

Al-Abbas Sugar Mills Limited

Annual Report 1998-99

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COMPANY INFORMATION

BOARD OF DIRECTORS

HAJI ABDUL GHANI
Chairman

MR. SHUNAID QURESHI
Chief Executive

MR. MUHAMMAD IQBAL USMAN

MR. TARIQ USMAN BHATTI

MR. MUHAMMAD AYOUB

MR. KHALID USMAN BHATTI

MR. ABDUL SATTAR RAJA

MR. DURAIM QURESHI

MR. ASIM GHANI

COMPANY SECRETARY

MR. MUHAMMAD SULEMAN KANJIANI

AUDITORS

HAROON ZAKARIA & CO
Chartered Accountants

LEGAL ADVISOR

MR. MUHAMMAD MAZHAR ALI
Advocate

REGISTERED OFFICE

4th Floor, P.N.S.C. Building,

Moulvi Tamizuddin Khan Road,
Karachi.
Tel: 5611895-96 & 5611724
Fax: 92-21-5610778

MILL

Mirwah Gorchani,
Distt. Mirpurkhas.

NOTICE OF THE NINETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Ninth Annual Meeting of the Company will be held on Saturday, the 25th March 2000 at 1530 hours at Raffia Choudri Memorial Centre, Ground Floor, Sidco Avenue Centre, Karachi to transact the following business:

1. To confirm the minutes of last Annual General Meeting held on 24th March, 1999.
2. To receive and adopt the Audited Accounts for the year ended 30th September, 1999 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company for the year 1999-2000 and to fix their remuneration. The retiring Auditors Messrs. Haroon Zakaria & Co. Chartered Accountants being eligible, have offered themselves for re-appointment.
4. To approve the payment of cash dividend at the rate of 15% (Rupee 1.50 per share) as recommended by the Directors.
5. To transact any other matter with the permission of the chair.

Karachi, Dated 24th February, 2000

NOTES:

1. The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from 16th March, 2000 to 25th March, 2000 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend and vote on his behalf. Proxies in order to be valid must be received at the Registered Office of the Company not later than 48 hours before the time of the Meeting. A proxy must be a member of the Company.
3. Shareholders are advised to notify the Company of any change in their address immediately to ensure prompt delivery of mails.

By Order of t

MUHAMMAD SULE
Company S

DIRECTORS' REPORT

The Board of Directors of A1-Abbas Sugar Mills Limited takes pleasure in presenting the 9th Annual Report of your Company together with the Audited Accounts for the year ended September 30, 1999.

OPERATING RESULTS FOR THE YEAR ENDED SEPTEMBER 30, 1999

The year of 1999 was a difficult year for the country as due to recession economic activities showed marked reduction in over all economy of the country. However, by the Grace of Almighty Allah your company earned historical profit before taxation. Not only this but all other figures showed marked improvement over last year.

By the Grace of Almighty Allah your company continued its policy to keep Plant and Machinery at highest possible level. Despite charge of depreciation of Rs. 31 Million Fixed Assets have shown a net increase of Rs. 8.5 million, whereas the gross increase is Rs. 39.5 million which is clear indication that the management has continued its policy to keep operation of company viable and efficient on very long-term basis. On the liability side the company paid Rs. 67 Million against Long Term Loans to Financial Institutions and Insha Allah you will see in the next Annual Report that all Long Term Finances obtained for sugar plant will be paid off.

A summary of financial/production figures is given as under:

	<i>1999</i>	<i>1998</i>
Net Profit before taxation	Rs. 88,212,204	Rs. 37,190,096
Provision for taxation	Rs. 29,166,340	Rs. 2,721,213
	-----	-----
Profit after taxation	Rs. 59,045,864	Rs. 34,468,883
Prior year adjustment	--	Rs. 2,078,227
Un-appropriated profit brought forward	Rs. 581,314	Rs. 1,396,504
	-----	-----
Profit available for appropriation	Rs. 59,627,178	Rs. 37,943,614
Appropriations:		
Transfer to General Reserve	Rs. 30,000,000	Rs. 20,000,000
Proposed Dividend @ 15% (1998: 10%)	Rs. 26,043,450	Rs. 17,362,300
	-----	-----
Un-appropriated profit carried forward	Rs. 3,583,728	Rs. 581,314
	-----	-----
Season Started on	04-11-1998	
Season closed on	15-04-1999	
Days worked	163	
Cane Crushed (Tons)	709,501	
Sugar Recovery (%)	9.08	
Sugar Production (Tons)	64,421	

MAJOR ACHIEVEMENT

Distillery Project

As mentioned in our previous Half Yearly Report your management in order to diversify its production and to keep the company safe at the maximum possible limit from the disadvantage of being single line product is successfully implementing its Distillery Project, which is at very advance stage of completion.

Credit Rating

The Pakistan Credit Rating Agency (Private) Limited (PACRA) has assigned the long term rating of BBB + (triple B plus) and short term rating of A2 (single A two).

FUTURE OUT LOOK

Due to reduction in sowing of cane, dry weather, bad crop and devastating cyclone Sugar Cane Crop showed very discouraged performance. It is anticipated that over all availability of cane is less by more than 25% as compared to last year which is unfortunate and will have very serious effect on the profitability of the Sugar Industry. But Insha Allah with the help of Allah and hard work of your management and staff we will manage maximum crushing and good possible financial results.

A brief summary of crushing/production for the current season as on 21-02-2000 is given below:

Cane crushed (Tons)
Sugar Recovery (%)
Sugar Production (Tons)

PATTERN OF SHARE HOLDING

The pattern of share holding is provided on page No.6.

AUDITORS

Messers. Haroon Zakaria & Company, Chartered Accountants, retiring auditors of the company offer themselves for re-appointment for the year 1999-2000.

At the end the management record appreciation to all workers and non-management staff, banks and financial institutions for their co-operation and contribution towards the betterment of the company.

For and on behalf of
of
AL-ABBAS SUGAR

SHUNAID Q
Chief Exe

Karachi: the 24th February, 2000

PATTERN OF SHARE HOLDING AS AT SEPTEMBER 30, 1999

<i>NUMBER OF SHARE HOLDERS</i>	<i>SHARE HOLDINGS</i>		<i>TOTAL SHARES HELD</i>
	<i>From</i>	<i>To</i>	

477	1	100	47,700
2,946	101	500	1,391,200
82	501	1,000	81,300
113	1,001	5,000	293,900
26	5,001	10,000	189,900
5	10,001	15,000	67,600
10	15,001	20,000	188,400
5	20,001	25,000	119,000
1	25,001	30,000	27,000
2	30,001	35,000	67,500
2	35,001	40,000	77,700
1	40,001	45,000	42,400
3	45,001	50,000	147,900
2	50,001	55,000	101,800
3	55,001	60,000	169,900
1	65,001	70,000	68,000
2	80,001	85,000	167,000
1	90,001	95,000	90,500
2	95,001	100,000	199,300
1	100,001	105,000	104,000
1	130,001	135,000	132,500
1	195,001	200,000	200,000
1	255,001	260,000	257,500
1	540,001	545,000	544,100
1	555,001	560,000	556,182
1	1,040,001	1,045,000	1,041,750
2	1,145,001	1,150,000	2,300,000
1	1,395,001	1,400,000	1,399,668
1	1,845,001	1,850,000	1,847,168
1	2,545,001	2,550,000	2,546,232
1	2,895,001	2,900,000	2,895,200
-----			-----
3,697			17,362,300
=====			=====

Categories of Shareholders

	<i>Numbers</i>	<i>Shares Held</i>	<i>Percent</i>
Individuals	3,672	11,197,800	
Insurance Companies	2	2,500	
Investment Companies	1	1,150,000	
Joint Stock Companies	11	743,900	
Financial Institutions	8	4,162,600	
Modarabas	1	500	
Charitable Trust	1	100,000	
Other	1	5,000	
	-----	-----	
Total	3,697	17,362,300	
	=====	=====	

AUDITORS' REPORT

We have audited the annexed balance sheet of AL-ABBAS SUGAR MILLS LIMITED as at September 30, 1999 and the related Profit and 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 explanations 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 and loss account together with the notes thereof 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 the company's affairs as at September 30, 1999 and of the Profit and the cash flow statement for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Karachi: 24th February, 2000

HAROON ZAKARI
Chartered Accountant

BALANCE SHEET AS AT SEPTEMBER 30, 1999

SHARES CAPITAL AND RESERVES
AUTHORISED CAPITAL

NOTES

1999
Rupees

17,500,000 Ordinary Shares of Rs. 10/- each

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	3
GENERAL RESERVE	4
UN-APPROPRIATED PROFIT	
REDEEMABLE CAPITAL	5
LONG TERM LOAN	6
DEFERRED LIABILITIES	7
CURRENT LIABILITIES	
Current Portion of Redeemable Capital	8
Short Term Finances	9
Creditors, Accrued & Other Liabilities	10
Provision for Taxation	
Proposed Dividend	
CONTINGENCIES & COMMITMENTS	11
TANGIBLE FIXED ASSETS	
Operating Fixed Assets	12
Capital Work-in-Progress	13
LONG TERM LOANS	14
LONG TERM DEPOSITS & DEFERRED COST	15
CURRENT ASSETS	
Stores, Spares & Loose Tools	16
Stock-in-Trade	17
Trade Debts (unsecured considered good)	
Loans and Advances	18
Trade Deposits and Short	
Term Pre-Payments	19
Export Rebate Receivables	
Income Tax Refundable	
Cash and Bank Balances	20

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

	<i>NOTES</i>	<i>1999 Rupee</i>
SALES	21	
COST OF GOODS SOLD	22	
GROSS PROFIT		
OPERATING EXPENSES		
Administrative	23	
Selling and Distribution	24	
OPERATING PROFIT		
OTHER INCOME	25	
FINANCIAL CHARGES	26	
OTHER CHARGES	27	
PROFIT BEFORE TAXATION		
TAXATION	28	
PROFIT AFTER TAXATION		
PRIOR YEAR ADJUSTMENT		
UN-APPROPRIATED PROFIT BROUGHT FORWARD		
PROFIT AVAILABLE FOR APPROPRIATION		
APPROPRIATIONS		
Transfer to General Reserve		
Proposed Dividend @ 15% (1998: 10%)		
UN-APPROPRIATED PROFIT CARRIED FORWARD		

The annexed notes form an integral part of these notes.

CHIEF EXECUTIVE

DIRECTOR

**CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

**1999
Rupee**

A. CASH FROM OPERATING ACTIVITIES

Cash generated from operation

(Note 29)

Financial charges paid

Tax paid

B. CASH FROM INVESTING ACTIVITIES

Fixed capital expenditure

Proceeds from disposal of fixed assets

Long term loans & advances

Long term deposits and deferred cost

Net cash used in investing activities

C. CASH FROM FINANCING ACTIVITIES

Redemption of redeemable capital

Increase in Long Term Loan

(Decrease) / Increase in short term borrowings

Dividend Paid

Net cash from finance activities

Net (decrease) / Increase in cash and
cash equivalents (A+B+C)

Cash and cash equivalents at
beginning of the year

Cash and cash equivalent at end of the year

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1999

1. STATUS AND NATURE OF BUSINESS

The Company was incorporated in Pakistan on 2nd May, 1991, as a Public Limited Company and its shares are quoted on Karachi Stock Exchange. The principal activity of the Company is manufacturing and sale of Sugar.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention:

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

2.2 Taxation:

Current:

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

Deferred:

Deferred taxation is provided on timing differences using the liability method, excluding the tax effect of those timing differences which are not likely to reverse in the foreseeable future (See Note 28).

2.3 Employees' Retirement Benefits:

The Company operates funded gratuity scheme for all its employees eligible under the scheme. Payment to fund is made annually.

2.4 Fixed Assets:

These are stated at cost less accumulated depreciation except free hold land and capital work-in-progress which are stated at cost.

Depreciation is charged to income applying reducing balance method whereby the cost of an asset is written off over its estimated useful life. Full year's depreciation is charged on all assets, including additions during the year, except for Plant & Machinery on which depreciation is charged on the basis of actual operating days.

No depreciation is charged on assets disposed off during the year.

Maintenance and normal repairs are charged to income, when incurred. Major renewal and improvements are capitalized and assets so replaced, if any, are retired. Gains or losses on disposal of operating assets are included in current year's income or expenses respectively.

2.5 Deferred Cost:

Deferred Cost is written off to profit and loss account over a period of five years beginning

from the date of commencement of commercial production.

2.6 Inventories:

These are valued as follows:

Stores and spares	in stock	At average cost.
	in Transit	At actual cost.
Stock-in-Trade		
Sugar		Lower of average manufacturing Cost and net realisable value
Sugar in process		At average manufacturing Cost.
Molasses		Net realisable value.

2.7 Trade Debts:

Debts considered irrecoverable will be written off and provision will be made for debt considered doubtful, if any.

2.8 Assets subject to lease:

Lease rentals under the operating lease for the year are charged as revenue expenditures of the company.

2.9 Revenue Recognition:

Sales are recorded on despatch of goods to customers. Income/Profit on deposits is recorded when received.

3. ISSUED, SUBSCRIBED & PAID-UP CAPITAL

17,362,300 Ordinary Shares of
Rs. 10/- each fully paid up in cash

The Financial Institutions have option to acquire Shares as stated in note No. 5

4. GENERAL RESERVE

Balance from previous balance sheet
Transfer from Profit & Loss Account

purchase price is paid within due dates a rebate of Rs. 14,326,027/- will be available to the Company. In case the LT-TFCs are not redeemed according to the repayment schedule, the BEL shall have the option to convert 20% of the outstanding LT-TFCs into ordinary shares of the Company.

Repayment

The LT-TFCs are redeemed in 14 half yearly equal installments commenced from 15th June, 1994.

Security

The LT-TFCs are secured by way of registered mortgage/charge over all its assets movable as well as immovable including book debts and the INVESTMENT PROPERTY to secure payment of PURCHASE PRICE and redemption of the LT-TFCs and all other dues payable thereunder.

1999
Rupee

5.2 Long Term Financing under

Mark-up arrangement

Current Portion shown under Current
Liabilities

The Company entered into an agreement dated 19th June, 1991 with Bankers Equity Limited for procurement of Locally Manufactured Machinery under concessionary credit for Locally Manufactured Machinery, for Rs. 279,921,000/- being the sale price of machinery. The sale price was reduced to Rs. 279,800,000/- by supplementary agreement with Bankers Equity Limited. The price at which the company agreed to buy such machinery from BEL is Rs. 360,215,990/- which is calculated at a 7% mark-up. This will increase upto 21% in case of default in repayment.

Repayment

The above financing is repayable in 28 equal quarterly installments, commenced from 15th June, 1994.

Security

The above financing is secured by:

- Mortgage of all immovable properties of the company.
- Floating charge on all properties of the company both present and future.

6. LONG TERM LOAN

(Unsecured - Interest Free)

The above loan has been obtained from the spouse of a Director.

7. DEFERRED LIABILITIES

Taxation
Gratuity
Road cess and surcharge
Market Fee

8. CURRENT PORTION OF REDEEMABLE CAPITAL

-- LT-TFCs
-- LT-Financing under Mark-up arrangement

9. SHORT TERM FINANCES FROM COMMERCIAL BANKS -SECURED

Cash	9.1
Agricultural	9.2

9.1 a) The above financing is secured against Pledge of Sugar Stock and Personal Guarantees of Directors.

b) Mark-up:
The rate of Mark-up is 51 paisas (1998: 51 paisas) per 1000 rupees per day.

c) Extent of Facility

9.2 a) The Company has arranged agricultural finance facility amounting to Rs. 70.00 (1998: 70.00) Million from Muslim Commercial Bank Ltd.

b) The above financing is secured against Hypothecation of sugarcane crops of individual growers, guarantee of the Company and personal guarantees of Directors.

c) The rate of mark-up is 51 paisas (1998: 51 paisas) per thousand per day.

10. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors

Accrued Liabilities
 Mark-up on Secured Redeemable Capital
 Mark-up on Short Term Finances
 Deposits and Retentions
 Unclaimed Dividend
 Others

11. CONTINGENCIES AND COMMITMENTS

Commitments:

Committed Capital Expenditure for Civil Works and Plant & Machinery is Rs. 158 million (1998: 11 million).

12. SCHEDULE OF OPERATING FIXED ASSETS

	<i>October 01, 1998</i>	<i>COST Addition/ (Deletion)</i>	<i>September 30, 1999</i>	<i>Rate %</i>
LAND	8,135,188	--	8,135,188	--
BUILDING				
Main Factory Building	74,356,486	3,238,693	77,595,179	10
Non Factory Building	16,331,684	21,752,137	38,083,821	10
PLANT & MACHINERY	556,893,533	10,459,802	567,353,335	10
TOOLS & TACKLES	1,200,321	213,443	1,413,764	20
FURNITURES & FIXTURES	1,657,908	321,110	1,979,018	10
OFFICE EQUIPMENT	7,823,843	715,152	8,538,995	10
MOTOR VEHICLES	7,128,542	3,761,810	10,890,352	20
	-----	-----	-----	
Rupees - 1999	673,527,505	40,462,147	713,989,652	
	=====	=====	=====	
Rupees - 1998	654,658,408	18,972,955 (103,858)	673,527,505	
	=====	=====	=====	

12.1 (a) Depreciation charged for the year has been allocated as follows:

1. Manufacturing Expenses
2. Administrative Expenses

1999
 Rupee

13. CAPITAL WORK IN PROGRESS

Plant & Machinery
Civil Works

**14. LONG TERM LOAN
UNSECURED CONSIDERED GOOD**

Loan to Employees	14.1
Loan to Executive	14.2

Long Term Loan
Less: Re-payable within the following 12 months

14.1 Recoverable within 3 years
Recoverable after 3 years

14.2 Recoverable within 3 years
Recoverable after 3 years

15. LONG TERM DEPOSITS & DEFERRED COST

Long Term Deposits

Deferred Cost
Less: Amortization during the year

16. STORES, SPARES & LOOSE TOOLS

Stores
Spares
Loose Tools

1999
Rupee

17. STOCK IN TRADE

In-Process
Finished Goods
Other Stock - Fertilizer

18. LOANS AND ADVANCES - UNSECURED CONSIDERED GOOD

Loans

To	Staff	
	Executive	18.1
	Growers	

Advances

To	- Employees	
	- Suppliers	
	- Contractors	
	- Advance Income Tax	
	- Others	
	- Against	Rent
		Expenses

18.1 The maximum aggregate amount due from Executives at the end of any month during the year was Rs. 794,000 (1998: 1,980,667).

19. TRADE DEPOSITS AND SHORT TERM

PRE-PAYMENTS

- Trade Deposits
- Pre-payments

20. CASH AND BANK BALANCES

- Cash in hand

- Balance with Bank
- Current Accounts
- Deposits Accounts

*1999
Rupee*

21. SALES

Local

- Export
- Export Rebate

Sales tax

22. COST OF GOODS SOLD

- Sugar Cane Crushed (including procurement & development expenses)
- Stores and Spares consumed
- Salaries, Wages & Other Benefits
- Water, Fuel and Power
- Lease Rentals
- Packing Materials
- Other Manufacturing Expenses
- Repairs & Maintenance
- Excise Duty

22.1

Depreciation

Sugar-in-Process - Opening
- Closing

Less: Sales of Molasses

Cost of goods manufactured

Finished goods - Opening Sugar
- Closing Sugar

COST OF GOODS SOLD

22.1 Other Manufacturing Expenses

Security Services

Printing & Stationery

Vehicle Running Expenses

Insurance Expenses

Wastage Removal Expenses

Conveyance & Travelling

Rent, Rates & Taxes

Tel., Telex & Fax Charges

Fees & Subscription

Newspapers & Periodicals

Entertainment

Charity & Donation

22.1(a)

Legal & Professional

Misc. Expenses

22.1 (a) Charity and Donation

None of the directors or their spouses have any interest in the donees' Fund.

23. ADMINISTRATIVE EXPENSES

Salaries, Allowances and Other Benefits

Directors' Remuneration

Rent, Rates and Taxes

Postage, Telegrams and Telephones

Conveyance and Travelling	
Printing and Stationery	
Entertainment	
Consultancy Charges	
Vehicles Expenses	
Repair and Maintenance	
Insurance	
Fees & Subscription	
Legal and Professional Charges	
Auditors' Remuneration	23.1
Charity and Donation	23.2
Annual General Meeting Expenses	
New papers and Periodicals	
Utilities	
Depreciation	
Miscellaneous Expenses	

23.1 Auditors' Remuneration

Audit Fee
Out of Pocket expenses

23.2 Charity and Donation

None of Directors or their spouses have any interest in the donees' Fund.

24. SELLING & DISTRIBUTION EXPENSES

Sugar Bags Handling Expenses
Sugar Export Expenses

25. OTHER INCOME

Profit on disposal of Fixed Assets
Other

26. FINANCIAL CHARGES

Mark-up on Redeemable Capital
Mark-up on Short Term Finances
Mark-up on Export Refinance
Mark-up on STFCs

Profit on Morabaha facility
Mark-up on W.P.P.F.
Bank Charges

27. OTHER CHARGES

Workers' Profit Participation Fund
Amortization of Deferred Cost

28. TAXATION

Current year
Prior year
Deferred

29. CASH GENERATED FROM OPERATIONS

Profit before taxation
Adjustment for depreciation
Provision for gratuity
Payment of gratuity
Financial charges
Gain on disposal of fixed assets
Deferred cost amortized
Deferred Liabilities

Operating profit before working
capital changes

Changes in working capital
(Increase)/decrease in current assets
Stores and spares
Stock in trade
Trade debts
Loans and advances
Deposits and prepayments
Other receivables

Increase in current liabilities
Creditors, accrued and other liabilities
including short term advances

Cash generated from operation

30. EARNING PER SHARE

Profit after taxation

Weighted average number of ordinary shares

Earning per share

31. STATEMENT OF CHANGES IN EQUITY

<i>Description</i>	<i>Paid-up Capital Rupees</i>	<i>General Reserve Rupees</i>	<i>Un-appropriated Profits Rupees</i>
Balance at September 30, 1997	173,623,000	130,000,000	
Net profit for the year	--	--	
Appropriation:			
General Reserve	--	20,000,000	
Dividend @ 10%	--	--	
Balance at September 30, 1998	173,623,000	150,000,000	
Net profit for the year	--	--	
Appropriation:			
General Reserve	--	30,000,000	
Dividend @ 15%	--	--	
Balance at September 30, 1999	173,623,000	180,000,000	

32. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

INTEREST / MARK-UP BEARING

	<i>Maturity upto one year</i>	<i>Maturity after one year</i>	<i>Sub-Total (a)</i>	<i>Maturity upto one year</i>
FINANCIAL ASSETS				
Loan to Growers	28,872,182	--	28,872,182	
Loan to Employees	--	--	--	
Long Term Deposits	--	--	--	
Trade Debtors	--	--	--	

Trade Deposits	--	--	--
Cash & Bank Balance	--	--	1,493,808
	-----	-----	-----
	28,872,182	--	28,872,182
	=====	=====	=====

FINANCIAL LIABILITIES

Long Term Loans	--	--	--
Short Term Running			
Finance	20,000,000	--	20,000,000
Redeemable Capital	74,976,116	43,570,857	118,546,973
Creditors, Accrued &			
Other Liabilities	--	--	--
Proposed Dividend	--	--	--
	-----	-----	-----
	94,976,116	43,570,857	138,546,973
	=====	=====	=====

a) Financial Instruments & Risk Management

The company issues financial instruments mainly to finance its operations. In addition, trade and trade creditors arise directly from the company's operation.

The Company finances its operations primarily by a mixture of issued share capital, retained profits and long and short term loans, running finance and redeemable capital. The Company borrows funds in local currency usually at fixed rates of interest or on mark-up basis.

b) Fair Value of Financial Assets & Liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximates to their fair value.

c) Concentration of Credit Risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The Company believes that it is not exposed to major concentration of credit risk.

d) Foreign Exchange Risk Management

Foreign currency risk arises mainly where receivable and payable exist due to sales and purchase transactions with foreign undertakings. Payable exposed to foreign currency risks are identified as either "Creditors or others payable". Foreign currency risks relating to some payable are not covered through forward foreign exchange contracts due to excessive cost involved.

33. CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES REMUNERATION

	<i>Chief Executive</i>		<i>Director</i>
<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>

Meeting Fee	--	--	--
Remuneration	545,454	--	196,362
Perquisites	354,546	--	127,638
	-----	-----	-----
Total	900,000	--	324,000
	=====	=====	=====
No. of persons	1	--	1
	=====	=====	=====

33.1 Chief Executive and two Directors are provided Company's maintained car for the business and personal use. Chief Executive and Working Director are also provided Telephone facility for the business and personal use.

33.2 Some of the executives of the company are also provided company's maintained cars for the business and personal use.

34. CAPACITY AND PRODUCTION

<i>YEAR</i>	<i>CAPACITY</i>		<i>PRODUCTION</i>	
	<i>M. TONS</i>	<i>DAYS</i>	<i>M. TONS</i>	<i>DAY</i>
1999	72,000		160	64,421
1998	57,600		160	55,162
	=====		=====	=====

35. GENERAL

Previous year's figures have been re-arranged / re-grouped wherever necessary to facilitate comparison.

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECT