

CRESCENT GROUP



# ANNUAL REPORT 1995

Muhammad Adh

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Shakarganj Mills Limited.



Shakarganj

Nature's Energy Food



## Corporate Mission

### Preamble

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

### Basic Purpose

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

### What We Do

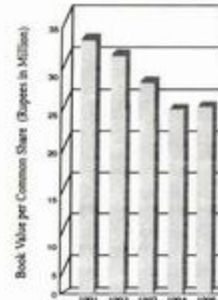
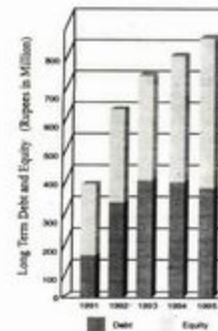
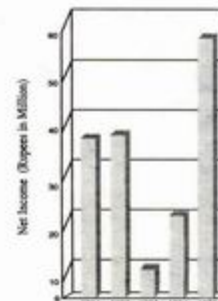
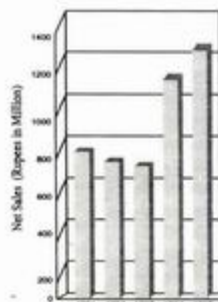
Our main business area is the production of refined cane sugar and sugar by-products.

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

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

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

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



## Five Years Financial Summary

((Rupees in thousand), except amount per share)

	1995	1994	1993	1992	1991
<b>Operating Results:</b>					
Net Sales	1,204,483	1,090,098	645,774	686,466	727,225
Cost of Sales	1,017,561	1,011,269	623,989	601,602	641,841
Selling, General and Admin, Expenses	46,215	44,386	31,404	29,027	24,158
Interest Expenses	137,158	104,624	64,682	59,540	48,716
Other Charges	3,276	1,553	305	2,031	2,592
Other Income, Net	55,979	96,565	70,393	40,368	35,400
Pre-Tax Profit/(Loss)	56,252	24,831	(4,213)	34,634	45,318
Income Tax	1,522	5,450	(11,771)	(550)	10,636
Net Income	54,730	19,381	7,558	35,184	34,682

### Per Share Results and Return:

Earnings per Share	2.57	1.07	0.55	3.58	4.82
Cash Dividends per Share	-	-	-	-	-
Stocks Dividends per Share	1:10	1:10	1:10	1:5	1:5
Net Income to Sales Percent	4.54	1.78	1.17	5.13	4.77
Return on Average Assets Percent	3.39	1.24	0.56	3.65	5.18
Return on Average Equity Percent	12.22	5.12	2.38	13.71	16.78

### Financial Position:

Current Assets	704,115	754,398	592,632	368,299	212,331
Current Liabilities	755,614	800,523	710,842	480,475	303,718
Operating Fixed Assets	808,026	529,515	401,084	282,970	265,694
Total Assets	1,594,810	1,630,077	1,500,634	1,187,794	738,071
Long-Term Debt	320,478	340,877	350,763	296,250	117,079
Shareholders' Equity	485,110	410,844	346,002	289,244	224,060
Break-up Value per Share	22.77	22.59	25.12	29.39	31.19

### Financial Ratios:

Current Liabilities to Current Assets	1.07	1.06	1.20	1.30	1.43
Long-Term Debt to Capitalisation Percent	39.78	45.35	50.34	50.60	34.32
Total Debt to Total Assets Percent	69.58	74.80	76.94	75.64	69.64
Interest Coverage Times	1.43	1.25	0.94	1.62	1.98
Average Collection Period days	7.66	9.40	5.49	2.96	2.11
Inventory Turnover Times	6.90	6.13	3.46	5.15	10.55
Fixed Assets Turnover Times	1.40	1.29	0.75	0.89	1.54
Total Assets Turnover Times	0.76	0.67	0.43	0.58	0.99

### Other Data:

Depreciation & Amortization	116,639	89,011	80,307	63,017	55,278
Capital Expenditure	367,357	187,346	163,433	49,679	67,016



## Production Data 1974-1995

Season	SUGAR					MOLASSES		INDUSTRIAL ALCOHOL	PARTICLE BOARD
	Duration of Season (Days)	Cane Crushed (M. Tons)	Sugar Produced (M. Tons)	Recovery (Percent)	Process Losses (Percent)	Molasses Produced (M. Tons)		Industrial Alcohol Produced (Litres)	Particle Board Produced (Cubic Meters)
1994-95	157	1,057,035.578	86,075.000	8.11	2.77	53,172		5,460,000	5,299,250
1993-94	196	1,203,371.201	88,116.500	7.34	2.65	60,150		5,250,076	4,334,770
1992-93	161	691,838.635	54,055.000	7.85	2.68	35,980		4,887,020	1,662,757
1991-92	174	746,506.346	63,985.500	8.57	2.53	37,710		4,525,900	3,360,000
1990-91	204	866,552.129	65,536.800	7.56	2.59	47,135		3,422,204	642,940
1989-90	187	708,632.495	57,912.000	8.17	2.31	33,180		3,050,217	-
1988-89	170	446,324.860	36,366.800	7.70	2.44	22,410		-	-
1987-88	193	698,604.856	55,726.000	7.98	2.61	38,740		308,494	-
1986-87	149	333,601.075	27,898.600	8.36	2.24	15,060		1,855,809	-
1985-86	113	237,601.670	20,625.000	8.66	2.29	11,470		20,239	-
1984-85	168	441,717.765	39,522.600	8.96	2.38	22,580		-	-
1983-84	173	427,169.490	35,501.200	8.31	2.40	21,860		-	-
1982-83	173	361,291.485	29,440.000	8.16	2.44	16,255		-	-
1981-82	207	466,040.000	39,474.000	8.47	2.48	21,255		-	-
1980-81	187	287,723.000	25,562.000	8.89	2.42	13,373		-	-
1979-80	112	61,206.625	5,619.300	8.95	2.25	2,358		-	-
1978-79	114	107,106.070	9,267.300	8.80	2.27	4,147		-	-
1977-78	177	319,960.400	27,620.000	8.61	2.44	14,103		-	-
1976-77	166	308,987.443	26,085.600	8.45	2.67	15,228		-	-
1975-76	157	246,393.593	18,864.880	7.61	2.68	11,424		-	-
1974-75	107	104,069.161	8,252.618	8.30	2.75	4,182		-	-
1973-74	101	87,824.720	5,476.830	6.28	3.57	4,726		-	-

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## ABOUT SHAKARGANJ:

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

At Shakarganj three co-products of sugar are produced. Molasses is converted into Industrial Alcohol and Sugarcane bagasse is converted to high quality Particle Board. Surplus power is supplied to the National Grid, Power supplied by Shakarganj caters to the needs of 5375 domestic consumers. We take care of 12.86 percent of domestic load of Jhang City.

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

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

## To Our Shareholders

### Review of Fiscal 1995

Dear Shakarganj Investor:

During the year under review three weeks of valuable production time was lost due to delay in government decision regarding disposal of surplus sugar in the international market. For several years imported sugar was dumped in the local market at subsidized price. Local sugar industry was forced to sell Pakistani sugar at a loss. Domestic sugar price had no relevance to the cost of production. It was always preached that the industry had to compete in an environment of free market mechanism. When the industry accepted the challenge and demanded free import and export of sugar, the authorities refused to practice what they had been preaching for several years.

### Production of Sugar and Co-Products

Sugar production fell from 88,000 M. Tons in 1993/94 to 86,000 M. Tons during the year under review. Daily production and capacity utilization, however improved. As compared to a daily sugar production level of 450 M. Tons in 1993/94, during the year under review sugar production averaged at 548 MTons per day. Sugar recovery also increased from 73.4 percent in 1993 / 94 to 8.11 percent during 1994/95.

Production of Industrial Alcohol was up from 5.25 million litres in 289 days in 1993 / 94 to 5.46 million litres in 245 days this year. Particle Board production increased from 4300 cubic meters to 5300 cubic meters during fiscal 1995.

Power supply to the national grid increased from 2.43 million KWH to 2.92 million KWH during the year under review.

### Financial Analysis

By the grace of Allah, Shakarganj generated its best ever sales revenue of Rs. 1.2 billion in fiscal 1995 up from Rs. 1.09 billion last year registering an increase of 10.49 percent. Company's gross profit increased to Rs. 186 million from Rs. 78.8 million in 1994. In terms of percentage of sales, gross profit worked out to 15.52 percent this year compared to 7.23 percent in 1994.

Your company recorded a net income of Rs. 54.73 million compared to 19.38 million a year ago. In other words net income increased by 182 percent during fiscal 1995. Return on average assets improved from 1.24 percent to 3.39 percent and return on average equity was up from 5.12 percent to 12.22 percent.

Shareholders equity increased by 18.08 percent. It was up from Rs. 410 million in 1994 to Rs. 485 million in fiscal 1995.

Your management continued its efforts for effective utilization of assets. Inventory turnover improved marginally from 6.13 times to 6.90 times.

Both, fixed assets turnover and total assets turnover registered a nominal increase.

### Increase in Paid up Capital

The Board of Directors have followed the policy of increasing the paid up capital of the company in pace with growth rate.

For fiscal 1995 the Directors have recommended stock dividend of 10 percent which will increase the paid up capital of your company to Rs. 242.01 million. The cash retained in the company will be used to found the growth.

### Capital Expenditure

Your company's focal point over the last few years has been its commitment to increasing productivity. This helps in reducing the cost of production and increasing the ratio of sales per employee. These objectives are achieved through investment in upgrading the manufacturing technology and increasing the production capacity. Capital expenditure to the tune of Rs. 127.93 million was made during the year. Depreciation and amortization expenses rose to Rs. 116.64 million in fiscal 1995 from Rs. 89.01 million last year.

### Investment Portfolio

In spite of unprecedented bearish tendency in the stock market, your investment portfolio carried an unrealized capital gain of Rs. 78.25 million or 20.71 percent over the cost at the year end. Disinvestment to the tune of Rs. 62.77 million was made during the year. Capital gain of Rs. 19.38 million was realized in the process.

### Contribution to Economy

Shakarganj plays a very important role with regard to its contribution to economy. During the year under review, value added to the materials and services of Rs. 714.50 million worked out to Rs. 545.96 million. Your company's contribution towards Federal, Provincial and local taxes exceeded Rs. 189.67 million. We spent Rs. 137.06 million as cost of financing and share of workers was Rs. 47.55 million. During the last ten years, your company has made a consolidated contribution of Rs. 1.33 billion in shape of Federal, Provincial and Local Taxes.

### Human Resource Development

We at Shakarganj believe in professional management. All appointments are made on open merit. Our policies are geared for attracting and retaining competent people. Our team is well qualified and consists specialists in the fields of Agriculture, Engineering and Business Administration. We believe in continuous training and management resources are constantly developed through training both within and outside Pakistan. Foreign experts visit us on regular basis to upgrade the skills of our team.



### Research and Development

Shakarganj management gives top priority to Research and Development. We rely heavily on agricultural research with major emphasis on sugarcane. Shakarganj Sugar Research Institute has made useful contribution by releasing several suitable varieties of sugarcane.

### Future Outlook

The year ahead poses numerous challenges. Sugar Industry is facing a serious problem of excess capacity and raw material shortage. Some of the major issues are summarized below:

- Raw material availability down by 2.5 percent
- Raw material cost up by 50 percent
- All time high rate of inflation
- Rapid devaluation of Pak Rupee and unprecedented increase in cost of imported inputs
- Double digit increase in cost of all inputs on one hand and decrease in volume of production on the other hand

A portion of additional costs will be compensated by higher sugar price but it will be an uphill task to maintain a reasonable level of profit in 1995/96.

### Sugar Supply to Utility Stores Corporation

Sugar Industry has supplied 200,000 M.Tons of sugar to USC at a subsidised Rs. 500 million. Our share of supply is 5611 M.Tons. Cheaper sugar supplied by the industry will cater to the needs of 40 million Pakistanis in the low income group.

### 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 26, 1996  
Lahore

## Statement of Value Added

(Rs in Million)

	1995	1994
Sales Revenue	1,204.48	1,090.10
Other Receipts	55.98	96.56
	<u>1,260.46</u>	<u>1,186.66</u>
Less Materials & Services	714.50	738.27
Value Added	<u>545.96</u>	<u>448.39</u>

Applied the Following Way:

%AGE

To Employee:

Wages, Salaries and Related Costs	47.55	8.71	43.61
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To Government:

Income Tax, Excise Duty, Sales Tax and Other Taxes	189.67	34.74	191.53
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To Providers of Capital:

Finance Charges on Loans and Advances	137.06	25.10	104.62
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Transfer From Share Premium Account	(22.00)	(4.03)	0.00
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Dividend to Shareholders	22.00	4.03	18.18
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To Charitable Institutions

	137.06	25.10	122.80
	0.31	0.06	0.24

To Provide for Maintenance & Expansion of Assets

Depreciation/Amortization	116.64	21.36	89.01
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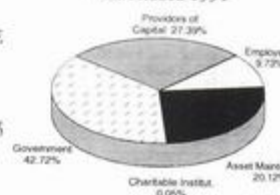
Profit Retained	54.73	10.02	1.20
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	<u>171.37</u>	<u>31.39</u>	<u>90.21</u>
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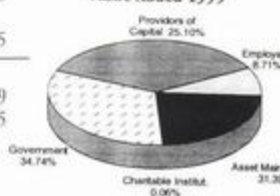
	<u>545.96</u>	<u>100.00</u>	<u>448.39</u>
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Distribution of Value Added 1994

%AGE



Distribution of Value Added 1995



## Flow of Funds Analysis

Development of net current position in million of Rupees

	Sept. 30 1993	Change	Sept. 30 1994	Change	Sept. 30 1995
Liquid Assets	+ 372.19	+ 148.78	+ 520.97	+ 196.53	+ 324.44
Short term receivable	+ 9.72	+ 18.36	+ 28.08	+ 2.79	+ 25.29
Short term liabilities and provision	- 659.02	- 94.74	- 753.76	- 55.90	- 697.86
	- 277.11	+ 72.40	- 204.71	+ 143.42	- 348.13
Factors affecting the change in the net current position					
Source of Funds					
Net Income for the year		+ 19.38			+ 54.73
Depreciation		+ 58.14			+ 88.73
Amortization of assets subject to Finance Lease		+ 30.87			+ 27.91
Deferred Taxation		-			- 4.50
Internal Financing:		+ 108.39			166.87
Right share issued and premium thereon		+ 45.46			+ 19.54
Fixed Assets disposed		+ 0.77			+ 0.12
Redeemable Capital		+ 4.59			-
Liability against Assets subject to Finance Lease		+ 12.68			+ 2.99
Sales of Investments		+ 71.03			+ 48.39
Long Term deposits		+ 5.21			-
Source of Funds - Total		+ 248.13			+ 232.91
Application of Funds:					
Addition to Fixed assets		- 58.49			- 127.93
Assets subject to Finance Lease		- 12.68			- 2.99
Addition to Investments		- 57.16			- 192.42
Redeemable Capital		- 12.18			- 14.52
Long Term deposits		-			- 0.85
Liabilities against Assets subject to Finance lease		- 32.94			- 31.66
Custom Debentures		- 0.18			- 0.84
Loans Repaid		- 2.04			- 5.12
Dividend paid		- 0.06			-
Application of Funds - Total		- 175.73			- 376.33
Changes in the net position		+ 72.40			- 143.42



## Board of Governors

**Mr. Altaf M. Saleem**  
Chairman

**Mr. M. Asghar Qureshi**  
Vice Chairman

**Dr. S.A. Qureshi**  
Director General

**Mr. M. Awais Qureshi**  
Member

**Mr. Abdul Haq Saeed**  
Member

## Shakarganj Sugar Research Institute

### Principal Functions

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



## Director General Review 1995

### Varietal Position

Testing of newly evolved varieties remained in progress with a view to complete variety spectrum meeting the requirement of early medium & late crushing seasons. It has met a success when two more varieties SPSG-224 & SPSG-79 have been added to the list. We are now in a position to

recommend suitable varieties for specific months of crushing season from November to April.

Both our new varieties are well adapted to various farming systems and highly resistant to Red rot even under artificial screening procedure. Month wise report of the laboratory research samples of different varieties is shown below:

Month	SPSG26	SPSG394	SPSG223	SPSG79	BL-4	CO-1148
NOV.	8.89	9.31	7.75	7.56	7.58	6.59
DEC.	9.97	10.26	8.43	8.19	8.89	7.65
JAN.	10.79	10.69	9.5	8.95	9.77	8.44
FEB.	10.87	11.03	10.42	9.11	10.58	8.47
MAR.	10.65	11.01	10.02	9.74	10.14	9.02
APR.	11.56	11.34	10.26	10.02	10.4	9.6

Acreage under varieties SPSG-26 & SPSG-394 is increasing. We expect that with incentives in payment on recovery basis the spread will be much faster.

An incentive to popularise the varieties amongst the small farmers through supply of fresh disease free seed free of cost was also arranged. More than

96% of plots measuring 1 kanal each were successful. Entire produce will be used as seed for spring 96 planting. Only 10% has been in Sept 95 planting. The details of the supply is given below:

### Demonstration/Seed Increase Plots

Planting Season	No. of Plots	Seed Quantity (M. Tons)
Sept. 1994	234	87
Feb. 1995	550	205
Total:	784	292

Most pressing demand of farmers relates to improvement in the cane procurement system so important towards the supply of fresh clean seed of the desired varieties. We invited a leading sugarcane expert from Australia in March, 1995 to find out reasons for low average production level of sugar and sugarcane in Pakistan.

- e) Improving the procurement system with emphasis to improve harvesting techniques, ratoon handling & supply of fresh cane free of trash to the mill.

SSRI was established with all these objectives in view twelve years ago.

SSRI arranged a training workshop at the end of his visit at Lahore. Entire Sugar Industry of Pakistan was invited to attend. The workshop made the following recommendations:

- A need for a National Sugarcane Breeding Station.
- A better co-ordination and participation of all the existing research centres for testing of the varieties.
- Availability of better yielding disease resistant varieties combining higher sugar contents.
- Solving the problems of small farmers through easy availability of inputs and more emphasis on cane development program.

DR. S.A. QURESHI  
Director General Research

## Directors' Report to Shareholders

### Dear Shakarganj Investor:

Your Directors are pleased to present the Twenty-Eighth Annual Report along with detailed notes for the year ended September 30, 1995.

Your Company's operation for the year resulted in a net profit of Rs. 54,730 million as against Rs. 19,381 million in 1994. After charging Rs. 116,639 million for depreciation and amortization and Rs. 137,158 million for interest on loans and advances profit available for appropriation comes to Rs. 56,176 million. Your Directors recommend appropriation of profit as follow.

	(Rupees in thousand)
Profit available for appropriation	56,176
Unappropriated profit c/f	56,176

Your Directors recommend issue of bonus shares out of capital reserve created for premium on issue of right shares, at the rate of 10% of the shareholding.

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

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

The management renews its pledge to continue its best efforts to manage prudently the Company's business for the benefit of all and sincerely thanks its shareholders, employees, customers and suppliers who by their continued support have made 1995 a successful year for Shakarganj.

For and on behalf of the Board



**ALTAF M. SALEEM**  
Chief Executive

February 26, 1996  
Lahore



## Auditors' Report to the Members

We have audited the annexed balance sheet of SHAKARGANJ MILLS LIMITED as at 30 September 1995 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 1995 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.

FAISALABAD - 26 January 1996

  
(RIAZ AHMAD & COMPANY)  
Chartered Accountants



## Balance Sheet

## SHARE CAPITAL AND RESERVES

## Authorised share capital

50 000 000 (1994 : 25 000 000)  
ordinary shares of Rupees 10 each

Issued, subscribed and paid up share capital  
Reserves  
Unappropriated profit

SURPLUS ON REVALUATION OF  
OPERATING FIXED ASSETS  
REDEEMABLE CAPITAL

## DEBENTURES AND LONG TERM LOANS

Custom debentures  
Long term loans

LIABILITIES AGAINST ASSETS  
SUBJECT TO FINANCE LEASE  
DEFERRED TAXATION

## CURRENT LIABILITIES

Current portion of long term liabilities  
Short term running finances

Creditors, accrued and other liabilities  
Workers' participation fund  
Provision for taxation  
Unclaimed dividend

## CONTINGENCIES AND COMMITMENTS

Note

(Rupees in thousand)

1995

1994

500 000

250 000

3

213 051

181 843

4

215 883

227 555

56 176

1 446

485 110

410 844

5

10 775

10 745

250 616

274 929

6

43 412

70  
51 113

43 412

51 183

7

26 813

54 853

8

22 500

27 000

9

57 025

46 032

10

532 187

592 952

11

138 796

125 554

12

2 966

1 370

23 909

33 883

731

732

755 614

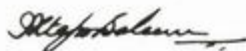
800 523

13

1 594 810

1 630 077

The annexed notes form an integral part of these accounts.



ALTAF M. SALEEM



as at 30 September 1995

	Note	(Rupees in thousand)	
		1995	1994
<b>TANGIBLE FIXED ASSETS</b>			
Operating fixed assets	14	808 026	529 515
Assets subject to finance Lease	15	46 644	72 632
Capital work-in-progress	16	4 989	243 350
		859 659	845 497
<b>LONG TERM INVESTMENTS</b>			
	17	23 450	23 450
<b>LONG TERM DEPOSITS</b>			
	18	7 586	6 732
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	19	43 764	41 092
Stock-in-trade	20	130 717	136 784
Trade debts-Unsecured but considered good		25 285	28 078
Advances, deposits, prepayments and other receivables	21	135 846	199 977
Short term investments	22	354 387	205 353
Cash and bank balances	23	14 116	143 114
		704 115	754 398
		<b>1 594 810</b>	<b>1 630 077</b>

 MAZHAR KARIM  
Chairman

## Profit and Loss Account for the year ended 30 september 1995

	Note	(Rupees in thousand)	
		1995	1994
<b>SALES</b>	24	<b>1,204,483</b>	1,090,098
<b>COST OF GOODS SOLD</b>	25	<b>1,017,561</b>	1,011,269
<b>GROSS PROFIT</b>		<b>186,922</b>	7,829
<b>OPERATING EXPENSES</b>			
Administrative and general	26	32,521	31,449
Selling and distribution	27	13,694	12,937
		<b>46,215</b>	44,386
<b>OPERATING PROFIT</b>	28	<b>140,707</b>	34,443
<b>OTHER INCOME</b>	29	<b>55,979</b>	96,565
		<b>196,686</b>	131,008
<b>FINANCIAL AND OTHER CHARGES</b>	30	<b>137,468</b>	104,864
<b>WORKERS' PARTICIPATION FUND</b>		<b>2,966</b>	1,313
		<b>140,434</b>	106,177
<b>PROFIT BEFORE TAXATION</b>		<b>56,252</b>	24,831
<b>TAXATION</b>	31	<b>(1,522)</b>	(5,450)
<b>PROFIT AFTER TAXATION</b>		<b>54,730</b>	19,381
<b>UNAPPROPRIATED PROFIT BROUGHT FORWARD</b>		<b>1,446</b>	249
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		<b>56,176</b>	19,630
<b>APPROPRIATION</b>			
Reserve for issue of bonus shares		-	18,184
<b>UNAPPROPRIATED PROFIT</b>		<b>56,176</b>	1,446

The annexed notes form an integral part of these accounts.



ALTAF M. SALEEM  
Chief Executive



MAZHAR KARIM  
Chairman

# Statement of Changes in Financial Position for the year ended 30 September 1995

	Note	(Rupees in thousand)	
	1995	1994	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation	56 252	24 831	
Add/(less): Adjustments to reconcile profit to net cash provided by operating activities			
Depreciation and amortization	116 639	89 011	
Gain on disposal of operating fixed assets	(719)	(78)	
Profit on sale of investments	(19 385)	(81 664)	
Financial charges	137 158	104 624	
<b>Cash flows from operating activities before working capital changes</b>	<b>289 945</b>	<b>136 724</b>	
(Increase)/decrease in current assets			
Stores and spares	(2 672)	17 022	
Stock in trade	6 067	(8 688)	
Trade debts	2 793	(18 362)	
Advances, deposits, prepayments and other receivables	50 095	(21 377)	
	56 283	31 405	
Increase/(decrease) in current liabilities			
Short term running finances	(60 765)	100 130	
Creditors, accrued and other liabilities	6 353	(16 841)	
Workers' participation fund	1 596	954	
	(52 816)	84 243	
<b>Cash flows from working capital changes</b>	<b>3 467</b>	<b>52 838</b>	
<b>Cash flows from operating activities</b>	<b>293 412</b>	<b>189 562</b>	
Financial charges paid	(130 269)	(99 578)	
Income tax paid	(1 960)	(3 683)	
Dividend paid	(1)	(58)	
<b>Net cash flows from operating activities</b>	<b>161 182</b>	<b>86 243</b>	





(Rupees in thousand)

1995 1994

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sale of operating fixed assets

839 853

Fixed assets acquired

(127 927) (58 493)

Long term deposits

(854) 5 210

Sale proceeds of investments

62 775 144 195

Investments made

(192 424) (48 660)

**NET CASH FLOWS FROM INVESTING ACTIVITIES****(257 591) 43 105****CASH FLOWS FROM FINANCING ACTIVITIES**

Share capital

13 024 30 307

Share premium

6 512 15 154

Redeemable capital

- 4 586

Redemption of redeemable capital

(14 515) (12 181)

Custom debentures redeemed

(835) (181)

Repayment of long term loans

(5 119) (2 040)

Payment of liabilities against assets subject to finance lease

(31 656) (32 944)

Net cash flows from financial activities

(32 589) (2 701)

Net increase/(decrease) in cash and cash equivalent

(128 998) 132 049

Cash and cash equivalent at the beginning of the year

143 114 11 065

Cash and cash equivalent at the end of the year

**14 116 143 114****ALTAF M. SALEEM**  
Chief Executive**MAZHAR KARIM**  
Chairman

## Notes to the Accounts for the year ended 30 September 1995

### 1. STATUS AND NATURE OF BUSINESS

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

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

#### 2.2 Staff retirement benefits

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

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

#### 2.3 Taxation

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

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

#### 2.4 Foreign currencies

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

#### 2.5 Tangible fixed assets and depreciation

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

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

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

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

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

#### 2.6 Assets subject to finance lease

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

#### 2.7 Investments

These are stated at cost.

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

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

#### 2.9 Stock-in-trade

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

## 2.10 Trade debts

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

## 2.11 Revenue recognition

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

		(Rupees in thousand)	
		1995	1994
<b>3. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL</b>			
13 198 995 (1994:11 198 720) ordinary shares of Rupees 10 each each fully paid up in cash		131 990	111 987
750 000 ordinary shares of Rupees 10 each issued to Pakistan Industrial Credit and Investment Corporation Limited against their right of option to convert 20 percent of their loan into fully paid up shares		7 500	7 500
8 054 032 (1994:6 235 600) ordinary shares of Rupees 10 each issued as fully paid bonus shares		80 540	62 356
		220 030	181 843
Less: 697 893 right shares of Rupees 10 each not subscribed by members until 30 September		6 979	-
		213 051	181 843
<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		86 292	71 138
Add: Premium on right shares issued during the year		10 001	15 154
		96 293	86 292
Less: Premium on 697 893 right shares at the rate of Rupees 5 each not subscribed by members until 30 September		3 489	-
Transfer to reserve for		22 003	-
		25 492	-
For issue of bonus shares:		70 801	86 292
Balance as at 01 October		18 184	13 776
Transferred from profit and loss account		-	18 184
Transferred from premium on issue of right shares		22 003	-
Nominal value of shares issued		18 184	13 776
		22 003	18 184
		112 804	124 476
<b>Revenue:</b>			
General		78 079	78 079
Dividend equalization		25 000	25 000
		103 079	103 079
		215 883	227 555

## 5. REDEEMABLE CAPITAL

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

	Pakistan Industrial Credit and Investment Corporation Limited (Note 5.1)					PRIC/PIS-29		NDPC (NOTE 5.2)	(Rupees in thousand)	
	100/PIS-XI/9 AND XI/10	100/PIS X/12	100/PIS-XI/7 XIII/5	100/PIS- XIII/1/2 PIS-XII/2	100/PIS-XI/1 PIS-XII/1 PIS-XII/7 PIS-XIII/10/10 PIS-XIII/7 PIS-XIII/10/1	PRIC/PIS-29	PRIC/PIS-29		1995	1994
Balance as at										
01 October	1 414	1 386	100 661	20 161	110 821	18 994	8 211	25 000	286 648	294 243
Received during the year	-	-	-	-	-	-	-	-	-	4 586
	1 414	1 386	100 661	20 161	110 821	18 994	8 211	25 000	286 648	298 829
Less: Repaid	333	1 386	2 796	-	-	-	-	10 000	14 515	12 181
Less: Current portion (Notes)	333	-	11 184	-	-	-	-	10 000	21 517	11 719
	666	1 386	13 980	-	-	-	-	20 000	36 032	23 900
Balance as at 30 September	748	-	86 681	20 161	110 821	18 994	8 211	5 000	250 616	274 929
Sanctioned limit	2 870	10 257	100 661	32 626	110 945	19 850	9 279	50 000		
Unavailed credit facility	-	-	-	12 465	124	856	1 068			
No. of instalments	23 Quarterly	21 Quarterly	36 Quarterly	38 Quarterly	38 Quarterly	24 Quarterly	13 Quarterly	10 Half Yearly		
Repayment date of 1st instalment	April 1993	April 1990	July 1995	Not yet finalised	Not yet finalised	Not yet finalised	Not yet finalised	March 1992		
Rate of mark up (per annum)	6%	6%	7%	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 (1994: Rupees 286.489 million) from the company which was deemed to have been resold to the company at marked up price of Rupees 464.490 million (1994: Rupees 464.490 million) which includes rebate of Rupees 77.415 million (1994: Rupees 77.415 million) on timely payments of marked up price. Loans are secured against security mentioned in note 6.1.

5.2 Marked up price of the credit facility is Rupees 84.901 million. Rebate in the marked up price for timely payments will be allowed at a rate determined by National Development Finance Corporation (NDFC). Liability is secured against deposit of shares of listed companies having face value of Rupees 5,000 million as referred to in note 17.2 and 22.2 and guarantee given by Crescent Investment Bank Limited (An associated undertaking).



## 6. LONG TERM LOANS

### Pakistan Industrial Credit and Investment Corporation Limited

	(Rupees in thousand)	
	1995	1994
Loan No.		
ADB-455/20 (Note 6.2)	1 135	1 774
IBRD-3019 (Note 6.3)	11 660	13 372
ADB-996 (Note 6.3)	35 550	38 318
	<u>48 345</u>	<u>53 464</u>
Less: Current portion (Note 9)	4 933	2 351
	<u>43 412</u>	<u>51 113</u>

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

- first legal mortgage on company's present and future immovable properties wherever situated including all buildings, plant and machinery and fixtures;
- 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;
- 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 10.7; and
- demand promissory note.

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

6.3 Loan No. IBRD-3019 and loan No. ADB-996 are repayable in 15 and 20 semi annual instalments commenced from 01 January 1993 and 01 July 1994 and carry interest at the rate of 15 and 15.65 percent per annum respectively. Rupees 0.518 million remained undisbursed out of total sanctioned limit of Rupees 38.836 million in loan No. ADB-996.

## 7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease Payments

Less: Current portion (Note 9)

57 388	86 050
<u>30 575</u>	<u>31 197</u>
<u>26 813</u>	<u>54 853</u>

7.1 The present value of minimum lease payments has been discounted using the sum of digit method. The rentals are paid in monthly/quarterly 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 7.344 million (1994: Rupees 6.518 of million) included in long term deposits (Note 18) and Rupees 4.907 million (1994: Rupees 6.529 million) included in advances, deposits, prepayments and other receivables (Note 21).



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

DESCRIPTION	Balance rentals outstanding as at 30 September 1995 (Rupees in thousand)	No. of instalments outstanding	Approximate rate of interest per annum	Repayment date of last instalment
National Development Leasing Corporation Limited	1 787	32 Monthly	20-22	May 1998
Asian Leasing Corporation Limited	1 576	11 Monthly	15	August 1996
ORIX Leasing Pakistan Limited	19 586	24 Monthly	14-20	September 1997
Atlas BOT Lease Company Limited	1 735	10 Monthly	18	July 1996
Crescent Leasing Corporation Limited	1 738	11 Monthly	15	August 1996
International Multi Leasing Corporation Limited	9 634	29 Monthly	23	February 1998
First Grindlays Modaraba	4 019	21 Monthly	19-22	June 1997
Standard Chartered Mercantile Leasing Company Limited	12 053	27 Monthly	20	December 1997
Al-Zamin Leasing Modaraba	1 339	12 Monthly	20	September 1996
Capital Assets Leasing Corporation Limited	5 446	36 Monthly	20	September 1998
Al-Atta Leasing Modaraba	3 965	15 Monthly	20	December 1996
Ibrahim Leasing Limited	306	29 Monthly	22	February 1998
Security Leasing Corporation Limited	402	56 Monthly	21	May 2000
Pakistan Kuwait Investment Company (Private) Limited	258	8 Quarterly	21	August 1997

(Rupees in thousand)

1995 1994

## 8. DEFERRED TAXATION

Timing differences relating to accelerated tax depreciation  
Other timing differences

88 422	44 085
(65 922)	(17 085)
<u>22 500</u>	<u>27 000</u>

## 9. CURRENT PORTION OF LONG TERM LIABILITIES

Redeemable capital  
Custom debentures  
Long term loans  
Liabilities against assets subject to finance lease

21 517	11 719
-	765
4 933	2 351
30 575	31 197
<u>57 025</u>	<u>46 032</u>

**10. SHORT TERM RUNNING FINANCES**

Secured:

From financial institutions:

Pakistan Industrial Credit and Investment Corporation Limited

National Development Finance Corporation (Note 10.1)

Pakistan Venture Capital Limited

From investment banks (Note 10.2)

From modaraba

From investment companies (Note 10.3)

From Jhang Electric Supply Corporation (Private) Limited (Note 10.4)

From Crescent Knitwear Limited (Note 10.5)

From leasing company (Note 10.6)

From banking companies:

Secured (Note 10.7)

Unsecured-Unpresented cheques

(Rupees in thousand)

1995

1994

-

90 000

**54 900**

-

90 000

**72 326**

73 800

-

50 000

**60 000**

141 628

**50 000**

50 000

**50 000**

-

**40 000**

-

**327 226**

495 428

**204 040**

97 522

**921**

2

**204 961**

97 524

**532 187**

592 952

**10.1** National Development Finance Corporation has purchased goods valuing Rupees 60.00 million from the company which were deemed to have been resold to the company at marked up price of Rupees 73.20 million. The finance is secured against pledge of the said goods. Finance carries mark up at the rate of paisa 52 per Rupees 1 000 per day and is repayable on 30 September 1996.

**10.2** Short term finances obtained from Investment Banks include Rupees 10.000 million (1994: Rupees 61.800 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 4.669 million as referred to in Note 22.2. Mark up is payable at the rate of 17.50 to 19.50 percent per annum. The finances are repayable on different dates between 09 October 1995 to 29 December 1995.

**10.3** Short term running finance of Rupees 30.000 million obtained from Pakistan Kuwait Investment Company (Private) Limited and Rupees 30 million from Saudi Pak Industrial and Agricultural Investment Company (Private) Limited carries mark up at the rate of 19 percent and 17.5 percent per annum respectively. The finances are secured by way of pledge of shares of listed companies having face value of Rupees 30.032 million as referred to Note 22.2. The finances are repayable on 28 December 1995 and 24 November 1995.

**10.4** The finance obtained from Jhang Electric Supply Corporation (Private) Limited carries mark up at the rate of paisas 48 per Rupees 1000 per day. The finance is repayable on 11 January 1996.

**10.5** The finance obtained from Crescent Knitwear Limited carries mark up at the rate of paisa 52 per Rupees 1 000 per day. The finance is repayable on 26 October 1995.

**10.6** The finance was obtained from First Leasing Corporation under Morabaha arrangements. Leasing Company has purchased goods valuing Rupees 40.00 million from the company which were repurchased by the company at Rupees 47.60 million. The finance is secured by way of pledge and hypothecation of stocks and is repayable on 06 July 1996.

**10.7** These are secured against pledge and hypothecation of stores, spares, stocks, book debts, pledge of shares of listed companies having face value of Rupees 71.774 million as referred to in note 17.2 and 22.2 and second charge on fixed assets of the company. Mark up is charged at the rate of paisas 48 to 58 per Rupees 1 000 per day. Agricultural Development Bank of Pakistan charged mark up at the rate of 13.50 percent per annum. These form part of aggregate credit facilities of Rupees 319.50 million (1994: Rupees 97.648 million).

(Rupees in thousand)

1995 1994

# 11. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		
Trade	5 225	28 075
Others	17 107	10 033
	<u>22 332</u>	<u>38 108</u>
Advances from customers	19 842	13 552
Securities from contractors-Interest free, repayable on completion of contracts	834	795
Income tax deducted at source	361	691
Interest on custom debentures-Secured	-	45
Mark up accrued on redeemable capital-Secured	6 017	5 459
Interest accrued on long term loans-Secured	1 897	2 001
Mark up accrued on short term running finances-Secured	38 204	31 724
Excise duty and sales tax payable	12 447	11 147
Due to associated undertakings	28 389	8 148
Payable to pension fund	144	777
Due to Provident fund trust	32	-
Due to director	115	115
Workers' welfare fund	-	1 885
Other accrued liabilities	8 182	11 107
	<u>138 796</u>	<u>125 554</u>

# 12. WORKERS' PARTICIPATION FUND

Balance as at 01 October	1 370	416
Share of company's profit for the year	2 966	1 313
Interest accrued	92	-
	<u>4 428</u>	<u>1 729</u>
Payments made to workers	1 462	359
	<u>2 966</u>	<u>1 370</u>

12.1 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.

# 13. CONTINGENCIES AND COMMITMENTS

## Contingencies

The company was contingently liable in respect of employees' claims amounting to Rupees 0.200 million (1994: Rupees 0.275million), Central Excise duty claims amounting to Rupees 2.197 million (1994: Rupees 5.273 million) and other claims amounting to Rupees 0.800 million (1994: Rupees Nil) as on 30 September 1995. These claims have not been acknowledged by the company and cases are pending with various courts.

## Commitments

There was no capital commitments as on 30 September 1995 (1994: Rupees Nil). Letters of credit other than for capital expenditure were amounting to Rupees 2.159 million (1994: Rupees 2.155 million).

#### 14. OPERATING FIXED ASSETS

((Rupees in thousand)s)

DESCRIPTION	COST RE-ASSESSED VALUE		Accumulated depreciation as at 30 September 1995	Book value as at 30 September 1995	Depreciation	
	As at 01 October 1994	Additions/ (Deletions)			Charge for the year	Rate %
Land freehold (Note 14.1)	23 764	2 160	25 924	-	25 924	-
Buildings and roads on freehold land	82 624	1 863	84 487	45 664	38 823	4 314 10
Plant and machinery	736 235	360 448	1 096 683	362 870	733 813	81 535 10
Laboratory equipments	917	-	917	877	40	27 40
Tubewell and water pumps	1 744	90	1 834	1 411	423	106 20
Electric installations	719	54	773	660	113	28 20
Weighbridges and scales	3 275	77	3 352	2 361	991	248 20
Furniture and fixtures	7 701	969 (83)	8 587	5 318	3 269	817 20
Office equipments	4 914	149	5 063	4 486	577	385 40
Vehicles	5 740	900 (155)	6 485	3 580	2 905	726 20
Arms and ammunition	86	-	86	42	44	5 10
Library books	2 062	539	2 601	1 761	840	360 30
Tools and equipments	3 121	103	3 224	2 970	254	169 40
Telephone equipments	268	55	273	263	10	6 40
1995	873 170	367 357 (238)	1 240 289	432 263	808 026	88 726
1994	686 614	187 346 (790)	873 170	343 655	529 515	58 140

14.1 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 a every three years and lease is extendible for an other term of 20 years with mutual consent of both parties.

14.2 Land, buildings, plant and machinery were revalued by an independent valuer as at 30 September 1979 and stated in note 14 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 (1994: Rupees 38.637 million).

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



	(Rupees in thousand)	
	1995	1994
Cost of goods sold Sugar (Note 25.2)	81 077	49 881
Distillate (Note 25.4)	2 001	2 222
Kanewood (Note 25.5)	2 045	2 171
Administrative, selling and general expenses-Sugar(Note 26.1)	3 603	3 861
	<u>88 726</u>	<u>58 135</u>

#### 14.4 DISPOSAL OF OPERATING FIXED ASSETS

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of purchases
<b>Vehicles</b>						
Suzuki Car JGA 4946	13	5	8	72	Negotiation	Muhammad Riaz Company's employee
Tractor JGA 7231	12	-	12	91	-	Sher Muhammad Cane Contractor
Tractor JGA 6991	12	-	12	91	-	Sher Muhammad Cane Contractor
Tractor JGA 6992	12	-	12	92	-	Sher Muhammad Cane Contractor
Motor Cycle (41 Nos.)	107	43	64	452	-	Company's employee
<b>Furniture and Fixtures</b>						
Air Conditioner 6 Nos.	60	58	2	23	-	Sher Muhammad Cane Contractor
TV Sony 1 No.	10	5	5	10	-	Company's employee
Refrigerator 1 No.	10	6	4	7	-	Company's employee
Dining Table set 1 No.	2	1	1	1	-	Company's employee

#### 15. ASSETS SUBJECT TO FINANCE LEASE

Description	C O S T		As at 30 September 1995	Accumulated amortization as at 30 September 1995	Book value as at 30 September 1995	Amortization charge for the year
	as at 01 October 1994	Additions/ (Deletions)				
Building	255	-	255	187	68	17
Plant and machinery	122 691	-	112 264	72 004	40 260	23 385
		(10 427)				
Vehicles	14 793	2 994	12 356	6 296	6 060	4 259
		(5 431)				
Equipments	844	-	844	588	256	252
1995	138 583	2 994	125 719	79 075	46 644	27 913
		(15 548)				
1994	174 451	12 680	138 583	65 951	72 632	30 871
		(48 548)				

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

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

	(Rupees in thousand)	
	1995	1994
Cost of goods sold		
Sugar (Note 25.2)	23 364	25 821
Distillate (Note 25.4)	274	274
Administrative, selling and general expenses-Sugar (Note 26.1)	4 275	4 776
	<u>27 913</u>	<u>30 871</u>

## 16. CAPITAL WORK-IN-PROGRESS

Buildings	2 185	2 274
Plant and machinery	2 804	241 076
	<u>4 989</u>	<u>243 350</u>

## 17. LONG TERM INVESTMENTS

### QUOTED

#### Associated undertakings:

##### Crescent Investment Bank Limited

475 000 ordinary shares of Rupees 10 each fully paid

4 750 4 750

##### Crescent Steel and Allied Products Limited

300 000 ordinary shares of Rupees 10 each fully paid

3 000 3 000

##### Crescent Knitwear Limited

350 000 ordinary shares of Rupees 10 each

3 500 3 500

### UNQUOTED

#### Subsidiary company:

##### Crescent Business Management (Private) Limited Wholly owned

1000000 ordinary shares of Rupees 10 each fully paid. Break up value as per audited accounts of 30 June 1995 was Rupees 9.98(1994:Rupees 13.25) per share

10 000 10 000

#### Associated undertaking:

##### Crescent Group Services (Private) Limited

220 000 ordinary shares of Rupees 10 each fully paid. Equity held 18.96 percent

Break up value as per last audited accounts was Rupees -28.08 per share

2 200 2 200

23 450 23 450

17.1 Aggregate market value of quoted investments as at 30 September 1995 was Rupees 42.450 million (1994: Rupees 76.775 million).

17.2 Following investments having face value of Rupees 11.250 million (1994: Rupees 11.250 million) are deposited as security with financial institution, banking companies, and investment banks:

(Rupees in thousand)

1995 1994

Against redeemable capital obtained from National Development Finance Corporation (Note 5.2)

4 750 4 750

Against short term running finances obtained from Banking companies (Note 10.7)

3 500 3 500

Against bank guarantee issued by Crescent Investment Bank Limited  
(An associated undertaking)

3 000 3 000

11 250 11 250

## 18. LONG TERM DEPOSITS

Securities

242 214

Margin against leasehold assets (Note 7.1)

7 344 6 518

7 586 6 732

## 19. STORES, SPARE PARTS AND LOOSE TOOLS

Stores

29 179 27 597

Spare parts

19 504 18 447

Loose tools

631 598

49 314 46 642

5 550 5 550

Less: Provision for obsolescence

43 764 41 092

## 20. STOCK-IN-TRADE

Work-in-process

Finished goods

493 4 629

Sugar

108 388 107 423

Molasses

9 571 17 354

Distillate

6 771 3 567

Kanewood

5 494 3 811

130 224 132 155

130 717 136 784

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

Loans and advances-Considered good:

Employees-Interest free

105 264

Due from gratuity fund trust

7 26

Due from provident fund trust

- 28

Suppliers and contractors

15 477 10 259

Income tax

20 912 34 948

Sugarcane growers (Note 21.3)

4 922 9 069

41 423 54 594

Considered doubtful:

Sugarcane growers

5 064 5 064

Less: Provision for doubtful

5 064 5 064

- -

41 423 54 594



	(Rupees in thousand)	
	1995	1994
Deposits:		
Excise duty	4 578	594
Sales tax	53	53
Margin against bank guarantees	251	491
Margin against short term running finances	-	2 500
Margin against leasehold assets (Note 7.1)	4 907	6 529
	<u>9 789</u>	<u>10 167</u>
Letters of credit	30 475	105 906
Short term prepayments	10 076	5 022
Due from associated undertakings	39 207	17 845
Accrued interest	92	84
Excise duty refundable	-	555
Sundry receivables	4 784	5 804
	<u>135 846</u>	<u>199 977</u>

21.1 Maximum aggregate amount due from executives at the end of any month during the year was Rupees 0.015 million 1994; Rupees 0.229 million).

21.2 Aggregate amounts due from executives of the company are Rupees 0.005 million at the close of financial year (1994: Rupees 0.022 million).

21.3 Loans to sugarcane growers are partly interest free and partly interest bearing at the rate of 13.50 percent per annum.

## 22. SHORT TERM INVESTMENTS

### QUOTED

#### Associated undertakings:

##### Crescent Sugar Mills and Distillery Limited

487 132 ordinary shares of

Rupees 10 each fully paid

15 118 15 118

199 788 (1994: 137 341) bonus shares of Rupees 10 each

-

-

##### Crescent Boards Limited

84 700 ordinary shares of Rupees 10 each fully paid

978

978

7 260 bonus shares of Rupees 10 each

-

-

##### Crescent Jute Products Limited

434 982 ordinary shares of Rupees 10 each fully paid

10 249

10 249

101 835 bonus shares of Rupees 10 each

-

-

##### Jubilee Spinning and Weaving Mills Limited

4 000 ordinary shares of Rupees 10 each fully paid

66

66

7 200 (1994: 4 000) 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

42 341 (1994: 38 165) bonus shares of Rupees 5 each

-

-

	(Rupees in thousand)	
	1995	1994
<b>The Crescent Textile Mills Limited</b>		
344 994 (1994: 87 937) ordinary shares of Rupees 10 each fully paid	8 146	1 505
71 409 (1994: 24 186) bonus shares of Rupees 10 each	-	-
<b>Crescent Steel and Allied Products Limited</b>		
180 000 ordinary shares of Rupees 10 each fully paid	1 800	1 800
120 000 bonus shares of Rupees 10 each	-	-
<b>Pakistan Industrial Leasing Corporation Limited</b>		
3 683 060 (1994: 709 200) ordinary shares of Rupees 10 each fully paid	125 644	7 454
243 520 bonus shares of Rupees 10 each	-	-
<b>Crescent Investment Bank Limited</b>		
1 892 301 (1994: 1 324 051) ordinary shares of Rupees 10 each fully paid	37 560	26 156
378 814 (1994: 29 022) bonus shares of Rupees 10 each	-	-
<b>First Crescent Modaraba</b>		
110 000 (1994: Nil) ordinary shares of Rupees 10 each fully paid	965	-
1 786 (1994: 1 440) bonus shares of Rupees 10 each	-	-
<b>Crescent Leasing Corporation Limited</b>		
2 291 000 (1994: 1 420 500) ordinary shares of Rupees 10 each fully paid	30 474	15 213
<b>Others</b>		
<b>Pakistan Industrial Credit and Investment Corporation Limited</b>		
1 435 296 (1994: 2 054 503) ordinary shares of Rupees 10 each fully paid	90 527	92 968
2 007 362 (1994: 1 433 549) bonus shares of Rupees 10 each	-	-
<b>Crescent Spinning Mills Limited</b>		
341 300 ordinary shares of Rupees 10 each fully paid	3 413	3 413
<b>Husein Sugar Mills Limited</b>		
1 472 (1994: 1 309) bonus shares of Rupees 10 each	-	-
<b>AR Pak International Investment Limited</b>		
10 000 ordinary shares of Rupees 10 each fully paid	93	93
<b>Pakistan International Airlines Corporation</b>		
51 (1994: 47) bonus shares of Rupees 10 each	-	-
<b>Atlas Bot Lease Company Limited</b>		
33 604 (1994: 35 640) bonus shares of Rupees 10 each	-	-
<b>Pakistan Oil Fields Limited</b>		
500 ordinary shares of Rupees 10 each fully paid	34	34
<b>Prudential Discount and Guarantee House Limited</b>		
131 000 ordinary shares of Rupees 10 each fully paid	1 033	1 033
<b>Sui Northern Gas Pipelines Limited</b>		
202 600 ordinary shares of Rupees 10 each fully paid	8 133	8 133



	(Rupees in thousand)	
	1995	1994
<b>ICI Pakistan Limited</b>		
50 ordinary shares of Rupees 10 each fully paid	4	4
<b>Muslim Commercial Bank Limited</b>		
21 125 (1994: 81 122) ordinary shares of Rupees 10 each fully paid	729	1 715
26 430 (1994: 345) bonus shares of Rupees 10 each	-	-
<b>Nazir Cotton Mills Limited</b>		
471 113 ordinary shares of Rupees 10 each fully paid	4 711	4 711
<b>Shaheen Cotton Mills Limited</b>		
1 050 000 ordinary shares of Rupees 10 each fully paid	13 650	13 650
<b>UNQUOTED-ASSOCIATED UNDERTAKING</b>		
<b>Shams Food Products Limited</b>		
Deposit for issue of 100 000 ordinary shares of Rupees 10 each	1 000	1 000
	<u>354 387</u>	<u>205 353</u>

22.1 Aggregate market value of quoted investments as at 30 September 1995 was Rupees 413.625 million (1994: Rupees 615.928 million).

22.2 Following investments having face value of Rupees 109.818 million (1994: Rupees 39.554 million) are deposited as security with banks, financial institutions and investment companies.

#### Against redeemable capital obtained from

##### National Development Finance Corporation (Note 5.2)

250	250
-----	-----

#### Against short term running finances obtained from:

##### Financial institution

-	12 909
---	--------

##### Investment banks (Note 10.2)

4 669	7 479
-------	-------

##### Investment companies (Note 10.3)

30 032	9 196
--------	-------

##### Banking companies (Note 10.7)

68 274	4 447
--------	-------

#### Against bank guarantees issued by:

##### Standard Chartered Bank

-	616
---	-----

##### Crescent Investment Bank Limited

6 124	4 622
-------	-------

#### Against central excise duty on loan:

##### Atlas Bot Investment Bank Limited

52	35
----	----

##### Pakistan Industrial Credit & Investment Corporation Limited

417	-
-----	---

<u>109 818</u>	<u>39 554</u>
----------------	---------------

## 23. CASH AND BANK BALANCES

#### Cash in hand

#### Cash with banks on:

##### Current accounts

##### Short term deposit accounts

##### Dividend account

##### PLS saving account

##### Right shares collection account

	221	245
	3 325	13 703
	6 708	129 158
	14	4
	2	4
	3 846	-
	<u>13 895</u>	<u>142 869</u>
	<u>14 116</u>	<u>143 114</u>

23.1 Term deposit receipts amounting to Rupees 3.315 million (1994: Rupees 3.009 million) are lying with Muslim Commercial Bank Limited under lien against loans to sugarcane growers.

(Rupees in thousand)

1995 1994

## 24. SALES

Sugar:		
Local	1 034 938	864 989
Export	47 613	92 919
Distillate:		
Local	29 941	12 395
Export	33 143	71 529
Kanewood	21 239	15 565
Molasses (By product)	43 606	34 698
Bagasse (By-product)	96	2 702
	<u>1 210 576</u>	<u>1 094 797</u>
Less: Commission to selling agents	6 093	4 699
	<u>1 204 483</u>	<u>1 090 098</u>

## 25. COST OF GOODS SOLD

Sugar (Note 25.1)	961 773	936 466
Distillate (Note 25.3)	38 095	59 400
Kanewood (Note 25.5)	17 693	15 403
	<u>1 017 561</u>	<u>1 011 269</u>

### 25.1 COST OF GOODS SOLD-SUGAR

Raw material	549 151	625 247
Salaries, wages and other benefits	32 283	28 549
Stores, spare parts and loose tools	6 609	5 901
Dyes and chemicals	6 163	7 591
Packing material	15 270	12 796
Fuel and power	28 765	27 916
Repair and maintenance	33 534	32 543
Insurance	3 703	3 665
Vehicles' running	997	799
Travelling and conveyance	75	111
Printing and stationery	295	377
Rent, rates and taxes	320	304
Excise duty	157 030	139 493
Other factory overheads	4 330	3 461
Sugarcane research and development	6 398	4 905
Staff training and development	1 455	1 427
Depreciation/amortization (Note 25.2)	104 441	75 702

Work-in-process inventory:

As at 01 October

As at 30 September

950 819 970 787

4 629

493

4 136

2 962

4 629

(1 667)

(Rupees in thousand)  
1995 1994

Cost of goods produced	954 955	969 120
Finished goods inventory:		
As at 01 October	124 777	92 123
As at 30 September	117 959	124 777
	6 818	(32 654)
	961 773	936 466

## 25.2 DEPRECIATION/AMORTIZATION

Depreciation (Note 14.3)	81 077	49 881
Amortization (Note 15.2)	23 364	25 821
	104 441	75 702

## 25.3 COST OF GOODS SOLD-DISTILLATE

Molasses	28 677	15 346
Stores, spare parts and loose tools	2 133	2 500
Salaries, wages and other benefits	1 332	1 050
Chemicals	4 269	2 712
Fuel and power	1 998	6 631
Insurance	52	458
Other factory overheads	563	546
Depreciation/amortization (Note 25.4)	2 275	2 497
Cost of goods produced	41 299	31 740
Finished goods inventory		
As at 01 October	3 567	31 227
As at 30 September	6 771	3 567
	(3 204)	27 660
	38 095	59 400

## 25.4 DEPRECIATION/AMORTIZATION

Depreciation (Note 14.3)	2 001	2 223
Amortization (Note 15.2)	274	274
	2 275	2 497

## 25.5 COST OF GOODS SOLD-KANEWOOD

Raw material	9 112	7 441
Store, spare parts and loose tools	2 705	2 805
Salaries, wages and other benefits	1 208	1 031
Insurance	125	152
Diesel	2 206	1 861
Other factory overheads	1 975	1 964
Depreciation (Note 14.3)	2 045	2 176
	19 376	17 430

(Rupees in thousand)  
1995 1994

Work-in-process inventory  
As at 01 October  
As at 30 September

-	27
-	-
-	27

Cost of goods produced

19 376 17 457

Finished goods inventory  
As at 01 October  
As at 30 September

3 811	1 757
5 494	3 811
(1 683)	(2 054)
17 693	15 403

## 26. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, wages and other benefits  
Directors' meeting fee  
Travelling and conveyance  
Printing and stationery  
Telephone, postage and telegrams  
Vehicles' running  
Legal and professional  
Auditors' remuneration:  
Audit fee  
Out of pocket expenses

11 752 10 239

5 4

1 471 1 180

800 744

1 209 1 321

1 747 2 256

1 111 417

130	115
15	15

145 130

Repair and maintenance

1 676 1 934

Entertainment

276 204

Subscription

1 342 1 168

Rent, rates and taxes

272 564

Publicity

158 352

Registered office expenses

1 368 1 368

Miscellaneous

1 311 932

Depreciation/amortization (Note 26.1)

7 878 8 636

32 521 31 449

### 26.1 DEPRECIATION/AMORTIZATION

Depreciation (Note 14.3)

3 603 3 860

Amortization (Note 15.2)

4 275 4 776

7 878 8 636

## 27 SELLING AND DISTRIBUTION EXPENSES

Freight and forwarding  
Handling and distribution  
Loading and unloading  
Insurance

10 014 10 008

1 317 1 149

850 798

1 513 982

13 694 12 937

## 28. OPERATING PROFIT/(LOSS)

	(Rupees in thousand)	
	1995	1994
Sugar (Note 28.1)	116 641	19 357
Distillate (Note 28.2)	21 846	15 820
Kanewood (Note 28.3)	2 220	(734)
	<u>140 707</u>	<u>34 443</u>

### 28.1 OPERATING PROFIT-SUGAR

Sales	Net	1 121 708	991 722
Cost of goods sold		<u>961 773</u>	<u>936 466</u>
Gross profit		159 935	55 256
Operating expenses			
Administrative and general		30 309	28 649
Selling and distribution		<u>12 985</u>	<u>7 250</u>
		<u>43 294</u>	<u>35 899</u>
		<u>116 641</u>	<u>19 357</u>

### 28.2 OPERATING PROFIT-DISTILLATE

Sales-Net	62 305	83 277
Cost of goods sold	<u>38 095</u>	<u>59 400</u>
Gross profit	24 210	23 877
Operating expenses		
Administrative and general	1 655	2 370
Selling and distribution	<u>709</u>	<u>5 687</u>
	<u>2 364</u>	<u>8 057</u>
	<u>21 846</u>	<u>15 820</u>

### 28.3 OPERATING PROFIT/(LOSS)-KANEWOOD

Sales-Net	20 470	15 099
Cost of goods sold	<u>17 693</u>	<u>15 403</u>
Gross profit/ (loss)	2 777	(304)
Administrative and general expenses	557	430
	<u>2 220</u>	<u>(734)</u>

## 29. OTHER INCOME

Commission on fertilizer	146	137
Gain on disposal of operating fixed assets	719	78
Dividend income (Note 29.1)	19 589	4 674
Return on bank deposits	445	259
Interest on advances to associated undertaking	5 478	2 892
Profit on sale of investments	19 385	81 664
Agricultural farm income	5 860	2 445
Lease income	4	41
Rental	49	31
Underwriting commission	164	343
Electricity income	3 011	2 501
Miscellaneous	1 129	1 500
	<u>55 979</u>	<u>96 565</u>





(Rupees in thousand)

1995 1994

## 29.1 DIVIDEND INCOME

**Associated undertakings**

Crescent Investment Bank Limited	3 747	-
The Premier Insurance Company of Pakistan Limited	21	16
Crescent Steel and Allied Products Limited	900	-
Pakistan Industrial Leasing Corporation Limited	14 729	3 653
First Crescent Modaraba	-	65

**Others**

Pakistan Industrial Credit and Investment Corporation	75	-
AR Pak International Investment Limited	5	5
Prudential Discount and Guarantee House Limited	70	47
Pakistan Oilfields Limited	2	356
Atlas BOT Lease Company Limited	40	532
	<b>19 589</b>	<b>4 674</b>

## 30. FINANCIAL AND OTHER CHARGES

**Financial**

## Mark up on:

Redeemable capital	17 552	12 662
Short term running finances	88 452	55 967
Advances from associated undertakings	1 671	6 457

## Interest on:

Custom debentures	4	96
Long term loans	8 273	8 444
Workers' participation fund	92	-
Finance charges on liabilities against assets subject to finance lease	10 335	14 979
Lease agreements fee	405	316
Bank charges, commission and excise duty	10 374	5 703

**Donations (Note 30.1)**

137 158	104 624
310	240
<b>137 468</b>	<b>104 864</b>

## 30.1 DONATIONS

A sum of Rupees 200 000 (1994: Rupees 200 000) was donated to Crescent Educational Trust, Lahore in which the following directors of the company are trustees:

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

## 31. TAXATION

## For the year:

Current	(6 022)	(5 450)
Deferred tax	4 500	-
	<b>(1 522)</b>	<b>(5 450)</b>

Tax losses available to be carried forward are Rupees 339.951 million as on 30 September 1995 (1994: Rupees 240.157 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 are as follows:

	1995		1994	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees in thousand)			
<b>Managerial remuneration</b>	<b>1 170</b>	<b>5 482</b>	<b>1 095</b>	<b>3 825</b>
<b>Housing</b>	<b>526</b>	<b>1 265</b>	<b>493</b>	<b>871</b>
<b>Company's contribution to provident fund</b>	<b>82</b>	<b>384</b>	<b>77</b>	<b>257</b>
<b>Contribution to:</b>				
Pension fund	234	901	219	683
Gratuity fund	97	390	91	299
Hospitalisation	-	145	-	65
<b>Other benefits:</b>				
Utility allowance	117	542	110	383
Reimbursable expenses	14	250	6	163
	<b>2 240</b>	<b>9 359</b>	<b>2 091</b>	<b>6 546</b>
<b>Number of persons</b>	<b>1</b>	<b>29</b>	<b>1</b>	<b>20</b>

**32.1** Chief executive and five executives have been provided free 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 5 thousand (1994: Rupees 4 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 39.873 million (1994: Rupees 23.871 million).

Company purchased from and sold to associated undertakings, materials, goods and services in the aggregate sum of Rupees 9.430 million and Rupees 1.605 million (1994: Rupees 7.471 million and Rupees 7.719 million) respectively. Purchases/ sales of material, goods and services are made at prevailing market prices.

Mark up on advances to associated undertakings is received/ paid at the rate of 21 to 22 percent per annum (Note 29 and 30).

**34. PLANT CAPACITY AND ACTUAL PRODUCTION****Sugar:**

Capacity 68 000 M.Tons in 160 days i.e. 425,000 M.Tons per day

**Actual production:**

Current year 86 075.250 M.Tons in 157 days i.e. 548,250 M.Tons per day

Previous year 88 116.500 M.Tons in 196 days i.e. 449,574 M.Tons per day

**Distillery:**

Capacity 40 000 Litres per day

**Actual production:**

Current year 5 460 000 Litres in 245 days i.e. 22,286 Litres per day

Previous year 5 250 000 Litres in 289 days i.e. 18,166 Litres per day

**Kanewood:**

Capacity 30 Cubic meters per day

**Actual production:**

Current year 5 299.260 Cubic meters in 192 days i.e. 29.940 Cubic meters per day

Previous year 4 334.770 Cubic meters in 192 days i.e. 22.580 Cubic meters per day

**34.1 REASONS FOR LOW PRODUCTION**

Distillery

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

**Kanewood**

Production was made according to the demand in the market.

	(Rupees in thousand)	
	1995	1994
<b>35. SEGMENT ASSETS AND OTHER INFORMATION</b>		
Sugar	1 558 002	1 579 098
Distillery	18 006	25 585
Kanewood	18 802	25 394
	<u>1 594 810</u>	<u>1 630 077</u>

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

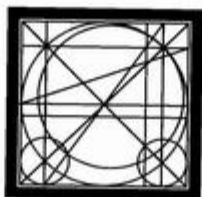
Accounts of the subsidiary company M/s. Crescent Business Management (Pvt) Limited for the year ended June 30, 1995 are annexed to these accounts. The accumulated losses of the subsidiary company are not dealt with in the accounts of the holding company.



ALTAF M. SALEEM  
Chief Executive



MAZHAR KARIM  
Chairman



**Crescent Business  
Management  
(Private) Limited**



## Directors' Report

The Directors' have pleasure in presenting the audited accounts of the company together with Auditor's Report thereon for the year ended June 30, 1995.

### Financial Results

	Rupees
Net Loss for the period	(3,268,759)
Accumulated profit brought forward	3,252,913
Loss carried forward	(15,846)

### Review of Operations

During the year under review the Company did not receive Management Fee from its Modaraba (FCM) which since inception has remained the main source of its income. However, the company received 302467 bonus shares of Rs. 10/- each from First Crescent Modaraba for the year ended June 30, 1995. The market value of these of these bonus shares as on June 30, 1995 was Rs. 2.42 million. During the year the company earned capital gain of Rs. 1.3 million on its equity portion portfolio and underwriting commission of Rs. 0.24 million. The Directors have decided to skip the dividend to the certificate holders of FCM for the year ended June 30, 1995 due to low profitability resulting from conservative provisioning and low earning on its equity portfolio.

### Further Prospects

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

### Auditors

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

For and on behalf of the board.

**Mahmood Ahmed**  
Chief Executive

Dated: December 04, 1995

## Auditors' Report to the Members

We have audited the annexed Balance Sheet of CRESCENT BUSINESS MANAGEMENT (PRIVATE) LIMITED, as at June 30, 1995 and the related Profit and loss Account, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which is the best of our knowledge and belief were necessary for the purpose 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 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, 1995 and of the Loss for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

**FAZAL MAHMOOD & COMPANY**  
Chartered Accountants

Date: 04, December, 1995  
Place: Lahore



**Balance Sheet****CAPITAL AND LIABILITIES**  
**SHARE CAPITAL**

Note	1995 Rupees	1994 Rupees
------	----------------	----------------

Authorised:

5,000,000 Ordinary Shares  
of Rs. 10/- each.

50,000,000	50,000,000
------------	------------

Issued, Subscribed &amp; 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 (Loss) / Profit

(15,846)	3,252,913
----------	-----------

**DEFERRED LIABILITIES**

Deferred Liabilities - Staff Gratuity

124,108	75,525
---------	--------

**CURRENT LIABILITIES**Due to Associated and Holding Companies  
Accrued Liabilities  
Provision for Taxation

3	20,442,640	10,893,158
	19,195	13,443
	303,013	273,330
	20,764,848	11,179,911

**CONTINGENCIES & COMMITMENTS**

30,873,110	24,508,349
------------	------------

The annexed notes form an integral part of these accounts

Chief Executive



as at June 30, 1995

**PROPERTY AND ASSETS**

FIXED ASSETS-At written down value

Note	1995 Rupees	1994 Rupees
------	----------------	----------------

5	692,934	40,987
---	---------	--------

LONG TERM INVESTMENT

6	29,486,955	21,986,510
---	------------	------------

**CURRENT ASSETS**

Management fee &amp; Reimbursable expenses

7	-	1,746,489
---	---	-----------

Advances, Deposits &amp;

Prepayments

8	551,679	364,438
---	---------	---------

Cash and Bank Balances

9	141,542	369,925
---	---------	---------

693,221

2,480,852

30,873,11024,508,349

Director



# Profit and Loss Account For the year ended June 30, 1995

	1995 Rupees	1994 Rupees
Profit received from bank	17,166	13,009
Dividend Income	-	1,800,000
Gain on Disposal of Shares	1,318,675	2,175,810
Management fee from 1st Crescent Modaraba	-	3,591,005
Underwriting & Take up Commission	235,556	312,500
	<u>1,571,397</u>	<u>7,892,324</u>

## Less:

Staff Salary & Benefits	1,579,522	890,267
Traveling & Conveyance	121,381	221,576
Printing and Stationery	8,811	8,344
Legal & Professional	8,540	22,825
Audit Fee	11,000	10,000
Out of Pocket Expenses	2,500	2,500
Postage, Telephone & Telegram	28,495	32,930
Entertainment	14,695	35,017
Registration expenses	10,000	-
Corporate Service Charges	311,040	259,200
Advisory Service & Office Space Charges	300,000	300,000
Bank Charges & Commission	305	2,467
Meeting fee	4,000	4,000
Mark - up to Holding Company	1,926,540	2,336,725
General expenses	-	5,125
Meeting Expenses	-	162,042
Advertisement	-	3,500
Placement Fee	-	6,250
Repair & Maintenance	170,777	66,216
Donation	136,200	-
Expenses on Investment account	8,145	-
Depreciation	168,522	7,233
	<u>4,810,473</u>	<u>4,376,217</u>

(Loss)/Profit Before Taxation	(3,239,076)	3,516,107
Provision for Taxation - Current	9,488	268,059
- Prior	20,195	-
(Loss)/Profit After Taxation	(3,268,759)	3,248,048
Previous year balance brought forward	3,252,913	4,865
BALANCE CARRIED TO BALANCE SHEET	<u>(15,846)</u>	<u>3,252,913</u>

The annexed notes form an integral part of these accounts.

  
Chief Executive

  
Director



## Notes to the Accounts for the year ended June 30, 1995

### NOTE:

#### 1. STATUS AND NATURE OF BUSINESS

Crescent Business Management (Pvt.) Limited is 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 Modaraba's, Islamabad.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 ACCOUNTING CONVENTION

These accounts have prepared under the historical cost convention.

##### 2.2 Long term investments

These are started 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 provision 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, if any.

The company does not account for deferred taxation.

#### 3. DUE TO ASSOCIATED AND HOLDING COMPANIES

		1995 Rupees	1994 Rupees
Crescent Investment Bank Ltd.	3.1	276,646	1,646
M/s Shakarganj Mills Ltd. Secured	3.2	19,751,853	10,891,492
First Crescent Modaraba		414,141	-
		<b>20,442,640</b>	<b>10,893,138</b>

3.1 This includes Rs. 275,000/- payable on account of advisory service & office space charges and Rs. 1,646/- payable on account of 41 shares of Sui Northern Gas Pipe Lines Limited @ Rs. 40.15/- each.

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

ii) Mark-up is charged @ 11.5% to 21% p.a. (1994 @ 17.3% & 21% p.a.) on daily product basis.

iii) The loan is secured against the shares; namely of Sui Northern Gas Pipe Lines Limited 182,600 shares, taken up by the Crescent Business Management (Pvt.) Limited. The above shares will remain in the custody of Shakarganj Mills Limited till repayment of loan.

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

#### 4. CONTINGENCIES & COMMITMENTS

##### Contingent Liability:

No provision for turnover tax for the year 1993 (Assessment year 1993 - 94) under Section 80 -D of the Income Tax Ordinance, 1979 was made as constitutional writ petition were filed before the Honorable High Courts of Punjab, Sindh and N.W.F.P. in a number of similar cases. Since the Honourable Lahore High Court has announced decision on the said issue therefore the tax liability amounting to Rs. 20,195/- has been provided in these accounts, in accordance with the decision of Honourable Lahore High Court.



## 5. SCHEDULE OF TANGIBLE FIXED ASSETS

PARTICULARS	C O S T			RATE %	D E P R E C I A T I O N			
	As on 01/07/1994	Additions/ (deletions)	As on 30/06/1995		Up to 01/07/1994	Charged for the year	Accumulated as at 30/06/1995	Writing down value as at 30/06/1995
	Rupees	Rupees	Rupees		Rupees	Rupees	Rupees	Rupees
Office Equipment	9,500	-	9,500	15	1,425	1,211	2,636	6,864
Electric Installations	38,720	2,700	41,420	15	5,808	5,342	11,150	30,270
Telephone Equipment	-	31,700	31,700	15	-	4,755	4,755	26,945
Vehicles	-	922,269 (136,200)	786,069	20	-	157,214	157,214	628,855
Total Rs. 1995	48,220	956,669 (136,200)	868,689		7,233	168,522	175,755	692,934
Total Rs. 1994	-	-	48,220		-	7,233	7,233	40,987

## 6. LONG TERM INVESTMENT

1st Crescent Modaraba (Listed)

1,000,000, certificate of Rs. 10/- each

592,476 Bonus Certificates of Rs. 10/- each

54,300 Shares @ Rs. 20.14

(Aggregate Market value Rs. 13,174,136)

(1994 Rs. 26, 278,000)

6.1

10,000,000

1,093,595

10,000,000

436,650

Pioneer Cement Ltd. (Listed)

1,297 ordinary shares of Rs. 10/- each

2,000 Shares @ Rs. 56 (Aggregate Market value Rs. 60,170)

(1994 Rs. 55,771)

6.2

12,970

112,000

12,970

Sui Northern Gas Pipe Lines Limited (Listed)

152, 600 ordinary shares of Rs. 40.15/- each

30,520 bonus shares of Rs. 10/- each

(Aggregate Market value Rs. 5,493,600)

(1994 Rs. 7,706,300)

6.2

6,126,890

6,126,890

Nazir Cotton Mills Limited

300,000 ordinary shares of Rs. 10/- each

(Aggregate Market value Rs. 1,650,000) (1994 Rs. Nil)

6.2

3,000,000



## Crescent Leasing Corporation Ltd. (Listed)

403,000 Ordinary Shares of Rs. 10/- each (1994 453,000 shares)

241,800 right shares @ Rs. 17.50

(Aggregate Market value Rs. 7,898,800) (1994 Rs. 13,476 750)

	1995 Rupees	1994 Rupees
6.3	4,030 00	4,530,000
	4,231,500	

## International Asset Management Co. Ltd.

88,000 Ordinary shares of Rs. 10/- each

	1995 Rupees	1994 Rupees
	880,000	800,000
	<b>29,486,955</b>	<b>21,986,510</b>

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

## 7. MANAGEMENT FEE &amp; REIMBURSABLE EXPENSES

## Management fee from 1st Crescent Modaraba

	1995 Rupees	1994 Rupees
		1,746,489

## 8. ADVANCE, DEPOSITS &amp; PREPAYMENTS

Advance to Employees

Advance Income Tax

Propose Central Asian Bank

Pak Suzuki Motor Co. Ltd.

Prepayments

	1995 Rupees	1994 Rupees
	2,000	-
	334,512	24,238
	200,000	200,000
	-	140,000
	15,167	-
	<b>551,679</b>	<b>364,438</b>

## 9. CASH AND BANK BALANCES

Cash in hand (Certified by the management)

Cash at Banks:

On Current Account

On Deposit Account

	1995 Rupees	1994 Rupees
	36,515	8,419
	<b>26,003</b>	<b>11,878</b>
	<b>79,024</b>	<b>349,628</b>
	<b>105,027</b>	<b>361,506</b>
	<b>141,542</b>	<b>369,925</b>





**10. FINANCIAL STATEMENTS OF MODARABA**

The Modaraba Company floated a Modaraba under the name of First Crescent Modaraba. Therefor financial statements of the company include the financial statements of the Modaraba, as required by the provisions of the Companies Ordinance, 1984.

**11. GENERAL**

**11.1** The company is entitled to receive a management fee of 10% of the net annual profits of each Modaraba to be floated by it on the basis of annual audited accounts of the modarabas. However no fee has been received during the year as decided by the Board of Directors of the Company in their meeting.

**11.2** 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

Chief Executive

Director

## Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Eighth Annual General Meeting of the Shareholders of SHAKARGANJ MILLS LIMITED will be held at Registered Office 83-Babar Block, New Garden Town, Lahore on Saturday the March 30, 1996 at 10:30 a.m. to transact the following business:-

### ORDINARY BUSINESS:

1. To confirm the Minutes of 27th Annual General Meeting held on March 30, 1995.
2. To receive and adopt Audited Accounts of the Company for the year ended September 30, 1995 together with the Directors' and Auditors' Reports thereon.
3. To approve, as recommended by the Directors, the issue of Bonus shares to the shareholders in the ratio of one Bonus share for every ten existing shares (i.e. @ 10%).
4. To elect Directors of the Company for a period of three years commencing from June 01, 1996 in accordance with the provisions of the Companies Ordinance, 1984. The following retiring Directors shall be eligible to offer themselves for re-election:-
  1. MR IRFAN AHMAD IMTIAZI
  2. MR. KHALID BASHIR
  3. MR. MAQBUL AHMAD
  4. MR. MAZHAR KARIM
  5. MR. MUHAMMAD ANWAR

The Board of Directors have fixed the number of elected directors as six. In addition, one Director nominated by Pakistan Industrial Credit & Investment Corporation Limited is not subject to retirement as provided under section 183 of the Companies Ordinance, 1984.

5. To appoint Auditors of the Company for the next financial year and fix their remuneration. The present Auditors M/S Riaz Ahmad & Company, Chartered Accountants retire and being eligible, offer themselves for re-appointment.

### SPECIAL BUSINESS:

6. To delete Article 55 of the Articles of Association of the Company.

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

In accordance with the Article 55 of Articles of Association, the amount for the time being remaining undischarged of the money borrowed or raised by Directors for purposes of the Company (otherwise than issue of Shares Capital) shall not at any time, without sanction of the Company in general meeting, exceed five times the issued Share Capital of the company, provided that no transaction shall be adversely affected by reason of non-observance of such limit.

Due to manifold increase in funds requirements particularly in working Capital and funds borrowed for capital expenditure on account of

increase in cost of all items in International and Local Market, Working Capital requirement has increased. The Borrowing limit was fixed in 1967 when the Company was incorporated. Approval of the shareholders is solicited to delete the Article 55 to enable the Company to borrow to the extent of funds required to run Company operations efficiently.

The directors of the company are not interested in the abovesaid business. The Articles of Association of the company have been kept at the Registered Office, 83-Babar Block, New Garden Town, Lahore which can be inspected from 11:30 a.m. on all working days upto March, 1996. The following resolution to be passed as Special Resolution:

### RESOLVED:

"That the Article 55 of the Articles of Association of the Company be and is hereby deleted".

### RESOLVED FURTHER:

"That Corporate Secretary of the Company be and is hereby authorized to take all necessary steps, sign or authenticate all the documents as may be required by law for the implementation of this special resolution."

### PARTICIPATION IN THE ANNUAL GENERAL MEETING:

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

Nomination from shareholders for the office of Director must be received at last 14 clear days before the time of meeting at the Registered Office of the Company.

### BOOK CLOSURE:

The Share Transfer Books of the Company for the entitlement of Bonus shares will remain closed from March 25, 1996 to April 01, 1996 (both days inclusive) and Bonus shares, if approved, will be issued to such members whose names appear in the Company's Register of Members as at the close of business on March 24, 1996.

ON BEHALF OF THE BOARD  
**ZAHEER A. SHAIKH**  
 CORPORATE SECRETARY

### REGISTERED OFFICE

83-Babar Block, New Garden Town, Lahore  
 Tel: (042) 5881974-75, 5839631 Fax: (042) 5881976  
 Dated: February 26, 1996

# Pattern of Holding of Shares

Held by the shareholders as at 30th September, 1995

Form '34'

## SHAREHOLDING

NO. OF	FROM	TO	TOTAL SHARE HELD
143	1	100	4652
279	101	500	84682
197	501	1000	127892
178	1001	5000	388480
47	5001	10000	326404
14	10001	15000	165507
12	15001	20000	205340
14	20001	25000	313723
11	25001	30000	300690
8	30001	35000	265776
5	35001	40000	191181
3	40001	45000	126360
3	45001	50000	143139
3	50001	55000	162877
3	55001	60000	175983
1	60001	65000	62880
1	70001	75000	71219
1	75001	80000	78990
1	80001	85000	80341
1	105001	110000	106252
1	115001	120000	118638
1	130001	135000	133624
1	135001	140000	135932
2	140001	145000	284002
1	150001	155000	153348
1	155001	160000	159720
1	165001	170000	166375
1	175001	180000	175253
1	190001	195000	193029
1	230001	235000	230178
1	240001	245000	242588
1	585001	590000	585490
1	605001	610000	607011
1	625001	630000	627563
1	675001	680000	675096
1	785001	790000	789112
1	810001	815000	810278
1	1435001	1440000	1439141
1	2160001	2165000	2160324
1	2425001	2430000	2427235
1	5805001	5810000	5808829
<b>947</b>			<b>21305134</b>

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Individuals	914	4069548	19.10
Investment Companies	3	829648	3.89
Insurance Companies	2	193120	0.91
Joint Stock Companies	16	8095913	38.00
Financial Institutions	7	7741417	36.34
Modarabas	5	375488	1.76
<b>TOTAL</b>	<b>947</b>	<b>21305134</b>	<b>100.00</b>



## Directors

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

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

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

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

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

**Irfan Amad Imtiaz**  
Nominee NIT  
1993

**Sikandar Rashid Ahmad**  
Nominee PICIC  
1990

### \*Year elected to Board

**General Counsel**  
Sh. Maqsood Ahmad, Advocate

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

**Corporate Secretaries**  
Zaheer A. Shaikh  
Rashid Sadiq

## Officers

**Altaf M. Saleem, 45**  
President and  
Chief Executive Officer  
\*1973

**Muhammad Awais Qureshi, 55**  
Executive Vice President and  
Chief Operating Officer  
1980

**Abdul Haq Saeed, 55**  
Vice President  
1985

**Hilal Ahmad, 54**  
Vice President and  
Chief Financial Officer  
1978

**Muhammad Zahid, 53**  
Vice President  
1981

**Dr. S. A. Qureshi, 74**  
Director General Research  
1983

**Zulfiqar Ahmad, 43**  
General Manager Planning  
1976

**Pervaiz Akhtar, 42**  
General Manager Production  
1981

**Nusrat Ali, 44**  
General Manager Engineering  
1977

**\*Year Joined Company**

## 28th ANNUAL GENERAL MEETING

### FORM OF PROXY

#### IMPORTANT

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

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

Please quote Registered Folio Number

I/We \_\_\_\_\_ of \_\_\_\_\_

being a member of **SHAKARGANJ MILLS LIMITED** and holder of \_\_\_\_\_ ordinary shares,

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

who is also member of the Company, as my/our proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 28th Annual General Meeting to be held at Company's Registered Office, 83, Babar Block, New Garden Town, Lahore, on Saturday, the March 30, 1996 at 10:30 a.m. and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of 1996.

Signed by the said \_\_\_\_\_ in the presence of \_\_\_\_\_

(Witness Signature)

(Member's Signature)

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

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

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



## Investor Information

### Operating Divisions

Shakarganj Mills Limited  
Sugar Division  
Management House, Toba Road,  
Jhang, Pakistan  
Tel: 92-0471-2030/2031  
Tlx: 43471 CJP PK  
Fax: 92-0471- 620272

Shakarganj Distillery  
Industrial Alcohol Division  
Toba Road,  
Jhang, Pakistan  
Tel: 92-0471-2030/2031  
Fax: 92-0471- 620272

Kanewood Industries  
Particle Board Division  
Toba Road,  
Jhang, Pakistan  
Tel: 92-0471-2030/2031  
Fax: 92-0471- 620272

Crescent Business Management  
(Private) Limited  
Financial Services Division  
83-Babar Block, New Garden Town,  
Lahore - Pakistan.  
Tel: 92 - 042-5881974/5 5839631  
Fax: 92- 042- 5881976

### STOCK EXCHANGE LISTING

Shakarganj Mills Limited is listed on the Karachi, Lahore and Islamabad Stock Exchange.

Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar and Allied'.

### PUBLIC INFORMATION

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

Muhammad Yar Rahi  
Muhammad Ahmad Nadeem  
Tel: 92-0471-2030/2031  
Fax: 92-0471- 620272

## Shareholder Information

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

Shakarganj Mills Limited  
Shareholder Services  
83-Babar Block,  
New Garden Town,  
Lahore  
Tel: 92-042-5881974/5 5839631  
Fax: 92- 042- 5881976

### ANNUAL MEETING

Twenty - Eighth Annual General Meeting of Shakarganj Mills Limited will be held on Saturday, March 30, 1996; at 10 : 30 a.m in the Registered Office of the Company 83-Babar Block, New Garden Town, Lahore, Pakistan.

Proxy material is enclosed with this Annual Report.

### STOCK DIVIDEND

Bonus Shares on Company's Stock for the year ended September 30, 1995 will be despatched to the Shareholders on or about May 14, 1996.

## BOOK POST

CRESCENT GROUP



### **Shakarganj Mills Limited**

**If Undelivered Please return to:**

Registered Office

83, Bahar Block

New Garden Town

Lahore: 540000, Pakistan

Tel: 92-042-5881974 / 75, 5839631

Fax: 92-042-5881976