

Al-Abbas Sugar Mills Limited

Annual Report 2000

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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 KANJANI

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 TENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Tenth Annual General Meeting of the Company will be held on Wednesday, the 28 February, 2001 at 1600 hours at Raffia Chaudri 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 25th March, 2000.
2. To receive and adopt the Audited Accounts for the year ended 30th September, 2000 together with the Directors' and Auditors' Report thereon.
3. To appoint Auditors of the Company for the year 2000-2001 and to fix their remuneration. The retiring Auditors Messers. 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% (Rupee1.50 per share) as recommended by the Directors.

Special Business

5. To elect Directors of the Company in accordance with the provisions of the Companies Ordinance, 1984. The number of elected Directors of the Company fixed by the Board of Directors in their meeting held on January 18, 2001 is Seven (7). The retiring Directors are Haji Abdul Ghani, Shunaid Qureshi, Muhammad Iqbal Usman, Tariq Usman Bhatti, Muhammad Ayoub, Khalid Usman Bhatti, Abdul Sattar Raja, Duraid Qureshi and Asim Ghani.
6. To transact any other business, with the permission of the Chair.

By Order of the Board.

MUHAMMAD SULEMAN KANJIANI
Company Secretary

Karachi, Dated 29th January, 2001

NOTES:

1. The Share Transfer Books of the Company will remain closed and no transfer of shares will be accepted for registration from 21st February 2001 to 28th February, 2001 (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.

CDC Account Holders will further have to follow the undermentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original national Identity Card (NIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies:

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.

iii) Attested copies on NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original NIC or original passport at the time of the meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report together with the Company's Audited Accounts for the year ended 30th September 2000.

The year 1999-2000 is HISTORICAL YEAR for your Company. By the Grace of Allah we have crossed another milestone towards our goal of long lasting sustainability, as Distillery Project has not only been fully implemented but also did Trial Run satisfactorily.

As reported in our last report Sugar Cane Crop has performed very badly. Consequently not only capacity utilization has decreased considerably, but also cost of cane increased tremendously which has decreased Gross Profit from Rs. 164.95 million to Rs. 111.34 million. However, by good planning and timely decision by your management and good price of sugar your company managed to earn Rs. 34.54 million as Profit on Trading which in turn enabled the company to maintain reasonable level of Profitability.

Summary of operating results is given as under:-

Net Profit before taxation	Rs.	71,388,533
Provision for taxation	Rs.	24,695,762
Profit after taxation	Rs.	46,692,771
Prior year adjustment		--
Un-appropriated profit brought forward	Rs.	3,583,728
Profit available for appropriation	Rs.	50,276,499
Appropriations:		
Transfer to General Reserve	Rs.	20,000,000
Proposed Dividend @ 15% (1999: 15%)	Rs.	26,043,450
Un-appropriated profit carried forward	Rs.	46,043,450
	Rs.	4,233,049
Season Started on		01-11-1999
Season closed on		02-03-2000
Days worked		123
Cane Crushed (Tons)		502,332
Sugar Recovery (%)		9.47
Sugar Production (Tons)		47,469

CREDIT RATING

The Pakistan Credit Rating Agency (Pvt.) Limited (PACRA) has assigned the Long Term Rating of A - (A minus) and Short Term Rating of A2 (single A two).

FUTURE OUT LOOK

The Crushing campaign for the crushing year 2000 - 2001 commenced on 3rd November, 2000 and till 26th January 2001 total 314,966 Mt.'s of Cane Crushed with Average Recovery of 9.00%. However, due to following factors it is expected that once again Sugar Cane availability will be very difficult and your mill will not get sufficient Sugar Cane for Crushing during the Current Season:

1. Insufficient Monsoon/Winter Rains
2. Shortage of Irrigation Water
3. Old variety of Sugarcane Seed, which need immediate replacement, as it has already lost its potential as far as Yield and Recovery, is concerned.

Therefore Sugar Cane shortage is the highest challenge for Sugar Industry in Pakistan generally and Province of Sindh Particularly. As Sindh has suffered a lot due to shortage of Irrigation Water and on the top of that almost there was no Rain either in Monsoon or in winter. However, your Management fully appreciates Government's decision to allow Sugar Industry to import 500,000 Mt.'s of Raw Sugar without payment of custom duty. We think it will greatly help the country to reduce its dependence on Imported Refined Sugar and also help country to utilize Manufacturing Capacity of Sugar Industry at maximum level. We also like to point out that despite of fact that Sugar Industry is trying its best to use its Production Capacity at Maximum Level by Refining

Imported Raw Sugar, Government is still continuing with policy of Import of Refined Sugar of low quality at very low rate of custom duty.

DISTILLERY PLANT

As stated earlier this Plant will go a long way in achieving stability and sustainability.

With the help of Allah we have already entered into International Market, which will make very significant contribution towards Government efforts to achieve US\$ 10 Billion Export Target for the year 2000-2001.

PATTERN OF SHARE HOLDING

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

AUDITORS

Messrs. Haroon Zakaria & Company, Chartered Accountants, retiring auditors of the Company offer themselves for re-appointment for the year 2000-2001.

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 beha

AL-ABBAS SU

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Karachi: the 29th January, 2001

PATTERN OF SHARE HOLDING AS AT SEPTEMBER 30, 2000

<i>NUMBER OF SHARE HOLDERS</i>	<i>SHARE HOLDINGS</i>		<i>TOTAL SHARES HELD</i>
	<i>From</i>	<i>To</i>	
370	1	100	36,900
1865	101	500	883,100
101	501	1,000	98,700
126	1,001	5,000	333,100
22	5,001	10,000	167,000
8	10,001	15,000	100,600
8	15,001	20,000	151,700
5	20,001	25,000	122,900
5	25,001	35,000	164,600
2	35,001	45,000	86,400
2	45,001	50,000	97,900
1	50,001	55,000	50,100
3	55,001	60,000	169,900
1	60,001	70,000	68,000
2	70,001	85,000	167,000
2	85,001	100,000	199,300

1		100,001	105,000	104,000
2		105,001	135,000	241,500
6		135,001	1,045,000	3,342,632
3		1,045,001	1,400,000	3,721,436
2		1,400,001	2,550,000	4,158,232
1		2,550,001	2,900,000	2,897,300
-----	-----	-----	-----	-----
2,538				17,362,300
=====	=====	=====	=====	=====

Categories of Shareholders	Numbers	Shares held
Individuals	2,510	11,525,100
Insurance Companies	1	1,500
Investment Companies	1	650,000
Joint Stock Companies	18	2,121,200
Financial Institutions	7	2,964,500
Charitable Trust	1	100,000
	-----	-----
Total	2,538	17,362,300
	=====	=====

AUDITORS' REPORT

We have audited the annexed balance sheet of MESSRS. AL-ABBAS SUGAR MILLS LIMITED as at September 30, 2000, and the related profit & loss account, cash flow statements and statement of changes in equity together with 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 purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts 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 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 & loss account, cash flow statement and statement of changes in equity together with notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, 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, 2000 and of the Profit for the year then ended; and

(d) in our opinion no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Karachi; 29th January, 2001

HAROON ZAKARIA & COMPANY
Chartered Accountants

BALANCE SHEET AS AT SEPTEMBER 30, 2000

NOTES

SHARES CAPITAL AND RESERVES

AUTHORISED CAPITAL

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

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CURRENT LIABILITIES

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Creditors, Accrued & Other Liabilities 10

Provision for Taxation

Proposed Dividend

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Operating Fixed Assets 12

Capital Work-in-Progress 13

LONG TERM LOANS 14

LONG TERM DEPOSITS 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

Other Receivables

Income Tax Refundable

Cash and Bank Balances 20

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

	<i>NOTES</i>
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OPERATING EXPENSES	
Administrative	23

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OPERATING PROFIT	
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UN-APPROPRIATED PROFIT BROUGHT FORWARD	
PROFIT AVAILABLE FOR APPROPRIATION	
APPROPRIATIONS	
Transfer to General Reserve	
Proposed Dividend @ 15% (1999: 15%)	
UN-APPROPRIATED PROFIT CARRIED FORWARD	
Earning per share	31

The annexed notes form an integral part of these notes.

CHIEF EXECUTIVE

**CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

A. CASH FROM OPERATING ACTIVITIES

Cash generated (Note 30)

Financial charges paid

Tax paid

Net cash from operating activities

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

Redeemable capital

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

CHIEF EXECUTIVE

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**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

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 and Industrial Alcohol.

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.

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 of Sugar unit 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		
Finished Goods		Lower of average manufacturing Cost and net realisable value
Work in process		At average manufacturing Cost.
Raw Material		Lower of average 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

5. REDEEMABLE CAPITAL - SECURED

5.1 Long Term Finance Certificate (LT-TFCs)

5.2 Long Term Finance Utilized under
Mark-up arrangements

5.3 Term Finance under Mark-up arrangement (MCB)

5.4 Term Finance under Mark-up arrangement (HBL)

5.1 Long Term Finance Certificate (LT-TFCs)

LT - TFCs - Local a)
Currency

LT - TFCs - Foreign b)
Currency

Current Portion shown under Current
Liabilities

a) The Company arranged financing against issue of LT-TFCs with Bankers Equity Limited for purchase of machinery not eligible under LMM financing. The sale price of such machinery is Rs. 9,700,000/- whereas the company agreed to buy the same machinery at the purchase price of Rs. 18,322,574/-. The above purchase price will be reduced by Rs. 1,116,164/-, if all LT-TFCs are redeemed on due dates.

In the event of the rate of return falling below the agreed rate of return and non-payment of purchase price on due dates Bankers Equity Limited, 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 registered mortgage of land, building, plant and machinery which will rank pari-passu with charge created under LMM financing.

b) Bankers Equity Limited Syndicate has provided financing against LT-TFCs of the value of Rs. 124,500,000/- to the Company (which is sale price) for the purchase of Imported Machinery. The purchase price of the LT-TFCs is Rs. 235,171,179/-. However, if 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.

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.

5.3 Term Finance Under Mark-up arrangement (MCB)

Current Portion shown under Current Liabilities

The Company entered into agreement with MCB dated 16th August, 2000 for term financing to the extent of Rs. 25.00 Million being the sale of Machinery for distillery project. The price at which the Company agreed to buy such machinery is Rs. 34.190 Million which will be further reduced to Rs. 30.98 Million if company will make all payments on due date.

Repayment

The above financing is repayable in 12 equal quarterly installments, commencing from 16th November, 2000.

Security

The above financing is secured by:

- Mortgage of all immovable properties of the company.
- Personal guarantee of the directors.
- Floating charge over all present and future assets of the company.

5.4 Term Finance Under Mark-up arrangement (HBL)

Current Portion shown under Current Liabilities

By virtue of term finance agreement HBL agreed to extend long term financing to the extent of Rs. 100 million for working capital on markup basis. The total purchase price of such financing is Rs. 184.43 million, which will be further reduced to Rs. 146.17 million if the company will make repayment on due date.

Repayment

The above financing is repayable in 20 equal quarterly installments, commenced from May, 2000.

Security

The above financing is secured by:

Mortgage of all immovable properties of the company.

Personal guarantee of the directors.

Floating charge over all present and future fixed assets of the company.

6. LONG TERM LOAN

(Unsecured - Interest Free)

The above loan has been obtained from the directors of the Company.

7. DEFERRED LIABILITIES

Taxation

Road cess and surcharge

(7.1)

Market Fee

(7.2)

7.1 The Surcharge on cess levied through finance (amendment) Act. 1991, at the rate of 15 paisas per 40 kilograms of cane crushed is to be shared equally by the mill and growers. The levy has been challenged in the Honourable Sindh High Court.

Government of Sindh through Finance Act. 1994 enhanced levy of Road Cess substantially which was challenged by the Company in the Honourable Sindh High Court and also matter is taken up with Government of Sindh through Pakistan Sugar Mills Association, Sindh Zone.

The company has provided the above amount of road cess and surcharge on cess but deferred it's payment pending necessary notification and resolution by the Government in this regard.

7.2 The Company has challenged the market fee in the Honourable Sindh High Court through petition and writ. The company has provided liability in the accounts.

8. CURRENT PORTION OF REDEEMABLE CAPITAL

-- LT-TFCs

-- LT-Financing under Mark-up arrangement

-- Term Finance MCB & HBL

9. SHORT TERM FINANCES FROM COMMERCIAL BANKS - SECURED

Agricultural

a) The Company has arranged agricultural finance facility amounting to Rs. 70.00 (1999: 20.00) 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 43 paisas (1999:51 paisas) per thousand per day.

10. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors

Accrued Liabilities

Mark-up on Secured Redeemable Capital

Mark-up 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. 20.00 million (1999:158 million).

12. SCHEDULE OF OPERATING FIXED ASSETS

PARTICULARS	COST		
	<i>October 01, 1999</i>	<i>Addition/ (Deletion)</i>	<i>September 30, 2000</i>
LAND	8,135,188	488,454	8,623,642
BUILDING			
Main Factory - Sugar	77,595,179	--	77,595,179
- Distillery		24,857,587	24,857,587
Non Factory Building	38,083,821	1,764,397	39,848,218
- Sugar	567,353,335	6,233,005	573,586,340
- Distillery		164,262,056	164,262,056
TOOLS & TACKLES	1,413,764	461,564	1,875,328

FURNITURES & FIXTURES	1,979,018	206,275	2,185,293
OFFICE EQUIPMENT	8,538,995	1,296,329 (150,000)	9,685,324
MOTOR VEHICLES	10,890,352	7,889,618 (2,391,817)	16,388,153
	-----	-----	-----
Rupees - 2000	713,989,652	207,459,285 (2,541,817)	918,907,120
	-----	-----	-----
Rupees - 1999	673,527,505	40,462,147	713,989,652
	=====	=====	=====

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

1. Manufacturing Expenses
2. Administrative Expenses

(b) Depreciation on Plant & Machinery of Sugar Unit has been charged on the basis of operating days.

(c) Result of Trial Run Distillery Unit has been allocated as follows:

Building
Plant & Machinery

12.2 Detail of disposal of operating assets (by Negotiation)

Description	Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds
Motor Vehicles				
AAP-738	940,000	458,720	481,280	620,000
BC-2358	222,565	185,225	37,340	145,000
Z-8930	339,600	228,320	111,280	195,000
AAB-823	804,950	475,243	329,707	520,000
BC-2788	43,164	24,194	18,970	145,000

CJ-2980	20,769	12,262	8,507	92,500
CJ-2979	20,769	12,262	8,507	80,000
Photo Copier	150,000	85,430	64,570	25,000
	-----	-----	-----	-----
	2,541,817	1,481,656	1,060,161	1,822,500
	-----	-----	-----	-----

13. CAPITAL WORK IN PROGRESS

Plant & Machinery

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

Long Term Deposits

16. STORES, SPARES & LOOSE TOOLS

Stores

Spares

Loose Tools

17. STOCK IN TRADE

In-Process

Finished Goods Sugar

Rectified Spirit

Molasses

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. 814,183 (1999: 794,000).

**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

21. SALES

Local

Add: Export

Export Rebate

Less: Sales tax

Commission

22. COST OF GOODS SOLD

Sugar Cane Crushed (including
procurement & development expenses)

Stores and Spares consumed

Salaries, Wages & Other Benefits

Water, Fuel and Power

Packing Materials

Other Manufacturing Expenses

22.1

Repairs & Maintenance

Excise Duty

Depreciation

Sugar-in-Process - Opening

- Closing

Less: Sales/Transfer of Molasses

Closing Stock 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 Trading of Sugar
Profit on disposal of Fixed Assets
Other
Sale of Scrap

26. FINANCIAL CHARGES

Mark-up on Redeemable Capital
Mark-up on Short Term Finances
Mark-up on Export Refinance
Profit on Murabaha facility
Mark-up on W.P.P.F.
Bank Charges

27. OTHER CHARGES

Workers' Profit Participation Fund

28. TRIAL RUN ACCOUNT -DISTILLERY UNIT

Sales

Sales Tax

Cost of sales

28.1

Administration, selling and distribution expenses

Consultancy Charges

Local Traveling

Other Expenses

Financial Expenses

Result of Trial Run Transferred
to Distillery Plant & Machinery
and Building.

28.1 Cost of sales

Raw material consumed

Salaries & Wages

Stores & Spares Consumed

Baggasse Handling

Closing Stock - finished goods

29. TAXATION

Current year

Prior year

Deferred

30. 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

31. EARNING PER SHARE

Profit after taxation
 Weighted average number of ordinary shares

Earning per share

32. STATEMENT OF CHANGES IN EQUITY

Description	<i>Paid-up Capital Rupees</i>	<i>General Reserve Rupees</i>	<i>Un a Un a</i>
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	
Net profit for the year	--	--	

Appropriation:		
General Reserve	--	20,000,000
Dividend @ 15%	--	--
	-----	-----
Balance at September 30, 2000	173,623,000	200,000,000
	=====	=====

33. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

INTEREST / MARK-UP BEARING

	<i>Maturity upto one year</i>	<i>Sub-Total (a)</i>	<i>Maturity upto one year</i>
FINANCIAL ASSETS			
Loan to Growers	32,205,256	--	32,205,256
Loan to Employees	--	--	--
Long Term Deposits			
Trade Debtors	--	--	--
Trade Deposits	--	--	--
Cash & Bank Balance	--	--	--
	-----	-----	-----
	32,205,256	--	32,205,256
	=====	=====	=====
FINANCIAL LIABILITIES			
Long Term Loans	--	--	--
Short Term Running			
Finance	70,000,000	--	70,000,000
Redeemable Capital	67,410,399	94,258,169	161,668,568
Creditors, Accrued & Other Liabilities	--	--	--
Proposed Dividend	--	--	--
	-----	-----	-----
	137,410,399	94,258,169	231,668,568
	=====	=====	=====

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

The company considers that it is not exposed to major concentration of credit risk. The company, however, is exposed to credit related losses in the event of non-performance by counter parties to financial instruments but does not expect any counter parties to fail to meet

the obligations. Out of the financial assets aggregating Rs.70,822,350/- the financial assets which are subject to credit risk, amount to Rs.69,329,577/-.

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.

34. CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES REMUNERATION

	Chief Executive		Director	
	2000	1999	2000	1999
Meeting Fee	--	--	--	--
Remuneration	1,442,424	545,454	519,272	196,362
Perquisites	721,212	354,546	259,636	127,638
	-----	-----	-----	-----
Total	2,163,636	900,000	778,908	324,000
	-----	-----	-----	-----
No. of persons	1	1	1	1
	=====	=====	=====	=====

34.1 Chief Executive and two Directors are provided Company maintained car for the business and personal use. Chief Executive and working Director are also provided Telephone facility for the business and personal use.

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

35. CAPACITY AND PRODUCTION

YEAR	CAPACITY		PRODUCTION		% OF CAPACITY ATTAINED
	M. TONS	DAYS	M. TONS	DAYS	
2000	72,000	160	47,469		123
1999	72,000	160	64,421		163

Main reason for underutilization of production capacity is non availability of sugarcane.

36. 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

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