

TREET CORPORATION LIMITED.

Annual Reports 2002

BOARD OF DIRECTORS

Syed Wajid Ali Chairman
Syed Shahid Ali Chief Executive Officer
Dr, Mrs. Niloufer Mahdi
Syeda Ferial Rifaat Ali
Mr. Basil H. Syed (Nominee International General Insurance Company of Pakistan Limited)
Mr. Asit Jameel (Nominee National Investment Trust Limited)
Syed Sheharyar Ali
Mr. Muhammad Shafique Anjum

BOARD AUDIT COMMITTEE

Mr. Basil H. Syed Chairman
Mr. Asit Jameel Member
Syed Sheharyar Ali Member

COMPANY SECRETARY & CHIEF FINANCIAL OFFICER

Anwar Khalil Sheikh

EXTERNAL AUDITORS

Taseer Hadi Khalid & Co.
Chartered Accountants
Lahore.

INCOME TAX CONSULTANTS

Gardezi & Co.
Chartered Accountants
Lahore.

LEGAL ADVISORS

Salim & Baig, Advocates - Lahore.

BANKERS

Standard Chartered Bank Limited Bank Al-Habib Limited
Askari Commercial Bank Limited Habib Bank Limited
Mashreq Bank psc. National Bank of Pakistan
United Bank Limited Habib Bank A.G. Zurich
PICIC Commercial Bank Limited

REGISTERED OFFICE & SHARE DEPARTMENT

72-B, Kot Lakhpat Industrial Area, Lahore.
Phones: 042-5830881, 5156567 & 5122296
Fax: 042-5836770 E-mail: treet@nexlinx.net.pk & treet@tele.net.pk

FACTORIES

Hali Road, P.O. Box No. 308, Hyderabad.
Phones : 0221-880846, 883058 & 883174
Fax : 0221-880172
E-mail : treet@hyd.netasia.com.pk
72-B, Kot Lakhpat Industrial Area, Lahore.
Phones : 042-5830881, 5865907, 5865947, 5865951 : 042-5156567, 5156568, 5156572, 5156577 Fax : 042-5836770
E-mail : treet@nexlinx.net.pk & treet@tele.net.pk

NATIONAL SALES OFFICE

56, Shahrah-e-Quaid-e-Azam, Lahore.
Phones : 042-6303680, 6303501, 6303502
Fax : 042-6303681
E-mail : treet@brain.net.pk

KARACHI OFFICE

17-Abdullah Haroon Road, Karachi. Phone : 021-5681576

Fax : 021-5681575

E-mail : treet@cyber.net.pk

Company's History

The Ali family of Pakistan commenced its business activities in South East Asia about a century ago under the dynamic leadership of Late Sir Syed Muratib Ali, a nationally respected and honored pioneer. His unremitting efforts and devotion to the highest standard of integrity and honest dealings contributed in no small measure to the success of his ventures in the highly competitive environment of pre-independence days in subcontinent. It is a legacy that has been maintained to the present.

From 1947 onward, the family diversified from the main business of agriculture & trading into the fledgling industries of soaps, vegetable oil and razor blades in 1954 & 1956. The enterprises were consolidated in to a Public Limited Company, quoted on Pakistan Stock Exchange in 1959. Later, in 1977, the razor blade and soap operations were managed under the rubric of new company, the Treet Corporation, also a Public Limited Company, Quoted on the Stock Exchanges.

In 1984, Treet set up a second factory, the machinery and technology was imported from American Safety Razor Company Staunton USA to manufacture super quality, double edge stainless steel blades & bounded shaving system. In 1997 Treet obtained ISO-9002 Certification from BSI, UK.

The Manufacturing Operations of blades are located in Hyderabad and Lahore and that of Soaps in Gujranwala and the marketing of all brands produced through these locations are managed from marketing and sales offices situated in Lahore.

Treet's distribution network covers more than 350 cities in Pakistan, 35,000 retailers directly and indirectly. Through the extensive distribution network Treet enjoys 75% Share of the Pakistan domestic market in double edge blades category and 60% share of exports of total razor blades from Pakistan.

Treet Corporation Limited, the leading manufacturer of top quality shaving products for the past 45 years, received ISO-9002 certification in 1997 from BSI, U.K., one of the initial recipients of certificate in Pakistan.

Treet practices and closely monitors quality through Total Quality Management. Quality products for the satisfaction of its customer is the main objective of the company. Hence ISO-9002 is an assurance that Treet meets the world quality standards and its products can compete in the world market on quality.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fifth Annual General Meeting of Treet Corporation Limited will be held at Ambassador Hotel, 07-Davis Road, Lahore on Tuesday October 22, 2002 at 10.00 A.M. to transact the following Ordinary and Special Business:

A. ORDINARY BUSINESS

- 1 To confirm the minutes of previous Extraordinary General Meeting of the shareholders held on June 13, 2002.
- 2 To receive, consider and adopt the statement of audited accounts for the year ended June 30, 2002 along with the reports of Auditor and Directors thereon.
- 3 To approve and declare a dividend @ 133% (Rs. 13.30 per share) as recommended by the Board of Directors.
- 4 To appoint Auditors of the Company for the year ending June 30, 2003 and to fix their remuneration. The retiring

Auditors M/S. Taseer Hadi Khalid & Co., Chartered Accountants offer themselves for re-appointment.

B. SPECIAL BUSINESS

5 To consider and pass the following ordinary resolution as recommended by the Board:

"RESOLVED that consent be and is hereby given for the payment, as remuneration to Syed Shahid Ali Chief Executive Officer/Managing Director, of the sum not exceeding Rs. 3,600,000/= per annum effective from July 01, 2002 and for the provision to him of housing, transport, medical and leave fare facilities and other benefits or relating to his office in accordance with the Company's rules from time to time enforced."

6 To transact any other business with the permission of the Chair.

By order of the Board

Lahore: September 20, 2002

(ANWAR KHALIL SHEIKH)

Company Secretary

STATEMENT U/S 160 (1) (b) OF THE COMPANIES ORDINANCE 1984.

Item No. 5 of the Agenda - Remuneration of Chief Executive Officer

The remuneration of Syed Shahid Ali holding the position of Chief Executive Officer/Managing Director and drawing Rs.1,380,000/=per annum from July 1, 2000 is being revised with effect from July 1, 2002 as recommended by the Board of Directors

Syed Shahid Ali is interested in this business to the extent of his remuneration.

Notes:

1 The share transfer Books of the Company will remain closed from October 16, 2002 to October 22, 2002 (both days inclusive).

2 Any member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting.

3 The shareholders having shares deposited with the Central Depository Company (CDC) are requested to bring their original National Identity Card or passport and CDC account number for verification.

4 Members are requested to promptly notify the Company of any change in their addresses.

DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of your company take pleasure in presenting their Annual Report together with your company's Annual Audited Financial Statements for the year ended June 30, 2002.

ECONOMIC CONDITIONS

Pakistan economy came under immense pressures following the September 11, 2001 terrorist attacks on United States of America and its aftermath and global concern for war against terrorism, which led to attacks on Afghanistan. This inexorable situation acted as a whirlpool of economic difficulties, by not only disrupting the trading activities, but also increasing the cost of international trade owing to escalation in freight and war risk insurance charges. This disruption has caused an obvious decline in exports and imports. Furthermore, the overall investment is also on the wane.

Nevertheless, there have been some positive developments also and the worst economic conditions have been neutralized by removal of economic sanctions, foreign aid, rescheduling of loans, grants and assistance to set off the budgetary gap as well as support to the balance of payments.

COMPANY OPERATIONS

Despite harsh economic environment, the financial results of your Company for the year 2002 epitomizes and incessant growth. By the grace of Almighty Allah and the excellent efforts of all our colleagues, the sales revenue of your Company has increased by 16.16% over last year. Segment wise analysis portray an increase of 23.44% in local razor blade sales and 7.72% in razor blade exports, however the sales revenue from soaps has been reduced by 5.64% as compared to last year. This decline in soap sales is mainly due to relentless economic drought, coupled with the stiff competition given by major competitors. Your Company has also achieved an increase of 9.35% in the production of razor blades over last year.

The company posted profit after tax at Rs. 138.577 million which is up by 174.44% against Rs. 50.494 million in previous year. Net profit as a percentage of sales has also increased to 15.90% as compared to 6.73% of last year. The earning per share comes to Rs 33.13 as compared to Rs. 12.07 of corresponding year. The elements contributing towards the increase in the Company Profits are substantial Growth in Sales revenue, reduction in costs due to effective and timely application of controls at each activity level and efficiently managed cash flow.

The financial results of your company are as follows:-

| | 2002 | 2001 |
|--|-----------------------|---------------|
| | (Rupees in thousands) | |
| Profit before taxation | <u>197,385</u> | <u>94,376</u> |
| Less: provision for taxation | | |
| - Current | 58,808 | 43,262 |
| - Prior | - | 620 |
| | 58,808 | 43,882 |
| Profit after taxation | 138,577 | 50,494 |
| Add : Un-appropriated profit brought forward | 86 | 103 |
| Effect of change in accounting policy | 6,364 - | |
| | 7,579 - | |
| | 14,029 | 103 |
| Profit available for appropriation | <u>152,606</u> | <u>50,597</u> |
| Appropriation: | | |
| Proposed cash dividend | 55,623 | 20,911 |
| Transfer to general reserve | 96,900 | 29,600 |
| | 83 | 86 |
| Earnings per share | <u>33.13</u> | <u>12.07</u> |

The Directors of your company has recommended a cash dividend of Rs. 13.30 per share i.e. @ 133 %.

CODE OF CORPORATE GOVERNANCE

While the world has witnessed a major stride forward and a growing interest for good corporate governance, the need to have a Code responsive to our objective circumstances was being increasingly felt. Therefore, the need to have a frame work of good corporate governance has never been as impelling as it is today. To cater these needs the Securities and Exchange Commission of Pakistan (SECP) has issued a Code of Corporate Governance and directed to all stock exchanges to insert its clauses in their respective listing regulations. The management of your company welcomes this act of SECP for implementation of good governance in corporate sector and is pleased to incorporate and implement its requirements in your Company.

Statements in Compliance of Code

In compliance to the Code, the Board of Directors of your Company states that:

- The financial statements, prepared by the management of your company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account have been maintained by your company.
- Appropriate accounting policies are consistently applied by your Company in the preparation of financial statements, and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of these financial statements and any departure therefrom, if any, has adequately been disclosed.
- The System of Internal Control, being implemented in your Company is sound and has been effectively persisted throughout the year.
- Keeping in view of the financial position of your Company, we do not have any significant doubt upon its continuance as a going concern.
- There also has not been any material departure from the best practices of corporate governance, as detailed in the listing regulations, during the year under review.

Employee Benefit Funds

The audit of the financial statements of Treet Corporation Limited Employees Provident Fund, Treet Corporation Limited Employees Gratuity Fund and Treet Corporation Limited Staff Retirement Benefit Fund for the year 2002 has not yet been completed, hence, the values of their respective investments cannot be determined with certainty.

Audit Committee

In compliance with the Code, the Board of Directors of your Company has established an Audit Committee comprising of the following directors as its members.

1. Mr. Basit H. Syed (Chairman)
2. Mr. Asif Jameel (Member)
3. Syed Sheharyar Ali (Member)

Internal Audit

In compliance with the Code, the Board of Directors of your Company has also established an Internal Audit Function to monitor and review the adequacy and implementation of Internal Control at each level of your Company.

Key Operating and Financial Data

Following is the key operating and financial data of your Company for the last six years:-

| | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|------------------------|---------|---------|---------|---------|---------|---------|
| Sales | 871,577 | 750,293 | 634,736 | 667,674 | 774,267 | 689,502 |
| Gross profit | 282,452 | 181,808 | 137,221 | 168,214 | 184,272 | 114,553 |
| Profit before taxation | 197,385 | 94,376 | 51,641 | 78,887 | 53,390 | 40,432 |
| Profit after taxation | 138,577 | 50,494 | 29,590 | 50,568 | 26,490 | 29,540 |
| Shareholders' equity | 317,254 | 220,357 | 190,774 | 173,312 | 143,655 | 117,165 |
| Fixed assets-net | 118,690 | 127,876 | 143,551 | 138,741 | 124,038 | 104,881 |
| Total assets | 706,308 | 539,545 | 471,086 | 475,363 | 405,066 | 371,720 |

| | | | | | | |
|-------------------------------------|---------|---------|---------|---------|---------|---------|
| Total liabilities | 389,054 | 319,188 | 280,312 | 302,051 | 261,411 | 254,555 |
| Current assets | 571,422 | 397,760 | 309,516 | 313,499 | 252,940 | 226,486 |
| Current liabilities | 380,163 | 224,899 | 193,552 | 216,422 | 182,033 | 206,434 |
| Dividend | 133% | 50% | 29% | 50% | - | 15% |
| Important Ratios | | | | | | |
| Profitability | | | | | | |
| Gross profit | 32.41 | 24.23 | 21.62 | 25.19 | 23.8 | 16.61 |
| Profit before taxation | 22.65 | 12.58 | 8.14 | 11.82 | 6.9 | 5.86 |
| Profit after taxation | 15.9 | 6.73 | 4.66 | 7.57 | 3.42 | 4.28 |
| Return to Shareholders | | | | | | |
| Return on equity before taxation | 62.22 | 42.83 | 27.07 | 45.52 | 37.17 | 34.51 |
| Return on equity after taxation | 43.68 | 22.91 | 15.51 | 29.18 | 18.44 | 25.21 |
| Earnings per share | 33.13 | 12.07 | 7.08 | 12.09 | 6.33 | 7.06 |
| Liquidity / Leverage | | | | | | |
| Current ratio | 1.5 | 1.77 | 1.6 | 1.45 | 1.39 | 1.1 |
| Breakup value per share | 75.86 | 52.69 | 45.62 | 41.44 | 34.35 | 28.01 |
| Total liabilities to equity (Times) | 0.82 | 0.69 | 0.68 | 0.57 | 0.55 | 0.46 |

Meetings of the Board of Directors

During the year, the Board of Directors of your company has met three times and the attendance at each of these meetings is as follows:-

| Name of Directors | Meetings of the Board During the Year 2002 Held on | | |
|------------------------------|--|------------------|------------------|
| | November 29,2001 | January 28,2002 | April 18,2002 |
| Syed Wajid Ali | Present | Present | Present |
| Syed Shahid Ali | Present | Present | Leave of Absence |
| Dr. Mrs. Niloufer Mahdi | Present | Leave of Absence | Present |
| Ms. S. Ferial Rifaat Ali | Leave of Absence | Leave of Absence | Present |
| Mr. Basit H. Syed | Present | Leave of Absence | Present |
| Mr. AsifJameel | Present | Present | Leave of Absence |
| Mr. Abdul LatifUqaili | Present | Present | N.A |
| (Resigned on April 18,2002) | | | |
| Syed Sheharyar Ali | N.A | N.A | Present |
| (Appointed on April 18,2002) | | | |

Pattern of Shareholding

The pattern of shareholding of your Company as on June 30,2002 is annexed with this report. This statement is in accordance with the ammendments made through the Code.

FUTURE OUTLOOK

Your company has consistently been performing well in recent years, despite of the economic drought which continues to affect badly the overall economy in the country. Having journeyed successfully through yet another thorny year, it is encouraging to see that your company has achieved a stupendous growth rate and looks forward to the future outlook with a greater optimism. Our over all dedication is to focus on the amplification of your Company to achieve superior returns for you through a growth in the sales by improving our sales strategy, keeping a vigil in further curbing the costs and investing in lucrative ventures.

INVESTMENTS

The management of your Company is pleased to inform you that, acting upon the approval given by you in the Extraordinary General Meeting held on June 13,2002, for the investment in the equity instruments of Packages Limited, an associated company, the management of your company has purchased 298,500 equity shares for

an amount of Rs. 20.032 million. We are confident that this investment will prove to be a good addition in the prosperity of your Company.

CHANGES IN THE BOARD OF DIRECTORS

Mr. Abdul LatifUqaili the nominee of Investment Corporation of Pakistan (ICP) resigned from the Board of Directors on April 18,2002. The Board wishes to place on record its appreciation for the valuable services rendered by him for the betterment of your Company.

The directors of your company welcome Syed Sheharyar Ali who had been appointed at the meeting of the Board of Directors held on April 18,2002 to fill in the casual vacancy arising out of Mr. Abdul LatifUqaili's resignation and who was subsequently duly elected for a further term of three years at the Extraordinary General Meeting held on June 13,2002. We expect your company to benefit from his induction in the Board.

AUDITORS

The Audit Committee of your company has recommended that, the present auditors, Messrs. Taseer Hadi Khalid & Company Chartered Accountants due to retire and being eligible, are offering themselves for reappointment, may be appointed as auditors of your Company for another term.

ACKNOWLEDGEMENTS

We place on record our gratitude for our valued customers for their confidence in our products and we pledge ourselves to provide them the best quality in continuously improving our products. We would also like to thank all of our colleagues, management and factory staff who are strongly committed to their work and the success of your company is built around their efforts. We also thank our shareholders for their confidence in our Company and assure them that we are committed to do our best to ensure best rewards for their investment in the Company.

Statement of Compliance with Best Practices of Corporate Governance

The Company is in process of implementing all facets of the Code of Corporate Governance issued by the Karachi Stock Exchange and the Board feels pleasure in stating that provisions of the Code, relevant for the year ended June 30, 2002 have been duly complied with.

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 as applicable to the Company for the year ended June 30, 2002 prepared by the Board of Directors of Treet Corporation Limited, to comply with the Listing Regulation No. 37 of the Karachi and Lahore Stock Exchange where the Company is listed.

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

As a 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 system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and 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 effective as at June 30, 2002.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Treet Corporation 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 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 the management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

b) in our opinion:-

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in notes 2.3 and 2.7 with which we concur;

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 was deducted by the company and deposited in the central Zakat Fund established under section 7 of that Ordinance.

| | Note | 2002 | 2001 |
|---------------------------------------|------|------------------|------------|
| | | (Rupees in '000) | |
| FIXED CAPITAL EXPENDITURE | 3 | 118,690 | 127,876 |
| LONG TERM INVESTMENTS | 4 | 15,552 | 13,265 |
| LONG TERM DEPOSITS | 5 | 644 | 644 |
| CURRENT ASSETS | | | |
| Stores & spares | 6 | 33,904 | 32,291 |
| Stock and stores-in-transit - at cost | | 16,766 | 5,468 |
| Stock in trade | 7 | 94,951 | 74,523 |

| | | | |
|--|----|----------------|----------------|
| Trade debtors - unsecured considered good | 8 | 16,448 | 31,600 |
| Advances, deposits, prepayments and other receivables | 9 | 98,177 | 48,369 |
| Cash and bank balances | 10 | 311,176 | 205,509 |
| | | 571,422 | 397,760 |
| CURRENT LIABILITIES | | | |
| Current portion of liabilities against assets subject to finance lease | - | - | 3,705 |
| Finance under mark-up arrangements - secured | 11 | - | 5,451 |
| Creditors, accrued expenses and other liabilities | 12 | 207,108 | 142,077 |
| Provision for taxation | 13 | 116,225 | 51,796 |
| Unclaimed dividend | | 1,207 | 959 |
| Dividend payable | | 55,623 | 20,911 |
| | | 380,163 | 224,899 |
| NET CURRENT ASSETS | | 191,259 | 172,861 |
| NET ASSETS | | 326,145 | 314,646 |
| FINANCED BY: | | | |
| Share capital | 14 | 41,822 | 41,822 |
| Reserves | 15 | 275,349 | 178,449 |
| Unappropriated profit | | 83 | 86 |
| a SHARE HOLDERS' EQUITY | | 317,254 | 220,357 |
| DEFERRED CREDIT | 16 | 7,208 | 6,980 |
| LONG TERM DEPOSITS | | 60 | 60 |
| DEFERRED LIABILITIES | 17 | 1,623 | 87,249 |
| CONTINGENCIES AND COMMITMENTS | 18 | - | - |
| | | 326,145 | 314,646 |

These accounts should be read in conjunction with the annexed notes.

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2002**

| | Note | 2002 | 2001 |
|--|------|------------------|----------------|
| | | (Rupees in '000) | |
| Sales - net | 19 | 871,577 | 750,293 |
| Cost of goods sold | 20 | 589,125 | 568,485 |
| Gross profit | | 282,452 | 181,808 |
| Operating expenses : | | | |
| Administrative expenses | 21 | 11,796 | 10,237 |
| Selling & distribution expenses | 22 | 84,088 | 72,322 |
| Provision for diminution in value of investment | | 5,292 | 4,123 |
| | | 101,176 | 86,682 |
| Operating profit | 23 | 181,276 | 95,126 |
| Other income | | 32,585 | 12,355 |
| | | 213,861 | 107,481 |
| Financial expenses | 24 | 2,537 | 5,422 |
| | | 211,324 | 102,059 |
| Workers' profit participation fund | | 10,566 | 5,103 |
| Workers' welfare fund | | 3,373 | 2,580 |
| | | 13,939 | 7,683 |
| Profit before taxation | | 197,385 | 94,376 |
| Taxation | | | |
| Current | | 58,808 | 43,262 |
| Prior | | - | 620 |
| | | 58,808 | 43,882 |
| Profit after taxation | | 138,577 | 50,494 |
| Unappropriated profit brought forward as previously stated | | 86 | 103 |
| Effect of change in accounting policy | 2.3 | 6,364 | - |

| | | | |
|---|-----|----------------|---------------|
| | 2.7 | 7,579 | - |
| Profit brought forward - restated | | 14,029 | 103 |
| Available for appropriation | | 152,606 | 50,597 |
| APPROPRIATION : | | | |
| Proposed cash dividend @ 133 % (2001: @ 50 %) | | 55,623 | 20,911 |
| Transfer to general reserve | | 96,900 | 29,600 |
| | | 152,523 | 50,511 |
| Unappropriated profit carried forward | | 83 | 86 |
| Earnings per share | 30 | 33.13 | 12.07 |

These accounts should be read in conjunction with the annexed n S.

| | 2002 | 2001 |
|---|------------------|----------------|
| | (Rupees in '000) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 197,385 | 94,376 |
| Adjustments for : | | |
| Financial charges for the year | 2,537 | 5,422 |
| Depreciation | 26,346 | 25,743 |
| Provision for gratuity | 4,974 | 8,191 |
| Provision for staff retirement scheme | 7,320 | 9,922 |
| Profit on bank deposits | (23,941) | (6,235) |
| Provision for sales tax | 24,443 | 29,048 |
| Gain on sale of fixed assets | (988) | (2,927) |
| Provision for WPPF and WWF | 13,939 | 7,683 |
| Provision for diminution in value of investment | 5,292 | 4,123 |
| Provision for doubtful debts | - | 4,545 |
| Provision for doubtful receivables | - | 1,300 |
| Dividend income | (574) | (28) |
| | 59,348 | 86,787 |
| Operating profit before working capital changes | 256,733 | 181,163 |
| (Increase) / decrease in operating assets : | | |
| : Stores and spares | (1,613) | 4,612 |
| Stock-in-trade | (20,428) | (5,627) |
| Stock and store-in-transit | (11,298) | 4,981 |
| Trade debtors | 15,152 | (9,890) |
| WPPF and WWF paid | (10,723) | (3,212) |
| Advances, deposits, prepayments and other receivables | 8,290 | 7,467 |
| | (20,620) | (1,669) |
| Increase / (decrease) in operating liabilities : | | |
| Creditors, accrued expenses and other liabilities | 35,733 | 23,250 |
| Repayment of loan from director | - | (13,300) |
| | 35,733 | 9,950 |
| Cash generated from operations | 271,846 | 189,444 |
| Financial charges paid | (2,814) | (12,664) |
| Taxes paid | (45,044) | (34,115) |
| Gratuity paid | (43,680) | (3,051) |
| Staff retirement benefits paid | (3,008) | (6,092) |
| Transfer to unfunded staff retirement benefit scheme | (44,124) | - |
| | (138,670) | (55,922) |
| Net cash from operating activities | 133,176 | 133,522 |

| | 2002 | 2001 |
|---|------------------|----------|
| | (Rupees in '000) | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditure incurred | (17,480) | (12,129) |
| Proceeds from sale of fixed assets | 1,306 | 4,990 |

| | | |
|--|----------------|----------------|
| Long term deposits | - | (13) |
| Profit on bank deposits received | 17,682 | 5,193 |
| Dividend received | 574 | 28 |
| Net cash flow from investing activities | <u>2,082</u> | <u>(1,931)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Payment of lease obligation | (3,705) | (6,298) |
| Deferred income | 228 | 2,264 |
| Dividend paid | (20,663) | (12,044) |
| Net cash flow from financing activities | (24,140) | (16,078) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 111,118 | 115,513 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR | 200,058 | 84,545 |
| CASH AND CASH EQUIVALENTS AT THE END OF YEAR | <u>311,176</u> | <u>200,058</u> |
| CASH AND CASH EQUIVALENTS | | |
| Cash and bank balances | 311,176 | 205,509 |
| Finance under mark-up arrangements | - | (5,451) |
| | <u>311,176</u> | <u>200,058</u> |

These accounts should be read in conjunction with the annexed notes.

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

| Note | SHARE CAPITAL | CAPITAL RESERVE | GENERAL RESERVE | UNAPP P | ROPRIATED ROFIT | TOTAL |
|---|---------------|-----------------|-----------------|---------|-----------------|----------------|
| (Rupees in '000) | | | | | | |
| | 41,822 | 8,949 | 139,900 | | 103 | 190,774 |
| Balance as on June 30,2000 | | | | | | |
| Profit after tax | - | - | - | | 50,494 | 50,494 |
| Dividend | - | - | - | | (20,911) | (20,911) |
| Transferred during the year | - | - | 29,600 | | (29,600) | - |
| Balance as on June 30,2001 | 42 | 8,949 | 169,500 | | 86 | 220,357 |
| Balance as on July 01,2001 (as previously stated) | 41,822 | 8,949 | 169,500 | | 86 | 220,357 |
| Effect of change in accounting policy | 2.3 | - | - | | 6,364 | 6,364 |
| | 2.7 | - | - | | 7,579 | 7,579 |
| Balance as on July 01,2001 - restated | 41,822 | 8,949 | 169,500 | | 14,029 | 234,300 |
| Profit after tax | - | - | - | | 138,577 | 138,577 |
| Dividend | - | - | - | | (55,623) | (55,623) |
| Transferred during the year | - | - | 96,900 | | (96,900) | - |
| Balance as on June 30,2002 | <u>41,822</u> | <u>8,949</u> | <u>266,400</u> | | <u>83</u> | <u>317,254</u> |

These accounts should be read in conjunction with the annexed notes.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2002

1. STATUS AND NATURE OF THE BUSINESS

The Company was incorporated in Pakistan on January 22, 1977 as a Public Limited Company. Its shares are listed on Karachi and Lahore Stock Exchanges. The principal activity of the Company is manufacturing and sale of razors and razor blades. The Company is also engaged in the business of soaps. These soaps are manufactured by Khatoon Soap Industries (Private) Limited for the Company. The Company has entered into a contract with Khatoon Soap Industries (Private) Limited for manufacturing of soaps.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Accounting convention

These accounts have been prepared under the historical cost convention, except for long term investments, which have been included at fair value.

2.3 Employee Retirement Benefits

a) Defined Contribution Scheme

A recognized contributory provident fund scheme is in operation covering all permanent employees. Equal contributions are made monthly both by the Company and employees in accordance with the rules of the scheme at 10% of basic pay.

b) Defined Benefit Schemes

The Company operates an approved funded gratuity scheme and un-funded staff retirement benefit scheme (SRBS) for all employees with qualifying service periods of six months and ten years respectively. Consequential to the adoption of IAS 19 (revised 2000) "Employee Benefits", Company has changed its accounting policy and provisions are now made annually to cover the obligation on the basis of actuarial valuation and are charged to income currently. The most recent valuation was carried out as on June 30, 2002 using the projected unit credit method.

The principal actuarial assumptions used in the valuation of these schemes as on June 30, 2002 are as follows:

| | Funded I Gratuity As per Rules | Jn-Funded SRBS As per Rules |
|---|---|--|
| Contribution rates | | |
| Expected rate of salary increase in future years | 10% | 10% |
| Discount rate | 11% | 11% |
| Expected rate of return on fund assets during the year | 11% | 11% |
| Actual return on plan assets during the year (Rupees in thousand) | 2,251- | |

The amount recognized in the profit and loss account are as follows:

| | Funded Gratuity (Rupees in '000) | Un-Funded SRBS |
|--|---|---------------------------|
| Current service cost | 2,788 | 2,550 |
| Interest cost | 4,468 | 4,435 |
| Expected return on assets | <u>(2,282)</u> | <u>-</u> |
| Non-vested past service cost charge | - | 335 |
| Liability/(Asset) Charged due to application of IAS-19 | <u>(876)</u> | <u>(5,488)</u> |
| Net amount chargeable to profit & loss account | <u>4,098</u> | <u>1,832</u> |
| Gross amount chargeable to profit and loss account (by grossing up the transitional liability/(assets)) | <u>4,974</u> | <u>7,320</u> |

Movements in the net liability recognized in the balance sheet are as follows:

| | Funded Gratuity (Rupees in '000) | Un-Funded SRBS |
|---------------------------|---|---------------------------|
| Opening liability/(asset) | 41,499 | 44,128 |

| | | |
|---|----------|----------|
| Amount recognized during the year under IAS-19 | 4,097 | 1,832 |
| Contributions made by the Company during the year | (43,680) | (47,135) |
| Closing liability/(asset) | 1,916 | (1,175) |

The amounts recognized in the balance sheet are as follows:

| | Funded Gratuity | Un-Funded SRBS |
|--|----------------------------|---------------------------|
| | (Rupees in '000) | |
| Present Value of defined benefit obligation | 46,242 | 45,722 |
| Less: | | |
| • Fair value of plan assets | (43,749) | (44,128) |
| • Non-vested past service cost to be recognized in later period? | - | (1,338) |
| • Liability from application of IAS-19 to be recognized in later periods | - | - |
| • Actuarial losses / (gains) to be recognized in later periods | (577) | (1,431) |
| Balance Sheet liability | 1,916 | (1,175) |

Under the transitional provisions of IAS-19, the transitional assets relating to gratuity of Rs.876 thousand and Staff Retirement Benefit Scheme of Rs. 5,488 thousand are being recognized immediately under IAS 8 "Net profit or loss for the period, fundamental errors and changes in accounting policies". Consequently, the change in accounting policy has been accounted for retrospectively. However, the corresponding figures for the year ended June 30, 2001 have not been restated as it is not practical to do so. Opening reserves as on July 01, 2001 have been increased by Rs.6,364 thousand, which is the cumulative effect of the adjustment, relating to periods prior to July 01, 2001. Had there been no change in accounting policy, profit for the year before taxation and reserves as at June 30, 2002 would have been higher by Rs. 4,019 thousand.

Actuarial gain/loses are amortized over the expected average remaining working life time of employees.

2.4 Taxation

a) Current

The charge for cin-reni taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits and tax rebates.

b) Deferred

Provision for deferred taxation is made on all significant timing differences, which are likely to reverse in the foreseeable future using the liability method. However, deferred tax debits are not accounted for. At year end deferred tax debit balance not recognised in the accounts amounted to Rs. 4,422 thousand (2001: Rs. 18,373 thousand).

2.5 Fixed assets and depreciation

Owned

- These are carried at cost less accumulated depreciation. On disposal or scrapping, the cost of the assets and the corresponding depreciation is adjusted from both the accounts and the resultant gain or loss is dealt with through the profit and loss account.
- Full year's depreciation is charged on all fixed assets capitalized during the year while no depreciation is charged in the year fixed assets are disposed or scrapped.
- Depreciation on fixed assets other than freehold land is charged on straight-line basis, whereby the cost of assets is written off over their useful life without taking into account any residual value. The rates of depreciation are specified in note 3.1.

- Assets, which have been fully depreciated, are retained in the books at a nominal value of Rupee 1.
- Normal repairs and maintenance are charged to expense as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Leased

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreement and the fair value of the assets at the inception of the lease. The related obligations, under the lease are accounted for as liabilities. Depreciation is charged on straight-line basis at the rates given in note 3.1 to the accounts. The finance charge is calculated at the rates implicit in the leases.

2.6 Capital work-in-progress

Capital work-in-progress represents expenditure on fixed assets in the course of construction and installation. Transfers are made to relevant fixed assets category as and when assets are available for use. Capital work in progress is stated at cost.

2.7 Long term investments

In compliance with Securities and Exchange Commission of Pakistan circular No. 1 dated January 10, 2002, the Company adopted International Accounting Standard 39, "Financial Instruments: Recognition and Measurement" with effect from July 01, 2001. The adoption of this IAS has resulted in the Company classifying its investments as available for sale. These are initially recognized at cost and derecognized by the Company on the date it commits to sell them off. At each balance sheet date, these are stated at fair value. Fair value is determined on the basis of year end bid prices obtained from stock exchange quotations. This change has been accounted for by adjusting the opening balance of retained earnings by an amount of Rs.7,579 thousand comparatives have not been restated. Had there been no change in policy, investments would have been lower by Rs.4,256 thousand with corresponding effect on profit and loss account.

2.8 Stores and spares

These are valued at lower of moving average cost and net realisable value. Write down in stores and spares are made for slow moving and obsolete items.

2.9 Stock-in-trade

Stock of raw materials, packing materials, work-in-process and finished goods are valued at the lower of moving average cost and net realisable value. Cost in relation to work-in-process and finished goods includes prime cost and appropriate proportion of production overheads. Net realisable value signifies the estimated selling price in the ordinary course of the business less estimated costs to complete and to make the sale.

2.10 Stock and stores-in-transit

These are valued at invoice value plus other directly attributable charges incurred thereon.

2.11 Trade debtors

Known bad debts, if any, are written off and provisions are made against debts considered doubtful.

2.12 Foreign currencies

Assets and liabilities in foreign currencies are translated into Pak. Rupees at rates of exchange which approximate those prevailing at the balance sheet date. Foreign Currency transactions are translated at the rates prevailing at the date of transaction. Exchange differences, if any, are taken to profit and loss account currently.

3.2 Disposal of fixed assets

| Particulars | Cost | Accumulated Depreciation | WDV as on June 30,2002 | Sales Proceeds | Profit/ (Loss) | Mode of Sale | (Rupees in '000) |
|----------------|--------------|-----------------------------|------------------------------|-------------------|-------------------|--------------------------|-----------------------------|
| | | | | | | | Sold To |
| Vehicles | | | | | | | |
| Motorcycles | 480 | | 430 | 50 | 439 | 389 Staff Motorcycle Sch | Various Employees |
| Toyota Corolla | 375 | | 375 | - | 123 | 123 Executive Car Scheme | Mr. Muhammad Shafique Anjul |
| Suzuki Khyber | 300 | | 300 | - | 132 | 132 --do-- | Mr. Ghulam Sarwar Qureshi |
| Suzuki Khyber | 346 | | 346 | - | 82 | 82 --do-- | Ch. Riaz Ahmad |
| Suzuki Khyber | 363 | | 363 | - | 95 | 95 --do-- | Mr. M. Asim Khan |
| Suzuki Khyber | 346 | | 346 | - | 81 | 81 --do-- | Mr. Fakhar us Sami |
| Suzuki Cultus | 445 | | 177 | 268 | 354 | 86 --do-- | Mr. Shahid Mehmood |
| 2002 | 2,655 | | 2,337 | 318 | 1,306 | | 988 |
| 2001 | 4,986 | | 2,923 | 2,063 | 4,990 | | 2,927 |

2002 2001
(Rupees in' 000)

Capital work in progress

Plant,machinery and equipment
under installation

12,555 9,667

3.1 Operating Assets - at cost less accumulated depreciation

| | COST | | | Rate % | DEPRECIATION | | | Net Book Value as on June 30,2002 |
|---------------------------|-----------------------|---------------------------|------------------------|-----------|------------------------|-----------------|---------------------------|---|
| | As on July 01 2001 | Additions/ (deletions) | As on June 30, 2002 | | As on July 01, 2001 | For the year | (Disposal)/ adjustment | |
| OWNED: | | | | | | | | |
| Freehold land | 6,969 | - | 6,969 | | - | - | - | 6,969 |
| Building on freehold land | 49,959 | 1,295 | 51,254 | 5 to 10 | 33,663 | 2,832 | - | 514,759 |
| Plant and machinery | 302,684 | 16,511 | 319,195 | 10 | 230,762 | 16,785 | 3,425 | 268,223 |
| Furniture and equipment | 22,874 | 5,657 | 28,531 | 10 to 25 | 16,675 | 2,755 | - | 9,101 |
| Vehicles | 24,520 | 3,176 | 25,041 | 20 | 15,942 | 3,974 | (1,958) | 7,083 |
| | | (2,655) | | | | | | |
| | 407,006 | 26,639 | 430,990 | | 297,042 | 26,346 | 1,467 | 106,135 |
| | | (2,655) | | | | | | |
| LEASED: | | | | | | | | |
| Plant and machinery | 11,418 | (11,418) | - | 10 | 3,425 | - | (3,425) | - |
| Equipment | - | - | - | 10 | - | - | - | - |
| Vehicles | 631 | - | - | 20 | 379 | - | (379) | - |
| | | (631) | | | | | | |
| | 12,049 | (12,049) | - | | 3,804 | - | (3,804) | - |
| 2002 | 419,055 | 26,639 | 430,990 | | 300,846 | 26,346 | (2,337) | 342,855 |
| | | (14,704) | | | | | | |
| 2001 | 402,943 | 33,798 | 419,055 | | 278,026 | 25,743 | (2,923) | 118,209 |

(17,686)

3.1.1 Depreciation charged for the period has been allocated as follows:-

| | Note | 2002 | 2001 |
|-------------------------------------|------|------------------|---------------|
| | | (Rupees in '000) | |
| Cost of goods sold | 20.1 | 23,166 | 24,229 |
| Administrative expenses | 21 | 1,268 | 394 |
| Selling and distribution expenses | 22 | 1,912 | 1,120 |
| | | 26,346 | 25,743 |
| 5. LONG TERM DEPOSITS | | | |
| Utilities | | 644 | 644 |
| 6. STORES AND SPARES | | | |
| Stores | | 6,321 | 4,171 |
| Spares | | 27,583 | 28,120 |
| | | 33,904 | 32,291 |
| 7. STOCK IN TRADE | | | |
| Blades: | | | |
| Raw materials and chemicals | | 46,169 | 20,656 |
| Packing materials | | 7,113 | 6,400 |
| Work-in-process | | 15,090 | 11,325 |
| Finished goods | | 7,609 | 9,147 |
| | | 75,981 | 47,528 |
| Soaps: | | | |
| Raw materials and chemicals | | 9,139 | 8,809 |
| Packing materials | | 2,746 | 1,946 |
| Work-in-process | | 2,823 | 3,337 |
| Finished goods | | 4,262 | 12,903 |
| | | 18,970 | 26,995 |
| | | 94,951 | 74,523 |
| 8. TRADE DEBTORS - UNSECURED | | | |
| Considered good | | 16,448 | 31,600 |
| Considered doubtful | - | - | 4,545 |
| | | 16,448 | 36,145 |
| Less : Provision for doubtful debts | | - | 4,545 |
| | | 16,448 | 31,600 |

4. LONG TERM INVESTMENTS

| Companies | No. of ordinary shares | | Cost | | Market Value | | Percentage of Holding | |
|--|---------------------------|-----------------------|---------------|---------------|---------------|---------------|-----------------------|--------------|
| | of Rs.10/- June30.2002 | each June 30, 2001 | June 30 ,2002 | June 30, 2001 | June 30, 2002 | June 30, 2001 | June 30,2002 | June 30,2001 |
| Zulfqar Industries Limited | 718,340 | 718,340 | 5,418 | 5,418 | 4,326 | 2,685 | 17.95 | 17.95 |
| Provision for loss on investment | -420,000 | -420,000 | -4,200 | -4,200 | | | | |
| | 298,340 | 298,340 | 1,218 | 1,218 | 4,326 | 2,685 | | |
| Wazir Ali Industries Limited | 1,178,100 | 1,178,100 | 15,902 | 15,902 | 10,721 | 17,671 | 15.48 | 15.48 |
| Provision for diminution in value of investm | - | - | - | -4,123 | - | - | | |
| | 1,178,100 | 1,178,100 | 15,902 | 11,779 | 10,721 | 17,671 | | |
| International General Insurance Company of Pakistan Limited | 6,972 | 6,063 | 268 | 268 | 505 | 488 | | |
| Bonus Shares | | 909 | - | - | - | - | 0.070,07 | |
| | 6,972 | 6,972 | 268 | 268 | 505 | 488 | | |

17.388**13,265****15.552****20.844**

4.1 The Company pledged 420,000 shares of Zulfeqar Industries Limited, an associated Company with Dadabhoy Leasing Company Limited for modaraba finance facility

granted to Zulfeqar Industries Limited. Zulfeqar Industries Limited repaid the financing facility on July 7, 1996. However, the above shares have not yet been released by Dadabhoy Leasing Company Limited. The Company has filed a legal suit for the recovery of these shares. Management is of the view that the outcome of the case will be in favour of the Company. However, being prudent, a provision of Rs.4.20 million has been made for any possible losses on this investment. The fair value of these shares is taken as nil.

| | Note | 2002 | 2001 |
|----------------------------|------|----------------|----------------|
| (Rupees in '000) | | | |
| 10. CASH AND BANK BALANCES | | | |
| Cash at bank : | | | |
| Current accounts | 10.1 | 276,061 | 172,745 |
| Collection accounts | | 35,115 | 32,764 |
| | | <u>311,176</u> | <u>205,509</u> |

10.1 Major amount of this balance is invested in three different banks on which mark up is being received together with current account facilities.

11. FINANCE UNDER MARK-UP ARRANGEMENTS - SECURED

| | | Limit | |
|---------------------------------|------|-------|-------|
| (Rs in Millions) | | | |
| Cash Finance | | | |
| Bank Al Mashreq psc. | 20 - | | 16 |
| Export Refinance Loan | | | |
| Standard Chartered Bank Limited | - | | 5,435 |
| | - | | 5,451 |

11.1 At the terminal date, the Company has following available unutilized limits:

| | Limit |
|---|-------|
| (Rs in Millions) | |
| Cash Finance | |
| Standard Chartered Bank Limited | 37 |
| Askari Commercial Bank Limited | 35 |
| United Bank Limited (Interchangeable with Export Refinance) | 50 |
| Bank Al Mashreq psc. | 20 |

These financial facilities are secured against joint pari-passu hypothecation charge over the current assets of the company.

| | Note | 2002 | 2001 |
|--|------|--------|--------|
| (Rupees in '000) | | | |
| 9. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Unsecured - considered good : | | | |
| Advances: | | | |
| To employees | | 1,330 | 1,506 |
| To suppliers | | 6,173 | 5,553 |
| For custom duty | | 214 | 451 |
| For taxation | | 77,479 | 26,815 |

| | 85,196 | 34,325 |
|---|---------------|---------------|
| Deposits: | | |
| Letter of Credit-margin deposits | 222 | 61 |
| Prepayments | 298 | 1,513 |
| Due from Associated Companies | | |
| Abbassi Textile Limited | 458 | 458 |
| Loads (Pvt.) Limited | - | 154 |
| Wazir Ali Industries Limited | - | 13 |
| Zulfeqar Industries Limited | 9.1 104 | 5,047 |
| | 562 | 5,672 |
| Interest Accrued | 7,301 | 1,042 |
| Sales Tax Refund | 4,302 | 7,175 |
| Staff Retirement Scheme | 2.3 1,175 | - |
| Miscellaneous | 879 | 339 |
| | 99,935 | 50,127 |
| Less : Provision for doubtful receivables | (1,758) | (1,758) |
| | 98,177 | 48,369 |

9.1 This amount represents the balance of an interest free current account with the associated undertaking- Zulfeqar Industries Limited.

9.2 Maximum aggregate amount due from associated companies at the end of any month during the year was Rs. 1,379 thousand (2001:Rs. 4,932 thousand).

| Note | 2002 | 2001 |
|---|------------------|--------------|
| | (Rupees in '000) | |
| 12.3 Workers' Profit Participation Fund | | |
| Balance as at July 01, | 5,103 | 3,212 |
| Allocation for the year | 10,566 | 5,103 |
| | 15,669 | 8,315 |
| Less : Paid during the year | 5,103 | 3,212 |
| Balance as at June 30 | 10,566 | 5,103 |

13. TAXATION

The income tax assessments of the Company have been finalized up to and including assessment year 2001-2002. However, appeals have been filed against the assessment years 1999-2000, 2000-2001 and 2001-2002.

The Company is in appeal before the Commissioner of Income Tax against the assessment order under section 62 of the Income Tax ordinance, 1979 for the years 1999-2000, 2000-2001 and 2001-2002 against the add backs amounting in all to Rs. 54.701 million. The company expects favourable outcome in respect of addbacks totalling Rs. 8.7 million. The final outcome of the rest cannot be reasonably ascertained.

| | 2002 | 2001 |
|---|------------------|---------------|
| | (Rupees in '000) | |
| 14. SHARE CAPITAL | | |
| Authorised | | |
| 5,000,000 ordinary shares ofRs. 10 each | 50,000 | 50,000 |
| Issued, subscribed and paid-up capital | | |
| Shares issued as fully paid-up in cash | | |
| 2,594,075 ordinary shares ofRs. 10 each | 25,940 | 25,940 |
| Shares issued for consideration other than cash | | |
| 1,095,000 ordinary shares ofRs. 10 each | 10,950 | 10,950 |
| Shares issued as fully paid bonus shares | | |

493,150 ordinary shares ofRs. 10 each

| | | |
|--|---------------|---------------|
| | 4,932 | 4,932 |
| | 41,822 | 41,822 |

| | Note | 2002 | 2001 |
|--|--------|----------------|----------------|
| (Rupees in '000) | | | |
| 12. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES | | | |
| Creditors : | | | |
| Associated companies | 12.1 | 2,391 | 646 |
| Others | | 15,082 | 8,630 |
| | | 17,473 | 9,276 |
| Accrued expenses : | | | |
| Mark-Up on : | | | |
| Finance under markup arrangements | | 84 | 53 |
| Loan from director | - | | 308 |
| | | 84 | 361 |
| Others: | | | |
| Sales tax payable | | 49,630 | 32,973 |
| Excise duty on soap | | 1,216 | 2,117 |
| Accrued expenses | | 75,253 | 47,160 |
| | | 126,099 | 82,250 |
| | | 126,183 | 82,611 |
| Other Liabilities : | | | |
| Advances from customers | | 21,617 | 25,258 |
| Due to associated companies | 12.1 - | | 1,637 |
| Workers' welfare fund | 12.2 | 3,373 | 5,620 |
| Workers' profit participation fund | 12.3 | 10,566 | 5,103 |
| Employee deposits | | 4,560 | 4,038 |
| Payable to gratuity fund | 2.3 | 1,916 - | |
| Others | | 21,420 | 8,534 |
| | | 63,452 | 50,190 |
| | | 207,108 | 142,077 |

12.1 Maximum aggregate amount due to associated companies at the end of any month during the year was Rs.3,390 thousand (2001: Rs.5,060 thousand).

12.2 Workers' Welfare Fund

| | 2002 | 2001 |
|-----------------------------|--------------|--------------|
| (Rupees in '000) | | |
| Balance as at July 01 | 5,620 | 3,040 |
| Allocation for the year | 3,373 | 2,580 |
| | 8,993 | 5,620 |
| Less : Paid during the year | 5,620 - | |
| Balance as at June 30 | 3,373 | 5,620 |

18 CONTINGENCIES AND COMMITMENTS

18.1 Messrs. Unilever Pie and Lever Brothers Pakistan Limited were intervening in the company's lawful right of manufacture and sale of Bodyguard soap. In order to protect the Company's right of manufacturing and selling Bodyguard soap, legal proceedings were initiated against Messrs. Unilever Pie and Lever Brothers Pakistan Limited to restrain them from interfering in the Company's business. Messrs. Unilever Pie. and Lever Brothers Pakistan Limited filed a counter suit against the Company for using similar wrappers to those of the above mentioned companies and claimed Rs. 52.5 million from Treet Corporation Limited for infringement of their rights. The proceedings of the above mentioned suits are in progress. However, the management is of the view that the outcome of the above mentioned case will be favourable.

18.2 There were no significant capital commitments as on June 30, 2002.

| | Note | 2002 | 2001 |
|------------------------|------|----------------|----------------|
| (Rupees in '000) | | | |
| 19. SALES - Net | | | |
| Blades | 19.1 | 756,942 | 628,175 |
| Soaps | 19.2 | 114,635 | 122,118 |
| | | 871,577 | 750,293 |
| 19.1 Blades | | | |
| Local sales | | 794,561 | 671,839 |
| Export sales | | 121,168 | 108,468 |
| | | 915,729 | 780,307 |
| Less: Sales tax | | 112,772 | 92,116 |
| | | 802,957 | 688,191 |
| Add: Export rebate | | 5,556 | 9,176 |
| | | 808,513 | 697,367 |
| Less : Trade discount | | 51,571 | 69,192 |
| | | 756,942 | 628,175 |
| 19.2 Soaps | | | |
| Local sales | | 158,673 | 146,761 |
| Export sales | | 303 | 948 |
| | | 158,976 | 147,709 |
| Less : Sales tax | | 22,418 | 19,587 |
| | | 136,558 | 128,122 |
| Less : Trade discount | | 21,923 | 6,004 |
| | | 114,635 | 122,118 |

| | Note | 2002 | 2001 |
|---|------|----------------|----------------|
| (Rupees in '000) | | | |
| 15. RESERVES | | | |
| Capital reserve | 15.1 | 8,949 | 8,949 |
| General reserve | 15.2 | 266,400 | 169,500 |
| | | 275,349 | 178,449 |
| 15.1 Capital Reserve | | | |
| Excess of net worth over purchase consideration of unrelated assets of Wazir Ali Industries Limited | | 629 | 629 |
| Share premium | | 8,320 | 8,320 |
| | | 8,949 | 8,949 |
| 15.2 General Reserve | | | |
| Balance as at July 01 | | 169,500 | 139,900 |
| Transferred from profit and loss account | | 96,900 | 29,600 |
| Balance as at June 30 | | 266,400 | 169,500 |
| | | 7,208 | 6,980 |

16. DEFERRED CREDIT-UNIDO PROJECT AID

This amount represents grant received from UNIDO for financing of the project to phase out the use ofCFC-113 at Hyderabad and Lahore Factories, by replacing the existing spraying unit.

| | 2002 | 2001 |
|----------------------------|-------|-------|
| (Rupees in '000) | | |
| 16.1 Balance as on July 01 | 6,980 | 4,716 |
| Additions during the year | 228 | 2,264 |
| Balance as at June 30 | 7,208 | 6,980 |

17. DEFERRED LIABILITIES

| | | |
|-------------------------|-------|--------|
| Gratuity | - | 41,498 |
| Staff retirement scheme | - | 44,128 |
| Deferred taxation | 1,623 | 1,623 |
| | 1,623 | 87,249 |

| | Note | 2002 | 2001 |
|--|------|----------------|----------------|
| (Rupees in '000) | | | |
| 20.1.1 Raw material, Chemicals and Packing material consumed | | | |
| Opening Stock | | 27,056 | 27,344 |
| Purchases | | 273,590 | 233,903 |
| | | 300,646 | 261,247 |
| Closing Stock | | (53,282) | (27,056) |
| | | 247,364 | 234,191 |

20.1.2 Salaries, wages and other benefits include Rs. 9,103 thousands (2001: Rs. 16,700 thousands) in respect of defined benefit schemes.

20.1.3 Amount represents additional tax calculated as per section 34 of the Sales Tax Act, 1990.

| | Note | 2002 | 2001 |
|---|--------|----------------|---------------|
| (Rupees in '000) | | | |
| 20.2 Cost of goods sold - Soap Operations | | | |
| Raw material consumed | 20.2.1 | 67,764 | 71,257 |
| Stores and spares consumed | | 55 | 197 |
| Salaries, wages and other benefits | | 552 | 380 |
| Fuel and power | | 7,964 | 8,132 |
| Excise duty | | 13,815 | 13,890 |
| Printing and stationery | | 3 | 3 |
| Product development | | 4 | 12 |
| Insurance | | 55 | 60 |
| Travelling and conveyance | | 110 | 36 |
| Manufacturing charges | | 6,136 | 6,401 |
| Other expenses | | 454 | 475 |
| | | 96,912 | 100,843 |
| Opening stock of work in process | | 3,307 | 4,027 |
| Closing stock of work in process | | (2,823) | (3,337) |
| Cost of goods manufactured | | 97,426 | 101,533 |
| Opening stock of finished goods | | 12,903 | 9,160 |
| Closing stock of finished goods | | (4,262) | (12,903) |
| | | 106,067 | 97,790 |

| | Note | 2002 | 2001 |
|------------------------|------|----------------|----------------|
| (Rupees in '000) | | | |
| 20. COST OF GOODS SOLD | | | |
| Blades | 20.1 | 483,058 | 470,695 |
| Soaps | 20.2 | 106,067 | 97,790 |
| | | 589,125 | 568,485 |

| | | | |
|--|--------|---------|---------|
| 20.1 Cost of goods sold - Blade Operations | | | |
| Raw and packing material consumed | 20.1.1 | 247,364 | 234,191 |
| Stores and spares consumed | | 34,638 | 35,527 |
| Salaries, wages and other benefits | 20.1.2 | 105,508 | 108,448 |
| Fuel and power | | 27,488 | 26,447 |
| Repairs and maintenance - Vehicle | | 253 | 93 |
| Repairs and maintenance - Others | | 4,406 | 3,983 |
| Rent, rates and taxes | | 1,337 | 1,354 |
| Insurance | | 1,911 | 1,665 |

| | | | |
|------------------------------------|--------|----------------|----------------|
| Product research and development | | 463 | 404 |
| Travelling and conveyance | | 4,591 | 3,856 |
| Printing and stationery | | 914 | 541 |
| Postage and telephone | | 1,443 | 1,705 |
| Legal and professional charges | | 118 | 566 |
| Entertainment | | 501 | 496 |
| Subscriptions | | 180 | 264 |
| Depreciation | 3.1.1 | 23,166 | 24,229 |
| Expenses for computerization | | 158 | 51 |
| Pakistan Standard Institution fees | | 5,796 | 555 |
| Provision for sales tax | 20.1.3 | 24,443 | 29,048 |
| Other expenses | | 607 | 647 |
| | | 485,285 | 474,070 |
| Opening stock of work-in-process | | 11,325 | 12,313 |
| Closing stock of work-in-process | | (15,090) | (11,325) |
| Cost of goods manufactured | | 481,520 | 475,058 |
| Opening stock of finished goods | | 9,147 | 4,784 |
| Closing stock of finished goods | | (7,609) | (9,147) |
| | | 483,058 | 470,695 |

| | Note | 2002 | 2001 |
|--|------|---------------|---------------|
| (Rupees in '000) | | | |
| 22. SELLING AND DISTRIBUTION EXPENSES | | | |
| Salaries and other benefits | 22.1 | 21,344 | 16,246 |
| Advertising | | 34,566 | 25,820 |
| Electricity and gas | | 506 | 558 |
| Repairs and maintenance - Vehicles | | 260 | 345 |
| Repairs and maintenance - Others | | 134 | 203 |
| Freight octroi and handling | | 11,659 | 11,036 |
| Rent, rates and taxes | | 702 | 563 |
| Insurance | | 790 | 702 |
| Travelling and conveyance | | 7,329 | 6,464 |
| Entertainment | | 124 | 128 |
| Postage and telephone | | 2,052 | 2,073 |
| Product development | | 33 | 194 |
| Printing and stationery | | 443 | 478 |
| Legal and professional charges | | 220 | 119 |
| Meetings and conferences | | 506 | 649 |
| Subscription | | 175 | 186 |
| Depreciation | 3.1 | 1,912 | 1,120 |
| Computer expenses | | 345 | 338 |
| Provision for doubtful debts | | - | 4,545 |
| Others expenses | | 988 | 555 |
| | | 84,088 | 72,322 |

22.1 Salaries and other benefits include Rs. 2,554 thousand (2001: Rs. 1,460 thousand) in respect of defined benefit schemes.

22.2 No segregation of selling and distribution expenses has been made for blade and soap operations.

| | 2002 | 2001 |
|---|--------------|-------|
| (Rupees in '000) | | |
| 23. OTHER INCOME | | |
| Profit on bank deposits | 23,941 | 6,235 |
| Profit on sale of fixed assets | 988 | 2,927 |
| Sale of scrap & empties | 2,044 | 2,338 |
| Recovery against provision for doubtful debts | 4,545 | - |

| | | |
|--|---------------|---------------|
| Dividend income from International General Insurance Company of Pakistan Limited | 35 | 28 |
| Dividend income from Zulfeqar Industries Limited | 539 | - |
| Rent income | 150 | 150 |
| Insurance claim | 343 | 677 |
| | 32,585 | 12,355 |

| | Note | 2002 | 2001 |
|------------------------------------|------|---------------|---------------|
| (Rupees in '000) | | | |
| 20.2.1 Raw material consumed | | | |
| Opening Stock | | 10,755 | 11,268 |
| Purchases | | 68,894 | 70,744 |
| | | 79,649 | 82,012 |
| Closing Stock | | (11,885) | (10,755) |
| | | 67,764 | 71,257 |
| 21. ADMINISTRATIVE EXPENSES | | | |
| Salaries and other benefits | 21.1 | 6,352 | 4,841 |
| Electricity and gas | | 246 | 482 |
| Repairs and maintenance - Vehicles | | 49 | 71 |
| Repairs and maintenance - Others | | 81 | 120 |
| Rent, rates and taxes | | 36 | 264 |
| Insurance | | 48 | 62 |
| Advertising | | 164 | 109 |
| Travelling and conveyance | | 554 | 563 |
| Entertainment | | 85 | 109 |
| Postage and telephone | | 461 | 410 |
| Printing and stationery | | 620 | 498 |
| Legal and professional charges | 21.2 | 1,097 | 498 |
| Donations | 21.3 | 13 | 16 |
| Computer expenses | | 414 | 367 |
| Directors' fee | | 20 | 4 |
| Subscription | | 288 | 125 |
| Depreciation | 3.1 | 1,268 | 394 |
| Provision for doubtful receivables | | - | 1,300 |
| Others | | - | 4 |
| | | 11,796 | 10,237 |

21.1 Salaries and other benefits include Rs. 637 thousand [2001: Rs.(50) thousand] in respect of defined benefit schemes.

21.2 Legal and professional charges include the following in respect of auditors' remuneration and expenses.

| | 2002 | 2001 |
|------------------------|------|------|
| (Rupees in '000) | | |
| Audit fee | 80 | 80 |
| Out of pocket expenses | 30 | 13 |
| | 110 | 93 |

21.3 The directors and their spouses did not have any interest in the donee fund.

21.4 No segregation of administrative expenses has been made for blade and soap operations.

(Units in millions)
ACTUAL PRODUCTION

| Rated | 2002 | 2001 |
|--|------|------|
| 26. PLANT CAPACITY AND PRODUCTION | | |

| | | | |
|-----------|-----|------------|------------|
| Hyderabad | 300 | 379 | 318 |
| Lahore | 400 | 323 | 324 |
| | | 702 | 642 |

The major reason for increase in the production is mainly the reduction in smuggled blades.

| | 2002 | 2001 |
|---------------------------------------|------------------|---------------|
| | (Rupees in '000) | |
| 27. TRANSACTIONS WITH RELATED PARTIES | | |
| Purchases and services received | <u>26,285</u> | <u>23,070</u> |

27.1 Nature of relationship - Equity holding and common directorship.

27.2 The company has purchased the goods and services from its related parties on commercial terms and conditions.

| | 2002 | 2001 |
|------------------------------------|------------------|--------------|
| | (Rupees in '000) | |
| 24. FINANCIAL EXPENSES | | |
| Mark-up on : | | |
| Finance under mark-up arrangements | | |
| Loan from director | 91 | 149 |
| Export re-finance | - | 1,106 |
| Finance leases | 186 | 701 |
| Workers' profit participation fund | 205 | 1,134 |
| | 1,351 | 190 |
| Other charges - Bank charges | 1,833 | 3,280 |
| | 704 | 2,142 |
| | <u>2,537</u> | <u>5,422</u> |

25. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

| | Chief Executive | | Executive | |
|----------------|-------------------|--------------|---------------|--------------|
| | 2002 | 2001 | 2002 | 2001 |
| | (Rupees in '000) | | | |
| Remuneration | 1,260 | 900 | 9,205 | 3,983 |
| Provident Fund | 90 | 90 | 508 | 352 |
| Bonus | 313 | 67 | 1,659 | 928 |
| Entertainment | 33 | 51 | - | - |
| Utilities | 120 | 120 | 1,576 | 709 |
| Medical | 52 | 68 | 1,016 | 562 |
| Leave Passage | 50 | 50 | 766 | 506 |
| | <u>1,918</u> | <u>1,346</u> | <u>14,730</u> | <u>7,040</u> |

| | | | | |
|----------------|---|---|----|----|
| No. of persons | 1 | 1 | 29 | 21 |
|----------------|---|---|----|----|

The Company provides free residential telephones and transport facilities to the chief executive, director and executives.

Aggregate amount charged in these accounts for fee to 6 non-executive directors was Rs. 20 thousand (2001:Rs. 4 thousand)

28.1.1 Effective interest rates and related risk

| | Fixed or Variable | 2002 | 2001 |
|------------------------|----------------------|----------------|-------|
| Financial Assets | | | |
| Cash and bank balances | Fixed | 7.00 to 11.00% | 7.00% |

| | | | | |
|---|-------|---|--------|--------|
| Financial Liabilities | | | | |
| Finance under mark-up arrangements | Fixed | - | | 8.00% |
| Creditors, accrued expenses and other liabilities | Fixed | | 12.50% | 12.50% |
| Liability against assets subject to finance lease | Fixed | - | | 20.12% |
| | | | | 23.00% |

28.2 Concentration of credit risk

The credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. The Company does not have significant exposure to any individual customer. Out of total financial assets of Rs. 359,704 thousand (2001: Rs. 263,884 thousand) the financial assets, which are subject to credit risk amount to Rs. 24,513 thousand (2001: Rs. 44,331 thousand). The Company believes that it is not exposed to any major credit risk, however, any such possibility is mitigated by the application of credit limits to its customers and also obtaining collaterals.

28.3 Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. The company believes that it is not exposed to any major foreign exchange risk at the terminal date. The only foreign currency exposure outstanding at the balance sheet date are foreign debtors amounting to equivalent Pak Rs. 11.754 million.

28.4 Fair value of financial instruments

All financial instruments are reflected at their fair value.

29. NUMBER OF EMPLOYEES

Total number of employees at the end of the year

| | | |
|--|-------------|-------------|
| | 2002 | 2001 |
| | 708 | 698 |

28. FINANCIAL ASSETS AND LIABILITIES

28.1 Interest rate risk exposure i—

| | 2002 (Rupees in 'OOOs) | | | | 2001 (Rupees in OOs) | | | |
|--|--|--|-------------------------|----------------|--|--|-------------------------|----------------|
| | Interest bearing Maturity within one t year | Maturity more than one year and less than five years | Non interest bearing | Total | Interest bearing Maturity within one m year y | Maturity ore than one ear and less than five years | Non interest bearing | Total |
| Financial assets: | | | | | | | | |
| Long term investments | - | - | 15,552 | 15,552 | - | - | 13,265 | 13,265 |
| Long term deposits | - | - | 644 | 644 | - | - | 644 | 644 |
| Trade debtors | - | - | 16,448 | 16,448 | - | - | 31,600 | 31,600 |
| Advances, deposits, prepayments and other receivable | - | - | 15,884 | 15,884 | - | - | 12,866 | 12,866 |
| Cash and bank balances | 265,023 | - | 46,153 | 311,176 | 163,128 | - | 42,381 | 205,509 |
| | 265,023 | - | 94,681 | 359,704 | 163,128 | - | 100,756 | 263,884 |
| Financial Liabilities: | | | | | | | | |
| Finance under mark-up arrangements | - | - | - | - | 5,451 | - | - | 5,451 |
| Creditors, accrued expenses and other liabilities | 14,023 | - | 115,880 | 129,903 | 11,084 | - | 66,855 | 77,939 |
| Unclaimed dividend | - | - | 1,207 | 1,207 | - | - | 959 | 959 |
| Proposed dividend | - | - | 55,623 | 55,623 | - | - | 20,911 | 20,911 |
| Long term deposits | - | - | 60 | 60 | - | - | 60 | 60 |
| Liability against assets subject to finance lease | - | - | - | - | 3,705 | - | - | 3,705 |
| | 14,023 | - | 172,770 | 186,793 | 20,240 | - | 88,785 | 109,025 |

Pattern of Shareholding as at June 30, 2002

| Number of Shareholders | From | Shareholding To | Total Shares Held |
|------------------------|---------|-----------------|-------------------|
| 2,132 | 1 | 100 | 39,752 |
| 338 | 101 | 500 | 81,051 |
| 78 | 501 | 1,000 | 54,962 |
| 80 | 1,001 | 5,000 | 190,268 |
| 9 | 5,001 | 10,000 | 66,235 |
| 5 | 10,001 | 15,000 | 56,648 |
| 3 | 15,001 | 20,000 | 56,649 |
| 1 | 20,001 | 25,000 | 23,050 |
| 1 | 25,001 | 30,000 | 25,053 |
| 2 | 30,001 | 35,000 | 66,970 |
| 3 | 35,001 | 40,000 | 113,252 |
| 1 | 40,001 | 45,000 | 42,300 |
| 2 | 60,001 | 65,000 | 126,514 |
| 1 | 70,001 | 75,000 | 74,500 |
| 1 | 95,001 | 100,000 | 95,962 |
| 1 | 110,001 | 115,000 | 114,156 |
| 1 | 130,001 | 135,000 | 133,000 |
| 1 | 145,001 | 150,000 | 150,000 |
| 1 | 195,001 | 200,000 | 197,400 |
| 1 | 220,001 | 225,000 | 222,590 |
| 1 | 435,001 | 440,000 | 436,896 |
| 1 | 540,001 | 545,000 | 544,206 |
| 1 | 545,001 | 550,000 | 550,000 |
| 1 | 720,001 | 725,000 | 720,811 |
| 2,666 | | | 4,182,225 |

| Categories of Shareholders | No. of Shareholders | Share Held | Percentage % |
|---|---------------------|------------------|--------------|
| Associated Companies and & Undertakings | | | |
| Intemationi General Insurance Company of Pakistan Limited | 1 | 544,206 | 13.01 |
| NIT & ICP | | | |
| Investment Corporation of Pakistan | 1 | 3,959 | 0.09 |
| National Bank of Pakistan Trustee Dept (NIT) | 1 | 720,811 | 17.24 |
| CEO, Directors, Spous & Minor Children | | | |
| Syed Wajid Ali | | 222,590 | 5.32 |
| Syed Shahid Ali | | 436,896 | 10.45 |
| Dr. Mrs. Niloufer Mahdi | | 11,625 | 0.28 |
| Syeda Ferial Rifaat Ali | | 25,053 | 0.6 |
| Syed Sheharyar Ali | | 347,400 | 8.31 |
| Mr. Muhamamd Shafique Anjum | | 2,505 | 0.06 |
| Mrs. Khadija Wajid Ali (w/o Syed Wajid Ali) | | 32,848 | 0.79 |
| Executives | - | - | - |
| INVESTMENT COMPANIES | 4 | 37,690 | 0.9 |
| JOINT STOCK COMPANIES | 26 | 338,303 | 8.09 |
| BANKS, DEVELOPMENT FINANACE INSTITUTION, NON-BANKING FINANCE INSTITUTIONS, INSURANCE COMPANIES, MODARABA & MUTUAL FUNDS | 8 | 255,607 | 6.11 |
| FOREIGN COMPANIES | 1 | 550,000 | 13.15 |
| PUBLIC SECTOR & CORPORATIONS | - | - | - |
| OTHERS | 1 | 1 | 0 |
| INDIVIDUALS | 2,623 | 652,731 | 15.6 |
| | 2,666 | 4,182,225 | 100 |

SHAREHOLDERS HOLDING 10% SHARES

| Sr. No. | Name of Shareholder | Shares |
|---------|---|---------|
| 1 | International General Insurance Company of Pakistan Limited | 544,206 |
| 2 | Syed Shahid Ali | 436,896 |
| 3 | M/s Escanaba Ltd. (Hong Kong) | 550,000 |
| 4 | National Bank of Pakistan Limited Trustee Dept. | 720,811 |

| | 2002 | 2001 |
|---|---------|--------|
| 30. EARNINGS PER SHARE | | |
| Profit for the year after taxation (Rupees in 'OOOs) | 138,557 | 50,494 |
| Weighted average number of ordinary shares in issue during the year (Number in 'OOOs) | 4,182 | 4,182 |
| Earnings per share (Rupees) | 33 | 12 |

31. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 20, 2002 by the board of directors of the company.

32. FIGURES

- have been rounded off to nearest thousand rupees.

- of previous year have been re-arranged and re-classified wherever necessary for the purposes of comparison