as applicable in Pakistan and the requirements of the Companies Ordinance, 1984

2.2 Accounting convention

The financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation.

2.3 Tangible fixed assets and depreciation

2.3.1 Operating fixed assets - Owned

These are stated at cost less accumulated depreciation except freehold land which is stated at cost. Depreciation is charged to income applying the reducing balance method, other than freehold land which is determined to have an indefinite life, at the rates specified in note 3 to the financial statements. Depreciation on addition and disposals during the year is charged proportionately to the period of use.

Maintenance and normal repairs are charged to profit and loss account as and when incurred, while major renewals and improvements are capitalized.

Gains or losses on disposals are included in income currently.

2.3.2 Operating fixed assets - Leased

Finance leases are capitalised at lower of present value of the minimum lease payments at the inception of the lease term and the fair value of leased assets. The related obligations of the lease agreement less finance charges allocated to

future periods are shown as liabilities.

Financial charges are calculated at the interest rate implicit in the lease and are charged to the profit and loss account.

Depreciation is charged to income applying the reducing balance method at the same rate as the Company owned assets.

The company assesses at each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where the carrying values exceed the recoverable amounts, assets are written down to the recoverable amount.

2.3.3 Capital work-in-progress

Capital work-in-progress is stated at cost.

2.4 Stock-in-trade, stores and spares

These are stated at the lower of net realisable value and cost determined as follows:

Raw and packing materials, stores

and spares - average cost.

Work-in-process and finished goods - Cost of direct materials and labour plus attributable overheads.

Goods in transit and stock in bonded

warehouse - Invoice price plus other charges

paid thereon excluding custom duty.

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

2.5 Trade debts

These are stated at original invoice amount less provisions for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

2.6 Cash and bank balances

Cash and bank balances, are carried at cost.

For the purpose of cash flow statement, cash and cash equivalents consist of cash and cheques in hand, cash in transit and bank balances net of short-term running finances utilised under mark-up arrangements maturing within three months from the date of acquisition.

2.7 Long term loan

Long term loan is carried at its principal amount. Instalments due within one year are shown as a current liability and mark-up thereon is charged as an expense on an accrual basis.

2.8 Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the company.

2.9 Retirement benefits

The company operates a recognised provident fund scheme for all its employees. Equal monthly contributions are made, both by the company and employees, to the fund at the rate of 9.33% of the basic salary plus cost of living allowance.

2.10 Compensated absences

The company accounts for these benefits in the period in which the absences are earned.

2.11 Taxation

Provision for current taxation is based on taxable income on current rates of taxation after taking into account tax rebate and tax credits available under the Income-tax Ordinance, 1979, if any.

Deferred tax is provided, using the liability method, on all significant temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.12 Foreign currencies transactions

Transactions denominated in foreign currencies are recorded on initial recognition in Pak. rupees, by applying to the foreign currency amount, the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Pak. rupees equivalents using balance sheet date exchange rates. Non-monetary assets and liabilities are stated using exchange rates that existed when the values were determined. Exchange differences are included in profit and loss account currently.

2.13 Research and development cost

Research and development cost is charged to income as and when incurred.

2.14 Borrowing costs

Borrowing costs are recognised as expense in the period in which they are incurred.

2.15 Revenue recognition

Sales are recognised when goods are delivered to the customers. Return on bank deposit is recognised on an accrual basis.

2.16 Financial instruments

All financial assets and liabilities are recognised at the time when the company becomes party to the contractual provisions of the instrument. Any gain or loss on recognition of financial assets and liabilities is included in the net profit for the period in which it arises.

2.17 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 setoff the recognised amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

3. OPERATING FIXED ASSETS

	COST			Rate of depreciation %	ACCUMULATED DEPRICIATION			Written down value as at June 30, 2002 (Rs. '000s)
	As at July 1, 2001 (Rs. '000s)	Additions/ (disposals) (Rs. '000s)	As at June 30, 2002 (Rs. '000s)		As at July 1, 2001 (Rs. '000s)	Charged for the year/ (disposals) (Rs. '000s)	As at June 30,2002 , (Rs. '000s)	
OWNED								
Freehold land	556	-	556	-	-	-	-	556
Building on freehold land	42,295	-	42,295	5	16,675	1,281	17,956	24,339
Office premises	1,760	-	1,760	5	711	53	764	996
Plant and machinery	246,184	6,084 11,786	264,054	10	147,738	11,107 3,194	162,039	102,015
Furniture and fixtures	7,133	1,991	9,124	10	1,912	642	2,554	6,570
Office equipment and computers	5,746	1,532 (224)	7,054	30	3,421	929 (161)	4,189	2,865
Airconditioning and								

refrigeration	2,907	737 (102)	3,542	20	1,392	391 (77)	1,706	1,836
Vehicles	10,912	621 (2,604)	8,929	20	6,688	731 (1,643)	5,776	3,153
	317,493	22,751 (2,930)	337,314		178,537	18,328 (1,881)	194,984	142,330
LEASED								
Plant and machinery	59,582	7,750 (11,786)	55,546	10	12,152	4,250 (3,194)	13,208	42,338
2002	377,075	18,715 (2,930)	392,860		190,689	19,384 (1,881)	208,192	184,668
2001	360,364	17,734 (1,023)	377,075		171,467	19,646 (424)	190,689	186,386

* Transferred to Company owned fixed assets

	Note	2002	2001
		(Rs. In 000's)	
3.1 Depreciation charge for the year has been allocated as follows :			
Cost of sales	22	17,773	18,076
Administrative expenses	24	659	629
Selling and distribution expenses	25	952	941
		19,384	19,646

3.2 The following operating fixed assets were disposed off during the year.

Particulars	Cost (Rs. 000's)	Accumulated depre- dation (Rs. 000's)	Written down value (Rs. 000's)	Sale proceeds (Rs. 000's)	Gain/ (loss) (Rs. 000's)	Mode of disposal	Particulars of buyer
Office equipment	27	5	22	11	(11)	Negotiation	Cyber Sonic, Islamabad
Office equipment	23	18	5	15	10	Negotiation	Cyber Sonic, Islamabad
Office equipment	24	18	6	8	2	Negotiation	Cyber Sonic, Islamabad
Office equipment	150	120	30	40	10	Negotiation	International Communication System, Karachi
Airconditioners	102	77	25	45	20	Negotiation	A. G. Refrigeration, Karachi
Toyota Corolla	675	534	141	339	198	Negotiation	Mr. Raza Haider, Karachi
Suzuki Khyber	375	252	123	191	68	Negotiation	Mr. Asif Elahi, Employee, Karachi
Suzuki Khyber	360	285	75	126	51	Employees' car scheme	Mr. Asif M. Burney, Employee, Karachi
Suzuki Mehran	210	176	34	72	38	Employees' car scheme	Mr. Ali Baqdool, Employee, Karachi
Suzuki Bolan	287	216	71	103	32	Negotiation	Mrs. Samina, Karachi
Daihatsu Coure	398	89	309	313	4	Employees' car scheme	Mr. Noman-ul-Haque, Employee, Karachi
Motor cycle	62	44	18	25	7	Negotiation	Mr. Ghulam Hussain, Employee, Karachi
Motor cycle	32	27	5	8	3	Negotiation	Mr. Kazim R. Zaidi, Employee, Lahore
Motor cycle	69	5	64	69	5	Insurance claim	Habib Insurance Co. Ltd.

Motor cycle	67	15	52	67	15 Insurance claim	Habib Insurance Co. Ltd.
Motor cycle	69	-	69	69	- Insurance claim	Habib Insurance Co. Ltd.
	2,930	1,881	1,049	1,501	452	

	Note	2002	2001
		(Rs. In 000's)	
4. CAPITAL WORK-IN-PROGRESS			
Plant and machinery		27,616	2,005
Civil works		8,156	-
		35,772	2,005
5. LONG-TERM LOANS			
Unsecured, considered good			
Due from executives	5.2	333	217
Due from other employees		705	588
		1,038	805
Less : Current portion shown under current assets	10	936	758
		102	47

5.1 This represents mark-up free loans given to the employees for purchase of property which is repayable within two years.

5.2 Maximum amount due from executives at the end of any month during the year was Rs. 0.367 million (2001: Rs. 0.237 million).

5.3 There were no loans to employees outstanding for a period exceeding three years.

	Note	2002	2001
		(Rs. In 000's)	
6. LONG-TERM DEPOSITS			
Lease deposits		4	3,884
Less: Current portion shown under current assets 11		—	1,179
		4,401	2,705
Tenancy		294	294
Utilities		3,115	771
Others		300	300
		8,110	4,070
7. STORES AND SPARES			
Stores		13,072	14,189
Spares			
In hand		10,787	10,381
In bonded warehouse		4,146	2,820
		14,933	13,201
In-transit		30	10
		28,035	27,400

	Note	2002	2001
		(Rs. In 000's)	
8. STOCK-IN-TRADE			
Raw and packing materials :			
In hand		27,238	23,825
In bonded warehouse		11,390	15,653
In-transit		2,952	1,595
		41,580	41,073
Work-in-process		10,831	11,904
Finished goods			
In hand		44,286	36,056
In-transit		106	—
		44,392	36,056
		96,803	89,033
9. TRADE DEBTS			
Unsecured, considered good		138,572	119,328
Considered doubtful		75	75
		138,647	119,403
Less : Provision for doubtful debts		75	75
		138,572	119,328

10. LOANS, ADVANCES AND OTHER RECEIVABLES

Unsecured - considered good

Loans:

Due from employees		733	639
Current portion of long-term loans	5	936	758
		1,669	1,397

Advances:

Suppliers and contractors		917	245
Sales-tax		16	125
Income tax - net		8,937	3,315
Others	10.1	1,230	-
Excise duty on Glaze	20.1.2	1,696	1,696
Tiles		374	374
		2,070	2,070
		13,170	5,755

Receivables :

Associated undertaking	10.2	869	274
Profit accrued on bank deposit		83	98
Others		41	56
		993	428
		15,832	7,580

10.1 This represents pay order issued in favour of Collector of Customs in respect of import related taxes and duties for the clearance of goods in bonded warehouse.

10.2 Maximum amount due from an associated undertaking at the end of any month during the year was Rs. 2.847 million (2001 : Rs. 1.882 million).

Note	Note	2002	2001
		(Rs. In 000's)	
11. DEPOSITS AND PREPAYMENTS			
Deposits :			
Current portion of long-term deposits	6	-	1,179
Guarantees margin		421	385
Others		146	44
		567	1,608
Prepayments		1,010	2,918
		1,577	4,526
12. CASH AND BANK BALANCES			
Cash in hand		4,807	3,073
Cheques in hand		6,982	11,779
Cash-in-transit		7,229	2,489
At banks:			
In current accounts		4,479	6,737
In deposit account		933	46
		24,430	24,124

13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2002	2001	2002	2001
(Number Of Ordinary Shares Of Rs. 5 each)			
6,863,200	6,863,200	Fully paid in cash	34,316
1,150,000	1,150,000	Paid for consideration other than cash	5,750
9,235,024	9,235,024	Issued as fully paid bonus shares	46,174
17,248,224	17,248,224	86,240	86,240

14. RESERVES Capital reserve:

Balance at the beginning of the year	—	11,249
Utilised towards the issue of bonus shares	-	(11,249)
Revenue reserves :	—	—
General reserve		
Balance at the beginning of the year	208,000	180,000
Transferred from profit and loss account	22,000	28,000
	230,000	208,000
Unappropriated profit	439	718
	230,439	208,718

	Note	2,002 (Rs. In 000's)	2,001
15. LONG TERM LOANS - Secured			
Term finance from a bank	15.1	42,482	
Less : Current portion shown under current liabilities		20,250	—
		<u>22,232</u>	<u>-</u>

15.1 An amount of Rs. 42.482 million out of total facility of Rs. 135 million has been disbursed as at June 30,2002. The finance is secured by exclusive equitable mortgage on all present and future fixed assets of the company and by way of hypothecation over the fixed assets of the company.

The mark-up for first two years is fixed at the rate 12.5% per annum and thereafter at SBP discount rate plus 3% with a floor of 12.5% and no cap and is payable quarterly. The finance is repayable in twenty equal quarterly installments commencing from October 1, 2002.

In the event, the company fails to pay any amount on a specified date, the company shall be liable to pay a further sum equal to 20% per annum of the amount becoming so due and remained unpaid.

16. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

The rate of mark-up used as the discounting factor ranges between 15.96 to 18.00 (2001 : 17.00 to 21.50) percent per annum.

The amount of future minimum lease payments together with their present values and the periods during which they fall due are as follows:

	2002		2001	
	Minimum lease payments (Rs. 000's)	Present value of lease payments (Rs. 000's)	Minimum lease payments (Rs. 000's)	Present value of lease payments (Rs. 000's)
Not later than one year	15,714	10,197	16,683	10,495
Later than one year and not later than five years	34,113	28,879	39,955	31,869
	<u>49,827</u>	<u>39,076</u>	<u>56,638</u>	<u>42,364</u>
Less: Finance charges allocated to future periods	10,751	-	14,274	-
Present value of minimum lease payments	<u>39,076</u>	<u>39,076</u>	<u>42,364</u>	<u>42,364</u>
Less: Current maturity shown under current liabilities	10,197	10,197	10,495	10,495
	<u>28,879</u>	<u>28,879</u>	<u>31,869</u>	<u>31,869</u>

At the end of lease period, the ownership of the assets will be transferred to the company on payment of the residual value. There are no financial restrictions in the lease agreements. The liability is partly secured by deposits of Rs. 3.165 million (2001 : Rs. 3.568 million).

	Note	2002 (Rs. In 000's)	2001
17. DEFERRED TAXATION			
Deferred taxation is composed of:			
Deferred tax liability:			
Difference in tax and accounting bases of operating fixed assets		30,038	28,230
Deferred tax asset:			
Debit arising in respect of provision for doubtful debts		(26)	(26)
		<u>30,012</u>	<u>28,204</u>
18. SHORT-TERM RUNNING FINANCES - Secured			
From banks under mark-up arrangements		<u>16,043</u>	<u>19,614</u>

The above finances are secured against hypothecation of stocks, book debts and registered mortgage of fixed assets ranking pari-passu with other creditors. The rate of mark-up ranges between 35.62 paisas to 37.00 paisas (2001 : 38.36 paisas to 43.00 paisas) per thousand rupees per day on a daily product basis payable currently.

The aggregate facilities amounted to Rs. 55 million (2001 : Rs. 45 million), out of which Rs. 38.957 million (2001 : Rs. 25.386 million) remained unutilized at the year-end.

19. CREDITORS, ACCRUED AND OTHER LIABILITIES

Trade creditors	15,828	7,583
Accrued liabilities	20,368	15,891

Advances from customers	13,244	23,155
Mark-up accrued on secured short-term running finances	1,861	-
Deposits against employees' car scheme	1,909	767
Workers' profit participation fund	3,588	4,079
Workers' welfare fund	1,444	1,503
Due to an associated undertaking	593	134
Income-tax deducted at source	459	170
Sales-tax payable	6,777	2,591
Unclaimed dividend	1,978	1,926
	68,049	57,799
19.1 WORKERS' PROFIT PARTICIPATION FUND		
Balance at beginning of the year	4,079	4,079
Interest on fund utilised in company's business	568	615
	4,647	4,694
Less : Amount paid to the trustees of the fund	4,647	4,694
Allocation for the year	3,588	4,079
Balance at end of the year	3,588	4,079

20. CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Letters of guarantee outstanding amounted to Rs. 0.510 million (2001 : Rs. 0.510 million).

20.1.2 Claims made by the Excise and Taxation Department but not acknowledged as debt by the company amounted to Rs. 1.696 million (2001 : Rs. 1.696 million) approximately. The same has been paid and shown as advance in note 10. The recovery of the amount depends on the outcome of proceedings initiated by the Company. As the management of the company is confident that ultimate decision will be in the company's favour, no provision has been made thereagainst in the financial statements.

20.2 Commitments

20.2.1 Aggregate commitments for capital expenditure in respect of plant and machinery and civil works amounted to approximately Rs. 93.706 million and Rs. 5.522 million respectively (2001 : nil).

20.2.2 Commitments in respect of rentals under lease agreements for motor vehicles are as follows:

Not later than one year	3,423	1,700
Later than one year but not later than five years	6,070	3,587
	9,493	5,287

20.2.3 Custom duties on raw materials and spare parts in bonded warehouse payable on their clearance amounted to Rs. 2.424 million (2001 : Rs. 4.327 million).

20.2.4 Letters of credit outstanding amounted to Rs. 18.993 million (2001 : Rs. 6.444 million).

Note	2002	2001
	(Rs. In 000's)	
21. TURNOVER		
Sales	793,139	738,314
Less: Sales-tax	117,935	104,270
Trade discount	88,192	106,214
	206,127	210,484
	587,012	527,830

Note	2002	2001
	(Rs. In 000's)	
22. COST OF SALES		
Raw and packing materials consumed		
Opening stock	41,073	29,265
Purchases	165,254	163,412
Closing stock	(41,580)	(41,073)
	164,747	151,604
Manufacturing expenses :		
Salaries, wages and other benefits	58,051	53,175
Fuel, power and water	90,165	72,279
Stores and spares consumed	40,910	36,129

Postage and telephones		2,953	2,668
Travelling and conveyance		5,814	4,309
Printing and stationery		1,209	503
Electricity, water and gas		1,471	1,176
Vehicles running		1,465	1,676
Lease rentals		430	484
Insurance		894	875
Legal and professional charges		151	39
Repairs and maintenance		2,174	1,639
Depreciation	3.1	952	941
Entertainment		652	510
Advertisement and publicity		2,783	2,385
Sales promotion		8,117	10,506
Freight and octroi outwards		23,359	18,191
Others		727	410
		65,644	55,654

26. STAFF RETIREMENT BENEFITS

The charge for retirement benefits of Rs. 2.178 million (2001 : Rs. 1.980 million) is included in the figures of salaries, wages and other benefits of manufacturing, administrative and selling and distribution expenses.

	Note	2,002 (Rs. In 000's)	2,001
27. OTHER CHARGES			
Workers' profit participation fund	19.1	3,588	4,079
Workers' welfare fund		1,343	1,437
		4,931	5,516

28. FINANCIAL CHARGES

Mark-up/interest on :			
- Long term loans		912	
Finance lease obligations		6,605	8,064
- Short-term running finances		2,944	2,252
- Workers' profit participation fund	19.1	568	615
Bank charges, commission and other charges		929	900
		11,958	11,831

29. TAXATION

Current			
- for the year		23,000	25,000
- for prior year		(1,249)	(1,544)
		21,751	23,456
Deferred	17	1,808	3,011
		23,559	26,467

The Company's assessments have been completed upto the assessment year 2001-2002.

30. BASIC EARNINGS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on :

Profit after taxation	43,281	49,595
Number of ordinary shares in issue	17,248,224	17,248,224
Basic earnings per share (Rs.)	3	3

	Note	2002 (Rs. In 000's)	2001
31. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS			
Registrar's services fee		442	456
Insurance premium		4,986	3,905
Insurance claims received		3,788	3,262

32. LIQUIDITY RISK

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with the financial instruments. To guard against the risk, the company has diversified funding sources and the assets are managed with liquidity in mind. The maturity profile is monitored to ensure that adequate liquidity is maintained.

33. YIELD / MARK-UP RATE RISK

Yield/mark-up rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market yield/mark-up rates. Sensitivity to yield/mark-up rate risk arises from mismatches of financial assets and liabilities that mature or reprice in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The company is exposed to yield/mark-up rate risk in respect of the following :

2002					
Effective yield/mark-up rate %	Exposed to yield / mark-up rate risk				Not exposed to yield / mark-up rate risk
	Total	Maturity upto one year	Maturity after one year	Sub-total	
(Rs. 000's)					
Financial Assets					
Loans	1,771	-	-	-	1,771
Deposits	4,276	-	-	-	4,276
Trade debts	138,572	-	-	-	138,572
Other receivables	993	-	-	-	993
Cash and bank balances	24,430	932	-	932	23,498
	170,042	932	-	932	169,110
Financial Liabilities					
Long term loan	13	42,482	20,250	22,232	42,482 -
Liabilities against assets subject to finance leases	15.96-18.00	39,076	10,197	28,879	39,076 -
Short term running finances	13.00-13.50	16,043	16,043	-	16,043 -
Creditors, accrued and other liabilities		40,328	-	-	40,328
Proposed dividend		21,560	-	-	21,560
		159,489	46,490	51,111	97,601
Total yield / mark-up rate risk sensitivity gap		10,553	(45,558)	(51,111)	(96,669)
Cumulative yield / mark-up rate risk sensitivity gap			(45,558)	(96,669)	

2001					
Effective yield/mark-up rate %	Exposed to yield / mark-up rate risk				Not exposed to yield / mark-up rate risk
	Total	Maturity upto one year	Maturity after one year	Sub-total	
(Rs. 000's)					
Financial Assets					
Loans	1,444	-	-	-	1,444
Deposits	1,794	-	-	-	1,794
Trade debts	119,328	-	-	-	119,328
Other receivables	428	-	-	-	428
Cash and bank balances	24,124	46	-	46	24,078
	147,118	46	-	46	147,072
Financial Liabilities					
Liabilities against assets subject to finance leases	17.00-21.50	42,364	10,495	31,869	42,364 -
Short term running finances	14.00-15.70	19,614	19,614	-	19,614 -
Creditors, accrued and other liabilities		25,334	-	-	25,334
Proposed dividend		21,560	-	-	21,560
		108,872	30,109	31,869	61,978
Total yield / mark-up rate risk sensitivity gap		38,246	(30,063)	(31,869)	(61,932)
Cumulative yield / mark-up rate risk sensitivity gap			(30,063)	(61,932)	

34. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and

cause the other party to incur a financial loss.

Concentration of credit risk arises when a number of counterparties 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 economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on trade debts, loans, advances, deposits and other receivables. The Company seeks to minimise the credit risk exposure through obtaining advances from customers and continuously assessing their credit worthiness.

35. FOREIGN EXCHANGE RISK MANAGEMENT

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions with foreign undertakings. Financial liabilities include Rs. 5.879 million (2001 : nil) in foreign currencies which are subject to currency risk exposure.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

The carrying value of all the financial instruments reflected in the financial statements approximate their fair values.

37. NUMBER OF EMPLOYEES

The company employed 519 (2001 : 507) employees at the end of the year.

38. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 16th September, 2002 by the Board of Directors of the company.

39. PRODUCTION CAPACITY

During the year, the capacity attained was 2.115 million sq. metres of tiles (2001 : 1.983 million sq. metres) against annual manufacturing capacity of 1.800 million sq. metres (2001 : 1.800 million sq. metres).

40. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executives and Executives is as follows:

	2002			2001		
	Chief Executive	Executives	Total	Chief Executive	Executives	Total
	(Rs. '000s)					
Managerial remuneration	1,163	5,088	6,251	771	4,618	5,389
Housing and utilities	637	2,610	3,247	422	2,356	2,778
Leave fare assistance, leave encashment and bonus	48	1,610	1,658	83	1,341	1,424
Reimbursement of Medical expenses	93	374	467	61	405	466
Retirement benefits	108	669	777	72	708	780
	2,049	10,351	12,400	1,409	9,428	10,837
Number of persons	1	31	32	1	25	26

Fees amounting to Rs. 10,000 (2001 : Rs. 5,500) was paid to seven (2001 : seven) Directors for attending Board Meetings during the year.

In addition, the Chief Executive, and Executives are provided with free use of company's cars.

41. CORRESPONDING FIGURES

Previous year's figures have been re-arranged, wherever necessary for the purposes of comparison. Significant re-arrangements made are as follows :

(Rs. 000's)

41.1 Short-term deposits reclassified as long term deposits
41.2 Short-term running finances included as part of cash and cash equivalents

1,165
19,614

41.1 Short-term deposits reclassified as long term deposits

41.2 Short-term running finances included as part of

cash and cash equivalents

The above figures have been re-arranged as the re-classification made is considered more appropriate for purposes of presentation.

42. GENERAL

Figures have been rounded off to the nearest thousand rupees.

PERFORMANCE OF LAST SIX YEARS

	30th June 2002 (Rs. '000s)	30th June 2001 (Rs. '000s)	30th June 2000 (Rs. '000s)	30 June 1999 (Rs. '000s)	30th June 1998 (Rs. '000s)	30th June 1997 (Rs. '000s)
ASSETS EMPLOYED						
Fixed assets including CWIP	220,440	188,391	188,902	141,351	131,847	137,078
Long-term loans & deposits	8,212	4,117	4,771	5,180	3,521	4,595
Working capital						
Current assets	305,249	271,991	237,819	225,992	194,401	156,180
Current liabilities	136,099	109,468	97,199	99,105	82,126	79,255
	169,150	162,523	140,620	126,887	112,275	76,925
	397,802	355,031	334,293	273,418	247,643	218,598
FINANCED BY						
Paid-up capital	86,240	86,240	74,991	74,991	68,174	68,174
Reserves	230,439	208,718	191,932	166,593	156,922	121,350
Shareholders' equity	316,679	294,958	266,923	241,584	225,096	189,524
Long-term loan	22,232	-	-	-	-	-
Liabilities against assets subject to finance leases	28,879	31,869	42,177	10,169	8,297	16,324
Deferred taxation	30,012	28,204	25,193	21,665	14,250	12,750
	397,802	355,031	334,293	273,418	247,643	218,598
Turnover	587,012	527,830	453,571	392,075	346,183	326,411
% of Growth	11.21%	16.37%	15.68%	13.26%	6.06%	7.87%
Gross profit	165,463	165,235	144,408	123,776	126,581	121,256
Gross profit (%)	28.19%	31.30%	31.84%	31.57%	36.56%	37.15%
Administrative expenses	17,174	17,280	15,118	14,630	13,411	11,796
% of Turnover	2.93%	3.27%	3.33%	3.73%	3.87%	3.61%
Selling & distribution expenses	65,644	55,654	43,180	36,109	32,447	27,665
% of Turnover	11.18%	10.54%	9.52%	9.21%	9.37%	8.48%
Financial charges	11,958	11,831	7,381	7,475	7,373	4,007
% of Turnover	2.04%	2.24%	1.63%	1.91%	2.13%	1.23%
Profit before taxation	66,840	76,062	74,826	62,344	70,107	75,169
% of Turnover	11.39%	14.41%	16.50%	15.90%	20.25%	23.03%
Profit after taxation	43,281	49,595	45,962	35,236	49,207	51,169
% of Turnover	7.37%	9.40%	10.13%	8.99%	14.21%	15.68%
Cash dividend	21,560	21,560	20,623	18,748	13,635	13,635
Cash dividend (%)	25.00%	25.00%	27.50%	25.00%	20.00%	20.00%
Stock dividend	-	-	11,249	-	6,817	-
Stock dividend (%)	-	-	15.00%	-	10.00%	-
Break-up value of Rs. 5/= share	18.36	17.1	17.8	16.11	16.51	13.9
Earning (before taxation) per share	3.88	4.41	4.99	4.16	5.14	5.51
Earning (after taxation) per share	2.51	2.88	3.06	2.35	3.61	3.75
Receivables no. of days	72	69	59	57	56	47
Current ratio	2.24	2.48	2.45	2.28	2.37	1.97
No of employees	519	507	499	461	430	426

PATTERN OF SHAREHOLDINGS

AS ON 30TH JUNE, 2002

NUMBER OF SHAREHOLDERS	SHAREHOLDINGS		TOTAL SHARES HELD
	FROM	TO	
1022	1	100	34,315
844	101	500	215,807
360	501	1,000	261,636
452	1,001	5,000	979,985
84	5,001	10,000	629,054
32	10,001	15,000	393,723
11	15,001	20,000	202,287
6	20,001	25,000	135,089
3	25,001	30,000	80,318
3	30,001	35,000	94,520
1	40,001	45,000	42,000
2	45,001	50,000	93,062
2	50,001	55,000	103,652
1	60,001	65,000	64,356
3	65,001	70,000	207,297
3	70,001	75,000	224,970
2	80,001	85,000	162,455
1	95,001	100,000	99,299
2	110,001	115,000	224,448
1	120,001	125,000	120,771
1	125,001	130,000	126,500
4	135,001	140,000	543,100
1	145,001	150,000	149,981
1	150,001	155,000	152,619
1	165,001	170,000	166,571
1	170,001	175,000	170,018
1	175,001	180,000	175,868
1	180,001	185,000	180,872
1	185,001	190,000	185,561
1	195,001	200,000	200,000
4	215,001	220,000	861,503
1	250,001	255,000	253,457
1	270,001	275,000	270,170
3	295,001	300,000	899,875
1	320,001	325,000	323,447
3	445,001	450,000	1,347,309
1	485,001	490,000	485,095
1	520,001	525,000	524,943
1	1,715,001	1,720,000	1,716,563
1	4,145,001	4,150,000	4,145,728
2,865	TOTAL		17,248,224

**DETAILS OF PATTERN OF SHAREHOLDING AS PER
REQUIREMENTS OF CODE OF CORPORATE GOVERNANCE**

S. CATEGORIES OF NO. SHAREHOLDERS	NUMBER OF SHARES HELD	CATEGORY WISE NO. OF SHAREHOLDERS	CATEGORY WISE SHARES HELD	PERCENTAGE (%)
1. INDIVIDUALS		2,797	6,290,840	36.47
2. JOINT STOCK COMPANIES		26	522,543	3.03
3. DIRECTORS, CHIEF EXECUTIVE OFFICER AND THEIR SPOUSE AND MINOR CHILDREN		13	838,461	4.86
Mr. Rafiq M. Habib	300,000			
Mr. Ali S. Habib	300,000			
Mr. Alireza M. Alladin	1,912			
Mr. Abdul Hai M. Bhaimia	47,830			
Mr. Kersi D. Kapadia	14,992			
Mr. Mansoor Q. Habib	1,000			
Mr. Nazim F. Haji	1,912			
Mrs. Jamila Rafiq W/o. Mr. Rafiq M. Habib	99,299			
Mrs. Rukhsana Ismail W/o. Mr. Abdul Hai M. Bhaimia	69,686			
Mrs. Batul Nazim Haji W/o. Mr. Nazim F. Haji	1,830			

4 EXECUTIVE

5 NIT/ICP		4	1,866,812	10.83
National Bank of Pakistan, Trustee Deptt.	1,716,563			
Investment Corporation of Pakistan	150,249			

6 ASSOCIATED COMPANIES

Pakistan Papersack Corporation Limited	449,951	2	974,894	5.65
Habib Insurance Company Limited	524,943			

7 PUBLIC SECTOR COMPANIES AND CORPORATIONS**8 BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS**

	4	127,527	0.74
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9 FOREIGN INVESTORS

	11	6,173,653	35.79
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10 CO-OPERATIVE SOCIETIES

	3	46,693	0.27
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11 CHARITABLE TRUSTS

	4	374,951	2.18
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12 OTHER		1	31,850	0.18
Total		2,865	17,248,224	100

SHAREHOLDERS HOLDING 10% PERCENT OR MORE OF ISSUED CAPITAL

Total Paid-up Capital of the Company	17,248,224	Shares
10% of the Paid-up Capital of the Company	1,724,822	Shares

NAME(S) OF SHARE HOLDER(S)	DESCRIPTION	NO OF SHARES HELD	PERCENTAGE %
ROBERT FINANCE CORPORATION	FALLS IN CATEGORY	4,769,050	27.65