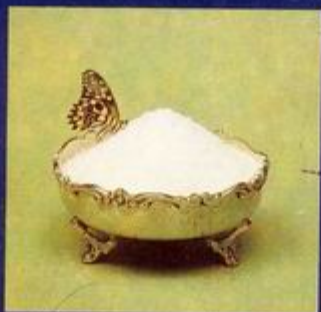




## ANNUAL REPORT

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Shakarganj Mills Limited



## Corporate Mission

### Preamble

We, the management of Shaharganj Mills Limited, have set forth our belief as to the purpose for which the Company is established and the principles under which it should operate. We pledge our efforts to the accomplishment of the purpose within the agreed principles.

### Basic Purpose

The basic purpose of Shaharganj Mills Limited is to perpetuate as a Public Limited Company engaged in manufacturing and marketing white refined cane sugar, food products, sugar by-products and other products wherein management or sponsors have expertise. In addition we preserve to assume a leadership position in related industry regarding: quality of the product, cost effectiveness, turnover and technology.

### What We Do

Our main business area is the production of refined cane sugar and sugar by-products.

We recognise the value of technological improvement keep in step with the latest innovations and developments in our field. We believe in modern management practice and use latest techniques. We constantly train our people and keep them highly motivated as they are our most important assets. We strongly believe in integrity in business and integrity of Shaharganj depends on integrity of each one of its employees.

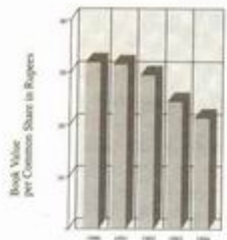
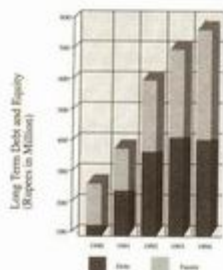
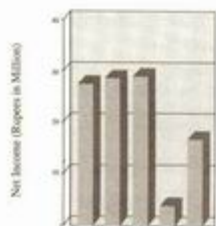
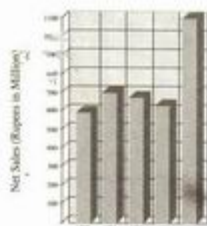
We consider Research and Development as back bone of our business and conduct extensive Agricultural Research through Shaharganj Sugar Research Institute.

We consider our farmers who are our raw material suppliers as the most important part of our business. We transfer the technology and results of our research to our farmers with the objective of matching their sugar cane output to world standard.

We believe in diversification through new manufacturing facilities and through equity participation.

## Five Years Financial Summary

(Rupees in thousand, except amounts per share)



	1994	1993	1992	1991	1990
<b>OPERATING RESULTS</b>					
Net Sales	1,090,098	645,774	686,466	727,225	609,104
Cost of Sales	1,011,269	623,989	601,602	641,841	509,159
Selling, General and Admin; Expenses	44,386	31,404	29,027	24,158	17,004
Interest Expenses	104,624	64,682	59,540	48,716	35,293
Other Charges	1,553	305	2,031	2,592	4,970
Other Income, Net	96,565	70,393	40,368	35,400	8,796
Pre-Tax Profit/(Loss)	24,831	(4,213)	34,634	45,318	51,474
Income Tax	5,450	(11,771)	(550)	10,636	19,691
Net Income	19,381	7,558	35,184	34,682	31,783

## PER SHARE RESULTS AND RETURN

Earnings per Share	1.07	0.55	3.58	4.62	5.29
Cash Dividends per Share	-	-	-	-	1.5
Stocks Dividends per Share	1:10	1:10	1:5	1:5	1:5
Net Income to Sales Percent	1.78	1.17	5.13	4.77	5.22
Return on Average Assets Percent	1.24	0.56	3.65	5.18	6.02
Return on Average Equity Percent	5.12	2.38	13.71	16.78	17.86

## FINANCIAL POSITION

Current Assets	754,398	592,632	368,299	212,331	160,648
Current Liabilities	800,523	710,842	480,475	303,718	290,702
Operating Fixed Assets	529,515	401,084	282,970	265,694	228,801
Total Assets	1,630,077	1,500,634	1,187,794	738,071	599,687
Long-Term Debt	340,877	350,763	296,250	117,079	36,959
Shareholders' Equity	410,844	346,002	289,244	224,060	189,378
Break-up Value per Share	22.59	25.12	29.39	31.19	31.56

## FINANCIAL RATIOS

Current Liabilities to Current Assets	1.06	1.20	1.30	1.43	1.81
Long-Term Debt to Capitalization Percent	45.35	50.34	50.60	34.32	16.32
Total Debt to Total Assets Percent	74.80	76.94	75.64	69.64	68.42
Interest Coverage Times	1.25	0.94	1.62	1.98	2.60
Average Collection Period Days	9.40	5.49	2.96	2.11	1.08
Inventory Turnover Times	6.13	3.46	5.15	10.55	9.56
Fixed Assets Turnover Times	1.29	0.75	0.89	1.54	1.79
Total Assets Turnover Times	0.67	0.43	0.58	0.99	1.02

## OTHER DATA

Depreciation and Amortization	89,011	80,307	63,017	55,278	44,610
Capital Expenditure	187,346	163,433	49,679	67,016	49,756





## Production Data 1974-1994

Season	Duration of Season (Days)	SUGAR				INDUSTRIAL MOLASSES			PARTICLE BOARD	
		Cane Crushed (M. Tons)	Sugar Produced (M. Tons)	Recovery (Percent)	Process Losses (Percent)	Molasses Produced (M. Tons)	Industrial Alcohol Produced (Litres)	Particle Board Produced (Cubic Meters)		
1993-94	196	1,203,371.201	88,116.500	7.34	2.65	60,150	5,250,076	4,334,770		
1992-93	161	691,838.635	54,055.000	7.85	2.68	35,980	4,887,020	1,662,757		
1991-92	174	746,506.346	63,985.500	8.57	2.53	37,710	4,525,900	3,360,000		
1990-91	204	866,552.129	65,536.800	7.56	2.59	47,135	3,422,204	642,940		
1989-90	187	708,632.495	57,912.000	8.17	2.31	33,180	3,030,217			
1988-89	170	446,324.860	36,366.800	7.70	2.44	22,410				
1987-88	193	698,604.856	55,726.000	7.98	2.61	38,740	308,494			
1986-87	149	333,601.075	27,898.600	8.36	2.24	15,060	1,855,809			
1985-86	113	237,601.670	20,625.000	8.66	2.29	11,470	20,239			
1984-85	168	441,717.765	39,522.600	8.96	2.38	22,580				
1983-84	173	427,169.490	35,501.200	8.31	2.40	21,860				
1982-83	173	361,291.485	29,440.000	8.16	2.44	16,255				
1981-82	207	466,040.000	39,474.000	8.47	2.48	21,255				
1980-81	187	287,723.000	25,562.000	8.89	2.42	13,373				
1979-80	112	61,206.625	5,619.300	8.95	2.25	2,358				
1978-79	114	107,106.070	9,267.300	8.80	2.27	4,147				
1977-78	177	319,960.400	27,620.000	8.61	2.44	14,103				
1976-77	166	308,987.443	26,085.600	8.45	2.67	15,228				
1975-76	157	246,393.593	18,864.880	7.61	2.68	11,424				
1974-75	107	104,069.161	8,252.618	8.30	2.75	4,182				
1973-74	101	87,824.720	5,476.830	6.28	3.57	4,726				

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## About Shakarganj:

Shakarganj Mills Limited is a Public Limited Company incorporated on September 20, 1967 and is listed on the Stock Exchanges of Pakistan. The manufacturing facilities consisting of Sugar, Industrial Alcohol and Particle Board are located in the famous town of Jhang in the central Punjab. High quality sugar conforming to international standard is manufactured and used by Pharmaceutical Industry and other food manufacturers in addition to quality conscious housewives.

Crescent Business Management (Private) Limited is a wholly owned subsidiary of Shakarganj. This Company manages First Crescent Modaraba which is listed on Karachi, Lahore and Islamabad Stock Exchanges. First Crescent Modaraba is dedicated to reform the financial and business conduct and bring it in accordance with the principles enshrined in the Sharia.

At Shakarganj three co-products of sugar are produced. Molasses is converted into Industrial Alcohol and Sugarcane bagasse is converted to high quality Particle Board. Surplus Power is supplied to the National Grid.

Research and development is very important aspect of business at Shakarganj and for this purpose Shakarganj Sugar Research Institute has been established since 1983 along side the other facilities. Shakarganj serves 24,500 farming families in addition to several other suppliers.

## To Our Shareholders

### Review of Fiscal 1994

Dear Shakarganj Investor:

Your company was able to recover partially from the shock of 'Nightmare' season of 1992/93, during the year under review. Production of Sugar, Industrial Alcohol and Particle Board was up compared to 1992/93. Sugar production increased by 63 percent to 88,116 Metric Tons in 1993/94 from 54,055 Metric Tons in 1992/93. Industrial Alcohol production increased by 7.43 percent and Particle Board was up by 161 percent. This enabled the company to post a profit of Rs. 19.38 Million after providing for a turnover tax of Rs. 5.45 Million. Profit increased by 156 percent during the year under review compared to 1992/93. Performance of different divisions of your company is analyzed below:

### Sugar Division

Sugar division is the largest contributor to your company's total revenue. During fiscal 1994 sugar division contributed 91 percent of total revenue. We had set a production target of 90,000 Metric Tons for 1993/94 against which actual production of 88,116 Metric Tons was achieved. In spite of better output, sugar division remained under pressure due to defective government policy. Government policy was designed to keep domestic sugar price at a level below the cost of production. In spite of manifold increase in cost of inputs as a consequence of government policy, sugar price was kept at a very low level having no price/cost relationship. Sugarcane alone constitutes 63 percent of total cost of production (excluding Excise Duty). Cumulative increase in sugarcane price for 6 years works out to 49 percent. This translates into an average increase of 9.7 percent per annum.

SUGARCANE SUPPORT PRICE  
(1987/88-1994/95)

(Figures in Rupees)

Year	Sindh	Punjab	NWFP
1987/88	11.15	11.00	10.75
1988/89	12.00	11.75	11.60
1989/90	14.00	13.75	13.50
1990/91	15.75	15.25	15.25
1991/92	17.00	16.75	16.75
1992/93	17.75	17.50	17.50
1993/94	18.25	18.00	18.00
1994/95	20.80	20.50	20.50

Price of every food item has increased with inflation in the country. Sugar cannot be an exception to this phenomenon. For the last five years price of wheat, beef, milk, rice, tea and vegetable ghee has increased by 12-13 percent annually. Sugar price has increased by only 3.5 percent during the same period.

AVERAGE RETAIL PRICE TRENDS OF COMMODITIES  
(1989/90-1993/94)

(Figures in Rupees)

Commodities	Scale	1989-90	1990-91	1991-92	1992-93	1993-94	Cumulative Increase%	Average Increase%
Wheat	Per Kg	2.75	3.07	3.56	3.84	4.11	49	12.30
Beef	Per Kg	23.24	25.51	29.62	32.16	35.01	51	12.80
Milk	Ltr	7.14	7.71	8.82	9.26	10.87	52	13.00
Rice Basmati Broken	Per Kg	5.71	6.10	6.97	7.98	8.73	53	13.30
Tea	250 Gms	18.63	20.00	20.04	22.74	27.51	48	12.00
Vegetable Ghee	Per Kg	18.53	19.00	20.53	23.74	27.73	49	12.30
Sugarcane	Per 40 KG	14.00	15.75	17.00	17.75	18.25	30	7.50
Sugar prod. Cost								
Including CED	Per 40 Kg	361.20	397.36	410.80	450.00	480.00	33	8.30
Sugar Wholesale Price	Per 40 Kg	454.40	450.40	464.80	487.60	516.00	14	3.50





Sugar production in the country increased to 2.92 Million Tons in 1993/94 making Pakistan a sugar surplus country for the first time. Your company entered the sugar export market and sold 15,000 Metric Tons or 17.02 percent of its total production in the international market. Unfortunately sugar export was banned by the government on 4 May, 1994. We were unable to ship 5,000 Metric Tons sugar as a result of this ban. As surplus sugar could not be exported, domestic sugar market remained depressed throughout the year. As a direct result of inconsistent sugar export policy, our sugar division had to suffer financial adversity both in terms of profitability and liquidity.

#### Industrial Alcohol Division

International market of Industrial Alcohol remained favourable. Production stood at 5.25 Million Litres against a production target of 5 Million Litres for the year. This division produced net sales revenues of Rs. 83.277 Million. Industrial Alcohol division contributed 7.64 percent of total revenues of the company.

#### Particle Board Division

With increase in sugar production, availability of raw material for Particle Board production increased. Particle Board production increased to 4,335 Cubic Meters compared to 1,662 Cubic Meters in 1992/93. Production target had been set at 4,000 Cubic Meters for the year.

#### Co-Generation

Shakarganj took a major step in co-generation of electricity for sale to the national grid. We entered into an agreement with Water and Power Development Authority (WAPDA) on 25 July, 1993 for selling surplus power to the extent of 2 Mega Watts per day during the 1993/94 crushing season. We have made a small beginning as a pilot project.

Unfortunately, the power purchase rate offered by WAPDA is very unrealistic. It will be impossible for the sugar industry to work on the option of co-generation in a big way unless the rate is revised and fixed at a realistic level. We cannot expect the sugar companies to commit any capital expenditure for co-generation in the present scenario.

We supplied 2,432,197 KWH electricity to the national grid during 1993/94 season. Our small contribution can be understood from the fact that electricity supplied from Shakarganj caters to the requirements of 5,375 domestic consumers. We take care of 12.86 percent of domestic load of Jhang city. Given reasonable treatment, Shakarganj can produce 20 MW power for WAPDA against a total requirement of 27 MW for the city.

#### Crescent Business Management (Private) Limited

Keeping in line with the changing economic scenario and business environment of the country, Shakarganj entered the financial sector through its wholly owned subsidiary, Crescent Business Management

(Private) Limited. This company manages First Crescent Modaraba. This Modaraba was offered on the Stock Exchange in June 1991 with Paid Up Capital of Rs. 100 million.

The mission of this Modaraba is to seek the pleasure of Allah through the reform and transformation of financial and business conduct in accordance with the principles enshrined in the 'Shariah'. The First Crescent Modaraba commenced the business operations on July 24, 1991. For the period ended 30 June, 1994 First Crescent Modaraba has registered a profit of Rs. 35.910 million and distributed 22.5 percent bonus certificates.

#### Investment Portfolio

During fiscal 1994 disinvestments of Rs. 144.195 million were made in the Investment Portfolio which yielded a capital gain of Rs. 81.664 million during the year. This was done to increase the liquidity of the company and also to take advantage of favourable stock market. New investments to the tune of Rs. 48.660 million were made during the year. The size of our investments at the year end stood at Rs. 228.803 million at cost. The market value was Rs. 692.703 million at the year end yielding an unrealized gain of 202.75 percent or Rs. 463.900 million. The Investment Portfolio contributed Rs. 86.338 million to company's profit in shape of dividend and capital gain during the year under review.

#### Contribution to Economy

Your company plays a very important role with regard to its contribution to economy. The value addition after material and services of Rs. 738 million was Rs. 448 million. The share of Government in the value added was 43 percent or Rs. 192 million for the year. Share of employees was Rs. 31 million in 1993 and Rs. 44 million in 1994.

#### Increase in Paid Up Capital

Your Board of Directors has been following the policy of increasing the Paid Up Capital of the company to support your company's growth rate.

The Directors have recommended a stock dividend of 10 percent and a Right Issue of 10 percent at a premium of Rs. 5 per share subject to official approval.

#### Training and Development

We at Shakarganj believe in professional management. All appointments are made on open merit. Our policies are geared for attracting and retaining motivated and competent people. We have a well qualified but young team. We have people with Doctorates, Masters in Science and Business Administration and Engineering Graduates. We believe in constant training and re-training. We send our people to courses and study tours both within and outside Pakistan. In addition, we invite foreign experts for on-site training of our manpower—most valuable asset of Shakarganj. During the last five years we have invited 9 foreign experts for in-house training.

We have an up-to-date Library with latest books and journals for the benefit of those who want to improve their skills.

#### Future Outlook

Decision for disposal of surplus sugar from 1993/94 production was not taken by the government inspite of repeated requests by Pakistan Sugar Mills Association. Sugar Industry was left with huge unsold stocks valued at Rs. 3 billion. Your company was no exception to this phenomenon. In spite of a bumper sugarcane crop, the financial condition of the industry did not allow the industry to start 1994/95 season in time.

We were forced by the circumstances to delay the start of crushing campaign to 21 November, 1994. Last year, crushing started on 17 October, 1993.

Lost time cannot be regained. We have however set a sugar production target of 100,000 Metric Tons for 1994/95. Production as of 16 February, 1995 stood at 50,041 Metric Tons compared to 58,494 Metric Tons on the same date last year.

Industrial Alcohol production is targeted at 6 Million Litres and

Particle Board at 5000 Cubic Meters.

Government announced a 14 percent increase in sugarcane price for 1994/95. Survival of sugar industry will remain in question if we are not allowed to pass on the burden to the consumers.

Given favourable marketing conditions and pragmatic government approach on domestic sugar price we will be able to post higher profit for 1995. Key question will still be timely and dynamic government policy on disposal of surplus sugar in international market.

#### Directors and Employees

The Directors are always a source of guidance and support for the Management and we appreciate their commitment to your company's progress and prosperity.

Your company's progress has mainly been possible through the dedication of the employees and they deserve a very warm vote of thanks. They have always shown their willingness to take advantage of opportunities and face challenges of changing economic pictures. Our sugarcane farmers are the back bone of our industry and we thank them for their continued support.



**ALTAF M. SALEEM**  
Chief Executive

February 16, 1995



## Statement of Value Added

(Rs. in Million)

	1994		1993	
SALES REVENUE	1,090.10		645.78	
OTHER RECEIPTS	96.56		70.39	
	1,186.66		716.17	
LESS: MATERIALS & SERVICES	738.27		418.06	
VALUE ADDED	448.39		298.11	
APPLIED THE FOLLOWING WAY:		%AGE		%AGE
TO EMPLOYEES				
WAGES, SALARIES AND RELATED COSTS	43.61	9.73%	31.18	10.46%
TO GOVERNMENT				
INCOME TAX, EXCISE DUTY, SALES TAX AND OTHER TAXES	191.53	42.72%	113.57	38.10%
TO PROVIDERS OF CAPITAL				
FINANCE CHARGES ON LOANS AND ADVANCES	104.62	23.33%	64.47	21.63%
DIVIDENDS TO SHAREHOLDERS	18.18	4.05%	13.78	4.62%
	122.80	27.39%	78.25	26.25%
TO CHARITABLE INSTITUTIONS	0.24	0.05%	0.31	0.10%
TO PROVIDE FOR MAINTENANCE & EXPANSION OF ASSETS				
DEPRECIATION/AMORTIZATION	89.01	19.85%	80.31	26.94%
PROFIT RETAINED	1.20	0.27%	(5.50)	-1.84%
	90.21	20.12%	74.81	25.09%
	448.39	100.00%	298.12	100.00%

Distribution of Value Added 1993



Distribution of Value Added 1994





## Flow of Funds Analysis

Development of net current position in million of Rupees

	Sept. 30 1992	Change	Sept. 30 1993	Change	Sept. 30 1994
Liquid Assets	+ 362.73	+ 220.18	+ 582.91	+ 143.41	+ 726.32
Short-term receivable	+ 5.57	+ 4.15	+ 9.72	+ 18.36	+ 28.08
Short-term liabilities and provisions	- 431.81	- 227.21	- 659.02	- 94.74	- 753.76
	- 63.51	- 2.88	- 66.39	+ 67.03	+ 0.64
Factors affecting the change in the net current position:					
Source of Funds:					
Net income for the year			+ 7.56		+ 19.38
Depreciation			+ 43.60		+ 58.14
Amortization of assets subject to Finance Lease			+ 36.71		+ 30.87
Deferred Taxation			- 15.00		-
Internal Financing:			+ 72.87		+ 108.39
Right Share issued and Premium thereon			+ 49.20		+ 45.46
Fixed Assets disposed			+ 1.72		+ 0.77
Redeemable Capital			+ 58.91		+ 4.59
Long Term loan			+ 4.09		-
Custom Debentures			+ 0.64		-
Liability against Assets subject to Finance Lease			+ 25.91		+ 12.68
Sales of investments			+ 39.01		+ 71.03
Long-term deposits			+ 4.66		+ 5.21
Source of Funds - Total			+ 257.01		+ 248.13
Application of Funds:					
Addition to Fixed Assets			- 146.68		- 58.49
Assets subject to Finance Lease			- 25.92		- 12.68
Addition to Investments			- 39.01		- 62.53
Redeemable Capital			- 7.03		- 12.18
Long Term deposits			- 2.60		-
Liability against assets subject to Finance Lease			- 36.55		- 32.94
Custom Debentures			- 0.28		- 0.18
Loans repaid			- 1.81		- 2.04
Dividend paid			- 0.01		- 0.06
Application of Funds - Total			- 259.89		- 181.10
Changes in the net position			- 2.88		+ 67.03



## Board of Governors

Mr. Altaf M. Saleem  
Chairman

Mr. M. Asghar Qureshi  
Vice Chairman

Dr. S. A. Qureshi  
Director General

Mr. M. Awais Qureshi  
Member

Mr. Abdul Haq Saeed  
Member

## Shakarganj Sugar Research Institute

### Principal Functions:

- o Sugarcane breeding to evolve fertilizer-responsive, disease resistant varieties of sugarcane with higher sucrose content.
- o To investigate the agronomic problems of sugarcane production.
- o To study soils in sugarcane-producing areas and to relate these to crop management.
- o To study the nutritional requirements of sugarcane.
- o To study and monitor the pests and diseases of sugarcane and so develop appropriate control measures.
- o To conduct basic research on the germination of sugarcane setts, sucrose production, translocation and storage, and on the environmental influences on these processes.
- o To provide advice on the use of fertilizers and other agricultural chemicals, irrigation, drainage, diseases and pests control, the use of machines and equipment, land and water management and other aspects of crop production planning and management.
- o To publish and disseminate information on all aspects of sugarcane production.
- o To provide educational courses in various aspects of sugarcane growing for growers.
- o To collaborate and exchange information and material with Research Organizations in Pakistan and in other countries.
- o To improve technology of sugar production inside the sugar factories by improving milling efficiency.

## Director General Review

### 1. BREEDING OF NEW VARIETIES

- (a) Varieties SPSG-26 & SPSG-394 have shown wider adaptability, better yield and also better recovery. For this reason these are spreading in the entire province. According to a recent survey conducted by Director

Sugarcane Research Institute, AARI Faisalabad the varieties are now entering in commercial production. The acreage all over the Punjab according to the planting season is shown below:

ACREAGE UNDER NEW SUGARCANE VARIETIES PLANTED IN SPRING, AUTUMN AND RATOON CROP IN VARIOUS MILLS AREAS OF PUNJAB 1993-94

Variety	Spring	Percentage area under different varieties		Total area acres
		Autumn	Ratoon	
SPSG-26	0.48	5.54	0.32	11747
SPSG-394	0.04	0.60	0.03	1156

Yearwise spread of both the varieties in various sugar mill zones of Punjab Province is shown below:

SUGARCANE VARIETIES COMPOSITION IN VARIOUS SUGAR MILLS AREAS OF PUNJAB PROVINCE DURING 1991-92, 1992-93 AND 1993-94

Variety	Percentage area under different varieties		1993-94
	1991-92	1992-93	
SPSG-26	0.18	0.57	0.70
SPSG-394	-	0.03	0.07

SSRI is thus participating in the national development programs.

Two more varieties are following closely which are competing well for yield and recovery and fits in better for mid to late crushing season. These varieties are SPSG-2-30 and SPSG-224. These are under advanced testing on farmers land.

during Oct. 1994. Arrangements have now been made to purchase the fresh seed from Natal, South Africa for which two officers of the Institution will visit for selection of the cross combinations. The arrangements will also be made for future to involve parents better adapted to our climatic conditions.

#### (b) Future Variety Evolution Programme

Fuzz obtained from Sao-Paulo during 1992 was planted during end of June. Germination percentage was extremely low because of below optimal storage conditions. Only few hundred seedlings in seven crosses have survived which were transplanted in the field

### 2. PERFORMANCE OF NEW VARIETIES UNDER DIFFERENT TYPES OF TRIALS

Various experiments remained under progress which represented varietal comparison, agronomic trials, fertilizer responses & studies related to disease and pest reactions.





Summary of the two leading varieties in different set of conditions is given in the table below:

YIELD AND QUALITY PERFORMANCE OF VARIETIES UNDER DIFFERENT TRIALS DURING 1993-94 AT SSRI, SML, JHANG

Type of Trial	Treatments	Yield (t/ha)		POL % Cane	
Varietal Comparison	SPSG-26	180		13.27	
	SPSG-394	178		13.20	
	BL-4	178		12.15	
	Co-1148	105		10.10	
Stress Tolerance	Irrigation Coefficients 1.0% 0.8% 0.6%	BL-4	SPSG-394	BL-4	SPSG-394
		81	97	12.9	13.8
		69	86	12.7	13.7
		55	85	12.4	13.6
Biopost Affecting NPK Efficiency	100-100-50	115		16.20	
	100-100-50 + Biopost @ 50 t/ha	146		15.25	
Disease Reaction of Different Varieties/Lines	BL-4	Red Rot	Rust	Whip Smut	
	Co-1148	MS	R	MR	
	SPSG-394	MS	R	MR	
	SPSG-26	MR	R	R	
		R	R	MR	

### 3. SPREAD OF NEW TECHNOLOGY AMONGST THE FARMERS

Emphasis has been given to spread the technology of production using varieties acceptable for yield and recovery through various approaches like production project and rendering services on cash payment, thus covering about 500 acres under packages of new technology.

The best approach has proved to be the spread of seed through demonstration plots. This in addition provides education of the farmers and good demonstration for handling the new

varieties in the field. During autumn 1994, 234 plots of one kanal each have been laid out with small farmers who were upto now using Co-1148. Free seed at the farm level was supplied to the farmers where seed treatment and weed control was also followed. Field days will be arranged at important locations during the peak growth season. It is expected that crop raised will become seed source and replace CO-1148. The farmers are enthusiastic to replace CO-1148, particularly this year because of the heavy infestation of borers. Accordingly the target of 500 plots with small farmers have been fixed for spring 1995 to be completed jointly by research and field staff.

DR. S. A. QURESHI  
Director General Research

## Directors' Report to Shareholders

Dear Shakarganj Investor:

Your Directors are pleased to present the Twenty Seventh Annual Report alongwith detailed notes for the year ended September 30, 1994.

Your company's operations for the year resulted in a net profit of Rs. 19.381 million as against Rs. 7.558 million in 1993. After charging Rs. 89.011 million for depreciation and amortization and Rs. 104.624 million for interest on loans and advances profit available for appropriation comes to Rs. 19.630 million. Your Directors recommend appropriation of profit as follows:

(Rupees in thousand)	
Profit available for appropriation	19,630
Proposed Bonus Share issue (1:10) @ 10 percent.	18,184
Unappropriated profit c/f	1,446

Financial condition and future prospects are discussed in detail in Chief Executive's Review elsewhere.

The retiring Auditors M/S Riaz Ahmad & Company, Chartered Accountants, retire and offer themselves for reappointment as auditors for the ensuing year.

The management renews its pledge to continue its best efforts to manage prudently the company's business for the benefit of all and sincerely thanks its shareholders, employees, customers and suppliers who by their continued support have made 1994 a successful year for Shakarganj.

For and on behalf of the Board



ALTAF M. SALEEM  
Chief Executive

February 16, 1995



## Auditors' Report to the Members

We have audited the annexed balance sheet of **SHAKARGANJ MILLS LIMITED** as at 30 September 1994 and the related profit and loss account and statement of changes in financial position, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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 and the statement of changes in financial position, 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 30 September 1994 and of the profit and the changes in financial position for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

RIAZ AHMAD & COMPANY  
Chartered Accountants

FAISALABAD: 19 February 1995



## Balance Sheet

	Note	(Rupees in thousand)	
		1994	1993
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised share capital</b>			
25,000,000 ordinary shares of Rupees 10 each		250,000	250,000
Issued, subscribed and paid up share capital	3	181,843	137,760
Reserves	4	227,555	207,993
Unappropriated profit		1,446	249
		<b>410,844</b>	<b>346,002</b>
<b>SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS</b>			
		10,745	10,745
REDEEMABLE CAPITAL	5	274,929	277,062
<b>DEBENTURES AND LONG TERM LOANS</b>			
Custom debentures	6	70	848
Long term loans	7	51,113	53,464
		<b>51,183</b>	<b>54,312</b>
<b>LIABILITIES AGAINST ASSETS</b>			
SUBJECT TO FINANCE LEASE	8	54,853	74,671
DEFERRED TAXATION	9	27,000	27,000
<b>CURRENT LIABILITIES</b>			
Current portion of long term liabilities	10	46,032	51,032
Short term running finances	11	592,952	492,822
Creditors, accrued and other liabilities	12	125,554	137,349
Workers' participation fund	13	1,370	416
Provision for taxation		33,883	28,433
Unclaimed dividend		732	790
		<b>800,523</b>	<b>710,842</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14		
		<b>1,630,077</b>	<b>1,500,634</b>

The annexed notes form an integral part of these accounts.



ALTAF M. SALEEM  
Chief Executive



## as at 30 September 1994

	Note	(Rupees in thousand)	
		1994	1993
<b>TANGIBLE FIXED ASSETS</b>			
Operating fixed assets	15	529,515	401,084
Assets subject to finance lease	16	72,632	93,481
Capital work-in-progress	17	243,350	369,545
		<b>845,497</b>	<b>864,110</b>
<b>LONG TERM INVESTMENTS</b>	18	<b>23,450</b>	<b>31,950</b>
<b>LONG TERM DEPOSITS</b>	19	<b>6,732</b>	<b>11,942</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	20	41,092	58,114
Stock-in-trade	21	136,784	128,096
Trade debts-Unsecured but considered good		28,078	9,716
Advances, deposits, prepayments and other receivables	22	199,977	174,917
Short term investments	23	205,353	210,724
Cash and bank balances	24	143,114	11,065
		<b>754,398</b>	<b>592,632</b>
		<b>1,630,077</b>	<b>1,500,634</b>

  
 I. A. IMTIAZI  
 Director

# Profit and Loss Account for the year ended 30 September 1994

	Note	(Rupees in thousand)	
		1994	1993
SALES	25	1,090,098	645,774
COST OF GOODS SOLD	26	1,011,269	623,989
GROSS PROFIT		78,829	21,785
OPERATING EXPENSES			
Administrative and general	27	31,449	26,312
Selling and distribution	28	12,937	5,092
		44,386	31,404
OPERATING PROFIT/(LOSS)	29	34,443	(9,619)
OTHER INCOME	30	96,565	70,393
		131,008	60,774
FINANCIAL AND OTHER CHARGES	31	104,864	64,987
WORKERS' PARTICIPATION FUND		1,313	—
		106,177	64,987
PROFIT/(LOSS) BEFORE TAXATION		24,831	(4,213)
TAXATION	32	(5,450)	11,771
PROFIT AFTER TAXATION		19,381	7,558
UNAPPROPRIATED PROFIT BROUGHT FORWARD		249	967
PROFIT AVAILABLE FOR APPROPRIATION		19,630	8,525
APPROPRIATIONS			
Reserve for issue of bonus shares		18,184	13,776
Transfer from general reserve		—	(5,500)
		18,184	8,276
UNAPPROPRIATED PROFIT		1,446	249

The annexed notes form an integral part of these accounts.



ALTAF M. SALEEM  
Chief Executive



I. A. IMTIAZI  
Director





## Statement of Changes in Financial Position for the year ended 30 September 1994

	(Rupees in thousand)	
	1994	1993
<b>SOURCES OF FUNDS</b>		
Profit after taxation	19,381	7,558
Adjustment for items not involving the movement of funds		
Depreciation	58,140	43,596
Amortization of assets subject to finance lease	30,871	36,711
Deferred taxation	—	(15,000)
Gain on disposal of operating fixed assets	(78)	(2,986)
Profit on sale of investments	(81,664)	(51,697)
<b>Funds provided by operations</b>	<b>26,650</b>	<b>18,182</b>
<b>Other sources</b>		
Share capital and reserves:		
Proceeds from issue of right shares	30,307	19,680
Premium on issue of right shares	15,154	29,520
	45,461	49,200
Proceeds from disposal of operating fixed assets	853	4,710
Sale proceeds of investments	144,195	90,710
Redeemable capital	4,586	58,906
Custom debentures	—	638
Long term loans	—	4,086
Long term deposits	5,210	4,665
Liabilities against assets subject to finance lease	12,680	25,915
	<b>239,635</b>	<b>257,012</b>



(Rupees in thousand)  
1994 1993

# APPLICATION OF FUNDS

Operating fixed assets and capital work-in-progress	58,493	146,683
Assets subject to finance lease	12,680	25,915
	71,173	172,598
Redeemable capital	12,181	7,031
Custom debentures	181	278
Long term loans	2,040	1,808
Liabilities against assets subject to finance lease	32,944	36,546
Investments	54,031	39,013
Long term deposits	—	2,605
Dividend paid	58	13
Net increase/(decrease) in working capital	67,027	(2,880)
	239,635	257,012

## ANALYSIS OF WORKING CAPITAL

### Increase/(decrease) in current assets

Stores, spare parts and loose tools	(17,022)	7,782
Stock-in-trade	8,688	45,189
Trade debts	18,362	4,151
Advances, deposits, prepayments and other receivables	25,060	71,224
Short term investments	(5,371)	89,707
Cash and bank balances	132,049	6,280
	161,766	224,333

### (Increase)/decrease in current liabilities

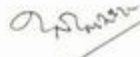
Short term running finances	(100,130)	(176,798)
Creditors, accrued and other liabilities	11,795	(48,728)
Workers' participation fund	(954)	1,542
Provision for taxation	(5,450)	(3,229)
	(94,739)	(227,213)

## NET INCREASE/(DECREASE) IN WORKING CAPITAL

67,027	(2,880)
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ALTAF M. SALEEM  
Chief Executive



I. A. IMTIAZI  
Director



## Notes to the Accounts for the year ended 30 September 1994

### 1. STATUS AND NATURE OF BUSINESS

Shakarganj Mills Limited was incorporated on 20 September 1967 under the Companies Act, 1913 (Now Companies Ordinance, 1984). Shares of the company are quoted on the Stock Exchanges in Pakistan. The principal activity of the company is to manufacture, sale and purchase of sugar, distillate and kanewood.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These accounts have been prepared under the historical cost convention as modified by capitalization of exchange differences and revaluation of certain operating fixed assets as referred to in note 2.4 and 2.5.

#### 2.2 Staff retirement benefits

Company operates pension and gratuity fund schemes for all permanent employees who are in management cadre and salaried director. Premium is payable to the funds monthly on the basis of actuarial computation subject to a maximum 20% and 8.33% of basic salary of the employees respectively.

Company also operates a funded contributory provident fund scheme for all permanent employees. Equal monthly contributions are made both by the company and employees at the rate of 7 percent of basic pay to the fund.

#### 2.3 Taxation

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

Deferred taxation is accounted for by using the liability method on all major timing differences.

#### 2.4 Foreign currencies

Liabilities in foreign currencies are translated into Pak Rupees at the rate of exchange ruling at balance sheet date. Exchange gain or loss on foreign currency loans is adjusted against cost of operating fixed assets acquired from the proceeds of loans. Exchange gain or loss on translation of other liabilities in foreign currencies is charged to the current year's income.

#### 2.5 Tangible fixed assets and depreciation

Operating fixed assets are stated at cost and appreciated value less accumulated depreciation. Freehold land is stated at cost/appreciated value and capital work-in-

progress at cost.

Cost of tangible fixed assets consists of historical cost, applicable exchange differences, appreciated value and direct attributable cost of bringing the assets to working condition. Borrowing cost pertaining to the construction/erection period upto the date of completion is also capitalized as part of historical cost.

Depreciation on operating fixed assets is charged to income on reducing balance method to write off the cost or appreciated value including related exchange differences over their expected useful life. Full year's depreciation is charged on additions, while no depreciation is charged on assets deleted during the year.

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

Gain or loss on disposal of operating fixed assets is charged to current year's income.

#### 2.6 Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired on lease. Aggregate amount of obligations relating to assets subject to finance lease is accounted for at net present value of liabilities. Assets so acquired are amortized over the useful life of the assets or the lease term whichever is shorter. Amortization of leased assets is charged to current year's income as part of depreciation.

#### 2.7 Investments

These are stated at cost.

#### 2.8 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at cost calculated on moving average basis less provision for obsolescence except for items in transit which are stated at invoice values plus other charges paid thereon to the balance sheet date.

#### 2.9 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value except molasses (by-product) which is valued at net realizable value. Cost in relation to work-in-process and finished goods consists of average material cost, direct labour and factory overheads. Net realizable value signifies the prevailing market prices in the ordinary course of business less selling expenses incidental to sales.



## 2.10 Trade debts

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

## 2.11 Revenue recognition

Revenue from sales is recognized on delivery of goods to customers. Dividend income and gain on sale of investments are accounted for on receipt basis.

(Rupees in thousand)

1994 1993

### 3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

11,198,720 (1993: 8,168,000) ordinary shares of Rupees 10 each fully paid up in cash

111,987 81,680

750,000 ordinary shares of Rupees 10 each issued to Pakistan Industrial and Credit and Investment Corporation Limited against their right of option to convert 20 percent of their loan into fully paid up shares

7,500 7,500

6,235,600 (1993: 4,858,000) ordinary shares of Rupees 10 each issued as fully paid bonus shares

62,356 48,580

181,843 137,760

### 4. RESERVES

#### Capital:

Balancing and modernization

15,000 15,000

Research and development

5,000 5,000

Premium on issue of right shares:

Balance as at 01 October

71,138 41,618

Premium on right shares issued during the year

15,154 29,520

86,292 71,138

For issue of bonus shares:

Balance as at 01 October

13,776 19,680

Transferred from profit and loss account

18,184 13,776

31,960 33,456

13,776 19,680

18,184 13,776

124,476 104,914

#### Revenue:

##### General:

Balance as at 01 October

78,079 83,579

Transferred to profit and loss account

— (5,500)

78,079 78,079

25,000 25,000

103,079 103,079

227,555 207,993



## 5. REDEEMABLE CAPITAL

Long term finances utilized under mark up arrangements are made up as under:

(Rupees in thousand)

	Pakistan Industrial Credit and Investment Corporation Limited (Note 5.1)						NDFC (Note 5.2)	1994	1993
	SBR/PLS-XII/9 AND XIV/10	SBR/PLS X/22	SBR/PLS-XV/7 PLS-XXXIII/3 PLS-XXXII/2 PLS-XXI/2	SBR/PLS-XIX/1 PLS-XXII/1 PLS-XXVI/7 PLS-XXXIII/20 PLS-XXIX/7 PLS-XXXII/11	PICIC/PLS-29	PICIC/PLS-39			
Balance as at 01 October	1,747	3,234	120,822	106,235	18,994	8,211	35,000	294,243	242,368
Received during the year	—	—	—	4,586	—	—	—	4,586	58,906
	1,747	3,234	120,822	110,821	18,994	8,211	35,000	298,829	301,274
Less: Repaid	333	1,848	—	—	—	—	10,000	12,181	7,031
Less: Current portion (Note 10)	333	1,386	—	—	—	—	10,000	11,719	17,181
	666	3,234	—	—	—	—	20,000	23,900	24,212
Balance as at 30 September	1,081	—	120,822	110,821	18,994	8,211	15,000	274,929	277,062
Sanctioned limit	2,870	10,257	133,287	110,945	19,850	9,279	50,000		
Unavailed credit facility	—	—	12,465	124	856	1,068	—		
No. of instalments	23 Quarterly	21 Quarterly	38 Quarterly	38 Quarterly	24 Monthly	13 Quarterly	10 Half Yearly		
Repayment date of 1st instalment	April 1993	April 1990	Not yet finalized	Not yet finalized	Not yet finalized	Not yet finalized	March 1992		
Rate of mark up (per annum)	6%	6%	7%	8%	15.70%	17.16%	17%		

5.1 As per purchase and sale agreements, Pakistan Industrial Credit and Investment Corporation Limited has purchased machinery valuing Rupees 286.489 million (1993: Rupees 286.489 million) from the company which was deemed to have been resold to the company at marked up price of Rupees 464.490 million (1993: Rupees 464.490 million) which includes rebate of Rupees 77.415 million (1993: Rupees 77.415 million) on timely payments of marked up price. Loans are secured against security mentioned in note 7.1.

5.2 Marked up price of the credit facility is Rupees 84.901 million. Rebate in the marked up price for timely payments will be allowed at a rate determined by National Development Finance Corporation (NDFC). Liability is secured against deposit of shares of listed companies having face value of Rupees 5,000 million as referred to in note 18.2 and 23.2 and guarantee given by Crescent Investment Bank Limited—an associated undertaking.

(Rupees in thousand)  
1994                      1993

## 6. CUSTOM DEBENTURES-SECURED

These are made up as under:

Balance as at 30 September	835	1,016
Less: Current portion (Note 10)	765	168
	70	848

- 6.1 These have been issued in favour of Collector of Customs to cover the deferred element of custom duty on the import of plant and machinery. The debentures are repayable in six half yearly instalments commencing from 05 December 1992 except Rupees 0.638 million which are repayable on 25 November 1994 in lump sum and carry interest at the rate of 01 percent above the bank rate. These are secured against bank guarantees issued by commercial banks.

## 7. LONG TERM LOANS

### Pakistan Industrial Credit and Investment Corporation Limited

Loan No.

ADB-455/20 (Note 7.2)	1,774	2,333
IBRD-3019 (Note 7.3)	13,372	14,853
ADB-966 (Note 7.3)	38,318	38,318
	53,464	55,504
Less: Current portion (Note 10)	2,351	2,040
	51,113	53,464

- 7.1 Long term loans from Pakistan Industrial Credit and Investment Corporation Limited are secured against:

- (a) first legal mortgage on company's present and future immovable properties wherever situated including all buildings, plant and machinery and fixtures;
- (b) first charge ranking pari passu with the existing charges by way of hypothecation in respect of all the machinery of the company, present and future;
- (c) first floating charge ranking pari passu with the existing charges on all other assets of the company, both present and future, subject to the hypothecation or charges in favour of company's bankers as referred to in note 11.7; and
- (d) demand promissory note.

- 7.2 Loan No. ADB-455/20 is repayable in 20 semi annual instalments commencing from 01 July 1987 and carries interest at the rate of 14 percent per annum.

- 7.3 Loan No. IBRD-3019 is repayable in 15 semi annual instalments commencing from 01 January 1993 and loan No. ADB-966 in 20 semi annual instalments for which repayment date is not finalized. Loans carry interest at the rate of 15 percent per annum. Rupees 0.518 million remained undisbursed out of total sanctioned limit of Rupees 38.836 million in loan No. ADB-966.



## 8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

(Rupees in thousand)  
1994 1993

Present value of minimum lease Payments	86,050	106,314
Less: Current portion (Note 10)	31,197	31,643
	<u>54,853</u>	<u>74,671</u>

8.1 The present value of minimum lease payments has been discounted using the sum of digit method. The rentals are paid in monthly equal instalments and in case of default of any payment, an additional charge at the rate of 2 percent shall be paid. Taxes, repairs and insurance costs are to be borne by lessee. Lessee shall have no right to terminate lease agreements and if lease agreements are terminated, the lessee shall pay entire amount of rentals for unexpired period of lease agreements. Lease agreements are renewable at the option of lessor on such terms as may be agreed upon. Liabilities are secured against deposits of Rupees 12.528 million (1993: Rupees 11.780 million) included in long term deposits (Note 19) and Rupees 0.519 million (1993: Rupees 4.665 million) included in advances, deposits, prepayments and other receivables (Note 22).

8.2 Approximate rate of interest and balance rentals payable under lease agreements are as under:

DESCRIPTION	Balance rentals outstanding as at 30 September 1994	No. of instalments outstanding	Approximate rate of interest per annum %	Repayment date of last instalment
	(Rupees in thousand)			
Asian Leasing Corporation Limited	5,551	23 Monthly	15	August 1996
ORIX Leasing Pakistan Limited	29,705	36 Monthly	14-20	September 1997
BRR Capital Modaraba	1,162	9 Monthly	21-22	June 1995
Atlas BOT Lease Company Limited	4,666	22 Monthly	18	July 1996
Crescent Leasing Corporation Ltd. (formerly Credit and Leasing Corporation Limited)	3,108	23 Monthly	15	August 1996
International Multi Leasing Corporation Limited	13,514	41 Monthly	20	February 1998
First Grindlays Modaraba	9,396	33 Monthly	19-22	June 1997
Standard Chartered Mercantile Leasing Company Limited	18,494	39 Monthly	20	December 1997
Al-Zamin Leasing Modaraba	2,359	24 Monthly	20	September 1996
Capital Assets Leasing Corporation Limited	7,177	48 Monthly	20	September 1998
Al-Atta Leasing Modaraba	6,754	27 Monthly	20	December 1996

(Rupees in thousand)  
1994 1993

## 9. DEFERRED TAXATION

Timing differences relating to accelerated tax depreciation	44,085	44,085
Other timing differences	(17,085)	(17,085)
	<u>27,000</u>	<u>27,000</u>



	(Rupees in thousand)	
	1994	1993
<b>10. CURRENT PORTION OF LONG TERM LIABILITIES</b>		
Redeemable capital	11,719	17,181
Custom debentures	765	168
Long term loans	2,351	2,040
Liabilities against assets subject to finance lease	31,197	31,643
	<b>46,032</b>	<b>51,032</b>
<b>11. SHORT TERM RUNNING FINANCES</b>		
<b>Secured:</b>		
From financial institutions:		
Pakistan Industrial Credit and Investment Corporation Limited (Note 11.1)	90,000	90,000
National Development Finance Corporation	—	40,290
Pakistan Venture Capital Limited (Note 11.2)	90,000	35,000
From investment banks (Note 11.3)	73,800	83,632
From modaraba (Note 11.4)	50,000	50,000
From investment companies (Note 11.5)	141,628	110,520
From Jhang Electric Supply Corporation (Private) Limited (Note 11.6)	50,000	—
From leasing company	—	2,318
	<b>495,428</b>	<b>411,760</b>
From banking companies:		
Secured (Note 11.7)	97,522	71,443
Unsecured-Unpresented cheques	2	9,619
	<b>97,524</b>	<b>81,062</b>
	<b>592,952</b>	<b>492,822</b>
<b>11.1</b>	Credit facility of Rupees 40,000 million obtained from Pakistan Industrial Credit and Investment Corporation Limited is secured against hypothecation of stocks of molasses, stores and spares and pledge of shares of listed companies having face value of Rupees 12,909 million as referred to in note 23.2. Credit facility of Rupees 50 million is secured against bank guarantee given by Crescent Investment Bank Limited (An associated undertaking). Mark up has been accounted for proportionately upto 30 September 1993 at the rate of paisas 52 per Rupees 1,000 per day. The finances are repayable on 03 October 1994 and 26 October 1994 respectively.	
<b>11.2</b>	Finance obtained from Pakistan Venture Capital Limited carries mark up at the rate of 19 to 21 percent per annum and is secured against hypothecation of stocks, demand promissory note and personal guarantee of chief executive. The finance is repayable between 29 January 1995 to 29 March 1995.	
<b>11.3</b>	Short term finances obtained from Investment Banks include Rupees 61,800 million (1993: Rupees 31,800 million) from Crescent Investment Bank Limited (An associated undertaking). Finances are secured by way of hypothecation of stores, spares, stocks and book debts and pledge of shares of listed companies having face value of Rupees 7,479 million as referred to in note 23.2. Mark up is payable at the rate of 18.50 to 20 percent per annum. The finances are repayable on different dates between 10 November 1994 to 29 December 1994.	
<b>11.4</b>	This represents finance obtained from Trust Modaraba under Morabaha arrangements. Modaraba has purchased goods valuing Rupees 50 million from the company which were repurchased by the company at Rupees 58,033 million. Finance is secured by way of pledge of sugar stocks, personal guarantee of directors and cash security of Rupees 2,500 million (Note 22). Mark up has been accounted for proportionately upto 30 September 1994. The finance is repayable on 13 February 1995.	
<b>11.5</b>	Short term running finance of Rupees 141,628 million obtained from Pakistan Kuwait Investment Company (Private) Limited	



includes Rupees 30 million obtained under mark up agreement. Pakistan Kuwait Investment Company (Private) Limited has purchased goods valuing Rupees 30 million from the company which were deemed to have been resold to the company at marked up price of Rupees 36.600 million including rebate of Rupees 0.900 million for timely payments. The finance is secured against pledge of shares of listed companies having face value of Rupees 9.196 million as referred to in note 23.2 and is repayable in four equal quarterly instalments commencing from 11 November 1994.

Remaining credit facility of Rupees 111.628 million was obtained against deposit of US\$ 3.715 million included in short term deposit account (Note 24) and carries mark up at the rate of 11.963 percent per annum. The finance is repayable on 27 October 1994.

- 11.6** The finance obtained from Jhang Electric Supply Corporation (Private) Limited carries mark up at the rate of paisas 52 to 55 per Rupees 1,000 per day. The finance is repayable on 11 January 1995.
- 11.7** These are secured against pledge and hypothecation of stores, spares, stocks, book debts, pledge of shares of listed companies having face value of Rupees 7.947 million as referred to in note 18.2 and 23.2 and second charge on fixed assets of the company. Mark up is charged at the rate of paisas 49 to 54 per Rupees 1,000 per day. Agricultural Development Bank of Pakistan charged mark up at the rate of 13.50 percent per annum. These form part of aggregate credit facilities of Rupees 97.648 million (1993: Rupees 160.500 million).

	(Rupees in thousand)	
	1994	1993
<b>12. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Creditors		
Trade	28,075	6,918
Others	10,033	8,617
	<u>38,108</u>	<u>15,535</u>
Advances from customers	13,552	6,566
Securities from contractors—Interest free, repayable on completion of contracts	795	716
Income tax deducted at source	691	397
Interest on custom debentures—Secured	45	45
Mark up accrued on redeemable capital—Secured	5,459	12,870
Interest accrued on long term loans—Secured	2,001	2,076
Mark up accrued on short term running finances—Secured	31,724	19,192
Excise duty and sales tax payable	11,147	16,325
Due to associated undertakings	8,148	49,966
Payable to pension fund	777	272
Due to director	115	1
Workers' welfare fund	1,885	1,885
Other accrued liabilities	11,107	11,503
	<u>125,554</u>	<u>137,349</u>
<b>13. WORKERS' PARTICIPATION FUND</b>		
Balance as at 01 October	416	1,958
Share of company's profit for the year	1,313	—
Interest accrued	—	372
	<u>1,729</u>	<u>2,330</u>
Less:		
Paid to workers	359	917
Deposited in workers' welfare fund	—	997
	<u>359</u>	<u>1,914</u>
	<u>1,370</u>	<u>416</u>

- 13.1 The company retains workers' participation fund for its business operations till the date of allocation to workers. Interest is paid at the prescribed rate under the Act on funds utilized by the company till the date of allocation to workers.

#### 14. CONTINGENCIES AND COMMITMENTS

##### Contingencies

The company is contingently liable in respect of employees' and central excise duty claims amounting to Rupees 0.275 million (1993: Rupees 0.025 million) and Rupees 5.273 million (1993: Rupees Nil) respectively. These claims have not been acknowledged by the company and cases are pending with various courts.

##### Commitments

Contracts for capital expenditure amounting to Rupees Nil (1993: Rupees 0.491 million).

Letters of credit other than for capital expenditure amounting to Rupees 2.155 million (1993: Rupees 0.817 million).

#### 15. OPERATING FIXED ASSETS

(Rupees in thousand)

Description	Cost/Re-assessed Value			Accumulated Depreciation as at 30 September 1994	Book value as at 30 September 1994	Depreciation	
	As at 01 October 1993	Additions/ (Deletions)	As at 30 September 1994			Charge for the year	Rate %
Land freehold (Note 15.1)	24,397	119 (752)	23,764	—	23,764	—	—
Buildings and roads on freehold land	79,013	3,611	82,624	41,350	41,274	4,586	10
Plant and machinery	556,349	179,886	736,235	281,335	454,900	50,544	10
Laboratory equipments	909	8	917	850	67	45	40
Tubewell and water pumps	1,608	136	1,744	1,306	438	110	20
Electric installations	719	—	719	633	86	22	20
Weighbridges and scales	3,275	—	3,275	2,113	1,162	291	20
Furniture and fixtures	6,972	729	7,701	4,571	3,130	782	20
Office equipments	3,984	968 (38)	4,914	4,101	813	542	40
Vehicles	4,333	1,407	5,740	2,900	2,840	710	20
Arms and ammunition	86	—	86	36	50	5	10
Library books	1,624	438	2,062	1,402	660	283	30
Tools and equipments	3,080	41	3,121	2,800	321	213	40
Telephone equipments	265	3	268	258	10	7	40
<b>1994</b>	<b>686,614</b>	<b>187,346 (790)</b>	<b>873,170</b>	<b>343,655</b>	<b>529,515</b>	<b>58,140</b>	
<b>1993</b>	<b>527,717</b>	<b>163,433 (4,536)</b>	<b>686,614</b>	<b>285,530</b>	<b>401,084</b>	<b>43,596</b>	

- 15.1 Company has given 10.39 acres land valuing Rupees 0.260 million for 20 years lease to Ujala Cotton Mills, a project of Crescent Jute Products Limited (An associated undertaking) on annual rent of Rupees 3,968 per acre. Lease rent will be increased by 12 percent after every three years and lease is extendable for another term of 20 years with mutual consent of both parties.

- 15.2 Land, buildings, plant and machinery were revalued by an independent valuer as at 30 September 1979 and stated in note 15.1 at appreciated value. Had there been no revaluation on that date, the value of these operating fixed assets would have been lower by Rupees 38.637 million (1993: Rupees 38.637 million).





**15.3** Depreciation charge for the year has been allocated as follows:

	(Rupees in thousand)	
	1994	1993
Cost of goods sold		
Sugar (Note 26.2)	49,881	35,652
Distillate (Note 26.4)	2,223	2,405
Kanewood (Note 26.6)	2,176	2,245
Administrative, selling and general expenses-Sugar (Note 27.1)	3,860	3,294
	<u>58,140</u>	<u>43,596</u>

**15.4 DISPOSAL OF OPERATING FIXED ASSETS**

(Rupees in thousand)						
Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
Land	752	—	752	815	Negotiation	Crescent Steel and Allied Products Limited, 9th Floor, SIDCO Avenue Centre 264, R. A. Lines, Karachi (An associated undertaking).
Office equipments	38	15	23	38	Sale and lease back	International Multi Leasing Corporation Limited, 2nd Floor, 89-C, Gulberg (Jail) Road, Lahore.

**16. ASSETS SUBJECT TO FINANCE LEASE**

(Rupees in thousand)						
Description	C o s t			Accumulated amortization as at 30 September 1994	Book value as at 30 September 1994	Amortization Charge for the year
	As at 01 October 1993	Additions/ (Deletions)	As at 30 September 1994			
Building	255	—	255	170	85	17
Plant and machinery	154,731	8,144 (40,184)	122,691	58,251	64,440	26,094
Vehicles	14,047	4,536 (3,790)	14,793	7,194	7,599	3,824
Equipments	5,418	— (4,574)	844	336	508	936
1994	174,451	12,680 (48,548)	138,583	65,951	72,632	30,871
1993	175,640	25,915 (27,104)	174,451	80,970	93,481	36,711

**16.1** Deletions represent the leased assets purchased at the expiry of lease term and transferred to operating fixed assets.

**16.2** Amortization charge of leasehold assets for the year has been allocated as follows:

Cost of goods sold		
Sugar (Note 26.2)	25,821	29,204
Distillate (Note 26.4)	274	205
Kanewood (Note 26.6)	—	1,945
Administrative, selling and general expenses-Sugar (Note 27.1)	4,776	5,357
	<u>30,871</u>	<u>36,711</u>





		(Rupees in thousand)	
		1994	1993
17.	<b>CAPITAL WORK-IN-PROGRESS</b>		
	This comprises of:		
	Buildings	2,274	1,471
	Plant and machinery	241,076	368,074
		<u>243,350</u>	<u>369,545</u>
18.	<b>LONG TERM INVESTMENTS</b>		
	<b>QUOTED</b>		
	Associated undertakings:		
	Crescent Investment Bank Limited		
	475,000 ordinary shares of Rupees 10 each fully paid	4,750	4,750
	Pakistan Industrial Leasing Corporation Limited		
	1993: 1,200 000 ordinary shares of Rupees 10 each fully paid	—	12,000
	Crescent Steel and Allied Products Limited		
	300,000 ordinary shares of Rupees 10 each fully paid	3,000	3,000
	Crescent Knitwear Limited		
	350,000 ordinary shares of Rupees 10 each	3,500	—
	<b>UNQUOTED</b>		
	Subsidiary company:		
	Crescent Business Management (Private) Limited—Wholly owned		
	1,000,000 ordinary shares of Rupees 10 each fully paid. Break up value as per audited accounts of 30 June 1994 was Rupees 13.25 (1993: Rupees 10) per share	10,000	10,000
	Associated undertaking:		
	Crescent Group Services (Private) Limited		
	220,000 ordinary shares of Rupees 10 each fully paid. Equity held 18.96 percent. Break up value as per last audited accounts was Rupees —28.08 per share	2,200	2,200
		<u>23,450</u>	<u>31,950</u>
18.1	Aggregate market value of quoted investments as at 30 September 1994 was Rupees 76.775 million (1993: Rupees 72.988 million).		
18.2	Following investments having face value of Rupees 11.250 million (1993: Rupees 19.750 million) are deposited as security with investment banks and financial institutions:		
	Against short term finances obtained from:		
	Financial institutions	—	6 000
	Investment banks	—	9,000
	Banking companies (Note 11.7)	3,500	—
	Against redeemable capital obtained from:		
	National Development Finance Corporation (Note 5.2)	4,750	4,750
	Against bank guarantee issued by:		
	Crescent Investment Bank Limited (An associated undertaking)	3,000	—
		<u>11,250</u>	<u>19,750</u>
19.	<b>LONG TERM DEPOSITS</b>		
	Securities	214	162
	Margin against leasehold assets	6,518	11,780
		<u>6,732</u>	<u>11,942</u>



	(Rupees in thousand)	
	1994	1993
<b>20. STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores	27,597	37,952
Spare parts	18,447	25,117
Loose tools	597	595
	<u>46,642</u>	<u>63,664</u>
Less: Provision for obsolescence	5,550	5,550
	<u>41,092</u>	<u>58,114</u>
<b>21. STOCK-IN-TRADE</b>		
Work-in-process	4,629	2,989
Finished goods		
Sugar	107,423	86,348
Molasses	17,354	5,775
Distillate	3,567	31,227
Kanewood	3,811	1,757
	<u>132,155</u>	<u>125,107</u>
	<u>136,784</u>	<u>128,096</u>
<b>22. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Loans and advances—Considered good:		
Employees—Interest free	264	345
Due by gratuity fund trust	26	—
Due by provident fund trust	28	107
Suppliers and contractors	10,259	23,679
Income tax	34,948	31,265
Sugarcane growers (Note 22.3)	9,069	13,002
	<u>54,594</u>	<u>68,398</u>
Considered doubtful:		
Sugarcane growers	5,064	5,064
Less: Provision for doubtful	5,064	5,064
	<u>—</u>	<u>—</u>
	<u>54,594</u>	<u>68,398</u>
Deposits:		
Excise duty	594	1,106
Sales tax	53	1
Margin against bank guarantees	491	1,097
Margin against short term running finances (Note 11.4)	2,500	2,500
Margin against leasehold assets	6,529	4,665
	<u>10,167</u>	<u>9,369</u>
Letters of credit	105,906	47,793
Short term prepayments	5,022	6,063
Due from associated undertakings	17,845	17,475
Accrued interest	84	79
Excise duty refundable	555	555
Sundry receivables	5,804	25,185
	<u>199,977</u>	<u>174,917</u>

- 22.1 Maximum aggregate amount due from chief executive and executives at the end of any month during the year was Rupees Nil (1993: Rupees 0.067 million) and Rupees 0.229 million (1993: Rupees 0.803 million) respectively.
- 22.2 Aggregate amounts due from executives of the company are Rupees 0.022 million at the close of financial year (1993: Rupees 0.138 million).
- 22.3 Loans to sugarcane growers are partly interest free and partly interest bearing at the rate of 13.50 percent per annum.

		(Rupees in thousand)	
23. SHORT TERM INVESTMENTS		1994	1993
<b>QUOTED</b>			
<b>Associated undertakings:</b>			
<b>Crescent Sugar Mills and Distillery Limited</b>			
487,132 (1993: 275,355) ordinary shares of Rupees 10 each fully paid		15,118	10,448
137,341 (1993: 72,179) bonus shares of Rupees 10 each		—	—
<b>Crescent Boards Limited</b>			
84,700 ordinary shares of Rupees 10 each fully paid		978	978
7,260 bonus shares of Rupees 10 each		—	—
<b>Crescent Jute Products Limited</b>			
434,982 ordinary shares of Rupees 10 each fully paid		10,249	10,249
101,835 bonus shares of Rupees 10 each		—	—
<b>Jubilee Spinning and Weaving Mills Limited</b>			
4,000 ordinary shares of Rupees 10 each fully paid		66	66
4,000 (1993: 3,273) bonus shares of Rupees 10 each		—	—
<b>The Premier Insurance Company of Pakistan Limited</b>			
3,600 ordinary shares of Rupees 5 each fully paid		60	60
38,165 (1993: 28,527) bonus shares of Rupees 5 each		—	—
<b>The Crescent Textile Mills Limited</b>			
87,937 (1993: 36,972) ordinary shares of Rupees 10 each fully paid		1,505	996
24,186 (1993: 13,993) bonus shares of Rupees 10 each		—	—
<b>Crescent Steel and Allied Products Limited</b>			
180,000 ordinary shares of Rupees 10 each fully paid		1,800	1,800
120,000 bonus shares of Rupees 10 each		—	—
<b>Pakistan Industrial Leasing Corporation Limited</b>			
709,200 (1993: 785,200) ordinary shares of Rupees 10 each fully paid		7,454	7,999
243,520 bonus shares of Rupees 10 each		—	—
<b>Crescent Spinning Mills Limited</b>			
341,300 (1993: 356,800) ordinary shares of Rupees 10 each fully paid		3,413	3,568
<b>Crescent Investment Bank Limited</b>			
1,324,051 ordinary shares of Rupees 10 each fully paid		26,156	26,156
129,022 bonus shares of Rupees 10 each		—	—
<b>First Crescent Modaraba</b>			
1993: 36,000 ordinary shares of Rupees 10 each fully paid		—	891
1,440 (1993: 7,200) bonus shares of Rupees 10 each		—	—
<b>Crescent Leasing Corporation Ltd. (formerly Credit and Leasing Corporation Limited)</b>			
1,420,500 (1993: 947,000) ordinary shares of Rupees 10 each fully paid		15,213	10,478
<b>Others</b>			
<b>Pakistan Industrial Credit and Investment Corporation Limited</b>			
2,054,503 (1993: 2,014,503) ordinary shares of Rupees 10 each fully paid		92,968	89,668
1,433,549 (1993: 445,342) bonus shares of Rupees 10 each		—	—
<b>Husein Sugar Mills Limited</b>			
1,309 (1993: 10,476) bonus shares of Rupees 10 each		—	—



	(Rupees in thousand)	
	1994	1993
<b>ARPAK International Investment Limited</b>		
10,000 ordinary shares of Rupees 10 each fully paid	93	93
<b>Pakistan International Airlines Corporation</b>		
47 (1993: 225) bonus shares of Rupees 10 each	—	—
<b>Atlas Bot Lease Company Limited</b>		
1993: 484,000 ordinary shares of Rupees 10 each fully paid	—	17,543
35,640 (1993: 48,400) bonus shares of Rupees 10 each	—	—
<b>Pakistan Oil Fields Limited</b>		
500 (1993: 177,500) ordinary shares of Rupees 10 each fully paid	34	11,819
<b>Prudential Discount and Guarantee House Limited</b>		
131,000 (1993: 117,200) ordinary shares of Rupees 10 each fully paid	1,033	900
<b>Bank of Commerce Al-Habib Limited</b>		
1993: 5,000 ordinary shares of Rupees 10 each fully paid	—	147
<b>Sui Northern Gas Pipelines Limited</b>		
202,600 ordinary shares of Rupees 10 each fully paid	8,133	8,133
<b>ICI Pakistan Limited</b>		
50 ordinary shares of Rupees 10 each fully paid	4	4
<b>Muslim Commercial Bank Limited</b>		
81,122 (1993: 122,300) ordinary shares of Rupees 10 each fully paid	1,715	6,785
345 (1993: 18,345) bonus shares of Rupees 10 each	—	—
<b>Pak Venture Capital Limited</b>		
1993: 94,300 ordinary shares of Rupees 10 each fully paid	—	943
<b>Nazir Cotton Mills Limited</b>		
471,113 ordinary shares of Rupees 10 each fully paid	4,711	—
<b>Shaheen Cotton Mills Limited</b>		
1,050,000 ordinary shares of Rupees 10 each fully paid	13,650	—
<b>UNQUOTED-ASSOCIATED UNDERTAKING</b>		
<b>Shams Food Products Limited</b>		
Deposit for issue of 100,000 ordinary shares of Rupees 10 each	1,000	1,000
	<b>205,353</b>	<b>210,724</b>
<b>23.1</b>	Aggregate market value of quoted investments as at 30 September 1994 was Rupees 615.928 million (1993: Rupees 295.932 million).	
<b>23.2</b>	Following investments having face value of Rupees 39.554 million (1993: Rupees 74.623 million) are deposited as security with banks, financial institutions and investment company:	
	<b>Against short term running finances obtained from:</b>	
Financial institution (Note 11.1)	12,909	10,744
Investment banks (Note 11.3)	7,479	13,909
Investment company (Note 11.5)	9,196	11,233
Banking companies (Note 11.7)	4,447	—
	<b>Against redeemable capital obtained from:</b>	
National Development Finance Corporation (Note 5.2)	250	8,181
	<b>Against bank guarantees issued by:</b>	
Citibank, N. A.	—	29,940
Standard Chartered Bank	616	616
Crescent Investment Bank	4,622	—
	<b>Against central excise duty on loan:</b>	
Atlas Bot Investment Bank Limited	35	—
	<b>39,554</b>	<b>74,623</b>





		(Rupees in thousand)	
		1994	1993
<b>24. CASH AND BANK BALANCES</b>			
Cash in hand		245	106
Cash with banks on:			
Current accounts			
Short term deposit accounts	13,703	7,371	
Dividend account	129,158	3,584	
PLS saving account	4	4	
	4	—	
	142,869	10,959	
	143,114	11,065	
<b>24.1</b>	Term deposit receipts amounting to Rupees 3.009 million (1993: Rupees 2.733 million) are lying with Muslim Commercial Bank Limited under lien against loans to sugarcane growers.		
<b>25. SALES</b>			
Sugar:			
Local			
Export	864,989	596,603	
	92,919	—	
Distillate:			
Local			
Export	12,395	25,049	
	71,529	—	
Kanewood	15,565	12,403	
Molasses (By-product)	34,698	15,134	
Bagasse (By-product)	2,702	931	
	1,094,797	650,120	
Less: Commission to selling agents	4,699	4,346	
	1,090,098	645,774	
<b>26. COST OF GOODS SOLD</b>			
Sugar (Note 26.1)	936,466	594,076	
Distillate (Note 26.3)	59,400	13,010	
Kanewood (Note 26.5)	15,403	16,903	
	1,011,269	623,989	



## 26.1 COST OF GOODS SOLD-SUGAR

(Rupees in thousand)

1994 1993

Raw material:		
Sugarcane purchased	535,040	299,157
Sugarcane subsidy:		
Delivery expenses	82,374	77,846
Less: Recovered	13,442	10,660
	68,932	67,186
Sugarcane development cess	13,550	7,584
Market committee fee	3,008	1,730
Loading and unloading	2,778	1,542
Octroi	1,939	1,135
	625,247	378,334
Salaries, wages and other benefits	28,549	20,589
Stores, spare parts and loose tools	5,901	4,300
Dyes and chemicals	7,591	2,852
Packing material	12,796	7,321
Fuel and power	27,916	10,768
Repair and maintenance	32,543	16,284
Insurance	3,665	2,894
Vehicles' running	799	626
Travelling and conveyance	111	72
Printing and stationery	377	626
Rent, rates and taxes	304	215
Excise duty	139,493	116,218
Other factory overheads	3,461	1,427
Sugarcane research and development	4,905	3,829
Staff training and development	1,427	832
Depreciation/Amortization (Note 26.2)	75,702	64,856
	970,787	632,043
Work-in-process inventory:		
As at 01 October	2,962	278
As at 30 September	4,629	2,962
	(1,667)	(2,684)
Cost of goods produced	969,120	629,359
Finished goods inventory:		
As at 01 October	92,123	56,840
As at 30 September	124,777	92,123
	(32,654)	(35,283)
	936,466	594,076
26.2 DEPRECIATION/AMORTIZATION		
Depreciation (Note 15.3)	49,881	35,652
Amortization (Note 16.2)	25,821	29,204
	75,702	64,856

		(Rupees in thousand)	
		1994	1993
<b>26.3</b>	<b>COST OF GOODS SOLD-DISTILLATE</b>		
	Molasses	15,346	10,165
	Stores, spare parts and loose tools	2,500	2,185
	Salaries, wages and other benefits	1,050	845
	Chemicals	2,712	4,556
	Fuel and power	6,631	4,892
	Insurance	458	437
	Other factory overheads	546	430
	Depreciation/Amortization (Note 26.4)	2,497	2,610
	Cost of goods produced	31,740	26,120
	Finished goods inventory		
	As at 01 October	31,227	18,117
	As at 30 September	3,567	31,227
		27,660	(13,110)
		59,400	13,010
<b>26.4</b>	<b>DEPRECIATION/AMORTIZATION</b>		
	Depreciation (Note 15.3)	2,223	2,405
	Amortization (Note 16.2)	274	205
		2,497	2,610
<b>26.5</b>	<b>COST OF GOODS SOLD-KANEWOOD</b>		
	Raw material	7,441	2,556
	Store, spare parts and loose tools	2,805	1,456
	Salaries, wages and other benefits	1,031	645
	Insurance	152	66
	Diesel	1,861	968
	Other factory overheads	1,964	1,134
	Depreciation/Amortization (Note 26.6)	2,176	4,190
		17,430	11,015
	Work-in-process inventory		
	As at 01 October	27	97
	As at 30 September	—	27
		27	70
	Cost of goods produced	17,457	11,085
	Finished goods inventory		
	As at 01 October	1,757	7,575
	As at 30 September	3,811	1,757
		(2,054)	5,818
		15,403	16,903
<b>26.6</b>	<b>DEPRECIATION/AMORTIZATION</b>		
	Depreciation (Note 15.3)	2,176	2,245
	Amortization (Note 16.2)	—	1,945
		2,176	4,190



		(Rupees in thousand)	
		1994	1993
<b>27. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries, wages and other benefits	10,239	8,054	
Directors' meeting fee	4	4	
Travelling and conveyance	1,180	1,174	
Printing and stationery	744	923	
Telephone, postage and telegrams	1,321	1,182	
Vehicles' running	2,256	1,359	
Legal and professional	417	533	
Auditors' remuneration:			
Audit fee	115	100	
Out of pocket expenses	15	15	
	130	115	
Repair and maintenance	1,934	804	
Entertainment	204	154	
Subscription	1,168	545	
Rent, rates and taxes	564	194	
Publicity	352	417	
Registered office expenses	1,368	1,563	
Miscellaneous	932	640	
Depreciation/Amortization (Note 27.1)	8,636	8,651	
	31,449	26,312	
<b>27.1 DEPRECIATION/AMORTIZATION</b>			
Depreciation (Note 15.3)	3,860	3,294	
Amortization (Note 16.2)	4,776	5,357	
	8,636	8,651	
<b>28. SELLING AND DISTRIBUTION EXPENSES</b>			
Freight and forwarding	10,008	3,142	
Handling and distribution	1,149	738	
Loading and unloading	798	408	
Insurance	982	804	
	12,937	5,092	
<b>29. OPERATING PROFIT/(LOSS)</b>			
Sugar (Note 29.1)	19,357	(13,585)	
Distillate (Note 29.2)	15,820	9,390	
Kanewood (Note 29.3)	(734)	(5,424)	
	34,443	(9,619)	
<b>29.1 OPERATING PROFIT/(LOSS)-SUGAR</b>			
Sales-Net	991,722	610,163	
Cost of goods sold	936,466	594,076	
Gross profit	55,256	16,087	
Operating expenses			
Administrative and general	28,649	25,539	
Selling and distribution	7,250	4,133	
	35,899	29,672	
	19,357	(13,585)	



		(Rupees in thousand)	
		1994	1993
<b>29.2 OPERATING PROFIT-DISTILLATE</b>			
Sales-Net		83,277	23,545
Cost of goods sold		59,400	13,010
Gross profit		23,877	10,535
Operating expenses			
Administrative and general	2,370		186
Selling and distribution	5,687		959
	8,057		1,145
	15,820		9,390
<b>29.3 OPERATING LOSS-KANEWOOD</b>			
Sales-Net		15,099	12,066
Cost of goods sold		15,403	16,903
Gross loss		304	4,837
Administrative and general expenses		430	587
	734		5,424
<b>30. OTHER INCOME</b>			
Commission on fertilizer		137	425
Gain on disposal of operating fixed assets		78	2,986
Dividend income (Note 30.1)		4,674	5,782
Return on bank deposits		259	132
Interest on advances to associate undertaking		2,892	2,593
Profit on sale of investments		81,664	51,697
Agricultural farm income		2,445	1,104
Lease income		41	37
Rental		31	26
Underwriting commission		343	81
Credit balances added back		—	1,755
Electricity income		2,501	—
Miscellaneous		1,500	3,775
	96,565		70,393
<b>30.1 DIVIDEND INCOME</b>			
<b>Associated undertakings</b>			
The Premier Insurance Company of Pakistan Limited		16	26
The Crescent Textile Mills Limited		—	58
Pakistan Industrial Leasing Corporation Limited		3,653	4,262
First Crescent Modaraba		65	—
<b>Others</b>			
AR Pak International Investment Limited		5	5
Husein Sugar Mills Limited		47	—
Pakistan Oilfields Limited		356	843
Pakistan Industrial and Commercial Leasing Corporation Limited		—	9
Atlas BOT Lease Company Limited		532	484
ICI Pakistan Limited		—	95
	4,674		5,782



	(Rupees in thousand)	
	1994	1993
<b>31. FINANCIAL AND OTHER CHARGES</b>		
<b>Financial</b>		
Mark up on:		
Redeemable capital	12,662	353
Short term running finances	55,967	29,646
Advances from associated undertakings	6,457	7,562
Interest on:		
Custom debentures	96	158
Long term loans	8,444	363
Workers' participation fund	—	211
Finance charges on assets subject to finance lease	14,979	18,594
Lease agreements fee	316	268
Bank charges, commission and excise duty	5,703	7,527
	<u>104,624</u>	<u>64,682</u>
<b>Donations (Note 31.1)</b>	<u>240</u>	<u>305</u>
	<u><u>104,864</u></u>	<u><u>64,987</u></u>
<b>31.1 DONATIONS</b>		

A sum of Rupees 200,000 (1993: Rupees 200,000) was donated to Crescent Educational Trust, 83, Babar Block, New Garden Town, Lahore in which the following directors of the company are trustees:

Mr. Mazhar Karim  
Mr. Khalid Bashir  
Mr. Maqbool Ahmed

### 32. TAXATION

For the year:

Current	(5,450)	(3,229)
Deferred tax	—	15,000
	<u>(5,450)</u>	<u>11,771</u>

The provision for current taxation represents the minimum tax due under the Income Tax Ordinance, 1979. After considering the available tax losses, no provision for taxation except minimum tax is required. Tax losses available to be carried forward are Rupees 240.157 million as on 30 September 1994 (1993: Rupees 136.822 million).

### 33. DIRECTORS' AND EXECUTIVES' REMUNERATION

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

	1994		1993	
	Chief Executive	Executives	Chief Executive	Executives
(Rupees in thousand)				
Managerial remuneration	1,095	3,825	870	3,212
Housing	493	871	348	665
Company's contribution to provident fund	77	257	61	209
Contribution to:				
Pension fund	219	683	174	480
Gratuity fund	91	299	70	263
Hospitalization	—	65	—	43
Other benefits:				
Utility allowance	110	383	87	307
Reimbursable expenses	6	163	85	743
	<u>2,091</u>	<u>6,546</u>	<u>1,695</u>	<u>5,922</u>
Number of persons	<u>1</u>	<u>20</u>	<u>1</u>	<u>17</u>

33.1 Chief executive and five executives have been provided free maintained vehicles by the company.

33.2 Aggregate amount charged in the accounts for fee to six directors in respect of three meetings was Rupees 4 thousand (1993: Rupees 4 thousand for six directors).

### 34. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Maximum aggregate amount due from associated undertakings at the end of any month during the year was Rupees 23.871 million (1993: Rupees 18.857 million).

Company purchased from and sold to associated undertakings, materials, goods and services in the aggregate sum of Rupees 7.471 million and Rupees 7.719 million respectively (1993: Rupees 4.109 million and Rupees 4.581 million respectively). Purchases/Sales of material, goods and services are made at prevailing market prices.

Mark up on advances to associated undertakings is received/paid at the rate of 21 to 22 percent per annum (Note 30 and 31).



## 35. PLANT CAPACITY AND ACTUAL PRODUCTION

## Sugar:

Capacity	1994: 68,000 M.Tons in 160 days i.e. 425,000 M.Tons per day
	1993: 54,400 M.Tons in 160 days i.e. 340,000 M.Tons per day

## Actual production:

Current year	88,116.500 M.Tons in 196 days i.e. 449,574 M.Tons per day
Previous year	54,055 M.Tons in 161 days i.e. 335,745 M.Tons per day

## Distillery:

Capacity	40,000 Litres per day
----------	-----------------------

## Actual production:

Current year	5,250,076 Litres in 289 days i.e. 18,166 Litres per day
Previous year	4,887,020 Litres in 161 days i.e. 30,354 Litres per day

## Kanewood:

Capacity	30 Cubic meters per day
----------	-------------------------

## Actual production:

Current year	4,334.77 Cubic meters in 192 days i.e. 22.58 Cubic meters per day
Previous year	1,662.757 Cubic meters in 92 days i.e. 18.07 Cubic meters per day

## 35.1 REASONS FOR LOW PRODUCTION

## Distillery

Production of distillate was kept upto the level of available market.

## Kanewood

Production was made according to the demand in the market.

## 36. SEGMENT ASSETS AND OTHER INFORMATION

	(Rupees in thousand)	
	1994	1993
Sugar		
Distillery	1,579,098	1,424,753
Kanewood	25,585	53,766
	25,394	22,115
	<u>1,630,077</u>	<u>1,500,634</u>

36.1 Molasses and bagasse (By-Products of Sugar) are issued to distillery plant and kanewood plant at market prices.

## 37. COMPARATIVE FIGURES

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

STATEMENT PURSUANT TO SECTION 237 OF THE COMPANIES ORDINANCE, 1984.

Accounts of the subsidiary company M/s. Crescent Business Management (Pvt) Limited for the year ended June 30, 1994 are annexed to these accounts. The accumulated profits of the subsidiary company are not dealt with in the accounts of the holding company.

*Altatf M. Saleem*

ALTAF M. SALEEM  
Chief Executive

*I. A. Imtiaz*

I. A. IMTIAZI  
Director





**Crescent**  
**Business Management**  
**(Private) Limited**



## Directors' Report

The Directors have pleasure in presenting the audited accounts of the company for the year ended June 30, 1994.

### Financial Results

	Rupees
Net profit for the period	3,248,048
Accumulated profit brought forward	4,865
Profit carried forward	3,252,913

As the results indicate, the company has performed well. The Directors propose to carry forward the whole profit for the year under review.

### Review Of Operations

The company's income comprises of management fee from First Crescent Modaraba and income from investments. In addition to management fee of Rs. 3.5 million and dividend income of Rs. 1.8 million from First Crescent Modaraba the company have also received 90000 bonus shares of Rs. 10/- each from First Crescent Modaraba for the year ended June 30, 1993. The market value of these bonus shares as on June 30, 1994 was Rs. 1.8 million. The Directors has also announced 22.50% bonus shares for the year ended June 30, 1994 subject to approval of concerned authorities. The share portfolio of the company is also doing well and the company has made capital gains of Rs. 2.176 million during the year and the aggregate market value of its quoted portfolio as on June 30, 1994 was Rs. 47.517 million.

### Future Prospects

The Directors hope that during the next financial year the profitability of the company will improve.

### Auditors

The Auditors M/S. Fazal Monir & Company, Chartered Accountants retire and being eligible offer themselves for re-appointment for the next financial year.

For and behalf of the Board

*Altaf M. Saleem*

ALTAF M. SALEEM  
Chairman & Chief Executive

Dated: October 20, 1994

## Auditors' Report to the Members

We have audited the annexed balance sheet of CRESCENT BUSINESS MANAGEMENT (PRIVATE) LIMITED as at June 30, 1994 and the related Profit and Loss Account, 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 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 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 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 June 30, 1994 and of the Profit for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

LAHORE:  
Dated: October, 1994

*Fazal Monir & Co*  
FAZAL MONIR & COMPANY  
Chartered Accountants



## Balance Sheet

	Note	(Rupees in thousand) 1994	1993
<b>CAPITAL AND LIABILITIES</b>			
<b>SHARE CAPITAL</b>			
Authorised:			
5,000,000 Ordinary Shares of Rs. 10/- each		<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed & Paid up:			
1,000,000 ordinary shares of Rs. 10/- each fully paid in cash. (All shares are held by holding company and its nominees)		10,000,000	10,000,000
Accumulated Profit		3,252,913	4,865
<b>STAFF GRATUITY</b>		75,525	—
<b>CURRENT LIABILITIES</b>			
Due to Associated and Holding Companies	3	10,893,138	16,241,940
Accrued Liabilities		13,443	8,033
Provision for Taxation		273,330	5,271
		<u>11,179,911</u>	<u>16,255,244</u>
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	4	—	—
		<u>24,508,349</u>	<u>26,260,109</u>


The annexed notes form an integral part of these accounts.

ALTAF M. SALEEM  
Chairman & Chief Executive



as at June 30, 1994

	Note	(Rupees in thousand)	
		1994	1993
PROPERTY AND ASSETS			
FIXED ASSETS—At written down value	5	40,987	—
LONG TERM INVESTMENT	6	21,986,510	23,137,290
CURRENT ASSETS			
Management fee & Reimbursable expenses	7	1,746,489	2,724,301
Advances, Deposits & Prepayments	8	364,438	369,496
Cash and Bank Balances	9	369,925	29,022
		2,480,852	3,122,819
		<u>24,508,349</u>	<u>26,260,109</u>

  
 RASHID AHMED  
 Director



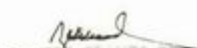
## Profit and Loss Account for the year ended June 30, 1994

	(Rupees in thousand)	
	1994	1993
Profit received from bank	13,009	5,411
Dividend Income	1,800,000	—
Gain on Disposal of Shares	2,175,810	—
Management fee from Ist Crescent Modaraba	3,591,005	4,736,029
Underwriting & Take up Commission	312,500	248,993
	<b>7,892,324</b>	<b>4,990,433</b>
Less: Staff Salary & Benefits	890,267	797,919
Travelling & Conveyance	221,576	73,737
Printing and Stationery	8,344	33,958
Legal & Professional	22,825	33,731
Audit Fee	10,000	5,000
Out of Pocket Expenses	2,500	2,500
Postage, Telephone & Telegram	32,930	11,414
Entertainment	35,017	36,455
Registration Expenses	—	10,000
Corporate Service Charges	259,200	306,000
Advisory Service & Office Space Charges	300,000	1,500,000
Bank Charges & Commission	2,467	153
Meeting Fee	4,000	6,000
Mark-up to Holding Company	2,336,725	1,797,540
General Expenses	5,125	17,215
Meeting Expenses	162,042	—
Advertisement	3,500	—
Placement Fee	6,250	—
Repair & Maintenance	66,216	—
Depreciation	7,233	—
	<b>4,376,217</b>	<b>4,631,622</b>
Profit Before Taxation	3,516,107	358,811
Provision for Taxation - Current	268,059	5,271
Profit after Taxation	3,248,048	353,540
Profit/(Loss) from previous year	4,865	(348,675)
<b>PROFIT/(LOSS) CARRIED TO BALANCE SHEET</b>	<b>3,252,913</b>	<b>4,865</b>

The annexed notes form an integral part of these accounts.



ALTAF M. SALEEM  
Chairman & Chief Executive



RASHID AHMED  
Director



## Notes to the Accounts for the year ended June 30, 1994

### 1. STATUS AND NATURE OF BUSINESS

Crescent Business Management (Pvt) Limited was incorporated as private limited company by shares under the Companies Ordinance, 1984. The company is a wholly owned subsidiary of Shakarganj Mills Limited. The primary aim of the company is floatation and management of modarabas and for this purpose it has been registered as modaraba company with the Registrar of Modaraba Companies and Modarabas, Islamabad.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

#### 2.2 Long Term Investments

These are stated at cost.

#### 2.3 Revenue recognition

Management fees from modarabas floated by the company is recognised on the basis of annual audited accounts of the modarabas.

Return on deposits with banks is recognised on a time proportionate basis after considering the principal outstanding and applicable rates of profit thereon.

#### 2.4 Taxation

Provision for taxation is made on the basis of taxable Income, as per provisions of Income Tax Ordinance, 1979. Provision for current taxation is based on taxable Income at the current rates of taxation after taking into account brought forward losses and tax credits available.

The Company does not account for deferred taxation.

### 3. DUE TO ASSOCIATED AND HOLDING COMPANIES

		(Rupees in thousand)	
		1994	1993
Crescent Investment Bank Ltd.	3.1	1,646	376,646
M/S Shakarganj Mills Ltd. – Secured	3.2	10,891,492	15,865,294
		<u>10,893,138</u>	<u>16,241,940</u>

3.1 Rs. 1,646/- payable on account of 41 shares of Sui Northern Gas Pipe Lines Limited @ Rs. 40.15/- each.

3.2 (i) This represents the loan payable to Holding Company and Mark-up thereon.

(ii) Mark-up is charged @ 17.30% p.a. upto 30th Sep. 1993 and 21% p.a. for remaining period on daily product basis.

(iii) The loan is secured against the shares; namely of Sui Northern Gas Pipe Lines Limited 152,600 shares, taken up by the Crescent Business Management (Pvt) Ltd. The above shares will remain in the custody of Shakarganj Mills Limited till repayment of loan.

(iv) Repayment to be made as per availability of funds with the Company.

#### 4. CONTINGENCIES & COMMITMENTS

Contingent Liability:

No provision for turnover tax for the year 1993 (Assessment year 1993-94) under Section 80-D of the Income Tax Ordinance, 1979 has been made as constitutional writ petitions have already been filed before the Honourable High Courts of Punjab, Sindh and N.W.F.P. in a number of similar cases. The liability if provided would amount to approximately Rs. 20,195/- (1991 Rs. Nil) after taking into account the current tax liability provided for.

#### 5. SCHEDULE OF TANGIBLE FIXED ASSETS

Particulars	C O S T			R A T E	D E P R E C I A T I O N			
	As on 01/07/1993	Additions/ (Deletions)	As on 30/06/1994		Up to 01/07/1993	Charged for the year	Accumulated as at 30/06/1994	Written down value as at 30/06/1994
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Office Equipment	—	9,500	9,500	15	—	1,425	1,425	8,075
Electric Installations	—	38,720	38,720	15	—	5,808	5,808	32,912
Total Rs. 1994	—	—	48,220		—	7,233	7,233	40,987
Total Rs. 1993	—	—	—		—	—	—	—

(Rupees in thousand)  
1994 1993

#### 6. LONG TERM INVESTMENT

Ist Crescent Modaraba (Listed)			
1,000,000 certificate of Rs. 10/- each			
290,000 Bonus Certificates of Rs. 10/-each	6.1	10,000,000	10,000,000
23,900 Shares @ Rs. 18.26		436,650	
(Aggregate Market value Rs. 26,278,000)			
(1992 Rs. 18,300,000)			
Pioneer Cement Ltd. (Listed)			
1,297 ordinary shares of Rs. 10/- each	6.2	12,970	1,982,900
(Aggregate Market value Rs. 55,771)			
(1992 Rs. 2,528,197)			
Sui Northern Gas Pipe Lines Limited (Listed)			
152,600 ordinary shares of Rs. 40.15/- each	6.2	6,126,890	8,134,390
(Aggregate Market value Rs. 7,706,300)			
(1992 Rs. 5,419,550)			
Crescent Leasing Corporation Ltd. (Listed)			
453,000 ordinary shares of Rs. 10/- each	6.3	4,530,000	3,020,000
(Aggregate Market value Rs. 13,476,750)			
(1992 Rs. 3,296,000)			
International Asset Management Co. Ltd.			
88,000 ordinary shares of Rs. 10/- each		880,000	
		21,986,510	23,137,290



- 6.1 This represents investment made as Modaraba Company and forms 10% of the total paid up fund of the 1st Crescent Modaraba.
- 6.2 These shares were taken up to fulfil underwriting commitments.
- 6.3 These shares were taken up to fulfil underwriting commitments. This also includes 151,000/- right shares subscribed @ Rs. 10/- each.

(Rupees in thousand)

1994 1993

## 7. MANAGEMENT FEE &amp; REIMBURSABLE EXPENSES

Management fee from 1st Crescent Modaraba	1,746,489	2,724,301
---	-----------	-----------

## 8. ADVANCES, DEPOSITS &amp; PREPAYMENTS

Advances to Employees	—	11,600
Advance Income Tax	24,438	17,896
Proposed Central Asian Bank	200,000	200,000
Pak Suzuki Motor Co Ltd.	140,000	140,000
	364,438	369,496

## 9. CASH AND BANK BALANCES

Cash in hand		
Cash at Banks:	8,419	11,290
On Current Account	11,878	13,543
On Deposit Account	349,628	4,169
	361,506	17,732
	369,925	29,022

## 10. FINANCIAL STATEMENTS OF MODARABA

The Modaraba Company floated a Modaraba under the name of First Crescent Modaraba. Therefore financial statements of the company include the financial statements of the modaraba.

## 11. GENERAL

- 11.1 The company is entitled to receive a management fee of 10% of the net annual profits of each modaraba to be floated by it on the basis of annual audited accounts of the modarabas.
- 11.2 The Modaraba Company has changed its financial year from December to June to coincide its financial year with the financial year of the Modaraba, therefore, figures of the last year were for eighteen months.
- 11.3 (i) Figures have been rounded off to the nearest rupee.
- (ii) Previous year's figures have been re-arranged wherever necessary for the purpose of comparison.

ALTAF M. SALEEM  
Chairman & Chief Executive

RASHID AHMED  
Director



## Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Seventh Annual General Meeting of the shareholders of **SHAKARGANJ MILLS LIMITED** will be held at Pearl Continental Hotel, Shahrah-e-Quaid-e-Azam, Lahore on Thursday the March 30, 1995 at 10:00 A.M. to transact the following business:-

### AGENDA

1. To confirm the Minutes of 26th Annual General Meeting held on March 30, 1994.
2. To receive and adopt Audited Accounts of the Company for the year ended September 30, 1994 together with the Directors' and Auditors' Reports thereon.
3. To approve Bonus. The Directors have recommended the issue of Bonus Shares in the ratio of One Bonus Share against every ten existing ordinary shares (i.e. @ 10%).
4. To appoint Auditors for the year 1994-95 and fix their remuneration. The present Auditors M/S Riaz Ahmad & Company, Chartered Accountants, being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS

5. To consider and approve increase in authorised capital of the company from Rs. 250 million to Rs. 500 million.

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

The present authorised capital of the company is Rs. 250 million divided into 25 million ordinary shares of Rs. 10/- each. To cater for the future growth in the company's capital, it is necessary to increase the authorised capital of the Company from Rs. 250 million to Rs. 500 million. Accordingly the Memorandum of Association is sought to be amended to reflect the increase in the amount of Authorised Capital appearing therein. The Directors of the company are not interested in the above mentioned business. The following resolution is proposed to be passed as special resolution.

Resolved that the authorised capital of the company be increased from Rs. 250,000,000 to Rs. 500,000,000/- by creation of =25000000= additional ordinary shares of Rs. 10/- each ranking in dividend and in all other respects pari passu with the existing =25000000= ordinary shares of Rs. 10/- each in the capital of the company and the capital clause V of the Memorandum of Association be and is hereby altered accordingly. The new clause V of the memorandum shall read as under:

- V. The capital of the Company is Rs. 500,000,000/- (Rupees Five Hundred Million) divided into =50000000= (Fifty

Million) ordinary shares of Rs. 10/- (Rs. Ten) each with the rights, privileges and conditions attached thereto as are provided by the regulations of the Company for the time being, with power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such special rights, privileges or conditions as may be determined by or in accordance with the regulations of the company, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the company in accordance with law: provided however, that rights as between various classes or ordinary shares, if any as to profits, votes and other benefits shall be strictly proportionate to the paid up value of the shares.

### PARTICIPATION IN THE ANNUAL GENERAL MEETING

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 later than 48 hours before the time for holding the Meeting.

### BOOK CLOSURE

The Share Transfer Books of the Company for the entitlement of Bonus shares will remain closed from March 23, 1995 to March 30, 1995 (both days inclusive) and Bonus if approved, will be issued to such members whose names appear in the Company's Register of Members as at the close of business on March 22, 1995.

### RIGHT ISSUE

The Directors of the company in their meeting held on February 16, 1995 have decided to offer Right Shares in the ratio of one right share against every ten existing shares @ Rs. 15/- per share (including Rs. 5/- as premium) subject to approval of Controller of Capital Issues, Government of Pakistan.

Separate dates of book closure for the entitlement of right shares will be announced on receipt of consent from the Controller of Capital Issues.

On Behalf of the Board

**ZAHEER A. SHAIKH**  
Corporate Secretary

**REGISTERED OFFICE**  
83-Babar Block, New Garden Town  
LAHORE  
Telephone/Fax No. 042-5839631

Dated: February 20, 1995



## Pattern of Holding of Shares

Form '34'

Held by the Shareholders as at September 30, 1994

No. of Shareholders	From	Shareholding To	Total Shares Held
148	1	100	5057
367	101	500	121459
119	501	1000	87978
138	1001	5000	332096
42	5001	10000	299052
12	10001	15000	153302
17	15001	20000	310259
12	20001	25000	274788
11	25001	30000	302786
3	30001	35000	96121
4	35001	40000	149081
2	40001	45000	80478
5	45001	50000	240219
1	50001	55000	51968
1	55001	60000	58548
1	65001	70000	67348
1	70001	75000	73038
1	85001	90000	87812
1	95001	100000	98049
2	110001	115000	222363
1	115001	120000	115761
1	125001	130000	126735
1	130001	135000	132000
2	140001	145000	287582
1	150001	155000	154213
1	155001	160000	159529
1	205001	210000	205230
1	295001	300000	300000
1	490001	495000	494617
1	555001	560000	557931
1	620001	625000	620064
1	665001	670000	669852
1	715001	720000	717375
1	1100001	1105000	1101373
1	2005001	2010000	2005980
1	2150001	2155000	2151431
1	5270001	5275000	5272845
906			18184320

Categories of Shareholders	Number	Shares Held	Percentage
Individuals	876	3304501	18.17
Investment Companies	4	663827	3.65
Insurance Companies	2	159612	.88
Joint Stock Companies	11	6893527	37.91
Financial Institutions	6	6838705	37.61
Modaraba Companies	1	18480	.10
Others	6	305668	1.68
Total	906	18184320	100.00
Others			
Modarabas	4	212449	1.17
Trust	2	93219	.51
Total	6	305668	1.68

## Directors

**Altaf M. Saleem**  
Chief Executive Officer  
Shakarganj Mills Limited  
\*1975

**Khalid Bashir**  
Chief Executive  
Shams Textile Mills Limited  
1969

**Maqbul Ahmad**  
Chief Executive  
Crescent Boards Limited  
1969

**Mazhar Karim**  
Chief Executive  
Crescent Jute Products Limited  
Chairman  
Shakarganj Mills Limited  
1971

**Muhammad Anwar**  
Chief Executive  
The Crescent Textile Mills Limited  
1984

**Irfan Ahmad Imtiaz**  
Nominee NIT  
1993

**Sikandar Rashid Ahmad**  
Nominee PICIC  
1990

\*Year elected to Board

**General Counsel**  
Hassan and Hassan, Advocates  
Sh. Maqsood Ahmed, Advocate

**Independent Auditors**  
Riaz Ahmad & Company  
Chartered Accountants

**Corporate Secretary**  
Zaheer A. Shaikh

## Officers

**Altaf M. Saleem, 44**  
President and  
Chief Executive Officer  
\*1973

**Muhammad Awais Qureshi, 54**  
Executive Vice President and  
Chief Operating Officer  
1980

**Abdul Haq Saeed, 54**  
Vice President  
1985

**Hilal Ahmad, 53**  
Vice President and  
Chief Financial Officer  
1978

**Muhammad Zahid, 52**  
Vice President  
1981

**Dr. S. A. Qureshi, 73**  
Director General Research  
1983

**Zulfiqar Ahmad, 42**  
General Manager Planning  
1976

**Pervaiz Akhtar, 41**  
General Manager Production  
1981

**Nusrat Ali, 43**  
General Manager Engineering  
1977

\*Year joined company



## 27TH ANNUAL GENERAL MEETING

### FORM OF PROXY

#### IMPORTANT

This Form of Proxy, in order to be effective, must be deposited duly completed, at the Company's Registered Office at 83-Babar Block New Garden Town, Lahore, not less than 48 hours before the time of holding the meeting.

A proxy must be a member of the Company registered with the company.

Please quote Registered Folio Number

I/We \_\_\_\_\_ of \_\_\_\_\_  
being a member of **SHAKARGANJ MILLS LIMITED** and holder of \_\_\_\_\_ ordinary shares,  
hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
who is also member of the Company, as my/our proxy in my/our absence to attend and vote for me/us  
and on my/our behalf at Pearl Continental Hotel Shahrah-e-Quaid-e-Azam, Lahore on Thursday March 30, 1995  
at 10.00 a.m. and at any adjournment thereof.  
As witness my/our hand this \_\_\_\_\_ day of 1995.  
Signed by the said \_\_\_\_\_ in the presence of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Member's Signature)

\_\_\_\_\_  
(Witness's Signature)

Affix Rs. 2/- Revenue  
Stamp which must  
be cancelled either  
by Signature over it  
or by some other  
means

Date: \_\_\_\_\_

Place: \_\_\_\_\_