

**The Premier Sugar Mills & Distillery Company Limited**  
**Annual Report 1998**

**CONTENTS**

BOARD OF DIRECTORS  
TEN YEARS' REVIEW  
NOTICE OF ANNUAL GENERAL MEETING  
DIRECTORS' REPORT  
AUDITORS' REPORT  
BALANCE SHEET  
PROFIT AND LOSS ACCOUNT  
CASH FLOW STATEMENT  
NOTES TO THE ACCOUNTS  
PATTERNS OF HOLDINGS OF THE SHARES

**BOARD OF DIRECTORS**

**CHAIRPERSON**

BEGUM ZARI SARFARAZ

**CHIEF EXECUTIVE**

KHAN ABBAS SARFARAZ

**DIRECTORS**

KHAN AZIZ SARFARAZ

BEGUM LAILA SARFARAZ

MS. ZARMINE SARFARAZ

BEGUM MEHMOODA SALIM KHAN

ABDUL QADAR KHATTAK

MUHAMMAD RAFIQ KHAN

ISKANDER M. KHAN

**SECRETARY/CONTROLLER FINANCE**

MALIK MOHAMMAD ASLAM, FCMA

**AUDITORS**

MESSRS HAMEED CHAUDHRI & CO.,  
CHARTERED ACCOUNTANTS

**REGISTERED OFFICE**

MARDAN (N.W.F.P)

PHONES: 62051 - 62052  
 GRAMS: "SUGAR" MARDAN.

FACTORY

MARDAN.

**TEN YEARS' REVIEW**

YEAR	CANE		SUGAR PRODUCED	BEEET		SUGAR PRODUCED
	CRUSHED	RECOVERY		RECOVERY	SLICED	
	M. Tons		M. Tons	M. Tons		M. Tons
1989	522,214.79	9.22	48,169.00	145,130.99	9.00	13,057.50
1990	263,578.98	9.11	24,011.00	140,908.00	7.50	10,571.00
1991	244,577.45	8.20	20,052.30	125,087.64	8.05	10,070.40
1992	284,432.43	8.62	24,510.00	149,498.69	8.96	13,400.00
1993	228,906.00	8.42	19,280.50	119,016.00	8.61	10,248.00
1994	107,783.00	9.02	9,720.00	103,708.00	8.44	8,751.50
1995	107,489.44	9.32	10,019.00	80,452.95	9.14	7,354.00
1996	76,269.70	8.30	6,330.50	106,549.00	9.35	9,961.00
1997	157,117.04	8.01	12,584.50	96,508.81	8.60	8303.00
1998	204,543.70	8.35	17078.30	55772.68	7.60	4238.50

**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN that 53rd Annual General Meeting of the Shareholders of The Premier Sugar Mills & Distillery Company Ltd. Mardan will be held on 27th March, 1999 at 3:00 P.M at the Registered Office of the Company at Mardan for transacting the following business.

1. To confirm the minutes of the last meeting held on 31st March, 1998.
2. To receive, and consider the audited Balance Sheet and Profit and Loss Account of

the Company together with the Directors' and Auditors' Reports for the year ended 30th September, 1998.

3. To declare a dividend.

4. To appoint auditors for the year 1998- 99 and to fix their remuneration. The outgoing auditors, Messrs.. Hameed Chaudhri & Co., Chartered Accountants offer themselves for re-appointment.

5. Election of Directors:

To hold election of Directors in place of retiring Directors (I) Begum Zari Sarfaraz (ii) Khan Aziz Sarfaraz (ii) Begum Laila Sarfaraz (iv) Khan Abbas Sarfaraz (v) Ms. Zarmine Sarfaraz (vi) Begum Mehmooda Salim Khan (vii) Mr. Abdul Qadar Khattak (viii) Mr. Muhammad Rafiq Khan (ix) Mr. Iskandar M. Khan, in accordance with the provision of Section 178 of the Companies Ordinance, 1984. The Board of Directors has fixed the total number of directors to be Nine for the next three years.

Any person who seeks to contest election of the office of a director may file his nomination papers with the Secretary of Company not later than 12th March, 1999. The retiring directors shall be eligible for re-election.

6. To transact any other ordinary business of the Company as may be permitted by the Chair.

The share transfer books of the Company will remain closed for entitlement of dividend from 20th March, 1999 to 26th March, 1999. (Both days inclusive)

By order of the Board

Mardan:  
February 16, 1999

**(MALIK MUHAMMAD ASLAM) FCMA**  
SECRETARY

N.B. Member unable to attend in person may kindly sent proxy form attached with the balance sheet signed and witnessed to the Company at least 48 hours before the time of the meeting. No person shall act as proxy unless he is entitled to be present and vote in his own right.

## DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report alongwith audited accounts of the Company for the year ended 30th September, 1998.

### PRODUCTION DATA

#### SUGARCANE

		1997-98	1996-97
a) Sugarcane crushed	(tons)	204,543.70	157,117.00
b) Sugar produced	(tons)	17,078.30	12,584.50
c) Recovery	(%)	8.35	8.01
d) Working days		97	80

#### SUGARBEET

a) Sugarbeet sliced	(tons)	55,772.68	96,509.00
b) Sugar produced	(tons)	4,238.50	8,303.00
c) Recovery	(%)	7.60	8.60
d) Working days		20	33

### GENERAL

#### 1. SUGARCANE

The sugarcane crushing season started on 5th November, 1997 and ended on 10th Feb. 1998 after crushing only 204,544 tons of sugarcane and producing 17,078.30 tons of sugar at a recovery of 8.35%. The sugarcane growers were paid Rs. 44.00 per 40 Kgs as against the support price of Rs. 35.00 per 40 Kgs. While the sugarcane supply was more than last year but still much below our requirement. The reason was huge diversion of sugarcane to gur making and that also of good quality.

The price of sugar during the year was very low because of unchecked imports of approximately 700,000 tons of sugar and record production of 3.5 million tons of sugar during the year against total requirement of 2.8/2.9 million tons. The Government allowed export of 400,000 tons of sugar. However, this decision was taken very late and sugar prices did not recover and we sold our sugar much below the cost of production and sustained huge losses.

## **2. SUGARBEET**

Sugarbeet slicing season started on the 25th May, 1998 and ended on 13th June, 1998. The recovery for the year was low due to rains and very cold condition during growth period.

3. A sum of Rs. 12.00 million has been transferred to general reserve.

## **4. DISTILLERY**

The Distillery plant worked for 189 days as against 108 days of last year. Total production of industrial alcohol was 827,042 gallons as against 665,081 gallons of last years.

## **5. STAFF**

Labour and Management relations remained cordial during the year. All employees were paid bonus equivalent to 2 months salary in addition to other amenities and statutory benefits.

## **6. SALES TAX ON SUGAR**

The Government imposed sales tax on sugar with effect from 1st April, 1998 and reduced excise duty from Rs. 2100/- per ton to Rs. 400/- per ton. The present amount of sales tax and excise duty works out Rs. 2,480.00 per ton.

## **7. DIVIDEND**

The company has suffered operational loss due to very high price of sugarcane, low production and prices of sugar in the market. The net profit is from other income i.e. return on investment and interest income etc. The Directors have however still recommended a 25% dividend for the Year ended 30th September, 1998.

## **8. CURRENT CRUSHING SEASON 1998-99**

The current crushing season started on 10th November 1998 and we have crushed 293,027 tons of sugarcane and produced 22,830 tons of sugar at an average recovery of 7.97% upto 12th February, 1999. The supply of sugarcane is better and we expect to crush 350,000 tons of sugarcane this year, which is still less than our requirement of 600,000 tons. The Government has allowed mandatory export of 25%

production to every sugar factory and there is a penalty if export is not made. We make white plantation sugar and cannot compete with refined sugar in the international market and have requested the Government to exempt the factories who make white plantation sugar from this penalty. The growers are paid @ Rs. 35/- per 40 Kgs the price fixed by the Government.

#### **9. SUGARBEET CROP 1999**

The area under sugarbeet crop this year is almost the same as last year as the growers diverted to wheat/potato crops.

#### **10. AUDITORS**

The present auditors Messrs Hameed Chaudhri & Co., Chartered Accountants, Lahore retire and being eligible offer themselves for reappointment.

#### **11. ELECTION OF DIRECTORS**

All directors retire in accordance with Section 178 of the Companies Ordinance 1984 and fresh election will be held in the Annual General Meeting.

The Directors appreciate the spirit of good work done by the Company's staff at all level.

ON BEHALF OF THE BOARD

**(KHAN ABBAS SARFARAZ)**

CHIEF EXECUTIVE

MARDAN: February 16, 1999.

#### **AUDITORS' REPORT TO THE MEMBERS OF THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED**

We have audited the annexed Balance Sheet of THE PREMIER SUGAR MILLS & DISTILLERY COMPANY LIMITED as at 30 September, 1998 and the related Profit and Loss Account and Cash Flow Statement, together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and, after due verification thereof, we report that:

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

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss Account and the 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 30 September, 1998 and of the profit and cash flows 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.

LAHORE: February 17, 1999.

**HAMEED CHAUDHRI & CO.,**  
CHARTERED ACCOUNTANTS

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

	Note	1998 Rupees	1997 Rupees
<b>SHARE CAPITAL AND RESERVES</b>			

Authorised capital 5,750,000 ordinary shares of Rs10 each		57,500,000 =====	57,500,000 =====
Issued, subscribed and paid-up capital	3	37,500,000	37,500,000
Reserves	4	587,000,600	575,000,600
Unappropriated profit		519,427 ----- 625,020,027	227,997 ----- 612,728,597
<b>LONG TERM LOAN</b>	5	10,539,535	13,151,535
<b>DEFERRED LIABILITIES</b>			
Deferred taxation	6	7,118,000	7,081,000
Provision for staff gratuity		15,113,855 ----- 22,231,855	14,973,219 ----- 22,054,219
<b>CURRENT LIABILITIES</b>			
Current portion of long term loan	5	2,612,000	2,260,000
Short term finances	7	39,999,410	55,780,032
Creditors, accruals and other liabilities	8	23,235,137	25,437,967
Workers' welfare fund		866,164	1,026,578
Provision for taxation	9	3,641,260	2,771,021
Dividends	10	10,960,497 ----- 81,314,468	10,842,383 ----- 98,117,981



<b>CONTINGENCIES AND COMMITMENTS</b>	11	----- 739,105,885 =====	----- 746,052,332 =====
<b>FIXED CAPITAL EXPENDITURE</b>			
Operating fixed assets	12	91,115,809	95,700,671
Non-operating fixed assets	12	14,544,000	14,544,000
Capital work-in-progress		0	52,650
Stores held for capital expenditure		4,431,733	0
		----- 110,091,542	----- 110,297,321
<b>INVESTMENTS</b>	13	55,711,771	72,457,521
<b>LONG TERM LOANS TO SUBSIDIARY COMPANIES</b>	14	8,000,000	10,000,000
<b>LONG TERM LOANS SECURITY DEPOSITS</b>	15	6,107 482,929	13,819 469,929
<b>CURRENT ASSETS</b>			
Stores and spares	16	65,208,241	60,926,141
Stock-in-trade	17	64,986,000	92,418,000
Trade debtors	18	40,109,914	18,108,320
Advances, deposits, prepayments and other receivables	19	41,340,586	38,660,167
Cash and bank balances	20	353,168,795	342,701,114
		----- 564,813,536 -----	----- 552,813,742 -----
		739,105,885 =====	746,052,332 =====

The annexed notes form an integral part of these accounts.

ABDUL QADAR KHATTAK  
DIRECTOR

MUHAMMAD RAFIQ KHAN  
DIRECTOR

KHAN ABBAS SARFARAZ  
CHIEF EXECUTIVE

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 SEPTEMBER, 1998**

	Note	1998 Rupees	1997 Rupees
<b>SALES- Net</b>	21	433,224,096	313,508,821
<b>COST OF SALES</b>	22	412,861,022	271,642,751
		-----	-----
<b>GROSS PROFIT</b>		20,363,074	41,866,070
<b>OPERATING EXPENSES</b>			
Selling and distribution	23	613,990	460,768
Administrative and general	24	22,590,764	21,209,832
		-----	-----
		23,204,754	21,670,600
<b>OPERATING PROFIT</b>		(2,841,680)	20,195,470
<b>OTHER INCOME - Net</b>	25	50,045,366	63,668,848
		-----	-----
		47,203,686	83,864,318
		-----	-----
<b>OTHER CHARGES</b>			
Financial	26	19,102,906	21,035,428
Workers' welfare fund		154,966	424,064
Workers' (profit) participation fund		1,405,000	3,141,445
		-----	-----
		20,662,872	24,600,937
		-----	-----
<b>PROFIT BEFORE TAXATION</b>		26,540,814	59,263,381
<b>PROVISION FOR TAXATION</b>			

Current	2,400,000	5,250,000
Prior years	2,437,384	(1,753,655)
Deferred	37,000	(1,286,000)
	-----	-----
	4,874,384	2,210,345
	-----	-----
<b>PROFIT AFTER TAXATION</b>	21,666,430	57,053,036
<b>UNAPPROPRIATED PROFIT</b>		
- Brought forward	227,997	549,961
	-----	-----
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>	21,894,427	57,602,997
<b>APPROPRIATIONS:</b>		
Transfer to general reserve	12,000,000	480,000,001
Proposed dividend 25% (1997: @ 25%)	9,375,000	9,375,000
	-----	-----
	21,375,000	57,375,000
<b>UNAPPROPRIATED PROFIT</b>	-----	-----
- Carried to Balance Sheet	519,427	227,997
	=====	=====

The annexed notes form an integral part of these accounts.

**ABDUL QADAR KHATTAK**  
DIRECTOR

**MUHAMMAD RAFIQ KHAN**  
DIRECTOR

**KHAN ABBAS SARFARAZ**  
CHIEF EXECUTIVE

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER, 1998**

	<b>1998</b>	<b>1997</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (note 'A')</b>	60,392,852	(58,829,016)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(8,218,131)	(364,250)
Sale proceeds of fixed assets	81	82,005

Investments made	0	(500,000)
Long term loan advanced to a Subsidiary Company	0	(10,000,000)
Interest on loan to Subsidiary Companies and long term foreign currency fixed deposits	4,187,114	17,729,558
Dividend Income	2,090,524	4,991,017
Long term foreign currency fixed deposits realised	0	55,269,283
<b>NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES</b>	(1,940,412)	67,207,613
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term loan	(2,260,000)	(1,956,000)
Short term finances - net	(15,780,622)	55,780,032
Financial charges paid	(20,983,095)	(13,522,507)
Dividend paid	(8,961,042)	(7,171,579)
<b>NET CASH (OUTFLOW)/INFLOW FROM FINANCING ACTIVITIES</b>	(47,984,759)	33,129,946
	-----	-----
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	10,467,681	41,508,543
<b>CASH AND CASH EQUIVALENTS</b>		
- At the beginning of the year	342,701,114	301,192,571
<b>CASH AND CASH EQUIVALENTS</b>		
- At the end of the year	353,168,795	342,701,114
	=====	=====

The annexed note 'A' forms an integral part of this Statement.

**ABDUL QADAR KHATTAK**  
DIRECTOR

**MUHAMMAD RAFIQ KHAN**  
DIRECTOR

**KHAN ABBAS SARFARAZ**  
CHIEF EXECUTIVE

**NOTE A**

	1998 Rupees	1997 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit for the year - Before taxation	26,540,814	59,263,381
Adjustments for:		
Depreciation	8,423,898	9,134,531
Provision for diminution in value of investments	16,745,750	5,316,085
Interest on loan to Subsidiary Companies and foreign currency fixed deposits	(4,449,920)	(9,317,759)
Provision for gratuity- net	140,636	481,559
Financial charges	18,089,297	19,890,196
Unclaimed dividend written-back	(295,844)	(275,773)
(Gain)/Loss on disposal of fixed assets	(69)	17,304
Dividend income	(2,090,524)	(4,991,017)
Exchange gain on long term foreign currency fixed deposits	0	(4,842,200)
	-----	-----
	63,104,038	74,676,307
	-----	-----
Security deposits	(13,000)	0
Long term loans to staff - net	7,712	10,815
	-----	-----
	(5,288)	10,815
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
- Before working capital changes	63,098,750	74,687,122
(Increase)/Decrease in current assets		
Stores and spares	(4,282,100)	(1,839,182)
Stock-in-trade	27,432,000	(90,770,386)
Trade debtors	(22,001,594)	(18,030,584)
Advances, deposits, prepayments and other receivables	(417,613)	(1,429,746)
Increase/(Decrease) in current liabilities		
Creditors, accruals and other liabilities	690,968	2,710,218
Workers' welfare fund	(160,414)	(1,059,631)

	-----	-----
	1,261,247	(110,419,311)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
- Before taxation	64,359,997	(35,732,189)
Income tax paid	(3,967,145)	(23,096,827)
	-----	-----
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</b>		
- After taxation	60,392,852	(58,829,016)
	=====	=====

**ABDUL QADAR KHATTAK**  
DIRECTOR

**MUHAMMAD RAFIQ KHAN**  
DIRECTOR

**KHAN ABBAS SARFARAZ**  
CHIEF EXECUTIVE

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 30 SEPTEMBER, 1998**

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

The Company was incorporated on 24 July, 1944 as a Public Company and its shares are quoted on Islamabad and Karachi Stock Exchanges. The Company is principally engaged in manufacture and sale of white sugar and spirit.

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

#### **2.1 Accounting convention**

These accounts have been prepared under the historical cost convention modified by adjustments of exchange rate fluctuations as referred to in note 2.4.

#### **2.2 Staff retirement benefits**

a) The Company operates a Provident Fund Scheme for all its permanent employees and. contribution to the Fund is made monthly to cover the obligation.

b) The Company also operates an un-funded gratuity scheme covering all its permanent employees whose period of service with the Company is nine years or more. Provision is made annually to cover obligation under the Scheme.

### **2.3 Taxation**

Charge for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, accelerated depreciation allowances and any minimum limits imposed by the taxation laws.

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

### **2.4 Foreign currency translations**

Assets and liabilities in foreign currencies, if any, are translated into Pak Rupees at rates of exchange ruling on the balance sheet date.

Exchange gains/losses on loans relating to machinery upto its erection are capitalised as part of cost. All other exchange differences are reflected in current income.

### **2.5 Tangible fixed assets and depreciation thereon**

Operating fixed assets and assets leased-out are stated at cost less accumulated depreciation except freehold land and capital work-in-progress which are stated at cost.

Depreciation is charged to income applying reducing balance method to write-off the cost over estimated remaining useful life of assets. Rates of depreciation are stated in note 12.

No depreciation is provided on assets in the year of disposal whereas full year's depreciation is charged in the year of purchase.

Gains/losses on disposal and retirement of fixed assets are included in income currently.

Maintenance and repairs are charged to income as and when incurred. Major renewals and replacements are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

## **2.6 Investments**

Investments in quoted companies are stated at lower of cost and market value. Other investments are stated at lower of cost and net assets value.

## **2.7 Stores and spares**

These are valued at moving average cost. Stores-in-transit are valued at cost accumulated to the balance sheet date.

## **2.8 Stock-in-trade**

i) Stock of manufactured products is valued at the lower of cost and net realisable value except stock of molasses-in-hand and component of molasses included in the distillery products which are taken at nil value.

Sugar-in-process is valued at cost.

ii) Cost in relation to finished sugar and sugar-in-process represents the annual average manufacturing cost which comprises of prime cost and appropriate production overheads.

iii) Net realisable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.

## **2.9 Debts**

Known bad debts are written-off whereas debts considered doubtful of recovery are fully provided for.

## **2.10 Development expenditure**

Expenditure for development of Sugar Cane and Beet is taken to Profit and Loss Account in the year of incurrance.

## **2.11 Revenue recognition**

- Sales are recorded on despatch of goods.



- Return on investments and income on deposit/saving accounts are accounted for on receipt basis'.
- Income on long term deposit accounts is accounted for on 'accrual basis'.
- Lease rental income is accounted for on 'accrual basis'.

### 3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	1998 Rupees	1997 Rupees
Issued for cash		
1,476,340 ordinary shares of Rs.10 each fully paid in cash	14,763,400	14,763,400
Issued as bonus shares		
2,273,660 ordinary shares of Rs. 10 each issued as fully paid bonus shares	22,736,600	22,736,600
	-----	-----
	37,500,000	37,500,000
	=====	=====

Pakistan Industrial Credit & Investment Corporation Limited has the right to subscribe in cash for shares of a value upto 20% of the loan balance at Par Value, on the terms of the prospectus or offer of shares, to any issue or issues of shares, other than bonus shares, made by the Company to the public or to its shareholders during subsistence of its loan as detailed in note 5. The maximum amount of option as at 30 September, 1998 worked-out Rs.2.630 million (1997:Rs.3.082 million).

### 4. RESERVES

The composition of reserves is as follows:

	Capital Shares Redemption	Revenue General	1998 Total	1997 Total
Opening balance,	600	575,000,000	575,000,600	527,000,600

Transfer from Appropriation Account	0	12,000,000	12,000,000	48,000,000
	-----	-----	-----	-----
Rupees	600	587,000,000	587,000,600	575,000,600
	=====	=====	=====	=====

#### 5. LONG TERM LOAN - Secured

Balance as at 30 September,			13,151,535	15,411,535
Less: Current portion grouped under current liabilities			2,612,000	2,260,000
			-----	-----
			10,539,535	13,151,535
			=====	=====

5.1 This foreign currency loan has been obtained from Pakistan Industrial Credit & Investment Corporation Limited in terms of Pak Rupees against credit line of U.S.\$ 711,727 converted into Pak Rupees at rate of exchange prevailing on the date of opening of letters of credit for purchase of Generators.

5.2 The loan is repayable in 16 un-equal semi annual installments commencing 01 January, 1995 and ending on 01 July, 2002.

5.3 The loan carries interest @15% per annum payable half-yearly and penal interest @ 5% per annum above the Bank Rate or above the applicable rate of interest i.e. 15% per annum, whichever is higher, on the amount unpaid.

5.4 The loan is secured by a first charge by way of an equitable mortgage on all the present and future immovable properties, hypothecation of plant and machinery, a floating charge on other assets ranking pari-passu with other creditors and demand promissory note.

#### 6. DEFERRED TAXATION

	Note	1998 Rupees	1997 Rupees
Deferred liability arising due to accelerated tax depreciation allowances		13,861,200	13,169,000

Deferred debits arising in respect of:

- Provision for staff gratuity	(4,987,600)	(4,492,000)
- Provision for doubtful bank balances and debts	(1,755,600)	(1,596,000)
	-----	-----
	(6,743,200)	(6,088,000)
	-----	-----
	7,118,000	7,081,000
	=====	=====

#### 7. SHORT TERM FINANCES-Secured

The Company, during the year, utilised cash and running finance facilities aggregating Rs.279.0 million from commercial banks. Out of these finance facilities, facilities available as at the balance sheet date aggregate Rs.129.0 million (1997: Rs.110.0 million). Facilities available for opening letters of credit and guarantee aggregate Rs.10.0 million (1997: Rs.20.0 million). These facilities are secured against a Bank's lien over foreign currency deposits of U.S.\$ 1,650,701 and pledge of stock-in-trade. The facilities utilised during the year have carried mark-up at the rates ranging from Re.0.39 to Re.0.53 per Rs. 1,000 per day. These facilities are expiring on various dates by 31 December, 1998.

#### 8. CREDITORS, ACCRUALS AND OTHER LIABILITIES

Creditors		1,226,122	1,319,974
Accrued expenses		8,139,837	4,897,181
Security deposits	8.1	436,790	148,994
Due to Subsidiary Companies		233,202	1,376,470
Retention money		6,940	6,940
Advance payments		253,079	28,677
Advance rent		664,716	0
Accrued interest on long term loan		493,182	577,933
Accrued mark-up on short term finances		4,157,971	6,967,018
Excise duty on bank borrowings		286,211	286,211
Due to employees' provident fund		0	1,653
Income tax deducted at source		5,297	3,369
Sales tax payable		5,826,809	385,634
Provision for excise duty - Sugar		0	6,206,300
Workers' (profit) participation fund	8.2	1,405,000	3,141,445
Others		99,981	90,168
		-----	-----

23,235,137	25,437,967
=====	=====

8.1 Security deposits include Rs.168,446 (1997:Rs.108,414) representing interest bearing deposits. The Company will pay interest at the same rate at which it will receive from the Bank as these deposits are at kept in a PLS bank account.

**8.2 Workers' (profit) participation fund**

	<b>1998</b>	<b>1997</b>
	<b>Rupees</b>	<b>Rupees</b>
Opening balance	3,141,445	5,221,417
Less: Payments made during the year	3,141,445	5,221,417
	-----	-----
	0	0
Add: Contribution for the year	1,405,000	3,141,445
	-----	-----
	1,405,000	3,141,445
	=====	=====

**9. PROVISION FOR TAXATION - Net**

Balance as at 30 September,	46,758,753	45,924,385
Less: Payment of tax/Tax deducted at source	43,117,493	43,153,364
	-----	-----
	3,641,260	2,771,021
	=====	=====

9.1 Income tax assessments of the Company have been completed upto the Income Year ended 30 September, 1994 (Assessment Year 1995-96).

9.2 The Assessing Officer while finalising the Company's assessment for the Assessment Year 1995-96 made certain add-backs to the income and also raised tax demand under section 52 of the Income Tax Ordinance, 1979. The Company has filed an appeal before the Commissioner of Income Tax (Appeals) against the assessment framed by the Assessing Officer which is pending for adjudication. Provision against the said demands, however, exists in these accounts.

9.3 Provision for current year's taxation represents Minimum Tax leviable under section 80-D of the Income Tax Ordinance, 1979.

9.4 Provision for taxation is considered adequate to discharge the expected liability.

## 10. DIVIDENDS

Unclaimed	1,585,497	1,467,383
Proposed	9,375,000	9,375,000
	-----	-----
	10,960,497	10,842,383
	=====	=====

## 11. CONTINGENCIES AND COMMITMENTS

11.1 Counter guarantees given by the Company to its Bankers outstanding as at 30 September, 1998 were for Rs.10.0 million (1997:Rs.10.0 million).

11.2 No commitments were outstanding as at 30 September, 1998 (1997:Nil).

## 12. OPERATING FIXED ASSETS-Tangible

PARTICULARS	COST					
	As at 30 September, 1997	Additions during the year	Disposals during the year	As at 30 September, 1998	Rate %	To 30 September, 1997
<b>OPERATING:</b>						
Land-Freehold	7,402,134	0	0	7,402,134	-	0
Land-Leasehold	0	2,724,556	0	2,724,556	1.01	0
Buildings on freehold land	22,906,971	0	0	22,906,971	5-10	7,678,459
Building and roads on lease-hold land	13,203,924	0	0	13,203,924	5-10	12,122,615
Plant and machinery	200,188,051	328,100	0	200,516,151	10-12	133,963,104
Furniture, fittings and office equipment	14,193,224	410,551	171	14,603,604	10-15	9,732,250
Railway rolling stock and vehicles	5,212,298	375,841	0	5,588,139	10-20	3,909,503

	263,106,602	3,839,048	171	266,945,479	- 167,405,931
<b>NON-OPERATING:</b>					
Freehold land	14,544,000	0	0	14,544,000	-
Rupees	277,650,602	3,839,048	171	281,489,479	- 167,405,931
1997 Rupees	278,071,517	831,000	1,251,915	277,650,602	- 159,424,006

12.1 The Company has rented a house located in Islamabad to the Embassy of Ukraine. The lease term of the said house will expire on 11 February, 2000. Book value of this house as at 30 September, 1998 was Rs.1.532 million (1997:Rs.1.613 million).

12.2 The Company executed a Lease Agreement with Chashma Sugar Mills Limited (a Subsidiary Company) on 20 December, 1994, for letting- out machinery i.e. 4,000 K.W. Horizontal Multi Stage Turbo Alternator Set Complete with all equipment on lease at Prime Cost of Rs.30.0 million at an annual lease rent of Rs.6.0 million for a period of three years. The Company, during the current year, has extended the lease period of the said machinery for further period of three years with lease amount of Rs.5.200 million per annum. Book value of the leased machinery as at 30 September, 1998 was Rs.18.625 million (1997:Rs.20.694 million). The agreement is secured against Demand Promissory Note of Rs.18.0 million.

12.3 Depreciation for the year has been allocated as follows:

	<b>1998</b>	<b>1997</b>
	<b>Rupees</b>	<b>Rupees</b>
Cost of sales	6,881,821	7,525,247
Administrative and general expenses	1,542,077	1,609,284
	-----	-----
	8,423,898	9,134,531
	=====	=====

### 13. INVESTMENTS

	% of Share-holding 1998	1997	1998 Rupees	1997 Rupees
<b>SUBSIDIARY COMPANIES - Quoted</b>				
- The Frontier Sugar Mills & Distillery Limited				
- 1,053,935 (1997: 1,053,935) ordinary shares Of Rs.10 each			15,721,488	15,721,488
-21,820 (1997:21,820) 7% irredeemable preference shares of Rs.10 each			216,913	216,913
Market value Rs.40,489,189 (1997:Rs.42,085,365)	76.84	76.84	----- 15,938,401	----- 15,938,401
- Chashma Sugar Mills Limited				
9,569,000 (1997: 9,569,000) ordinary shares of Rs. 10 each	50.03	50.03	95,764,815	95,764,815
Less: Provision for diminution in value			59,881,065	43,135,315
Market value			----- 35,883,750	----- 52,629,500
<b>UN-QUOTED :</b>				
- National Computers (Pvt.) Ltd.				
22,450 (1997:22,450) ordinary shares of Rs. 100 each	74.83	74.83	500,000	500,000
Net worth per share 30 June, 1998:Rs.27.95 (30 June, 1997: Rs.14.15)				
- Beet Seed Farm (Pvt.) Ltd.				
4,000 (1997:4,000) ordinary shares of Rs. 100 each	80.00	80.00	400,000	400,000
Less: Provision for diminution in value			400,000	400,000
Net worth per share: Rs.44.45 (1997:Rs.44.53)			----- 0	----- 0
<b>ASSOCIATED COMPANIES - Quoted</b>				
-Arpak International Investments Limited				
229,900 (1997:229,900) ordinary shares				

of Rs.10 each	5.75	5.75	2,845,888	2,845,888
Less: Provision for diminution in value			1,926,288	1,926,288
			-----	-----
Market value			919,600	919,600

**UN-QUOTED :**

- Premier Board Mills Limited 47,002 (1997:47,002) ordinary shares of Rs.10 each.	0.83	0.83	470,020	470,020
Net worth per share: 30 June, 1998:Rs.24.07 (30 June, 1997:Rs.22.45)				
- Azlak Enterprises (Pvt.) Ltd. 200,000 (1997:200,000) ordinary shares of Rs. 10 each.	40.00	40.00	2,000,000	2,000,000
Net worth per share:30 June, 1998 Rs.51.31 (30 June, 1997:Rs.48.90)			-----	-----
			55,711,771	72,457,521
			=====	=====

**14. LONG TERM LOANS TO SUBSIDIARY COMPANIES**

Unsecured - Considered good

	Note	1998 Rupees	1997 Rupees
Chashma Sugar Mills Limited	14.1	24,166,000	24,166,000
National Computers (Pvt.) Ltd.	14.2	10,000,000	10,000,000
		-----	-----
		34,166,000	34,166,000
Less: Current portion grouped under current assets:	19		
- Installments overdue		24,166,000	0
- Installments due within the following twelve months		2,000,000	24,166,000
		-----	-----



26,166,000	24,166,000
-----	-----
8,000,000	10,000,000
=====	=====

14.1 This loan has been advanced for expansion of the existing plant of Chashma Sugar Mills Limited. The outstanding balance of this loan was recoverable in lump sum during October, 1997. It carries interest @ 12 % per annum.

14.2 This loan has been advanced for purchase of assets and to meet working capital requirements of National Computers .(Pvt.) Limited. The loan balance is recoverable in 10 equal half-yearly installments commencing 19 November, 1998. It carries interest @ 15.50 % per annum.

14.3 Maximum aggregate debit balances of the Subsidiary Companies on loan accounts at any month end during the year were Rs.34.166 million (1997:Rs.34.166 million).

#### 15. LONG TERM LOANS - Considered good

Employees - Secured	14,111	21,823
Less: Current portion grouped under current assets	8,004	8,004
	-----	-----
	6,107	13,819
	=====	=====

These interest free loans are secured against lien on Provident Fund and Gratuity balances. No balance is outstanding for more than 3 years.

#### 16. STORES AND SPARES

	1998 Rupees	1997 Rupees
Stores	22,028,481	20,850,127
Spare pads	40,547,991	40,076,014

Stores-in-transit	2,631,769	0
	-----	-----
	65,208,241	60,926,141
	=====	=====

#### 17. STOCK-IN-TRADE

Finished goods	61,087,000	91,622,000
Sugar-in-process	3,899,000	796,000
	-----	-----
	64,986,000	92,418,000
	=====	=====

The component of molasses used in distillery stock-in-hand as at 30 September, 1998 and the actual molasses-in-hand as on that date aggregated 6,087 metric tonnes (1997:10,328 metric tonnes) valued at Nil (1997: Nil).

#### 18. TRADE DEBTORS

These are unsecured and have been classified as follows:

Considered good	40,109,914	18,108,320
Considered doubtful	250,090	250,090
	-----	-----
	40,360,004	18,358,410
Less: Provision for doubtful-debts	250,090	250,090
	-----	-----
	40,109,914	18,108,320
	=====	=====

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

	Note	1998 Rupees	1997 Rupees
Advances:			

Suppliers and contractors		3,793,638	2,772,771
Employees		158,177	438,548
Subsidiary Company and Associated Undertakings		1,772,831	1,398,488
		-----	-----
	19.1	5,724,646	4,609,807
Current portion of long term loans to Subsidiary Companies	14	26,166,000	24,166,000
Sales tax deposit		100	100
Excise duty deposit		2,870	0
Prepayments		468,229	302,342
Interest accrued on long term loans to Subsidiary Companies		5,023,208	4,760,402
Lease rentals receivable	12.2	3,900,000	4,500,000
		-----	-----
Other receivables		125,475	391,458
		-----	-----
		41,410,528	38,730,109
Less: Provision for doubtful receivables		69,942	69,942
		-----	-----
		41,340,586	38,660,167
		=====	=====

19.1 These are considered good except for Rs.69,942 (1997:Rs.69,942) which have been fully provided for in these accounts.

#### 19.2 Subsidiary Companies and Associated Undertakings

a) Aggregate transactions with Subsidiary Companies and Associated Undertakings during the year were as follows:

Purchase of goods and services	14,500,166	14,430,012
Sale of goods and services	1,046,014	1,291,885
Interest earned on loans	4,449,920	4,760,402
Dividend received	2,090,524	4,991,017
Lease rentals	5,400,000	6,000,000
Long term loan advanced to a Subsidiary Company	0	10,000,000

Ordinary Share Capital acquired in a  
Subsidiary Company

0 500,000

b) Maximum aggregate debit balances of Associated Undertakings and Subsidiary Companies due on all accounts, except loans accounts, at any month end during the year were Rs.1,713,844 (1997: Rs.1,594,922).

c) Maximum aggregate debit balance due from Director during the year was. Rs.12,706 (1997:Rs.16,000). No amount was due from Chief Executive during the year (1997:Nil). Maximum aggregate amount due from Executives during the year in all accounts was Rs. 3,026 (1997:Rs.6,668).

d) Interest has not been charged on the balances of Associated Undertakings and Subsidiary Companies as these have arisen due to trade dealings. However, interest on long term loans advanced to Subsidiary Companies has been charged as detailed in note 14.

## 20. CASH AND BANK BALANCES

	Note	1998 Rupees	1997 Rupees
Cash:			
In hand		18,665	10,979
At banks on:			
- PLS accounts	20.1	483,612	492,660
- Current accounts		11,866,842	21,227,273
- Deposit accounts	20.2	138,521,290	121,148,705
- Dividend account		348,966	0
		-----	-----
		151,220,710	142,868,638
Less: Provision for doubtful bank balance	20.3	5,000,000	5,000,000
		-----	-----
		146,220,710	137,868,638
At National Saving Centre .on:			
Saving accounts		593,201	4,031,397
Special saving accounts		596,701,001	59,670,100
Special saving certificates		147,200,000	141,120,000
		-----	-----

206,929,420	204,821,497
-----	-----
353,168,795	342,701,114
=====	=====

20.1 These include Rs.193,646 (1997:Rs.136,114) in security deposit account. These also include foreign currency balance of US\$3,563 (1997:U.S\$3,557) converted into Pak Rupees at the exchange rate ruling on the balance sheet date i.e. U.S. \$1 = Rs.46.00 (1997:Rs.40.52).

20.2 These include foreign currency balances of U.S.\$2,570,023 (1997:U.S.\$2,405,583) converted into Pak Rupees at the exchange rate ruling on the balance sheet date i.e. U.S.\$1=Rs.46.00 (1997: Rs.40.52).

As at the balance sheet date, U.S. \$1,650,701 were under a bank's lien as securities for short term finances as detailed in note 7.

20.3 The Company deposited an amount of Rs.5.0 million in Term Deposit with Mehran Bank Limited at Peshawar for a period of six months @ 12.5% per annum on 25 September, 1993 vide TDR No.007902 which was to mature on 25 March, 1994. The aforesaid TDR could not be encashed because of the crisis of Mehran Bank's affairs which were being administered by the State Bank of Pakistan (SBP). Mehran Bank was eventually merged into National Bank of Pakistan (NBP). The Company, through its lawyers, issued legal notices to SBP, NBP and the defunct Mehran Bank Limited. In response, the Company has received a letter from NBP dated 05 November, 1995 stating that the investment by the Company is shown in Fund Management Scheme which would be an unrecorded liability of Mehran Bank Limited. In the opinion of the Company's lawyers, if this position is accepted nothing would be recovered. The Company, therefore, has filed a suit with the Civil Court for recovery of the said amount alongwith profit @ 12.5% per annum with effect from 25 September, 1993 till the date of payment. However, full provision for the said amount exists in these accounts.

	<b>1998</b>	<b>1997</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>21. SALES - Net</b>		
Turnover	470,650,760	319,287,395
Less:		

Commission	1,170,460	712,505
Sales tax	34,516,579	4,594,170
Discount	1,739,625	471,899
	-----	-----
	37,426,664	5,778,574
	-----	-----
	433,224,096	313,508,821
	=====	=====

## 22. COST OF SALES

Raw materials consumed	288,193,961	237,025,340
Chemicals and stores consumed	10,061,056	9,847,459
Salaries, wages and benefits	26,557,440	25,441,786
Power and fuel	34,089,191	38,989,186
Insurance	439,498	436,289
Repair and maintenance	10,095,225	8,385,380
Excise duty	9,110,830	34,762,450
Depreciation	6,881,821	7,525,247
	-----	-----
	385,429,022	362,413,137
Adjustment of sugar-in-process		
Opening	796,000	949,939
Closing	(3,899,000)	(796,000)
	-----	-----
	(3,103,000)	153,939
	-----	-----
Cost of goods manufactured	382,326,022	362,567,076
Adjustment of finished goods		
Opening stock	91,622,000	697,675
Closing stock	(61,087,000)	(91,622,000)
	-----	-----
	30,535,000	(90,924,325)
	-----	-----
	412,861,022	271,642,751
	=====	=====

**23. SELLING AND DISTRIBUTION EXPENSES**

	<b>1998</b>	<b>1997</b>
	<b>Rupees</b>	<b>Rupees</b>
Salaries, wages and amenities	237,183	227,940
Stacking and loading	313,356	232,828
Others	63,451	0
	-----	-----
	613,990	460,768
	=====	=====

**24. ADMINISTRATIVE AND GENERAL EXPENSES**

Salaries and amenities	8,400,744	7,962,136
Travelling, vehicles' running and vehicles' lease rentals	1,875,417	1,373,859
Utilities	3,768,679	3,353,598
Directors' travelling	543,141	397,177
Rent, rates and taxes	424,979	578,065
Insurance	657,053	718,376
Repair and maintenance	1,920,852	2,148,643
Printing and stationery	641,765	709,955
Communication	1,099,822	1,051,320
Legal and professional charges (other than Auditors)	812,132	474,685
Subscription	84,744	95,390
Donations (without directors' interest)	3,500	43,500
Auditors' remuneration:		
Audit fee	75,000	75,000
Workers' (profit) participation fund's audit fee	3,000	3,000
Tax consultancy	20,000	0

Consultancy, certification and other services	60,000	60,000
Out-of-pocket expenses	39,000	64,800
	-----	-----
	197,000	202,800
Depreciation	1,542,077	1,609,284
Bad debts written-off - Others	1,141	0
General office expenses	617,718	491,044
	-----	-----
	22,590,764	21,209,832
	=====	=====

24.1 The Company has shared expenses aggregating Rs.3,555,396 (1997:Rs.2,575,011) with Associated Undertakings and Subsidiary Companies on account of combined office expenses. These expenses have been booked in respective accounts.

#### 25. OTHER INCOME - Net

	Note	1998 Rupees	1997 Rupees
Interest/Profit on:			
Bank deposits/Savings accounts and certificates		32,028,615	33,388,660
Loans to Subsidiary Companies		4,449,920	4,760,402
Foreign currency deposits		5,909,603	6,411,481
Other advances		0	1,301
		-----	-----
		42,388,138	44,561,844
Unclaimed dividend written-back		295,844	275,773
Rent		931,585	852,654
Machinery lease rentals	12.2	5,400,000	6,000,000
Gain/(loss) on disposal of fixed assets		69	(17,304)
Lime sales		343,500	197,375



Dividend		2,090,524	4,991,017
Unclaimed balances/provisions written-back		491,341	3,167,910
Profit from petrol pump and fertiliser sales	25.1	238,946	255,743
 (Increase) in provision for diminution in value of investments		(16,745,750)	(5,316,085)
Exchange gain		13,263,516	7,372,213
Miscellaneous		1,347,653	1,327,708
		-----	-----
		50,045,366	63,668,848
		=====	=====

#### 25.1 Profit from petrol pump and fertiliser sales

Sales		15,086,825	14,240,758
Less: Cost of sales			
Purchases		14,813,134	13,814,180
Salaries		119,097	117,422
Other expenses		100,865	61,966
		-----	-----
		15,033,096	13,993,568
Stock:			
Opening		534,289	525,736
Closing		(719,506)	(534,289)
		-----	-----
		(185,217)	(8,553)
		-----	-----
		14,847,879	13,985,015
		-----	-----
		238,946	255,743
		=====	=====

25.2 Profit accrued on deposit/savings accounts till 30 September, 1998 worked-out Rs.3.413 million approximately(1997:Rs.4.249 million)which has not been accounted for as per policy.

## 26. FINANCIAL CHARGES

	1998 Rupees	1997 Rupees
Interest on long term loan	2,191,524	2,504,396
Mark-up on short term finances	15,897,773	16,319,822
Excise duty on loans and finances	0	775,831
Commitment charges	0	290,147
Zakat on deposits	376,285	742,959
Bank charges	637,324	402,273
	-----	-----
	19,102,906	21,035,428
	=====	=====

## 27. REMUNERATION OF DIRECTORS AND EXECUTIVES

Particulars	Resident Director		Other Directors		Executives	
	1998	1997	1998	1997	1998	1997
Managerial remuneration	700,800	758,800	56,000	60,000	1,482,600	1,008,100
Retirement benefits	229,760	147,240	0	0	237,520	177,336
Medical expenses reimbursed	23,537	31,250	18,634	44,117	48,221	48,926
	-----	-----	-----	-----	-----	-----
Rupees	954,097	937,290	74,634	104,117	1,768,341	1,234,362
	=====	=====	=====	=====	=====	=====
Number of persons	1	1	2	2	5	4

27.1 The Resident Director and Executives are provided free housing (with Company's generated electricity in the residential colony within the factory compound). Some of the Directors and Resident Director are also provided with Company maintained cars.

27.2 Remuneration of Directors does not include amounts paid or provided for, if any, by the Associated Undertakings/Subsidiary Companies.

**28. CAPACITY AND PRODUCTION**

		1998	1997
<b>SUGAR CANE PLANT</b>			
Rated crushing capacity per day	M.Tonnes	3,810	3,810
Cane crushed	M.Tonnes	204,544	157,117
Sugar produced	M.Tonnes	17,078	12,574
Days worked	Nos.	97	80
Sugar recovery	%	8.35	8.01
<b>SUGAR BEET PLANT</b>			
Rated slicing capacity per day	M.Tonnes	2,500	2,500
Beet sliced	M.Tonnes	55,773	96,509
Sugar produced	M.Tonnes	4,239	8,303
Days worked	Nos.	20	33
Sugar recovery	%	7.60	8.60
<b>DISTILLERY</b>			
Rated capacity per day	Gallons	10,000	10,000
Actual production	Gallons	827,042	665,081
Days worked	Nos.	189	108

The normal season days are 150 days for Sugar Cane crushing and 50 days for Beet slicing. Production was restricted to the availability of raw materials to the Company.

**29. STATEMENTS UNDER SECTION 237 OF THE COMPANIES ORDINANCE, 1984**

The audited accounts of the Subsidiary Companies are attached herewith:

**Statement under sub-section (1) (e)**

<b>Beet Seed The Frontier Farm (Pvt.) Limited</b>	<b>Chashma Sugar Mills &amp; Distillery Limited</b>	<b>National Sugar Mills Limited</b>	<b>Computers (Pvt.) Limited</b>
---	---	---	---

Accounting year ended	30 September, 1998	30 September, 1998	30 September, 1998	30 June, 1998
a) Extent of shareholdings				
1998	80.00%	76.84%	50.03%	74.83%
1997	80.00%	76.84%	50.03%	74.83%

**(Rupees in thousand)**

b) The aggregate amount of profit less losses of Subsidiary Companies so far as these concern members of the Holding Company and which have not been dealt within the accounts of the Holding Company for the year ended 30 September, 1998 are:

i) For the last financial year of the Subsidiaries	Nil	(8,642)	106	310
ii) For the previous years but subsequent to the acquisition of controlling interest by the Holding Company.	222	(8,389)	439	716

c) The aggregate amount of profits less losses of Subsidiary Companies so far as these have been dealt with or provision made for losses in the accounts of the Holding Company for the year ended 30 September, 1998 are:

i) for the last financial year of the Subsidiaries	Nil	1,627	(16,746)	Nil
--	-----	-------	----------	-----

ii) for the previous years but subsequent to the acquisition of controlling interest by the Holding Company.

(400)

5,547

(55,096)

Nil

**Statement under sub-section (1)(f)**

a) No change, during the period from 30 June, 1998 to 30 September, 1998, has occurred in the Holding Company's shareholding in National Computers (Pvt.) Limited.

b) No material changes have occurred in respect of National Computers (Pvt.) Limited's fixed assets, other assets and liabilities during the period from 30 June, 1998 to 30 September, 1998.

Statement under sub-section (1)(g) - Not Applicable.

**30. FIGURES**

- in the accounts are rounded-off to the nearest rupee;
- of the previous year are re-arranged wherever necessary for the purposes of comparison.

**ABDUL QADAR KHATTAK**  
DIRECTOR

**MUHAMMAD RAFIQ KHAN**  
DIRECTOR

**KHAN ABBAS SARFARAZ**  
CHIEF EXECUTIVE

**FORM - 34**

**THE PREMIER SUGAR MILLS & DISTILLERY CO. LTD.**

**PATTERN OF HOLDINGS OF THE SHARES HELD BY THE SHAREHOLDERS**

**AS ON 30TH SEPTEMBER, 1998 BY RANGE OF SHARES HELD**

NUMBER OF SHAREHOLDERS	RANGE OF SHARES HELD		TOTAL SHARE HELD
	FROM	TO	
481	1	100	20,315

449	101	500	110,514
189	501	1,000	139,619
256	1,001	5,000	520,795
36	5,001	10,000	247,699
9	10,001	15,000	108,056
1	15,001	20,000	15,628
5	20,001	25,000	119,125
1	25,001	30,000	29,223
1	40,001	45,000	41,019
1	145,001	150,000	145,637
1	250,001	255,000	252,370
3	395,001	400,000	1,200,000
1	795,001	800,000	800,000
-----			-----
1,434			3,750,000
=====			=====

<b>CATEGORY OF SHAREHOLDERS</b>	<b>NUMBER OF SHAREHOLDERS</b>	<b>TOTAL SHARE HELD</b>	<b>PERCENTAGE OF TOTAL HOLDING</b>
INDIVIDUAL	1,415	3,131,082	83.50
INSURANCE COMPANIES	3	15,759	0.42
DY: ADM: ABAN: PROPERTY	1	87	0.00
SOCIETY R.C. CHILDREN	1	174	0.00
FINANCIAL INSTITUTIONS	3	154,126	4.11
CHAIRMAN ADM: AUQAF	1	3,798	0.10
IDARA-E-POOR: W. ASSOC	1	349	0.01
INVESTMENT COMPANIES	2	41,519	1.11
JOINT STOCK COMPANIES	4	401,061	10.69
MADRASA HAQANIA	1	52	0.00
OFFICER COMD: ARTILLY	1	1,767	0.05
SECRETARY M. COMMITTEE	1	226	0.01
	-----	-----	-----
	1,434	3,750,000	100.00
	=====	=====	=====