

# **JDW Sugar Mills Limited**

## **Annual Report 2000**

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### **COMPANY INFORMATION**

**BOARD OF DIRECTORS:**

Syed Ahmad Mahmood  
Chairman

Mr. Jahangir Khan Tareen  
Chief Executive

Mrs. Amina Tareen

Mrs. Sameera Mahmood

Syed Ali Akbar Mahmood

Mr. Ijaz Ahmad Phulpoto

Mr. Muhammad Nawaz

**COMPANY SECRETARY:** Mr. Asad Rashid

**AUDITORS:** M/s Taseer Hadi & Khalid & Co.  
Chartered Accountants

**LEGAL ADVISOR:** Cornelius, Lane & Mufti

**BANKERS TO THE COMPANY:** Habib Bank Limited  
Muslim Commercial Bank Limited  
National Development Finance Corporation

The Bank of Punjab  
Escort Investment Bank Limited

**REGISTERED OFFICE:** 32-N, Industrial Area  
Gulberg - II, Lahore.

**FACTORY SITE:** Mouza Sharin, Jamal Din Wali  
Distt. Rahim Yar Khan.

## **NOTICE OF MEETING**

Notice is hereby given that 11th Annual General Meeting of JDW Sugar Mills Limited will be held at Company's Registered Office, 32-N, Industrial Area, Gulberg- II, Lahore, on Monday, 30th April, 2001 at 09:00 A.M. to transact the following business:

1. To confirm the minutes of Extra Ordinary General Meeting held on 31st day of October 2000.
2. To receive, consider and adopt the audited accounts of the company for the year ended 30th September 2000 together with the report of the Auditors' and Director's thereon.
3. To appoint Auditors of the Company for the year 2000-01 and fix their remuneration. The retiring Auditors' Messers Taseer Hadi Khalid & Co. Chartered Accountants, being eligible, have offered themselves for reappointment as Auditors of the Company.
4. To transact any other business with the permission of the Chairman.

Lahore  
Dated: April 08, 2001

**By Order of the Board**

**(ASAD RASHID)**  
**COMPANY SECRETARY**

### **NOTES:**

1. The shares transfer books of the company will remain closed and no transfer of shares will be accepted for registration from 23rd April, 2001 to 30th April, 2001 (both days inclusive).
2. A member entitled to attend and vote at the General Meeting may appoint another member as his / her proxy to attend and vote instead of him / her behalf at the meeting. Proxies must be deposited at the Company's at the Registered Office not less than forty eight hours before the time of holding of meeting.
3. Members are requested to notify immediately the change of address, if any.

**JDW SUGAR MILLS LIMITED**  
**Registered Office: 32-N, Industrial AREA,**  
**Gulberg - II, Lahore.**

## DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present the 11th Annual audited Accounts of the company for the year ended September 30, 2000. The period under review is the 7th full crushing season availed by the company and comparison of cane crushing and sugar produced is as under:-

|                                 | <i>1999-2000</i> | <i>1998-1999</i> |
|---------------------------------|------------------|------------------|
| Season Started                  | 01-11-1999       | 20-11-1998       |
| Season Closed                   | 10-03-2000       | 27-04-1999       |
| Days worked                     | 131              | 159              |
| Average daily crushing (Tonnes) | 3,730            | 4,309            |
| Sugar Cane Crushed (Tonnes)     | 488,665          | 685,097          |
| Sugar Cane Crushed (Maunds)     | 13,092,508       | 18,355,390       |
| Sugar recovery (%)              | 9.216            | 9.106            |
| Sugar production (Tonnes)       | 45,025           | 62,408           |
| Molasses recovery (%)           | 4.590            | 4.429            |
| Molasses production (Tonnes)    | 22,424           | 30,348           |

In the year under review, the company achieved the production level of 45,025 metric tonnes which was comparatively less than the target of 60,000 metric tonnes

### FINANCIAL RESULTS

Unfortunately, our total production was even less than last year. We recorded a net loss of Rs.41,872,279 for the year.

The drop in production was due to shortage of cane due to low yield in the area during season 1999-2000 which is under review due to low monsoon and Wapda's policy change of disallowing flat rate facility for electric tubewells which led to sharp reduction in water availability for sugarcane crop.

Our efforts on developing sugarcane in our area and working with farms will continue as we feel that good sugar cane production is the key to long term success.

Further the efficiency of the plant could not be fully achieved due to design problems in the equipment installed to remove the bottlenecks in the process to minimize the losses in production. This was due to mistakes by foreign suppliers and quite beyond the control of management.

However, our efforts for improving area and yield of sugarcane production are continuing.

### CURRENT SEASON

The position since the start of season till end of season is summarized below.

*2000-2001*

|                     |            |            |
|---------------------|------------|------------|
| Season Started      |            | 28-10-2000 |
| Season Closed       |            | 31-03-2001 |
| Days worked         |            | 155        |
| Sugar Cane Crushed  | (Tonnes)   | 643,056    |
| Sugar recovery      | (%)        | 9.11       |
| Sugar Bagged        | (Tonnes)   | 58,441     |
| Raw Sugar Remelted  | (Tonnes)   | 8,860      |
| Total Sugar Bagged  | (Cane+Raw) | 1,346,020  |
| Molasses production | (Tonnes)   | 30,429     |

By the grace of Allah Almighty the season has been good and availability of cane was regular as during the sowing season the shortage of water was well tackled by the company's experts by providing peter engines to the farmers on partial payment and balance payment with supply of cane during the season which did not effect the yield and sowing.

In addition 15,000 M. Tonnes of Raw Sugar has been imported for remelting and refining to fill the gap of shortage of sugar in the country in which incentives were given by the government on import duty.

After remelting of the raw sugar the sugar produced will be approximately 73,000 M. Tonnes. As reported in the last report that company planned the enhancement but instead of enhancing capacity, the company preferred the addition of equipment to increase the efficiency of the plant through decreasing the losses in recovery and by not taking the cleaning during the season due to the addition of alternate vessels.

As there is still water shortage in the country, the company stepped up the putting up supply of Peter engines in the area without .waiting for the canal water to give the grower an incentive to grow cane in the area to have better yields.

Insha Allah, the comparative performance will be better than other sugar mills in Punjab because of timely action and interaction with the growers of our area.

#### **SHARE HOLDING**

Pattern of share holding by shareholders of the company as at September 30, 2000, as required under Section 236(2) (d) of Companies Ordinance, 1984 is enclosed.

#### **AUDITORS**

The present Auditors Messrs. Taseer Hadi Khalid & Co. , Chartered Accountants retire and being eligible offer themselves for reappointment.

#### **APPRECIATIONS**

The Staff of your company are enthusiastic and professional. We would remiss in not recoding our sincere appreciation for their hard work.

**On behalf of the Board**

**(JAHANGIR KHAN TAREEN)  
CHIEF EXECUTIVE**

Lahore: April 08, 2001

## **AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed balance sheet of JDW Sugar Mills Limited as at September 30, 2000 and the related profit and loss account, cash flow statement and statement of changes in equity, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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, cash flow statement and statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2000 and of the loss, its cash flows and statement of changes in equity for the year then ended; and

d) without qualifying our opinion, we draw attention to:

\* notes 2.2 and 24 to the financial statements. The going concern position of the company is dependent upon the continued support of financial institutions and success of its future business plans.

\* notes 6.1.1 to 6.1.3 to the financial statements whereby there is a degree of uncertainty inherent in the deferral arrangement as explained in these notes.

e) in our opinion no Zakat was deductible by the company under Section 7 of the Zakat and Ushr Ordinance, 1980.

LAHORE April 08, 2001

**TASEER HADI KHALID & CO.**  
Chartered Accountants

### **BALANCE SHEET AS AT SEPTEMBER 30, 2000**

|   | <i>Note</i> | <i>2000</i><br><i>(Rupees)</i> | <i>1999</i><br><i>(Rupees)</i> |
|---|-------------|--------------------------------|--------------------------------|
| <b>CAPITAL AND LIABILITIES</b>                                    |             |                                |                                |
| <b>SHARE CAPITAL AND RESERVES</b>                                 |             |                                |                                |
| <b>AUTHORISED CAPITAL</b>   |             |                                |                                |
| 25,000,000 ordinary shares of Rs. 10/- each                       |             | 250,000,000<br>=====           | 250,000,000<br>=====           |
| <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>                     |             |                                |                                |
| 20,577,200 Ordinary shares of Rs. 10/- each<br>fully paid in cash |             | 205,772,000                    | 205,772,000                    |
| <b>ACCUMULATED (LOSS)/PROFIT</b>                                  |             |                                |                                |
|   |             | (11,656,538)<br>-----          | 30,215,741<br>-----            |
|   |             | 194,115,462                    | 235,987,741                    |
| <b>LONG TERM LOANS- SECURED</b>                                   | 3           | 153,251,783                    | 141,431,070                    |
| <b>LIABILITIES AGAINST ASSETS SUBJECT TO<br/>FINANCE LEASE</b>    | 4           | 41,874,296                     | 47,351,855                     |
| <b>LONG TERM AND DEFERRED LIABILITIES</b>                         |             |                                |                                |
| Staff retirement benefits   |             | 32,648,092                     | 24,704,850                     |
| Loans from directors  | 5           | 58,161,555                     | 28,683,675                     |
| Other long term liabilities                                       | 6           | 122,079,664                    | 113,919,180                    |

**CURRENT LIABILITIES**

|  |    |               |             |
|--|----|---------------|-------------|
| Current and overdue portion of long term loans and liabilities against assets subject to finance lease | 7  | 191,469,389   | 120,270,025 |
| Short term borrowings- secured   | 8  | 21,107,064    | 80,759,044  |
| Creditors, accrued and other liabilities   | 9  | 220,193,628   | 200,526,728 |
|  |    | -----         | -----       |
|  |    | 432,770,081   | 401,555,797 |
| <b>CONTINGENCIES AND COMMITMENTS</b>   | 10 | 0             | 0           |
|  |    | -----         | -----       |
|  |    | 1,034,900,933 | 993,634,168 |
|  |    | =====         | =====       |

These accounts should be read in conjunction with the annexed notes.

**LAHORE: APRIL 08, 2001**

**PROPERTY AND ASSETS****TANGIBLE FIXED ASSETS**

|  |    |             |             |
|--|----|-------------|-------------|
| Operating assets - at cost less accumulated depreciation | 11 | 753,368,187 | 639,175,662 |
|--|----|-------------|-------------|

**CAPITAL WORK IN PROGRESS**

|                       |  |           |             |
|-----------------------|--|-----------|-------------|
| - Civil works         |  | 3,079,752 | 64,102,108  |
| - Plant and machinery |  | 0         | 50,000,000  |
|                       |  | -----     | -----       |
|                       |  | 3,079,752 | 114,102,108 |

**STORES HELD FOR CAPITAL EXPENDITURE**

|  |    |            |            |
|--|----|------------|------------|
|  | 12 | 20,943,100 | 20,943,100 |
|--|----|------------|------------|

**CURRENT ASSETS**

|   |    |               |             |
|---|----|---------------|-------------|
| Stores, spare and loose tools                         | 13 | 55,870,420    | 47,077,365  |
| Stock in trade  | 14 | 10,062,985    | 253,660     |
| Trade debtors-Unsecured, considered good              | 15 | 35,260,400    | 44,158,889  |
| Advances, deposits, prepayments and other receivables | 16 | 155,157,130   | 125,426,675 |
| Cash and bank balances                                | 17 | 1,158,959     | 2,496,709   |
|   |    | -----         | -----       |
|   |    | 257,509,894   | 219,413,298 |
|   |    | -----         | -----       |
|   |    | 1,034,900,933 | 993,634,168 |
|   |    | =====         | =====       |

**CHIEF EXECUTIVE**

**DIRECTOR**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

|   | <i>Note</i> | <b>2000</b><br><i>(Rupees)</i> | <b>1999</b><br><i>(Rupees)</i> |
|---|-------------|--------------------------------|--------------------------------|
| <b>SALES</b>  | 18          | 691,140,813                    | 1,152,666,030                  |
| <b>COST OF SALES</b>  | 19          | 626,721,623                    | 964,035,243                    |
|   |             | -----                          | -----                          |
| <b>GROSS PROFIT</b>   |             | 64,419,190                     | 188,630,787                    |
| <b>OPERATING EXPENSES</b>   |             |                                |                                |
| Administrative  | 20          | 14,780,790                     | 15,583,330                     |
| Selling and distribution  | 21          | 5,511,371                      | 17,681,479                     |
|   |             | -----                          | -----                          |
|   |             | 20,292,161                     | 33,264,809                     |
|   |             | -----                          | -----                          |
| <b>OPERATING PROFIT</b>   |             | 44,127,029                     | 155,365,978                    |
| <b>FINANCIAL CHARGES</b>  | 22          | 85,693,497                     | 79,172,604                     |
|   |             | -----                          | -----                          |
|   |             | (41,566,468)                   | 76,193,374                     |
| <b>OTHER (LOSS)/GAIN</b>  | 23          | (305,811)                      | 455,340                        |
|   |             | -----                          | -----                          |
| <b>NET (LOSS)/PROFIT FOR THE YEAR BEFORE<br/>PROVISION FOR WPPF AND WWF</b>             |             | (41,872,279)                   | 76,648,714                     |
| <b>PROVISION FOR:</b>   |             |                                |                                |
| - WORKERS' PROFIT PARTICIPATION FUND  |             | 0                              | 3,832,436                      |
| - WORKERS' WELFARE FUND   |             | 0                              | 361,272                        |
|   |             | -----                          | -----                          |
| <b>NET (LOSS)/PROFIT FOR THE YEAR<br/>ACCUMULATED PROFIT/(LOSS) BROUGHT<br/>FORWARD</b> |             | (41,872,279)                   | 72,455,006                     |
|   |             | -----                          | -----                          |
| <b>ACCUMULATED (LOSS)/PROFIT CARRIED<br/>FORWARD</b>                                    |             | ( 11,656,538)                  | 30,215,741                     |
|   |             | =====                          | =====                          |
| <b>(LOSS)/EARNINGS PER SHARE</b>  | 28          | (2.03)                         | 3.52                           |
|   |             | =====                          | =====                          |

These accounts should be read in conjunction with the annexed notes.

LAHORE: APRIL 08, 2001

**CHIEF EXECUTIVE**

**DIRECTOR**

**CASH FLOW STATEMENT**



**FOR THE YEAR ENDED SEPTEMBER 30, 2000**

|  | <b>2000</b><br><b>(Rupees)</b> | <b>1999</b><br><b>(Rupees)</b> |
|--|--------------------------------|--------------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                                |                                |
| <b>Cash generated from operations</b>                                      |                                |                                |
| (Loss)/Profit for the year   | (41,872,279)                   | 72,455,006                     |
| <b>Adjustments for items not involving movement of cash</b>                |                                |                                |
| Depreciation   | 47,576,868                     | 41,134,350                     |
| Loss/(Profit) on disposal of fixed assets                                  | 110,600                        | (418,506)                      |
| Financial charges  | 85,693,497                     | 79,172,604                     |
| Provision for workers' profit participation fund                           | 0                              | 3,832,436                      |
| Provision for staff retirement benefits                                    | 3,712,844                      | 3,236,646                      |
|  | -----                          | -----                          |
|  | 137,093,809                    | 126,957,530                    |
| <b>(Increase)/decrease in current assets</b>                               |                                |                                |
| Stores, spares and loose tools   | (8,793,055)                    | (3,399,413)                    |
| Advances, deposits, prepayments and other receivables                      | (23,673,623)                   | 4,576,756                      |
| Stock in trade   | (9,809,325)                    | 135,175,724                    |
| Trade debts  | 8,898,489                      | (12,402,258)                   |
|  | -----                          | -----                          |
|  | (33,377,514)                   | 130,749,635                    |
| <b>Increase/(decrease) in current liabilities</b>                          |                                |                                |
| Short term borrowings  | (59,651,980)                   | (140,089,216)                  |
| Creditors, accrued and other liabilities                                   | 3,259,150                      | 21,544,889                     |
|  | -----                          | -----                          |
|  | (56,392,830)                   | (118,544,327)                  |
|  | -----                          | -----                          |
| Cash generated from operations   | 5,451,186                      | 211,617,844                    |
| Financial charges paid   | (82,861,027)                   | (104,793,011)                  |
| Staff retirement benefits paid   | (501,383)                      | (1,653,891)                    |
| Taxes (paid)/adjusted  | (1,277,572)                    | 275,881                        |
|  | -----                          | -----                          |
| <b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES CARRIED FORWARD</b> | (79,188,796)                   | 105,446,823                    |
| <b>NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES BROUGHT FORWARD</b> | (79,188,796)                   | 105,446,823                    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                                |                                |
| Additions to fixed assets  | (51,252,635)                   | (139,458,960)                  |
| Sale proceeds from disposal of fixed assets                                | 395,000                        | 820,000                        |

|   |                     |                      |
|---|---------------------|----------------------|
| Increase in lease deposits                                  | (2,100,000)         | (3,183,489)          |
| Additions to stores held for capital expenditure            | 0                   | (20,943,100)         |
|   | -----               | -----                |
| <b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>           | <b>(52,957,635)</b> | <b>(162,765,549)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                     |                      |
| Increase in obligations under finance lease                 | 159,944,611         | 53,715,662           |
| Increase/(Decrease) in long term loans                      | 74,222,265          | (20,598,929)         |
| Increase in loans from directors                            | 29,477,880          | 0                    |
| Increase in deferred liabilities                            | 11,114,075          | 25,127,217           |
|   | -----               | -----                |
| <b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>            | <b>130,808,681</b>  | <b>58,243,950</b>    |
|   | -----               | -----                |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b> | <b>(1,337,750)</b>  | <b>925,224</b>       |
| Cash and cash equivalents at the beginning of the year      | 2,496,709           | 1,571,485            |
|   | -----               | -----                |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>     | <b>1,158,959</b>    | <b>2,496,709</b>     |
|   | =====               | =====                |

These accounts should be read in conjunction with the annexed notes.

LAHORE: APRIL 08, 2001

**CHIEF EXECUTIVE**

**DIRECTOR**

**STATEMENT OF CHANGES IN EQUITY AND RESERVES  
FOR THE YEAR ENDED SEPTEMBER 30, 2000**

|                                  | <i>Share<br/>Capital</i> | <i>Accumulated<br/>Profit/(Loss)</i> | <i>Total</i> |
|----------------------------------|--------------------------|--------------------------------------|--------------|
|                                  | <i>(Rupees)</i>          |                                      |              |
| Balance as at September 30, 1998 | 205,772,000              | (42,239,265)                         | 163,532,735  |
| Net profit for the year          | 0                        | 72,455,006                           | 72,455,006   |
|                                  | -----                    | -----                                | -----        |
| Balance as at September 30, 1999 | 205,772,000              | 30,215,741                           | 235,987,741  |
| Net loss for the year            | 0                        | (41,872,279)                         | (41,872,279) |
|                                  | -----                    | -----                                | -----        |
| Balance as at September 30, 2000 | 205,772,000              | (11,656,538)                         | 194,115,462  |
|                                  | =====                    | =====                                | =====        |

These accounts should be read in conjunction with the annexed notes.

LAHORE: APRIL 08, 2001

**CHIEF EXECUTIVE**

**DIRECTOR**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDING SEPTEMBER 30, 2000**

### **1. THE COMPANY AND ITS OPERATIONS**

The company was incorporated in Pakistan on May 31, 1990 as a Private Limited Company under the Companies Ordinance, 1984 and was subsequently converted into a Public Limited Company on August 24, 1991. Shares of the company are listed on the Karachi and Lahore Stock Exchanges.

The principal activity of the company is production and sale of crystalline sugar.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Accounting convention**

These accounts have been prepared under the historical cost convention.

#### **2.2 Going concern**

These financial statements have been prepared under the going concern assumption (also see note-24).

#### **2.3 Fixed assets**

##### **Owned**

Operating fixed assets are stated at cost less accumulated depreciation except freehold land and capital work in progress which are stated at cost. Depreciation is charged to income on reducing balance method at rates disclosed in Note-11 to the accounts. Plant and machinery is depreciated at 5% per annum on reducing balance method. It is the company's estimate that this rate adequately accounts for the useful life of the plant based on normal maintenance and regular replacement and renewal of ageing components. Since replacement and renewal is a continuous process, the reducing balance method is considered to be the appropriate basis for determination of this charge. Full year's depreciation is charged on all assets in the year of acquisition. No depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Interest and charges on long term loans are capitalized for the period upto the date of commissioning of the respective assets acquired out of the proceeds of such loans.

Gain or loss arising on the sale of fixed assets is taken to profit and loss account.

##### **Leased**

Leased assets held under finance leases are stated at cost less accumulated depreciation at the rates and basis applied to the company's owned assets. The outstanding obligations relating to assets subject to finance lease are accounted for at the net present value of

liabilities.

The financial charges are calculated at the interest rates implicit in the lease and are charged to income.

#### **2.4 Stocks and stores**

These are valued as follows:

|                                |  |
|--------------------------------|--|
| Capital stores                 | - At actual cost.  |
| Stores, spares and loose tools | - At average cost.   |
| Stores in transit              | - At actual cost.  |
| Raw material                   | - At the lower of average cost and net realizable value.   |
| Work in process                | - At average manufacturing cost.   |
| Finished goods                 | - At the lower of average manufacturing cost or net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale. |
| Molasses                       | -At net realizable value.  |

#### **2.5 Receivables**

Company provides for all the known doubtful debts.

#### **2.6 Staff retirement benefits**

The company operates an un-funded provident fund scheme since October 01, 1992 for all eligible employees. The contributions made to cover obligations under the scheme are shown as deferred liability. The company also operates an un-funded gratuity scheme for employees who were in employment of the company prior to the introduction of the provident fund scheme.

#### **2.7 Taxation**

##### **Current**

By virtue of Clause 118(c) of the Second Schedule to the Income Tax Ordinance, 1979 the income of the company is exempt from income tax for a period of eight years uptill September 30, 2002 from the date of commencement of operations. Furthermore, the company under Court order No.(1997)76TAX5 has been exempted from the levy of minimum tax under section 80D for the period of exemption. Therefore, no provision for income tax has been made in these accounts.

##### **Deferred**

The company accounts for deferred taxation, using the liability method, on all major timing differences. However, provision is not made for deferred tax liability, as the timing differences are not expected to reverse in the near future due to available tax losses and company's capitalization plans.

#### **2.8 Revenue recognition**

Local sales are recognized on delivery of goods to the customers. Export sales are

recognized on shipment of goods to the customers at the port.

## 2.9 Foreign currencies

Foreign currency transactions are converted into Pak Rupees using the rates prevailing on the date of transaction while assets and liabilities are converted into Pak Rupees using the rates of exchange prevailing at the balance sheet date.

Exchange gains and losses on conversion are charged to income.

|  | <i>Note</i> | <i>2000</i><br><i>(Rupees)</i> | <i>1999</i><br><i>(Rupees)</i> |
|--|-------------|--------------------------------|--------------------------------|
| <b>3. LONG TERM LOANS-SECURED</b>                    |             |                                |                                |
| <b>Against locally manufactured machinery - LMM:</b> |             |                                |                                |
| National Development Finance Corporation             | 3.1         | 83,284,687                     | 88,392,857                     |
| Industrial Development Bank of Pakistan              | 3.2         | 15,000,000                     | 30,000,000                     |
| Industrial Development Bank of Pakistan (BOR)        | 3.3         | 30,000,000                     | 0                              |
| Investment Corporation of Pakistan led Consortium    | 3.4         | 23,037,500                     | 29,287,500                     |
|  |             | -----                          | -----                          |
|  |             | 151,322,187                    | 147,680,357                    |
| <b>Against imported machinery:</b>                   |             |                                |                                |
| Muslim Commercial Bank Limited                       | 3.5         | 88,020,000                     | 88,020,000                     |
| Muslim Commercial Bank Limited                       | 3.6         | 18,000,000                     | 0                              |
|  |             | -----                          | -----                          |
|  |             | 106,020,000                    | 88,020,000                     |
| Habib Bank Limited (Demand Finance)                  | 3.7         | 22,500,000                     | 0                              |
| Atlas Investment Bank Limited                        | 3.8         | 10,000,000                     | 0                              |
| Citibank, N.A.                                       | 3.9         | 20,080,475                     | 0                              |
|  |             | -----                          | -----                          |
|  |             | 52,580,475                     | 0                              |
|  |             | -----                          | -----                          |
|  |             | 309,922,662                    | 235,700,357                    |
| Less: Current portion                                | 7           | 113,189,047                    | 68,197,859                     |
| Overdue installments                                 | 7           | 43,481,832                     | 26,071,428                     |
|  |             | -----                          | -----                          |
|  |             | 156,670,879                    | 94,269,287                     |
|  |             | -----                          | -----                          |
|  |             | 153,251,783                    | 141,431,070                    |
|  |             | =====                          | =====                          |

### 3.1 National Development Finance Corporation (NDFC)

This loan was obtained against locally manufactured machinery. According to the final repayment schedule the sale and purchase prices are Rs.137.500 million and Rs.336.371 million, respectively. The difference between the sale and purchase price represents mark

up. Rate of mark-up on LMM loan is 8% per annum.

The loan was restructured on September 24, 1999. As per the restructured agreement, Rs.172 million remains repayable in seven half yearly installments, between January 01, 2000 and January 01, 2003. In the event of timely payment, Rs172 million would be reduced to Rs.150 million approximately (i.e. a rebate of Rs.22 million for timely payments would be provided).

The loan is secured by way of first pari passu charge on the entire present and future immovable assets of the company ranking pari passu with Industrial Development Bank of Pakistan, Investment Corporation of Pakistan and Muslim Commercial Bank Limited, personal guarantees of directors and pledge of sponsors' shares.

### **3.2 Industrial Development Bank of Pakistan (IDBP)**

This loan was obtained for procurement of locally manufactured machinery. According to the final repayment schedule the sale and purchase prices are Rs. 80.000 million and Rs194.560 million, respectively. The difference between the sale and purchase price represents mark-up, out of which the company is entitled to a rebate of approximately Rs.77.038 million if repayments are made on due dates. Rate of mark-up on LMM loan is 8% per annum. The loan is repayable in 16 equal half yearly installments commencing from March 31, 1994.

The loan is secured by way of first pari passu charge on the entire present and future immovable assets of the company ranking pad passu with NDFC, ICP and MCB, personal guarantees of directors and pledge of sponsors' shares.

### **3.3 Industrial Development Bank of Pakistan (Bank's Own Resources)**

This loan was obtained for additional financial support in the procurement of locally manufactured machinery. According to the repayment schedule the sale and purchase prices are Rs.30.000 million and Rs.40.617 million, respectively. The difference between the sale and purchase price represents mark-up. Payments will be made in 12 equal quarterly installments of Rs.3.385 million each carrying mark-up of 20% per annum commencing, from September 30, 2001.

This loan is secured, in addition to existing security arrangements, against first charge ranking pari passu on project fixed assets to the extent of resale price of Rs.40.617 million, by a floating charge on all existing and future movable assets of the company including personal guarantees of the directors of the company.

### **3.4 Investment Corporation of Pakistan (ICP) Led Consortium**

This represents loan obtained from the ICP led consortium. Consortium members have disbursed loans as under:

*(Rs. in million)*

|                                    |        |
|------------------------------------|--------|
| Investment Corporation of Pakistan | 20.000 |
| National Bank of Pakistan          | 15.000 |

|                                |        |
|--------------------------------|--------|
| Habib Bank Limited             | 15.000 |
| United Bank Limited            | 15.000 |
| Muslim Commercial Bank Limited | 8.720  |
|                                | -----  |
|                                | 73.720 |
|                                | =====  |

The above financing carries mark-up @ 8% per annum, payable on quarterly basis. The loan was originally repayable in 16 equal half yearly installments commencing from June 30, 1994. The first two installments were rescheduled for payment between June 30, 1996 and December 31, 1997, in four semi-annual installments. The remaining installments were to be made as per the original agreement. In case any installment is not paid on due date, penalty as may be fixed by the State Bank of Pakistan, which at the time of the agreement was 60 paisas per Rs.1,000 per day or part thereof of the default, will be payable. The penalty shall be charged from the due date to the date of repayment of installment.

The loan is secured by way of first pari passu charge on the entire present and future immovable assets of the company ranking pari passu with NDFC, IDBP and MCB, personal guarantees of directors and pledge of sponsors' shares.

### **3.5 Muslim Commercial Bank Limited (MCB)**

This local currency loan of Rs.88.020 million was obtained for imported components required for the project. This loan has been rescheduled and as per the revised repayment schedule of the bank, the mark-up accrued on this loan upto December 31, 1997 was frozen upto December 31, 2000. The principal demand finance of Rs.88.020 million is repayable in 6 half yearly installments commencing from January 01, 2001. No mark-up has been charged on principal demand finance from January 01, 1998 to December 31, 1999. Mark-up @ 14.5% per annum will be charged with effect from January 2000.

The loan is secured by way of first pari passu charge on the entire present and future immovable assets of the company ranking pari passu with NDFC, IDBP and ICP and personal guarantees of directors.

### **3.6 Muslim Commercial Bank Limited**

This local currency loan of Rs.18 million was obtained for import of 5MW Steam Turbine Generator from Japan. It is payable in two years starting from April 2001 in four bi-annual installments and carries mark-up of 18.25% per annum. The loan is secured by a charge on imported generators, a second charge on fixed assets of the company and personal guarantees of directors.

### **3.7 Habib Bank Limited (HBL)**

This loan was created by converting an existing running finance facility to a demand finance facility. The repayments against this loan are to be made in two years commencing from December 01, 2000 as per sanction letter HB/SANC/639 dated September 11, 2000. The loan carries a mark-up of 16.56% per annum. The loan is secured by hypothecation charge of Rs.60 million with 25% charge over stores and spares, ranking equitable mortgage charge of Rs.250 million on fixed assets and personal guarantees of all the directors of the company.

### 3.8 Atlas Investment Bank Limited

This is a conversion of an existing bill of discounting facility of Rs. 10 million to a loan on mark-up basis. It carries mark-up of 21% per annum payable on quarterly basis. The loan is repayable on January 31, 2002. The loan is secured by registered hypothecation of current assets, movable and fixed assets of the company and pledge of quoted shares owned by the associates of sponsor directors as secondary security.

### 3.9 Citibank, N.A.

This is a running finance facility on mark-up basis. According to the loan agreement the sale and purchase prices are Rs.20.081 million and Rs.26953 million, respectively. The difference between the sale and purchase price represents mark-up. Prompt payment bonus upto Rs.3,455,605 will be given if all installments are paid on due date. Payments will be made in four quarterly installments each carrying mark-up of 14.5% per annum commencing from December 31, 2000. This loan is secured against a stand-by letter of credit from Citibank Private Banking, London.

|   | <i>Note</i> | <i>2000</i><br><i>(Rupees)</i> | <i>1999</i><br><i>(Rupees)</i> |
|---|-------------|--------------------------------|--------------------------------|
| <b>4. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE</b> |             |                                |                                |
| Balance brought forward                                       |             | 60,678,345                     | 6,962,683                      |
| Add: Assets acquired during the year                          |             | 21,000,000                     | 63,500,000                     |
|   |             | -----                          | -----                          |
|   |             | 81,678,345                     | 70,462,683                     |
| Less: Payments made during the year                           |             | 5,005,539                      | 9,784,338                      |
|   |             | -----                          | -----                          |
|   |             | 76,672,806                     | 60,678,345                     |
| Less: Current portion shown under                             |             |                                |                                |
| Current liabilities   | 7           | 22,404,909                     | 13,326,490                     |
| Overdue portion   | 7           | 12,393,601                     | 0                              |
|   |             | -----                          | -----                          |
|   |             | 41,874,296                     | 47,351,855                     |
|   |             | =====                          | =====                          |

The rate of interest used as discounting factor (i.e. implicit in the lease) ranges from 23.5% to 29.5% per annum. Residual value of all the assets held under finance lease has already been paid at the inception of lease in the form of security deposits. These security deposits will be applied towards residual values at which the assets will be transferable to the company on maturity of leases.

The amount of future minimum lease payments alongwith their present value and the periods during which they will fall due are:

**2000**

**1999**



|   | <i>(Rupees)</i> | <i>(Rupees)</i> |
|---|-----------------|-----------------|
| Payable:  |                 |                 |
| Within one year                                       | 52,414,470      | 23,471,952      |
| After one year but not later than five years          | 47,411,618      | 58,361,752      |
|   | -----           | -----           |
|   | 99,826,088      | 81,833,704      |
| Less: Financial charges                               |                 |                 |
| Overdue   | (7,660,525)     | 0               |
| Future  | (15,492,757)    | (21,155,359)    |
|   | -----           | -----           |
|   | (23,153,282)    | (21,155,359)    |
|   | -----           | -----           |
|   | 76,672,806      | 60,678,345      |
| Less: Current portion shown under current liabilities |                 |                 |
| Current maturity                                      | (22,404,909)    | (13,326,490)    |
| Overdue portion of finance lease                      | (12,393,601)    | 0               |
|   | -----           | -----           |
|   | (34,798,510)    | (13,326,490)    |
|   | -----           | -----           |
| Long Term Portion                                     | 41,874,296      | 47,351,855      |
|   | =====           | =====           |

In all the above leases, purchase option is available to the company. The leases are terminable at any time during the lease period. There are no financial restrictions imposed by any leasing company.

#### **5. LOANS FROM DIRECTORS**

These are interest free, unsecured and are not repayable before December 31, 2001.

#### **6. OTHER LONG TERM LIABILITIES**

|   |     |             |             |
|---|-----|-------------|-------------|
| Deferred liabilities                        | 6.1 | 118,156,960 | 107,042,886 |
| Deferred mark-up on long term secured loans | 6.2 | 3,922,704   | 6,876,294   |
|   |     | -----       | -----       |
|   |     | 122,079,664 | 113,919,180 |
|   |     | =====       | =====       |

#### **6.1 Deferred liabilities include the following:**

|                                 |       |             |             |
|---------------------------------|-------|-------------|-------------|
| Road cess payable               | 6.1.1 | 49,201,563  | 50,441,015  |
| Deferred creditors              | 6.1.2 | 38,457,112  | 26,103,586  |
| Subsidy payable to cane growers | 6.1.3 | 30,498,285  | 30,498,285  |
|                                 |       | -----       | -----       |
|                                 |       | 118,156,960 | 107,042,886 |
|                                 |       | =====       | =====       |

6.1.1 This amount pertains to the company's share of road cess levied vide section 12 of

the Punjab Finance Act No. XXIV of 1964. The company has gone into litigation against this liability and the case is pending in the Lahore High Court. As per the company's lawyer the outcome of this case is not likely to be finalized before the end of the year 2001.

6.1.2 Deferred creditors are those with whom the company has unwritten/verbal understanding for deferment of payments for at least one year. No claims were lodged by any of the deferred creditors till the date of approval of these accounts.

6.1.3 Subsidy payable to cane growers represents the amounts payable to the growers as part of an incentive scheme of the company in 1998-99, however, the company has an understanding with growers that in view of the company's financial position, these dues will be deferred. No claims were lodged by any of the growers till the date of approval of these accounts.

6.2 This relates to interest payable on the local currency loan obtained from Muslim Commercial Bank Limited (see also note-3.5).

**7. CURRENT AND OVERDUE PORTION OF  
LONG TERM LOANS AND LIABILITIES  
AGAINST ASSETS SUBJECT TO FINANCE  
LEASE**

Current portion of long term loans:

**Against locally manufactured machinery - LMM:**

|   |            |            |
|---|------------|------------|
| National Development Finance Corporation          | 24,553,572 | 19,642,859 |
| Industrial Development Bank of Pakistan           | 10,000,000 | 10,000,000 |
| Industrial Development Bank of Pakistan (BOR)     | 2,500,000  | 0          |
| Investment Corporation of Pakistan led Consortium | 9,215,000  | 9,215,000  |
|   | -----      | -----      |
|   | 46,268,572 | 38,857,859 |

**Against imported machinery:**

|                                |            |            |
|--------------------------------|------------|------------|
| Muslim Commercial Bank Limited | 29,340,000 | 29,340,000 |
| Muslim Commercial Bank Limited | 4,500,000  | 0          |
|                                | -----      | -----      |
|                                | 33,840,000 | 29,340,000 |

|                                     |            |       |
|-------------------------------------|------------|-------|
| Habib Bank Limited (Demand Finance) | 13,000,000 | 0     |
| Citibank, N.A.                      | 20,080,475 | 0     |
|                                     | -----      | ----- |
|                                     | 33,080,475 | 0     |

|  |   |             |            |
|--|---|-------------|------------|
|  | 3 | 113,189,047 | 68,197,859 |
|--|---|-------------|------------|

**Overdue portion of long term loans:**

|  |            |            |
|--|------------|------------|
| National Development Finance Corporation | 29,266,832 | 9,821,428  |
| Industrial Development Bank of Pakistan  | 5,000,000  | 10,000,000 |

|   |   |             |             |
|---|---|-------------|-------------|
| Investment Corporation of Pakistan led Consortium                             |   | 9,215,000   | 6,250,000   |
|   |   | -----       | -----       |
|   | 3 | 43,481,832  | 26,071,428  |
| <b>Current portion of liabilities against assets subject to finance lease</b> |   |             |             |
| First Habib Bank Modaraba   |   | 15,039,217  | 12,138,351  |
| Orix Leasing Pakistan Limited   |   | 1,498,673   | 1,188,139   |
| English Leasing Limited   |   | 3,028,140   | 0           |
| Dawood Leasing Company Limited  |   | 2,838,879   | 0           |
|   |   | -----       | -----       |
|   | 4 | 22,404,909  | 13,326,490  |
| <b>Overdue portion of finance lease</b>                                       |   |             |             |
| First Habib Bank Modaraba   |   | 9,343,096   | 0           |
| Orix Leasing Pakistan Limited   |   | 423,296     | 0           |
| English Leasing Limited   |   | 1,246,464   | 0           |
| Dawood Leasing Company Limited  |   | 1,380,745   | 0           |
|   |   | -----       | -----       |
|   | 4 | 12,393,601  | 0           |
|   |   | -----       | -----       |
|   |   | 191,469,389 | 107,595,777 |
| Current portion of deferred mark-up   |   | 0           | 12,674,248  |
|   |   | -----       | -----       |
|   |   | 191,469,389 | 120,270,025 |
|   |   | =====       | =====       |

| <i>Note</i> | <i>Limit<br/>(Rs. in<br/>million)</i> | <i>2000<br/>(Rupees)</i> | <i>1999<br/>(Rupees)</i> |
|-------------|---------------------------------------|--------------------------|--------------------------|
|-------------|---------------------------------------|--------------------------|--------------------------|

#### 8. SHORT TERM BORROWINGS - SECURED

|                                   |     |            |            |            |
|-----------------------------------|-----|------------|------------|------------|
| Habib Bank Limited:               |     |            |            |            |
| - Running finance                 |     | 30.00      | 0          | 30,000,000 |
| - Cash finance                    | 8.1 | 200.00     | 17,107,064 | 0          |
| - SBP export refinance            |     | 50.00      | 0          | 25,500,000 |
| Bank of Punjab                    |     | 100.00     | 0          | 4,190,892  |
| Escorts Investment Bank Limited   | 8.2 | 4.00       | 4,000,000  | 11,068,152 |
| Atlas BOT Investment Bank Limited |     | 10.00      | 0          | 10,000,000 |
|                                   |     | -----      | -----      | -----      |
|                                   |     | 21,107,064 |            | 80,759,044 |
|                                   |     | =====      | =====      | =====      |

8.1 This facility is secured by way of pledge of sugar stock, second equitable mortgage charge of Rs.250 million on fixed assets of the company and personal guarantees of all the directors of the company. Mark-up is charged @ 16.56% per annum.

8.2 This represents morabaha finance facility secured by pledge of sugar stocks worth Rs.5.35 million. Mark-up is charged @ 20% per annum, payable quarterly. This facility will expire on August 04, 2001

|   | <i>Note</i> | <i>2000</i><br><i>(Rupees)</i> | <i>1999</i><br><i>(Rupees)</i> |
|---|-------------|--------------------------------|--------------------------------|
| <b>17. CREDITORS, ACCRUED AND OTHER LIABILITIES</b> |             |                                |                                |
| Trade creditors                                     |             | 120,455,667                    | 130,106,408                    |
| Advances from customers                             |             | 26,996,523                     | 13,119,708                     |
| Accrued expenses                                    |             | 8,320,796                      | 644,014                        |
| Salaries and bonus payable                          |             | 4,344,543                      | 1,579,500                      |
| Tax deducted at source                              |             | 2,027,073                      | 2,636,821                      |
| Retention money                                     |             | 959,659                        | 939,659                        |
| Accrued mark-up on long term secured loans          |             | 38,090,809                     | 6,527,555                      |
| Accrued mark-up on short term secured loans         |             | 3,049,100                      | 8,746,073                      |
| Provision for workers' profit participation fund    |             | 0                              | 4,606,390                      |
| Sales tax payable                                   |             | 12,416,088                     | 17,531,416                     |
| Central excise duty payable                         |             | 0                              | 12,512,666                     |
| Other payables                                      |             | 3,533,370                      | 1,576,518                      |
|   |             | -----<br>220,193,628<br>=====  | -----<br>200,526,728<br>=====  |

## 10. CONTINGENCIES AND COMMITMENTS

10.1 The company has issued guarantees for the loan facilities availed by the cane growers amounting to-Rs.30.00 million (1999: Rs.90.00 million) from Muslim Commercial Bank Limited.

10.2 In certain cases, banks have notified claims for late payment penalties of Rs.2.9 million approximately. Since these are disputed by the company no provision has been made thereagainst. Furthermore, the contingencies are recognized on the basis of claims notified to date.

10.3 The company is in dispute with Muslim Commercial Bank Limited regarding the frozen mark-up of Rs.11.9 million (see note-3.5). According to the company's calculations, the amount due is Rs.3.9 million, however, the bank in its confirmation is claiming Rs.11.9 million. The matter is still to be resolved with the bank.

10.4 As per the Lahore High Court's ruling in favour of the government's policy in 1997, regarding levy of sales tax on the internally consumed bagasse, the company became liable to sales tax amounting to Rs.126 million approximately. The company, alongwith eighteen other petitioners, approached the Supreme Court for the reversal of this ruling. The final decision is still pending, however, the company expects the outcome to be favourable.

10.5 The company claimed an exemption of Rs.10.75 million from excise duty on an export transaction during 1993-94. However, the Excise Department rejected the claim and the company deposited Rs.4.88 million under protest. The company has gone into litigation against this demand and the decision of the case is still pending.

#### 11. TANGIBLE FIXED ASSETS

| <i>PARTICULARS</i>                       | <i>COST</i>                           |   |   | <i>Rate<br/>%</i> | <i>As at<br/>October 01,<br/>1999</i> | <i>DEPRECIATION<br/>For the<br/>year</i> |
|--|---------------------------------------|---|---|-------------------|---------------------------------------|--|
|  | <i>As at<br/>October 01,<br/>1999</i> | <i>Additions/<br/>(deletions)<br/>during the<br/>year</i> | <i>As at<br/>September 30,<br/>2000</i> |                   |                                       |  |
| <b>Owned</b>                             |                                       |   |   |                   |                                       |  |
| Freehold land                            | 23,458,763                            | 0   | 23,458,763                              | --                | 0                                     |  |
| Factory building on<br>freehold land     | 64,619,513                            | 27,395,273  | 92,014,786                              | 10                | 26,115,543                            | 6,589,92                                 |
| Non factory building<br>on freehold land | 10,058,132                            | 1,544,259   | 11,602,391                              | 5                 | 2,127,449                             | 473,74                                   |
| Roads and boundary<br>walls              | 6,979,666                             | 119,265   | 7,098,931                               | 10                | 3,081,675                             | 401,72                                   |
| Plant and machinery                      | 648,469,447                           | 80,362,401<br>(21,000,000)                                | 707,831,848                             | 5                 | 148,748,108                           | 27,954,18                                |
| Office equipment                         | 9,943,973                             | 317,692<br>(790,000)                                      | 9,471,665                               | 20                | 5,656,700                             | 819,87                                   |
| Electrical installation                  | 32,409,667                            | 0   | 32,409,667                              | 10                | 14,693,091                            | 1,771,65                                 |
| Tools and equipment                      | 4,003,875                             | 0   | 4,003,875                               | 10                | 1,782,364                             | 222,15                                   |
| Furniture and fixture                    | 5,059,522                             | 335,983   | 5,395,505                               | 10                | 2,248,262                             | 314,72                                   |
| Weighbridge                              | 9,635,805                             | 0   | 9,635,805                               | 10                | 2,830,737                             | 680,50                                   |
| Arms & ammunition                        | 218,850                               | 0   | 218,850                                 | 10                | 101,468                               | 11,73                                    |
| Motor vehicles                           | 38,049,052                            | 1,920,120   | 39,969,172                              | 20                | 19,594,308                            | 4,074,97                                 |
| Tube well                                | 212,434                               | 0   | 212,434                                 | 10                | 89,733                                | 12,27                                    |
| Implements                               | 338,040                               | 280,000   | 618,040                                 | 10                | 36,639                                | 58,14                                    |
|  | 853,456,739                           | 112,274,993<br>(21,790,000)                               | 943,941,732                             |                   | 227,106,077                           | 43,385,61                                |
| <b>LEASED</b>                            |                                       |   |   |                   |                                       |  |
| Plant and machinery                      | 13,500,000                            | 71,000,000  | 84,500,000                              | 5                 | 675,000                               | 4,191,25                                 |
|  | 13,500,000                            | 71,000,000  | 84,500,000                              |                   | 675,000                               | 4,191,25                                 |
| 2000 Rupees                              | 866,956,739                           | 183,274,993<br>(21,790,000)                               | 1,028,441,732                           |                   | 227,781,077                           | 47,576,86                                |
| 1999 Rupees                              | 842,632,539                           | 50,499,239<br>(26,175,039)                                | 866,956,739                             |                   | 187,350,942                           | 41,134,35                                |

Depreciation charge for the year has been allocated as follows:

|                         | <i>Note</i> | <i>2000</i><br><i>(Rupees)</i> | <i>1999</i><br><i>(Rupees)</i> |
|-------------------------|-------------|--------------------------------|--------------------------------|
| Cost of sales           | 19.1        | 46,534,954                     | 39,934,777                     |
| Administrative expenses | 20          | 1,041,914                      | 1,199,573                      |
|                         |             | -----                          | -----                          |
|                         |             | 47,576,868                     | 41,134,350                     |
|                         |             | =====                          | =====                          |

## 12. DISPOSAL OF FIXED ASSETS

| <i>Particulars</i>      | <i>Cost</i> | <i>Accumulated<br/>Depreciation</i> | <i>Written<br/>down<br/>value</i> | <i>Sale<br/>Proceeds</i> | <i>Gain/<br/>(loss)</i> | <i>Sold by negotiation<br/>to</i> |
|-------------------------|-------------|-------------------------------------|-----------------------------------|--------------------------|-------------------------|-----------------------------------|
| Multimedia<br>Projector | 790,000     | 284,400                             | 505,600                           | 395,000                  |                         | (110,600) Riaz Bottlers Ltd.      |
|                         | -----       | -----                               | -----                             | -----                    | -----                   | -----                             |
| 2000 Rupees             | 790,000     | 284,400                             | 505,600                           | 395,000                  | (110,600)               |                                   |
|                         | =====       | =====                               | =====                             | =====                    | =====                   | =====                             |
| 1999 Rupees             | 1,105,709   | 704,215                             | 401,494                           | 820,000                  | 418,506                 |                                   |
|                         | =====       | =====                               | =====                             | =====                    | =====                   | =====                             |

| <i>Note</i> | <i>2000</i><br><i>(Rupees)</i> | <i>1999</i><br><i>(Rupees)</i> |
|-------------|--------------------------------|--------------------------------|
|-------------|--------------------------------|--------------------------------|

## 13. STORES, SPARES AND LOOSE TOOLS

|                    |            |            |
|--------------------|------------|------------|
| Stores             | 4,024,921  | 5,358,858  |
| Spares             | 47,490,977 | 36,050,441 |
| Loose tools        | 1,147,275  | 1,321,478  |
| Oil and lubricants | 1,271,118  | 1,696,420  |
| Civil stores       | 101,085    | 116,712    |
| Packing materials  | 1,835,044  | 2,533,456  |
|                    | -----      | -----      |
|                    | 55,870,420 | 47,077,365 |
|                    | =====      | =====      |

## 14. STOCK IN TRADE

|          |              |           |         |
|----------|--------------|-----------|---------|
| Sugar    | - Finished   | 9,544,256 | 86,111  |
|          | - In process | 292,677   | 165,591 |
|          |              | -----     | -----   |
|          |              | 9,836,933 | 251,702 |
| Molasses | - Finished   | 222,682   | 0       |
|          | - In process | 3,370     | 1,958   |

|            |         |
|------------|---------|
| -----      | -----   |
| 226,052    | 1,958   |
| -----      | -----   |
| 10,062,985 | 253,660 |
| =====      | =====   |

#### 15. TRADE DEBTORS-UNSECURED, CONSIDERED GOOD

These include Rs.3,017,532 (1999: Rs. 4,770,732) due from associated companies against sale of sugar in the ordinary course of business. The maximum outstanding balance at the end of any month during the year was Rs.7,163,932 (1999: Rs.4,799,632).

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

|  |      |             |             |
|--|------|-------------|-------------|
| Advances to staff                              | 16.1 | 2,145,519   | 1,358,000   |
| Advances to growers, suppliers and contractors |      | 67,186,976  | 99,570,893  |
| Advance income tax                             |      | 1,761,817   | 484,245     |
| Security deposits                              |      | 11,286,099  | 9,186,099   |
| Prepaid expenses                               |      | 218,897     | 538,659     |
| Margin against letter of credit                |      | 0           | 8,066,173   |
| Advance sales tax                              |      | 308,938     | 656,670     |
| Advance excise duty                            |      | 4,888,364   | 4,888,364   |
| Receivable from supplier                       | 16.2 | 47,162,899  | 0           |
| Other receivables                              | 16.3 | 20,197,621  | 677,572     |
|  |      | -----       | -----       |
|  |      | 155,157,130 | 125,426,675 |
|  |      | =====       | =====       |

16.1 These represent unsecured interest free advances to employees and include Rs.500,040 (1999: Rs. 706,219) receivable from executives and are considered good. The maximum amount due from executives at the end of any month during the year was Rs.621,353 (1999: Rs.623,870).

16.2 This represents a refund due to the company from M/s Nissho Iwai Corporation against a generator which it supplied but is to be returned as it has a manufacturing defect.

16.3 This mainly represents an amount of Rs.16.5 million receivable from Superior Textile Mills Limited, an associated company, on which the company has charged an interest @ 16% per annum. The entire amount has been received subsequently. The remaining balance represents receivables from Riaz Bottlers (Private) Limited and Superior Textile Mills Limited, both associated companies, on account of telephone, fax and photocopying charges, as these companies share common premises. The maximum amounts due at the end of any month during the year from Riaz Bottlers (Private) Limited and Superior Textile Mills Limited, were Rs.303,588 (1999: Rs.91,412) and Rs.30,527,660 (1999: Rs.524,861) respectively.

#### 17. CASH AND BANK BALANCES

|                                    |         |           |
|------------------------------------|---------|-----------|
| Cash in hand                       | 452,169 | 55,711    |
| Cash at bank - In current accounts | 706,790 | 2,440,998 |

|                         |  |                               |                                 |
|-------------------------|--|-------------------------------|---------------------------------|
|                         |  | -----<br>1,158,959<br>=====   | -----<br>2,496,709<br>=====     |
| <b>18. SALES</b>        |  |                               |                                 |
| Local sales of sugar    |  | 796,970,150                   | 958,477,400                     |
| Less: sales tax         |  | 111,212,598                   | 113,388,224                     |
|                         |  | -----<br>685,757,552          | -----<br>845,089,176            |
| Export sales of sugar   |  | 0                             | 216,611,259                     |
| Add: export rebate      |  | 0                             | 83,382,008                      |
|                         |  | -----<br>0                    | -----<br>299,993,267            |
| Molasses                |  | 5,383,261                     | 8,235,123                       |
|                         |  | -----<br>691,140,813          | -----<br>1,153,317,566          |
| Less: brokerage charges |  | 0                             | 651,536                         |
|                         |  | -----<br>691,140,813<br>===== | -----<br>1,152,666,030<br>===== |

Local sales of sugar include sales of Rs.13,962,600 (1999: Rs. 3,117,500) to Riaz Bottlers (Private) Limited, an associated company.

#### 19. COST OF SALES

|                                |      |                               |                               |
|--------------------------------|------|-------------------------------|-------------------------------|
| Finished goods (Opening stock) |      |                               |                               |
| - Sugar                        |      | 86,111                        | 133,453,168                   |
| - Molasses                     |      | 0                             | 1,555,491                     |
|                                |      | -----<br>86,111               | -----<br>135,008,659          |
| Cost of goods manufactured     | 19.1 | 636,402,450                   | 816,348,754                   |
|                                |      | -----<br>636,488,561          | -----<br>951,357,413          |
| Finished goods (Closing stock) |      |                               |                               |
| - Sugar                        |      | (9,544,256)                   | (86,111)                      |
| - Molasses                     |      | (222,682)                     | 0                             |
|                                |      | -----<br>626,721,623          | -----<br>951,271,302          |
| Add: Excise duty               |      | 0                             | 12,763,941                    |
|                                |      | -----<br>626,721,623<br>===== | -----<br>964,035,243<br>===== |

#### 19.1 Cost of goods manufactured

|  |  |             |             |
|--|--|-------------|-------------|
| Sugar cane cost (including procurement and development expenses) |  | 486,944,501 | 647,902,122 |
| Salaries, wages and other benefits                               |  | 47,094,680  | 47,604,385  |



|   |    |             |             |
|---|----|-------------|-------------|
| Oil, lubricants and fuel consumed                       |    | 5,481,476   | 8,307,399   |
| Stores and spares consumed                              |    | 21,787,783  | 22,223,907  |
| Packing materials consumed                              |    | 7,253,249   | 11,782,352  |
| Chemicals consumed                                      |    | 3,652,685   | 4,504,757   |
| Telephone and fax'                                      |    | 505,162     | 594,862     |
| Electricity   |    | 3,393,452   | 3,018,764   |
| Insurance   |    | 2,789,461   | 2,381,972   |
| Vehicle running expenses                                |    | 3,538,920   | 3,899,286   |
| Printing and stationery                                 |    | 521,413     | 1,151,250   |
| Traveling and conveyance                                |    | 1,065,323   | 850,199     |
| Freight and octroi                                      |    | 710,175     | 1,252,295   |
| Mud and bagasse shifting expenses                       |    | 1,593,040   | 1,818,119   |
| Handling and storage of sugar                           |    | 809,853     | 1,435,724   |
| Repairs and maintenance                                 |    | 1,749,035   | 16,089,274  |
| Other expenses  |    | 1,105,786   | 1,344,135   |
| Depreciation  | 11 | 46,534,954  | 39,934,777  |
|   |    | -----       | -----       |
|   |    | 636,530,948 | 816,095,579 |
| Add: Opening stock of sugar and molasses<br>in process  |    | 167,549     | 420,724     |
|   |    | -----       | -----       |
|   |    | 636,698,497 | 816,516,303 |
| Less: Closing stock of sugar and molasses<br>in process |    | (296,047)   | (167,549)   |
|   |    | -----       | -----       |
|   |    | 636,402,450 | 816,348,754 |
|   |    | =====       | =====       |

## 20. ADMINISTRATIVE EXPENSES

|                                    |      |           |           |
|------------------------------------|------|-----------|-----------|
| Salaries, wages and other benefits |      | 5,031,116 | 5,443,794 |
| Traveling and conveyance           |      | 1,672,521 | 1,420,206 |
| Insurance                          |      | 37,116    | 62,575    |
| Telephone and fax                  |      | 1,452,622 | 1,483,834 |
| Electricity                        |      | 346,880   | 359,476   |
| Entertainment                      |      | 29,964    | 45,712    |
| Printing and stationery            |      | 185,098   | 243,017   |
| Postage                            |      | 57,562    | 88,424    |
| Auditors' remuneration             | 20.1 | 215,000   | 170,000   |
| Vehicle running and maintenance    |      | 1,606,139 | 2,393,692 |
| Fee and taxes                      |      | 1,636     | 7,880     |
| Legal and professional             |      | 1,217,958 | 434,550   |
| Fee, subscription and renewals     |      | 251,305   | 259,098   |
| Advertising                        |      | 561,326   | 314,408   |
| Office rent and renovation         |      | 342,266   | 402,234   |
| Computer software and maintenance  |      | 195,752   | 306,940   |
| Newspapers, books and periodicals  |      | 4,300     | 5,616     |
| Charity and donations              | 20.2 | 148,752   | 396,250   |
| Other expenses                     |      | 381,563   | 546,051   |

|              |    |            |            |
|--------------|----|------------|------------|
| Depreciation | 11 | 1,041,914  | 1,199,573  |
|              |    | -----      | -----      |
|              |    | 14,780,790 | 15,583,330 |
|              |    | =====      | =====      |

#### 20.1 Auditors' remuneration

|                        |  |         |         |
|------------------------|--|---------|---------|
| Audit fee              |  | 200,000 | 155,000 |
| Out of pocket expenses |  | 15,000  | 15,000  |
|                        |  | -----   | -----   |
|                        |  | 215,000 | 170,000 |
|                        |  | =====   | =====   |

#### 20.2 Charity and donations

None of the directors of the company or their spouses have any interest in, or are otherwise associated with any of the recipients of donations made by the company during the year.

#### 21. SELLING AND DISTRIBUTION

|                                    |  |           |            |
|------------------------------------|--|-----------|------------|
| Salaries, wages and other benefits |  | 771,117   | 810,242    |
| Sugar export development expenses  |  | 3,962,907 | 16,065,801 |
| Sugar loading expenses             |  | 558,000   | 684,475    |
| Other selling expenses             |  | 212,347   | 113,916    |
| Freight outward                    |  | 7,000     | 7,045      |
|                                    |  | -----     | -----      |
|                                    |  | 5,511,371 | 17,681,479 |
|                                    |  | =====     | =====      |

#### 22. FINANCIAL CHARGES

|                                     |  |            |            |
|-------------------------------------|--|------------|------------|
| Mark up on secured long term loans  |  | 51,488,068 | 20,153,274 |
| Mark up on secured short term loans |  | 12,991,611 | 35,797,789 |
| Financial charges on leases         |  | 13,434,119 | 3,762,548  |
| Bank charges and commission         |  | 1,015,772  | 1,466,989  |
| Excise duty                         |  | 735,419    | 12,565,818 |
| Project monitoring fee              |  | 1,296,727  | 1,853,952  |
| Mark up on provident fund balance   |  | 4,731,781  | 3,572,234  |
|                                     |  | -----      | -----      |
|                                     |  | 85,693,497 | 79,172,604 |
|                                     |  | =====      | =====      |

#### 23. OTHER (LOSS)/GAIN

|                                       |  |           |         |
|---------------------------------------|--|-----------|---------|
| Miscellaneous income                  |  | 175       | 7,491   |
| (Loss)/Profit on sale of fixed assets |  | (110,600) | 418,506 |
| Exchange (Loss)/Gain - Net            |  | (195,386) | 29,343  |
|                                       |  | -----     | -----   |
|                                       |  | (305,811) | 455,340 |
|                                       |  | =====     | =====   |

#### 24. FUTURE BUSINESS PROSPECTS

Availability of raw materials is the key constraint to profitable operations of the company. To overcome these constraints the management has taken the following steps:

\* Provision of peter engines to farmers to improve water availability which is a constraint to sugar cane production.

\* Import of 15,000 metric tons of raw sugar.

\* Modification to the plant to improve production efficiency by removing bottlenecks.

These steps are expected to improve the profitability in the coming season of which there are positive indications based on operations to date. However, the continued support of the lending institutions will be necessary for the company to continue as a going concern. It is presumed that this support will be forthcoming in view of the steps taken above.

## 25. INTEREST RATE RISK EXPOSURE

The information about the company's exposure to interest rate risk based on contractual refinancing or maturity dates, whichever, is earlier, is as follows:

| <i>Financial assets</i>               | <i>SEPTEMBER 30, 2000</i>  |                              |                               |                             | <i>Non interest bearing</i> | <i>Total</i>  |
|---------------------------------------|----------------------------|------------------------------|-------------------------------|-----------------------------|-----------------------------|---------------|
|                                       | <i>Less than one month</i> | <i>One month to one year</i> | <i>One year to five years</i> | <i>Five years and above</i> |                             |               |
| Trade debts                           | 0                          | 0                            | 0                             | 0                           | 15,102,070                  | 15,102,070    |
| Receivable from associated compa      | 0                          | 16,500,000                   | 0                             | 0                           | 3,041,146                   | 19,541,146    |
| Advances, deposits and other rece     | 0                          | 0                            | 0                             | 0                           | 80,792,138                  | 80,792,138    |
| Cash and bank balances                | 0                          | 0                            | 0                             | 0                           | 1,158,959                   | 1,158,959     |
|                                       | -----                      | -----                        | -----                         | -----                       | -----                       | -----         |
|                                       | 0                          | 16,500,000                   | 0                             | 0                           | 100,094,313                 | 116,594,313   |
|                                       | -----                      | -----                        | -----                         | -----                       | -----                       | -----         |
| <b>Financial liabilities</b>          |                            |                              |                               |                             |                             |               |
| Deferred creditors                    | 0                          | 0                            | 0                             | 0                           | 118,156,961                 | 118,156,961   |
| Deferred mark up                      | 0                          | 0                            | 0                             | 0                           | 3,922,704                   | 3,922,704     |
| Long term loans                       | 0                          | 125,555,716                  | 184,366,946                   | 0                           | 0                           | 309,922,662   |
| Loans from directors                  | 0                          | 0                            | 0                             | 0                           | 58,161,555                  | 58,161,555    |
| Liabilities against assets subject to | 0                          | 34,798,510                   | 41,874,296                    | 0                           | 0                           | 76,672,806    |
| Short term borrowings                 | 0                          | 21,280,820                   | 0                             | 0                           | 0                           | 21,280,820    |
| Creditors, accrued and other liabilit | 0                          | 0                            | 0                             | 0                           | 191,170,032                 | 191,170,032   |
|                                       | -----                      | -----                        | -----                         | -----                       | -----                       | -----         |
|                                       | 0                          | 181,635,046                  | 226,241,242                   | 0                           | 371,411,252                 | 779,287,540   |
|                                       | =====                      | =====                        | =====                         | =====                       | =====                       | =====         |
| On balance sheet gap                  | 0                          | (165,135,046)                | (226,241,242)                 | 0                           | (271,316,939)               | (662,693,227) |
|                                       | =====                      | =====                        | =====                         | =====                       | =====                       | =====         |

*SEPTEMBER 30, 1999*

| <i>Financial assets</i>               | <i>Interest bearing</i>    |                              |                               |  | <i>Five years and above</i> | <i>Non interest bearing</i> | <i>Total</i>  |
|---------------------------------------|----------------------------|------------------------------|-------------------------------|--|-----------------------------|-----------------------------|---------------|
|                                       | <i>Less than one month</i> | <i>One month to one year</i> | <i>One year to five years</i> |  |                             |                             |               |
| Trade debts                           | 0                          | 0                            | 0                             |  | 0                           | 38,763,085                  | 38,763,085    |
| Receivable from associated compa      | 0                          | 0                            | 0                             |  | 0                           | 4,761,667                   | 4,761,667     |
| Advances, deposits and other rece     | 0                          | 0                            | 0                             |  | 0                           | 11,878,341                  | 11,878,341    |
| Cash and bank balances                | 0                          | 0                            | 0                             |  | 0                           | 2,496,709                   | 2,496,709     |
|                                       | -----                      | -----                        | -----                         |  | -----                       | -----                       | -----         |
|                                       | 0                          | 0                            | 0                             |  | 0                           | 57,899,802                  | 57,899,802    |
|                                       | -----                      | -----                        | -----                         |  | -----                       | -----                       | -----         |
| <b>Financial liabilities</b>          |                            |                              |                               |  |                             |                             |               |
| Deferred creditors                    | 0                          | 0                            | 0                             |  | 0                           | 157,042,886                 | 157,042,886   |
| Deferred mark up                      | 0                          | 0                            | 0                             |  | 0                           | 6,876,294                   | 6,876,294     |
| Long term loans                       | 0                          | 94,269,287                   | 141,431,070                   |  | 0                           | 0                           | 235,700,357   |
| Loans from directors                  | 0                          | 0                            | 0                             |  | 0                           | 28,683,675                  | 28,683,675    |
| Liabilities against assets subject to | 0                          | 13,326,490                   | 47,351,855                    |  | 0                           | 0                           | 60,678,345    |
| Short term borrowings                 | 0                          | 80,759,044                   | 0                             |  | 0                           | 0                           | 80,759,044    |
| Creditors, accrued and other liabilit | 0                          | 0                            | 0                             |  | 0                           | 184,770,199                 | 184,770,199   |
|                                       | -----                      | -----                        | -----                         |  | -----                       | -----                       | -----         |
|                                       | 0                          | 188,354,821                  | 188,782,925                   |  | 0                           | 377,373,054                 | 754,510,800   |
|                                       | =====                      | =====                        | =====                         |  | =====                       | =====                       | =====         |
| On balance sheet gap                  | 0                          | (188,354,821)                | (188,782,925)                 |  | 0                           | (319,473,252)               | (696,610,999) |
|                                       | =====                      | =====                        | =====                         |  | =====                       | =====                       | =====         |

25.1 The effective interest rates for financial assets and financial liabilities are as follows:

|  | <i>2000</i>   | <i>1999</i>   |
|--|---------------|---------------|
|  | <i>30-Sep</i> | <i>30-Sep</i> |
|  | <i>%</i>      | <i>%</i>      |
| <b>Financial liabilities:</b>                          |               |               |
| Liabilities against assets<br>subject to finance lease | 23.5%-29.5%   | 23%-26%       |
| Long term loans  | 8% - 22%      | 8% - 14.5%    |
| Short term loans                                       | 16% - 20%     | 8% - 21%      |

### 25.2 Concentration of credit risk

Credit risk represents the loss that would result if counter parties failed to perform as contracted.

### 25.3 Fair value of the financial instrument

The carrying values of all the financial instruments reflected in the financial statements are approximately their fair values.

**26. CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES REMUNERATION**

|                          | <i>Chief Executive</i> | <i>Directors</i> | <i>Executives</i> |
|--------------------------|------------------------|------------------|-------------------|
| Managerial remuneration  | 1,200,000              | --               | 6,615,801         |
|                          | -----                  | -----            | -----             |
| Number of persons - 2000 | 1                      | 6                | 26                |
|                          | =====                  | =====            | =====             |
| Managerial remuneration  | 1,200,000              | --               | 5,853,470         |
|                          | -----                  | -----            | -----             |
| Number of persons - 1999 | 1                      | 6                | 24                |
|                          | =====                  | =====            | =====             |

In addition to the above, some of the executives are provided with free use of company maintained cars.

**27. CAPACITY AND PRODUCTION**

The overall cane crushing capacity of the plant on three shifts basis for 160 days operations comes to 800,000 tonnes. During the season plant was operated for 131 days (1999: 159 days) and 488,665 (1999: 685,096) tonnes of sugarcane was crushed producing 45,025 (1999: 62,407) tonnes of sugar.

|                                      | <i>Note</i> | <i>2000<br/>(Rupees)</i> | <i>1999<br/>(Rupees)</i> |
|--------------------------------------|-------------|--------------------------|--------------------------|
| <b>28. (LOSS)/EARNINGS PER SHARE</b> |             |                          |                          |
| Net (loss)/profit for the year       |             | (41,872,279)             | 72,455,006               |
| Number of ordinary shares issued     |             | 20,577,200               | 20,577,200               |
| (Loss)/Earnings per share            |             | (2.03)                   | 3.52                     |

**29. NUMBER OF EMPLOYEES**

The total number of employees at the year end was 574 (1999: 526).

**30. FIGURES**

- have been rounded off to the nearest rupee.
- of previous year have been rearranged wherever necessary to facilitate comparison.

LAHORE: APRIL 08, 2001

**CHIEF EXECUTIVE**

**DIRECTOR**

**FORM '34'**

**Pattern of Shareholding as at September 30, 2000**

| <i>NUMBER OF</i> | <i>SHAREHOLDING</i> | <i>TOTAL</i> |
|------------------|---------------------|--------------|
|------------------|---------------------|--------------|

| <i>SHARE<br/>HOLDERS</i> | <i>From</i> | <i>To</i> | <i>SHARES HELD</i> |
|--------------------------|-------------|-----------|--------------------|
| 36                       | 1           | 100       | 3,600              |
| 1066                     | 101         | 500       | 531,500            |
| 33                       | 501         | 1000      | 32,900             |
| 32                       | 1001        | 5000      | 96,100             |
| 6                        | 5001        | 10000     | 41,500             |
| 1                        | 10001       | 15000     | 11,300             |
| 1                        | 15001       | 20000     | 16,400             |
| 3                        | 20001       | 45000     | 73,000             |
| 1                        | 45001       | 100000    | 49,400             |
| 2                        | 100001      | 105000    | 205,772            |
| 1                        | 105001      | 145000    | 105,500            |
| 1                        | 145001      | 195000    | 150,000            |
| 2                        | 195001      | 375000    | 400,000            |
| 1                        | 375001      | 435000    | 376,600            |
| 1                        | 435001      | 530000    | 437,700            |
| 1                        | 530001      | 590000    | 533,100            |
| 1                        | 590001      | 645000    | 591,500            |
| 1                        | 645001      | 725000    | 650,000            |
| 1                        | 725001      | 845000    | 726,600            |
| 1                        | 845001      | 860000    | 850,000            |
| 1                        | 860001      | 885000    | 862,800            |
| 1                        | 885001      | 905000    | 887,600            |
| 1                        | 905001      | 1025000   | 905,400            |
| 3                        | 1025001     | 1545000   | 3,086,580          |
| 1                        | 1545001     | 3085000   | 1,546,600          |
| 1                        | 3085001     | 4315000   | 3,086,580          |
| 1                        | 4315001     | 4320000   | 4,319,168          |
| -----                    |             |           | -----              |
| 1201                     |             |           | 20,577,200         |
| =====                    |             |           | =====              |

### **CATEGORIES OF SHAREHOLDERS**

| <i>S. NO.</i> | <i>CATEGORIES OF<br/>SHAREHOLDERS</i>     | <i>NUMBER OF<br/>SHARE<br/>HOLDERS</i> | <i>SHARE<br/>HELD</i> | <i>PERCENTAGE</i> |
|---------------|---|--|-----------------------|-------------------|
| 1             | Individuals                               | 1192                                   | 16,036,500            | 77.93             |
| 2             | Financial Institutions                    | 2                                      | 2,387,600             | 11.60             |
| 3             | Insurance Companies                       | 1                                      | 200,000               | 0.97              |
| 4             | Investment Companies                      | 2                                      | 544,400               | 2.65              |
| 5             | Leasing Companies                         | 1                                      | 437,700               | 2.13              |
| 6             | Modaraba Companies                        | 1                                      | 376,600               | 1.83              |
| 7             | Joint Stock Companies                     | 1                                      | 2,900                 | 0.01              |
| 8             | Others: Somers<br>Nominees (Far East) Ltd | 1                                      | 591,500               | 2.88              |

Total

-----  
1201  
=====

-----  
20,577,200  
=====

-----  
100.00  
=====