

D.G CEMENT LIMITED

Annual Report 1997

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Board of Directors

Mian Raza Mansha Chief Executive
Mrs. Naz Mansha
Mian Umer Mansha
Mst. Akhtar Jehan Begum
Mr. Khalid Qadeer Qureshi
Mr. Mohammad Ali Artwar
Mr. Anwar Ahmad Khan

Company Secretary

Khalid Mahmood Chohan

Bankers

ABN-AMRO Bank N.V.
Askari Commercial Bank Limited
Bank of America NT&SA
Citibank NA
Faysal Bank Limited
Habib Bank Limited
Mashreq Bank psc
Muslim Commercial Bank Limited
Schon Bank Limited
Union Bank Limited
United Bank Limited

Auditors

M/s A F Ferguson & Co.

Chartered Accountants

Registered Office

Nishat House, 53-A, Lawrence Road, Lahore - Pakistan

Phone: 92- 42- 6367812- 20 Fax: 92- 42- 6367414

Telex: 47523 Nisht PK. Lahore

E.Mail: dgkcc@lhr.comsats.netpk

Factory

Khofli Sattai, Distt. Dera Ghazi Khan - Pakistan

Phone: 92-641-60025-7

Fax: 92-641-62392

Telex: 42492 DGK CF PK.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Shareholders of D.G. Khan Cement Company Limited ("the Company") will be held on Wednesday the 31st December, 1997 at 11:30 a.m. at Nishat House, 53-A, Lawrence Road, Lahore to transact the following business:

1. To confirm minutes of the last meeting.
2. To receive and adopt the audited accounts of the Company for the financial year ended June 30, 1997 together with the Directors' and Auditors' reports thereon.
3. To appoint Auditors for the year 1997-98 and fix their remuneration. The present Auditors M/s. A F Ferguson & Company, Chartered Accountants, Lahore retire and being eligible, offer themselves for re-appointment.
4. Special business:
To pass the following special resolution with or without modification, as approved by the Board of Directors.

RESOLVED THAT the following existing clauses of the Articles of Association of the Company be and are hereby deleted with immediate effect as the same are no more required to remain incorporated in the Articles of Association.

"63 (a) Notwithstanding anything to the contrary contained in any article herein, the decision of the Board on all the following matters shall always require the participation of National Development Finance Corporation's Director.

- a) Appointment / Change of M.D. / Chief Executive.
- b) Appointment of key personnel and consultants.
- c) Changes in the financial plan, size and capacity of the Project.
- d) Award of contracts to any Supplier(s) of Plant, Machinery and Equipment and for construction of civil works of the Project.
- e) Capital expenditure exceeding Rs. 25 million per item during any financial year.
- f) Loans or any business dealings on the basis of deferred payments of any kind whatsoever

- g) subsidiaries, associated undertakings (if any) of the Company or of its sponsor(s).
- g) Transfer, sale, assignment or lease of the immovable properties of the Company or the creation of any hypothecation, mortgage, charge or other encumbrance thereon.
- h) Recommendation of dividend.
- i) Creation of and transfer to reserves other than statutory reserves.
- j) Delegation of powers of M.D. / Chief Executive.
- k) Recommendation on the appointment of auditors.

"63 (b) Notwithstanding anything to the contrary contained in any article herein, the decision of the Board on all the following matters shall always require prior approval of Askari Commercial Bank Limited (ACBL):

- i) Changes in the financial plan, size and capacity of the Project.
- ii) Transfer, sale, assignment or lease of the immovable properties of the Company or the creation of any hypothecation, mortgage, charge or other encumbrance thereon.
- iii) Recommendation on the appointment of auditors.

Provided that the above Article Clauses 63 (a) & 63 (b) shall remain effective during the subsistence of National Development Finance Corporation and Askari Commercial Bank Limited loans."

5. Any other matter with the permission of the Chair.

STATEMENT UNDER SECTION 160 (1) (B) OF THE COMPANIES ORDINANCE, 1984.

This statement sets out the material facts concerning the special business to be transacted at the AGM of the Company.

The above Clauses were inserted in the Articles of Association of the Company pursuant to the Special Resolution passed by the Shareholders of the Company in their AGM held on December 31, 1995, for obtaining LMM Finance Facility from National Development Finance Corporation and Askari Commercial Bank Limited, for Expansion Project of the Company.

The Company has not obtained/availed any financial subsistence from the said institutions for the Expansion Project therefore, the above Clauses have become redundant and no longer required to remain incorporated in the Articles of Association of the Company, accordingly proposed to delete the said Clauses.

The Directors of the Company have no interest either directly or indirectly in proposed deletion of the aforesaid certain Clauses of the Articles of Association of the Company.

A copy of memorandum and Articles of Association of the Company has been kept at the Registered Office which can be inspected from 10:00 a.m. to 11:00 a.m. on all working days upto December 30, 1997.

Lahore:
December 01, 1997

By order of the Board
(KHALID MAHMOOD CHOCHAN)

Company Secretary

NOTES :

1. Share transfer books of the Company will remain closed from 31-12-97 to 06-01-98 (both days inclusive). Transfers received in order at Nishat House, 53-A, Lawrence Road, Lahore upto the close of business on December 30, 1997 will be considered in time.
2. A member eligible to attend and vote at this meeting may appoint another member his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's Registered office not less than 48 hours before the time for holding the meeting.
3. Shareholders are requested to immediately notify the change in address, if any.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your directors are pleased to place before you the annual report along with audited accounts for the year ended June 30, 1997.

During the year under review, the Company earned pretax profit of Rs. 83.571 million (1996: Rs. 308. 411 million) After accounting for all charges including depreciation and provision for turnover tax, net profit works out to Rs. 71.454 million (1996: Rs. 248. 411 million).

{Rupees in thousand}

APPROPRIATION

The following appropriations of the available profit are recommended:

	1997	1996
Net profit after taxation	71, 454	248, 411
Un-appropriated profit brought forward	997	586
Profit available for appropriation	72,451	248, 997

Appropriation:

Transferred to:

- General Reserve	72,000	248,000
Un-appropriated profit	451	997

PRODUCTION AND SALES

The production of clinker and cement for the period was 634,821 and 667, 937 tons respectively as compared to 730, 450 tons and 767, 363 tons for the previous year. The kiln operated at 96% of the installed capacity for want

of annual repair/shut down which took longer period than normal.

OPERATING RESULTS

The gross sales during the year were Rs. 2.496 billion (1996: Rs. 2.442 billion) registering a nominal increase of 221%, whereas, net sales was decreased by 12.89% over last year {1997: Rs. 1.347 billion 1996: Rs. 1.547 billion}.

The profit during the year decreased substantially from Rs. 308.411 million to Rs. 83.571 million. main reason for this shortfall was decrease in sale price due to oversupply of cement, low economic and development activities in the country and increase in input prices, which adversely affected profit margins. The major increase in input cost was in Furnace Oil and Electricity which was 63.59% and 12.37% respectively {average} over the last year

MARKET REVIEW

The political Socio-economic condition and law and order situation in the country have led the industry into crisis. Constant increase in input prices and decrease in sale prices coupled with stagnation of demand has resulted in piling up of stock of Clinker/Cement and oversupply. The impact of increase in input price could not be passed on to the end user, which again squeezed the profit margins.

Under the circumstances, there seems to be no significant/improvement in economic activity in the near future, which will further weaken the cement industry in order to save the industry from disaster, the government must take immediate actions and review the tax structure of cement industry as the industry at present is not in a position to carry the burden of ever increasing input prices and constant decrease in sale price.

FUTURE PROSPECTS

After great deal of negotiation and persuasion by the cement industry, the government has

announced (in November, 1997) policy of export of cement According to which a rebate of 12.5% ad valorem subject to maximum of Rs. 300 per ton is being considered. The rebate is considered to be insufficient to compete the international market.

There is potential to export cement in the surrounding countries like Sri Lanka, Bangladesh etc. This will only be possible if government offers a higher rebate than announced. This will help to minimize the oversupply and disposal of piled up stock of clinker/cement.

The government industrial reform program is expected to boost up the industrial activity in the country. At present all the development plans (including industrial zones besides Lahore Islamabad Motor way, construction of Islamabad Peshawar Motor way, Karachi Mass transit, port Bin Qasim Oil Refineries and other big projects) have been held up which are likely to be started after resolution of the present political crisis.

EXPANSION PROJECT

By the grace of Almighty Allah, and gigantic efforts of our team, the erection/ installation of the plant and machinery has been completed. During trial run, after overcoming teething problems, the new kiln has produced over 140,000 tons or Clinker.

In order to update the knowledge on latest cement manufacturing technology, 30 engineers were sent to Denmark and Spain for specialized training apart from this M/s FLS experts also imparting training on the job to our people at the site.

The Company has signed Technical Assistance Services agreement with M/s F.L.S. Pakistan (Private) Limited Under this agreement M/s FLS will provide the services of competent engineers and specialists. The experts will also provide the manufacturing techniques relating to the efficient and economical operation of the plant and make available their technological know how and

experience of cement manufacture to the staff of the plant. The experts shall in particular assist in putting into use the most suitable methods of extracting the raw material reaching optimal process and quality control as well as effective plant maintenance. This agreement will be for a period of one year.

PATTERN OF SHAREHOLDINGS

The pattern of shareholding of the company as on June 30, 1997 is annexed with the Annual Report.

AUDITORS

M/s A F Ferguson & Company, Chartered Accountants, Lahore, the retiring Auditors, being eligible, offer themselves for re-appointment

ACKNOWLEDGMENT

The relation between the management and workers remained cordial and peaceful. The Director placed on record appreciation for hard work done by the workers, staff and officers during the year which has resulted in completion of expansion project with the hope that they will work with same zeal and spirit in the year to come.

FIVE YEAR AT A GLANCE

	1997	1996	1995	1994	1993
PRODUCTION & SALES					
					(M. Tons)
Clinker	634,821	730,450	669,086	631,874	663,431
Cement	667,937	767,363	685,348	649,852	685,401
Sales	671,417	753,608	698,063	651,937	683,142
FOR THE YEAR					(Rupees in thousand)
Net .Sales	1,347,594	1,547,090	1,498,945	1,219,777	1,131,357
Gross Profit	274,692	591,430	757,254	586,653	536,867
Pre-tax profit	83,571	308,411	569,557	550,180	488,134
After tax profit	71,454	248,411	386,788	362,884	296,134

FINANCIAL POSITION

Current Assets	989,212	1,297,610	1,240,604	1,095,981	575,237
Current Liabilities	957,506	717,423	550,837	769,340	580,050
Operating Fixed Assets	804,047	786,929	692,991	719,066	691,887
Total Assets	8,102,729	7,390,244	4,010,890	2,324,669	1,877,749
Long Term Liabilities	3,288,816	2,887,875	349,724	337,397	349,801
Shareholders' Equity	3,856,407	3,784,946	3,110,329	1,217,932	947,898

RATIOS

Current Ratio	1.03:1	1.81:1	2.25:1	1.42:1	0.99:1
Debt to Equity	46:54	43:57	10:90	22:78	27:73
Gross Profit to Sales (%)	20.38	38.23	50.52	48.10	47.45
Net Profit to Sales (%)	5.30	16.06	25.80	29.75	26.18
Break-up value per share	29.13	34.82	31.47	19.68	15.31

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of D.G. Khan Cement Company Limited as at June 30, 1997, the profit and loss account and the cash flow statement, together with the notes forming part thereof, 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 purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account and cash flow statement 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 Company's affairs as at June 30, 1997, and of the profit and the cash flow for the year then ended; and

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

Lahore: December 01, 1997

A. Ferguson & Co.
Chartered Accountants

BALANCE SHEET JUNE 30, 1997

	Note	(Rupees in thousand) 1997	1996
CAPITAL AND RESERVES			
Authorised share capital			
300,000,000 ordinary shares of Rs. 10/- each		3,000,000	3,000,000
		=====	=====
Issued, subscribed and paid up share capital			
132,391,380 (1996: 108,712,925) ordinary shares of Rs. 10/- each	3	1,323,914	1,087,129
Advance against issue of shares	4	--	426,206
Reserves	5	2,532,042	2,270,614
Unappropriated profit		451	997
		-----	-----
		3,856,407	3,784,946
LONG TERM LIABILITIES			
LONG TERM LOANS - SECURED			
LIABILITIES AGAINST ASSETS	6	3,128,364	2,774,385
SUBJECT TO FINANCE LEASE	7	106,636	56,381
DEFERRED LIABILITIES	8	22,258	18,025
LONG TERM DEPOSITS			
	9	31,558	39,084
CURRENT LIABILITIES			
Current portion of long term liabilities			
Long term loans - secured		50,436	50,436
Liabilities against assets subject to finance lease		47,005	40,996
Short term running finance	10	260,254	--
Creditors, accrued and other liabilities	11	555,820	558,349
Provision for taxation		43,599	67,243
Dividend payable		392	399
		957,506	717,423
		-----	-----
CONTINGENCIES AND COMMITMENTS			
	12	--	--
		=====	=====
		8,102,729	7,390,244

The annexed notes form an integral part of these accounts.

FIXED CAPITAL EXPENDITURE

Operating fixed assets	13	804,047	786,929
Assets subject to finance lease	14	10,935	65,694
Capital work in progress	15	5,626,630	4,189,893
		6,441,612	5,042,516
		-----	-----

LONG TERM INVESTMENTS

	16	642,614	1,022,827
--	----	---------	-----------

LONG TERM LOANS TO EMPLOYEES

	17	7,233	8,256
--	----	-------	-------

LONG TERM DEPOSITS AND DEFERRED COSTS

	18	22,058	19,035
--	----	--------	--------

CURRENT ASSETS

Stores, spares and loose tools	19	395,638	262,664
Stock - in - trade	20	41,327	40,870
Short term investments	21	370,232	--
Advances, deposits, prepayments and other receivables	22	139,003	272,132
Cash and bank balances	23	43,012	721,944
		989,212	1,297,610
		-----	-----
		8,102,729	7,390,244
		=====	=====

PROFIT AND LOSS ACCOUNT FOR THE

YEAR ENDED JUNE 30,1997

(Rupees in thousand)

	Note	1997	1996
SALES	24	1,347,594	1,547,090
COST OF GOODS SOLD	25	1,072,902	955,660
		-----	-----
GROSS PROFIT		274,692	591,430

OPERATING EXPENSES

Administration and general expenses	26	33,826	40,794
Selling and distribution expenses	27	161,009	202,063
		194,835	242,857
		-----	-----
OPERATING PROFIT		79,857	348,573

OTHER INCOME	28	47,370	105,490
		-----	-----
		127,227	454,063
FINANCIAL CHARGES	29	27,027	47,482
OTHER CHARGES	30	16,629	98,170
		43,656	145,652
		-----	-----
PROFIT BEFORE TAXATION		83,571	308,411
PROVISION FOR TAXATION	31	12,117	60,000
		-----	-----
PROFIT AFTER TAXATION		71,454	248,411
UNAPPROPRIATED PROFIT BROUGHT FORWARD		997	586
		-----	-----
PROFIT AVAILABLE FOR APPROPRIATION		72,451	248,997
APPROPRIATION			
Transferred to general reserve		72,000	248,000
		-----	-----
UNAPPROPRIATED PROFIT		451	997
		=====	=====

The annexed notes form an integral part of these accounts.

CASH FLOW STATEMENT FOR THE YEAR

ENDED JUNE 30, 1997

	Note	(Rupees in thousand)	
		1997	1996
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	32	236,984	814,558
Financial charges paid		(27,587)	(47,266)
Gratuity paid		(363)	(1,581)
Taxes paid		(58,667)	(237,559)
		-----	-----
NET CASH INFLOW FROM OPERATING ACTIVITIES		150,367	528,152
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,097,333)	(3,429,688)
Increase in long term investments		(19)	(67,728)
Long term loans to employees (net)		1,031	(78)
Long term security deposits (net)		(5,190)	(9,559)
Sale proceeds of fixed assets		1,953	4,059
Dividend received		11,704	6,123

NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(1,087,854)	(3,496,871)
CASH FLOW FROM FINANCING ACTIVITIES		
Share capit .	7	--
Advance against issue of shares	--	426,206
Long term loans (net)	(50,436)	2,501,825
Long term deposits (net)	(7,527)	(7,856)
Liabilities against assets subject to finance lease(net)	56,264	52,041
Dividend paid	(7)	(72)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES	(1,699)	2,972,144
	-----	-----
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(939,186)	3,425
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	721,944	718,519
	-----	-----
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	33 (217,242)	721,944

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 1997

1. THE COMPANY AND ITS OPERATIONS

D.G. Khan Cement Company Limited is a public company incorporated under the Companies Ordinance, 1984 and is listed on all the stock exchange in Pakistan. The Company is engaged in production and sale of ordinary Portland Cement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These accounts have been prepared under the historical cost convention modified by capitalization of exchange differences as referred to in note 2.10.

2.2 Staff retirement benefits

The Company operates an unfunded gratuity scheme for all employees, payable on cessation of employment, subject to a minimum qualifying period of service. Provision is made annually to cover obligations under the scheme for oil employees eligible to gratuity benefits irrespective of the qualifying period.

The Company also operates an approved funded contributory provident fund scheme. Equal

monthly contributions are made by the employer and the employees to the fund.

2.3 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates, if any.

Deferred

The Company accounts for deferred taxation using the liability method on all major timing differences. Provision for deferred tax for the year is not considered necessary as the timing differences are not likely to reverse in the foreseeable future.

2.4 Fixed capital expenditure and depreciation

Operating fixed assets except freehold land are stated at cost less accumulated depreciation. Capital work in progress and freehold land are stated at cost. Cost in relation to fixed assets signifies historical cost and exchange differences referred to in note 2.10.

Depreciation on all other operating fixed assets is charged to profit on the reducing balance method, so as to write off the historical cost of an asset over its estimated useful life at the rates referred to in note 13. Full year's depreciation is charged on additions, while no depreciation is charged on deletions during the year.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains or losses on disposal of assets are taken to profit and loss account.

2.5 Assets subject to finance lease

These are stated at lower of present value of minimum lease payments under the lease agreements and the fair value of the assets acquired on lease. The related obligation of the lease are accounted for as liabilities. Assets acquired under a finance lease are amortised over the useful life of the assets on reducing balance method at the rates given in note 14. Amortisation of leased assets is charged to profit and loss account.

2.6 Investments

Long term investments

Investments are carried at cost and provision is made to recognise a decline in value which is other than temporary. Such reduction being determined for each investment individually.

Short term investments

These are stated at lower of cost and market value determined on portfolio basis.

2.7 Deferred cost

These costs are to be amortised over a period of five years.

2.8 Stores, spares and loose tools

Stores, spares and loose tools are valued principally at moving average cost. Items valued at cost comprising invoice values plus other charges paid thereon.

2.9 Stock - in - trade

Stock of raw materials, work in process and finished goods are valued principally at the lower of overage cost and net realisable value. Cost of work in process and finished goods comprises cost of direct materials and labour and appropriate manufacturing overheads,

Net realisable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make a sale.

2.10 Foreign currencies

All assets and liabilities in foreign currencies are translated at the exchange rates prevailing at the balance sheet date. Exchange gains or losses on translation of foreign currency long term loans utilised for the acquisition of fixed assets are capitalised. All other exchange differences are charged to profit and loss account.

2.11 Mark - up, interest, profit and other charges

Mark - up, interest, profit and other charges on long term liabilities are capitalised upto the date of commissioning of the respective plant and machinery, acquired out of the proceeds of such long term liabilities. All other mark - up, interest profit and other charges are charged to income.

2.12 Revenue recognition

Revenue from sale is recognised on despatch of goods to customers. Profit on deposits with banks is recognised on a time proportion basis taking into account the amounts outstanding and the rates applicable thereon. Dividend income on equity investments is recognised as income when the right of receipt is established.

(Rupees in thousand)

1997 1996

3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Opening balance of issued, subscribed and paid up share capital 89,157,221 (1996: 89,157,221) ordinary shares of Rs. 10 each fully paid in cash

891,572 891,572

Issued against advance against issue of shares
23,678,455 (1996: Nil) ordinary shares of Rs.10 each - Note 4
112,835,676 (1996: 89,157,221) ordinary shares of
Rs 10 each fully paid in cash

236,785 --

1,128,357 891,572

Opening balance of ordinary shares
19,555,704 (1996:9,672,711)of Rs 10 each issued

as fully paid bonus shares	195,557	96,727
Issued Nil(1996: 9,882,993) ordinary shares of Rs. 10 each as fully paid bonus shares	--	98,830
	-----	-----
19,555,704 (1996: 19,555,704)ordinary shares of Rs.10 each issued as fully paid bonus shares	195,557	195,557
	-----	-----
	1,323,914	1,087,129
	=====	=====

4. ADVANCE AGAINST ISSUE OF SHARES

Opening balance as at July 1	426,206	--
Add: Received during the year	7	426,206
	-----	-----
	426,213	426,206
Less: Adjusted against issue of shares	- Note 3	236,785
Transferred to reserves		189,428
(premium on issue of right shares)	- Note 5	426,213
	-----	-----
	--	426,206
	=====	=====

(Rupees in thousand)

1997 1996

5. RESERVES

Movement and composition of reserves is as follows:

Capital

Reserves for issue of bonus shares

At the beginning of the year	--	98,830
Transferred from profit and loss account	--	--
	-----	-----
	--	98,830
Nominal value of bonus shares issued	--	98,830
	-----	-----
	--	--

Premium on issue of right shares

At the beginning of the year	1,404,314	1,404,314
Add: Premium on right shares issued during the year	-Note 4	189,428
	-----	-----
	1,593,742	1,404,314

Revenue

freehold land and a hypothecation charge on plant and machinery consisting of crusher, raw material transportation system, raw mill, kiln, cement mill and packing plant in favour of the bank.

Loan No. 2 and 3

These loans are secured by an equitable mortgage on the company's freehold land and building and other immovable assets of the company accompanied by irrevocable power of attorneys author(sing the lenders to create and register English mortgage, and a first hypothecation charge on present and future movable assets including plant and machinery, accessories, electrical, motor vehicles and all other equipments.

All charges in respect of long term loans rank part passu with each other.

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Rupees in thousand)	
	1997	1996
Present value of minimum lease payments	153,641	97,377
Less: Current portion shown under current liabilities	47,005	40,996
	106,636	56,381
	106,636	56,381

The present value of minimum lease payments have been discounted at an implicit interest rate ranging from 17.8% to 21.5% to arrive at their present value. Rentals are paid in monthly installments and in case of default of any payment, an additional charge @ 2 to 5% per month shall be paid. The balance rentals due under the lease agreement aggregate Rs. 134.29 million and are payable in equal monthly installments plus a lumpsum payment of Rs. 19.35 million (1996: Rs. 14.7 million) for residual value.

Taxes, repairs and insurance costs are to be borne by the lessee. In case of termination of the agreement the lessee Js to pay the entire rent for the unexpired period of lease agreement. The liability Js partly secured by a deposit of Rs. 19.35 million included in security deposits under note 18. Commitments in respect of lease arrangements executed by the company are as follows:

Years	(Rupees in thousand)
1998	69,530
1999	60,105
2000	32,868
2001	23,695

8. DEFERRED LIABILITIES

	(Rupees in thousand)	
	1997	1996

Provision for employees gratuity	18,248	15,003
Provision for leave encashment	4,010	3,022
	-----	-----
	22,258	18,025
	=====	=====

9. LONG TERM DEPOSITS

These represent the interest free security deposits from stockists and are repayable on cancellation or withdrawal of the dealership.

10 SHORT TERM RUNNING FINANCE

Short term running finance available from various banks under mark-up arrangement amount to Rs. 450 million (1996: Rs. 200 million). The rates of mark-up range from Re. 0.438 to Re. 0.493 per Rs. 1,000 per diem or part thereof on the balance outstanding. In the event, the company fails to pay the balance on the expiry of the quarter, year or earlier demand, mark-up is to be computed at the rate of Re. 0.548 per Rs. 1,000 per diem or part thereof on the balance unpaid.

The finances obtained under these arrangements are secured by a first registered pari passu charge over all the company's present and future stocks of raw materials, work-in-process, finished goods and productions, supplies lying at factory premises/site, company's godowns or else where or in transit.

Out of aggregate facility of letters of credit and guarantees of Rs. 240 million (1996: Rs. 200 million) the amounts utilised as at June 30, 1997 amounted to Rs. 20.144 million (1996: Rs. 54.408 million) in respect of letter of credit and Rs. 33.264 million (1996: Rs. 30.594 million) in respect of guarantees.

11. CREDITORS, ACCRUED AND OTHER LIABILITIES

(Rupees in thousand)

1997 1996

These are composed of:

Trade creditors	25,809	20,819
Deposit from customers	28,050	62,869
Accrued liabilities	27,625	60,951
Custom duties payable	199,957	167,451
Bills payable	7,056	23,970
Amount due to associated undertaking		
D.G. Khan Electric Company Limited.	29,816	16,726
Workers' profit participation fund	8,875	20,775
Interest accrued on long term loans - secured	145,425	104,998
Retention money	17,752	12,005
Security deposits	7,174	4,633
Sales tax payable	9,969	18,538
Advances against sale of scrap	326	126
Other payables	47,986	44,488
	-----	-----

	555,820	558,349
	=====	=====
	(Rupees in thousand)	
	1997	1996
11.1 Workers' profit participation fund		
At the beginning of the year	20,775	33,212
Provision for the year	4,462	16,525
Interest for the year	1,205	2,242
	-----	-----
	26,442	51,979
Less: Payments made during the year	17,567	31,204
	-----	-----
	8,875	20,775
	=====	=====

12. CONTINGENCIES AND COMMITMENTS

Contingencies

The Income Tax Officer, while framing the assessments for the accounting years 1983-84 to 1991-92 has taxed the income of the company on account of interest on deposits and sale of scrap etc. The Appellate Tribunal on appeal filed by the Company issued an order in favour of the Company for the accounting years 1983-84 to 1991-92. The Income Tax Department filed reference before the Lahore High Court. Pending final outcome of such reference, no adjustment has been made in these accounts for the relief granted by the Appellate Tribunal aggregating Rs. 35.5 million.

The company has issued guarantees in favour of Collector of Customs and Excise against levy of sales tax, custom duty and excise duty amounting to Rs. 33.264 million (1996: Rs. 30.594 million).

Commitments in respect of:

- i) Contract for capital expenditure Rs. 115.72 million (1996: Rs. 770 million).
- ii) Letters of credit other than capital expenditure Rs. 20.144 million (1996: Rs. 54.408 million).

13. OPERATING FIXED ASSETS - TANGIBLE

13.1 The following is statement of the operating fixed assets

					(Rupees in thousand)		
		C	O	S			
	As at			As at	Accumulated		Annual
Description	June 30,	Additions/	June 30,	depreciation	Book value	Depreciation	rate of
	1996	(deletions)	1997	as at June	as at June	charge for	depreciation
				30, 1997	30, 1997	the year	%

Freehold land	31,478	--	31,478	--	31,478	--	--
Building on freehold land							
Factory building	172,293	114	172,407	116,818	55,589	6,177	10
Office building and Housing colony	160,561	9,559	170,120	48,687	121,433	6,392	5
Roads	9,981	--	9,981	4,673	5,308	590	10
Plant and machinery	1,033,383	49,198	,082,581	681,339	401,242	44,582	10
Quarry equipment	140,046	7,069	147,115	67,228	79,887	20,594	20
Furniture, fixture and office equipment	35,148	18,295	53,443	16,656	36,787	4,087	10
Vehicles	70,756	30,584 (3,010)	98,330	39,259	59,071	14,767	20
Aircraft	4,953	3,735	8,688	3,646	5,042	2,161	30
Power and water supply lines	26,804	--	26,804	18,594	8,210	912	10
	-----	-----	-----	-----	-----	-----	-----
1997	1,685,403	118,554 {3,010}	1,800,947	996,900	804,047	100,262	
	-----	-----	-----	-----	-----	-----	-----
1996	1,495,562	205,337 (15,496)	1,685,403	898,474	786,929	96,490	
	=====	=====	=====	=====	=====	=====	=====

(Rupees in thousand)

Note 1997 1996

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

Cost of goods sold	25	92,828	89,140
Administration and general expenses	26	7,227	7,091
Selling and distribution expenses	27	207	259
		-----	-----
		100,262	96,490
		=====	=====

13.3 The Company has given on lease, land measuring 14 acres to D.G. Khan Electric Company Limited (an associated undertaking) at an annual rent of Rs. 145,200.

13.4 Disposal of operating fixed assets

Detail of operating fixed assets disposed off during the year is as follows:

Particulars of assets	Cost	Accumulated Depreciation	Sale		Sold to	Mode of disposal
			Book value (Rupees in thousand)	proceeds		
Honda Civic (LOG 4901)	954	563	391	600	M/S Adamjee insurance Co.	Claim received
Honda Civic (LOQ-7880)	947	559	388	388	Mr. Jahanger Khan Malik	Negotiation
Suzuki Jeep (DGB-9496)	178	148	30	120	Mr. Aamir Mirani	Tender
Suzuki Jeep (DG- 1245)	86	81	5	116	Mr. Kaleemullah Qasrani	Negotiation
Suzuki Khyber (LOW-1453)	351	126	225	350	M/S Adamjee Insurance Co.	Claim received
Suzuki Pickup (DGD-9778}	109	73	36	82	M/S Iqbal Hussain & Bros.	Tender
Toyota Pickup (DGB~1694)	295	255	40	222	M/S Industrial Fabrication	Tender
Motor Cycle (LOS-6928)	40	19	21	30	M/S Adamjee Insurance Co.	Claim received
Motor Cycle (LOW-2796)	50	10	40	45	M/S Adamjee Insurance Co.	-do-

14. ASSETS SUBJECT TO FINANCE LEASE

(Rupees in thousand)

Description	Cost to June 30, 1996	Additions/ (deletions)	Cost to June 30, 1997	Accumulated amortisation as at June 30, 1997	Book value as at June 30, 1997	Amortisation charge for the year	Rate %
Quarry equipment	13,415	(13,415)	--	--	--	--	20
Plant and machinery	77,527	(64,027)	13,500	2,565	10,935	1,215	10
1997	90,942	(77,442)	13,500	2,565	10,935	1,215	
1996	92,346	13,500 (14,904)	90,942	25,248	65,694	8,253	

Amortisation charge for the year has been allocated to cost of goods sold - Note 25.

15. CAPITAL WORK IN PROGRESS

(Rupees in thousand)

	1997	1996
This consist of:		
Civil works	7,248	6,385
Expansion project		
Civil works	943,303	505,694
Plant and machinery	3,439,461	3,076,706

Assets subject to finance lease		180,000	80,000
Consultants fees		14,205	9,348
Advances	- Note 15.1	33,894	226,823
Unallocated expenditure	- Note 15.2	1,008,519	284,937
		-----	-----
		5,619,382	4,183,508
		-----	-----
		5,626,630	4,189,893
		=====	=====

15.1 Advances

Civil Works		9,306	53,925
Plant and Machinery		24,588	172,898
		-----	-----
		33,894	226,823
		=====	=====

15.2 Unallocated expenditure

Technical and Other Staff Salaries		34,886	19,903
Financial charges	- Note 15.3	513,735	204,075
Net exchange loss		438,012	49,067
Others		21,886	11,892
		-----	-----
		1,008,519	284,937
		=====	=====

15.8 Financial charges

Interest on long term loans - secured		453,355	130,978
Commitment and other charges		60,380	73,097
		-----	-----
		513,735	204,075
		=====	=====

16. LONG TERM INVESTMENTS

At cost	- Note 16.1	728,614	1,098,827
Less: Provision for diminution in value of investments		86,000	76,000
		-----	-----
		642,614	1,022,827
		=====	=====

16.1 Quoted Companies

In associated undertakings

Umer Fabrics Limited

6,476,780 ' (1996:6,476,780) fully paid

ordinary shares of Rs. 10 each Equity held 26.98% (1996: 26.98%)	118,033	118,033
Nishat (Chunian) Limited 2,790,600 (1996: 2,790,600) fully paid ordinary shares of Rs. 10 each Equity held 19.38% (1996:19.38%)	40,347	40,347
	-----	-----
C/F	158,380	158,380
B/F	158,380	158,380
Nishat Tek Limited 4,081,469 (1996: 4,081,469) fully paid ordinary shares of Rs. 10 each Equity held 19.75% (1996: 19.75%)	113,807	113,807
Nishat Fabrics Limited 3,074,350 (1996: 3,074,350) fully paid ordinary shares of Rs. 10 each Equity held 14.64% (1996: 14.64%)	34,701	34,701
Nishat Mills Limited 5,797,105 (1996: 5,797,105) fully paid ordinary shares of Rs. 10 each	251,696	251,696
D.G Khan Electric Company Limited 3,805,625 (1996: 3,805,625) fully paid ordinary shares of Rs. 10 each Equity held 19.03% (1996: 19.03%)	49,990	49,990
Muslim Commercial Bank Limited 3,719,644 (1996: Nil) fully paid ordinary shares of Rs. 10 each	97,416	--
OTHERS		
Muslim Commercial Bank Limited Nil (1996: 17,856,329) fully paid ordinary shares of Rs. 10 each	--	467,648
Fidelity Investment Bank Limited 1,909,867 (1996:1909,867) fully paid ordinary shares of Rs. 10 each	21,457	21,457
Maple Leaf Cement Factory Limited		

6,666 (1996: 4,762) fully paid ordinary shares of Rs. 10 each	187	168
---	-----	-----

First Capital Mutual Fund

98,000 (1996: 98,000) certificates of Rs. 10 each	980	980
	-----	-----
	728,614	1,098,827
	=====	=====

16.2 Market value of quoted investments is Rs. 478.468 million (1996: Rs. 915.737 million) as at June 30, 1997.

16.3 Investments having face value of Rs. 76.897 million (1996: Rs. 175.732 million) are pledged as security against lease facility, working capital loan and letter of credit for machinery.

(Rupees in thousand)

1997	1996
------	------

17. LONG TERM LOANS TO EMPLOYEES

Considered good		
House building	8,070	8,836
Vehicles/air-conditioners	1,270	1,535
	9,340	10,371
Less: Current portion of long term loans to employees	- Note 22	
	2,107	2,115
	-----	-----
	7,233	8,256
	=====	=====

17.1 These represent the secured loans given to employees as per company's service rules and are recoverable in equal monthly instalments. The loans given to officers carry interest from 6 to 7 percent per annum while loans to staff and workers are interest free. Loans of Rs. 4.948 million (1996: Rs. 5.882 million) are outstanding for periods exceeding three years. The maximum amount outstanding at the end of any month is Rs. 10.538 million.

(Rupees in thousand)

1997	1996
------	------

18. LONG TERM DEPOSITS AND DEFERRED COST

Security deposits		
Deferred cost	- Note 18.1	
	21,784	16,594
	274	2,441
	-----	-----
	22,058	19,035
	=====	=====

18.1 This represents the unamortised balance of public floatation expenses and is amortised over a period of five years in equal installments.

19. STORES, SPARES AND LOOSE TOOLS

Stores	318,660	111,415
Spares	70,567	146,022
Loose tools	6,411	5,227
	-----	-----
	395,638	262,664
	=====	=====

20. STOCK-IN-TRADE

Raw materials	6,851	3,353
Packing material	14,613	13,329
Work-in-process	2,060	7,357
Finished goods	17,803	16,831
	-----	-----
	41,327	40,870
	=====	=====

21. SHORT TERM INVESTMENTS

Quoted Company

In associated undertaking

Muslim Commercial Bank Limited

14,136,685 (1996: Nil) fully paid ordinary shares of Rs. 10 each

Market value of investments is 463.041 million (1996: Nil)

	370,232	--
	=====	=====

(Rupees in thousand)

1997	1996
------	------

22. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Current portion of long term loans to employees	- Note 17	2,107	2,115
Advances - considered goods			
To employees		5,997	2,846
To suppliers		6,468	8,800
To contractors		960	2,898
interest receivable		345	5,650
Due from associated undertakings			
Nishat Mills Limited		7,276	110,532

D.G. Khan Electric Company Limited	10,944	2,040
	-----	-----
	18,220	112,572
Prepayments	367	3,421
Letters of credit	26,865	7,861
Claims recoverable from Government		
Income tax	57,998	35,090
Sales tax	624	18,910
Excise duty	8,905	15,705
Octroi	861	30,434
	-----	-----
	68,388	100,139
Other receivables	9,286	25,830
	-----	-----
	139,003	272,132
	=====	=====

Maximum aggregate amount due from associated undertakings at the end of any month during the year was Rs. 139 million (1996: Rs. 152 million).

Markup is charged/paid on advances to/from associated undertakings at the rate of paisas 50 per Rs. 1,000 per day.

23. CASH AND BANK BALANCES

Balances with banks		
- On foreign currency accounts		
US \$ 52,715 (1996: US \$ 7.1 million)	2,130	249,292
DKK 128,350 (1996:23.72 million)	781	140,055
- On deposit accounts	1,000	276,035
- On current accounts	9,556	9,128
- On saving accounts	29,272	47,206
	-----	-----
	42,739	721,716
Cash in hand	273	228
	-----	-----
	43,012	721,944
	=====	=====

23.1 The foreign currency accounts held under special permission from State Bank of Pakistan are available for import of plant and machinery and other project cost.

(Rupees in thousand)

1997

1996

24. SALES

Gross sales		2,496,429	2,441,818
Less: Excise duty		781,902	561,213
Sales tax		359,096	330,921
Rebate to stockists		7,837	2,594
		1,148,835	894,728
		-----	-----
		1,347,594	1,547,090
		=====	=====

25. COST OF GOODS SOLD

Raw and packing materials consumed	- Note 25.1	171,610	186,739
Salaries, wages and other benefits		66,883	66,450
Electricity		243,384	245,605
Furnace oil		334,924	230,581
Stores and spares consumed		111,955	90,216
Repair and maintenance		6,286	11,511
Insurance		18,922	18,574
Depreciation	- Note 13.2	92,828	89,140
Amortisation	- Note 14	1,215	8,253
Other expenses		20,570	17,722
		-----	-----
		1,068,577	964,791
Opening work-in-process		7,357	12,068
Closing work-in-process		(2,060)	(7,357)
		5,297	4,711
		-----	-----
Cost of goods manufactured		1,073,874	969,502
Opening stock of finished goods		16,831	2,989
Closing stock of finished goods		(17,803)	(16,831)
		(972)	(13,842)
		-----	-----
		1,072,902	955,660
		=====	=====

(Rupees in thousand)

1997

1996

25.1 Raw and packing materials consumed

Opening stock	16,682	10,149
Purchases	176,392	193,272
	193,074	203,421

Less: closing stock	21,464	16,682
	-----	-----
	171,610	186,739
	=====	=====

26. ADMINISTRATION AND GENERAL EXPENSES

Salaries, wages and other benefits	13,099	13,991
Travelling and daily allowances	667	1,259
Vehicle running	1,397	3,443
Auditor's remuneration	-Note 26.1	593
Printing and stationery	1,253	1,289
Entertainment	445	238
Dera Cement Model School Trust	3,113	3,228
Depreciation	- Note 13.2	7,091
Donations	100	56
Fee and subscription	908	2,503
Miscellaneous	5,337	7,103
	-----	-----
	33,826	40,794
	=====	=====

26.1 Auditor's remuneration

Riaz Ahmed & Co.		
Statutory audit	--	250
Out of pocket expenses	--	35
	--	285
A F Ferguson & Co.		
Statutory audit	250	250
Out of pocket expenses	30	58
	280	308
	-----	-----
	280	593
	=====	=====

(Rupees in thousand)

1997 1996

27. SELLING AND DISTRIBUTION EXPENSES

Salaries, wages and other benefits	6,090	6,316
Transportation charges	140,894	182,738
Travelling and daily allowances	287	235
Vehicle running and maintenance	211	137
Repair and maintenance	26	189

Postage, telephone and telegrams	708	615
Printing and stationery	529	635
Entertainment	275	346
Electricity	61	47
Advertisement and sales promotion	10,881	10,328
Depreciatio -Note 13.2	207	259
Miscellaneous	840	218
	-----	-----
	161,009	202,063
	=====	=====

28. OTHER INCOME

Profit/mark-up on bank deposits and advances	21,674	70,438
Mark-up on advances to associated Undertakings	9,523	21,184
Gain on sale of investments	--	3,263
Interest on loans to employees	170	227
Dividend income from Nishat (Chunian) Limited	5,581	
Dividend income from Nishat Tek Limited	6,123	6,123
Gain on disposal of operating/leased assets	779	2,415
Sale of scrap	884	1,696
Miscellaneous income	2,636	144
	-----	-----
	47,370	105,490
	=====	=====

29. FINANCIAL CHARGES

Interest on long term loans - secured	21,183	28,244
Financial charges under lease obligations	2,245	12,657
Bank charges and commission	2,394	4,339
Interest on workers' profit participation fund	1,205	2,242
	-----	-----
	27,027	47,482
	=====	=====

30. OTHER CHARGES

Amortisation of deferred cost	2,167	2,167
Workers' profit participation fund	4,462	16,525
Workers' welfare fund	--	3,327
Provision for diminution in the value of long term investments	10,000	76,000
Loss on disposal of operating fixed assets	--	151
	-----	-----
	16,629	98,170
	=====	=====

31. PROVISION FOR TAXATION

Current year	7,500	60,000
Prior year	4,617	--
	-----	-----
	12,117	60,000
	=====	=====

Provision for minimum tax on turnover under section 80D of the Income Tax Ordinance, 1979 has been provided, in view of tax loss which are estimated at Rs. 233 million.

In view of Company's future expansion plan, the management feels that timing differences will not reverse for some considerable foreseeable period. Consequently, the provision for deferred tax to the extent of Rs. 172 million(1996: Rs. 122 million) has not been made in these accounts.

32. CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation	83,571	308,411
Add / (Less) adjustment for non cash charges and other items		
Depreciation	100,262	96,490
Amortisation	3,382	10,420
Gain on disposal of fixed and leased assets (net)	(779)	(2,264)
Dividend income	(11,704)	(6,123)
Provision for leave encashment	1,107	3,022
Provision for gratuity	3,489	2,545
Provision for diminution in value of investments	10,000	76,000
Financial charges	25,822	45,240
	-----	-----
Profit before working capital changes	215,150	533,741
	=====	=====
Effect on cash flow due to working capital changes		
(Increase)/decrease in current assets		
Stores, spares and loose tools	(132,974)	(61,343)
Stock in trade	(457)	(15,664)
Advances, deposits, prepayments and other receivables	156,029	28,772
Increase / (decrease)in current liabilities		
Creditors, accrued and other liabilities	(764)	329,052
	21,834	280,817
	-----	-----
Cash generated from operations	236,984	814,558

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items as included in the balance sheet.

Short term running finance	- Note 10	(260,254)	--
Cash and bank balances	- Note 23	43,012	721,944
		-----	-----
		(217,242)	721,944
		=====	=====

34. REMUNERATION OF DIRECTORS AND EXECUTIVES:

The aggregate amount charged in the accounts for remuneration, including all benefits to the directors and executives of the company are as follows:

	Executives		Directors	
	(Rupees in thousand)		(Rupees in thousand)	
	1997	1996	1997	1996
Number of persons	48	45	3	2
managerial remuneration	15,436	14,479	1,874	1,130
Gratuity/contribution to provident fund	6,445	1,247	420	163
<u>Utilities</u>	260	252	115	78
	-----	-----	-----	-----
	22,141	15,978	2,409	1,371
	=====	=====	=====	=====

Three directors and two executives of the Company are also provided free maintained vehicles.

35. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS DURING THE YEAR

The Company has sold cement to its associated undertakings at market price in the aggregate sum of Rs. 2.619 million (1996: Rs. 6.832 million) during the year under reference.

The Company has made purchases from its associated undertakings at market price in the aggregate sum of Rs. 189.72 million (1996: Rs. 46.517 million) during the year under reference.

The Company maintains several bank accounts with an associated undertaking for collection of funds from the customers.

36. PLANT CAPACITY AND ACTUAL PRODUCTION

Capacity	Actual production	
	1997	1996
	1997	1996

Clinker (M. Tons)	660,000	660,000	634,821	730,450
-------------------	---------	---------	---------	---------

The kiln operated at 96% of the installed capacity due to the reason that it took longer period than normal for annual repairs/shut down.

37. CORRESPONDING FIGURES

Previous year's figures have been re-arranged, wherever necessary, for the purposes of comparison.

PATTERN OF SHARES HOLDING

AS AT 30, JUNE 1997

NO OF SHARE HOLDERS	SHARE HOLDING		TOTAL SHARES HELD
	FROM	TO	
197	1	100 Shares	10944
461	101	500 Shares	134815
624	501	1000 Shares	465780
1104	1001	5000 Shares	2390264
170	5001	10000 Shares	1212013
41	10001	15000 Shares	487803
24	15001	20000 Shares	424565
28	20001	25000 Shares	657456
14	25001	30000 Shares	375836
5	30001	35000 Shares	168481
8	35001	40000 Shares	295581
2	40001	45000 Shares	83914
4	45001	50000 Shares	190451
9	50001	55000 Shares	475658
1	55001	60000 Shares	60000
3	60001	65000 Shares	186349
2	65001	70000 Shares	133920
3	70001	75000 Shares	219016
2	75001	80000 Shares	154646
1	80001	85000 Shares	80151
2	85001	90000 Shares	171071
1	90001	95000 Shares	92600
9	95001	100000 Shares	889832
1	100001	105000 Shares	103945
2	105001	110000 Shares	220000
1	115001	120000 Shares	116364
1	120001	125000 Shares	125000
1	130001	135000 Shares	130500
2	135001	140000 Shares	273767

1	145001	150000 Shares	147140
1	160001	165000 Shares	161806
1	180001	185000 Shares	185000
2	185001	190000 Shares	375010
1	210001	215000 Shares	213140
1	215001	220000 Shares	218218
1	220001	225000 Shares	221781
1	225001	230000 Shares	228800
1	230001	235000 Shares	231000
1	240001	245000 Shares	245000
1	245001	250000 Shares	250000
1	260001	265000 Shares	264500
1	285001	290000 Shares	288350
1	295001	300000 Shares	299392
1	315001	320000 Shares	319903
1	325001	330000 Shares	325050
1	400001	405000 Shares	404470
2	405001	410000 Shares	813185
2	460001	465000 Shares	924701
1	480001	485000 Shares	480212
1	540001	545000 Shares	542081
1	605001	610000 Shares	609707
1	610001	615000 Shares	615000
1	665001	670000 Shares	667810
1	670001	675000 Shares	673414
1	695001	700000 Shares	700000
2	705001	710000 Shares	1413050
1	775001	780000 Shares	775204
1	780001	785000 Shares	780208
1	820001	825000 Shares	822307
1	835001	840000 Shares	835285
1	885001	890000 Shares	887115
1	905001	910000 Shares	905850
1	925001	930000 Shares	929675
1	955001	960000 Shares	958345
1	1065001	1070000 Shares	1069231
1	1150001	1155000 Shares	1151200
1	1155001	1160000 Shares	1156400
1	1335001	1340000 Shares	1338302
1	1660001	1665000 Shares	1662332
1	2300001	2305000 Shares	2302890
1	2510001	2515000 Shares	2511855
1	2725001	2730000 Shares	2726000
1	2735001	2740000 Shares	2739500
1	3010001	3015000 Shares	3014063

1	3630001	3635000 Shares	3634000
1	3835001	3840000 Shares	3838044
1	4250001	4255000 Shares	4250611
1	5020001	5025000 Shares	5022050
1	7420001	7425000 Shares	7424090
1	7800001	7805000 Shares	7802835
1	8210001	8215000 Shares	8212763
1	43490001	43495000 Shares	43492783
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2780	TOTAL		132391380
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CLASSIFICATION OF SHARE HOLDING AS AT JUNE 30, 1997

CATEGORIES OF MEMBERS	NUMBERS	SHARE HELD	PERCENTAGE
Individuals	2571	10120045	7.64
Investment Companies	15	2838587	2.14
Insurance Companies	5	1888815	1.43
Joint Stock Companies	28	53092852	40.10
Financial Institutions	23	10704937	8.09
Modaraba Companies	16	368568	0.28
Foreign Investors	80	53290104	40.25
Others	42	87472	0.07
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TOTAL	2780	132391380	100.00