

TARIQ GLASS INDUSTRIES LIMITED ANNUAL REPORT 2003

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COMPANY'S INFORMATION

BOARD OF DIRECTORS

CHAIRMAN &

MANAGING DIRECTOR

DIRECTORS:

MR TARIQ BAIG
MR OMER BAIG
MRS NAIMA TARIQ
MR MANSOOR IRFANI
MR EHSAN UL HAQ
MR DAVID JULIAN
MR SYEDTUFAILHUSSAIN

NOMINEE DIRECTOR IPI

MR MUJAHID ESHAI

SECRETARY

MR WAQAR ULLAH, FCA

AUDIT COMMITTEE

MR OMER BAIG	CHAIRMAN
MR EHSAN UL HAQ	MEMBER
MR DAVID JULIAN	MEMBER

AUDITORS

IJAZTABUSSUM&CO
CHARTERED ACCOUNTANTS
ISLAMABAD

REGISTERED OFFICE

49 - BRIDGE COLONY LAHORE CANTT
UAN 042-111-34-34-34
FAX 042- 6672933 & 6686477
E MAIL teeqlas(2>brain net pk

LEGAL ADVISOR

MUBASHAR LATIF AHMAD
LAHORE

TAX CONSULTANTS

YOUSAF ISLAM ASSOCIATES "
LAHORE

INFORMATION TECHNOLOGY

CHARTAC BUSINESS SERVICES (PVT) LTD

CONSULTANTS

LAHORE

BANKERS

NATIONAL BANK OF PAKISTAN
HABIB BANK LTD
PICIC COMMERCIAL BANK LTD
MUSLIM COMMERCIAL BANK LTD

WORKS

33-KM LAHORE/SHEIKHUPURA ROAD,

TEL (042) 7925652, (04931) 55441 - 3
FAX (04931)53912

NOTICE OF MEETING

Notice is hereby given that the 25 Annual General Meeting of the members of the Company will be held on Thursday the October 30, 2003 at 04:30 PM at the Defense Services Officers' Mess, 71 - Tufail Road. Lahore Cantt to transact the following business:

1. To confirm the minutes of the 24th Annual General Meeting of the members held on October 26, 2002
2. To receive and adopt the audited accounts of the Company for the year ended June 30, 2003, comprising Balance Sheet, Profit and Loss Account and Reports of the Auditors and Directors thereon.
3. To declare final cash dividend. The Directors have recommended 10% dividend for the year ended June 30, 2003.
4. To appoint Auditors of the company for the year ending June 30, 2004 and fix their remuneration.
5. To transact any other business with the permission of the chairman.

BY ORDER OF THE BOARD

October 06, 2003

(WAQAR ULLAH)

Lahore

CORPORATE SECRETARY

NOTES

- a. The share transfer books of the Company will remain closed from October 24, 2003 to October 30, 2003 (both days inclusive). Transfer received in order upto the close of business on October 23, 2003 at registered office of the company at 49-Bridge Colony Lahore Cantt will be entitled to dividend and to affect the voting rights at the Annual Geneni 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 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. Shareholders whose shares are registered in their account / sub-account / group account with Central Depository System (CDS) are requested to bring original NIC along with their account number in CDS and participants ID number for verification. In case of appointment of proxy by such account holders it must be accompanied with participants, ID No. and Account / Sub-account No. along with the attested photocopies of NIC or the Passport of the beneficial owner. Representatives of Corporate Members should bring the usual documents required for such purposes.
- d. The shareholders are requested to notify the Company of the change in their address, if any.

DIRECTORS' REPORT

The directors are pleased to present the 25 Annual Report along with the audited Financial Statement of the company for the year ended June 30, 2003 Your company has completed its life of 25 years and also present management completed its 1st decade in the year.

Some Significant Achievements

It is apparent from the financial data that the earning per share EPS has narrowed down to Re. 0.35 from Rs 3.58 yet with the blessings of Almighty Allah the year under review was another milestone in the history of your company. We would like to share with you some of the achievements attained during this year.

- One of the two glass furnaces was rebuilt and successfully put into operations from December 2002.

- Launched new light weight products under the brand name "NOVA" in the market.
- Second time in the history of the company green container was manufactured and this was acknowledged with appreciation in the beverage industry.

Financial Results

The financial results for the year under review are not healthy because of some of the following reasons.

- One of the two furnaces was closed down for rebuild purposes and no manufacturing activity from could be carried out for a period of four months.
- Natural gas supply was interrupted due to sabotage in the main gas supply line of the Sui Northern Gas Pipelines Company Limited and supply was resumed after a lapse of little less than a month where production from both the furnaces was stopped.
- The minimum required temperature of the furnaces was maintained during the gas supply stoppage period with furnace oil which entailed an additional cost with no production.
- The desired efficiencies of light weight glass manufacturing machine could not be achieved due to non availability of experts and technical data of this kind of machine in Pakistan
- The selling prices of containers remained under pressure resulting in squeezing of profit margins

Despite the above mentioned factors the management of your company maintained the momentum of profit earnings but the earning per share has been reduced.

A brief summary of the financial results for the year under review is stated as under:

	Rupees
Profit for the year before taxation:	9,180,030
Taxation	5,686,319
	3,493,711
Un-Appropriated Profit Brought Forward	46,297,481
Profit available for appropriation	49,791,192
Proposed Dividend	-10,000,000
Un-Appropriated profit C/F	39,791,192
Earning Per Share	0.35

Corporate and Financial Reporting Framework

The directors also confirm compliance with the Corporate and Financial Reporting Framework of the SECP's Code of Corporate Governance for the following:

- The financial statements present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the company have been maintained.
- Appropriate accounting policies have been consistently applied in 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 preparation of financial statements and departures there from, if any, has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon 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 in the Listing Regulations.
- Key financial data is given in note no. 37

Board of Directors

During the year two of the board members resigned due to their other preoccupations. Casual vacancy was filled by Mr. David Julian and Mr. Syed Tufail Hussain. The board appreciates the hard work and devotion put in by the out going directors.

During the year 16 board meetings were held and the number of meetings attended by each Director is given hereunder:

S.NO.	Name of Director	No. of meetings attended
1.	Mr. Tariq Baig	16
2	Mr. Omer Baig	16
3	Mrs. Naima Tariq	14
4.	Mr. Mansoor Irfani	16
5.	Mr. Khuram Baig	11
6.	Mr. Ehsan UI Haq	16
7.	Mr. Zulfiqar Jaffer	7
8.	David Julian	4
9.	Mr. Syed Tufail Hussain	4

Audit Committee

The Board constituted an audit committee comprising the following:

1.	Mr. Omer Baig	Chairman
2.	Mr. Ehsan UI Haq	Member
3.	Mr. David Julian (Co-opted vice Zulfiqar Jaffar)	Member

Dividend

Your company has maintained its policy of paying returns to the stakeholders and your directors recommend the payment of cash dividend at the rate of 10% (2002: 12%) for the year ended June 30 2003

Future Outlook

Due to excessive supply of glass bottles the selling prices remained under pressure and severe competition is foreseen both with the locally manufactured and imported containers after reduction in the import duties. The management of your company is well aware of this and various strategies have been devised to face the challenging situation. More emphasis is placed on tableware products by improving its efficiencies, quality and value addition.

The negotiations with the suppliers for the import of another light weight glass making machine and a double gob press machine have been finalized. It is expected that production from these machines will be available for sale by the end of the current financial year.

In order to explore the export markets of tableware the marketing team has visited various countries, so far response is very encouraging.

Auditors

The external auditors M/s Shahid Sami & Co. Chartered Accountants appointed by the members in the annual general meeting held on October 26, 2002 resigned during the year. The board of directors in their meeting held on June 25, 2003 filled the casual vacancy by appointing M/s Ijaz Tabussum & Company Chartered Accountants, as auditors of the company for the year ended June 30, 2003.

The present auditors M/s Ijaz Tabasumm & Co. Chartered Accountants have completed their assignment for the year 2003 and retire at the conclusion of the 25th Annual General Meeting Being eligible have offered themselves for re appointment. However, the company has received a notice from a shareholder to appoint M/s Taseer Hadi Khalid & Co., Chartered Accountants as Auditors of the Company for the financial year ending June 30, 2004.

Pattern of Shareholdings

The pattern of shareholding and categories of shareholders are annexed.

Acknowledgement

We wish to place on record our gratitude to the valued clients, regulatory authorities, banks and financial institutions and also the shareholders for their continued support We also appreciate the efforts and

dedication shown by the staff for managing the company's affairs successfully

Statement of Compliance with the Best Practices Of Corporate Governance to the Members

The Board of Directors of the company are pleased to confirm that all the requirements of the Code of Corporate Governance, issued by the Securities and Exchange Commission of Pakistan and adopted by the Stock Exchanges have been duly complied with and implemented by the company.

AUDITOR'S REPORT TO THE MEMBERS

We have audited the accompanying balance sheet of TARIQ GLASS INDUSTRIES LIMITED (the Company) as of June 30, 2003, and the related profit and loss account, the statement of cash flows, and the 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 controls, 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 International Standards on Auditing, as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by the management, as well as evaluating the overall financial statements' presentation. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report as under:

(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 change as stated in the note 2.6 to the financial statements 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 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, the profit and loss account, the statement of cash flows, and the statement of changes in equity, together with the notes forming part thereof conform with approved International Accounting Standards, as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and, respectively, give true and fair view of the state of the Company's affairs as at June 30, 2003, and of the profits, its cash flows and changes in equity for the year then-ended;

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

ISLAMABAD

IJAZ TABUSSUM & CO.,

Date: 6-10-2003

Chartered Accountants

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE

WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the 'Statement of Compliance with the best practices contained in the Code of Corporate Governance' prepared by the Board of Directors of M/s Tariq Glass Industries Limited comply with the Listing Regulations of the Karachi and Lahore Stock Exchanges where the Company listed.

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

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

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance effective as at June 30, 2003.

DATE: 6-10-2003

IJAZ TABUSSUM & CO.

ISLAMABAD

CHARTERED ACCOUNTANTS

BALANCE SHEET

	NOTE	2003 RUPEES	2002 RUPEES
SHARE CAPITAL AND RESERVES			
Share Capital	3	100,000,000	100,000,000
Accumulated Profit		39,791,190	46,297,481
		139,791,190	146,297,481
DEBENTURES AND LONG TERM LOANS			
Secured	4	234,999,831	17,538,299
Un Secured	5	130,150,000	100,000,000
		153,649,983	117,538,299
LIABILITIES AGAINST ASSETS SUBJECT TO			
FINANCE LEASE	6	13,718,320	18,503,813
DEFERRED LIABILITIES	7	18,650,332	16,557,820
CURRENT LIABILITIES			
Short term borrowings	8	56,946,869	29,503,355
Current maturity of long term loans & debentures	9	34,774,563	44,109,058
Creditors, accruals & other liabilities	10	103,390,702	145,497,856
Provision for taxation		2,595,257	6,177,807
Dividends	28	11,027,140	4,993,004
		208,734,531	230,280,780
CONTINGENCIES & COMMITMENTS	11		
		534,544,356	529,178,193

These accounts should be read in conjunction with the annexed notes which form an integral part thereof.
Auditors' report to the members is annexed

October 4, 2003

TARIQ BAIG

Lahore

CHAIRMAN & MANAGING DIRECTOR

AS AT JUNE 30, 2003

	NOTE	2003 RUPEES	2002 RUPEES
PROPERTY AND ASSETS			
FIXED ASSETS - Tangible			
OWNED ASSETS	12	301,570,203	241,720,516
LEASED ASSETS	13	22,988,336	42,165,495

CAPITAL WORK IN PROGRESS	14-		3,766,705
LONG TERM SECURITY DEPOSITS	15	5,700,475	7,253,050
DEFERRED COSTS	16-		964,900
CURRENT ASSETS			
Stores and spares	17	114,397,484	132,085,815
Stock in trade	18	50,924,809	43,401,638
Trade debtors- Unsecured	19	15,183,847	26,822,084
Advances, deposits & other receivables	20	15,357,071	28,174,683
Cash & bank balances	21	8,422,131	2,823,307
		204,285,342	233,307,527
		534,544,356	529,178,193

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2003

	NOTE	2003 RUPEES	2002 RUPEES
Sales - Net	22	519,051,491	632,054,567
Cost of sales	23	445,944,859	515,415,672
		73,106,632	116,638,895
Operating expenses			
Administrative expenses	24	16,394,369	15,103,665
Selling and distribution expenses	25	31,090,266	34,581,394
		47,484,635	49,685,059
Operating profit		25,621,997	66,953,836
Financial charges	26	15,852,505	18,131,425
Amortization	16	964,900	964,900
Workers profit participation fund	27	440,230	2,392,876
		17,257,635	20,489,201
		8,364,362	45,464,635
Gain/(Loss) on disposal of assets	12.1	815,666	-141,199
Net profit for the year		9,180,028	45,323,436
Taxation			
Current		3,733,249	3,491,334
Deferred		1,953,070	6,000,000
		5,686,319	9,491,334
Net Profit after tax		3,493,709	35,832,102
Un appropriated profit brought forward		46,297,481	14,476,821
		49,791,190	50,308,923
APPROPRIATION			
Proposed dividend	28	10,000,000	4,011,442
Accumulated profit carried to balance sheet		39,791,190	46,297,481
BASIC EARNING PER SHARE	29	0.35	3.58

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

October 4, 2003	TARIQ BAIG	OMER BAIG
Lahore	CHAIRMAN & MA	DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR
ENDED JUNE 30, 2003

	NOTE	2003 RUPEES	2002 RUPEES
Cash Flow From Operating Activities			
Net Profit before taxation		9,180,028	45,323,436
Adjustments of Non Cash Items			
i Depreciation		45,048,301	37,666,036
i Amortization		964,900	964,900
l Financial Charges		15,852,505	18,131,425
(Staff Gratuity		174,079	471,577
; (Gain)/Loss on disposal of assets		-815,666	141,199
i Workers profit participation fund		440,230	2,392,876
		61,664,349	59,768,013
		70,844,377	105,091,449
(Increase) Decrease in Current Assets			

Stores and spares	-26,019,840	726,811,443)
Stocks	-7,523,171	20,513,283
Trade debtors	11,638,237	-9,156,516
Advances, deposits, prepayments & other receivable	12,817,612	3,777,013
	-9,087,162	-11,677,663
Increase/(Decrease) in Current Liabilities		
Short term borrowings	27,443,814	2,219,665!
Creditors, accruals & other liabilities	-36,875,083	21,318,826]
	-9,431,269	23,538,491
Cash generated from operations	52,325,946	116,952,277
Mark up paid	-15,199,039	(19,067,278)1
Income tax paid	-7,315,799	-5,603,574
Workers profit participation fund paid	-6,325,765	-2,765,642
Staff Gratuity	-34,639	-21,859
	-28,875,242	-27,458,353
Net Cash From Operating Activities	23,450,704	89,493,924
Cash Flow From Investing Activities		
Fixed capital expenditures	-34,656,282	-35,325,488
Proceed from sale of fixed assets	2,979,704	604,500
Long term deposits	1,552,575	-7,253,050
Capital work in progress	-	-3,766,705
Net cash used in Investing Activities	-30,124,003	-45,740,743
Cash Flow From Financing Activities		
Long term loans	28,111,823	(39,967,724)
Liabilities against assets subject to finance lease	-11,873,836	-517,094
Dividends paid	-3,965,864	-4,894,091
Net cash used in Financing Activities	12,272,123	-45,378,909
Net increase in Cash & Cash equivalent	5,598,824	-1,625,728
Cash & Cash equivalent at the beginning of the year	2,823,307	4,449,036
Cash & Cash equivalent at the end of the Year	8,422,131	2,823,307

These accounts should be read in conjunction with the annexed notes which form an integral part thereof
Auditors' report to the members is annexed.

October 4, 2003 TARIQ BAIG OMER BAIG
Lahore CHAIRMAN & MA DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2003

	Share Capital Rupees	Profit & Appropriation Rupees	Total Rupees
Balance as at June 30, 2001	100,000,000	14,476,821	114,476,821
Net profit for the year		35,832,102	35,832,102
	100,000,000	50,308,923	150,308,923
Appropriations			
Proposed dividend	-	-4,011,442	-4,011,442
Balance as at June 30, 2002	100,000,000	46,297,481	146,297,481
Net profit for the year	-	3,493,711	3,493,711
	100,000,000	49,791,192	149,791,192
Appropriations:			
Proposed dividend	-	-10,000,000	-10,000,000
Balance as at June 30, 2003	100,000,000	39,791,192	139,791,192

These accounts should be read in conjunction with the annexed notes which form an integral part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2003

1. The company and nature of business

Tariq Glass Industries Limited was incorporated in Pakistan in 1979 as a public limited company. The company is listed on Karachi and Lahore Stock Exchanges. The company is principally engaged in the manufacture and sale of glass containers and tableware.

2. **Summary of Significant Accounting Policies**

2.1 Statement of Compliance

The financial statements have been prepared, in all material respect, in accordance with requirements of the Companies Ordinance, 1984, circulars, notifications and orders issued by regularity authorities and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or the directives issued by SECP differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 the requirements of the said directives take precedence.

2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention

2.3 Fixed assets and depreciation

a- Own Assets

Fixed assets except freehold land are stated at cost less accumulated depreciation
Freehold land and capital work in progress are stated at cost.

Depreciation on fixed assets except furnace refractory is charged to income using the reducing balance method. Depreciation on furnace refractory is charged on the straight line method and is appropriated over its useful life.

Full year's depreciation, except furnace refractory, is provided on addition and no depreciation is provided on deletion irrespective of the actual dates of addition or deletions.

Minor renewals or replacements, maintenance, repairs and profits or loss on disposal of fixed assets are included in income currently. Major renewals and improvements are capitalized.

b- Leased Asstes

Assets held under " Finance Lease " are stated at cost less accumulated depreciation
Depreciation is provided at the same rates applicable to the company's owned assets
The outstanding obligation under the lease less finance charges allocated to further periods is shown as liability. The finance charge is calculated at the interest rate implicit in the lease and is taken to profit and loss account.

2.4 Capital Work in Progress

Capital work in progress is stated at cost.

2.5 Deferred Cost

The deferred costs are amortized over a period of five years.

2.6 Stores & Spares and stock in trade

Valuation basis are stated as below:

Raw Materials	At cost based on average method
Materials in process	At raw material cost
Finished goods	At lower of cost and net realizable value
Stores and Spares	At cost based on average method
Chemicals & Ceramic colours	At average cost
Packing Materials	At average cost
Goods in Transit	At cost

2.7 Trade Debts

Trade debts are shown at original invoice amount less an estimate made for doubtful debts, if any, based on a review of all outstanding amounts at the year end. Bad debts

are written off when identified.

2.8 Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of cash flow statement cash and cash equivalents comprise cash in hand and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.9 Borrowings

Loans and borrowings are recorded on the basis of receipt of proceeds. Finance charges are accounted for on accrual basis and are included in creditors, accruals and other liabilities to the extent of the amount remaining unpaid.

2.10 Creditors, Accruals and Other Liabilities

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

2.11 Provisions

Provisions are recorded when the company has a present obligation as a result of past event which it is probable will result in an outflow of economic benefits and a reliable estimate can be made of the amount of obligation.

2.12 Foreign Currencies.

All monetary assets and liabilities in foreign currencies are translated in to rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated in to rupees at the spot rate. All non monetary items are translated in to rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

All exchange differences except of loans utilized for acquisition of operating assets are included in current profits.

2.13 **Staff Retirement Benefits**

The company provides for non funded gratuity for workers who were engaged before June 30, 1995. Provident Fund scheme was reinforced and implemented with effect from July 01, 1995 and gratuity scheme was ceased on June 30, 1995.

2.14 Taxation

Current

The provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments where considered necessary to provision for tax made in previous years arising from assessments framed during the year for such year.

Deferred

Deferred tax is provided using balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (Tax Base). The amount of deferred tax is provided based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using the current rates of taxation. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, used tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement,

except in the case of item credited or charged to equity in which case it is included in equity.

2.15 Revenue Recognition

Sales are recorded on dispatch of goods.

2.16 Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provision of the instrument. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

	NOTE	2003 RUPEES	2002 RUPEES
3- Share Capital			
Authorized Capital			
12,000,000 Ordinary Shares of Rs. 10 each		120,000,000	120,000,000
Issued, subscribed & fully paid in cash			
10,000,000 Ordinary Shares of Rs. 10 each		100,000,000	100,000,000
	NOTE	2003 RUPEES	2002 RUPEES
4- Debentures & Long Term Loans - Secured			
It represents:			
Mark up bearing Debentures & Loans	4.1	38,809,996	31,234,791
Mark up free Debentures & Loans	4.2	7,508,448	20,471,830
		46,318,444	"51,706,621
Less: Current Maturity			
Mark up bearing Debentures & Loans		16,309,996)	21,403,4231
Mark up free Debentures & Loans		6,508,465j	12,764,899
		22,818,461	34,168,322
		23,499,983	"17,538,299
4.1 Mark up bearing Debentures & Loans			
These are made up of as follows:			
Syndicate Debentures	i	-	2,295,151
Habib Bank Limited	ii	30,000,000	5,070,000!
National Bank of Pakistan	iii	6,599,874	19,837,246^
National Bank of Pakistan (Formerly N.D.F.C)	iv	2,210,122	6,098,030
		38,809,996	31,234,791
Less: Current Maturity			
Syndicate Debentures		-	229,515
Habib Bank Limited		7,500,000	4,056,000
National Bank of Pakistan		6,599,874	13,230,000
National Bank of Pakistan (Formerly N.D.F.C)		2,210,122	3,887,908
		16,309,996	21,403,423
		22,500,000	9,831,368

[.Redeemable debentures issued to ICP led consortium were fully repaid during the year

ii.Habib Bank Limited

The break up of facilities availed from Habib Bank Limited is as under:

BMR Loan	a)	30,000,000	
Demand Finance Restructured Debt	b)	-	5,070,000
		30,000,000	5,070,000

a) A fresh long term loan facility under Balancing, Modernization and Renewal was availed from Habib Bank Limited during the year. This loan carries mark up @ 12% p.a (With effect from July 01, 2003, mark up rate has been reduced from 12 % to 8 % p.a) and is repayable in 8 equal semi annual installments commencing from August 2003.

This loan is secured by way of first equitable mortgage charge on present land of the company together with all present and future properties of the company (other than land), wherever situated including all buildings, fixed plants, machinery and fixtures.

b) This restructured debt payable in 20 equal quarterly installments was repaid in full pre maturely during the year.

iii. The loan from National Bank of Pakistan was restructured in 1998. Under the arrangements this debt is repayable in 8 equal half yearly installments commencing from January 01, 2000 and carries mark up at the rate of 10% p.a.

This loan is 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.

iv. A loan of Rs. 23.500 million (Redemption Value Rs. 44.293 million) was availed in 1994 from National Development Finance Corporation Limited, now National Bank of Pakistan for the renovation of furnace and other start up expenses. The facility was rescheduled in 1998 and under the arrangements it is now repayable in 10 equal semi annual installments commencing from April 01, 1999.

This loan carries mark up at the rate of 18 % p.a and is 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, a first floating charge on all other assets of the company both present and future and the first charge by way of hypothecation in respect of all the machinery of the company both present and future.

All above charges created under notes ii.iii & iv rank pari passu in all respect with charges created in favour of each other.

4.2 Mark up free Debentures and Loans

It represents the mark up free debt portion of the loans mainly comprising of mark up resulted from the rescheduling/restructuring of the loans. This debt is now repayable in equal monthly/semi annual installments and will not attract any further mark up.

The composition is as follows:

	NOTE	2003 RUPEES	2002 RUPEES
Habib Bank Limited	a	6,259,448	16,289,735
Syndicate Debentures	b	-	427,095
National Bank of Pakistan (Formerly N.D.F.C)	c	1,249,000	3,755,000
		7,508,448	20,471.83
Less: Current Maturity			
Habib Bank Limited		5,259,465	9,318,804
Syndicate Debentures		-	427,095
National Bank of Pakistan (Formerly N.D.F.C)		1,249,000	2,506,000
		6,508,465	12,764,899
		999,983	7,706,931

a- This debt is repayable in 60 equal monthly installments commencing from October 01, 1998

b- This debt has been paid in full during the year.

c- This is repayable in 10 equal semi annual installments commencing from October 01, 1998

5-	Long Term Loan - Un Secured		
	Foreign Currency Loan	5.1	100,000,000
	Loan from Director	5.2	33,500,000
			133,500,000
	Less: Current Maturity		
	Loan from Director		3,350,000
			130,150,000

5.1 The loan from Industrial Products Investment Limited (IPI) is in respect of import of machinery. The management has entered into an agreement with IPI whereby:

a) The loan shall not attract any interest, and not repayable until such time that the banks loans are liquidated in accordance with the Prudential Regulations and in agreement with the banks and institutions the loan was to be classified as "Subordinated to Equity". The loan has been frozen at the rate of exchange prevailing on December 31, 1993. No exchange fluctuation has accordingly been accounted for in these accounts.

b) After having paid the major portion of the loans of the banks and the financial institutions, this now attracts an interest at the rate of 1.5 % above (LIBOR) (London Inter Bank Borrowing

Offered Rate) starting from July 01, 2003. The repayment schedule of the loan is yet to be agreed by and between the company and the lender

5.1 The managing director of the company has advanced this loan to meet a part of capital expenditures and other routine expenditures during the tenure of furnace rebuild and natural gas supply interruptions by Sui Northern Gas Pipeline Company Ltd

This loan is repayable in 10 equal quarterly installments commencing from March 31, 2004. The loan will be mark up free till December 31, 2003. With effect from January 01, 2004 this loan will attract mark up @ 7% p.a. payable quarterly along with the principal sum.

6- Liabilities Against Assets Subject to Finance Lease

The amount of future payments for the lease over which these payments will become due are as follows:

	NOTE	2003 RUPEES	2002 RUPEES
Minimum Rental Payments			
Due within one year		8,341,954	13,138,684
Due after one year but not later than five years		18,660,943	22,313,141
		27,002,897	35,451,825
Less: Finance Charge not yet due		4,678,475	7,007,276
		22,324,422	28,444,549
Less: Current portion		8,606,102	9,940,736
		13,718,320	18,503,813

The value of the minimum lease rental payments has been discounted at implicit rates ranging from 8.50 % to 18.00 % per annum to arrive at their present value. The balance rentals due under the lease agreements are payable in equal monthly installments plus lump sum payment of Rs. 7.1879 million (2002: Rs. 5.856 million) for residual values. Taxes, repairs and insurance cost are on the part of lessee.

The company intends to exercise its option to acquire the leased assets at their residual value at the completion of the respective lease periods.

7- Deferred Liabilities			
Deferred Taxation	7.1	17,953,070	16,000,000
Staff Gratuity	7.2	697,262	557,820
		18,650,332	16,557,820

	NOTE	2003 RUPEES	2002 RUPEES
7.1 Deferred Taxation			
Opening balance		16,000,000	10,000,000
Provision for the year		1,953,070	6,000,000
		17,953,070	16,000,000

7.2 Gratuity has been accounted for using the liability method and is payable to employees engaged prior to July 01, 1995. No actuarial valuation of the liability has been made as the company considers the provision adequate as on balance sheet date.

8- Short term borrowings			
Habib Bank Limited	Secured 8.1	40,190,050	24,133,478
National Bank of Pakistan	Secured 8.2	16,668,757	-
PICIC Commercial Bank Ltd	Secured 8.3	-	2,363,706
Others	8.4	88,062	3,005,871
		56,946,869	29,503,7055

.1A mark up facility of Rs. 44.000 million (2002: Rs. 25.000 million) has been sanctioned by the bank. The facility extended by the bank is secured against hypothecation of stocks lying in the factory and second charge on company's fixed assets both moveable and immovable. The mark up charged by the bank is at the rate of 12% p.a. on daily product basis. With effect from July 01, 2003 the mark up rate has been reduced to 8 % p.a. on daily product basis

8.2A fresh Cash Finance Limit of Rs. 30 million has been sanctioned by National Bank of Pakistan. It carries mark up @ 11 % p.a. on daily product basis. The mark up rate has been reduced to 8 %

p.a. with effect from July 01, 2003

The facility is secured against hypothecation of the stocks lying in the factory premises, a first equitable mortgage charge on land and building of the company together with all present and future properties of the company (other than land) wherever situated, including all buildings, fixed plants, machinery and fixtures and personal guarantees of the sponsoring directors.

8.3A facility of Rs. 20.000 million against pledge of finished goods availed in 2001 was repaid in full during the year

8.4 This represents a bank account which has gone negative due to reconciliation

9-	Current maturity of loans and other finances		
	Habib Bank Limited	7,500,000	4,056,000
	National Bank of Pakistan	6,599,874	13,230,000
	National Bank of Pakistan (Formerly N.D.F.C)	2,210,122	3,887,908
	Syndicate Debentures	-	229,515
	Loan from Director	3,350,000	.
	Leasing Companies	8,606,102	9,940,736
	Mark up free debts	6,508,465	12,764,899
		34,774,563	44,109,058

	NOTE	2003 RUPEES	2002 RUPEES
10-	Creditors, accruals & other liabilities		
	Trade creditors	60,333,923	93,430,747
	Due to associated undertakings	2,177,396	265,194
	Security deposits	4,869,232	4,816,392
	Accrued mark up on secured loans	3,542,797	2,889,331
	Accrued expenses	19,235,141	21,483,658
	Government dues - Sales tax	2,449,564	4,038,813
	Others	10,782,649	18,573,721
		103,90,702	145,497,856
	These can be re classified as under:		
	Payables for:		
	Goods	62,460,880	97,734,754
	Expenses	35,146,129	35,543,581
	Other finance	5,783,693	12,219,521
		103,390,702	1,457,497,856

The maximum aggregate balance due to/from associated undertaking at the end of any month during the year was Rs.2.469 million (2002: Rs. 2.586 million)

10.1 Security deposits from distributors, by virtue of agreement, are interest free, repayable on demand and are used in company's business.

10.2 Other liabilities include payable to Employees Contributory Provident Fund Trust (amounting to Rs. 9.8 million), Income tax payable (amounting to Rs. 0.474million) and Workers' profit participation fund payable (amounting to Rs. 0.440 million). Payable to Employees Contributory Provident Fund Trust has subsequently been paid.

11- Contingencies & Commitments

(a) Commercial Banks and one insurance company have issued guarantees in the ordinary course of business on behalf of the company. The un expired guarantees at the year end amounted Rs. 33.500 (M) (2002: Rs. 24.500 million)

(b) Loan given by the IPI and Managing Director waived off in the year 1997 and 1996 amounting to Rs. 20.000 million & 14.000 million respectively will be reinstated when the company issues right shares or when the company has sufficient funds for repayment out of future available profits

(c) A sum of Rs. 10.641 million representing additional levies due to non payment of dues in time (Not incorporated in the company's books) will be withdrawn by National Bank of Pakistan on successful timely repayment of restructured debt.

(e) Commitments under letters of credit at the year end amounted to Rs.4.645 M (2002: Rs.13.848 m)

12- Operating Assets

Particulars	As at July 01, 2002	Additions during the year	COST		To June 30, 2003	Rate %	To July 01, 2002	DEPRECIATION			Book Value As At June 30, 2003	
			Transfer from leased assets	Disposal during the year				Transfer from leased assets	For the year	On Disposal		To June 30, 2003
Land - Free hold buildings on free hold land	5,267,380				5,267.38						5,267.38	
Factory building	54,401,323	5,967,284			60,368,607	10	31,494.83		2,887,378		34,382.21	25986.402
Office building	49,281,810				49,281,810	5	31,377,458		895,218		32,272,676	1/009,134
Plant and machinery	464,651,020	63,436,987	40,405,732		568,493,739	10&20	282,086,111	18,397,243	32,480,347		332,963,701	235,530,038
Furniture and fixtures	3,135,345	53,314			3,188.66	10	2,246,157		94,250		2,340,407	848,252
Tools & equipment	761,525				761,525	10	587,448		17,408		604,856	156,669
Electric installation	11,096,509	890,116		80	11,906,625	10	6,949,087		500,482	47,284	7,402,285	4,504,340
Vehicles	9,833,838	2,106,430	3,071,500	2,690.10	12,321,673	20	5,337,166	1,355,468	1,237.56	558,77;	7,371,423	4,950,250
Moulds	34,297.29	7,09,276			41,376,565	30	30,943.44		3,129,939		34,073,375	1/303,190
Fire fighting equipment	39,606				39,606	10	23,441		1,617		25,058	14,548
Total Rupees	632,765,645	79,533,407	143,477,232	2,770,095	753,006,189		391,045,131	19,752.71	41,244,201	606,05	451,435,986	301,500,203
30.06.2002 Rupee	615,456,624	18,522,117		1,213,094	632,765,647		359,738,961	-	31,773,562	467,39,	391,045,131	241,720,516

12-1 Disposal of assets

Particulars	Cost	Book Depreciation	Sale Value	Gain Proceeds	Mode of (Loss)	Disposal	Particulars of buyers
Vehicles							
Honda	1,120,500	403,380	717,120	880,000	162,880	Negotiation	Syed Rizwan Ul Haq Lahore
Honda	846,000	412,848	433,152	662,000	228,848	Negotiation	M. Ashfaq Malik
Honda	672,000	396,749	275,251	350,000	74,749	Negotiation	Taseer Malik - Ex- Employee
Toyota	1,105,000	539,240	565,76	910,000	344,240	Negotiation	Syed Rizwan Ul Haq Lahore
Suzuki	525,745	401,041	124,704	124,704	-	Negotiation	Chalid Aziz Ex- Employee
Motor Cycle	58,500	43,165	15,335	40,000	24,665	Insurance Claim	EFU General Insurance Co. Ltd.
Electric installation							
Telephone Exchange	80,000	47,284	32,716	13,000	-19,716	Negotiation	Friends Engineering Co. Lahore.
Rupees	4,407,745,	2,243,707	2,164,038	2,979,704	815,666		

Particulars	COST				Rate %	DEPRECIATION				Book Value As At June 30, 2003
	As at July 12, 2002	Additions during the year	Disposal during the year	To June 30, 2003		To July 12, 2002	For the year	On Transfer	To June 30, 2003	
Plant and machine	53,575,630	1,482,520	37,807,982	17,250,168	10	20,103,549	1,554,386	18,397,243	3,260,692	13,989.48
Vehicles	13,272,716	4,271.19	3,071,500	14,472,409	20	4,579,302	2,249,715	1,355,468	5,473,549	8,998,860
Total Rupees	66,848,346	5,753,713	40,879,482	31,722,577		24,682,851	3,804,101	19,752,711	8,734,241	22,988,336
30.06.2002 Rupees	50,358,271	17,132,075	642,000	66,848.35		19,103,673	5,892,474	313,296	24,682,85	42,165.50

13.1 Transfer of Leased Assets

Particulars	Cost	Accumulated Depreciation	Book Value	Mode of Transfer
Plant and machinery	37,807,982	18,397.24	19,410,739	Transfer to Co.'s own assets after the completion of lease terms
Vehicles	3,071,500	1,355,468	1,716,032	Transfer to Co.'s own assets after the completion of lease terms
	40,879,485	19,752,711	21,126,771	

13.2 Depreciation expense for the year has been allocated as follows:

	NOTE	2003 RUPEES	2002 RUPEES
Cost of Sales		43,560,328	36,386,971
Administrative expenses		1,090,764	789,771
Selling & distribution expenses		397,209	489,294

14- Capital Work in Progress	45,048,301	37,666,036
Plant and machinery	-	1,172,225
Stores and spares	-	137,351
Civil works	-	2,457,129
	-	3,766,705

15- Long Term Security Deposits

This mainly comprise of security deposits with leasing companies in respect of leasing facilities availed.

13- Leased Assets

	NOTE	2003 RUPEES	2002 RUPEES
16- Deferred Cost			
Opening balance		964,900	1,929,800
Less: Amortized during the year		964,900	964,900
		-	964,900
17- Stores and spares			
Stores		51,399,958	67,533,581
Spares		60,498,724	56,661,710
Goods in transit		2,498,802	7,890,524
		114,397,484	132,085,815
Stores and spares include items which distinguishable.			
18- Stock in trade			
Raw materials		10,973,745	10,015,536
Chemicals & ceramic colours		5,284,426	2,922,589
Packing material		9,033,916	6,605,187
Materials in process		1,628,625	1,082,542
Finished goods		24,004,097	22,775,784
		50,924,809	43,401,638
19- Trade debtors- Unsecured			
Considered good		15,183,847	26,822,084
20- Advances, Deposits, Prepayments & Other Receivable			
Advances and Deposits			
Employees	20.1	299,147	593,050
Expenses		68,884	99,494
Income Tax		6,144,921	8,067,129
Suppliers		2,212,010	4,517,883
Sales tax adjustable	20.2	1,522,121	3,966,944
Security deposits		3,262,050	9,107,462
		13,509,133	26,351,962
Prepayments			
Prepaid Insurance		1,214,128]	254 3,221
Prepaid rent		178,810	224,500
		1,392,938	1,367,721
Other receivable		455,000	455,000
		15,357,071	~ 28, 174,683

20.1 Included in the advances to employees are amounts due from directors and executives Rs. 20,000 (2002: Rs. 218,000) and Rs. 82,220 (2002: Rs. 99,177) respectively. The maximum aggregate amount due from directors and executives at the end of any month during the year was Rs. 1,480,000 (2002: Rs. 220,000) and Rs.232,500 (2002:Rs.435,000) respectively.

	NOTE	2003 RUPEES	2002 RUPEES
20.2Sales tax refundable		2,820,331 -	
Less: Provision for doubtful recovery		-2,820,331 -	

This represents sales tax deposited, under protest, with sales tax department by the company, on a demand raised by them. Appeal is pending adjudication with Tribunal for its refund.

21-	Cash & bank balances		
	Cash in hand	954,860	678,156
	Cash at banks		
	Current Accounts	7,467,271	2,145,151
		8,422,131	2,823,307
22-	Sales- Net		
	- Local sales	531,921,333	625,719,843
	- Export sales	9,884,695	27,528,503
		541,806,028	653,248,346
	Less: Trade Discounts.	22,754,537	21,193,779
		519,051,491	632,054,567

The sales are net of sales tax, amounting to Rupees 87.297 million (2002 Rs. 90.826 million)

23-	Cost of sales		
	Raw materials		
	Opening stock	12,938,125	14,350,413
	Raw Materials Purchased	107,426,724	142,478,774
	Available for consumption	120,364,849	156,829,187
	Closing stock	-16,258,171	-12,938,125
	Raw materials Consumed	104,106,678	143,891,062
	Salaries, wages & benefits	69,720,551	69,891,073
	Carriage & Freight	2,080,847	1,630,213
	Power and fuel	150,419,330	166,790,555
	Packing materials	43,978,405	47,371,037
	General stores & spares	25,788,010	24,859,540
	Traveling & conveyance	1,923,031	1,111,457
	Insurance	968,469	863,152
	Postage & telephone	635,332	609,654
	Repair & maintenance	2,438,199	2,576,266
	Fee & taxes	467,396	387,256
	Printing & stationery	500,954	565,605
	Entertainment	310,165	161,100
	Workers welfare & others	821,560	465,048
	Depreciation	43,560,328	36,386,971
		447,719,255	497,559,989
	Adjustment of Work in Process		
	Opening stock	1,082,542	1,108,320
	Closing stock	-1,628,625	-1,082,542
		-546,083	25,778
	Adjustment of Finished Goods		
	Opening stock	22,775,784	40,605,689
	Closing stock	-24,004,097	-22,775,784
		-1,228,313	17,829,905
		445,944,859	515,415,672

NOTE

2003
RUPEES

2002
RUPEES

24-	Administrative expenses		
	Salaries and other benefits	7,431,265	6,485,632
	Traveling expenses	789,949	1,535,096
	Printing & stationery	312,898	321,920
	Postage, telegram and telephone	1,484,224	1,366,601
	Rent, rates and taxes	540,000	540,000
	Motor vehicle expenses	754,090	575,777
	Repair and maintenance	172,607	293,033
	Legal and professional charges	785,200	870,500
	Auditor's remuneration	138,000	75,000
	Advertisement	359,409	320,041
	Electricity, gas and water	489,903	442,160
	Entertainment	252,399	162,450
	Insurance	647,006	554,340
	Fee, Subscription, news paper & periodicals	579,628	306,746
	Miscellaneous	567,027	464,598
	Depreciation	1,090,764	789,771
		16,394,369	15,103,665
24.1	Auditor's remuneration		
	Audit fee	125,000	60,000
	Out of pocket expenses	13,000	15,000

		138,000 .	75,000
25-	Selling & distribution		
	Salaries and other benefits	7,338,138	5,687,731
	Local freight & forwarding	11,439,455	13,861,257
	Export freight & forwarding	327,290	5,001,362
	Traveling expenses	2,730,818	2,511.33
	Advertisement, exhibitions & sales promotion	1,226,971	2,560,705
	Rent, rates and taxes	921,620	386,000
	Printing & stationery	463,892	366,639
	Postage, telegram and telephone	1,600,463	1,523,240
	Motor vehicle expenses	828,309	655,902
	Breakage & incidental charges	693,596	1,537,932
	Electricity, gas and water	302,174	-
	Sales tax	25.2	2,820,331
	Depreciation	397,209	489,294
		31,090,266	34,58T,394

25.2 This represents sales tax deposited, under protest, with sales tax department by the company, on a demand raised by them. Appeal is pending adjudication with Tribunal for its refund. The amount has been charged off during the year.

	NOTE	2003 RUPEES	2002 RUPEES
26-	Financial expenses		
	Mark up on Redeemable capital	1,056	73,018
	Secured Loans	10,585,237	11,582,975
	Lease finances	3,344,499	1,909,325
		13,930,792	13,565,318
	LC's discounting charges	284,905	1,414,615
	Bank charges	1,636,808	3,151,492
		15,852,505	18,131,425
	NOTE	2003 RUPEES	2002 RUPEES
27-	Workers profit participation fund		
	At the beginning of the year	6,325,765	6,698,531
	Allocation for the year	440,230	2,392,876
		6,765,995	9,091,407
	Less: Amount paid to the trustees of the fund	5,713,955	2,555,539j
	Deposited with the Federal Government	611,810	210,103
		6,325,765	2,765,642
		440,230	6,325,765
28-	Dividends		
	Proposed	10,000,000	4,011,442
	Unclaimed/Payable	1,027,140	981,562
		11, 027,140	4,993,004

The directors propose cash dividend @ 10% (2002: 12.00%) on the face value of the share for the year ended June 30, 2003.

29-	Basic earnings per share		
	Net profit after tax in Rupees	3,493,711	35,832,102
	Average ordinary shares in issue during the year	10,000,000	10,000,000
	Earning per Share in Rupees	35	3.58

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

30-	Plant capacity		
	The production capacity and the actual packed production is as follows:		
		2003	2002
	Furnaces Capacity		
	Containers	26,566	35,159
	Tableware	20,755	15,824
	M. Tons	47,321	50,983
	Actual Packed Production		
	Containers	17,426	25,621

Tableware		11,054	10,232
M. Tons		28,480 s	35,853

Efficiency of 65% in tableware and 80% in containers is considered to be satisfactory as these standards conform favorably to the international standards in the glass industries.

The under capacity utilization during the year is mainly attributable to closure of the furnace because of major repairs and rebuilding for a period of three months and interruptions in natural gas supply.

31- Transactions with associated undertakings
Purchases 6,696,349 7,820,000
Sales 966,561 1,049,541
Transactions with's length price determined at cost plus method.

32- Number of employees	2003	2002
	959	926

33- Remunerati Director, Dire	ctors & Ex	ecutives			
		2003		2002	
	Managing		Managing		
	Director	Directors	Director	Directors	Executives
Remuneration	928,800	416,260	928,800	396,250	4,578,967
House Rent	417,960	187,313	417,960	172,125	2,060,535
Conveyance	3,600	7,200	3,600	7,200	75.6
Medical & Other allowances		43,234			674,098
Utilities	89,640	41,626	89,640	86,454	551,535
Total Rupees	1,440,000	695,633	1,440,000	662,029	7,940,735
No. of Persons	1	2	1	2	21

a) The term Executive is deemed to include the employees whose basic salary exceeds Rs. 100,000/= in a financial year.

b) In addition to above the Managing Director & two Directors are provided with free use of Company's Cars.

c) The company during the year paid meeting fee Rs. Nil (2002: Rs. 500) to three non executive directors.

The effective interest/markup rates for the monetary financial assets and liabilities are mentioned in respective notes to the financial statements, where applicable.

Financial Risk Management Objectives

The company finances its operations through equity, borrowings and management of working capital with a view to obtaining a reasonable mix between the various sources of finance to minimize risk.

Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

Foreign Exchange Risk Management

Foreign currency risk arises mainly where receivables and payables exist due to transactions with foreign undertakings. Payables exposed to foreign currency risks are covered through Derivatives

Concentration of Credit Risks

The credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. Out of the total financial assets of Rs. 27.08 million, (2002: Rs. 65.073 million) the financial assets which are subject to credit risk amounted to Rs. 26.13 million (2002: 60.075 million)

Fair Values of Financial Assets and Liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values except for long term investments which are stated at cost. Fair value is determined on the basis of objective evidence at each reporting date.

Liquidity Risk

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows and effective cash management and planning policy and maintains flexibility in funding by keeping committed credit lines available.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company usually borrows funds at market based rates and as such risk is minimized.

35- Date of Authorization

These financial statements were authorized for issue on October 04, 2003 by the Board of Directors of the company.

36- General

Figures have been rounded off to the nearest rupees.

Corresponding figures have been rearranged, wherever necessary, for the purposes of comparison.

37- Financial Statistical Summary

		2003	2002	2001	2000	1999	1998
Investment Measures							
Share Capital	Rs./mn	100	100	100	100	100	100
Shareholders equity	Rs./mn	139.8	146.3	114.5	56.6	19.8	13.5
Break up value	Rs.	13.98	14.6	11.5	5.7	2	1.4
Dividend per share	Rs.	1	1.2	1.2	1	0.8	-
Profitless) before tax	Rs./mn	9.2	45.3	75.2	42.5	10.8	-27.2
Profit/(loss) after tax	Rs./mn	3.5	35.8	62.4	40.5	9.1	-28.5
Earning/loss) per share	Rs.	0.35	3.6	6.2	4	0.9	-2.9
Price earning ratio	Rs.	84.4	4.6	2.1	1.1	4.4	-1.4
Measure of financial status							
Current assets to current liabilities		0.97:1	1.04:1	1.01:1	1.05:1	1.12:1	0.95:1
Number of days stock	Time	36	25	41	33	44	71
Number of days trade debts	Time	11	15	11	10	22	30
Measure of performance							
Profitless) after tax as % of Capital employed	Rs.	1.07	13.4	22.7	15.7	3.5	-11.8
Profit/(loss) after tax as % of Shareholders equity	Rs.	2.3	24.5	54.5	71.6	45.8	-210.4
Cost of sales as % of sales	Rs.	85.9	69.8	68	68	72	78
Profit before tax as % of sales	Rs.	1.8	13.2	10.7	10.7	3.2	-107
Profit after tax as % of sales	Rs.	0.7	11	10.2	10.2	2.6	-11.3
Debt equity ratio %	Rs.	111.73	103.7	167.4	408.7	1,335.90	1,932.30

PATTERN OF HOLDING OF THE SHARES HELD BY THE MEMBERS

Number of Shareholders	Holding From	To	Total Shares Held
647	1	100	64,693
119	101	500	44,520
62	501	1,000	55,400
57	1,001	5,000	145,400
8	5,001	10,000	69,398
5	10,001	15,000	64,000
2	15,001	20,000	40,000
1	20,001	30,000	20,600
1	30,001	35,000	32,500
2	45,001	50,000	100,000
1	50,001	55,000	52,300
1	70,001	200,000	105,900

2	200,001	215,000	420,298
1	275,001	280,000	277,229
2	540,001	900,000	1,303,881
1	900,001	1,095,000	1,074,000
2	1,095,001	1,720,000	3,130,381
1	1,720,001	3,000,000	2,999,500
915	TOTAL		10,000,000

CATEGORIES
OF
SHAREHOLDERS

	NUMBER	SHARES HELD	PERCENTAGE
GENERAL PUBLIC	884	2,634,722	26.35%
INVESTMENT COMPANY INSURANCE COMPANY	2	20,820,700	0.21 % 0.01 %
PUBLIC LIMITED COMPANY	4	3,858,062	38.58%
FINANCIAL INSTITUTIONS	4	428,096	4.28%
FOREIGN COMPANY	1	2,999,500	30.00%
OTHERS	13	53,600	0.54%
PRIVATE LIMITED COMPANY	6	4,500	0.05%
TOTAL	915	10,000,000	100.00

CATEGORIES OF SHAEHOLDERS

1	ASSOCIATED COMPANY		
	Omer Glass Industries Limited		1,715,983
2	NIT AND ICP		
	Investment Corporation of Pakistan		21,920
3	DIRECTORS, CEO, THEIR SPOUSE & MINOR CHILDREN		
	Mr. Tariq Baig		1,074,000
	Mr. Omer Baig		577,200
	Mrs. Naima Tariq		277,229
	Mr. Mansoor Irfani		500
	Mr. Tufail Hussain		500
	Mr. Ehsan-ul-Haque		500
	Mr. David Julian		500
			1,930,429
4	PUBLIC SECTOR COMPANIES AND CORPORATIONS		713,561
5	BANKS DEVELOPMENT FINANCIAL INSTITUTIONS NON BANKING FINANCIAL INSTITUTIONS, INSURANCE COMPANIES, MODARABAS AND MUTUAL FUNDS		4,298,436
6	GENERAL PUBLIC		1,319,671
			10,000,000
7	SHAREHOLDERS HOLDING 10% OR MORE		
	Mr. Tariq Baig		1,074,000
	Omer Glass Industries Limited		1,715,983
	Industrial Products Investment Limited		2,999,500
8	TRADES DONE BY CEO AND DIRECTORS ETC,		
	Mr. Mansoor Irfani	Sold	5,000
	Mr. Tufail Hussain	Acquired	500
	Mr. David Julian	Acquired	