SASM

SINDH ABADGAR'S SUGAR MILLS LIMITED

32nd ANNUAL REPORT
2015

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COMPANY PROFILE

DIRECTORS	Mr. Deoo Mal Essarani	Chairman
	Dr. Tara Chand Essarani	Chief Executive
	Mr. Dileep Kumar	Director
	Mr. Pehlaj Rai	Director
	Mr. Mohan Lal	Director
	Dr. Besham Kumar	Director
	Mr. Mahesh Kumar	Director
	Mr. Shafaqat Ali Shah	Director
CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY	Mr. Nisar H. Virani	
BANKERS	Allied Bank Limited	
	Askari Bank Limited	
	Bank Al-Falah Limited	
	Bank Islami Limited	
	MCB Bank Limited	
	NIB Bank Limited	
	United Bank Limited	
AUDIT COMMITTEE	Mr. Pehlaj Rai	Chairman
	Mr. Shafaqat Ali Shah	Member
	Mr. Dileep Kumar	Member
	Dr. Besham Kumar	Member
HR AND REMUNERATION COMMITTEE	Mr. Shafaqat Ali Shah	Chairman
	Mr. Mohan Lal	Member
	Mr. Dileep Kumar	Member
AUDITORS	M/s. Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants	
REGISTERED OFFICE	209, 2nd Floor, Progressive Plaza, Beaumont Road, Karachi-Pakistan.	
MILLS	Deh: Deenpur, Taluka. Bulri Shah Karim, Distt. Tando Muhammad Khan, Sindh-73024.	
REGISTRAR	JWAFFS Registrar Services (Pvt) Ltd. 407- 408, Al Ameera Centre, Shahrah e Iraq, Saddar, Karachi.	
EMAIL ADDRESS	sasm@unitedgroup.org.pk	

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting of the Company will be held on Friday, the 29th January, 2016 at 4:00 pm at the Auditorium of The Pakistan Institute of International Affairs (PIIA), Near Sidco Avenue Centre, Opposite: Libra Autos CNG Pump, Maulana Deen Muhammad Wafai Road, Karachi to transact the following business:

1. To confirm the Minutes of the Annual General Meeting held on 29th January, 2015.
2. To receive and adopt the Audited Accounts of the Company for the year ended September 30, 2015 and the Reports of the Directors' and Auditors thereon.
3. To appoint Auditors of the Company for the year ending September 30, 2016 and to fix their remuneration as recommended by the Audit Committee and the Board of Directors.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Nisar H. Virani
Company Secretary

Karachi : 7th January, 2016

Notes :-

1. The register of members of the Company will be closed from **Tuesday, January 19, 2016, to Friday, January 29, 2016 (both days inclusive)** and no transfers will be registered during that time. Shares received at the office of the Share Registrar of the Company M/s. JWAFFS Registrar Services (Pvt.) Ltd, 407-408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi at the close of Business on **18th January, 2016** will be treated in time.
2. A member of the company eligible to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies to be effective must be in writing and must be received by the Company 48 hours before the Meeting.
3. The Shareholders of the company whose shares are registered in their account / sub-account with Central Depository System (CDS) are requested to bring original computerized National Identity Card along with their account number in CDC and participant's ID number for verification. In case of appointment of proxy by such account holders and sub-account holders, the guidelines as contained in the SECP's circular of 26th January 2000 are to be followed.

   A. For Attending the Meeting
   - In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has provided earlier) at the time of the Meeting.

   B. For Appointing Proxies:
   - The proxy form shall be witnessed by two persons whose names, address and NIC numbers shall be mentioned on the form.
   - Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
   - The proxy shall produce his original NIC or original passport at the meeting.
   - In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.
4. The Shareholders of the company are requested to immediately notify any change in their addresses to our Share Registrar M/s. JWAFFS Registrar Services (Pvt.) Ltd, 407-408, Al-Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi

DIRECTORS' REPORT TO THE SHARE HOLDERS

Dear Members - Assalam-o-Alekum

On behalf of the Board of Directors and myself, I am pleased to welcome you all to the 32nd Annual General Meeting of the Company and presenting before you the Annual Report and Audited Financial Statements of the Company for the year ended September 30, 2015.

Financial Results:	**2014-15 Rupees**	**2013-14 Rupees**
Loss after tax	**(53,853,558)**	(85,547,632)
Transferred from Surplus on Revaluation	**57,637,701**	64,981,960
	3,784,143	(20,565,672)
Unappropriated (loss/profit) brought forward	**(111,470,680)**	(905,008)
Accumulated Loss carried forward	**(107,686,537)**	(111,470,680)

The negative results are due to higher sugarcane prices and depressed sugar prices during the year. The Government of Sindh fixed the minimum sugarcane support price at Rs. 182/- per 40 kgs for the crushing season 2014-15 as against Rs. 172/- per 40 kgs for the crushing season 2013-2014 which was about 11% higher as compared to the previous crushing season. Sugarcane price was very high thus raising the cost of manufacturing while the market price of sugar remained depressed throughout the year except a brief pause. Because of the depressed sugar sale prices in the local market, we also exported 11,767 M.Tons of Sugar that too could not fetch better prices in view of international fluctuations.The Government allowed inland freight subsidy at Rs.10/- per kg on export of Sugar which amounted to Rs.117.670 for the year 2014-15. Here it is worth mentioning that the subsidy for years 2012-13 and 2013-14 amounting to Rs. 73.920 has not yet been paid by the TDAP. The Sindh Government initially issued notification fixing the support price at Rs.182/- on 10-11-2014, which was subsequently revised at Rs.160/-. Final price impact has been of Rs.160/- on mills, Rs.12/- subsidy by Sindh Govt. and Rs.10/- on the decision of the Supreme Court which is still pending.

Operational Results

By the Grace of Allah, the growth during the current financial year in terms of expansion of capacity and modernization etc has been more than satisfactory which would not have been possible without the guidance and support of the Board of Directors and the efforts put in by the management and members of the staff at all levels. I also wish to extend my appreciation for the cooperation extended by the sugarcane growers at large, customers, bankers and all others associated with the Company.

Summarized key operating results for last six years are as follows:

COMPARATIVE STATISTICS

		2014-2015	**2013-2014**	**2012-2013**	**2011-2012**	**2010-2011**	**2009-2010**
Season Commenced		**08-12-2014**	01-11-2013	16-12-2012	22-12-2011	05-12-2010	12-06-2009
Season Closed		**22-03-2015**	18-03-2014	20-03-2013	19-03-2012	10-04-2011	08-03-2010
Days Worked		**105**	138/ 124	95	89	127	93
Sugarcane Crushed	Tons	**474,511**	505,185	384,319	331,064	387,579	301,358
Sugarcane Crushed	Mds	**11,862,775**	12,629,632	9,607,975	8,276,600	9,689,475	7,533,950
Daily Average Crushing	Tons	**4,519**	3,661	4,045	3,720	3,051	3,240
(on Net days)	Tons	**5102**	4,074	-	-	-	-
Capacity Utilization	%	**85**	68	67	88	73	77
Sugar Recovery	%	**10.00**	9.85	9.865	9.30	9.16	9.15
Sugar Production	Tons	**47,460**	49,866	37,855	30,790	35,503	27,505
Molasses Production	Tons	**24,885**	26,000	19,844	18,600	21,980	15,330

Performance Review

Alhamdulillah, the overall operational performance of the Company continued to be satisfactory during the year.

Crushing operations commenced on 8th December, 2014 and continued up to 22nd March, 2015 for 105 days as against 138 days in the preceding season. Sugarcane crushed during the current season was 474,511 M.Tons with average sucrose recovery of 10.00% and sugar production of 47,460 M.Tons, as compared to crushing of 505,185 M.Tons with average sucrose recovery of 9.85% and sugar production of 49,866 M.Tons during the preceding season.

I am pleased to inform the shareholders that the process of BMRE has been completed smoothly and its results are also encouraging.

Future Prospects

The Government of Sindh has not yet issued Notification regarding the minimum sugarcane prices for the ensuing season. Any upward revision will be disasters for the Sugar industry in general and in lower part of Sindh where the crop and recovery both are comparatively lesser and will have wide difference. Operation of sugar mills will be in loss as has been noted and done for the last 4 years.There is a strong need on the part of the government to bail out the sugar industry from the crisis particularly sugarcane price once for all in view of higher crop and increase in number of Mills and capacity. Government had allowed sugar industry to export 650,000 Metric Tons of sugar for the current season 2014-15 but the entire quantity could not be exported.

Financial Results

The financial results were also subject to cost audit under the Companies (Audit and Cost Account) Rules 1998. As in previous years, the cost audit was conducted by Messrs. Azeem Hussain & Co., Chartered Accountants who were recommended for appointment by the Board and duly approved by Security & Exchange Commission of Pakistan. The cost audit is also in progress and its report will also be submitted directly by the Cost Auditors to the Security & Exchange Commission of Pakistan as required by the Companies (Audit of Cost Accounts) Rules, 1998.

Code of Corporate Governance

The Company has adopted the Code of Corporate Governance promulgated by the Securities & Exchange Commission of Pakistan. We have implemented almost all the mandatory provisions and welcome the Government's step to get more fully disclosed and monitored the corporate sector. We hope it will go a long way in confidence building of small investors and will boost corporate investment.

Statement on Corporate and Financial Reporting Framework

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the Financial Statements, Changes, if any, have been adequately disclosed and accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and deviation there from if any, has been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored regularly.

6. There are no significant doubts upon the Company's ability to continue as a going concern.

7. There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.

8. Key operating and financial data for last six years, in summarized form, is given on page 8.

9. Information about the taxes and levies is given in the notes to the financial statements.

10. The pattern of shareholding and additional information regarding pattern of shareholding is given on page 45 and 46.

11. During the year 2014-2015 four (4) meetings of the Board of Directors were held.

    Attendance of each Director was as under:

Name of Directors	**No. of Meetings attended**
Mr. Deoo Mal Essarani	3
Dr. Tara Chand Essarani	4
Mr. Dileep Kumar	3
Mr. Pehlaj Rai	3
Mr. Mohan Lal	3
Dr. Besham Kumar	4
Mr. Mahesh Kumar	4
Mr. Shafaqat Ali Shah	4

The Board of Directors' has considered and approved separation of the office of Chairman and Chief Executive as per statutory requirements. Accordingly Mr. Deoo Mal Essarani is the Chairman of the Board while Dr. Tara Chand is the Chief Executive of the Company.

No shares were traded by Directors, C.E.O., C.F.O., Company Secretary and/or their spouses and minor children.

Code of Conduct & Ethics

It is the Company's policy to conduct its operations in accordance with the highest business ethical considerations, to comply with all statutory regulations and to conform to the best accepted standards of good corporate citizenship. This policy applies to all directors and employees of the Company regardless of function, grade or standing.

1. The Company's activities and operations are carried out in strict compliance with all applicable laws and the highest ethical standards. The directors and employees ensure that the company deals in all fairness with its customers, suppliers and competitors.

2. In its relations with governmental agencies, customers and suppliers, the Company does not, directly or indirectly, engage in any corrupt business practices.

3. The directors and employees do not take advantage of the Company's information or property or their position with the Company to develop in appropriate gains or opportunities.

Health, Safety and Security

The Company is fully committed to meet all standards in respect of health, safety, security and environment. The Company also contributes on a regular basis towards the medical needs and assistance of the people by giving donations to hospital and welfare institutions for medical equipments, apparatus and facilities.

Audit Committees

The audit committee of the Company comprises of the following members:

Mr. Pehlaj Rai	...	Chairman
Dr. Besham Kumar	...	Member
Mr. Dileep Kumar	...	Member
Mr. Shafaqat Ali Shah	...	Member

HR and Remuneration Committee

The HR and Remuneration Committee of the Company comprises of the following members:

Mr. Shafaqat Ali Shah	...	Chairman
Mr. Mohan Lal	...	Member
Mr. Dileep Kumar	...	Member

Statutory Auditors

The present auditors M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board's Audit Committee has recommended appointment of M/s Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants as auditors for the ensuing year, also.

Cost Auditors

M/s Azeem Hussain & Co.,Chartered Accountants were appointed Auditors to perform Cost Audit of the Company for previous year as required under Company Ordinance Rules, 1998. M/s Azeem Hussain & Co., Chartered Accountants have been appointed again by the Board of Directors as Cost auditors for the current year.

Conclusion

At the end, let us pray to Almighty Allah to guide us in all our pursuits for national development and for the betterment of your organization - Ameen.

On behalf of the Board of Directors

Dr. Tara Chand Essarani
Chief Executive

Dated:18th December, 2015

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SIX YEARS AT A GLANCE

	2015 (Rupees)	2014 (Rupees)	2013 (Rupees)	2012 (Rupees)	2011 (Rupees)	2010 (Rupees)
Profit & Loss Account:						
Turnover	2,100,602,765	2,212,511,073	2,326,655,780	1,501,814,968	1,469,470,810	1,697,436,040
Gross profit	82,722,749	92,575,629	44,278,106	19,089,260	163,363,124	131,389,310
Operating profit / (loss)	(13,795,936)	(53,145,599)	(87,266,264)	(55,318,180)	100,902,564	73,496,389
Profit / (loss) before tax	(47,121,548)	(96,350,377)	(106,235,956)	(31,041,153)	80,536,337	28,128,136
Profit / (loss) after tax	(53,853,558)	(85,547,632)	(135,555,820)	(40,805,523)	63,162,247	21,696,219
Balance Sheet:						
Fixed assets at WDV	1,353,513,590	1,458,875,323	1,497,147,427	995,778,378	811,740,091	727,232,342
Long term loans, advances and deposits etc.	1,201,703	930,794	1,691,091	1,215,169	1,070,029	881,753
Current assets	868,488,337	580,449,809	352,203,521	897,918,536	782,708,137	171,862,167
	2,223,203,630	2,040,255,926	1,851,042,039	1,894,912,083	1,595,518,257	899,976,262
Shareholders' equity	(3,436,537)	(7,220,680)	13,344,992	111,073,281	108,868,975	8,206,950
Surplus on revaluation of fixed assets	403,466,946	430,504,817	472,743,091	274,590,252	302,546,640	333,697,746
Long term liabilities & current maturity thereof	719,000,000	635,000,000	583,000,000	495,000,000	285,000,000	140,000,000
Deferred liabilities / Deferred Income	325,219,150	355,818,980	378,565,811	283,013,994	298,067,434	314,547,190
Current liabilities excluding current maturity of long term liabilities	778,954,071	626,152,809	403,388,145	731,234,556	601,035,208	103,524,376
	2,223,203,630	2,040,255,926	1,851,042,039	1,894,912,083	1,595,518,257	899,976,262
Statistics and Ratios						
Gross profit to Sales	3.94	4.18	1.90	1.27	11.12	7.74
Profit / (Loss) before tax to Sales	(2.24)	(4.35)	(4.57)	(2.07)	5.48	1.66
Profit / (Loss) after tax to Sales	(2.56)	(3.87)	(5.83)	(2.72)	4.30	1.28
Fixed Assets/Turnover (Times)	0.64	0.66	0.64	0.66	0.55	0.43
Inventory/Turnover (Times)	0.22	0.11	0.04	0.32	0.39	0.003
Current Ratio	1:0.98	1:0.77	1:0.70	1:1.05	1:1.19	1:1.29
Debt-Equity Ratio	31:69	40:60	48:52	63:37	56:44	87:13
Earning / (Loss) per Share (Rs.)	(5.17)	(8.21)	(13.00)	(3.91)	6.06	2.08
Gross Dividend (%)	-	-	-	-	-	10.00
Dividend per Share (Rs.)	-	-	-	-	-	1.00

Vision

- To be a sustainable, growth and customer oriented company with professionalism to remain competitive and contributing to society in the barrier free economy.

Mission

- To build the company on sound financial footings with better productivity, excellence in quality and improved efficiency at lower operating costs by utilizing blend of state of the art technologies.

- To accomplish excellent financial results which can benefit all the stakeholders including members and employees of the company.

- To fulfill obligations towards the society being a good corporate citizen.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of Karachi Stock Exchange (Guarantee) Limited and Chapter XI of Islamabad Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Directors	Dr. Tara Chand Mr. Mahesh Kumar
Non-Executive Directors	Mr. Deoo Mal Essarani Mr. Phelaj Rai Mr. Mohan Lal Dr. Besham Kumar Mr. Dileep Kumar Mr. Shafaqat Ali Shah

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred during the year.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors have been provided with copies of Listing Regulations of the Karachi Stock Exchange, Memorandum and Articles of Association and they are well conversant with their duties and responsibilities. No training program was arranged for the directors during the year. The Company intends to facilitate training for the directors as required under the Code of Corporate Governance.

10. There was no new appointment of CFO, Company Secretary or Head of Internal Audit during the year under reviewed.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises of four (4) members, all of whom are non-executive directors.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises three (3) members, all of whom are non-executive directors.

18. The board has set up an effective internal audit function comprising of suitably qualified and experienced personnel for the purpose and are conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchanges.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges

23. We confirm that all other material principles enshrined in the CCG have been complied with except for the requirements pertaining to change in composition of Board of Directors or some of its committees which will be made in line with requirements of CCG at the time of next election of directors in accordance with the "Implementation deadlines of Code of Corporate Governance 2012".

On behalf of Board of Directors

Director Director

Dated: 18th December, 2015

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Sindh Abadgar's Sugar Mills Limited** ("the Company") for the year ended **September 30, 2015** to comply with the requirements of Listing Regulations of the Karachi Stock Exchange Limited, Islamabad Stock Exchange Limited and Lahore Stock Exchange Limited,where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of the audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended **September 30, 2015.**

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.
Dated: 18th December, 2015

Rahman Sarfaraz & Rahim Iqbal Rafiq
Chartered Accountants
Plot No. 180, Block-A,
S.M.C.H.S.
Karachi.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **SINDH ABADGAR'S SUGAR MILLS LIMITED** ("the Company") as at September 30, 2015, the related profit & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

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

(a) in our opinion, proper books of accounts 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 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 & loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2015, and of the loss, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) In our opinion, no zakat was deductable at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.
Dated:18th December, 2015

Engagement Partner: Muhammad Waseem

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BALANCE SHEET
AS AT SEPTEMBER 30, 2015

	Notes	2015 Rupees	2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorized capital 65,000,000 (2014 : 65,000,000) Ordinary shares of Rs 10/-each"		650,000,000	650,000,000
Issued, subscribed and paid-up capital 10,425,000 Ordinary shares of Rs.10/- each fully paid in cash		104,250,000	104,250,000
Accumulated loss		(107,686,537)	(111,470,680)
		(3,436,537)	(7,220,680)
Surplus on revaluation	4	403,466,946	430,504,817
Subordinated loans	5	260,000,000	260,000,000
NON CURRENT LIABILITIES			
Long term finance - secured	6	356,000,000	247,000,000
Deferred liabilities	7	325,219,150	355,818,980
CURRENT LIABILITIES			
Trade and other payables	8	767,263,420	547,063,734
Accrued mark-up	9	11,690,651	11,742,913
Short term finance	10	-	67,346,162
Current portion of non current liabilities	6	103,000,000	128,000,000
		881,954,071	754,152,809
Contingencies and Commitments	11		
		2,223,203,630	2,040,255,926
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	12	1,353,513,590	1,458,875,323
Long term loans	13	444,176	175,267
Long term deposits		757,527	755,527
CURRENT ASSETS			
Stores and spares	14	124,413,764	113,970,425
Stock in trade	15	466,771,184	236,998,928
Trade debts - unsecured	16	550,221	719,622
Short term loans and advances	17	52,780,869	88,190,556
Trade deposits and short term prepayments	18	458,702	667,962
Other receivables	19	76,048,061	76,028,636
Advance tax - Net		66,105,280	55,226,147
Cash and bank balances	20	81,360,256	8,647,533
		868,488,337	580,449,809
		2,223,203,630	2,040,255,926

The annexed notes form an integral part of these financial statements.

Chief Executive   Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Notes	2015 Rupees	2014 Rupees
Net sales	21	2,100,602,765	2,212,511,073
Cost of sales	22	(2,017,880,016)	(2,119,935,444)
Gross profit		82,722,749	92,575,629
Administrative expenses	23	88,937,516	86,222,563
Selling and distribution cost	24	7,581,169	59,498,665
		(96,518,685)	(145,721,228)
Operating Loss		(13,795,936)	(53,145,599)
Finance cost	25	(72,271,920)	(48,126,646)
		(86,067,856)	(101,272,245)
Other income	26	38,946,308	4,921,868
Loss before taxation		(47,121,548)	(96,350,377)
Taxation - net	28	(6,732,010)	10,802,744
Loss after taxation		(53,853,558)	(85,547,632)
Loss per share-basic and diluted	30	(5.17)	(8.21)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Note	2015 Rupees	2014 Rupees
Loss after taxation		(53,853,558)	(85,547,632)
Other comprehensive income			
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	4	57,637,701	64,981,960
Total comprehensive income / (loss) for the year transferred to equity		3,784,143	(20,565,672)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(47,121,548)	(96,350,377)
Depreciation		139,308,801	145,977,979
Finance cost		72,271,920	48,126,646
(Gain) \ loss on disposal of assets		(4,927,278)	32,075
Exchange (gain)/loss		(1,318,602)	5,455,640
		205,334,841	199,592,340
Operating profit before working capital changes		158,213,293	103,241,963
Changes in working capital			
(Increase)/ decrease in current assets			
Stores and spares		(10,443,339)	9,958,556
Stock in trade		(229,772,256)	(137,698,497)
Trade debts - unsecured		169,401	(185,402)
Short term loans and advances		35,409,687	(14,407,816)
Trade deposits and short term prepayments		209,260	(162,318)
Other receivables		(19,425)	(73,920,300)
		(204,446,672)	(216,415,777)
Increase/(decrease) in current liabilities			
Trade and other payables		221,518,288	195,135,264
Cash generated from/(used in) operating activities		17,071,616	(21,280,513)
Taxes paid		(17,611,143)	(9,673,564)
Gratuity paid		-	(3,145)
Finance cost paid		(72,516,866)	(51,041,187)
		(90,128,009)	(60,717,896)
Net cash generated from operating activities		85,156,900	21,243,554
CASH FLOWS FROM INVESTING ACTIVITIES			
Addition to property plant and equipment		(34,882,106)	(103,927,542)
Sale proceeds of assets		6,055,000	128,175
Long term loans		(268,909)	403,297
Long term deposits		(2,000)	357,000
Net cash used in investing activities		(29,098,015)	(103,039,070)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance		(128,000,000)	(98,000,000)
Long term finance obtained		212,000,000	150,000,000
Net cash generated from financing activities		84,000,000	52,000,000
Net increase/(decrease) in cash and cash equivalents		140,058,885	(29,795,516)
Cash and cash equivalents at the beginning of the year		(58,698,629)	(28,903,113)
Cash and cash equivalent at the end of the year	31	81,360,256	(58,698,629)

The annexed notes form an integral part of these financial statements.

Chief Executive　　　　　　　　　　Director

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Share capital	Unappropriate Profit / (Loss)	Total
	---------------------- Rupees------------------		
Balance as at October 01, 2013	104,250,000	(90,905,008)	13,344,992
Comprehensive loss for the year	-	(20,565,672)	(20,565,672)
Balance as at September 30, 2014	104,250,000	(111,470,680)	(7,220,680)
Balance as at October 01, 2014	104,250,000	(111,470,680)	(7,220,680)
Comprehensive income for the year	-	3,784,143	3,784,143
Balance as at September 30, 2015	104,250,000	(107,686,537)	(3,436,537)

The annexed notes form an integral part of these financial statements.

Chief Executive

Director

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

1 STATUS AND NATURE OF BUSINESS

The company was incorporated in Pakistan on January 28, 1984 as a Public Limited Company and its shares are quoted on all the Stock Exchanges in Pakistan. The mill is located at Deh Deenpur, District Tando Muhammad Khan in the province of Sindh and registered office is situated at 209 Progressive Plaza, Beaumont Road, Karachi in the province of Sindh. The Company is principally engaged in the manufacturing and sale of sugar.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the basis of 'historical cost' convention, except that the land, building, plant and machinery are stated at revalued amounts.

2.3 Functional and presentation currency

Items include in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved Accounting Standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the future periods are as follows:

		Note
a)	Useful life and residual values of property, plant and equipment	3.7
b)	Taxation	3.6
c)	Employee defined benefit plans	3.3
d)	Estimation of impairment in respect of trade and other receivables	3.10
e)	Provision for obsolete stores and spares & stock in trade	3.8 & 3.9

2.5 Standards, amendments or interpretations which became effective during the year

During the period, certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

2.6 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective:

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2014 but are considered not to be relevant or do not have any significant effect on the financial statements and are therefore not detailed in these financial statements.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based' methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Company's financial statements.

- IFRS 10 'Consolidated Financial Statements' - (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on the Company's financial statements.

- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after I January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, an entity can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on the Company's financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on the Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on the Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented except as explained in note 2.5.

3.1 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.2 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

3.3 Staff retirement benefits

3.3.1 Provident fund

The Company operates a funded Provident fund scheme covering its permanent employees who have completed prescribed period of service. Contribution is made monthly at the rate of 12% of basic salary to cover the liability under the scheme.

3.4 Trade and other payables

Liabilities for trade and other payables are measured at cost which is the fair value of the consideration to be paid in future for goods and services received.

3.5 Provisions

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the outflow can be made. Provision are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.6 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in comprehensive income or below equity, in which case it is recognized in comprehensive income or below equity respectively.

3.6.1 Current tax

Provision for current taxation is based on taxable income at the current tax rates of taxation after taking into account tax credit and rebates available, if any. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed/finalized during the year.

3.6.2 Deferred tax

Deferred income tax is recognized using the balance sheet liability method on all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted substantively enacted by the reporting date. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized

3.7 Property, Plant and Equipment

Owned

Property, plant and equipment (except free hold land, building and plant & machinery) are stated at cost less accumulated depreciation and impairment losses, if any. Free hold land, building and plant & machinery are stated at revalue amount less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Exchange differences in respect of foreign currency transactions relating to fixed assets are incorporated in the cost of relevant assets.

Capital work - in - progress which is stated at cost less accumulated impairment losses (if any). All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work - in - progress. These are transferred to specified assets as and when assets are available for use.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate assets, as appropriate, only when it is probable that future benefits associated with the items will flow to the Group and the cost of the item can be measured reliably.

An assets carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the recoverable amount.

Depreciation is charged on all property, plant and equipment using reducing balance method in accordance with the rates specified in the note 12 to these financial statements and after taking into account residual value, if any.

Depreciation on addition is charged from the quarter in which the assets become available for use while on disposals no depreciation is charged in the quarter of deletion.

Any surplus arising on revaluation of plant and machinery is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalue assets, the related surplus on revaluation of plant and machinery (net of deferred taxation) is transferred directly to retained earning/unappropriated profit.

Repairs and maintenance are charged to income as and when incurred.

Gains/losses on disposal of property, plant and equipment are charged to the profit and loss account currently, except that the related surplus on revaluation of property, plant and equipment (net of deferred taxation) is transferred directly to unappropriated profit.

3.8 Stores, spares and packing material

Store, spares and packing material are valued at lower of moving average cost or net realizable value except items in transit, which are valued at invoice value plus other charges incurred thereon. A general provision is made based on management's assessment for obsolete items and value of items is reviewed at each balance sheet date to record provision for any slow moving items. Obsolete and used items are recorded at nil value.

3.9 Stock-in-trade

All stock in trade except molasses are valued at the lower of cost and net realizable value. The methods used for the calculation of cost are as follows :

- Raw material (sugarcane) and - Work in process	at weighted average cost comprises of raw material and other cost incurred in bringing the raw material to the present location and condition.
- Finished goods (white sugar)	at weighted average cost comprising direct cost of raw material, labor and appropriate portion of other manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessary to make the sale.

3.10 Trade debts and other receivables

Trade debts and other receivables are stated at original invoice amount less provision for doubtful debts, if any. Provision for doubtful debts/receivables is based on the management's assessment of customer's outstanding balances and creditworthiness. Bad debts are written-off when identified.

3.11 Cash and cash equivalents

Cash & cash equivalents comprises cash and bank balances, short term running finances that are payable on demand and form an integral part of the company's cash management and are included as a component of cash equivalents for a purpose of statement of cash flows.

3.12 Foreign currency transactions and translation

Transactions in foreign currencies are accounted for in Pakistani rupees at the approximating exchange rates prevailing on the date of the transaction, Monetary assets and liabilities in foreign currencies are translated into Pakistani rupees at the foreign exchange rates approximating those prevailing at the balance sheet date. All exchange differences arising on transaction are charged to the profit and loss account.

3.13 Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and governments levies. The following recognition criteria is met before revenue is recognized:

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually when transaction is made.

- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding and at the rate applicable.

- Rebate income is recognized on accrual basis.

3.14 Dividends and appropriation to reserve

Dividends and appropriation to reserve are recognized in the financial statements in the period in which these are approved

3.15 Borrowing Costs

Borrowing costs are recognized as an expense in the year in which they are incurred except where such costs are directly attributable to the acquisition or construction of qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences, if any, arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

3.16 Impairment

3.16.1 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables.

3.16.2 Impairment of non-financial assets

Assets that are subject to depreciation/amortization are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sale and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

3.17 Financial Instruments

3.17.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) **Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'short term loans', 'trade deposits and other receivables' and 'cash and cash equivalents' in the balance sheet.

c) **Held to maturity financial assets**

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity. There were no held to maturity financial assets at the reporting date.

d) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose off it within 12 months of the end of the reporting date. There were no available for sale financial asset at the reporting date.

Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within income / expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account as part of operating income when the Company's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognized in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in the profit and loss account as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognized in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognized in the profit and loss account as part of other income when the Company's right to receive payments is established.

3.17.2 Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term loans, liabilities against assets subject to finance lease, short term finances utilized under mark-up arrangements, creditors, accrued and other liabilities and unclaimed dividends.

All financial liabilities are initially recognized at cost, which is the fair value of the consideration received at initial recognition. After initial recognition financial liabilities held for trading are carried at fair value and all other financial liabilities are measured at amortized cost.

3.18 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle either on a net basis, or realize the asset and settle the liability simultaneously.

3.19 Related Party Transactions

Transactions with related parties are carried out on commercial terms and conditions.

4 SURPLUS ON REVALUATION

	2015 Rupees	2014 Rupees
Surplus on revaluation :		
Opening balance	631,570,269	696,552,229
Add : Surplus arising during the year	-	-
	631,570,269	696,552,229
Less : Transfer to retained earning on account of incremental depreciation for the year	(57,637,701)	(64,981,960)
	573,932,568	631,570,269
Less: Related Deferred tax		
Opening balance	(201,065,452)	(223,809,138)
Deferred tax arising due to change in tax rate	10,426,635	-
Deferred tax on incremental depreciation charged during the year	20,173,195	22,743,686
	(170,465,622)	(201,065,452)
	403,466,946	430,504,817

This represents surplus over book values resulting from the valuation of Property, Plant and Equipment carried out in the year 2004, 2008, 2009 and 2013 adjusted only by the surplus realized on disposal, if any, of the revalue asset and incremental depreciation arising out of revaluation. The latest revaluation of land, building, plant and machinery of the company was carried out by an independent valuer M/s. Engineering Pakistan International (Pvt) Ltd. as on September 30, 2013.

4.1 Had the revaluation on assets not been carried out, the carrying value of reported revalued assets would have been as follows:

Particulars	September 30 2015 Cost	Accumulated Depreciation	Written Down value	September 30 2014 Cost	Accumulated Depreciation	Written Down value
- Freehold Land	20,535,000	-	20,535,000	20,535,000	-	20,535,000
- Factory Building	186,067,359	(86,131,376)	99,935,983	113,281,202	(81,090,710)	32,190,492
- Non - Factory Building	38,642,694	(33,154,052)	5,488,642	34,330,043	(32,903,590)	1,426,453
- Plant and Machinery	1,407,696,379	(772,944,830)	634,751,549	1,380,950,529	(703,569,333)	677,381,196
	1,652,941,432	(892,230,258)	760,711,174	1,549,096,774	(817,563,633)	731,533,141

5 SUBORDINATED LOANS

	2015 Rupees	2014 Rupees
Directors	183,000,000	183,000,000
Related parties	77,000,000	77,000,000
	260,000,000	260,000,000

These are unsecured and interest free. The company's agreements with its bankers stipulates that the financing availed by the company from such banks are adjusted/liquidated in full before any payment is made against the subordinated loans.

6 LONG TERM FINANCE - SECURED

	Bank Islami Ltd. TF- II	Askari Bank Ltd. TF-I	Askari Bank Ltd. TF-II	MCB Bank Ltd. DF	Bank Alfalah Ltd. TF	Total 2015	Total 2014
	Rupees						
Opening balance	75,000,000	72,000,000	150,000,000	-	78,000,000	375,000,000	323,000,000
Obtained during the year	-	-	-	212,000,000	-	212,000,000	150,000,000
	75,000,000	72,000,000	150,000,000	212,000,000	78,000,000	587,000,000	473,000,000
Less: Payment made during the year	(50,000,000)	(24,000,000)	(30,000,000)	-	(24,000,000)	(128,000,000)	(98,000,000)
	25,000,000	48,000,000	120,000,000	212,000,000	54,000,000	459,000,000	375,000,000
Less: current portion	(25,000,000)	(24,000,000)	(30,000,000)	-	(24,000,000)	(103,000,000)	(128,000,000)
	-	24,000,000	90,000,000	212,000,000	30,000,000	356,000,000	247,000,000
Limit (Rs.)	200 million	120 million	150 million	500 million	120 million		
Total number of installments	16	10	10	10	20		
Installment payment mode	Quarterly	Semi-annualy	Semi-annualy	Semi-annualy	Quarterly		
Amount of installment (Rs.)	12,500,000	12,000,000	15,000,000	5,000,000	6,000,000		
Date of first installment	Jun 30, 2012	Feb 20, 2013	Oct 08, 2014	Dec 03, 2016	Feb 28, 2013		
Markup Rate	3 months KIBOR+2%	6 months KIBOR + 1%	6 months KIBOR + 1%	6 months KIBOR + 1.5%	3 months KIBOR + 2%		
Date of maturity	Mar. 31, 2016	Aug 20, 2017	Oct 08, 2019	Dec 03, 2020	Nov 30, 2017		
Sub note number	**6.1**	**6.2**	**6.2**	**6.3**	**6.4**		

6.1 This facility is availed to meet CAPEX requirements of the company. The facility is secured against Joint Pari passu charge of Rs. 150 million with 25% margin over plant and machinery installed or to be installed at the factory premises of the company situated at District Tando Mohammad Khan, personal guarantee of Directors and cross company guarantee of United Agro Chemicals.

6.2 These facilities are availed to meet CAPEX requirements of the company. The facilities are secured against Joint Pari passu charge of Rs. 390 million with 30% margin over plant and machinery installed or to be installed at the factory premises of the company situated at District Tando Mohammad Khan and personal guarantee of Directors.

6.3 These facilities are availed to meet CAPEX requirements of the company. The facilities are secured against Joint Pari passu charge of Rs. 589 million with 15% margin over plant and machinery installed or to be installed at the factory premises of the company situated at District Tando Mohammad Khan, personal guarantee of Directors and cross company guarantee of M/s United Agro Chemicals. The loan amount of Rs. 260 million from directors is subordinate to it and will be repaid after prior approval of bank.

6.4 This facility availed to meet CAPEX requirements for BMRE project. The facility is secured against First Pari passu charge over all assets Rs. 250 million and personal guarantee of Directors.

7 DEFERRED LIABILITIES

	Note	2015 Rupees	2014 Rupees
Quality Premium	7.1	153,849,686	153,849,686
Deferred Taxation	7.2	170,465,622	201,065,452
Gratuity payable		903,842	903,842
		325,219,150	355,818,980

7.1 This represents the amount of Quality Premium for the years 2003 and 2004. The matter of quality premium has been declared unlawful by the Lahore High court while appeal against the conflicting judgment of the Sindh High court is pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. The Federal Government in its steering committee meeting held on July 16, 2007 suspended the quality premium till decision of the Honorable Supreme Court of Pakistan or consensus on uniform formula is developed by the Ministry of Food and Agriculture.

7.2 Deferred Taxation

	2015 Rupees	2014 Rupees
Opening liability	201,065,452	223,809,138
Less : Deferred tax liability charged directly to equity	(20,173,195)	(22,743,686)
Less : Deferred tax arising due to change in tax rate	(10,426,635)	-
	170,465,622	201,065,452

This represents the amount of deferred tax liability recognized on surplus on revaluation of fixed assets.

	Note	2015 Rupees	2014 Rupees
Taxable temporary differences arising due to:			
Accelerated depreciation		(101,230,809)	(96,706,929)
Borrowing cost capitalization		(32,973,506)	(32,911,837)
		(134,204,316)	(129,618,766)
Deductible temporary differences arising due to:			
Accumulated losses		91,840,850	96,789,274
Provision for slow moving stores and spares		6,125,000	6,125,000
Provision for doubtful loans and advances		48,241,669	48,241,669
Provision for gratuity		317,445	317,445
Provision for other receivables		162,759	162,759
Provision for doubtful trade debtors		199,096	199,096
		146,886,819	151,835,243
Deferred tax asset not recognized		12,682,503	22,216,477

Deferred tax assets has been recognized to the extent of deferred tax liability of Rs 134.204 million (2014: Rs. 129.618 million).

8 TRADE AND OTHER PAYABLES

	Note	2015 Rupees	2014 Rupees
Creditors:			
-For sugarcane		135,045,567	3,521,302
-For other supplies		60,171,687	82,505,042
		195,217,254	86,026,344
Other Payables:			
Advances from customers		525,682,470	447,777,538
Income tax payable		89,053	89,053
Accrued expenses		7,320,560	5,072,515
Sales tax payable		32,951,986	1,750,958
Income tax deducted at source		143,369	186,083
Payable to worker's welfare fund		574,044	574,044
Contractor's retention money		55,232	55,232
Unclaimed Dividend		3,316,162	3,316,162
Others		1,913,290	2,215,805
		767,263,420	547,063,734

9 ACCRUED MARK-UP

On Running Finance			
-Bank Islami Limited Running finance		-	153,162
-Bank Alfalah Limited Running finance		397,735	9,725
-NIB Bank Limited Running finance		966,673	-
On Long Term Financing:			
- Bank Islami Limited - TF II		852,637	2,663,229
- Askari Bank Limited - TF I		1,213,407	2,186,992
- Askari Bank Limited - TF II		2,431,825	4,223,178
- MCB Bank Limited - DF		4,519,085	-
- Bank Alfalah Limited - TF		1,309,289	2,506,627
		11,690,651	11,742,913

10 SHORT TERM BORROWING

Bank Alfalah Limited		-	20,908,873
Bank Islami Limited		-	46,437,289
		-	67,346,162

11 CONTINGENCIES AND COMMITMENTS

Contingencies

11.1 In respect of suit filed against the Collector of Customs, Central Excise and Sales Tax for refund of Central Excise Duty of Rs.3.621 million paid under protest against clearance of sugar during 1992-93 season. The company was entitled to clearance at rebated rate of duty based on increase in production of sugar over previous year but that was disallowed by the Department and also its appeals filed subsequently with Collectorate of Customs and Tribunal were dismissed. The amount was expensed in the year of payment in 1994. The suit was admitted in High Court of Sindh, Karachi, for regular hearing in 2003 and proceedings are continuing.

11.2 In respect of Reference Application U/s. 47(1) of the Sales Tax Act 1990 filed with High Court of Sindh, Karachi, by the Collector of Customs, Hyderabad, against order passed in favor of the company by the Appellate Tribunal in the year 2006. The Collector had earlier on passed two orders in the year 2005 resulting in demand for Rs.13.168 million relating to year ending September 2001 and Rs.18 million relating to year ending September 2002. Both these orders were set aside by the Appellate Tribunal on company's appeal filed there against. The Reference in the High Court subsequently filed by the Collectorate against the order of the Appellate Tribunal is pending since the year 2007. The company has not made any provision against the impugned demand based on opinion of its legal counsel that no demand is likely to arise based on the merit of the case.

The case pertains to levy of further tax @ 1.5% of the value of supplies by inserting Section 3(1)(A) through Finance Act 1998 on supplies made to certain categories of unregistered persons. The rate was increased to 3% with effect from July 1, 2001 but the charging section 3(1)(A) was omitted vide Finance Act 2004. A writ petition was filed by a number of companies against the levy in the High Court of Sindh. The crux of the order passed by the High Court was that as per provision of Sales Tax Act, further tax if any charged is refundable and supplies made to a wholesaler who is liable to be registered under the law would not attract the levy of 3(1)(A). The Department appealed to the Supreme Court against the said order passed by the High Court. The Supreme Court set aside the said order of the High Court and issued directions to the department to proceed against the petitioner in accordance with the provision of law. The Collector initiated fresh proceedings as per details given in the above paragraph.

11.3 The Company has filed a suit before Honorable High Court of Sindh, during last year, against Pakistan Standards and Quality Control Authority (the Authority) challenging the levy of marking fee under PSQCA Act, 1996. The Authority has demanded a fee payment @0.1% of ex-factory value of total production for the period beginning January 1, 2009 to June 1, 2010. The Company is of the view that demand notifications so raised are without any lawful authority under PSQCA Act, 1996 and are in violation of the Constitution of Pakistan. The Honorable High Court of Sindh in its interim injunction suspended the operation of the impugned notifications in the year 2010 as the petitioner case is that the standard is not applicable to locally made sugar but to imports and exports. During the year, the honorable high court via its order dated October 31, 2012 dismissed the petition as not maintainable on the ground that as per Articles 137 and 142(c) of the constitution of Islamic Republic of Pakistan, 1973 neither the Federal government nor any other entity has any executive or legislative authority to prescribe the standards or to regulate licensing, marking or levying of any fee in respect of the matter related to "agricultural produce" including the refined sugar as the agricultural goods falls under domain of provincial government. PSQCA has filed an appeal against the decision and the case is now pending in the Honorable Supreme court of Pakistan. The company has not made any provision as in view of legal counsel no liability is likely to arise in the matter.

11.4 The Company's petition, in Civil Court of Tando Muhammad Khan challenging the levy of trade license fee/annual tax by Taluka Municipality Bulri Shah Karim @ Rs.250,000 per annum w.e.f. the year 2004, was dismissed on November 22, 2008 on the ground that it was not competently filed and not in accordance with Company's Articles of Association. The Company has instructed its legal counsel to file appeal there against in Session Court in Hyderabad. The Company has therefore not made any provision against the above as its legal counsel has expressed the opinion that the matter would be decided in favor of the Company based on its merits.

11.5 The company is contesting the case filed by the Tax department with Honorable Supreme Court of Pakistan in respect of tax demand of Rs. 53.8 million on account of quality premium liability remain unpaid related to the tax years 2008 & 2009. The company has not made any provision of amount then since both the Appellate Tribunal Inland Revenue Karachi and the Honorable Sindh High Court have dismissed the contention of the Department and the counsel of the company is of the opinion that the company has a good case on merit likely to be decided in its favor.

Subsequent to the date of balance sheet the Additional Commissioner Inland Revenue has amended assessment for the Tax Year 2012 u/s 122(5A) of the Income Tax Ordinance, 2001 dated 29-10-2013 creating a demand of Rs.13,389,053/-. The company has subjudice the matter for adjudication before the Commissioner Inland Revenue (Appeals). The assessment has not attained finality. The company is hopeful that the demand is likely to be reversed hence no provision has been made.

11.6 The DCIR in its order dated 19 December 2013 raised a demand of Rs. 14,661,827 along with default surcharge and penalty in respect of short payment of FED on local supplies. As per DCIR, the Company has wrongly availed the benefit of the SRO 77(I) / 2013 dated 7 February 2013 read with SRO 1072 (I) / 2013 dated 27th December 2013. The legal advisor of the Company is of the opinion that the view that the case set up in the petition is strong and they have every reason to expect a favorable order in the captioned petition.

The Company has subsequently challenged the question regarding benefit of reduced rate of local supply @ 0.5% against quantity of sugar export before the Honorable High Court of Sindh vide C.P. no. 719 dated 15-02-2014 where the High Court passed an interim stay and restrained the department from taking any coercive action.

11.7 As per Notification issued by the Government of Sindh dated December 3, 2014, the Government has directed the sugar factories to pay quality premium to the cane growers at the end of crushing season 2014-15 at the rate of 50 paisa's per 40 Kg cane for each 0.1% of excess sucrose recovery above 8.7% (which is standard quality) in addition to price of sugarcane not below the minimum fixed price notified by the Government.

During the current season, the Company achieved sucrose recovery of 10.006% (1.306% above standard quality), and its crushing season of 2014-15 ended on March 22, 2014. The Company's quality premium as per the notification amounts to Rs. 100.719 million for the year ended September 30, 2015 (2014: Rs. 72.8 million).

However no provision is made in respect of quality premium, because the matter is pending in Supreme Court, and as per decision of Federal Government, Steering Committee meeting, the quality premium shall remain suspended till decision of Supreme Court of Pakistan / consensus on uniform formula is developed in Federal Government.

11.8 The company has filed a constitutional petition in the High Court of Sindh and has challenged the introduction of Section 236G and 236H of the Income tax Ordinance, 2001, inserted vide Finance Act, 2013.

Under these sections it has been introduced that a manufacturer, distributor, dealer, wholesaler or commercial importer of Sugar, shall collect Advance tax at the time of sales to retailers at the rate of 0.1% and 0.5% respectively from the persons to whom the sales is made.

The Deputy Commissioner has raised a demand of Rs. 2.861 million as the Company did not deduct advance with holding tax on its sales to dealers, distributors, wholesalers and retailers at the rate of 0.1% and 0.5% respectively under the above mentioned sections of Income tax Ordinance, 2001. The Company has not made any provision as in view of the legal council the case setup in the petition is strong and they have reason to expect a favorable order in the captioned petition.

11.9 The Company has filed a constitutional petition in the Honorable High Court of Sindh against the wrong interpretation of SRO 77 (i) / 2013 dated 07 02 2013 and the consequent demand of excise duty by FBR amounting to Rs. 14,661,827/- along with penalty. According to FBR, the Company has wrongly availed the benefit of the SRO 77 (i)/ 2013 and has short paid FED on local supplies. The Honorable High Court of Sindh has passed an interim stay and restrained the department from taking any coercive action. The Company has not made any provision as in view of the legal council the case setup in the petition is strong and they have reason to expect a favorable order in the captioned petition.

Commitments

11.10 In respect of the quantity of 9,669 Metric Tons (2014: 5,067 Metric Tons) representing un-lifted delivery orders (DOs) of sugar having an aggregate value of Rs. 483.758 million (2014: Rs. 264.474 million), the advances received on or before September 30, 2015 against these DOs amounted to Rs. 525.826 million (2014: Rs.285.632 million). The sales is to be recognized when the said delivery orders are lifted.

12 PROPERTY, PLANT AND EQUIPMENT

	Note	2015 Rupees	2014 Rupees
Operating assets	12.1	1,353,437,301	1,376,403,054
Capital work in progress	12.4	76,289	82,472,269
		1,353,513,590	1,458,875,323

12.1 Operating assets

	Free hold Land	Free hold land Factory Building	Non factory building on free hold land	Plant and Machinery	Office, tools fire fighting and laboratory equipments	Furniture & fixture	Computer & allied	Vehicles	Tents and Tarpaulins	Tools and Tackles	Total
	-----Rupees-----										
As at October 01, 2013											
Cost / Revalued amount	61,762,500	135,831,053	98,170,361	1,555,664,485	15,420,556	6,293,122	10,029,948	32,801,552	6,983,739	6,926,667	1,929,883,983
Accumulated depreciation	-	(40,874,553)	(37,641,890)	(352,289,486)	(12,012,384)	(5,197,289)	(7,875,668)	(22,030,122)	(6,123,115)	(6,149,552)	(490,194,025)
Net book value	61,762,500	94,956,500	60,528,471	1,203,374,999	3,408,172	1,095,833	2,154,280	10,771,431	860,624	777,115	1,439,689,958
Year ended September 30, 2014											
Opening net book value	61,762,500	94,956,500	60,528,471	1,203,374,999	3,408,172	1,095,833	2,154,280	10,771,431	860,624	777,115	1,439,689,958
Additions during the year	-	-	-	68,866,067	648,821	231,551	259,620	12,090,161	-	755,105	82,851,325
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers											
Cost	-	-	-	-	120,000	-	-	71,000	-	-	191,000
Accumulated depreciation	-	-	-	-	(20,100)	-	-	(10,650)	-	-	(30,750)
Net book value	-	-	-	-	99,900	-	-	60,350	-	-	160,250
Depreciation for the year	-	9,495,650	6,052,847	124,802,392	378,251	122,637	701,501	3,667,102	301,218	456,381	145,977,979
Closing net book value	61,762,500	85,460,850	54,475,624	1,147,438,674	3,578,843	1,204,748	1,712,399	19,134,140	559,406	1,075,839	1,376,403,054
As at October 01, 2014											
Cost / Revalued amount	61,762,500	135,831,053	98,170,361	1,624,530,552	15,949,377	6,524,673	10,289,568	44,820,713	6,983,739	7,681,772	2,012,544,308
Accumulated depreciation	-	(50,370,203)	(43,694,737)	(477,091,878)	(12,370,534)	(5,319,925)	(8,577,169)	(25,686,573)	(6,424,333)	(6,605,933)	(636,141,254)
Net book value	61,762,500	85,460,850	54,475,624	1,147,438,674	3,578,843	1,204,748	1,712,399	19,134,140	559,406	1,075,839	1,376,403,054
Year ended September 30, 2015											
Opening net book value	61,762,500	85,460,850	54,475,624	1,147,438,674	3,578,843	1,204,748	1,712,399	19,134,140	559,406	1,075,839	1,376,403,054
Additions during the year	-	72,786,157	4,312,651	26,745,850	1,069,844	99,093	526,311	11,163,839	340,648	426,409	117,470,802
Revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Disposals / transfers											
Cost	-	-	-	-	-	-	-	7,027,817	-	-	7,027,817
Accumulated depreciation	-	-	-	-	-	-	-	(5,900,095)	-	-	(5,900,095)
Net book value	-	-	-	-	-	-	-	1,127,722	-	-	1,127,722
Depreciation for the year	-	10,367,701	5,555,379	116,381,245	413,103	124,939	642,051	5,095,957	285,212	443,213	139,308,801
Closing net book value	61,762,500	147,879,306	53,232,897	1,057,803,279	4,235,584	1,178,901	1,596,659	24,074,300	614,841	1,059,035	1,353,437,333
As at September 30, 2015											
Cost / Revalued amount	61,762,500	208,617,210	102,483,012	1,651,276,402	17,019,221	6,623,766	10,815,879	48,956,735	7,324,387	8,108,181	2,122,987,293
Accumulated depreciation	-	(60,737,904)	(49,250,115)	(593,473,123)	(12,783,637)	(5,444,865)	(9,219,220)	(24,882,435)	(6,709,546)	(7,049,146)	(769,549,992)
Net book value	61,762,500	147,879,306	53,232,897	1,057,803,279	4,235,584	1,178,901	1,596,659	24,074,300	614,841	1,059,035	1,353,437,301
Annual rates of depreciation	**0%**	**10%**	**10%**	**10%**	**10%**	**10%**	**30%**	**20%**	**35%**	**35%**	
Refer note:	**4.1**	**4.1**	**4.1**	**4.1**							

12.2 Allocation of Depreciation

	Note	2015 Rupees	2014 Rupees
Cost of goods sold	22	125,377,921	131,380,181
Administrative expenses	23	13,930,880	14,597,798
		139,308,801	145,977,979

12.3 Details of disposal of property, plant and equipment having book value during the year are as follows:

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Mode of disposal	Buyer
	--------Rupees--------						
Vehicles:							
Motor cycle KEV-0138	63,500	42,692	20,808	63,500	42,692	Insurance cliam	EFU
Motor cylce KAF-8124	19,175	19,138	37	9,500	9,463	Negotiation	Faisal Arif Soozar
Cultus AQL-578	631,352	482,397	148,955	650,000	501,045	Exchange	Husnain Jawad
Toyota Corolla AMP-895	1,279,000	1,064,419	214,581	700,000	485,419	Negotiation	M. Mustafa
Suzuki Khyber ABS-193	355,790	348,179	7,611	282,000	274,389	Negotiation	M. Ayub Zour
Toyota Corolla AKQ-163	879,000	752,912	126,088	850,000	723,912	Negotiation	Tufail Hussain
Parado BD-8895	3,800,000	3,190,358	609,642	3,500,000	2,890,358	Negotiation	Ijaz
Total Rupees	**7,027,817**	**5,900,095**	**1,127,722**	**6,055,000**	**4,927,278**		

12.4 Capital work in progress

Description	Sugar Go-down & Factory Building & Boiling House
	--------Rupees--------
As at 1st October, 2013	57,457,469
Addition during the year	21,076,218
Borrowing cost capitalized	3,938,582
Transferred to Property, Plant and Equipment	
As at 30 September, 2014	82,472,269
As at 1st October, 2014	82,472,269
Addition during the year	1,878,876
Borrowing cost capitalized	192,715
Transferred to Property, Plant and Equipment	(84,467,571)
As at 30 September, 2015	76,289

13 LONG TERM LOANS

	Note	2015 Rupees	2014 Rupees
Loan to employees - secured	13.1	847,085	434,502
Current portion	17	(402,909)	(259,235)
		444,176	175,267

13.1 This represents vehicle loan given to employees recoverable with in 5 years, through monthly deduction from their salaries.

14 STORES AND SPARES

	2015 Rupees	2014 Rupees
Stores	34,941,296	30,611,177
Spares	106,972,468	100,859,248
	141,913,764	131,470,425
Provision for slow moving and obsolete items	(17,500,000)	(17,500,000)
	124,413,764	113,970,425

	Note	2015 Rupees	2014 Rupees

15 STOCK IN TRADE

	Note	2015 Rupees	2014 Rupees
Sugar in process		6,888,540	6,053,331
Finished goods-sugar		459,882,644	230,945,597
		466,771,184	236,998,928

16 TRADE DEBTS - UNSECURED

	Note	2015 Rupees	2014 Rupees
Considered good		550,221	719,622
Considered doubtful		568,846	568,846
		1,119,067	1,288,468
Provision against doubtful trade debts		(568,846)	(568,846)
		550,221	719,622

17 SHORT TERM LOANS AND ADVANCES

	Note	2015 Rupees	2014 Rupees
Loan to growers	17.1	-	-
Advance against supplies and expenses	17.2	51,325,804	87,253,296
Due from employee-secured and interest free		1,052,156	678,025
Current portion of long term loan to employees	13	402,909	259,235
		52,780,869	88,190,556

17.1 Loans to growers-Unsecured

	Note	2015 Rupees	2014 Rupees
Considered doubtful	17.1.1	137,833,341	137,833,341
Provision for loans considered doubtful		(137,833,341)	(137,833,341)
		-	-

17.1.1 These loans have been given to farmers/growers for their capital requirements for sugarcane cultivation and development. Management has initiated recovery efforts for outstanding amount of loans together with interest thereon. However adjustment of outstanding balance of loans has been slow in view of the volatile market situation where procurement of cane has been difficult over the past few years in the province of Sindh owing to various factors including dezoning. In view of the uncertainty of the recoverability of these loans, the management has made the provision against the whole amount outstanding.

These loans carried mark up rate of 51 paisa per thousand rupees per day (2014: 51 paisa per thousand rupees per day). However in view of the uncertainty of receipt of interest from growers, the same has not been accrued since the year 2004.

17.2 Advance against supplies and expenses - Unsecured

	2015 Rupees	2014 Rupees
Considered good	51,325,804	87,253,296
Considered Doubtful	15,461,745	15,461,745
	66,787,549	102,715,041
Provision for loans considered doubtful	(15,461,745)	(15,461,745)
	51,325,804	87,253,296

18 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	2015 Rupees	2014 Rupees
Other deposits	224,797	223,297
Short term prepayments	233,905	444,665
	458,702	667,962

19 OTHER RECEIVABLES

	Note	2015 Rupees	2014 Rupees
Sales tax refundable		1,054,585	1,054,585
Inland Freight Subsidy Receivable		73,920,300	73,920,300
Others		1,108,424	1,088,999
Receivable against insurance claim		441,029	441,029
Provision for doubtful recoveries		(476,277)	(476,277)
		1,073,176	1,053,751
		76,048,061	76,028,636

20 CASH AND BANK BALANCES

	Note	2015 Rupees	2014 Rupees
Cash in hand		423,093	406,396
Cash at banks :			
Current accounts		9,262,905	6,771,669
Deposit accounts	20.1	71,674,258	1,469,468
		80,937,163	8,241,137
		81,360,256	8,647,533

20.1 These represents amount deposited in saving accounts carrying profit rate ranging from 5% to 8% (2014 : 6% to 9%).

21 NET SALES

	Note	2015 Rupees	2014 Rupees
Sales Gross			
Local		1,586,893,800	1,198,626,950
Export	21.1	654,078,460	1,049,847,973
		2,240,972,260	2,248,474,923
Sales tax		(140,369,495)	(35,963,850)
Sales-Net		2,100,602,765	2,212,511,073

21.1 This includes Inland Freight Subsidy amounting to Rs. 117.6 million claimed from State Bank of Pakistan on export sales recognized during the year as per Government's policy.

22 COST OF SALES

	Note	2015 Rupees	2014 Rupees
Sugarcane consumed	22.1	2,079,310,949	2,207,553,382
Manufacturing expenses	22.2	352,478,822	349,080,559
		2,431,789,771	2,556,633,941
Sugar stock in process- opening		6,053,331	8,104,762
Sugar stock in process- closing		(6,888,540)	(6,053,331)
		(835,209)	2,051,431
		2,430,954,562	2,558,685,372
Molasses-opening stock		-	-
Sale of Molasses (by product)		(184,137,500)	(299,000,000)
Molasses-closing stock		-	-
		(184,137,500)	(299,000,000)
Cost of Goods manufactured		2,246,817,062	2,259,685,372
Sugar finished goods stock- opening		230,945,597	91,195,669
Sugar finished goods stock- closing		(459,882,644)	(230,945,597)
		(228,937,046)	(139,749,928)
		2,017,880,016	2,119,935,444

22.1 Sugarcane cost includes price subsidy for the year amounting to Rs. 59 million (2014: Rs. 33 million).

	Note	2015 Rupees	2014 Rupees

22.2 Manufacturing expenses

	Note	2015 Rupees	2014 Rupees
Salaries, wages and other benefits	22.2.1	91,203,877	87,973,166
Production stores consumed		43,171,858	47,703,487
Fuel and Power		5,731,324	6,938,621
Repairs and maintenance		72,496,048	61,901,954
Vehicles running		1,353,825	1,433,595
Insurance		7,906,921	6,256,804
Depreciation	12.2	125,377,921	131,380,181
Others	22.2.2	5,237,048	5,492,751
		352,478,822	349,080,559

22.2.1 Salaries, wages and other benefits include staff retirement benefit amounting to Rs. 1,565,408 (2014 : Rs. 1,294,898)

22.2.2 This includes expenses for removal of bagasse, removal of mud and boiler clinker amounting to Rs. 3,438,817 (2014 : Rs. 3,892,481)

23 ADMINISTRATIVE EXPENSES

	Note	2015 Rupees	2014 Rupees
Salaries, wages and other benefits	23.1	48,434,179	46,337,218
Rent, rates and taxes		734,312	1,058,356
Insurance		2,012,657	1,607,288
Water gas and electricity		721,993	790,130
Printing and stationery		1,379,272	1,163,836
Postage, fax and telephone		1,566,286	1,823,781
Vehicle running and maintenance		2,862,967	3,424,487
Repair and maintenance		2,649,371	2,646,438
Traveling and conveyance		2,281,406	809,806
Subscriptions, books and periodicals		2,671,086	1,052,429
Legal and professional		2,006,260	2,435,600
Entertainment		1,833,800	1,770,403
Depreciation	12.2	13,930,880	14,597,798
Charity and donation	23.2	1,091,756	1,960,071
Auditor's Remuneration	23.3	1,031,200	904,850
Penalty		-	950
Others	23.4	3,730,091	3,839,122
		88,937,516	86,222,563

23.1 Salaries, wages and other benefits include staff retirement benefits amounting to Rs. 1,416,903 (2014 : Rs.1,176,393).

23.2 Directors or their spouses do not have any interest directly or indirectly in donees.

23.3 Auditors' Remuneration

	2015 Rupees	2014 Rupees
Audit fee	625,000	550,000
Certification charges	125,000	125,000
Half yearly review	160,000	150,000
Out of Pocket	121,200	79,850
	1,031,200	904,850

23.4 These mainly include share registrar fees and expenses related to printing/publishing of financial statements.

	Note	2015 Rupees	2014 Rupees

24 SELLING AND DISTRIBUTION COST

	Note	2015 Rupees	2014 Rupees
Loading, stacking and handling		4,660,734	5,204,353
Advertisement		20,900	147,119
Export Expenses		2,899,535	54,147,193
		7,581,169	59,498,665

25 FINANCE COST

	Note	2015 Rupees	2014 Rupees
Mark-up On:			
Long term finance - secured		38,668,033	44,686,775
Short term finance		33,038,045	2,756,210
		71,706,078	47,442,985
Bank charges		565,842	683,661
		72,271,920	48,126,646

26 OTHER INCOME

	Note	2015 Rupees	2014 Rupees
Income from financial assets:			
Profit on savings account		693,429	743,340
Exchange Gain/(loss)		1,318,602	(5,455,640)
Others		7,375,694	4,562,063
Income from non-financial assets:			
Sale of Bagasse		24,631,305	5,104,180
Gain \ (loss) on disposal of assets		4,927,278	(32,075)
		38,946,308	4,921,868

27 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVE

Particulars	2015				2014			
	Chief Executives	Director	Executives	Total	Chief Executives	Director	Executives	Total
	------ Rupees ------							
Basic salary	2,250,000	1,500,000	4,428,500	8,178,500	1,487,129	1,115,000	3,171,250	5,773,379
Other prequisites	1,495,562	900,000	4,067,941	6,463,503	1,086,015	669,000	2,876,221	4,631,236
Vehicle expenses	200,717	-	974,364	1,175,081	224,969	-	975,189	1,200,158
Total	3,946,279	2,400,000	9,470,805	15,817,084	2,798,113	1,784,000	7,022,660	11,604,773
No. of persons	1	1	4		1	1	3	

27.1 In addition, Chief Executive, Directors and all the Executives of the company have been provided with free use of Company owned and maintained cars and other benefits in accordance with their entitlements as per rules of the Company.

	Note	2015 Rupees	2014 Rupees

28 TAXATION - NET

	Note	2015 Rupees	2014 Rupees
Current year	28.1	21,917,016	1,331,880
Prior year		(15,185,006)	(12,134,624)
		6,732,010	(10,802,744)

28.1 Current

Tax assessment of the company is deemed to be finalized up to Tax Year 2015 (Income year ended September 30, 2014).

	Note	2015 Rupees	2014 Rupees
Tax Charge Computation			
Loss before tax		(47,121,548)	(96,350,377)
Inadmissible			
Accounting depreciation		139,308,801	145,977,979
Charity and donation		1,091,756	1,960,071
Penalty		-	950
Accounting (gain)/loss on disposal of vehicle		(4,927,278)	32,075
		135,473,279	147,971,075
Admissible			
Tax depreciation u/s 22 of Income Tax Ordinance 2001		(104,084,833)	(103,367,047)
Borrowing cost capitalized		(192,715)	(3,938,582)
Tax gain/(loss) on disposal of vehicle		4,382,124	-
Losses brought forward up to Tax Year 2015 / 2014		(276,208,970)	(220,854,341)
		(376,104,394)	(328,159,970)
Carry forward losses		(287,752,663)	(276,539,273)
Tax calculated @ 32% (2014: 33%)		-	-
Minimum tax liability u/s 113 @ 1%		16,552,931	14,667,673
Tax liability on exports under final tax regime September 2015		5,364,085	9,759,277
Less: Adjusted against tax credit u/s 65-B investment in BMR for the year		-	(23,095,070)
Minimum tax liability for the year		21,917,016	1,331,880

29 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party and exercise significant influence over other party in making financial and operating decisions.

The related parties include major shareholders, entities having directors in common with the Company, directors and other key management personnel. There have been no transactions with related parties in current or the comparative year accept disclosed as below:

	Note	2015 Rupees	2014 Rupees
Transactions during the year:			
Contribution to staff provident fund		2,982,311	2,385,899
		2,982,311	2,385,899
Payable / (Receivable) as on balance sheet date with:			
Loan from Directors		183,000,000	183,000,000
Loan from Related Parties		77,000,000	77,000,000
		260,000,000	260,000,000

Certain assets are being used by the employees of the Company in accordance with their terms of employment. Further, there are no transaction with key management personnel other than under the terms of employment as disclosed in note 27 to the financial statements.

30 LOSS PER SHARE

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	Note	2015 Rupees	2014 Rupees
Loss after tax		(53,853,558)	(85,547,632)
Number of ordinary shares		10,425,000	10,425,000
Loss per share - basic and diluted		(5.17)	(8.21)

31 CASH AND CASH EQUIVALENTS

	2015	2014
Cash and bank balances	81,360,256	8,647,533
Short term finance	-	(67,346,162)
	81,360,256	(58,698,629)

32 PROVIDENT FUND DISCLOSURES

a) Disclosure with regards to Provident Fund/PF trust

	June 2015 (Un-audited) Rupees	June 2014 (Un-audited) Rupees
(i) Size of the Fund	55,552,540	56,082,347
(ii) Cost of Investment made	32,014,979	35,345,698
(iii) Percentage of Investment made	58%	63%
(iv) Fair value of Investments	53,075,279	47,617,641

b) Break-up of investments is as under

	June 2015 (un-audited)		June 2014 (un-audited)	
- Defence Saving Certificate	29%	15,998,436	26%	14,648,136
- First Habib Income Fund	57%	31,715,724	58%	32,623,806
- National Investment Trust	0.1%	64,920	0.1%	60,690
- UBL Funds Manager	8.7%	4,846,140	-	-
- Nafa Multi Asset Fund	1%	450,059	1%	285,008
- Cash & Bank Deposits	4%	2,477,261	15%	8,464,707
	100%	55,552,540	100%	56,082,347

32.1 The investments out of provident fund have been made in accordance with the provision of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

33 NUMBER OF EMPLOYEES

	2015 Rupees	2014 Rupees
Number of employees including contractual employees at the end of year	265	271
Average number of employees including contractual employees during the year	324	339

34 PLANT CAPACITY

	2015	2014
Crushing capacity (Metric Tons based on 160 days of production)	960,000	960,000
Actual crushing (Metric Tons)	474,511	505,287
Sugar capacity (Metric Tons based on 160 days of production)	94,560	94,560
Production of sugar (Metric Tons)	47,460	49,806
Number of days of production	105	138
Percentage of capacity attained	76%	61%

Reason for shortfall:

The estimated production capacity is based on 160 days of crushing. However the actual crushing days were only 105 days (2014: 138 days) due to non-availability of sugar cane.

35 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as at balance sheet date	Note	2015 Rupees	2014 Rupees
Loans and receivables			
Long term loans		444,176	175,267
Long term deposits		757,527	755,527
Trade debts - unsecured		550,221	719,622
Short term loans and advances		1,455,065	937,260
Trade deposits		223,297	223,297
Other receivables		74,993,476	74,974,051
Cash and bank balances		81,360,256	8,647,533
		159,784,018	86,432,557
Financial liabilities at amortized cost:			
Long term finance - secured		356,000,000	247,000,000
Subordinated loans		260,000,000	260,000,000
Trade and other payables		767,263,420	547,063,734
Accrued mark-up		11,690,651	11,742,913
Current portion of non current liabilities		103,000,000	128,000,000
		1,497,954,071	1,193,806,647

36 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (including foreign exchange or currency risk, interest/mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous periods in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

36.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

Exposure to credit risk

Credit risk arises when changes in economic or industry factors similarly affects company's of counter parties whose aggregate credit exposure is significant in relation to the company's total credit exposure. Credit risk of the Company arises principally from the trade debts, loan and advances, short term deposits and other receivables. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions. The carrying amounts of financial assets against which the Company did not hold any collateral represents the maximum credit exposure, as specified below:

	Note	2015 Rupees	2014 Rupees
Long term loans		444,176	175,267
Long term deposits		757,527	755,527
Trade debts		550,221	719,622
Loans and advances		1,455,065	937,260
Trade deposits		223,297	223,297
Other receivables		74,993,476	74,974,051
Bank balances		80,937,163	8,241,137
		159,360,925	86,026,161

36.1.1 Impairment losses

The aging of trade debts at the reporting date was:

	2015		2014	
	Gross	Impairment	Gross	Impairment
Not past Due	550,221	-	719,622	-
Past due 3 month - 1 year	-	-	-	-
Past due 1 year to 3 year	568,846	(568,846)	568,846	(568,846)
More than 3 year	-	-	-	-
	1,119,067	(568,846)	1,288,468	(568,846)

36.1.2 The company have not any exposure to credit risk at the reporting date by geographic region.

36.1.3 The company has assessed that no impairment losses are necessary in respect of trade debts past due except for which have already been provided. Trade debts are essentially due from credit worthy parties. The company does not expect these parties to fail to meet their obligations.

36.1.4 Bank balances are held only with reputable banks with high quality credit ratings.

36.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the company could be required to pay its earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facility. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Company treasury aims at maintaining flexibility in funding by keeping committed credit line available.

36.2.1 The Following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Non-Derivative Financial liabilities	September 30,2015			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	(Rupees)			
Subordinated loans	260,000,000	260,000,000	-	260,000,000
Long term finance - secured	459,000,000	497,586,600	103,000,000	394,586,600
Trade and other payables	767,263,420	767,263,420	767,263,420	-
Accrued mark-up	11,690,651	11,690,651	11,690,651	-
	1,497,954,071	1,536,540,671	881,954,071	654,586,600

Non-Derivative Financial liabilities	September 30,2014			
	Carrying amount	Contractual cash flows	Up to one year	More than one year
	(Rupees)			
Subordinated loans	260,000,000	260,000,000	-	260,000,000
Long term finance - secured	375,000,000	413,586,600	128,000,000	285,586,600
Trade and other payables	97,235,374	97,235,374	97,235,374	-
Accrued mark-up	11,742,913	11,742,913	11,742,913	-
	743,978,287	782,564,887	236,978,287	545,586,600

36.2.2 Contractual cash flows include interest related cash flow up to one year. The contractual cash flow relating to the above financial liabilities have been determined on the basis of mark-up rate effective as at 30, September 2015.The rate of mark-up have been disclosed in note 6 to these financial statements.

36.3 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates, equity prices and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Company's market risk comprises of two types of risk: foreign exchange or currency risk and interest/mark-up rate risk. The market risks associated with the Company's business activities are discussed as under:

36.3.1 Exposure to currency risk

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. As at the balance sheet date the company is not exposed to foreign currency risk as there is no receivable / payable or commitment other than local currency.

36.3.2 Interest rate risk management

Interest rate is the rate that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing accounts with banks. At the balance sheet date the interest rate profile of the company's interest bearing financial instruments is :

	2015	2014	2015	2014
	Effective interest rate in percentage		Carrying amounts in Rupees	
Financial liabilities				
Long term finance & short term borrowing	8.28% - 12.21%	10.51% - 12.18%	459,000,000	442,346,162
Financial Assets				
Cash at bank (Deposit account)	5 % - 8%	6 % - 9%	71,674,258	1,469,468

The Company does not have any fixed rate liabilities at fair value through profit or loss, and the Company does not have derivatives as hedging instruments recognized under fair value hedge accounting model. Therefore, a change in interest rate at reporting date would not effect fair value of any financial instrument.

If interest rates on long term loans and deposit bank balance at the year end, fluctuated by 1% higher/lower with all other variables held constant, loss after tax would have increased / (decrease) equity and loss by Rs. 3,873,257 (2014 : Rs.4,408,765). The analysis is performed on the same basis for 2014.

36.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties at arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The carrying values of all financial assets and financial liabilities reported in the balance sheet approximate their fair values.

37 CAPITAL RISK MANAGEMENT

The Objective of the company when managing capital (i.e. its shareholders' equity and surplus on revaluation on property, plant and equipment) is to safeguard its ability to continue as going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions.

38 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation.

39 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 18th December, 2015 by the Board of Directors of the Company.

40 GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive   Director

SASM

PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2015

NUMBER OF SHARES HOLDERS	SHAREHOLDING FROM	TO	TOTAL NUMBER OF SHARES HELD
1,119	1	100	53,303
411	101	500	124,571
123	501	1,000	106,168
116	1,001	5,000	278,138
16	5,001	10,000	117,350
5	10,001	15,000	67,890
4	15,001	20,000	71,800
3	20,001	25,000	66,500
1	55,001	60,000	57,000
1	65,001	70,000	70,000
1	95,001	100,000	98,500
1	180,001	185,000	184,600
2	195,001	200,000	400,000
1	555,001	560,000	559,500
1	595,000	600,000	599,200
1	720,001	725,000	721,765
1	725,001	730,000	725,600
1	785,001	790,000	790,000
2	815,001	820,000	1,635,400
1	835,001	840,000	837,400
1	905,001	910,000	906,200
1	945,001	950,000	946,815
1	1,005,001	1,010,000	1,007,300
1,814			**10,425,000**

CATEGORIES	NUMBERS OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE
INDIVIDUALS	1,797	9,184,589	88.10%
INVESTMENT COMPANIES	2	4,900	0.05%
INSURANCE COMPANIES	2	283,100	2.72%
JOINT STOCK COMPANIES	6	1,101	0.01%
FINANCIAL INSTITUTIONS	4	925,300	8.88%
MODARABA COMPANIES	1	600	0.01%
OTHERS	2	25,410	0.24%
TOTAL	**1,814**	**10,425,000**	**100.00%**

PATTERN OF SHARES HELD BY SHARE HOLDERS AS AT SEPTEMBER 30, 2015

Combined pattern of CDC & Physical Shareholding as at 30th September 2015

CATEGORY NO.	CATEGORIES OF SHAREHOLDERS	NUMBERS OF SHARES HELD CDC ACCOUNTS	CATEGORY WISE NO. OF FOLIOS/ SHARES	CATEGORY WISE SHARES	PERCENTAGE
1	**INDIVIDUALS**	-	1,784	961,109	9.22
2	**INVESTMENT COMPANIES**		2	4,900	0.05
	PAKISTAN INDUSTRIAL CREDIT & INVESTMENT CORP. LTD.	3,700			
	INVESTMENT CORPORATION OF PAKSITAN	1,200			
3	**INSURANCE COMPANIES**		2	283,100	2.72
	STATE LIFE INSURANCE CORP. OF PAKSITAN	184,600			
	PAKISTAN INSURANCE COMPANY LIMITED	98,500			
4	**JOINT STOCK COMPANIES**		6	1,101	0.01
	STOCK MASTER SECURITIES (PVT) LTD.	400			
	RAHAT SECURITIES LIMITED	100			
	WASI SECURITIES (SMC-PVT) LTD.	100			
	MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LTD.	400			
	M. R. SECURITIES (SMC-PVT) LTD.	100			
	MAPLE LEAF CAPITAL LTD.	1			
5	**DIRECTORS, CHIEF EXECUTIVE OFFICER, THEIR SPOUSE AND MINOR CHILDREN**		8	5,712,515	54.80
	MR. DEOO MAL	946,815			
	DR. BESHAM KUMAR	837,400			
	MR. PEHLAJ RAI	817,900			
	MR. MOHAN LAL	817,500			
	DR. TARA CHAND	725,600			
	MR. MAHESH KUMAR	559,500			
	MR. DILEEP KUMAR	1,007,300			
	MR. SHAFAQAT ALI SHAH	500			
6	**EXECUTIVES**	**-**	**-**	**-**	**-**
7	**FINANCIAL INSTITUTIONS (BANKS,DFIS,NBFI)**		3	19,100	0.18
	NATIONAL INVESTMENT TRUST LIMITED	17,300			
	NATIONAL DEVELOPMENT FINANCE CORPORATION	200			
	NATIONAL BANK OF PAKISTAN TRUSTEE DEPTT.	1,600			
8	**ASSOCIATED COMPANIES, UNDERTAKINGS AND RELATED PARTIES**		5	2,510,965	24.09
	MR. JUGDESH KUMAR	790,000			
	MR. HASSANAND (MR. HASSOMAL)	721,765			
	MR. ASHOK KUMAR	599,200			
	MR. CHETAN MAL	200,000			
	MR. DOULAT RAM	200,000			
9	**PUBLIC SECTOR COMPANIES AND CORPORATIONS**	-	-	-	-
10	**MODARABAS & MUTUAL FUNDS**		1	600	0.01
	FIRST CRESCENT MODARABA	600			
11	**FOREIGN INVESTORS**		1	906,200	8.69
	ISLAMIC DEVELOPMENT BANK	906,200			
12	**CO-OPERATIVE SOCIETIES**	-	-	-	-
13	**CHARITABLE TRUST**		2	25,410	0.24
	MANAGING COMMITTEE CRESCENT FOUNDATION	25,000			
	THE SECRETARY	410			
14	**OTHERS**	-	-	-	-
	TOTAL		1,814	10,425,000	100.00

SASM

FORM OF PROXY

No. of Shares	Please Quote Folio No.

I/We ....of... a member of **SINDH ABADGAR'S SUGAR MILLS LIMITED** and holding .... ordinary shares, as per Register Folio No... hereby appoint Mr...of.. or failing him...of... who is also a member of the company vide Register Folio No. .... as my proxy to vote for me and on my behalf at the Thirty Second Annual General Meeting of the Company to be held on January 29, 2016 at 16:00 hours at the Auditorium of The Pakistan Institute of International Affairs (PIIA), Near Sidco Avenue Centre, Opposite: Libra Autos CNG Pump, Maulana Deen Muhammad Wafai Road, Karachi and at an adjournment thereof.

As witness my hand this .... day of.............................. 2016.

Witness

Signature: ______________________________

Name : ______________________________

RUPEES
FIVE
REVENUE
STAMP

SIGNATURE OF MEMBER

1. A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him. No person shall act as proxy (except for a corporation) unless he is entitled to be present and vote in his own right.

2. The proxies shall be lodged with the company not later than 48 hours before the time for holding of the meeting and must be duly stamped, signed and witnessed.

3. The instrument appointing a Proxy should be signed by the member or his/her attorney duly authorized in writing, if the member is a corporate Body should be signed either under the Common Seal or under the hand of an officer or attorney so authorized.

سندھ آبادگار شوگر ملز لمیٹڈ

میں مسمیٰ/مسماۃ ________________ ساکن ______________________________________

ضلع __________ بحیثیت ممبر سندھ آبادگار شوگر ملز لمیٹڈ ، مسمیٰ/مسماۃ ____________________

ساکن ____________________ کو بطورِ مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ اور میری طرف سے

کمپنی کے اجلاسِ عام/سالانہ/غیر معمولی اجلاس (یا جو بھی صورتِ حال ہو) جو بتاریخ ۲۹ جنوری ۲۰۱۶ء بروز

جمعہ منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔