

Bhanero Textile Mills Limited

Annual Report 2000

Company Information

BOARD OF DIRECTORS

CHIEF EXECUTIVE & DIRECTOR Mr. Mohammad Salim
DIRECTORS Mr. Mohammad Sharif
Mr. Mohammad Shaheen
Mr. Mohammad Shakeel
Mr. Khurram Salim
Mr. Furrukh Salim
Mr. Bilal Sharif

COMPANY SECRETARY Mr. Asif Mahmood
ACA, FCIS, FITM, FICS

FINANCE MANAGER Mr. Anwar Hussain (FCA)

BANKERS ABN Amro Bank
Citi Bank, N.A.
United Bank Limited
National Bank of Pakistan
National Development Finance Corporation
Muslim Commercial Bank Limited
Standard Chartered Bank
Bank Al Habib
Hong Kong & Shanghai Bank Corporation

AUDITORS M/s Mushtaq & Company
Chartered Accountants
407, Commerce Centre
Hasrat Mohani Road
Karachi.

REGISTERED OFFICE Umer Chambers
10/2, Bilmoria Street
Off. I. I. Chundrigar Road
Karachi.
Tel: 2635916-7 Fax: 2637826
Email: Khioff@umergroup.com
Website: <http://www.umergroup.com>

MILLS AT Unit I is situated at Kotri
District Dadu,
Ph: 0221-870013

Unit II is situated at
Feroz Watwan,
Sheikhupura. Punjab

Ph: 0342-4408970

REGIONAL OFFICE

6-K, Main Boulevard,
Gulberg II, Lahore.
Tel: (042) 5712437 -8
Fax: (042) 5711864
E-mail: lhroff@umergroup.com
web site: www.umergroup.com

Notice of Annual General Meeting

NOTICE is hereby given that 21st Annual General Meeting of the members of Bhanero Textile Mills Limited will be held on March 29, 2001 at 06:00 p.m. at the Registered Office of the Company i.e. Umer Chambers, 10/2 Bilmoria Street, Off: I. I. Chundrigar Road, Karachi to transact the following business:

1. To confirm the minutes of the last Annual General Meeting held on March 27, 2000.
2. To receive, consider and adopt the audited accounts of the company for the year ended September, 30, 2000 together with the Auditors' and Directors' Reports thereon.
3. To approve the dividend as recommended by the Board of Directors, for the year ended September 30, 2000.
4. To appoint Auditors for the year 2000-2001 and fix their remuneration. The present Auditors M/s Mushtaq & Co. Chartered Accountants, being eligible, offer themselves for reappointment.
5. To transact any other business with the permission of the Chairman.

(BY ORDER OF THE BOARD)
ASIF MAHMOOD
ACA
COMPANY SECRETARY

KARACHI: March 02, 2001

NOTES:

1. The share transfer books of the Company will remain closed from March 21, 2001 to April 01, 2001 (both days inclusive).
2. A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not less than 48 hours before the time for holding the meeting.
3. In case of proxy for any individual beneficially owner of CDC, entitled to attend and vote at this meeting, it is necessary to deposit the attested copies of beneficial owner's National Identity card, account and participant's ID numbers. The proxy shall produce his original identity card at the time of the meeting. Representative of corporate members should bring the legal documents for such purpose.
4. Shareholders are requested to immediately notify the changes in their address, if any,

Directors' Report to the Members

I, on behalf of the Board of directors, welcome the members at the 21st Annual General Meeting and pleased to present the audited accounts with the auditors report there on for the year ended September 30, 2000 for your consideration and approval.

FINANCIAL RESULTS

During the year under review, with the grace of Allah, your company has promoted well in its operations. The company has earned a net profit after tax at Rs. 165,214,571 against Rs. 48,925,469/= in the corresponding year. The allocation of profit for the year before tax is summarised as under:

	<i>Sept, 30 2000 (Rupees 000)</i>
Profit after taxation	165,214
Unappropriated profit brought forward	26

Profit available for appropriation	165,240
Appropriations:	
Proposed cash dividend @ 250%	75,000
Transfer to general reserve	90,200

	165,200

Unappropriated profit carried forward	40

Earning per share	Rs. 55.07

The gross sales of the company has increased by Rs. 94.096 million as compared to last year's gross sales with a growth of 7.5%. The export sales of the company have also increased by Rs. 130.460 million over the export sales of last year. The Selling & Distribution expenses have increased by Rs. 10.479 million. The financial charges have also increased by Rs. 11,298 million as compared to the last year.

YEAR UNDER REVIEW

The year under review ended with an exceptional profit. I am pleased to inform you that the company has earned a remarkable profit during the year under review. The cotton crop was good and the prices were depressed due to international recession. In other words all factors remains in favour through out the year.

FUTURE OUTLOOK

Considering the increase in the cotton prices during the cotton season 2000-2001, it seems that the profitability of the company for the next year may not be comparable to the profits of the year under review. The Government should allow export refinance facility for further few years to flourish the textile sector.

EXPANSION PLAN

The management believes in continues balancing & modernization with the latest technology available at the moment to survive in international market and to boost exports of cotton yarn.

BREAK UP VALUE & EARNING PER SHARE.

The break up value of your share as on September 30, 2000 was Rs.108 as compared to Rs. 78.28 of last year. The earning per share of the year under review was Rs. 55.07 as compared to Rs. 16.31 of the last year.

PROFIT DISTRIBUTION

The directors of the company are pleased to recommend a payment of 250% cash dividend for the year under review.

AUDITORS

The present auditors M/s Mushtaq & Company, Chartered Accountants retiring at the Annual General Meeting and being eligible, have offered themselves for reappointment.

PATTERN OF SHAREHOLDING

Statement showing pattern of holding of shares as at September 30, 2000 is annexed to this report.

THANKS AND GRATITUDE

Your directors would like to place their appreciation of the hard work and dedication shown by the executives, officers, staff members and workers of the company in the performance of their duties. The directors do hope that it will be continued in future.

For and on behalf of the Board

**Mohammad Salim
Chief Executive/Director**

Karachi: March 2, 2001

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of BHANERO TEXTILE MILLS LIMITED as at September 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 any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance 1984;

(b) in our opinion:

(i) the balance sheet and profit 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 was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.

(c) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standard as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2000 and of the profit, 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.

KARACHI: March 02, 2001.

MUSHTAQ & COMPANY
Chartered Accountants

BALANCE SHEET AS AT SEPTEMBER 30, 2000

	<i>NOTE</i>	<i>2000</i> <i>RUPEES</i>	<i>1999</i> <i>RUPEES</i>
CAPITAL AND LIABILITIES			
CAPITAL AND RESERVES:			
Authorised share capital	3	30,000,000	30,000,000
		=====	=====
Issued, subscribed and paid- up share capital	4	30,000,000	30,000,000
REVENUE RESERVES:			
General reserves	5	295,000,000	204,800,000
Un-appropriated profit		40,777	26,206
		-----	-----
		325,040,777	234,826,206
Redeemable capital	6	8,818,025	16,239,978
LONG TERM LIABILITIES:			
Long term loans	7	31,013,639	71,346,973
Obligation under finance lease	8	10,226,821	--

Custom duty payable	9	1,252,787	1,252,787
Excise duty payable	10	9,587,657	9,587,657
		-----	-----
		52,080,904	82,187,417
DEFERRED LIABILITIES:			
Staff retirement benefit	11	17,005,380	10,671,309
Deferred taxation		27,090,852	6,017,056
		-----	-----
		44,096,232	16,688,365
CURRENT LIABILITIES:			
Short term bank borrowings	12	1,866,172,581	354,599,958
Current maturity of long term liabilities	13	32,647,346	7,735,904
Creditors, accrued and other liabilities	14	88,209,200	181,394,516
Provision for taxation		59,663,582	14,988,374
Proposed dividend		75,000,000	24,000,000
		-----	-----
		442,137,386	582,718,752
CONTINGENCIES AND COMMITMENTS	15	--	--
		-----	-----
		872,173,324	932,660,718
		=====	=====

The annexed notes form an integral part of these accounts

Karachi: March 02, 2001.

PROPERTY AND ASSETS

TANGIBLE FIXED ASSETS

Operating fixed assets	16	334,659,710	329,947,317
Capital work-in-progress	17	7,144,461	861,367
		-----	-----
		341,804,171	330,808,684
LONG TERM LOANS	18	5,780,268	2,452,899
LONG TERM INVESTMENTS	19	2,578,992	2,976,755
LONG TERM DEPOSITS		2,546,277	758,226

CURRENT ASSETS:

Stores, spares and loose tools	20	13,952,322	16,231,517
Stock in trade	21	98,191,513	158,595,724
Trade debts	22	254,771,428	214,866,196
Loans and advances	23	98,074,411	100,527,516
Deposits, prepayments and other receivables	24	10,689,818	15,273,439
Cash and bank balances	25	43,784,124	90,169,762
		-----	-----
		519,463,616	595,664,154

872,173,324 932,660,718
=====

Mohammad Salim
Chief Executive

Mohammad Shakeel
Director

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

	<i>NOTE</i>	<i>2000</i>	<i>1999</i>
		<i>RUPEES</i>	<i>RUPEES</i>
Sales (Net)	26	1,308,310,098	1,226,323,095
Cost of Sales	27	938,177,509	1,046,254,379
		-----	-----
Gross Profit		370,132,589	180,068,716
OPERATING EXPENSES			
Administrative	28	33,835,333	25,508,364
Selling and Distribution	29	36,258,693	25,780,391
		-----	-----
		70,094,026	51,288,755
		-----	-----
Operating Profit		300,038,563	128,779,961
Other Income	30	413,021	617,918
		-----	-----
		300,451,584	129,397,879
Financial Charges	31	641,469,821	52,848,816
Other Charges	32	12,193,105	11,805,414
		-----	-----
		76,340,087	64,654,230
		-----	-----
Profit before taxation		224,111,497	64,743,649
TAXATION:	33		
- Current Year		45,192,738	14,470,844
- Deferred		21,073,796	--
- Prior Year		(7,369,608)	1,347,336
		-----	-----
		58,896,926	15,818,180
		-----	-----
Profit after taxation		165,214,571	48,925,469
Unappropriated profit brought forward		26,206	737
		-----	-----
Available for appropriation		165,240,777	48,926,206
APPROPRIATIONS			
Transferred from general reserves		--	(8,550,000)

Dividend paid from the profit of 1998 @ 28.5%	--	8,550,000
Proposed dividend @ 250% (1999 @ 80%)	75,000,000	24,000,000
Transferred to general reserves	90,200,000	24,900,000
	-----	-----
	165,200,000	48,900,000
	-----	-----
Un-appropriated profit carried forward	40,777	26,206
	=====	=====
EARNING PER SHARE	34	Rs. 55.07
		Rs. 16.31

The annexed notes form an integral part of these accounts.

Mohammad Salim
Chief Executive

Mohammad Shakeel
Director

Karachi: March 2, 2001

STATEMENT OF CHANGES IN FINANCIAL POSITION
CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2000

	<i>2000</i>	<i>1999</i>
	<i>RUPEES</i>	<i>RUPEES</i>
A. CASH FROM OPERATING ACTIVITIES		
Profit before taxation	224,111,497	64,743,649
Adjustment for depreciation	37,027,880	36,419,883
Provision for gratuity	7,835,500	3,580,897
Financial charges	64,146,982	52,848,816
Loss/(Gain) on disposal of fixed assets	569,855	(243,888)
Dividend Income	(397,763)	(265,175)
Interest Income	(585,113)	(107,510)
Provision for diminution in value of investments	397,763	8,397,854
	-----	-----
	108,995,104	100,630,877
	-----	-----
Operating profit before working capital changes	333,106,601	165,374,526
(Increase)/decrease in current assets		
Stocks, stores and spares	62,683,406	(108,241,633)
Trade debts	(39,905,232)	52,662,700
Loans and advances	12,085,749	542,908
Deposits, prepayments and other receivables	4,583,621	4,753,978
	-----	-----
	39,447,544	(50,282,047)
(Decrease)/ Increase in current liabilities		
Short term bank borrowings	(167,982,700)	32,252,545
Creditors, accrued and other liabilities	(101,983,828)	96,711,945

Worker's profit participation fund	8,387,782	866,856
	-----	-----
	(261,578,746)	129,831,346
	-----	-----
Cash generated from operations	11 0,975 399	244,923,825
Payment for:		
Taxes	(2,780,566)	(22,319,484)
Gratuity	(1,501,429)	(1,418,558)
Financial charges	(62,205,193)	(81,461,491)
	-----	-----
	(66,487,188)	(105,199,533)
	-----	-----
NET CASH INFLOW FROM OPERATING ACTIVITIES	44,488,211	139,724,292
	=====	=====
brought forward...	44,488,211	139,724,292
B. CASH FROM INVESTING ACTIVITIES		
Proceeds from disposal of fixed assets	2,810,000	377,000
Fixed capital expenditure	(51,403,222)	(71,996,690)
Increase in long term loans	(3,327,369)	(2,139,244)
Long term deposits	(1,788,051)	(13,000)
Interest received	585,113	107,510
Dividend received	397,763	265,175
	-----	-----
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES	(52,725,766)	(73,399,249)
	-----	-----
C. CASH FROM FINANCING ACTIVITIES		
Repayment of redeemable capita	(6,246,903)	(5,257,894)
Proceeds from finance lease	17,880,500	--
Excise duty paid	--	(13,218)
Receipt of long term loan	52,000,000	70,000,000
Repayment of long term loan	(73,000,000)	(29,000,000)
Repayment of liability against assets subject to finance lease	(3,250,621)	(5,317,395)
Dividend paid	(25,531,059)	(12,978,493)
	-----	-----
NET CASH (OUTFLOW) INFLOW FROM FINANCING ACTIVITIES	(38,148,083)	17,433,000
	-----	-----
Net increase in cash and cash equivalents	(46,385,638)	83,758,043
Cash and cash equivalents at beginning of the year	90,169,762	6,411,719
Cash and cash equivalents at ending of the year	-----	-----
	43,784,124	90,169,762
	=====	=====

Mohammad Salim
Chief Executive

Mohammad Shakeel
Director

Karachi: March 02, 2001

**STATEMENT OF CHANGES IN EQUITY
AS ON SEPTEMBER 30, 2000**

The changes in equity is as follow	SHARE CAPITAL	GENERAL RESERVES	PROFIT FOR THE YEAR AND APPROPRIATION	TOTAL RUPEES
Balance as at Oct 1, 1998	30,000,000	188,450,000	737	218,450,737
Transferred from general reserve	--	(8,550,000)	8,550,000	--
Dividend paid from profit of 1998	--	--	(8,550,000)	(8,550,000)
Net profit for the year ended Sept 30, 1999	--	--	48,925,469	48,925,469
APPROPRIATIONS FOR 1999:				
Proposed dividend	--	--	(24,000,000)	(24,000,000)
Transferred to general reserve	--	24,900,000	(24,900,000)	--
Balance as at Sept 30, 1999	30,000,000	204,800,000	26,206	234,826,206
Net profit for the year ended Sept 30, 2000	--	--	165,214,571	165,214,571
APPROPRIATIONS FOR 2000:				
Proposed dividend	--	--	(75,000,000)	(75,000,000)
Transferred to general reserve	--	90,200,000	(90,200,000)	--
Balance as at Sept 30, 2000	30,000,000	295,000,000	40,777	325,040,777

Mohammad Salim
Chief Executive

Mohammad Shakeel
Director

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

1. NATURE AND SCOPE OF BUSINESS

The company was incorporated in Pakistan as a public limited company on March 30, 1980. Its shares are quoted on the Karachi, Lahore and Islamabad Stock Exchanges. The company is principally engaged in manufacturing and sale of yarn.

2. ACCOUNTING POLICIES

The significant accounting policies are summarised below:

2.1 Accounting Convention:

These accounts have been prepared under historical cost convention without any adjustment

for the effect of inflation or current values, modified by capitalisation of certain exchange differences.

2.2 staff Retirement Benefits:

The Company operates an unfunded gratuity scheme for all its employees. Annual provisions are made in the accounts to cover obligations under this scheme.

2.3 Taxation:

Current:

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

Deferred:

The Company accounts for deferred taxation on all major timing differences using the liability method. No provision is made under situations, when timing differences are not expected to reverse in the foreseeable future.

2.4 Fixed Assets:

Own:

Fixed assets are stated at cost less accumulated depreciation except for land and capital work in progress which are stated at cost. Cost of Plant and Machinery consists of historical cost and adjustment for exchange loss or gain in respect of foreign currency loan utilised for acquisition thereof.

The charge for depreciation is the amount required to write-off the cost of operating fixed assets, other than land, over their estimated useful life, applying the declining balance method.

Depreciation on additions to fixed assets during the year is charged for the whole year; no depreciation is charged on fixed assets sold or scrapped during the year.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalised. Gains and losses on disposal of assets are included in income currently.

The borrowing cost obtained for specific projects incurred before those assets are ready for their intended use are capitalised as cost of those assets.

2.6 Investments

Long term investments are stated at lower of average cost or net realisable value.

2.7 Stores, Spares and loose tools

These are valued at cost determined on weighted average basis. Items in transit are valued at cost comprising invoice values plus other charges paid thereon.

2.8 Stock in Trade

These are valued at lower of cost and net realisable value. Cost in relation to raw and packing material is calculated on the weighted average basis. Cost of work-in-process and finished goods comprises direct material and labour, together with appropriate production overheads.

Net realisable value is arrived at by calculating the estimated selling price in the ordinary

course of business less cost of completion and less costs necessary to be incurred in order to make the sale.

2.9 Deferred Cost

These are amortised in installments over a period of four years.

2.10 Foreign Currency Translation

Monetary assets and monetary liabilities in foreign currencies are translated in Pak. rupees at the rates of exchange prevailing at the balance sheet date. Non monetary assets and non-monetary liabilities in foreign currencies are translated in Pak. rupees at the rates of exchange prevailing at the date of transaction.

Exchange gains and losses in respect of non-monetary assets and liabilities are incorporated in the cost of relevant assets. All other exchange gains and losses are included in income currently.

2.11 Revenue Recognition

Sales are recorded on despatch of goods to customers.

	<i>2000</i> <i>RUPEES</i>	<i>1999</i> <i>RUPEES</i>
3. AUTHORISED SHARE CAPITAL:		
3,000,000 (1999: 3,000,000)		
Ordinary shares of Rs. 10/= each	30,000,000	30,000,000
	=====	=====
ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL:		
1,762,500 (1999: 1,762,500)		
Ordinary shares of 10/= each fully paid in cash	17,625,000	17,625,000
1,237,500 (1999: 1,237,500)		
Ordinary shares of 10/= each fully paid as Bonus Shares	12,375,000	12,375,000
	-----	-----
	30,000,000	30,000,000
	=====	=====
5. GENERAL RESERVES		
Opening balance	204,800,000	188,450,000
Less: Transferred to profit and loss account	--	8,550,000
	-----	-----
	204,800,000	179,900,000
Add: Transferred from profit and loss account	90,200,000	24,900,000
	-----	-----
	295,000,000	204,800,000
	=====	=====
6. REDEEMABLE CAPITAL: (Secured)		
As at October 1, 1999	22,486,881	27,744,775
Paid during the year	(6,246,903)	(5,257,894)
	-----	-----
	16,239,978	22,486,881
Transferred to current maturity	(7,421,953)	(6,246,903)

As at September 30, 2000

----- 8,818,025 =====	----- 16,239,978 =====
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The TFCs representing purchase price of Rs.139,885,664/- issued to State Life Insurance Corporation, bear markup at the rate of 22%. However a timely repayment entitles a rebate of 4%. These are repayable in twenty four equal half yearly installments commencing from 9 March 1991.

The redeemable capital of State Life Insurance Corporation (SLIC) is secured by first pari-passu charge on all the present and future moveable and immovable properties of the Unit II.

7. LONG TERM LOANS AND DEBENTURES (Secured)

		<i>Custom Debentures</i>	<i>Term Finance (Secured)</i>	<i>Medium Term Loan</i>	<i>Medium Term Finance</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
As at Oct 1, 1999		994,850	--	70,000,000	--	29,994,850	70,994,850
ADD: Received during the year		--	40,000,000	--	12,000,000	70,000,000	52,000,000
Less: Payments/Adjustments		--	--	(70,000,000)	(3,000,000)	(29,000,000)	(73,000,000)
Others	7.5	--	--	--	--	1,346,973	1,346,973
		----- 994,850	----- 40,000,000	----- --	----- 9,000,000	----- 51,341,823	----- 72,341,823
Less: Transferred to current maturity	13	994,850	13,994,850	--	6,000,000	20,328,184	994,850
As at Sept 30, 2000		----- --	----- 26,666,666	----- --	----- 3,000,000	----- 31,013,639	----- 71,346,973
		=====	=====	=====	=====	=====	=====
		(7.1)	(7.2)	(7.3)	(7.4)		

7.1 The custom debentures, carrying interest rate @ 11% were issued in favour of Collector of Customs concerning deferred portion of custom duty on import of machinery of Unit-II. The company availed the exemption of rural area and preferred an appeal to the court for relief.

7.2 This represents term finance obtained during the year. This is repayable in half yearly rests commencing from 7 August 2000 and expiring on 8 May 2003. It carries interest @ 25% per annum which may be reduced to 13.25% by availing prompt payment bonus and rebates, if repaid as stipulated by the bank.

This is secured against first pari-passu charge on plant and machinery of Unit-II of the company.

7.3 This represents medium term funding carrying interest @ 10.6 % p.a. payable in arrears and is secured by a subordinate charge on stock and book debts of Unit-II.

7.4 This is a markup based financing, for an aggregate amount of Rs. 12 million, for a period of 2 years extendable at the option of lender. This financing carries mark up @ 18% per annum payable quarterly. This is secured against second charge over all present and future fixed assets and personal guarantees of directors.

7.5 This relates to long term liabilities against which company has filed suit in Honourable Court.

8. OBLIGATION UNDER FINANCE LEASE (SECURED)

The amount of future payments and the period in which they will become due are:

	<i>2000</i>	<i>1999</i>
	<i>RUPEES</i>	<i>RUPEES</i>
Year to September 30, 2000	--	502 640
2001	6,854,758	--
2002	6,854,758	--
2003	4,535,656	--
	-----	-----
	18,245,172	502,640
Less: Financial charges not yet due	3,121,142	8,489
	-----	-----
	15,124,030	494,151
Less: Transferred to current maturity	13	4,897,209
	-----	-----
Present value of minimum lease payment payable later than one year but not later than five years.	10,226,821	--
	=====	=====

The company has entered into various lease arrangements containing bargain purchase option with following leasing companies for leasing of various assets.

<i>Description</i>	<i>Installments</i>	<i>Date of Commencement</i>	<i>Date of Expiry</i>
Saudi Pak Leasing Co Ltd.	36 Monthly	Dec 01, 1999	Nov 01, 2002
Saudi Pak Leasing Co Ltd.	36 Monthly	Mar 16, 2000	Feb 16, 2003
Saudi Pak Leasing Co Ltd.	36 Monthly	May 02, 2000	Apr 02, 2003
Security Leasing Co Ltd.	36 Monthly	Aug 28, 2000	Jul 28, 2003
Security Leasing Co Ltd.	36 Monthly	Sep 22, 2000	Aug 22, 2003

Taxes, repairs and maintenance, insurance and other costs relating to the leased assets are borne by the company. Implicit rate of return ranges between 15.50% to 19%.

	<i>2000</i>	<i>1999</i>
	<i>RUPEES</i>	<i>RUPEES</i>
9. CUSTOM DUTY PAYABLE	1,252,787	1,252,787
	=====	=====

This represents disputed amounts with custom authorities against import of machinery.

10. EXCISE DUTY PAYABLE	9,587,657	9,587,657
	=====	=====

This represent central excise duty payable on bank loans. The matter has been decided in Sindh High Court in favour of company. The provision would be reversed upon discharge

from relevant authority.

11. STAFF RETIREMENT BENEFIT:

Gratuity:

Opening balance	10,671,309	8,508,970
Add: Provision for the year	7,835,500	3,580,897
	-----	-----
	18,506,809	12,089,867
Less: Payments during the year	1,501,429	1,418,558
	-----	-----
	17,005,380	10,671,309
	=====	=====

12. SHORT TERM BANK BORROWINGS	12.1	186,617,258	354,599,958
(Secured)		=====	=====

12.1 Aggregate financing facilities of Rs. 1.310 billion (1999: Rs 1.233 billion) are available from various commercial banks at mark up rates ranging between 7% to 16% per annum. These facilities are expiring on different dates.

The arrangements are secured by pari-passu hypothecation charge, pledge of stocks, lien on export bills under collection, and by way of personal guarantees of sponsoring directors of the company.

13. CURRENT MATURITY OF LONG TERM LIABILITIES:

Custom debenture	994,850	994,850
Long term loans	19,333,334	--
Redeemable capital	7,421,953	6,246,903
Obligations under finance lease	4,897,209	494,151
	-----	-----
	32,647,346	7,735,904
	=====	=====

14. CREDITORS, ACCRUED AND OTHER LIABILITIES:

Trade creditors	26,324,100	113,659,106	
Accrued expenses	39,683,953	22,284,535	
Interest/mark-up accrued on long term loans	4,311,510	1,001,017	
Mark-up accrued on short term bank borrowings	5,155,696	6,542,747	
Lease finance charges	28,332	9,985	
Workers' profit participation fund	14.1	11,795,342	3,407,560
Workers' welfare fund	30,956	1,046,966	
Due to associated undertakings	--	21,934,910	
Unclaimed dividend	88,438	1,619,497	
Sales tax payable	--	9,010,323	
Others	790,873	877,870	
	-----	-----	
	88,209,200	181,394,516	
	=====	=====	

14.1 Workers' profit participation fund:

Opening balance	3,407,560	2,540,704
-----------------	-----------	-----------

Interest credited during the year	1,192,646	238,339
	-----	-----
	4,600,206	2,779,043
Contributions for the year	11,795,342	3,407,560
	-----	-----
	16,395,548	6,186,603
Less: Payments during the year	4,600,206	2,779,043
	-----	-----
	11,795,342	3,407,560
	=====	=====

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingent Liabilities

a) The company has issued a bank guarantee amounting to Rs. 11.975 million. (1999: Rs. 21.904 million) in favour of collector of customs against levy of custom dues.

b) The company has issued indemnity bonds amounting to Rs. 6.3 million in favour of collector of customs in lieu of custom levies against various statutory notifications and the indemnity bonds furnished by the company are likely to be released after fulfillment of the terms of related SROs.

15.2 Capital Commitments:

(a) The company has established irrevocable letters of credit for Rs. 46.96 million.

(b) The projected cost of building is Rs. 18 million.

16. OPERATING FIXED ASSETS:

PARTICULARS	COST				RATE %	DEPRECIATION			W.D.V. as at 30.09.00	
	As at 1.10.99	Addition	Disposal/ Adjustment	As at 30.09.00		As at 1.10.99	Disposal/ Adjustment	For the year		As at 30.09.00
OWN ASSETS:										
LAND										
LEASE-HOLD	433,414	--	--	433,414	--	--	--	--	--	433,414
FREE-HOLD	3,876,607	40,119	--	3,916,726	--	--	--	--	--	3,916,726
FACTORY BUILDING										
LEASE-HOLD	53,804,398	--	--	53,804,398	10%	19,786,282	--	3,401,812	23,188,094	30,616,304
FREEHOLD	47,786,802	7,740,617	--	55,527,419	10%	26,636,319	--	2,889,110	29,525,429	26,001,990
NON FACTORY BUILDING										
LEASE-HOLD	4,896,028	--	--	4,896,028	5%	2,463,184	--	121,642	2,584,826	2,311,202
FREEHOLD	14,358,803	--	--	14,358,803	5%	4,589,174	--	488,482	5,077,668	9,281,147
PLANT AND MACHINERY	472,196,516	32,613,851	(11,505,236)	510,806,202	10%	245,804,016	(4,146,369)	26,312,994	273,989,259	236,816,943
			17,501,071				6,018,618			
FACTORY EQUIPMENT	12,788,883	1,713,341	--	14,502,224	10%	7,789,850	--	671,237	8,461,087	6,041,137
OFFICE EQUIPMENT	11,923,375	125,860	--	12,049,235	10%	4,892,750	--	715,649	5,608,399	6,440,836
FURNITURE & FIXTURE	3,006,317	223,975	--	3,230,292	10%	1,495,896	--	173,440	1,669,336	1,560,956

VEHICLES	15,021,353	2,662,365	(2,900,495)	14,783,223	20%	8,170,161	(1,349,007)	1,592,414	8,413,568	6,369,655
RUPEES	640,092,496	45,120,128	3,095,340	688,307,964		321,627,632	523,242	56,366,780	358,517,664	329,790,310
ASSETS SUBJECT TO FINANCE LEASE:										
PLANT AND MACHINERY	17,501,071	4,450,000	(17501,071)	4,450,000	10%	6,018,618	(6,018,618)	445,000	445,000	4,005,000
VEHICLES	--	1,080,500	--	1,080,500	20%	--	--	216,100	216,100	864,400
RUPEES	17,501,071	5,530,500	(17501,071)	5,530,500		6,018,618	(6,018,618)	561,100	661,100	4,569,400
TOTAL 2000: RUPEES	657,593,567	50,650,628	(14,405,731)	693,838,464		327,646,250	(5,495,376)	37,027,880	359,178,754	334,659,710
TOTAL 1999: RUPEES	585,485,682	72,681,858	(573,973)	657,593,567		291,687,228	(440,861)	36,419,883	327,646,250	329,947,317

2000
RUPEES

1999
RUPEES

16.1 Depreciation has been allocated to:

	Note		
Cost of Sales	27	34,330,277	33,758,079
Administrative	28	2,697,603	2,661,804
		37,027,880	36,419,883

16.2 Detail of disposal of Fixed Asset

<i>Particulars</i>	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Book Value</i>	<i>Sale Proceed</i>	<i>Gain/ (Loss)</i>	<i>Sold to</i>
Plant & Machinery						
10 Cards Machin	7,055,236	4,146,369	2,908,867	2,000,000	(908,867)	D.M. TEXTILE MILLS LIMITED WESTRIDGE, RAWALPINDI.
Vehicles						
F-9246	295,770	270,364	25,406	210,000	184,594	SYED TARIQ ALI A-248 BLOCK NO. 1 GULSHAN-E-IQBAL, KARACHI.
B-6864	400,000	365,640	34,360	100,000	65,640	MOHAMMAD ALI 31, A/1 GIZRI STREET NO. 2 PHASE -IV D.H.A KARACHI.
CJ-5255	657,904	485,438	172,466	200,000	27,534	JANANT GUL E-2445 STREET NO. 3 AFRIDI COLONY, ORANGI TOWN SECTOR # 10, KARACHI.
V-9814	466,321	227,565	238,756	300,000	61,244	MOHAMMAD IMRAN KHAN

2 MEZZANINE FLOOR 107-D
BLOCK-2 KHALID BIN WALID RD
PECHS, KARACHI.

Total Rupees	8,875,231	5,495,376	3,379,855	2,810,000	(569,855)
---------------------	-----------	-----------	-----------	-----------	-----------

1999
RUPEES

2000
RUPEES

17. CAPITAL WORK IN PROGRESS

Building and other civil work	17.1	7,015,162	434,295
Plant and machinery		129,299	427,072
		7,144,461	861,367

17.1 It represents the factory building.

18. LONG TERM LOANS:

Unsecured, Considered good			
Loans to Executives	18.1	5,453,023	4,365,650
Loans to Employees	18.1	4,170,680	4,262,949
		9,623,703	8,628,599
Transferred to short term loans		(3,843,435)	(6,175,700)
		5,780,268	2,452,899

18.1 The amounts represent interest free loans given to the executives and employees as per the terms of employment and are repayable over 2 to 6 years. Aggregate balance includes Rs. 2,365,197 (1999: Rs. 715,020) outstanding for the period exceeding 3 years.

19. LONG TERM INVESTMENTS

QUOTED:

Taha Spinning Mills Limited 50,000 ordinary shares (1999: 50,000 ordinary shares) of Rs. 10/-each	19.1	500,000	500,000
National Development Leasing Corporation 530,351 ordinary shares (1999: 530,351 ordinary shares) of Rs. 5/- each	19.2	10,874,609	10,874,609
		11,374,609	11,374,609
Less: Provision for diminution in the value of investment		8,795,617	8,397,854
		2,578,992	2,976,755

19.1 The market value of these shares was Rs.6.50 per share i.e. Rs. 325,000 as on 30 September 2000. (1999: Rs. 325,000 @ 6.50)

19.2 The market value of these shares was Rs. 4.25 per share I.e. Rs. 2,253,992 as on 30 September 2000. (1999: Rs. 2,651,755 @ 5.00)

20. STORES, SPARES AND LOOSE TOOLS:

Stores	2,009,075	8,350,357
Spares	11,892,536	7,831,489
Loose tools	50,711	49,671
	-----	-----
	13,952,322	16,231,517
	=====	=====

Stores, spares and loose tools have been kept for day to day production activities.

21. STOCK-IN-TRADE:

Raw material	57,851,353	98,018,007
Work-in-process	7,498,175	12,877,784
Finished goods and waste	30,320,142	44,967,466
Packing material	2,521,843	2,732,467
	-----	-----
	98,191,513	158,595,724
	=====	=====

22. TRADE DEBTORS (considered good)

Foreign (Secured)	172,734,940	131,625,373
Local (Unsecured)	82,036,488	83,240,823
	-----	-----
	254,771,428	214,866,196
	=====	=====

23. LOANS AND ADVANCES:

Loans: unsecured, considered good			
To executives and employees	18	3,843,435	6,175,700
Advance:			
To associated undertakings	23.1	20,224,974	45,093,561
Income tax		34,895,101	25,262,457
Against expenses		38,735,000	23,279,225
Others		375,901	716,573
		-----	-----
		98,074,411	100,527,516
		=====	=====

23.1 The maximum aggregate amount due from associated undertaking at the end of any month during the year was Rs. 46.490 million (1999: Rs. 66.60 million). The interest is charged at average prevailing bank rate.

24. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Unsecured, considered good)

Trade deposits	48,758	3,579,866
----------------	--------	-----------

Balance with statutory authorities	21,692	21,692
Letters of credit	443,200	1,388,585
Interest receivable	14,956	68,819
Sales tax refundable	883,497	6,409,368
Collector of sales tax	--	5,952
Custom rebate receivable	--	167,864
Other receivables	9,277,715	3,631,293

	10,689,818	15,273,439
--	------------	------------

25. CASH AND BANK BALANCES:

Cash in hand	1,227,411	4,342,410
At bank, in current accounts	10,032,123	15,394,678
in deposit accounts	32,524,590	70,432,674

	43,784,124	90,169,762
--	------------	------------

26. SALES (NET):

- Export	721,459,826	590,999,372
- Local	606,656,218	648,326,603
- Waste sales	15,149,003	9,843,621

	1,343,265,047	1,249,169,596
--	---------------	---------------

Less: Excise duty	--	15,306
Commission and brokerage	34,954,949	22,831,195

	34,954,949	22,846,501
--	------------	------------

	1,308,310,098	1,226,323,095
--	---------------	---------------

27. COST OF SALES:

Raw material consumed	(27.1)	578,047,817	775,970,637
Packing material consumed		24,793,974	22,494,919
Stores and spares consumed		43,331,356	35,932,509
Salaries, wages and benefits		90,533,235	52,313,908
Processing charges		6,618,840	6,637,343
Fuel and power		126,609,165	124,550,517
Insurance		4,537,925	3,121,769
Repairs and maintenance		6,690,810	2,524,885
Travelling and conveyance		229,673	263,151
Postage, telephone and facsimile		618,662	759,871
Vehicles running expenses		1,268,620	1,159,810
Rent, rates and taxes		95,260	263,215
Depreciation	(16.1)	34,330,277	33,758,079
Other manufacturing expenses		444,962	402,422

	918,150,576	1,060,153,035
--	-------------	---------------

Opening Work-in-Process	12,877,784	11,808,390
Closing Work-in-Process	(7,498,175)	(12,877,784)
	-----	-----
	5,379,609	(1,069,394)
	-----	-----
Cost of goods manufactured	923,530,185	1,059,083,641
	-----	-----
Opening Finished Goods and waste	44,967,466	32,138,204
Closing Finished Goods and waste	(30,320,142)	(44,967,466)
	-----	-----
	14,647,324	(12,829,262)
	-----	-----
	938,177,509	1,046,254,379
	=====	=====

27.1 RAW MATERIAL CONSUMED:

Opening Stock	98,018,007	15,574,704
Purchase of Raw Material	537,881,163	858,413,940
	-----	-----
	635,899,170	873,988,644
Closing Stock	(57,851,353)	(98,018,007)
	-----	-----
	578,047,817	775,970,637
	=====	=====

28. ADMINISTRATIVE EXPENSES:

Directors remuneration	36	564,000	564,000
Salaries and other benefits		12,955,216	8,850,773
Printing and stationery		1,346,655	651,959
Rent, rates and taxes		1,547,170	944,700
Postage, telephone and facsimile		5,086,287	4,911,600
Travelling and conveyance		2,906,630	2,414,686
Legal and professional charges		1,029,569	384,840
Auditors' remuneration	28.1	90,000	80,000
Fine and penalty	28.2	4,099	142,423
Vehicles running and maintenance		2,097,573	1,708,709
Repair and maintenance		1,052,446	757,831
Charity and donations	28.3	1,496,800	1,250,000
Depreciation	16.1	2,697,603	2,661,804
Other expenses		961,285	385,039
		-----	-----
		33,835,333	25,508,364
		=====	=====

28.1 AUDITORS REMUNERATION:

Audit fee		70,000	70,000
Out of pocket expenses		20,000	10,000
		-----	-----
		90,000	80,000
		=====	=====

28.2 It represents penalties imposed by State Bank of Pakistan on export refinance loan.

28.3 None of the directors or their spouses had any interest in the charity and donations paid during the year.

29. SELLING AND DISTRIBUTION EXPENSES:

Freight and octroi-export sales	22,662,101	13,955,987
Freight and octroi-local sales	11,070,765	10,216,978
Other export expenses	2,525,827	1,607,426
	-----	-----
	36,258,693	25,780,391
	=====	=====

30. OTHER INCOME:

Gain/(loss) on disposal of fixed assets	(569,855)	243,888
Dividend income	397,763	265,175
Interest income	585,113	107,510
Miscellaneous income	--	1,345
	-----	-----
	413,021	617,918
	=====	=====

31. FINANCIAL CHARGES:

Lease finance charges	1,394,252	754,197
Interest on:		
Workers' profit participation fund	14.1	1,192,646
Associated undertakings		--
	-----	-----
	2,586,898	4,028,587

Mark-up / interest on:

Long term loans	10,917,622	4,894,947
Short term loans	48,270,829	44,683,094
	-----	-----
	59,188,451	49,578,041

Bank charges and commission

Zakat	3,762,702	2,879,151
	2,528	876
	-----	-----

Gross financial charges

LESS: Gross interest recovered from associated undertaking	65,540,579	56,486,655
	-----	-----
	1,393,597	3,637,839

	64,146,982	52,848,816
	=====	=====

32. OTHER CHARGES:

Workers' profit participation fund	11,795,342	3,407,560
Provision for diminution in the value of investment	397,763	8,397,854
	-----	-----

	12,193,105	11,805,414
	=====	=====

33. TAXATION:

Provision for the current year has been made in these accounts amounting to Rs. 45,192,738/-
(1999: Rs. 14,470,844/-)

34. EARNING PER SHARE

	<i>2000</i>	<i>1999</i>
Profit for the year	Rs.165,214,571	Rs. 48,925,469
Weighted average number of ordinary shares	3,000,000	3,000,000
Earning per share	Rs. 55.07 =====	Rs. 16.31 =====

35. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES:

Financial assets and liabilities

	<i>Markup/(profit) Bearing</i>		<i>Non-markup/(profit) Bearing</i>		<i>Total</i>
	<i>Within</i>	<i>One Year to</i>	<i>Within</i>	<i>One Year to</i>	
	<i>One Year</i>	<i>Five Years</i>	<i>One Year</i>	<i>Five Years</i>	
	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>	<i>Rupees</i>
Financial assets					
Long term investments	--	2,578,992	--	--	2,578,992
Trade debts	--	--	254,771,428	--	254,771,428
Loans and advances	--	--	98,074,411	5,780,268	103,854,679
Long term deposits	--	--	--	2,546,277	2,546,277
Advances, deposits, prepayments and other receivables	--	--	10,689,818	--	10,689,818
Cash and bank balances	32,524,590	--	11,259,534	--	43,784,124
	-----	-----	-----	-----	-----
	32,524,590	2,578,992	374,795,191	8,326,545	418,225,318
	-----	-----	-----	-----	-----
Financial liabilities					
Long term loans and finance lease	32,647,346	41,240,460	--	--	73,887,806
Short term bank finance	186,617,258	--	--	--	186,617,258
Creditors, accrued and other liabilities	--	--	88,209,200	--	88,209,200
	-----	-----	-----	-----	-----
	219,264,604	41,240,460	88,209,200	--	348,714,264
1999-2000 Rupees	(186,740,014)	(38,661,468)	286,585,991	8,326,545	69,511,054
	-----	-----	-----	-----	-----
1998-1999 Rupees	(291,903,188)	(71,346,973)	169,009,723	5,429,654	(188,810,784)
	=====	=====	=====	=====	=====

35.1 Concentration of credit risk:

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as a contracted. The company applies credit limits to its customers and does not have significant exposure to any individual customer.

35.2 Interest rate risk:

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

35.3 Fair values of financial instruments:

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

35.4 Foreign exchange risk:

Foreign exchange risk arises mainly where receivable and payables exist due to transaction with foreign undertakings. The management manages the risk through efficient use of forward covers and believes that it is not exposed to significant foreign exchange risk.

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES:

The aggregate amount charged in the accounts for the year ended September 30, 2000 for remuneration, perquisites and benefits in respect of chief executive, directors and executives of the company are as follows:

	<i>2000</i> <i>RUPEES</i>				<i>1999</i> <i>RUPEES</i>			
	<i>Chief Executive</i>	<i>Director</i>	<i>Executives</i>	<i>Total</i>	<i>Chief Executive</i>	<i>Director</i>	<i>Executives</i>	<i>Total</i>
Managerial Remuneration	194,483	194,483	3,438,120	3,827,086	194,483	194,483	2,362,500	2,751,466
House Rent Allowance	87,517	87,517	1,473,480	1,648,514	87,517	87,517	1,012,500	1,187,534
	-----	-----	-----	-----	-----	-----	-----	-----
	282,000	282,000	4,911,600	5,475,600	282,000	282,000	3,375,000	3,939,000
	=====	=====	=====	=====	=====	=====	=====	=====
No of persons	1	1	22	24	1	1	17	19

36.1 In addition, all directors and chief executive are also provided with free use of Company's cars and telephones for business use.

	<i>2000</i> <i>RUPEES</i>	<i>1999</i> <i>RUPEES</i>
--	------------------------------	------------------------------

37. TRANSACTION WITH ASSOCIATED UNDERTAKINGS:

Purchases	8,928,492	10,572,398
Sales	654,628	--
Interest charged	--	3,036,051
Processing charges paid	226,236	--
Processing charges receipts	16,988,092	24,071,438
Interest recovered	1,393,597	3,637,839
Electric expenses	118,050,541	120,520.57

38. PLANT CAPACITY AND ACTUAL PRODUCTION:

Total numbers of spindles installed	39360	39360
Total numbers of spindles worked	39360	39360
Number of shifts worked per day	3	3
Installed capacity after conversion into 20's count (Kgs)	12,828,900	12,828,900
Actual production after conversion into 20's count (Kgs)	12,576,559	12,224,807

Shortfall is due to stoppage of machines owing to frequent changes of count and quality of yarn. The

production type produced varies on market demand.

39. EMPLOYEES:

Average number of employees during the year 1454 1440

40. GENERAL:

Figures have been re-arranged and regrouped wherever necessary for the purpose of comparison.

Figures have been rounded off to the nearest rupee.

PATTERN OF SHAREHOLDING AS AT 30-09-2000

<i>NUMBER OF SHARE HOLDERS</i>	<i>SHAREHOLDING FROM TO</i>		<i>TOTAL SHARES HELD</i>
199	1	100	19,900
35	101	500	10,700
9	501	1000	8,100
17	1001	5000	41,400
2	10001	15000	28,542
1	15001	20000	18,800
2	20001	25000	43,984
1	25001	30000	29,872
3	40001	45000	131,580
2	45001	50000	99,764
4	50001	55000	208,874
1	55,001	60000	55,200
3	60001	65000	181,600
1	70001	75000	70,500
1	75001	80000	80,000
1	95001	100000	99,000
3	155001	160000	475,100
3	160001	165000	482,183
2	245001	250000	498,701
1	415001	420000	416,200
-----			-----
291			3,000,000
=====			=====

**CATEGORIES OF
SHAREHOLDERS**

**NO. OF
SHARE
HOLDERS**

**SHARES
HELD**

PERCENTAGE

1. Individuals	286	2,364,400	78.813
2. Investment Companies	1	50,100	1.670
3. Insurance Companies	2	89,300	2.977
4. Joint Stock Companies	--	--	--
5. Financial Institutions	2	496,200	16.540
6. Modaraba Companies	--	--	--
7. Foreign Investors	--	--	--
8. Co-operative Societies	--	--	--

9. Charitable Trusts	--	--	--
10. Others	--	--	--
TOTAL	291	3,000,000	100.00

YEAR WISE STATISTICAL SUMMARY

ASSETS EMPLOYED

	<i>RS. IN THOUSANDS</i>			
	<i>2000</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>
FIXED ASSETS	341,804	330,809	295,365	300,748
INVESTMENTS AND LONG TERM LOANS & DEPOSITS	10,905	6,188	12,433	12,338
CURRENT ASSETS	519,464	595.66	459,514	274335
TOTAL ASSETS EMPLOYED	872,173	932,661	767,312	587,420
FINANCED BY				
SHAREHOLDER'S EQUITY	325,041	234,826	2,184.51	188,179
REDEEMABLE CAPITAL	8,818	16,240	22,487	27,744
LONG TERM LIABILITIES	52,081	82,188	41,694	48,012
DEFERRED LIABILITIES	44,096	16,688	14526	12,235
CURRENT LIABILITIES	442,137	582,719	470,154	3,112.50
TOTAL FUND INVESTED	872,173	932,661	767,312	587,420
PROFIT & LOSS				
TURNOVER (NET)	1,308,310	1,226,323	1,157,488	1,090,709
GROSS PROFIT	370,133	180,069	211,458	199,055
OPERATING PROFIT	300,039	128,780	153,473	147,962
FINANCIAL CHARGES	64147	52,849	104814	102,362
PROFIT BEFORE TAXATION	224111	64744	46,627	44114
PROFIT AFTER TAXATION	165,215	48,925	36,271	32,737
CASH DIVIDEND	75,000	24,000	14550	15,000
TRANSFER TO RESERVES	90,200	24,900	30,450	18,060
PROFIT C/F	40	26	1	179

RATIO ANALYSIS ON ACCOUNTS

PROFITABILITY

	<i>2000</i>	<i>1999</i>	<i>1998</i>
	<i>%</i>	<i>%</i>	<i>%</i>

GROSS PROFIT	28.29	14.68	18.27
OPERATING PROFIT	22.93	10.50	13.26
PROFIT BEFORE TAX	17.13	5.28	4.02
NET PROFIT AFTER TAX	12.63	3.99	3.13
NET PROFIT TO SHARE HOLDER EQUITY	50.82	20.83	16.60
NET PROFIT TO TOTAL ASSETS	18.94	5.25	4.72
INCREASE IN SALES	6.69	5.95	6.12
MATERIAL TO NET SALES	44.18	63.28	60.40
ADMINISTRATIVE EXPENSES TO NET SALES	2.59	2.08	2.20
SELLING EXPENSES TO NET SALES	2.77	2.10	2.80
FINANCIAL CHARGES TO NET SALES	4.90	4.31	9.05
INCOME TAX TO GROSS SALES	3.36	1.18	0.89

SHORT TERM SOLVENCY OVERALL VALUATION & ASSESSMENT

	<i>2000</i>	<i>1999</i>	<i>1998</i>
WORKING CAPITAL RATIO	1.27:1	1.04:1	1:1
BREAKUP VALUE PER SHARE	108	78.28	72.81
DIVIDEND PER SHARE	25.00	8.00	4.85
EARNING PER SHARE	55.07	16.31	12.09