

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the shareholders of Quice Food Industries Limited will be held at the registered office of the Company Plot No. 15, Phase III, Hattar Industrial Estate, Hattar, on Saturday, November 25, 2000 at 9.00 A.M. to transact the following business :-

- 1) To confirm the minutes of the Seventh Annual General Meeting held on March, 30, 1998.
- 2) To receive, consider and adopt the audited accounts of the Company for the year ended June 30, 1999. Together with Directors' and Auditors' Reports thereon.
- 3) To appoint auditors for the year ended June 30, 2000 and fix their remuneration. M/s. Haroon Sharif Gogan & Company, Chartered Accountants retire and offer themselves for re-appointment.
- 4) To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD

Sd/-
Iqbal Shahid
Company Secretary

Karachi.
Date: October 20, 2000

Notes:

- i) The Share Transfer Books of the Company will remain closed from November 19, 2000 to November 25, 2000 (both days inclusive).
- ii) A member entitled to attend and vote at the meeting may appoint a proxy. Proxies in order to be effective must be received at the Head Office of the Company duly signed, stamped and witnessed not later than 48 hours before the meeting. A proxy need not to be a member of the Company.

Members are requested to communicate to the Company and change in their addresses.

DIRECTORS' REPORTS TO THE SHAREHOLDERS

The Directors of the Company are pleased to put before you the Ninth Annual Report along with the Audited Accounts for the year ended June 30, 1999 of your Company.

FINANCIAL RESULTS	Rupees
Profit/(Loss) after charging all expenses	(17,332,928)
Add: Provision for Bad debts	5,545,900
Add: Provision for tax	243,711

Net profit/(Loss) for the year	(23,122,538)
Un-appropriated profit brought forward	26,651,826

Un-appropriated profit carried forward	3,529,288
	=====

ACTIVITIES FOR THE YEAR

During the year under review the Company's performance remained downward trend as compared to the Sales of Year 1998, there is a short fall in sales i.e. 51.43% and increase in the cost of goods sold by 55.04%. This fall in the turnover was mainly due to the shortage of funds and the close of the factory during the season of because of the "Attachment Order" passed by the Sindh High Court, during the period under review and requirement for the working capital sanctioned by the local bank but disbursement of the funds delayed. The Company has overcome the problem of fund and started the production activities on the reporting date. The expansion programme in the production capacity of the Hattar Plant for the installation of machinery is to be started in the near future. The management is of the opinion to achieve the targets in the sales which were effected in the current financial year.

AUDITORS

The auditors, M/s. Haroon Sharif Gogan & Company, Chartered Accountants, retired and offered themselves for re-appointment.

ACKNOWLEDGMENT

The Directors wish to place on record their appreciation for the dedication efforts and hard work of staff members, without which the revival of the Company made during the period under review, would not be possible.

PATTERN OF SHARE HOLDERS

The pattern of shareholding as at June 30, 1999 is on page No. 19.

October 17, 2000

MUHAMMED AFAQ SHAMSI

Chief Executive

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the annexed Balance Sheet of Quice Food Industries Limited, as at 30th June, '1999 and the related Profit & Loss Account and Cash Flow Statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose 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 & 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 companies' business; and

(iii) the business conducted, investment 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 notes forming part thereof, give the information required by the Companies Ordinance 1984; in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30th June, 1999 and of the profit and the cash flow position for the year then ended; and

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

Place: Karachi.
Date: July 20, 2000,

Sd/
HAROON SHARIF GOGAN & CO.,
Chartered Accountants.

BALANCE SHEET
AS AT 30TH JUNE, 1999

	<i>Note</i>	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
SHARE CAPITAL & RESERVES			
Authorised 20,000,000 Ordinary Shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid up	2	106,875,000	106,875,000
Premium on issuance of Shares		6,875,000	6,875,000
Unappropriated profit'		3,529,288	26,651,826
		-----	-----
		117,279,288	140,401,826
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
		8,983,388	7,664,030
CURRENT LIABILITIES			
CURRENT MATURITY			
1. Lease Payment	3	17,005,940	12,483,356
2. Musharaka		25,000,000	25,000,000
3. Marabaha		4,000,000	4,000,000
Short Term Finance	4	38,000,000	38,000,000
Creditors, accrued and other liabilities	5	20,497,706	5,851,370
PROVISION FOR TAXATION			
Minimum tax on turnover		243,711	473,855
		-----	-----
		104,747,357	85,808,581
Contingencies and commitments	6	--	--
		-----	-----
		231,010,033	233,874,437
TANGIBLE FIXED ASSETS			
Operating fixed assets	8	81,283,909	66,515,362
DEFERRED COST	9	--	--
CURRENT ASSETS			
Stock-in-trade	10	79,666,312	75,480,400
Trade debts	11	54,928,051	64,281,966
Advances, deposits & prepayments	12	14,651,252	26,497,765
Cash & bank balances	13	480,509	1,098,944
		-----	-----
		149,726,124	167,359,075
		-----	-----
Total Rupees :		231,010,033	233,874,437
		=====	=====

Note: The annexed notes form an integral part of these accounts.

Muhammad Afaq Shamsi
Chief Executive

Muhammad Ahmed
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 1999

	<i>Notes</i>	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
Sales	14	48,742,115	94,771,029
Cost of goods sold	15	40,921,316	74,352,189
		-----	-----
GROSS PROFIT		7,820,799	20,418,840
OPERATING EXPENSES			
Administrative	16	2,436,151	3,218,276
Selling & distribution	17	2,847,471	4,060,644
		-----	-----
		5,283,622	7,278,920
		-----	-----
OPERATING PROFIT		2,537,178	13,139,920
Financial charges	18	19,600,745	8,836,347
Other charges	19	269,360	332,790
		-----	-----
		19,870,105	9,169,137
		-----	-----
PROFIT BEFORE TAX ON TURNOVER		(17,332,928)	3,970,783
Bad Debts Written Off		5,545,900	--
Provision for taxation (minimum tax on turnover - current year)		243,711	473,855
		-----	-----
PROFIT AFTER TAX PROVISIONS		(23,122,538)	3,496,928
UNAPPROPRIATED PROFIT/(LOSS) BROUGHT FORWARD		26,651,826	23,154,898
		-----	-----
UNAPPROPRIATED PROFIT/(LOSS) CARRIED FORWARD		3,529,288	26,651,826
		=====	=====
Earning per share		(2.16)	(0.33)

Note: The annexed notes form an integral part of these accounts.

Muhammad Afaq Shamsi
Chief Executive

Muhammad Ahmed
Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 1999

	<i>1999</i> <i>Rupees</i>	<i>1998</i> <i>Rupees</i>
CASH FLOW FROM OPERATION ACTIVITIES		
Net profit after taxation	(23,122,538)	3,496,928
Adjustment for:		
Depreciation	4,937,199	5,330,664
Deferred expenditure written off	--	356,658
Financial charges	19,010,629	8,449,850
	-----	-----
	23,947,828	14,137,172

Operating Profit before working capital change	825,289	17,634,100
(Increase)/Decrease in Current Assets		
Stock in trade	(4,185,912)	(14,139,827)
Trade debtors	935,391	(8,007,391)
Advances, deposits & prepayments	11,846,513	(4,802,081)
	17,014,516	(26,949,299)
Increase/(Decrease) in Current Liabilities		
Creditors, accrued and other liabilities	14,646,336	(5,862,267)
Minimum tax on turnover	(230,145)	44,821
	14,416,191	(5,817,446)
	31,430,707	(32,766,745)
Cash generated from operations	32,255,997	(15,132,645)
Financial Charges paid	(19,010,629)	(8,449,850)
NET CASH FROM OPERATING ACTIVITIES	13,245,368	(23,582,495)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of operating fixed assets	(19,705,745)	(2,605,044)
NET CASH USED IN INVESTING ACTIVITIES	(6,460,377)	(26,187,539)
Finance lease obtained	12,998,378	--
Repayment of lease liabilities	(7,156,436)	(1,539,801)
Musharika facility	--	--
Marabaha facility	--	4,000,000
Short Term Finance	--	23,000,000
NET CASH USED IN FINANCING ACTIVITIES	5,841,942	25,460,199
Net Increase/(Decrease) in cash and Cash Equivalents	(618,435)	(727,340)
Cash & Cash Equivalents at the beginning of the year	1,098,944	1,826,284
Cash & Cash Equivalents at the beginning of the year	480,509	1,098,944

Muhammad Afaq Shamsi
Chief Executive

Muhammad Ahmed
Director

NOTES FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED JUNE 30, 1999

1. STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on March 12, 1990 as a Private Limited Company and was converted into Public Limited Company on December 13, 1993. Company was listed on Karachi Stock Exchange on August 2, 1994 and on Islamabad Stock Exchange on July 18, 1995. Principal activity of the company is the manufacturing and selling of Jam, Jelly, Syrups, Custard Powder, Pickles, Essence, Juices and aerated and drinks.

SIGNIFICANT ACCOUNTING POLICIES

1.1 Accounting Convention

These accounts have been prepared under historical cost convention without any adjustment for the effect of inflation or current values.

1.2 Tangible Fixed Assets

a) Owned:

Fixed Assets are stated at cost less accumulated depreciation except lease hold land which is stated at cost.

Depreciation is charged to income applying reducing balance method at the normal rates, without taking effect of extra shift. Additions in a year are depreciated for a full year irrespective of the date of purchases. No depreciation is charged on assets in the year of their disposal.

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, Profit or Loss on disposal of fixed assets is included in current period's income.

b) Assets subject to Finance Lease:

These are stated at lower of present value of minimum lease payments under the lease agreements and fair value of the assets acquired on lease. The related obligation under the lease are accounted for as liabilities. Depreciation is charged on these assets applying reducing balance method.

Finance charges under the lease agreements is allocated to the periods during lease term so as produce a constant period rate of financial cost on the remaining balance of principal liability for each period.

1.3 Taxation

Provision for current taxation is based on taxable income, if any, at current rates of tax after taking into account tax credit available, rebate and exemptions, if any.

The company accounts for deferred taxation on all material timing difference using liability method, However, deferred tax is not provided if it can be established with reasonable probability that these timing difference will not reverse in the foreseeable future.

1.4 Deferred Costs

Deferred costs are amortized over a period of five years from the year of expenditure.

1.5 Stock-in-trade

All stocks are valued at lower of cost and estimated net realisable value. Cost of raw and packing material is determined by Average Cost method of valuation.

Cost of finished goods comprises of prime cost and appropriate portion of production overheads.

Net realisable value signifies the estimated selling prices in the ordinary course of business, less cost necessary to be incurred in order to make the sale.

1.6 Revenue Recognition

Sales are recorded on despatch of goods to customers.

2. ISSUED, SUBSCRIBED AND PAID-UP CA

	<i>1999</i>	<i>1998</i>
4,954,366 Ordinary Shares of Rs. 10/- each	49,543,660	49,543,660
433,888 Ordinary Shares of Rs. 10/- each fully paid in cash to NIT and ICP	4,338,880	4,338,880
3,576,424 Ordinary Shares of Rs. 10/- each fully paid in cash issued to General Public	35,764,240	35,764,240
1,722,822 Ordinary Shares of Rs. 10/- each issued as Bonus Shares	17,228,220	17,228,220
	-----	-----
	106,875,000	106,875,000
	=====	=====

3. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payment	33,145,764	21,687,187
Installment paid	(7,156,436)	(1,539,801)
	-----	-----
	25,989,328	20,147,386
Current maturity	8,282,070	12,483,356
Overdues	8,723,070	--
	-----	-----
	17,005,940	12,483,356

-----	-----
8,983,388	7,664,030
=====	=====

The amount of future payments and the periods in which they will become due are:

(Year Ending June 30)

1999	--	20,313,614
2000	20,519,843	5,982,233
2001	5,469,485	5,469,485
	-----	-----
Financial charges allocated to future period	25,989,328	31,765,332
	--	(11,617,946)
	-----	-----
	25,989,328	20,147,386
	=====	=====

The agreements under finance lease are as follows:

- i) The Company has entered into various agreements for Plant and Machinery and vehicles. The aggregate rentals of Rs. 553,690 inclusive of make-up are payable in monthly installments latest by 2001. Financing rate of 22.1 to 24.5 percent per annum have been used to arrive at a constant periodic finance charges over the term of lease.
- iii) At the end of lease period the ownership of the assets shall transfer to the company on payment of residual value.
- iv) The cost of operating and maintaining the leased assets is to be borne by the Company.
- v) The above liability is secured against personal guarantee of Directors and demand promissory note.

FIRST ALLIED BANK MODARABA	Musharka Facility	Rupees	25,000,000
--- do ---	Murabha Facility	Rupees	4,000,000

4. SHORT TERM FINANCES

Running Finance	10,000,000	10,000,000
Cash Finance	20,000,000	20,000,000
Letter of Credit Finance	8,000,000	8,000,000
	-----	-----
	38,000,000	38,000,000
	=====	=====

4.1 The finance obtained from Allied Bank of Pakistan limited under mark-up arrangement computed at a rate of 19% per annum. This has been obtained to meet the working capital requirements.

4.2 The finance obtained from Allied Bank of Pakistan limited under mark-up arrangement computed at a rate of 19% per annum. This has been obtained to meet the working capital requirements.

4.3 The finance obtained from Allied Bank of Pakistan limited under mark-up arrangement computed at a rate of 18% per annum. This has been obtained to meet the working capital requirements.

5. CREDITORS, ACCRUED AND OTHER LIABILITIES

Sundry Creditors	6,658,954	2,476,068
Accrued Expenses	1,254,875	627,976
Other Liabilities	12,583,877	2,747,326
	-----	-----
	20,497,706	5,851,370
	=====	=====

6 CONTINGENCIES AND COMMITMENTS

Contingencies

a) The Company has filed appeal before the concerned Income Tax authorities in respect of WWF. The decision is awaited.

b) Guarantee · Rs. 40,000/- (1996 same) given by Muslim Commercial Bank in favour of Sui Northern Gas Company Limited.

Commitments

Nil (1999: Nil)

7 . STATEMENT OF CHANGES IN EQUITY

	<i>Share Capital issue of shares</i>	<i>Premium on</i>	<i>Un-appropriated Profit</i>	<i>Total Rupees</i>
Balance as at June 30, 1997	106,875,000	6,875,000	23,154,898	136,904,898
Profit/(Loss) for the year	--	--	3,496,928	3,496,928
Balance as at June 30, 1998	106,875,000	6,875,000	26,651,826	140,401,826
Profit/(Loss) for the year	--	--	(23,122,538)	(23,122,538)
Balance as at June 30, 1999	106,875,000	6,875,000	3,529,288	117,279,288

8. OPERATING FIXED ASSETS

PARTICULARS	<i>As at 7/1/1998</i>	<i>Additions/ (deletions)</i>	<i>As at 6/30/1999</i>	<i>As at 7/1/1998</i>	<i>For the Period</i>	<i>As at 6/30/1999</i>	<i>Rate %</i>	<i>Down Value</i>
a) Owned:								
Land Lease Hold	1,057,224	--	1,057,224	--	--	--	--	1,057,224
Building	26,700,118	--	26,700,118	6,395,229	1,211,613	7,606,842	10	19,093,276
Plant & Machinery	28,644,808	--	28,644,808	7,759,751	2,088,506	9,848,257	10	18,796,551
Furniture & Fixture	2,103,130	--	2,103,130	601,888	150,124	752,012	10	1,351,118
	58,505,280	--	58,505,280	14,756,868	3,450,243	18,207,111		40,298,169
b) Leased:								
vehicles	6,050,185	--	6,050,185	3,155,617	578,914	3,734,531	20	2,315,654
Plant & Machinery	22,910,400	19,705,745	42,616,145	3,038,018	908,042	3,946,060	10	38,670,085
	28,960,585	19,705,745	48,666,330	6,193,635	1,486,956	7,680,591		40,985,739
Total Rupees 1999	87,465,865	19,705,745	107,171,610	20,950,503	4,937,199	25,887,702		81,283,909
Total Rupees 1998	84,860,821	2,605,044	87,465,865	15,619,839	5,330,664	20,950,503		66,515,362

8.1 The depreciation charged for the year has been allocated as follows:

	1999	1998
Cost of goods sold	4,208,161	4,440,217
Administrative expenses	729,038	890,447
	4,937,199	5,330,664

8.2 Addition of Leased Assets for the value of Rs. 19,705,745 has been capitalized during the period as the same was imported but not installed. It has been agreed with the Leasing Companies for full and final settlement. The ownership of the assets to the Company will be transferred on the full and final payment.

9. DEFERRED COST

	1999	1998
Preliminary expenses	--	356,658
Amortization during the year	--	356,658
	--	--

10. STOCK-IN-TRADE

Raw and Packing material	29,654,865	26,310,953
Finished goods	50,011,447	49,169,447
	79,666,312	75,480,400

11. TRADE DEBTS-UNSECURED

Trade Debtors	60,473,951	64,281,966
Provision for Bad debts	5,545,900	--
	-----	-----
11.1 In the opinion of the Management an amount of Rs. 5,545,900/- is doubtful, hence the provision is made in these Accounts.	54,928,051	64,281,966
	=====	=====

12. ADVANCES, DEPOSITS AND PREPAYMENT

Security deposits	2,956,423	3,246,786
Excise duty	1,458	471
Income Tax	579,822	--
Others	11,113,549	23,250,508
	-----	-----
	14,651,252	26,497,765
	=====	=====

13. CASH AND BANK BALANCES

Cash in hand	325,652	893,844
Cash with banks in current account	154,857	205,100
	-----	-----
	480,509	1,098,944
	=====	=====

14. SALES

	48,742,115	94,771,029
	=====	=====

15. COST OF GOODS SOLD

Raw and packing material consumed (15.1)	34,245,049	82,839,566
Salaries and wages	1,065,245	1,490,250
Freight and Octroi	352,648	677,864
Power & Fuel	378,451	543,794
Water charges	2,854	3,706
Repair & maintenance	205,654	148,008
Excise duty	45,800	48,000
Sales tax	4,756	5,813
Miscellaneous	1,254,698	1,534,568
Depreciation (8.1)	4,208,161	4,440,217
	-----	-----
Cost of goods manufactured	41,763,316	91,731,786
Adjustment of finished goods		
Opening	49,169,447	31,789,850
Closing	(50,011,447)	(49,169,447)
	-----	-----
COST OF GOODS SOLD	40,921,316	74,352,189
	=====	=====

15.1 Raw and packing material consumed

Purchases	37,588,961	79,599,796
Adjustment of stock		
Opening stock	26,310,953	29,550,723
Closing stock	(29,654,865)	(26,310,953)
	-----	-----
	34,245,049	82,839,566
	=====	=====

16. ADMINISTRATIVE EXPENSES

Directors' remuneration (16.1)	600,000	660,000
Salaries & amenities	564,258	662,955
Travelling & conveyance	95,254	114,644
Vehicle repair & maintenance	24,014	38,049

Postage & telephone	65,874	93,480
Rent	120,000	120,000
Printing & stationery	82,457	92,622
Repair & maintenance	20,954	18,741
Entertainment	35,648	40,903
Amortization of deferred cost	--	356,658
Miscellaneous	98,654	129,777
Depreciation (8.1)	729,038	890,447
	-----	-----
	2,436,151	3,218,276
	=====	=====

16.1 Remuneration of the Chief Executive and Directors.

Remuneration	240,000	240,000
House rent allowance	108,000	108,000
Utilities	12,000	12,000
	-----	-----
Total:	360,000	360,000
	=====	=====

Number of Persons	1	1
	-----	-----
Remuneration	160,000	200,000
House rent allowance	64,000	80,000
Utilities	16,000	20,000
	-----	-----
Total:	240,000	300,000
	=====	=====

Number of Persons	4	5
	-----	-----

16.1.1 In addition to the above, the Chief Executive and certain Directors are provided with Company's owned and maintained cars.

16.1.2 The Chief Executive and four Directors of the Company are getting above rupees one hundred thousand per year as remuneration.

16.1.3 Directors have waived off their fees.

17. SELLING AND DISTRIBUTION EXPENSES

Salaries and amenities	652,486	825,182
Travelling, conveyance and freight	326,547	561,882
Telephone and others	65,125	69,210
Advertisement & sales promotion (17.1)	1,803,313	2,604,370
	-----	-----
	2,847,471	4,060,644
	=====	=====

17.1 Advertisement & Sales Promotion

PTV/NTM media	365,472	720,864
Newspaper	112,354	158,965
Periodicals & other media.	1,325,487	1,724,541
	-----	-----
	1,803,313	2,604,370
	=====	=====

18. FINANCIAL CHARGES

Bank charges and commission	65,485	31,625
Central excise duty on loan	524,631	354,872
Mark-up	17,477,934	7,195,193
Interest on finance lease	1,532,695	1,254,657
	-----	-----
	19,600,745	8,836,347
	=====	=====

19. OTHER CHARGES

Workers' Profit Participation Fund	35,215	78,545
Workers' Welfare Fund	195,645	215,745
Auditor's remuneration (19.1)	38,500	38,500
	-----	-----
	269,360	332,790
	=====	=====
19.1 Auditor's remuneration	--	--
Statutory Audit	33,500	33,500
Out-of-pocket expenses	5,000	5,000
	-----	-----
	38,500	38,500
	=====	=====

20. BASIC EARNING PER SHARE

Profit after taxation	(23,122,538)	3,496,928
Number of Shares	10,687,500	10,687,500
	=====	=====
Earning per share	(2.16)	0.33
	=====	=====

21. CONVERSION OF CREDIT RISK

Credit risk represent the accounting loss that would be recognized at the reporting date, if counter parties failed completely to perform as contracted. Out of the total financial assets of Rs. 61.534 million, the financial assets which are subject to credit risk amount to Rs. 46.403 million. The Company believes that if it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the Company applies credit limits to its customers.

22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The management is of the view that carrying value of financial assets and financial liabilities approximate their fair value.

23. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Liabilities	Interest Bearing		Non-Interest bearing		Total
	<i>upto one Year</i>	<i>One Year and onward</i>	<i>Upto one Year</i>	<i>One Year and onward</i>	
Leased Assets	17,005,940	8,983,388	--	--	25,989,328
Short term loan					
Musharika	25,000,000	--	--	--	40,000,000
Murabaha	4,000,000	--	--	--	38,000,000
Short Term Finance	38,000,000	--	--	--	
Creditors, Accrued & other Liabilities	--	--	20,497,706	--	20,497,706
Workers Participation Fund	--	--	35,215	--	35,215
	-----	-----	-----	-----	-----
Total:	84,005,940	8,983,388	20,532,921	--	113,522,249
	=====	=====	=====	=====	=====
Assets					
Trade debtors	--	--	54,928,051	--	54,928,051
Advances, Deposits & Prepayments	--	--	14,651,252	--	14,651,252
Cash & bank Balances	--	--	480,509	--	480,509
	-----	-----	-----	-----	-----
Total:	--	--	70,059,812	--	70,059,812
	=====	=====	=====	=====	=====
On Balance Sheet Gap (a)	(84,005,940)	(8,983,388)	49,526,891	--	(43,462,437)
	=====	=====	=====	=====	=====
Cumulative interest sensitivity gap	(84,005,940)	(92,989,328)			
	=====	=====			

24. CAPACITY AND PRODUCTION**Capacity**

In view of varying manufacturing process and multiple product, the annual capacity of the plant is 176,000 dozen bottles based on double shift of sixteen hours a day. Working days for Syrup and HHP division is 300 days.

Production

	1999	1998
Rated capacity		
- Syrup division	120,000	120,000
(Dozen bottles of 680 ml each - 150 days per annum single shift)		
- HHP division	56,000	56,000
(Dozen bottles of 450 gm each - 300 days per annum double shift)		
Actual capacity		
Syrup division	29,100	64,100
(Dozen bottles)		
- HHP division	25,000	44,200
(Dozen bottles)		

Present capacity utilized based on single shift for syrup and HHP division. The Capacity attained for syrup division is 24.25%

25. GENERAL

25.1 By virtue of clause 118-C of the Second Schedule to the Income Tax Ordinance 1979, the Company qualifies for tax exemption for period of eight years from the date of commercial production from January 1991.

25.2 Provision for minimum tax on turnover under section 80(D) of Income Tax Ordinance, 1979 has been made.

25.3 Company has no associate undertaking.

25.4 Figures have been rounded off to the nearest rupee.

25.5 Previous year's figures have been rearranged and re-grouped wherever necessary for the purpose of comparison.

Muhammad Afaq Shamsi
Chief Executive

Muhammad Ahmed
Director

PATTERN OF SHAREHOLDING

<i>No of Share Holders</i>	<i>Shareholding</i>		<i>Total Shares Held</i>
	<i>From</i>	<i>To</i>	
177	1	500	48,045
1312	501	1,000	823,943
518	1,001	5,000	922,001
54	5,001	10,000	388,625
15	10,001	15,000	182,687
5	15,001	20,000	91,637
3	20,001	25,000	67,375
3	25,001	30,000	83,374
3	30,001	35,000	98,250
3	35,001	50,000	140,423
2	50,001	55,000	104,322
2	55,001	65,000	127,250
1	65,001	70,000	65,875
1	70,001	80,000	77,188
1	80,001	105,000	101,250
1	105,001	115,000	110,055
1	115,001	135,000	133,483
1	135,001	140,000	135,375
2	140,001	185,000	363,928
1	185,001	205,000	201,396
1	205,001	235,000	230,963

1	235,001	270,000	266,930
1	270,001	285,000	281,250
1	285,001	365,000	362,500
1	365,001	400,000	397,437
1	400,001	625,000	624,036
1	625,001	670,000	665,197
1	670,001	770,000	767,826
1	770,001	880,000	878,207
1	880,001	910,000	908,207
1	910,001	1,045,000	1,040,465

 2117 ----- 10,687,500
 =====

Categories of Shareholders

No. of Shareholders *Total Shares/mid* %

Sponsors, Directors and their family members	17	5,944,889	55.62
General Public	2,078	3,225,799	30.18
Investment Companies	3	1,136,249	10.63
Insurance Companies	1	77,188	0.72
Sponsors	5	251,875	2.36
Employees	13	51,500	0.48
	-----	-----	-----
	2,117	10,687,500	100.00
	=====	=====	=====