Thal Jute Mills Limited

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BOARD OF DIRECTORS

Rafiq M. Habib Chairman M. Khaleel Shirazi Chief Executive & Vice Chairman Ali S. Habib

Mazhar Valjee A. K. M. Sayeed

A. K. M. Sayeed NIT: Nominee Behram Hasan 1. C. P Nominee AUDITORS:

Hyder Bhimji & Co.

REGISTERED OFFICE: Sth Floor, Al-Manzoor Building, 1. 1. Chundrigar Road, Karachi MILLS: UNIT- 1

D. G. Khan Road, Muzaffargarh. UNIT - 2 Korangi, Karachi

NOTICE OF MEETING

NOTICE is hereby given that the twenty-ninth Annual General Meeting of the Shareholders of the Company will be held at Raffia Choudri Memorial Centre (Sidoo Centre), 264, R. A. Lines, Karachi on Saturday, November 25, 1995 at 09,00 A.N. to transact the following business: -

Ordinary Business

 To confirm the Minutes of the twenty-eighth Annual General Meeting held on Tuesday, December 27,1994
 To receive and adopt the Audited Accounts for the year ended June 30, 1995 together with the Directors' and Auditors' Reports thereon.

3. To elect Directors in accordance with the provisions of the Companies Ordinance, 1984 for a period of three years commencing from January 31, 1996. The present Directors namely: 1) Mr. Eafig M. Habib 3) Mr. M. Khalen Shirari 3) Mr. Ali S. Habib 4) Mr. Mohamedli R. Habib 5) Mr. Mazhar Valjee 6) Mr. A. K. M. Sayeed and 7) Mr. Behram Hasan, being

allighte offer themelves for reslection.
4. To appoint Auditors for the year 1995-96 and fix their remneration. The present Auditors,
Messrs. Hyder Shinji & Company, being eligible, offer themselves for re-appointent.
5. To transact such other business as may be placed before the meeting with the permission of the

Special Business:

6. To approve the remunerations of (i) the Chief Executive and (ii) the Vice Chairman.
7. To consider and if thought proper, pass with or without modification(s) the following Special Resolution:

*RESOLVED that in terms of Section 208 of the Companies Ordinance, 1984 the Directors of the Company be and are hereby authorised to make an investment of Rs. 1,406,250/- in acquiring 1875,000 fully paid up Right Shares of Rs. 7,30 per share (including premium of Rs. 2,50 per share) of Agriauto Industries Limited, an associated Company, making a total investment of Rs. 4,031,250/- in this company.

RESOLUDE FURTHER that Directors of the Company be and are hereby authorised to sell and distinvest whole or part of these shares as and when they deem fit. Statement under Section 160 (1) (b) of the Companies Ordinance, 1984 is being sent to the Shareholders allowyith this notice.

By Order of the Board, (M. Khaleel Shirazi)

Chief Executive & Vice Chairman Karachi: October 29, 1995.

NOTES

i) any person who seeks to contest election to the office of Director shall file with the Company, not later than fourteen days before the date of the Meeting, a notice of his/her intention to offer himself/hereelf for election as a Director together with his/her comment to act as a Director.

(i) The Share Transfer Books of the Company Will remain closed from Sunday, November 19, 1995 to Baturday, November 25, 1995 (both days inclusive). Shares may be lodged for transfer with our Registrar W/s. Noble Computer Services (Pvt.) Lisited, 2nd Floor, Al-Mansor Building, I. I. Chundrigar Road, Karachi. The Shareholders are advised to notify the Registrar of any change in their addresses Iii) A member entitled to attend and vote at this secting may appoint another member as his/her

iii) A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote for his/her. Proxides in order to be effective much be received at the Registered Office of the Company not less than 48 hours before the time of holding the meeting. A Proxy must be a member of the Company.

iv) The Minutes of the previous meeting are available at the Registered Office of the Company.

STATEMENT UNDER SECTION 160(1) (b) OF THE COMPANIES ORDINANCE, 1984.

1. The approval of the Shareholders of the Company will be sought for the remuneration payable to Vice Chairman and the Chief Executive of the Company will be sought for the remuneration payable to conditions of service and if thought proper, to pass the following Resolutions as Ordinary Resolution: *RESOLVED that the Company be and hereby approves and authorize the payment of

RESOLUTE that the Company be and hereby approves and authorize the payment of remmeration to (1) Mr. M. Khales [hirrar] interctor 4 vice chainsan and (2) Mr. Mazhar Valjee, Chief Executive of a total sum not exceeding Rupess one million per annum exclusive of the perguisites and retirement benefits which are admissible under the Company? Sules to Senior Executives for a period of three years commencing from January 31, 1986.

 A prisato Industries Limited, a public limited company, has offered Right Shares at the rate of Rs.
 Sp er hards. The Director Have no vested interest

7.50 per share (including premium of Rs. 2.50 per share). The Directors have no vested interest in Agriauto Industries Limited except that one of our directors is also a director in the said company.

TWENTY NINTH REPORT OF THE DIRECTORS FOR THE YEAR ENDED JUNE 30, 1995.

The Shareholders,

The Directors take pleasure in presenting their report together with the Audited Accounts of the Company for the year ended June 30, 1995. The financial results are given below:

	1995	1994
	Rs. 000's	Rs 000's
Profit before Taxation	11,206	1,703
Provision for Taxation	4,129	530
Profit after Taxation	7,077	1,173

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Deferred Taxation	_	100
Prior Years' Adjustments	188	1,550
	188	1,450
	6,889	(277)
Unappropriated Profit brought forward	121	398
Profit available for appropriation	7,010	121
Appropriation Recommended:		
Transfer to General Reserve	7,000	_
Unappropriated profit carried forward	10	121
	7.010	121

The earning per share after tax was Rs. 0.51 as against Rs. 0.08 in the preceding year.

The year under review augured well for the Company as projected and as can be seen from the profit before tax of Rs. 11.206 million compared to Rs. 1.703 million during the preceding year

SALES:

The Punjab Food Department after experimenting with other types of bags including polypropylene bags concluded that jute bags are the most suitable for their use. This resulted in increased business for the Jute Industry and particularly for Thal Jute Mills Limited whose sales increased from Rs. 449 million to Rs. 596 million that is by 33% over the previous year.

The Company produced 19,570 tons of jute goods during the year under review as against 20,433 tons of last year which shows a decrease of 4%. The shortfall is due to high labour turnover at Muzaffargarh Unit and the poor law and order situation affecting Karachi Unit.

COST OF MANUFACTURE:

A number of factors contributed to the increase in the cost of manufacture consisting mainly of the following : -- a sharp rise in raw jute price in Bangladesh.

-- higher financing charges on imported raw jute. -- increase in cost of jute batching oil (JBO), fuel & power, stores, spares, repairs & maintenance, freight etc.

In addition to these factors the wages and benefits increased by Rs. 16 million for reasons as outlined below: a) disbursement of terminal benefit to 300 retrenched workers at Karachi Unit;
 b) revision of minimum wage of skilled labour by Punjab Wage Board;

c) part provision for social security and employees' old age benefits on the Punjab Special Allowance; d) payment of "atta" allowance for the full year (as against three months in the preceding financial year)

FINANCIAL EXPENSES:

There was drastic cut in the financial expenses from Rs. 32.841 million in the previous year to Rs. 12.705 million which represents reduction of 61 % brought about by better financial planning. INCOME TAX:

The Income Tax Department has finalized the assessment for the assessment year 1994-95 on a normal has in but it has invoked the provisions of section 80C in respect of this assessment year as well as for prior years. The aggregate of such liability works out to Rs. 17 million for which an appeal has been filed with the years, ine aggrégate of such lability works out to AG. I million for which an appeal has beef files with i Commissioner of Income Tax (appeals). An appeal has also been submitted to the chairman, Central Board of Revenue for redressal by your Company and by Pakitan Jute Mills Association. Terms and conditions of tenders floated by D0 Supplies (Ministry of Industries) were such that a jute mill

Secured a contract and other mills supplied through the contracting mill at the contract price on no profit no loss basis to contracting mill. Such an activity has now been classified by Income Tax, as a trading transaction of the contracting mill and consequently they have levied 2.5% withholding tax on all such

FUTURE PLANS AND PROSPECTS:

The Management intends to partially shift the Karachi Unit facilities to Muzaffargarh during the year 1995-96 The Management incense to partially shift the katachi onit facilities to Muzafaragan uning the year 1993 as part of the merger plan and expects to save on the indirect costs. It also plans to dispose of factory building and land at Korangi, Karachi (Unit 111) measuring 2 acres.

During the ensuing year the Company has plans to purchase 71 second hand Shuttleless Looms for installation at Muzaffargarh Unit at a cost of Rs. 7 million to augment productivity and will resolve problem of shortage of labour in the weaving section.

The future prospects of the Jute industry as a whole is bleak despite the fact that the National Tariff Commission has taken cognizance of the dumping of finished jute goods at below cost of production from Bangladesh. The Government of Pakistan has not taken any concrete steps to save many thousands of jobs created by jute industry in Pakistan

Your Company has decided to diversify in the field of progressive manufacture of auto air-conditioners by setting up a separate division in technical collaboration with Hippon Denso of Japan. A fast track agreement has already been signed with Hippon Denso for Technical Assistance. The Company is expected to invest Rs. 23 million during the year 1955/96 towards fixed assets and pre-production expenses. The successful

completion of the project in 1996 will position the Company to substantially increase its earning capacity

DIRECTORS

The present Directors will stand retired on 30th January, 1996 and offer themselves for re-election. AUDITORS: The present auditors of the company Messrs Hyder Rhimii & Co., Chartered Accountants, retire and being

eligible offer the mselves for re-appointment for the ensuing year. PATTERN OF SHAREHOLDINGS:

The pattern of shareholdings as at June 30, 1995 is attached to this report

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STAFF: The Board wishes to place on record its deep appreciation for the hard work and efforts put in by the workers, staff and officers of the Company

On	behal	f of	the	Boar	rd
м.	KHALE	EL S	HIRAS	13	
Ch:	ef Ex	ecut	ive a	é.	
Vie	e Cha	irma	n		
Kar	achi:	Oct	ober	29	1995

PATTERN OF SHAREHOLDING AS ON JUNE 30, 1995

NUMBER OF	SIZE OF SHAREHOLDINGS			TOTAL
SHAREHOLDERS	RS. 5/- EACH			SHARES HELD
1,372	1	TO	100	54,487
1,341	101	то	500	333,856
433	501	то	1,000	318,465
495	1,001	то	5,000	1,021,759
49	5,001	то	10,000	360,646
12	10,001	то	15,000	144,564
9	15,001	то	20,000	160,550
5	20,001	то	25,000	117,309
3	25,001	то	30,000	88,052
2	30,001	то	35,000	64,529
4	35,001	то	40,000	151,129
1	40,001	то	45,000	41,600
1	45,001	то	50,000	50,000
6	50,001	то	55,000	323,000
3	55,001	то	60,000	175,712
1	65,001	то	70,000	66,000
1	120,001	то	125,000	123,830
1	140,001	то	145,000	140,921
2	145,001	то	150,000	294,644
1	155,001	то	160,000	157,559
2	160,001	то	165,000	326,979
1	165,001	TO	170,000	169,811

		-			
TOTAL		3,760		13,913,275	100.000
OTH ERS		2		190,372	1.368
CHARITABLE TRUSTS		5.00		164,450	1.182
CO-OPERATIVE SOCIETIES		4.00		132,203	0.95
FOREIGN INVESTORS		3.00		2,392,890	17.199
MODARABA		4.00		16,781	0.121
FINANCIAL INSTITUTIONS		7.00		2,262,906	16.264
JOINT STOCK COMPANIES		12.00		786,372	5.652
INSURANCE COMPANIES		8.00		1,189,267	8.548
INVESTMENT COMPANIES		4.00		1,777,565	12.776
INDIVIDUALS		3711.00		5,000,469	35.94
Categories of Shareholders		Number		Shares Held	Percentage %
3,700				13,913,275	
3.760				13.913.275	
1	2,225,001	то	2,230,000	2,227,788	
1	1,980,001	то	1,985,000	1,983,749	
1	1,750,001	то	1,755,000	1,753,893	
1	625,001	то	630,000	628,116	
1	465,001	TO	470,000	466,478	
2	300,001	TO	305,000	606,218	
1	260,001	то	265,000	263,741	
1	205,001	то	210,000	208,976	
2	190,001	TO	195,000	380,466	
1	180,001	TO	185,000	180,593	
2	175,001	TO	180,000	352,876	
1	170,001	TO	175,000	174,979	

AUDITORS' REPORT TO THE MEMBERS

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ADULTORS' MANOFT TO THE ADDRESS We have addited the anneeds Balance Sheet of THAL JUTE MILLS LIMITED, as at June 30, 1995 and the related Froîts and Loss Account and Statement of Changes in Financial Position, 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 resort 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 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; Edona's our account man are ruinter in accounting still accounting pointers consistently apprete 1) the expectivities for a still accounting still be accounting and the standard still be accounted and the standard still be business conducted, investments made and the expenditure incurred during the year were in accounting with the objects of the Company's

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 Statement of Changes in Financial Position, together with the notes forming part thereof, give the information required by the Companies Ordinance.

1984 in the more so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 1995 and of the profit and the changes in financial position for the year then ended; and

d) in our opinion, no zakat was deductible at source under Zakat and Ushr Ordinance, 1980.

HYDER BHIMJI & CO. Chartered Accountants Karachi: October 29, 1995.

1995 Rs 000's 1994 Note No. Rs 000's CHARP CARTTAL AND DECERTIES. Share Capital: Authorised: 20.000.000 Ordinary Shares of Rs. 5/- each 100,000 100,000 Issued, Subscribed and Paid-up 3 69,566 69,566 Reserves & Surplus: Reserves 74,240 67,240 4 Unappropriated Profit 74,250 67,361 143,816 136.927 DEFERRED LIABILITIES 5 24,211 27,349 CURRENT LIABILITIES: Short Term Running Finance 138,083 6 4,956 Deposits 7.669 5.530 Creditors Accrued and Other Liabilities 8 145,324 3,478 42,856 4,019 Provision for Income Tax ... 161.427 190.488 CONTINGENCIES & COMMITMENTS 9 329,454 354,764 TANGIBLE FIXED ASSETS: Operating Assets 10 11 85,580 89,156 174 89,330 Capital Work-in-Progress 922 86,502 LONG TERM INVESTMENTS LONG TERM LOANS AND ADVANCES 12 22,448 22,448 13 1,048 867 LONG TERM DEPOSITS 8 DEFERRED COST 1,234 14 647 CURRENT ASSETS: Stores, Spares and Loose Tools 15 37,481 36,392 Stock-in-Trade 16 97.946 140.667 Trade Debts (Unsecured Considered Good) 17,392 37,157 Short Term Investment 17 Advances, Prepayments, Deposits and Receivabl 8.177 18 8.170 Advances against Supplies & Expenses Advance Income Tax 19 7,996 5,627 4.046 5.332 Income Tax Refundable 6,756 6,030 Cash and Bank Balances 20 218.809 240.885 354,764 329.454

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

M. Khaleel Shirazi Mazhar Valjee Director Chief Executive & Vice Chairman Karachi: October 29,1995

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	Note	1995 Rs. 000's		1994 Rs. 000's	
Sales	21	595.714		448,811	
Cost of Sales GROSS PROFIT	21 22	553,029		396,655	
On Manufacturing On Trading	23	- 42,		52,146	
Administrative Expenses	24	42, 16,	685	52,146 16,529	
Selling Expenses	24 25	16, 6, 23.	103	5,331 21.860	
OPERATING PROFIT		10	670	30,286	
Other Income	26	5,	047	4,395	
Financial Expenses	27	24, 12.		34,681 32,841	
Other Charges	28	13,	806 511	137 32,978	
PROFIT BEFORE TAXATION Provision for Taxation	29	11,	206	1,703	
	29				
PROFIT AFTER TAXATION Deferred Taxation			077	1,173 (100)	
Prior Years' Adjustments	31		188 188	1,550 1,450	
Unappropriated Profit Brought Forward			889	(277) 398	
AVAILABLE FOR APPROPRIATION				121	
APPROPRIATION:				121	
Transfer to General Reserve					
UNAPPROPRIATED PROFIT CARRIED FORWARD			10	121	
Note: The annexed notes form an integral part	of these accounts.				
M. Khaleel Shirazi		Mazhar Valjee			
Chief Executive & Vice Chairman Karachi: October 29. 1995		Direc	tor		
			199	5	1994
			Rs. 00	0's	Rs. 000's
CASH IN-FLOW: FROM OPERATIONS: Profit before Taxation				11,206	1,703
Adjustments for Items not involving the Moveme Depreciation	ent of Funds:			9,550	1,703
(Profit) on Sale of Fixed Assets				(168)	(620)
(Profit) on Sale of Investment Deferred Gratuity				1,332	(537) 1,154
Mark-up on Deferred Gratuity				968 11.682	377 10.379
FROM OTHER SOURCES:				22,888	12,082
Sale of Fixed Assets				491	1,751
Sale of Investment Refund of Income Tax			-		4,777 2,200
				491	8,728
				23,379	20,810
Decrease in Current Assets Increase in Current Liabilities				58,847 104,607	_
TOTAL CASH IN-FLOW				186,833	- 20,810
CASH OUT FLOW:					
Repayment of Debentures Addition in Fixed Assets			-	7.045	2,000
Short Term Investment				37,000	_
Increase / (Decrease) in Long Term Loans & Adv Long Term Deposits	ances			181 (587)	(87) 47
Investment Taxes Paid			-	4.113	374
Deferred Gratuity Paid				5,438	_
Increase in Current Assets Decrease in Current Liabilities			-	53,190	11,390 33,370 18,525
TOTAL CASH OUTFLOW			-	53,190	63,285
SURPLUS (SHORT)				133,643	(42,475)
Opening Short Term Running Finance Closing Short Term Running Finance				(138,083)	(97,381) 138,083
FUND SURPLUS (SHORT)				4,956	(1,773)
CASH AND BANK BALANCES: Opening Balance				1,503	3,276
Closing Balance				2,019	1,503
a					1,303

Jan-00

Jan-00 Jan-00 Jan-00 Jan-00

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 1995

ALSS OL INS ACCOUNTS FOR THE FACE ABOUT OVER 30, 1999
1. THE COMPARING THE OPERATORS:
The Company was incorporated on January 31, 1966 and is a Public Limited Company quoted on two Stock Exchanges of Pakistan. The Company is engaged in the manufacture of Jute Goods.
2. SIGNIFICANT ACCOUNTING FOLICIES:

2. stORUTION ACCOUNTING POLICIES: 2.1 Accounts of the Company have been prepared on historical cost convention. 3.2 field Sectiment Gratuity. The Company has made the Provident Fund scheme compulsary for all its employees eligible for the benefits from 193-94.4 Newere, the workers of Unit-2 former Paklatan Jute & Synthetics Limited are covered under the unfunded gratuity acheme. 3.1 Factorization for current taxation, if any, is hased on taxable income at the current rates of deferred intromosification accredit und rebates. If any, The Company has provided for deferred intromosification you strap the liability method on all significant timing differences. 3.4 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 on reducing balance method at the normal tax rates. Maintenance and normal requirs are charged to income as and when

incurred. Profit or loss on disposal of fixed assets is included in the income currently.

2.5 Investments:

Provettements: Investment in bhares is stated at cost. No adjustment for market value as on the balance sheet date is made in the accounts.
 6 Storse, Sparse & Loose Tools:

These are valued at average cost, except Goods-in-Transit which are valued at actuals.

These are Valued at SVFage cost, eachy, usous-in-timinat match at values a measure. 2.7 Stock-in-Trade: Raw Materials in stock are valued at average cost and in transit at actuals. Finished goods are valued at lower of the average cost and net realiable value. Mork-in-Process is valued at

average cost of raw materials plus a portion of the conversion cost. 2.8 Trade Debts: Debts considered irrecoverable are written off and provision is made for debts considered doubtful, if any.

uvume.ut, it may. 2.9 Revenue Recognition: Sales are recorded on dispatch of goods to buyers. Dividend Income is recorded when declared.

2.10 Accounting for Leases:

Lease rentals for assets acquired under operating lease arrangements are charged in arriving at Profit.

3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:	1995 Rs. 000'sRs. 000's	1994
10,783,850 Ordinary Shares of Rs. 5/- each fully		
paid issued for Cash	53,919	53,919
3,129,425 Ordinary Shares od Rs 5/- each fully		
paid issued as Bonus Shares	15,647	15,647
13,913,275	69.566	69.566
4. RESERVES:		
General Reserve (Revenue):		
Balance at beginning of the year	54.000	54.000
Transferred from Profit and Loss Account	7,000 _	
	61.000	54.000
Capital Reserve:		
Difference of Paid-up Capital of former Pakistan Jute &		
Synthetics Limited	13.240	13.240
	 13,240	13,240
	74.240	67.240
	 /4,240	67,240
5. DEFERRED LIABILITIES:	 	
5. DEFENSED LIABILITIES: For Taxition (Note No. 30)		
	12,500	12,500
For Gratuity	11,711	14.849
	24,211	27,349
6. SHORT TERM RUNNING FINANCE (Secured):		
(Utilised under mark-up arrangement)		
6.1 From Banks (Note No. 6.1)	4,956	129,500
6.2 From Financial Institution	-	8,500
	4,956	138,083

Security:

6.1 The Company has short-term running finance facility of Rs. 127 million (1994 - Rs. 170 million) from various banks. The rate of mark-up ranges between 43 paisa to 52 paisa per Rs. 1,000 per day. The finances are secured by way of charge against hypothecation of the Company's Stock-in-Trade, Book

7. DEPOSITS:		
Against Sales adjustable on completion of contracts	7.669	5.53
y		
	1995	1994
	Rs.000's	Rs. 000's
8. CREDITORS, ACCRUED AND OTHER LIABILITIES:		
Creditors Accrued Liabilities	121,161	14,31
	19,502	14,12
Sales Tax Payable	438	3,60
Mark-up and Interest Accrued on Secured Loans and Debent Inclaimed Dividend	255	7,94
	472	47
Workers' Profit Participation Fund (Note No. 8.1)	2,024	1,51
Workers' Welfare Fund	387	30
Other Liabilities (Note No. 8.2)	 1,085	56
	 145,324	42,85
The Creditors include Rs. 259,000 due to Associated Undertakings (1994- Rs. 169,000).		
3.1 WORKERS' PROFIT PARTICIPATION FUND:		
Balance at the beginning of the year	1.516	1.86
Add: Interest for the year shown under Financial		
Charges (Note No. 27)	178	18
	1,694	2,05
Less: Paid during the year	271	63
	1,423	1,41
Add: Allocation for the current year	601	10
	2,024	1,51
8.2 OTHER LIABILITIES:		
Employees Provident Fund	760	40
Income Tax deducted at source	200	16
	 	56
	 	56
9. CONTINGENCIES AND COMMITMENTS:		
9.1 CONTINGENT LIABILITY:		
9.1.1 There is a contingent liability in respect of		
claims not acknowledged as debt	14,216	11,91
0.1.2 This liability is on account of Social Security, EOBI contributions and Minimum Wage Adjustment.		
9.1.3 The contingent liability in respect of Income Tax U/S 80C under appeal is Rs. 17 million.		
9.1.4 The contingent liability in respect of bank guarantees are Rs. 0.4 million (1994 - Rs. 10 million).		
9.2 COMMITMENTS:		
9.2.1 The Capital commitments in respect of Plant & Machinery is Rs. 7.5 million (1994 - Rs. 1.1million)		
A A A A A A A A A A A A A A A A A A A		

9.2.2 The Company under lease agreement executed by it, is committed to pay the following rentals: Years 1995

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1996 1997 1998			1,294	-	360	
1998 10. TANGIELE FIXED ASSETS - OPERATING:			1,233	-		
		COST				R
PA RT I C U LA R S	As At June 30, 1994 Rs. 000's	Additions Rs. 000's		Sales and Adjust- ments Rs. 000's	As At June 30, 1995 Rs. 000's	A T E

Land - Freehold	1,506	_	_	1,506	_	-	_	_	_	1,506
- Leasehold	2,251	_	_	2,251	_	_	_	_	_	2,251
Factory Building on:										
- Freehold Land	16,225	64	_	16,289	10.00%	13,507	278	_	13,785	2,504
- Leasehold Land	20,156	94	_	20,250	10.00%	10,719	953	_	11,672	8,578
Non Factory Building on:										
- Freehold Land	10,464	_	_	10,464	5.00%	5,192	264	_	5,456	5,008
Railway Siding	792	_	_	792	5.00%	573	11	_	584	208
Plant & Machinery	178,484	4,578	_	183,062	10.00%	121,882	6,116	_	127,998	55,064
Vehicles	13,205	745	850	13,100	20.00%	8,718	994	589	9,123	3,977
Office & Mills Equipment	9,779	584	91	10,272	15.00%	6,487	576	54	7,009	3,263
Furniture & Fittings	6,677	232	50	6,859	10.00%	3,305	358	25	358	3,221
Total- 1995	259,539	6,297	991	264,845		170,383	9,550	668	3,638	85,580
Total - 1994	253,484	8,477	2,422	259,539		161,669	10,005	1,291	179,265	89,156

DEPRECIATION

 DEFERENTIATION
 W.D.V.

 Upto
 On Sales
 Upto
 As At

 June 30,
 For the 6 Adjust
 June 30, June 30, June 30, June 30, June 30, San 30, San

10.1 Depreciation charged for the year has been allocated as follows:

PakSearch.com - Pakistan's Best Business site with Annual Reports, Laws and Articles

	1995	1994
	Rs. 000's	Rs. 000's
Manufacturing	8,665	8,988
Administrative	885	1,017
	9,550	10,005

 CAPITAL WORK-IN-PROGRESS Fabrication of Equipment & Machines LONG TERM INVESTMENTS: 				1995 Rs. 000's 922	1994 Rs. 000's 174
In Fully Paid-up Ordinary Shares of Joint St	ock Companies:				
1995 No. of	1994 No. of	Paid-up Value per	Quoted: Associated Undertakings:		
Shares	Shares	Share			
		Rs.			
1,630,000	1,630,000	10	Indus Motor Company Limited	16,300	16,300
562,500	562,500	5	Agriauto Industries Limited	2,625	2,625
131,414	131,414	5	Pakistan Papersack Corp. Ltd.	90	90
273,240	273,240	5	Dyno Pakistan Limited	900	900
463,000	463,000	5	Habib Insurance Company Ltd.	561	561
				20,476	20,476
			Others		
157,141	142,856	5	Balochistan Glass Limited	714	714
2,500	2,500	10	Dost Mohammed Cotton Mills Lt	18	18
298,706	298,706	5	Habib Sugar Mills Limited	1,239	1,239
326	297	10	Glaxo Laboratories (Pakistan)	1	1
				1,972	1,972
				22,448	22,448

Aggregate market value of the shares of Quoted Companies as on June 30, 1995 is Rs 50 million (June 30, 1994 - Rs. 135 million)

		1995	
		1995 . 000's	1994 Rs. 000's
13. LONG TERM LOANS AND ADVANCES:	KS.	. 000's	RS. 000'S
(Unsecured - Considered Good)			
13.1 Loan to Employees		3.680	3.652
Less: Receivable within twelve months shown under		-,	.,
Short Term Loans and Advances (Note No. 18		2.632	2.785
		1,048	867
13.2 These are reclassified as under:			
Outstanding for period exceeding three years		158	75
Others		890	792
		1,048	867
13.3 The aggregate amount due from Executives at the end of the year is Rs. 677,000 (1994 - Rs. 881,000).			
13.4 The maximum aggregate amount due from Executives at the end of any month during the year			
was Rs. 844,000 (1994 - Rs. 890,000).			
13.5 Loans are given to employees for purchase of Capital Goods.			
14. LONG TERM DEPOSITS AND DEFERRED COST:			
Security Deposits		647	1,234
15. STORES, SPARES AND LOOSE TOOLS:			
Stores		7,548	5,848
Spares		28,236	28,375
Loose Tools		186	228
In Transit		1,511	1,941
		37,481	36,392
		====	
16. STOCK-IN-TRADE: Raw Jute			
Kaw Jute Work-in-Process		60,514	20,437
Work-in-process Finished Goods		13,522	17,951
Finished Goods In Transit (Raw Jute)		22,976	101,884
in Transit (kaw Jute)		934	395
		97,946	140,667
17. SHORT TERM INVESTMENT:		====	
With Banks in Term Deposit Certificates			
Wark-up ranges from 10% to 12.5%		37.000	
······ • ···· ··· ··· ·· ·· ·· ·· ·· ··			-

18. ADVANCES, PREPAYMENTS, DEPOSITS AND RECEIVABLES:

PakSearch.com - Pakistan'i Host Bronness site with Annual Reports, Laws and Articles			
Loan to Employees (Note No. 13.1)		2,632	2,785
Advances to Employees Short Term Prepayments		39 320	18 515
Security Deposit		4,573	4,808
Claim and other Receivable		606	51
		8,170	8,177
The loan & advances are unsecured considered good.			
19. ADVANCES AGAINST SUPPLIES AND EXPENSES: (Unsecured-considered good)			
Supplies		5452.00	3,298
Expenses Others		1,148	933 1,396
		7,996	5,627
		7,996	
The Advances include due from Associated Undertakings Rs. 109,000 (1994 - Rs. 238,000).			
20. CASH AND BANK BALANCES:			
Cash in hand Balance with Bankers:		408	419
In Current Account In PLS Account		1,604	456
in pus account		1,611	1,084
		2,019	1,503
21. SALES - Local		689.887	515,488
Less: Sales Tax		78,467	58,729
Brokerage on Sales Cartage & Loading Expenses		900 14,103	418 7,403
Liquidated Damages		703 94,173	127 66,677
		595,714	448,811
	199	5	1994
22. COST OF SALES:	Rs. 00		. 000's
Cost of Manufacture: Raw Material Consumed:			
Opening Stock Add: Purchases		20,437 277,207	21,007 226,379
Paula - E La Galdadio II			
Less: Closing Stock		297,644 60,514	247,386 20,437
Manufacturing Expenses:		237,130	226,949
Salaries, Wages and Benefits (Note No. 22.1) Stores, Spares and Lubricants		146,200	130,208
stores, spares and Lubricants Repairs and Maintenance		15,645	13,047 18,353
Fuel and Power Rent, Rates and Taxes		33,273 385	27,873 157
Vehicle Running Expenses		2,133	2,016
Insurance Fostage, Telephone and Telex		1,329	1,548 968
Travelling and Conveyance		777	815
Entertainment Expenses Printing and Stationery		340 589	267 550
Miscellaneous Overhead Expenses		617	189
Depreciation		8,665	8,988
		232,666	204,979
		469,766	431,928
Work-in-Process: Opening Stock		17,951	14,123
Closing Stock		(13,522)	(17,951)
		4,429	(3,828)
COST OF MANUFACTURE		474,225	428,100
Insurance Claim Finished Goods:		(103)	-
Opening Stock Closing Stock		101,883	70,448 (101.883)
closing stock		(22,976) 78,907	(101,883) (31,435)
		553,029	396,665
		555,025	
22.1. SALARIES, WAGES AND BENEFITS:			
Salaries and Wages (Including Employees			
Welfare Expenses) Social Security Contribution		133,921 3,524	122,674 3,399
Employees Old-Age Benefits' Contribution Education Expenses (Including Cess)		7,006	2,112
Group Insurance		1,354	1,646
		146.200	130.208
		146,200	
23. TRADING ACCOUNT			
Sales		88,882	209.061
Cost of Sales:			
Purchases of Finished Jute Goods		88,882	209,061
Profit / (Loss)			-
24. ADMINISTRATIVE EXPENSES:			
Administrative Salaries Medical Expenses		7,638	7,305 282
Vehicle Running Expenses		1,451	1,474
Printing and Stationery Auditors' Remuneration (Note No. 24.1)		380 91	364
Rent, Rates and Taxes		628	686
Electricity, Gas and Water Legal and Professional Charges		552 619	515 710
legal and Professional Charges Entertainment Expenses		167	152
		296	323
Subscription, Journal and Periodical Expenses			
Subscription, Journal and Periodical Expenses Postage, Telegram, Telephone and Telex Repairs and Maintenance		1,158 498	1,305 480
Subscription, Journal and Periodical Expenses Postage, Telegram, Telephone and Telex Repairs and Maintenance Advertisement and Publicity Charity and Domation (Note No. 24.2)			

689,887 78,467 900 14,103 703

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Travelling and Conveyance	747	340
Kiscellaneous Expenses	121	112
omputer Service Charges	707	575
malgamation Expenses	253	407
spreciation	 885	1,017
	16,912	16,529
.1 AUDITORS' REMUNERATION:	 	
dit Fee	75	90
t of Pocket Expenses	16	10
	 91	100
	 	100
1.2 DONATION:		
one of the Directors and their spouses had any interest in the donees fund except Mr. Rafiq M. Habib & 7. Ali S. Habib are the trustees of Al-Asad Welfare Trust who was paid a donation of Rs. 115,000 (1994 -		
1. 20,000). Mrs. Rafiq M. Habib is also a trustee of Anjuman-e-Behbood-Samat-e-ltefal who was paid		
donation of Rs. 6,000 (1994- Rs. 5,000).		
. SELLING EXPENSES: laries and Benefits	2,938	2,681
hicle Running Expenses	607	2,001
stage, Telegram, Telephone and Telex	625	661
inting & Stationery	22	23
ectricity, Water & Gas	207	185
nt, Rates & Taxes	482	235
avelling Expenses	620	492
tertainment Expenses	164	75
ock Insurance	273	210
scellaneous Expenses	 165	107
	 6,103	5,331
6. OTHER INCOME:		
ividend Income:		
om Associated Undertakings	3,166	1,378
om Others	443	245
	3,609	1,623
ofit on Deposit Account	31	49
ofit on Sale of Fixed Assets	168	620
ofit on Short Term Investment	1,007	
ofit on Sale of Investment	-	537
use Rent Income	232	95
ovision for Sales Tax Written Back scellaneous Income	-	1,410
scellaneous income	 	61
	5,047	4,395
. FINANCIAL EXPENSES:	 	
terest on Debentures		204
rk-up on Short Term Loan	- 510	1,785
rk-up on Running Finance:		
nks	6,593	26,225
hers	2,449	
ntal on Leased Fixed Assets	860	2,080
rk-up on Workers' Profit Participation Fund rk-up on Gratuity	178 968	189 377
rk-up on Gratuity cise Duty on Loan	968	377
nk Charges	519	1,451
	 12,705	32,841
. OTHER CHARGES:	 	
rkers' Profit Participation Fund	601	102
rkers' Welfare Fund	205	35
	 806	137
PROVISION FOR TAXATION:		
rrent Year	3,478	2,243
	651	1,713
rent Isar - Provided /(Written Back)		1,713

30. DEFERED TAATION: The liability of deferred taxation as on Balance Sheet date is estimated at Rs. 12.008 million (1994 - Rs. 12.636 million) against which a sum of Rs. 12.500 million has been provided for. The balance of Rs. 0.1084 million has not been provided for as the Company does not expect any significant portion of the deferred taxation to mature in the foreseable future.

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ince		
	iges ince	

31. PRICO TRASS' ADUSTRANTS: Salarisa Mi Ragas War Risk Insurance			188 188	1,550				
32. DETAILS OF FIXED ASSETS SOLD:	Original Cost Rs.000.s	Accumulated Depreciation Rs.000's		Written Down Value Rs.000's	Selling Price Rs.000's	Profit/ (Loss)	Mode of Sale	Remarks
Failteinas Toyota Corolla Model 1989, Reg. No. E - 7967	KS.000.S	552	366	ks.000's	186	195 KS.	9Negotiation	Mrs. Ameneh Sultan Dil0 Apartment No. 10, Sasi Dimension Block-5 Kehkashan, Clifton, Karachi.
Yamaha Motor Cycle Model 91 Reg. No. MHA-7199		30	17		13	21	8Negotiation	Mr. Ghulam Yasin, Employee of the Company.
Honda Motor Cycle Model 90, Reg. No. MHA-5271		25	17		8	17	9Negotiation	Mr. Azhar Jamil Butt, Employee of the Company.
Honda Motor Cycle Model 90, Reg. No. MHA-2990		25	15		10	18	8Negotiation	Mr. Bashir Ahmed Shahid, Employee of the Company
Honda Motor Cycle CD-70 Model 1991, Reg. No. MHA-6172		28	16.00		12	20	8Negotiation	Mr. Bashir Ahmed Bhatti, Employee of the Company.
Honda Motor Cycle CD-70 Model 1991, Reg. No. MHA-2155		25	15		10	18	8Negotiation	Mr. Saleh Ahmed, Ex-Employee of the Company.
Suzuki Motor Cycle Model, 1992, Reg. No. MHA-7186		28	14		14	21	7 Negotiation	Mr. Farid Bakhsh, Ex-employee of the Company.
Sabro Airconditioners		77	48		29	40	11Negotiation	Noble Computer Services, Karachi.

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Epson Printer	14	6	8	4	(4) Negotiation
Furniture & Fixtures	15	6	9	12	3Negotiation
Furniture & Fixtures	20	9	 11	13	2Negotiation
	839	529	310	379	69
Other Assets-Book Value not exceeding Rs. 5,000	152	139	13	112	99
TOTAL 1995	991	668	 323	491	168
TOTAL 1994	2,422	1,291	 1,131	1,751	620

New Era Computer Service, Taj Complex, Jinnah Road, Karachi.	New	Era	Computer	Service,	тај	Complex,	Jinnah	Road,	Karachi.
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Mr. Azhar Jamil Butt, Employee of the Company.

 $\ensuremath{\mathtt{Mr}}\xspace.$ Saleh Ahmed, Ex-employee of the Company

32.1 No assets have been sold to any Directors, Chief Executive, Executives or any shareholder holding 10% of Equity except as shown above.

33. REMUNERATION OF DIRECTORS AND EXECUTIVES:

	DIRECTORS				CHIEF			EXECUTIVES		
PARTICULARS	1995		1994		1995	19	94	1995	1994	
	Rs. 000's		Rs. 000's		Rs. 000's	Rs. (000's Rs	. 000's	Rs. 000's	
Fees		6		8	_		1	_	_	
Managerial Remuneration		212		212		210		4,892		
Reimbursable Medical Expenses		34		54		29	36	306	335	
Perquisites and Benefits:										
Housing and Utility		169		158		90	90	1,098	1,038	
Company's Contribution to Provident		18		18		18	18	316	305	
		439		450		347	335	6,612	6,446	
NUMBERS		1		1		1	1	24	23	

In addition to the above the Chief Executive has been provided free transport and telephone at his residence for business and personal use. The monetary value of these facilities is not easily determinable.

34. ASSOCIATED UNDERTAINED: 34.1 The maximum aggregate amount due from Associated Undertakings at the end of any month during the year was Bs. 231,000 (1993 - Es. 435,000). 34.2 The Company made following transactions with Associated Undertakings:

		1995 Rs. 000's		1994 Rs. 000's
Insurance Premium Service Charges			2,231 607	1,548
35. PRODUCTION CAPACITY:	Annual Capacity	Annual Production		Capacity Utilised
	M. Tons	M. Tons		%age
Jute Products- 1994 - 95	31,500		19,570	62.13%
Jute Products- 1993 - 94	31,500		20,433	64.87%

Reason for under utilization of capacity was high absenteeism & labour turnover at Muzaffargarh and poor law & order situation at Karachi Unit. The production also dropped on account of delay in shipement of raw jute from Bangladesh.

GENERAL:
 16.1 Previous year's figures have been re-arranged and re-classified wherever necessary for the purpose of comparison.
 16.2 Figures in the accounts have been rounded off to nearest thousand rupees.

M. KHALEEL SHIRAZI Chief Executive & Vice Chairman MAZHAR VALJEE Director