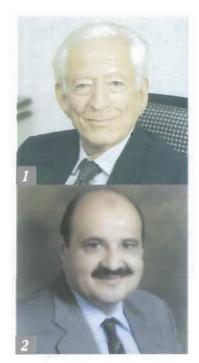


Report of the Directors



The Directors have pleasure in submitting their report on audited accounts for the year ending June 30, 2002

(Rs. 000's)

165,425 The profit for the year amounts to: Amount of un-appropriated profit brought forward from previous year 580 166,005

The Directors recommend:

Interim dividend already paid at the rate of Rs. 1.50 per share (15%) Final dividend at the rate of Rs. 5.50 per share (55%) Transfer to General Reserve

21,262 77,960 66,000

Leaving an un-appropriated profit carried forward to next year

165,222 783 166,005

We confirm and the auditors in their report to the members have also certified that:-

- a) The financial statements have been drawn up in conformity with the requirements of the Companies Ordinance 1984 and present fairly state of its affairs, operating results, cash flow and changes in equity.
- b) Proper books of accounts have been maintained in the manner required under Companies Ordinance 1984.
- Appropriate Accounting policies have been consistently applied in preparation of financial statements except for the change in accounting policy as stated in note 2.16 of financial statements which has concurrence of external auditors and accounting estimates are based on reasonable and prudent judgement.
- d) International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements.
- e) The internal control system is being effectively implemented and monitored.
- There are no significant doubts about the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance as detailed by the listing regulations.



Chairman

Mr. Towfig H. Chinoy Managing Director & CEO

Mr. Zaka U. Khan Director

4 Mr. Kamal A. Chinoy Director

Mr. M. Ateequllab Director

6 Mr. Mustapha A. Chinoy Director

7 Mr. K.M.M. Shah Director

8 Mr. Kemal Shoaib Nominee Director of NIT

9 Mr. Zabid Zabeer Nominee Director of NIT

10 Mr. A.W. Zuberi Nominee Director of NIT

II Mr. Tarig Iqbal Kban Nominee Director of NIT





Report of the Directors

The key operating and financial data of the past ten years are given on page 10.

Future prospects have been covered by the Chairman in his review.

Note 2.3 of financial statements on staff retirement benefits provides the information on the value of investments of the provident and gratuity funds.

The number of board meetings held during the year July 01, 2001 to June 30, 2002 was Five. The attendance of the directors is as under:-

Name of Director	Meetings attended	Name of Director	Meetings attended
Mr. J.R. Rahim	3	Mr. Kemal Shoaib	4
Mr. K.M.M. Shah	5	Mr. Zahid Zaheer	5
Mr. Kamal A. Chinoy	3	Mr. A.W. Zuberi	5
Mr. Mustapha A. Chinoy	5	Mr. Towfiq H. Chinoy	5
Mr. Zaka U. Khan	5	Mr. Istaqbal Mehdi	0
Mr. M. Ateequllah	4	Mr. Tariq Iqbal Khan	3



Mr. Tariq Iqbal Khan was elected Director at the Annual General Meeting held on October 25, 2001 on which date Mr. Istaqbal Mehdi's tenure ended.

The pattern of share holding is given on page number 38

During the fiscal year July 1, 2001 to June 30, 2002 the trading in shares of the Company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows:

1. Mr. Towfiq H. Chinoy, Managing Director bought 7,700 shares on September 12, 2001

Towniq H. Chinoy Managing Director & C.E.O