

# Mirpurkhas Sugar Mills Limited

Annual Report 1999

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## BOARD OF DIRECTORS

**CHAIRMAN** MR. MOHAMMED FARUQUE

**CHIEF EXECUTIVE/  
MANAGING DIRECTOR** MR. MAHMOOD FARUQUE

**DIRECTORS** MR. IQBAL FARUQUE  
MR. AKBARALI PESNANI  
MR. ASLAM FARUQUE  
MR. TARIQ FARUQUE  
MR. MAQBOOL H.H. RAHIMTOOLA (NIT)  
MR. GUL NAWAZ (NIT)  
MR. ANIS WAHAB ZUBERI (NIT)

**AUDITORS** HYDER BHIMJI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI.

**REGISTERED OFFICE** MODERN MOTORS HOUSE  
BEAUMONT ROAD  
KARACHI.

**FACTORY** JAMRAO DIST. MIRPURKHAS

## NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 35th Annual General Meeting. of this Company will be held on Friday, 24th March, 2000 at 9.00 a.m. at the Registered Office of the Company at Modern Motors House, Beaumont

Road, Karachi to transact the following business:

1. To receive and consider the audited accounts of the company for the year ended on September 30, 1999 with the Directors' and the Auditors' Reports thereon.
2. To approve dividend of Rs. 0.70 per share (@ 7%) for the financial year ended on September 30, 1999 as recommended by the Directors.
3. To appoint Auditors for the ensuing year and to fix their remuneration.

By Order of the Board

**R. JAFRANI**

Company Secretary

Karachi: 25th February, 2000.

**NOTE:**

1. The registers of members of the Company will be closed from Friday, 17th March to Friday, 24th March 2000 inclusive, and no transfers will be registered during that time. Shares received in order at the registered office of the Company at the close of business on Thursday, 16th March 2000 will be treated in time for entitlement of the above dividend.
2. A member eligible to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote in his/her stead. Proxies to be effective must be in writing and must be received by the Company 48 hours before the Meeting.
3. Shareholders whose shares are in group account with Central Depository System (CDS) are requested to bring original National Identity Card (NIC) along with their Account number in Central Depository System for Verification. In case of appointment of proxy by such account holders and or sub account holders the guidelines as contained in SECP circular of January 26, 2000 (copy enclosed) to be followed.
4. The shareholders are requested to notify the Company immediately if there is any change in their address, if any.

**DIRECTORS' REPORT TO THE MEMBERS  
FOR THE YEAR ENDED SEPTEMBER 30, 1999**

The Directors have pleasure in presenting to you 35th Annual Report together with the audited accounts for the year ended September 30, 1999.

**PRODUCTION**

The Mill commenced crushing on 10.11.1998 and closed on 06.04.1999 after operating 148 days against 143 days in 1997-98 season. The production data and other salient features for the reporting year as well as the comparative data for the previous year are as follows:

<b>Year ended</b>	<b>Year ended</b>
<b>30-09-99</b>	<b>30-09-98</b>

Su9arcane Crushed:

Metric Tonnes	430,312	402,273
Sucrose percentage	8.76	10.11
Sugar production (M.T.)	37,989	40,533
Molasses production (M.T.)	22,312	19,630
Average crushing per day (M.T.)	2,907	2,183

Production of the cane crop in Sindh increased, but was not enough to cater for the increased crushing capacity of the mills. The sucrose recovery dropped to 8.76% from 10.11% (last season) resulting in higher cost of production. A higher sugar production in the country coupled with carry over stock of previous year created a glut in the local market resulting in suppressed sugar sale prices all the year round. Low international prices for export of sugar also gave no significant advantage.

Your company exported 10,000 MT sugar during the year under report.

### OPERATING RESULTS

The summarized operating results are as follows:

	<b>1998-99</b>	<b>1997-98</b>
	<b>(Rs. 'Million)</b>	<b>Rs. 'Million)</b>
Net Sales	593.524	498.142
Cost of Sales	564.333	455.922
Gross Profit	29.191	42.220
Expenses & Taxes	52.098	91.547
Net Profit / (Loss) before tax	5.045	(20.129)
Net Profit/(Loss) after tax	10.680	(34.371)

Other comparative figures are reflected in the Financial Statements.

The Government abolished the levy of excise duty on sugar of Rs. 450/= per metric tonne and imposed sales tax at 15% effective January 1999.

### FINANCIAL RESULTS

After accounting for the tax benefit your company earned a net profit after tax of Rs. 10.680 million. The total contribution to the government on account of excise duty, sales tax and income tax was Rs. 71.443 million against Rs. 64.290 million for the year 1997-98.

	<b>Amount</b>
	<b>(Rs. 'Million)</b>
Net profit for the year	10.680
Proposed Cash Dividend	(4,472)
	-----
	6,208
Less: Loss brought forward	(34,350)
	-----
Net loss carried forward	(28,142)
	=====

### Y2K COMPLIANCE

The Company has identified the effects of the Y2K issue on the Company's computer system as well as other computerized / electronic equipment, whether involved in information processing or production or any other purpose, in connection with the operations and preparation of the financial statements. Even though we have taken all the necessary measures, we have also developed a contingency plan in order to overcome any major problem that might be encountered in the event of failure, whether partial or complete of our arrangement.

#### **PROSPECTS FOR 1999-2000**

The current crushing season commenced on 05.11.1999 and as of 16th February 2000 we crushed 337,448 tonnes of sugarcane producing 30,774 tonnes of sugar at 9.13% recovery. The quantum of sugarcane crushed has decreased compared to last season due to unfavourable climatic condition and canal water shortage, the yield has deteriorated. Sucrose recovery has improved from 8.76% to 9.13% compared to last year.

During the current year sugar production will be less than the domestic requirement due to which the price of sugar in the local market is expected to improve. Due to shortage of availability of sugarcane, sugar mills indulged in price war and sugar cane prices went up. We had to buy sugar cane at very high cost. Prices of molasses in the international market remained suppressed during the season.

#### **PROSPECTS FOR 2000-2001**

The increase in prices has encouraged growers to cultivate more cane. The crop during season 2000-2001 is expected to be higher. The spring plantation will end by March 2000, after which the acreage of cultivation will become known.

#### **AUDITORS**

The Auditors of the Company, Messrs Hyder Bhimji & Co., retire and being eligible offer themselves for re-appointment

#### **GENERAL**

Our special thanks are due to our team of dedicated managers, executives, supervisors and hard working workers, who continued to put in their best effort for achieving optimum results.

Karachi: the 25th February, 2000

For and on behalf of the Board  
**MOHAMMED FARUQUE**  
 Chairman

### **RATIO ANALYSIS ON ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1999**

<b>PROFITABILITY:</b>	<b>1999</b>	<b>1998</b>
Gross Profit (percentage)	4.91	8.48
Operating (Loss)/Profit (percentage)	(1.89)	(0.18)
Profit / (Loss) Before Tax (percentage)	0.84	(4.04)
Net Profit/(Loss) After Tax (percentage)	1.80	6.90
Growth/decline in Net Profit After Tax (percentage)	131.07	(297.32)
Earning Per Share (Before Tax)	0.78	(3.15)
Earning Per Share (After Tax)	1.67	(5.38)

Net Profit/(Loss) to total Assets (Average after tax) (percentage)	1.88	(7.29)
Increase (decrease)in Sales (Gross percentage)	18.63	(26.87)
Increase (Decrease) in Sales (Net percentage)	19.14	(27.19)
Materials Percent of Net Sales	71.35	94.28
Labour Percent of Net Sales	8.39	10.46
Other Cost of Sales Expenses Percent of Net Sales	13.87	12.33
Raw & Packing Material as Percent of Cost of Sales	76.22	80.53
Administrative Expenses Percent of Net Sales	4.74	5.67
Selling Expenses Percent of Net Sales	2.07	2.98
Income Tax Percent of Net Sales	(0.94)	2.86
Financial Expenses Percent of Net Sales	8.37	6.54
Other charges Percent of Net Sales	0.14	0.33

**SHORT TERM SOLVENCY RATIO:**

Working Capital Ratio	1:1.03	1:1.21
Acid Test Ratio	0.70:1	0.48:1
Inventory Turn Over/times	7.64	8.41

**OVERALL VALUATION AND ASSESSMENT:**

Return on equity after tax	6.39	(18.99)
Book Value per share	26.60	25.64
Long term debt to equity ratio	0.54	0.02

**AUDITORS' REPORT TO THE MEMBERS**

We have audited the annexed Balance Sheet of MIRPURKHAS SUGAR MILS LIMITED, as at September 30, 1999 and the related Profit & Loss Account and Statement of Changes in Financial Position (Cash Flow Statement) together with the notes forming part thereof, and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that:

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

(b) in our opinion:

i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

ii. the expenditure incurred during the year was for the purpose of the Company's business: and

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

(c) In our opinion and to the best of our information and according to the explanations given to us, the balance

sheet, profit and loss account and the statement of changes in financial position (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, 1999 and of the Profit and the changes in financial position for the year then ended; and

(d) in our opinion, no Zakat deductible at source under the Zakat and Ushr Ordinance, 1980.

Karachi: the 25th February 2000

**HYDER BHIMJI & CO.**  
Chartered Accountants

**BALANCE SHEET AS AT SEPTEMBER 30, 1999**

	Note	1999 Rupees	1998 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital:			
Authorized	3.1	150,000,000	150,000,000
		=====	=====
Issued, subscribed & paid-up	3.2	63,888,000	63,888,000
Reserves	4.0	134,250,305	134,250,305
Accumulated (loss)		(28,142,662)	(34,350,009)
		-----	-----
		106,107,643	99,900,296
		-----	-----
		169,995,643	163,788,296
<b>REDEEMABLE CAPITAL</b>	5	--	593,140
<b>LIABILITIES AGAINST ASSETS</b>			
<b>SUBJECT TO FINANCE LEASE</b>	6	92,462,301	778,963
<b>DEFERRED LIABILITIES</b>	7	77,165,187	95,297,640
<b>CURRENT LIABILITIES</b>			
Current portion of redeemable capital		--	743,278
Current portion of liabilities against assets subject to finance lease		13,775,128	2,803,184
Short term running finance (utilized under mark-up arrangements).	8	118,442,291	224,380,436
Creditors, accrued and other liabilities	9	83,822,151	77,808,865
Provision for taxation		--	4,992,980
Proposed Dividend		4,472,160	--
		-----	-----
		220,511,730	310,728,743

<b>CONTINGENCIES AND COMMITMENTS</b>	10	--	--
		-----	-----
		560,134,861	571,186,782
		=====	=====
<b>FIXED ASSETS</b>			
Operating assets	11	258,893,576	180,946,384
Capital work-in-progress	12	72,351,624	117,867,715
		-----	-----
		331,245,200	298,814,099
LONG TERM INVESTMENTS	13	13,617,875	14,106,000
LONG TERM LOANS AND ADVANCES	14	742,368	734,914
LONG TERM DEPOSITS	15	15,634,804	3,962,814
<b>CURRENT ASSETS</b>			
Stores and spares	16	50,727,303	46,867,011
Stock-in-trade	17	43,589,245	103,970,701
Trade debts	18	169,810	6,412,371
Loans and advances	19	38,068,679	27,478,374
Deposits, prepayments and other receivables	20	52,402,595	57,059,536
Short term investment	21	10,500,000	10,500,000
Cash and bank balances	22	3,436,982	1,280,962
		-----	-----
		198,894,614	253,568,955
		-----	-----
		560,134,861	571,186,782
		=====	=====

NOTE: The annexed notes form an integral part of these accounts.

Karachi: the 25th February 2000

**MAHMOOD FARUQUE**  
*Chief Executive*

**MOHAMMED FARUQUE**  
*Chairman*

**PROFIT AND LOSS ACCOUNT FOR THE YEAR  
ENDED SEPTEMBER 30, 1999**

	Note	1999 Rupees	1998 Rupees
Sales	23	593,524,304	498,141,693
Cost of goods sold	24	564,333,183	455,921,878
		-----	-----

Gross profit		29,191,121	42,219,815
Administrative expenses	25	28,154,446	28,265,416
Selling & distribution expenses	26	12,306,469	14,833,226
		-----	-----
		40,460,915	43,098,642
Operating (loss)		(11,269,794)	(878,827)
Other income	27	66,914,139	14,955,195
		-----	-----
		55,644,345	14,076,368
Financial charges	28	49,722,764	32,585,810
Other charges	29	877,067	1,619,851
		-----	-----
		50,599,831	34,205,661
Profit/(loss) before taxation		5,044,514	(20,129,293)
Provision for taxation	30	5,634,993	14,241,775
		-----	-----
Profit/(loss) after taxation		10,679,507	(34,371,068)
Accumulated(Loss)/Unappropriated Profit brought forward		(34,350,009)	21,059
		-----	-----
		(23,670,502)	(34,350,009)
Appropriations:			
Proposed cash dividend @7%(1998:Nil)		(4,472,160)	--
		-----	-----
Accumulated (loss)/carried forward		(28,142,662)	(34,350,009)
		=====	=====

NOTE: The annexed notes form an integral part of these accounts.

Karachi: the 25th February 2000

**MAHMOOD FARUQUE**  
*Chief Executive*

**MOHAMMED FARUQUE**  
*Chairman*

**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**(CASH FLOW STATEMENT)**  
**FOR THE YEAR ENDED**  
**SEPTEMBER 30,1999**

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) after taxation	10,679,507	(34,371,068)
Adjustments		
Depreciation	14,131,043	10,974,418
Financial charges	49,722,764	32,585,810



(Profit) on sale of fixed assets	(464,239)	(3,679,665)
Sales Tax on bagasse:	--	69,669
Excise duty refund	(22,436,247)	--
Markup on disputed excise duty	(32,636,596)	--
Provision for Diminution in value of Investments	488,125	519,000
Fixed assets written off	845	--
Provision for taxation	(5,634,993)	14,241,775
	-----	-----
	3,170,702	54,711,007
	-----	-----
<b>Operating profit before changes</b>	13,850,209	20,339,939
<b>(Increase)/decrease in current assets</b>		
Stores & Spares	(3,860,292)	(2,646,255)
Stock-in-Trade	60,381,456	(99,493,741)
Trade Debts	6,242,561	30,074,419
Loans and Advances	(10,590,305)	(17,467,433)
Deposits, prepayments and other Receivables	4,656,941	(38,718,317)
	-----	-----
	56,830,361	(128,251,327)
	-----	-----
	70,680,570	(107,911,388)
<b>Increase/(decrease) in Current liabilities</b>		
Short term finance	(105,938,145)	217,898,926
Creditors, accrued and other liabilities	6,013,286	27,577,104
Taxes paid	8,002,013	(18,166,163)
Financial charges paid	(46,178,633)	(27,214,494)
	-----	-----
	(138,101,479)	200,095,373
	-----	-----
Net Cash from operating activities	(67,420,909)	92,183,985
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Capital expenditure	(20,642,859)	(92,100,712)
Sale proceed of fixed assets	580,368	3,866,588
Payment of long term loan and advances	(7,454)	114,900
Payment of long term deposits	(11,671,990)	272,000
	-----	-----
Net cash utilitised towards investing activities	(31,741,935)	(87,847,224)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Redeemable capital	(1,336,418)	(688,907)
Liabilities against assets subject to finance lease	102,655,282	(3,054,865)
Payment of dividends	--	(9,583,200)
	-----	-----
Net cash utilized towards investing activities	101,318,864	(13,326,972)
	-----	-----

Net changes in cash flow for the year	2,156,020	(8,990,211 )
Cash and bank at the beginning of year	1,280,962	10,271,173
	-----	-----
Cash and bank at the year end	3,436,982	1,280,962
	=====	=====

Karachi: the 25th February 2000

**MAHMOOD FARUQUE**  
*Chief Executive*

**MOHAMMED FARUQUE**  
*Chairman*

## **NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 1999**

### **1. STATUS AND NATURE OF THE BUSINESS**

The Company was incorporated in Pakistan on May 27, 1964 as a Public Limited Company and its shares are quoted on Karachi Stock Exchange. Principal activity of the Company is the manufacture and sale of sugar.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

#### **2.1 Accounting Convention:**

These accounts have been prepared under historical cost convention, modifications, if any, are stated.

#### **2.2 Taxation:**

The provision for current taxation is based on taxable income at the current rates of taxation after considering admissible tax credits and rebates, if any.

The Company accounts for deferred taxation arising on all material timing differences by using the liability method.

#### **2.3 Employee's Retirement Benefits:**

The Company operates a provident fund for all its eligible employees in addition to a funded gratuity scheme for all its employees, who are eligible and have completed qualifying period of five years.

Contribution to the provident fund are made monthly to cover obligation whereas provision for gratuity is made annually to cover the liability.

#### **2.4 a) Fixed Assets:**

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

Depreciation is charged to income applying reducing balance method whereby the cost of an asset is written off over its estimated useful life, except for plant & machinery on which depreciation is charged on the basis of actual operating days. Additions to fixed assets are depreciated for a full year irrespective of date of purchase while no depreciation is charged on fixed assets disposed off during the year.

Maintenance and normal repairs are charged to income, when incurred. Major renewals and improvements are capitalized and assets so replaced, if any, are retired. Profit or loss on disposal of fixed assets is included in current year's income.

**b) Accounting for Leases:**

The Company accounts for assets operated under financial lease by recording the assets and corresponding liability thereagainst. The amount capitalized is determined on the basis of discounted value of total maximum lease payments. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Depreciation is provided on reducing balance method at the rate specified in Note No. 11 to write off the assets over its estimated useful life because of certainty of the ownership after lease term.

In respect of tangible fixed assets held under operating lease, the annual lease rentals are charged to profit and loss account.

**2.5 Investments:**

Investments in shares are stated at cost. Provision for permanent diminution if any is accounted for in the books.

**2.6 Inventories:**

These are valued as follows:

Stores and spares	- in stock	At moving average cost
	- in transit	At actual cost
Stock-in-trade:		
Sugar		Lower of average manufacturing cost and net realizable value.
Sugar in process:		At average manufacturing cost.
Molasses		At realizable value.

**2.7 Trade Debts:**

Debts considered irrecoverable are written off and provision is made for debts considered doubtful, if any.

**2.8 Revenue Recognition:**

Sales are recorded on despatch of goods to customers. Income/profit on investments/bank deposits, if any, is recorded on accrual basis.

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>

**3. SHARE CAPITAL**

**3.1 Authorised Capital:**

15,000,000 Ordinary shares of Rs. 10/- each	150,000,000	150,000,000
--	-------------	-------------

### 3.2 Issued, Subscribed & Paid-up Capital:

1,770,000 Ordinary shares of Rs.10/- each fully paid issued for Cash	17,700,000	17,700,000
4,618,800 Ordinary shares of Rs. 10/-each issued as fully paid bonus shares	46,188,000	46,188,000
----- 6,388,800 =====	----- 63,888,000 =====	----- 63,888,000 =====

**1998**  
**Rupees**

**1999**  
**Rupees**

### 4. RESERVE

General Reserves		
- As on 1 st October	134,250,305	134,250,305
- Transferred from Profit and Loss Account	--	--
	----- 134,250,305 =====	----- 134,250,305 =====

### 5. REDEEMABLE CAPITAL - secured

Long term finance utilized under Markup arrangements:-		
From Investment Corporation of Pakistan	--	1,336,418
Less: Current portion shown under Current Liabilities	--	743,278
	----- -- =====	----- 593,140 =====

### Security:

The above finance is secured against mortgage of Company's properties by deposit of title deeds, hypothecation of machinery and equipments and floating charge on all other assets.

The Company entered into an agreement according to which the Company agreed to sell locally fabricated machinery costing Rs.4.75 million and repurchase the same at Rs.6.544 million.

### Repayment:

The re-purchase price is repayable in 32 equal quarterly instalments commencing from September 30, 1992.

### 6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Locally fabricated Machinery	53,049,230	2,298,217
Imported machinery	50,337,960	--
Vehicles	2,850,239	1,283,930
	-----	-----
	106,237,429	3,582,147
Less: Current portion shown under current liabilities	13,775,128	2,803,184
	-----	-----
	92,462,301	778,963
	=====	=====

a) The assets have been leased by the leasing companies under the agreements of finance lease showing the outstanding liability:-

i) Orix Leasing Pakistan Ltd.	21,285.90
ii) Atlas Lease Ltd.	591,325
iii) Paramount Leasing Co. Ltd.	8,711,998
iv) Dawood Leasing Co. Ltd.	21,630,219
v) National Development Leasing Corporation	40,367,990
vi) Crescent Leasing Corporation Limited	13,650,000
	-----
	106,237,429
	=====

b) The above liabilities represents the total of minimum lease payments discounted at rate ranging from 16.21% to 24% being the rate implicit in the lease.

c) The future minimum lease payments to which the company is committed as at September 30 are as follows:

	RUPEES
Year ending September 30 2000	33,262,024
2001	33,118.18
2002	32,592,704
2003	31,907,984
2004	8,488,000
	-----
Financial charges allocated to future period	139,368,896 (47,989,802)
	-----
Security deposit adjustments	91,379,094 14,858,335
	-----
	106,237,429
	=====

d) Deposit retained by leasing company will be adjusted towards the residual value at the end of

lease terms.

e) The cost of operating and maintaining the leased assets is to be borne by the Company.

		<b>1999</b>	<b>1998</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>7. DEFERRED LIABILITIES</b>			
Deferred taxation	(7.1)	24,600,000	17,240,000
Road cess payable		27,940,176	22,561,269
Surcharge water supply payable		13,506,515	11,892,842
Mark-up on disputed central excise duty		--	32,636,596
Market committee fee		11,118,496	10,966,933
		-----	-----
		77,165,187	95,297,640
		=====	=====

7.1 The liability for deferred taxation relates to timing differences arising on account of accelerated tax depreciation allowances, finance lease liability and liabilities written back Under Section 25(c) of the Income Tax Ordinance 1979.

**8. SHORT TERM RUNNING FINANCE UTILISED UNDER MARK-UP ARRANGEMENTS**

From	Commercial banks (secured)	(8.1)	64,285,000	224,380,436
	Undisbursed agricultural finance (unsecured)		54,157,291	--
			-----	-----
			118,442,291	224,380,436
			=====	=====

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>

**8.1 Security:**

The above finances are secured against hypothecation of stock of finished goods, stores, book debts, other assets and personal guarantee of the Directors.

**Mark-up:**

The finance carries mark-up ranging between paisa 45 to 47 per thousand rupees per day.

Extent of facility	281 Million	301 Million
	-----	-----

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

Creditors	55,766,162	29,900,203
Accrued expenses		

- Associated undertaking		367,068	3,174,766
- Others		21,592,187	32,099,006
Markup accrued on finance lease		2,391,891	50,049
Advance from customers		--	7,987,772
Deposits		143,000	166,181
Workers Profit Participation Fund	(9.1)	291,192	--
Workers Welfare Fund		385,696	1,325,871
Other liabilities	(9.2)	2,884,955	3,105,017
		-----	-----
		83,822,151	77,808,865
		=====	=====

### 9.1 WORKERS PROFIT PARTICIPATION FUND

Balance as at 1st Oct.		-	1,155,965
Add: Interest thereon		-	70,070
		-----	-----
		-	1,226,035
Less: Payment made during the year		-	(1,226,035)
		-----	-----
		-	-
Add: Contribution for the year		291,192	-
		-----	-----
		291,192	-
		=====	=====

### 9.2 OTHER LIABILITIES

Suppliers income tax		79,252	116,232
Staff income tax		41,013	25,238
Unclaimed dividend		1,647,634	1,645,545
Others		1,117,056	1,318,002
		-----	-----
		2,884,955	3,105,017
		=====	=====

## 10. CONTINGENCIES AND COMMITMENTS

### Contingencies

1.i During the year 1991-92 Company produced 58,956 tonnes sugar in 183 days as against 48,580 tonnes sugar produced in 170 days during the preceding year's. Thus 10,376 tonnes sugar exceeded the previous year's production on which Company was entitled to get 50% excise duty rebate amounting to Rs. 11,154,200. The Government retrospectively issued notification on 23rd February, 1991 defining the season as of 180 days and denied the Company's claim of excise rebate on the ground that duration of preceding season was less than 180 days. The Company has filed an appeal in the Hon'ble High Court of Sindh against the above definition of season being duration of 180 days.

1 .ii During the year 1992-93 the Company produced 60,029 tonnes of sugar in 193 days as against 58,956 tonnes of sugar produced in 183 days during the preceding year thus 1,073 tonnes sugar

exceeded the previous year's production on which the Company is entitled to get 50% excise rebate amounting to Rs. 1,148,110. The Government retrospectively issued a notification on 23rd February, 1991 defining the season as of 180 days and denied the Company's claim of excise rebate on the ground that duration net of stoppages in the preceding year was less than 180 days.

2. By an amendment in the Sindh Finance Act 1964 the Government of Sindh increased the rate of sugarcane (development) cess from Rs. 0.28 to Rs.1.00, the Company has challenged the amendment before the Honorable High Court of Sindh who granted us stay against the recovery proceedings.

In the meantime as a result of efforts made by PSMA (Sindh Zone) the authorities have given indications of reduction in the sugarcane (development) cess to Rs.0.50per 40 kg against Rs.1.00 and withdrawal of the surcharge. The Company as a gesture of goodwill and as agreed with the Government has paid the above cess @ Rs.0.50 per 40 kg. However, the Company has made full provision in the accounts of the total impact arising from the above amendment.

3. To the extent of Rs. 100.00 million in respect of guarantees given by the Company to the banks against loan given by them to cane growers. (1997-98: Rs. 30.00 million).

4. The Federal Government through SRO.473 (I)/96 dated June 13, 1996 withdrew exemption of Sales Tax on in house consumption of bagasse. The Additional Collector Sales Tax had passed an order against the Company demanding Sales Tax on bagasse used as fuel by the Company. The Company aggrieved by the above order has filed an appeal to the Sales Tax Tribunal against the validity of the above order. However the Company has paid Sales Tax liability on the bagasse used as fuel during the season 1996-97 amounting to Rs. 2,764,238/-, to avail immunity against any possible penalties.

5. Sindh Government for season 1998-99 has increased the rate of Quality Premium from Rs. 0.32 per 40KG to Rs. 0.50 per 40KG for each 0.1% of sucrose recovery over benchmark of 8.7%. Aggrieved with the situation the Company has challenged the payment of Quality Premium before the Sindh High Court, who granted us, stay against the recovery proceeding. As a matter of abundant precaution provision has been made in accounts.

6. The income tax department filed an appeal before the Income Tax Appellate Tribunal against the Company regarding increase in G.P. rate, which was previously succeeded by the Company before the Commissioner of Income Tax Appeals.

## 11. OPERATING ASSETS

Particulars	As at 01-10-1998	Additions during the year	COST			As at 30-09-99	Rate of Depreciation	Upto 30-09-1998	For the year	DEPRECIATION		Upto 30-09-19
			Transfer	Sales and Adjustment During the year	Rs					Transfer	On sales and Adjustments	
	Rs	Rs			Rs	Rs	Rs	Rs		Rs	Rs	
OWN ASSETS												
Land (Free-Hold)	421,349	--	--	--	421,349	--	--	--	--	--	--	--
Building on Free Hold Land:												
Factory	20,455,248	--	--	--	20,455,248	10	15,222,068	523,318	--	--	15,745	



Non Factory	17,285,401	60,500	--	--	17,345,901	10	13,283,920	406,198	--	--	13,690
Plant & Machin	356,862,709	31,887,988	11,044,000	--	399,794,697	10	206,861,749	7,635,512	4,624,724	--	219,121
Furniture & Fixt	3,255,290	30,998	--	4,903	3,281,385	10	1,832,898	145,204	--	3,550	1,974
Computers & A	4,598,343	470,848	--	200,100	4,869,091	25	2,877,740	527,350	--	118,046	3,287
Office Equipme	1,772,041	84,980	--	--	1,857,021	10	854,421	100,260	--	--	954
Vehicles	11,407,800	1,098,850	--	50,850	12,455,800	20	4,863,903	1,525,092	--	33,565	6,355
Other Assets	6,663,627	261,047	--	66,780	6,857,894	10	4,329,061	257,933	--	50,497	4,536
<b>Sub Total</b>	<b>422,721,808</b>	<b>33,895,211</b>	<b>11,044,000</b>	<b>322,633</b>	<b>467,338,386</b>		<b>250,125,760</b>	<b>11,120,867</b>	<b>4,624,724</b>	<b>205,658</b>	<b>265,665</b>

**OBTAINED UNDER FINANCE LEASE**

Plant & Machin	11,044,000	56,000,000	(11,044,000)	--	56,000,000	10	3,955,425	2,297,824	(4,624,724)	--	1,628
Vehicles	1,774,000	2,300,000	--	--	4,074,000	20	512,240	712,352	--	--	1,224
<b>Sub-total</b>	<b>12,818,000</b>	<b>58,300,000</b>	<b>(11,044,000)</b>	<b>--</b>	<b>60,074,000</b>		<b>4,467,665</b>	<b>3,010,176</b>	<b>(4,624,724)</b>	<b>--</b>	<b>2,853</b>
<b>Total Rupees 19</b>	<b>435,539,808</b>	<b>92,195,211</b>	<b>--</b>	<b>322,633</b>	<b>527,412,386</b>		<b>254,593,425</b>	<b>14,131,043</b>	<b>--</b>	<b>205,658</b>	<b>268,518</b>
<b>Total Rupees 19</b>	<b>426,785,642</b>	<b>9,903,268</b>	<b>--</b>	<b>1,149,102</b>	<b>435,539,808</b>		<b>244,581,186</b>	<b>10,974,418</b>	<b>--</b>	<b>962,179</b>	<b>254,593</b>

Note:

1. Plant & Machinery operated for 148 days during the year and depreciation has been calculated accordingly.
2. Depreciation charge for the year has been allocated as follows:

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>
1. Manufacturing expenses	12,694,098	9,436,876
2. Administrative expenses	1,436,945	1,537,542
<b>Total Rupees</b>	<b>14,131,043</b>	<b>10,974,418</b>

**11.1 SALE OF FIXED ASSETS**

<b>Particulars</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Written Down Value</b>	<b>Sale Proceeds</b>	<b>Profit/ (loss)</b>	<b>Sold to</b>
<b>VEHICLES</b>						
1. Pajeero Jeep	43,250	29,078	14,172	482,500	468,328	Mr. Tariq Aslam H. No. 3, Khalid Road Peshawar Cantt, Peshawar.
2. Suzuki Van	7,600	4,487	3,113	48,300	45,187	Mr. Sakim Shah Banglow No. 4C,

Bath Island,  
Ch. Rehmat Ali Road, Karachi.

**OFFICE EQUIPMENT**

1. Lap Top Com	200,100	118,046	82.05	25,000	(57,054) Insurance Claim Adamjee Insurance Co. Ltd.
----------------	---------	---------	-------	--------	--

**OTHER ASSETS**

1. Fridge	16,270	12,303	3,967	2,000	(1,967) Mr. Aslam Employee
2. Stablizer	4,165	3,150	1,015	1,100	85 Mr. Javed Younus Ex. Employee
Stablizer	4,165	3,150	1,015		
Gyser	2,603	1,968	635		
Airconditioner	23,566	17,820	5,746		
Television	16.01	12,106	3,904		

**FURNITURE & FIXTURES**

Ceiling Fan (2 N	2,083	1,575	508		
			11,808	21,468	9,660 Insurance Claim Adamjee Insurance Co. Ltd.

-----	-----	-----	-----	-----	-----
319,813	203,683	116,129	580,368	464,239	
-----	-----	-----	-----	-----	-----

**FIXED ASSETS WRITTEN OFF**

Newar Cot (2 N	160	112	48	--	(48)
Bed (2 Nos)	2,660	1,863	797	--	(797)
	2,820	1,975	845	--	(845)

<b>TOTAL RUPEE</b>	322,633	205,658	116,974	580,368	463,394
--------------------	---------	---------	---------	---------	---------

<b>TOTAL RUPEE</b>	1,149,102	962,179	186,923	3,866,588	3,679,665
--------------------	-----------	---------	---------	-----------	-----------

**12. CAPITAL WORK-IN-PROGRESS**

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>
Plant & machinery - under erection	72,351,624	67,848,106
- Against letter of credit	--	50,019,609
	-----	-----
	72,351,624	117,867,715

=====

### 13. LONG TERM INVESTMENTS

Shares of joint stock companies

In Associated undertakings:-

#### Quoted:

Cherat Cement Company Ltd.

2,425,780 (1998: 2,425,780)

fully paid ordinary shares

of Rs.10/- each

10,000,000      10,000,000

(Market value Rs. 38,812,480)

(1998: Rs.23,044,910).

Cherat Papersack Limited

180,000 (1998: 180,000)

fully paid ordinary

shares of Rs.10/- each

2,100,000      2,100,000

(Market value Rs.7,560,000)

(1998: Rs.5,040,000).

Greaves Airconditioners Ltd.

100,000 fully paid ordinary

shares of Rs. 10/- each

1,000,000      1,000,000

(Market value Rs.1,300,000)

(1998: Rs.500,000)

(Break-up value Rs. Nil

upto 30/06/1999)

#### Un-Quoted:

Cherat Electric Limited

1,500,000      1,500,000

165,000 (1998: 165,000)

fully paid ordinary

shares of Rs.10/- each

Breakup value per share Rs.13.69

(Name of Chief Executive:

MR. IQBAL FARUQUE)

#### Others - Quoted:

Latif Jute Mills Limited

25,000      25,000

3,250 (1998: 2500)

fully paid ordinary

shares of Rs.10/- each

(Market Value Rs.17,875)

(1998: Rs.6,000)

-----  
14,625,000      14,625,000

Less: Provision for diminution in value of Investments

1,007,125      519,000

-----  
13,617,875      14,106,000

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>14. LONG TERM LOANS AND ADVANCES</b>		
Advances - considered good: unsecured		
Due from employees other than Chief Executive, Directors & Executives	1,503,069	1,438,476
Recoverable within one year shown under current assets (refer Note 19)	760,701	703,562
	-----	-----
	742,368	734,914
	=====	=====

#### **15. LONG TERM DEPOSITS**

It represents deposits for leases and other security deposits.

#### **16. STORES AND SPARES**

Stores	28,723,873	28,889,157
Spares	22,220,435	18,062,245
Loose tools	382,995	515,609
	-----	-----
	51,327,303	47,467,011
	(600,000)	(600,000)
	-----	-----
	50,727,303	46,867,011
	=====	=====

#### **17. STOCK-IN-TRADE**

Sugar	40,672,560	97,180,649
Sugar in process	1,760,685	5,955,752
Molasses	1,156,000	834,300
	-----	-----
	43,589,245	103,970,701
	=====	=====

#### **18. TRADE DEBTS - unsecured**

Considered good	169,810	6,412,371
Considered doubtful	1,859,570	1,859,570
Provision thereagainst	(1,859,570)	(1,859,570)
	-----	-----
	--	--
	-----	-----
	169,810	6,412,371
	=====	=====

#### **19. LOANS AND ADVANCES - unsecured**

Considered good:

Against expenses		97,813	208,663
To suppliers			
-- Associated companies	(19.1)	317,353	1,814,033
-- Others		10,838,082	13,358,236
		-----	-----
		11,155,435	15,172,269
To employees classified as recoverable within one year:		760,701	703,562
Income tax refundable		20,379,049	--
To Provident Fund Trust		2,228,653	916,570
Against letter of credit		317,940	21,293
To Sugar cane growers		2,957,875	10,259,791
Others	(19.2)	171,213	196,226
		-----	-----
		38,068,679	27,478,374
Considered doubtful:			
Sugar cane growers		5,000,000	5,000,000
Provision thereagainst		(5,000,000)	(5,000,000)
		-----	-----
		--	--
		-----	-----
		38,068,679	27,478,374
		=====	=====

19.1 At the end of any month during the year maximum aggregate amount due from associated companies

2,791,606      2,099,131

19.2 Others represents amount advanced to transporters on behalf of cane growers recoverable from them.

**1999**      **1998**  
Rupees      Rupees

**20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**

Deposits		3,253,145	--
Prepayments		1,276,360	875,964
Other receivables		47,873,090	56,183,572
		-----	-----
		52,402,595	57,059,536
		=====	=====

**21. SHORT TERM INVESTMENT**

National Defence Saving Certificates      10,500,000      10,500,000

**22. CASH & BANK BALANCES**

Cash-in-hand	38,028	26,584
Balance with banks:		
-- in current accounts	3,398,954	1,254,378
	3,436,982	1,280,962

**23. SALES**

Sugar		
-- Local	472,708,114	334,873,737
-- Export	120,966,970	165,568,910
	593,675,084	500,442,647
Less: brokerage & commission	150,780	2,300,954
	593,524,304	498,141,693

**1999**  
**Rupees**

**1998**  
**Rupees**

**24. COST OF GOODS SOLD**

Sugar cane crushed (including procurement & development expenses)	417,031,623	462,643,942
Stores and spares consumed	47,186,714	33,491.58
Salaries, wages & other benefits	49,805,293	52,103,267
Water, fuel and power	19,748,242	16,855,545
Insurance	1,153,843	1,242,948
Repair and maintenance	3,173,693	2,751,447
Vehicle expenses	3,013,851	2,658,326
Octroi charges	1,853,415	2,022,063
Depreciation	12,694,098	9,436,876
	555,660,772	583,205,995
Sugar-in-process - Opening	5,955,752	4,175,840
- Closing	(1,760,685)	(5,955,752)
	4,195,067	(1,779,912)
	559,855,839	581,426,083
Less: Sale of molasses	10,200,100	17,038,146
Stock adjustment	321,700	533,180
Export rebate	45,000,000	41,602,500

	55,521,800	59,173,826
Cost of goods manufactured	504,334,039	522,252,257
Add: Excise duty	3,491,055	30,850,270
	507,825,094	553,102,527
Finished goods - Opening	97,180,649	--
- Closing	(40,672,560)	(97,180,649)
	56,508,089	(97,180,649)
	564,333,183	455,921,878

## 25. ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	11,030,595	9,999,467
Directors' fee	3,500	6,500
Rent, rates and taxes	1,945,886	2,022,116
Postage, telegrams and telephones	2,243,235	2,325,749
Conveyance and travelling	2,210,811	3,120,005
Printing and stationary	1,215,319	1,570,010
Entertainment	1,316,680	1,312,490
Vehicle expenses	1,414,141	1,029,758
Insurance	747,112	1,169,217
Repair and maintenance	1,117,751	815,889
Subscription	590,199	266,562
Legal & professional charges	1,517,034	740,720
Charity & donation	139,230	331,550
General expenses	485,441	528,717
Electricity and water	739,722	1,079,359
Vehicle lease rental	--	409,765
Fixed assets written' off	845	--
Depreciation	1,436,945	1,537,542
	28,154,446	28,265,416

## 26. SELLING & DISTRIBUTION EXPENSES

Sugar handling expenses	885,149	893,332
Freight and forwarding expenses	11,421,320	13,939,894
	12,306,469	14,833,226

## 27. OTHER INCOME

Profit on disposal of fixed assets	464,239	3,679,665
------------------------------------	---------	-----------

Dividend income from associated companies:		
Cherat Cement Co. Limited	--	3,638,670
Cherat Papersack Limited	1,890,000	1,440,000
Cherat Electric Limited	412,500	300,000
Miscellaneous receipts	2,510,533	510,031
Profit on short term investment	6,564,024	5,386,829
Excise duty refund	(27.1)	22,436,247
Markup on excise duty	(27.1)	32,636,596
		-----
		66,914,139
		14,955,195
		=====

27.1 Our case for rebate of Central excise duty for the financial year 1988-89 has finally been decided in terms of Judgement dated 26th April 1992 of the Honorable Supreme Court of Pakistan, as the appeal filed by the Collector of Customs & Excise Hyderabad against order of the Central Excise and Customs Appellate Tribunal, has been rejected.

	<b>1999</b>	<b>1998</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>28. FINANCIAL CHARGES</b>		
Markup on redeemable capital	46,170	129,127
Markup on short term running finance	35,136,390	30,247,835
Charges on finance lease	13,650,673	704,825
Interest on Workers Profit Participation Fund	--	70,070
Bank charges, commission	889,531	1,433,953
		-----
	49,722,764	32,585,810
		=====

#### **29. OTHER CHARGES**

Workers' Profit Participation Fund		291,192	--
Workers' Welfare Fund		--	1,036,251
Auditors remuneration	(29.1)	97,750	64,600
Provision for diminution in value of Investments		488,125	519,000
		-----	-----
		877,067	1,619,851
		=====	=====

#### **29.1 Auditor's remuneration**

Annual fee		60,000	60,000
Interim audit fee		35,000	--
Out of Pocket Expenses		2,750	4,600
		-----	-----
		97,750	64,600
		=====	=====

#### **30. PROVISION FOR TAXATION**



Current	3,061,123	2,507,930
Prior years	(16,056,116)	18,723,845
Deferred	7,360,000	(6,990,000)
	<u>(5,634,993)</u>	<u>14,241,775</u>

### 31. STATEMENT OF CHANGES IN EQUITY

	Share Capital	General Reserve	Unappropriated Profit/(Loss)	Total
Balance at September 30, 1998	63,888,000	134,250,305	(34,350,009)	163,788,296
Net profit/(Loss) for the year	--	--	10,679,507	10,679,507
	<u>63,888,000</u>	<u>134,250,305</u>	<u>(23,670,502)</u>	<u>174,467,803</u>
	--	--	(4,472,160)	(4,472,160)
	<u>63,888,000</u>	<u>134,250,305</u>	<u>(28,142,662)</u>	<u>169,995,643</u>

	1 999 Rupees	1 998 Rupees
Net profit/(Loss) for the year	10,679,507	(34,371,068)
Average Number of Ordinary shares in issue during the year	6,388,800	6,388,800
Earning per share	1.67	(5.38)

### 33. FINANCIAL ASSETS & LIABILITIES

#### Interest rate risk

The Company's exposure to interest rate risk and the effective rates on its financial assets and liabilities as of 30 September 1999 are summarised as follows:

	NON-INTEREST BEARING			INTEREST BEARING			Total a+b
	Less than one year	one to five years	a	Less than one year	one to five years	b	
<b>Financial assets:</b>							
Investments	--	10,500,000	10,500,000	--	13,617,875	13,617,875	24,117,875
Long-term depo	--	--	--	--	15,634,804	15,634,804	15,634,804
Loan & advanc	--	--	--	68,815,865	742,368	69,558,233	69,558,233
Cash & bank ba	--	--	--	2,989,944	--	2,989,944	2,989,944
	<u>--</u>	<u>10,500,000</u>	<u>10,500,000</u>	<u>71,805,809</u>	<u>29,995,047</u>	<u>101,800,856</u>	<u>112,300.86</u>

#### Financial Liabilities:

Liabilities against assets								
subject to finan	13,775,128	92,462,301	106,237,429	--	--	--	106,237,429	
Long term depo	--	--	--	--	--	--	--	
Short term finan	118,442,291	--	118,442,291	--	--	--	118,442,291	
Creditors accrued and								
other liabilities	--	--	--	82,174,517	--	82,174,517	82,174,517	
Unclaimed divid	--	--	--	1,647,634	--	1,647,634	1,647,634	
	-----	-----	-----	-----	-----	-----	-----	
	132,217,419	92,462,301	224,679,720	83,822,151	--	83,822,151	308,501,871	
	=====	=====	=====	=====	=====	=====	=====	

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the accounts.

### 34. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company issues financial instruments mainly to finance its operations. In addition to the financial instruments, trade debts and trade creditors arise directly from the company's operations.

The Company finance its operation primarily by a mixture of issued share capital, long and short term finances/loans. The company borrows funds usually at fixed rates of interest/mark-up.

#### a. Interest rate and risk management

Since the company borrows funds usually at fixed interest/mark-up rates, thus the risk arising is minimal.

#### b. Foreign exchange risk management

Foreign currency risk arises where financial instruments contains receivables & payables in foreign currency. Liabilities are covered through forward foreign exchange cover whereas the receivables have limited risk and that too favourable to the company in past.

#### c. Concentration of credit risk

The Company considers that it is not exposed to major concentration of credit risk. The Company, however. is exposed to credit related losses in the event of non-performance by counter parties of financial instruments but does not expect any counter parties to fair to meet the obligation.

#### d. Fair value of financial Instruments

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

### 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	1999				1998			
	Chief Executive Rs.	Directors Rs.	Executives Rs.	Total Rs.	Chief Executive Rs.	Directors Rs.	Executives Rs.	Total Rs.
Fees	--	3,500	--	3,500	--	6,500	--	6,500
Managerial								
Remuneration&	1,777,500	1,714,804	4,330,916	7,823,220	1,515,000	1,948,854	3,715,755	7,179,609
Housing Allowa	270,000	911,566	1,187,588	2,369,154	270,000	616,521	840,620	1,727,141
Utilities	117,504	109,435	181,845	408,784	163,638	200,869	283,432	647,939
Leave fare Assi	334,106	--	--	334,154	239,154	146,450	109,800	495,404
retirement benef	100,000	87,090	245,478	432,568	75,000	86,493	189,235	350,728
Others (Reimbursement of expenses)	77,700	81,905	17,502	177,107	83,728	161,974	17,212	262,914

Total Rupees	2,676,810	2,908,300	5,963,329	11,548,439	2,346,520	3,167,661	5,156,054	10,670,235
No. of persons (other than for f	1	2	12	15	1	3	12	16

The Chief Executive, Directors and twelve executives are provided with the use of Company maintained cars.

The Chief Executive, Directors and five executives are also provided with the residential telephone facility which is reimbursed at actual to the extent of their entitlement.

**1999**  
**Rupees**

**1998**  
**Rupees**

### 36. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS:

The following are details of transactions with associated undertakings:

Services rendered by associated Undertakings:	32,991	91,269
Goods purchased	188,470	166,879
Dividend received	2,302,500	5,378,670

### 37. CAPACITY AND PRODUCTION

Year	Installed Capacity			Actual Production		
	M. Tonnes	Days	Average/Per Day M.Tonnes	M.Tonnes	Days	Average/Per Day M.Tonnes
1998	23,167	160	144.79	40,532.75	143	283.00
1999	23,167	160	144.79	37,989.20	148	257.00

### 38. GENERAL

- i. Previous year's figures have been re-arranged wherever necessary for the purpose of comparison.
- ii. Figures have been rounded off to the nearest rupee.

**MAHMOOD FARUQUE**  
*Chief Executive*

**MOHAMMED FARUQUE**  
*Chairman*

*Karachi, 25th February, 2000*

### Pattern of Shareholdings as at September 30, 1999

Number of Shareholders	Shareholders		Shares held	Percentage	
	From	To			
986	1	100	22,319	0.35	
488	101	500	127,866	2.00	
147	501	1000	103,650	1.62	
274	1001	5000	617,477	9.67	
44	5001	10000	308,862	4.83	
19	10001	15000	215,398	3.37	
4	15001	20000	73,063	1.14	
3	20001	25000	61,981	0.97	
2	25001	30000	60,000	0.94	
4	30001	35000	138,000	2.16	
6	35001	40000	226,500	3.55	
1	60001	65000	64,042	1.00	
1	145001	150000	146,236	2.29	
1	150001	155000	151,646	2.37	
1	160001	165000	163.80	2.56	
1	175001	180000	176,797	2.77	
1	775001	780000	779,559	12.20	
1	1155001	1160000	1,155.48	18.09	
1	1795001	1800000	1,796,125	28.11	
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1,985			6,388,800	100.00	
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NOTE: Incremental grouping of 5000 after initial break up upto 40,000 has only been reported for those slabs where there is shareholding

Categories	Shareholders	Shareholding	Percentage
Individuals	1954	1,827,300	28.6016
Investment Companies ICP & NI	2	1,199,222	18.7707
Insurance Companies	6	387,207	6.0607
Joint Stock Companies	7	182,434	2.8555
Financial Institutions	5	788,968	12.3493
Modaraba Companies	1	10,000	0.1565
Private Limited Companies	9	1,993,456	31.2024
Abandoned Properties Organisa	1	213	0.0033
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	1985	6,388,800	100.0000
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