

18th ANNUAL REPORT 1996

TOYO NASIC

Nasir Siddiq Corporation (PAKISTAN) LTD.

CONTENTS

Company Information

Notice of Meeting

The Report

Auditors' Report

Balance Sheet

Profit & Loss Account

Statement of Sources and

Application of Funds

Notes

Pattern of Shareholding

COMPANY INFORMATION

CHAIRMAN &

MANAGING DIRECTOR

MR. TARIQ BAIG

DIRECTORS

MR. OMER BAIG

MRS. NAIMA TARIQ

MR. MANSOOR IRFANI

MR. M. SHAKEEL MALIK

MR. EHSAN UL HAQUE

MR. KHURRAM BAIG

NOMINEE DIRECTOR

ICP

MR. HAROON ISMAIL KAYANI

NOMINEE DIRECTOR

IPI

MR. MUJAHID ESHAI

NOMINEE DIRECTOR

NDFC

MR. JAVAID SADIQ

COMPANY SECRETARY

MR. WAQAR ULLAH, FCA

AUDITORS

SHAHID SAMI & CO.

CHARTERED ACCOUNTANTS

REGISTERED OFFICE

85 - B/2, GULBERG III, LAHORE.

TEL: 5755283, 5755284, 5755285

FAX: (042) 5 711659

FACTORY

33 - KM LAHORE/SHEIKHUPURA ROAD,

TEL: (042) 7925652, (04931) 55441-3

FAX: (04931) 53912

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of the Company will be held on Saturday the December 28, 1996 at 11.00 A.M. at the Registered Office of the Company at 85-B/2, Gulberg III, Lahore to transact the following business:-

1. To confirm the minutes of the Extra Ordinary General Meeting of the members held on September 3, 1996.
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 1996, comprising Balance Sheet, Profit & Loss Account and the Report of the Auditors and Directors thereon.
3. To appoint Auditors of the Company for the year ending June 30, 1997 and fix their remuneration.
4. To transact any other business with the permission of the chairman.

SPECIAL BUSINESS

5. To consider the change of name of the Company to **TARIQ GLASS INDUSTRIES LTD** and to pass the following resolution as a Special Resolution with or without amendment(s).

"Resolved the name of the Company be and is hereby changed to TARIQ GLASS INDUSTRIES LIMITED".

STATEMENT OF MATERIAL FACTS UNDER SECTION 160 OF THE ORDINANCE

The name of the company depicts the names of the then Sponsoring Directors in an abbreviated form. The present Management took over the Company in 1993 and it is now considered necessary to change the name to avoid any ambiguity in the names of business now conducted by the old Sponsors.

BY ORDER OF THE BOARD

(WAQAR ULLAH)

CORPORATE SECRETARY

NOTES:

a) The share transfer books of the Company will remain closed from December 22, 1996 to December 28, 1996 (both days inclusive). Transfers received in order upto the close of business on December 21, 1996 will be in time to effect the voting rights at the Annual General Meeting.

b) A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote. Votes may be given personally or by proxy or by attorney or in case of a corporation by representative. The instrument of proxy duly executed should be lodged at the Registered Office of the Company not later than 48 hours before the time of meeting.

c) The shareholders are requested to notify the Company of the change in their address, if any.

THE REPORT

On behalf of the Board of Directors I feel pleasure to welcome you to the 18th Annual General Meeting and present to you the audited accounts together with report of the Auditors for the year ended June 30, 1996.

During the year under report your Company made progress in achieving the highest ever net sale of finished goods amounting to Rs. 272 million. The company after providing for administrative and financial expenses and providing Rs. 36.570 million for depreciation and amortisation made a loss of Rs. 14.038 million.

As reported in the last report the Company is manufacturing Moulds and with the technology gained in this respect we will be self sufficient in this account in the years to come.

Your company made earnest and best efforts to pay the dividend but the re-payment of debts and financial charges hampered in our way and we could not do so. However your company is striving hard to achieve this end and with the passage of time Insha-Allah the liquidity position of the company will improve and we will have surplus funds at our disposal to pay the dividend.

The retiring Auditors M/S. Shahid Sami & Company Chartered Accountants retire and being eligible offer them selves for reappointment. The Directors recommend their appointment.

The matter of change of name of the Company remained under consideration for quite some time and finally your management has decided that as the previous owners of the company are now active in their own business and names of the two companies i.e. this company and their company are inflicting and one considers this company as part of the previous owners and thus enquiries are made. Your Directors have therefore decided to change the name of the Company to TARIQ GLASS INDUSTRIES LIMITED this name is

also available with the Joint Registrar of Companies Lahore.

The pattern of shareholdings is annexed.

The Management and workers relations remained cordial during the year and the management acknowledges the hardwork and devotion to duty put in by the staff and workers of your Company and we look forward for their continued support in future.

FOR AND ON BEHALF OF THE BOARD

(TARIQ BAIG)

CHAIRMAN &

MANAGING DIRECTOR

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of NASIR SIDDIQ CORPORATION (PAKISTAN) LIMITED as at June 30, 1996 and the related profit and loss account and statement of source and application of funds, 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 and, after due verification thereof, 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 purposes 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 explanations given to us, the balance sheet, profit and loss account and the statement of source and application of funds, together with the notes forming part thereof, 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, 1996 and of the loss and the changes in source and application of funds for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

SHAHID SAMI & CO.,
Chartered Accountants

**BALANCE SHEET AS
AT JUNE 30, 1996**

	Note	1996 RUPEES	1995 RUPEES
SHARE CAPITAL AND RESERVES			
Share Capital	3	100,000,000	100,000,000
Accumulated (Loss)		(53,617,673)	(53,579,282)
		-----	-----
		46,382,327	46,420,718
REDEEMABLE CAPTIAL			
	4	9,400,000	14,100,000
DEBENTURES AND LONG TERM LOANS			
SECURED	5	96,687,504	125,175,001
UN - SECURED	6	120,000,000	134,000,000
LIABILITIES AGAINST ASSETS			
SUBJECT TO FINANCE LEASE			
	7	21,001,623	20,826,504
CURRENT LIABILITIES			
Short Term Borrowings	8	32,133,986	14,929,761
Current Maturity of Long Term Loans and Debentures	9	63,674,672	31,977,311
Creditors, Provisions and Accrued Expenses	10	60,243,748	47,781,868
Dividend - Unclaimed		7,966	7,966
		-----	-----
		156,060,372	94,696,906
CONTINGENCIES AND COMMITMENTS			
	11	-	-

	-----	-----
	449,531,826	435,219,129
	=====	=====

These Account should be read in conjunction with the annexed notes which form an integral part thereof.

Auditor report to the members is annexed.

	Note	1996 RUPEES	1995 RUPEES
FIXED ASSETS - TANGIBLE			
Operating Assets	12	258,865,835	286,211,319
LEASED ASSETS			
	13	32,545,373	-
CAPITAL WORK-IN-PROGRESS			
	14	21,418,862	32,141,999
DEFERRED COSTS			
	15	14,995,529	19,279,965
CURRENT ASSETS			
Stores and Spares	16	56,969,609	51,315,988
Stocks	17	37,801,516	26,565,493
Trade Debtors- Unsecured	18	15,161,201	6,626,885
Advances, Deposits, Prepayments and Other Receivables	19	10,315,128	12,073,245
Cash and Bank Balances	20	1,458,773	1,004,235
		-----	-----
		121,706,227	97,585,846
		-----	-----
		449,531,826	435,219,129
		=====	=====

(MANSOOR IRFANI)
Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30, 1996**

	Note	1996 RUPEES	1995 RUPEES
--	------	----------------	----------------

SALES - NET	21	272,483,274	111,757,834
COST OF SALES EXCLUDING DEPRECIATION	22	200,899,924	83,093,146
		-----	-----
		71,583,350	28,664,688
OPERATING EXPENSES			
Administrative	23	7,594,372	3,592,228
Selling and distribution	24	9,910,157	3,265,644
		-----	-----
		17,504,529	6,857,872
OPERATING PROFIT/(LOSS)		-----	-----
		54,078,821	21,806,816
Depreciation	12	32,285,523	15,031,464
Financial expences	25	31,402,501	14,401,135
Amortisation	15	4,284,436	2,142,218
		-----	-----
		67,972,460	31,574,817
		-----	-----
		(13,893,639)	(9,768,001)
OTHER INCOME	26	1,217,664	1,712,995
(LOSS) FOR THE YEAR		-----	-----
		(12,675,975)	(8,055,006)
TAXATION			
		(1,362,416)	(558,789)
		-----	-----
		(14,038,391)	(8,613,795)
BROUGHT FORWARD (LOSS)			
		' (53,579,282)	(44,965,487)
ADJUSTMENT	27	14,000,000	-
ACCUMULATED (LOSS)		-----	-----
CARRIED FORWARD		(53,617,673)	(53,579,282)

(These accounts should be read in conjunction with the annexed notes which form an integral part thereof.)

ANNUAL REPORT 'i996

**STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED JUNE 30, 1996**

	1996 RUPEES	1995 RUPEES
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss after taxation	(14,038,391)	(8,613,795)
Adjustments for :		
Depreciation	32,285,523	15,031,464
Amortisation	4,284,436	2,142,218
Profit on sale of fixed assets	(246,427)	-
	-----	-----
Operating profit before working capital changes	22,285,141	8,559,887
(Increase)/Decrease in Current Assets		
Stores & Spares	(5,653,622)	(3,983,872)
Stocks	(11,236,023)	4,416,772
Trade Debtors	(8,534,316)	5,113,492
Advances, Deposits, Prepayments and other Receivables	1,758,117	(6,473,551)
	-----	-----
	(23,665,844)	(927,159)
Increase/(Decrease) in Current Liabilities		
Creditors, Provision and Accrued Expenses	124,618,801	1,685,280
Short Term Borrowings	17,204,225	210,311
	-----	-----
	29,666,105	1,895,591
	-----	-----
Net Cash from operating activities	28,285,402	9,528,319

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Property, Plant & Equipment	(37,653,984)	(865,575)
Proceeds from Sale of Fixed Assets	-	415,000
Increase in Capital Work-in-Progress	10,723,136	(8,456,272)
	-----	-----
Net cash used in investing activities	(26,515,848)	(9,321,847)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term Borrowings	(5,617,888)	1,696,258
Payments under Finance Lease	4,302,872	(2,459,222)
	-----	-----
Net cash used in financing activities	(1,315,016)	(762,964)
	-----	-----
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	454,538	(556,492)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR/PERIOD	1,004,235	1,560,727
	-----	-----
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR/PERIOD	1,458,773	1,004,235
	=====	=====

**NASIR SIDDIQ CORPORATION (PAKISTAN) LTD.
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED JUNE 30, 1996**

1. THE COMPANY AND ITS OPERATIONS

The Company is a public limited listed Company engaged in the manufacture of glass bottles and tableware.

2. ACCOUNTING POLICIES

2.1 Basis of Accounting

These accounts are prepared under the historical cost convention.

2.2 Operating Assets, Leased Assets and Depreciation:

2.2.1 Operating Assets

Freehold land is not depreciated.

The Company provides depreciation on the "Reducing Balance Method," without considering extra shifts and initial allowances for its other fixed assets

Full year's depreciation is provided on additions and no depreciation is provided on deletions irrespective of the actual dates of additions or deletions.

Minor renewals or replacements and maintenance and repairs are charged to the Profit and Loss account. Major renewals and improvements are capitalised. Profits and Losses on disposal of assets are reflected in the Profit and Loss account for the year.

2.2.2 Leased Assets

Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets less depreciation at the rates applicable to the Company's own assets. The related obligations of lease are accounted for as liabilities.

2.3 Capital work-in-progress is stated at cost.

2.4 Deferred Costs

The deferred costs are amortised over a period of five year.

2.5 Foreign Currencies

a. The unsecured foreign currency loan from Industrial Products Investment Limited has been frozen at the rate of exchange prevailing on December 31, 1993. No exchange fluctuation is thereof to be accounted for.

b. Cost of assets subject to foreign exchange fluctuation is capitalised unless foreign forward risk cover is obtained.

c. Any other foreign exchange fluctuations are included in Profit and Loss account since re-commencement of production.

2.6 Staff Retirement Benefits.

Provision for gratuity. has been made on the basis of length of service completed by June 30, 1995.

Provident fund scheme has been revived and replaced with the existing gratuity scheme with effect from July 01, 1995.

2.7 Taxation

No provision has been made by the Company for deferred taxation (approximately amounting to Rs. 33 Million) (1995: Rs. 34 million) to meet the liability of tax on account of accelerated rate of depreciation charged for income tax purposes as due to the company's plan for expansion the timing differences are not expected to reverse in the future and also the Company has brought forward tax losses.

2.8 Stocks, Stores and Spares

The basis of valuation of stocks, stores and spares is as follows:

Raw material	-	At cost based on FIFO method
Material in process	-	At raw material cost
Finished goods	-	At lower of cost or net realisable value
Broken glass (cullet)	-	At cost
Stores and spares	-	At cost based on FIFO method
Chemicals & Ceramic colours	-	At average cost
Packing material	-	At average cost
Goods in transit	-	At cost

2.9 Revenue Recognition

Sales are recorded on despatch of goods.

3. SHARE CAPITAL

Authorised

12,000,000 Ordinary shares
of Rs. 10/- each

1996
RUPEES

1995
RUPEES

120,000,000

120,000,000

=====

=====

Issued, subscribed and fully
paid up 10,000,000 Ordinary
shares of Rs. 10/- each fully
paid in cash

100,000,000

100,000,000

100,000,000

100,000,000

=====

=====

4. REDEEMABLE CAPITAL - SECURED

LT - TFC's

14,100,000

16,450,000

Less : Current Maturity

4,700,000

2,350,000

-----	-----
9,400,000	14,100,000
=====	=====

Messrs Pakistan Industrial Credit and Investment Corporation Limited (PICIC) has entered into an investment agreement for Term Finance Certificates (LT - TFC's) amounting to rupees 23.500 million for the renovation of furnace and to meet other start up expenses. The redemption value of these LT-TFC's amount to rupees 39.011 million and are repayable in 11 semi annual instalments commencing from January 01, 1994. In case of prompt payment a rebate of rupees 2.675 million will be allowed by the lender.

The above LT - TFC's are secured against an equitable mortgage on the present and future properties of the Company, wherever situated, including all buildings, fixed plants, machinery and fixtures, a first floating charge on all other assets of the Company (both present and future), and a first charge by way of hypothecation in respect of all the machinery of the Company both present and future.

The above charges rank pari passu in all respects with the charges created in favour of ICP led syndicate, National Bank of Pakistan, Habib Bank Limited and National Development Finance Corporation.

5. DEBENTURES AND LONG TERM

LOANS - SECURED

These are made up of as follows

		1996 RUPEES	1995 RUPEES
Habib Bank Limited	(5.01)	56,970,226	56,970,225
National Bank of Pakistan	(5.01)	50,846,855	50,846,855
Syndicate Debentures	(5.02)	10,901,957	11,507,607
National Development Finance Corporation	(5.03)	24,525,107	26,085,000
		-----	-----
		143,244,145	145,409,687

Current Maturity:

Habib Bank Limited		17,091,069	5,697,023
National Bank of Pakistan		15,254,055	5,084,685
Syndicate Debentures		6,056,649	4,239,645
National Development Finance Corporation		8,154,868	5,213,333

-----	-----
46,556,641	20,234,686
-----	-----
96,687,504	125,175,001
=====	=====

5.1 At the request of the Company the above banks have restructured their running finance account together with entire mark up accrued thereon upto December 31, 1993 into long term loans repayable over a period of seven years including a grace period of two years. As per the terms of the restructuring agreements concluded between the Company and the above banks the mark up for the first year is merged in the principal and will be paid in ten equal half yearly instalments, while in the second year the Company will pay the due mark up only. These loans carry mark up at the rate of 10% per annum.

These loans are secured against first equitable mortgage charge on the present and future properties of the company, wherever situated, including all buildings, fixed plants, machinery and fixtures.

5.2 Redeemable debentures issued by the Company to an ICP led syndicate comprising ICP and five commercial banks have been restructured alongwith the entire interest upto December 31, 1993. As per the terms and conditions of the financial package the fresh liability hereafter called as "Restructured Debt" is as follows:

Investment Corporation of Pakistan	3,264,049
National Bank of Pakistan	2,428,000
Habib Bank Limited	2,430,000
United Bank Limited	2,429,000
Muslim Commercial Bank Limited	565,222
Allied Bank of Pakistan Limited	997,000

	RUPEES 12,113,271
	=====

The restructured debt is now repayable in ten equal half yearly instalments commencing from December 31, 1994 and carries interest at the rate of 10% per annum.

This debt is secured by a Trust Deed dated January 03, 1982 which has been registered with the Sub-registrar, Sheikhpura. The trust Deed has created first

mortgage and first floating charge on all the present and future movable properties and assets of the Company including building, fixed plant, machinery and fixtures.

The Company has entered into an agreement with National Development Finance Corporation for the financial assistance of Rs. 23.500 million for the renovation of its furnace plant and machinery and other start up expenses. The mark up due from the date of disbursement to December 31, 1994 has been merged with the principal. The total marked up value of this loan is Rs. 44,293,210 and is repayable in ten equal semi annual instalments, the first of which was due on January 01, 1995. A rebate of Rs. 4,380,950 will be allowed by the lender in case of prompt payment.

The above loan is secured against an equitable mortgage on the present and future movable properties of the Company wherever situated, including all buildings, fixed plants, machinery and fixtures, a first floating charge on all other assets of the Company (both present and future) and a first charge by way of hypothecation in respect of all the machinery of the Company both present and future.

All above charges created under sub-note No. 5.1, 5.2 and 5.3 rank pari passu in all respect with charges created in favour of each and Pakistan Industrial Credit and Investment Corporation Limited.

Current maturity includes a sum of RS. 20,069,155 (1995 : RS. 6,592,578) representing overdue instalments which are being repaid subsequently under arrangements with the lenders.

6. DEBENTURES AND LONG TERM

LOANS- UNSECURED

		1996 RUPEES	1995 RUPEES
Foreign Currency Loans	(6.01)	120,000,000	120,000,000
From Directors	(6.02)	14,000,000	14,000,000
		-----	-----
		134,000,000	134,000,000
Less : Adjustment	(26.00)	14,000,000	-
		-----	-----
		120,000,000	134,000,000
		=====	=====

6.1 Foreign Currency Loan

The loan from Industrial Products Investments Limited is in respect of import

of machinery. The new management has entered into a fresh agreement with IPI whereby:

(a) The loan shall not attract any interest, and

(b) The loan shall not be repayable until such time that the bank loans are liquidated in accordance with the Prudential Regulations and in agreement with the banks and financial institutions this loan shall be classified as 'Subordinated to Equity.'

(c) The new management undertook to repay IPI, on behalf of the Company, from their personal resources, a sum of Rs. 28.534 million against the principal sum due in two instalments. Both of which have been duly made.

As a further gesture of goodwill and prompt receipt of Rs. 28.534 millions the sponsors of IPI have frozen their balance outstanding loan of US\$ 4,472,634 equivalent to Pak Rs. 134.641 million at the rate of exchange prevailing at December 31, 1993 without any consideration of future exchange fluctuation.

6.2 Loan From Directors

The interest free loan from the Managing Director has been conditionally waived off during the year as a gesture of goodwill. This loan will be re-instated as and when the company issues right shares or goes into profits, by appropriation of the available profits as then agreed between the lender and the company.

	1996	1995
	RUPEES	RUPEES
7. LIABILITIES AGAINST ASSETS		
SUBJECT TO FINANCE LEASE		
Opening balance	24,653,425	23,285,726
Add : Disbursements during the year	10,429,216	2,691,774
	-----	-----
	35,082,641	25,977,500
Less : Paid during the year	6,126,344	1,324,075
	-----	-----
	28,956,297	24,653,425
Less : Current Maturity	7,954,674	3,826,921
	-----	-----
	21,001,623	20,826,504
	=====	=====

The total lease rentals due under the lease agreements aggregate Rs. 41,605,853 (1995 : Rs. 39,186,870) and are repayable in 36-54 monthly instalments under various lease arrangements. Taxes, Insurance, repair and replacement costs are to be borne by the lessee. Financing rate ranging from 18-25% has been calculated by using implicit method.

8. SHORT TERM BORROWING

Habib Bank Limited	(8.01)	26,558,572	14,319,557
ANZ Grindlays Bank		-	610,204
National Bank of Pakistan	(8.02)	4,970,488	-
Union Bank Limited	(8.03)	604,926	-
		-----	-----
		32,133,986	14,929,761
		=====	=====

8.1 A mark up facility of Rs. 25.000 million (1995 · Rs. 15.000 million) has been sanctioned by Habib Bank Limited the facility extended by the bank is secured against hypothecation of stocks lying in the factory and a second charge on Company's fixed assets both movable and immovable. the mark up charged by the bank is at the rate of 51 paisa per thousand on daily product basis.

8.2 the bank has sanctioned a cash finance pledge facility against pledge of the raw material and finished goods equivalent to the 75% of value. the mark-up rate is 17.5% per annum.

8.3 The bank has granted a temporary pledge finance facility against pledge of imported material equivalent to 100% of CIF value at mark-up rate of 22% per annum.

9. CURRENT MATURITY OF LOANS AND DEBENTURES

	1996 RUPEES	1995 RUPEES
Redeemable Capital	8,517,003	7,875,000
Habib Bank Limited	17,091,069	5,697,023
National Bank of Pakistan	15,254,055	5,084,685
National Development Finance Corporation	8,154,868	5,213,333
Syndicate Debentures	6,662,299	4,239,645
Leasing Companies	7,954,674	3,826,921
Custom Debentures	40,704	40,704
	-----	-----

	63,674,672	31,977,311
	=====	=====
10. CREDITORS, PROVISIONS, AND ACCRUED EXPENSES		
Creditors	20,664,907	17,125,522
Security Deposits (10.01)	3,025,000	3,000,000
Accrued Interest (on secured loans)	18,791,152	13,776,785
Accrued Expenses	6,088,119	4,642,003
Govt. Dues - Customs Dues	-	2,042,469
Govt. Dues - Sales Tax	2,175,268	1,920,244
Others	9,499,302	5,274,845
	-----	-----
	60,243,748	47,781,868
	=====	=====

These can be re-classified as follows:

Creditors for:

- Goods	22,840,175	21,088,235
- Expenses	24,879,271	18,418,788
- Other Finance	12,524,302	8,274,845
	-----	-----
	60,243,748	47,781,868
	=====	=====

10.1 The above security deposits do not carry any interest and are repayable on demand.

11. CONTINGENCIES AND COMMITMENTS

Commercial banks have issued guarantees in the ordinary course of business on behalf of the company. The un-expired guarantees at the year end amounted to Rs. 0.115 million (1995: Rs. 0.115 million).

Loan given by the Managing Director waived off during the year amounting to Rs. 14.00 million will be re-instated when the Company issues right shares or when the company has sufficient funds for repayment out of the future available profits.

12. Operating Assets :-

PARTICULARS	COST	ADDITIONS	DELETIONS	COST	ACCUMULATED
-------------	------	-----------	-----------	------	-------------

	AS ON 7/1/1995			AS AT 6/30/1996	DEPRECIATION AS ON 01-7-195
Land Free Hold	5,267,380	-	-	5,267,380	
Building on Free Hold Land					
-Factory	38,331,912	82,800	-	38,414,712	17,596,387
-Office	49,231,008	50,802	-	49,281,810	23,643,266
Plant & Machinery	351,053,333	860,706	-	351,914,039	129,494,039
Furniture Fixture & Fittings	2,643,805	58,350	-	2,702,155	1,580,251
Tools & Equipment	761,525	-	-	761,525	397,573
Electric Install- ations	7,683,531	194,610	-	7,878,141	4,565,076
Vehicles	4,170,061	-	528,908	3,641,153	2,053,076
Moulds	30,297,289	-	-	30,297,289	23,572,044
Fire Fighting Equipment	39,606	-	-	39,606	5,808
1996 Rupees	489,479,450	1,247,268	528,908	490,197,810	202,907,795
	188,613,875	865,575	-	489,479,450	188,236,667

PARTICULARS	RATE	Depreciation For The Year	Accumulated Depreciation As 6/30/1996	Written Down Value as at 6/30/1996
Land Free Hold				5,267,380
Building on Free Hold Land				
-Factory	10.00%	2,081,833	19,678,220	18,736,492
-Office	5.00%	1,281,927	24,925,193	24,356,617
Plant & Machinery	10.00%	22,241,985	151,736,170	200,177,869
Furniture Fixture & Fittings	10.00%	112,190	1,692,441	1,009,714
Tools & Equipment	10.00%	36,395	433,968	327,557
Electric Install- ations	10.00%	331,307	4,896,383	2,981,758
Vehicles	20.00%	317,590	2,370,795	1,270,358
Moulds	30.00%	2,017,573	25,589,617	4,707,672

Fire Fighting

Equipment	10.00%	3,380	9,188	30,418

1996 Rupees		28,424,180	231,331,975	258,865,835
=====				
		15,031,464	203,268,131	286,211,319
=====				

12.01 Disposal of Operating Assets :-

Particulars	Cost	Accumulated Deprecia- tion	Book Value	Sales Proceeds	Profit/ (Loos)
Suzuki Van	127,000	97,036	29,964	45,000	15,036
Toyota Corolla (a)	186,908	172,139	14,769	150,000	135,231
Toyota Corolla (b)	215,000	91,160	123,840	220,000	96,160

	528,908	360,335	168,573	415,000	246,427
=====					

Contd.

	Basic of Sales	Sold To
Suzuki Van	Negotiation	Mr. Kansha, Kanian Wala, Kot Saleem, Sheikhpura,
Toyota Corolla (a)	- do -	Mr. Ijaz Sarwar, St. -2, Shabbaz Nagar, Nagar, Kot Salem, Sheikhpura,
Toyota Corolla (b)	- do -	Mr. Ijaz Sarwar, - do -

13. Leased Assets :-

PARTICULARS	COST		DELETIONS	COST		ACCUMULATED DEPRECIATION AS ON 01-7-195
	AS ON 7/1/1995	ADDITIONS		AS AT 6/30/1996		
Plant & Machinery	-	34,200,000	-	34,200,000	-	
Vechiles	-	2,206,716	-	2,206,716	-	

	36,406,716	36,406,716
=====	=====	=====
	Total	32,285,523
		=====

14. CAPITAL WORK IN PROGRESS

This represents the cost of glass tableware manufacturing machine under the scheme of balancing and modernisation of existing production facilities. Break up of this figure is follows :-

	1996 RUPEES	1995 RUPEES
Plant & Machinery	9,874,185	31,741,999
Stores & Spares	7,871,957	-
Cost of installation	3,672,720	-
Financial & Commitment Charges	-	400,000
	-----	-----
	21,418,862	32,141,999
	=====	=====

15. DEFERRIED COSTS

It represents the accrual/payment of financial charges on the various loans both fresh and new availed from banks/DFI's for the rehabilitation of the project and the charge of advertisement incurred on the re-start of the operations and is amortised over a period of five years commencing from January 1, 1995.

Financial charges	19,279,965	19,205,341
Advertisement	-	2,216,842
	-----	-----
	19,279,965	21,422,183
Less : Amortised	4,284,436	2,142,218
	-----	-----
	14,995,529	19,279,965
	=====	=====

16. STORES AND SPARES

Stores	16,026,079	13,520,787
Spares	35,295,283	30,579,634
Goods in transit	5,648,247	7,215,567
	-----	-----
	56,969,609	51,315,988
	=====	=====

17. STOCKS

Raw Material :

- Silica Sand	153,505	636,155
- Lime Stone	375,937	976,283
- Feldspar	413,858	-
	-----	-----
	943,300	1,612,438
Chemicals and Ceramic Colours	5,106,562	5,577,766
Packing Material	4,050,023	3,230,384
Broken Glass (Cullett)	5,659,366	3,472,557
Material-in-process	693,092	994,747
Finished Goods	21,349,173	11,677,601
	-----	-----
	37,801,516	26,565,493
	=====	=====

1996

RUPEES

1995

RUPEES

18. TRADE DEBTORS- UNSECURED

Considered good	15,161,201	6,626,885
Considered doubtful	476,196	476,196
	-----	-----
	15,637,397	7,103,081
Provision for doubtful debts	476,196	476,196
	-----	-----
	15,161,201	6,626,885
	=====	=====

**19. ADVANCES DEPOSITS PREPAYMENTS
AND OTHER RECEIVABLES**

Advances	4,599,619	3,699,608
Deposits	3,769,465	2,726,540
Prepayments	1,308,959	4,972,089
Others	637,085	675,008
	-----	-----
	10,315,128	12,073,245
	=====	=====

19.1 Included in above are

-	Excise duty	172,117	434,585
-	Sales tax	-	3,466,569
-	Income tax	2,818,948	1,522,565
		-----	-----
		2,991,065	5,423,719
		=====	=====

19.2 Advances do not include any amount due either from the Managing Director, Directors or the Executives.

20. CASH AND BANK BALANCES

Cash in hand	838,460	133,604
Bank current accounts	505,313	755,631
Bank deposit accounts	115,000	115,000
	-----	-----
	1,458,773	1,004,235
	=====	=====

21. SALES - NET

Local	269,722,397	111,523,482
Export	2,760,877	234,352
	-----	-----
	272,483,274	111,757,834
	=====	=====

The sales are net of excise duty and sales tax amounting to Rs. 63,312,573 (1995 : Rs. 23,109,644).

The above sales include a sum of Rs. 8,067,377/- made to Omer Glass Industries Limited an associated undertaking. (1995: Rs. NIL)

	1995 RUPEES	1996 RUPEES
22. COST OF SALES EXCLUDING DEPRECIATION		
Opening stock	7,190,204	6,888,767
Purchases	94,981,224	28,031,496
	-----	-----
Available for Consumption	102,171,428	34,920,263
Closing stock	6,049,862	7,190,204
	-----	-----

	96,121,566	27,730,059
Salaries, wages and benefits	26,392,387	13,253,394
Power and fuel	65,945,895	18,775,908
Packing material	20,698,414	9,108,246
Travelling and conveyance	640,371	158,617
Insurance	947,740	331,916
Postage, telegram & telephones	420,139	271,885
Repair and maintenance	471,269	286,631
Fee & Taxes	197,595	161,935
Printing & Stationery	196,477	-
Entertainment	329,658	-
Misc. Expenses	95,139	63,097
	-----	-----
	212,456,650	70,141,688

Cullet		
Net of opening/closing difference	(2,186,809)	(2,211,103)
Material- in - process		
Net of opening/closing difference		
	301,655	(194,578)

	-----	-----
	(1,885,154)	(2,405,681)

	-----	-----
	210,571,496	67,736,007

Finished goods		
Contract Manufacturing	-	7,522,190
Net of opening/closing difference	(9,671,572)	7,834,949

	-----	-----
	(9,671,572)	15,357,139

	-----	-----
	200,899,924	83,093,146

=====

1995	1996
RUPEES	RUPEES

23. ADMINISTRATIVE

Salaries & other benefits		4,455,301	1,509,609
Travelling Expenses		307,424	181,130
Printing & stationery		206,622	289,487
Postage, telegram & telephones		786,698	518,969
Rent, rates and taxes		457,205	211,105
Motor vehicle expenses		661	321,215
Repair & maintenance		59,012	35,423
Legal & professional charges		237,100	69,000
Auditors' remuneration	(23.01)	30,975	24,000
Advertisement		49,335	37,557
Electricity, gas and water		346,712	84,214
Entertainment		116,770	148,854
Insurance		289,870	73,005
Subscriptions, newspapers and periodicals		99,947	79,140
Miscellaneous		18,740	9,520
		-----	-----
		7,594,372	3,592,228
		=====	=====

23.1 This includes

Audit fee		22,500	22,500
Out of pocket expenses		8,475	1,500
		-----	-----
		30,975	24,000
		=====	=====

1995	1996
RUPEES	RUPEES

24. SELLING AND DISTRIBUTION

Salaries & other benefits		1,634,418	700,079
Local freight and forwarding		3,175,670	1,471,735

Travelling	1,312,575	352,837
Fares and exhibitions	985,278	319,385
Rent, rates and taxes	7,733	500
Printing & stationery	86,861	40,705
Postage, telegram & telephones	467,970	107,163
Motor vehicle expenses	173,054	96,660
Entertainment	19,005	9,719
Breakage & Incidental Charges	103,124	166,871
Discounts & Commissions	1,944,649	-
	-----	-----
	9,910,157	3,265,644
	=====	=====

25. FINANCIAL EXPENSES

Mark-up on :

Redeemable capital including excise duty	9,993	2,141,086
Secured loans including excise duty	19,416,029	11,691,381
Lease finances	6,330,327	-
Commitment charges	119,295	259,775
Inland letter of credit discounting charges	1,373,674	-
	-----	-----
	30,679,318	14,092,242
Bank charges	723,183	308,893
	-----	-----
	31,402,501	14,401,135
	=====	=====

26. OTHER INCOME/(EXPENDITURE)

Profit on disposal of vehicle	246,428	-
Moulds usage income	1,211,792	1,570,827
Corporate assets tax	(440,000)	-
Other Income	199,444	142,168
	-----	-----
	1,217,664	1,712,995
	=====	=====

27. ADJUSTMENT

This represent the loan waived off by the Managing Director amounting to

Rs. 14.000 million, it will be re-instated in the books of accounts when the company issues right shares or has sufficient funds to liquidate this loan. (Also see Note No. 6.2).

28. The aggregate amounts including all benefits charged in these accounts for remuneration to the directors and the executives of the company are given below .

	1996			1995		
	Managing Director	Director	Executive	Managing Director	Director	Executive
Remuneration	774,000	152,520	2,231,668	387,000	76,260	1,034,575
House rent	348,600	68,630	1,004,250	174,300	34,315	465,558
Conveyance	3,600	3,600	61,200	1,800	1,800	27,000
Utilities	73,800	15,250	223,167	36,900	7,625	103,457
	-----	-----	-----	-----	-----	-----
Rupees	1,200,000	240,000	3,520,285	600,000	120,000	1,630,590
	=====	=====	=====	=====	=====	=====
Number of person	1	2	18	1	2	15

i) The term "Executive" is deemed to include the employees whose remuneration including all benefits exceeds Rs. 100,000/-.

29. PLANT CAPACITIES

The installed production capacity and the actual packed production achieved during the year is as follows:-

	1996	1995
Furnace capacity (for full year) .		
- Bottles	15,015	15,015
- Tableware	8,085	8,085
	-----	-----
M. Tons	23,100	23,100
	=====	=====
Actual packed production		
- Bottles	19,582	5,589
- Tableware	4,408	2,193
	-----	-----
M. Tons	23,990	7,782
	=====	=====

30. FIGURES

of the previous period have been re-arranged and re-grouped wherever necessary to facilitate comparison.

have been rounded off to the nearest rupee.

the previous period's figures are for six months (from January 1995 to June 1995)

PATTERN OF HOLDING OF THE SHARES HELD BY THE MEMBER

Number of Shareholders	Shareholding		Total Shares Held
	From	To	
968	1	100	96,800
144	101	500	46,520
53	501	1,000	46,200
43	1,001	5,000	116,100
20	5,001	10,000	167,793
4	10,001	15,000	53,000
2	15,001	20,000	35,100
2	25,001	30,000	56,500
1	30,001	35,000	30,500
2	40,001	45,000	87,300
2	45,001	50,000	100,000
1	50,001	55,000	53,400
1	60,001	65,000	62,078
2	65,001	70,000	136,798
1	195,001	200,000	196,920
5	210,001	215,000	630,479
1	270,001	275,000	272,500
2	275,001	280,000	554,429
1	545,001	550,000	547,100
1	895,001	900,000	90,000
1	1,090,001	1,095,000	1,095,000
1	1,715,001	1,720,000	1,715,983
1	2,995,001	3,000,000	2,999,500
-----	-----	-----	-----
1,257	TOTAL:		10,000,000
=====	=====	=====	=====

Categories of	Number	Shares Held	Percentage
---------------	--------	-------------	------------

Shareholders

1.	Individuals		1241	3,143,200	31.43	
2.	Investment Companies		1	2,500	0.02	
3.	Joint Stock Companies		3	22,056,183	20.56	
4.	Financial Institutions		7	1,796,717	17.96	
5.	Others:					
	(a) Foreign Company		1	2,999,500	30.00	
	(b) Issued to individuals on repatriable basis		4	1,900	0.02	
-----	-----	-----	-----	-----	-----	
			TOTAL:	1257	10,000,000	100.00
=====	=====	=====	=====	=====	=====	