

CRESCENT GROUP



# Shakarganj Mills Limited



Annual Report '93





بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ  
شروع اللہ تعالیٰ کے پاک نام سے جو نہایت بزرگوار اور رحم کرنے والا ہے۔

### *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.*

*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.*

*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.*

# Five Years Financial Summary

(Rupees in thousand, except amounts per share)

	1993	1992	1991	1990	1989
<b>Operating Results :</b>					
Net Sales	645,774	686,466	727,225	609,104	350,741
Cost of Sales	623,989	601,602	641,841	509,159	327,520
Selling, General and Admin; Expenses	31,404	29,027	24,158	17,004	11,603
Interest Expenses	64,682	59,540	48,716	35,293	16,651
Other Charges	305	2,031	2,592	4,970	551
Other Income-Net	70,393	40,368	35,400	8,796	9,674
Pre-Tax Profit/(Loss)	(4,213)	34,634	45,318	51,474	4,090
Income Tax	(11,771)	(550)	10,636	19,691	(9,634)
Net Income	7,558	35,184	34,682	31,783	13,724

## Per Share Results and Return :

Earnings per Share	0.55	3.58	4.82	5.29	2.28
Cash Dividends per Share	-	-	-	1.5	2.25
Stocks Dividends per Share	1:10	1:5	1:5	1:5	
Net Income to Sales Percent	1.17	5.13	4.77	5.22	3.91
Return on Average Assets Percent	0.56	3.65	5.18	6.02	3.24
Return on Average Equity Percent	2.38	13.71	16.78	17.86	8.91

## Financial Position :

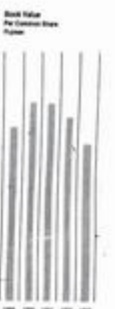
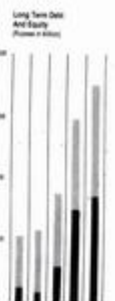
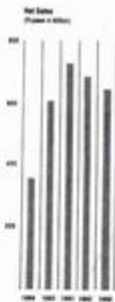
Current Assets	592,632	368,299	212,331	160,648	101,827
Current Liabilities	710,842	480,475	303,718	290,702	162,045
Operating Fixed Assets	401,084	282,970	265,694	228,801	205,483
Total Assets	1,500,634	1,187,794	738,071	599,687	456,055
Long-Term Debt	350,763	296,250	117,079	36,959	43,189
Shareholder's Equity	346,002	289,244	224,060	189,378	166,594
Break-up Value per Share	25.12	29.39	31.19	31.56	27.76

## Financial Ratios :

Current Liabilities to Current Assets	1.20	1.30	1.43	1.81	1.72
Long-Term Debt to Capitalization Percent	50.34	50.60	34.32	16.32	20.58
Total Debt to Total Assets Percent	76.94	75.64	69.64	68.42	68.47
Interest Coverage Times	0.94	1.62	1.98	2.60	1.27
Average Collection Period Days	5.49	2.96	2.11	1.08	0.30
Inventory Turnover Times	3.46	5.15	10.55	9.56	11.36
Fixed Assets Turnover Times	0.75	0.89	1.54	1.79	1.19
Total Assets Turnover Times	0.43	0.58	0.99	1.02	0.77

## Other Data :

Depreciation & Amortization	80,307	63,017	55,278	44,610	19,954
Capital Expenditure	163,433	49,679	67,016	49,756	25,078







## To Our Shareholders

### Review of Fiscal 1993

Dear Shakarganj Investor

The 1992-93 season was a 'Nightmare' season for the Sugar Industry in general and the Mills located in Punjab in particular. This season will go down in the annals of the Sugar Industry as one of the most disastrous on record following combined effects of devastating floods and coming into operation of a record number of new Sugar Mills in any single year. The cumulative affect of irrational Government policy started showing during the year under review. The Sugar Industry was inflicted with multiple injuries and rendered crippled.

- Our Balancing, Modernization, Replacement and Expansion Programme could only be partially implemented. A Lahore based private sector sugar machinery supplier intentionally held back on delivery of equipment to us and diverted our equipment to their own sugar projects installed in close proximity to your company.
- Production capacity in the country increased to 4 million tons but raw material availability restricted the sugar production to 2.39 million tons. This created a huge idle capacity.
- Subsidized sugar imports were allowed at dumping prices resulting in weak domestic market having no relationship to cost of production. Government of Pakistan kept on subsidizing foreign farmers at the cost of Pakistani stake holders in the local sugar industry.
- Rampant inflation resulted in increase in transport cost, higher mark-up on borrowings, increase in utility charges and increase in cost of spares due to eroding value of Pak Rupee.

Combined affect of these factors on the performance of your company during the year under review is summarized as follows:

- Sugar production was down to 54,000 metric tons from 64,000 metric tons in 1991-92 and sugar recovery declined to 7.85 percent from 8.57 percent a year ago.
- Particle Board Plant which relies for its raw material on the Sugar Plant also suffered and production declined to 1663 cubic meters from 3360 cubic meters in 1991-92.
- Cost of raw material per ton of sugar increased by 21 percent from Rs.5,784 per metric ton in 1991-92 to Rs.6,999 per metric ton in 1992-93.
- Sugar cost of sale increased by Rs.1,595 per metric ton. Major contribution towards this increase came from raw material and depreciation.
- Gross profit decreased from Rs.84.86 million in 1991-92 to Rs.21.78 million in 1992-93. Increase in cost of raw material and higher depreciation adversely affected the gross profit to the tune of Rs.35.3 million and Rs.19.8 million respectively.

Buoyant stock market came to our rescue and we were able to realize a capital gain of Rs.51.69 million during the year. This helped your company in posting a modest profit of Rs.7.5 million in a very difficult and turbulent year.

Performance of various divisions of your company is briefly described below :

#### Sugar Division

Sugar division is the largest contributor to your company's total revenue. This division remained under pressure due to defective Government policy on one hand and a difficult situation created by the machinery supplier regarding supply of equipment on the other hand. Balancing, Modernization, Replacement and Expansion Programme of the sugar division could

not be fully implemented in 1992-93. Some vital components were intentionally held back by the machinery supplier. We had committed huge capital expenditure on buildings and foundations but due to non-supply of some critical machinery, the BMR&E project could only be partially implemented. This adversely affected the production capacity and operating efficiency of the plant.

#### **Industrial Alcohol Division**

International market of Industrial Alcohol improved and production increased from 4.5 million litres in 1991-92 to 4.9 million litres in 1992-93. A target of 5 million litres has been set for 1993-94. This division produced net sales revenue of Rs.23.54 million and contributed Rs.10.53 million to the gross profit of your company.

#### **Particle Board Division**

Particle Board plant relies for its raw material on the sugar plant. Due to a short sugarcane crop, there was a shortage of bagasse. This resulted in a decline of 1697 cubic meters in production. Particle Board production was down from 3,360 cubic meters in 1991-92 to 1663 in the year under review. Production for 1993-94 is estimated at 4000 cubic meters.

#### **Co-Generation**

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

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

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

Keeping in line with the changing economic scenario and business environment of the country, Shakarganj entered the financial sector through its wholly owned subsidiary, Crescent Business Management (Private) Limited. This company manages First Crescent Modaraba. This Modaraba was offered on the Stock Exchange in June 1991 with Paid Up Capital of Rs. 100 million.

The mission of this Modaraba is to seek the pleasure of Allah through the reform and transformation of financial and business conduct in accordance with the principles enshrined in the Shariah. The First Crescent Modaraba commenced the business operations on July 24, 1991. For the period ended 30 June, 1993 First Crescent Modaraba has registered a profit of Rs.27.24 million and announced a cash dividend of 15 percent and 7.5 percent bonus certificates. For the half year ended on 31st December, 1993 First Crescent Modaraba has posted a profit of Rs.19.4 million.

#### **Domestic Sugar Scenario**

Sugar is a classic case of Government policy being dictated by political motives rather than economic realities. It is not possible to keep ones eyes closed to the factual position. It is not prudent to trade for short term political gains at the cost of destroying the very basic structure of a vital industry.

Government's sugar policy as understood by the industry, from past experience is based on the following assumptions :

- Any increase in sugar price will lead to political unrest because supposedly, one government fell on account of sugar crises in 1968-69.
- Increase in cost of inputs due to government action does not increase the cost of production.
- Sugar industry is not entitled to make a profit and must subsidize domestic

consumers at the cost of stake holders in sugar companies.

Price of every food item has increased with inflation in the country. Sugar can not be an exception to this phenomena. Performance of a

government is not assessed on the basis of retail price of sugar. It can be seen from Table below that the increase in sugar price has been much below the level of increase in other commodities.

### Average Retail Price Trends of Commodities (1987/88 - 1992/93)

COMMODITIES	SCALE	1987-88	1988-89	1989-90	1990-91	1991-92 March - 92	1992-93	Cumulative Increase %	Average Increase %
Wheat	per Kg	2.25	2.57	2.75	3.07	3.56	3.84	70	14
Beef	per Kg	17.38	20.96	23.24	25.51	29.62	32.16	85	17
Milk	per Ltr	6.08	6.47	7.14	7.71	8.82	9.26	52	10
Rice Basmati Broken	per Kg	5.09	5.42	5.71	6.10	6.97	7.98	56	11
Tea	250 Gms	14.97	16.75	18.63	20.00	20.04	22.74	51	10
Vegetable Ghee	per Kg	14.81	17.8 <sup>1</sup>	18.58	19.00	20.53	23.74	60	12
Sugarcane	per 40 Kg	11.95	12.86	14.00	15.75	17.00	17.75	48	10
Sugar Wholesale Price	per 40 Kg	388.00	387.60	454.40	450.40	464.80	487.60	25	5

SOURCES : i) Economic Survey 1992-93.  
ii) Sugarcane prices represent support price fixed by the Government.

A major portion of sugar production cost is dictated by government policy. Sugarcane alone forms 50 percent of the cost of production. Price of sugarcane has been

increased by 63.6 percent by the government during the last 6 years. Minimum wages, cost of utilities and central excise duty are all fixed by the government.

### Sugarcane Support Price (1987/88 - 1993/94)

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



Every business in the world is entitled to make a decent profit. We have always pleaded that our cost of production be worked out by the government and domestic price should be allowed to remain at a level which allows us to recover our cost of production plus a reasonable profit. Exporting countries should not be allowed to dump their subsidized sugar in our market. Many of our problems would fade into insignificance if we had a respectable price/cost relationship. The price we have received for our sugar for the last 2 years has been the same in real terms while inputs have risen significantly. Margins have eroded completely. In order to maintain a viable domestic sugar industry, we must receive a fair and reasonable price for our product.

The only beneficiaries of the depressed sugar price have been the retail merchants and industrial users of sugar who have not passed the savings to the consuming public.

Increase of Re. 1 per kg of sugar results in increase of Rs. 100 per annum for a house hold of 5 persons. Moreover increase in sugar price compared to other food items has been on the lower side during the last 10 years. It is an established fact that no industry can survive by selling its production below the cost of production.

Your company continued to suffer during the year as domestic sale price remained depressed and even below our cost of production. With this background information you will be in a better position to evaluate the performance of your management considering the difficult environment in which we had to operate.

#### **Investment Portfolio**

During fiscal 1993 disinvestments of Rs. 90.17 million were made in the Investment Portfolio which yielded a capital gain of Rs. 51.69 million during the year. This was done to increase the liquidity of the company and also to take advantage of favourable stock market. New investments to the tune of Rs. 54.72 million were made during the year. The size of our investments at the year end stood at Rs. 242.67 million at cost. The market value was Rs. 368.92 million at

the year end yielding an unrealised gain of 52 percent or Rs. 126.25 million. The Investment Portfolio contributed Rs. 57.48 million to company's profit in shape of dividend and capital gain during the year under review.

#### **Contribution to Economy**

Your company plays a very important role with regard to its contribution to economy. The value addition after material and services of Rs. 418 million was Rs. 298 million. The share of Government in the value added was 38 percent or Rs. 114 million last year. Share of employees was Rs. 34.40 million in 1992 and Rs. 31.18 million in 1993.

#### **Increase in Paid Up Capital**

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

The Directors have recommended a stock dividend of 10 percent and a Right Issue of 20 percent at a premium of Rs. 5 per share subject to official approval.

#### **Training and Development**

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

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

#### **Board Room Changes**

Mr. Sk. Jahangir who joined our Board in 1990 as Nominee of National Investment Trust resigned on 26 April, 1993 and was replaced by Mr. I.A.



Imtiaz. Mr. Jahangir made valuable contribution to the Board and we place on record our appreciation for the guidance provided to the company during his tenure. Mr. Imtiaz brings valuable experience to the Board and we are confident that the company will greatly benefit from his presence in the Board Room.

Mr. Muhammad Javed Amin who joined the Board in 1978 has also resigned on November 30, 1993. The management also places on record its appreciation for the contribution made by Mr. Amin as a Director of the Company.

#### About 1993-94

Intense competition for raw material continues to force us into a situation where we have no choice of rejecting inferior raw material supplies. This has led to a large scale increase in low recovery and late maturing variety called CO-1148 in our area. Quantity of sugarcane has gone up but quality is deteriorating every year. We have formulated a comprehensive plan to replace CO-1148 with the better varieties developed at Shakarganj Sugar Research Institute. Replacement of varieties is a time consuming exercise but we will be able to achieve our objective over the next 3 years.

We have set a sugar production target of 90,000 metric tons for 1993-94 compared to 54000 metric tons produced during the year under review. Our highest ever sugar production was 65,500 metric tons achieved in 1990-91. We have produced 64,517 metric tons of sugar as of 28 February, 1994. Sugar production on the same date in 1993 was 44,965 metric tons.

Industrial Alcohol production is targeted at 5 million litres against 4.9 million litres produced in 1992-93. Production of Particle Board is estimated at 4000 cubic meters compared to 1663 cubic meters produced in 1992-93.

In spite of the positive factors stated above, the year ahead will be yet another year of challenges for Shakarganj. Both international and domestic sugar situation remains more or less the same as in 1992-93.

#### Directors and Employees

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

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



Altaf M. Saleem  
Chief Executive

February 28, 1994.

## Statement of value added

(RUPEES IN THOUSAND)

	1993	1992
SALES REVENUE	645.78	686.47
OTHER RECEIPTS	70.39	40.37
	716.17	726.84
LESS: MATERIALS & SERVICES	418.06	378.09
VALUE ADDED	298.11	348.75

## APPLIED THE FOLLOWING WAY:

% age

% age

## TO EMPLOYEES

WAGES, SALARIES AND  
RELATED COSTS

31.18 10.46% 34.40 9.86%

## TO GOVERNMENT

INCOME TAX, EXCISE DUTY, SALES  
TAX AND OTHER TAXES

113.57 38.10% 156.44 44.86%

## TO PROVIDERS OF CAPITAL

FINANCE CHARGES ON  
LOANS AND ADVANCES

64.47 21.63% 59.51 17.06%

DIVIDENDS TO SHAREHOLDERS

13.78 4.62% 19.68 5.64%

## TO CHARITABLE INSTITUTIONS

78.25 26.25% 79.19 22.71%  
0.31 0.10% 0.20 0.06%TO PROVIDE FOR MAINTENANCE  
& EXPANSION OF ASSETS

DEPRECIATION/AMORTIZATION

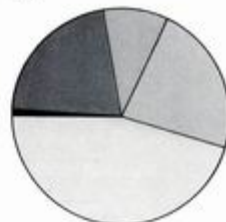
80.31 26.94% 63.02 18.07%

PROFIT RETAINED

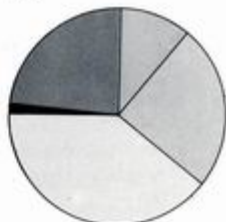
(5.50) -1.84% 15.50 4.44%

74.81 25.09% 78.52 22.51%

298.12 100.00% 348.75 100.00%

Distribution of  
Value Added  
1992

☐ GOVERNMENT  
☐ PROVIDERS OF CAPITAL  
☐ EMPLOYEES  
☐ ASSET MAINTENANCE  
☐ CHARITABLE INSTITUTION

Distribution of  
Value Added  
1993

☐ GOVERNMENT  
☐ PROVIDERS OF CAPITAL  
☐ EMPLOYEES  
☐ ASSET MAINTENANCE  
☐ CHARITABLE INSTITUTION

## Flow of funds analysis

## Development of net current position in million of Rupees

	Sept. 30 1991	Change	Sept. 30 1992	Change	Sept. 30 1993
Liquid Assets	+ 242.51	+ 120.22	+ 362.73	+ 220.18	+ 582.91
Short-term receivable	+ 4.20	+ 1.37	+ 5.57	+ 4.15	+ 9.72
Short-term liabilities and provision	- 262.09	- 169.72	- 431.81	- 227.21	- 659.02
	- 15.38	- 48.13	- 63.51	- 2.88	- 66.39
Factors affecting the change in the net current position :					
Source of Funds :					
Net income for the year			+ 35.18		+ 7.56
Depreciation			+ 32.12		+ 43.60
Amortization of assets subject to Finance Lease			+ 30.90		+ 36.71
Deferred Taxation			- 4.00		- 15.00
Internal Financing :			+ 94.20		+ 72.87
Right Share issued and Premium thereon			+ 30.00		+ 49.20
Fixed Assets disposed			+ 0.29		+ 1.72
Redeemable Capital			+ 149.07		+ 58.91
Long Term Loan			+ 50.37		+ 4.09
Custom Debentures			-		+ 0.64
Liability against Assets subject to Finance Lease			+ 68.93		+ 25.91
Sale of long-term investments			+ 23.88		+ 39.01
Long-term deposits			+ 1.09		+ 4.66
Source of Funds - Total			+ 417.83		+ 257.01
Application of Funds :					
Addition to Fixed Assets			- 296.07		- 146.68
Assets subject to Finance Lease			- 68.92		- 25.92
Addition to Investments			- 44.94		- 39.01
Redeemable Capital			- 15.19		- 7.03
Long Term deposits			- 6.48		- 2.60
Liability against assets subject to Finance Lease			- 29.26		- 36.55
Custom Debentures			- 0.24		- 0.28
Loans repaid			- 4.84		- 1.81
Dividend paid			- 0.02		- 0.01
Application of Funds - Total			- 465.96		- 259.59
Changes in th. net position			- 48.13		- 2.88



## Board of Governors

Mr. Altaf M. Saleem  
Chairman

Mr. M. Asghar Qureshi  
Vice Chairman

Dr. S. A. Qureshi  
Director General

Mr. M. Awais Qureshi  
Member

Mr. Abdul Haq Saeed  
Member

## Shakarganj Sugar Research Institute

### Principal Functions :

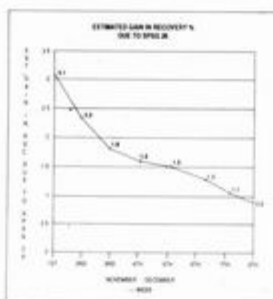
- o Sugarcane breeding to evolve fertilizer-responsive, disease resistant varieties of sugarcane with higher sucrose content.
- o To investigate the agronomic problems of sugarcane production.
- o To study soils in sugarcane-producing areas and to relate these to crop management.
- o To study the nutritional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

## Director General's Review

Research strategy to evolve sugar cane varieties acceptable to both the farmer and the industry was followed since the inception of SSRI. The first attempt was to release early maturing, better adapted varieties to replace low recovery late maturing variety CO- 1148.

SPSG varieties like 26 & 394 have successfully met this objective and now cultivated on about 5000 acres in a radius of about 25 kilo meters from the mill.

In the light of some desirable characteristics like wider adaptability better yield, disease resistance combined with higher recovery it was presumed that the spread will be faster. But this has not happened in spite of the fact that large scale demonstrations and field days were conducted. The organisation then decided to give quality premium to both the varieties upto December 31, 1993. This has created interest in the farmers and increase in acreage under these varieties is expected. Furthermore the quality premium has been announced for 1994 crushing season. The difference based on 3 years average of the mill tests is shown in the graph below :



### Sugarcane Production Project

Production project in a radius of 20 km of the sugar factory has been started to promote spreading of improved varieties. It will also help at supply of fresh cane and avoid staling losses.

### Further Attempts in Breeding New Varieties

Fresh hybrid seed of 16 crosses has been procured from Sao Paulo. Presently 6 new selections are under screening for yield, disease resistance and quality characteristics. Farm land availability has compelled to store this seed during the year 1993. However it will be planted and fresh nurseries raised during June 1994.

A selection SPSC-114 highly acceptable to the farmers has been found susceptible to red rot when screened by Director Sugarcane AARI, Faisalabad. In earlier field screening under the available inoculum this variety showed resistance on taken to farmers land. Further multiplication and spread of this variety has been stopped and the inoculum reconstituted on more scientific lines involving varieties of different genetic constitution.

Two more selections SPSC-224 and SPSC-2-30 have shown great promise of success and included in various experiments and expected to be concluded in the near future. Attempts to produce disease free seed was continued and treated seed is used on the demonstration plots which has educational value as well as the production of disease free seed for the farmers. With the establishment of Sugarcane Pathology Laboratory, work on sugarcane mosaic has also been taken up.

Various Agronomic experiments to develop low cost cane production technology were also conducted which involved increasing efficiency of fertilizers, more efficient methods of weed control and other aspects to increase the yield.

### SOIL SCIENCE LABORATORY

Advisory service was provided to the growers and 2560 soil and 190 water samples were analyzed to know the salinity and fertility status of soils for judicious use of fertilizers. Molasses, stillage and Biocompost samples were analyzed which showed very high Potassium level. Experiment is being conducted for detailed studies with respect to potash uptake. Biocompost showed excellent results on Sugarcane crop.

### SOIL AND WATER STATUS AROUND SHAKARGANJ MILLS LTD.

(2560 SOIL AND 190 WATER SAMPLES ANALYZED)

#### SALINITY STATUS OF SOIL      % AGE OF SAMPLES

SALINE	19
SALINE SODIC/SODIC	35
NORMAL	46

#### FERTILITY STATUS OF SOIL

<b>ORGANIC MATTER</b>	
LOW	100
MED.	NIL
HIGH	NIL
<b>POTASSIUM</b>	
LOW	5
MED.	76
HIGH	19

NITROGEN & PHOSPHORUS WAS FOUND  
100% LOW IN ALL THE CASES

#### TUBEWELL WATER STATUS

FIT	41
MARGINALLY FIT	17
UNFIT	42

*S. A. Qureshi*

DR. S. A. QURESHI  
Director General Research

## Directors' Report to Shareholders

Dear Shakarganj Investor :

Your Directors are pleased to present the Twenty Sixth Annual Report alongwith detailed notes for the year ended September 30, 1993.

Your company's operations for the year resulted in a net profit of Rs. 7,558 million as against Rs. 35,184 million in 1992. After charging Rs. 80.31 million for Depreciation and Amortization and Rs. 64.47 million for interest on Loans and Advances profit available for appropriation comes to Rs. 8.53 million. Your Directors recommend appropriation of profit as follows :

(Rupees in Thousand)

Profit available for appropriation	8,525
Transfer from General Reserve	5,500
Proposed Bonus Share Issue (1:10) @ 10 percent	13,776
Un-appropriated profit c/f	249

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

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 1993 a successful year for Shakarganj.

For and on behalf of the Board.

Altaf M. Saleem  
Chief Executive

February 12, 1994

## Auditors' Report to the Members

We have audited the annexed balance sheet of SHAKARGANJ MILLS LIMITED as at 30 September 1993 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 1993 and of the profit and the changes in financial position for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

(Riaz Ahmad & Company)  
Chartered Accountants

Lahore : 18 January 1994



**Balance Sheet as at 30 September 1993**

(RUPEES IN THOUSAND)

	NOTE	1993	1992
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 25,000,000 ordinary shares of Rupees 10 each		250,000	250,000
Issued, subscribed and paid up share capital	3	137,760	98,400
Reserves	4	207,993	189,877
Unappropriated profit		249	967
		346,002	289,244
<b>SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS</b>			
REDEEMABLE CAPITAL	5	10,745	10,745
DEBENTURES AND LONG TERM LOANS		277,062	229,564
Custom debentures	6	848	320
Long term loans	7	53,464	52,699
		54,312	53,019
<b>LIABILITIES AGAINST ASSETS</b>			
SUBJECT TO FINANCE LEASE	8	74,671	82,747
DEFERRED TAXATION	9	27,000	42,000
<b>CURRENT LIABILITIES</b>			
Current portion of long term liabilities	10	51,032	47,865
Short term running finances	11	492,822	316,024
Creditors, accrued and other liabilities	12	137,349	88,621
Workers' participation fund	13	416	1,958
Provision for taxation		28,433	25,204
Dividend payable - Unclaimed		790	803
		710,842	480,475
<b>CONTINGENCIES AND COMMITMENTS</b>			
	14		
		1,500,634	1,187,794

(RUPEES IN THOUSAND)

	NOTE	1993	1992
<b>TANGIBLE FIXED ASSETS</b>			
Operating fixed assets	15	401,084	282,970
Assets subject to finance lease	16	93,481	105,969
Capital work-in-progress	17	369,545	384,604
		<b>864,110</b>	<b>773,543</b>
LONG TERM INVESTMENTS	18	<b>31,950</b>	<b>31,950</b>
LONG TERM DEPOSITS	19	<b>11,942</b>	<b>14,002</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	20	58,114	50,332
Stock-in-trade	21	128,096	82,907
Trade debts-Unsecured but considered good		9,716	5,565
Advances, deposits, prepayments and other receivables	22	174,917	103,693
Short term investments	23	210,724	121,017
Cash and bank balances	24	11,065	4,785
		<b>592,632</b>	<b>368,299</b>
		<b>1,500,634</b>	<b>1,187,794</b>

The annexed notes form an integral part of these accounts.



Altaf M. Saleem  
Chief Executive



Mazhar Karim  
Director

## Profit and Loss Account for the Year Ended 30 September 1993

(RUPEES IN THOUSAND)

	NOTE	1993	1992
SALES	25	645,774	686,466
COST OF GOODS SOLD	26	623,989	601,602
GROSS PROFIT		21,785	84,864
ADMINISTRATIVE, SELLING AND GENERAL EXPENSES	27	31,404	29,027
OPERATING PROFIT/(LOSS)	28	(9,619)	55,837
OTHER INCOME	29	70,393	40,368
		60,774	96,205
FINANCIAL AND OTHER CHARGES	30	64,987	59,740
WORKERS' PARTICIPATION FUND		--	1,831
		64,987	61,571
PROFIT/(LOSS) BEFORE TAXATION		(4,213)	34,634
TAXATION	31	11,771	550
PROFIT AFTER TAXATION		7,558	35,184
UNAPPROPRIATED PROFIT BROUGHT FORWARD		967	463
PROFIT AVAILABLE FOR APPROPRIATION		8,525	35,647
APPROPRIATIONS			
Reserve for issue of bonus shares		13,776	19,680
Transfer to /(from) general reserve		(5,500)	15,000
		8,276	34,680
UNAPPROPRIATED PROFIT		249	967

The annexed notes form an integral part of these accounts.



Altaf M. Saleem  
Chief Executive



Mazhar Karim  
Director



# Statement of Changes in Financial Position For the Year Ended 30 September, 1993


(RUPEES IN THOUSAND)

	1993	1992
<b>SOURCES OF FUNDS</b>		
Profit after taxation	7,558	35,184
Adjustment for items not involving the movement of funds		
Depreciation	43,596	32,117
Amortization of assets subject to finance lease	36,711	30,900
Deferred taxation	(15,000)	(4,000)
Profit on disposal of operating fixed assets	(2,986)	(231)
Profit on sale of investments	(51,697)	(33,306)
<b>Funds provided by operations</b>	<b>18,182</b>	<b>60,664</b>
<b>Other sources</b>		
Share capital and reserves		
Proceeds from issue of right shares	19,680	12,000
Premium on issue of right shares	29,520	18,000
	<b>49,200</b>	<b>30,000</b>
Proceeds from disposal of operating fixed assets	4,710	517
Sale proceeds of investments	90,710	57,190
Redeemable capital	58,906	149,070
Custom debentures	638	—
Long term loans	4,086	50,366
Long term deposits	4,665	1,087
Liabilities against assets subject to finance lease	25,915	68,926
Net decrease in working capital	2,880	48,135
	<b>259,892</b>	<b>465,955</b>
<b>APPLICATION OF FUNDS</b>		
Operating fixed assets and capital work-in-progress	146,683	296,069
Assets subject to finance lease	25,915	68,926
	<b>172,598</b>	<b>364,995</b>
Redeemable capital	7,031	15,188
Liabilities against assets subject to finance lease	36,546	29,261
Custom debentures	278	238
Long term loans	1,808	4,839
Long term investments	39,013	44,939
Long term deposits	2,605	6,477
Dividend paid	13	18
	<b>259,892</b>	<b>465,955</b>

## Analysis of Working Capital

(RUPEES IN THOUSAND)

	1993	1992
<b>(Increase)/decrease in current assets</b>		
Stores, spare parts and loose tools	(7,782)	(5,047)
Stock-in-trade	(45,189)	(59,244)
Trade debts	(4,151)	(1,366)
Advances, deposits, prepayments and other receivables	(71,224)	(31,382)
Short term investments	(89,707)	(25,736)
Cash and bank balances	(6,280)	1,189
	(224,333)	(121,586)
<b>Increase/(decrease) in current liabilities</b>		
Short term running finances	176,798	116,863
Creditors, accrued and other liabilities	48,728	49,894
Workers' participation fund	(1,542)	(486)
Provision for taxation	3,229	3,450
	227,213	169,721
<b>NET DECREASE IN WORKING CAPITAL</b>	<b>2,880</b>	<b>48,135</b>



Altaf M. Saleem  
Chief Executive



Mazhar Karim  
Director

## Notes to the accounts for the Year Ended 30 September, 1993

### 1. STATUS AND NATURE OF BUSINESS

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These accounts have been prepared under the historical cost convention as modified by 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 pension and gratuity funds schemes for all permanent employees who are in management cadre and salaried director. Premium is payable to the funds monthly on the basis of actuarial computation subject to a maximum 20% and 8.33% of basic salary of the employees respectively. Company also operates a funded contributory provident fund scheme for all permanent employees. Equal monthly contributions are made both by the company and employees at the rate of 7 percent of basic pay to the fund.

#### 2.3 Taxation

Charge for current taxation is based on taxable income at current tax rate after taking into account the tax credits and tax rebates available, if any. Deferred taxation is accounted for by using the liability method on all major timing differences.

#### 2.4 Foreign currencies

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

#### 2.5 Tangible fixed assets and depreciation

Operating fixed assets are stated at cost and appreciated value less accumulated depreciation. Freehold land is stated at cost/appreciated value and capital work-in-progress at cost. Cost of tangible fixed assets consists of historical cost, applicable exchange differences, appreciated value and direct attributable cost of bringing the assets to working condition. Borrowing cost pertaining to the construction/erection period upto the date of completion is also 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 is accounted for at net present value of liabilities. Assets so acquired are amortized over the useful life of the assets or the lease term whichever is shorter. Amortization of leased assets is charged to current year's income as part of depreciation.

#### 2.7 Investments

These are stated at cost.

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

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

#### 2.9 Stock-in-trade

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

#### 2.10 Trade debts

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

#### 2.11 Revenue recognition

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

(RUPEES IN THOUSAND)		
	1993	1992
<b>3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>		
8,168,000 (1992: 6,200,000) ordinary share of Rupees 10 each fully paid up in cash	81,680	62,000
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 per cent of their loan into fully paid up shares	7,500	7,500
4,858,000 (1992: 2,890,000) ordinary shares of Rupees 10 each issued as fully paid bonus shares	48,580	28,900
	137,760	98,400
<b>4. RESERVES</b>		
<b>Capital</b>		
Balancing and modernization	15,000	15,000
Research and development	5,000	5,000
Premium on issue of right shares		
Balance as at 01 October	41,618	23,618
Premium on right shares issued during the year	29,520	18,000
	71,138	41,618
For issue of bonus shares		
Balance as at 01 October	19,680	14,400
Transfer from profit and loss account	13,776	19,680
	33,456	34,080
Nominal value of shares issued	19,680	14,400
	13,776	19,680
	104,914	81,298
<b>Revenue</b>		
<b>General</b>		
Balance as at 01 October	83,579	68,579
Transfer from/(to) profit and loss account	(5,500)	15,000
	78,079	83,579
<b>Dividend equalization</b>	25,000	25,000
	103,079	108,579
	207,993	189,877



## 5. REDEEMABLE CAPITAL

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

(RUPEES IN THOUSAND)

PAKISTAN INDUSTRIAL CREDIT AND INVESTMENT CORPORATION LIMITED (NOTE 5.1)							NDFC (Note 5.2)		1993	1992
SBR/PLS- XII/9 AND XIV/10	SBR/PLS X/22	SBR/PLS- XV/7 PLS-XXI/11/3 PLS-XXXII/2 PLS-XXI/2	SBR/PLS- XIX/1 PLS-XXII/1 PLS-XXVI/7 PLS- XXXIII/20 PLS-XXXIX/7	PICIC/ PLS-29	PICIC/ PLS-39					
Balance as at 01 October	2,392	4,620	100,660	74,277	13,049	7,370	40,000		242,368	108,486
Received during the year	-	-	20,162	31,958	5,945	841	-		58,906	149,070
	2,392	4,620	120,822	106,235	18,994	8,211	40,000		301,274	257,556
Less : Repaid	645	1,386	-	-	-	-	5,000		7,031	15,188
Current portion (Note 10)	333	1,848	-	-	-	-	15,000		17,181	12,804
	978	3,234	-	-	-	-	20,000		24,212	27,992
Balance as at 30 September	1,414	1,386	120,822	106,235	18,994	8,211	20,000		277,062	229,564
Sanctioned limit	2,870	10,257	133,287	110,945	19,850	9,279	50,000			
Unavailed credit facility	-	-	12,465	4,710	856	1,068	-			
No. of instalments	23 Quarterly	21 Quarterly	38 Quarterly	38 Quarterly	24 Monthly	13 Quarterly	10 Half Yearly			
Payment date of 1st instalment	April 1993	April 1990	Not yet finalised	Not yet finalised	Not yet finalised	Not yet finalised	March 1992			
Rate of mark up (per annum)	6 %	6%	7 %	8 %	15.70%	17.16 %	17 %			

- 5.1 As per purchase and sale agreements, Pakistan Industrial Credit and Investment Corporation Limited has purchased machinery valuing Rupees 286.489 million (1992: Rupees 287.834 million) from the company which was deemed to have been resold to the company at marked up price of Rupees 464.490 million (1992: Rupees 466.770 million) which includes rebate of Rupees 77.415 million (1992: Rupees 77.752 million) on timely payments of marked up price. Outstanding balances of Rupees 1.913 million of loans No. SBR-PLS-XII/9 and XIV/10 were rescheduled on 01 April, 1993. Previously these loans were repayable in 9 half yearly equal instalments commencing from 01 January, 1991. Securities are mentioned in note 7.1.
- 5.2 Marked up price of the credit facility is Rupees 84.901 million. Rebate in the marked up price for timely payments will be allowed at a rate determined by National Development Finance Corporation (NDFC). Liability is secured against deposit of shares of listed companies having face value of Rupees 12.931 million as referred to in note 18.2 and 23.2 and guarantee given by Crescent Investment Bank Limited-An associated undertaking.

## (RUPEES IN THOUSAND)

	1993	1992
<b>6. CUSTOM DEBENTURES-SECURED</b>		
These are made up as under:		
Balance as at 30 September	1,016	656
Less: Current portion (Note 10)	168	336
	<b>848</b>	<b>320</b>

- 6.1 These have been issued in favour of Collector of Customs to cover the deferred element of custom duty on the import of plant and machinery. The debentures are repayable in six half yearly instalments commencing from 02 May, 1991 except Rupees 0.638 million which are repayable on 25 November 1994 in lump sum and carry interest at the rate of 1 percent above the bank rate. These are secured against bank guarantees issued by commercial banks.

## (RUPEES IN THOUSAND)

	1993	1992
<b>7. LONG TERM LOANS</b>		
Pakistan Industrial Credit and Investment Corporation Limited		
Loan No.		
ADB-455/20 (Note 7.2)	2,333	2,821
IBRD-2380	—	39
IBRD-3019 (Note 7.3)	14,853	16,135
ADB-966 (Note 7.3)	38,318	34,231
	<b>55,504</b>	<b>53,226</b>
Less: Current portion (Note 10)	2,040	527
	<b>53,464</b>	<b>52,699</b>

- 7.1 Long term loans from Pakistan Industrial Credit and Investment Corporation Limited are secured against:
- (a) a first legal mortgage on company's present and future immovable properties wherever situated including all buildings, plant and machinery and fixtures;

- (b) a first charge ranking pari passu with the existing charges by way of hypothecation in respect of all the machinery of the company, present and future;
- (c) a first floating charge ranking pari passu with the existing charges on all other assets of the company, both present and future, subject to the hypothecation or charges in favour of company's bankers as referred to in note 11.8; and
- (d) a demand promissory note.
- 7.2 Loan No. ADB-455/20 is repayable in 20 semi annual instalments commencing from 01 July, 1987 and carries interest at the rate of 14 percent per annum.
- 7.3 Loan No. IBRD-3019 is repayable in 15 semi annual instalments commencing from 01 January, 1993 and loan No. ADB-966 in 20 semi annual instalments for which repayment date is not finalized. Loans carry interest at the rate of 15 percent per annum.
- 7.4 Sanctioned limit of loans from Pakistan Industrial Credit and Investment Corporation Limited is Rupees 60.032 million (1992: Rupees 72.755 million).

## (RUPEES IN THOUSAND)

	1993	1992
<b>8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b>		
Present value of minimum lease Payments	106,314	116,945
Less: Current portion (Note 10)	31,643	34,198
	<b>74,671</b>	<b>82,747</b>

- 8.1 The present value of minimum lease payments has been discounted using the sum of digit method. The rentals are paid in monthly equal instalments and in case of default of any payment, an additional charge at the rate of 2 percent shall be paid. Taxes, repairs and insurance costs are to be borne by lessee. Lessee shall have no right to terminate lease agreements and if lease agreements are terminated, the lessee shall pay entire amount of rentals for unexpired period of lease agreements. Lease agreements are renewable at the option of lessor on such terms as may be agreed upon. Liabilities are secured against deposits of Rupees 11.780 million (1992: Rupees 13.853 million) included in long term deposits (Note 19) and Rupees 4.665 million (1992: Rupees 2.658 million) included in advances, deposits, prepayments and other receivable (Note 22).

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

DESCRIPTION	Balance Rentals outstanding as at 30 September 1993	No. of Instalments outstanding	Approximate rate of interest per annum	Expiry Period
	(Rupees in thousand)		percent	
National Development Leasing Corporation Limited	3,658	05 Monthly	5 - 18	February 1994
Asian Leasing Corporation Limited	8,979	35 Monthly	15	August 1996
Pakistan Industrial Leasing Corporation Limited (Associated undertaking)	2,155	08 Monthly	19	May 1994
ORIX Leasing Pakistan Limited	39,824	48 Monthly	14 - 20	September 1997
BRR Capital Modaraba,	3,842	21 Monthly	21 - 22	June 1995
Atlas BOT Lease Company Limited	9,370	34 Monthly	18	July 1996
Credit and Leasing Corporation Ltd.	4,479	35 Monthly	15	August 1996
International Multi Leasing Corp. Ltd.	1,627	38 Monthly	20	November 1996
First Grindlays Modaraba	14,782	45 Monthly	19 - 22	June 1997
Standard Chartered Mercantile Leasing Company Limited	24,935	51 Monthly	20	December 1997
Al-Zamin Leasing Modaraba	3,379	36 Monthly	20	September 1996
Capital Assets Leasing Corporation Ltd.	5,381	58 Monthly	20	July 1998
Al-Ata Leasing Modaraba	9,545	38 Monthly	20	December 1996



## (RUPEES IN THOUSAND)

	1993	1992
<b>9. DEFERRED TAXATION</b>		
Timing differences relating to accelerated tax depreciation	44,085	42,973
Other timing differences	(17,085)	(973)
	27,000	42,000
<b>10. CURRENT PORTION OF LONG TERM LIABILITIES</b>		
Redeemable capital	17,181	12,804
Custom debentures	168	336
Long term loans	2,040	527
Liabilities against assets subject to finance lease	31,643	34,198
	51,032	47,865
<b>11. SHORT TERM RUNNING FINANCES</b>		
Secured:		
From financial institutions:		
Pakistan Industrial Credit and Investment Corporation Limited (Note 11.1)	90,000	90,000
National Development Finance Corporation (Note 11.2)	40,290	32,500
Pakistan Venture Capital Limited (Note 11.3)	35,000	—
From investment banks (Note 11.4)	83,632	76,800
From modaraba (Note 11.5)	50,000	10,000
From investment companies (Note 11.6)	110,520	—
From leasing company (Note 11.7)	2,318	—
	411,760	209,300
From banking companies:		
Secured (Note 11.8)	71,443	104,920
Unsecured-Unpresented cheques	9,619	1,804
	81,062	106,724
	492,822	316,024

- 11.1 Credit facility of Rupees 40,000 million obtained from Pakistan Industrial Credit and Investment Corporation Limited is secured against hypothecation of stocks of molasses, stores and spares and pledge of shares of listed companies having face value of Rupees 12.362 million as referred to in note 18.2 and 23.2. Credit facility of Rupees 50 million is secured against bank guarantee given by Crescent Investment Bank Limited (An associated

undertaking). Mark up has been accounted for proportionately upto 30 September, 1993 at the rate of paisas 48 to 52 per Rupees 1,000 per day. The finances are repayable on 31 August 1994 and 30 March 1994 respectively.

- 11.2 Short term running finance from National Development Finance Corporation forms part of total credit facility of Rupees 95 million (1992: Rupees 80 million). National Development Finance Corporation has purchased goods valuing Rupees 80 million and Rupees 15 million from the company which were deemed to have been resold to the company at marked up price of Rupees 97.60 million and Rupees 18.50 million respectively. These are secured against pledge of said goods and hypothecation of stocks, pledge of shares of listed companies having face value of Rupees 4.382 million as referred to in note 18.2 and 23.2. Mark up has been accounted for proportionately upto 30 September 1993 at the rate of paisas 48 to 49 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 finances are repayable on 30 September, 1993 and 24 December, 1993.
- 11.3 Finance obtained from Pakistan Venture Capital Limited carries mark up at the rate of 21 percent per annum and is secured against hypothecation of stocks. The loan is repayable on 28 November 1993.
- 11.4 Short term running finances obtained from Investment Banks include Rupees 31.800 million (1992: Rupees 31.800 million) from Crescent Investment Bank Limited (An associated undertaking). Finances are secured by way of hypothecation of stores, spares, stocks and book debts and pledge of shares of listed companies having face value of Rupees 22.909 million as referred to in note 18.2 and 23.2. Mark up is payable at the rate of paisas 49 to 60 per Rupees 1,000 per day. The finances are repayable on different dates between 04 October 1993 to 09 January 1994.
- 11.5 This represents finance obtained from Trust Modaraba under Morabaha arrangements. Modaraba has purchased goods valuing Rupees 50 million from the company which were repurchased by the company at Rupees 56.983 million. Finance is secured by way of first charge on company's fixed assets to the extent of Rupees 62.500 million ranking pari passu with PICIC, floating charge on book debts and assets of the company for the same value and cash security of Rupees 2.500 million (Note 22). Mark up has been accounted for proportionately upto 30 September 1993. The finance is repayable on 12 February, 1994.
- 11.6 This includes Rupees 30 million obtained from Pakistan Kuwait Investment Company (Pvt) Limited which carries mark up at the rate of 17.50 to 19.50 percent per annum. Finance is secured by way of pledge of shares of listed companies having face value of rupees 11.233 million as referred to in note 23.2. Finance is repayable on 24 December, 1993.  
  
Short term running finance of Rupees 80.520 million obtained under mark up arrangements from Saudi Pak Industrial and Agricultural Investment Company (Pvt) Limited is secured against bank guarantee given by Citibank N.A., which is secured by way of pledge of shares of listed companies having face value of Rupees 29.940 million as referred to in note 23.2. Finance carries mark up at the rate of 10 percent per annum payable to Saudi Pak Industrial and Agricultural Investment Company (Pvt) Limited and service charges at the rate of 6.40 percent per annum to Citibank N.A. Finance is repayable on 15 September 1994.
- 11.7 The leasing company has purchased goods valuing Rupees 2.318 million which were repurchased by the company at Rupees 2.429 million. The finance is repayable on 01 October 1993 and is secured against equitable mortgage of property and demand promissory note.
- 11.8 These are secured against pledge and hypothecation of stores, spares, stocks, book debts and second charge on fixed assets of the company. Mark up is charged at the rate of paisas 47 to 54 per Rupees 1,000 per day, except export refinance loan of Rupees 16.500 million for which mark up is charged at the rate of 11 percent per annum. Agricultural Development Bank of Pakistan charged mark up at the rate of 13.50 percent per annum. These form part of aggregate credit facilities of Rupees 160.500 million (1992: Rupees 159.000 million).

(RUPEES IN THOUSAND)

	1993	1992
<b>12. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
<b>Creditors</b>		
Trade	6,918	14,089
Others	8,617	9,217
	<b>15,535</b>	<b>23,306</b>
Advances from customers	6,566	1,693
Securities from contractors-Interest free, repayable on completion of contracts	716	468
Income tax deducted at source	397	323
Interest on custom debentures-Secured	45	17
Mark up accrued on redeemable Capital-Secured	12,870	3,602
Interest accrued on long term loans-Secured	2,076	1,987
Mark up accrued on short term running finances-Secured	19,192	12,676
Excise duty and sales tax payable	16,325	12,814
Due to gratuity fund	3	—
Due to pension fund	272	—
Due to associated undertakings	49,966	20,605
Due to director	1	54
Workers' welfare fund	1,885	1,885
Other accrued liabilities	11,500	9,191
	<b>137,349</b>	<b>88,621</b>
<b>13. WORKERS' PARTICIPATION FUND</b>		
Balance as at 01 October	1,958	2,412
Share of company's profit for the year	—	1,831
Interest accrued	372	31
	<b>2,330</b>	<b>4,274</b>
Less:		
Paid to workers	917	828
Deposited in workers' welfare fund	997	1,488
	<b>1,914</b>	<b>2,316</b>
	<b>416</b>	<b>1,958</b>

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

## 14. CONTINGENCIES AND COMMITMENTS

**Contingencies**

Company is contingently liable in respect of employees' and other claims not acknowledged as debts amounting to Rupees 0.025 million (1992: Rupees 3.160 million).

**Commitments**

Contracts for capital expenditure amounting to Rupees 0.491 million (1992: Rupees 88.500 million).

Letters of credit other than for capital expenditure amounting to Rupees 0.817 million (1992: Rupees 3.089 million).

## 15. OPERATING FIXED ASSETS

(RUPEES IN THOUSAND)

DESCRIPTION	COST/RE-ASSESSED VALUE			Accumulated Depreciation as at 30 September 1993	Book Value As at 30 September 1993	DEPRECIATION	
	As at 01 October 1992	Additions/ (Deletions)	As at 30 September 1993			Charge for the year	Rate %
Land freehold (Note 15.1)	12,371	12,026	24,397	-	24,397	-	-
Building and roads on freehold land	75,960	4,203 (1,150)	79,013	36,764	42,249	4,694	10
Plant and machinery	412,441	143,908	556,349	230,790	325,559	36,173	10
Laboratory equipments	1,000	35 (126)	909	806	103	69	40
Tube Wells & Water Pumps	1,608	-	1,608	1,196	412	103	20
Electric installations	719	-	719	611	108	27	20
Weighbridges and scales	3,190	85	3,275	1,822	1,453	363	20
Furniture and fixtures	5,932	1,340 (300)	6,972	3,788	3,184	796	20
Office equipments	4,376	98 (490)	3,984	3,574	410	273	40
Vehicles	5,479	1,197 (2,343)	4,333	2,191	2,142	536	20
Arms and ammunition	86	-	86	31	55	6	10
Library books	1,379	245	1,624	1,119	505	217	30
Tools and equipments	2,915	292 (127)	3,080	2,587	493	329	40
Telephone equipments	261	4	265	251	14	10	40
1993	527,717	163,433 (4,536)	686,614	285,530	401,084	43,596	
1992	478,699	49,679 (661)	527,717	244,747	282,970	32,117	



- 15.1 Company has given 10.39 acres land valuing Rupees 0.260 million for 20 years lease to Ujala Cotton Mills, a project of Crescent Jute Products Limited (An associated undertaking) on annual rent of Rupees 3,968 per acre. Lease rent will be increased by 15 percent after every three years and lease is extendable for an other term of 20 years with mutual consent of both parties.
- 15.2 Land, buildings, plant and machinery were revalued by an independent valuer as at 30 September 1979 and stated in note 15 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 (1992: Rupees 38.637 million).
- 15.3 Depreciation charge for the year has been allocated as follows:

	(RUPEES IN THOUSAND)	
	1993	1992
Cost of goods sold		
Sugar (Note 26.2)	35,652	23,502
Distillate (Note 26.4)	2,405	2,667
Kanewood (Note 26.6)	2,245	2,409
Administrative, selling and general expenses-Sugar (Note 27.1)	3,294	3,539
	43,596	32,117

## 15.4 DISPOSAL OF OPERATING FIXED ASSETS

(RUPEES IN THOUSAND)

DESCRIPTION	Cost	Accumulated Depreciation	Book Value	Sale proceeds	Mode of Disposal	Particulars of Purchaser
Building	1,150	593	557	1,600	Negotiation	Crescent Steel and Allied Products Limited (Associated undertaking).
Vehicles						
Ford Wagon JG 4709	140	132	8	50	Negotiation	Malik Bashir, Jhang Road, Faisalabad.
Suzuki Car JGA 3359	106	71	35	54	- do -	Mr. Nusrat Ali, Company's employee.
Suzuki Car JGA 3361	106	71	35	54	- do -	Mr. Naveed Akhtar Ex-employee.
Suzuki Car JGA 3358	106	71	35	54	- do -	Mr. Pervaiz Akhtar Co's employee.
Suzuki Car JGA 4050	108	73	35	55	- do -	Mr. Manzoor Hussain Co's employee.
Suzuki Car JGA 4200	108	73	35	55	- do -	Mr. Taj Muhammad Ex-employee.
Suzuki Car JGA 4300	108	73	35	55	- do -	Mr. Muhammad Yunus Co's employee
Suzuki Car JGA 3807	117	79	38	60	- do -	Mr. Muhammad Jahangir Ex- employee
Suzuki Car TS 1800	127	85	42	73	- do -	Mr. Bashir Ahmad Co's employee
Suzuki Car JGA 4555	127	86	41	73	- do -	Mr. Khalid Hussain Co's employee
Suzuki Car JGA 4546	108	72	36	55	- do -	Mr. Ghulam Hussain Co's employee
Suzuki Car TS 1200	108	72	36	55	- do -	Mr. Riaz Shahid Ex-employee
Nissan Sunny JGA 3892	276	186	90	100	- do -	Mr. Hilal Ahmad Co's employee
Suzuki Car JGa 4872	138	82	56	71	- do -	Mr. Muhammad Yar Rahi Co's employee
Suzuki Car JGA 4302	138	82	56	71	- do -	Mr. Abdul Haq Shahid Co's employee
Suzuki Car JGA 5801	12	-	12	83	- do -	Mr. Muhammad Iqbal Ex-employee
Motor Cycles (13 Nos.)	120	84	36	176	- do -	Company employees
Cycles (6 Nos.)	4	3	1	3	- do -	Crescent Steel & Allied Products Limited (Associated undertaking).
Tractor	286	192	94	286	- do -	Mr. Sher Muhammad, Cane Contractor.
Furniture	234	167	67	600	- do -	Crescent Steel & Allied Products Ltd. (Associated undertaking).
Furniture	45	12	33	39	- do -	First Crescent Modaraba.
Furniture	21	18	3	17	- do -	Mr. Abdul Qayyum Kabaria, Faisalabad.
Laboratory equipments	126	123	3	300	- do -	Paharianwali Sugar Mills Ltd. Lalian.
Office equipments	490	196	294	490	- do -	ORIX Leasing Pakistan Ltd.
Tools and equipments	127	116	11	181	- do -	Zamindars.

## 16. ASSETS SUBJECT TO FINANCE LEASE

(RUPEES IN THOUSAND)

Description	C O S T			Accumulated Amortization As at 30 September 1993	Book Value As at 30 September 1993	Amortization Charge for the hyear
	As at 01 October 1992	Additions/ (Deletions)	As at 30 September 1993			
Building	255	-	255	153	102	17
Plant and machinery	157,925	20,335 (23,529)	154,731	70,419	84,312	31,354
Vehicles	12,671	4,826 (3,450)	14,047	6,969	7,078	4,221
Equipments	4,789	754 (125)	5,418	3,429	1,989	1,119
1993	175,640	25,915 (27,104)	174,451	80,970	93,481	36,711
1992	132,476	68,926 (25,762)	175,640	69,671	105,969	30,900

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

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

(RUPEES IN THOUSAND)

	1993	1992
Cost of goods sold		
Sugar (Note 26.2)	29,204	21,533
Distillate (Note 26.4)	205	-
Kanewood (Note 26.6)	1,945	5,060
Administrative, selling and general expenses - Sugar (Note 27.1)	5,357	4,307
	36,711	30,900

		(RUPEES IN THOUSAND)	
		1993	1992
17.	<b>CAPITAL WORK-IN-PROGRESS</b>		
	This comprises of:		
	Buildings	1,471	5,749
	Plant and machinery	368,074	378,855
		369,545	384,604
18.	<b>LONG TERM INVESTMENTS</b>		
	Quoted		
	Associated undertakings		
	Crescent Investment Bank Limited		
	475,000 ordinary shares of Rupees		
	10 each fully paid	4,750	4,750
	Pakistan Industrial Leasing Corporation Limited		
	1,200,000 ordinary shares of		
	Rupees 10 each fully paid		
	Equity held 18.04 percent		
	(1992: 22.13 percent)	12,000	12,000
	Crescent Steel and Allied Products Limited		
	300,000 ordinary shares		
	of Rupees 10 each fully paid	3,000	3,000
	Unquoted		
	Subsidiary company		
	Crescent Business Management (Private)		
	Limited-Wholly owned		
	1,000,000 ordinary shares of Rupees 10		
	each fully paid.		
	Break up value as per audited accounts		
	of 30 June 1993 was Rupees 10.00		
	(1992: Rupees 9.65) per share	10,000	10,000
	Associated undertaking		
	Crescent Group Services (Private) Limited		
	220,000 ordinary shares of Rupees 10 each		
	fully paid.		
	Equity held 18.96 percent Break up value		
	as per last audited accounts was		
	Rupees 35.06 per share	2,200	2,200
		31,950	31,950
18.1	Aggregate market value of quoted investments as at 30 September, 1993 was Rupees 72.988 million (1992: Rupees 69.813 million).		
18.2	Following investments having face value of Rupees 19.750 million (1992: Rupees 24.800 million) are deposited as security with investment banks and financial institutions:		



## Against short term finances obtained from:

Financial institutions (Note 11.1)	6,000	4,500
Investment banks (Note 11.4)	9,000	15,550

## Against redeemable capital obtained from:

National Development Finance Corporation (Note 5.2)	4,750	4,750
--	-------	-------

---

	19,750	24,800
--	--------	--------

---

## 19. LONG TERM DEPOSITS

Securities	162	149
Margin against leasehold assets	11,780	13,853
	11,942	14,002

---

## 20. STORES, SPARE PARTS AND LOOSE TOOLS

Stores	37,952	35,657
Spare parts	25,117	19,582
Loose tools	595	643
	63,664	55,882

Less: Provision for obsolescence	5,550	5,550
----------------------------------	-------	-------

---

	58,114	50,332
--	--------	--------

---

## 21. STOCK-IN-TRADE

Work-in-process	2,989	375
-----------------	-------	-----

Finished goods		
----------------	--	--

Sugar	86,348	56,716
-------	--------	--------

Molasses	5,775	124
----------	-------	-----

Distillate	31,227	18,117
------------	--------	--------

Kanewood	1,757	7,575
----------	-------	-------

---

	125,107	82,532
--	---------	--------

---

	128,096	82,907
--	---------	--------

---

22. ADVANCES, DEPOSITS, PREPAYMENTS  
AND OTHER RECEIVABLES

Loans and advances-Considered good		
------------------------------------	--	--

Employees-Interest free	345	294
-------------------------	-----	-----

Due by Shakarganj Mills Gratuity Fund	—	468
---------------------------------------	---	-----

Due by Shakarganj Mills Pension Fund	—	112
--------------------------------------	---	-----

Due by provident fund trust	107	27
-----------------------------	-----	----

Suppliers and contractors	23,679	24,977
---------------------------	--------	--------

Income Tax	31,265	28,361
------------	--------	--------

Sugarcane growers (Note 22.3)	13,002	19,699
-------------------------------	--------	--------

---

	68,398	73,938
--	--------	--------

---

Considered doubtful		
Sugarcane growers	5,064	5,064
Less: Provision for doubtful	5,064	5,064
	<hr/>	<hr/>
	68,398	73,938
Deposits		
Excise duty	1,106	658
Sales tax	1	1
Margin against bank guarantees	1,097	248
Margin against short term running finances	2,500	—
Margin against leasehold assets	4,665	2,658
	<hr/>	<hr/>
	9,369	3,565
Letters of credit	47,793	229
Short term prepayments	6,063	3,602
Due from associated undertakings	17,475	11,658
Accrued interest	79	82
Excise duty refundable	555	554
Sundry receivables	25,185	10,065
	<hr/>	<hr/>
	174,917	103,693

- 22.1 Maximum aggregate amount due from chief executive and executives at the end of any month during the year was Rupees 0.325 million (1992: Rupees 0.174 million).
- 22.2 Aggregate amounts due from chief executive and executives of the company are Rupees NIL and Rupees 0.138 million at the close of financial year (1992: Rupees 0.019 million and Rupees 0.068 million) respectively.
- 22.3 Loans to sugarcane growers are partly interest free and partly interest bearing at the rate of 13.50 percent per annum.

(RUPEES IN THOUSAND)  
1993 1992

## 23. SHORT TERM INVESTMENTS

### Quoted

#### Associated undertakings

Crescent Sugar Mills and Distillery Limited  
275,355 (1992: 146,744) ordinary shares  
of Rupees 10 each fully paid  
72,179 (1992: 14,257) bonus  
shares of Rupees 10 each

10,448 2,823

— —

Crescent Boards Limited  
84,700 ordinary shares of  
Rupees 10 each fully paid  
7,260 bonus shares of  
Rupees 10 each

978 978

— —

Crescent Jute Products Limited  
434,982 (1992: 404,092) ordinary shares of  
Rupees 10 each fully paid  
101,835 (1992: 52,734) bonus shares  
of Rupees 10 each

10,249 8,823

— —

Jubilee Spinning and Weaving Mills Limited		
4,000 ordinary shares of Rupees 10 each fully paid	66	66
3,273 (1992: 2,325) 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
28,527 (1992: 22,102) bonus shares of Rupees 5 each	—	—
The Crescent Textile Mills Limited		
36,972 ordinary shares of Rupees 10 each fully paid	996	996
13,993 (1992: 9,360) bonus shares of Rupees 10 each	—	—
Pakistan Industrial Leasing Corporation Limited		
785,200 (1992: 1,235,200) ordinary shares of Rupees 10 each fully paid	7,999	12,531
Equity held 18.04 percent (1992: 22.13 percent)		
First Crescent Modaraba		
36,000 (1992: 31,000) ordinary shares of Rupees 10 each fully paid	891	801
7,200 bonus shares of Rupees 10 each	—	—
Crescent Investment Bank Limited		
1,324,051 ordinary shares of Rupees 10 each fully paid	26,156	26,156
Crescent Spinning Mills Limited		
356,800 (1992: 556,800) ordinary shares of Rupees 10 each fully paid	3,568	5,568
Crescent Steel and Allied Products Limited		
180,000 ordinary shares of Rupees 10 each fully paid	1,800	—
Others		
Pakistan Industrial Credit and Investment Corporation Limited		
2,014,503 (1992: 1,232,895) ordinary shares of Rupees 10 each fully paid	89,668	37,299
445,342 (1992: 362,257) bonus shares of Rupees 10 each	—	—

Husein Sugar Mills Limited 10,476 (1992: 8,381) bonus shares of Rupees 10 each	—	—
AR Pak International Investment Limited 10,000 ordinary shares of of Rupees 10 each fully paid	93	93
Pakistan International Airlines Corporation 225 bonus shares of Rupees 10 each fully paid	—	—
Atlas Bot Lease Company Limited 484,000 (1992: 4,000) ordinary shares of Rupees 10 each fully paid	17,543	109
48,400 bonus shares of Rupees 10 each	—	—
Baba Farid Sugar Mills Limited 10,000 ordinary shares of Rupees 10 each fully paid	—	136
Pakistan Oil Fields Limited 177,500 (1992: 140,000) ordinary shares of Rupees 10 each fully paid	11,819	8,260
Pakistan Industrial and Commercial Leasing Corporation Limited 5,000 ordinary shares of Rupees 10 each fully paid	—	74
Prudential Discount and Guarantee House Limited 117,200 (1992: 46,800) ordinary shares of Rupees 10 each fully paid	900	407
Bank of Commerce Al-Habib Limited 5,000 ordinary shares of Rupees 10 each fully paid	147	147
Sui Northern Gas Pipelines Limited 202,600 ordinary shares of Rupees 10 each fully paid	8,133	8,133
ICI Pakistan Limited 50 (1992: 56,550) ordinary shares of Rupees 10 each fully paid	4	4,522
Muslim Commercial Bank Limited 122,300 (1992: 30,000) ordinary shares of Rupees 10 each fully paid	6,785	2,035
18,345 bonus shares of Rupees 10 each	—	—
Pak Venture Capital Limited 94,300 ordinary shares of Rupees 10 each fully paid	943	—
Credit and Leasing Corporation Limited 947,000 ordinary shares of Rupees 10 each fully paid	10,478	—
Unquoted-Associated undertaking Shams Food Products Limited Deposit for issue of 100,000 ordinary shares of Rupees 10 each	1,000	1,000
	210,724	121,017



23.1 Aggregate market value of quoted investments as at 30 September 1993 was Rupees 295.932 million (1992: Rupees 286.909 million).

23.2 Following investments having face value of Rupees 74.623 million (1992: Rupees 40.194 million) are deposited as security with banks, financial institutions and investment company:

**Against short term finance obtained from:**

(RUPEES IN THOUSAND)

Financial institution (Note 11.1)	10,744	8,362
Commercial banks	—	9,122
Investment banks (Note 11.4)	13,909	11,752
Investment company (Note 11.6)	11,233	—
Modaraba	—	2,161

**Against redeemable capital obtained from:**

National Development Finance Corporation	8,181	8,181
--	-------	-------

**Against bank guarantees issued by:**

Citibank N.A. (Note 11.6)	29,940	—
Standard Chartered Bank	616	616

**74,623**      **40,194**

**24. CASH AND BANK BALANCES**

Cash in hand	106	127
Cash with banks on		
Current accounts	7,371	1,656
Short term deposit accounts	3,584	3,002
Dividend account	4	—

**10,959**      **4,658**

**11,065**      **4,785**

24.1 Term deposit receipts amounting to Rupees 2.733 million (1992: Rupees 1.320 million) are lying with Muslim Commercial Bank Limited under lien against loans to sugarcane growers.

((RUPEES IN THOUSAND))		
	1993	1992
<b>25. SALES</b>		
Sugar	596,603	631,592
Distillate	25,049	24,202
Kanewood	12,403	6,900
Molasses (By product)	15,134	26,969
Bagasse (By-product)	931	676
	650,120	690,339
Less: Commission to selling agents	4,346	3,873
	645,774	686,466
<b>26. COST OF GOODS SOLD</b>		
Sugar (Note 26.1)	594,076	575,147
Distillate (Note 26.3)	13,010	13,960
Kanewood (Note 26.5)	16,903	12,495
	623,989	601,602
<b>26.1 COST OF GOODS SOLD-SUGAR</b>		
Raw material		
Sugarcane purchased	299,157	308,621
Sugarcane subsidy		
Delivery expenses	77,846	74,464
Less: Recovered	10,660	25,532
	67,186	48,932
Sugarcane development cess	7,584	7,858
Market committee fee	1,730	1,866
Loading and unloading	1,542	1,481
Octroi	1,135	1,346
	378,334	370,104
	20,589	21,330
Salaries, wages and other benefits	4,300	3,285
Stores, spare parts and loose tools	2,852	3,214
Dyes and chemicals	7,321	9,229
Packing material	10,768	10,802
Fuel and power	16,284	13,590
Repair and maintenance	2,894	1,609
Insurance	626	746
Vehicles' running	72	110
Travelling and conveyance	626	454
Printing and stationery	215	99
Rent, rates and taxes	116,218	137,569
Excise duty	1,427	1,428
Other factory overheads	3,829	1,794
Sugarcane research and development	832	1,525
Staff training and development	64,856	45,035
Depreciation/amortization (Note 26.2)	632,043	621,923

Work-in-process inventory		
As at 01 October	278	297
As at 30 September	2,962	278
	(2,684)	19

Cost of goods produced	629,359	621,942
Finished goods inventory		
As at 01 October	56,840	10,045
As at 30 September	92,123	56,840
	(35,283)	(46,795)
	594,076	575,147

## 26.2 DEPRECIATION/AMORTIZATION

Depreciation (Note 15.3)	35,652	23,502
Amortization (Note 16.2)	29,204	21,533
	64,856	45,035

## 26.3 COST OF GOODS SOLD-DISTILLATE

Molasses	10,165	10,374
Stores, spare parts and loose tools	2,185	953
Salaries, wages and other benefits	845	864
Chemicals	4,556	4,933
Fuel and power	4,892	—
Insurance	437	429
Other factory overheads	430	567
Depreciation/amortization (Note 26.4)	2,610	2,667
Cost of goods produced	26,120	20,787

## Finished goods inventory

As at 01 October	18,117	11,290
As at 30 September	31,227	18,117
	(13,110)	(6,827)
	13,010	13,960

## 26.4 DEPRECIATION/AMORTIZATION

Depreciation (Note 15.3)	2,405	2,667
Amortization (Note 16.2)	205	
	2,610	2,667

**26.5 COST OF GOODS SOLD-KANEWOOD**

Raw material	2,556	4,765
Store, spare parts and loose tools	1,456	2,447
Salaries, wages and other benefits	645	757
Insurance	66	266
Diesel	968	1,627
Other factory overhead	1,134	805
Depreciation/amortization (Note 26.6)	4,190	7,469
	11,015	18,136
Work-in-process inventory		
As at 01 October	97	161
As at 30 September	27	97
	70	64
Cost of goods produced	11,085	18,200
Finished goods inventory		
As at 01 October	7,575	1,870
As at 30 September	1,757	7,575
	5,818	(5,705)
	16,903	12,495

**26.6 DEPRECIATION/AMORTIZATION**

Depreciation (Note 15.3)	2,245	2,409
Amortization (Note 16.2)	1,945	5,060
	4,190	7,469

**27. ADMINISTRATIVE, SELLING AND****GENERAL EXPENSES**

Salaries, wages and other benefits	8,054	8,083
Directors' meeting fee	4	5
Travelling and conveyance	1,174	1,265
Printing and stationery	923	376
Telephone, postage and telegrams	1,182	1,217
Vehicles' running	1,359	1,268
Legal and professional	533	381
Auditors' remuneration		
Audit fee	100	90
Out of pocket expenses	15	15
	115	105
Repairs and maintenance	804	595
Entertainment	154	231
Subscription	545	711
Rent, rates and taxes	194	120
Publicity	417	181
Loading and unloading	408	411
Insurance	804	579
Handling and distribution	738	801



Export expenses	3,142	2,649
Registered office expenses	1,563	1,663
Miscellaneous	640	540
Depreciation/amortization (Note 27.1)	8,651	7,846
	31,404	29,027
<b>27.1 DEPRECIATION/AMORTIZATION</b>	<b>3,294</b>	<b>3,539</b>
Depreciation (Note 15.3)	5,357	4,307
Amortization (Note 16.2)	8,651	7,846
<b>28. OPERATING PROFIT/(LOSS)</b>	<b>(13,585)</b>	<b>56,019</b>
Sugar (Note 28.1)	9,390	5,839
Distillate (Note 28.2)	(5,424)	(6,021)
Kanewood (Note 28.3)	(9,619)	55,837
<b>28.1 OPERATING PROFIT/(LOSS) - SUGAR</b>	<b>610,163</b>	<b>656,390</b>
Sales Net	594,076	575,147
Cost of goods sold		
Gross profit	16,087	81,243
Less: Administrative, selling and general expenses	29,672	25,224
	(13,585)	56,019
<b>28.2 OPERATING PROFIT-DISTILLATE</b>	<b>23,545</b>	<b>23,344</b>
Sales - Net	13,010	13,960
Cost of goods sold		
Gross profit	10,535	9,384
Less : Administrative, selling and general expenses	1,145	3,545
	9,390	5,839
<b>28.3 OPERATING LOSS-KANEWOOD</b>	<b>12,066</b>	<b>6,732</b>
Sales - Net	16,903	12,495
Cost of goods sold	4,837	5,763
Gross loss	587	258
Less : Administrative, selling and general expenses	5,424	6,021

(RUPEES IN THOUSAND)

## 29. OTHER INCOME

Commission on fertilizer	425	215
Gain on sale of store	2	6
Gain on sale of operating fixed assets	2,986	213
Dividend income (Note 29.1)	5,782	3,076
Return on bank deposits	132	252
Interest on advances to associate undertaking	2,593	-
Profit on sale of investments	51,697	33,306
Agricultural farm income	1,104	1,332
Lease income	37	36
Rental	26	23
Underwriting commission	81	-
Credit balances added back	1,755	-
Miscellaneous	3,773	1,891
	<b>70,393</b>	<b>40,368</b>

## 29.1 DIVIDEND INCOME

## Associated undertakings :

Crescent Sugar Mills and Distillery Limited	-	302
Jubilee Spinning and Weaving Mills Ltd.	-	7
The Premier Insurance Co. of Pakistan Ltd.	26	20
The Crescent Textile Mills Ltd.	58	-
Pakistan Industrial Leasing Corporation Ltd.	4,262	-

## Others :

Pakistan Industrial Credit and Investment Corporation Limited	-	1,579
AR Pak International Investment Ltd.	5	5
Husein Sugar Mills Limited	-	14
Thal Jute Mills Limited	-	11
Pakistan International Airlines Corporation	-	73
Pakistan Oilfields Limited	843	1,065
Pakistan Industrial and Commercial Leasing Corporation Ltd.	9	-
Atlas Bot Lease Company Limited	484	-
ICI Pakistan Limited	95	-
	<b>5,782</b>	<b>3,076</b>

## 30. FINANCIAL AND OTHER CHARGES

Financial	(RUPEES IN THOUSAND)	
Mark up on :		
Redeemable capital	353	594
Short term running finances	29,646	37,009
Advances from associated undertakings	7,562	475
Interest on :		
Custom debentures	158	121
Long term loans	363	540
Workers' participation fund	211	31
Finance charges on assets subject to finance lease	18,594	15,138
Lease agreements fee	268	718
Bank charges, commission and excise duty	7,527	4,914
	64,682	59,540
Donations (Note 30.1)	305	200
	64,987	59,740

## 30.1 DONATIONS

A sum of Rupees 200,000 (1992 : Rupees 200,000) 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. Khalid Bashir  
Mr. Maqbul Ahmad

## 31. TAXATION

For the year

Current	(3,229)	(3,450)
Deferred tax	15,000	4,000
	11,771	550

The provision for current taxation represents the minimum tax due under the Income Tax Ordinance, 1979. After considering the available tax losses, no provision for current taxation except minimum tax, is required. Tax losses available to the carried forward are Rupees 136.822 million as on 30 September 1993 (1992 : Rupees 5.649 million).

## 32. DIRECTORS' AND EXECUTIVES' REMUNERATION

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

	1993		1992	
	Chief Executive	Executives	Chief Executive	Executives
	(RUPEES IN THOUSAND)			
Managerial remuneration	870	3,212	720	2,257
Housing	348	665	324	447
Company's contribution to provident fund	61	209	50	150
Contribution to :				
Pension fund	174	480	144	427
Gratuity fund	70	263	60	178
Hospitalization	-	43	-	45
Other benefits :				
Conveyance allowance	-	-	-	4
Utility allowance	87	307	72	225
Reimbursable expenses	85	743	6	468
	1,695	5,922	1,376	4,201
Number of persons	1	17	1	12

32.1 Chief Executive and five Executives have been provided maintained vehicles by the company.

32.2 Aggregate amount charged in the accounts for fee to six directors in respect of three meetings was Rupees 4 thousand (1992 : Rupees 5 thousand for six directors).

### 33. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Maximum aggregate amount due from associated undertakings at the end of any month during the year was Rupees 18.857 million (1992 : Rupees 21.066 million).

Company purchased from and sold to associated undertakings, materials, goods and services in the aggregate sum of Rupees 4.109 million and Rupees 4.581 million respectively (1992 : Rupees 34.901 million and Rupees 54.382 million respectively). Purchases/sales of material, goods and services are made at prevailing market prices.

Mark up on advances to associated undertakings is paid at the rate of 21% to 22% per annum (Note 30).

### 34. PLANT CAPACITY AND ACTUAL PRODUCTION

Sugar :  
Capacity :

1993 : 54,400 M. Tons in 160 days i.e.  
340,000 M. Tons per day.  
1992 : 54,400 M. Tons in 160 days i.e.  
340,000 M. Tons per day.

Actual production :  
Current year

54,055 M. Tons in 161 days i.e.  
335,745 M. Tons per day.  
63,985.50 M. Tons in 174 days i.e.  
367.73 M. Tons per day.

Previous year

Distillery :	
Capacity :	40,000 Litres per day
Actual production :	
Current year	4,887,020 Litres in 161 days i.e. 30,354 Litres per day.
Previous year	4,525,900 Litres in 159 days i.e. 28,465 Litres per day.
Kanewood :	
Capacity	30 Cubic meters per day.
Actual production :	
Current year	1,662,757 Cubic meters in 92 days i.e. 18.07 Cubic meters per day.
Previous year	3,360 Cubic meters in 241 days i.e. 13.94 Cubic meters per day.

### 34.1 REASONS FOR LOW PRODUCTION

#### Distillery

The product was sold in the local market which is quite limited. Export was not feasible due to low price in the International market.

#### Kanewood

The low production is mainly due to acute shortage of bagasse.

	1993	1992
	Rupees	Rupees
35. SEGMENT ASSETS AND OTHER INFORMATION		
Sugar	1,424,753	1,113,503
Distillery	53,766	42,120
Kanewood	22,115	32,171
	1,500,634	1,187,794

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

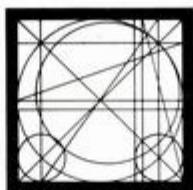
### 36. COMPARATIVE FIGURES

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

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

Accounts of the subsidiary company M/s. Crescent Business Management (Pvt) Limited for the year ended June 30, 1993 are annexed to these accounts. The accumulated losses of the subsidiary company are not dealt with in the accounts of the holding company.





Crescent  
Business Management  
(Private) Limited

## Report of the Directors

The Directors have pleasure in presenting the audited accounts of the company for the period ended June 30, 1993. The financial year of the company was changed from December to June to coincide with the financial year of First Crescent Modaraba after obtaining necessary approvals from all relevant Authorities. Accordingly these accounts have been prepared for eighteen month i.e. from January 1992 to June 1993.

FINANCIAL RESULTS :	Rupees
Net profit for the period	358,811
Accumulated loss	348,675
Profit carried forward	10,136

The profit for the period has completely wiped out the accumulated losses leaving a surplus of Rs. 10,136 which the directors propose to carry forward.

### Review of Operations

Due to the change of financial year of the company, management fee from First Crescent Modaraba for the two years ended June 30, 1992 and 1993 amounting to Rs. 4,736,029 has been reflected in the accounts. This fee has been calculated @ 10% of the net annual profits of the modaraba as under :

Financial year of First Crescent Modaraba	Net profit of First Crescent Modaraba	Management fee @ 10%
June 30, 1992	22,129,005	2,011,728
June 30, 1993	29,967,318	2,724,301
		4,736,029

The company has also received =200000= bonus shares of Rs. 10/- each from First Crescent Modaraba as profit distribution @ 20% for the year ended June 30, 1992 on its investment of =1000000= shares of Rs. 10/- each. The market value of the bonus shares as on June 30, 1993 was Rs. 3,050,000. The profit distribution for the year ended June 30, 1993 will be reflected in the next years' accounts. The directors have announced a cash dividend of 15 percent and bonus issue of 7.5 percent subject to approval by concerned authorities. The aggregate market value of the company's long term investments as on June 30, 1993 stood at Rs. 29,543,747 as against cost of Rs. 23,137,290.

### UNDERWRITING OF PUBLIC ISSUES

During the period under review the company has underwritten public issue of shares of some companies and has earned Rs. 248,993 as underwriting and take up commission.

### FUTURE PROSPECTS

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

### AUDITORS

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

For and on behalf of the Board

*Altat M. Saleem*

Altat M. Saleem  
Chief Executive

Dated : September 09, 1993

## Auditors' Report to the Members of Crescent Business Management (Private) Limited

We have audited the annexed Balance Sheet of CRESCENT BUSINESS MANAGEMENT (PRIVATE) LIMITED as at June 30, 1993 and the related Profit and Loss Account, together with the notes forming part thereof, for the period then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that :

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984 ;
- b) in our opinion :
  - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied ;
  - ii) the expenditure incurred during the period was for the purpose of the Company's business ; and
  - iii) the business conducted, investments made and the expenditure incurred during the period were in accordance with the objects of the Company ;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 1993 and of the Profit for the period then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

*Fazal Monir & Company*  
Chartered Accountants

Lahore  
September 09, 1993

**Balance Sheet as at June 30, 1993**

	Note	1993 Rupees	1991 Rupees
<b>CAPITAL AND LIABILITIES</b>			
<b>SHARE CAPITAL</b>			
Authorised :			
5,000,000 ordinary shares of Rs. 10/- each		50,000,000	50,000,000
Issued, Subscribed & Paid up :			
1,000,000 ordinary shares of Rs. 10/- each fully paid in cash. (All shares are held by holding company and its nominees)		10,000,000	10,000,000
Accumulated Profit/(Loss)		4,865	(348,675)
<b>CURRENT LIABILITIES</b>			
Due to Associated and Holding Companies	3	16,241,940	526,986
Accrued Liabilities		8,033	5,000
Provision for Taxation		5,271	
		16,255,244	531,986
<b>CONTINGENCIES &amp; COMMITMENTS</b>			
	4		
		26,260,109	10,183,311

The annexed notes form an integral part of these accounts.

LAHORE :  
09 September, 1993

**Balance Sheet as at June 30, 1993**

	Note	1993 Rupees	1991 Rupees
<b>PROPERTY AND ASSETS</b>			
LONG TERM INVESTMENT	5	23,137,290	10,000,000
<b>CURRENT ASSETS</b>			
Management fee & Reimbursable expenses	6	2,724,301	116,322
Advances, Deposits & Prepayments	7	369,496	178
Cash and Bank Balances	8	29,022	66,811
		<b>3,122,819</b>	<b>133,311</b>
		<b>26,260,109</b>	<b>10,183,311</b>



Altaf M. Saleem  
Chief Executive

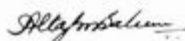


Rashid Ahmad  
Director

**Profit and Loss Account  
For the Period Ended June 30, 1993**

	1993 Rupees	1991 Rupees
<b>Profit Received From Bank</b>	<b>5,411</b>	<b>55,650</b>
Management fee from First Crescent Modaraba	4,736,029	—
Underwriting & Take up Commission	248,993	—
	<b>4,990,433</b>	<b>55,650</b>
Less: Staff Salary & Benefits	797,919	137,650
Travelling & Conveyance	73,737	23,695
Printing and Stationery	33,958	8,457
Legal & Professional	33,731	3,155
Audit Fee	5,000	5,000
Out of Pocket Expenses	2,500	—
Postage, Telephone & Telegram	11,414	200
Entertainment	36,455	3,344
Registration expenses	10,000	60,000
Corporate Service charges	306,000	150,000
Advisory Service & Office Space Charges	1,500,000	—
Bank Charges & Commission	153	7,036
Meeting fee	6,000	—
Mark-up to Holding Company	1,797,540	—
General expenses	17,215	—
	<b>4,631,622</b>	<b>398,537</b>
Profit/(Loss) Before Taxation	<b>358,811</b>	<b>(342,887)</b>
Provision for Taxation — Current	5,271	—
Profit/(Loss) after Taxation	<b>353,540</b>	<b>(342,887)</b>
Loss from previous year	<b>(348,675)</b>	<b>(5,788)</b>
<b>PROFIT/(LOSS) CARRIED TO BALANCE SHEET</b>	<b>4,865</b>	<b>(348,675)</b>

*The annexed notes form an integral part of these accounts*

  
Altaf M. Saleem  
Chief Executive

  
Rashid Ahmed  
Director



## Notes to the accounts for the period ended June 30, 1993

## 1. STATUS AND NATURE OF BUSINESS

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Accounting Convention*

These accounts have been prepared under the historical cost convention.

2.2 *Long Term Investments*

These are stated at cost.

2.3 *Revenue recognition*

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

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

2.4 *Taxation*

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

The Company does not account for deferred taxation.

## 3. DUE TO ASSOCIATED AND HOLDING COMPANIES

	1993 Rupees	1991 Rupees
Crescent Investment Bank Ltd. (Note 3.1)	376,646	6,986
M/S Shakarganj Mills Ltd. Secured (Note 3.2)	15,865,294	520,000
	<hr/> 16,241,940	<hr/> 526,986

3.1 This includes Rs. 375,000 payable on account of advisory services & Office space charges.

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

ii) Mark-up is charged @ 17.30% per annum on daily product basis.

iii) The loan is secured against the shares; namely of Pioneer Cement Ltd. 198,290 shares, Sui Northern Gas Pipe lines 202,600 shares and Credit & Leasing Corporation Ltd., 302,000 shares; taken up by the Crescent Business Management (Pvt) Ltd. The above shares will remain in the custody of Shakarganj Mills Ltd., till repayment of loan.

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

## 4. CONTINGENCIES &amp; COMMITMENTS

**Contingent Liability :**

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

	1993 Rupees	1991 Rupees
<b>5. LONG TERM INVESTMENT</b>		
First Crescent Modaraba (Listed) 1,000,000, certificate of Rs. 10/- each 200,000 Bonus Certificates of Rs. 10/- each (Note 5.1) (Aggregate Market value Rs. 18,300,000) (1991 : Rs. 26,500,000)	10,000,000	10,000,000
Pioneer Cement Ltd. (Listed) 198,290 ordinary shares of Rs. 10/- each (Note 5.2) (Aggregate Market value Rs. 2,528,197) (1991 Rs. Nil) (1990 : Rs. 26,500,000)	1,982,900	—
Sui Northern Gas Pipeline (Listed) 202,600 ordinary shares of Rs. 40.15/- each (Note) 5.2)  (Aggregate Market value Rs. 5,419,550) (1991 Rs. Nil)	8,134,390	—
Credit & Leasing Corporation Ltd. (Listed) 302,000 Ordinary Shares of Rs. 10/- each (Note 5.2) (Aggregate Market value Rs. 3,296,000) (1991 Rs. Nil)	5.2 3,020,000	—
	<b>23,137,290</b>	<b>10,000,000</b>

5.1 This represents investment made as Modaraba Company and forms 10% of the total paid up fund of the First Crescent Modaraba.

5.2 These shares were taken up to fulfill underwriting commitments.

## 6. MANAGEMENT FEE &amp; REIMBURSABLE EXPENSES

Management fee from First Crescent Modaraba	2,724,301	—
Reimbursable Expenses	—	116,322
	<b>2,724,301</b>	<b>116,322</b>

7. ADVANCES, DEPOSITS & PREPAYMENTS	1993 Rupees	1991 Rupees
Advances to Employees	11,600	—
Advances Income Tax	17,896	178
Proposed Central Asian Bank	200,000	—
Pak Suzuki Motor Co., Ltd.	140,000	—
	<b>369,496</b>	<b>178</b>

## 8. CASH AND BANK BALANCES

Cash in hand	11,290	1,800
Cash at Banks :		
On Current Account	13,563	10,256
On Deposit Account	4,169	54,755
	<b>17,732</b>	<b>65,011</b>
	<b>29,022</b>	<b>66,811</b>

## 9. FINANCIAL STATEMENTS OF MODARABA

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

## 10. GENERAL

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



Altaf M. Saleem  
Chief Executive



Rashid Ahmed  
Director

## SHAKARGANJ MILLS LIMITED

### Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Sixth Annual General Meeting of the shareholders of SHAKARGANJ MILLS LIMITED will be held at Pearl Continental Hotel, Shahrah-e-Quaid-e-Azam, Lahore on Wednesday the March 30, 1994 at 11:30 a.m. to transact the following business :-

#### AGENDA :

- To confirm the Minutes of 25th Annual General Meeting held on March 22, 1993.
- To receive and adopt audited accounts of the Company for the year ended September 30, 1993 together with the Directors' and Auditors' Reports thereon.
- To approve Bonus. The Directors have recommended the issuance of Bonus Shares in the ratio of one Bonus Share against every ten existing ordinary shares (i.e. @ 10%).
- To appoint Auditors for the year 1993-94 and fix their remuneration. The present Auditors M/s Riaz Ahmad & Company, Chartered Accountants, being eligible offer themselves for re-appointment.

#### PARTICIPATION IN THE ANNUAL GENERAL MEETING

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

#### BOOK CLOSURE

The share transfer books of the Company for the entitlement of Bonus Shares will remain closed from March 22, to March 30, 1994 (Both days inclusive).

#### RIGHT ISSUE

The Directors of the Company in their meeting held on February 12, 1994 have decided to issue Right Shares in the ratio of one right share against every five existing shares @ Rs. 15/- per share (Including Rs. 5/- as premium) subject to the approval of Controller of Capital Issues, Government of Pakistan. The separate dates of book closure for the entitlement of right shares will be announced on receipt of consent from the Controller of Capital Issues.

On behalf of the Board

(ZAHEER A. SHAIKH)  
Corporate Secretary

#### REGISTERED OFFICE

45-Shahrah-e-Quaid-e-Azam, Lahore.

Dated : February 21, 1994.

## FORM '34'

**PATTERN OF HOLDING OF SHARES**  
**HELD BY THE SHAREHOLDERS AS AT 30TH SEPTEMBER 1993**

**SHAREHOLDING**

No. of Share Holders	From	To	Total Shares Held
139	1	100	4674
372	101	500	106386
95	501	1000	67699
126	1001	5000	294668
32	5001	10000	220607
25	10001	15000	321862
15	15001	20000	259668
14	20001	25000	311123
4	25001	30000	111024
5	30001	35000	158317
5	35001	40000	184976
2	40001	45000	85957
2	60001	65000	122554
1	65001	70000	66525
3	85001	90000	259387
1	95001	100000	96012
2	105001	110000	217727
1	120001	125000	120856
1	135001	140000	139993
1	140001	145000	140194
1	155001	160000	155478
1	395001	400000	396052
1	420001	425000	422676
1	570001	575000	570240
1	710001	715000	714693
1	1050001	1055000	1052556
1	1515001	1520000	1519682
1	2550001	2555000	2550833
1	3100001	3105000	3103581
855			13776000

Categories of shareholders	Number	Shares Held	Percentage
Individuals	827	2750607	19.97
Investment Companies	5	523680	3.80
Insurance Companies	2	120932	0.88
Joint Stock Companies	9	6134739	44.53
Financial Institution	4	3975268	28.86
Modaraba Companies	1	16800	0.12
Others	7	253974	1.84
<b>TOTAL:</b>	<b>855</b>	<b>13776000</b>	<b>100.00</b>
<b>OTHERS</b>			
Modarabas	4	74033	0.54
Non-Resident	1	108000	0.78
Trust	2	71941	0.52
<b>TOTAL:</b>	<b>7</b>	<b>253974</b>	<b>1.84</b>



Print

## Directors

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

Khalid Bashir  
Chief Executive  
Shams Textile Mills Limited  
1969

Maqbul Ahmad  
Chief Executive  
Crescent Boards Limited  
1969

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

Muhammad Anwar  
Chief Executive  
The Crescent Textile Mills Limited  
1984

I.A. Imtiaz  
Nominee NIT  
1993

Sikandar Rashid Ahmed  
Nominee PICIC  
1990

\*Year elected to Board

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

Independent Auditors  
Riaz Ahmad and Company  
Chartered Accountants

Corporate Secretary  
Zaheer A. Shaikh

## Officers

Altaf M. Saleem, 43 44  
President and  
Chief Executive Officer  
\*1973

Muhammad Awais Qureshi, 53 54  
Executive Vice President &  
Chief Operating Officer  
1980

Abdul Haq Saeed, 58 59  
Vice President  
1985

Hilal Ahmad, 52 53  
Vice president and  
Chief Financial Officer  
1978

Muhammad Zahid, 58 52  
Vice President  
1981

Dr. S.A. Qureshi, 72 73  
Director General Research  
1983

Zulfiqar Ahmad, 41 42  
General Manager Planning  
1976

Mujeebullah Khan, 44 45  
General Manager production  
1977

Nusrat Ali, 42 43  
General Manager Engineering  
1977

\*Year joined company

Wadeem / NADEM / AHMADAAM

30-9-93  
B.I.  
S.P.C.  
M. Pany  
M. Khan