

## Singer Pakistan Limited

### Annual Report 1999

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**Board of Directors** Kamal Shah  
Rasheed Y. Chinoy  
Bashir Ahmed  
Roshan Ali Hamirani (alternate to: John Sutherland)  
Badaruddin F. Vellani (alternate to: Sinniah Ramanathan)  
Istaqbal Mehdi  
U. R. Usmani

**Secretary** Rizwan U1 Haq Khan

**Bankers** Allied Bank of Pakistan Limited  
ANZ Grindlays Bank  
Bank Al-Habib Limited  
Emirates Bank International PJSC  
Habib Bank Limited  
Muslim Commercial Bank Limited  
National Bank of Pakistan  
Orix Investment Bank  
Platinum Commercial Bank Limited  
Prime Commercial Bank Limited  
United Bank Limited

**Auditors** Khalid Majid Husain Rahman  
Chartered Accountants

**Registrar** Gangjees Investment & Finance Consultants  
513, Clifton Centre  
Kehkashan, Block-5  
Clifton  
Karachi.

**Registered Office** Plot No. 39, Sector 19  
Korangi Industrial Area  
Karachi.

**Head Office** A1-Haroon Building  
3rd Floor  
10 - Garden Road  
Karachi.

#### Notice of Meeting

Notice is hereby given that the Thirty-Ninth Annual General Meeting of Singer Pakistan Limited will be held on Tuesday June 27, 2000, at 11.00 a.m. at Beach Luxury Hotel, Karachi, to transact the following business:

##### ORDINARY BUSINESS:

1. To receive and consider the audited accounts of the Company for the period from January 3, 1999 to December 31, 1999 and the Reports of Directors and Auditors thereon.
2. To appoint auditors and to fix their remuneration.

3. To declare a cash dividend @ of 7(1/2)%  
i.e. 0.75 paisa per ordinary share of  
Rs.10/- each for the period from  
January 3, 1999 to December 31, 1999  
as recommended by the Directors.

**By Order of the Board**

**RIZWAN UL HAQ KHAN**  
Company Secretary

Karachi: May 26, 2000

**Notes:**

1. The Share Transfer Books of the Company will be closed for the Purpose of determining the entitlement of Cash Dividend and no transfer of shares Will be accepted for registration from Wednesday, June 14, 2000 to Tuesday, June 27, 2000 (both days inclusive).
2. A Member, entitled to attend, speak and vote at the General Meeting is entitled to appoint another person as his/her proxy to attend, speak and vote instead of him/her and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the General Meeting as are available to the Member. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the Meeting. The Proxy need not be a member of the Company.
3. Members are requested to notify us immediately of any change in their Registered Address Currently available with us.
4. The Registered Office of the Company is located at Plot No. 39, Sector 19, Korangi Industrial Area, Korangi, Karachi.

**CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:**

**A. For Attending the Meeting:**

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original National Identity Card (NIC), or original passport at the time of attending the meeting. (CDC account holders are also requested to bring their participant ID numbers and account numbers in CDS).
- ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For Appointing Proxies:**

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement (note 2 above).
- ii) The proxy form shall be Witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
- iii) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his original NIC or original

passport at the time of the meeting.

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

## **Report of the Directors for the period from January 3, 1999 to December 31, 1999**

The Board of Directors have pleasure in presenting the Annual Report and Audited Accounts for the period from January 3, 1999 to December 31, 1999.

### **FINANCIAL REVIEW**

During 1999 business conditions remained difficult. The recessionary conditions further affected the consumer purchasing power.

Sales for the year under review increased to Rs. 597.48 million from Rs. 561.43 million, an increase of 6.4%. The increase in sales was mainly in Appliances, (Refrigerators), while sales of Sewing Machines declined.

The profit before taxation for the year increased to Rs. 14.32 million from Rs. 10.50 million, an increase of 36.4%, mainly due to reduced financial charges with prudent utilization of funds, improvement in earned carrying charges and partly offset by Administrative and Selling Expenses. The tough competition did not permit us to increase prices fully to maintain gross margin. The Administrative and Selling Expenses increased mainly due to sales promotion and Incentive Programs to keep sales going.

Profit after taxation was about the same as last year after providing tax for prior year. The presumptive tax regime had an adverse effect on profit.

### **SEWING MACHINES**

Sales of Sewing Machines in 1999 was Rs. 103.34 million as against Rs. 104.50 million showing a marginal reduction. Sewing Machine business remained under pressure due to tough competition from the un-organized sector, irregular imports and declining consumer purchasing power.

### **APPLIANCES**

Sales of appliances at Rs. 383.47 million against Rs. 389.85 million in the prior year, showing a marginal decline. The sales of locally produced Refrigerators and Colour Televisions marginally increased. However, sales of Washing Machines and Gas Appliances declined due to depressed market conditions. The overall market of Appliances remained under pressure during the year.

### **GOODS PURCHASED FOR RE-SALE**

Sales of goods purchased for resale increased to Rs. 110.67 million compare to Rs. 67.08 million in the prior year, an increase of 65.0%. This is mainly due to increased sale of imported Refrigerators, Industrial Sewing Machines and Knitting Machines.

### **DIRECTORS**

During the period since the last Report of the Directors, Mr. Samir Ahmed, a nominee of NIT retired, and Mr. Istaqbal Mehdi, nominee of NIT was elected as Director of the Company.

### **YEAR 2000 AND COMPLIANCE**

The Company entered the Millennium without any problem relating to either Hardware or Software.

**FUTURE OUTLOOK**

We plan to promote Sales of our Appliances, particularly Refrigerators and Colour Televisions through aggressive promotions. We also plan to promote Sewing Machine business especially high value Zig Zag through marketing programmes, training and demonstration.

**PROFITABILITY AND APPROPRIATIONS**

The profit and proposed appropriations for the year is as follows:

	<i>(Rs. in million)</i>
	<i>1999</i>
Profit after Tax	7.035
Unappropriated Profit brought forward	1.058
	-----
Profit available for appropriation	8.093
Appropriations:	
Transfer from Revenue Reserves	1.000
Proposed Cash dividend	(8.500)
	-----
	(7.500)
Unappropriated profit carried forward	-----
	0.593
	=====
Earnings Per Share	0.62
	=====

**DIVIDENDS**

The Board of Directors recommended the declaration of a Cash Dividend at the rate of paisa 0.75 per Ordinary Share (7(1/2)%) out of the profit available for appropriation for the year under review.

**HUMAN RESOURCES**

Management and employees relations remained cordial. A two-years agreement with the Collective Bargaining Agent was Signed during the year. The negotiations were held in a cordial atmosphere. Programmes to improve professional skills of employees were implemented during the year for all levels of Management.

The Board of Directors would like to take this opportunity to express their appreciation for the hard work of employees of the Company in difficult business conditions.

**SOCIAL RESPONSIBILITIES**

We are Committed to fulfill our social responsibilities by continued support of training Classes in sewing and Knitting to enable average income groups to supplement their income.

**AUDITORS**

The Auditors, Messrs. Khalid Majid Husain Rahman retire and offer themselves for re-appointment for the year 2000.

**PATTERN OF SHARE HOLDING**

A statement showing the pattern of holding of shares by the Shareholders of Singer Pakistan Limited as at December 31, 1999 is annexed to this Report.

**HOLDING COMPANY**

Singer VIII BV Netherland holds 70% capital of Singer Pakistan Limited. The holding Company is in the process of restructuring and reorganizing since September 12, 1999.

**GENERAL**

During the period from end of the financial year of

the Company to which the Balance Sheet relates, there have been no material commitments made and no changes have occurred which materially affect the financial position of the Company.

On behalf of the Board

Karachi  
Dated: May 26, 2000

**KAMAL SHAH**  
Chairman

**Pattern of holding of shares held  
by the Shareholders of Singer Pakistan Limited  
as at December 31, 1999**

<i>Number of Shareholders</i>	<i>Shareholding</i>		<i>Total Shares held</i>
	<i>From</i>	<i>To</i>	
155	1	100	8,366
205	101	500	57,724
185	501	1000	128,519
68	1001	5000	138,857
16	5001	10000	105,587
3	10001	15000	38,369
1	20001	25000	20,088
1	25001	30000	27,050
1	160001	165000	160,056
1	320001	325000	324,000
1	370001	375000	374,257
1	390001	395000	392,833
1	1615001	1620000	1,616,851
1	7940001	7945000	7,941,312
-----			-----
640			11,333,869
=====			=====

**Categories of Shareholders  
as at December 31, 1999**

<i>Categories of Shareholders</i>	<i>Number</i>	<i>Shares held</i>	<i>Percentage</i>
1. Individuals	622	1,268,482	11.20
2. Investment Companies	4	1,952,660	17.23
3. Joint Stock Companies	6	162,408	1.43
4. Modaraba Companies	1	324	0.00
5. Associated Companies	3	243	0.00
6. Holding Companies	1	7,941,312	70.07
7. Financial Institutions	2	8,340	0.07
8. Insurance Companies	1	100	0.00
	-----	-----	-----
	640	11,333,869	100.00
	=====	=====	=====

**Auditors' Report To The Members**

We have audited the annexed balance sheet of SINGER PAKISTAN LIMITED as at December 31, 1999 and the related profit and loss account and the statement of changes in financial position (cash flow statement), together with the notes forming part thereof, for the period 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 and, after due verification thereof, 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 period was for the purpose of the Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the period 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 and the statement of changes in financial position (cash flow statement), together with the notes forming part thereof, 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 December 31, 1999 and of the profit and the changes in financial position for the period then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi  
Dated: May 29, 2000

**KHALID MAJID HUSAIN RAHMAN**  
**CHARTERED ACCOUNTANTS**

## Balance Sheet as at December 31, 1999

	Note	(Rs. in '000)	
		1999	1998
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Share Capital</b>			
Authorised			
15,000,000 (1998: 15,000,000) ordinary shares of Rs. 10 each		150,000	150,000
Issued, subscribed and paid-up	4	113,339	52,472
Capital reserves	5	24,689	24,689
Revenue reserves	5	44,337	45,337
Reserve for issue of Bonus Shares	5	--	60,867
Unappropriated profit	5	593	1,058
		182,958	184,423
<b>SURPLUS ON REVALUATION OF FIXED ASSETS</b>	6	29,153	29,153
<b>LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>	7	6,993	11,801
<b>DEFERRED LIABILITIES</b>	8	1,747	1,890
<b>LONG-TERM DEPOSITS</b>	9	6,059	5,809
<b>CURRENT LIABILITIES</b>			
Current maturity of liabilities against assets subject to finance lease	7.1 & 7.2	5,169	4,663
Finance under mark-up arrangements - secured	10	274,014	265,450
Creditors, accrued expenses and other liabilities	11	97,593	83,955
		376,776	354,068
<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>	12	603,686	587,144
<b>TANGIBLE FIXED ASSETS</b>			
Operating fixed assets	13	80,855	90,439
Capital work-in-progress	14	219	--
		81,074	90,439
<b>LONG-TERM DEPOSITS AND PREPAYMENTS</b>	15	7,397	6,353
<b>DEFERRED COST</b>	16	1,355	1,429
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	17	6,714	6,865
Stock-in-trade	18	174,121	172,434
Trade debts	19	224,363	216,550
Advances, deposits, prepayments and other receivables	20	36,091	37,171
Taxation		49,729	33,321
Cash and bank balances	21	22,842	22,582

-----	-----
513,860	488,923
-----	-----
603,686	587,144
=====	=====

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

**KAMAL SHAH**  
CHIEF EXECUTIVE

**RASHEED Y. CHINOY**  
DIRECTOR

**Profit and Loss Account**  
**For the period from January 3, 1999 to**  
**December 31, 1999**

	Note	(Rs. in '000)	
		1999	1998
Sales - net	22	597,477	561,433
Cost of goods sold	23	501,694	466,104
		-----	-----
Gross profit		95,783	95,329
Administrative and selling expenses	24	66,848	63,384
		-----	-----
Operating profit		28,935	31,945
Earned carrying charges		36,930	34,741
		-----	-----
Other income	25	65,865	66,686
		1,870	2,402
		-----	-----
		67,735	69,088
		-----	-----
Financial charges	26	50,431	55,938
Other charges	27	2,980	2,648
		-----	-----
		53,411	58,586
		-----	-----
Profit before taxation		14,324	10,502
		-----	-----
Taxation			
Current		5,634	2,445
Prior year		2,587	--
Deferred		(932)	932
		-----	-----
		7,289	3,377
		-----	-----
Profit after taxation		7,035	7,125
		-----	-----
Unappropriated profit brought forward		1,058	1,097
		-----	-----
Profit available for appropriations		8,093	8,222
		-----	-----
Appropriations:			
Transfer from revenue reserves		1,000	60,000
Transfer to reserve for issue of bonus shares Nil (1998 @ 20% further bonus shares @ 80% )		--	(10,494)
		--	(50,373)
		-----	-----
		--	(60,867)
Proposed cash dividend @ 7.5% (1998: @ 10%)		(8,500)	(6,297)
		-----	-----
		(7,500)	(7,164)
		-----	-----
Unappropriated profit		593	1,058
		=====	=====
Earnings Per Share	28	0.62	0.63
		=====	=====

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

**KAMAL SHAH**  
CHIEF EXECUTIVE

**RASHEED Y. CHINOY**  
DIRECTOR

**Statement of Changes in Financial Position**  
**(Cash Flow Statement) for the period from**  
**January 3, 1999 to December 31, 1999**

(Rs. in '000)

	<i>1999</i>	<i>1998</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash (used in)/generated from operations (Note 29)	23,160	(15,757)
Tax paid	(18,853)	(19,303)
<b>Changes in:</b>		
Deferred liabilities	(143)	(6,358)
Deferred cost incurred	(119)	--
Long-term deposits and prepayments	(1,044)	1,400
Security deposits from employees	250	422
<b>Net cash (used in)/from operating activities</b>	<b>3,251</b>	<b>(39,596)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of fixed assets	(2,399)	(2,133)
Proceeds from sale of fixed assets	1,327	1,158
<b>Net cash used in investing activities</b>	<b>(1,072)</b>	<b>(975)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long-term loans and obligations under finance lease	926	328
Repayment of long-term loans and obligations under finance lease	(5,228)	(12,035)
Dividend paid	(6,181)	(11)
<b>Net cash used in financing activities</b>	<b>(10,483)</b>	<b>(11,718)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(8,304)</b>	<b>(52,289)</b>
<b>Cash and cash equivalent at the beginning of the period</b>	<b>(242,868)</b>	<b>(190,579)</b>
<b>Cash and cash equivalent at the end of the period (Note 30)</b>	<b>(251,172)</b>	<b>(242,868)</b>

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

**KAMAL SHAH**  
CHIEF EXECUTIVE

**RASHEED Y. CHINOY**  
DIRECTOR

## Notes to the Financial Statements for the period from January 3, 1999 to December 31, 1999

### 1. STATUS AND NATURE OF BUSINESS

Singer Pakistan Limited is incorporated in Pakistan as a public limited company and its shares are quoted on the Karachi and Lahore Stock Exchanges. The Company is principally engaged in manufacturing, assembling and sale of sewing machines, domestic consumer appliances and other light engineering products and trading in other electric and domestic consumer appliances.

### 2. PERIOD OF FINANCIAL STATEMENTS

2.1 These financial statements in substance cover the year 1999. The period of financial statements comprises the week commenced in the year 1999 from January 3, 1999 to the week ended in the year 1999 on December 31, 1999 (1998: January 4, 1998 to January 2, 1999).

### 3. ACCOUNTING POLICIES

#### 3.1 Basis of presentation

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance 1984 and International Accounting Standards as applicable in Pakistan.

#### 3.2 Accounting convention

These financial statements are prepared under the historical cost convention as modified by the value assigned to a property as stated in note 5.1 and revaluation of the leasehold land and building as stated in note 13.

#### 3.3 Staff retirement schemes

##### 3.3.1 Gratuity

The Company operates a funded gratuity scheme covering all employees whose period of service with the company is five years or more. Annual provision, to cover the obligations under the scheme based on management estimates, adjusted by actuarial valuation periodically, is charged to profit & loss account.

An actuarial valuation of the scheme is carried out once in every three years. The latest actuarial valuation of the scheme was carried out as of January 01, 1998 using the "Projected Unit Credit Actuarial Cost Method." As at valuation date the fair value of liabilities and plan assets were Rs. 17, 031 thousand and Rs' 16, 571 thousand respectively. Monthly contributions are made to the scheme at the rate of 8.33% per annum of basic salaries. Significant assumption used for valuation of the scheme are:



- (i) Discount rate 12% per annum.
- (ii) Expected rate of increase in salary level 10.42% per annum.
- (iii) Expected rate of interest 12% per annum.

### 3.3.2 Pension scheme

The Company operates a funded pension scheme, which covers all its permanent executives including working directors and managers. Provision to cover the obligations under the scheme based on actuarial valuation, is charged to profit & loss account.

An actuarial valuation of the scheme is carried out once in every three years. The latest actuarial valuation of the scheme was carried out as of January 01, 1998 using the "Projected Unit Credit Actuarial Cost Method." As at valuation date the fair value of liabilities and plan assets were Rs. 14,934 thousand and Rs. 17,327 thousand respectively.

Monthly contributions are made to the scheme not exceeding of 20% per annum of basic salaries. Significant assumptions used for valuation of the scheme are:

- (iv) Discount rate 12% per annum.
- (v) Expected rate of increase in salary level 10.42% per annum
- (vi) Expected rate of interest 12% per annum.

3.3.3 The Company also operates a provident fund scheme covering all permanent employees. Monthly Contribution of the Company are charged to profit & loss account.

### 3.4 Taxation

The charge for current taxation is based on applicable tax laws and after taking into account any applicable tax credits. The Company accounts for deferred taxation on all major timing differences using the liability method. The net deferred tax debit balance, if any, is not recognised in the financial statements.

### 3.3 Tangible Fixed Assets

(a) Operating assets are stated at cost, value assigned to exchanged property or revalued amounts less accumulated depreciation.

(b) Capital work-in-progress is stated at cost. These costs include financial and pre-operating expenses relating to specific project, which are transferred to operating assets as and when assets are available for use.

(c) The Company accounts for operating assets obtained under finance lease by recording the assets and related liability. The amounts are determined on the basis of discounted value of minimum lease payments. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on outstanding liability.

(d) Depreciation on operating assets including exchange difference is calculated by applying straight-line method at the rates specified in note 13. In case of additions/disposals, depreciation for six months is charged in the year of addition/disposal.

(e) Maintenance and normal repairs are charged to income as and when incurred.

(f) Gains and losses on disposal or retirement of assets are included in the profit & loss account.

### 3.6 Deferred cost

On new projects, the start up and pre-operating costs are deferred and are amortised on the basis of units produced, subject to a maximum period of five years.

### 3.7 Stores, spares and loose tools

These are valued at cost determined on a first-in-first-out basis.

### 3.8 Stock-in-trade

These are valued at the lower of cost determined on first-in-first-out basis and net realisable value. Cost in case of work-in-process and manufactured goods include direct material, labour and appropriate production overheads. Net realisable value represents sale price less costs which are necessary to be incurred for making the sale. Adequate provision is made for obsolescence of stock.

### 3.9 Trade debts

Known bad debts are written off and provisions are made against debts considered doubtful.

### 3.10 Foreign currencies

Transactions denominated in foreign currency are recorded in Pak Rupees at exchange rate prevailing at the date of transaction.

Assets and liabilities in foreign currencies are translated into rupees at the rates of exchange prevailing at the balance sheet date except the liabilities covered by forward exchange contracts where the respective contract rate is applied.

Exchange differences arising on foreign currency transactions/translation are charged/credited to profit & loss except exchange difference on devaluation of Pak Rupee in 1972 which was capitalised.

### 3.11 Revenue recognition

Sales are recorded on despatch of goods.

Earned carrying charges are recognised as income in proportion to the amounts collected from the hire purchase installments receivables.

Regular custom duty, sales tax refunds and insurance claims are recorded when claims are filed. Other claims are recognised on realisation basis.

## 4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

<i>Fully paid-up Ordinary Shares of Rs. 10 each</i>		<i>(Rs. in '000)</i>	
<i>1998</i>	<i>1999</i>	<i>1999</i>	<i>1998</i>
2,272,634	2,272,634 issued for cash	22,726	22,726
	issued for consideration		
703,733	703,733 other than cash	7,037	7,037
2,270,795	8,357,502 issued as bonus shares	83,576	22,709
-----	-----	-----	-----
5,247,162	11,333,869	113,339	52,472
=====	=====	=====	=====

4.1 Singer VIII B.V. Netherland, the parent company holds 7,941,312 ordinary shares of Rs. 10 each at December 31, 1999 (1998: 3,676,534 ordinary shares of Rs. 10 each).

## 5. CHANGES IN SHARE HOLDERS' EQUITY

	<i>Issued, subscribed and paid-up capital</i>	<i>Capital Reserves</i>			<i>Revenue reserves</i>	<i>Reserve for issue of bonus shares</i>	<i>Unappropriated Profit</i>	<i>Total</i>
		<i>Share premium</i>	<i>Other (Note 5.1)</i>					
<i>Rupees in '000'</i>								
Balance as at January 4, 1998	43,726	19,689	5,000	105,337	8,746	1,097	183,595	
Bonus shares issued - 1998	8,746	--	--	--	(8,746)	--	--	
Profit for the year	--	--	--	--	--	7,125	7,125	
Proposed Dividend	--	--	--	--	--	(6,297)	(6,297)	
Transfer from revenue reserves	--	--	--	(60,000)	--	60,000	--	
Transfer to reserve for issue of bonus shares	--	--	--	--	60,867	(60,867)	--	
-----	-----	-----	-----	-----	-----	-----	-----	
Balance as at January 2, 1999	52,472	19,689	5,000	45,337	60,867	1,058	184,423	
Bonus shares issued - 1999	60,867	--	--	--	(60,867)	--	--	
Profit for the year	--	--	--	--	--	7,035	7,035	
-----	-----	-----	-----	-----	-----	-----	-----	
Proposed Dividend	--	--	--	--	--	(8,500)	(8,500)	
Transfer from revenue reserves	--	--	--	(1,000)	--	1,000	--	
-----	-----	-----	-----	-----	-----	-----	-----	
Balance as at December 31, 1999	113,339	19,689	5,000	44,337	--	593	182,958	
=====	=====	=====	=====	=====	=====	=====	=====	

5.1 This represents the value assigned to the shop, acquired by the Company in exchange for a shop that was occupied by the Company on rent during the year ended December 31, 1993.

	<i>(Rs. in '000)</i>	
	<i>1999</i>	<i>1998</i>
<b>6. SURPLUS ON REVALUATION OF FIXED ASSETS</b>		
Surplus on revaluation of fixed assets	(13.1 & 13.2)	29,750
Diminution in value of trademarks, patents and designs		(597)
-----	-----	-----
	29,153	29,153
=====	=====	=====

	<i>(Rs. in '000)</i>	
	<i>1999</i>	<i>1998</i>

## 7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Obligations under finance lease (Note 7.1) 11,801 6,993

7.1 The aggregate future minimum lease payments to which the company is committed under the various lease agreements and the period, in which they will become due, are as follows:

	<b>1999</b>		<b>1998</b>			
	<i>Minimum lease payments</i>	<i>Financial charges allocated to future period</i>	<i>Principal</i>	<i>Minimum lease payments</i>	<i>Financial charges allocated to future period</i>	<i>Principal</i>
	<i>(Rupees in thousand)</i>					
Not later than one year	7,152	1,983	5,169	7,584	2,921	4,663
Later than one year and not later than five years	8,284	1,291	6,993	14,866	3,065	11,801
	-----	-----	-----	-----	-----	-----
	15,436	3,274	12,162	22,450	5,986	16,464
	=====	=====	=====	=====	=====	=====

7.2 The company has acquired machines, vehicles, moulds and drilling machines under various lease agreements. The installments are payable monthly/quarterly commencing on various dates. Financing rates of 15.35 to 21.0 percent per annum have been used to arrive at a constant periodic financial charge over the terms of the leases.

#### 8. DEFERRED LIABILITIES

Deferred tax	--	932
Pension	(1,915)	(2,303)
Gratuity	3,662	3,261
	-----	-----
	1,747	1,890
	=====	=====

#### 9. LONG-TERM DEPOSITS

These represent deposits from employees repayable on retirement, resignation or termination from services and carry interest at 9 percent per annum payable semi-annually.

#### 10. FINANCE UNDER MARK-UP ARRANGEMENTS - secured

The Company uses the facilities of short-term finances from various banks under mark-up arrangements amounting to Rs. 330,800 thousand (1998: Rs. 309,970 thousand), carrying average mark-up rate of 16.89% per annum, which represents the aggregate of sale prices of all mark-up arrangements with corresponding purchase prices of Rs. 415,300 thousand (1998: Rs. 391,190 thousand) excluding prompt payment rebate of Rs. 31,730 thousand (1998: Rs. 29,360 thousand). The purchase prices are payable on various dates latest by December 31, 2000.

The mark-up represented by the difference between the purchase price and sale price is recognised on a proportionate basis.

The prompt payment rebates, due under these arrangements, are subject to payment of purchase price by dates specified in the arrangements. These arrangements are secured by hypothecation of stock-in-trade and book debts.

#### 11. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES

		<i>(Rs. in '000)</i>	
	<i>Note</i>	<i>1998</i>	<i>1999</i>
Trade creditors	11.1 & 11.2	54,482	46,290
Accrued liabilities		5,466	6,924
Interest on secured loans		--	194
Mark-up on finances under mark-up arrangements		8,937	9,109
Workers' profit participation fund	11.4	778	572
Workers' welfare fund		192	127
Advances from customers		9,574	9,479
Taxation		7,289	2,445
Proposed dividend		8,500	6,297
Unclaimed dividend		742	626
Other liabilities.	11.3	1,633	1,892
		-----	-----
		97,593	83,955
		=====	=====

11.1 Creditors include usance bills amounting to Rs. 46,104 thousand (1998: Rs. 26,958 thousand).

11.2 Creditors include payable to associated undertakings amounting to Rs. 5,502 thousand (1998: Rs. 3,496 thousand).

11.3 This represents amount payable to Singer Sewing Machine Company Rs. 1,079 thousand (1998: Rs. 1,079 thousand) and Singer VIII B.V. Netherland Rs. 554 thousand (1998: Rs. 813 thousand).

	(Rs. in '000)	
	1999	1998
<b>11.4 WORKERS' PROFITS PARTICIPATION FUND</b>		
Opening balance	572	566
Add: Allocation for the period	764	559
Interest provided during the period	75	60
	1,411	1,185
Less: Paid during the period to:		
- workers	456	530
- workers welfare fund	177	83
	633	613
	778	572

## 12. CONTINGENT LIABILITIES AND COMMITMENTS

12.1 There are certain pending law suits initiated by and against the Company concerning shop leases and ex-employees. However, in the opinion of the legal advisors, no Significant liability will arise in case of adverse decisions.

12.2 Contingencies in the amount of Rs. 2,500 thousand (1998: Nil) and commitments in respect of letters of credit outstanding amount to Rs. 45,277 thousand (1998: Rs. 21,325 thousand) at the period end.

12.3 The income tax assessments of the Company have been finalised by the Deputy Commissioner of Income Tax upto the assessment year 1998-99 corresponding to the income year ended January 3, 1998. In respect of certain assessment years, the Company filed appeals with Appellate Authorities for various disallowance and short credit of the taxes paid. In the opinion of the tax advisor of the Company the out come of the appeals would be in the favour of the Company.

## 13. OPERATING ASSETS

	Note	COST/ASSIGNED VALUE/REVALUATION				DEPRECIATION			(Rs. in '000) BOOK VALUE		
		As at January 3, 1999	Additions during the period	Deletion during the period	As at December 31, 1999	As at January 3, 1999	For the period	On disposal	As at December 31, 1999	As at December 31, 1999	Depreciation Rate %
<b>Owned assets</b>											
Leasehold land	13.1	18,890	--	--	18,890	2,030	203	--	2,233	16,657	1
Buildings on leasehold land	13.2	33,261	130	--	33,391	11,168	1,352	--	12,520	20,871	3 & 6.67
Leasehold improvements		4,745	89	(46)	4,788	2,710	366	(25)	3,051	1,737	10
Plant and machinery		85,320	190	(241)	85,269	56,365	4,545	(241)	60,669	24,600	8.33
Furniture and equipment		9,105	287	(160)	9,232	5,785	627	(115)	6,297	2,935	10
Computer software		817	94	--	911	605	123	--	728	183	20 & 50
Vehicles		858	464	--	1,322	794	280	--	1,074	248	25
		152,996	1,254	(447)	153,803	79,457	7,496	(381)	86,572	67,231	
<b>Leased assets</b>											
Vehicles		10,904	926	(1,402)	10,428	5,061	2,106	(1,402)	5,765	4,663	20
Machinery		16,373	--	--	16,373	6,867	1,475	--	8,342	8,031	8.33 & 20
Computer		3,103	--	--	3,103	1,552	621	--	2,173	930	20
		30,380	926	(1,402)	29,904	13,480	4,202	(1,402)	16,280	13,624	
December 31, 1999		183,376	2,180	(1,849)	183,707	92,937	11,698	(1,783)	102,852	80,855	
January 2, 1999		182,267	2,794	(1,685)	183,376	82,338	12,284	(1,685)	92,937	90,439	

13.1 The leasehold land was initially revalued in 1983 and the revaluation surplus of Rs. 4,850 thousand was credited to surplus on revaluation of fixed assets account (note 6). This leasehold land was again revalued in 1989, on the basis of depreciated replacement cost valuation undertaken by M/s Iqbal A. Nanjee & Company and the surplus of Rs. 13,690 thousand has been credited to surplus on revaluation of fixed assets account (note 6).

13.2 The Company had revalued buildings on leasehold land by capitalising the conversion difference of Rs. 1,380 thousand arising on devaluation of Pak Rupee in 1972. The buildings on leasehold land were again revalued in 1989, on the basis of depreciated replacement cost valuation undertaken by M/s Iqbal A. Nanjee & Company and a surplus of Rs. 11,210 thousand has been credited to surplus on revaluation of fixed assets account (note 6). In addition, this also includes property indicated in note 5.1.

13.3 Depreciation on leasehold land and buildings for the whole period has been calculated on the basis of the depreciated replacement cost as determined by the valuer in 1989.

13.4 Had there been no revaluation, as stated in notes 13.1 and 13.2, the related figures of leasehold land and buildings on leasehold land would have been as follows:

	(Rs. in '000)		
	<i>Cost</i>	<i>Accumulated depreciation</i>	<i>Written down value</i>
Leasehold land	853	515	338
Buildings on leasehold land	5,192	3,435	1,757
	-----	-----	-----
	6,045	3,950	2,095
	=====	=====	=====
1998	6,045	3,786	2,259
	=====	=====	=====

13.5 Depreciation for the period has been allocated as follows:

		(Rs. in '000)	
	<i>Note</i>	<i>1999</i>	<i>1998</i>
Cost of goods manufactured	23.1	8,248	8,907
Administrative and selling expenses	24	3,450	3,377
		-----	-----
		11,698	12,284
		=====	=====

### 13.6 Disposal of fixed assets

	('Rs. in '000)						
	<i>Original Cost</i>	<i>Accumulated depreciation</i>	<i>Book value</i>	<i>Sale proceeds</i>	<i>Gain/ (loss) on disposal</i>	<i>Mode of disposal</i>	<i>Particulars of Purchasers</i>
<b>Leased assets</b>							
<b>Vehicles</b>							
Suzuki Khyber	257	257	--	209	209	Tender	Mr. Sohail Islam House No. 6/6 - 6/4 Nazimabad, Karachi.
Suzuki Khyber	282	282	--	200	200	Tender	M/s. Ali Bhai Motors P.E.C.H.S. Karachi
Suzuki Khyber	283	283	--	250	250	Negotiation	Mr. Khurshid Alam (Employee)
Toyota Corolla	580	580	--	398	398	Tender	Mr. Mohammad Azhar House No. 18, Street No. 43 Sector G/8-2 Islamabad.
	-----	-----	-----	-----	-----		
	1,402	1,402	--	1,057	1,057		
<b>Owned assets</b>							
Leasehold improvements	46	25	21	21	--	Insurance claim	New Jubilee Insurance Co. Limited
Furniture & Fixture	11	4	7	9	2	Insurance claim	New Jubilee Insurance Co. Limited
"	55	25	30	30	--	Insurance claim	New Jubilee insurance Co. Limited
"	56	56	--	1	1	Negotiation	Mr. Irfan Malik (Employee)
"	38	30	8	24	16	Negotiation	Mr. Qaiser Pervaiz (Ex-Executive)

	206	140	66	85	19	
Plant and machinery	241	241	--	185	185	Negotiation MNH Engineering Metal Works B-492, S-33/E, Korangi No.2 Karachi.
	1,849	1,783	66	1,327	1,261	

**14. CAPITAL WORK-IN-PROGRESS**

(Rs. in '000)

	1999	1998
Plant and equipment	219	--

**15. LONG-TERM DEPOSITS AND PREPAYMENTS**

Deposits		
- Lease facilities	917	870
- Others	4,226	3,987
	5,143	4,857
Prepaid rentals	2,254	1,496
	7,397	6,353

**16. DEFERRED COST**

Opening balance	1,429	2,800
Addition during the period	119	--
	1,548	2,800
Amortized during the period	(193)	(1,371)
	1,355	1,429

16.1 The above represents pre-operating expenditure incurred on television, standardization of Straight Stitch Machines projects and Deep Freezers.

**17. STORES, SPARES AND LOOSE TOOLS**

Stores	1,814	1,598
Spares	2,057	2,458
Loose tools	2,843	2,809
	6,714	6,865

(Rs. in '000)

	Note	1999	1998
<b>18. STOCK-IN-TRADE</b>			
Raw materials		20,434	24,369
Raw materials-in-transit		20,444	24,019
		40,878	48,388
Work-in-process		34,482	33,030
Finished goods		100,804	92,996
		176,164	174,414
Provision for slow moving/obsolete items		(2,043)	(1,980)
		174,121	172,434

**19. TRADE DEBTS**

Considered good			
Hire purchases-secured		62,120	59,511
Trade receivables-unsecured	19.1	104,837	82,224
Others - Unsecured		78,930	96,603
		183,767	178,827
		245,887	238,338

Less: unearned carrying charges	(21,524)	(21,788)
	224,363	216,550
Considered doubtful	8,447	9,027
	232,810	225,577
Less: Provision for doubtful debts	8,447	9,027
	224,363	216,550

19.1 Amount due from the associated undertakings as at the period end was Rs. 5,163 thousand (1998: Rs. 4,827 thousand). The maximum aggregate balance due at the end of any month was Rs. 5,892 thousand (1998: Rs. 4,958 thousand).

## 20. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	<i>(Rs. in '000)</i>	
<i>Note</i>	<i>1999</i>	<i>1998</i>
Advances - considered good		
Executives	57	155
Employees	120	421
Suppliers	278	1,037
	455	1,613
Deposits - trade	3,442	3,412
- lease	467	466
Prepayments	9,673	12,497
Other receivables		
Claims from Collector of Customs/Excise authorities	8,359	6,610
Insurance claim	10,441	8,141
Others	20.1	3,254
	22,054	19,183
	36,091	37,171

20.1 Amount due from the associated companies was Rs. 654 thousand (1998: Rs. 1,420 thousand). The maximum amount due at the end of any month was Rs. 3,118 thousand (1998: Rs. 4,224 thousand).

## 21. CASH AND BANK BALANCES

Cash at bank in:		
- current account	1,791	1,640
- deposit account	6,059	5,809
	7,850	7,449
Cash in hand	471	311
Cheques in hand	7,206	9,504
Cheques in transit	7,315	5,318
	22,842	22,582

## 22. OPERATING RESULTS

	<i>OWN MANUFACTURED/ASSEMBLED</i>				<i>GOODS PURCHASED FOR RESALE</i>		<i>(Rs. in '000)</i>	
	<i>SEWING MACHINES</i>		<i>APPLIANCES</i>		<i>TOTAL</i>			
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Sales								
-Local	109,050	110,702	395,360	405,424	115,493	68,404	619,903	584,530
-Export	--	--	--	--	3,018	552	3,018	552
	109,050	110,702	395,360	405,424	118,511	68,956	622,921	585,082
Less: Commission on sales	5,710	6,198	11,895	15,575	7,839	1,876	25,444	23,649
	103,340	104,504	383,465	389,849	110,672	67,080	597,477	561,433

Cost of goods sold (note 23)	78,498	79,972	334,143	328,635	89,053	57,497	501,694	466,104
Administrative and selling expenses (note 24)	14,178	14,319	41,590	41,605	11,080	7,460	66,848	63,384
	92,676	94,291	375,733	370,240	100,133	64,957	568,542	529,488
Operating profit	10,664	10,213	7,732	19,609	10,539	2,123	28,935	31,945

**23. COST OF GOODS SOLD**

Opening stock-finished goods	26,143	30,818	50,819	56,998	16,034	16,670	92,996	104,486
Purchases--finished goods	--	--	--	--	75,875	55,102	75,875	55,102
Cost of goods manufactured (note 23.1)	66,188	63,960	278,972	263,079	--	--	345,160	327,039
Excise duty and sales tax	13,761	11,337	57,540	59,377	17,166	1,759	88,467	72,473
	106,092	106,115	387,331	379,454	109,075	73,531	602,498	559,100
Closing stock - finished goods	(27,594)	(26,143)	(53,188)	(50,819)	(20,022)	(16,034)	(100,804)	(92,996)
	78,498	79,972	334,143	328,635	89,053	57,497	501,694	466,104

**23.1 Cost of goods manufactured**

Note	<i>(Rs. in '000)</i>					
	SEWING MACHINES		APPLIANCES		TOTAL	
	1999	1998	1999	1998	1999	1998
Raw materials consumed						
Opening stock	2,766	3,226	45,622	55,663	48,388	58,889
Purchases	43,772	35,337	244,248	237,914	288,020	273,251
	46,538	38,563	289,870	293,577	336,408	332,140
Closing stock	(2,947)	(2,766)	(37,931)	(45,622)	(40,878)	(48,388)
	43,591	35,797	251,939	247,955	295,530	283,752
Stores and Spares Consumed	3,332	3,254	4,659	4,217	7,991	7,471
Salaries, wages and other benefits	13,841	12,936	11,096	9,259	24,937	22,195
Fuel and power	2,065	3,097		2,377	5,162	4,755
Rent, rates and taxes	70	77	180	125	250	202
Repairs and maintenance	457	425	196	141	653	566
Insurances	265	256	617	597	882	853
Deferred cost	87	619	106	752	193	1,371
Research and development	--	--	32	45	32	45
Travelling and conveyance	731	814	732	666	1,463	1,480
Communication	240	310	160	134	400	444
Printing and Stationery	239	252	103	109	342	361
Octroi, cartage and other	386	91	80	39	466	130
Depreciation	13.5	3,205	3,557	5,043	8,248	8,907
Provision for obsolete stock	--	515	63	--	63	515
Opening stock of work-in-process	23,776	26,455	9,254	567	33,030	27,022
Closing stock of work-in-process	(26,097)	(23,776)	(8,385)	(9,254)	(34,482)	(33,030)
	66,188	63,960	278,972	263,079	345,160	327,039

**24. ADMINISTRATIVE AND SELLING EXPENSES**

Note	OWN MANUFACTURED/ASSEMBLED				GOODS PURCHASED FOR RESALE		<i>(Rs. in '000)</i>	
	SEWING MACHINES		APPLIANCES		TOTAL		1999	1998
	1999	1998	1999	1998	1999	1998	1999	1998
Salaries and benefits	6,816	6,738	9,879	9,950	3,765	3,194	20,460	19,882
Rent, rates and taxes	972	1,188	3,526	4,352	1,057	740	5,555	6,280
Printing and stationery	250	241	906	883	271	150	1,427	1,274
Electricity	515	601	1,867	2,200	560	374	2,942	3,175
Communication	831	906	3,014	3,318	904	565	4,749	4,789
Travelling and conveyance	1,090	1,348	3,953	4,936	1,185	839	6,228	7,123



Publicity and sales promotion	2,148	1,590	12,785	9,717	1,690	534	16,623	11,841
Repairs and renovations	309	288	1,120	1,056	336	180	1,765	1,524
Depreciation 13.5	599	639	2,201	2,339	650	399	3,450	3,377
Provision for doubtful debts	491	608	1,781	2,226	534	378	2,806	3,212
Sundries	157	172	558	628	128	107	843	907
	14,178	14,319	41,590	41,605	11,080	7,460	66,848	63,384

**25. OTHER INCOME**

	Note	(Rs. in '000)	
		1999	1998
Gain on disposal of fixed assets		1,261	1,158
Commission		300	543
Miscellaneous		309	701
		1,870	2,402

**26. FINANCIAL CHARGES**

Mark-up on finances under mark-up arrangements		44,461	49,635
Interest on:			
Workers' profits participation fund		75	60
Others		835	638
		45,371	50,333
Finance lease charges		2,921	3,610
Bank charges		2,139	1,995
		50,431	55,938

**27. OTHER CHARGES**

Legal and professional		1,842	1,780
Auditors' remuneration	27.1	170	170
Workers' profit participation fund		764	559
Workers' welfare fund		192	127
Donations	27.2	12	12
		2,980	2,648

**27.1 Auditors' remuneration**

Audit fee		120	120
Out-of-pocket expenses		50	50
		170	170

27.2 None of the directors or their spouses have any interest in any donee fund to which donation was made.

**28. EARNINGS PER SHARE**

Profit after tax		7,035	7,125
Number of shares		11,333,869	11,333,869
Earnings per share (Rupees)		0.62	0.63

(Rs. in '000)  
1999 1998

**29. CASH GENERATED FROM OPERATIONS**

Profit before taxation		14,324	10,502
Adjustment for:			
Depreciation		11,698	12,284
Amortization of deferred cost		193	1,371
(Gain) on sale of fixed assets		(1,261)	(1,158)
		10,630	12,497
Operating profit before working capital Changes		24,954	22,999
Decrease/(increase) in current assets			
Stores, spares and loose tools		151	1,775
Stock-in-trade		(1,687)	16,498
Trade debts		(7,813)	27,535

Advances, deposits, prepayments and other receivables	1,080	13,861
	-----	-----
	(8,269)	59,669
Increase/(decrease) in current liabilities		
Short-term loan	--	(74,260)
Creditors, accrued expenses and other liabilities	6,475	(24,165)
	-----	-----
	6,475	(98,425)
	-----	-----
	23,160	(15,757)
	=====	=====

### 30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items as included in the balance sheet.

Cash and bank balances	22,842	22,582
Finance under mark-up arrangements	(274,014)	(265,450)
	-----	-----
	(251,172)	(242,868)
	=====	=====

### 31. FINANCIAL ASSETS AND LIABILITIES AS ON DECEMBER 31, 1999

	<i>Interest/Mark-up bearing</i>			<i>Non-Interest/Mark-up bearing</i>			<i>Total</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>	<i>Sub total</i>	
<b>Financial Assets</b>							
Trade debts	145,433	--	145,433	78,930	--	78,930	224,363
Other receivables	--	--	--	13,098	--	13,098	13,098
Cash and bank balance	6,059	--	6,059	16,783	--	16,783	22,842
	-----	-----	-----	-----	-----	-----	-----
	151,492	--	151,492	108,811	--	108,811	260,303
	=====	=====	=====	=====	=====	=====	=====
<b>Financial liabilities</b>							
Liabilities against assets subject to finance lease	5,169	6,993	12,162	--	--	--	12,162
Finance under mark-up arrangements	274,014	--	274,014	--	--	--	274,014
Creditors, accrued expenses and other liabilities	--	--	--	79,760	--	79,760	79,760
Long term deposits	--	6,059	6,059	--	--	--	6,059
	-----	-----	-----	-----	-----	-----	-----
	279,183	13,052	292,235	79,760	--	79,760	371,995
	=====	=====	=====	=====	=====	=====	=====

#### 31.1 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted.

To manage exposure to credit risk, the Company applies credit limits to its customers.

The Company places cash & cash equivalents available for short-term periods with various banks.

#### 31.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

### 32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration including all benefits to the chief executive, directors and executives of the company were as follows:

	<i>(Rs. in '000)</i>							
	<i>CHIEF EXECUTIVE</i>		<i>DIRECTORS/ ALTERNATE DIRECTORS</i>		<i>EXECUTIVES</i>		<i>TOTAL</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
Managerial remuneration	1,100	880	2,344	1,840	4,218	3,769	7,662	6,489
Retirement benefits	92	73	195	154	351	314	638	541
Reimbursable expenditure	259	216	1,017	865	960	848	2,236	1,929
Housing	156	156	720	720	1,800	1,755	2,676	2,631
Leave passage, bonus and others	413	370	36	127	434	410	883	907
	-----	-----	-----	-----	-----	-----	-----	-----
	2,020	1,695	4,312	3,706	7,763	7,096	14,095	12,497
	=====	=====	=====	=====	=====	=====	=====	=====
Number of persons	1	1	3	3	20	20	24	24
	=====	=====	=====	=====	=====	=====	=====	=====

In addition, the Chief Executive, Directors and Executives are provided with free use of Company-maintained cars and certain items of furniture and fixture on hire in accordance with their entitlements. Further, they would also be entitled to gratuity and pension as per gratuity and pension schemes of the Company.

Directors/alternate directors' remuneration includes Rs. 1,910 thousand (1998: Rs. 1,609 thousand) being the remuneration for the whole year of the executives appointed as alternate directors for any period during the year.

Aggregate amount charged in these accounts for the year for fee to three directors was Rs. 9 thousand (1998: Rs. 3 thousand).

### 33. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

The Company purchased from associated undertakings goods in the aggregate sum of Rs. 42, 618 thousand (1998: Rs. 41,004 thousand) and sold goods in the aggregate sum of Rs. 3,018 thousand (1998: Rs. 552 thousand). The Company also received indenting commission from associated undertakings amounting to Rs. 1,551 thousand (1998: Rs. 986 thousand).

### 34. PLANT CAPACITY AND ACTUAL PRODUCTION (IN NUMBERS)

	Capacity	Actual Production	
		1999	1998
Sewing machines	50,000	23,034	24,936
Gas appliances	25,000	12,206	15,694
Refrigerators/Deep Freezers	25,000	9,974	8,865
Washing machines	15,000	3,513	4,083
Colour televisions	20,000	5,824	5,074

The under utilisation of capacity in certain appliances is attributed to the lower demand, shrinkage in consumer purchasing power due to excessive recession and imports under personal baggage scheme.

### 35. NUMBER OF EMPLOYEES

The number of employees at the period end were 603 (1998: 667)

### 36. GENERAL

Prior period's figures have been re-arranged and re-classified wherever necessary for the purpose of comparison.

**KAMAL SHAH**  
CHIEF EXECUTIVE

**RASHEED Y. CHINYOY**  
DIRECTOR

### Statistical Summary

	(Rs. in '000)									
	1999	1998	1999	1998	1999	1998	1999	1998	1999	1998
<b>ASSETS EMPLOYED</b>										
Current Assets	513,860	488,923	530,502	578,377	468,102	336,374	306,629	253,789	195,241	155,237
Current Liabilities	376,776	354,068	399,388	444,324	334,144	242,673	228,966	202,493	171,659	125,603
<b>NET CURRENT ASSETS</b>	137,084	134,855	131,114	134,053	133,958	93,701	77,663	51,296	23,582	29,634
Tangible Fixed Assets	81,074	90,439	100,590	101,231	88,001	75,398	81,245	78,094	83,178	70,679
Long-Term Deposits & Prepayments	7,397	6,353	7,753	8,278	7,500	5,798	6,293	4,687	3,724	1,944
Deferred Cost	1,355	1,429	2,800	3,925	963	149	912	1,584	862	0
<b>TOTAL ASSETS EMPLOYED</b>	226,910	233,076	242,257	247,487	230,422	175,046	166,113	135,661	111,346	102,257
<b>FINANCED BY:</b>										
Share Capital	113,339	52,472	43,726	43,726	43,726	34,981	27,985	27,985	27,985	27,985
Share Application Money Reserves	0	0	0	0	0	0	14,614	0	0	0
Surplus on revaluation of fixed assets	69,619	131,951	139,869	132,007	111,056	78,910	55,726	39,192	29,601	22,398
Long-term loans, Debenture Lease Facilities, Deposits and Deferred liabilities	29,153	29,153	29,153	29,153	29,153	29,153	29,153	29,153	29,153	29,153
	14,799	19,500	29,509	42,601	46,487	32,002	38,635	39,331	24,607	22,721
<b>TOTAL CAPITAL EMPLOYED</b>	226,910	233,076	242,257	247,487	230,422	175,046	166,113	135,661	111,346	102,257
Sales net	597,477	561,433	605,560	813,620	704,566	545,345	476,708	405,498	329,970	281,537
Profit after taxation	7,035	7,125	7,862	37,130	36,956	28,956	23,777	20,085	17,697	14,499
Cash dividend										

Amount	8,500	6,297	0	16,179	16,179	13,468	12,243	10,494	10,494	9,795
%	7.5%	10%	0	37%	37%	38.5%	35%	37.5%	37.5%	35%
Bonus share										
Amount	0	60,867	8,746	0	0	0	0	0	0	0
%	0	116%	20%	0	0	0	0	0	0	0
Earning per share										
After Tax	0.62	0.63	1.80	8.49	8.45	8.28	8.50	7.18	6.32	5.18