Wazir Ali Industries Limited Annual Report 1998

CONTENTS

BOARD OF DIRECTORS

SYED ASAC ALI Chairman
SYED YAMAR ALI Managing Director
SYED TAKIQ ALI
SYED SHAWID ALI
SYED SHAWID ALI
SHEMBAN MADAN
MISHTAG M. SHEMJA
SHAWBANA MADAN A. JARRAR GHORI

COMPANY SECRETARY AUDITORS

HARIN BANK LIMITED
MISSIM COMMERCIAL BASK LIMITED
BATIONAL DEVELOPMENT PINANCE CORPORATION
PRIME COMMERCIAL BANK LIMITED

PACTORY HALT ROAD HYDERARAD

NOTICE OF MEETING

BANKERI

NOTICE IS NESSEW GIVEN that the 46th Anzual General Meeting of the shareholders of Wazir Ali Industries Limited will be beld on Wednesday, Jird becember1998 at 11:00 A.M. at Notel Beach Luxury, Exachl, to transact the following business:

A. CRDINARY MUSINESS

1. To confirm the mimutes of the Amnual General Meeting of the company held on 24th December 1997.

R. SPECIAL BUSINESS

6. To ratify the remuneration of Commercial Director who is also a director on Board.

A statement under section 160 of the Companies Ordinance, 1984 pertaining to the special business is being sent to the members with this notice.

By Order of the Board

Marachi: 12th October, 1999

1. The Share Transfer Rocks of the company will remain closed from 16th December 1998 to 23rd December 1998 (both days inclusive).

A member entitled to attend and vote at the annual general meeting is extitled to appoint another member as proxy to attend and vote instead of him. The instrument appointing proxy must be received at the registered office of the company not less than forty eight hours before the time of the meeting.

Members are requested not to bring children along with them as the children will not be allowed in the meeting hall.

'Assolved that the remneration of the sus of Ns.400,000'- per year effective from let Pekrosay 1998 and the provision of transport, utilities, relephone, leave fore facilities and other benefits incidental or relating to his efficient as accordance with the Company; while from time to time access persisting to 9098 track pair, Commercial Director of the company who is also a director on heard, be and is hereby crucified and approved.

Syed Tariq Ali is interested in this business to the extent of indicated resumeration

The Directors have pleasure in submitting annual report together with the Company's audited accounts for the year ended June $30th\ 1998$.

(Rs. in '000) 1998 1997 (5,520) (3,576) APPROPRIATION Cash dividend a 5%

buring the year under review your company made a net profit of Re. 10.839 million as compared to a loss of Re.3.428 million last year.

The company had last declared 10% cash dividend in the year 1991 till now the company was not in a position to consider the dividend to their shareholders. Nowever, as this years results have been relatively better, your directors have recommended a cash dividend of Ni in the year 109%.

The market conditions during the year under review remained difficult on account of frequent price revision, specially affecting pressin priced brands: The purchasing power of communers mifrewd considerable evacion coing to inflation with trade going towards lower inveneries. Last two months of the year 1987-98 were characterized by uncertainty, and lack of confidence triggered due to freezing of foreign corrency accounts.

The revenue for the year under review at Ex. 1,305.408 million, was 4.84% lower than Ex. 1,161.894 million in the previous year. The coar of goods sold at Ex.994.40 million, was 5.647 reduced than Ex. 1,365.228 million in the previous year. The gross profit for the year remained Ex. 110.707 million was 10.01% higher than Ex.96.076 million, 8.26% in the previous year.

The administrative expenses rose by 17.04% from Rs.23.839 million to 28.121 million. The selling expenses lowered by 1.43% from Rs. 52.343 million to 51.507 million. The financial expenses reduced by 5.45% from Rs. 16.339 million to Rs. 15.650 million.

PUTURE PRODUCTE
The injection of fresh equity by issue of 100% Hight Shares in the year 1907 which was fully subscribed in the year 1904, the company's issued, subscribed and paid up capital increased from Sm. 25.407 sillion to Sm. 51.976 sillion. Increased capital has improved company's horrowing ability and cash flow.

The company is actively reorganizing it's marketing and sales departments to gear up for higher sales.

CANNER IN THE MOMBO OF DESECTION

Synd wigh All resigned from the Board of Directors of the company with effect form 17th October 1 999

and in his place by godd Hhabid All has been co-cyted as a director. Synd Amad All resigned as thicf Executive
and Reacting Director and in his place byed Tawar All has been appointed as the Chief Executive and
Reacting Director. Synd Amad all rejected oppe Weigh Intellectual has been appointed as the Chief Executive and
Reacting Director. Synd Amad all rejected oppe Weigh Intellectual Residence of the Search.

The Board of Directors recorded the appreciation for the valuable contribution made by Syed Wajid All and Syed Asad All in the smooth progress of the company in face of difficult economic conditions during their tenure as the Chairman, Chair Executive and Managing Director of the company.

The present Auditors N/a. Taseer Hadi Ehalid a Co. Chartered Accountants, due to retirement, and being eligible, offer themselves for reappointment for the year ending June 10th 1999.

PATTERN OF SHARBKOLDING
The statement of pattern of shareholders is given on page No. 29.

ACROMATORMENT
The directors place on record their appreciation of the valued contribution made by the employees, the relation between the workers and the staff remained cordial.

3d/(Syed Yawar Ali) (Syed Asad Ali)
Managing Director (Chairman

Marachi: 12th October, 1998

Auditors' Report to the Members

We have sudied the amount belonce sheet of Wair All Industries limited as at 70 June 1998 and the related profit and loss account and cash fice streement, together with the notes ferming part thread; for the year them ended and we state that where Noticoid all lime information and equipantions within to the best of our inoxidely and belief were necessary for the purposes of our solit and, after due weifficetion thread, we appure 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:

the balance sheet and profit and loss account together with the notes thereon have been drawny 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:

 $\left(\text{ii} \right)$ 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 the cash flow statement, together with the notes forming part thereof, give the information requires by the Composition opinionance, 1984 in the santer so required and respectively give a true and fair view of the state of the someour artisis as at 20 June 1998 and of the portion and the earlier water states when the sendent and artisis as at 20 June 1998 and of the portion and the earlier water state price years the sendent and

Tamesr Hadi Khalid a Co.
Earachi: 12th October, 1998 Chartered Accountants

BALANCE SHEET AS AT 30 JUNE 1998

		(Rupess in' 000)	
	Note	1998	1997
SHAKE CAPITAL AND RESERVES			
Share Capital			
Authorized 8.000.000 ordinary shares of Re. 10 each			80.0
*,000,000 ordinary shares of Ms. 10 each		80,000	
Issued, subscribed and paid-up	3	51,975	
Reserves			
Revenue reserves		66,067	66,0
Accumulated loss		(122,461)	
		(56,394)	(64,63
		(4,419)	(28.64
ADVANCE AGAINST ISSUE OF			
RIGHT SHARES		_	8.9
SURPLUS ON REVALUATION OF			
FIRED ASSETS	4	46,800	46,8
LONG THEM DEPOSITS		1,284	1,1
CURRENT LIABILITIES			
Short term bank financing - secured Creditors, accrued expenses and	6	135,498	88,2
Creditors, accrued expenses and other liabilities	4	151.253	170.9
Provision for taxation		5.530	
Proposed dividend		2,599	
CONTINUENCIES AND COMMITMENTS		294,880	265,1
CONTINUEDICIES AND CONSTITUENTS		228,545	293.4
FIRED CAPITAL REPRODITURE			
Operating fixed assets - at cost/valuation			
less accumulated depreciation	9	53,119	53,3
Capital work in progress Intangible trade marks	10	260	9
III. MIGILLE LINE IMIA			
		53,380	54,2
LONG TERM LOANS - secured			
considered good	11	256	1
LONG THRM DEPOSITS		45	
CURRENT ASSETS			
Stores and spares	19	5,777	5,5
Stock in trade	13	115,301	56,6
Goods in transit		95,179	81,1
Trade debts - unsecured, considered good		29.385	50.5
considered good		39,385	50,5
Loans and advances - considered good	14	13,171	16,7
Deposits, prepayments and other			
receivables	15	11,234	7,8
Rank balances	16	4,817	
		294,864	228,9
		338,545	293,4

3d/-Syed Yawar Ali Syed Asad Ali Managing Director Chairman

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1998

		(Rupees in' 000)	
	Note	1998	1997
Sales - Net	17	1,105,648	1,161,89
Cost of goods sold	18	994,941	1,065,81
GROSS PROPIT		110,707	96,07
EXPENSES			
Administrative	19	28.121	22.83
Selling and distribution	20	\$1,597	52,34
Pinancial	21	15,506	16,39
Amortisation of deferred cost			7,83
Workers' profit participation fund	6	862	
		96,086	100,41
		1,621	(4,337
OTHER INCOME	22	1,748	4,48
Profit before taxation		16.369	14
Provision for taxation - Current	7	(5.530)	(5.886
- Prior year			2,31
			(3.576
		(5,530)	(2,576
		10,839	(3,429
Appropriation:			
Proposed dividend # 5% (1997: Nil)		2,599	
		8,240	(3,429
ACCIMULATED LOSS RECURST FORMAND		(130,701)	(127,272
ACCIMULATED LOSS CARRIED FORMARD		(122,461)	(130,701

8d/-Syed Yawar Ali Syed Asad Ali Managing Director Chairman Karachi: 12th October, 1998

CASE FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 1998

	(Rupes in' 000)	1997
	1998	1997
CASH PLONE FROM OPERATING ACTIVITIES		
Profit before taxation	16,369	1
Adjustments for:		
Depreciation	5,729	4,8
Gain on sale of fixed assets Amortisation of deferred cost		(2)
AMOUNTABLION OF GETETING COST	15.506	7,8
Doubtful receivables written off	2,927	3.0
Workers' profit participation fund	862	3,0
(Gain)/loss on insurance claim	(184)	
	41,219	32,3
Changes in operating assets/liabilities		
(Increase)/decrease in stores and spares	(187)	
(Increase)/decrease in stock in trade	(58,630)	36,6
Decrease/(increase) in trade debts - unsecured	9,632	(24,75)
(Increase)/decrease in goods in transit Decrease/(increase) in loans and advances	(14,018)	16,2
((Increase)/decrease in deposits, prepayments	714	(1,88
and other receivables	(4.854)	5.9
(Decrease)/increase in creditors, accrued expenses		
and other liabilities	(22,194)	45,8
	(89,537)	78,0
Payments to Workers' Profit Participation fixed	(8)	
Pinancial charges paid	(13,876)	(19,37)
Long term deposits Income tax maid	142	(24)
Income tax paid	(3068)	(1,17)
Net cash (used in)/generated from operating activities	(65,128)	89,51
CASE PLONG FROM INVESTING ACTIVITIES		
Pixed capital expenditure	(4.891)	(5,57)
(Increase) in long term loans	(96)	(3)
Proceeds from sale of fixed assets		
Insurance claim receipts	225	3-
Long term deposits		(:
Net cash (used) in investing activities	(4,762)	
CAIR PLONE FROM FINANCINE ACTIVITIES		
Issue of share capital	17.017	
Advance received against issue of rights shares		8.9
Payment of finance lease liabilities		(24)
Payment of dividend	(3)	(1
Increase/(decrease) in short term bank borrowings	47,214	(85,12
Net cash generated from/(used in) financing activities	64,228	(76,41
Net (decrease)/increase in cash and bank balances	(5.662)	7.8
Cash and Bank balances as on 01 July	(6,662)	2.5
Cash and Bank balances as on 10 June	4,817	10,4

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 1998

1. STATUS AND NATURE OF BUSINESS

1.3 bels 131 believelve likelite are invergenced or public likelited commercial order for Computer Acts.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention These accounts have been prepared under the historical cost convention except to the extent that certain fixed assets as stated in note 9, are shown at revalued amounts.

As between madita exactly find.

The compare has instituted an approved defined contributory achieve for all the processes employment.

The experies are intradered to the trust. The company, as per the trust does has the authority in find. Further, the compare account contribution in require of any entering the contribution of the authority of find. Further, the compare account contribution is required any entering does not exceed the author of the sounder for the account of the formation pare.

Expected rate of increase in salary level 14% for management employees 12% for non-management employees

Expected rate of return on funds invested 14% per annun compound

Pair value of the fund's assets and liabilities as on the date of valuation was Rs. 24.654 million and Rs. 15.705 million respectively.

Provident fund
A recognized provident fund acheme is in operation which covers all permanent employees. Equal
contributions are made by the company and the employees.

1.) Tenation
Current
The charge for current taxation is based on taxable income at the current rates of taxation after taking into account wailable tax credit and tax reduces.

Deferred
The company accounts for deferred taxation using the liability method on all major timing differences. However, as a matter of prudence, the Company does not account for net deferred tax debit balance.

2.4 Operating fixed assets Owned

(a) Fixed assets including all additions are stated at cost or valuation less accumulated depreciation except freehold land which is stated at revalued amount. Depreciation is pro-vided on the straight line method at the rates indicated in note 9.

(b) A full year's depreciation is charged on fixed assets capitalized during the year, but no depreciation is charged in the year of disposal.

(c) Gain or loss on disposal of fixed assets if any, is taken to profit and loss account currently.

(d) Normal repairs and maintenance are charged to income as and when incurred.

(a) Assets subject to finance lease are stated at lower of present value of minimum of lease payments under the lease agreement and the fair value of the assets. The related diligation under the lease are accounted for an illulifities, beyengetien in Shamped on the straight lite method at rates as indicated in note 9 whereby the cost of an asset is written off over its useful lite.

2.5 Capital Nork-In-progress Capital work-In-progress is stated at cost. Assets are capitalised as and when they are available for intended use.

2.6 Stores and spares
These are valued at cost determined on a first in first out basis (FIPO).

2.7 Stock-in-trade Stock of raw materials, packing material, work-in-process and finished goods are valued at lower of cost and net realizable value. By-products are valued at net realizable value.

Cost is determined oil first in first out (FIFO) basis except for labour and overheads relating to finished goods which are determined on weighted average basis.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the male.

2.8 Goods in transit These are stated at invoice value plus other charges incurred thereon.

2.9 Trade debtors Exomo bad debts, if any are written off, while provisions are made against debts considered doubtful.

2.10 Revenue recognition Sales are recorded on despatch of goods to the customers.

2.11 Allocation of common expenses The company, under an agreement, is allocating certain common selling and distribution expenses starting from August 1997 to Difeour Industries Limited (an associated company).

Districtions - District See Service six with Joseph Service Laws and Articles

1.12 Foreign currencies translation.
Foreign currency transaction during the year are translated into but tupees at the exchange rates presulting out the date of transaction. Assets and liabilities in foreign currencies at the balance sheet date are translated into but tupees at the rates of submap prevailing on the balance sheet date except for balance current during the three contents of the contract of the contrac

1998	1997	(Rupees in' 000) 1998	1997
4,400,000	1,801,2500rdinary shares of Rs. 10/- each fully paid in cash	44,000	18,012
797,500	797,5000xdinary shares of Rs. 10/- each issued as fully paid bonus shares	7,976	7,975
5,197,500	2,598,750	51,975	25,997
	*********	**********	

MIGHT TERM NAME FINANCING: Secured
The company has short resw financing familities under mark-up arrangement in appregate of
Bas: 156 million (1997BA.70 million) from shable bank Limited, brine Communcial Wank Limited
and maximum levelopment Finance Corporation at mark-up ranse ranging from 50 to 60 painas per
Bas: 1,000 per 80, next of prompt papers; robates.

These arrangements were valid upto 30 June 1990 and 31 March 1990 and are renewable.

These arrangements are secured against first pari passu charge on present and future assets including building, machinery etc.

6. CREDITORS, ACCRUED EXPENSES AND

OTHER LIABILITIES			
		(Rupees in *000)	
		1998	1997
Trade Creditors			
- For goods		131,683	148,
- For expenses		2,537	7.
		134.220	156
Accrued expenses			
- Mark-up on short term bank financing		16.301	
- Others		5,466	6,
		7.096	6,
		7,096	
Advances from customers		7,653	6,
Sales tax		286	
Workers' profit participation fund	Note 6.1	862	
Other liabilities		619	
Unclaimed dividends		\$17	
		151,253	170,

6.1 Workers' Profit Participation Fund			
As at 01 July			
Contribution for the year		862	
		870	
Less: Payments made during the year			
		862	

7. PROVISION FOR TAXATION

Capital	commitment

Capital	commitment	

15,293	15

240	

١.	CPERATING	PIXED	ASSETS	
	t cost (male	atton	less accomplated depreciation)	

										(Rupees in '000	
		COST/VALUATION					DEPRECIATION			NRITTEN DOWN VALUE	
	As at 01 July 1997	Additions	(Disposals)/ Adjustment	As at 20 June 1992	Rate	As at 01 July 1997	For the year	(Disposals)/ Adjustment	As at 30 June 1990	As at 30 June 1998	
Preehold land	24,262			24,262						24,26	
Building on free- hold land	9,106	251		9,357	5-10	2,871	762		3,62	5,73	
Flant and machinery	25,199	730		25,929	10	8,850	2,597		11,44	14,49	
Pactory equipment	2,391			2,391	10	624	217		837	1,55	
Purniture	390	39		419	10	264	30		294	1.2	
Pittings	2,185	46		2,231	10	1,892	57		1,930	29	
Office/residential											
equipment	5,685	196		5,881	10	3,190	457		3,640	2,23	
Vehicle	4,945	4,298	(202)	9,041	20	3,133	1,637		4,600		
1998	74,153	5,560	(202)	79,511		20,814	5,739	(161)	26,393	53,11	
1997	59,798	14,766	(411)	74,153		15,970	4,877	(33)	20,814	53,33	

			(3	tupees in' 0
	Land	Building	Plant and Machinery	Total
Cost as at 01 July 1992 Less: Accumulated depreciation	127	8,771	37,878	46,
as at 30 June 1993		(5,846)	(34,355)	(40,2
	127	2,925	3,523	6,
Market value/depreciated replacement				
value as on 30 June 1993	(16,170)	(8,703)	(20,410)	(45,2
Market value on 28 May 1997	(8,092)			(8,0
Surplus on revaluation	(24,135)	(5,778)	(16,887)	(46,8

9.2 Had there been no revaluation, the related figures of land, building and plant a machinery would have been as follows:

				(Rupees in'
		Cost	Accumulated depreciation	Written dow
Land		127		
Building		8,771	7,286	1
Plant a Machinery		37,878	37,877	
	1998	46,776	45,163	1
	1997	46,776	44,808	1

								(Rupees in 000	
Description			Accumulated depreciation	Book value	Claim Proceeds	0	min	Mode of disposal	Insurer
luzuki Khyber	1998	202	161		41	225	18	4 Insurance claim	(IGI Company Limited)

	(Rupeas in: 000) 1998	1997
Plant and Machinery:		
kenovation of bleachers	65	
Acid oil vessels	195	
Conveyor belt		
Cooling tower ponds		
Chilled water tank, Laboratory equipment etc.		
	260	

11. LOWS TERM LCAME - secured, considered good		
bue from employees - considered good		
- Executives	44	
- Others	212	
	256	

116 91 186 164

	(Rupes in' 000)		
	1998	1997	
Itores	1,223	1,	
pares	4,554	4.	
	6,777	5,	

13. STOCK IN TRADE			
aw material	64,005	9.	

64,055 9,97
64 66
64 66
64,655 16,034
61,674 26,332
27,316 21,922
6,384 8,022
127 32
33,477 30,778
115,302 66,474

14. LOAMS AND ADVANCES - considered good			
		(Rupees in' 000)	
Loans due from (secured):		1998	1997
- Executives		347	158
- Employees		399	210
	14.1	746	368
Advances to (secured):			
- Executives		93	47
- Employees		1,991	3,091
	14.1	2,084	3,138
Contractors and suppliers - secured		315	353
Advance tax		10,026	12,844
		13,171	16,703
Maximum aggregate balances of advances due at the end of any month during the year:			
Executives		671	2.226

15. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Deposits and prepayments	1,032	1,99
Margin against bank guarantee	1,858	1,85
Excise duty and sales tax receivable		
	2,890	3,89
Other receivables - unsecured, considered good:		
Due from associated companies 15.1	7.652	1.78
Others	692	2.12
	8,344	3,91
	11,234	7,80

6. BANK BALANCKS			
		(Rupees in '000) 1998	1997
ith banks on:			
Current accounts	16.1	(239)	5,1
PLS Deposit accounts		5,056	4,4
		4,817	10,4

				(Rupees in 'C
	Vanaspati	Washing	Total	Total
	(Ohee and Cooking Oil)	Soap	1998	1997
Sales	1,104,213	16,961	1,121,174	1,177
Less: - Rebates	13,575	1	13,576	13,
- Sales Tax on Scap		1	1,960	1,
	13,575	1,951	15,526	15,
	1,090,638	15,010	1,105,648	1,161,

Publicanikowa. Pubistan's Best Basiness site with Jan	mail Reports, Laws, and Articles			
	Vanaspati (Ohee and Cooking 011)	Hashing Soap	Total 1998	Total 1997
Ralance of finished goods - as on 01 July	21,923	8.023	29,946	31,230
Relance of finished goods - as on 01 July Add: Cost of goods manufactured 1	8.1 982,325	16,170	998,495	1,064,534
	1,004,248	24,193	1,028,441	1,095,764
Less' Balance of finished goods as on 20 June	27,316	6,184	33,500	29,946
	976,932	18,009	994,941	1,065,818
18.1 Cost of goods manufactured				
	15,406 8.2 782,544	630 1,346	16,036 783,889	18,054 817,140
consumed 1 Purchases of washing soap		13,827 7	131,097 13,827	156,137 16,691
Stores and spares consumed Salaries, wages and other benefits Fuel and power	7,491 32,025 24,277 463 677	7 146 848	7,498 32,171 25.125	8,275 31,545 27,306
Packing material consumed 1 Purchases of washing mosp fictores and sparses consumed falaries, wages and other benefits Puel and power Repair and mainresance Rest, rates and taxes Insurance Depreciation 9	463 677		131,097 13,827 7,498 22,171 25,125 463 677	156,137 16,691 8,275 31,546 27,306 373 546
Insurance Depreciation g	682 1.3 1,865		3,865	3,497
Less: Salance as on 10 June	998,524	16,806	1,015,330	1,080,570
Less: Malance as on Ju June	982 225	16,170	998,495	1,064,534
18.2 Raw materials consumed - Vanasp	ati and Cooking Cil		(Rupes in' 000)	
			1998	1997
Ralance as on 01 July Add: Purchases			9,797 844,583	42,249 788,620
Less: Ralance as on 20 June			854,380	830,869
Less: Ralance as on 10 June			64,005 790,375	9,797
Less: Cost allocated to by-product			7,831	15,054
			782,544	806,018
18.3 Packing materials consumed - Va	maspati and Cooking Co	11		
Ralance as on 01 July Add: Purchases			560 131,368	1,426 155,271
			131,928	156,697
Less: Ralance as on 30 June			131,094	156.137
			131,094	156,127
19. ADMINISTRATIVE REPURSES Salaries wages and other benefits Directors' remuneration Salaries and other benefits			13,119	12,703
Salaries and other benefits		24	1,680	1,237
Repair and maintenance			1,682	1,242
Repair and maintenance Electricity and gas Rest, rates and taxes Insurance			296 1,423 391	299 707 450
Travelling and conveyance			979	917 140
Entertainment Postage, telephone and telegrams Printing and stationery Legal and professional			1,252 475 563	1,224 489 520
Ralance carried forward to next page			23,354	19,501
			(Rupees in' 000) 1998	1997
Ralance brought forward from previou	us page		23,354	19,501
Auditors' remuneration Advertising		19.1	132 311	6 291
Advertising Charity and donation Heeting and Conferences Subscription		19.2	32 41 444	21 35 172
Other expenses Depreciation Receivables written off		9.3	26 854 2,927	721 3,036
ANTOLOGICAL WALLEST CO.			28,121	23,839
19.1 Auditors' remuneration			**********	
Audit fee Special audit fee Out-of-pocket expenses			60	55
Special Music tee Out-of-pocket expenses			55 17	
			132	61
19.2 The directors and their spouses any interest in donee fund.	did not have			
20. SELLING AND DISTRIBUTION EXPENSE	2			
Salaries and other benefits Advertising Sales promotion Repair and maintenance - vehicles an Rent, yate and taxes Freight and octroi			12,181 10,540 6,006	7,172 12,368 4,653
Repair and maintenance - vehicles an Rent, rate and taxes	d others		6,006 1,495 855 18,834	714 430
Research and development			18,834 4,488 122 180	18,328 3,032 197 152 486
Entertainment Insurance Postage, telephone and telegram Subscription				152 486
Subscription Printing and stationery			2,115 690 1,046 223	171 647
Subscription Printing and stationery Gas and electricity charges Depreciation Meeting and conferences Service charges		9.3	233 1,020 277	486 1,759 171 647 89 659 184
Service charges Others			199	38
Less: Common expenses transferred to	: Zulfeqar		61,836	52,343
Industries Limited.		2.11	(10,239)	52,343
			51,597	-2,747
21. FINANCIAL REPRODES				
Mark-up on short term bank financing Bank charges and commission Excise duty Finance charges on finance lease			13,758 1,748	15,006 497 876 12
Finance charges on finance lease				
			15,506	16,191
22. OTHER ISCOME Gain on insurance claim/sale of fixe	d assets		184	17
Sale of oxygen gas			184 587 237 740	17 1,290 148 1,379
omin on immurance claim/mate of fixe Smale of oxygen Miscellaneous Mark-up/return from: - Amsociated undertakings - Employees' loams			740	91
- Employees' loans				20
Exchange gain				1,609
			1,748	4,494
23. TRANSACTIONS WITH ASSOCIATED COM	PANTES			
Purchases Sales			9,071	16,691
Mark-up charged				41
Premium paid			2,117	1,276
	Black (surTys2428111 (stat79M			
mp. www.passonh.com/demail.AMC/AL/08/WAZZ	propositions			

Claims received	1,373	402

Payments made on behalf of associated companies	5,642	2,654

Common expenses allocated to Zulfeqar Industries Limited	10,239	

24. REMEMBERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

		1998			1997	
	Chief Executive	Directors	Rescutives	Chief Executive	Directors	Executive
Pee					5	
Remuneration		270	8,078		240	6,370
Rent and utilities		870	5,825		775	4,990
Medical expenses		34	1,296		29	1,054
Entertainment		92	281		52	317
Company's contribution						
to Provident Fund		27	600		24	549
Other perquisites		397	413		117	276
		1692	16,493		1,242	13,556
No. of persons	1		63	1	6	52

In addition certain executives are also provided with free use of company maintained cars.

24.1 The Chief Executive of the company Syed Aead All is not drawing any remuneration from the company.

	(Quantity in Metric Tons)		
	1998	1997	
snaspati - (Ghee and Cooking Gil)			
ssessed capacity	30,000	30,000	

roduction	20,322	23,275	

ilea	20,334	23,491	

27. INTEREST RATE RISE EXPOSURE

In formation about the company's exposures to interes	t rate risk based on contractus	l refinancing and		
naturity dates, whichever is earlier, is as follows:				
		1998	'(Rupees in 00	(0)
	Less than	One month to	Non-interest	Total
	one nonth	one year	bearing	
Pinancial Assets				
Trade debts - net	_		39.385	39.385
Loans and advances			3,401	3,401
Deposits, margins and other receivables			2,024	2,024
Long term deposits	_		45	45
Due from associated companies			7.652	7.652
Rank balances		5.056	(239)	4.817
		5.056	52,268	57.324
Pinancial Liabilities				
Long term deposits	_		1.284	1.294
Short term bank financing	135.498			135,498
Creditors, accrued expenses				
and other liabilities			150.736	150.736
Unclaimed dividend	_		517	517
Proposed dividend			2,599	2,599
	135,498		155,136	290,634
On-balance sheet gap (a)	(135,498)	5,056	(102,868)	(233,310)
	(135,498)	(130,442)	(233,310)	

Assets			
kank balances			
Lisbilities			
Short term bank :	financing		

Pattern of Share Holding as at 30th June 1998

DIMNER OF				
RE HOLDERS	SHARR HOLDING	SEASON HELD		PERCENTAGE
	PRON	TO		
2,705	1	100	42,635	0.83
391	101	500	87.276	1.66
103	501	1,000	70,445	1.36
79	1,001	5,000	164,394	3.16
12	5,001	10,000	75,685	1.46
8	10,001	20,000	96,675	1.86
2	20,001	30,000	44,368	0.89
1	30,001	40,000	24,596	0.67
2	40,001	50,000	90,850	1.79
3	50,001	100,000	220,896	4.20
11	100,001	200,000	1,446,696	27.87
3	200,001	300,000	658,313	12.67
3	300,001	400,000	986,571	18.99
	400,001	1,000,000		0.00
1	1,000,001	1,200,000	1,178,100	22.66
3,314			5,197,500	100.00

CATROCRIES OF SHAREHOLDSRIS		NUMBER	SHARRS	PERCENTAGE
i. Individuals (General Public)		3,285	2,832,936	54.5
. Investment Companies		3	392,646	7.3
. Insurance Companies		4	348,613	6.7
. Pinancial Institution			311.962	6.0
. Joint Stock Companies		1	1.178.100	22.6
. Corporate Law Authority		1	1	0.0
7. Abandoned Properties Organisation		1	3,146	0.0
k. Ribojee Services Ltd.		1	468	0.0
Rabar Ali Foundation		1	2,400	0.0
O. S.M. Ishaq Holdings Ltd.		1	42	0.0
11. Adamjee Sons Ltd.		1	62	0.0
2. Amin Estates Ltd.		1	950	0.0
3. Sind Engineering Ltd.		1	131.984	2.5
4. Mutual Trading Co. Ltd.		1	526	0.0
is. National Indtl. Coop. Finance Corp. I	.td.	1	1.775	0.0
6. Punjab Coop. Board for Liquidation		1	1.775	0.0
7. N.H. Woldings Ltd.		1	101	0.0
8. Sarfraz Mahmood (Pvt) Ltd.		1	13	0.0
		3,314	5,197,500	100.0