

Liberty Mills Limited

Annual Report 2000

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BOARD OF DIRECTORS

DIRECTORS

MR. SALIM N. MUKATY
MR. ARIF N. MUKATY
MR. YUSUF N. MUKATY
MR. ASHRAF SALIM MUKATY
MR. NOOR MOHAMMAD YOUSUF MUKATY
MR. ARIF HAJI ABDUL SATTAR MANIYA
MR. LUQMAN F. POONWALA
MR. MADNI GUL MUHAMMAD
MRS. HAMIDA SALIM MUKATY

CHIEF EXECUTIVE

MR. YUSUF N. MUKATY

SECRETARY

MR. MUHAMMAD ASHRAF GHAZI

AUDITORS:

HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

A.R. DIWAN & CO.
CHARTERED ACCOUNTANTS

BANKERS

HABIB BANK LIMITED
HABIB BANK A.G. ZURICH
METROPOLITAN BANK LTD.
SONERI BANK LTD.
BANK AL HABIB LTD.

**REGISTERED OFFICE
AND MILLS:**

A-51-A, S.I.T.E., KARACHI,
TEL. NOS. 2578103 TO 2578116
TELEX: 21989 LML PK
TELE FAX: (021) 2564600

Notice of Meeting

NOTICE is hereby given that 34th Annual General Meeting of Shareholders of Liberty Mills Limited will be held at Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi on Wednesday 20th December, 2000 at 10.00 A.M. to transact the following business:

1. To confirm the minutes of the 33rd Annual General Meeting of the Company held on 27th December 1999.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended 30th June, 2000 together with Directors' and Auditors' report thereon.
3. To approve cash dividend @10% (i.e. Rupee 1.00 per share) for the year ended 30th June, 2000 as recommended by the Directors.
4. To appoint Auditors for the year ending 30th June 2001 and to fix their remuneration. The retiring Auditors M/s. Hyder Bhimji & Company and M/s. A. R. Diwan & Company Chartered Accountants of the Company have offered themselves for re-appointment.
5. To transact any other ordinary business which may be placed before the meeting with the permission of the chair.

SPECIAL BUSINESS

To consider and approve disposal of Fixed Assets and to pass with or without modification the following resolution:

1. "RESOLVED that disposal of used GENERATORS which have written down value of Rs. 4,677,098/= as on 30th June 2000 be and is hereby approved"
2. "FURTHER RESOLVED that disposal of SULZER LOOMS which have a written down value of Rs. 9,474, 613/: as on 30th June, 2000 be and is hereby approved"

KARACHI: 27th November, 2000

NOTE:

1. The Share Transfer Books of the Company will be closed from 13th December, 2000 to 20th December, 2000 (both days inclusive)

By Order of the Board

**(Muhammad Ashraf G
Company Secretary**

2. A. Member entitled to attend and vote at this meeting is entitled to appoint another member of the Company as a proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.

3. The shareholders are requested to communicate the Company of any change in their address.

4. Statement under section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special Business is being sent to the members with this notice.

STATEMENT PERSUANT TO SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984

The approval of the Members in respect of sale of a portion of Fixed Assets is sought in accordance with the provision of the section 196 of the Companies Ordinance, 1984.

Report of the Directors

The Directors of the Company take pleasure in presenting their report together with audited accounts of the Company and auditors report thereon for the year ended 30th June, 2000.

OPERATING RESULTS:

The year under review proved to be a challenging one for the Country's economy. In spite of slow economy, the results of your Company reflect much better position as compared to the previous year. The sales rose to Rs. 1.456 billion over the last year's sales of Rs. 1.438 billion, up 1.25%. The gross profit rose to Rs. 197.596 million over the last year's gross profit of Rs. 133.677 million, up 47.82%. The profit before tax rose to Rs. 68.442 million over the last year's profit of Rs. 27.620 million, up 147.80%. Our entire concentration is on the quality improvement of our products which is the key to success in exports resulting in better earnings and satisfied clients. The summarized results are as under:

	<i>2000</i> <i>Rs. in million</i>	<i>1999</i> <i>Rs. in million</i>
Sales & Services	1,455.70	
Gross Profit	197.60	
Profit before Taxation	68.44	
Profit after Taxation	35.13	
Earning per share (Rupees)	2.36	

DIVIDEND:

Your Directors are pleased to recommend 10% dividend, i.e. Re. 1.00 per share of Rs. 10/- each for the year ended 30th June, 2000.

FUTURE OUT LOOK:

Your Company will continue to strive and grow as we hope that present policies of the government will bear fruits in coming months which will result in improved socio-economic conditions. We

expect to perform better with good corporate governance, product innovation and aggressive marketing. Using the collective efforts of workers and management, we are planning to increase our profitability by improving operating efficiency and reducing cost. Quality of service to the customers shall remain our top priority.

PATTERN OF SHAREHOLDING:

The Shareholding pattern of the Company as on 30th June, 2000 is given on page No. 28.

AUDITORS:

The present Auditors Messrs. Hyder Bhimji & Company, Chartered Accountants and Messrs A.R. Diwan & Company, Chartered Accountants, retire and offer themselves for re-appointment.

EMPLOYEES' RELATION:

Your Directors place on record their appreciation for efforts put in by management team and workers of the Company.

For and on behalf of the Board

YUSUF N. MUKAT
Chief Executive

Karachi: the 27th November, 2000

Auditors Report to the Members

We have audited the annexed Balance Sheet of M/S. LIBERTY MILLS LIMITED, as at June 30, 2000, and the related profit and Loss Account, cash flow statement and statement of changes in equity, 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 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 and 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 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 accounts and are further in accordance with accounting policies consistently applied.

ii) the expenditure incurred during the year were 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, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm 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 June 30, 2000 and of the Profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, 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.

HYDER BHIMJI & CO.
Chartered Accountants

A.R. DIWAN & CO.
Chartered Accountants

Karachi: the 27th November, 2000

Balance Sheet as at 30th June, 2000

	<i>Notes</i>	<i>2000</i> <i>Rupees</i>	<i>1999</i> <i>Rupees</i>
CAPITAL AND RESERVES			
CAPITAL			
Authorised:			
20,000,000 Ordinary Shares of Rs. 10/- each.		200,000,000	
		=====	
ISSUED, SUBSCRIBED AND PAID-UP	3	148,946,900	
RESERVE AND SURPLUS			
Revenue Reserve	4	44,000,000	
Un-appropriated Profit		343,103	

		193,290,003	
REDEEMABLE CAPITAL	5	--	
LONG TERM LOANS	6	--	

SUBORDINATED LOAN	7	233,000,000
DEFERRED LIABILITIES	8	55,438,279
CURRENT LIABILITIES		
Current Portion of Redeemable Capital		--
Current Portion of Long Term Loans		7,171,389
Short Term Running Finance utilised under mark-up Arrangements	9	424,460,613
Creditors, Accrued and Other Liabilities	10	78,090,277
Proposed Dividend		14,894,690

		524,616,969
CONTINGENCIES & COMMITMENTS		
	11	--

	Total	1,006,345,251
		=====
FIXED TANGIBLE ASSETS		
Operating Assets	12	567,052,115
Capital Work-in-progress	13	18,408,806

		585,460,921
LONG TERM SECURITY DEPOSITS		
		3,146,245
CURRENT ASSETS		
Stores & Spares	14	12,452,169
Stock-in-Trade	15	177,490,307
Trade Debts	16	159,364,050
Advances, Prepayments and other Receivables	17	64,941,201
Cash & Bank Balances	18	3,490,358

		417,738,085

	Total	1,006,345,251
		=====

NOTE: The annexed Notes form an integral part of these accounts.

YUSUF N. MUKATY
Chief Executive

SALIM N. MUKATY
Director

Karachi: the 27th November, 2000

Profit and Loss Account
For the Year Ended 30th June, 2000

	<i>Notes</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
Sales & Services	19	1,455,703,872	
Cost of Sales and Services	20	1,258,108,047	

Gross Profit		197,595,825	

Administrative Expenses	21	43,975,302	
Selling & Distribution Expenses	22	53,389,583	

		97,364,885	

Operating Profit		100,230,940	

Financial Charges	23	29,386,939	
Other Charges	24	4,233,785	

		33,620,724	

		66,610,216	
Other Income	25	1,831,691	

Profit before Taxation		68,441,907	
Taxation	26	(33,306,489)	

Profit after Taxation		35,135,418	
Un-appropriated Profit brought forward		102,375	

Profit available for Appropriation		35,237,793	
Less Appropriation:			
Transfer (to)/from Revenue Reserve		(20,000,000)	
Proposed Dividend @ 10% (1999: @ 06%)		(14,894,690)	

		(34,894,690)	

Un-appropriated profit carried forward		343,103	
		=====	
Earning per share		2.36	
		=====	

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

YUSUF N. MUKATY
Chief Executive

SALIM N. MUKATY
Director

Karachi: the 27th November, 2000

**Statement of Changes in Financial Position
(Cash Flow Statement) For the Year Ended 30th June, 2000**

	<i>Notes</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit for the year before taxation		68,441,907	
Adjustments for items not involving movement of funds			
Depreciation		62,881,816	
Depreciation written back		--	
Provision for staff Retirement benefits (Net)		2,184,813	
(Profit) on sale of fixed assets		(1,790,663)	
Financial charges		29,386,939	
Capital Gain		--	

		92,662,905	
		=====	
		161,104,812	
 Add: Net (Increase) / Decrease in working capital	 30	 (145,567,011)	
 Less: Financial charges paid		 (31,222,368)	
Income Taxes paid		(15,906,479)	
Long term security deposits		(500,000)	

Net cash flow generated from operations		(32,091,046)	
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed Capital Expenditure		(174,238,107)	
Proceeds from disposal of fixed assets		4,300,000	

Net cash flow towards investing activities		(169,938,107)	
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term loans		(11,981,750)	
Repayment of Redeemable capital		(11,089,858)	
From Directors Loan		108,000,000	
Dividend paid		(8,936,814)	

Net cash flow from financing activities		75,991,578	
Net increase in Cash & Cash equivalents		(126,037,575)	
Cash & cash equivalent at the beginning of the year		(294,932,680)	

Cash & cash equivalent at the end of the year (420,970,255)

=====

YUSUF N. MUKATY
Chief Executive

SALIM N. MUKATY
Director

Karachi: the 27th November, 2000

Statement of Changes in Equity
For the year ended 30th June, 2000

	<i>Share Capital</i>	<i>Revenue Reserve</i>	<i>Un-appropriated Profit</i>	<i>Total</i>
Balance as at 30-June-98	148,946,900	24,000,000	45,168	
Net Profit for the year ended 30 June, 1999	--	--	8,994,021	
Dividend	--	--	(8,936,814)	
	-----	-----	-----	
Balance as at 30-June-99	148,946,900	24,000,000	102,375	
Net profit for the year ended 30-Ju	--	--	35,135,418	
Appropriations Transfer to Revenue Reserve	--	20,000,000	(20,000,000)	
Dividend	--	--	(14,894,690)	
	-----	-----	-----	
Total	148,946,900	44,000,000	343,103	
	=====	=====	=====	

Notes to the Accounts
For the Year Ended 30th June, 2000

1. COMPANY AND ITS BUSINESS

The Company was incorporated in Pakistan in 1965 as Private Limited Company and was converted into Public Limited Company on 12th September 1969. Its shares are quoted in the Karachi Stock Exchange. The principal activity of the Company is manufacturing and processing of all kinds of Fabrics.

2. SIGNIFICANT ACCOUNTING POLICIES

2.01 Accounting Convention

The Account of the Company have been prepared under the historical cost convention modifications thereto if any are specifically stated.

2.02 Taxation

The charge for current taxation is based on taxable income at the current rates of taxation

after considering admissible tax credits and rebates, if any.

The Company accounts for deferred taxation on all material timing differences by using liability method.

2.03 Gratuity

The Company operates an un-funded gratuity scheme for all its employees who are eligible to the benefit.

2.04 Foreign Currency Transaction

Transactions in foreign currencies are translated at the rates prevailing on the Balance Sheet date.

2.05 Fixed Tangible Assets

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

Depreciation is charged to income applying the reducing balance method at the rates specified in note whereby the cost of an asset is written off over its estimated useful life. Maintenance and normal repairs are charged to income as incurred. Major renewals and improvements are capitalised and assets so replaced, if any, are retired. Addition to fixed assets are depreciated for the whole year irrespective of date of purchase while no depreciation is provided on assets disposed off during a year. Profit or Loss on disposal of fixed assets is included in income currently.

2.06 Stores and Spares

These are valued at cost on First-in-First out method.

2.07 Stock-in-Trade

These are stated as under:

- (a) Raw Material at cost on FIFO basis.
- (b) Work-in-process at average cost of raw material.
- (c) Finished Stock at the lower of cost on FIFO basis and net realisable value.
- (d) Stock in Bonded Warehouse at actuals.
- (e) Trading Stock at actuals.

2.08 Trade Debts

Debts considered irrecoverable, are written off and provision is made for debts considered doubtful, if any.

2.09 Revenue Recognition

Sales are recorded on despatch of goods to the Customers. Income from process services is recorded when earned.

3. ISSUED SUBSCRIBED AND PAID-UP-CAPITAL

2000 *1999*
No. of shares *No. of shares*

2000
Rupees

1999
Rupees

12,732,092	12,732,092	Ordinary Shares of Rs. 10/- each fully paid issued for cash	127,320,920
2,162,598	2,162,598	Ordinary Shares of Rs. 10/- each fully paid issued as Bonus Shares.	21,625,980
----- 14,894,690 =====	----- 14,894,690 =====		----- 148,946,900 =====

4. REVENUE RESERVE

Balance as at start	24,000,000
Transfer from Profit and Loss Account	20,000,000
	----- 44,000,000 =====

5. REDEEMABLE CAPITAL

Long Term Demand Finance:

From Islamic Development Bank (Islamic Dinar -) (1999: Islamic Dinar 305166)	--
Less: Repayable in next twelve months	--
	----- -- =====

6. LONG TERM LOANS (Secured) FROM FINANCIAL INSTITUTION: Pakistan Industrial Credit and Investment Corporation

	Loan No. 1	6,191,752
	Loan No. 2	979,637
		----- 7,171,389
Current portion shown under Current Liabilities		(7,171,389)
		----- -- =====

Loan No.1

Interest:

The Company shall pay interest @ 1% per annum above the prime rate of interest applicable to the United States Dollar or @ 14% per annum, which ever is higher.

Repayment:

The loan is repayable in 20 semi-annual installments commenced from July 1, 1991.

Security:

The Loan is secured by first charge in favour of PICIC on all the present and future assets of the Company.

Loan No.2**Interest:**

The Company shall pay interest @ 8% per annum.

Repayment:

The loan is repayable in 32 equal quarterly installments commenced from July 1, 1994.

Security:

The loan is secured by first charge in favour of PICIC on all the present and future assets of the Company.

	<i>2000</i>	<i>1999</i>
	<i>Rupees</i>	<i>Rupees</i>
7. SUBORDINATED LOAN - UNSECURED		
Interest Free Loan from Directors and others	233,000,000	

	233,000,000	
	=====	
No interest is payable on the above loan. Terms of repayment have not yet been finalised.		
8. DEFERRED LIABILITIES		
Taxation	49,700,000	
Staff Gratuity	5,738,279	

	55,438,279	
	=====	
9. SHORT TERM RUNNING FINANCE		
Utilised under Mark-up arrangements (Secured):		
From Commercial Banks:		
Export Refinance	(Note 9.1) 350,000,000	
Running Finance	(Note 9.2) 74,460,613	

	424,460,613	
	=====	

9.1 Export refinance is secured against out-standing export proceeds, hypothecation of stock and receivables and personal guarantee of all the directors.

Rate of Mark-up @ 80/0 (1999: 80/0)

Extent of Facility Rs. 350 Million (1999: Rs. 310 Million)

9.2 Running finance is secured against hypothecation of stock and equitable mortgage of Plant and Factory and Personal guarantee of all the Directors.

Rate of Mark-up: Paisas 43 per thousand rupees per day.

Extent of Facility Rs. 110 Million (1999: Rs. 110 Million)

10. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		56,488,348
Accrued Liabilities		12,395,474
Interest Accrued on Secured Loans		3,312,291
Advances from Customers		1,009,758
Worker's Profit Participation Fund	(Note 10.1)	3,633,785
Worker's Welfare Fund		600,000
Unclaimed Dividend & Bonus Fractions		233,652
Other liabilities	(Note 10.2)	416,969

		78,090,277
		=====

10.1 WORKER'S PROFIT PARTICIPATION FUND

Balance at the beginning of the year		1,481,030
Interest on last year Balance		118,685

		1,599,715
Paid to Trust		(1,599,715)

		--
Allocation for the year		3,633,785

		3,633,785
		=====

10.2 OTHER LIABILITIES

Employees Vehicle Purchase Scheme		393,607
Employee Salaries Income Tax Payable		23,362

		416,969
		=====

11. CONTINGENCIES AND COMMITMENTS

COMMITMENTS:

For Outstanding L/C in respect of Raw Material & Spares etc.		17,152,365
For Capital Expenditures		34,560,750
Guarantee issued to Sui Southern Gas Company Ltd.		18,208,000

12. OPERATING ASSETS

<i>PARTICULARS</i>	<i>COST</i>			<i>As at 30-Jun-00</i>
	<i>As at 01-Jul-99</i>	<i>Additions During the Year</i>	<i>Disposal During the Year</i>	
Lease Hold Land	12,496,473	7,306,100	--	
Factory Building on lease hold land	77,643,751	1,883,893	--	
Non Factory building on lease hold land	16,609,722	1,534,242	--	
Plant & Machinery	552,448,983	241,121,105	6,528,406	
Factory Equipments	31,381,658	2,973,990	--	
Office Equipments	11,367,287	1,273,328	--	
Furniture & Fixtures	4,211,133	330,199	--	
Vehicles	32,564,192	12,672,000	2,604,513	
TOTAL RUPEES: JUNE 2000	738,723,199	269,094,857	9,132,919	
TOTAL RUPEES: JUNE 1999	693,921,615	53,918,500	9,116,916	

Note: Depreciation charge has been allocated to

	<i>2000 Rupees</i>	<i>1999 Rupees</i>
Cost of Sales & Services	55,820,054	
Administrative Expenses	7,061,762	
	62,881,816	

12.1 DETAILS OF DISPOSAL OF FIXED ASSETS

<i>S. No.</i>	<i>PARTICULARS</i>	<i>Year of Purchase</i>	<i>Original Cost</i>	<i>Accumulated Depreciation</i>
1	Car Honda Vti AAQ-191	1996-97	984,000	
2	Car BMW	1992	1,620,513	
3	Benninger Bleaching Machine (One Unit)	1991	1,983,722	
4				
5	Afros Washing Machine	1989	1,504,152	
	Stork Rotary Printing Machine	1980	3,040,532	
		2000	9,132,919	

Prepayments	36,200,983
Income Tax	36,581
	9,525,899

OTHER RECEIVABLES:

Duty Drawback	16,186,449
Sales Tax Refunds	2,991,289
Others	--

	64,941,201
	=====

18. CASH AND BANK BALANCES

Cash in hand	807,063
Balance with Bank in Current Accounts	2,683,295

	3,490,358
	=====

19. SALES

Export Sales	947,698,553
Waste Sales	438,983
Local Sales	45,022,939

	993,160,475

SERVICES

Cloth processing printing & Dyeing	478,702,316

	1,471,862,791

Less Commission and Brokerage

Export Commission	(15,316,396)
Local Processing Commission	(842,523)

	(16,158,919)

	1,455,703,872
	=====

20. COST OF SALES

Raw Material Consumed (Note 20.1)	953,645,513
Stores & Spares Consumed	56,435,352
Design, Stitching, Weaving Raising & Mending Charges	94,520,273
Power, Water and Gas	132,723,774
Salaries Wages and Other Benefits	53,209,423
Repairs & Maintenance	14,077,608
Packing Charges	5,437,592
Rent Rates & Taxes	664,076

Insurance	1,831,375
Depreciation	55,820,054
Less: Duty Drawback	(75,422,403)
COST OF PRODUCTION	1,292,942,637
Work-in-Process - Opening	1,652,238
- Closing	(30,666,420)
	(29,014,182)
Cost of Goods Manufactured	1,263,928,455
Finished Goods - Opening	4,075,836
- Closing	(9,896,244)
	(5,820,408)
	1,258,108,047

20.1 RAW MATERIAL CONSUMED

<i>Particulars</i>	<i>Raw Material Rs.</i>	<i>Packing Material Rs.</i>	<i>Total 2000 Rs.</i>	<i>Total 1999 Rs.</i>
Opening Stock	24,261,957	3,443,891	27,705,848	
Add: Purchases	1,016,283,272	46,584,036	1,062,867,308	
	1,040,545,229	50,027,927	1,090,573,156	
Less: Closing Stock	131,935,240	4,992,403	136,927,643	
Consumed	908,609,989	45,035,524	953,645,513	

21. ADMINISTRATIVE EXPENSES

	<i>2000 Rupees</i>	<i>1999 Rupees</i>
Salaries & Other Benefits	17,976,089	
Security Charges	1,855,432	
Rent, Rates & Taxes	34,951	
Legal & Professional Charges	1,440,827	
Insurance	134,939	
Conveyance	105,677	
General Expenses	658,069	
Postage & Telegram	116,032	
Telephone	3,461,961	

Subscription		110,409
Travelling		3,765,140
Printing & Stationery		684,907
Motor Vehicle Expenses		3,583,788
Cartage		359,143
Advertisement		503,381
Charity & Donation	(Note 21.1)	2,037,475
Auditors Remuneration	(Note 21.2)	85,320
Depreciation		7,061,762

		43,975,302
		=====

21.1 CHARITY AND DONATION

None of the Directors or their Spouse had any interest in donee's fund

21.2 AUDITOR'S REMUNERATION

Audit fee		80,000
Out of pocket expenses		5,320

		85,320
		=====
(Auditors sharing their fee equally)		

22. SELLING AND DISTRIBUTION EXPENSES

Export Expenses		5,435,253
Export Freight & Insurance		34,264,388
Cartage		1,436,573
Forwarding & Handling Charges		652,969
Export Quota Cost		11,600,400

		53,389,583
		=====

23. FINANCIAL CHARGES

Profit on Redeemable Capital (including Exchange Risk coverage fees)		89,969
Interest on Long Term Loans		2,245,140
Interest on Worker's Participation Fund		118,685
Mark-up on Short Term Running Finance		24,797,614
Bank Charges and Commission		2,135,531

		29,386,939
		=====

24. OTHER CHARGES

Worker's Profit Participation Fund		3,633,785
Worker's Welfare Fund		600,000

	4,233,785
	=====

25. OTHER INCOME

Profit on disposal of Fixed Assets	1,790,663
Rental Income	41,028
Depreciation written back	--
Capital gain on disposal of office	--

	1,831,691
	=====

26. PROVISION FOR TAXATION

Current	12,200,000
Deferred	17,700,000
Prior Year	3,406,489

	33,306,489
	=====

27. REMUNERATION TO CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Detail of aggregate amount charged in above accounts as remuneration of Chief Executive, Directors and Executives are as under:

	<i>Chief Executive</i>	<i>2000 Directors</i>	<i>Executives</i>	<i>Chief Executive</i>
Director Fees	--	--	--	
Managerial Remuneration	--	--	1,392,000	
Perquisites and Allowances	--	--	--	
Car for Company's and Personal Use.				
Approximate money Value	232,709	490,536	--	
	-----	-----	-----	
	232,709	1,882,536	2,395,807	
	=====	=====	=====	
Number of Persons	1	6	14	
	=====	=====	=====	
			<i>2000 Rupees</i>	<i>1999 Rupees</i>

28. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Sales	28,177,107
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Services obtained 1,430,770

The maximum aggregate amount due from Associated undertaking at the end of any month during the year was Rs. 9,332,741 (1999: Rs. 18,034,830).

29. PLANT CAPACITY AND PRODUCTION

<i>Printing & Dyeing Installed Capacity (Meters in Million)</i>		<i>Knitted Fabrics Installed Capacity (Kgs. in Million)</i>	
<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
54.000	54.000	0.500	
<i>Actual Production (Meters in Million)</i>		<i>Actual Production (Kgs. in Million)</i>	
<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
38.334	39.210	0.416	

(Based on product mix of varieties and normal design coverage).

The decrease in capacity utilisation is due to switch over to higher value added products and continuation of change over process of replacement of old machines.

	<i>2000 Rupees</i>	<i>1999 Rupees</i>
30. WORKING CAPITAL CHANGES		
INCREASE DECREASE IN CURRENT ASSETS		
Stores & spares	(4,450,574)	
Stock-in-trade	(144,056,384)	
Trade debts	48,607,151	
Advance, Deposits, Prepayments and Other receivables	842,281	

	(99,057,526)	

INCREASE/(DECREASE) IN CURRENT LIABILITIES

Creditors,