

CORPORATE INFORMATION

Borad of Directors

| | |
|------------------------------|-----------------|
| Mohammad Rehman | Chairman |
| Tariq Siddiq Paracha | Chief Executive |
| Mohammad Tousif Peracha | |
| Mrs. Shazia Tariq Paracha | |
| Mrs. Tabassum Tousif Peracha | |
| A.A. Ademiluyi | |
| Mohammad Usman | |
| Dr. Gbadebo Akisanya | |

Company Secretary:

Imran Ahmed Khan

Audit Committee:

Mrs. Shazia Tariq Paracha (Chairman)
 Mr. Mohammad Rehman (Member)
 Mr. Mohammad Usman (Member)

Bankers:

ABN-AMBRO BANK N.V
 Bank Al Falah Limited
 Citibank N.A
 Crescent Commercial Bank Limited
 Faysal Bank Ltd.
 Meezan Bank Limited
 National Bank of Pakistan
 PICIC Commercial Bank Limited
 United Bank Limited
 Al Baraka Islamic Bank Limited

Auditors:

Faruq Ali & Co.
 Charatered Accountants

Legal Advisor:

Syed Ehsan Raza

Registered Office:

Firdousi Manzil
 Rustamji Lane,
 M. A. Jinnah Road, Quetta

Head Office:

D-66, Block 9,
 Ch. Khaliq-uz-Zaman Road
 Clifton, Karachi

Factories:

Unit I- Plot No. 8, Sector M
 H.I.T.E., Hub, District Lasbella
 Balochistan

Unit II-29 KM
 Lahore Sheikhpura Road
 Sheikhpura

Unit III- 12 KM
 Sheikhpura Road
 Kot Abdul Malik, Lahore

Shares Registrar:

THK Associates (Pvt.) Ltd.
 Ground Floor
 Modern Motors House
 Beaumont Road, Karachi



DIRECTORS' REPORT

Your Directors have pleasure to present you the un-audited financial statements of the Company for the nine months ended March 31, 2006.

The results for the period under review are as expected. Sales for the period have grown marginally whereas overall profit margin has reduced significantly in comparison with similar preceding period. Sales in this quarter were marginally lower whereas overall profit margin reduced to -ve Rs.9.4M from +ve Rs.8.1M in comparison with similar preceding period. Earning per share has also reduced to Re 0.25 per share from Re. 0.47 per share in the same period last year. The significant reduction in overall margin in comparison with similar period is mainly attributable to production losses suffered in Unit II due to closure for repairs.

As discussed in half yearly directors' report, the Company had to close Unit II for cold repairs in January resulting in loss of production of the unit for the quarter. Alhamdulillah the repair work has been completed successfully as per plan and production of quality glass has commenced in the first week of April 2006. Addition of Boosters and repair of generators has not only enhanced production capacity but is also saving fuel cost.

Alhamdulillah all production units are now working at their optimal capacity. We are quite optimistic to recover the deficit of sales and margin of the previous quarter in this quarter.

As mentioned in Annual Report 2005, we have initiated the Table ware project. As per earlier programmed we were supposed to close down the furnace by January, but the planned shut down was deferred due to sudden collapse of the furnace at unit 11 we have now planned to shut down the furnace by 1st week July and hopefully we will be in production with state of art machine and latest technology to produce quality table ware product by September. Letter of Credits for bricks have already been established and shipment for Tableware machines are already made. 1 M.W new Wakshau gas generators for the said furnace is already at site.

Your Company has met all its financial obligations during the period.

In the end we once again pray that with the support of Almighty Allah we achieve our defined objectives for the year and register another Land mark of our business growth during the current year.

For and on behalf of the Board of Directors

Karachi : April 28, 2006

Tariq Siddiq Paracha
Chief Executive Officer



BALANCE SHEET as at March 31, 2006

Unaudited
March 31,
2006
(Rupees in thousand)

Audited
June 30,
2005

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

| | | |
|--|---------|---------|
| Authorized capital | | |
| 35,000,000 Ordinary shares of Rs.10/- each | 350,000 | 350,000 |
| Issued, subscribed and paid-up capital | 330,000 | 330,000 |
| Accumulated Profit | 9,482 | 1,110 |
| | 339,482 | 331,110 |

NON-CURRENT LIABILITIES

| | | |
|---|---------|---------|
| Subordinated loan - Unsecured | 378,685 | 380,785 |
| Long term morabaha - Secured | 5,000 | 10,000 |
| Long term loan - Secured | 243,810 | 347,747 |
| Liabilities against assets subject to finance lease | 68,331 | 86,953 |
| Deferred and other liabilities | 82,810 | 78,034 |

CURRENT LIABILITIES

| | | |
|--|---------|---------|
| Trade and other payables | 194,826 | 243,545 |
| Markup accrued | 18,568 | 17,573 |
| Short term borrowings | 432,886 | 437,711 |
| Current portion of long term loans | 172,801 | 52,801 |
| Current portion of liabilities against assets subject to finance lease | 74,905 | 77,387 |
| Current portion of long term morabaha | 5,000 | 5,000 |
| | 898,986 | 834,017 |

CONTINGENCIES AND COMMITMENTS

| | |
|-----------|-----------|
| -- | -- |
| 2,017,104 | 2,068,646 |

ASSETS

NON-CURRENT ASSETS

| | | |
|-------------------------------|---------|-----------|
| Tangible fixed assets | | |
| Property plant and Equipments | 969,616 | 1,014,103 |

LONG-TERM DEPOSITS

| | |
|--------|--------|
| 34,365 | 30,314 |
|--------|--------|

CURRENT ASSETS

| | | |
|---|-----------|-----------|
| Stores, spares and loose tools | 166,211 | 208,164 |
| Stock-in-trade | 549,323 | 517,662 |
| Trade debts - Unsecured, Considered good | 207,220 | 203,706 |
| Loans and advances - unsecured, considered good | 29,918 | 33,274 |
| Trade deposits, prepayments, balances with statutory authorities and other receivables | 34,481 | 36,790 |
| Taxes recoverable | 22,784 | 20,207 |
| Cash and bank balances | 3,186 | 4,426 |
| | 1,013,123 | 1,024,229 |
| | 2,017,104 | 2,068,646 |

The annexed notes form an integral part of these accounts.

TARIQ SIDDIQ PARACHA
CHIEF EXECUTIVE

SHAZIA TARIQ PARACHA
DIRECTOR



PROFIT AND LOSS ACCOUNT

For the nine months ended March 31, 2006 (Un-Audited)

| | For the Nine Months ended | | For the quarter ended | |
|---|---------------------------|-------------------|-----------------------|-------------------|
| | March 31, 2006 | March 31, 2005 | March 31, 2006 | March 31, 2005 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| Sales | 826,274 | 813,305 | 262,878 | 264,101 |
| Cost of sales | <u>682,132</u> | <u>630,935</u> | <u>225,312</u> | <u>205,593</u> |
| Gross profit | 144,142 | 182,370 | 37,566 | 58,508 |
| Selling and administrative expenses | <u>43,356</u> | <u>88,614</u> | <u>17,139</u> | <u>23,689</u> |
| Operating profit | 100,786 | 93,756 | 20,427 | 34,819 |
| Financial charges | <u>85,266</u> | <u>66,628</u> | <u>27,684</u> | <u>23,475</u> |
| Workers' profit participation fund | <u>776</u> | <u>1,356</u> | <u>(363)</u> | <u>567</u> |
| | <u>86,042</u> | <u>67,984</u> | <u>27,321</u> | <u>24,042</u> |
| | 14,744 | 25,772 | (6,894) | 10,777 |
| Other Income | <u>3,882</u> | <u>214</u> | <u>937</u> | <u>--</u> |
| | 18,626 | 25,986 | (5,957) | 10,777 |
| TAXATION | | | | |
| Current | <u>4,131</u> | <u>4,067</u> | <u>1,314</u> | <u>1,321</u> |
| Deferred | <u>6,123</u> | <u>6,259</u> | <u>2,135</u> | <u>1,350</u> |
| | 10,254 | 10,326 | 3,449 | 2,671 |
| Profit/(Loss) after taxation | 8,372 | 15,660 | (9,407) | 8,106 |
| Accumulated Profit/(Loss) brought forward | 1,110 | (23,075) | 18,888 | (15,521) |
| Accumulated Profit/(Loss) carried forward | <u>9,482</u> | <u>(7,415)</u> | <u>9,481</u> | <u>(7,415)</u> |
| Earning per share - Basic (Rupees) | <u>0.25</u> | <u>0.47</u> | <u>(0.29)</u> | <u>0.25</u> |

The annexed notes form an integral part of these accounts.

TARIQ SIDDIQ PARACHA
CHIEF EXECUTIVE

SHAZIA TARIQ PARACHA
DIRECTOR



CASH FLOW STATEMENT

For nine months ended March 31, 2006 (Un-Audited)

| | March 31, 2006 | March 31, 2005 |
|--|----------------------|-------------------|
| | (Rupees in thousand) | |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 18,626 | 25,772 |
| Adjustments for: | | |
| Depreciation | 69,753 | 72,350 |
| Financial charges | 85,266 | 66,628 |
| Workers' profit participation fund | 776 | 1,356 |
| Provision of gratuity | 4,737 | 3,740 |
| Other Income | (3,882) | (214) |
| Movement in: | | |
| Working capital | (37,590) | (52,896) |
| Cash generated from operations | 137,686 | 116,736 |
| Payments for: | | |
| Financial charges | (84,271) | (72,218) |
| Taxes | (6,708) | (4,167) |
| Gratuity | (1,552) | 713 |
| Net cash generated from operating activities | 45,155 | 41,064 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment for capital expenditure | (23,493) | (47,471) |
| Sale of Fixed Assets | 3,082 | 370 |
| Long term advances and deposits | (4,051) | (748) |
| | (24,462) | (47,849) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Long term loans | 11,063 | (65,425) |
| Long term Morhabba | (5,000) | |
| Repayment of lease facility | (46,904) | (46,374) |
| Short Term Borrowings | (2,519) | -- |
| Exchange Gain on Sub-ordinated loan | (2,067) | -- |
| New lease acquired | 25,800 | 36,506 |
| Net cash outflow from financing activities | (19,627) | (75,293) |
| Net (decrease) / increase in cash and cash equivalents | 1,066 | (82,078) |
| Cash and cash equivalents as at beginning of the period | (171,274) | (475,099) |
| Cash and cash equivalents as at end of the period | (170,208) | (557,177) |
| Movement in working capital | | |
| (Increase) in current assets | | |
| Stores, spares and loose tools | 41,953 | (9,694) |
| Stock-in-trade | (31,661) | 30,351 |
| Trade debts | (3,514) | (33,513) |
| Advances, deposits, prepayments and other receivables | 3,356 | 16,211 |
| | 10,134 | 3,355 |
| Increase in current liabilities | | |
| Creditors and accrued expenses | (47,724) | (56,251) |
| | (37,590) | (52,896) |

The annexed notes form an integral part of these accounts.

TARIQ SIDDIQ PARACHA
CHIEF EXECUTIVE

SHAZIA TARIQ PARACHA
DIRECTOR



STATEMENT OF CHANGES IN EQUITY

For the nine months ended March 31, 2006 (Un-Audited)

| | Share Capital | Accumulated Profit/(Loss) | Total |
|-------------------------------------|----------------------|---------------------------|----------------|
| | (Rupees in thousand) | | |
| Balance as on July 01, 2004 | 330,000 | (23,075) | 306,925 |
| Net profit for the period | -- | 15,660 | 15,660 |
| Balance as at March 31, 2005 | 330,000 | (7,415) | 322,585 |
| Balance as at July 01, 2005 | 330,000 | 1,110 | 331,110 |
| Net profit for the period | -- | 8,372 | 8,372 |
| Balance as at March 31, 2006 | 330,000 | 9,482 | 339,482 |

The annexed notes form an integral part of these accounts.

TARIQ SIDDIQ PARACHA
CHIEF EXECUTIVE

SHAZIA TARIQ PARACHA
DIRECTOR



NOTES TO THE ACCOUNTS

For the nine months ended March 31, 2006 (Un-Audited)

- The Company was incorporated in Pakistan as a public listed company in 1980 under the Companies Act 1913 (now Companies Ordinance, 1984). Its shares are listed on the Karachi and Lahore Stock Exchanges. The Company is engaged in manufacturing and sale of glass containers and plastic shells.
- These financial statements are unaudited and have been prepared in accordance with the requirements of section 245 of the Companies Ordinance 1984 and International Accounting Standard 34 (IAS 34) "Interim Financial Reporting".
- The accounting policies adopted for the preparation of these accounts are the same as those applied in the preparation of the accounts for the year ended June 30, 2005.
- During the period under review company has consolidated its share capital from Rs.5/- per share to Rs.10/- per share. The present position of share capital of the company is as follows:

| | |
|--|---|
| Authorised capital | : 35 million Ordinary shares of Rs.10/- each (2005: 70 million ordinary shares of Rs.5/- each) |
| Issued, subscribed and paid up capital | : 33 million Ordinary shares of Rs.10/- each (2005: 66 million ordinary shares of Rs.5/- each) |

Consequent upon the change the earnings per share for the comparative periods has been restated in the profit and loss account. The comparative figures of earnings per share previously reported (without considering the effect of aforesaid change) were as follows:

| | March 2005 | |
|--|----------------|----------------|
| | 9 months ended | 3 months ended |
| | Rupees | |
| Earnings per share - basic and diluted | <u>0.23</u> | <u>0.12</u> |

- There is no material change in Contingencies and Commitments during the period.

| March 31, 2006 | June 30, 2005 |
|----------------|---------------|
| Rupees | |

6 PROPERTY PLANT AND EQUIPMENT

| | | | |
|--------------------------|-----|-----------------------|-------------------------|
| Operating fixed assets | 6.1 | <u>980,751</u> | 960,360 |
| Capital work in progress | | <u>11,135</u> | 53,743 |
| | | <u><u>969,616</u></u> | <u><u>1,014,103</u></u> |



NOTES TO THE ACCOUNTS

For the nine months ended March 31, 2006 (Un-Audited)

| | March 31, 2006 | June 30, 2005 |
|--|-----------------------|------------------|
| | (Rupees in thousands) | |
| 6.1 Additions and disposals during the period | | |
| Additions | | |
| Owned | | |
| Building on free hold land | | |
| Factory | 948 | |
| Non Factory | | |
| Plant & machinery | 39,845 | 960 |
| | 40,793 | 960 |
| Leased | | |
| Vehicles | 3,339 | - |
| Plant & machinery | 22,461 | - |
| | 25,800 | - |
| Disposals (net) | | |
| Vehicles | 524 | - |

7. TRANSACTIONS WITH RELATED PARTIES:

Associated Company

| | | |
|----------------|-------|-------|
| Purchase | 6,796 | 4,682 |
| Markup charged | | 6,536 |

Directors / Sponsors

| | | |
|----------------|-------|--|
| Markup charged | 6,936 | |
|----------------|-------|--|

9 DATE FOR AUTHORIZATION FOR ISSUE

These financial statements are authorized for issue on 28 April, 2006 in accordance with resolution of the Board of Directors of company.

10 GENERAL

Figures have been rounded off to the nearest thousand rupees

TARIQ SIDDIQ PARACHA
CHIEF EXECUTIVE

SHAZIA TARIQ PARACHA
DIRECTOR