Annual Report



111

SHAKARGANJ MILLS LIMITED

COMPANY INFORMATION



Mazhar Karim Gul Nawaz Khalid Bashir Muhammad Anwar Muhammad Arshad Muhammad Bilal Sheikh Muhammad Asif

Chairman (NIT)

(PICIC) (NIT)

Chief Executive Ahsan M. Saleem

Audit committee Muhammad Anwar Khalid Bashir Muhammad Asif

Chairman

Corporate Secretaries

Hilal Ahmad Tariq Aleem

Auditors Riaz Ahmad & Company Chartered Accountants

Internal Auditor Asif Ali

MANAGEMENT

Muhammad Asghar Qureshi Chief Advisor *1999

Muhammad Awais Qureshi Executive Vice President & Chief Operating Officer *1980

Manzoor Hussain Malik Vice President *1980

Hilal Ahmad Chief Financial Officer *1978

*Year Joined Company



Pervaiz Akhtar Vice President *1981

Maqsood Ahmad General Manager Production *1986

Nusrat Ali General Manager Engineering *1977

Dr. Shahid Afghan Director Research *1987

SEVEN YEARS FINANCIAL SUMMARY

(Rupees in thousand, except amounts per s	share)
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	2002	2001	2000	1999	1998	1997	19
Operating Results:						1900	
Net Sales	2,615,804	2,183,827	1,180,681	1,864,677	1,816,421	1 200 204	
Cost of Sales	2,203,240	1,851,686	1,041,975	1,627,251	1,657,492	1,398,384	1,187,
Selling, General and Admin Expenses	79,485	77,495	46,490	79,351	47,160	1,233,714	1,040,
Interest Expenses	173,675	223,067	161,479	179,395	179,744	43,735	36,
Other Income, Net	46,634	129,914	80,141	32,682	46,815	189,290	168,
Pre-Tax Profit/(Loss)	124,673	25,193	10,217	10,505	(21,830)	66,131	26,
Taxation	14,023	11,698	5,903	9,210	8,441	(3,037) 6,155	(33,3
Net-Income	110,650	13,495	4,314	1,295	(30,271)	(9,192)	(17,1
Per Share Results and Return:							300
Earning Per Share	3.78	0.46	0.15	0.04	(1.03)	(0.25)	
Dividend per Share/Stock Dividend	1.50	0.75	0.20	0.04	(1.05)	(0.35)	(0.0
Net Income Sales Percent	4.23	0.62	0.37	0.07	nem	1:10	1
Return on Average Assets Percent	6.04	0.82	0.27	0.07	(1.67)	(0.66)	(1.
Return on Average Equity Percent	21.96	2.98	0.97	0.07	(1.69)	(0.55)	(3.3
Financial Position					-		
Current Assets	753,172	675,554	567,276	863,642	one are	1225.035	NI BES
Current Liabilities	776,258	968,488	736,766	962,678	826,450	821,965	565,0
Operating Fixed Assets	779,251	700,568	701,690	745,879	950,180	1,023,355	674,0
Total Assets	1,815,615	1,849,787	1,433,551	1,757,592	727,120	768,703	801,0
Long-Term Debt	642,685	670,158	329,110	407,537	1,785,026	1,790,570	1,561,4
Shareholders' Equity	570,519	459,097	445,602	441,288	429,361	462,621	538,0
Break-up Value per Share	19.48	15.68	15.22	15.07	439,993 15.02	470,264 17.66	479,4 19,
Financial Ratios:							277
Current Liabilities to Current Assets	1.03	1.43	1.30	1.11	1.15		
ong-Term Debt to Capitalization %	52.97	59.35	42.48	48.01	1.15 49.39	1.25	1.1
Total Debt to Total Assets Percent	68.58	75.18	68.92	74.89	75.35	49.59	52.4
nterest Coverage (Times)	2.10	1.23	1.07	1.06	0.88	73.74	69.1
Average Collection Period (Days)	13.91	9.10	6.61	5.65	1.39	0.98	0.8
nventory Turnover (Times)	10.01	5.52	23.31	4.96	3.90	6.90	1.0
ixed Assets Turnover (Times)	3.02	2.66	1.46	2.20		3.67	10.4
otal Assets Turnover (Times)	1.44	1.18	0.82	1.06	2.22 1.02	1.71 0.78	0.7
Other Data:				-0.00			
repreciation & Amortization	71,835	67,347	67,861	72,547	90,478	01.100	100
apital Expenditure	146,838	58,640	19,130	81,599	39.332	91,100	94,45

PRODUCTION DATA 1974-2002

		Sugar				11. (2.1)		
Season	Duration of Season (Days)	Cane Crushed (M.Tons)	Sugar Produced (M.Tons)	Recovery (Percent)	Process Losses (Percent)	Molasses (M.Tons)	Industrial Alcohol (Litres)	Particle Board (C.Meters
				-	12.12		0.0000000000000000000000000000000000000	200000
2001-2002	195	1,704,812.00	128,000.00	7.53	2.42	91,890	15,800,156	5,669.96
2000-2001	161	1,054,992.27	79,126.30	7.50	2.31	53,601	10,469,000	1,570.96
Raw Sugar								
Processed		27,811.59	26,423.70					
1999-2000	144	524,376.69	39,965.00	7.63	2.20	24,243	4,967,000	497.48
1998-1999	157	1,350,118.54	101,479.00	7.51	2.23	61,756	5,324,756	1,921.69
1997-1998	163	1,434,389.42	112,430.00	7.85	2.38	73,477	6,350,000	2,784.44
1996-1997	176	1,036,955.12	79,740.00	7.69	2.50	54,711	6,015,000	Nil
1995-1996	151	763,316.24	60,285.00	7.92	2.65	39,397	2,573,700	2,117.54
1994-1995	157	1,057,035.58	86,075.00	8.11	2.77	53,172	5,460,000	5,299.26
1993-1994	196	1,203,371.20	88,116.50	7.34	2.65	60,150	5,250,076	4,334.77
1992-1993	161	691,838.64	54,055.00	7.85	2.68	35,980	4,887,020	1,662.76
1991-1992	174	746,506.35	63,985.50	8.57	2.53	37,710	4,525,900	3,360.00
1990-1991	204	866,552.13	65,536.80	7.56	2.59	47,135	3,422,204	642.94
1989-1990	187	708,632.50	57,912.00	8.17	2.31	33,180	3,030,217	ZU.
1988-1989	170	446,324.86	36,366.80	7.70	2.44	22,410		
1987-1988	193	698,604.86	55,726.00	7.98	2.61	38,740	308,494	
1986-1987	149	333,601.08	27,898.60	8.36	2.24	15,060	1,855,809	1
1985-1986	113	237,601.67	20,625.00	8.66	2.29	11,470	20,239	ALC: N
1984-1985	168	441,717.77	39,522.60	8.96	2.38	22,580	223	
1983-1984	173	427,169.49	35,501.20	8.31	2.40	21,860		1 2
1982-1983	173	361,291.49	29,440.00	8.16	2.44	16,255	1000	TO STATE OF THE ST
1981-1982	207	466,040.00	39,474.00	8.47	2.48	21,255		ilica di
1980-1981	187	287,723.00	25,562.00	8.89	2.42	13,373	112	line.
1979-1980	112	61,206.63	5,619.30	8.95	2.25	2,358	he bed	-
1978-1979	114	107,106.07	9,267.30	8.80	2.27	4,147		
1977-1978	177	319,960.40	27,620.00	8.61	2.44	14,103	I Land	1
1976-1977	166	308,987.44	26,085.60	8.45	2.67	15,228	2 200	Test-son
1975-1976	157	246,393.59	18,864,88	7.61	2.68	11,424	B.S.	4
1974-1975	107	104,069,16	8,252.62	8.30	2.75	4,182	ALC: ST	
973-1974	101	87,824.72	5,476.83	6.28	3.57	4,726		The same
SHEET SHEET			2747 2102	Unad	and a	4,120	15 IS-	HE SHOW

STATEMENT OF VALUE ADDED

	2002 (R	2001			
SALES REVENUE	2,615.80		2,	183.83	
OTHER RECEIPTS	31.96		20.71		
	2,647.76		2,204.54		
LESS: MATERIALS & SERVICES	1,758.82		471.92		
VALUE ADDED	888.94		732.62		
APPLIED THE FOLLOWING WAY:	0.0	%AGE	%	AGE	
TO EMPLOYEES:	ALC: NO	1998		111111	
WAGES, SALARIES AND RELATED COSTS	85,55	9.62	71.96	9.82	
TO GOVERNMENT:					
INCOME TAX, EXCISE DUTY, SALES TAX AND OTHER TAXES	440.66	49.57	330.99	45.18	
TO PROVIDERS OF CAPITAL					
FINANCE CHARGES ON LOANS AND ADVANCES TO CHARITABLE INSTITUTIONS	173.67 2.78	19.54 0.31	223.07 5.79	30.45 0.79	
TO PROVISION FOR DIMINUTION AND DEFERRED COST	3.80	0.43	19.98	2.73	
TO PROVIDE FOR MAINTENANCE & EXPANSION OF ASSETS:					
DEPRECIATION/AMORTIZATION	71.84	8.08	67.34	9.19	
PROFIT RETAINED	110.65	12.45	13.50	1.84	
	182.49	20.53	80.84	11.03	
	888.94	100.00	732.62	100.00	
		-	-	-	

FLOW OF FUNDS ANALYSIS

DEVELOPMENT OF NET CURRENT POSITION IN MILLION OF RUPEES

	Sep. 30 2000	Change	Sep. 30 2001	Change	Sep. 30 2002
Liquid Assets	+ 215.18	+ 315.85	+531.03	- 1201.41	+ 409.62
Short term receivable	+ 21.38	+ 33.04	+ 54.42	+ 45.24	+ 99.66
Short term liabilities and provision	- 565.12	- 86.36	- 651.48	+ 92.18	- 559.30
	- 328.56	+ 26.253	- 66.03	+ 16.01	- 50.02

SOIL	FCC D	f Fund	а
DUL	ecc o	L A MARKE	0

Net Income for the year	+13.49	+110.65
Depreciation	+59.21	+66.29
Amortization of assets subject to		00.2
Finance lease	+8.13	+5.54
Internal Financing	+80.83	+182.48
Fixed assets disposed	+0.55	+1.68
Redeemable capital	+535.30	+345.99
Liability against assets subject to		
Finance lease	+5.38	+6.44
Sales of Investments	+4.96	+70.30
Long term deposits		+22.26
Source of Funds - Total	+627.02	+629.15

Application of Funds:

pplication of Funds - Total	-364.49.	-613.14
Dividend paid	Market Company	-21.50
Loans repaid	-3.71	-4.31
finance lease	-30.05	-32.65
Liability against assets subject to		- 10050
Long term deposits	-3.92	0.00
Redeemable capital	-190.54	-369.15
Addition to investments	-55.98	-66.66
Assets subject to finance lease	-5.38	-6.44
Addition to fixed assets	-74.91	-112.43

Changes in the net position	+262.53		+16.01
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SHAKARGANJ SUGAR RESEARCH

INSTITUTE'S REVIEW 2002

Board of Governors

Mr. M. Asghar Qureshi
Mr. M. Awais Qureshi
Mr. Malik Manzoor Hussain
Dr. Shahid Afghan

Chairman
Member
Member
Member

This report summarizes research and development activities being conducted at Shakarganj Sug Research Institute (SSRI) with emphasis on main goals that were reached during the year 200 2002. Research activities conducted on various aspects of cane production are given below

- Sugarcane variety development
- Biological control of borer complex
- Tissue culture propagation of elite clones
- Studies on disease tolerance
- Studies on insect resistance
- Agronomic trials
- Soil and water advisory service
- Workshop on R&D activities
- Publications
- Library of SSRI

1. Sugarcane variety development

Main objective of this programme is to develop sugarcane varieties that are capable of producir sugar and other products of economic importance at lower cost than could be attained from existir commercial varieties. From last two decades strategy for evolution and development of close depends on import of cane fuzz. This is mainly due to unfavorable agro-climatic condition for breeding of sugarcane crop in the country. Therefore, fuzz was imported from various internation research organizations. At present SSRI has a cooperative programme for import of cane fuzz with Ag-Center Houma USA. Therefore, required quantity having desirable parentage was imported from above mentioned research organization during the year under report. Status of clones under different selection stages is given in table-1.

a. Original seedlings

At stage-I, there were 58 bi-parental crosses having fuzz of 562 gm received form AgCenter Houm USA. It was grown from June 26th to July 11th 2002. Population poly bagged was 36732. Thi material was transplanted as single stool with plant-to-plant and row-to-row distance of 2-feet an 2.5-feet, respectively. An alley of 5-feet was kept after two rows of the stools for observations Original seedling was planted on an area 11 acres from August 19th to 30th, 2002 at Ghazi Shal farm of SSRI.

Table-1 Status of Germplasm under Different Selection Stages at SSRI Jhang

Selection Stage	Description	1 Branch	Year			
		2001	2002			
Stage-5	Final Variety Trials	1 this				
Creation of	S96NSG- Series	4	4			
	598CSSG- Series		15			
	Total	4	19			
Stage-4	Semi-final Clones					
	LSU AgCenter Houma (999HoSG-Series)		121			
	BSES-Australia (S99QSG-series)		10			
	S98CSSG-Series	87				
	RS97/98 NSG-Series	5				
	Total	92	131			
Stage-3	Advanced clones	-				
	Houma (999 HoSG-Series)	468	75			
	Canal Point, USA (S99 CPSG-Series)		184			
	SASEX (S99NSG-Series)	17	The Control			
	BSES (S99QSG-Series)	23				
	Total	508	259			
Stage-2	Progeny clones		With The			
	a. SASAEX, South Africa (S99NSG-Series)	100	161			
	b. BSES, Australia (S99QSG-Series)	12773	330			
	c. Houma/ (S99 HoSG- Series)	1903	1492			
	d. CP, USA	100000	281			
	e. CSIR, Australia		1447			
	Total	1903	3711			
Stage-1	Original seedlings		9			
	HoUSA	54150	36732			
	CPUSA	4116				
	BSES-Australia	4693				
	CSR-Australia	27611	100			
	SASAEX-South Africa	5590				
	Total	96168	36732			

b. Progeny clones

At stage-II, 3711 progeny clones were selected from 76962 original seedlings of cane fuzz obtains from AgCenter Houma/Canal Point USA, BSES/CSR Australia and SASAEX South Africa. Progen clones were planted on an area of 3.5 acres during autumn 2002.

c. Advanced clones

At stage-III, from 1903 progeny clones, 259 were advanced in a 5-row plot of 250 sq. ft. during autumn 2002. Parent wise performance and data on agronomic traits of all the clones advance was recorded.

d. Promising clones for semifinal trials

At stage-IV, amongst 487 advanced clones, 131 were selected for semi-final trials during the yeurnder report. Selected clones have shown better germination capacity, optimum tillering potential striped cane yield, early maturity trend with high sucrose content and resistance against major diseases like red rot, rust, smut and pokah boeng.

e. Promising clone for final studies

At stage-V, from 87 semi-final clones, 19 clones were kept for final stage. These have shown bette performance for cane yield and quality along with resistance against major diseases. Some of the were included in coordinated trials and national uniform varietal yield trials. Extensive testing an seed multiplication was in progress. Agro-economic traits and periodic quality analysis for sugar recovery % cane of four promising clones compared with standard SPSG-26 are elaborated in table 2a & 2b.

Table-2a Agro-economic traits of clones at final stage (2001-2002)

Clones		Agro-economic traits						Disease Reaction		
	Ger. (%)	Tiller/ Plant Average	Millable canes (acre)	Cane weight (Kgs)	Yield/ Acre (mds.)	Red rot	Rust	Smi		
S98CSSG-351	53	3.39	54911	1.08	1483	R	R	R		
S98CSSG-523	54	2.78	39751	1.12	1113	R	R	R		
S98CSSG-557	50	2.94	40222	1.21	1217	MR	R	R		
S98CSSG-668	60	1.58	38731	1.23	1191	MR	R	R		
SPSG-26	58	2.50	47242	0.95	1122	R	R	MS		

Table-2b Sugar Recovery % cane of promising clones at final stage (2001-2002)

Clones	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
S98CSSG-351	9.03	9.35	10.34	10.81	11.00	12.05
S98CSSG-523	8.35	9.68	10.61	10.99	11.16	11.59
S98CSSG-557	10.08	10.11	11.12	11.75	11.74	12.36
S98CSSG-668	8.98	10.00	11.61	11.58	11.65	11.72
SPSG-26	8.78	9.64	10.16	10.46	10.93	10.96

2. Biological control of sugar-cane borers

Biological control of borer complex was very successful, economical, effective and environment friendly from its initiation (1996). Parasitized Trichogramma was found beneficial for sugarcane crop against top borer, stem borer, gurdaspur borer and root borer. Results of an experiment conducted at SSRI indicated that percent infestation in Trichogramma released area was 1.65, which was below economic threshold level, while in un-released area it was 7.31, which was above economic threshold level. During the year under report, 174000-tricho cards were tagged to sugarcane crop in grower's fields covering target of 50998 acres from March to September 2002. The tricho-cards were provided to cane growers of SML at a highly subsidized price of Rs.3/per card.

3. Tissue culture Laboratory

The technique of growing plants under total aseptic and artificial conditions on the nutrient medium have grown into an industry. Invitro-micro-propagation provides an opportunity for rapid multiplication of sugarcane clones. Promising lines of SSRI included for tissue culture propagation were NSG-6, NSG-39, NSG-60, NSG-311, and NSG-555. Total plantlets production was 68000 and plantlets shifted for hardening were 28000 during the year under report. Plantlets mortality rate was higher in summer months (51percent) may be due to high temperature. It was lower (4 percent) during winter months. On average plantlets mortality was 4 percent in field plantation. Tissue culture seed multiplied at SSRI farms was 3.5 acres and on SML farms it was 12 acres. Therefore, 200 acres tissue-cultured seed of above-mentioned new varieties would be given to the progressive growers of SML during autumn plantation 2003.

4. Studies on disease tolerance

Eleven variable sources of clones were included for screening against red rot, rust, pokah boeng and smut during the year under report. Amongst 2547 entries only 307 have shown combined resistant to above-mentioned major diseases, 19-clones in final stage have exhibited combined resistant. Out of 1889-progenies, 487-advanced and 87- semi-final clones, screened for combined resistance were 157, 97 and 18, respectively. Series wise detail is given in table-3.

Table-3 Series under combined screening of various diseases

Sr.	Origin	No. of		Re	sistance to		网络影片 罗万多
No.		clones	Red rot	Rust	P. boeng	Smut	Combined
	SSRI, Jhang						
1	Promising varieties	4	4	4	2	4	2
	South Africa (S95NSG series)		100000000000000000000000000000000000000				THE SALE AND
2	Promising varieties	10	9	8	9	7	77
	South Africa (S96N series)	1000			42		(8)
3	Advance lines (Nursery-II)	17	8	11	9	10	.7
	South Africa						STATE OF THE
	(RS97 & RS98NSG series)		1000000		STATE OF		MIN 374
4 6	Semi final clones (Stage-II)	87	19	52	60	47	18
A STATE OF	CSIRO Australia	100		The state of	1000		NO.
	(S98CSSG series)	77.5			※2万円を行		The Party of the P

Sr.	Origin	No. of	Marie Marie	Re	sistance to		F-1644
No.		clones	Red rot	Rust	P. boeng	Smut	Combin
5	Advance clones (Stage-II)	487	158	127	99	101	97
	(S99HoSG series)	201	-	127	,,,	101	9/
6	Progeny clones	1889	259	247	187	160	157
	(S2000HoSG series)	No.	A. Carrier		207	100	107
	SCRI, Mardan			7		200 000	
7	Mardan varieties	15	11	10	7	9	7
	SRI, Faisalabad						1
8	Faisalabad varieties	23	12	11	8	9	8
	Habib Sugar Mill, Nawabshah		English .			-	
9	HS varieties	6	1	6	6	5	- 1
10	USA clones (S97US series)	3	2	3	3	2	1 2
11	Sri Lanka clones (SL series)	6	2	6	6	6	1
17/4	Total	2547	485	485	396	360	307

5. Studies on insect resistance

Three hundred and seven clones were included in the trial for insect resistance. The infestation top borer, stem borer, root borer and gurdaspur borer was estimated through counting infest internodes of mill-able stalks. The results indicated that a few clones have shown moderat resistance against borer complex.

6. Agronomic trials

Technical guidance of agronomic, pathological and entomological aspects was provided to car growers of SML about production technology for enhancing yield and quality of sugarcane crown Agronomic trials to develop low cost production technology were conducted, which comprise increasing efficiency of fertilizer, irrigation water management, optimum seed rates, proper sowin techniques, efficient and economical weed control, integrated insect and disease control, management of ratoon crops and determination of post-harvest losses.

7. Soil and water advisory service

Soil and Water Advisory Service is a permanent feature of this institute. It is beneficial for car growers of this area to know salinity and fertility status of soils and fitness status of water for judicious use of fertilizer and irrigation resources. Analysis of 1002 soil sample of 62 growers from 875 acres around SML was completed. Water samples for quality analysis were collected from 9 tube wells.

8. Workshop on R&D activities on sugar crops

A third workshop of 2-days subjected "Research and Development Activities on Sugar Crops in Pakistan" was held on September 9-10, 2002 at Shakarganj Sugar Research Institute. The objective was to get the scientists together to have a thorough discussion on various aspects of research and development activities of sugar crops. Thirty-four scientists participated in the workshop of eight Research Institutes from all over the country. Fifteen research manuscripts were presented and discussed. The views of all the concerned scientists working on this crop gave a valuable input Recommendations formulated were published in proceedings of the workshop acknowledged in Nov-Dec. issue of Pakistan Sugar Journal.



9. Publications

a. Publication of research journal

Pakistan Sugar Journal was published with the patronage of SSRI, on bio-monthly basis. Some papers received from other countries like Egypt and Bangladesh were included in various issues of PSJ during the year under report.

b. Publication of an Urdu Book on Production Technology of Sugarcane

To disseminate information on production technology of sugarcane crop an Urdu book entitled "Kamad-Ke-Munaffa Buksh Kasht aur Bardasht" was published with the patronage of SSRI. The facilities and services given by SML for cane growers of area were also included. Five thousand copies of the book were printed for distribution amongst the cane growers on a highly subsidized price of Rs.20 per book.

10. Library of SSRI

Some latest stuff including books, manuals, proceedings, research journals and audio-video aids were added. These have covering of different aspects related to sugarcane and sugar industry. There were 4513 books during the year under report. Other material comprised 10-international research journals on sugar, 18-journals on management, 2-journals on engineering, 12-journals on sugarcane crop and 5-journals on miscellaneous topics. There were 28 audio-video aids on management, agriculture, training skills, communication skills and human resource development.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 35th Annual General Meeting of the shareholders of SHAKARGA MILLS LIMITED will be held on Saturday, the March 1, 2003 at 11 a.m. at Pearl Continental He Shahrah-e-Quaid-e-Azam, Lahore to transact the following bussiness:

- To confirm the minutes of 34th Annual General Meeting of the company held on March 2002.
- To receive, consider and adopt audited accounts of the company for the year ended Septem 30, 2002, together with the Directors' and Auditors' Reports there
- To approve the payment of Cash Dividend @ 15% i.e. Rs.1.50 per share as recommended the Board of Directors.
- To appoint auditors and to fix their remuneration. The Retiring Auditors, M/s Riaz Ahm & Company, Chartered Accountants, being eligible, offer themselves for reappointment
- To transact any other business with the permission of the chair.

By Order of the Board

Tariq Aleem Corporate Secretary

Lahore January 31, 2003

PARTICIPATION IN THE ANNUAL GENERAL MEETING:

A member eligible to attend and vote at this meeting may appoint another member as his / h proxy to attend and vote instead of him / her.

The instrument appointing a proxy and the power of attorney or other authority under which is signed or a notarially certified copy of the power of attorney must be deposited at the registers office of the company at least 48 hours before the meeting.

Member whose shares are deposited with Central Depository Company of Pakistan Limited a requested to please bring their original National Identity Card alongwith their participant's ID number and their account number in Central Depository Company of Pakistan Limited to facilitate identification at the time of Annual General Meeting.

BOOK CLOSURE:

The Share Transfer Books of the Company will remain closed from February 21, 2003 to March 2003 (both days inclusive). Cash dividend, if approved, will be issued to such members who names appear on the register of members at the close of business on February 20, 2003

DIRECTORS' REPORT & CHIEF EXECUTIVE'S REVIEW

DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shakarganj Investor;

The directors of the Company have the pleasure in submitting their report together with audited accounts of the Company for the year ended September 30, 2002:

Financial Results

The financial results of the company are summarised below:

	(RUPEES IN T	HOUSAND)
	2002	2001
Profit for the year Taxation	124,673 14,023	25,193 11,698
Profit after taxation	110,650	13,495
Unappropriated profit brought forward Transferred from dividend	29	6,199
equalization reserve		2,300
Profit available for appropriation Appropriations:	110,679	21,994
Transferred to resrerve for equity investment marketvalue equalization Transferred to general reserves Proposed dividend	57,000 9,700 43,929	21,965
	110,629	21,965
	50	29
Earning per share (Rs.)	3.78	0.46
Dividend per share - Proposed (Rs.)	1.50	0.75

Statement on Corporate and Financial Reporting Frame Work

- The financial statements, prepared by the management of the company, present fairly it's state of affairs, the result of it's operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements except as stated in note 2.10 and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- The system of internal controls, which was in place, is being continuously reviewed by internal audit and other such procedures.
 The process of review will continue and any weaknesses in controls will be removed.



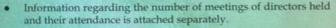






- There are no significant doubts upon the Company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- Details of significant improvements in the company's operations during the current year are stated in the Chief Executives Review.
- Key operating and financial data for last six years in summarized form is annexed.
- The following is the value of investments based on audited accounts for the year ended September 30, 2002:

Provident fund	Rs. 45,547,993
Gratuity fund	Rs. 15,168,608
Pension fund	Rs. 54,260,539





The pattern of shareholding as per section 236 of the Companies Ordinance, 1984 is attached separately.

No trade in the shares of the Company were carried out by CEO, CFO and Company Secretary, their spouses and minor children.



Since the last report in March 2002, no change in directorship has taken place. The present term of the 7 elected directors will expire on June 01, 2005.

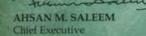
The board of directors met three times during the year 2001-02 and attandance of each director is stated as under:

Directors' Name	No. of Meetings Attended
Mr. Mazhar Karim	3
Mr. Khalid Bashir	2
Mr. Muhammad Anwar	3
Mr. Muhammad Arshad	3
Mr. Muhammad Asif	3
Mr. Gul Nawaz	2
Mr. Muhammad Bilal Sheik	ch 0

Auditors

The auditors M/s. Riaz Ahmed & Company, Chartered Accountants, retire and being eligible offers themselves for re-appointment. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

By Order of the Board









DEAR SHAKARGANJ INVESTOR;

I have great pleasure in presenting this review for the fiscal year 2001-02. The year under review turned out to be best in your company's history. Your management has been striving to bring cultural change both in the company and the farmers, the backbone of the company operations. Our efforts resulted in substantial improvement in all spheres of our activities. Shakarganj is the only composite sugar company with maximum utilization of coproducts. A brief performance review of our different activities follows.

SUGAR DIVISION

The Sugar plant operated for 188 days crushing a record 1,704,812 tons of sugarcane an increase of 61 percent from 2000-01. Sugar production was also at a record level of 128,000 tons an increase of 21.26 percent from last year. Sugar recovery was, however, low at 7.53 percent. Your management is working hard to make a breakthrough in this area. Major improvements were made in the energy balance. Additional fuel other than bagasse was restricted to Rs. 2.657 million down from Rs. 10.406 million in 2000-01. We are endeavoring to reach efficiency levels where no additional fuel is required.

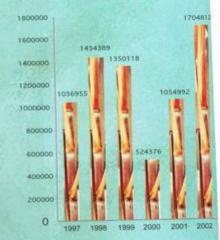
INDUSTRIAL ALCOHOL DIVISION

The Distillery unit was installed in 1984-85. This unit was not operated to capacity for several years. Highest production of 10,469,000 litres was achieved in 2001-2002. Taking advantage of fresh demand in international market, production capacity was expanded. New capacity was brought into operation on January 15, 2002. Record production of 15,800,156 litres was achieved in the year under review, an increase of 50 percent compared to 2000-01 production. We are making further improvements in capacity utilization and product quality, and even better results are expected in 2002-03.

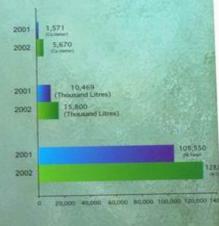
PARTICLE BOARD DIVISION

The Particle Board Division operates on surplus bagasse made available from the sugar plant. Bagasse is utilized for providing energy to the sugar plant, distillery plant and cogeneration activity. Requirement of energy for these activities increased due to hig capacity utilization. Higher baga requirement was offset by energy conserval measures. There is still scope for furt saving, and we have a task force working this issue and are confident of positive rest Saving in bagasse consumption as fit

Sugercane Crushed (M.Tons)



Production



enabled us to improve capacity utilization of Particle Board plant. As against Particle Board production of 1,570 Cu.Meter in 2000-01, we were able to increase production by 261 percent to 5,670 Cu.Meter in the period under review.

CO-GENERATION

Scope of co-generation is increasing with better energy balance. We were able to generate extra electricity during 2001-02 and revenue generation from this activity was Rs. 9.3 million. We are making further improvements in this area. Co-generation will become a meaningful contribution to our bottom line on a regular basis.

FINANCIAL RESULTS

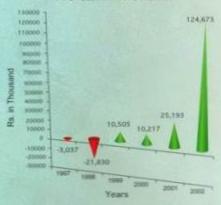
The sugarcane crop considerably improved this season. We started our season on 15th October 2001, about a month ahead of the adjoining mills to gain some advantage of cane procurement. We adopted a very competitive policy of cane purchase and tried to compete with the adjoining mills both in price and facilities to the growers. We were very successful in our policy and reached a crushing figure of 1.704.812 M. Tons compared to 1.054.992 M. Tons last year.

The operation for the year under review resulted in a net profit of Rs. 110.650 million against Rs. 13.495 million last year representing an increase of 720 %. The total sales were Rs. 2.615 million and posted a growth of 19% over Rs. 2,184 million last year. The earning per share has gone up to Rs. 3.78 compared to Rs. 0.46 last year.

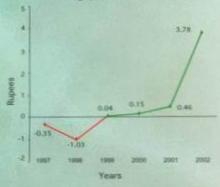
The total administration and selling expenses of the company increased from Rs. 77.495 million to Rs. 79.466 million. This was in line with the increase in business of the company. However on a percentage of sale basis, expenses have decreased from 3.54% to 3.03% this year. The total financial charges of the company decreased from Rs. 223.067 million to Rs. 173.675 million. On percentage of sale basis, financial charges have decreased from 10.21% to 6.63% this year.

The cash flows from operating activities have

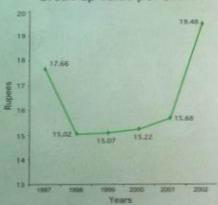
Pre-tax Profit /Loss



Earning per share (Rupees)



Break-up value per Share



increased from negative cash flows of Rs. 150.625 million to positive cash flow of Rs. 171.054 million this year. The cash flow was due to two issues of TFC's that generate 450 million and helped to repay the high cost of borrowing that resulted in considerable saving in financial cost.

CONTRIBUTION TO ECONOMY

During the year under review, your company's contribution to Federal, Provincial and Local taxes were to the tune of Rs. 440.661 million. We spent Rs. 173.675 million as cost of financing and share of workers was Rs 85.518 million. During the last ten years, your company has made a consolidated contribution of Rs. 2.3 billion in shape of Federal, Provincial and Local taxes.

RESPONSIBILITY TO ENVIRONMENT

We have made considerable headway in waste reduction which is a key to better environment. Our efforts have been appreciated by various environmental monitoring agencies. Our environmental policies revolve around following basic principles.

- Shakarganj assumes responsibility for its impact on the environment that it operates in.
- All decisions at Shakarganj shall favour environment.
- Information about environment issues is open and free.

We run tree plantation campaigns twice a year in our area. Results have been very encouraging. We have taken a major initiative to recycle all nutrients to soil that come to us in sugarcane. Filter cake separated from sugarcane juice is composted and returned to the field as organic fertilizer.

Application of compost has resulted in increased productivity and has become very popular with the farmers. We are installing a Bio-Gas Plant for water treatment. This will improve the quality of our effluent and provide irrigation water to the farmers in our neighbourhood. Bio-gas will be produced as

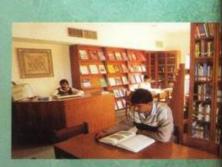
a by product and used as fuel in the disth and particle board plant. This facility will on into operation in first quarter of 2



HUMAN RESOURCE DEVELOPME

Your company considers people to be its a valuable asset for creating and delivering a for its stakeholders. Hence, it has sent largest contingent to the diploma program in Business Management specially develops the Lahore University of Managem Sciences (LUMS).

The programme consists of seven mode each of seven days duration, including our in Production & Operations Management Finance, Marketing, Management Information Sciences and Communication Skills, encourage teamwork, the participants a undertake a group project relevant to their responsibilities. The first batch is due graduate from the programme at the end year 2003 and has so far completed the modules of the course. The participations consider it an excellent learning experient that will benefit them as well as the comparison.



as it aims to provide more value to its stakeholders through enhancing the quality of its management and operations.

The continued investment in the skills enhancement of its people reflects the value your company places on the development of its human resources.

SOCIAL RESPONSIBILITY

Your company believes in investing in education to improve the quality of life and has taken several initiatives in this regard. The company has initiated a primary school adoption program in its vicinity and has so far adopted five Primary and five Middle Schools in the area. In these schools a number of measures have been taken to improve the school environment and the teaching quality. Arrangements have been made to provide clean drinking water in all the schools. In addition, milk is provided to the children in two schools to improve their nutrition. The milk nutrition program will be expanded to more schools in future.

For financially deserving students, school uniforms and books have been supplied so that they can avail of the educational opportunities provided. Your company believes that it is important to provide a visually pleasing and a healthy environment at school to encourage the students to attend and learn. Hence the company has provided office furniture and clean washrooms and has allocated funds for maintenance of the school facilities.

Your company believes that training teachers has a substantial positive multiplier effect on the quality of education imparted at schools. With the guidance of the Ali Institute of Education, your company has also started a Teachers Training Centre within the company premises. The graduates of this program will increase the quality of teaching in primary and secondary schools.

The company has also started 10 adult literacy centres in its vicinity, 3 of them being for females. The results have been very encouraging as the participants have been keen learners and from being totally illiterate have been able to start reading within a month.

The company also continues to provide LUMS, the leading university in the country, with support. Overall the company believes in H.G.Wells comment that "Mankind is involved in headlong race between education and catastrophe" and hence as a socially responsible company, it continues to contribute to the development of education programmes at various levels.

PROSPECTS FOR 2002-2003

The sugar plant was started on 7s October 2002. We are expecting to maintain last year's sugar production level inspite of sugarcane crop adversely affected by drought and pyrilla attack. Sugar recovery is also lower due to these factors. Alcohol production is estimated at a new record level of 20 million litres. Particle Board production will be curtailed to the level of market demand as we have huge carryover stock. Building and construction activities have not picked up as yet resulting in low demand for Particle Board. We are exploring different avenues and looking at opportunities for value added products.

Our initiatives on energy conservation will reduce our cost of production. We will be better placed in facing competition in a situation where both Sugar and Ethanol prices are lower then last year.

We are also working closely with our partner farmers who are the backbone of your company. We are jointly working to reduce the cost of production of sugarcane and provide incentives for the better quality. This will be in the best interest of stakeholders.

CORPORATE GOVERNANCE

The exercise for strengthening internal control, updating the policies manual and effective functioning of the internal audit is continuing. Further the company engaged JCR-VIS, the rating company for the entity rating and I am happy to report that the same has been received, which rates the company as an A-2 (A-two) in the short term and A- (A-minus)

in the long term. This rating is a demonstration of the low risk profile and good credit standing of your company.

FUTURE OUTLOOK

We look to the future with confidence. We are in a good position in the marketplace and the only sugar company with maximum utilization of co-products. Our size in every activity has increased to an economically viable level through continuous balancing, modernization and expansion.

We have always invested in research, development and training of human resources. This investment has started showing results and will provide a strong base to Shakarganj to face the challenges of future.

DIRECTORS, EMPLOYEES AND SUPPLIERS

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 primarily be made possible by the dedication of employees and they deserve a very warm of thanks. They have always shown the willingness to take advantage of opportunand face challenges of the changing econopicture. Our sugarcane farmers are backbone of our industry and we thank the for their continued support.

AHSAN M. SALI

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

The company is in the process of implementing all facets of the Code of Corporate Governance issued by the Securities and Exchange Commission of Pakistan and adopted by the Stock Exchanges. The Board feel pleasure in stating that provisions of the code, relevant for the year ended September 30, 2002, have been fully complied with by the company.

Ahsan M. Saleem

Chief Executive Karachi: January 28, 2003

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the statement of compliance with best practice contained in the code of corporate governance prepared by the Board of Directors of SHAKARGANJ MILLS LIMITED to comply with the Listing Regulation Nos. XI, XIII and XI respectively of Karachi, Lahore and Islamabad Stock Exchanges where the company is Listed.

The responsibility for compaliance with the code of corporate governance is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compaliance reflects the status of the company's compaliance with the provision of the code of corporate governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with code.

As part of our audit of financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to weather the Board's statement on internal control covers all controls and effectivness of such internal controls.

Based on our reviwe, nothing has come to our attention which causes us to believe that the statement of compliance does not appropriately reflects the company's compliance, in all material respects, with the best pratice contained in the code of corporate governance effective for the period ended on 30 September 2002.

FAISALABAD: January 29, 2003

(RIAZ AHMED AND COMPANY)
Chartered Accountants

FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of SHAKARGANJ MILLS LIMITED as at 30 September 2002 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the acconting polices and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- 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 accounts and are further in accordance with accounting policies consistently applied except for the changes as stated in note 2.10 with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- 6) In our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 2002 and of the profit, its cash flows and changes in equity for the year then ended; and
- in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the central Zakat fund established under section 7 of that ordinance,

Chartered Accountants

Faisalabad January 29, 2003



		NOTE	(RUPEES IN 2002	THOUSAND 2001
10000	QUITY AND LIABILITIES HARE CAPITAL AND RESERVES			
	ithorised share capital 000 000 ordinary shares of Rupees 10 each		500,000	500,0
Re	sued, subscribed and paid up share capital eserves nappropriated profit	3	292,860 118,106 115,624	292,8 144,2
			526,590	437,1
Su	rplus on revaluation of operating fixed assets		10,566	10,7
NO	ON-CURRENT LIABILITIES			
Lor	on-participating redeemable capital ng term loans abilities against assets subject to finance lease	4 5 6	481,685 14,657 5,859	360,4 19,6 .31,3
			502,201	411,4
CU	JRRENT LIABILITIES			
She Cre Wo Pro	errent portion of long term liabilities cort term finances editors, accrued and other liabilities orkers' participation fund ovision for taxation oposed dividend claimed dividend	7 8 9 10	171,875 250,536 254,474 6,578 47,711 43,929 1,155 776,258	316,3 350,6 265,8 1,3 33,6 21,9 6
со	ONTINGENCIES AND COMMITMENTS	11		
			1,815,615	1,849,7

Chief Executive

The annexed notes form an integral part of these accounts.



AS AT 30 SEPTEMBER 2002

	NOTE	(RUPEES IN 1 2002	THOUSAND) 2001
ASSETS NON-CURRENT ASSETS			
Tangible fixed assets			
Operating fixed assets	12	779,251	700,568
Assets subject to finance lease	13	42,771	79,924
Capital work-in-progress	14	44,627	40,994
		866,649	821,486
Equity investments	15	194,691	203,147
Long term deposits and deferred cost	16	1,103	23,363
		1,062,443	1,047,996
CURRENT ASSETS			
Stores, spare parts and loose tools	17	28,067	36,245
Stock-in-trade	18	233,197	359,447
Trade debts Advances, deposits, prepayments and	19	99,665	54,421
other receivables	20	136,203	113,640
Short term investments	21	243,889	216,342
Cash and bank balances	22	12,151	21,696
		753,172	801,791

1,815,615 1,849,787

Chairman



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2002

	NOTE	(RUPEES IN TO	HOUSAND 2001
SALES	23.1	2,615,804	2,183,8
COST OF GOODS SOLD	23.2	2,203,240	1,851,6
GROSS PROFIT		412,564	332,1
OPERATING EXPENSES			
Administrative and general Selling and distribution	24 25	48,620 30,865	42.5 34.9
		79,485	77,4
OPERATING PROFIT		333,079	254,6
OTHER INCOME	26	46,634	129,9
		379,713	384,5
FINANCIAL AND OTHER CHARGES Financial charges Other charges Workers' participation fund	27 28	173,675 74,796 6,569 255,040	223,0 134,9 1,3 359,3
PROFIT BEFORE TAXATION		124,673	25,1
TAXATION	29	14,023	11,6
PROFIT AFTER TAXATION		110,650	13,4
UNAPPROPRIATED PROFIT BROUGHT FORWARD TRANSFERED FROM GENERAL RESERVES		29	6,1 2,3
PROFIT AVAILABLE FOR APPROPRIATION APPROPRATION:		110,679	21,9
Transferred to reserve for equity investment market value en Transferred to general reserve Proposed dividend Rs. 1.50 (2001: Rs. 0.75) per share	qualization	57,000 9,700 43,929	21,9
		110,629	21,9
UNAPPROPRIATED PROFIT	22	50	- 0
EARNING PER SHARE (Rupees)	32	3.78	0.4

The annexed notes form an integral part of these accounts.

Chief Executive



Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2002

	(RUPEES IN T	HOUSAND) 2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	124,673	25,193
Adjustments to reconcile profit to net cash provided by Operating activities		
Depreciation and amortization	71,835	67,347
Amortization of deferred cost	17,298	4,641
Contribution to employees' retirement benefits	5,109	8,148
Gain on disposal of operating fixed assets	(7,733)	(791)
Loss/ (profit) on sale of investment	32,471	(264)
Dividend from associates	8,275	8,604
Share in post acquisition profits of associates Provision for diminution in market value of investments	(14,676)	(109,204) 127,918
Financial charges	173,675	223,067
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE WORKING CAPITAL CHANGES	410,927	354,659
CASH FLOWS FROM WORKING CAPITAL CHANGES		
(INCREASE)/DECREASE IN CURRENT ASSETS		
Stores, spare parts and loose tools	8,178	(2,620)
Stock in trade	126,250	(342,413)
Trade debts	(45,244)	(33,042)
Advances, deposits, prepayments and other receivables	(17,496)	343
INCREASE/(DECREASE) IN CURRENT LIABILITIES		
Short term finances	(100,065)	50,004
Creditors, accrued and other liabilities	19,055	29,433
Workers' participation fund	5,246	792
NET CASH USED IN WORKING CAPITAL CHANGES	(4,076)	(297,503)
CASH FLOWS FROM OPERATING ACTIVITIES	406,851	57,156

Chief Executive

Chairman



	(RUPEES	IN THOUSAND
	2002	2001
Financial charges paid	(202,181)	(194,7)
Income tax paid	(5,067)	(7,0)
Dividend paid	(21,505)	
Employees' retirement benefits paid	(7,046)	(5,9
NET CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	171,052	(150,6
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of operating fixed assets	9,418	1,3
Fixed assets acquired	(112,426)	(74,91
Long term deposits and deferred cost	4,962	
Investment sold	37,833	5,2
Investments made	(60,257)	(83,2
NET CASH USED IN INVESTING ACTIVITIES	(120,470)	(160,2
CASH FLOWS FROM FINANCING ACTIVITIES		
Redeemable capital	345,988	535,2
Redemption of redeemable capital	(369,151)	(190,5
Repayment of long term loans	(4,310)	(3,7)
Repayment of finance lease liabilities	(32,654)	(30,0
NET CASH (USED IN)/ FLOWS FROM FINANCING ACTIVITIES	(60,127)	310,9
NET (DECREASE)/ INCREASE IN CASH AND		
CASH EQUIVALENTS	(9,545)	
CASH AND CASH EQUIVALENTS AT THE BEGINNING		
OF THE YEAR	21,696	21,5
CASH AND CASH EQUIVALENTS AT THE END		
OF THE YEAR	12,151	21,5

Chief Executive

Chairma



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2002

				RESERVES								
		CAPITAL.					PARKE			Statement.	1	
2	Research and	bilancing Research and Promism on For Value 3x4-Stead General	Fair Value	Sub-Sinsi	December	Dristand	Equity level.	Sale treat	3	1	Ž.	
1	Development	inequal of right	adjustment			and a special	market value			Į		
Ī		shares					nogeographe					

(-	-				Ī	MUM	MUPES IN TROOSAND	OSAIM
				-	1	идремите			1	Ī		200	
,				CAPITAL.			-		REVENDE	I	-	-	-
	South Contin.	Benning	-	President on these of right shares	Fair Voltan adjustment	Sub-Seal]	Protect sparkers	Equity loves, market value equalization	and the last	1	11	3
Balanca as on 01 October 2000	282,863	15,000	5,000	13.664		43,484	11,075	25,000		ERS.RF 545.543	16,543	6,139	445,602
Net profit for the year			-			*						13,495	13,495
Transferred to profit and loss account		4						0.300)	1	(2,300)	0070	2,300	×
Proposed dividend			,			100		*				(21,965) (21,965)	21,965)
Balance as on 30 September 2001	292,860	18,000	8,200	23,464		43,464	79,079	22,700	v	100,779 144,343	14,343	R	407,132
Effect of adaption of IAS 39 (note 2.10)												115,874 115,574	115,574
Adjusted balance as on 01 October 2001 292 MG	292,860	16,000	2,000	23,484		43,464	76,079	22,700		100,779 144,243	144,343	115,603 552,706	562,706
Fair value bos			40		(92,637)	(92,837)					(12,637)		(92,637)
Net profit for the year			-1	2		*						110,650 110,600	110,650
Transferred to resources	-		-				8,700		87,000	66,700	66,700	(98,700)	
Proposed dividend					100							(43,929) (43,929)	(43,529)
Balance as on 30 September 2002	292,800	15,000	5,000	23,464	(90,637)	(48,373) 87,779	822,738	22,700	57,000	167,479 118,108	118,106	115,624	115,624 526,590

Chief Executive

fyer for Chairman

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

1. STATUS AND NATURE OF BUSINESS

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

The activities of the company have been grouped into three segments of related products. The division comprises manufacturing of sugar whereas Distillery and Kanewood divisions are informational Alcohol and Kanewood manufacturing activity respectively. The Sugar division charge percentage of common administrative expenditure to Distillery and Kanewood divisions.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

These financial statements comply with International Accounting Standards (IAS), interpissued by standing interpretation committee of the IASC as adopted in Pakistan and requisite of Companies Ordinance, 1984.

2.2 Accounting convention

These accounts have been prepared under the historical cost convention as mo capitalization of exchange differences, revaluation of certain operating fixed assets and of investments as referred to in Note 2.5, 2.6 and 2.10.

2.3 Staff retirement benefits

The company operates pension and gratuity fund schemes for all permanent employare in management cader and salaried director. Premium is payable to the funds mont basis of actuarial computation subject to a maximum 20 % and 8.33 % of basic sale employees respectively.

The company also operates a funded contributory provident fund scheme for all p employees. Equal monthly contributions are made both by the company and employ rate of 7 and 8 percent of basic pay of officers and workers respectively.

2.4 Taxation

Current

Charge for current taxation is based on taxable income at current tax rates after account applicable tax rebates and credits, if any, or minimum tax at the rate of 0.5 the turnover, whichever is higher.



Deferred

Deferred tax is accounted for by using the liability method on all timing differences between the carrying amounts of assets and liabilities in the financial statements and their tax base. Deferred tax liabilities are recognized for all taxable temporary differences. The company recognises deferred tax assets on all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which these deductible temporary differences can be utilized. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

2.5 Foreign currencies

Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at balance sheet date or at the contracted rates while foreign currency transactions are recorded at the rates of exchange prevailing at the transaction date or at the contracted rates. Exchange gains and losses are charged to income except those referred to in Note 2.6.

2.6 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 on foreign currency loans, 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/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.

2.7 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 are accounted for at net present value of liabilities. Assets so acquired are amortized over their expected useful life. Amortization of lease assets is charged to current year's income.



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The expenses from where the benefits are expected to accrue for more than one in deferred and amortized over the period of five years or the period in which the economics are consumed by the company, whichever is shorter.

2.9 Borrowing cost

Interest, mark-up and other charges on long-term liabilities are capitalized upto the commissioning of respective fixed assets acquired out of the proceeds of such long-term and other interest, mark-up and other charges are charged to income.

2.10 Equity investments

2.10.1 Associated Undertakings

Investments in associated undertakings are stated using equity method.

2.10.2 Other Investments

Investments are initially recognised on trade-date at cost, comprising of consideration paid and cost of transaction. For listed securities, closing quotations of stock exists on last working day of the accounting year are considered for determining fair while for unquoted securities, fair value is determined considering break-up value securities. Its classification is made on the basis of intended purpose for holding investments. These are measured at the balance sheet date on the following by

Held to Maturity

These are stated at amortized cost less impairment loss, if any, recognised to irrecoverable amounts. Impairment losses are charged to profit and loss accounts.

Held for Trading

These are recognised at fair value and changes in carrying values are included and loss account.

Available for Sale

These are stated at fair value and changes in carrying values are recognised in until investment is sold or determined to be impaired at which time the cumulation or loss previously recognised in equity is included in profit and loss account for the





Previously the accounting policy of the company was to record short term investments at the lower of cost and market value determined on aggregate portfolio basis. Provision for diminution in the value of investments was charged to income. Had the company not changed its accounting policy, as mentioned above, reserves/equity investments at the end of the year would have been lower by Rupees 22.737 million.

2.11 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. Items in transit are stated at invoice values plus other charges paid thereon to the balance sheet date.

2.12 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value except molasses (By-product) that 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.

2.13 Trade debts

Trade debts originated by the company are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Known bad debts are written off and provision is made against debts considered doubtful when collection of the full amount is no longer probable.

2.14 Revenue recognition

Revenue from sales is recognized on delivery of goods to customers. Dividend from associated undertakings is recognized as reduction in cost of investments as prescribed by International Accounting Standard 28 and on other investments when right to receive the dividend is established. Gain/loss on investment in associated undertakings is accounted for to recognize the post acquisition changes in the share of net assets of the investee and in case of other investment on receipt basis.



2.15 Financial instruments

3.

4.

All other financial assets and liabilities are recognised at cost which is the fair value consideration given or received at the time when the company becomes a party to the tual provisions of the instrument by following trade date accounting. Any gain or loss or quent measurement and derecognition is charged to income.

	(RUPEES IN TI 2002	HOUSA 20
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL		
13 198 995 (2001: 13 198 995) ordinary shares of Rupees 10 each fully paid up in cash	131,990	11
750 000 (2001: 750 000) ordinary shares of Rupees 10 each issued to Pakistan Industrial Credit and Investment Corporation Limited against their right of option to convert 20 percent of their loan into fully paid up shares	7,500	
15 337 034 (2001: 15 337 034) ordinary shares of Rupees 10 each issued as fully paid bonus shares	153,370	15
	292,860	2%
3.1 11 575 618 (2001: 10 902 506) shares of the company are held by associated undertakings.		
NON-PARTICIPATING REDEEMABLE CAPITAL-SECURED		
Long term finances utilized under mark-up arrangements are as under:		
Term finance certificates No.1 (Note 4.1 and 4.2) Term finance certificates No.2 (Note 4.1 and 4.3) Pakistan Industrial Credit and Investment Corporation	249,900 200,000	250
Limited (Note 4.4)	31,960	38
Banking companies (Note 4.5)	141,167	278
First International Investment Bank Limited		15 66
Others	623,027	646
Less: Current portion (Note 7)	141,342	285
and a series of the series of	481,685	360

- 4.2 These are listed on Lahore Stock Exchange and were issued to repay the short-term high rate borrowing. These carry floating profit/mark-up based on State Bank of Pakistan discount rate plus two percent with a floor of 15 percent and ceiling of 18.75 percent. The profit/mark-up and principal will be repayable in eight semi annual instalments.
- 4.3 These are listed on Lahore Stock Exchange and were issued to repay the short-term high rate borrowing. These carry floating profit/mark-up based on State Bank of Pakistan discount rate plus two percent with a floor of 12.25 percent and ceiling of 15 percent. The profit/mark-up and principal will be repayable in eight semi annual instalments.
- 4.4 Pakistan Industrial Credit and Investment Corporation Limited has purchased machinery valuing Rupees 323.331 million (2001: Rupees 323.331 million) from the company which was deemed to have been resold to the company at marked up price of Rupees 507.871 million (2001: Rupees 507.871 million) which includes rebate of Rupees 86.091 million (2001: Rupees 86.091 million) on timely payments. Loans are secured against securities mentioned in note 5.1 and repayable in 21 to 36 quarterly installments. Mark up ranges between 7 to 13.5 percent.
- 4.5 Finances from banking companies are repayable in 12 quarterly and 10 semi annual instalments. These carry mark-up at the rate of 12 percent. These facilities are secured against first charge on fixed assets ranking pari passu with other creditors.

			(RUPEES IN THOUSAND)	
j.	LONG TERM LOANS		2002	2001
	Pakistan Industrial Credit and In Loan No:	vestment Corporation Limited		
	IBRD-3019 ADB-966	(Note 5.1 and 5.2) (Note 5.1 and 5.2)	1,723 17,935	2,417, 21,551
	Less: Current portion	(Note 7)	19,658 5,001	23,968 4,309
			14,657	19,659



- (a) first legal mortgage on company's present and future immovable properties wherever situa including all buildings, plant and machinery and fixtures;
- (b) first charge ranking pari passu with the existing charges by way of hypothecation in responding the machinery of the company, present and future;
- (c) first floating charge ranking pari passu with the existing charge on all other assets of company, both present and future, subject to the hypothecation or charge in favour of or pany's bankers as referred to in Note 8.1; and
- (d) demand promissory note.
- 5.2 Loan No.IBRD-3019 and Loan No.ADB-966 are payable in 9 and 12 semi annual installme commenced from 01 January 1993 and 01 July 1994. Loans carry interest at the rate of 15 a 15.65 percent per annum respectively. According to revised schedule last installment will due on 01 January 2006 and 01 July 2004 respectively.

(RUPEES IN THOUSAND) 2002 2001

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Future rentals and periods during which they fall due are as under:

30 September 2002		32,5
30 September 2003	28,498	24,8
30 September 2004	6,985	9,8
Balance rentals as at 30 September	35,483	67,1
Less: Financial charges	4,092	9,5
Present value of minimum lease payments	31,391	57,6
Less: Current portion (Note 7)	25,532	26,2
	5,859	31,3

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6.2 Minimum lease payments and their present values are regrouped as under:

(Rupees in thousand) 2002 2001 Within More than one Within More than one year but less one year year but less one year than five years than five years 32,528 34,668 6,985 Total of minimum lease payments 28,498 3,347 1,126 6,240 Less: Financial charges 2,966 Present Value of minimum lease 31,321 26,288 25,532 5.859 payments (RUPEES IN THOUSAND)

(RUPEES IN THOUSAND) 2002 2001

7. CURRENT PORTION OF LONG TERM LIABILITIES

141,342 5.001	285,713 4,309
25,532	26,288
171,875	316,310
	5,001 25,532

	(RUPEES IN T		
	2002	2001	
		47,000 27,500	
	-	74,500	
(Note 8.1 and 8.2)	216.129	206,106	
(Note 8.1 and 8.3)	34,399	50,000	
	250,528	256,106	
	8	19,995	
	250,536	350,601	
	(Note 8.1 and 8.2) (Note 8.1 and 8.3)	(Note 8.1 and 8.2) (Note 8.1 and 8.3) 216,129 34,399 250,528	

8.

- 8.1 The aggregate short term finances are secured against pledge, first registered hypothecation of stores, spare parts, stock shares, book debts, demand promissory notes and second charge on fixed assets of the company and personal guarantee of directors.
- 8.2 These finances form part of aggregate facility of Rupees 272.423 million (2001: Rupees 779.500 million) are available under mark-up arrangements and carry mark-up ranging from 33 to 42 per Rupees 1,000 per day.
- 8.3 These finances have been obtained under State Bank of Pakistan's refinances scheme on which service charge at rate of 8 to 13 percent per annum and on foreign currency finances mark-up at the rate of LIBOR Plus 2.5 percent are payable. These form part of aggregate credit facility of Rupees 100 million (2001: Rupees 80 million).

		(RUPEES IN TH	(OUSAND)
9.	CREDITORS, ACCRUED AND OTHER LIABILITIES	2002	2001
	Creditors	45,109	32,202
	Advance from customers	53,632	55,487
	Securities from contractors - Interest free, repayable		
	on completion of contracts	1,257	1,122
	Income tax deducted at source	315	781
	Mark-up accrued on redeemable capital – Secured	23,747	24,155
	Interest accrued on long term loans – Secured	814	960
	Mark-up accrued on short term finances - Secured	7,906	35,858
	Sales tax payable	37,173	14,862
	Due to gratuity fund		358



10.1 Interest is paid at the prescribed rate under the Act on the funds utilized by the company till the date of allocation to workers.

11. CONTINGENCIES AND COMMITMENTS

Contingencies

10.

Central Excise duty claims not acknowledged by the company are amounting to Rupees Nil (2001: Rupees 17.929 million).

Company's share of contingencies of associated undertakings is Rupees 62.335 million (2001: Rupees 56.285 million).

Commitments

Contracts for capital expenditure are Rupees 9.823 (2001: Rupees Nil).

Company's share of commitments of associated undertakings is Rupees 232.763 million (2001: Rupees 498.832 million).



12. OPERATING FIXED ASSETS

	COST/RE	-ASSESSED	DE	DEPRECIATIO N				Depre	
DESCRIPTION	As at 01 October 2001	Additions/ (Deletions)	As at 30 September 2002	As at 01 October 2001	Adjustments	Charge for the year	As at 30 September 2002	as at 30	clation rate %
Land freehold (Note 12.1)	22,157	1,461	22,178		-	4.		22,178	4
Buildings and roads on freehold land	109,526	1,970	111,496	69,479		3,151	72,630	38,866	7.5
Plant and machinery	1,364,473	135,393 (467)	1,499,399	743,489	(440)	56,726	799,775	699,624	7.5
Tools and equipments	15,686	3,519	19,205	13,178		2,411	15,589	3,616	40
Water, electric and weighbridge equipments	14,446	2,386 (500)	16,332	9,195	(492)	1,526	10,229	6,103	20
Furniture and fixtures	10,914	880 (26)	11,768	8,793	(18)	509	9,374	2,394	20
Vehicles	14,887	426 (1,041)	14,272	8,712	(660)	1,244	9,296	4,976	- 20
Arms and ammunition	86	200	86	63		2	65	21	10
ibrary books	6,387	803	7,190	5,085	- 10	632	5,717	1,473	30
1002	1,558,562	146,838 (3,474)	1,701,926	857,994	(1,610) 6	6,291	922,675	779,251	
1901	1,500,911	58,640 (989)	1,558,562	799,221	(442) 5	9,215	857,994	700,568	

- 12.1 The company has given 10.39 acres land valuing Rupees 0.260 million for 20 years lease to Crescent Ujala Limited on annual rent of Rupees 3,968 per acre. Lease rent will be increased by 15 percent after every three years and lease is extendible for another term of 20 years with mutual consent of both parties.
- 12.2 Land, buildings and plant and machinery were revalued by an independent valuer as at 30 September 1979 and stated in note 12 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 (2001: Rupees 38.637 million).
- 12.3 The book value of freehold land, buildings on freehold land and plant and machinery on cost basis is Rupees 19.349 million, Rupees 37.123 million and Rupees 696.537 million respectively (2001: Rupees 19.328 million, Rupees 39.287 million and Rupees 617.647 million respectively).



(RUPEES IN THOUSAND) 2002 2001

12.4 Depreciation charge for the year has been allocated as follows:

Cost of goods sold

Sugar	(Note 23.2)	54,361	52,472
Distillate	(Note 23.2)	6,137	1,216
Kanewood	(Note 23.2)	924	947
Administrative ar	nd general expenses		
Sugar	(Note 24)	4,869	4,580
		66,291	59,215

12.5 DISPOSAL OF OPERATING FIXED ASSETS

(RUPEES IN THOUSAND)

DESCRIPTION	Qty. Nos.	COST	ACCUMULATED DEPRECIATION	BOOK	BALE PROCEEDS	MODE OF DISPOSAL	PARTICULARS O F PURCHASERS
LAND							
Land at Chak No.68 RB, Tehsil, Jaranwala, Distl. Faisalabad.		1,440	*:	1,440	5,394	Agreement	Pakistan Water and Power Development Authority/Room No.212, GSC House 34-
PLANT AND MACHINERY							Industrial Area, Gulberg-III, Lahore.
Centrifugal machine	1	467	440	27	1,200	Negotiation	Finz Syndicates (Pvt) Limited 84-Nishter Road, Lahore.
OFFICE AND OTHERS EQUIPMENTS							A CONTRACTOR OF THE PARTY OF TH
Weighbridge	.1	(40)	-40		45	Negotiation	Muhammad Ashraf, Mouza Wihalana, Jhang
Weighbridge	1	40	40		40	Negotiation	Haji Jamil Khan, Mouza Rashid Pur, Jhang-
Weighbridge	1	40	40	*	52	Negotiation	Muhammad Shoalb, Mouza Qaim Bharwana, Tehsil Shorkot, District Jhang.
Velghbridge	10	40	40	-	58	Negotiation	Muhammad Sarfraz, Mouza Madad Ali, Tehsil Chinlot, District Jhang.
Veighbridge	1	39	39	-	36	Negotiation	Muhammad Aslam, Mouza Kot Laidmana Jhang.
Veighbridge	1	62	60	2	60	Negotiation	Shah Baig, Mouza Shah Jewana, Jhang.
Nighbridge	2	121	110	3	114	Negotiation	Muhammad Saddique, Gilmala, Jhang.
Veighbridge	1	39	38	1	18	Negotiation	Muhammad Igbal, Chak Wasira, Jhang.
Veighbridge	1	30	38	1	18	Negotiation	Muhammad Ali, Mouza Shekhan, Jhang.
Veighbridge	1	39	38	1	18	Negotiation	Zaheer Babar, Mouza Roran Wali, Jhang.
URNITURE AND FIXTURES							The second secon
able, chairs, bed table	4	7	4	3	8	As per company policy	Hamad ur Rehman (Company's Ex-employee)
ouble bed, chairs, tarpal set	7	. 8	4	4		As per company policy	Seeed Ahmed (Company's Ex-employee)
eyser	1	1	1			As per company policy	Muhammad Aslam (Company's employee)
eep freezer	-1	6	5	1	3	Negotiation	Jamel Din, Igbal Nagar, Toba Tek Singh.
eep freezer	1	4	4		1	Negotiation	Ahmed Ali, Bilal Ganj, Lahore.



a

DESCRIPTION	City. Non.	cost	ACCURULATED DEPRECIATION	RATE	PROCEEUR	MODE OF UNSPOSAL	PARTICULARS OF PURCHASERS
VEHICLES							
Morpedes Beng Car 9-3132	1	538	367	141	1,275	Negatiation	Sars After Will Saved Zo UK And Wester Instand Clo 150 J-Block Z, PSCHS, Karad
Land Croiser JGA-8835		163	110	44	708	Negotiation	Sandar Sagled Mahmood Nalios, Wen-Adher Tehnil Padole, Delhid Kasoot
Suzuki Mehran JGB-120	*	130	60	70	95	As per company policy	Multammad Afzal Khen (Compeny's Ex-employee)
Motor Cycle	1	23	13	10	16.	-00-	Muhammad Afzal Khan (Company's Ex-employee)
Motor Cycle	1	5		1	22	-do-	Muhammad Ashraf Kaleem (Company's amployee)
Motor Cycle	- 1	35	13	10	30	do	Muhammad Aslam (Concor_3 employee)
Motor Cycle	1	22		14	44	-dis-	Muneer All (Company's employee)
Militar Cycle	1	22		14	46	-0-	Anna Al (Company's employee)
Motor Cycle		21	7	24	20	de	Faiz Muhammad (Company's employee)
Motor Cycle		22		14	15	-00-	Muhammad Aslam (Company's employee)
Motor Cycle	- 1	22		14	44	-61-	Muhammad Aslam (Company's employed
Motor Cycle		31	0	25	24	-do-	Muhammad Asiam (Company's employee)

13. ASSETS SUBJECT TO FINANCE LEASE

ASSETS SUBJEC	EL III. COMMENT		1700000	(RUPEES IN THOUS					
DESCRIPTION	As at 01 October 2001	Q 3 Additional (Deletion)	As at 30 September 2002		Adjustments	Charge for	As at 30 September 1002	As At 30 September 2002	Rate %
Building	255	14	255	295		-	295	-	.73
Plant and machinery	96,500	(50,070)	43,490	23.900	(15,02%)	2,589	11,565	31,830	7.5
Vehicles	9,055	6.436	15,491	2,676	-	2,863	5,230	10,252	30
Equipments	4,544		4,544	3,563		392	3,955	589	40
2002	110,414	6,436 (53,070)	63,780	30,400	(15,026)	5,544	21,009	42,771	
3001	127,306	5,381 (22,373)	110,414	30,829	(7,871)	8,132	30,490	79,924	

- 13.1 Deletions represent the leased assets purchased at the expiry of lease term and transferred to operating fixed assets.
- 13.2 Amortization charge of leasehold assets for the year has been allocated as follows:

		(RUPEES IN TH	(OUSAND) 2001
Cost of goods sold- Sugar Administrative and general expenses-Sugar	(Note 23.2) (Note 24.1)	2,785 2,759	5,883 2,249
		5,544	8,132



14.	CAPITAL WORK-IN-PROGRESS	(RUPEES IN TH	HOUSAND) 2001
	Plant and machinery Advance against supply of machinery	42,610 2,017	26,301 14,693
		44,627	40,994
15.	QUOTED Associated undertakings:		
	Crescent Investment Bank Limited 2 867 380 (2001: 3 121 180) ordinary shares of Rupees 10 each fully paid Equity held 5.73%	58,348	80,013
	Crescent Steel and Allied Products Limited 912 525 (2001: 912 525) ordinary shares of Rupees 10 each fully paid Equity held 4.54%	39,955	33,780
	Crescent Sugar Mills and Distillery Limited 955 848 (2001: 955 848) ordinary shares of Rupees 10 each fully paid Equity held 5.03%	18,369	15,034
	Crescent Boards Limited 91 960 (2001: 91 960) ordinary shares of Rupees 10 each fully paid Equity held 1.04%	1,687	1,596
	Crescent Jute Products Limited 536 817 (2001: 536 817) ordinary shares of Rupees 10 each fully paid Equity held 3.56%		
	Jubilee Spinning and Weaving Mills Limited 15 584 (2001: 15 584) ordinary shares of Rupees 10 each fully paid Equity held 0.22%		63
	The Crescent Textile Mills Limited 17 561 (2001: 238 075) ordinary shares of Rupees 10 each fully paid Equity held 0.04%	726	9,021

- 15.1 Aggregate market value of quoted investments as at 30 September 2002 was Rupees 85.438 million (2001; Rupees 62.711 million).
- 15.2 Following Investments having face value of Rupees 38.236 million (2001: Rupees 120.164 million) are deposited as security with banking companies and investment banks;

	(RUPEES IN T	The state of the s
Against short term finances obtained from Banking	2002	2001
Companies	-	66,290
Against bank guarantee issued by Crescent Investment		-
Bank Limited (An associated undertaking)		4,528
Against Term Finance Certificate to Orix Investment		
Bank Limited	38,000	49,110
Against Central Excise duty on loan	236	236
	38,236	120,164

		(RUPEES IN T	HOUSAND) 2001
16.	LONG TERM DEPOSITS AND DEFERRED COST		
	Deposits:		
	Securities	460	266
	Security deposit against leasehold assets (Note 6.1)	643	5,799
	Deformed evenesses	1,103	6,065
	Deferred expenses: TFC issue expenses	5,067	5.067
	New Cane Varieties Development	16,872	16,872
	Less: Amortized to date	(21,939)	(4,641)
		(2.10.07)	17,298
		1,103	23,363
17.	STORES, SPARE PARTS AND LOOSE TOOLS		20,000
	Stores	18,152	23,173
	Spare parts	10,858	13,861
	Loose tools	557	711
	1	29,567	37,745
	Less: Provision for obsolescence	1,500	1,500
18.	STOCK-IN-TRADE	28,067	36,245
	Work-in-process	5,491	1,546
	Finished goods:		
	Sugar	192,254	349,921
	Molasses		2,279
	Distillate	21,426	4,939
	Kanewood	14,026	762
		227,706	357,901
		233,197	359,447
9.	TRADE DEBTS	1	
	Considered good:		
	Unsecured	65,909	54,421
	Secured	33,756	0501051
		99,665	54,421
			54



		(RUPEES IN TO	HOUSAND) 2001
ADVANCES, DEPOSITS, PREPA AND OTHER RECEIVABLES	YMENTS		2001
Loans and advances -Considered	d good:		
Employees-Interest free Suppliers and contractors Income tax Pension and gratuity fund Sugarcane growers	(Note 20.1)	260 7,399 34,950 8,436 28,448	170 7,512 29,883 29,645
		79,493	67,210
Considered doubtful:			
Sugarcane growers Less: Provision for doubtful		2,001 2,001	2,001 2,001
		79,493	67,210
Deposits:			
Margin against bank guarantees Security deposit against leasehol	d assets (Note 6.1)	918 4,210	1,624 3,717
Letters of credit		5,128 9,895	5,341 3,005
Short term prepayments Accrued interest		15,669	15,734
Sundry receivables		28 25,990	91 22,259
		136,203	113,640

20.1 Loans to sugarcane growers are partly interest free and partly interest bearing at the rate of 12 percent per annum.



20.

	(RUPEES IN T 2002	HOUSAND) 2001
SHORT TERM INVESTMENTS - AVAILABLE FOR SALE		
QUOTED The Premier Insurance Company of Pakistan Limited 40 129 (2001: 40 129) ordinary shares of Rupees 5 each fully paid	44	44
Pakistan Industrial Credit and Investment Corporation		
6 923 690 (2001: 6 221 777) ordinary shares of Rupees 10 each fully paid	168,479	179,410
Trust Investment Bank Limited 9 695 939 (2001: 4 707 616) ordinary shares of Rupees 10 each fully paid (Note 21.1)	105,859	126,237
Safeway Mutual Fund Limited 4 234 200 (2001: Nil) ordinary shares of Rupees 10 each fully paid	38,483	
First Crescent Modaraba 101 786 (2001: 101 786) certificates of Rupees 10 each fully paid	965	965
Crescent Knitwear Limited 700 000 (2001: 700 000) ordinary shares of Rupees 10 each fully paid	7,122	7,122
Hussein Sugar Mills Limited 631 (2001: 631) ordinary bonus shares of Rupees 10 each fully paid		
AR Pak. International Investment Limited 10 000 (2001: 10 000) ordinary shares of Rupees 10 each	93	93
Pakistan International Airlines Corporation 51 (2001: 51) ordinary bonus shares of Rupees 10 each fully paid	-	
Pakistan Oil Fields Limited 1,350 (2001: 750) ordinary shares of Rupees 10 each fully paid	34	34
Prudential Discount and Guarantee House Limited 131 000 (2001: 131 000) ordinary shares of Rupees 10 each fully paid	1,033	1,033

21.

	(RUPEES I	N THOUSAND) 2001
Pakistan Telecommunication Corporation Limited 10 000 (2001: 10 000) ordinary shares of Rupees 10 each fully paid	295	295
Fauji Fertilizer Company Limited 25 000 (2001: 25 000) ordinary shares of Rupees 10 each fully paid	1,620	1,620
Muslim Commercial Bank Limited 3 565 (2001: 3 565) ordinary bonus shares of Rupees 10 each fully paid		
Shaheen Cotton Mills Limited 535 000 (2001: 1 050 000) ordinary shares of Rupees 10 each fully paid	6,955	13,650
Nazir Cotton Mills Limited Nii (2001: 471 113) ordinary shares of Rupees 10 each fully paid		4,711
Crescent Spinning & Weaving Mills Limited 341 300 (2001: 341 300) ordinary shares of Rupees 10 each fully paid	3,413	3,413
Atlas Lease Limited 50 540 (2001: 50 540) ordinary shares of Rupees 10 each fully paid	132	132
UNQUOTED- Associated Undertaking		
Crescent Group Services (Private) Limited 220 000 (2001: 220 000) ordinary shares of Rupees 10 each fully paid	2,200	2,200
Equity held 18.96 percent. Break-up value as per last audited accounts was Rupees zero per share,		
Other-Crescent Ujala Limited Nil (2001: 330 000) ordinary shares of Rupees 10 each fully paid		3,300
	336,727	344,259
Less: Provision for diminution in value of Investments Fair value adjustment under IAS 39	92,838	127,917
	243,889	216,342



- 21.2 Aggregate market value of quoted investment as on 30 September 2002 was Rupees 243.889 million (2001: Rupees 113.400 million).
- 21.3 Following investments having face value of Rupees 56.944 million (2001: Rupees 42.267 million) are deposited as security with banks, financial institutions and investment companies.

		(RUPEES 2002	IN THOUSAND) 2001
Against finances from:			
Investment banks	(Note 4)	56,643	41,000
Banking companies		-	872
Against bank guarantees issu	ed by:		
Crescent Investment Bank Limit	ed-associated undertaking		94
Against central excise duty or	loan	301	301
		56,944	42,267
ASH AND BANK BALANCES		THE	
ish in hand		943	406
sh with banks on:			
rrent accounts		9,595	18,522
posit accounts		726	1,911
/idend account		14	14
reign currency account		873	843
		11,208	21,290
		12,151	21,696

Car Cur Dep Divi

22.1 Term deposit receipts amounting to Rupees Nil (2001: Rupees 1.505 million) are lying with Muslim Commercial Bank Limited under lien against loans to sugarcane growers.



6

23. OPERATING RESULTS

23.

							(RUPEES IN)	THOUSAND
	Sugar	Unit	Distille	ery Unit	Kanewo	and Unit To		
	2002	2001	2002	2001	2002	2001	2002	2001
Sales (Note 23.1)	2,503,574	2,041,295	235,700	208,964	17,146	12,329	2,615,804	2,183,827
Cost of goods sold (Note 23.2)	2,165,009	1,781,606	164,907	135,495	13,940	13,346	2,203,240	1,851,686
	338,565	259,689	70,793	73,469	3,206	(1,017)	412,564	332,141
Administrative and general (Not	e 24) 44,150	38,364	4,162	3.927	308	232	48,620	42,523
Selling and distribution (Note 25	5,889	5,173	24,935	29,768	41	31	30,865	34,972
	50,039	45.537	29,097	33,695	349	263	79,485	77,495
	288,528	216,152	41,896	39,774	2.857	(1,280)	333,079	254,646
1 SALES								
Local	2,767,332	2,261,644	133,345	59,333	17,146	12,329	2,917,823	2,333,306
Export	110000000000000000000000000000000000000		102,355	151,917	-		102,355	151,917
Inter-segment								
Steam	28,008							
Baggase	3,022	2,608					18	
Molasses	109,586	76,153	-		-			
	2,907,948	2,340,405	235,700	211,250	17,146	12,329	3,020,178	2,485,223
Less: Commission to selling age	ents 4,980	3,297		2,266	-	-	4,960	5,583
Sales Tax	399,394	295,813		+		-	399,394	295,813
	404,374	299,110	14	2,286	12		404,374	301,396
	2,503,574	2,041,295	235,700	208,964	17,146	12,329	2,615,804	2,183,827

23.2 COST OF GOODS SOLD

Purchases			-	1	1			
Inter-segment			137,594	76,153	3,022	2,608		
Raw Material Cost	1,763,466	1,934,912		11,746	8,518	2,465	1,771,984	1,949,123
	1,763,466	1,934,912	137,594	87,899	11,540	5,073	1,771,984	1,949,123
Salaries, wages and other benefits	55,758	45,550	2,143	2,117	1,783	1,585	59,684	49.252
Stores, spare parts and loose tools	8,119	5,388	1,909	1,792	2,543	705	12,571	7,885
Dyes and chemicals	13,990	9,699	7,056	4,843			21,046	14,542
Packing material	22,036	20,780	-				22,036	20,780
Fuel and Power	2,657	10,406	23,152	37,100	9,782	3,198	35,591	50,704
Repair and maintenance	52,453	21,696					52,453	21,696
Insurance	2,675	3,097	199	170	94	96	2,968	3,363
Vehicles' operating & maintenance	2,077	1,467					2,077	1,467
Travelling and conveyance	395	273		-		-	395	273
Printing and stationery	436	361	-	-	- 3		436	361
Rent, rates and taxes	181	130					181	130
Other factory overheads	6,656	5,037	3,204	2,147	537	232	10,397	7,416
Sugarcane research and development	19,474	6,200					19,474	6,200
Staff training and development	1,489	388	-				1,489	388
Depreciation/amortization	57,146	58,355	6,137	1,216	924	947	64,207	60,518
	2,009,008	2,123,739	181,394	137,284	27,203	11,836	2,076,989	2,194,098
Work in process inventory:								
As at 01 October	1,546	1,945	7	-		1	1,546	1,945
As at 30 September	5,491	1,546				-	5,491	1,546
	(3,945)	399	-		_	-	(3,945)	399
	2,005,063	2,124,138	181,394	137,284	27,203	11,836	2,073,044	2,194,497
Cost of goods produced								
Finished goods inventory:								
As at 01 October	352,200	9,668	4,939	3,150	763	2,272	357,902	15,090
As at 30 September	192,254	352,200	21,425	4,939	14,026	762	227,706	357,901
	159,946	(342,532)	(16,487)	(1,789)	(13,263)	1,510	130,196	(342,811)

23.3 INTER-SEGMENT SALES/PURCHASES

Inter-segment sales/purchases have been eliminated from total figures.

			(RUPEES IN TI	HOUSAND) 2001
24.	ADMINISTRATIVE AND GEI	NERAL EXPENSES		
	Salaries, wages and other be	nefits	24,345	22,280
	Directors' meeting fee		35	38
	Travelling and conveyance		2,061	1,466
	Printing and stationery		870	572
	Telephone, postage and teleg	grams	1,495	1,515
	Vehicles' running		2,662	2,485
	Legal and professional		1,395	1,058
	Auditors' remuneration:			
	Audit fee		245	225
	Out of pocket expenses		15	15
			260	240
	Repair and maintenance		1,917	1,438
	Entertainment		157	98
	Subscription		2,168	1,788
	Rent, rates and taxes		711	692
	Publicity		287	187
	Registered office expenses		844	503
	Miscellaneous		1,785	1,334
	Depreciation/amortization	(Note 24.1)	7,628	6,829
			48,620	42,523
	24.1 Depreciation/Amortiz	ation		
	Depreciation	(Note 12.4)	4,869	4,580
	Amortization	(Note 13.2)	2,759	2,249
			7,628	6,829
25.	SELLING AND DISTRIBUTION	ON EXPENSES		
	Freight and forwarding - Disti	llate	24,381	29,238
	Handling and distribution		2,665	2,015
	Loading and unloading		2,035	2,081
	Insurance		1,784	1,638
			30,865	34,972

		(RUPEES IN T	
26.	OTHER INCOME	2002	2001
	Commission on fertilizer	221	128
	Gain on disposal of operating fixed assets	7.733	791
	Dividend income	10,113	6,970
	Return on bank deposits	888	268
	Mark-up on advances to associated undertakings	Hay.	3,555
	Rental income	726	103
	Electricity income	9,303	6,784
	Profit on sale of investment		264
	Share in post acquisition profits of associates	14,676	109,204
	Miscellaneous	2,974	1,847
		46,634	129,914
27.	FINANCIAL AND OTHER CHARGES		
	Financial		
	Mark-up/interest on:		
	Redeemable capital	58,642	54,887
	Short term finances	100,162	147,911
	Long term loans	3,419	4,016
	Workers' participation fund	136	67
	Finance charges on lease liabilities	6,057	10,860
	Lease agreements fee	234	151
	Bank charges, commission and excise duty	5,025	5,175
28.	OTHER CHARGES	173,675	223,067
	Provision for diminution in value of investments		127,918
	Loss on investments	46,956	127,010
	Excise duty on loans	17,929	
	Donations (Note 28.1)	2,780	5,786
	Term finance expenses	3,331	-
	Amortization of deferred cost (TFCs)	3,800	1,267
		74,796	134,971

28.1 There was no interest of any director or his spouse in the donees.



29. TAXATION

This represents provision for the year against minimum tax under Section 80D of 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 403.526 million as on 30 September 2002 (2001; Rupees 448.148 million).

30. CHIEF EXECUTIVE 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 are as follows:

	(RUPEES IN THOUSA					
DESCRIPTION	200	02	2001			
	Chief Executive	Executives	Chief Executive	Executives		
Managerial remuneration Housing	9	18,034 4,958		16,527 4,500		
Contribution to: Provident fund Pension fund Gratuity fund		1,036 2,167 1,058		957 2,423 1,064		
Hospitalization		695		599		
Other benefits: Utility allowance Reimbursable expenses		1,803 1,081	:	1,642 552		
	-	30,832	*	28,264		
Number of persons	1	66	1	63		

- 30.1 Three executives (2001: Three executives) have been provided free maintained vehicles by the company.
- 30.2 Aggregate amount charged in the accounts for fee to six directors in respect of three meetings was Rupees 35,000 (2001; Rupees 37,500 for three meetings).

31. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Maximum aggregate amount due from associated undertakings at the end of any month during the year was Rupees 2.163 million (2001: Rupees 30.831 million).

The company purchased from associated undertakings materials, goods and services in the aggregate sum of Rupees 11.822 million (2001: Rupees 2.143 million). Purchases of materials, goods and services are made at prevailing market prices.





32. EARNING PER SHARE-BASIC

There is no dilutive effect on the basic earning per share, which is based on:

	2002	2001
Profit attributable to ordinary Shareholders (Rupees in thousand	and) 110,650	13,495
Number of ordinary shares	29 286 029	29 286 029
Earning per share (Rupees)	3.78	0.46

33. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

33.1 Financial assets and liabilities

(RUPEES IN THOUSAND)

					1 1 1 1				
			INTERESTMARK-OF		-	1101	INTEREST BEARING		TOTAL
	Interest ceies	Maturity	Maturity more than one year but less	Meturity more than five	Slub-Total	Maturity within	Maturity more than one year but less	Sub-Tetal	
	range %	nos Jean	Sun fee years	years		non hom.	then five years		
Financial Assets									
Long term disposits			-	**	-		1,103	1,103	1,102
Trade debts				-	**	99,005		99,665	99,665
Advances, deposits, prepayments and									
other receivables			+		+1-	67,253	-	67,253	67,253
Short term investment		-	46		-	243,889		243,509	243,889
Cash and bern balances.	0.25 to 4	1.509	- 5	-	1,599	10,552	-	10,552	12,151
		1,500	- 41	4	1,599	421,369	1,100	422,462	424,061
Financial Liabilities									
Redeemable capital	07 to 18.75	141,342	481,885		673,027		-	2	623,027
Long term loans. Liabilities against assets subject.	15 to 15.65	5,001	14,657		19,658	100			19,658
to finance lease	15.4 to 21.5	25.532	5.859		31,391	-	-	- 3	31,391
Short term finances	4.31 to 15.33	250,536	-	-	250,536		-		250,536
Creditors, account and other liabilities					-	163,354	1.0	163,354	163,354
Contingencies		4	4	-					
Commitments		-	-	-	-	9,823	-	9,823	9,823
		422,411	502,201		924,612	173,177	-	173,177	1,097,789
				1					
Finencial Assets									
Long term deposits							8,065	6.005	6.065
Trade debts			-	-		54,421	Trans.	54,421	84,421
Advances, deposits, prepayments and									
other receivables		-	-			65,018		65,018	65,016
Short larm investment		200		-		90,105		90,105	80,105
Cash and bank balances	67 to 08	1,911	-		1,911	19,785		19,785	21,090
		1,911		1.41	1,911	229,329	6,005	235,394	237,305
Financial Liabilities Findeemable capital	07 to 22	285.713	360,477		646,190	10.0			546 550
Long ferm loans	15 to 15.65	4,309	19.659		21,968				23,968
Liabilities against assets subject				-		-		-	
to finance leave	17 to 22	25,200	31,321		67,609			-	57,600
Short term finances	14.50 to 17	350,601			350,501	and the		Taken .	350,601
Creditors, accrued and other liabilities	2411			1.5	- 4	192,796	41	192,796	192,795
Contingencies		-		-		17,929		17,929	17,829
Commitments		-		-	- 4	104	-	-	-
		660,911	411,457		1,079,368	210,724		210,724	1,299,092
			-						



The company issues financial instruments mainly to finance its operations. In addition financial instruments such as trade receivables and trade payables arise directly from the company's operation.

The company finances its operations primarily by a mixture of issued share capital, retained profits, long term and short term loans and liabilities. The company borrows funds in local currency usually at fixed rate of interest/ markup.

Overall risks arising from the company's financial instruments are limited.

(a) Interest rate risk

Since the company borrows funds usually at fixed interest rates, therefore, the risk occurrence is minimal. However in case of term finance certificates the company has given profit rate in the range of 12.25 percent to 18.75 percent per annum.

(b) Foreign exchange risk management

Foreign currency risk on financial instruments, receivables or payable in foreign currency is also not material.

(c) Credit risk

The company deals mostly with regular and permanent customers who pay the instruments on due dates. The company considers the credit risk as minimal.

(d) Fair value of financial assets and liabilities

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

(RUPEES IN THOUSAND)

34. EMPLOYEES' RETIREMENT BENEFITS

Pension Funds		Gratuity Funds	
2002	2001	2002	2001
2,385	2,253	1,081	1,022
5,410	4,953	1,693	1,562
(5,158)	(4,060)	(1,570)	(1,307)
819	820		
	-	318	318
3,456	3,966	1,522	1,595
	2,385 5,410 (5,158) 819	2,385 2,253 5,410 4,953 (5,158) (4,060) 819 820	2,385 2,253 1,081 5,410 4,953 1,693 (5,158) (4,060) (1,570) 819 820 - 318



			RUPEES IN T	HOUSAND)
	Pension Funds		Gratuity Funds	
	2002	2001	2002	2001
MOVEMENT IN ASSETS/(LIABILITY). Assets/(liability) as on 01 October 2001 Amount charged to profit and loss account Total contributions made during the year	2,551 (3,456) 5,390	751 (3,966) 1,636	443 1,522 (1,272)	(535) (1,595) 1,773
Assets/(liability) as on 30 September 2001	4,485	(1,579)	693	(357)
These are made-up as under: Present value of defined benefits obligation Fair value of plan assets Vested past services cost to be recognized	53,010 (53,431)	45,087 (42,989)	15,271 (14,505)	14,109 (13,088)
in later periods Unrecognized actuarial losses/(gains)	(6,555) 2,491	(6,402) 2,725	(954) 881	(106) (1,272)
	(4,485)	(1,579)	693	(357)
	Section 1997 Control of the Control			

Number of employees at the year end 2002: 636 (2001: 662)

PLANT CAPACITY AND ACTUAL	PRODUCTION	2002	2001
SUGAR:		2002	2001
Capacity in 160 days Per day capacity	M. Ton M. Ton	108 800 680	108 800 680
Actual production Number of days Per day production	M. Ton Days M. Ton	128 000 188 681	105 550 152 694
DISTILLERY UNIT			
Capacity On the basis of 270 days working	Litres per day Litres	50 000 13 500 000	40 000 10 800 000
Actual production Number of days Per day production	Litres Days Litres per day	15 800 156 286 55 245	10 469 000 259 40 421
PARTICLE BOARD UNIT			
Capacity	Cubic meter per day	30	30
Actual production Number of days Per day production	Cubic meter Days Cubic meter per day	5 669.960 188 30.159	1 570.956 60 26 169



	(RUPEES IN THOUSAND)	
	2002	2001
SEGMENT ASSETS AND OTHER INFORMATION		
Sugar	1,773,242	1,807,056
Distillery	20,998	20,903
Kanewood	21,375	21,828
	1,815,615	1,849,787
	Sugar Distillery	2002 2002

36.1 Molasses and baggase (By-Products of Sugar) are issued to distillery and particle board plant at market prices.

37. DATE OF AUTHORISATION

These accounts have been authorised for issue by the Board of Directors of the company on January 28, 2002.

38. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and regrouped, wherever necessary, for the purpose of comparison.

Chief Executive

ESTOR INFORMATION

erating Division

akarganj Mills Limited

Sugar Division Industrial Alcohol Division Particle Board Division

nagement House, Toba Road ang, Pakistan. 192-0471-614971-614973 k: 43471CJP PK k: 92-0471-620272 mail: ssugar@ing.paknet.com.pk

nancial Services Division

rescent Business Management rivate) Limited nit # 6, Happy Homes, 8-A-3 Main Gulberg, Lahore. Pakistan et 92-042-5712036 & 5877087 ax: 92-042-5877325

tock Exchange Listing

hakarganj Mills Limited is listed on the Karachi, ahore and Islamabad Stock Exchanges.

laily quotes on the company's stock can be blained from leading newspapers. Shakarganj is sted under 'Sugar and Allied'

Public Information

Financial analysts, Stock brokers interested investors and financial media desiring information about "Shakarganj" should contact the following individuals in Corporate Investor Relation:

Muhammad Yar Rahi Asif Ali Sadaqat Hussain

Tel: 92-0471-614971-614973

Fax: 92-0471-620272

E-mail: ssugar@jng.paknet.com.pk

Shareholder Information

Inquiries concerning lost stock certificate, dividend payment change of address, verification of transfer deeds and share transfer should be directed to:

Tariq Aleem Corporate Secretary Shakarganj Mills Limited Unit # 6, Happy Homes, 38-A-3, Main Gulberg, Lahore. Pakistan Tel: 92-042-5712036 & 5877087

Fax: 92-042-5877325 E-mail: tariqaleemduaa@yahoo.com

PATTERN OF HOLDING OF SHARES HELD BY SHAREHOLDERS AS AT SEPTEMBER 30, 2002

No. of	Shar	T SEPTEMBER 30, 2002 reholding	Total Share
hareholders	From	TO	Held
200	. 1	100	7,087
201	101	500	65.322
224	501	1,000	151.839
218	1,001	5,000	389.293
186	5,001	10,000	416.352
54 22		15,000	267.678
22	10,001	20,000	189.211
11	20,001	25,000	274.600
12	25,001	30,000	199,017
7	40,001	45.000	346.872
8		50,000	235.560
5	45,001	55,000	419.034
8 2	50,001	60,000	117,898
2	55,001	65,000	125.711
2	60,001	70,000	70,000
1	65,001	75,000	145.360
2	70,001	85.000	280,378
3	80,001	90,000	#12.298
3	85,001	100,000	ASI6,727
1	95,001	110,000	306.933
1	105,001	125,000	122,500
1	120,001	145,000	141,420
1	140,001	170,000	169,970
1	165,001	185,000	180,074
1	180,001	200,000	400,000
2	195,001	205,000	204,1.05
1	200,001	225,000	221,444
1	220,001	225,000	467,403
2	230,001	235,000 255,000	252,356
1	250,001		296,500
1	295,001	300,000	319,440
1	315,001	320,000	325,444
1	325,001	330,000	369,056
1	365,001	370,000	412,179
1	410,001	415,000	779,286
1	775,001	780,000	816,865
1	815,001	820,000	900,000
1	895,001	900,000	1,425,000
1	1,420,001	1,425,000	1,460,416
1	1,460,001	1,465,000	1,496,965
3	1,495,001	1,500,000	1,915,496
1	1,915,001	1,920,000	3,230,648
1	3,230,001	3,235,000 8,695,000	8,693,657
1	8,690,001	8,890,000	
1,012			29,286,027

Categories of Shareholders	Numbers	Shares Held	Percentage
FINANCIAL INSTITUTION INDIVIDUAL INSURANCE COMPANIES INVESTMENT COMPANIES JOINT STOCK COMPANIES OTHERS NON-RESIDENT	15 946 2 7 30 11	10,912,853 5,095,897 41,041 1,159,292 10,091,252 1,985,535 157	37.26 17.40 0.14 3.96 34.46 6.78 0.00
	1,012	29,286,027	100.00



	CATEGORIES OF SHAREHOLDERS	Shares Held	%age
a)	Directors, Chief Executive Officer, Their Spouse and Children		
	Muhammad Arshad	50.023	0.17
	Mazhar Karim	2,600	0.01
	Khalid Bashir	2.519	0.01
	Muhammad Anwar	7,788	0.03
	Ahsan M. Saleem	180,924	0.62
	Tanveer Khalid Bashir	64,802	0.22
	Shahnaz A. Saleem	12,547	0.04
		321,203	1.10
b)	Associated Companies, Undertakings & Related Parties		220
	Crescent Sugar Mills & Distillery Limited	1,915,496	6.54
	Crescent Jute Products Limited	1,496,965	5.11
	The Crescent Textile Mills Limited	3,230,648	11.03
	Crescent Foundation	141,420	0.48
	Jubilee Spinning & Weaving Mills Limited	898,551	3.07
	Crescent Boards Limited	779,286	2.66
	First Crescent Modaraba (CDC)	1,425,000	4.87
	First Standard Investment Bank Limited –ATIBL (CDC)	200,000	0.68
	Safeway Mutual Fund Limited (CDC) Crescent Steel & Allied Products Limited (CDC)	900,000	3.07
	Trust Investment Bank Limited (PILCORP) (CDC)	1,460,516	4.99
		221,444	0.76
	Crescent Investment Bank Limited (CDC)	369,156	1.26
	AUT O LOT (A)	13,038,482	44.52
c)	NIT & ICP (Name Wise Detail)	100000	- 22
	Investment Corporation of Pakistan (CDC)	412,179	1.41
	Investment Corporation of Pakistan (18th) (CDC)	233,181	0.80
	Investment Corporation of Pakistan (24th) (CDC)	319,440	1.09
	National Bank of Pakistan (Trustee Deptt.) (CDC)	8,693,657	29.69
	Investment Corporation of Pakistan (25°) (CDC)	53,240	0.18
		9,711,697	33.16
d)	Banks, DFI's, NBFI's	711,304	2.43
0)	Insurance Companies	41041	0.14
1)	Modaraba and Mutual Funds	115,705	0.40
9)	Other Companies	572,020	1.95
h)	Non Resident	157	0.00
9	General Public	4,774,418	16.30
	Total	29,286,027	100.00
	Shareholders More Than 10%		
	The Crescent Textile Mills Limited	3,230,648	11.03
	National Bank of Pakistan (Trustee Deptt.)	8,693,657	29.69



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FORM OF PROXY

appointing proxies:

i)

ii)

iii)

AAR				
				a member(s) of
	rganj Mills Limited and holder of			
folio N	o and/or CDC Participa	ant I.D. No		and Sub Account
Vo	do hereb	y appoint		of
	ng him/her			
ide Re	egistered folio/CDC Participant I.D. No		as my/our proxy to att	end, speak and vote
or me	/us and on my/our behalf at the Annual C	General Meeti	ng of Shakarganj Mills L	imited to be held on
Saturd	ay, the March 01, 2003 at 11 a.m. at Pear	d Continental	Hotel, Shahrah-e-Quaid-	e-Azam, Lahore and
	adjournment thereof.			
-	Control of the Contro			
As witr	ness my/our hand this		day of	2003.
Memb	er's Signature :		Revenu	affix here e Stamps Rs.5/-
Note:				
1.	A member entitled to attend and vote a			
2	The instrument appointing a Proxy, tog signed or a notarially certified copy ther	getner with the	e Power of Attorney, if a e deposited at the Regist	ered Office. Unit # 6
	Happy Homes, 38-A-3 Main Gulberg, L			
	Meeting.			
3.	CDC account holders will further have	to follow the	under mentioned guide I	ines as laid down in

SIA DIA

iv) The proxy shall produce his original NIC or original passport at the time of the meeting.
 v) In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

Regulations, shall submit the proxy form as per the above requirement.

numbers shall be mentioned on the form.

furnished with the proxy form.

circular No.1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for

In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the

The proxy form shall be witnessed by two persons whose names, addresses and NIC

Attested copies of NIC or the passport of the beneficial owners and the proxy shall be

Shakarganj Mills Limited Registered Office: Unit # 6, Happy Homes, 38-A-3, Main Gulberg, Lahore Tel: (042) 5712036, 5877087 Fax: (042) 5877325