

Mehran Sugar Mills Limited
Annual Report 1998

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BOARD OF DIRECTORS

Mr. Mohammed Kasim Hasham
Chairman

Mr. Mohammed Ebrahim Hasham
Chief Executive Officer

Mr. Mohammed Hussain Hasham
Lt Cdr (Retd) Muhammad Azam (ICP)
Mr Muhammad Shafi (NIT)
Mr. Suleman A. Memon
Mr. Muhammad Amin Kath
Mr. Muhammad Asad Kath
Mr. Khurram Kasim
Mr. S. Qamar Ali Zaidi
Alternate Director for Mr. Ahmed Ebrahim

Auditors

Messrs Gangat & Company
Chartered Accountants
Karachi

Legal Advisor

Aman Law Associates
Advocate & Corporate Consultants

Registered Office

Adamjee House, 8th Floor,
I.I. Chundrigar Road,
Karachi.
Fax: 241-6477
Tel: 241-7131-4,242-3881

Mills

Tando Allahyar, Distt: Hyderabad, Sindh
Fax: (02231) 890568
Tel: (02231) 890856, (02231) 3419

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 33rd Annual General Meeting of Mehran Sugar Mills Limited, will be held at its Registered Office, at Adamjee House, 8th floor, I.I. Chundrigar Road, Karachi, on March 24, 1999 at 10.00 a.m. to transact the following business:

1. To confirm the minutes of the last Annual General Meeting of the Company held on March 20, 1998.
2. To receive and adopt the Audited Accounts of the Company for the year ended September 30, 1998, alongwith the Directors' Report and the Auditors' Report thereon.
3. To appoint auditors for the year ending September 30, 1999 and to fix their remuneration. The retiring Auditors Messrs Gangat & Company, Chartered Accountants, Karachi being eligible, have offered themselves for re-appointment.
4. To elect nine Directors as fixed by the Board for a term of three (3) years in accordance with section 178 (1) of the Companies Ordinance, 1984. The following Directors, currently on the Board, shall be retiring in accordance with the provisions of the said section read with section 180 of the Ordinance.

Mr. Mohammed Kasim Hasham
Mr. Mohammed Ebrahim Hasham
Mr. Mohammed Hussain Hasham
Mr. Khurram Kasim
Mr. Ahmed Ebrahim
Mr. Suleman A. Memon
Mr. Muhammad Amin Kath
Mr. Muhammad Asad Kath
Mr. Lt. Col. (Retd) Muhammad Azam (ICP's Nominee)
Mr. Muhammad Shafi (NIT's Nominee)

5. To transact any other business with the permission of the Chair.

By order of the Board of Directors,

Abdul Razzaq Usman
Acting Company Secretary

Karachi, February 16, 1999

Notes:

(i) Notice of intention of any person seeking as a director of the Company according to Section 178 of the Companies Ordinance, 1984 must be received by the Company at least 14 days before the General Meeting.

(ii) A member eligible to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote on his/her behalf.

(iii) A proxy must be a member of the Company.

(iv) The instrument appointing a proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Annual General Meeting.

(v) The Share Transfer Books of the Company shall remain closed from March 14 to March 24, 1999 (both days inclusive)

(vi) Members are requested to intimate any change in their addresses immediately.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Mehran Shareholders,

The Directors of your Company take pleasure in presenting the Thirty-third Annual Report, together with Balance Sheet and Profit and Loss Account, for the year ended September 30, 1998 and Auditor's Report thereon.

A brief summary of the operational results is given here under:

	1997-98	1996-97
Season commenced	November 06, 1997	November 15, 1996
Season closed	March 22, 1998	March 05, 1997
Duration of season days		137 111

Cane crushed M. tons	568,225	275,292
Maunds	15,224,059	7,375,724
Average crushing per day M.tons	4,148	2,480
Average sucrose recovery	1006%	10.57%
Sugar production M.tons	57,117	29,100
Molasses production M.tons	27,990	13,800

Your mill produced 57,117 metric tons sugar during the season under review which is about 96% higher than the sugar produced in the preceding year i.e. 1996-97. Another important feature is that the mill made prompt payments to the growers which not only attracted new growers to supply the cane to the mills but also helped in building positive and long lasting relationship with the growers of the area.

Although the mill produced high-test ever quantity of sugar but maximum financial benefit could not be reaped due to excess sugar production in the country, which brought down the average sugar selling price, thus adversely effecting the profitability of your Company.

Another major factor effecting the profitability was the demand of Rs. 36,583,614 raised by the Market Committee, Tando Allahyar, Government of Sindh on account of Market Committee Fee with retrospective effect i.e. November 05, 1983 on the basis of High Court of Sindh order dated November 26, 1998.

It may be mentioned that had your Directors not waived Mark-up amounting to Rs. 30,928,205 on their personal loans extended to the Company, the loss would have been of much higher magnitude.

Earning per Ordinary Share of Rs. 10/- each during the year under review is (Rs.0.08) as compared to Rs. 2.22 in the previous year.

Prospects of the Campaign 1998-99

The mills commenced crushing on November 12, 1998 for the current season. Sugarcane crushing, sugar production and average sucrose recovery results achieved upto February 15, 1999 are as under:

Cane crushed M. tons	508,049
Cane crushed Mds.	13,611,811
Sugar production M. tons	44,467
Average sucrose recovery	8.83%

The Government maintained the minimum support price of sugarcane at Rs. 36 per 40 Kgs but quality premium was raised from paisas 32 to paisas 50 per 40 Kgs for each 0.1% excess sugar recovery over benchmark of 8.70%, payable as incentive to the cane growers for cultivating high sucrose varieties.

On the one hand the Government has given incentive to the growers for higher recovery while no penalty has been imposed for diseased and poor quality cane being planted and supplied to the mills. Specially this year the quality of sugarcane is poor due to disease like Red Rot, Borer coupled with high trash which have reduced the average sugar recovery by 1.05% as compared to the last year.

It is expected that the Government while calculating minimum support price of sugarcane and incentives to the growers will take sugar mills into confidence so that the problems of the mills can be mitigated.

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During the current season your mill has exported 11,334 metric tons of sugar thereby earning US 2.825 million in foreign exchange.

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Your Directors are pleased to announce that Mahran Sugar Mills Limited has qualified for ISO - 9002 certification.

#### **Year 2000 Compliance of Computer System**

The accounts of the Company are computerised and accordingly efforts are being made to avoid any complication due to possible effects of the Millennium Bug on the working of the Company and its allies.

#### **Appointment of Auditors**

Messrs Gangat & Company, Chartered Accountants, Karachi, the retiring Auditors of the Company, being eligible, offer themselves for re-appointment, for the year 1998-99 and have requested for an increase of Rs. 10,000 in their remuneration.

#### **Acknowledgment**

The Directors place on record their appreciation for the devoted services and hardwork done by the officers, staff and workers of the Company in bringing best possible results.

The Directors also appreciate continued cooperation and support of the shareholders, sugarcane farmers of the area, the customers, creditors and the government.

**For and on behalf of the Board of Directors,**

**Mohammed Kasim Hasham**  
Chairman

**Mohammed Ebrahim Hasham**  
Chief Executive Officer

Karachi February 16, 1999

#### **OPERATION AT A GLANCE-KEY INDICATORS (1994-1998)**

| <b>Particulars/period</b>       | <b>1998</b> | <b>1997</b> | <b>1996</b> | <b>1995</b> | <b>1</b> |
|---------------------------------|-------------|-------------|-------------|-------------|----------|
| <b>Equity</b> (Rs. in million)  |             |             |             |             |          |
| Paid-up Capital                 | 98.438      | 98.438      | 98.438      | 98.438      |          |
| Capital & General Reserves      | 117.113     | 117.781     | 107.781     | 182.781     |          |
| <b>Production</b> (Metric tons) |             |             |             |             |          |
| Sugarcane Crushed               | 568,225     | 275,292     | 343,283     | 489,279     |          |
| Sugar Produced                  | 57,117      | 29,100      | 34,284      | 42,867      |          |
| Average Sucrose Recovery        | 10.06%      | 10.57%      | 9.90%       | 8.81%       |          |

|                                  |         |         |         |         |
|----------------------------------|---------|---------|---------|---------|
| Crushing Days                    | 137     | 111     | 144     | 124     |
| <b>Earnings</b> (Rs. in million) |         |         |         |         |
| Sales                            | 852.092 | 555.799 | 511.956 | 524.214 |
| Gross Profit/(Loss)              | 78.653  | 89.370  | 88.767  | 83.133  |
| Pre-Tax Profit/(Loss)            | 1.791   | 21.411  | 10.697  | 3.000   |
| After tax Profit/(Loss)          | (0.831) | 24.851  | 7.937   | (0.032) |
| Return on Equity                 | (0.08)  | 2.22    | 0.81    | -       |
| <b>Payout</b> (Rs. in million)   |         |         |         |         |
| Cash Dividend                    | -       | 12.31   | 9.84    | -       |
| Bonus Shares                     | -       | -       | -       | -       |
| Rate of Return                   | -       | 12.50%  | 10%     | -       |

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

We have audited the annexed Balance Sheet of Mehran Sugar Mills Limited as at September 30, 1998 and the related Profit and Loss Account and the Cash Flow Statement together with the notes forming part thereof, for the year then ended and we state that:

Mark-up payable to directors in the sum of Rs. 1,974,835/- has not been provided in these accounts.

Subject to the foregoing we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and after due verification thereof, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the Balance Sheet and Profit and Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

ii) the expenditure incurred during the year was for the purpose of the Company's business; and

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and Cash Flow Statement together with the notes forming part thereof, give the information required by the Companies Ordinance, 1984 in the manner so

required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 1998 and of the loss and the changes in the cash flow for the year then ended; and

d) In our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi, February 16, 1999

**GANGAT & COMPANY**  
Chartered Accountants

**BALANCE SHEET AS AT SEPTEMBER 30, 1998**

|                                                            | Note | 1998<br>Rupees | 1997<br>Rupees |
|------------------------------------------------------------|------|----------------|----------------|
| <b>Capital and Liabilities</b>                             |      |                |                |
| <b>Share Capital and Reserves</b>                          |      |                |                |
| <b>Share Capital</b>                                       |      |                |                |
| <b>Authorised</b>                                          |      |                |                |
| 50,000,000 Ordinary Shares of Rs. 10/- each                |      | 500,000,000    | 500,000,000    |
|                                                            |      | =====          | =====          |
| <b>Issued, Subscribed and Paid-up</b>                      |      |                |                |
| 9,843,750 Ordinary Shares of Rs. 10/- each                 | 2    | 98,437,500     | 98,437,500     |
| <b>Reserves and Surplus</b>                                |      |                |                |
| Capital reserve                                            | 3    | 63,281,250     | 63,281,250     |
| Revenue reserve - General                                  | 4    | 54,500,000     | 54,500,000     |
| (Loss)/unappropriated profit                               |      | (668,502)      | 162,913        |
|                                                            |      | -----          | -----          |
|                                                            |      | 117,112,748    | 117,944,163    |
|                                                            |      | -----          | -----          |
|                                                            |      | 215,550,248    | 216,381,663    |
| <b>Redeemable Capital</b>                                  | 5    | 35,200,898     | 42,241,077     |
| <b>Long Term Loans</b>                                     | 6    | 6,268,226      | 24,991,419     |
| <b>Deferred Liabilities</b>                                | 7    | 26,867,168     | 24,985,014     |
| <b>Current Liabilities and Provisions</b>                  |      |                |                |
| Current maturity of redeemable capital and long term loans | 8    | 45,650,788     | 85,989,982     |
| Short term borrowings                                      | 9    | 106,637,428    | 20,035,662     |
| Creditors, accrued and other liabilities                   | 10   | 140,022,587    | 85,928,116     |
| Dividends                                                  | 11   | 4,483,334      | 15,706,949     |
|                                                            |      | -----          | -----          |
|                                                            |      | 296,794,137    | 207,660,709    |
| <b>Contingencies &amp; Commitments</b>                     | 12   | -              | -              |

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 580,680,677 516,259,882  
 =====

**Property and Assets**

**Fixed Assets**

|                          |    |             |             |
|--------------------------|----|-------------|-------------|
| Operating assets         | 13 | 404,034,158 | 410,180,847 |
| Capital work-in-progress |    | 2,370,885   | -           |

**Long Term Investments**

|    |            |            |
|----|------------|------------|
| 14 | 42,511,096 | 42,511,096 |
|----|------------|------------|

**Current Assets**

|                                                 |    |            |            |
|-------------------------------------------------|----|------------|------------|
| Stores and spares                               | 15 | 35,255,740 | 21,921,353 |
| Stock-in-trade                                  | 16 | 33,486,916 | 357,989    |
| Trade debts                                     | 17 | 16,853,192 | 8,831,81 8 |
| Loans, advances, prepayments<br>and receivables | 18 | 39,127,361 | 25,818,491 |
| Bank and cash balances                          | 19 | 7,041,329  | 6,638,288  |

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 131,764,538 63,567,939  
 -----  
 580,680,677 516,259,882  
 =====

The annexed notes form an integral part of these accounts

**Mohammed Kasim Hasham**  
 Chairman

**Mohammed Ebrahim Hasham**  
 Chief Executive Officer

**PROFIT AND LOSS ACCOUNT**

**for the year ended September 30, 1998**

|                         | <b>Note</b> | <b>1998<br/>Rupees</b> | <b>1997<br/>Rupees</b> |
|-------------------------|-------------|------------------------|------------------------|
| <b>Sales</b>            | 20          | 852,092,040            | 555,799,182            |
| Cost of goods sold      | 21          | 773,438,663            | 466,429,057            |
|                         |             | -----                  | -----                  |
| <b>Gross profit</b>     |             | 78,653,377             | 89,370,125             |
| Administrative expenses | 22          | 37,424,260             | 29,186,456             |
| Selling expenses        | 23          | 7,251,860              | 2,283,340              |



|                                                  |    |             |                |
|--------------------------------------------------|----|-------------|----------------|
| Financial expenses                               | 24 | 28,463,935  | 35,951,948     |
|                                                  |    | -----       | -----          |
|                                                  |    | 73,140,055  | 67,421,744     |
|                                                  |    | -----       | -----          |
| <b>Operating profit</b>                          |    | 5,513,322   | 21,948,381     |
|                                                  |    | -----       | -----          |
| Other income                                     | 25 | 5,242,165   | 4,426,022      |
| Donations                                        | 26 | (265,400)   | (526,663)      |
| Zakat                                            |    | (150,000)   | (150,000)      |
| Prior years' adjustment                          | 27 | (8,451,674) | -              |
| Workers' profit participation fund               | 28 | (97,747)    | (1,286,360)    |
|                                                  |    | -----       | -----          |
|                                                  |    | (3,722,656) | 2,462,999      |
|                                                  |    | -----       | -----          |
| Profit before taxation                           |    | 1,790,666   | 24,411,380     |
| Taxation                                         | 29 | 2,622,081   | 2,560,113      |
|                                                  |    | -----       | -----          |
| (Loss)/profit after taxation                     |    | (831,415)   | 21,851,267     |
| Unappropriated profit brought forward            |    | 162,913     | 616,333        |
|                                                  |    | -----       | -----          |
| (Loss)/profit available for appropriation        |    | (668,502)   | 22,467,600     |
|                                                  |    | -----       | -----          |
| <b>Appropriations:</b>                           |    |             |                |
| Proposed dividend nil (1997: Rs. 1.25 per share) |    |             | - (12,304,687) |
| Transfer to general reserve                      |    |             | - (10,000,000) |
|                                                  |    |             | -----          |
| (Loss)/unappropriated profit carried forward     |    | (668,502)   | 162,913        |
|                                                  |    | =====       | =====          |

The annexed notes form an integral part of this profit and loss account

**Mohammed Kasim Hasham**  
Chairman

**Mohammed Ebrahim Hasham**  
Chief Executive Officer

#### CASH FLOW STATEMENT

for the year ended September 30, 1998

|                                             | Note | 1998<br>Rupees | 1997<br>Rupees |
|---------------------------------------------|------|----------------|----------------|
| <b>Cash flow from operating activities:</b> |      |                |                |

|                                                                    |   |              |              |
|--------------------------------------------------------------------|---|--------------|--------------|
| Cash generated from operation                                      | A | 28,521,147   | 101,092,501  |
| Financial charges paid                                             |   | (17,507,994) | (71,077,424) |
| Taxes paid                                                         |   | (5,121,272)  | (121,494)    |
|                                                                    |   | -----        | -----        |
| Net cash inflow from operating activities                          |   | 5,891,881    | 29,893,583   |
| <b>Cash flow from investing activities:</b>                        |   |              |              |
| Fixed capital expenditure                                          |   | (14,398,540) | (2,593,375)  |
| Capital work-in-progress                                           |   | (2,370,885)  | -            |
| Sales proceeds of fixed assets                                     |   | 2,005,000    | 2,255,000    |
|                                                                    |   | -----        | -----        |
| Net cash (outflow) from investing activities                       |   | (14,764,425) | (338,375)    |
| <b>Cash flow from financing activities:</b>                        |   |              |              |
| Long term loans raised                                             |   | 9,402,339    | 35,261,628   |
| Repayment of long term loans                                       |   | (65,296,645) | (14,047,496) |
| Repayment of redeemable capital                                    |   | (10,208,260) | (13,014,536) |
| Dividend paid                                                      |   | (11,223,615) | (10,821,610) |
|                                                                    |   | -----        | -----        |
| Net cash (outflow) from financing activities                       |   | (77,326,181) | (2,622,014)  |
|                                                                    |   | -----        | -----        |
| Total cash flow from operating, investing and financing activities |   | (86,198,725) | 26,933,194   |
| Cash and cash equivalent at the beginning of the year              |   | (13,397,374) | (40,330,568) |
|                                                                    |   | -----        | -----        |
| Cash and cash equivalent at the end of the year                    | B | (99,596,099) | (13,397,374) |
|                                                                    |   | =====        | =====        |

**NOTES TO THE CASH FLOW STATEMENT  
for the year ended September 30, 1998**

|                                                              | <b>1998</b>   | <b>1997</b>   |
|--------------------------------------------------------------|---------------|---------------|
|                                                              | <b>Rupees</b> | <b>Rupees</b> |
| <b>A. Cash generated from operation</b>                      |               |               |
| Profit before taxation                                       | 1,790,666     | 24,411,380    |
| Add/(less) adjustments for non-cash charges and other items: |               |               |
| Depreciation                                                 | 19,583,749    | 16,146,013    |
| Gratuity                                                     | 1,882,154     | (468,223)     |
| Profit on sale of fixed assets                               | (1,043,520)   | (202,063)     |
| Financial charges                                            | 28,463,935    | 35,951,948    |
|                                                              | -----         | -----         |
|                                                              | 48,886,318    | 51,427,675    |
|                                                              | -----         | -----         |

|                                                           |               |              |
|-----------------------------------------------------------|---------------|--------------|
| Profit before working capital changes                     | 50,676,984    | 75,839,055   |
| <b>Effect on cash flow due to working capital changes</b> |               |              |
| (Increase)/Decrease in current assets:                    |               |              |
| Stores and spares                                         | (13,334,387)  | 3,382,055    |
| Stock-in-trade                                            | (33,128,927)  | (25,526)     |
| Trade debts                                               | (8,021,374)   | 785,628      |
| Loans, advances, prepayments and receivables              | (10,648,232)  | 11,312,702   |
|                                                           | -----         | -----        |
|                                                           | (65,132,920)  | 15,454,859   |
| Increase/(decrease) in current liabilities:               |               |              |
| Creditors, accrued and other liabilities                  | 42,977,083    | 9,798,587    |
|                                                           | -----         | -----        |
|                                                           | (22,155,837)  | 25,253,446   |
|                                                           | -----         | -----        |
|                                                           | 28,521,147    | 101,092,501  |
|                                                           | =====         | =====        |
| <br><b>B. Cash and cash equivalent</b>                    |               |              |
| Bank and cash balances                                    | 7,041,329     | 6,638,288    |
| Short term borrowings                                     | (106,637,428) | (20,035,662) |
|                                                           | -----         | -----        |
|                                                           | (99,596,099)  | (13,397,374) |
|                                                           | =====         | =====        |

**NOTES TO THE ACCOUNTS**

**For the year ended September 30, 1998**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**1.1 COST**

These accounts have been prepared on the historical cost convention without any adjustments for the effect of inflation or current values.

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**1.2 STAFF RETIREMENT BENEFITS**

The total cost of the Company's contribution to provident fund for the year has been charged against revenue and the payments made to the trust fund established by the Company for these purposes.

Liability on account of gratuity payable to employees has been fully provided for in the accounts.

**1.3 TAXATION**

Taxation is provided at the current rates on the basis of profits reflected in the profit and

loss account adjusted for fiscal purposes. The Company accounts for deferred tax in respect of timing differences arising from depreciation allowances on fixed assets using the liability method. It, however does not account for deferred tax in respect of other timing difference arising from sundry provisions.

#### **1.4 FIXED ASSETS**

These are stated at cost less accumulated depreciation except land and capital work-in progress which are stated at cost.

Depreciation is charged to income applying the reducing balance method for the full year, except for plant and machinery of the sugar unit on which depreciation is charged for the actual number of working days.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised. Gain or loss, if any, on disposal of assets is included in income currently.

Acquisitions during the year are depreciated for the full year irrespective of the date of purchase and no depreciation is charged on assets in the year of their disposal.

#### **1.5 INVESTMENTS**

Investments are stated at cost less provision made for diminution in its value.

#### **1.6 STORES, SPARES AND STOCK OF FERTILIZERS**

These are valued at cost using the first in, first out method.

#### **1.7 STOCK-IN-TRADE**

It is valued at lower cost and net realisable value. Cost is determined on an average basis including an appropriated proportion of factory overhead expenses.

#### **1.8 REVENUE RECOGNITION**

1.8.1 Sales of goods are recognised on delivery of goods. Income from Term deposits is accounted for on receipt basis.

1.8.2 Mark-up on advances to growers are accounted for as and when received.

#### **2. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

|                                                                | <b>1998</b>   | <b>1997</b>   |
|----------------------------------------------------------------|---------------|---------------|
|                                                                | <b>Rupees</b> | <b>Rupees</b> |
| 5,968,750 Ordinary Share of Rs.10/- each<br>fully paid in cash | 59,687,500    | 59,687,500    |
| 350,000 Ordinary Shares of Rs.10/- each                        | 3,500,000     | 3,500,000     |

fully paid up issued to PICIC

3,525,000 Ordinary Shares of Rs.10/- each

fully paid up issued as bonus shares

35,250,000 35,250,000

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98,437,500 98,437,500

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### 3. CAPITAL RESERVE

Premium on issue of right shares

63,281,250 63,281,250

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### 4. REVENUE RESERVE - GENERAL

Balance as per last balance sheet

54,500,000 44,500,000

Transferred from profit and loss appropriation account

- 10,000,000

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54,500,000 54,500,000

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### 5. REDEEMABLE CAPITAL

PICIC LMM Finance (5.1)

42,241,077 53,505,363

Less: Installments payable within one year

grouped under current liabilities

(7,040,179) (11,264,286)

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35,200,898 42,241,077

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5.1 The Company has entered into purchase and sale agreement on mark-up basis with Pakistan Industrial Credit & Investment Corporation Limited in respect of locally manufactured machinery for balancing, modernisation, replacement and expansion. The total purchase price is Rs.127,257,420 (net of prompt payment rebate of Rs.25,451,484) with a corresponding sale price of Rs.90,114,295 which has been fully disbursed. The payment of the purchase price is to be made in forty one quarterly installments. The mark-up rate is 8 percent per annum.

The above arrangement is secured by way of equitable mortgage by deposit of title deeds of all immovable properties of the Company which shall rank pari passu with the mortgage, if any, already subsisting in favour of existing creditors/TFCs holders. In addition, the Company has also executed and registered an irrevocable power of attorney in favour of PICIC with powers, inter alia, to execute and register a legal mortgage if and when required by PICIC.

1998  
Rupees

1997  
Rupees

**6. LONG TERM LOANS-UNSECURED**

|                                                                                 |              |              |
|---------------------------------------------------------------------------------|--------------|--------------|
| From directors                                                                  | 1,483,667    | 15,660,782   |
| Received during the year                                                        | 9,402,339    | -            |
|                                                                                 | -----        | -----        |
|                                                                                 | 10,886,006   | 15,660,782   |
| Less: Installments payable within one year<br>grouped undercurrent liabilities  | (4,617,780)  | (14,177,115) |
|                                                                                 | -----        | -----        |
|                                                                                 | 6,268,226    | 1,483,667    |
| From associated undertaking                                                     | 23,541,065   | 11,874,324   |
| Received during the year                                                        | -            | 35,261,628   |
|                                                                                 | -----        | -----        |
|                                                                                 | 23,541,065   | 47,135,952   |
| Less: Installments payable within one year<br>grouped under current liabilities | (23,541,065) | (23,628,200) |
|                                                                                 | -----        | -----        |
|                                                                                 | 6,268,226    | 24,991,419   |
|                                                                                 | =====        | =====        |

6.1 Mark-up is payable at the rate of 45 paise per thousand per day. Loan is repayable in six half yearly installments.

6.2 Mark-up on directors' loan and associated undertaking's loan have been waived amounting to Rs.7,140,384/-.

**7. DEFERRED LIABILITIES**

|                     |            |            |
|---------------------|------------|------------|
| Taxation (Note 7.1) | 17,400,000 | 17,400,000 |
| Staff gratuity      | 9,467,168  | 7,585,014  |
|                     | -----      | -----      |
|                     | 26,867,168 | 24,985,014 |
|                     | =====      | =====      |

Deferred taxation arising due to timing difference computed under the tax liability method at 30% estimated to Rs.46.112 million (1997: Rs.39.875 million). The deferred tax liability to the extent of Rs.28.712 million has not been provided as it is unlikely to crystallize within foreseeable future.

**1998**  
**Rupees**

**1997**  
**Rupees**

**8. CURRENT MATURITY OF REDEEMABLE CAPITAL**

**AND LONG TERM LOANS**

|                                            |             |             |
|--------------------------------------------|-------------|-------------|
| Redeemable capital                         | 7,040,179   | 11,264,286  |
| Less: Advance payment made during the year | (1,760,046) | (2,816,072) |
|                                            | -----       | -----       |
|                                            | 5,280,133   | 8,448,214   |
| Long term loans                            | 10,973,977  | 37,805,315  |
| <br>                                       |             |             |
| Overdue portion of long term loans         |             |             |
| From Directors                             | 29,396,678  | 22,670,563  |
| From Associated undertaking                | -           | 17,065,890  |
|                                            | -----       | -----       |
|                                            | 29,396,678  | 39,736,453  |
|                                            | -----       | -----       |
|                                            | 45,650,788  | 85,989,982  |
|                                            | =====       | =====       |

**9. SHORT TERM BORROWINGS**

|                        |             |            |
|------------------------|-------------|------------|
| 9.1 Secured from banks | 106,637,428 | 20,035,662 |
|                        | =====       | =====      |

Against pledge of sugar stock and hypothecation of stores and spares. Hypothecation of stocks of sugarcane crop of growers, guarantee of the Company and second charge on the fixed assets. The rates of mark-up range between 51 paisas to 54 paisas per thousand per day.

9.2 The total credit facilities available to the Company amounted to Rs.195 million (1997: Rs.150 million).

|               |               |
|---------------|---------------|
| <b>1998</b>   | <b>1997</b>   |
| <b>Rupees</b> | <b>Rupees</b> |

**10. CREDITORS, ACCRUED AND OTHER LIABILITIES**

|                                                                |            |            |
|----------------------------------------------------------------|------------|------------|
| Trade creditors                                                | 12,391,548 | 25,717,837 |
| Interest/Mark-up accrued and outstanding on unsecured advances | 8,878,735  | 6,192,329  |
| Mark-up on bank guarantee                                      | 5,616,165  | 5,199,023  |
| Mark-up on secured borrowings                                  | 11,689,716 | 1,150,917  |
| Provisions:                                                    |            |            |
| Market committee fee                                           | 36,583,614 | -          |
| Excise duty                                                    | 824,220    | 4,547,250  |

|                                                |             |            |
|------------------------------------------------|-------------|------------|
| Workers' profit participation fund (Note 10.1) | 97,752      | 1,286,365  |
| Taxation                                       | 2,365,690   | 2,204,243  |
| Advance from customers                         | 11,087,051  | -          |
| Accrued liabilities                            | 17,932,140  | 17,288,988 |
| Others                                         | 32,555,956  | 22,341,164 |
|                                                | -----       | -----      |
|                                                | 140,022,587 | 85,928,116 |
|                                                | =====       | =====      |

|                                         |           |           |
|-----------------------------------------|-----------|-----------|
| 10.1 Workers' profit participation fund |           |           |
| Balance as per last balance sheet       | 1,286,365 | 569,575   |
| Add: Provided during the year           | 97,747    | 1,286,360 |
| Interest credited                       | 66,521    | 29,454    |
|                                         | -----     | -----     |
|                                         | 1,450,633 | 1,885,389 |
| Less: Paid during the year              | 1,352,881 | 599,024   |
|                                         | -----     | -----     |
|                                         | 97,752    | 1,286,365 |
|                                         | =====     | =====     |

#### 11. DIVIDENDS

|           |           |            |
|-----------|-----------|------------|
| Unclaimed | 4,483,334 | 3,402,262  |
| Proposed  | -         | 12,304,687 |
|           | -----     | -----      |
|           | 4,483,334 | 15,706,949 |
|           | =====     | =====      |

|                    |                    |
|--------------------|--------------------|
| <b>1998</b>        | <b>1997</b>        |
| <b>Rupees</b>      | <b>Rupees</b>      |
| <b>In millions</b> | <b>In millions</b> |

#### 12. CONTINGENCIES AND COMMITMENTS

Contingent liabilities in respect of:

|                                                                                                                                           |      |       |
|-------------------------------------------------------------------------------------------------------------------------------------------|------|-------|
| Market committee fee demanded by the Market Committee, Tando Allahyar for the period since 1969 to date, which is disputed by the Company | -    | 54.01 |
| KMC demand for octroi                                                                                                                     | 0.17 | 0.17  |
| Penalty on non-payment of octroi                                                                                                          | 1.67 | 1.67  |
| Short payment of EOB contribution for the period October, 1990 to September, 1993, which is disputed by the Company                       | 3.20 | 3.20  |



Short payment of SESSI contribution for the period from October, 1990 to December, 1994, which is disputed by the Company

5.82 5.82

Short payment of SESSI contribution for the period from July, 1987 to August, 1990, which is disputed by the Company

3.28 3.28

Penalty for short deposit of sugarcane cess for the crushing season 1994-95, which is disputed by the Company

8.81 8.81

Contingent gain/assets in respect of insurance claim of molasses burnt

2.12 2.12

**13. FIXED ASSETS - OPERATING**

|                                       | Cost to<br>September<br>30, 1997 | Addition/<br>(deletion)<br>during<br>the year | Cost to<br>September<br>30, 1998 | Depre<br>to Se<br>30, |
|---------------------------------------|----------------------------------|-----------------------------------------------|----------------------------------|-----------------------|
| Freehold land                         | 180,720                          | -                                             | 180,720                          |                       |
| Factory building on freehold land     | 52,271,000                       | 74,150                                        | 52,345,150                       | 26,                   |
| Non factory building on freehold land | 4,168,720                        | -                                             | 4,168,720                        | 2,                    |
| Plant and machinery                   | 546,413,460                      | 3,461,000<br>(218,773)                        | 549,655,687                      | 173,                  |
| Workshop tools and other equipment    | 4,145,009                        | -                                             | 4,145,009                        | 1,                    |
| Weigh bridge and scales               | 884,624                          | 44,000                                        | 928,624                          |                       |
| Electric installation                 | 2,314,432                        | 3,968,550                                     | 6,282,982                        | 1,                    |
| Airconditioners and refrigerators     | 3,423,681                        | 64,900                                        | 3,488,581                        | 2,                    |
| Furniture and fixture                 | 1,956,246                        | -                                             | 1,956,246                        | 1,                    |
| Office equipment                      | 4,091,860                        | 707,040                                       | 4,798,900                        | 2,                    |
| Vehicles                              | 9,154,304                        | 6,078,900<br>(2,061,432)                      | 13,171,772                       | 6,                    |
|                                       | 629,004,056                      | 14,398,540<br>(2,280,205)                     | 641,122,391                      | 218,                  |

1997

630,450,081    2,593,375    629,004,056    204,  
(4,039,400)

**13.1 Depreciation provided for the year  
has been apportioned as under:**

|                         | <b>1998<br/>Rupees</b> | <b>1997<br/>Rupees</b> |
|-------------------------|------------------------|------------------------|
| Cost of goods sold      | 17,491,774             | 14,979,739             |
| Administrative expenses | 2,091,975              | 1,166,274              |
|                         | -----                  | -----                  |
|                         | <b>19,583,749</b>      | <b>16,146,013</b>      |
|                         | =====                  | =====                  |

**13.2 Disposal of Fixed Assets (By Negotiation)**

| PARTICULARS                       | ORIGINAL<br>COST | ACCUMULATED<br>DEPRECIATION | WRITTEN<br>DOWN VALUE | SALE<br>PROCEEDS | PROFIT/<br>(LOSS) | (IN R                   |
|-----------------------------------|------------------|-----------------------------|-----------------------|------------------|-------------------|-------------------------|
|                                   |                  |                             |                       |                  |                   | PURCH                   |
| Balancing Machine                 | 218,773          | 129,270                     | 89,503                | 430,000          | 340,497           | Majee<br>Umerk          |
| <b>Vehicles</b>                   |                  |                             |                       |                  |                   |                         |
| Hino Truck<br>JT-5750             | 706,000          | 557,941                     | 148,059               | 600,000          | 451,941           | Mr. M<br>B/150<br>Karac |
| Suzuki Bolan Van<br>CD-0774       | 125,000          | 104,028                     | 20,972                | 60,000           | 39,028            | Mr. F<br>House<br>Shahd |
| Suzuki Cultus Car<br>P-3864       | 170,000          | 114,294                     | 55,706                | 105,000          | 49,294            | Mrs.<br>293,<br>Shabi   |
| Nissan Pick-up<br>KG-3969         | 245,000          | 193,619                     | 51,381                | 250,000          | 198,619           | Mr. N<br>C-28,<br>Liaqu |
| Mitsubishi Pajero Jeep<br>BC-8311 | 576,500          | -                           | 576,500               | 450,000          | (126,500)         | Mr. Y<br>54/C,<br>Jehan |
| Honda Motorcycle<br>HDF-6413      | 22,000           | 21,221                      | 779                   | 10,000           | 9,221             | Mr. A<br>Emplo          |
| Balarus Tractor                   | 74,431           | 71,154                      | 3,277                 | 40,000           | 36,723            | Mr. A                   |

995 905

Balarus Tractor  
EX-3171

142,500 127,197

15,303

60,000

44,697 Mr. M

Moham

Tando

-----  
2,280,204 1,318,724

961,480

2,005,000

1,043,520

1997

=====

4,039,400 1,986,463

=====

2,052,937

2,255,000

202,063

**1998**  
**Rupees**

**1997**  
**Rupees**

**14. LONG TERM INVESTMENTS**

In associated company  
Not quoted on stock exchange  
Pakistan Paper Corporation Limited  
817,584 Ordinary Shares of Rs.10/- each  
fully paid up

8,271,098 8,271,098

Less: Provision for diminution in value of  
investments

8,270,998 8,270,998

Other  
Payment for purchase of Thatta Sugar Mills

-----  
100 100

42,510,996 42,510,996

-----  
42,511,096 42,511,096

=====

**15. STORES AND SPARES**

Stores  
Spares  
Packing materials  
Oil and lubricants

273,634 225,961

33,485,014 20,138,570

828,963 622,904

668,129 933,918

-----  
35,255,740 21,921,353

=====

**1998**  
**Rupees**

**1997**  
**Rupees**

**16. STOCK-IN-TRADE**

|                  |            |         |
|------------------|------------|---------|
| Sugar            | 32,613,664 | -       |
| Molasses         | 3,192      | -       |
| Sugar-in-process | 870,060    | 357,989 |
|                  | -----      | -----   |
|                  | 33,486,916 | 357,989 |
|                  | =====      | =====   |

**17. TRADE DEBTS- UNSECURED**

|                                    |            |            |
|------------------------------------|------------|------------|
| Considered good                    | 16,853,192 | 8,831,818  |
| Considered doubtful                | 2,241,225  | 5,144,625  |
|                                    | -----      | -----      |
|                                    | 19,094,417 | 13,976,443 |
| Less: Provision for doubtful debts | 2,241,225  | 5,144,625  |
|                                    | -----      | -----      |
|                                    | 16,853,192 | 8,831,818  |
|                                    | =====      | =====      |

**18. LOANS, ADVANCES, PREPAYMENTS AND RECEIVABLES**

|                                       |             |             |
|---------------------------------------|-------------|-------------|
| Loans and advances, considered good:  |             |             |
| Due from employees                    | 1,851,980   | 1,781,160   |
| Cane growers                          | 11,656,076  | 8,436,516   |
| Provision for doubtful advances       | (1,927,582) | (1,927,582) |
|                                       | -----       | -----       |
|                                       | 9,728,494   | 6,508,934   |
| Advance income tax                    | 2,711,193   | 50,555      |
| Advance to suppliers, considered good | 8,266,370   | 5,877,188   |
| Others                                | 893,137     | 1,407,916   |
| Sundry deposits and prepayments       | 11,078,937  | 10,192,738  |
| Receivables                           | 4,597,250   | -           |
|                                       | -----       | -----       |
|                                       | 39,127,361  | 25,818,491  |
|                                       | =====       | =====       |

18.1 A provision of Rs.1,927,582 has been made in these accounts against doubtful advances to cane growers. The directors are of the opinion that the amount of the provision is sufficient to cover any future non-recovery of advances.

**1998**  
**Rupees**

**1997**  
**Rupees**

## 19. BANK AND CASH BALANCES

At bank on:

|                      |           |           |
|----------------------|-----------|-----------|
| Current accounts     | 1,032,410 | 625,697   |
| Term deposit account | 6,000,000 | 6,000,000 |
| Cash in hand         | 8,919     | 12,591    |
|                      | -----     | -----     |
|                      | 7,041,329 | 6,638,288 |
|                      | =====     | =====     |

19.1 Short term deposit certificates of the value of Rs.6,000,000 have been deposited with the bankers against guarantee issued by them on behalf of the Company.

## 20. SALES

|                          |              |             |
|--------------------------|--------------|-------------|
| Local                    | 814,725,148  | 555,997,722 |
| Brokerage and commission | (178,730)    | (198,540)   |
| Sales tax                | (30,301,635) | -           |
|                          | -----        | -----       |
|                          | 784,244,783  | 555,799,182 |
|                          | 67,847,257   | -           |
|                          | -----        | -----       |
|                          | 852,092,040  | 555,799,182 |
|                          | =====        | =====       |

## 21. COST OF GOODS SOLD

|                                                   |              |              |
|---------------------------------------------------|--------------|--------------|
| Sugarcane (including procurement and development) | 617,517,404  | 317,028,077  |
| Road cess on sugarcane                            | 11,719,687   | 5,677,907    |
| Market committee fee                              | 2,841,126    | -            |
| Excise duty                                       | 76,324,200   | 61,110,000   |
| Salaries, wages and bonuses                       | 52,893,895   | 41,902,579   |
| Stores and spares consumed                        | 32,958,184   | 21,925,717   |
| Repairs and maintenance                           | 7,178,074    | 5,350,284    |
| Fuel, electricity and water charges               | 17,444,092   | 11,291,576   |
| Insurance                                         | 1,057,303    | 1,004,877    |
| Depreciation                                      | 17,491,774   | 14,979,739   |
| Sale of molasses                                  | (30,858,149) | (13,816,173) |
| Opening stock of sugar-in-process                 | 357,989      | 245,135      |
| Closing stock of sugar-in-process                 | (870,060)    | (357,989)    |
|                                                   | -----        | -----        |
| Cost of goods manufactured                        | 806,055,519  | 466,341,729  |
| Opening stock of sugar                            | -            | 87,328       |
| Closing stock of sugar                            | (32,613,664) | -            |
| Closing stock of molasses                         | (3,192)      | -            |

|             |             |
|-------------|-------------|
| -----       | -----       |
| 773,438,663 | 466,429,057 |
| =====       | =====       |

21.1 The Company purchased from and sold to the associated undertakings goods and materials in the aggregate sum of Rs.30,845,551 (1997: Rs.13,782,030) respectively.

|                                                                         | 1998<br>Rupees | 1997<br>Rupees |
|-------------------------------------------------------------------------|----------------|----------------|
| <b>22. ADMINISTRATIVE EXPENSES</b>                                      |                |                |
| Salaries, bonus and other benefits<br>(including directors' emoluments) | 19,471,882     | 16,668,080     |
| Rent, rates and electricity                                             | 1,609,861      | 1,091,836      |
| Postage, telegram and telephone                                         | 2,962,383      | 2,983,003      |
| Printing and stationery                                                 | 1,178,508      | 647,496        |
| Travelling and conveyance                                               | 1,694,472      | 1,362,404      |
| Vehicle expenses                                                        | 5,075,802      | 3,205,410      |
| Legal and professional charges (Note 22.1)                              | 1,380,100      | 1,229,425      |
| Fees and subscription                                                   | 355,029        | 282,833        |
| Insurance                                                               | 54,823         | 55,790         |
| Repairs and maintenance                                                 | 1,168,414      | 272,504        |
| General expenses                                                        | 381,011        | 221,401        |
| Depreciation                                                            | 2,091,975      | 1,166,274      |
|                                                                         | -----          | -----          |
|                                                                         | 37,424,260     | 29,186,456     |
|                                                                         | =====          | =====          |

22.1 Legal and professional charges include, inter alia, the following in respect of auditors' services for:

|                 |        |        |
|-----------------|--------|--------|
| Statutory audit | 85,000 | 85,000 |
|                 | =====  | =====  |

**23. SELLING EXPENSES**

|                     |           |           |
|---------------------|-----------|-----------|
| Freight and loading | 2,480,599 | 2,223,760 |
| Export expenses     | 4,202,551 | -         |
| Advertising         | 568,710   | 59,580    |
|                     | -----     | -----     |
|                     | 7,251,860 | 2,283,340 |
|                     | =====     | =====     |

**24. FINANCIAL EXPENSES**

|                                         |           |           |
|-----------------------------------------|-----------|-----------|
| Mark-up on long term redeemable capital | 3,716,906 | 5,228,636 |
|-----------------------------------------|-----------|-----------|

|                                        |            |            |
|----------------------------------------|------------|------------|
| Mark-up on long/short term borrowings: |            |            |
| Associated undertaking and directors   | -          | 11,883,217 |
| Bank borrowings                        | 23,561,794 | 16,660,851 |
| On bank guarantee                      | 417,142    | 636,615    |
| Workers' profit participation fund     | 66,521     | 29,454     |
|                                        | -----      | -----      |
|                                        | 24,045,457 | 29,210,137 |
| Excise duty on borrowings              | -          | 1,052,459  |
| Bank charges                           | 701,572    | 460,716    |
|                                        | -----      | -----      |
|                                        | 28,463,935 | 35,951,948 |
|                                        | =====      | =====      |

|               |               |
|---------------|---------------|
| <b>1998</b>   | <b>1997</b>   |
| <b>Rupees</b> | <b>Rupees</b> |

**25. OTHER INCOME**

|                                                |           |           |
|------------------------------------------------|-----------|-----------|
| Profit/Mark-up earned on deposits and advances | 1,583,540 | 3,160,059 |
| Profit on disposal of fixed assets             | 1,043,520 | 202,063   |
| Scrap sale                                     | 1,920,562 | 534,086   |
| Sundry receipts                                | 553,373   | 386,629   |
| Commission on sale of fertilizers              | 141,170   | 143,185   |
|                                                | -----     | -----     |
|                                                | 5,242,165 | 4,426,022 |
|                                                | =====     | =====     |

**26. DONATIONS**

Names and address of donees in which a director or his spouse has interest:

Usman Memorial Foundation  
Adamjee House, 8th floor, I.I Chundrigar Road,  
Karachi.

(Mr. Mohammed Kasim, Mr. Mohammed Ebrahim  
and Mr. Mohammed Hussain, directors  
of the Company, are members of the  
Foundation's Board of Governors)

Usman Memorial Hospital  
Federal 'B' Area, Karachi

Mr. Mohammed Kasim, Mr. Mohammed Ebrahim and  
Mr. Mohammed Hussain, directors of the Company are  
members of the Hospital's Board of Governors)

|       |         |
|-------|---------|
| -     | 120,906 |
| ===== | =====   |

**27. PRIOR YEARS' ADJUSTMENT**

|                       |              |       |
|-----------------------|--------------|-------|
| Market committee fee  | (33,742,488) | -     |
| Excise duty           | 4,547,250    | -     |
| Sales tax on bagasse  | (3,044,257)  | -     |
| Mark-up on borrowings | 23,787,821   | -     |
|                       | -----        | ----- |
|                       | (8,451,674)  | -     |
|                       | =====        | ===== |

**28. WORKERS' PROFIT PARTICIPATION FUND.**

The company has fully allocated 5 percent of net profit before tax for workers' profit participation fund. Interest is paid at the rate of 2.5 percent above the bank rate or 75% of the rate at which dividend is declared, whichever is higher.

|        |           |
|--------|-----------|
| 97,747 | 1,286,360 |
| =====  | =====     |

**29. TAXATION**

|             | <b>1998</b>   | <b>1997</b>   |
|-------------|---------------|---------------|
|             | <b>Rupees</b> | <b>Rupees</b> |
| Current     | 4,059,341     | 2,560,113     |
| Prior years | (1,437,260)   | -             |
|             | -----         | -----         |
|             | 2,622,081     | 2,560,113     |
|             | =====         | =====         |

The provision for current taxation represents the minimum tax due under section 80-D of the Income-tax Ordinance, 1979. After considering the available tax losses no provision of current taxation except minimum tax is required. Losses available to be carried forward are Rs.39,701,905 as at September 30, 1 998 (1997: Rs.29,703,994).

**30. DIRECTORS' AND EXECUTIVES' REMUNERATION**

|                        | <b>Chief</b>     |                  | <b>1998</b>       |              |           |
|------------------------|------------------|------------------|-------------------|--------------|-----------|
|                        | <b>Executive</b> | <b>Directors</b> | <b>Executives</b> | <b>Total</b> | <b>CI</b> |
| Fees                   | 1,000            |                  | 7,000             | -            | 8,000     |
| Emoluments             | 360,000          |                  | -                 | 4,148,022    | 4,508,022 |
| Company's contribution |                  |                  |                   |              |           |



|                   |         |       |           |           |
|-------------------|---------|-------|-----------|-----------|
| to provident fund | -       | -     | 199,933   | 199,933   |
| Medical           | 10,250  | -     | 148,779   | 159,029   |
| Utilities         | 295,561 | -     | -         | 295,561   |
| Car maintenance   | 208,636 | -     | 519,532   | 728,168   |
|                   | 875,447 | 7,000 | 5,016,266 | 5,898,713 |
| Number of persons | 1       | -     | 18        | 19        |

\* for nine (1997: nine) directors

30.1 Ten executives (1997: A director and eight executives) are also provided with free furnished accommodation at the mills premises.

### 31. CAPACITY AND PRODUCTION

|            | 1998                |      | 1997                |      |
|------------|---------------------|------|---------------------|------|
|            | Quantity<br>M. tons | Days | Quantity<br>M. tons | Days |
| Capacity   | 23,167              | 160  | 23,167              | 160  |
| Production | 57,117              | 137  | 29,100              | 111  |

### 32. GENERAL

32.1 Previous year's figures have been recasted and rearranged to conform to the revised presentation of the accounts.

32.2 Figures have been rounded off to the nearest rupee.

### PATTERN OF SHAREHOLDINGS as at September 30, 1998

| Number of<br>Shareholders |      | Shareholding | Total<br>shares held |
|---------------------------|------|--------------|----------------------|
| 676                       | From | 1 to         | 100 14,094           |
| 143                       | From | 101 to       | 500 37,576           |
| 43                        | From | 501 to       | 1,000 34,611         |
| 70                        | From | 1,001 to     | 5,000 254,960        |
| 14                        | From | 5,001 to     | 10,000 93,594        |
| 3                         | From | 10,001 to    | 15,000 41,423        |
| 5                         | From | 20001 to     | 25,000 105,115       |
| 1                         | From | 30,001 to    | 35,000 30,072        |
| 3                         | From | 35,001 to    | 40,000 116,856       |

|       |      |           |    |           |           |
|-------|------|-----------|----|-----------|-----------|
| 3     | From | 40,001    | to | 45,000    | 129,556   |
| 4     | From | 45,001    | to | 50,000    | 191,526   |
| 1     | From | 51,001    | to | 55,000    | 51,597    |
| 1     | From | 55,001    | to | 60,000    | 59,717    |
| 1     | From | 65,001    | to | 70,000    | 65,829    |
| 1     | From | 70,001    | to | 75,000    | 73,827    |
| 2     | From | 75,001    | to | 80,000    | 155,450   |
| 1     | From | 80,001    | to | 85,000    | 84,974    |
| 1     | From | 95,001    | to | 100,000   | 99,253    |
| 1     | From | 130,001   | to | 135,000   | 131,706   |
| 1     | From | 140,001   | to | 145,000   | 142,798   |
| 1     | From | 165,001   | to | 170,000   | 166,272   |
| 1     | From | 170,001   | to | 175,000   | 175,000   |
| 1     | From | 270,001   | to | 275,000   | 273,240   |
| 1     | From | 375,001   | to | 380,000   | 378,923   |
| 1     | From | 420,001   | to | 425,000   | 421,878   |
| 1     | From | 575,001   | to | 580,000   | 577,386   |
| 1     | From | 720,001   | to | 725,000   | 724,024   |
| 1     | From | 995,001   | to | 1,000,000 | 998,810   |
| 1     | From | 1,000,001 | to | 1,105,000 | 1,102,193 |
| 1     | From | 1,110,001 | to | 1,115,000 | 1,113,393 |
| 1     | From | 1,950,001 | to | 2,000,000 | 1,998,097 |
| ----- |      |           |    |           | -----     |
| 986   |      |           |    |           | 9,843,750 |
| ===== |      |           |    |           | =====     |

(The slabs, having no holding, have been omitted)

**Categories of shareholders**

|                        | Number | Shares held | Percentage |
|------------------------|--------|-------------|------------|
| Individuals            | 969    | 6,246,234   | 63.45      |
| Investment Companies   | 1      | 1,998,097   | 20.30      |
| Insurance Companies    | 3      | 173,094     | 1.76       |
| Joint Stock Companies  | 4      | 175,545     | 1.79       |
| Financial Institutions | 4      | 1,242,975   | 12.63      |
| Modaraba Companies     | -      | -           | -          |
| Others (See below)     | 5      | 7,805       | 0.07       |
| -----                  |        | -----       | -----      |
| 986                    |        | 9,843,750   | 100.00     |
| =====                  |        | =====       | =====      |

The Okhai Memon Youth Services

5,235 0.05

The Husein Ebrahim Foundation

437 -

The Administrator, Abandoned Properties,  
Government of Pakistan

132 -

The Corporate Law Authority  
The United Executors & Trustees Company Ltd.

|  |       |       |
|--|-------|-------|
|  | 1     | -     |
|  | 2,000 | 0.02  |
|  | ----- | ----- |
|  | 7,805 | 0.07  |
|  | ===== | ===== |