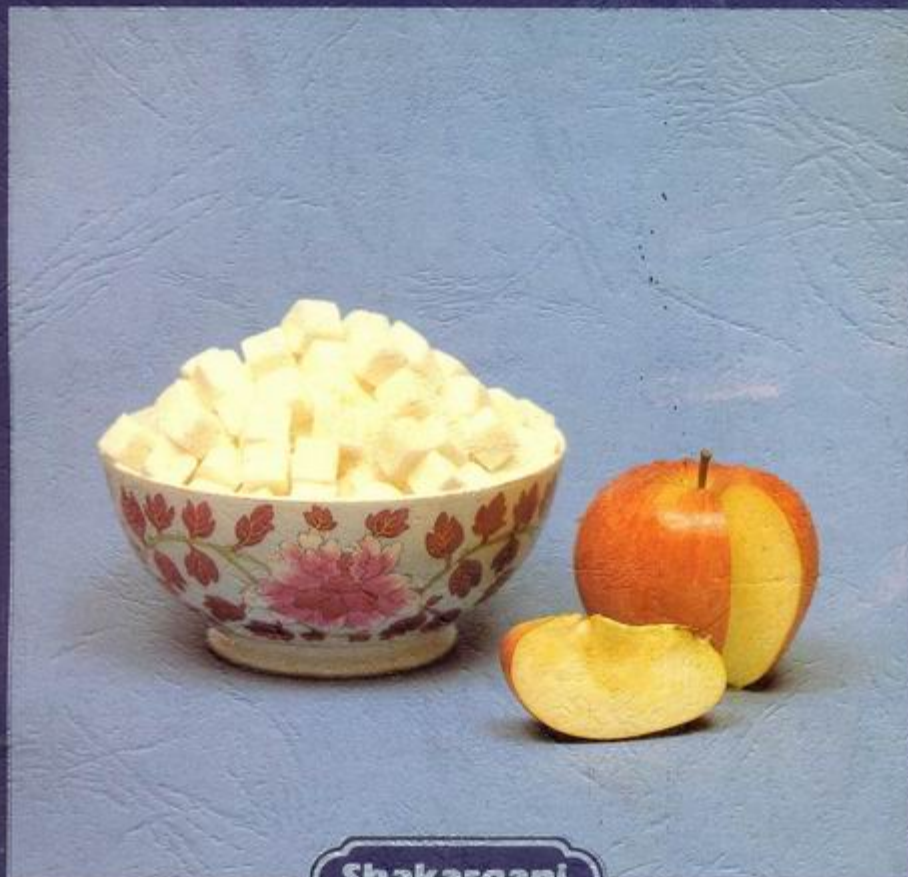




Annual Report 1990



Shakarganj

Nature's Energy Food



Shakarganj Mills Limited



شروع اللہ تعالیٰ کے پاک نام سے چاہت ہیں برہان اور رقم کرنے والا ہے۔

Corporate Mission

Preamble

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

Basic Purpose

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

What We Do

Our main business area is the production of refined cane sugar and sugar by-products. We recognise the value of technological improvement keep in step with the latest innovations and developments in our field. We believe in modern management practice and use latest techniques. We constantly train our people and keep them highly motivated as they are our most important assets. We strongly believe in integrity in business and integrity of Shakarganj depends on integrity of each one of its employees. We consider Research and Development as back bone of our business and conduct extensive Agricultural Research through Shakarganj Sugar Research Institute. We consider our farmers who are our raw material suppliers as the most important part of our business. We transfer the technology and results of our research to our farmers with the objective of matching their sugar cane output to world standard. We believe in diversification through new manufacturing facilities and through equity participation.

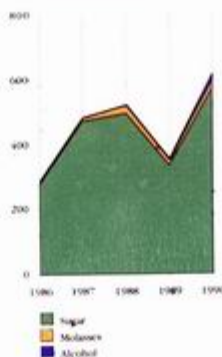
Financial Highlights 1990

| *RUPEES IN THOUSAND | | | | |
|--|-----------|---------|----------------|----------------------------------|
| | 1990 | 1989 | Percent Change | Four-Year Compound Annual Growth |
| OPERATING RESULTS | | | | |
| Revenues | 609,104 | 350,741 | 73.66% | 21% |
| Income from Operations | 82,941 | 11,618 | 613.90% | 24% |
| Net Income | 31,783 | 13,724 | 131.59% | 19% |
| Earnings Available for Common Stock | 21,000 | 13,500 | 55.56% | 18% |
| DATA PER COMMON SHARE | | | | |
| Earnings | 5.29 | 2.28 | 132.02% | 8% |
| Dividends Paid | 3.50 | 2.25 | 55.56% | 6% |
| Book Value | 31.56 | 27.76 | 13.70% | 7% |
| Stock Price Range | 41-31 1/4 | | | |
| FINANCIAL POSITION AT SEPTEMBER 30 | | | | |
| Assets | 599,687 | 456,055 | 31.49% | 6% |
| Capitalization | 259,240 | 231,456 | 12.00% | 11% |
| Long-Term Debt and Capital Lease Obligations | 26.95% | 28.02% | | |
| Common Equity | 73.05% | 71.98% | | |
| OTHER STATISTICS | | | | |
| Return on Average Common Equity | 17.42% | 8.91% | | |
| Market to Book Value (Year End) | | | | |
| Cash Flow | 76,184 | 48,951 | | |
| Common Shares (Average, Thousands) | 6000 | 6000 | | |

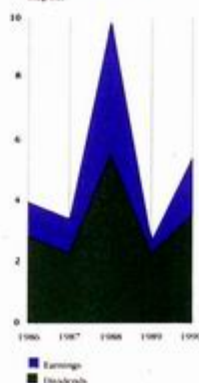
*Except per share amounts

1) Based on year end price

CONSOLIDATED REVENUES
Million of Rupees



EARNINGS AND DIVIDENDS PAID PER SHARE
Rupees



Production Data

1974 — 1990

| Season | Duration of Season (Days) | SUGAR | | | MOLASSES | | INDUSTRIAL ALCOHOL |
|---------|---------------------------|------------------------|--------------------------|--------------------|--------------------------|-----------------------------|--------------------------------------|
| | | Cane Crushed (M. Tons) | Sugar Produced (M. Tons) | Recovery (Percent) | Process Losses (Percent) | Molasses Produced (M. Tons) | Industrial Alcohol Produced (Litres) |
| 1989-90 | 187 | 708,632.495 | 57,912.000 | 8.17 | 2.31 | 33,180 | 3,050,217 |
| 1988-89 | 170 | 446,324.860 | 34,366.800 | 7.70 | 2.44 | 22,410 | |
| 1987-88 | 193 | 698,604.856 | 55,726.000 | 7.98 | 2.61 | 38,740 | 308,494 |
| 1986-87 | 149 | 333,601.075 | 27,898.600 | 8.36 | 2.24 | 15,060 | 1,855,809 |
| 1985-86 | 113 | 237,601.670 | 20,625.000 | 8.66 | 2.29 | 11,470 | 26,239 |
| 1984-85 | 168 | 441,717.765 | 39,522.600 | 8.96 | 2.38 | 22,580 | |
| 1983-84 | 173 | 427,169.490 | 35,501.200 | 8.31 | 2.40 | 21,860 | |
| 1982-83 | 173 | 361,291.485 | 29,440.000 | 8.16 | 2.44 | 16,255 | |
| 1981-82 | 207 | 466,040.000 | 39,474.000 | 8.47 | 2.48 | 21,255 | |
| 1980-81 | 187 | 287,723.000 | 25,562.000 | 8.89 | 2.42 | 13,373 | |
| 1979-80 | 112 | 61,206.625 | 5,619.300 | 8.95 | 2.25 | 2,358 | |
| 1978-79 | 114 | 107,106.070 | 9,267.300 | 8.80 | 2.27 | 4,147 | |
| 1977-78 | 177 | 319,960.400 | 27,620.000 | 8.61 | 2.44 | 14,103 | |
| 1976-77 | 166 | 308,987.443 | 26,085.600 | 8.45 | 2.67 | 15,228 | |
| 1975-76 | 157 | 246,393.593 | 18,864.880 | 7.61 | 2.68 | 11,424 | |
| 1974-75 | 107 | 104,069.161 | 8,252.618 | 8.30 | 2.75 | 4,182 | |
| 1973-74 | 101 | 87,824.720 | 5,476.830 | 6.28 | 3.57 | 4,726 | |

Contents

| | |
|--|----|
| Financial Highlights 1990 | 2 |
| Production Data | 3 |
| To Our Shareholders | 4 |
| Management Financial Review | 7 |
| Flow of Funds | 9 |
| 1990 Compared to 1989 | 10 |
| About 1990-91 | 11 |
| Board of Governors and Principal Functions | 12 |
| Director General's Review | 13 |
| Five Years Financial Summary | 14 |
| Directors Report to Shareholders | 15 |
| Auditor's Report to the Members | 15 |
| Balance Sheet | 16 |
| Profit and Loss Account | 18 |
| Statement of Change in Financial Position | 19 |
| Analysis of Working Capital | 20 |
| Notes to the Accounts | 21 |
| Annual General Meeting | 41 |
| Form 34 | 42 |

About Shakarganj

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

At Shakarganj, by-products of sugar like molasses and bagasse are converted into industrial alcohol and particle board both of which are value added products. Research and development is very important aspect of business at Shakarganj and for this purpose Shakarganj Sugar Research Institute has been established since 1983 along side the other facilities. Shakarganj serves 17,000 farming families in addition to several other suppliers.

To Our Shareholders



ALTAF M. SALEEM
Chief Executive

Strategic direction of Shakarganj; namely, to stick with the business that we know and understand, to sharpen our competitive edge by effective by-product utilization and to enhance our overall ability to compete, is being strictly followed. Successful implementation of Balancing, Modernization and Replacement Program which started in 1983, by-product utilization by conversion of Molasses into Industrial Alcohol and Bagasse into Particle Board are concrete examples of our strategic direction. By the grace of Allah, Shakarganj is now well placed to deal with the changing economic picture.

Competitive Edge For 1990s Requires Action Today :

The last decade of the 20th Century will be extremely competitive for Shakarganj. Our basic operation-Sugar Manufacturing is already facing competition from imported sugar and it will intensify.

Your Management believes that 1990s will be a decade of opportunity for those companies that acted in 1980s, to prepare and equip to meet competition.

Shakarganj's competitive edge for 1990s is being shaped by several factors :

- A major position within the industry as a result of extensive Balancing, Modernization and Replacement Programme implemented during 1983-88.
- Diversification through by-product utilization like conversion of Molasses and Bagasse into Industrial Alcohol and Particle Board.
- Entrepreneurial Management.
- Strong financial position and effective use of cash flow.

Our Aim To Become Low Cost Producer

Pakistan Sugar Industry is facing competition from imported sugar which has following advantages over the local production :

- International sugar is sold at a price that is much below their cost of production. Most exporting companies make up the losses on exports through higher domestic sugar price.
- Pakistani sugar carries an Excise Duty levy of Rs. 2150 per M. Ton in addition to several other taxes.
- Imported sugar gets preferential treatment as it carries a levy of only Rs. 1500 per M. Ton in shape of custom duty, Igqa and Surcharge.



Construction work
in progress

The sugar environment is rapidly changing as International and Local competition is intensifying. In order to retain and strengthen our competitive edge, your Management has embarked upon a fresh program to be completed by December 31, 1993. Shakarganj will become more efficient and low cost producer as a result of this program. Capital expenditures will exceed Rs. 300 million over the next three years for replacement of equipment that has outlived its useful life. Latest technology will be introduced wherever feasible.

Putting Cash Flow To Work

Capital expenditure will be funded with a combination of internally generated cash and borrowings from financial institutions. We have already lined up half of our requirement and are in advanced stage for the rest.

Strategic Planning For The Future :

As a result of strategic planning effort in 1990, Shakarganj determined that it would place its major emphasis on the business it knows best - sugar and its by-products. Fabric Unit has been put on hold for the time being. However, we are diversifying in the financial sector through Crescent Business Management (Private) Limited - our wholly owned subsidiary.

Growth High Priority

At Shakarganj we realise that in order to remain cost effective we have to grow at a rapid pace. We have redirected our efforts to stimulate growth. You will observe from the results that Shakarganj ran its day-to-day operations better than ever, turning in record performance by the grace of Allah. Both sales and earnings were the highest in your company's history.

Milling Tandem



Sugar Division

Sugarcane crushing for 1989-90 campaign started on October 18, 1990 and lasted for 187 days compared to 170 days in the year before. Sugar recovery was up from 7.70 percent to 8.17 percent in 1989-90. Sugar production at 57,912 M. Tons was highest in company's history. Previous best being 55,726 M. Tons in 193 days in 1987-88.



*Modern Distillery
based on Biostill Process*

Industrial Alcohol Division

In spite of unfavourable market conditions this Division also turned in its best performance. Production was the highest so far, exceeding 3 million litres. It surpassed the previous best production of 1.85 million litres in 1986-87. Major modifications have been carried out in the plant and production for 1990-91 is targeted at 4 million litres.

Kanewood Industries

Particle Board Division was set up to convert sugarcane bagasse into Particle Board. Bagasse is used as fuel in the Sugar Industry and much attention is not paid to energy conservation. At Shakarganj we realize the value of bagasse. We initiated a comprehensive energy conservation program to save bagasse for conversion to particle board. Our efforts have been successful and Particle Board Division started production in December, 1990. We are estimating a production of 1000 M. Tons for Fiscal 1991 by saving bagasse which was previously burnt as fuel in the boilers. Kanewood would convert boiler fuel to furniture - a value added product.



*Particle Board
Production Line*

Crescent Business Management (Private) Limited

In our effort to diversify into the financial sector, Shakarganj sponsored Crescent Business Management (Private) Limited as a Modaraba Management Company. It is a wholly owned subsidiary of Shakarganj with a Paid-Up Capital of Rs. 2.5 million. Its capital will be increased to Rs. 10 million shortly. The First Crescent Modaraba of Rs. 100 million will Inshallah be floated in 1991. The mission of this Modaraba is to seek the pleasure of Allah through the reform and transformation of financial and business conduct in accordance with the principles enshrined in the Sharia.



Modern Computerised Library with latest books and journals.

Training and Development

We at Shakarganj believe in professional management. All appointments are made on open merit. Our policies are geared for attracting and retaining motivated and competent people. We have a well qualified but young team with an average age of 40 years. We have people with Doctorates, Masters in Science and Business Administration and Engineering graduates. We believe in constant training and retraining. We send our people to courses and study tours both within and outside Pakistan. In addition, we invite foreign experts for on site training of our manpower - the most valuable asset of Shakarganj. We have an up-to-date Library with latest books and journals for the benefit of those who want to improve their skills. Investment in learning exceeded Rs. 1.6 million in 1990 and will further stepped up during the coming years.

Corporate Social Responsibility

Shakarganj's role as corporate citizen needs to be enhanced. This has been a weak area in the Past however corrective action has already been initiated. Contribution towards improving health and educational facilities were increased to Rs. 1.2 million during the year under review. We will play a more effective role in these areas during the 1990s and beyond. Shakarganj will support health and education related institutions at the national level and at the same time we will endeavour to improve the standard of living of the communities in the areas where we run our business.



Soil Sciences Laboratory at Shakarganj Sugar Research Institute

Sugarcane Research

Shakarganj Sugar Research Institute under dynamic leadership of Dr. S.A. Qureshi, a renowned Agricultural Scientist of Pakistan accelerated its research activities during the year.

There has been significant headway in producing two new varieties of sugarcane which are presently under extensive testing before being released for large scale plantation. Both varieties are promising and have the potential of becoming future hope of Pakistan Sugar Industry. A detailed report on the activities of the Research Institute is presented separately.

Management Financial Review

Earnings Rise in 1990

In 1990, solid financial results were achieved. Increases were posted in total revenues, operating income, net income and earnings per share, which rose 132 percent to Rs. 5.29 from Rs. 2.28 in 1989.

Revenues rose 71.4 percent to Rs. 621 million with sugar, molasses and Industrial Alcohol contributing the highest amounts in company's history. Industrial Alcohol Division turned in a profit for the first time since it was established.

Building shareholder value

Increasing dividends, total return on investment and return on equity are all measures of how well Shakarganj performs for its shareholders. Dividend increased from 22.5 percent in 1989 to 35 percent in 1990 which includes 20 percent in shape of stock.

Return on Shareholders equity was 16.78 percent up from 8.23 percent in 1989.

Book value of Shakarganj's stock increased from Rs. 27.76 in 1989 to Rs. 31.56 in 1990. The ratio of market price to book value at year-end stood at 109 percent.

Cash Flow Improves

With solid performance by Shakarganj, cash generation from operating activities improved from Rs. 48.95 million in 1989 to Rs. 76.18 million in the year under review.

Capital spending during 1990 totalled Rs. 49.75 million an increase from Rs. 25.07 million in 1989. This excludes, equipment acquired as lease financing.

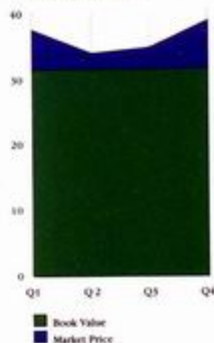
Investment Portfolio

Shakarganj has a well-diversified and healthy investment portfolio. During fiscal 1990 investment of Rs. 37.74 million was made increasing the size of portfolio to Rs. 88.46 million at cost. Market value of our portfolio stood at Rs. 148.80 million at year-end, yielding a premium of 68 percent at Rs. 60.34 million.

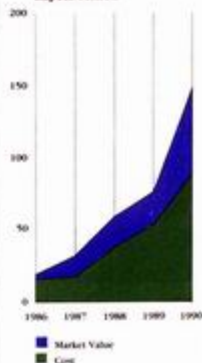
Contribution to Economy

Shakarganj plays a very important role with regards to its contribution to economy. In fiscal 1990 value addition to material and services of Rs. 323 million was Rs. 294 million. Share of the government in the value added was 53% or Rs. 155.42 million up from 49.9% or Rs. 77.07 million last year. Share of employees was also up from Rs. 15.81 million in 1989 to Rs. 26.55 million in fiscal 1990.

SHAREHOLDERS
BUILDING VALUE



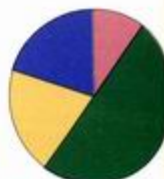
INVESTMENT
PORTFOLIO
Rupees Million



STATEMENT OF VALUE ADDED

(RS. IN MILLION)

| | 1990 | 1989 | | |
|---|--------|---------|--------|---------|
| SALES REVENUE | 609.10 | 350.74 | | |
| OTHER RECEIPTS | 8.80 | 9.68 | | |
| | 617.90 | 360.42 | | |
| LESS: MATERIALS & SERVICES | 323.05 | 206.09 | | |
| VALUE ADDED | 294.85 | 154.33 | | |
| APPLIED THE FOLLOWING WAY : | | % AGE | | % AGE |
| TO EMPLOYEES | | | | |
| WAGES, SALARIES AND RELATED COSTS | 26.55 | 9.00% | 15.81 | 10.24% |
| TO GOVERNMENT | | | | |
| INCOME TAX, EXCISE DUTY SALES TAX AND OTHER TAXES | 155.42 | 52.71% | 77.07 | 49.94% |
| TO PROVIDERS OF CAPITAL FINANCE CHARGES ON LOANS AND ADVANCES | 35.29 | 11.97% | 16.65 | 10.79% |
| DIVIDEND TO SHAREHOLDERS | 21.00 | 7.12% | 13.50 | 8.75% |
| | 56.29 | 19.09% | 30.15 | 19.54% |
| TO CHARITABLE INSTITUTIONS | 1.20 | 0.41% | 0.18 | 0.12% |
| TO PROVIDE FOR MAINTENANCE & EXPANSION OF ASSETS | | | | |
| DEPRECIATION/AMORTIZATION | 44.61 | 15.13% | 30.72 | 19.91% |
| PROFIT RETAINED | 10.78 | 3.66% | 0.40 | 0.25% |
| | 55.39 | 18.79% | 31.12 | 20.16% |
| | 294.35 | 100.00% | 154.33 | 100.00% |

DISTRIBUTION OF
VALUE ADDED 1989DISTRIBUTION OF
VALUE ADDED 1990

■ Employees
■ Government
■ Providers of Capital
■ Asset Maintenance

Flow of funds analysis

Development of net current position in million of Rupees

| | Sept. 30 1988 | Change | Sept. 30 1989 | Change | Sept. 30 1990 |
|--|------------------|---------|------------------|----------|------------------|
| Liquid assets | 103.66 | — 2.12 | + 101.54 | + 57.31 | + 158.85 |
| Short-term receivable | 6.20 | — 5.91 | + 0.29 | + 1.51 | + 1.80 |
| Short-term liabilities and provisions | — 119.07 | — 8.71 | — 127.78 | — 112.06 | — 239.84 |
| | — 9.21 | — 16.74 | — 25.95 | — 53.24 | — 79.19 |
| Factors affecting the change in the net current position : | | | | | |
| Source of Funds : | | | | | |
| Net income for the year | | | + 13.72 | | + 31.78 |
| Depreciation | | | + 19.96 | | + 25.84 |
| Amortization of assets subject to Finance Lease | | | + 10.98 | | + 18.77 |
| Deferred Taxation | | | + 4.25 | | + 0.69 |
| Profit on sale of fixed assets | | | + 0.14 | | + 0.08 |
| Internal Financing | | | + 49.05 | | + 77.16 |
| Right Shares Issued & premium thereon | | | + 25.00 | | + 0.00 |
| Proceeds of fixed assets disposed | | | + 0.43 | | + 0.74 |
| Redeemable Capital | | | + 1.75 | | + 16.42 |
| Custom Debentures | | | + 0.59 | | + 0.42 |
| Long-term loans | | | + 0.52 | | + 0.00 |
| Liability against Assets subject to finance lease | | | + 47.20 | | + 34.47 |
| Sale of long-term investments | | | + 0.94 | | + 4.09 |
| Long-term deposits | | | + 0.00 | | + 0.22 |
| Source of Funds - Total | | | + 125.48 | | + 133.52 |
| Application of Funds : | | | | | |
| Addition to Fixed Assets | | | — 41.83 | | — 55.18 |
| Assets subject to Finance Lease | | | — 47.20 | | — 34.47 |
| Addition to Investments | | | — 13.91 | | — 41.83 |
| Redeemable capital | | | — 4.54 | | — 5.26 |
| Long-term deposits | | | — 4.70 | | — 3.06 |
| Liability against assets subject to financial lease | | | — 8.46 | | — 15.68 |
| Custom Debentures | | | — 0.78 | | — 0.78 |
| Loans repaid | | | — 5.92 | | — 17.03 |
| Dividend paid | | | — 14.88 | | — 13.47 |
| Application of Funds - Total | | | — 142.22 | | — 186.76 |
| Change in the net position | | | — 16.74 | | — 53.24 |

1990 COMPARED TO 1989

Revenues increased by Rs. 258 million or 73%.

- * Sugar sales were up Rs. 235 million or 71%.
- * Alcohol sales were up Rs. 15 million.

Operating expenses as a percentage of sales decreased from 3.3% in 1989 to 2.79% in 1990.

- * Selling expenses as a percentage of sales increased .01%.
- * Administration expenses as a percentage of sales decreased from 3.05% in 1989 to 2.51%.

Earnings contribution increased Rs. 18 million or 131%.

- * Mark up expenses increased Rs. 18.6 million primarily due to increased short term debt and higher interest rates. The increase in mark up expenses as a percentage of sales is only 1.05%.
- * Income from equity investments increased Rs. 2.3 million due to better dividend pay out and due to increase in the investments.
- * Provision for income taxes increased Rs. 29 million primarily due to increase in the taxable income.

1989 COMPARED TO 1988

Revenues decreased Rs. 166 million or 32%.

- * Sugar sales declined Rs. 159 million or 32%.
- * Alcohol sales were up Rs. 0.3 million or 14%.

Operating expenses decreased Rs. 1.5 million or 11%.

- * Selling expenses decreased Rs. 0.4 million or 31%.
- * Administration expenses decreased Rs. 1.1 million or 9%.

Earnings contribution decreased Rs. 36 million or 72%.

Interest expenses decreased Rs. 0.5 million primarily due to decreased short term debt, increased inventory turn over and reduced collection period.

- * Income from equity investments increased Rs. 0.9 million due to better dividend pay out and due to increase in the investments.
- * Provision for income taxes decreased Rs. 66 million primarily due to decrease in the taxable income.

ABOUT 1990-91

The year ahead will have a number of challenges for **SHAKARGANJ**. Sugar recovery throughout the Punjab Province is lower compared to 1989-90 as a result of unfavourable weather conditions during growing period of the current crop. In addition to this, the Government has increased the minimum support price of sugar cane by 12.72%. Some major factors likely to affect your Company's profitability in fiscal 1990-91 are summarised below :

- Depressed state of sugar market coupled with competition with imported sugar, which is subsidised by the Government and weak export market for molasses.
- Increase in cost of raw material support price from Rs. 343.75 to Rs. 387.50 per M. Ton by the Government. Impact in real term is much higher after taking lower sugar yield into account.
- All time high rate of inflation and recession in market due to Gulf Crisis.
- Statutory increase in wages and oil recently announced by the Government.

Your Management has quickly responded to these challenges and taken concrete steps to reduce the impact of these factors. Some of the measures are stated below :

- Cost reduction in real term by effective administrative control of variable costs.
- Higher production targets for sugar and industrial alcohol have been set to off set the additional costs. We estimate an all time high sugar production of 65,000 M. Tons and industrial alcohol of 4 Million Litres for 1990-91.

We will INSHA ALLAH be able to absorb a large portion of additional costs through the above measures and through a number of other steps that are being taken. We are thus hopeful of turning in better results for fiscal 1990-91.

DIRECTORS AND EMPLOYEES

The Directors are always a source of guidance and support for the Management and we appreciate their commitment to your company's progress and prosperity. We welcome Mr. Sikandar Rashid Ahmed on the Board of Directors. He represents Pakistan Industrial Credit and Investment Corporation Limited and joined the Board on March 24, 1990.

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



Altaf M. Saleem
Chief Executive

Board of Governors

Mr. Altaf M. Saleem
Chairman

Mr. M. Asghar Qureshi
Vice Chairman

Dr. S. A. Qureshi
Director General

Mr. M. Awais Qureshi
Member

Mr. Abdul Haq Saeed
Member

Shakarganj Sugar Research Institute

Principal Functions

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

DIRECTOR GENERAL'S REVIEW



SSRI continued its activities on the following 3 aspects of sugar cane improvement :

- Production of the hybrid seed involving better adapted varieties under controlled conditions of photo induction.
- Screening of newly selected lines for adaptability, yield, disease reaction & quality characteristics.
- Extensive testing & seed multiplication of SPSPG-26 to red rot, tolerance to salinity, early maturity & better in quality.

With respect to local breeding program the temperature & humidity stresses in the months of May & June remained the important constraints towards flower emergence in early October. The plants however regained proper growth rate in the month of July when subjected to photo induction treatment. This delayed the whole process & induction and flower emergence occurred in February. Next year the attempt will be made to control the temperature through sprinklers & sesbania strips all around the growing plants in early summer and necessary induction treatments will be initiated in early June.

With respect to screening of the newly selected strains and advanced testing of the varieties the position is shown in the following table.

Testing of the materials for the selection of better yielding varieties

| STAGE | NO. OF ENTERIES | NO. SELECTED FOR FURTHER STUDY |
|--------------------------|-----------------------------------|--------------------------------|
| 1st Stage Nursery | Ratoon crop 61 Sown crop 26 | 16 5 |
| 2nd Stage Nursery | 121 | 33 |
| Preliminary Yield Trials | Ratoon crop 200 | 12 |
| Regular Yield Trials | Regular (24' x 24') Single Row | 14 12 |

Extensive Testing & Seed Multiplication Program of SPSPG-26

Large scale testing and seed multiplication program was initiated with this variety on farmers lands. Where 300 acres were planted in Sept. 89. The crop on this entire acreage was promising and farmers were very much satisfied with the performance. Yield estimates were in the range of 32.70 tons per acre. Most of the produce was used for seed in Sept. 90 planting and about 1500 acres are estimated under this variety next year.

In November 90 a plan was prepared to run an industrial test for recovery. Accordingly this variety was crushed on November 13. The results are given in the following table. It may however noted that entire quantity of sugarcane crushed during trial was fresh compared to the crushing on 12 November 1990.

50 MINUTES TRIAL OF SPSPG-26
1220 Hours to 1320 Hours on 13-11-90

Weight of Cane Crushed = 171.616 M. Ton
Weight of Mixed Juice = 157.00 M. Ton
Crushing Rate T.C.H. = 205.94 M. Ton

COMPARISON

| | Other Varieties Date : 12-11-90 Duration 24 Hours | | | SPSPG-26 Date 13-11-90 Duration 50 Minutes | | |
|-------------------------------|---|------------|--------|--|------------|--------|
| | Brix % | Pol % | Purity | Brix % | Pol % | Purity |
| 1st Exp Juice | 15.45 | 10.28 | 66.54 | 18.16 | 14.32 | 78.85 |
| Last Mill Juice | 3.07 | 1.69 | 55.05 | 3.93 | 2.58 | 65.65 |
| Mixed Juice | 12.57 | 8.19 | 65.16 | 14.57 | 11.27 | 77.35 |
| DILUTION % Undiluted Juice | 22.91 | | | 24.64 | | |
| Mixed Juice % Cane | 89.62 | | | 91.48 | | |
| | Pol % | Moisture % | | Pol % | Moisture % | |
| BAGASSE ANALYSIS | 1.90 | 49.98 | | 2.30 | 48.90 | |
| % Pol in open cell | 80.25 | | | 83.62 | | |
| Fibre % cane (actual) | 13.90 | | | 13.70 | | |
| Recovery % Cane | 5.58 | | | 8.72 | | |

On the basis of yield trials and disease reactions the varieties following SPSPG-26 are SPSPG-257, 2-127F and 114.

S. A. Qureshi

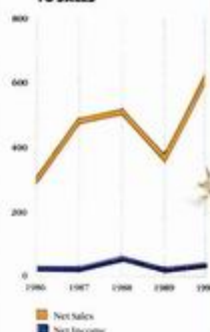
DR. S.A. QURESHI
Director General Research

Five Years Financial Summary

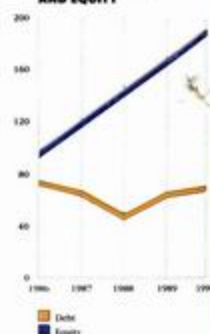
(Rupees in thousand,
except amounts per share)

| | 1990 | 1989 | 1988 | 1987 | 1986 |
|---------------------------------------|---------|---------|---------|---------|---------|
| Operating Results | | | | | |
| Net sales | 609,104 | 350,741 | 516,886 | 478,748 | 284,162 |
| Cost of sales | 509,159 | 327,520 | 367,590 | 444,283 | 240,104 |
| Selling, general & admin. expenses | 17,004 | 11,603 | 13,113 | 8,499 | 8,474 |
| Interest expenses | 35,293 | 16,651 | 17,158 | 21,814 | 12,415 |
| Other charges | 4,970 | 551 | 16,014 | 1,194 | 2,817 |
| Other income, net | 8,796 | 9,674 | 3,394 | 4,927 | 2,722 |
| Pre-tax profit | 51,474 | 4,090 | 106,405 | 7,885 | 23,074 |
| Income taxes | 19,691 | (9,634) | 56,887 | (8,877) | 7,300 |
| Net income | 31,783 | 13,724 | 49,518 | 16,762 | 15,774 |
| Per Share Results and Return | | | | | |
| Earnings per share | 5.29 | 2.28 | 9.9 | 3.36 | 3.94 |
| Cash dividends per share | 1.50 | 2.25 | 5.50 | 2.25 | 2.75 |
| Stock dividends per share | 1:5 | — | — | — | — |
| Net income to sales | 5.22% | 3.91% | 9.58% | 3.50% | 5.55% |
| Return on average assets | 6.02% | 3.24% | 13.39% | 7.04% | 5.84% |
| Return on average equity | 17.86% | 8.91% | 38.06% | 15.67% | 17.06% |
| Financial Position | | | | | |
| Current assets | 160,648 | 101,827 | 109,856 | 96,897 | 216,099 |
| Current liabilities | 290,702 | 162,045 | 155,849 | 117,894 | 248,850 |
| Operating fixed assets | 228,801 | 205,483 | 200,928 | 194,717 | 207,750 |
| Total assets | 599,687 | 456,055 | 388,884 | 350,257 | 472,763 |
| Long-term debt | 36,959 | 43,189 | 51,566 | 75,089 | 74,276 |
| Shareholders' equity | 189,378 | 166,594 | 141,294 | 118,919 | 95,001 |
| Break-up value per share | 31.56 | 27.76 | 28.25 | 23.84 | 23.75 |
| Other Financial Ratios | | | | | |
| Current liabilities to current assets | 1.81 | 1.72 | 1.42 | 1.22 | 1.15 |
| Long-term debt to capitalization | 16.32% | 20.58% | 26.74% | 38.70% | 43.88% |
| Total debt to total assets | 68.42% | 63.47% | 63.67% | 66.05% | 79.91% |
| Interest coverage (times) | 2.60 | 1.27 | 8.13 | 1.42 | 3.09 |
| Average collection period (days) | 1.08 | 0.30 | 4 | 1 | 14 |
| Inventory turnover (times) | 9.56 | 11.36 | 9.41 | 7.83 | 1.52 |
| Fixed assets turnover (times) | 1.79 | 1.19 | 2.18 | 2.05 | 1.19 |
| Total assets turnover (times) | 1.02 | 0.77 | 1.33 | 1.37 | 0.60 |
| Other Data | | | | | |
| Depreciation | 44,610 | 19,954 | 23,257 | 19,010 | 22,562 |
| Capital expenditure | 49,756 | 25,078 | 33,758 | 14,727 | 53,575 |

**NET INCOME
TO SALES**



**LONG TERM DEBT
AND EQUITY**



Directors' Report to Shareholders

Dear Shakarganj Investor :

Your Directors are pleased to present the Twenty-Second Annual Report alongwith detailed notes for the year ended September 30, 1990.

Your Company's operations for the year resulted in a net profit of Rs. 31.78 million as against Rs. 13.72 million in 1989. After charging Rs. 25.84 million for Depreciation and Rs. 35.29 million for Interest on Loans and Advances, profit available for appropriation comes to Rs. 32.18 million. Your Directors recommend appropriation of profit as follows :

(Rupees in Thousand)

| | |
|--|-------|
| Profit available for appropriation | 32181 |
| Proposed Final Cash Dividend @ 15 percent | 9000 |
| Proposed Bonus shares Issue (1:5) @ 20 percent | 12000 |
| Transfer to General Reserve | 10000 |
| Transfer to Dividend Equalisation Reserve | 1000 |
| Un-appropriated Profit c/f. | 181 |

Financial condition of the Company and future prospects are discussed in detail else where.

The retiring Auditors, M/S. Riaz Ahmad and Company, Chartered Accountants, retire and offer themselves for re-appointment as Auditors for the ensuing year.

The Management renews its pledge to continue its best efforts to manage prudently the Company's business for the benefit of all and sincerely thanks its shareholders, employees, customers and suppliers who by their continued support have made 1990 a successful year for Shakarganj.

For and on behalf of the Board :



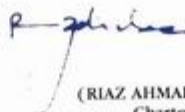
ALTAF M. SALEEM
Chief Executive

February 12, 1991.

Auditors' Report to the Members

We have audited the annexed balance sheet of **SHAKARGANJ MILLS LIMITED** as at 30 September 1990 and the related profit and loss account and statement of changes in financial position, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and after due verification thereof, we report that :

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion :
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account and the statement of changes in financial position, together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 September 1990 and of the profit and the changes in financial position for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.



(RIAZ AHMAD & COMPANY)
Chartered Accountants

Lahore : 16 February, 1991.

Balance Sheet as at 30 September, 1990

(RUPEES IN THOUSAND)

| SHARE CAPITAL AND RESERVES | NOTE | 1990 | 1989 |
|---|------|---------|---------|
| Authorised share capital | | | |
| 10,000,000 ordinary shares of Rupees 10 each | | 100,000 | 100,000 |
| Issued, subscribed and paid up share capital | 3 | 60,000 | 60,000 |
| Reserves | 4 | 129,197 | 106,197 |
| Unappropriated profit | | 181 | 398 |
| | | 189,378 | 166,595 |
| SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS | 5 | 10,745 | 10,745 |
| REDEEMABLE CAPITAL | 6 | 10,172 | 2,683 |
| DEBENTURES AND LONG TERM LOANS | | | |
| Custom debentures | 7 | 951 | 914 |
| Long term loans | 8 | 7,700 | 18,508 |
| | | 8,651 | 19,422 |
| LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE | 9 | 51,039 | 42,756 |
| DEFERRED TAXATION | 10 | 39,000 | 38,309 |
| CURRENT LIABILITIES | | | |
| Current portion of long term liabilities | 11 | 40,993 | 33,436 |
| Short term running finances | 12 | 126,028 | 39,328 |
| Creditors, accrued and other liabilities | 13 | 46,724 | 42,902 |
| Workers' Participation Fund | 14 | 2,770 | 227 |
| Provision for taxation | | 64,318 | 45,318 |
| Dividend payable | 15 | 9,869 | 14,334 |
| | | 290,702 | 175,545 |
| CONTINGENCIES AND COMMITMENTS | 16 | | |
| | | 599,687 | 456,055 |

(RUPEES IN THOUSAND)

| TANGIBLE FIXED ASSETS | NOTE | 1990 | 1989 |
|--|------|---------|---------|
| Operating fixed assets | 17 | 228,801 | 205,483 |
| Assets subject to finance lease | 18 | 66,641 | 51,162 |
| Capital work-in-progress | 19 | 43,937 | 38,510 |
| | | 339,379 | 295,155 |
| LONG TERM INVESTMENTS | 20 | 88,463 | 50,720 |
| LONG TERM DEPOSITS | 21 | 11,197 | 8,353 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 22 | 29,852 | 22,293 |
| Stock-in-trade | 23 | 33,844 | 8,573 |
| Trade debts | 24 | 1,796 | 287 |
| Advances, deposits, prepayments and other receivables | 25 | 90,786 | 66,510 |
| Cash and bank balances | 26 | 4,370 | 4,164 |
| | | 160,648 | 101,827 |
| | | 599,687 | 456,055 |

The annexed notes form an integral part of these accounts.



Altaf M. Saleem
Chief Executive



Sk. Jahangir
Director

Profit and Loss Account for the Year Ended 30 September, 1990

| | | (RUPEES IN THOUSAND) | |
|---|------|----------------------|---------|
| | NOTE | 1990 | 1989 |
| SALES | 27 | 609,104 | 350,741 |
| COST OF GOODS SOLD | 28 | 509,159 | 327,520 |
| GROSS PROFIT | | 99,945 | 23,221 |
| ADMINISTRATIVE, SELLING AND GENERAL EXPENSES | 29 | 17,004 | 11,603 |
| OPERATING PROFIT | 30 | 82,941 | 11,618 |
| OTHER INCOME | 31 | 8,796 | 9,674 |
| | | 91,737 | 21,292 |
| FINANCIAL AND OTHER CHARGES | 32 | 37,493 | 16,975 |
| WORKERS' PARTICIPATION FUND | | 2,770 | 227 |
| | | 40,263 | 17,202 |
| PROFIT BEFORE TAXATION | | 51,474 | 4,090 |
| TAXATION | 33 | (19,691) | 9,634 |
| PROFIT AFTER TAXATION | | 31,783 | 13,724 |
| UNAPPROPRIATED PROFIT BROUGHT FORWARD | | 398 | 174 |
| PROFIT AVAILABLE FOR APPROPRIATION | | 32,181 | 13,898 |
| APPROPRIATIONS | | | |
| Proposed final dividend | | 9,000 | 13,500 |
| Transfer to reserve for issue of bonus shares | | 12,000 | — |
| Transfer to general reserve | | 10,000 | — |
| Transfer to dividend equalisation reserve | | 1,000 | — |
| | | 32,000 | 13,500 |
| UNAPPROPRIATED PROFIT | | 181 | 398 |

The annexed notes form an integral part of these accounts.

Altam Saleem

Altam M. Saleem
Chief Executive

Sk. Jahangir

Sk. Jahangir
Director

Statement of changes in Financial Position
For the Year Ended 30 September, 1990

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|---|---------|---------|
| SOURCES OF FUNDS | | |
| Profit after taxation | 31,783 | 13,724 |
| Adjustment of items not involving the movement of funds | | |
| Depreciation | 25,838 | 19,954 |
| Amortization of assets subject to finance lease | 18,772 | 10,983 |
| Deferred taxation | 691 | 4,248 |
| Fixed assets written-off/adjustment | 221 | 89 |
| Loss/(profit) on disposal of operating fixed assets | (143) | 55 |
| Profit on sale of long term investments | (978) | (100) |
| Funds provided by operations | 76,184 | 48,951 |
| Other sources | | |
| Right shares issued and premium thereon | — | 24,998 |
| Proceeds from disposal of operating fixed assets | 742 | 427 |
| Sale of long term investment | 5,070 | 1,040 |
| Redeemable capital | 16,423 | 1,749 |
| Custom debentures | 419 | 587 |
| Long term deposit | 221 | — |
| Long term loans | — | 518 |
| Liabilities against assets subject to finance lease | 34,473 | 47,204 |
| Net decrease in working capital | 53,244 | 16,744 |
| | 186,776 | 142,218 |
| APPLICATION OF FUNDS | | |
| Tangible fixed assets | 55,182 | 41,831 |
| Assets subject to finance lease | 34,473 | 47,204 |
| Redeemable capital | 5,257 | 4,535 |
| Liabilities against assets subject to finance lease | 15,684 | 8,457 |
| Custom debentures | 782 | 778 |
| Long term loans | 17,033 | 5,918 |
| Long term investments | 41,835 | 13,913 |
| Long term deposits | 3,065 | 4,698 |
| Dividend paid | 13,465 | 14,884 |
| | 186,776 | 142,218 |

Analysis of Working Capital.

| | (RUPEES IN THOUSAND) | |
|---|----------------------|----------|
| | 1990 | 1989 |
| (Increase)/decrease in current assets | | |
| Stores, spare parts and loose tools | (7,559) | (3,923) |
| Stock-in-trade | (25,271) | 28,002 |
| Trade debts | (1,509) | 5,909 |
| Advances, deposits, prepayments and other receivables | (24,276) | (32,782) |
| Cash and bank balances | (206) | 10,823 |
| | (58,821) | 8,029 |
| Increase/(decrease) in current liabilities | | |
| Short term running finances | 86,700 | 18,026 |
| Creditors, accrued and other liabilities | 3,822 | 7,575 |
| Workers' Participation Fund | 2,543 | (3,004) |
| Provision for taxation | 19,000 | (13,882) |
| | 112,065 | 8,715 |
| NET DECREASE IN WORKING CAPITAL | 53,244 | 16,744 |



Altaf M. Saleem
Chief Executive



SK. Jahangir
Director

Notes to the Accounts for the Year Ended 30 September, 1990

1. STATUS AND NATURE OF BUSINESS

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.2 Staff retirement benefits

Company operates a pension scheme for all permanent employees who are not covered under any other scheme of the Government of Pakistan. The scheme is insured under the group pension policy by State Life Insurance Corporation of Pakistan and premium is paid annually on the basis of actuarial computation based on accrued benefit valuation method at the rate of 13.90 percent of basic salary of employees, effective from 01 January, 1989, against 17.95 percent during prior period.

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

2.3 Taxation

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

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

2.4 Foreign currencies

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

2.5 Tangible fixed assets and depreciation

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

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

Depreciation on operating fixed assets is charged to income on reducing balance method to write-off the cost or appreciated value including related exchange differences over their expected useful life.

Full year's depreciation is charged on additions, while no depreciation is charged on assets deleted during the year.

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

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

2.6 Assets subject to finance lease

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

2.7 Long term investments

These are stated at cost.

2.8 Stores, spare parts and loose tools

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

2.9 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value except molasses (bye-product) which is valued at net realisable value. Cost in relation to work-in-process and finished goods consists of average material cost, factory overhead and direct labour. Cost in relation to goods purchased for resale consists of average purchase price and other charges paid thereon. Net realisable value signifies the prevailing market prices in the ordinary course of business less selling expenses incidental to sales.

2.10 Revenue recognition

Revenue from sales is recognised on delivery of goods to customers. Dividend income is accounted for on receipt basis.

2.11 Trade debts

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

| | | (RUPEES IN THOUSAND) | |
|----|--|----------------------|---------|
| | | 1990 | 1989 |
| 3. | ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL | | |
| | 5,000,000 ordinary shares of Rupees 10 each fully paid up in cash | 50,000 | 50,000 |
| | 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 | 7,500 |
| | 250,000 ordinary shares of Rupees 10 each issued as fully paid bonus shares | 2,500 | 2,500 |
| | | 60,000 | 60,000 |
| 4. | RESERVES | | |
| | Capital | | |
| | Balancing and modernisation | 15,000 | 15,000 |
| | Research and development | 5,000 | 5,000 |
| | Premium on issue of right shares | 23,618 | 23,618 |
| | For issue of bonus shares | 12,000 | — |
| | | 55,618 | 43,618 |
| | Revenue | | |
| | General | | |
| | Balance as at 01 October | 42,579 | 42,500 |
| | Transfer from profit and loss account | 10,000 | — |
| | Transfer from surplus on revaluation of operating fixed assets | — | 79 |
| | | 52,579 | 42,579 |
| | Dividend equalisation | | |
| | Balance as on 01 October | 20,000 | 20,000 |
| | Transfer from profit and loss account | 1,000 | — |
| | | 21,000 | 20,000 |
| | | 73,579 | 62,579 |
| | | 129,197 | 106,197 |
| 5. | SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS | | |
| | Balance as at 01 October | 10,745 | 10,824 |
| | Transfer to general reserve relating to the operating fixed assets disposed of during the year | — | 79 |
| | | 10,745 | 10,745 |

6. REDEEMABLE CAPITAL

Long term running finances utilised under mark up arrangements are made up as under :

| (RUPEES IN THOUSAND) | | | | | | | 1990 | 1989 |
|---|-------------------|-----------------|------------------|-----------------|-----------------|-----------------|--------|--------|
| Pakistan Industrial Credit and Investment Corporation Limited | | | | | | | | |
| | SBR/ PLS-96 | SBR/ PLS-77 | PICIC/ PLS-19 | SBR/ PLS-15 | SBR/ PLS-23 | SBR/ PLS-102 | | |
| Balance as on 01 October | — | — | — | 3,552 | 2,400 | — | 5,952 | 8,738 |
| Received during the year | 3,375 | 9,915 | 3,133 | — | — | — | 16,423 | 1,749 |
| | 3,375 | 9,915 | 3,133 | 3,552 | 2,400 | — | 22,375 | 10,487 |
| Less: Repaid | — | 1,466 | 522 | 1,669 | 1,600 | — | 5,257 | 4,535 |
| Current portion (Note 11) | 957 | 1,953 | 1,567 | 1,669 | 800 | — | 6,946 | 3,269 |
| | 957 | 3,419 | 2,089 | 3,338 | 2,400 | — | 12,203 | 7,804 |
| Balance as at 30 September | 2,418 | 6,496 | 1,044 | 214 | — | — | 10,172 | 2,683 |
| Sanctioned limit | 4,305 | 10,257 | 3,133 | 8,345 | 8,000 | 133,287 | | |
| Unavailed credit facility | 930 | 343 | — | 620 | 1,600 | 133,287 | | |
| No. of instalments | 09 Half yearly | 21 Quarterly | 24 Monthly | 23 Quarterly | 23 Quarterly | — | | |
| Payment date of 1st instalment | January 1991 | April 1990 | July 1990 | October 1986 | October 1986 | — | | |
| Rate of mark up (per annum) | 6% | 6% | 16% | 3% | 3% | 6% | | |

- 6.1 As per purchase and sale agreements, Pakistan Industrial Credit and Investment Corporation Limited has purchased machinery valuing Rupees 34.040 million (1989: Rupees 16.345 million) from the company which was deemed to have been resold to the company at marked up price of Rupees 46.588 million (1989: Rupees 21.285 million) which includes rebate of Rupees 7.755 million (1989: Rupees 3.548 million) on timely payments of marked up price. Securities are mentioned in Note 8.1.

(RUPEES IN THOUSAND)

1990 1989

7. CUSTOM DEBENTURES-Unsecured

These are made up as under :

| | | |
|---------------------------------|-------|-------|
| Balance as at 30 September | 1,333 | 1,696 |
| Less: Current portion (Note 11) | 382 | 782 |
| | 951 | 914 |

- 7.1 These have been issued in favour of Collector of Customs to cover the deferred element of custom duty on the import of plant and machinery. The debentures are repayable in six half yearly instalments commencing from 11 May 1988 and carry interest at the rate of 1 percent above the bank rate.

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|--|---------------|---------------|
| 8. LONG TERM LOANS | | |
| Pakistan Industrial Credit and Investment Corporation Limited | | |
| Loan No. | | |
| SBR-61 (Note 8.2) | 12,219 | 22,926 |
| SBR-86 (Note 8.2) | 1,745 | 4,092 |
| IBRD-2380 IDA-1439/1 (Note 8.3) | 584 | 2,729 |
| ADB-455/20 (Note 8.3) | 3,619 | 4,091 |
| IBRD-2380 IDA-1439/18 (Note 8.3) | 341 | 463 |
| | 18,508 | 34,301 |
| Agricultural Development Bank of Pakistan. | — | 1,240 |
| | 18,508 | 35,541 |
| Less: Current portion (Note 11) | 10,808 | 17,033 |
| | 7,700 | 18,508 |

- 8.1 Long term loans and running finances from Pakistan Industrial Credit and Investment Corporation Limited are secured against :
- a first legal mortgage on company's present and future immovable properties wherever situated including all buildings, plant and machinery and fixtures;
 - a first charge ranking pari passu with the existing charge by way of hypothecation in respect of all the machinery of the company, present and future;
 - a first floating charge ranking pari passu with the existing charge on all other assets of the company, both present and future, subject to the hypothecation or charge in favour of company's bankers as referred to in Note No. 12.2; and
 - a demand promissory note.
- 8.2 Loan No. SBR-61 and SBR-86 are repayable in 10 semi annual instalments commencing from 01 January 1987 and 01 July 1987 respectively and carry interest at the rate of 9 percent per annum.
- 8.3 Loan No. IBRD-2380 IDA-1439/1 and ADB-455-20 are repayable in 20 and IBRD-2380 IDA-1439/18 in 12 semi annual instalments commencing from 01 January 1987, 01 July 1987 and 01 July 1989 respectively and carry interest at the rate of 14 percent per annum.
- 8.4 Sanctioned limit of loans from Pakistan Industrial Credit and Investment Corporation Limited is Rupees 83.496 million (1989: Rupees 65.772 million). However, loans of Rupees 19.640 million (1989: Rupees 0.692 million) remained undisbursed at balance sheet date.

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|---|---------------|---------------|
| 9. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE | | |
| Present value of minimum lease payments | 73,896 | 55,108 |
| Less: Instalments due within twelve months (Note 11) | 22,857 | 12,352 |
| | 51,039 | 42,756 |

- 9.1 The present value of minimum lease payments has been discounted using the sum of digit method. The rentals are paid in monthly/quarterly equal instalments and in case of default of any payment, an additional charge at the rate of 2 percent shall be paid. Taxes, repairs and insurance costs are to be borne by lessee. Lessee shall have no right to terminate lease agreements and if lease agreements are terminated, the lessee shall pay entire amount of rentals for unexpired period of lease agreements. Lease agreements are renewable at the option of lessor on such terms as may be agreed upon. Liabilities are secured against deposit of Rupees 11.044 million (1989: Rupees 8.200 million) included in long term deposits and a deposit of shares of listed companies having face value of Rupees 7.716 million (1989: Rupees 4.720 million) as referred to in Note 20.2.

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

| Description | Balance rentals outstanding as at 30 September 1990 | No. of Instalments outstanding | Approximate rate of interest per annum | Expiry period |
|--|--|--------------------------------------|---|------------------|
| | (RUPEES IN THOUSAND) | | % | |
| National Development Leasing Corporation Limited | 35,013 | 41 Monthly | 5-18 | February 1994 |
| Asian Leasing Corporation Limited | 1,209 | 9 Quarterly | 15 | January 1993 |
| Pakistan Industrial Leasing Corporation Limited | 30,243 | 44 Monthly | 19 | April 1994 |
| Development Capital Management Limited | 284 | 12 Monthly | 16 | September 1991 |
| ORIX Leasing Pakistan Limited | 6,282 | 35 Monthly | 14 | August 1993 |
| ORIX Leasing Pakistan Limited | 1,706 | 7 Quarterly | 14 | August 1993 |
| BRR Capital Modarba | 4,131 | 57 Monthly | 21 | June 1995 |
| Atlas Bot Leasing Company Limited | 12,821 | 56 Monthly | 18.50 | May 1995 |
| | | | (RUPEES IN THOUSAND) 1990 | 1989 |

10. DEFERRED TAXATION

| | | |
|--|---------|---------|
| Timing differences relating to accelerated tax-depreciation | 46,200 | 39,328 |
| Other timing differences | (7,200) | (1,019) |
| | 39,000 | 38,309 |

11. CURRENT PORTION OF LONG TERM LIABILITIES

| | | |
|--|--------|--------|
| Redeemable capital | 6,946 | 3,269 |
| Custom debentures | 382 | 782 |
| Long term loans | 10,808 | 17,033 |
| Liabilities against assets subject to finance lease | 22,857 | 12,352 |
| | 40,993 | 33,436 |

12. SHORT TERM RUNNING FINANCES

Running finances under mark up arrangements have been obtained :

From financial institutions - Secured

| | | |
|---|--------|-------|
| National Development Finance Corporation (Note 12.1) | 19,445 | 2,230 |
| Pakistan Industrial Credit and Investment Corporation (Note 12.2) | 20,000 | — |
| Crescent Investment Bank Limited (Note 12.3) | 31,800 | — |

71,245 2,230

From banking companies

| | | |
|-------------------------------|--------|--------|
| Secured (Note 12.4) | 49,444 | 35,762 |
| Unsecured-Unpresented cheques | 5,339 | 1,336 |

54,783 37,098

126,028 39,328

- 12.1 Short term running finance from National Development Finance Corporation from part of total credit facility of Rupees 50 million (1989: Rupees 50 million) National Development Finance Corporation has purchased goods valuing Rupees 50 million from the company which were deemed to have been resold to the company at marked up price of Rupees 60 million. This is secured against pledge of said goods and 20 percent additional goods of same description. Mark-up has been accounted for proportionately uptill 30 September 1990 at the rate of paisas 43 per Rupees 1,000 per day after considering paisas 12 rebate per Rupees 1,000 per day on timely payments of marked up price. The finance is repayable on 29 December 1990.
- 12.2 Pakistan Industrial Credit and Investment Corporation Limited has purchased goods valuing Rupees 20 million from the company which were deemed to have been resold to the company at marked up price of Rupees 23.29 million. This is secured against pledge of said goods. Mark up has been accounted for proportionately uptill 30 September 1990 at the rate of paisas 43 per Rupees 1,000 per day. The finance is repayable on 03 March 1991.
- 12.3 Finance from Crescent Investment Bank Limited is secured against pledge of 1,694,195 ordinary shares of listed companies having face value of Rupees 16.942 million (Note 20.2) and a demand promissory note.
- 12.4 These are secured against pledge and hypothecation of stores, spares, stocks, book debt, shares having face value of Rupees 6.056 million, second charge on fixed assets mark up is charged at the rate of paisas 43 to 45 per Rupees 1,000 per day by banking companies, other than Agricultural Development Bank of Pakistan which charges mark up at the rate of 12.50 percent per annum. These form part of aggregate credit facility of Rupees 202 million (1989: Rupees 88.50 million).

13. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors

| | | |
|--------|-------|-------|
| Trade | 6,640 | 4,712 |
| Others | 7,175 | 4,688 |

| | | |
|--|--------|-------|
| | 13,815 | 9,400 |
|--|--------|-------|

| | | |
|--|--------|--------|
| Advances from customers | 1,345 | 227 |
| Security deposit from contractors payable on completion of contracts-Interest free | 424 | 248 |
| Income tax deducted at source | 121 | 64 |
| Interest on custom debentures-Unsecured | 36 | 40 |
| Mark up accrued on redeemable capital-Secured | 1 | — |
| Interest accrued on long term loans-Secured | 742 | 2,697 |
| Mark up accrued on short term running finances-Secured | 5,447 | 4,897 |
| Excise duty | 7,440 | 267 |
| Due to associated undertakings | 1,991 | 14,314 |
| Due to director | 36 | 151 |
| Workers' welfare fund | 4,031 | 3,031 |
| Accrued liabilities | 11,295 | 7,566 |

| | | |
|--|--------|--------|
| | 46,724 | 42,902 |
|--|--------|--------|

14. WORKERS' PARTICIPATION FUND

| | | |
|--|-------|-------|
| Balance as at 01 October | 227 | 3,231 |
| Share of company's profit for the year | 2,770 | 227 |
| Interest accrued | 22 | 178 |

| | | |
|--|-------|-------|
| | 3,019 | 3,636 |
|--|-------|-------|

| | | |
|----------------------------|-------|-------|
| Less: Paid to workers | 249 | 3,409 |
| Balance as at 30 September | 2,770 | 227 |

14.1 Interest is paid at prescribed rate under the Act on funds utilised by the company till the date of payment of funds to workers' participation fund trust.

15. DIVIDEND PAYABLE

| | | |
|-----------|-------|--------|
| Unclaimed | 869 | 834 |
| Proposed | 9,000 | 13,500 |

| | | |
|--|-------|--------|
| | 9,869 | 14,334 |
|--|-------|--------|

16. CONTINGENCIES AND COMMITMENTS

Contingencies

.... Company is contingently liable in respect of employees' and other claims not acknowledged as debt amounting to Rupees 0.116 million (1989: Rupees 0.385 million).

Commitments

.... Contracts for capital expenditure approximately amounting to Rupees 159.902 million (1989: Rupees 10.805 million).

.... Letters of credit other than for capital expenditure are amounting to Rupees 2.527 million (1989: rupees 5.484 million).

17. OPERATING FIXED ASSETS

(RUPEES IN THOUSAND)

| DESCRIPTION | COST/RE-ASSESSED VALUE | | As at 30 September 1990 | Accumulated Depreciation As at 30 September 1990 | Book Value As at 30 September 1990 | DEPRECIATION Charge for the year | Rate % |
|---|-----------------------------|---------------------------|-------------------------------|--|---|--|-----------|
| | As at 01 October 1989 | Additions/ (Deletions) | | | | | |
| Land freehold (Note 17.1) | 9,823 | 1,884 | 11,707 | — | 11,707 | — | — |
| Buildings and roads on freehold land | 43,949 | 10,865 | 54,814 | 24,124 | 30,690 | 3,410 | 10 |
| Plant and machinery | 292,579 | 33,843 (522) | 325,900 | 146,865 | 179,035 | 19,892 | 10 |
| Laboratory equipments | 547 | 387 | 934 | 637 | 297 | 198 | 40 |
| Tubewell and water pumps | 1,293 | 232 | 1,525 | 813 | 712 | 178 | 20 |
| Electric installations | 601 | 117 | 718 | 508 | 210 | 53 | 20 |
| Weighbridges and scales | 1,221 | 173 | 1,394 | 911 | 483 | 121 | 20 |
| Furniture and fixtures | 3,325 | 376 (2) | 3,699 | 1,901 | 1,798 | 449 | 20 |
| Office equipments | 2,584 | 539 | 3,123 | 2,312 | 811 | 541 | 40 |
| Vehicles | 4,815 | 810 (565) | 5,060 | 2,742 | 2,318 | 580 | 20 |
| Arms and ammunition | 10 | 28 | 38 | 10 | 28 | 3 | 10 |
| Library books | 561 | 248 | 809 | 548 | 261 | 112 | 30 |
| Tools and equipments | 1,780 | 247 (49) | 1,978 | 1,567 | 411 | 274 | 40 |
| Telephone equipments | 244 | 7 | 251 | 211 | 40 | 27 | 40 |
| | 1990 | 363,332 | 49,756 (1,138) | 411,950 | 183,149 | 228,801 | 25,838 |
| | 1989 | 339,679 | 25,078 (1,425) | 363,332 | 157,849 | 205,483 | 19,954 |

17.1 Company has given 10.39 acres land valuing Rupees 0.260 million for 20 years lease to Ujala Cotton Mills, a project of Crescent Jute Products Limited (an associated undertaking) on annual rent of Rupees 3,000 per acre. Lease rent will be increased by 15 percent after every three years and lease will be extendable to another term of 20 years with mutual consent of both parties.

17.2 Land, buildings, plant and machinery were revalued by an independent valuer as at 30 September 1979 and stated in Note 17 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.

17.3 Included in the additions to plant and machinery is exchange loss of Rupees 0.405 million (1989: Rupees 0.354 million) relating to liability in foreign currency for acquisition of these assets.

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

| | (RUPEES IN THOUSAND) | |
|---|----------------------|--------|
| | 1990 | 1989 |
| Cost of goods sold | | |
| Sugar | 20,865 | 18,572 |
| Distillate | 3,123 | 67 |
| Administrative, selling and general expenses - Sugar | 1,850 | 1,315 |
| | 25,838 | 19,954 |

17.5 DISPOSAL OF OPERATING FIXED ASSETS

(RUPEES IN THOUSAND)

| Description | Cost | Accumulated Depreciation | Book Value | Sale Proceeds | Mode of Disposal | Particulars of Purchaser |
|---|------|--------------------------|------------|---------------|--------------------------------------|--|
| Plant and machinery Centrifugal | 522 | 52 | 470 | 522 | Negotiation (Sale and lease back) | ORIX Leasing Pakistan Limited |
| Vehicles Toyota Crown 129-029 | 550 | 435 | 115 | 200 | Negotiation | Anjum Motors, 151-B, Block-2, Khalid Bin Waleed Road, P.E.C.H.S., Karachi. |
| Motorcycle JG-8793 | 14 | 10 | 4 | 7 | Negotiation | Ali Hassan - Company employee |
| Tools and equipments Agriculture equipment | 29 | 23 | 6 | 4 | Negotiation | Feroz Iqbal Gillani, Moza Modoki, Tehsil & Distt. Jhang. |
| Disc Harrow mounted Sprayer | 8 | 7 | 1 | 1 | Negotiation | Feroze Iqbal Gillani, Moza Modoki, Tehsil & Distt. Jhang. |
| Ridger | 5 | 4 | 1 | 2 | Negotiation | Rana Altaf Ahmad, Tandewala Teh. Gojra, Distt. T.T. Singh. |
| Ridger | 4 | 3 | 1 | 2 | Negotiation | Muhammad Aslam, Nia Lahore, Teh. & Distt. T.T. Singh. |
| Ridger | 4 | 3 | 1 | 2 | Negotiation | Muhammad Saddique, Chak No. 337 JB, Teh. Gojra, Distt. T.T. Singh. |
| Furniture and fixtures Carpets | 1 | 1 | — | 1 | Negotiation | Nisar Kabaria, Near Odcan Cinema, Samundri Road, Faisalabad. |
| Padestal fan | 1 | 1 | — | 1 | Negotiation | Abdul Latif - Company employee |

18. ASSETS SUBJECT TO FINANCE LEASE

The following assets have been acquired under finance lease :

| Description | C O S T | | | Accumulated Amortization As at 30 September 1990 | Book Value As at 30 September 1990 | Amortization Charge for the year | |
|---------------------|-----------------------------|--|-----------------|--|---|--|--------|
| | As at 01 October 1989 | Additions/ (Deletions) 30 September | As at 1990 | | | | |
| Buildings | 255 | — | 255 | 102 | 153 | 17 | |
| Plant and machinery | 68,999 | 24,659 | 93,658 | 37,148 | 56,510 | 17,440 | |
| Vehicles | 2,199 | 5,115 (885) | 6,429 | 1,155 | 5,274 | 910 | |
| Equipment | 432 | 4,699 | 5,131 | 427 | 4,704 | 405 | |
| | 1990 | 71,885 | 34,473 (885) | 105,473 | 38,832 | 66,641 | 18,772 |
| | 1989 | 24,681 | 47,204 | 71,885 | 20,723 | 51,162 | 10,983 |

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

| | (RUPEES IN THOUSAND) | |
|--|----------------------|--------|
| | 1990 | 1989 |
| Cost of goods sold - Sugar | 17,440 | 10,425 |
| Administrative, selling and general expenses - Sugar | 1,332 | 558 |
| | 18,772 | 10,983 |

19. CAPITAL WORK-IN-PROGRESS

This comprises of :

| | | |
|-------------------------|--------|--------|
| Buildings | 102 | 1,182 |
| Plant and machinery | 4,902 | 24,165 |
| Advance to contractors | 8,037 | 13,089 |
| Project examination fee | 750 | 74 |
| Advance to suppliers | 30,146 | — |
| | 43,937 | 38,510 |

20. LONG TERM INVESTMENTS

Quoted

Associated undertakings

| | | |
|--|--------|-------|
| Crescent Sugar Mills and Distillery Limited 146,744 (1989: 146,219) ordinary shares of Rupees 10 each fully paid | 2,823 | 2,798 |
| 54,376 bonus shares of Rupees 10 each | — | — |
| Crescent Boards Limited 48,400 ordinary shares of Rupees 10 each fully paid | 561 | 561 |
| Crescent Jute Products Limited 321,988 (1989: 261,988) ordinary shares of Rupees 10 each fully paid | 7,094 | 5,290 |
| 140,510 (1989: 88,011) bonus shares of Rupees 10 each | — | — |
| Jubilee Spinning and Weaving Mills Limited 4,000 ordinary shares of Rupees 10 each fully paid | 66 | 66 |
| 1,500 bonus shares of Rupees 10 each | — | — |
| The Premier Insurance Company of Pakistan Limited 3,600 ordinary shares of Rupees 5 each fully paid | 60 | 60 |
| 12,876 (1989: 10,130) bonus shares of Rupees 5 each | — | — |
| The Crescent Textile Mills Limited 29,250 ordinary shares of Rupees 10 each fully paid | 648 | 648 |
| Crescent Steel and Allied Products Limited 300,000 ordinary shares of Rupees 10 each fully paid | 3,000 | 3,000 |
| Pakistan Industrial Leasing Corporation Limited 1,833,900 ordinary shares of Rupees 10 each fully paid | 18,791 | — |
| Crescent Spinning Mills Limited 400,000 ordinary shares of Rupees 10 each fully paid | 4,000 | — |
| Crescent Investment Bank Limited 669,000 ordinary shares of Rupees 10 each fully paid | 8,433 | — |

| | 1990 | 1989 |
|--|--------|--------|
| Others | | |
| Adam Sugar Mills Limited | | |
| 1989: 2,000 ordinary shares of Rupees 10 each fully paid | — | 38 |
| 1989: 530 bonus shares of Rupees 10 each | — | — |
| Noon Sugar Mills Limited | | |
| 26,200 (1989: 27,500) ordinary shares of Rupees 10 each fully paid | 455 | 471 |
| 6,458 bonus shares of Rupees 10 each | — | — |
| Pakistan Industrial Credit and Investment Corporation Limited | | |
| 959,827 (1989: 832,027) ordinary shares of Rupees 10 each fully paid | 18,741 | 13,641 |
| 362,257 (1989: 142,048) bonus shares of Rupees 10 each | — | — |
| Karachi Electric Supply Corporation Limited | | |
| 1989: 10,000 ordinary shares of Rupees 10 each fully paid | — | 111 |
| 1,856 (1989: 1,000) bonus shares of Rupees 10 each | — | — |
| National Development Leasing Corporation Limited | | |
| 1989: 183,800 ordinary shares of Rupees 10 each fully paid | — | 3,850 |
| Pak Land Cement Limited | | |
| 15,000 ordinary shares of Rupees 10 each fully paid | 172 | 172 |
| Thal Jute Mills Limited | | |
| 50,000 ordinary shares of Rupees 5 each fully paid | 337 | 337 |
| Husein Sugar Mills Limited | | |
| 15,000 (1989: 10,000) ordinary shares of Rupees 10 each fully paid | 517 | 350 |
| 1,538 bonus shares of Rupees 10 each | — | — |
| Sanghar Sugar Mills Limited | | |
| 1989: 5,000 ordinary shares of Rupees 10 each fully paid | — | 77 |
| Nusrat Textile Mills Limited | | |
| 11,000 ordinary shares of Rupees 10 each fully paid | 121 | — |
| AR Pak International Investment Limited | | |
| 10,000 ordinary shares of Rupees 10 each fully paid | 93 | — |
| Pakistan International Airlines Corporation | | |
| 23,500 ordinary shares of Rupees 10 each fully paid | 234 | — |
| Atlas Bot Lease Company Limited | | |
| 350,000 ordinary shares of Rupees 10 each fully paid | 6,598 | — |
| Kohinoor Weaving Mills Limited | | |
| 135,000 ordinary shares of Rupees 10 each fully paid | 1,283 | — |
| Baba Farid Sugar Mills Limited | | |
| 10,000 ordinary shares of Rupees 10 each fully paid | 136 | — |
| Pakistan Oil Fields Limited | | |
| 200,000 ordinary shares of Rupees 10 each fully paid | 11,800 | — |

| (RUPEES IN THOUSAND) | | |
|--|--------|--------|
| | 1990 | 1989 |
| Unquoted | | |
| Associated undertakings | | |
| Pakistan Industrial Leasing Corporation Limited 1989: 1,200,000 ordinary shares of Rupees 10 each fully paid equity held 30% | — | 12,000 |
| Crescent Spinning Mills Limited 1989: 250,000 ordinary shares of Rupees 10 each fully paid equity held 10.15% | — | 2,500 |
| Crescent Investment Bank Limited 1989: 475,000 ordinary shares of Rupees 10 each fully paid | — | 4,750 |
| Crescent Business Management (Private) Limited | 85,963 | 50,720 |
| Deposit for issue of 250,000 ordinary shares of Rupees 10 each | 2,500 | — |
| | 88,463 | 50,720 |

20.1 Aggregate market value of quoted investments as at 30 September 1990 was Rupees 146.304 million (1989: Rupees 74.697 million).

20.2 Following investments having face value of Rupees 31.51 million are pledged as security:

| (RUPEES IN MILLION) | | |
|---|--------|--|
| Against liabilities for assets subject to finance lease: | | |
| National Development Leasing Corporation Limited | 3,000 | |
| Pakistan Industrial Leasing Corporation Limited | 4,716 | |
| Against short term finances obtained from: | | |
| Crescent Investment Bank Limited | 16,942 | |
| Standard Chartered Bank | 6,056 | |
| Against guarantee issued by: | | |
| Standard Chartered Bank | 0,796 | |

| (RUPEES IN THOUSAND) | | |
|---------------------------------|--------|-------|
| | 1990 | 1989 |
| 21. LONG TERM DEPOSITS | | |
| Securities | 153 | 153 |
| Margin against leasehold assets | 11,044 | 8,200 |
| | 11,197 | 8,353 |

22. STORES, SPARE PARTS AND LOOSE TOOLS

| | | |
|----------------------------------|--------|--------|
| Stores | 20,725 | 15,996 |
| Spare parts | 14,213 | 11,642 |
| Loose tools | 464 | 205 |
| | 35,402 | 27,843 |
| Less: Provision for obsolescence | 5,550 | 5,550 |
| | 29,852 | 22,293 |

23. STOCK-IN-TRADE

| | | |
|-----------------|--------|-------|
| Work-in-process | 280 | 572 |
| Finished goods | | |
| Own products | | |
| Sugar | 31,290 | 3,254 |
| Molasses | 184 | 1,064 |
| Distillate | 2,090 | 3,621 |
| Purchased goods | — | 62 |
| | 33,564 | 8,001 |
| | 33,844 | 8,573 |

24. TRADE DEBTS

These are unsecured but considered good.

25. ADVANCES, DEPOSITS, PREPAYMENTS
AND OTHER RECEIVABLES

Loans and advances-Considered good

| | | |
|-------------------------------|--------|--------|
| Employees - Interest free | 175 | 98 |
| Suppliers and contractors | 15,116 | 3,052 |
| Income tax | 47,990 | 23,730 |
| Letters of credit | 3,259 | 1,834 |
| Sugarcane growers (Note 25.3) | 18,266 | 8,598 |
| | 84,806 | 37,312 |

Considered doubtful

| | | |
|------------------------------|-------|-------|
| Sugarcane growers | 5,064 | 5,064 |
| Less: Provision for doubtful | 5,064 | 5,064 |

—
84,806 37,312

Deposits

| | | |
|----------------|-------|----|
| Excise duty | 115 | 24 |
| Sales tax | 63 | 35 |
| Education cess | — | 2 |
| Margin | 1,486 | 66 |

1,664 127

| | | |
|--|-------|--------|
| Claims | 83 | 83 |
| Short term prepayments | 125 | 277 |
| Due from associated undertakings | 1,623 | 25,720 |
| Due from employees' provident fund trust | 33 | 30 |
| Accrued interest | 50 | 426 |
| Excise duty | 516 | — |
| Sundry receivables | 1,886 | 2,535 |

90,786 66,510

- 25.1 Maximum Aggregate amount due from Chief Executive and Executives at the end of any month during the year was Rupees 0.387 million (1989: Rupees 0.104 million).
- 25.2 Aggregate amount due from Chief Executive and Executives of the company is Rupees NIL and Rupees 0.004 million at the close of financial year (1989: Rupees NIL and Rupees 0.004 million) respectively.
- 25.3 Loans to sugarcane growers are partly interest free and partly interest bearing @ 11 to 12.5 percent per annum.

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|-----------------------------------|-------|-------|
| 26. CASH AND BANK BALANCES | | |
| Cash in hand | 76 | 47 |
| Cash in transit | 500 | — |
| Cash with banks on : | | |
| Current accounts | 542 | 3,038 |
| Short term deposit accounts | 3,238 | 1,071 |
| Dividend accounts | 14 | 8 |
| | 3,794 | 4,117 |
| | 4,370 | 4,164 |

- 26.1 Term deposit receipts amounting to Rupees 2.093 million (1989: Rupees 0.270 million) are lying with Muslim Commercial Bank Limited under lien against loans to sugarcane growers.

27. SALES

| | | |
|------------------------------------|---------|---------|
| Own products | | |
| Sugar | 569,364 | 333,510 |
| Molasses (Bye-product) | 24,410 | 16,029 |
| Distillate | 18,465 | 2,907 |
| Bagasse | — | 80 |
| Purchased goods | 152 | 206 |
| | 612,391 | 352,732 |
| Less: Commission to selling agents | 3,287 | 1,991 |
| | 609,104 | 350,741 |

28. COST OF GOODS SOLD

| | | |
|--------------------------|---------|---------|
| Sugar (Note 28.1) | 493,727 | 323,616 |
| Distillate (Note 28.3) | 15,432 | 3,904 |
| | 509,159 | 327,520 |

28.1 COST OF GOODS SOLD - Sugar

Raw material

| | | |
|---------------------|---------|---------|
| Sugarcane purchased | 239,767 | 138,787 |
|---------------------|---------|---------|

| | | |
|-------------------|--|--|
| Sugarcane subsidy | | |
|-------------------|--|--|

| | | |
|-------------------|--------|--------|
| Delivery expenses | 50,087 | 20,700 |
|-------------------|--------|--------|

| | | |
|-----------------|-------|--------|
| Less: Recovered | 2,499 | 10,046 |
|-----------------|-------|--------|

| | | |
|--|--------|--------|
| | 47,588 | 10,654 |
|--|--------|--------|

| | | |
|----------------------------|-------|-------|
| Sugarcane development cess | 6,094 | 3,526 |
|----------------------------|-------|-------|

| | | |
|----------------------|-------|-----|
| Market committee fee | 1,063 | 670 |
|----------------------|-------|-----|

| | | |
|-----------------------|-------|-----|
| Loading and unloading | 1,150 | 565 |
|-----------------------|-------|-----|

| | | |
|--------|-----|-----|
| Octroi | 977 | 486 |
|--------|-----|-----|

| | | |
|--|---------|---------|
| | 296,639 | 154,688 |
|--|---------|---------|

| | | |
|------------------------------------|--------|--------|
| Salaries, wages and other benefits | 16,049 | 10,397 |
|------------------------------------|--------|--------|

| | | |
|------------------|----|----|
| Workers' welfare | 53 | 32 |
|------------------|----|----|

| | | |
|-------------------------------------|-------|-------|
| Stores, spare parts and loose tools | 4,468 | 4,007 |
|-------------------------------------|-------|-------|

| | | |
|--------------------|-------|-------|
| Dyes and chemicals | 4,101 | 1,074 |
|--------------------|-------|-------|

| | | |
|------------------|-------|-------|
| Packing material | 7,786 | 5,189 |
|------------------|-------|-------|

| | | |
|----------------|-------|-------|
| Power and fuel | 6,781 | 5,975 |
|----------------|-------|-------|

| | | |
|------------------------|--------|--------|
| Repair and maintenance | 14,499 | 10,169 |
|------------------------|--------|--------|

| | | |
|-----------|-------|-----|
| Insurance | 1,461 | 853 |
|-----------|-------|-----|

| | | |
|-------------------|-----|-----|
| Vehicles' running | 257 | 149 |
|-------------------|-----|-----|

| | | |
|--|-----|-----|
| Travelling, conveyance and entertainment | 208 | 129 |
|--|-----|-----|

| | | |
|-------------------------|-----|----|
| Printing and stationery | 230 | 90 |
|-------------------------|-----|----|

| | | |
|-----------------------|----|-----|
| Rent, rates and taxes | 88 | 105 |
|-----------------------|----|-----|

| | | |
|-------------|---------|--------|
| Excise duty | 124,511 | 73,889 |
|-------------|---------|--------|

| | | |
|-------------------------|-------|-------|
| Other factory overheads | 2,030 | 1,043 |
|-------------------------|-------|-------|

| | | |
|------------------------------------|-------|-----|
| Sugarcane research and development | 1,534 | 660 |
|------------------------------------|-------|-----|

| | | |
|--------------------------------|-------|-----|
| Staff training and development | 1,388 | 445 |
|--------------------------------|-------|-----|

| | | |
|---------------------------------------|--------|--------|
| Depreciation/amortization (Note 28.2) | 38,305 | 28,997 |
|---------------------------------------|--------|--------|

| | | |
|--|---------|---------|
| | 520,388 | 297,891 |
|--|---------|---------|

Work-in-process - Inventory

| | | |
|------------------|-----|-----|
| As at 01 October | 572 | 220 |
|------------------|-----|-----|

| | | |
|--------------------|-----|-----|
| As at 30 September | 280 | 572 |
|--------------------|-----|-----|

| | | |
|--|-----|-------|
| | 292 | (352) |
|--|-----|-------|

| | | |
|------------------------|---------|---------|
| Cost of goods produced | 520,680 | 297,539 |
|------------------------|---------|---------|

| | | |
|------------------------------------|-----|-----|
| Cost of goods purchased for resale | 141 | 229 |
|------------------------------------|-----|-----|

| | | |
|--|---------|---------|
| | 520,821 | 297,768 |
|--|---------|---------|

Finished goods inventory

| | | |
|------------------|-------|--------|
| As at 01 October | 4,380 | 30,228 |
|------------------|-------|--------|

| | | |
|--------------------|--------|-------|
| As at 30 September | 31,474 | 4,380 |
|--------------------|--------|-------|

| | | |
|--|----------|--------|
| | (27,094) | 25,848 |
|--|----------|--------|

| | | |
|--|---------|---------|
| | 493,727 | 323,616 |
|--|---------|---------|

28.2 DEPRECIATION/AMORTIZATION

| | | |
|--------------|--------|--------|
| Depreciation | 20,865 | 18,572 |
|--------------|--------|--------|

| | | |
|--------------|--------|--------|
| Amortization | 17,440 | 10,425 |
|--------------|--------|--------|

| | | |
|--|--------|--------|
| | 38,305 | 28,997 |
|--|--------|--------|

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|---|--------|-------|
| 28.3 COST OF GOODS SOLD - Distillate | | |
| Molasses | 7,582 | — |
| Stores, spare parts and loose tools | 569 | 444 |
| Salaries, wages and other benefits | 294 | 346 |
| Chemicals | 1,718 | — |
| Insurance | 247 | 254 |
| Other factory overheads | 368 | 287 |
| Depreciation | 3,123 | 67 |
| Cost of goods produced | 13,901 | 1,398 |
| Finished goods inventory | | |
| As at 01 October | 3,621 | 6,127 |
| As at 30 September | 2,090 | 3,621 |
| | 1,531 | 2,506 |
| | 15,432 | 3,904 |

29. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

| | | |
|---------------------------------------|--------|--------|
| Salaries, wages and other benefits | 5,988 | 4,399 |
| Directors' meeting fee | 4 | 4 |
| Travelling and conveyance | 723 | 514 |
| Printing and stationery | 510 | 466 |
| Telephone, postage and telegrams | 551 | 406 |
| Vehicles' running | 523 | 534 |
| Legal and professional | 373 | 303 |
| Auditor's remuneration | | |
| Audit fee | 70 | 55 |
| Out of pocket expenses | 10 | 8 |
| Repairs and maintenance | 80 | 63 |
| Entertainment | 898 | 282 |
| Subscription | 180 | 138 |
| Rent, rates, and taxes | 592 | 264 |
| Publicity | 18 | 26 |
| Consultancy and advisory services | 240 | 309 |
| Loading and unloading | 50 | 408 |
| Insurance | 270 | 157 |
| Handling and distribution | 503 | 55 |
| Registered office expenses | 659 | 378 |
| Miscellaneous | 1,021 | 743 |
| Depreciation/amortization (Note 29.1) | 639 | 281 |
| | 3,182 | 1,873 |
| | 17,004 | 11,603 |

29.1 DEPRECIATION /AMORTIZATION

| | | |
|--------------|-------|-------|
| Depreciation | 1,850 | 1,315 |
| Amortization | 1,332 | 558 |
| | 3,182 | 1,873 |

30. OPERATING PROFIT

| | | |
|------------------------|--------|---------|
| Sugar (Note 30.1) | 80,568 | 12,801 |
| Distillate (Note 30.2) | 2,373 | (1,183) |
| | 82,941 | 11,618 |

30.1 OPERATING PROFIT - Sugar

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|--|---------|---------|
| Sales - Net | 591,119 | 347,898 |
| Cost of goods sold | 493,727 | 323,616 |
| Gross profit | 97,392 | 24,282 |
| Administrative, selling and general expenses | 16,824 | 11,481 |
| | 80,568 | 12,801 |

30.2 OPERATING PROFIT - Distillate

| | | |
|--|--------|---------|
| Sales - Net | 17,985 | 2,843 |
| Cost of goods sold | 15,432 | 3,904 |
| Gross profit/(loss) | 2,553 | (1,061) |
| Administrative, selling and general expenses | (180) | (122) |
| | 2,373 | (1,183) |

31. OTHER INCOME

| | | |
|--|-------|-------|
| Commission on fertilizer | 389 | 115 |
| Gain on sale of operating fixed assets | 143 | — |
| Dividend (Note 31.1) | 4,064 | 2,676 |
| Return on bank deposits | 211 | 1,112 |
| Profit on sale of investments | 978 | 100 |
| Mark up on advances to associated undertakings | 803 | 2,913 |
| Agricultural farm income | 64 | 57 |
| Excise duty claim | 356 | — |
| Lease income | 32 | 70 |
| Rental | 49 | 40 |
| Bad debts recovered | 100 | 65 |
| Credit balances written back | — | 1,670 |
| Miscellaneous | 1,527 | 856 |
| Underwriting commission | 80 | — |
| | 8,796 | 9,674 |

31.1 DIVIDEND INCOME

Associated undertakings

| | | |
|---|-----|-----|
| Crescent Sugar Mills and Distillery Limited | 501 | 562 |
| Crescent Jute Products Limited | 438 | 582 |
| Jubilee Spinning and Weaving Mills Limited | 7 | 6 |
| The Premier Insurance Company of Pakistan Limited | 19 | 16 |
| The Crescent Textile Mills Limited | 95 | 140 |

Others

| | | |
|---|-------|-------|
| National Development Leasing Corporation Limited | — | 165 |
| ICI Pakistan Limited | — | 38 |
| Pakistan Industrial Credit and Investment Corporation Limited | 2,913 | 1,123 |
| Karachi Electric Supply Corporation Limited | 12 | 11 |
| Noon Sugar Mills Limited | 49 | 33 |
| AR. Pak International Investment Limited | 5 | — |
| Husein Sugar Mills Limited | 25 | — |
| | 4,064 | 2,676 |

32. FINANCIAL AND OTHER CHARGES

Financial

Mark up on

| | | |
|---------------------------------------|--------|-------|
| Redeemable capital | 962 | 250 |
| Short term running finances | 17,952 | 4,415 |
| Advances from associated undertakings | 2,435 | 458 |

Interest on

| | | |
|--|--------|--------|
| Custom debentures | 159 | 221 |
| Long term loans | 2,520 | 3,723 |
| Workers' Profit Participation Fund | 22 | 178 |
| Finance charges on liability against assets subject to finance lease | 9,933 | 6,595 |
| Lease agreements fee | 308 | 472 |
| Bank charges and commission | 1,002 | 339 |
| | 35,293 | 16,651 |

| | | |
|--|-------|-----|
| Loss on sale of store | — | 2 |
| Donations (Note 32.1) | 1,200 | 180 |
| Workers' Welfare Fund | 1,000 | — |
| Loss on disposal of operating fixed assets | — | 53 |
| Fixed assets written off | — | 89 |

37,493 16,975

32.1 DONATIONS

A sum of Rupees 500,000 (1989: Rupees NIL) was donated to National Management Foundation, Lahore in which Mr. Altaf M. Saleem company's Chief Executive is a member of Board of Governors and Rupees 200,000 (1989: Rupees NIL) was donated to Crescent Educational Trust, 45 - Shahrah-e-Quaid-e-Azam, Lahore in which the following directors of the company are trustees :

Mr. Mazhar Karim
 Mr. Muhammad Javed Amin
 Mr. Khalid Bashir
 Mr. Maqbool Ahmed

33. TAXATION

Current

| | | |
|--------------|----------|--------|
| For the year | (19,000) | — |
| Prior years' | — | 13,882 |

| | | |
|--------------|-------|---------|
| Deferred tax | (691) | (4,248) |
|--------------|-------|---------|

(19,691) 9,634

34. DIRECTOR'S AND EXECUTIVES' REMUNERATION

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

| | 1990 Chief Executive | 1990 Executives | 1989 Chief Executive | 1989 Executives |
|---|----------------------------|-------------------------|----------------------------|-------------------------|
| | (Rupees in thousand) | (Rupees in thousand) | (Rupees in thousand) | (Rupees in thousand) |
| Managerial remuneration | 525 | 1,199 | 330 | 939 |
| Bonus | 138 | 200 | 175 | 145 |
| Housing | 236 | 147 | 149 | 161 |
| Company's contribution to provident fund trust | 37 | 62 | 23 | 61 |
| Contribution to Pension Fund | 46 | 109 | 46 | 110 |
| Other benefits | — | 94 | — | 106 |
| Conveyance allowance | — | 100 | 33 | 79 |
| Utility allowance | 53 | 16 | — | 16 |
| Entertainment allowance | — | 67 | 61 | 31 |
| Reimbursable expenses | 57 | — | — | — |
| | 1,092 | 1,994 | 817 | 1,648 |
| Number of persons | 1 | 5 | 1 | 5 |

34.1 Chief Executive and Executives of the company have been provided free maintained vehicles.

34.2 Aggregate amount charged in the accounts for fee to 6 directors in respect of two meetings was Rupees 0.004 million (1989: Rupees 0.004 million) for six directors.

35. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Maximum aggregate amount due from associated undertakings at the end of any month during the year was Rupees 47.804 million (1989: Rupees 42.550 million).

Company purchased from and sold to associated undertakings, material goods and services in the aggregate sum of Rupees 4.990 million and Rupees 4.301 million respectively (1989: Rupees 3.767 million and Rupees 10.025 million respectively).

Mark up on advances from/to associated undertakings is paid/received at the rate of paisas 0.43 per Rupees 1,000 per day (Notes 31 and 32).

36. PLANT CAPACITY AND ACTUAL PRODUCTION

Sugar :

| | |
|-----------------------------------|--|
| Capacity | 47,600 M. Tons in 160 days i.e. 297.500 M. Tons per day |
| Actual production Current year | 57,912 M. Tons in 187 days i.e. 309.69 M. Tons per day |
| Previous year | 34,366 M. Tons in 170 days i.e. 202.153 M. Tons per day |

Distillery :

| | |
|-----------------------------------|---|
| Capacity | 40,000 litres per day |
| Actual production Current year | 3021998 litres in 164 days i.e. 18427 litres per day |
| Previous year | NIL |

36.1 REASONS FOR LOW PRODUCTION DISTILLERY

The plant was not run to the full capacity as the international market of industrial alcohol was low due to lower prices of oil and it was operated only to meet local requirements.

(RUPEES IN THOUSAND)

| | 1990 | 1989 |
|--|---------|---------|
| 37. SEGMENT ASSETS AND OTHER INFORMATION | | |
| Sugar Unit | 541,475 | 421,489 |
| Distillery Unit | 31,511 | 34,566 |
| Particle Board Unit (Note 37.1) | 26,701 | — |
| | 599,687 | 456,055 |

37.1 No commercial production of particle board plant was commenced during the year under reference.

37.2 Molasses (Bye-product of sugar) is issued to distillery at selling price.

38. COMPARATIVE FIGURES

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



Altaf M. Saleem
Chief Executive



Sk. Jahangir
Director

SHAKARGANJ MILLS LIMITED

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Third Annual General Meeting of the Shareholders of **SHAKARGANJ MILLS LIMITED** will be held at Principal Office, PAAF Building, 5th Floor Kashmir Egerton Road, Lahore on Sunday the March 31, 1991 at 11.00 a.m. to transact the following business :-

AGENDA :

- To confirm the Minutes of Annual General Meeting held on March 31, 1990.
- To receive and adopt the Directors' and Auditors' Reports and Accounts for the year ended September 30, 1990.
- To declare a Dividend and Bonus. The Directors have recommended the payment of Cash Dividend at the rate of Rs. 1.50 per share (15%) and Bonus Shares in the ratio of One Bonus Share against every five issued ordinary shares (20%).

SPECIAL RESOLUTION :

- To consider and approve the following resolution as Special Resolution :-

RESOLVED THAT the Authorised Capital of the Company be increased from Rs. 100,000,000/- to Rs. 250,000,000/- by creation of =15 000 000= additional ordinary shares of Rs. 10/- each ranking in dividend and all other respects pari passu with the existing =10 000 000= ordinary shares of Rs. 10/- each in the Capital of the Company and Capital clause of the Memorandum of Association be altered accordingly.

SPECIAL BUSINESS :

- To consider and pass the following resolution as special resolution under section 208 of the Companies Ordinance, 1984 :

RESOLVED THAT consent of the Company be and is hereby accorded to invest Rs. 25.00 Million in purchasing/acquiring fully paid up shares/certificates of the following Companies :

1. The Crescent Textile Mills Limited
2. Crescent Jute Products Limited
3. Crescent Sugar Mills & Distillery Limited
4. Pakistan Industrial Credit & Investment Corporation Limited
5. Crescent Investment Bank Limited
6. Pakistan Industrial Leasing Corporation Limited
7. Crescent Group Services (Pvt) Limited
8. Crescent Business Management (Pvt) Limited
9. Crescent Spinning Mills Limited
10. Jubilee Spinning & Weaving Mills Limited
11. The Premier Insurance Company of Pakistan Ltd.
12. Crescent Boards Limited
13. First Crescent Modaraba

FURTHER RESOLVED THAT Chief Executive of the Company be and is hereby authorised to take any and all actions necessary to purchase the shares/Modaraba Certificates as he thinks fit on behalf of the Company.

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

The Crescent Textile Mills Limited, Crescent Jute Products Limited, Crescent Sugar Mills & Distillery Limited, Pakistan Industrial Credit & Investment Corporation Limited (PICIC), Crescent Investment Bank Limited, Pakistan Industrial Leasing Corporation Limited, Crescent Group Services (Pvt) Limited, Crescent Business Management (Pvt) Limited, Crescent Spinning Mills Limited, Jubilee Spinning & Weaving Mills Limited, The Premier Insurance Company of Pakistan Limited, Crescent Boards Limited and First Crescent Modaraba are Associated Public/Private Limited Companies with an authorised capital of Rs. 150 Million, Rs. 200 Million, Rs. 50 Million, Rs. 300 Million, Rs. 200 Million, Rs. 100 Million, Rs. 20 Million, Rs. 10 Million, Rs. 80 Million, Rs. 50 Million, Rs. 50 Million, Rs. 55 Million and Rs. 100 Million respectively and the Directors of Shakarganj Mills Limited have no vested interest in the abovesaid investment except that some of the Directors and their relatives are also Directors in the abovesaid Companies. A copy of Memorandum and Articles of Association each of the abovesaid Companies is kept at the Registered Office which can be inspected from 10.00 a.m. to 11.30 a.m. on all working days upto March 20, 1991.

- To appoint Auditors for the year 1990-91 and fix their remuneration. The present Auditors M/S Riaz Ahmad & Company, Chartered Accountants, being eligible, offer themselves for re-appointment.
- To consider any other business which may be placed before the Meeting with the permission of the Chair.

PARTICIPATION IN THE ANNUAL GENERAL MEETING

A member eligible to attend and vote at this Meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not later than 48 hours before the time for holding the Meeting.

BOOK CLOSURE :

The Share Transfer Books of the Company for the entitlement of Dividend/Bonus will remain closed from March 17 to March 31, 1991 (both days inclusive).

ON BEHALF OF THE BOARD CORPORATE SECRETARY

REGISTERED OFFICE :

45 - SHAHRAH-E-QUAID-AZAM,
LAHORE.

Dated : February 26, 1991.

Form '34'
Pattern of Holding of Shares
Held by the Shareholders as at 30-09-90.

| No. of Share holders | Shareholding | | Total Shares Held |
|----------------------|--------------|---------|-------------------|
| | FROM | TO | |
| 123 | 1 | 100 | 3930 |
| 388 | 101 | 500 | 76116 |
| 54 | 501 | 1000 | 39757 |
| 90 | 1001 | 5000 | 208812 |
| 36 | 5001 | 10000 | 262262 |
| 9 | 10001 | 15000 | 111192 |
| 7 | 15001 | 20000 | 118340 |
| 1 | 20001 | 25000 | 20757 |
| 2 | 25001 | 30000 | 55775 |
| 1 | 30001 | 35000 | 30270 |
| 3 | 35001 | 40000 | 112628 |
| 1 | 40001 | 45000 | 40599 |
| 2 | 50001 | 55000 | 107354 |
| 1 | 65001 | 70000 | 67718 |
| 2 | 85001 | 90000 | 172563 |
| 2 | 95001 | 100000 | 193292 |
| 1 | 180001 | 185000 | 184094 |
| 1 | 325001 | 330000 | 330000 |
| 1 | 365001 | 370000 | 370000 |
| 1 | 455001 | 460000 | 458431 |
| 1 | 660001 | 665000 | 661884 |
| 1 | 1115001 | 1120000 | 1115346 |
| 1 | 1255001 | 1260000 | 1258880 |

729

6000000

| Categories of Shareholders | Number | Shares Held | Percentage |
|----------------------------|--------|-------------|------------|
| Individuals | 704 | 1182354 | 19.71 |
| Investment Companies | 4 | 605947 | 10.10 |
| Insurance Companies | 3 | 55999 | .93 |
| Joint Stock Companies | 13 | 2765952 | 46.09 |
| Financial Institutions | 3 | 1357638 | 22.63 |
| Others (See Below) | 2 | 32110 | 0.54 |

| | | | |
|---------|-----|-----------|--------|
| Total : | 729 | 60,00,000 | 100.00 |
|---------|-----|-----------|--------|

Others

| | |
|---------------------|-------|
| Crescent Foundation | 28975 |
| Ali Trust | 3135 |

| | |
|---------|-------|
| Total : | 32110 |
|---------|-------|

Directors

Altaf M. Saleem

*Chief Executive Officer
Shakarganj Mills Limited
1975

Khalid Bashir

*Chief Executive
Shams Textile Mills Limited
1969*

Maqbul Ahmad

*Chief Executive
Crescent Boards Limited
1969*

Mazhar Karim

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

Muhammad Anwar

*Chief Executive
Crescent Textile Mills Limited
1984*

Muhammad Javed Amin

*Chief Executive
Crescent Spinning Mills Limited
1978*

Sk. Jahangir

*Nominee NIT
1987*

Sikandar Rashid Ahmed

*Nominee PICIC
1990*

**Year elected to board.*

Officers

Altaf M. Saleem , 40

*President and
Chief Executive Officer
1973

Mohammad Awais Qureshi , 50

*Executive Vice President and
Chief Operating Officer
1980*

Abdul Haq Saeed , 50

*Vice President
1985*

Hilal Ahmed , 49

*Vice President and
Chief Financial Officer
1978*

Mohammad Zahid , 48

*Vice President
1981*

Dr. S.A. Qureshi , 69

*Director General Research
1983*

General Counsel

*Hassan and Hassan, Advocates
Sb. Maqsood Ahmed, Advocate*

Independent Auditors

*Riaz Ahmad and Company
Chartered Accountants*

Corporate Secretary

Zabeer A. Shaikh

**Year joined company.*