

## **Thal Jute Mills Limited**

### **Annual Report 2000**

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#### **BOARD OF DIRECTORS:**

Rafiq M. Habib	Chairman
Ali S. Habib	
Mohamedali R. Habib	
S. A. Q. Haqqani	
Mazhar Valjee	Chief Executive
Sohail P. Ahmed	
Muhammad Jamil Hussain	

#### **AUDITORS:**

Hyder Bhimji & Co.  
Chartered Accountants

#### **REGISTERED OFFICE:**

4th Floor, Siddiqsons Tower,  
3-Jinnah Cooperative Housing Society,  
Sharea Faisal, Karachi.

#### **MILLS:**

##### **Jute Operation:**

UNIT- 1  
D. G. Khan Road,  
Muzaffargarh.

##### **Engineering Operation:**

UNIT - 2  
Korangi, Karachi.

#### **NOTICE OF MEETING**

NOTICE is hereby given that the thirty-fourth Annual General Meeting of the Shareholders of the Company will be held at Islamic Chamber of Commerce & Industry, ST 2/A, Block-9, KDA Scheme 5, Clifton, Karachi on Thursday, November 16, 2000 at 10:00 A.M. to transact the following business:-

1. To receive and adopt the Audited Accounts for the year ended June 30, 2000 together with the Reports of the Directors and Auditors thereon.
2. To approve cash dividend @ 50% i.e. Rs. 2.50 per share for the financial year ended June 30, 2000 as recommended by the Board of Directors.
3. To appoint Auditors for the year 2000-2001 and fix their remuneration.

**By Order of the Board,**

**(ALI ASGHAR MOTEN)**  
**Secretary**

Karachi: September 25, 2000.

**NOTES:**

i) The Share Transfer Books of the Company will remain closed from Thursday, November 09, 2000 to Thursday, November 16, 2000 (both days inclusive). Shares may be lodged for transfer with our Registrar M/s. Noble Computer Services (Pvt.) Limited, 14, Banglore Town, Sharea Faisal, Karachi. The Shareholders are advised to notify the Registrar of any change in their addresses.

ii) A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote for him/her. Proxies in order to be effective must 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.

iii) CDC shareholders desiring to attend the meeting are requested to bring their original National Identity Card, Account and Participant's ID numbers, for identification purpose and in case of proxy, to enclose an attested copy of his/her National Identity Card.

**THIRTY-FOURTH REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED JUNE 30, 2000.**

The Shareholders,

The Directors of your company are pleased to place before you the annual report of the operations of the company (jute and engineering divisions) with the audited accounts for the year ended June 30, 2000.

	<i>1999-2000</i>	<i>1998-1999</i>
	<i>Rs. 000's</i>	<i>Rs. 000's</i>
Sales Revenue	1,244,887	1,058,215
Gross Profit	170,506	178,243
Net profit before taxation	119,898	126,339
Provision for taxation	45,131	43,246
	-----	-----
Net profit after taxation	74,767	83,093
Unappropriated profit brought forward	661	2,351
	-----	-----

	75,428	85,444
<b>Appropriations:</b>		
Final Dividend - proposed @ 50% (1999: 50%)	34,783	34,783
Transfer to General Reserve	40,000	50,000
	-----	-----
Unappropriated profit carried forward	645	661
	=====	=====

After having crossed turnover of Rs. 1 billion last year, the sales of the company Al-Hamdolillah touched Rs. 1.2 billion in the year under review, an increase of 17.6%. The gross profit however declined by 4.3% and net profit before tax by 5.1% due to weaker rupee, increased cost of jute and reduced selling prices.

#### **JUTE OPERATIONS:**

##### **Sales Turnover:**

The sales for the year under review improved from Rs. 577.214 million to Rs. 744.417 million, that is an increase of Rs. 167.203 million or 29%. This year Pakistan harvested a record wheat crop of 22 million tons and the Food Department; Government of Punjab procured a record 6.5 million tons of wheat. For their packaging needs they bought double the quantity of jute sacks that they usually buy. Your management capitalized on the strong demand and sold a record 21,610 tons of jute goods in 1999-2000 opposed to 15,807 tons last year, an increase of 37%. The selling price per ton however declined as Punjab Government awarded a very low price for jute sacks that impacted the gross margins negatively.

Under the market expansion program your management met with success in securing an export order for 80 tons of hessian cloth to Iran valuing Rupees three million. Larger export orders have been received in the current year.

##### **Production:**

The production for the year under review improved to 20,440 tons from 16,906 tons of last years', an increment of 3,534 tons that is 21%. The mills reverted temporarily to round the clock working to cater to the increased demand for jute sacks.

The refurbishing (revamping) of mills machinery that has yielded high productivity is near completion.

##### **Cost of Manufacture:**

Your management was able to contain cost of manufacture except for raw materials as the price of raw jute registered an increase in the international market.

##### **Administration & Selling Expenses:**

The administrative expenses were maintained close to last year's; the selling expenses registered an increase in travelling, new export expenses and due to a provision made for doubtful debts.

#### **ENGINEERING OPERATIONS:**

##### **Sales Turnover:**

The turnover of engineering operations registered a marginal increase of 4% from Rs. 481.001 million to Rs. 500.470 million even though the sales volume of 16,179 units was not very different from last year's. The marginal increase in value represents adjustment in price due to weakening of rupee and sale of some wiring harnesses towards the end of the year.

You will be happy to know that your Company crossed the 50,000 units cumulative sales mark since start-up of operation in the year under review.

##### **Cost of Manufacture:**

The cost of manufacturing increased from Rs. 395.704 million to Rs. 429.666 million that is an increase of Rs. 33.962 million due to depreciation on plant and machinery of the heat exchanger and wire harness, cost of wire harness operations and provision for technical fee to Furukawa, Japan.

**Administration & Selling Expenses:**

The administration and selling expenses remained in check. However to enhance awareness in the market, increased advertisement and publicity campaigns as free checkup etc. were undertaken. A Denso aircon Centre has been established also in Lahore and a Denso Club has been formed. These activities have naturally increased the costs under relevant heads.

**OTHER INCOME:**

Other income declined from Rs. 18.232 million to Rs. 13.876 million due to reduction in rental income. The building that was earlier rented out to tenants is now being put to productive use by the Engineering Division for the manufacture of wire harness.

**FINANCIAL EXPENSES:**

The financial expenses during the year under review reduced substantially from Rs. 16.528 million to Rs. 6.333 million i.e. Rs. 10.195 million due to diversified and larger sales of jute goods throughout the year coupled with prompt collection of sales receivables and downward revision of markup rates.

**FUTURE PROSPECTS:**

**Jute:**

The sales pattern of jute sacks is undergoing a change this year. There being no need for import of wheat the MINFAL will have no demand for jute sacks. The Provincial Government and PASSCO are however expected to procure larger volumes to give support to the anticipated larger wheat crop.

The experiment of using Woven Polypropylene (WPP) bags carried out by the Governments of Balochistan and Punjab Food Departments proved a hopeless failure, in fact a disaster in case of Balochistan.

The Government has entered into agreements to export surplus wheat to Afghanistan and Iran Governments and will require new sacks for packing the wheat when the sales materialize.

It is hoped that the resultant demand due to above factors will makeup for the absence of demand for packing of imported wheat.

Prices of Raw Jute are erratic this year and the continuous weakening of the rupee will only make it dearer.

Export of large volumes of jute goods mainly to Iran is a possibility. Some financial assistance from the Government of Pakistan can make it remunerative and attractive for the industry.

**Engineering Division:**

Changes in the car market are happening with new models and new entrants in the field. Your Company has begun supplies of airconditioners and wiring harness for Daihatsu Cuore, which hopefully will more than compensate for the decline in some other models.

The Government is cooperating with the industry in implementing the Trade Related Investment Measures (TRIMS) under WTO.

Your Company has in the meantime invested in condenser and evaporator-manufacturing facilities to achieve the mandated 52% local content and will invest further in tube bending facilities required for the said condensers & evaporators. This will help in controlling costs better and strengthening us whenever TRIMS comes into force. We are also working towards finding new clients for our products and view the forthcoming year with a great deal of optimism.

**AUDITORS:**

The present auditors of the Company Messers Hyder Bhimji and Company, Chartered Accountants retire and being eligible offer their services for re-appointment.

**PATTERN OF SHAREHOLDINGS:**

The pattern of shareholdings as at June 30, 2000 is attached to this report.

**APPRECIATION:**

The Board places on record its appreciation of 'Allah's Blessings' and of the hard work put in by all team members of the company in bringing home such consistent excellent performance.

**On behalf of the Board**

**MAZHAR VALJEE**  
**Chief Executive**

Karachi, September 25, 2000.

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of THAL JUTE 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 purpose 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 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;

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 opinions 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 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 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 Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited into the Central Zakat Fund established under section 7 of that Ordinance.

Karachi: September 25, 2000.

**HYDER BHIMJI & CO.**  
**Chartered Accountants**

## BALANCE SHEET AS AT JUNE 30, 2000

	<i>Note No.</i>	<i>2000 Rs. 000's</i>	<i>1999 Rs. 000's</i>
<b>SHARE CAPITAL:</b>			
<b>Authorised:</b>			
20,000,000 Ordinary Shares of Rs. 5/- each		100,000	100,000
		=====	=====
Issued, Subscribed and Paid-up	3	69,566	69,566
Reserves	4	220,000	180,000
Unappropriated Profit		645	661
		-----	-----
		290,211	250,227
<b>LONG TERM LOANS</b>	5	6,500	--
<b>LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>	6	2,244	--
<b>DEFERRED LIABILITIES</b>	7	24,564	21,739
<b>CURRENT LIABILITIES:</b>			
Current Maturity of Long Term Liabilities	8	6,964	--
Short Term Borrowings	9	51,680	15,726
Creditors, Accrued and Other Liabilities	10	255,282	181,384
Taxation		43,732	44,512
Dividend		34,783	34,783
		-----	-----
		392,441	276,405
<b>CONTINGENCIES &amp; COMMITMENTS</b>	11		
		-----	-----
		715,960	548,371
		=====	=====

Karachi: September 25, 2000.

<b>OPERATING ASSETS</b>	12	126,393	90,459
-------------------------	----	---------	--------

<b>LONG TERM INVESTMENTS</b>	13	23,122	23,854
<b>LONG TERM LOANS, ADVANCES AND DEPOSITS</b>	14	926	1,290
<b>CURRENT ASSETS:</b>			
Stores, Spares and Loose Tools	15	31,534	294,123
Stock-in-Trade	16	172,975	182,655
Trade Debts	17	109,256	103,585
Short Term Investments	18	168,800	72,400
Advances, Deposits, Prepayments and Other Receivables	19	68,073	32,968
Cash and Bank Balances	20	14,881	11,737
		-----	-----
		565,519	432,768
		-----	-----
		715,960	548,371
		=====	=====

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

**Mazhar Valjee**  
Chief Executive

**Sohail P. Ahmed**  
Director

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

	<i>Note No.</i>	<i>2000 Rs. 000's</i>	<i>1999 Rs. 000's</i>
Sales	21	1,244,887	1,058,215
Cost of Sales	22	1,074,381	879,972
		-----	-----
<b>GROSS PROFIT</b>		170,506	178,243
		-----	-----
Administrative Expenses	23	34,035	34,649
Selling Expenses	24	15,040	9,459
		-----	-----
		49,075	44,108
		-----	-----
<b>OPERATING PROFIT</b>		121,431	134,135
		-----	-----
Other Income	25	(13,876)	(18,232)
Financial Expenses	26	6,333	16,528
Other Charges	27	9,076	9,500
		-----	-----
		1,533	7,796
		-----	-----
<b>PROFIT BEFORE TAXATION</b>		119,898	126,339
		-----	-----
Provision for Taxation			
Current		41,548	42,703
Prior years		(89)	1,978

Deferred		3,672	(1,435)
		-----	-----
		45,131	43,246
		-----	-----
<b>PROFIT AFTER TAXATION</b>		74,767	83,093
Unappropriated Profit Brought Forward		661	2,351
		-----	-----
		75,428	85,444
Appropriations			
Final Dividend @ 50% (1999: 50%)		34,783	34,783
Transfer to General Reserve		40,000	50,000
		-----	-----
		74,783	84,783
		-----	-----
<b>UNAPPROPRIATED PROFIT CARRIED FORWARD</b>		645	661
		=====	=====
Earning per share	28	5.37	5.97
		=====	=====

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

**Mazhar Valjee**  
Chief Executive

**Sohail P. Ahmed**  
Director

Karachi: September 25, 2000.

**STATEMENT OF CHANGES IN FINANCIAL POSITION (CASH FLOW STATEMENT)  
FOR THE YEAR ENDED JUNE 30, 2000**

	<i>2000</i>	<i>1999</i>
	<i>Rs. 000's</i>	<i>Rs. 000's</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before Taxation	119,898	126,339
Adjustments for:		
Depreciation	27,934	16,024
Financial Charges	6,333	16,528
Gratuity	353	1,331
Provision for Doubtful Debts	3,093	--
Provision for Diminution in value of Investment	18	--
Loss on Sale of Investment	207	--
Profit on Sale of Fixed Assets	(263)	(353)
	-----	-----
	37,675	33,530
	-----	-----
Operating Profit before Working Capital changes	157,573	159,869
<b>Changes in Working Capital:</b>		
<b>(Increase)/Decrease in Current Assets:</b>		
Stores, Spares and Loose Tools	(2,111)	1,911
Stock-in-Trade	9,680	(52,094)

Trade Debts (Unsecured Considered Good)	(8,764)	(32,198)
Advances, Deposits, Prepayments and Other Receivables	(35,139)	2,556
<b>Increase/(Decrease) in Current Liabilities:</b>		
Creditors, Accrued and Other Liabilities	75,534	(38,472)
	-----	-----
	39,200	(118,297)
	-----	-----
Cash generated from operations	196,773	41,572
Financial Charges paid	(8,536)	(11,881)
Dividend paid	(34,216)	(10,435)
Gratuity paid	(1,201)	(1,555)
Income tax paid	(42,239)	(38,265)
	-----	-----
Net cash from/(used in)operating activities (A)	110,581	(62,136)
	-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed Capital Expenditure	(64,932)	(7,346)
Long Term Loans, Advances and Deposits	398	664
Proceed from disposal of Assets	1,327	4,701
Proceed from Sale of Investment	508	--
	-----	-----
Net cash used in investing activities (B)	(62,699)	(1,981)
	-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term loan obtained	13,000	--
Repayment of long-term loan	(1,300)	--
Lease finance obtained	5,121	--
Repayment lease finance	(1,113)	--
	-----	-----
Net cash from financing activities (C)	15,708	--
	-----	-----
<b>INCREASE/(DECREASE) IN CASH (A+B+C)</b>	63,590	(22,545)
<b>CASH AND CASH EQUIVALENT AT THE BEGIN</b>	31	68,411
	-----	-----
<b>CASH AND CASH EQUIVALENT AT THE END O</b>	31	132,001
	=====	=====

#### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2000

	<i>Rs. '000</i>				
	<i>Share Capital</i>	<i>Capital Reserve</i>	<i>General Reserve</i>	<i>Unappropriated Profit</i>	<i>Total</i>
Balance as at June 30, 1998	69,566	13,240	116,760	2,351	201,917
Net profit for the year ended June 30, 1999	--	--	--	83,093	83,093
Appropriation from profit	--	--	50,000	(50,000)	--

Dividend	--	--	--	(34,783)	(34,783)
	-----	-----	-----	-----	-----
Balance as at June 30, 1999	69,566	13,240	166,760	661	250,227
Net profit for the year ended June 30, 2000	--	--	--	74,767	74,767
Appropriation from profit Dividend	--	--	40,000	(40,000)	--
	--	--	--	(34,783)	(34,783)
	-----	-----	-----	-----	-----
	69,566	13,240	206,760	645	290,211
	=====	=====	=====	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2000

### 1. THE COMPANY AND ITS OPERATIONS:

The Company was incorporated on January 31, 1966 as a Public Company Limited by shares and is quoted on the Karachi and Lahore Stock Exchanges. The Company is engaged in the manufacture of jute goods and assembly and manufacturing of engineering goods consisting of auto airconditioners and wire harness. The jute operation is at Muzaffargarh and engineering operation is at Karachi.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### 2.1 Accounting Convention:

The Financial Statements of the Company have been prepared under the 'historical cost convention'.

#### 2.2 Staff Retirement Benefits:

The Company operates Provident Fund Scheme for its employees eligible for the benefits. However, prior to the introduction of the Provident Fund Scheme, employees were covered under the unfunded gratuity scheme.

#### 2.3 Taxation:

Provision for current taxation is based on taxable income at the current rates of taxation after considering tax credit and rebates, available, if any.

The Company has provided for deferred taxation on all material timing differences using the liability method. However, deferred tax is not provided if it can be established with reasonable probability that these differences will not reverse in the foreseeable future.

#### 2.4 Tangible Fixed Assets:

##### Owned Assets

Operating assets except Land are stated at cost less accumulated depreciation. Land is stated at cost.

Depreciation is charged on reducing balance method at the rates specified in the fixed assets note. Full year's depreciation is charged on assets acquired during the period while no depreciation is charged on assets disposed off during the period.

Maintenance and normal repairs are charged to income as and when incurred. Major

renewals and replacement are capitalised. Profit or loss on disposal of fixed assets is included in the income currently.

#### **Leased Assets**

The Company accounts for fixed assets acquired under finance lease by recording the asset and the related liability. These amounts are determined on the basis of discounted value of minimum lease payments.

Financial charges are allocated to the accounting period in a manner so as to provide a constant period rate of charge on the outstanding liability.

Depreciation is charged at the rates applicable to owned assets of same category.

#### **2.5 Capital Work in Progress:**

All cost / expenditure connected with the assets, incurred during the implementation period are carried under this head. These are transferred to specific assets as and when assets are available for use.

#### **2.6n Investments:**

Investment in shares is stated at cost. No adjustment for market value as on the balance sheet date is made in the accounts. Provision is however made for permanent diminution in value of investment.

#### **2.7 Stores, Spares & Loose Tools:**

Stores and spares in hand are valued at average cost and in transit at cost accumulated upto the balance sheet date. Loose tools are stated at cost.

#### **2.8 Stock-in-Trade:**

Raw Materials in stock are valued at average cost and in transit at actual. Finished goods are valued at lower of the average cost and net realisable value. Work-in-Process is valued at average cost of raw material plus a portion of the conversion cost.

#### **2.9 Trade Debts:**

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

#### **2.10 Accounting for Leases:**

##### **Finance Lease**

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired on lease. Aggregate amount of obligations relating to assets subject to finance lease is accounted for at net present value of liabilities. Assets so acquired are amortized on their respective useful lives.

Finance charge is allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

##### **Operating Lease**

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

#### **2.11 Foreign Currency Translation:**

Assets and Liabilities in foreign currencies are translated into Pak Rupee at the rate of

exchange ruling at the balance sheet date and in case of forward contracts at the committed rates. In case where forward cover is not obtained provision for expected exchange rate fluctuation is made. Gains and losses on exchange are charged to income.

### 2.12 Warranty Obligations

These are accounted for on accrual basis based on estimates of such obligations.

### 2.13 Revenue Recognition:

Sales are recorded on despatch of goods to buyers. Dividend Income is recorded when declared.

<b>3. ISSUED, SUBSCRIBED &amp; PAID-UP CAPITAL:</b>	<b>2000</b> <i>Rs. 000's</i>	<b>1999</b> <i>Rs. 000's</i>
10,783,850 Ordinary Shares of Rs. 5/- each fully paid issued for Cash	53,919	53,919
3,129,425 Ordinary Shares of Rs. 5/- each issued as fully paid Bonus Shares	15,647	15,647
-----	-----	-----
13,913,275	69,566	69,566
=====	=====	=====

### 4. RESERVES:

#### General Reserve - Revenue

Balance at the beginning of the year	166,760	116,760
Transferred from Profit and Loss Account	40,000	50,000
	-----	-----
	206,760	166,760

#### Capital Reserve

Difference of Paid-up Capital of former Pakistan Jute & Synthetics Limited	13,240	13,240
	-----	-----
	220,000	180,000
	=====	=====

### 5. LONG TERM LOANS:

Secured		
From Banking Company (Note No. 5.1)	11,700	--
Less: Current maturity shown under current liabilities	(5,200)	--
	-----	-----
	6,500	--
	=====	=====

5.1 The loan of Rs. 13 million was obtained for acquisition of machinery & equipment required for Engineering Division of the company. The loan carries interest rate of 15% per annum for the first year and thereafter at one year's fixed rate to be offered by the bank repayable in 10 installments commencing from June, 2000.

The loan is secured by way of first hypothecation on plant & machinery and all other present and future fixed assets of the company.

**6. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE:**

Payable during	2000-2001	1,994	--
	2001-2002	2,026	--
	2002-2003	946	--
		-----	-----
		4,966	--
Less: Finance charges not due		958	--
		-----	-----
		4,008	--
Less: Current maturity shown under current liabilities		(1,764)	--
		-----	-----
		2,244	--
		=====	=====

This represents finance lease entered into with leasing companies/modarabas for vehicles. The balance of liability is payable by March, 2003 in monthly installments.

Monthly lease payments include finance charges of 17% to 20% per annum, which is used as discounting factor.

**7. DEFERRED LIABILITIES:**

For Taxation	14,606	10,934
For Gratuity	9,958	10,805
	-----	-----
	24,564	21,739
	=====	=====

**8. CURRENT MATURITY OF LONG TERM LIABILITIES:**

Long-term loan	5,200	--
Liability Against Assets Subject to Finance Lease	1,764	--
	-----	-----
	6,964	--
	=====	=====

**9. SHORT TERM BORROWINGS:**

Secured-Utilized under Mark-up arrangement		
From Banks	51,680	15,726
	=====	=====

The company has short-term running finance facility of Rs. 264 million (1999 - Rs. 257 million) from various banks at mark-up ranging from 39 paise to 45 paise per Rs. 1,000 per day. The facilities are secured by way of charge against hypothecation of the company's Stock-in-Trade, Book Debts, Stores, Spares and Loose Tools.

**10. CREDITORS, ACCRUED AND OTHER LIABILITIES:**

Creditors	30,643	25,989
Bills Payable	118,152	51,236
Accrued Liabilities	60,116	61,093
Unclaimed Salaries	3,324	2,831
Royalty	2,670	2,994
Accrued Mark-up on Short Term Borrowings	4,196	6,399
Sales Tax	13,240	10,315
Other Liabilities (Note No. 10.1)	22,941	20,527
	-----	-----
	255,282	181,384

**11. OTHER LIABILITIES:**

Withholding Income Tax	962	808
Security Deposits	2,990	2,152
Workers' Profit Participation Fund (Note No. 10.1.1)	10,764	10,003
Advance from Customers	1,064	757
Unclaimed Dividends	1,486	919
Due to Jute Mills	1,903	2,183
Workers Welfare Fund	1,570	1,762
Provident Fund	1,032	1,003
Others	1,170	940
	-----	-----
	22,941	20,527
	=====	=====

**10.1.1 WORKERS' PROFIT PARTICIPATION FUND:**

Balance at the beginning of the year	10,003	7,486
Add: Interest for the year shown under Financial Charges	1,811	2,021
	-----	-----
	11,814	9,507
Less: Paid during the year	(7,488)	(6,770)
	-----	-----
	4,326	2,737
Add: Allocation for the current year	6,438	7,266
	-----	-----
	10,764	10,003
	=====	=====

**CONTINGENCIES AND COMMITMENTS:****11.1 Contingencies:**

Letter of guarantees issued by banks on behalf of the Company	868	999
---	-----	-----

**11.2 Commitments :**

a) Letter of credits outstanding for raw material	76,648	105,822
b) Post dated cheques to Collector of Customs as a security against concessional rate of duty	53,944	45,119
c) Commitments in respect of Technical Assistance Fee	8,000	12,200
d) Commitments in respect of Capital Expenditure	--	66,550
e) Commitments in respect of Operating Lease Rentals as on June 30, 2000.		

**Years**

2000	--	6,460
2001	5,379	4,981
2002	1,796	1,519
2003	--	28
	-----	-----
	7,175	12,988
	=====	=====

**12. OPERATING ASSETS:**

(Rs. 000's)

<i>PARTICULARS</i>	<i>COST</i>			<i>As at June 30, 2000</i>	<i>R A T E</i>	<i>DEPRECIATION</i>			<i>As at June 30, 2000</i>	<i>Written down Value as at June 30, 2000</i>
	<i>As at July 01, 1999</i>	<i>Additions</i>	<i>Sales</i>			<i>As at July 01, 1999</i>	<i>For the year</i>	<i>On Sales</i>		
<b>Owned:</b>										
Land - Freehold	1,506	--	--	1,506	--	--	--	--	--	1,506
- Leasehold	1,969	--	--	1,969	--	--	--	--	--	1,969
<b>Building on Freehold Land:</b>										
Factory Building	43,452	1,113	--	44,565	10%	31,094	1,347	--	32,441	12,124
Non Factory Building	11,200	--	--	11,200	5%	6,499	235	--	6,734	4,466
Railway Siding	792	--	--	792	5%	622	8	--	630	162
Plant & Machinery	167,265	38,610	165	205,710	10-20%	116,137	14,605	140	130,602	75,108
Vehicles	12,222	814	1,948	11,088	20%	8,134	880	1,445	7,569	3,519
Office & Mills Equipments	9,933	1,997	--	11,930	15%	6,503	814	--	7,317	4,613
Computers Equipment	10,666	2,681	107	13,240	33%	7,870	1,795	69	9,596	3,644
Furniture & Fittings	10,840	2,531	1,897	11,474	15%	5,922	1,043	1,399	5,566	5,908
Jigs & Fixture	9,146	12,065	--	21,211	40%	5,751	6,183	--	11,934	9,277
<b>Under Finance Lease:</b>										
Vehicles	--	5,121	--	5,121	20%	--	1,024	--	1,024	4,097
<b>Total-2000</b>	<b>278,991</b>	<b>64,932</b>	<b>4,117</b>	<b>339,806</b>		<b>188,532</b>	<b>27,934</b>	<b>3,053</b>	<b>213,413</b>	<b>126,393</b>
<b>Total-1999</b>	<b>288,318</b>	<b>7,428</b>	<b>16,755</b>	<b>278,991</b>		<b>184,915</b>	<b>16,024</b>	<b>12,407</b>	<b>188,532</b>	<b>90,459</b>

12.1 Depreciation for the year has been allocated as follows:

	<i>2000 Rs. 000's</i>	<i>1999 Rs. 000's</i>
Manufacturing	26,104	14,564
Administrative & Selling	1,830	1,460
	-----	-----
	27,934	16,024
	=====	=====

**12.2 DETAILS OF FIXED ASSETS SOLD:**

<i>Particulars</i>	<i>Original Cost</i>	<i>Accumulated Depreciation</i>	<i>Written Down Value</i>	<i>Selling Price</i>	<i>Profit/ (Loss)</i>	<i>Mode of Sale</i>	<i>Particulars of Buyers</i>
<b>Machinery</b>							
Machinery	165	140	25	50	25	Negotiation	Mr. Bashir Ahmed Khan, Karachi.
	-----	-----	-----	-----	-----		
	165	140	25	50	25		

**Vehicle**

Vehicle	23	18	5	300	295	Insurance claim	Habib Insurance.
Vehicle	159	155	4	96	92	Negotiation	Mr. Mehdi Hassan, Karachi.
Vehicle	358	333	25	150	125	Negotiation	Mr. S.A.H. Rizvi, Karachi.
Vehicle	431	290	141	141	--	Negotiation	Mr. Arif Ali, Ex-Employee.
Vehicle	337	249	88	88	--	Negotiation	Mr. Ibn-e-Hasan, Ex-Employee.
Vehicle	25	17	8	8	--	Negotiation	Mr. Ali Raza, Ex-Employee.
Vehicle	69	14	55	74	19	Insurance claim	Habib Insurance.
Vehicle	246	229	17	167	150	Negotiation	Mr. Shahzad Ali, Muzaffargarh.
Vehicle	300	140	160	162	2	Negotiation	Mr. Razi Nayyar, Employee.
	-----	-----	-----	-----	-----		
	1,948	1,445	503	1,186	683		

**Furniture & Fixture**

Furniture & Fixture	2	2	--	1	1	Negotiation	Mr. Abbas Hussain, Employee.
Furniture & Fixture	4	2	2	3	1	Negotiation	Mr. Ghulam Abbas Shah, Employee
Furniture & Fixture	4	3	1	1	--	Negotiation	Mr. Abbas Hussain, Employee
Furniture & Fixture	1,887	1,392	495	28	(467)	Negotiation	Mr. Iqbal & Mr. Dilshad, Karachi.
	-----	-----	-----	-----	-----		
	1,897	1,399	498	33	(465)		

**Office Equipment**

Office Equipment	44	30	14	8	(6)	Trade in	Kamfoz Computer Shop, Karachi.
Office Equipment	63	39	24	50	26	Trade in	Megatech Communications (Pvt.) Ltd.
	-----	-----	-----	-----	-----		
	107	69	38	58	20		
	-----	-----	-----	-----	-----		
2000	4,117	3,053	1,064	1,327	263		
	=====	=====	=====	=====	=====		
1999	16,755	12,407	4,348	4,701	353		
	=====	=====	=====	=====	=====		

**2000**  
**Rs. 000's**

**1999**  
**Rs. 000's**

**13. LONG TERM INVESTMENTS:**

In Fully Paid-up Ordinary Shares of Joint Stock Companies:

<i>No. of Shares 2000</i>	<i>No. of Shares 1999</i>	<i>Paid-up Value per Share Rs.</i>
-----------------------------------	-----------------------------------	--

*Quoted:*

**Associated Undertakings:**

1,630,000	1,630,000	10Indus Motor Company Limited	16,300	16,300
131,414	131,414	5Pakistan Papersack Corp. Ltd.	90	90
314,226	314,226	5Dyno Pakistan Limited	900	900
648,200	555,600	5Habib Insurance Company Ltd.	561	561
750,000	750,000	5Agriauto Industries Limited	4,031	4,031
			-----	-----
			21,882	21,882

--	157,141	<b>Others:</b>	--	714
2,500	2,500	5Balochistan Glass Limited	18	18
403,252	403,252	10Dost Mohammed Cotton Mills Ltd.	1,239	1,239
326	326	5Habib Sugar Mills Limited	1	1
		10Glaxo Wellcome (Pakistan) Ltd.	-----	-----
			1,258	1,972
			-----	-----
			23,140	23,854
			(18)	--
			-----	-----
			23,122	23,854
			=====	=====

Less Provision for Diminution in value of investment

Aggregate market value of the shares as on June 30, 2000 is Rs. 40.536 million (June 30, 1999 - Rs. 36.564 million).

	<i>2000</i> <i>Rs. 000's</i>	<i>1999</i> <i>Rs. 000's</i>
<b>14. LONG TERM LOANS, ADVANCES AND DEPOSITS:</b> <b>(Unsecured - Considered Good)</b>		
Loan to Employees (14.1)	851	1,145
Less: Receivable within twelve months shown under Short Term Loans and Advances	570	604
	-----	-----
	281	541
Long Term Security Deposits	645	749
	-----	-----
	926	1,290
	=====	=====

14.1 This includes Rs. 11,000 (1999: Rs. 113,928) outstanding for a period exceeding three years.  
The maximum aggregate amount due from Executives at the end of any month during the year  
was Rs. 472,238 (1999: Rs. 778,618).

#### 15. STORES, SPARES AND LOOSE TOOLS:

Stores:		
In hand	4,877	4,562
In Transit	--	2
Spares	26,020	24,471
Loose Tools	637	388
	-----	-----
	31,534	29,423
	=====	=====

#### 16. STOCK-IN-TRADE:

Raw Material:		
In hand	97,008	83,270
In Transit	17,424	20,730
Work-in-Process	16,187	14,756
Finished Goods	42,356	63,899

	----- 172,975 =====	----- 182,655 =====
<b>17. TRADE DEBTS</b>		
Unsecured - Considered Good	109,256	103,585
- Considered doubtful	3,093	--
	----- 112,349	----- 103,585
Less: Provision for Doubtful debts	(3,093)	--
	----- 109,256 =====	----- 103,585 =====

It includes Rs. 59.756 million (1999: 27.578 million)  
due from Associated Undertaking.

**18. SHORT TERM INVESTMENTS:**

With Banks in Short Term Deposit		
Mark-up ranges from 8% to 10.5% p.a.	168,800	72,400
	----- =====	----- =====

**19. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES:**

Current Portion of Loan to Employees	570	604
Advances to		
Employees	795	308
Income Tax	44,103	7,354
Suppliers	4,923	14,591
Contractors	2,732	2,908
Expenses	168	500
Others	81	153
	----- 52,802	----- 25,814
Security Deposits	12,879	3,624
Other Receivables	1,822	2,926
	----- 68,073 =====	----- 32,968 =====

The loan & advances are unsecured considered good.

**20. CASH AND BANK BALANCES:**

Cash in hand	240	387
Balances with Banks		
In Current Accounts	14,641	1,350
	----- 14,881 =====	----- 11,737 =====

<i>JUTE</i>		<i>ENGINEERING</i>		<i>TOTAL</i>	
<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>

**12. SALES:**

Sales - Local	865,772	676,196	577,597	552,968	1,443,369	1,229,164
- Export	2,961	--	--	--	2,961	--
	-----	-----	-----	-----	-----	-----
	868,733	676,196	577,597	552,968	1,446,330	1,229,164
Less; Sales Tax	115,067	85,671	75,117	68,204	190,184	153,875
Octroi and Freight	4,761	9,512	419	411	5,180	9,923
Warranty Claims	--	--	--	2,630	--	2,630
Sales Discount/	--	--	956	614	956	614
Commission, Brokerage	4,460	3,306	635	107	5,095	3,413
Others	28	493	--	1	28	494
	-----	-----	-----	-----	-----	-----
	(124,316)	(98,982)	(77,127)	(71,967)	(201,443)	(170,949)
	-----	-----	-----	-----	-----	-----
	744,417	577,214	500,470	481,001	1,244,887	1,058,215
	=====	=====	=====	=====	=====	=====

	<i>JUTE</i>		<i>ENGINEERING</i>		<i>TOTAL</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>

**22. COST OF SALES:**

Raw Material Consumed (22.1)	387,986	270,126	363,820	353,224	751,806	623,350
Salaries, Wages and Benefits	136,347	140,500	13,659	10,458	150,006	150,958
Stores, Spares and Lubricants	17,521	17,812	2,123	2,818	19,644	20,630
Repairs and Maintenance	32,357	33,586	8,889	5,901	41,246	39,487
Power and Fuel	37,785	38,199	2,215	1,751	40,000	39,950
Rent, Rates and Taxes	512	527	239	866	751	1,393
Vehicle Running & Maintenance	1,474	1,508	1,169	1,049	2,643	2,557
Insurance	1,879	1,074	382	250	2,261	1,324
Communication	664	603	1,039	925	1,703	1,528
Travelling and Conveyance	605	710	2,175	2,187	2,780	2,897
Entertainment	85	104	37	3	122	107
Printing and Stationery	686	632	533	398	1,219	1,030
Legal & Professional	349	1,142	3,177	1,211	3,526	2,353
Operating Lease Rentals	448	901	3,658	3,019	4,106	3,920
Royalty	--	--	4,960	5,096	4,960	5,096
Depreciation	5,815	5,686	20,289	8,878	26,104	14,564
Research & Development	--	--	1,205	1,364	1,205	1,364
Others	61	66	127	129	188	195
	-----	-----	-----	-----	-----	-----
	624,574	513,176	429,696	399,527	1,054,270	912,703
Work-in-Process:						
Opening	10,933	15,343	3,823	--	14,756	15,343
Closing	(12,334)	(10,933)	(3,853)	(3,823)	(16,187)	(14,756)
	-----	-----	-----	-----	-----	-----
	(1,401)	4,410	(30)	(3,823)	(1,431)	587
	-----	-----	-----	-----	-----	-----
Manufacturing cost	623,173	517,586	429,666	395,704	1,052,839	913,920

## Finished Goods:

Opening	59,819	29,622	4,080	959	63,899	30,581
Closing	(35,543)	(59,819)	(6,814)	(4,080)	(42,357)	(63,899)
	-----	-----	-----	-----	-----	-----
	24,276	(30,197)	(2,734)	(3,121)	21,542	(33,318)
	-----	-----	-----	-----	-----	-----
	647,449	487,389	426,932	392,583	1,074,381	879,972
	=====	=====	=====	=====	=====	=====

**22.1 Raw Material Consumed:**

Opening Stock	40,848	44,390	42,422	17,151	83,270	61,541
Purchases	374,067	266,584	391,477	378,495	765,544	645,079
Less: Closing Stock	(26,929)	(40,848)	(70,079)	(42,422)	(97,008)	(83,270)
	-----	-----	-----	-----	-----	-----
	387,986	270,126	363,820	353,224	751,806	623,350
	=====	=====	=====	=====	=====	=====

<i>JUTE</i>		<i>ENGINEERING</i>		<i>TOTAL</i>	
<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>

**23. ADMINISTRATIVE EXPENSES:**

Salaries, Allowances and Benefits	11,139	10,395	7,733	8,483	18,872	18,878
Vehicles Running	2,408	1,853	460	426	2,868	2,279
Printing and Stationery	386	339	240	219	626	558
Rent, Rates and Taxes	479	550	150	179	629	729
Utilities	726	989	10	113	736	1,102
Insurance	95	99	--	--	95	99
Entertainment	221	219	205	239	426	458
Subscription	528	382	--	--	528	382
Communication	1,617	1,685	685	567	2,302	2,252
Advertisement & Publicity	64	196	--	--	64	196
Repairs and Maintenance	897	1,390	35	280	932	1,670
Travelling and Conveyance	796	1,426	609	753	1,405	2,179
Legal and Professional	237	497	--	8	237	505
Operating Lease Rentals	1,629	1,209	--	--	1,629	1,209
Auditors' Remuneration (Note No.	125	136	19	7	144	143
Depreciation	1,435	1,222	337	178	1,772	1,400
Charity and Donation (Note No. 23	539	377	139	65	678	442
Others	92	167	--	1	92	168
	-----	-----	-----	-----	-----	-----
	23,413	23,131	10,622	11,518	34,035	34,649
	=====	=====	=====	=====	=====	=====

**23.1 Auditors' Remuneration:**

Audit Fees	90	90	--	--	90	90
Provident Fund Audit Fee	--	28	--	--	--	28
Out of Pocket Expenses	35	18	19	7	54	25
	-----	-----	-----	-----	-----	-----
	125	136	19	7	144	143
	=====	=====	=====	=====	=====	=====

23.2 The Directors and their spouses have no interest in the donees' fund except Mr. Rafiq M. Habib &

Mr. Ali S. Habib are the Trustees of Mohamedali Habib Welfare Trust. Mrs. Rafiq M. Habib is the Vice President of Anjuman-e-Behbood-Samat-e-Itetal and a donation of Rs. 6,000 has been paid (1999: Rs. 6,000)

**24. SELLING EXPENSES:**

Salaries, Allowances and Benefits	3,708	2,907	1,628	1,813	5,336	4,720
Vehicle Running Expenses	415	459	182	115	597	574
Utilities	109	288	142	--	251	288
Rent, Rates & Taxes	177	264	116	--	293	264
Communication	642	539	215	81	857	620
Advertisement & Publicity	74	--	1,896	1,149	1,970	1,149
Travelling and Conveyance	640	397	604	188	1,244	585
Entertainment	68	56	2	1	70	57
Printing & Stationery	68	30	87	100	155	130
Legal & Professional	19	55	--	97	19	55
Operating Lease Rentals	386	269	123	--	509	366
Research & Development	--	--	69	--	69	--
Depreciation	58	60	--	--	58	60
Bad & Doubtful Debts	2,757	--	336	--	3,093	--
Repairs and Maintenance	57	364	--	--	57	364
Export Expenses	319	--	--	--	319	--
Others	126	223	17	4	143	227
	-----	-----	-----	-----	-----	-----
	9,623	5,911	5,417	3,548	15,040	9,459
	=====	=====	=====	=====	=====	=====

**25. OTHER INCOME:**

Dividend Income						
Associated Undertakings			5,033	3,786		
Others			404	405		
Profit/(Loss) on:						
Short Term Investment			3,289	4,389		
Sale of Fixed Assets			263	353		
Property Rent			4,539	8,460		
Others			348	839		
			-----	-----		
			13,876	18,232		
			=====	=====		

**26. FINANCIAL EXPENSES:**

Mark-up on:						
Short Term Borrowings			1,952	12,588		
Workers' Profit Participation Fund			1,811	2,021		
Long Term Loan			1,023	--		
Finance Lease			416	--		
Gratuity			295	982		
Bank Charges & Commission			836	937		
			-----	-----		
			6,333	161528		
			=====	=====		

**27. OTHER CHARGES:**

Workers' Profit Participation Fund			6,438	7,266		
------------------------------------	--	--	-------	-------	--	--

Workers' Welfare Fund	2,413	2,234
Loss on Sale of Investment	207	--
Provision for diminution in value of Investment	18	--
	-----	-----
	9,076	9,500
	=====	=====

**28. EARNING PER SHARE**

Profit after taxation	74,767	83,093
	-----	-----
Average number of ordinary share (000') of Rs. 5 each	13,913	13,913
	-----	-----
Earning Per Share	5.37	5.97
	=====	=====

**29. REMUNERATION OF DIRECTORS AND EXECUTIVES:**

<i>PARTICULARS</i>	<i>CHIEF EXECUTIVE</i>		<i>DIRECTORS</i>		<i>EXECUTIVES</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>	<i>Rs. 000's</i>
Managerial Remuneration	2,392	1,306	2,956	2,573	17,624	13,378
Contribution to Provident Fund	76	66	182	130	934	733
	-----	-----	-----	-----	-----	-----
	2,468	1,372	3,138	2,703	18,558	14,111
	=====	=====	=====	=====	=====	=====
Number of persons	1	1	2	2	60	49
	=====	=====	=====	=====	=====	=====

29.1 The Chief Executive and Directors have been provided with the free use of Company maintained cars.

29.2 Five (1999: Five) Directors have been paid fees of Rs. 2,500 (1999: Rs. 6,500) for attending Board Meetings.

	<i>2000</i>	<i>1999</i>
	<i>Rs. 000's</i>	<i>Rs. 000's</i>

**30. TRANSACTION WITH ASSOCIATED UNDERTAKINGS:**

Insurance Premium Paid	9,333	7,311
Sale/Services Charges	293,331	303,250
Dividend Received	5,033	3,786
Purchase of Salvage	2,000	--
Insurance Claims Received	11,562	311

**31. CASH AND CASH EQUIVALENTS:**

Cash and Bank Balances	14,881	11,737
Short Term Investments	168,800	72,400
Short Term Borrowings	(51,680)	(15,726)
	-----	-----
	132,001	68,411
	=====	=====

**32. TAXATION:**

**Current**

Income tax assessment of the Company has been finalized upto the assessment year 1999-2000 (Income year 1998-99).

**Deferred**

The liability of deferred taxation as on the balance sheet date has been provided for in full.

**33. CAPACITY AND PRODUCTION:**

	<i>Jute Products</i>		<i>Engineering</i>	
	<i>2000</i>	<i>1999</i>	<i>2000</i>	<i>1999</i>
	<i>M. Tons</i>	<i>M. Tons</i>	<i>Units</i>	<i>Units</i>
<b>Annual Capacity</b>				
Jute	21,500	21,500	--	--
Auto Air Conditioners	--	--	21,000	21,000
Wire Harness	--	--	--	--
<b>Actual Production</b>				
Jute	20,440	16,906	--	--
Auto Air Conditioners	--	--	16,256	16,858
Wire Harness	--	--	3,012	--

The capacity of wire harness could not be determined, as it is dependent on relative proportion of various type of components and parts.

**34. TOTAL ASSETS SEGMENTED BY DIVISIONS:**

<i>Segments</i>	<i>2000</i>		<i>1999</i>	
	<i>Rs. in '000</i>	<i>%</i>	<i>Rs. in '000</i>	<i>%</i>
Jute	440,092	61.47	350,306	63.88
Engineering	275,868	38.53	198,065	36.12
	-----	-----	-----	-----
	715,960	100.00	548,371	100.00
	=====	=====	=====	=====

**35. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES:****(i) Financial Assets and Liabilities**

	<i>Interest bearing</i>		<i>Non-interest bearing</i>			<i>Total</i>	<i>Rs. '000</i>
	<i>Maturity upto one year</i>	<i>Maturity after one year</i>	<i>Sub Total</i>	<i>Maturity upto one year</i>	<i>Maturity after one year</i>		
<b>Financial Assets</b>							
Investment (both short-term & long-term)	168,800	--	168,800	--	23,122	23,122	191,922
Loans & Advances to employees	405	278	683	963	--	963	1,646
Deposits	--	--	--	12,879	645	13,524	13,524
Trade debtors	--	--	--	109,256	--	109,256	109,256
Other receivables	--	--	--	1,903	--	1,903	1,903
Cash & bank balances	--	--	--	14,881	--	14,881	14,881
	-----	-----	-----	-----	-----	-----	-----

	169,205	278	169,483	139,882	23,767	163,649	333,132
	=====	=====	=====	=====	=====	=====	=====
<b>Financial Liabilities</b>							
Long-term loans	5,200	6,500	11,700	--	--	--	11,700
Short-term borrowings	51,680	--	51,680	--	--	--	51,680
Liability against asset subject to finance lease	1,764	2,244	4,008	--	--	--	4,008
Creditors, accrued & other Liabilities	10,764	--	10,764	228,830	--	228,830	239,594
Unclaimed dividend	--	--	--	36,269	--	36,269	36,269
Letter of credits	--	--	--	76,648	--	76,648	76,648
Technical fee	--	--	--	8,000	--	8,000	8,000
Capital Expenditure	--	--	--	--	--	--	--
Operating lease rental	--	--	--	5,379	1,796	7,175	7,175
	-----	-----	-----	-----	-----	-----	-----
	69,408	8,744	78,152	355,126	1,796	356,922	435,074
	-----	-----	-----	-----	-----	-----	-----
	99,797	(8,466)	91,331	(215,244)	21,971	(193,273)	(101,942)
	=====	=====	=====	=====	=====	=====	=====

**(ii) Concentration of Credit Risk**

Credit risk represents the accounting loss that would be recognised at the reporting date if parties failed completely to perform as contracted. The company controls its credit risk by ascertainment of credit worthiness of its customers, monitoring of debts on a continuous basis and applying credit limits to its customers. The company does not believe that it is exposed to major concentration of credit risk.

**(iii) Interest Rate Risk**

Interest rate risk arises from the possibility that changes in interest rate will effect the value of financial instruments. The company is not exposed to interest rate risk.

**(iv) Fair value of the financial instruments**

The carrying values of all financial instrument reported in the financial statements approximate their fair value.

**36. GENERAL:**

36.1 Figures have been rounded off to the nearest of thousand of Rupees.

36.2 Previous year's figures have been re-arranged and re-classified wherever necessary for the purpose of comparison.

**COMBINED PATTERN OF CDC & NORMAL SHAREHOLDINGS AS ON JUNE 30, 2000**

<i>NUMBER OF SHARE HOLDERS</i>	<i>SIZE OF SHAREHOLDINGS RS. 5/- EACH</i>		<i>TOTAL SHARES HELD</i>	
1,501	1	--	100	55,744
1,241	101	--	500	304,805
366	501	--	1,000	270,586
364	1,001	--	5,000	764,115

37	5,001	--	10,000	268,032
12	10,001	--	15,000	146,326
6	15,001	--	20,000	100,096
4	20,001	--	25,000	90,428
1	25,001	--	30,000	29,942
2	30,001	--	35,000	63,434
3	35,001	--	40,000	113,754
1	40,001	--	45,000	42,500
3	45,001	--	50,000	142,271
4	50,001	--	55,000	213,764
2	55,001	--	60,000	116,411
2	65,001	--	70,000	132,300
1	70,001	--	75,000	75,000
2	75,001	--	80,000	154,300
2	85,001	--	90,000	175,800
5	100,001	--	105,000	509,259
2	105,001	--	110,000	215,500
1	120,001	--	125,000	123,830
1	140,001	--	145,000	140,921
3	145,001	--	150,000	444,644
1	150,001	--	155,000	155,000
1	155,001	--	160,000	157,559
2	160,001	--	165,000	326,979
1	165,001	--	170,000	169,811
1	170,001	--	175,000	174,979
1	175,001	--	180,000	175,760
1	180,001	--	185,000	180,593
1	185,001	--	190,000	186,116
2	190,001	--	195,000	380,466
1	205,001	--	210,000	208,976
1	240,001	--	245,000	244,700
1	245,001	--	250,000	250,000
1	260,001	--	265,000	263,741
1	295,001	--	300,000	300,000
1	300,001	--	305,000	301,871
1	465,001	--	470,000	466,478
1	660,001	--	665,000	661,772
4	910,001	--	915,000	3,654,265
1	960,001	--	965,000	960,447
-----			-----	
3,590		TOTAL		13,913,275
=====			=====	

**CATEGORIES OF SHAREHOLDERS**

	<i>NUMBER</i>	<i>SHARES HELD</i>	<i>PERCENTAGE</i>
1. Individuals	3,521	6,150,561	44.206
2. Investment Companies	6	44,502	0.320
3. Insurance Companies	6	829,731	5.964
4. Joint Stock Companies	23	402,473	2.893
5. Financial Institutions	7	669,134	4.809
6. Modaraba Companies	2	5,169	0.037
7. Foreign Investors	10	4,469,665	32.125
8. Co-operative Societies	3	1,984	0.014

9. Charitable Trusts	10	1,149,684	8.263
10. Others	2	190,372	1.369
TOTAL	3,590	13,913,275	100.000

**TEN YEARS AT A GLANCE**

<i>Particulars</i>	<i>2000</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>	<i>1996</i>	<i>1995</i>	<i>1994</i>	<i>1993</i>	<i>1992</i>	<i>Rs. in '000</i> <i>1991</i>
<b>Assets Employed</b>										
Fixed Assets (Owned & Leased)	126,393	90,459	103,403	100,585	84,187	85,580	89,156	91,815	47,678	46,606
Capital Work in Progress	--	--	82	13,576	21,886	922	174	352	123	317
Investments & Deposits	24,048	24,844	25,529	24,946	25,336	24,143	24,318	28,455	27,966	26,681
Net Current Assets	173,078	156,663	96,301	34,551	43,668	57,382	50,628	42,500	17,461	13,802
<b>Total Assets Employed</b>	<b>323,519</b>	<b>271,966</b>	<b>225,315</b>	<b>173,658</b>	<b>175,077</b>	<b>168,027</b>	<b>164,276</b>	<b>163,122</b>	<b>93,228</b>	<b>87,406</b>
<b>Financed by</b>										
Shareholders' Equity	290,211	250,227	201,917	153,492	150,829	143,816	136,927	137,204	78,333	73,323
Long Term Loans	8,744	--	--	--	--	--	--	--	1,000	2,595
Deferred Liabilities	24,564	21,739	23,398	20,166	24,248	24,211	27,349	25,918	13,895	11,488
	323,519	271,966	225,315	173,658	175,077	168,027	164,276	163,122	93,228	87,406
<b>Sales &amp; Profits</b>										
Sales	1,244,887	1,058,215	999,916	771,634	522,504	595,714	448,601	469,697	317,505	356,788
Gross Profit	170,506	178,243	148,073	68,555	35,005	42,685	52,450	58,423	40,936	55,692
Profit before taxation	119,898	126,339	108,418	6,521	7,126	11,206	1,703	11,551	11,210	30,946
Profit after taxation	74,767	83,093	72,773	2,663	7,013	7,077	1,173	8,443	7,010	16,146
Cash Dividend	34,783	34,783	24,348	--	--	--	--	--	--	12,419
<b>Financial Ratios</b>										
Gross Profit as percentage of sales	14%	17%	15%	9%	7%	7%	12%	12%	13%	16%
Net Profit before tax as percentage of sales	10%	12%	11%	1%	1%	2%	0%	2%	4%	9%
<b>Current Ratio</b>										
Long term Debt	2	--	--	--	--	--	--	--	1	3
Equity	98	100	100	100	100	100	100	100	99	97
Earning per share	5.37	5.97	5.23	0.19	0.50	0.51	0.08	1.02	0.85	1.95
Cash Dividend	50%	50%	35%	--	--	--	--	--	--	30%
<b>Production Data</b>										
Jute (Tons)	20,440	16,906	18,263	14,513	16,402*	19,570*	20,433*	23,102*	15,031	16,011
Engineering (Units)	16,256	16,858	10,781	7,937	--	--	--	--	--	--

\* Note: Production is inclusive of both the units