



**AL-NOOR SUGAR MILLS LTD.**

SCALING NEW HEIGHTS

50  
YEARS  
OF GROWTH

ANNUAL REPORT 2019



## CONTENTS



	<b>Page No.</b>
Company Information .....	02
Mission & Vision Statements .....	03
Code of Conduct .....	04
Notice of Annual General Meeting .....	05
Chairman's Review .....	08
Directors' Report .....	09
Key Operation and Financial Data for Ten Years .....	15
Statement of Compliance with the Code of Corporate Governance.....	16
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 .....	18
Independent Audiotrs' Report to the members .....	19
Statement of Financial Position .....	23
Statement of Profit or Loss .....	24
Statement of Comprehensive Income .....	25
Statement of Changes in Equity.....	26
Statement of Cash Flows .....	27
Notes to the Financial Statements .....	28
Pattern of Shareholding .....	69
Jama Punji .....	71
Directors' Report (Urdu) .....	78
Form of Proxy (English and Urdu).....	

## COMPANY INFORMATION

### BOARD OF DIRECTORS

MR. YUSUF AYOOB  
MR. ISMAIL H. ZAKARIA  
MR. SULEMAN AYOOB  
MR. A. AZIZ AYOOB  
MR. NOOR MOHAMMAD ZAKARIA  
MR. ZIA ZAKARIA  
MR. SALIM AYOOB  
MS. MUNIFA  
MR. SHAMIM AHMAD  
MR. MUHAMMAD ASIF

Chairman  
Chief Executive Officer  
Resident Director

Independent Director  
(N.I.T. Nominee)

### BOARD AUDIT COMMITTEE

MR. SHAMIM AHMAD  
MR. A. AZIZ AYOOB  
MR. ZIA ZAKARIA  
MR. MUHAMMAD ASIF

Chairman  
Member  
Member  
Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. NOOR MOHAMMAD ZAKARIA  
MR. ISMAIL H. ZAKARIA  
MR. ZIA ZAKARIA

Chairman  
Member  
Member

### CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

### COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL  
FCMA

### AUDITORS

KRESTON HYDER BHIMJI & CO.  
Chartered Accountants

### LEGAL ADVISOR

MR. IRFAN  
Advocate

### REGISTERED OFFICE

96-A, SINDHI MUSLIM SOCIETY,  
KARACHI-74400  
Tel: 34550161-63 Fax: 34556675

### FACTORY

SHAHPUR JAHANIA, P.O. NOOR JAHANIA, TALUKA MORO,  
DISTRICT SHAHEED BENAZIR BHUTTO ABAD (NAWABSHAH)

### REGISTRAR & SHARE REGISTRATION OFFICE

C & K MANAGEMENT ASSOCIATES (PVT) LTD.  
404-TRADE TOWER,  
ABDULLAH HAROON ROAD,  
NEAR METROPOLE HOTEL,  
KARACHI - 75530

### WEBSITE

[www.alnoorsugar.co](http://www.alnoorsugar.co)



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## *Mission Statement*

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To gain strength through industry leadership in the manufacturing and marketing of sugar and Lasani Wood and to have a strong presence in these products markets while retaining the options to diversify in other profitable ventures.

To operate ethically while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio economic development of Pakistan especially in the rural areas through industrial expansion and development.

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## *Vision Statement*

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To be a model company producing sugar and allied products of international quality by maintaining a high level of ethical and professional standards.

## CODE OF CONDUCT

Al-Noor Sugar Mills limited is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

### THE COMPANY

- Fulfills all statutory requirements of the Regulatory Authority and follows all applicable laws of the Country together with compliance of accepted accounting principles, rules and procedures required.
- Deals with all stakeholders in an objective and transparent manner so as to meet the expectations of those who rely on the Company.
- Meet the expectations of the spectrum of the society and the Regulatory Authority by implementing an effective and fair system of financial reporting and internal controls.
- Uses all means to protect the environment and ensures health and safety of the employees.
- Activities and involvement of directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are motivated by the interest of the Company rather than their own.
- Ensures efficient and effective utilization of its resources.

### AS DIRECTORS

- Promote and develop attractive environment through responsive policies and guidelines to facilitate viable and timely decisions.
- Maintain organizational effectiveness for the achievement of the Company's goals.
- Support and adherence to compliance of legal and industry requirements.
- Safeguard the interest and assets of the Company to meet and honor all obligations of the Company.
- Promote a culture that supports enterprise and innovation with appropriate short-term and long term performance related rewards that are fair and achievable in motivating management and employees effectively and productively.

### AS EXECUTIVE AND MANAGERS

- Ensure cost effectiveness and profitability of operations.
- Provide directions and leadership for the organization and take viable and timely decisions.
- Develop and cultivate work ethics and harmony among colleagues and associates.
- Encourage initiatives and self-realization in employees through meaningful empowerment.
- Promote and develop culture of excellence, conservation and continuous improvement.
- Provide pleasant work atmosphere and ensure an equitable way of working and rewarding system.
- Institute commitment to environmental, health and safety performance

### AS EMPLOYEES AND WORKERS

- Observe company's policies, regulations and Codes of Best Business Practices.
- Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- Make concerted struggle for excellence and quality.
- Devote productive time and continued efforts to strength the Company.
- Protect and safeguard the interest of the Company and avoid the conflict of interest. Ensure the primary interest in all respects is that of the Company.
- Maintain financial integrity and must avoid making personal gain at the Company's cost by participating in or assisting activities which compete with the Company.

## NOTICE OF MEETING

Notice is hereby given that 50<sup>th</sup> Annual General Meeting of AL-NOOR SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Tuesday, 28<sup>th</sup> January, 2020 at 03.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the 49<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> January, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2019 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of Cash Dividend @ 30% i.e. Rs. 03.00 per ordinary share of Rs.10/= each for the year ended 30<sup>th</sup> September 2019 as recommended by the Board of Directors.
4. To appoint Auditors and to fix their remuneration for the year ended 30<sup>th</sup> September 2020. The present Auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

### OTHER BUSINESS

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

By Order of the Board



**M. YASIN MUGHAL**  
COMPANY SECRETARY

Karachi: December 26, 2019

### NOTE:

1. The Register of the Members of the Company will remain closed from 21<sup>st</sup> January, 2020 to 30<sup>th</sup> January, 2020 (Both days inclusive) for the purpose of holding the Annual General Meeting / Transfer of shares / entitlement of cash dividend.
2. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote on his/her behalf . PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. In pursuance of Circular No.1 of SECP dated January 26, 2000 the CDC Account holders/sub-account holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce his original CNIC at the time of attending the meeting for identification.

### 4. Submission of copies of CNIC

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall be constrained to withhold the Dividend, under the provisions of Section 243 of the Companies Act 2017.

**5. Deduction of Withholding Tax from Dividend U/S 150 of the Income Tax Ordinance, 2001:**

- ( i ) Pursuant to the provisions of the Finance Act, 2019 effective from July 1, 2019, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:
1. Rate of tax deduction for the filer(s) of income tax return 15%.
  2. Rate of tax deduction for the non-filer(s) of income tax return 30%.

To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Tax-payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

- (ii) Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold such shares jointly, are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follow:

Company Name	Folio/CDS Account #	Total Shares	Principal shareholder		Joint Shareholders		Signature
			Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)	

**6. Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax:**

As per FBR Circulars No. 1(29) WHT/2006 dated June 30, 2010 and No. 1(43) DG (WHT) 2008-Vol-II-66417-R dated May 12, 2015 the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide Valid Tax Exemption Certificate to our Share Registrar.

In case of those shareholders who are non-residents are requested to please provide their respective detail including residence status /country of residence with copy of their NICOP to our Share Registrars before book closure. In case of non availability of status in their respective portfolio, the respective tax on dividends would be applicable.

**7 Payment of Cash Dividend Electronically:**

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash 'shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. A notice of the foregoing seeking information from shareholders for payment of dividend through electronic mode was sent earlier. The shareholders are now once again requested to provide their folio number, name and details of bank account including bank name, branch name, branch code and address, Account number, Title of Account and IBAN/swift code in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's broker/participant CDC Investor account services.

**8 Unclaimed Dividend / Shares :**

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividends and shares, shall be delivered to the SECP.

**9. Video Conference Facility :**

As per Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Annual General Meeting (AGM) through video conference at least seven days prior to the date of AGM, the Company will arrange a video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding the video conference facility venue at least 5 days before the date of the AGM along with the complete information needed to access the facility. If you would like to avail video conferencing facility, as per above, please fill the following and submit to registered office of the Company at least seven days before AGM.

I / We, \_\_\_\_\_ of being a member of Al-Noor Sugar Mills Limited, holder of Ordinary \_\_\_\_\_ Share(s) as per Register Folio No / CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
MEMBER SIGNATURE

**10 Circulation of Annual Audited Accounts through Email/CD/DVD/ USB :**

Pursuant to the directions issued by the SECP vide SRO 787(1) 2014 dated 8 September 2014 and SRO 470(1)/2016 dated 31 May 2016 whereby Securities and Exchange Commission of Pakistan (SECP) has directed and Shareholders of the company in the 47th Annual General Meeting held on January 31, 2017 approved to circulate Annual Audited Financial Statements (i.e. Annual Statement of Financial Position and Statement of Profit or Loss, Statement of Comprehensive Income, Statement of Cash Flows, Notes to the Financial Statements, Auditors' and Directors' Report) along with notice of Annual General Meeting to its members through e-mail /CD/DVD/USB/ at their registered Addresses.

Shareholders who wish to receive the printed / hard copy of Financial Statements shall have to fill the standard request form available on the Company's website [www.alnoorsugar.co](http://www.alnoorsugar.co)

**11 Deposit of Physical Shares into CDC Accounts.**

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from commencement of the companies Act,

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of the Stock Exchange.

**12 Financial Statements and relevant reports have been placed on the website of the company which can be seen on [www.alnoorsugar.co](http://www.alnoorsugar.co)**

**13 Change of Address and Non-Deduction of Zakat Declaration Form:**

Shareholders are requested to inform the Company's Share Registrar, M/s. C & K Management Associates (Pvt.) Limited, 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi of any change in their addresses and provide their non-deduction of zakat declaration Form immediately.



## CHAIRMAN'S REVIEW

It gives me immense pleasure to present to the shareholders of Al-Noor Sugar Mills Limited, review of the financial performance of the Company and overall performance of the Board. This is a very special year as Al-Noor Sugar Mills Limited has achieved its fiftieth year of operation.

The Board ensured compliance of all regulatory requirements by the Management.

The Board focused on developing and reviewing the company's corporate vision and achievement of its objectives which are reflected in the financial performance of the company.

Despite immense challenges in the foregoing year, the Company was able to achieve positive results mainly due to export sales; and value addition in its various segments. The Company has taken continued steps in the field of sugarcane development, energy efficiency, and value addition to ensure the sustainability of the Company.

On behalf of the Board of Directors, I would like to acknowledge the contribution of all our employees to the success of the Company. I look forward to and pray to Allah Subhana Wa Taa'ala for the next fifty years of success and continuous growth of the Company.

Karachi: Dated 26th December 2019

  
**YUSUF AYOOB**  
CHAIRMAN

## DIRECTORS' REPORT TO THE MEMBERS

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members Asslamu Alaikum

I take the opportunity with great pleasure to present to you on behalf of the Board of Directors audited financial statements and Auditors' Report thereon of your company for the year ended September 30, 2019. The principal activity of your company is to manufacture sugar and MDF Board in various thicknesses. Significant production and financial data is provided as under.

<b>FINANCIAL PERFORMANCE:</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>(Rupees in thousand)</b>	
Profit / (loss) before taxation	<b>456,886</b>	(243,346)
Provision for taxation	<b>(267,552)</b>	122,512
Net profit / (loss) after taxation	<b>189,334</b>	(120,834)
Profit / (loss) per share- basic and diluted	<b>Rs.9.25</b>	Rs.(5.90)

<b>OPERATIONAL RESULTS:</b>	<b>2018-19</b>	<b>2017-18</b>
Sugarcane crushed (M Tons)	<b>894,494</b>	1,108,106
Sugar produced (M Tons)	<b>94,825</b>	110,810
Sugar recovery percentage	<b>10.60</b>	10.00
Molasses produced (M Tons)	<b>40,120</b>	57,140
MDF Production (Cubic Meters)	<b>71,762</b>	70,561

<b>FINANCIAL DATA</b>	<b>(Rupees in thousands)</b>	
Sales	<b>9,340,031</b>	9,080,899
Cost of sales	<b>(8,172,919)</b>	(9,733,468)
Gross profit / (Loss)	<b>1,167,112</b>	(652,569)
Distribution cost	<b>(78,915)</b>	(198,084)
Administration cost	<b>(570,253)</b>	(509,257)
Other operating expenses	<b>(50,301)</b>	(18,513)
Financial cost	<b>(495,809)</b>	(309,881)
Other income	<b>297,209</b>	1,351,197
Share of profit in associates	<b>187,843</b>	93,705
Profit / (Loss) before tax	<b>456,886</b>	(243,346)

### PERFORMANCE REVIEW:

#### SUGAR DIVISION:

By the grace of Allah the performance of your company was satisfactory. During the period under consideration your company achieved higher recovery rate of 10.60 percent. The sugar produced was 94,825 metric tons which was lower by 14.43 percent over the production of previous year. This was due to non-availability of raw material. Due to excess carry over stock your company exported 2,000 metric tons of sugar and earned much needed foreign exchange for the country.

#### MEDIUM DENSITY FIBRE (MDF) BOARD DIVISION:

MDF board division performed very well and produced 71,762 cubic meters of various products as against 70,561 cubic meter produced during the previous year. The production is slightly higher than last year. The sales volume enhanced to 104,993 cubic meters as against 95,654 cubic meters sold last year. The sales value increased to Rs.4,217.410 million as against Rs.3,412.003 million achieved the same period last year indicating an increase of about 24 percent. The final products included higher component of value added laminated product which contributed to sales value increase.

**POWER GENERATION DIVISION:**

Sukkur Electric Supply Company exercise load shedding in order to manage the demand supply gap due to which the production of MDF division is affected adversely. During the crushing season this situation is controlled by availing the excess energy generation by sugar division. Your company sold excess electricity valuing Rs.64.654 million to Sukkur Electric Supply Company as against Rs.90.183 million sold during the year 2017-18. This is an additional source of earning for your company.

**STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE:**

1. The Financial Statements prepared by the management of the Company present fairly its states of affairs, the results of operations, cash flow and changes in equity.
2. The Company has maintained proper books of accounts as required under the law.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored during the period.
6. There are no significant doubts upon the Company's ability to continue as going concern.
7. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the Listing Regulations of Pakistan Stock Exchange.
8. There have been no outstanding statutory payments, except those under normal course of business and some disputed cases which are appearing in the relevant notes to the financial statements.
9. The pattern of shareholding in the Company as on September 30, 2019 is also included in the Annual Report.
10. The Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the Company except as otherwise indicated.
11. The value of investment and balance in deposit accounts of Provident Fund based on un-audited accounts as at June 30, 2019 amounted to Rs.184.911 million.

The key operating and financial data of the last ten years and pattern of shareholding have been included in the Annual Report. There has been no significant change in the holding of directors or their spouses except otherwise indicated.

**COMPOSITION OF BOARD OF DIRECTORS:**

During the period under review Director Mr. Zohair Zakaria resigned from the directorship of the Company on June 20, 2019 and the Board inducted Ms. Munifa Ayoob in his place in order to fill the casual vacancy as provided in the Listing Regulations of Pakistan Stock Exchange. There has been no change in the composition of Board of Directors except this. During the period under consideration, four meetings of the Board were held and attendance of each director was as follow:

S.No.	NAME OF DIRECTORS	ATTENDED	STATUS
01.	Mr. Yusuf Ayooob (Chairman)	4	Non-executive
02.	Mr. Ismail H Zakaria	3	Executive
03.	Mr. Suleman Ayooob	3	Executive
04.	Mr. A. Aziz Ayooob	4	Non-Executive
05.	Mr. Zia Zakaria	4	Non-Executive
06.	Mr. Salim Ayooob	2	Non-executive
07.	Mr. Zohair Zakaria	2	Executive
08.	Mr. Noor Muhammad Zakaria	2	Non-executive
09.	Mr. Shamim Ahmad	4	Independent Director
10.	Mr. Muhammad Asif	4	N.I.T Nominee

The details of remuneration of executive directors have also been provided in the relevant note to the financial statements as required under the Listing Regulations of Pakistan Stock Exchange. No remuneration is paid to the non-executive directors except the meeting fee.

**AUDIT COMMITTEE:**

As required under the Code of Corporate Governance the Board has constituted an Audit Committee comprising the following directors. During the period under consideration four meetings of Audit Committee were held and attendance of each member was as under.

S.No.	NAMES OF DIRECTORS	DESIGNATION	ATTENDED	STATUS
01.	Mr. Shamim Ahmad	Chairman	4	Independent Director
02.	Mr. A. Aziz Ayooob	Member	3	Non-executive
03.	Mr. Zia Zakaria	Member	4	Non-executive
04.	Mr. Muhammad Asif	Member	4	N.I.T Nominee

Terms of reference of Audit Committee has been determined by the Board as laid down in the Listing Regulations of Pakistan Stock Exchange.

**HUMAN RESOURCE AND REMUNERATION COMMITTEE:**

The Board also constituted Human Resource and Remuneration Committee as required under the Code of Corporate Governance comprising of the following Directors. During the year one meeting of the Committee was held and attended by all the members.

S.No.	NAMES OF THE DIRECTORS	DESIGNATION	STATUS
01.	Mr. Noor Muhammad Zakaria	Chairman	Non-executive
02.	Mr. Ismail H Zakaria	Member	Executive
03.	Mr. Zia Zakaria	Member	Non-executive

#### **DIRECTORS' REMUNERATION POLICY AND REMUNERATIONS:**

Through the articles of the Company, the Board of Directors is authorized to fix remuneration of Non-Executive and Independent Directors from time to time and approval of members in general meeting is required in accordance with the articles of the Company and requirements of applicable laws. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail the policy's objectives and a transparent procedure for determination of the remuneration packages of individual directors for attending meetings of the Board and its Committees.

Salient features, amongst others, of the Directors' Remuneration Policy include that the level of remuneration shall be competitive and sufficient to attract and retain qualified and skilled individuals on the Board, there shall be no gender discrimination and the remuneration shall not be at a level that could be perceived to compromise the independence of the directors.

Details of aggregate amount of remuneration of executive and non-executive directors are disclosed in note 35 to the financial statements.

#### **FUTURE OUTLOOK:**

##### **SUGAR DIVISION:**

The price of sugar cane is notified by the Government of Sindh whereas the selling price to sugar is left open to the market forces. As a result of bumper crop, the production of sugar is increased considerably whereas the consumption pattern remain unchanged. This situation affects the price of sugar in the markets. Crushing season 2019-20 has since been commenced and it is expected that the production of sugar would be less than last year. Government of Sindh has notified the price of sugarcane at Rs.192/= per forty kg. vide notification No.8(142)/S.O(Ext)2019-20 dated December 9, 2019 as against Rs.182/= notified last year. Due to shortage of raw material in the franchise area, the mill has to purchase cane from far area for which transportation cost is paid in addition of the cost of cane. All these factors increase the cost of production.

##### **MDF BOARD DIVISION:**

Installation and up gradation of new lines and capacity enhancement is required to become more competitive and enhance products range etc.

#### **CREDIT RATING OF THE COMPANY:**

JCR-VIS Credit Rating Company has assigned initial medium to long term entity rating of "A-/A-2" (Single "A" Minus A-Two) to the Company. Outlook on the outstanding rating is "Stable".

#### **CORPORATE AND SOCIAL RESPONSIBILITY:**

The Company being a corporate citizen undertook numbers of welfare activities in its franchise area i.e. established a school up to secondary level, holding of medical camps on interval basis, financial assistance to deserving villagers, providing fertilizer to growers, supply of free ration and medical assistance to needy persons. Schooling facility is available to all children living in the surrounding areas of the mill in addition to the children of the employees. The Company also provides medical facilities to its employees and availed medical coverage scheme from a leading medical takaful company.

#### **ENVIRONMENTS AND COMPANY'S BUSINESS:**

The management is well aware of its responsibilities towards maintaining the environment so that its negative impacts can be eliminated and our contribution to sustainable development of the society. Your company is committed to minimize environmental impact by reducing waste and emissions and conduct its business with the highest concern for health and safety of its employees, customers, suppliers, neighbors and the general public. The company planted trees in industrial and surrounding areas in order to keep the environment neat and clean.

**RELATED PARTIES TRANSACTIONS:**

All related parties transactions were placed before the Board's Audit Committee and the Board for final approval as required under the Listing Regulation of Pakistan Stock Exchange. Related parties transactions carried out during the year 2017-18 were also placed before the members as required under Section 208 of the Companies Act 2017 which were approved by the members. Members also accorded approval of the related parties transactions to be carried out in future by the management under arm's length price.

**CONTRIBUTION TO NATIONAL EXCHEQUER:**

The company is also enhancing the resources of the country in the form of taxes, duties and earning foreign exchange through export of sugar and laminated products of MDF board division. During the period under review your company has exported MDF laminated product, sugar and earned valuable foreign exchange for the country.

**RISK MANAGEMENT AND OPPORTUNITIES:**

The Company operates in a challenging environments and the management has set up an effective mechanism for identification, evaluation and mitigation of risk which enable smooth operation and ensures that focus remains on business growth.

**Credit risk**

The company usually sale the products against advance payments but in case of credit sale proper due diligence of customers is exercised to whom credit is extended.

**Market risk**

The company is exposed to risk of changes in the price of its raw materials and finished products. This is managed by planning of stock levels and continuous monitoring of markets for purchase and sale through various sources in time and intervals found appropriate.

**Liquidity risk**

The Company has managed working capital requirements from various banks to cater to the mismatch between sales receipts and payments for purchases in order to meet its business obligations. The Board periodically reviews major risk faced by the business and take necessary actions in order to mitigate the risk. Audit Committee also reviews the financial and compliance risks. The Human Resource and Remuneration Committee reviews the compensation and reward policies to ensure that these are competitive and effective for retention and attraction of talented and experience staff.

**MECHANISM FOR EVALUATION OF BOARD:**

Members of the Board and committees thereof are highly experienced personnel and continuously striving to improve their effectiveness and undertake annual review to access the Board and committees performance. The Board also reviews the developments in the corporate sector and Governance to ensure that the company remained aligned with the best practices and development taking place in the corporate sector.

**DIVIDEND:**

Cash dividend @ 30 percent i.e. Rs. 03.00 per share of Rs. 10/= each (2018, 15 percent i.e. Rs.1.50 per share of Rs. 10/= each) has been recommended by the Board for the current year.

**APPOINTMENT OF AUDITORS:**

With conclusion of the Annual General Meeting the present Auditors, M/s Kreston Hyder Bhimji and Company, Chartered Accountants, retire and being eligible offer themselves for reappointment for the financial year 2019-20. Audited Committee also recommended their appointment and the Board of your company endorsed the recommendations of the Audit Committee for their re-appointment for the year 2019-20 subject to the approval by the members in the forth coming Annual General Meeting.

**STAFF RELATIONS:**

Finally the directors placed on record their appreciation for devotion of duty and hard work of the executives, staff members and workers for smooth running of the company's affairs, meeting the objectives and targets in the current demanding environments and are confident that they will continue to demonstrate the same zeal and vigor in future under the blessing of our Creator.

By order of the Board

  
**ISMAIL H. ZAKARIA**  
CHIEF EXECUTIVE OFFICER

  
**SULEMAN AYOOB**  
DIRECTOR

Karachi: December 26, 2019

## KEY OPERATION &amp; FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
------	------	------	------	------	------	------	------	------	------

(Restated) (Restated)

(Restated) (Restated)

**STATEMENT OF FINANCIAL POSITION**

Share Capital	204,737	204,737	204,737	204,737	204,737	204,737	194,988	185,703	185,703	185,703
Reserves	1,497,154	1,268,994	1,336,842	1,395,588	1,232,727	1,028,809	956,392	926,504	980,792	928,612
Surplus on revaluation										
of fixed assets	1,429,316	1,527,935	1,058,349	1,111,915	1,184,605	1,230,740	1,243,465	621,224	656,126	708,767
Long Term Liabilities	2,136,875	2,101,737	2,198,959	1,607,704	1,120,111	1,174,073	1,052,803	715,979	457,783	408,534
Deferred Liabilities	460,851	356,862	543,755	642,921	648,983	690,169	731,339	374,560	453,761	561,830
Current Liabilities	3,524,797	3,981,330	4,177,513	2,044,518	2,758,206	2,236,586	1,930,760	3,147,017	3,142,284	1,431,018
Operating Assets	4,771,459	4,841,661	4,417,460	4,110,945	3,639,629	3,706,951	3,479,922	2,674,032	230,921	2,681,942
Long Term Deposits	4,238	3,094	5,510	3,560	3,552	46,954	37,889	42,835	42,375	4,688
Long Term Loans	2,912	3,893	3,227	3,935	6,022	3,516	2,196	4,230	5,032	4,476
Long Term Investments	685,385	522,710	264,864	272,070	260,215	246,884	260,215	172,566	151,852	143,933
Current Assets	3,784,054	4,067,654	4,829,094	2,616,873	3,239,951	2,560,809	2,406,599	3,074,050	2,850,409	1,389,425

**TRADING:**

Turnover	9,340,031	9,080,899	6,895,714	8,103,145	6,966,274	7,699,097	7,594,313	6,129,081	5,983,046	6,313,220
Gross Profit	1,167,112	(652,569)	705,115	963,780	1,027,737	848,907	8,377,847	678,924	737,206	1,001,803
Operating Profit / (Loss)	517,944	(1,359,854)	705,925	963,737	1,028,381	851,525	840,823	682,242	739,831	1,006,841
Profit / (Loss) before Tax	456,886	(243,346)	(126,833)	226,150	221,089	76,223	126,267	(85,513)	59,875	391,453
Profit / (Loss) after Tax	189,334	(120,834)	(30,319)	170,080	166,319	31,333	24,074	(43,099)	104,465	254,398
Earning / (Loss) per share	9.25	(5.90)	(5.90)	8.31	8.12	1.53	1.18	(2.21)	5.63	13.70
Cash dividend	30%	15%	-	40%	33%	10%	5%	5%	30%	50%
Bonus shares	-	-	-	-	-	-	5%	5%	NIL	NIL

**SUGAR PRODUCTION:**

Sugar Produced (M.Tons)	94,825	110,810	127,798	92,501	104,283	126,719	99,740	88,058	71,655	73,175
Cane crushed (M.Tons)	894,494	1,108,106	1,315,682	1,108,106	1,013,118	1,293,261	959,302	885,101	888,736	774,230
Recovery (%)	10.60%	10.00%	9.70%	10.20%	10.30%	9.80%	10.40%	9.95%	8.05%	9.47%



## STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are TEN as per following:

- |           |      |
|-----------|------|
| a) Male   | Nine |
| b) Female | One  |

2. The composition of Board is as follow:

- |                             |                                |
|-----------------------------|--------------------------------|
| (a) Independent director    | i) Mr. Shamim Ahmad            |
| (b) Non-Executive directors | i) Mr. Yusuf Ayoob             |
|                             | ii) Mr. A Aziz Ayoob           |
|                             | iii) Mr. Noor Mohammad Zakaria |
|                             | IV) Mr. Zia Zakaria            |
|                             | v) Mr. Salim Ayoob             |
|                             | vi) Mr. Muhammad Asif          |
| (c) Executive directors     | i) Mr. Ismail H Zakaria        |
|                             | ii) Mr. Suleman Ayoob          |
| (d) Female director         | i) Ms. Munifa                  |

\* The requirement related to composition of board of Directors including independent Director will be complied in due course of time in next election of board of directors.

3. The directors have confirmed that none of them is serving as director on more than seven listed companies, including this Company.
4. 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.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Since Chairman and all the directors (except one) have prescribed education and experience required for exemption under clause 19(2) of the CCG Regulations accordingly they are exempt from attending directors' training program pursuant to clause 19(2) of the CCG Regulations. Whereas, one newly appointed director has acquired the required certification.
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
- a) **Audit Committee:**
- |                      |          |
|----------------------|----------|
| Mr. Shamim Ahmad     | Chairman |
| Mr. Abdul Aziz Ayoob | Member   |
| Mr. Zia Zakaria      | Member   |
| Mr. Muhammad Asif    | Member   |
- b) **HR and Remuneration committee:**
- |                           |          |
|---------------------------|----------|
| Mr. Noor Muhammad Zakaria | Chairman |
| Mr. Ismail H Zakaria      | Member   |
| Mr. Zia Zakaria           | Member   |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:-
- |                                  |                         |
|----------------------------------|-------------------------|
| a) Audit Committee               | Four quarterly meetings |
| b) HR and remuneration Committee | One annual meeting      |
15. The Board has set up an effective internal audit functions comprising of staff who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with as are applicable to the company by the year ended September 30, 2019.



**YUSUF AYOOB**  
CHAIRMAN



**ISMAIL H ZAKARIA**  
CHIEF EXECUTIVE OFFICER

Karachi: December, 26th 2019

## **Independent Auditor's Review Report to the Members of Al-Noor Sugar Mills Limited**

### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Al-Noor Sugar Mills Limited for the year ended September 30, 2019 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 Regulations require 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2019.

*Kreston Hyder Bhimji & Co*  
Chartered Accountants

Karachi, 26<sup>th</sup> December 2019

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AL-NOOR SUGAR MILLS LIMITED Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **Al-Noor Sugar Mills Limited**, ("the Company") which comprise the statement of financial position as at September 30, 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matter. Following are the Key audit matters:

S.No.	Key audit matter	How the matter was addressed in our audit
1.	<p><b>Borrowings</b></p> <p>The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 4431 million, being 72% of total liabilities, as at reporting date.</p> <p>Given the significant level of borrowings, finance costs, significant gearing, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.</p> <p>(Refer Notes 3.10, 18 and 22 to the financial statements).</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level.</li> <li>Verification of disbursement of loans and utilization on sample basis. Review of charge registration documents.</li> <li>Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made.</li> </ul>

S.No.	Key audit matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>• Understating and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis.</li> <li>• Obtaining confirmation from Banks and other lenders of the Company to confirm balances, terms and conditions stated in the terms sheets and compliance thereof.</li> <li>• Performing analytical procedures, recalculations and other related procedures for verification of finance costs.</li> <li>• Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.</li> </ul>
2.	<p><b>Contingencies</b></p> <p>The Company is under litigations in respect of various matters including industry wide matters as well as pending tax matters and other miscellaneous claims in respect of the assets/ payables of the company as disclosed in note 23 of the annexed financial statements.</p> <p>These contingencies require management's judgments and estimates in relation to the interpretation of relevant laws, notifications and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the annexed financial statements.</p> <p>Accordingly these are considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee.</li> <li>• Review of the relevant information including case proceedings, related industry information and correspondence in respect of the ongoing litigations.</li> <li>• Obtaining confirmation from the legal counsel of the company to evaluate the status of the pending litigations and view point of the company's legal counsel thereon.</li> <li>• Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed.</li> <li>• Assessing the appropriateness of the related disclosures made in the accompanying financial statements in light of IAS-37 "Provisions and Contingencies."</li> </ul>

**Information Other than the Financial Statements and Auditor's Report thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual report of the Company, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Fahad Ali Shaikh.

*Kreston Hyder Bhimji & Co*

CHARTERED ACCOUNTANTS

Place: Karachi

Date: 26<sup>th</sup> December 2019


## STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

	Note	2019	2018
		Rupees in thousand	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	4,771,459	4,841,661
Intangible asset	5	5,681	2,583
Long term investments	6	685,385	522,710
Long term loans	7	2,912	3,893
Long term deposits	8	4,238	3,094
		<b>5,469,675</b>	<b>5,373,941</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	9	361,664	322,038
Stock in trade	10	2,153,047	2,219,497
Trade debts	11	506,807	374,374
Loans and advances	12	65,993	69,270
Trade deposits and short term prepayments	13	11,721	19,430
Other receivables	14	439,994	791,556
Taxation - Net		151,607	178,981
Cash and bank balances	15	93,221	92,508
		<b>3,784,054</b>	<b>4,067,654</b>
		<b>9,253,729</b>	<b>9,441,595</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised Capital 50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	16	204,737	204,737
Revenue Reserve			
General reserve		1,000,000	1,000,000
Unappropriated profit		499,808	271,708
Share of associate's unrealised loss on remeasurement of its investment at fair value through other comprehensive income		(2,655)	(2,714)
Capital Reserve			
Surplus on Revaluation Of Property, Plant and Equipment	17	1,429,316	1,527,935
		<b>3,131,206</b>	<b>3,001,666</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	18	2,136,875	2,101,737
Deferred liabilities	19	460,851	356,862
		<b>2,597,726</b>	<b>2,458,599</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	1,113,557	1,388,378
Accrued finance cost	21	111,499	59,226
Short term borrowings	22	1,529,219	1,931,335
Unclaimed dividend		5,661	5,169
Current portion of long term financing	18	764,861	597,222
		<b>3,524,797</b>	<b>3,981,330</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23	-	-
		<b>9,253,729</b>	<b>9,441,595</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**MUHAMMAD HANIF CHAMDIA**  
Chief Financial Officer




## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	2019 Rupees in thousand	2018
Sales	24	9,340,031	9,080,899
Cost of sales	25	(8,172,919)	(9,733,468)
Gross profit/(loss)		1,167,112	(652,569)
Profit from trading activities	26	-	56
		1,167,112	(652,513)
Less:			
Distribution cost	27	(78,915)	(198,084)
Administrative cost	28	(570,253)	(509,257)
Other operating cost	29	(50,301)	(18,513)
		(699,469)	(725,854)
		467,643	(1,378,367)
Other income	30	297,209	1,351,197
		764,852	(27,170)
Finance cost	31	(495,809)	(309,881)
		269,043	(337,051)
Share of profit from associates	6	187,843	93,705
Profit/(Loss) before taxation		456,886	(243,346)
Taxation	32	(267,552)	122,512
Profit/(Loss) after taxation		189,334	(120,834)
Earning/ (Loss) per share - Basic and Diluted (Rupees)	33	9.25	(5.90)


The annexed notes from 1 to 45 form an integral part of these financial statements.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**MUHAMMAD HANIF CHAMDIA**  
Chief Financial Officer


## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	2019 Rupees in thousand	2018
<b>Profit/(Loss) after taxation</b>		<b>189,334</b>	(120,834)
<b>Other Comprehensive Income</b>			
<b>Items that shall not be reclassified subsequently to profit or loss</b>			
Surplus on revaluation of property, plant and equipment during the year-net of deferred tax		-	320,763
Share of surplus on revaluation of property, plant and equipment during the year from associates-net of deferred tax		-	164,542
		-	485,305
<b>Items that shall not be reclassified subsequently to profit or loss</b>			
Share of associate's unrealized gain/ (loss) on remeasurement of its investment at fair value through other comprehensive income-net of deferred tax	6	59	(604)
<b>Total Comprehensive Income for the year</b>		<b>189,393</b>	<b>363,867</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**MUHAMMAD HANIF CHAMDIA**  
Chief Financial Officer

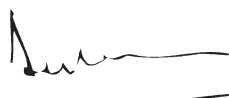
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Issued, Subscribed & paid up capital	General reserve	Revenue Reserve Un-appropriated profit	Capital Reserve Revaluation surplus on property, plant and equipment	Share of associate's unrealized (loss)/ Gain on remeasurement of investment	Total
	..... Rupees in thousand.....					
<b>Balance as at September 30, 2017</b>	204,737	1,000,000	338,952	1,058,349	(2,110)	2,599,928
<b>During the year ended September 30, 2018</b>						
Total Comprehensive (Loss) for the year	-	-	(120,834)	485,305	(604)	363,867
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	49,002	(49,002)	-	-
Share of associate's incremental depreciation of revaluation surplus	-	-	4,588	(2,628)	-	1,960
Deferred tax adjustment due to change in tax rate directly credited to revaluation surplus	-	-	-	35,911	-	35,911
<b>Balance as at September 30, 2018</b>	204,737	1,000,000	271,708	1,527,935	(2,714)	3,001,666
<b>During the year ended September 30, 2019</b>						
<b>Transaction with owners</b>						
Final dividend for the year ended September 30, 2018 @ Rs 1.5 per share			(30,711)			(30,711)
<b>Total Comprehensive Income for the year</b>	-	-	189,334	-	59	189,393
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	54,935	(54,935)	-	-
Share of associate's adjustment in its revaluation surplus related to incremental depreciation / disposal and change in tax rate	-	-	14,542	(16,681)	-	(2,139)
Deferred tax adjustment due to change in tax rate directly credited to revaluation surplus	-	-	-	(27,003)	-	(27,003)
<b>Balance as at September 30, 2019</b>	<b>204,737</b>	<b>1,000,000</b>	<b>499,808</b>	<b>1,429,316</b>	<b>(2,655)</b>	<b>3,131,206</b>

The annexed notes from 1 to 45 form an integral part of these financial statements.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**MUHAMMAD HANIF CHAMDIA**  
Chief Financial Officer

## STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	2019	2018
		Rupees in thousand	
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		456,886	(243,346)
<b>Adjustments for:</b>			
Depreciation of property, plant and equipment	4.1.1	287,055	273,599
Amortization of intangible assets		2,130	752
Gain on disposal of property, plant and equipment	30	(4,953)	(9,260)
Loss on disposal of property, plant and equipment	29	-	103
Provision for obsolescence and slow moving items	9.1	12,126	11,550
Reversal of provision of sugarcane cost	30	(253,279)	-
Reversal of provision of excise duty	30	(35,120)	-
Finance cost	31	495,809	309,881
Share of profit from associates	6	(187,843)	(93,705)
		315,925	492,920
<b>Cash generated before working capital changes</b>		772,811	249,574
<b>(Increase) / decrease in current assets</b>			
Stores, spare parts and loose tools		(51,752)	(12,429)
Stock in trade		66,450	1,708,673
Trade debts		(132,433)	(169,051)
Loans and advances		3,277	(8,989)
Trade deposits and short term prepayments		7,709	(3,397)
Other receivables		351,562	(750,692)
		244,813	764,115
<b>Increase / (decrease) in current liabilities</b>			
Trade and other payables		(21,543)	757,458
Short term borrowings		(402,116)	(1,258,385)
		(423,659)	(500,927)
		593,965	512,762
<b>(Payments to) / Receipts from</b>			
Income tax paid - net		(128,082)	(138,758)
Finance cost paid		(443,536)	(323,853)
Long term loans - net		981	(666)
Long term deposits - net		(1,144)	2,416
		(571,781)	(460,861)
<b>Net cash inflow from operating activities</b>		22,184	51,901
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(220,205)	(326,943)
Additions in intangible assets		(5,228)	(3,335)
Sale proceeds from disposal of property, plant and equipment		8,305	18,532
Dividend received from associate		23,098	1,650
<b>Net cash used in investing activities</b>		(194,030)	(310,096)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		800,000	500,000
Repayment of long term financing		(597,222)	(278,472)
Dividend paid		(30,219)	(34)
<b>Net cash inflows from financing activities</b>		172,559	221,494
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>		713	(36,701)
Cash and cash equivalents at the beginning of the year		92,508	129,209
<b>Cash and cash equivalents at the end of the year</b>		93,221	92,508

The annexed notes from 1 to 45 form an integral part of these financial statements.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**MUHAMMAD HANIF CHAMDIA**  
Chief Finance Officer

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

### 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operates sugar, medium density fiber (MDF) board and generation of power units which are located at Shahpur Jahania, District Shaheed Benazirabad in the Province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The total area of industry land which includes the main factory is spread over 207.25 Acres.

### 2 BASIS OF PREPARATION

#### 2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention' except certain items of property, plant and equipments, stated at revalued amount and long term investment in associates accounted for under equity method and stock in trade when valued at net realizable value. The company uses accrual basis of accounting except for cash flow statement.

#### 2.2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

#### 2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency.

#### 2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods as appropriate. In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

##### a) Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment. In making these estimates, the Company uses technical resources available with the Company. The company also uses judgments and estimates in determining fair values of items carried at revalued amounts. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation and impairment.

##### b) Stock-in-trade

The Company reviews the net realizable value of stock in trade to assess any impairment in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

**c) Taxation**

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and decision by appellate authorities on certain issues in past. Due weightage is given to past history while determining the ratio of future export sales for the purposes of calculating deferred taxation.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

**d) Impairment of non-financial assets**

The Company reviews carrying amount of assets annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the statement profit or loss.

**e) Stores and spare parts and loose tools with respect to provision for obsolescence and slow moving items**

The estimates of slow moving and obsolete stores, spare parts and loose tools, are made, using and appropriately judging the relevant inputs and applying the parameters i.e. age analysis, physical condition, obsolescence, etc. as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effect of variation is given as and when it takes place.

**f) Impairment of financial assets**

The Company reviews its doubtful trade debts, loans, deposits and receivables at each reporting date to assess whether an impairment allowance should be recorded in the statement profit or loss. In particular, judgment by management is required in the estimation of the recoverable amount and timing of future cash flow when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in making payments are considered as indicators that the dues are doubtful and the impairment allowance is recognized in the statement profit or loss.

**g) Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

**h) Provisions**

Estimates with respect to provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

**2.5 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS****2.5.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year**

The following Standards, interpretations and amendments to published approved accounting standards became effective during the year.

IAS-28	Investments in Associates and Joint Ventures amendments resulting from Annual Improvements 2014-2016 Cycle clarifying certain fair value measurements
IAS-40	Investment Property: Transfers of Investment Property (Amendments)
IFRS-2	Classification and Measurement of Share based Payments Transactions (Amendments)

IFRS-3	Business Combinations and IFRS 11 Joint Arrangements (Amendments)
IFRS-4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance contracts – (Amendments)
IFRS-9	Financial Instruments
IFRS-12	Disclosure of Interests in Other Entities amendments resulting from Annual Improvements 2014-2016 Cycle clarifying certain fair value measurements
IFRS-15	Revenue from Contract with customers
IFRIC-22	Foreign Currency Transactions (Amendments)

There were other amendments to existing standards and interpretations that become effective that are either irrelevant or do not have material impact so not detailed. The above stated Standards, interpretations and amendments also do not have significant impact on Company's financial statements except for the following standards:

**a) "IFRS 9 'Financial instruments' (Effective for annual periods beginning on or after 1 July 2018)**

IFRS 9, 'Financial instruments', has replaced the guidance in IAS 39. This includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting for financial assets and financial liabilities. The impact of application this new standard is disclosed below."

IFRS 9 replaces IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The changes are summarized below:

**(i) Classification and measurement of financial assets and financial liabilities**

"IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The Company's management while making assessment related to classification of the financial instruments has considered business model within which a financial asset is held, management's intentions with respect to collection of cash flows and trading of the financial instruments and accordingly the management has classified its financial instruments into the appropriate IFRS 9 categories."

Retrospective application of changes in classification of financial assets due to adoption of IFRS 9 resulted in no change in original carrying amounts of financial assets of the Company as there is no impact due to change in measurement and classification categories. The only impact is change in title of classification of financial assets and their presentation. Thus the adoption of IFRS 9 did not have any financial effect on the Company's accounting policies related to financial liabilities.

**(ii) Impairment of financial assets**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit loss model, rather than the current incurred loss model, when assessing the impairment of financial asset in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company has applied simplified approach for estimating lifetime expected credit losses with respect to trade receivables and has determined that the application of IFRS 9's impairment requirement at 01 July 2018 results in no impairment allowance for trade receivables. Further the securities and exchange commission of Pakistan through SRO 985(I)2019 dated 2/9/2019 has exempted application of impairment requirement of IFRS-9 for receivable from government owned entities.

**(b) IFRS 15 'Revenue from contract with customers' (Effective for annual periods beginning on or after 1 January 2018)**

The IASB has issued a new standard for the recognition of revenue. This new standard has replaced IAS 18 which covered contracts for goods and services and IAS 11 which covered construction contracts. IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

Further, IFRS 15 explains transaction price as the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

The Company has assessed that the Company's accounting policies with respect to revenue recognition and disclosures are already in line with IFRS 15 and there is no retrospective impact on the Company's financial statements.

**2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective.**

The following standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each of them.

		<b>Effective for the period</b>
IAS - 1	'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material.	January 01, 2020
IAS-12	Income Taxes – (Amendments)	January 1, 2019
IAS-19	Employee Benefits - (Amendments)	January 1, 2019
IAS-23	Borrowing Costs - (Amendments)	January 1, 2019
IAS-28	Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
IFRS - 3	Investments in Associates and Joint Ventures amendments resulting from annual improvement 2014 - 2016 cycle clarifying certain fair value measurements.	January 01, 2020
IFRS - 9	'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
IFRS - 16	Leases	January 1, 2019
IFRIC-23	The Accounting for uncertainties in Income Taxes (Amendments)	January 1, 2019
-	Amendments to conceptual framework	January 1, 2019

These standards either are not relevant or do not have significant impact on the Company's financial statements except for IFRS 16 "Leases" whose complete impact is yet to be assessed.



### 2.5.3 Standards, interpretations and amendments to published approved accounting standards that are not yet notified by Securities Exchange Commission of Pakistan.

		<b>IASB Effective Date "Effective for the period beginning on or after</b>
IFRS – 1	First Time Adoption of IFRS	January 1, 2004
IFRS -14	Regulatory Deferral Accounts	January 1, 2016
IFRS – 17	Insurance Contracts	January 1, 2021

## 3 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below

### 3.1 Property Plant & Equipments

#### a) Operating fixed assets

##### **Recognition/measurement**

Operating fixed assets except furniture, fixture & fittings, office equipment and vehicles are stated at revalued amounts less accumulated depreciation and impairment, if any. Furniture, fixture & fittings, office equipment and vehicles are stated at cost less accumulated depreciation and impairment, if any.

##### **Depreciation**

Depreciation is charged to income applying the reducing balance method at the rates specified in assets note no. 4.1. Depreciation on additions is charged from month of acquisition and up to the month preceding the month of disposal respectively.

##### **Subsequent cost**

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with it will flow to the Company and its cost can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

##### **Revaluation surplus**

The revaluation of freehold land, factory buildings and non-factory buildings thereon is carried out with sufficient regularity to ensure that the carrying amount of the assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land, factory buildings and non-factory buildings, plant and machinery is recognised, net of tax, in other comprehensive income and presented as separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease/deficit for the same asset previously recognised in the statement of statement of profit or loss, in which case the increase is first recognised in the statement of profit or loss to the extent of the decreased previously charged. Any decrease that reverse previous increase of the same assets are recognised first to other comprehensive income to the extent of remaining surplus attributable to that assets, all other decrease are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the company shareholders. Each year, the difference between the depreciation based on the revalued carrying amount of the assets charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earning.

##### **Derecognition**

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognised

**b) Capital work-in-progress**

Capital work-in-progress is stated at cost accumulated up to the reporting date less impairment if any and represents costs / expenditures incurred on property, plant and equipment during the course of construction and implementation, including borrowing cost capitalized, if any. These are transferred to specific assets as and when assets are available for intended use.

**3.2 Investment in Associates**

The Investment in associates is accounted for under equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the statement of profit or loss. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from incremental depreciation on revaluation of property, plant and equipment are recognized in retained earnings through statement of changes in equity.

Investment is de-recognized when the Company has transferred substantially all risks and rewards of ownership and rights to receive cash flows from the investment has expired or has been transferred.

**3.3 Stores, Spare parts and Loose Tools**

Stores, spare parts and loose tools are valued at cost, using weighted average method . Items in transit are valued at cost comprising invoice value and other charges incurred thereon up to the reporting date. Adequate provision is made for obsolescence and slow moving items as and when required based on the parameters set out by the management as stated in note 2.4 (e).

**3.4 Stock-in-Trade**

Stock-in-trade except "by products" are valued at the lower of cost and net realizable value. By products are valued at net realizable value.

Cost is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other directly attributable costs paid thereon up to the reporting date.

Cost of finished goods and work-in-process consist of cost of direct materials, labor and a proportion of manufacturing overheads based on normal capacity.

**3.5 Trade Debts**

Trade debts are carried at original invoice amount that is fair value of the goods sold less impairment allowance, if any. When a trade debt is uncollectable, it is written off.

**3.6 Employees post employment benefits****Defined Contribution Plan**

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made by the company and employees at the rate of 10% of basic salary plus cost of living allowance. The company's contribution to the fund is charged to statement of profit or loss for the year.

**3.7 Compensated unavailed leaves**

The Company accounts for its liability towards unavailed leaves accumulated by employees on accrual basis.

**3.8 Taxation****a) Current Income Tax**

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax under section 113 or alternate corporate tax under section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years. The Company falls under the final tax regime under section 154 and 169 of the Income Tax Ordinance, 2001 to the extent of export sales.

**b) Deferred taxation**

Deferred tax is recognized using liability method, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. In this regard, the effect on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted.

**c) Sales tax**

Revenues, expenses and assets are recognized net off amount of sales tax except:

- i) Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii) Receivables or payables that are stated with the amount of sales tax included.
- iii) The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**3.9 Trade and other payables**

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

**3.10 Borrowings and their costs**

Borrowings are recorded at the amount of proceeds received which is usually their fair value and subsequently carried at amortized cost.

Borrowing costs incurred on finances obtained for the construction/installation of qualifying assets are capitalized up to date the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently.

**3.11 Provisions**

Estimates and judgments are required with respect to provisions which are reviewed at each reporting date and adjusted to reflect current best estimate.

**3.12 Financial Instruments****3.12.1 Recognition**

Financial assets and liabilities are recognised when the company become party to the contractual provision of the instrument.

**3.12.2 Initial measurement**

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

### 3.12.3 Classification of financial assets

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. A financial asset is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

The Company classifies its financial instruments in the following categories:

- at amortised cost.
- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or "

Financial assets that meet the following conditions are classified as financial assets at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are classified as financial assets at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are classified as financial assets at FVTPL."

### 3.12.4 Classification of financial liabilities

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition.

### 3.12.5 Subsequent measurement

#### Financial assets and liabilities at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. In case of financial assets the amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

#### Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition of a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement profit or loss, but is transferred to statement of changes in equity.

#### Financial assets and liabilities at fair value through profit or loss (FVTPL)

These are subsequently measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL and any interest / markup or dividend income are included in the statement profit or loss.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss).

### 3.12.6 Derecognition of Financial Instruments

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Any gain or loss on derecognition of financial asset or liability is also included to the statement profit or loss .

### 3.12.7 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the company or the counter parties.

### 3.13 Impairment

#### a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to recognise lifetime expected credit losses for trade and other receivables, if any.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets. The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company considers evidence of impairment for receivable and other financial assets at specific asset level. Impairment losses are recognized as expense in statement of profit or loss . An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

#### b) Non-Financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of such assets is estimated.

An impairment loss is recognised if the carrying amount of a specific asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets of the unit on a pro-rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

### 3.14 Revenue Recognition

Revenue is recognized when or as performance obligation are satisfied. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

- Revenue from sale of goods is recognized when the control of goods are transferred to the buyer, usually on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on accrual basis at applicable rate.
- Mark-up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.
- Share of the profit or loss of associates is taken to profit & loss account under equity method (note 4.2) and dividend is credited to investment in associate in the period when the Company's right to receive the payment is established.

### 3.15 Foreign currency transactions and translation

Transactions in foreign currencies are recorded into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in statement of profit or loss.

### 3.16 Cash and Cash Equivalents

For the purpose of cash flow statement cash and cash equivalents comprises cash in hand, balances with banks on current, savings and deposit accounts.

### 3.17 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. Operating segments are reported in a manner consistent with the internal reporting structure based on the operating (business) segments of the company. An operating segment's operating results are regularly reviewed by the management and the chief executive officer for the purpose of making decisions regarding resource allocation and performance assessment and for which discreet financial information is available.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

### 3.18 Dividends and other appropriations

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

	Note	2019	2018
		Rupees in thousand	
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	4,687,656	4,570,047
Capital work in progress	4.2	83,803	271,614
		<u>4,771,459</u>	<u>4,841,661</u>

4.1 OPERATING FIXED ASSETS

PARTICULARS	2019										Depreciation Rate		
	NET CARRYING VALUE					GROSS CARRYING VALUE							
	Opening Net Book Value At Oct 01, 2018	Direct Additions	Transfer From CWIP	Revaluation Surplus during the year	Disposal during the year	Depreciation	Net Book Value At Sep 30, 2019	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2019			
..... Rupees in thousand .....													
<b>FREE HOLD LAND</b>													
Cost	68,312	-	-	-	-	-	68,312	68,312	-	68,312	68,312	10%	
Revaluation	294,991	-	-	-	-	-	294,991	294,991	-	294,991	294,991		
<b>FACTORY BUILDING</b>													
Cost	108,718	-	28,637	-	-	12,811	124,544	230,192	105,648	124,544	124,544	10%	
Revaluation	129,661	-	-	-	-	12,966	116,695	191,286	74,591	116,695	116,695		
<b>NON FACTORY BUILDING</b>													
Cost	84,887	-	5,065	-	-	4,940	85,012	182,297	97,285	85,012	85,012	5% - 10%	
Revaluation	489,315	-	-	-	-	26,413	462,902	632,591	169,689	462,902	462,902		
<b>POWER PLANT</b>													
Cost	211,281	-	11,762	-	-	21,349	201,694	419,246	217,552	201,694	201,694	10%	
Revaluation	14,216	-	-	-	-	1,422	12,794	22,820	10,026	12,794	12,794		
<b>PLANT &amp; MACHINERY</b>													
Cost	2,358,349	66,399	265,972	-	-	145,535	2,545,185	4,499,913	1,954,728	2,545,185	2,545,185	5% - 20%	
Revaluation	716,955	-	-	-	-	36,572	680,383	1,508,898	828,515	680,383	680,383		
<b>FURNITURE, FIXTURE AND FITTINGS</b>													
Cost	4,319	421	-	-	-	1,337	3,403	20,150	16,747	3,403	3,403	10%-33%	
<b>OFFICE EQUIPMENT</b>													
Cost	17,164	7,091	-	-	-	6,595	17,660	93,713	76,053	17,660	17,660	33%	
<b>VEHICLES</b>													
Cost	71,879	22,669	-	-	3,352	17,115	74,081	203,254	129,173	74,081	74,081	20%	
<b>TOTAL</b>													
Cost	2,924,909	96,580	311,436	-	3,352	209,682	3,119,691	5,717,077	2,597,186	3,119,691	3,119,691		
Revaluation	1,645,138	-	-	-	-	77,373	1,567,765	2,650,586	1,082,821	1,567,765	1,567,765		
	<b>4,570,047</b>	<b>96,580</b>	<b>311,436</b>	<b>-</b>	<b>3,352</b>	<b>287,055</b>	<b>4,687,556</b>	<b>8,367,663</b>	<b>3,680,007</b>	<b>4,687,556</b>	<b>4,687,556</b>		

PARTICULARS	2018										Depreciation Rate	
	NET CARRYING VALUE					GROSS CARRYING VALUE						
	Opening Net Book Value At Oct 01, 2017	Direct Additions	Transfer From CWIP	Revaluation Surplus during the year	Disposal during the year	Depreciation	Net Book Value At Sep 30, 2018	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2018		
..... Rupees in thousand .....												
<b>FREE HOLD LAND</b>												
Cost	20,187	-	48,125	-	-	-	68,312	68,312	-	68,312	68,312	10%
Revaluation	135,013	-	-	159,978	-	-	294,991	294,991	-	294,991	294,991	
<b>FACTORY BUILDING</b>												
Cost	92,928	-	26,499	-	-	10,709	108,718	201,555	92,837	108,718	108,718	10%
Revaluation	88,628	-	-	49,896	-	8,863	129,661	191,286	61,625	129,661	129,661	
<b>NON FACTORY BUILDING</b>												
Cost	89,935	-	-	-	-	5,048	84,887	177,232	92,345	84,887	84,887	5% - 10%
Revaluation	352,517	-	-	155,829	-	19,031	489,315	632,591	143,276	489,315	489,315	
<b>POWER PLANT</b>												
Cost	234,757	-	-	-	-	23,476	211,281	407,484	196,203	211,281	211,281	10%
Revaluation	15,574	-	-	199	-	1,557	14,216	22,820	8,604	14,216	14,216	
<b>PLANT &amp; MACHINERY</b>												
Cost	2,302,558	36,922	160,973	-	-	142,104	2,358,349	4,167,542	1,809,193	2,358,349	2,358,349	5% - 20%
Revaluation	740,300	-	-	14,330	-	37,675	716,955	1,508,898	791,943	716,955	716,955	
<b>FURNITURE, FIXTURE AND FITTINGS</b>												
Cost	2,087	3,672	-	-	-	1,440	4,319	19,729	15,410	4,319	4,319	10%-33%
<b>OFFICE EQUIPMENT</b>												
Cost	16,766	7,308	-	-	-	6,910	17,164	86,622	69,458	17,164	17,164	33%
<b>VEHICLES</b>												
Cost	65,866	32,174	-	-	9,375	16,786	71,879	190,740	118,861	71,879	71,879	20%
<b>TOTAL</b>												
Cost	2,825,084	80,076	235,597	-	9,375	206,473	2,924,909	5,319,216	2,394,307	2,924,909	2,924,909	
Revaluation	1,332,032	-	380,232	380,232	67,126	1,645,138	2,650,586	1,005,448	1,005,448	1,645,138	1,645,138	
	<b>4,157,116</b>	<b>80,076</b>	<b>235,597</b>	<b>380,232</b>	<b>9,375</b>	<b>273,599</b>	<b>4,570,047</b>	<b>7,969,802</b>	<b>3,399,755</b>	<b>4,570,047</b>	<b>4,570,047</b>	



**4.1.1 Depreciation for the year has been allocated as follows:**

	Note	2019	2018
Rupees in thousand			
Cost of Sales	25.1	230,655	224,384
Administrative expenses	28	56,400	49,215
		<b>287,055</b>	<b>273,599</b>

**4.1.2 Detail of property, plant and equipment disposed off are as follow:  
- by negotiation except otherwise stated**

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss) on disposal	Particulars of Buyer
..... Rupees in thousand .....						
<b>VEHICLES</b>						
Honda City	1,753	334	1,419	1,850	431	Naveed Arif, Al Rehman Tower plot No.4 Flat No.704 Mohala Jinah Cooperative Housing Society Karachi
Aggregate of other Motor Vehicles and Motorcycles with Individual book values not exceeding Rs.500,000/-	8,402	6,469	1,933	6,455	4,522	Various
<b>2019</b>	<b>10,155</b>	<b>6,803</b>	<b>3,352</b>	<b>8,305</b>	<b>4,953</b>	
2018	23,444	14,069	9,375	18,532	9,157	

**4.1.3** Revaluation of land, buildings and plant and machinery was carried out on September 30, 2018 by MYK Associates Private Limited (an independent valuator who is located in Karachi) on the basis of their professional assessment of present market value made on the enquired made about the cost of land and building of similar nature, size and location including, consideration of current cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition and replacement cost of plant and machinery.

a) Had there been no revaluation of the aforementioned assets, the carrying value at historical cost would have been as follows:

	2019	2018
Rupees in thousand		
Freehold land	68,312	68,312
Factory Building	124,544	108,718
Non-factory Building	85,012	84,887
Power plant	201,694	211,281
Plant and machinery	2,545,185	2,358,349
	<b>3,024,747</b>	<b>2,831,547</b>

- b) Forced sale value has been determined by the valuer (based on the last revaluation report) using discount factor, i.e., Disposition Value (DV) Factor for Land and Building and Orderly Liquidation Value (OLV) factor for plant and machinery as follows;

	Discount Factor %		Revalued Amount based on last revaluation as of 30/09/18	Forced Sale Value
	Disposition Value (DV)	Orderly Liquidation Value (OLV)		
			<b>Rupees in thousand</b>	
Freehold Land	20%	-	363,303	290,642
Building including factory/ non-factor and other building	20%	-	812,580	650,065
Plant & Machinery including power plant	-	20% / 30%	3,300,800	2,472,562

**4.2 Capital work in progress**

<b>2019</b>				
Opening Balance	During the year		Closing Balance	
	Capital expenditure incurred	Transferred to operating fixed assets		
----- Rupees in thousand -----				
Civil works - Factory and non-factory building	<b>32,266</b>	<b>26,655</b>	<b>(33,702)</b>	<b>25,219</b>
Plant and machinery including power plant	<b>239,348</b>	<b>96,970</b>	<b>(277,734)</b>	<b>58,584</b>
	<b>271,614</b>	<b>123,625</b>	<b>(311,436)</b>	<b>83,803</b>

<b>2018</b>				
Opening Balance	During the year		Closing Balance	
	Capital expenditure incurred	Transferred to operating fixed assets		
----- Rupees in thousand -----				
Civil works	25,089	33,676	(26,499)	32,266
Plant and machinery including power plant	208,780	191,541	(160,973)	239,348
Advance against Land	26,475	21,650	(48,125)	-
	260,344	246,867	(235,597)	271,614

- 4.2.1** Additions to plant and machinery under installation includes borrowing cost of Rs.25.427 million (2018: Nil) capitalized at the effective rate of 11% to 14.50% (2018: NIL).

	Note	2019	2018
<b>5 INTANGIBLE ASSET</b>		<b>Rupees in thousand</b>	
<b>Softwares</b>			
<b>Net Carrying value basis</b>			
Opening carrying value		2,583	-
Additions during the year - at cost		5,228	3,335
Amortization for the year		(2,130)	(752)
		<b>5,681</b>	<b>2,583</b>
<b>Gross Carrying value basis</b>			
Cost		15,436	10,208
Accumulated amortisation		(9,755)	(7,625)
		<b>5,681</b>	<b>2,583</b>

**6 LONG TERM INVESTMENTS**

Investment in associates: -

	Shahmurad Sugar Mills Limited	AI Noor Modaraba Management (Pvt.) Limited	Total 2019	Total 2018
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----- Rupees in thousand -----

Opening balances	520,894	1,816	522,710	264,864
Share of profit /(Loss) of associates	188,367	(524)	187,843	93,705
Share of associate's unrealized gain/ (loss) on remeasurement of associate's investment at fair value through other comprehensive income	9	60	69	(711)
Share of associate's surplus on fresh revaluation of property, plant and equipment-net of deferred tax	-	-	-	164,542
Share of associate's tax rate impact related to its surplus on revaluation of property, plant and equipment	(2,139)	-	(2,139)	1,960
Dividend received from associate	(23,098)	-	(23,098)	(1,650)
	163,139	(464)	162,675	257,846
Closing Balance	684,033	1,352	685,385	522,710

- 6.1** The Company holds 3,299,784 (15.625%) and 500,000 (14.285%) fully paid ordinary shares of Shahmurad Sugar Mills Limited (SSML) and AI-Noor Modaraba Management (Pvt.) Limited (ANMM) respectively. Original cost of investments in SSML and ANMM is Rs. 21.631 million and Rs. 5 million respectively. SSML and ANMM being group companies of AI-Noor Group and having common directors are associates of the Company and this strategic investment in associates is accounted for using equity method.

SSML was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. SSML owns and operates Sugar and Ethanol manufacturing units which are located at Jhok, District Thatta in the Province of Sindh. The registered office of SSML is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. Chief Executive of SSML is Mr.Yusuf Ayoob. The market value (based on quoted market price on Pakistan Stock Exchange Limited) of shares of Shahmurad Sugar Mills Limited as at September 30, 2019 was Rs.260.683 million. (2018 : Rs.415.773 million).

ANMM was incorporated on July 21, 1991, its principal business is to float and manage MODARABA and its principal place of business is situated at 96-A, S.M.C.H.S. Karachi. Chief Executive of ANMM is Mr. Jalaluddin Ahmed Breakup value per Share Rs.3.63 (2018: Rs.3.63) and aggregate breakup value of the Company's investment is Rs.1,816 thousand (2018:Rs.1,816 thousands). In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30, 2019 and since there are no significant change in the associate's financial affairs up to September 30, therefore, the financial results of ANMM as at June 30, 2019 have been used for the purpose of application of equity method.

6.2 Summarized financial information of associates based on their latest available audited financial statements is as follows: -

2019		2018	
Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited
----- Rupees in thousand -----			

**Assets, Liabilities and net assets**

**Assets**

Tangible and intangible fixed assets	5,498,699	565	5,315,323	706
Long Term Investments	1,351	13,020	1,815	12,600
Other non current assets	30,369	13	72,631	13
Current assets	4,860,438	1,198	4,529,303	2,005
	10,390,857	14,796	9,919,072	15,324

**Liabilities**

Non - current liabilities	(1,340,813)	(3,700)	(1,659,686)	(1,550)
Current liabilities	(4,672,241)	(1,653)	(4,925,666)	(1,080)
	(6,013,054)	(5,353)	(6,585,352)	(2,630)

Net assets	4,377,803	9,443	3,333,720	12,694
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Share of net assets	684,033	1,352	520,894	1,816
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**Operating Results**

Revenue / Income	9,631,925	12	8,120,572	3,815
Total expenses	(8,276,869)	(3,683)	(7,572,081)	(5,433)
Share of loss of associates	(524)	-	(242)	-
Taxation	(148,986)	-	53,009	(77)
Profit/ (Loss) after taxation for the year	1,205,546	(3,671)	601,258	(1,695)

Share of Al-Noor Sugar Mills Limited	188,367	(524)	93,947	(242)
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	Note	2019	2018
Rupees in thousand			
<b>7 LONG TERM LOANS</b>			
<b>Secured &amp; Interest free</b>			
Considered good			
Due from - Executives	7.1	1,190	736
- Non Executive		12,998	12,269
		14,188	13,005
Less : Current portion of loans			
Due from - Executives		(1,090)	(1,000)
- Non Executive		(10,186)	(8,112)
		(11,276)	(9,112)
		2,912	3,893
<b>7.1 Movement of outstanding amount of loans to Executives:</b>			
Balance at the beginning of the year		736	2,487
Disbursed during the year		1,135	1,000
Recovered during the year		(681)	(2,751)
Balance at the end of the year		1,190	736
<b>7.2</b>			
Loans and advances have been given in accordance with the terms of employment and are recoverable within a maximum period of three years in monthly installments. These are usually granted against the retirement benefits. These interest free long term loan have been carried at cost as the effect of carrying these balances at amortised cost would not be material.			
<b>7.3</b>			
The maximum aggregate amount due from executives at any month end during the year was Rs.1.190 million (2018:2.259 million).			
<b>8 LONG TERM DEPOSITS</b>			
Interest fee - considered good			
Utilities		632	632
Others		3,606	2,462
		4,238	3,094
<b>9 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		162,143	143,019
Spare parts		252,293	242,446
Loose tools		1,205	1,041
Stores in transit		25,789	3,172
		441,430	389,678
Less: Provision for obsolescence and slow moving items	9.1	(79,766)	(67,640)
		361,664	322,038
<b>9.1 Provision for obsolescence and slow moving items</b>			
Opening balance		67,640	56,090
Provision for the year	29	12,126	11,550
Closing balance		79,766	67,640

	Note	2019	2018
Rupees in thousand			
<b>10 STOCK IN TRADE</b>			
Raw material - in hand		363,850	270,724
- in transit		22,737	36,146
		<b>386,587</b>	306,870
Sugar in process		2,807	2,649
Finished goods/By Products			
Sugar	10.1	1,562,411	1,657,654
MDFB Sheets	10.2	196,149	206,845
		<b>1,758,560</b>	1,864,499
Trading stock of laminated flooring / Edge Banding		2,979	2,979
Bagasse		2,114	42,500
		<b>2,153,047</b>	<b>2,219,497</b>
<b>10.1</b>	Stocks of refined sugar amounting to Rs.1,172 million (2018: Rs.1,554 million) is pledged against cash finance facilities and Murabaha / Istisna arrangements as referred in Note.22.1 and 22.2 respectively.		
<b>10.2</b>	Stock in trade includes stocks costing Rs.324 million (2018: Rs. 2,131 million) written down to their net realizable value of Rs.309 million (2018: Rs.1,982 million).		
<b>11 TRADE DEBTS</b>			
Against Export sales - secured, considered good		129,802	-
Against Local sales - Unsecured, considered good		377,005	374,374
		<b>506,807</b>	<b>374,37</b>
<b>12 LOANS AND ADVANCES</b>			
<b>Secured &amp; Interest free</b>			
Current portion of long term loans	7	11,276	9,112
<b>Un-secured &amp; Interest free</b>			
<b>Considered good</b>			
Advances against purchases and services		35,562	37,558
Advances to employees		6,978	7,457
Loans to growers		12,177	15,143
		<b>54,717</b>	60,158
<b>Considered doubtful</b>			
Loans to growers	12.1	36,801	36,801
For purchase and services		1,555	1,555
For transportation		2,740	2,740
		<b>41,096</b>	41,096
		<b>107,089</b>	110,366
Impairment allowance against doubtful loans and advances		(41,096)	(41,096)
		<b>65,993</b>	<b>69,270</b>
<b>12.1</b>	These overdue loans are given to farmer/growers to support them for sugarcane cultivation and development. These were adjusted against purchase of sugarcane from respective growers. Interest is charged on these loans @ 10%. However, impairment allowance has been made in respect of loans against which future adjustment through purchase of sugarcane is considered doubtful and hence no interest is accrued thereon.		

	Note	2019	2018
Rupees in thousand			
<b>13</b>	<b>TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>		
	Trade deposits	8,568	16,418
	Short term prepayments	3,153	3,012
		<b>11,721</b>	<b>19,430</b>
<b>14</b>	<b>OTHER RECIEVABLES</b>		
	<b>Considered good</b>		
	Receivables from related parties	14.1 786	3,787
	Sales tax receivable	23.8 31,173	31,173
	Cane Development Cess	8,238	8,238
	Export subsidy	399,655	747,558
	Others	142	800
		<b>439,994</b>	<b>791,556</b>
	<b>Considered doubtful</b>		
	Export freight subsidy	49,779	49,779
	Less: impairment allowance against export freight subsidy	14.2 (49,779)	(49,779)
		-	-
		<b>439,994</b>	<b>791,556</b>
<b>14.1</b>	These represent insurance claims receivable from Reliance Insurance Company Limited, respectively. The maximum aggregate amount due from related parties at the end of any month during the year was Rs.1.304 million (2018: 25.022 million).		
<b>14.2</b>	This represents freight subsidy on sugar exports receivable from Trade Development Authority of Pakistan. However, due to uncertainties regarding its recoverability, impairment allowance has been made as a matter of prudence.		
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	2,171	2,272
	Cash at banks		
	In Current accounts	89,774	78,125
	In Saving accounts	15.1 1,276	12,111
		15.2 91,050	90,236
		<b>93,221</b>	<b>92,508</b>
<b>15.1</b>	This carry profit at the rate of 9.35% p.a (2018: 2.29% and 4.68%).		
<b>15.2</b>	This includes deposits of Rs. 13.264 million (2018: Rs. 18.938 million) with Shariah Compliant financial institutions.		

**16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2019	2018	Note	2019	2018
No. of Shares	No. of Shares		Rupees in thousand	Rupees in thousand
3,617,635	3,617,635	Ordinary shares of Rs.10 each allotted for consideration paid in cash.	36,177	36,177
884,637	884,637	Ordinary shares of Rs. 10 each allotted as fully paid up otherwise than in cash (issued in terms of loan arrangement and debenture trust deeds).	8,846	8,846
15,971,430	15,971,430	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares.	159,714	159,714
<b>20,473,702</b>	<b>20,473,702</b>		<b>204,737</b>	<b>204,737</b>

**16.1** As at year end, the associated companies held 2,748,450 (2018: 2,728,450) ordinary shares respectively of Rs.10/= each.

**17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Surplus on revaluation of property, plant and equipment	17.2	1,198,660	1,280,598
Share of associates' surplus on revaluation of property, plant and equipment	17.3	230,656	247,337
		<b>1,429,316</b>	<b>1,527,935</b>

**17.1** The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the company in accordance with the provision of the Companies Act 2017.

**17.2 Surplus on revaluation of property, plant and equipment**

Opening balance - gross		1,645,138	1,332,032
Incremental depreciation - net of deferred tax		(54,935)	(49,002)
Related deferred tax liability		(22,438)	(18,124)
		<b>(77,373)</b>	<b>(67,126)</b>
Surplus on fresh revaluation of property, plant and equipment		-	380,232
Closing balance - gross		1,567,765	1,645,138
Related deferred tax liability		(369,105)	(364,540)
Revaluation surplus net of deferred tax		<b>1,198,660</b>	<b>1,280,598</b>



	Note	2019	2018 Restated
<b>Rupees in thousand</b>			
<b>17.3 Share of associates' surplus on revaluation of property, plant and equipment</b>			
Opening balance		247,337	85,423
Share of associates' surplus on revaluation of property, plant and equipment arising during the year		-	164,542
Transfer from surplus on revaluation of property, plant and equipment on account of Share of associate's incremental depreciation of revaluation surplus		(14,542)	(4,516)
Transfer from surplus on revaluation of property, plant and equipment on account of Share of associate's revaluation surplus related to disposal		-	(72)
Effect of change in tax rate		(2,139)	1,960
		<u>230,656</u>	<u>247,337</u>
<b>18 LONG TERM FINANCING- Secured</b>			
<b>Conventional</b>			
Banks	18.1	578,125	140,625
Financial institutions other than banks	18.1	317,361	102,084
		895,486	242,709
<b>Islamic</b>	18.1	2,006,250	2,456,250
Diminishing Musharaka		2,901,736	2,698,959
Less:-current maturity shown under current liabilities		(764,861)	(597,222)
		<u>2,136,875</u>	<u>2,101,737</u>

	BANKS						FINANCIAL INSTITUTION						TOTAL	
	Bank Al Falah Ltd	Bank Al Falah Ltd	Standard Chartered Bank (Pakistan) Limited	Faysal Bank Ltd	Faysal Bank Ltd	Mezzan Bank Ltd	Mezzan Bank Ltd	Pak Oman Inv	Pak Oman Inv	Pak Brunei Inv	Pak Brunei Inv	Pak Brunei Inv	Total	2019
Opening balance	140,625	-	406,250	500,000	250,000	800,000	500,000	12,500	31,250	25,000	33,333	102,083	2,698,958	2,477,431
Add: Receipts	500,000	-	-	-	-	-	-	-	-	-	-	300,000	800,000	500,000
Less: Repayment	62,500	-	125,000	75,000	-	-	250,000	12,500	25,000	25,000	22,222	84,722	597,222	278,472
Closing balance	78,125	500,000	281,250	425,000	250,000	800,000	250,000	2,584,275	6,250	-	11,111	317,361	2,901,736	2,698,959
Less: Current Maturity Shown under current liabilities	62,500	-	125,000	100,000	50,000	160,000	250,000	747,500	6,250	-	11,111	17,361	764,861	597,222
	15,625	500,000	156,250	325,000	200,000	640,000	-	1,836,775	-	-	-	300,000	2,136,875	2,101,737
	Term Finance	Term Finance	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Long Term Finance	Long Term Finance	Long Term Finance	Long Term Finance	Long Term Finance		
Sanctioned/Sale Price/ Disbursed Amount (Rs in million)	250	500	500	500	250	800	500	50	100	100	100	300		
Facility Tenor	5 Years	5 Years	5 Years	7 Years	7 Years	7 Years	18 Months	5 Years	5 Years	5 Years	5 Years	5 Years		
Grace Period	1 Year	2 Year	1 Year	2 Year	2 Year	2 Year	1 Year	1 Year	1 Year	6 Months	2 Year	2 Year		
Effective rate of markup (per annum)	3 M KIBOR + 0.75% Quarterly	3 M KIBOR + 1.75% Quarterly	3 M KIBOR + 0.60% Quarterly	3 M KIBOR + 0.80% Quarterly	3 M KIBOR + 0.50% Quarterly	6 M KIBOR + 0.50% Half Yearly	3 M KIBOR + 0.50% Monthly	6 M KIBOR + 0.75% Quarterly	6 M KIBOR + 0.75% Half Yearly	6 M KIBOR + 0.75% Half Yearly	3 M KIBOR + 2.00% Quarterly			
Installments Payable	16	12	16	20	20	10	6	16	8	9	12			
Number of installments														
Date of disbursement	29-12-2015	13-09-2019	29-11-2016	22-12-2016	24-07-2017	01-06-2017	05-06-2018	30-09-2014	05-12-2014	08-04-2014	06-11-2014			01-08-2019
Date of maturity	29-12-2020	13-09-2024	29-11-2021	22-12-2023	24-07-2024	01-06-2024	05-12-2019	30-09-2019	05-12-2019	08-04-2019	06-11-2019			01-08-2024
<b>SECURITIES</b>														
Bank Al-Falah Ltd-250-M.	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division													
Bank Al-Falah Ltd-500-M.	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division													
Standard Chartered Bank (Pakistan) Ltd Rs-500-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB-Division													
Faysal Bank Limited Rs.500-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB-Division													
Faysal Bank Limited Rs.250-M	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-MDF-Division													
Mezzan Bank Ltd Rs.800-M.	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division													
Mezzan Bank Ltd Rs.500-M.	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division													
Pak Oman Investment Co. Ltd Rs50-M.	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB-Division													
Pak Oman Investment Co. Ltd Rs100-M.	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd- Sugar Division.													
Pak Brunei Investment Co. Ltd Rs100-M.	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd- MDFB-Division.													
Pak Brunei Investment Co. Ltd Rs100-M.	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd- MDFB-Division.													
Pak Brunei Investment Co. Ltd Rs300-M.	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd- MDFB-Division.													

	Note	2019	2018
Rupees in thousand			
<b>19 DEFERRED LIABILITIES</b>			
Deferred taxation	19.1	460,851	321,742
Excise duty	19.2	-	35,120
		<b>460,851</b>	<b>356,862</b>
<b>19.1 Deferred taxation</b>			
Opening balance		321,742	508,635
Deferred tax arising due to revaluation during the year		-	59,469
Effect of reduction in tax rate related to revaluation surplus		27,003	(35,911)
Effect of items taken to other comprehensive income & statement of changes in equity		10	(107)
Charged/ (credited) to statement of profit or loss		112,096	(210,344)
		<b>460,851</b>	<b>321,742</b>
<b>Deferred tax liabilities / assets arising in respect of;</b>			
<b>Taxable temporary differences</b>			
Accelerated depreciation		342,609	306,214
Investment in associates		98,813	74,412
Surplus on revaluation of property, plant and equipments	17.2	369,105	364,540
		<b>810,527</b>	<b>745,166</b>
<b>Deductible temporary differences</b>			
Provisions / impairment allowances		(25,870)	(22,961)
Minimum tax carried forward		(40,816)	(85,070)
Unabsorbed losses		(282,990)	(315,393)
		<b>(349,676)</b>	<b>(423,424)</b>
		<b>460,851</b>	<b>321,742</b>

**19.2** This represented provision made in respect of denial of excise duty exceptions by |Central Excise and |Land Custom Department vide notification of December 23, 1992. The company had filed a constitutional petition before the honourable High Court of Sindh, however, the same was rejected by the Honourable Sindh High Court. The company thereafter filed an appeal before the Honourable Supreme Court of Pakistan against the order of Honourable Sindh High Court. The Honourable Supreme Court of Pakistan through decision dated 26th February 2018 has decided the matter in favour of the Company and has decreed that if any tax in this regard has been collected by the excise authorities, the same shall be refunded or adjusted as the case may be subject to determination by the competent forum that burden of such excise duty has not been passed on the general public. Since the case has now been decided in favour of the Company and no further action has been taken by any concerned department, so the provision has been reversed during the year.

	Note	2019	2018
Rupees in thousand			
<b>20 TRADE AND OTHER PAYABLES</b>			
Creditors	20.1	739,312	1,061,535
Accrued expenses		81,069	75,356
Advances from customers	20.2	188,005	91,852
Workers' Profit Participation fund		14,476	-
Workers' welfare fund		5,501	-
Sales tax payable		83,414	107,693
Payable to provident fund - related party		777	145
Trade deposits and retention money		1,003	51,797
		<u>1,113,557</u>	<u>1,388,378</u>
<b>20.1</b>	This includes Rs.Nil (2018: Rs. 14.823 million) payable to related party M/s. Reliance Insurance Company Limited.		
<b>20.2</b>	This includes advance from M/s. Shahmurad Sugar Mills Limited (an associated company) of Rs.104.969 million (2018: 37.50 million)		
<b>21 ACCRUED FINANCE COST</b>			
On Long term financing		63,227	33,232
On Short term borrowings		48,272	25,994
		<u>111,499</u>	<u>59,226</u>
<b>21.1</b>	This includes Rs. 50.747 million (2018: Rs. 31.134 million) in respect of borrowings under Shariah Compliant arrangements.		
<b>22 SHORT TERM BORROWINGS</b>			
<b>From banking companies - Secured</b>			
Running finance/Cash finance		1,204,219	1,631,335
Export refinance		325,000	300,000
	22.1	<u>1,529,219</u>	<u>1,931,335</u>
<b>22.1</b>	These carry markup at rates ranging from 3 month Kibor +0.10% to 0.25% and 0.50% over SBP ERF rate (2018 : 1/3 month Kibor+0.05% to 0.25% and 0.50% over SBP ERF rate) per annum chargeable and payable quarterly. These are secured against pledge of refined sugar(hypothicated/pledge charge over stocks ) and 1st pari passu equitable mortgage charge on fixed assets. The aggregate limit of running/cash/export refinance arrangements is up to Rs.3,125 million (2018: Rs 3,725 million). The aggregate unavailed running finance/cash finance facilities from commercial banks at year end amounted to Rs.1,596 million (2018 : Rs.1,794 million) as on reporting date.		
<b>22.2</b>	Murabaha / Istisna have been availed from Islamic banks at respective Kibor+0.25% (2018: respective Kibor+0.05%). The profit is payable with principle amount on the date of maturity of transaction. These include pledge and hypothecation facilities. Pledge facilities are primarily secured by pledge of sugar and collaterally secured by ranking charge on current assets and hypothecation facilities are secured by 1st pari passu hypothecation charge over plant and machinery. The aggregate limit of Murabaha/Istisna arrangements is up to Rs. 600 million (2018: Rs 600 million). The unavailed facility at the year end amounted to Rs. 600 million (2018: 600 million).		

**23 CONTINGENCIES AND COMMITMENTS****a) Contingencies**

- 23.1** A demand of Rs. 6.216 million in respect of sales tax on in house use of bagasse as fuel was raised by the Collectorate of Sales Tax, Hyderabad. The Company disputed the liability and had filed an appeal before the Appellate Tribunal Karachi. The Appellate Tribunal has remanded back the case to the department of sales tax with a direction to compute the sales value and the sales tax payable thereon correctly after providing proper opportunity to the parties. The Tribunal has also directed the department to consider the fact that there was no deliberate or willful attempt to defraud the revenue therefore, the additional tax liability may be uncalled. However, to avail relief from levy of additional tax, as provided through SRO 1349(1) 99 dated 17th December, 1999, the Company had paid a total amount of Rs. 11.791 million including additional tax of Rs.5.577 million in December, 1999.

The adjudicating authority conducted the proceedings on remanded back case of the Tribunal and maintained its previous order. Thereafter The Company had filed an appeal before Collector Appeals which was decided against the company that the company has filed an appeal before the Appellate Tribunal which is pending for final order. However the Company has provided for the contingency for the amount of sales tax and additional tax already paid through the aforesaid notification.

- 23.2** The Company filed petition before Honourable High Court of Sindh challenging the levy of further tax against taxable supplies made to unregistered person under section 3(1A) of the Sales Tax Act, 1990. The entire liability till November 30, 2000 was paid by the Company, in the month of December 2000. As per judgment awarded against the department by the Honourable High Court of Sindh, the Company has claimed refund of such further tax amounting to Rs. 48.990 million out of which an amount of Rs.5.233 million was refunded by the department.

The Department of Sales Tax has thereafter filed an Appeal before the Honourable Supreme Court against the Order of the Honourable High Court of Sindh. The Honourable Supreme Court has allowed the Appeal with direction to the department to act in accordance with law; however Ratio Decidendi ordered by the High Court of Sindh has not been reversed, over ruled or amended. Sales Tax department has however raised demands of further tax involving amount of Rs. 116 million, which had been contested by the company in the light of Sindh High Court Judgment on which the Sales Tax Tribunal had issued orders in favour of the company. Against the order of the tribunal the sales tax department filed appeal before the Honourable High Court which is pending. Considering the decision of the Court and facts of the case the legal counsel of the company is of the view that the final outcome of the matter will be in favour of the Company.

- 23.3** The Company's appeal in the Honourable Supreme Court dated 19 February 2004 against the Order of the Sindh High Court for levy of Quality Premium was accepted by the Honourable Supreme Court by assailing the Order of Sindh High Court. Furthermore Federal Government steering committee through its decision on 16-07-2007 held that the quality premium shall remain suspended till decision of Honourable Supreme Court or consensus on uniform formula to be developed by MINFAL. Amount involved aggregated to Rs. 339.65.million.

During the year 2017-18 the Honourable Supreme Court of Pakistan through its order dated 5 March 2018 has decided the matter against the Sugar Manufacturing Companies and the Legal Counsel of the Company is of the view that the Honourable Supreme Court has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998 – 1999) it appears that no liability arose as no legally binding notification under section 16(v) can be said to be in the field in the light of the decision of the Honourable Supreme Court. Accordingly, no liability arises for the past except for the year 1998-99 for which quality premium is not payable owing to lesser recovery then base recovery in case of the company.

- 23.4** The Company has filed a petition before the Honourable High Court of Sindh on 11 June 2011 against the imposition of special excise duty and recovery by the Inland Revenue Department (the Department) of 70% of the total amount of Rs 7.135 million against excise duty involved. The case was decided in favour of the company declaring Special Excise Duty as void ab-initio and of no legal effect. Thereafter the Department has filed an appeal before Honourable Supreme Court of Pakistan against the decision of Honourable High Court which is pending. The Company as a matter of abundant prudence has provided for the amount of said duty in the financial statements. During the year 2013, the Company received show-cause notice no C.No.01(01)RP/Zone-II/2013/ dated 10 December 2013 from the Department against refund claim of Special Excise Duty amounting to Rs. 118.208 million filed by the Company in compliance with the order of Honourable High Court of Sindh. The Company filed appeal in the Honourable High court of Sindh on 30 December 2013 against that show cause notice issued by the Department and the Honourable High Court issued stay order against the proceedings on show cause notice. No provision is made in the financial statement as the outcome of case is expected to be in favour of the company as per legal counsel.

- 23.5** A show cause notice was issued by the Department of Inland Revenue LTU Karachi, regarding the reduced rate of Federal Excise Duty availed by the Company amounting to Rs. 51.397 million under SRO 77 (1) / 2013 dated February 7, 2013. The Company has filed suit in the Honourable High Court of Sindh Karachi dated 30 December 2013 against the show cause notice and the Honourable High Court has issued stay order against the proceedings on show cause notice. Pending the outcome of the case, no provision has been made as the outcome of the case is expected to be in favour of the company as per legal counsel.
- 23.6** The Company has filed a petition in the Honourable Supreme Court of Pakistan, dated 14 January 2010 against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. There are no financial implications related to this at the moment.
- 23.7** Pakistan Standards and Quality Control Authority (the Authority) has demanded a marking fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 6.5 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Company has filed a petition before the Honourable High Court of Sindh dated 01 September 2010 challenging the levy of marking fee under PSQCA Act-VI of 1996 and the Honourable Court accepted the petition and termed that the impugned notification has been issued without lawful authority and suspended the operation of the impugned notifications. The constitutional petition filed before the Honourable High Court of Sindh has been allowed in favour of the company. In the meantime the legal counsel of the company filed caveat in respect of an appeal to be filed by the PSQCA against the Judgment in Honourable Supreme Court of Pakistan. The Pakistan Standards and Quality Control Authority have filed an appeal before the Honourable Supreme Court of Pakistan against the decision of Honourable High Court of Sindh. The appeal is pending before the Honourable Supreme Court of Pakistan and in view of earlier decision of Honourable Supreme Court of Pakistan, the company is confident for favourable outcome, so no provision is made.
- 23.8** An order was issued by Large Taxpayer Unit Karachi for recovery of Rs.31.173 million including additional tax and penalty being alleged inadmissible input tax claimed by the company. The amount of alleged inadmissible input tax was deposited by the company after receipt of order. However, the company filed an appeal before the Commissioner Inland Revenue Karachi. The Commissioner Inland Revenue decided the matter in favour of the company, declaring the input tax adjustment claimed by the company as admissible against which Large Taxpayer Unit Karachi has filed an appeal before Sales Tax Appellate Tribunal Inland Revenue Karachi. Appellate Tribunal Inland Revenue has partly remanded back the case, while other part of department appeal was rejected. However the Company has applied for refund of the amount deposited and is confident for outcome in favour of the company so no provision is made in this respect.
- 23.9** Against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season 2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The Honourable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent on upon the decision of Honourable Supreme Court of Pakistan. The Company as a matter of prudence accounted for the said difference of Rs. 10 per 40 kgs in the preceding years aggregating to Rs. 253.279 millions; however since no decision has yet been made by the court and the likelihood of further payment is remote, therefore the management of the company considering the practice of certain other sugar mills has resolved to reverse this provision during the year.
- 23.10** During the year 2017-18, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honourable Court after deliberations with all stakeholders announced the judgment fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan which is pending. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40 kgs these financial statements aggregating to Rs.517.738 million.
- 23.11** During the year 2017-18 the company filed a petition in the Honourable High Court of Sindh and obtained stay order against illegal construction of building by government school management on the land 1-12 acres owed by the company, but 4-1/2 acres are under dispute. The land is annexed to Al-noor Sugar Mills High School, Shahpur Jahania District, Shaheed Benazirabad. The matter is still pending before the Honourable High Court Sindh at Hyderabad bench.

	Note	2019	2018
Rupees in thousand			
<b>b) Commitments</b>			
The Company's commitment as on September 30, are as follows:			
Letters of credit			
Stores		20,166	11,513
Raw Material		203,552	195,612
Machinery		27,360	6,152
		<u>251,078</u>	<u>213,277</u>
<b>24 SALES</b>			
Export		1,168,856	4,804,860
Local			
Local Sales including Sales tax and federal excise duty		9,483,424	4,997,357
Sales tax and federal excise duty		(1,311,236)	(720,929)
Brokerage and commission		(1,013)	(389)
		<u>8,171,175</u>	<u>4,276,039</u>
		<u>9,340,031</u>	<u>9,080,899</u>
<b>25 COST OF SALES</b>			
Opening stock of finished goods		1,864,499	3,596,450
Cost of goods manufactured	25.1	8,066,980	8,001,517
		<u>9,931,479</u>	<u>11,597,967</u>
Less: Closing stock of finished goods		(1,758,560)	(1,864,499)
		<u>8,172,919</u>	<u>9,733,468</u>
<b>25.1 Cost of goods manufactured</b>			
Raw material consumed	25.1.1	6,928,756	7,208,184
Salaries, wages and benefits	25.1.2	312,976	294,008
Stores and spare parts consumed		328,923	238,662
Packing materials		45,922	46,307
Fuel and oil		174,396	96,942
Power and water		289,019	167,117
Repair and maintenance		135,717	123,945
Insurance		16,634	20,929
Depreciation	4.1.2	230,655	224,384
Other manufacturing expenses		37,139	38,427
		<u>8,500,137</u>	<u>8,458,905</u>
Less:			
Sale of Molasses		377,560	352,338
Sale of Bagasse	25.1.3	22,138	-
Inventory adjustment of bagasse		(40,386)	11,000
Sale of Sunder dust		9,033	4,072
Sale of Electric Power		64,654	90,183
		<u>(432,999)</u>	<u>(457,593)</u>
Work-in-process			
Opening stock		2,649	2,854
Closing stock		(2,807)	(2,649)
		<u>(158)</u>	<u>205</u>
		<u>8,066,980</u>	<u>8,001,517</u>

	Note	2019	2018
Rupees in thousand			
<b>25.1.1 Raw material consumed</b>			
Opening stock		270,724	274,242
Purchases and related expenses		7,021,882	7,204,666
		7,292,606	7,478,908
Closing stock		(363,850)	(270,724)
		<u>6,928,756</u>	<u>7,208,184</u>
<b>25.1.2</b> It includes Rs. 9.392 million (2018: Rs. 9.513 million) in respect of the Company's contribution towards staff provident fund.			
<b>25.1.3</b> These figures are net of sales tax of Rs.25.901 million (2018 : Rs Nil)			
<b>26 PROFIT FROM TRADING ACTIVITIES</b>			
Sales		-	115
Sales tax		-	(19)
		-	96
Less: Cost of sales			
Opening stock		2,979	3,545
Purchases		-	8
Transfer to CWIP		-	(534)
Closing stock		(2,979)	(2,979)
		-	40
Profit for the year		-	56
<b>27 DISTRIBUTION COST</b>			
Sales promotion		43,370	21,351
Export sale expenses		9,981	129,946
Dispatch, stacking and other expenses		25,564	46,787
		<u>78,915</u>	<u>198,084</u>
<b>28 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits	28.1	272,691	251,899
Staff welfare		35,742	30,500
Rent, rates and taxes		7,811	7,733
Electricity and gas charges		16,023	10,184
Repair and maintenance		49,418	39,086
Legal and professional		10,327	7,795
Vehicle running		33,038	29,476
Insurance		4,481	4,057
Communication		9,028	9,144
Entertainment		11,970	13,022
Printing and stationery		2,841	2,230
Fees and subscription		5,089	4,973
Traveling and conveyance		11,141	10,937
Security Expenses		33,313	28,000
Auditors' remuneration	28.2	1,598	1,262
Charity and donation	28.3	2,652	5,730
Depreciation	4.1.1	56,400	49,215
Amortization	5	2,130	752
Others		4,560	3,262
		<u>570,253</u>	<u>509,257</u>
<b>28.1</b> It includes Rs.8.701 million (2018 : Rs. 7.323 million) in respect of the Company's contribution towards staff provident fund.			



	Note	2019	2018
		Rupees in thousand	
<b>28.2 Auditors' remuneration</b>			
Kreston Hyder Bhimji & Co			
Audit fee		1,200	1,000
Out of pocket expenses		242	144
Half yearly review fee		112	93
Code of corporate governance review fee		14	12
		1,568	1,249
A.D.Akhawala & Co. - Provident Fund		30	13
		1,598	1,262
<b>28.3</b>	No directors or their spouses had any interest in the donee funds.		
<b>29 OTHER OPERATING EXPENSES</b>			
Provision for obsolescence and slow moving items	9.1	12,126	11,550
Worker's Profit Participation fund		14,476	-
Workers welfare fund		5,501	-
Loss of disposal of property, plant and equipment	4.1.2	-	103
Net exchange loss		18,198	6,860
		50,301	18,513
<b>30 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on bank deposits		1,473	681
Exchange gain on export proceeds		-	5,435
		1,473	6,116
<b>Income from non financial assets and others</b>			
Subsidy on export (Federal)		-	1,147,926
Subsidy on export (Province)		-	185,740
Export performance rebate		2,384	-
Insurance claim		-	2,155
Gain on disposal of property, plant and equipment	4.1.2	4,953	9,260
Reversal of provision of sugarcane cost	23.9	253,279	-
Reversal of provision of excise duty	19.2	35,120	-
		295,736	1,345,081
		297,209	1,351,197
<b>31 FINANCE COST</b>			
<b>Profit / Markup / Interest on:</b>			
Long term financing		266,628	178,645
Short term borrowings			
Cash/Running finance/Murabaha/Istisna		209,797	110,128
Export refinance		7,531	5,911
		217,328	116,039
Bank charges		11,853	15,197
		495,809	309,881

**31.1** This includes Rs. 271.557 million (2018: 157.875 million) in respect of Shariah Compliant Financial Institutions.

	Note	2019	2018
		Rupees in thousand	
<b>32 TAXATION</b>			
Current		144,961	87,832
Prior years		10,495	-
Deferred		112,096	(210,344)
	32.1	<u>267,552</u>	<u>(122,512)</u>
<b>32.1 Tax Reconciliation</b>			
Tax at 29% (2018:29%) on Accounting profit		132,497	(70,570)
<b>Effect of</b>			
Final tax regime		(567)	(109,267)
Minimum tax		70,476	245,487
Dividend income		3,465	248
Share of profit of associate		(54,474)	(27,174)
Tax credit		-	(19,790)
Prior Year Adjustment		10,495	-
Reduction in tax rate		-	(20,982)
Others		105,660	(120,464)
		135,055	(51,942)
		<u>267,552</u>	<u>(122,512)</u>

**32.2** The management believes that the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

Accounting Year	As per Financial Statements	As per Return/ Assessment
	Rupees in thousand	
2018	87,832	96,931
2017	2,639	1,625
2016	78,978	95,720

**33 EARNINGS/ (LOSS) PER SHARE**  
**Basic and diluted**

Profit/ (Loss) after taxation (Rupees in thousands)	189,334	(120,834)
Weighted average number of ordinary shares outstanding during the year	20,474	20,474
Earnings/ (Loss) per share (Rupees)	9.25	(5.90)

**33.1** There is no dilutive impact on the company's earning per share.

**34 RELATED PARTY TRANSACTIONS**

The related parties comprise associates, key management personnel and staff retirement benefit plans. The transactions with related parties are carried out as per agreed terms in the normal course of business. Amounts due from and to related parties are shown in respective notes of investment, receivables and payables, and remuneration of directors and key management personnel is disclosed in note.35. Other transactions with related parties are as follows: -

<b>Relationship with the Company Associates (Common Director / Members):</b>	<b>Nature of Transactions</b>	<b>2019</b>	<b>2018</b>
		<b>Rupees in thousand</b>	
Reliance Insurance Company Limited	Insurance premium paid	29,968	14,159
	Insurance claims received	2,326	4,990
	Insurance claims receivable	786	3,787
Shahmurad Sugar Mills Limited	Sale of goods	400,991	352,338
	Dividend received	23,098	1,650
	Share of profit in associates	188,367	93,947
First Al-Noor Modaraba (Pvt) Limited	Share of loss in associates	(524)	(242)
	Share of other comprehensive loss and item taken directly to equity	60	(616)
<b>Others</b>			
Key management personnel	Remuneration to key management personnel	92,665	109,974
Staff Retirement Benefits Plan	Employer's contribution to provident fund	18,093	16,836

**34.1** During the year the Company entered transactions/arrangement with following related

<b>Name of the related parties</b>	<b>Relationship</b>	<b>Percentage of shareholding</b>	
		<b>2019</b>	<b>2018</b>
Reliance Insurance Company Limited	Common Director ship	-	-
Shahmurad sugar mills limited	Common Director ship	15.625%	15.625%
Al-Noor Management Modaraba (Pvt) Limited	Common Director ship	14.286%	14.286%

**34.2** Outstanding balances with related parties have been separately disclosed in trade debts, other receivable and trade and other payable respective. These are settled in ordinary course of business.

**35 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVES DIRECTORS AND EXECUTIVES**

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive, Directors and Executives of the Company were as follows: -

	Chief Executive		Executive Directors		Executives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
..... Rupees in thousand .....								
Meeting fee	-	-	265	175	-	-	265	175
Remuneration	9,107	9,107	6,071	11,790	53,851	39,697	69,029	60,594
Provident fund		-		-	5,387	3,970	5,387	3,970
Perquisite (including house rent and bonus)	4,553	4,553	3,036	6,182	-	31,147	7,589	41,882
Reimbursable expenses including traveling expenses	9,113	2,568	1,282	785	-	-	10,395	3,353
	<b>22,773</b>	<b>16,228</b>	<b>10,654</b>	<b>18,932</b>	<b>59,238</b>	<b>74,814</b>	<b>92,665</b>	<b>109,974</b>
Number of persons	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>22</b>	<b>19</b>		

**35.1** The Chief Executive, certain Directors and Executives are also provided with free use of company's cars.

**35.2** Meeting fee has been paid to 06 Directors, whereas no meeting fees is paid to Executive Directors and Chief Executive.

**36 CAPACITY AND PRODUCTION**

**Sugar Division**

	2019	2018
Installed Cane Crushing Capacity per day (M.Ton)	14,500	14,500
No of days Mill operated	97	139
Total Crushing Capacity on basis of no. of days mill operated (M.Ton)	1,406,500	2,015,500
Actual Crushing (M.Ton)	894,494	1,108,106
Sugar Production (M.Ton)	94,825	110,810

The sugar production plant capacity is based on crushing of sugar cane on daily basis and the sugar production is dependent on certain factors which include sucrose recovery. Capacity is under utilized due to shortage of raw-material and various technical factors.

**MDF Board division**

**Mande Line**

No. of Days Mill Operated	260	255
Capacity Per Day (Cubic Meter)	120	120
Total Capacity on basis of no. of days (Cubic Meter) mill operated	31,200	30,600
Actual Production (Cubic Meter)	31,407	26,835

**Sunds Line**

No. of Days Mill Operated	330	327
Capacity Per Day (Cubic Meter)	122	122
Total Capacity on basis of no. of days (Cubic Meter) mill operated	40,260	39,894
Actual Production (Cubic Meter)	40,355	43,726

37 SEGMENT INFORMATION

The Company has two operating / reportable segments, i.e., Sugar and Medium Density Fiber Board (MDFB) on the basis of product characteristics, internal reporting and the criteria defined by the "IFRS 8 Segment Reporting". The Company also generates and sells electric power, however this is not considered as separate segment since this does not meet the threshold requirements of a reportable segment.

Sugar Division - Manufacturing and sale of Refined Sugar

MDF Board - Manufacturing of Medium Density Fiber Board

The operating results, assets and liabilities and other significant information of each segment is as follows:

	SUGAR		MDF BOARD		TOTAL	
	2019	2018	2019	2018	2019	2018
----- Rupees in thousand -----						
<b>REVENUE</b>						
External sales	5,122,621	5,668,896	4,217,410	3,412,003	9,340,031	9,080,899
External Sales of By-product, Electricity and bagasse	464,352	442,521	9,033	4,072	473,385	446,593
Inter-segment transfer - Electricity	76,032	139,019	-	-	76,032	139,019
Total Revenue	<u>5,663,005</u>	<u>6,250,436</u>	<u>4,226,443</u>	<u>3,416,075</u>	<u>9,889,448</u>	<u>9,666,511</u>
<b>RESULTS</b>						
Profit/ (Loss) from operations	238,662	(1,600,276)	279,282	240,366	517,944	(1,359,910)
Profit from trading activity	-	-	-	56	-	56
Other Income	291,367	1,343,834	5,842	7,363	297,209	1,351,197
	<u>530,029</u>	<u>(256,442)</u>	<u>285,124</u>	<u>247,785</u>	<u>815,153</u>	<u>(8,657)</u>
Other operating expenses					(50,301)	(18,513)
Finance cost					(495,809)	(309,881)
Share of profit from associates					187,843	93,705
Profit before tax					456,886	(243,346)
Taxation					(267,552)	122,512
Net profit for the year					<u>189,334</u>	<u>(120,834)</u>
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>Assets</b>						
Segment assets	5,622,951	5,970,440	2,793,786	2,769,464	8,416,737	8,739,904
Investment in associates	685,385	522,710	-	-	685,385	522,710
Unallocated Assets	-	-	-	-	151,607	178,981
Total assets					<u>9,253,729</u>	<u>9,441,595</u>
<b>Liabilities</b>						
Segment liabilities	5,536,128	5,721,395	560,757	713,365	6,096,885	6,434,760
Unallocated liabilities					25,638	5,169
Total liabilities					<u>6,122,523</u>	<u>6,439,929</u>
<b>OTHER INFORMATION</b>						
Additions to property, plant and equipment	64,890	183,857	155,315	143,086	220,205	326,943
Depreciation	143,683	138,372	143,372	135,227	287,055	273,599
Amortization	791	737	1,339	15	2,130	752

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various customers in Pakistan as well as outside Pakistan. The company is not dependent on any single major customer whose sales is more than 10% of segment revenues. Geographical information about sales is as follows:

Pakistan	8,171,175	4,276,040
Afghanistan	1,039,048	4,156,795
Middle East	-	648,064
China	129,808	-
	<u>9,340,031</u>	<u>9,080,899</u>

**38 FINANCIAL ASSETS AND LIABILITIES**

Financial assets and liabilities of the company as at September 30 are as follows

2019						
Markup / Interest Based			Non Markup / Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

-----Rupees in thousand-----

**FINANCIAL ASSETS**

At Cost / Amortised Cost

Loans & advances	-	-	-	30,431	2,912	33,343	<b>33,343</b>
Deposits	-	-	-	8,568	4,238	12,806	<b>12,806</b>
Trade debts	-	-	-	506,807	-	506,807	<b>506,807</b>
Other receivables	-	-	-	928	-	928	<b>928</b>
Cash and bank balances	1,276	-	1,276	91,945	-	91,945	<b>93,221</b>
	<b>1,276</b>	<b>-</b>	<b>1,276</b>	<b>638,679</b>	<b>7,150</b>	<b>645,829</b>	<b>647,105</b>

**FINANCIAL LIABILITIES**

At Cost / Amortised Cost

Long term financing	764,861	2,136,875	2,901,736	-	-	-	<b>2,901,736</b>
Trade and other Payables	14,476	-	14,476	822,161	-	822,161	<b>836,637</b>
Accrued finance cost	-	-	-	111,499	-	111,499	<b>111,499</b>
Short term borrowings	1,529,219	-	1,529,219	-	-	-	<b>1,529,219</b>
Unclaimed dividend	-	-	-	5,661	-	5,661	<b>5,661</b>
	<b>2,308,556</b>	<b>2,136,875</b>	<b>4,445,431</b>	<b>939,321</b>	<b>-</b>	<b>939,321</b>	<b>5,384,752</b>

2018						
Markup / Interest Based			Non Markup / Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

-----Rupees in thousand-----

**FINANCIAL ASSETS**

At Cost / Amortised Cost

Loans & advances	-	-	-	31,712	3,893	35,605	35,605
Deposits	-	-	-	16,418	3,094	19,512	19,512
Trade debts	-	-	-	374,374	-	374,374	374,374
Other receivables	-	-	-	4,587	-	4,587	4,587
Cash and bank balances	12,111	-	12,111	80,397	-	80,397	92,508
	<b>12,111</b>	<b>-</b>	<b>12,111</b>	<b>507,488</b>	<b>6,987</b>	<b>514,475</b>	<b>526,586</b>

**FINANCIAL LIABILITIES**

At Cost / Amortised Cost

Long term financing	597,222	2,101,737	2,698,959	-	-	-	2,698,959
Trade and other Payables	-	-	-	1,188,833	-	1,188,833	1,188,833
Accrued finance cost	-	-	-	59,226	-	59,226	59,226
Short term borrowings	1,931,335	-	1,931,335	-	-	-	1,931,335
Unclaimed dividend	-	-	-	5,169	-	5,169	5,169
	<b>2,528,557</b>	<b>2,101,737</b>	<b>4,630,294</b>	<b>1,253,228</b>	<b>-</b>	<b>1,253,228</b>	<b>5,883,522</b>

**39 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

**39.1 Financial Risk Management Objectives**

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including interest / markup rate risk, currency risk and other price risk). The Company's overall risk management programs focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest / markup rate risk, credit risk, financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks as summarized below.

**A Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's operating activities exposes it to credit risks arising mainly in respect of loans, advances, deposits, trade debts, other receivables and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	2019	2018
	(Rupees in thousand)	
Loans and advances	33,343	35,605
Deposits	12,806	19,512
Trade debts	506,807	374,374
Other receivables	928	4,587
Bank Balances	91,050	90,236
	644,934	524,314

**Loans and advances**

These represent balances due from employees that are usually against their balances of retirement benefits and loans to growers which are also provided to ensure future cane supplies. The Company actively pursues for the recovery of loan / advances to employees through monthly deductions from salaries and based on past experience the Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary. Loans to growers are considered good and the Company does not expect default in this respect and also the Company can adjust these against sugarcane hence no impairment allowance is required in this respect. However, certain loans to growers given part are considered as doubtful. Therefore, impairment allowance is made there against.

**Deposits**

These represent security deposits with utility companies and trade deposits to suppliers. Based on past experience and credit worthiness of the counter parties the Company does not expect that these counter parties will fail to meet their obligations and the Company believes that it is not exposed any significant credit risk in respect of deposits.

**Trade debts**

Trade debts are due from local and foreign customers. The Company manages credit risk in respect of trade debts by setting credit limits in relation to individual customers and / or by obtaining advance against sales and / or through irrevocable letter of credits and / or by providing for doubtful debts. Receivables against sale of electric power are due from Sukkur Electric Power Company; a Government owned entity and chances of default in this respect are remote. Furthermore the Company actively pursues for the recovery and the Company does not expect these customers will fail to meet their obligation and also these are neither past due nor impaired, hence no impairment allowance is necessary in respect of trade debts. Aging of trade debts is as follows;

1 to 3 months	205,159	102,564
3 to 6 months	301,648	271,810
	506,807	374,374

**Other receivables**

These represent amounts receivables from parties against which the Company actively pursues for the recovery and there is no history of default in recent past therefore the Company expects that the amounts will be recovered, hence no impairment allowance is necessary in respect of receivable because these are neither past due nor impaired. Further, an impairment allowance has already been made against the export subsidy in view of uncertainties related to its realization.

**Bank balances**

The Company limits its exposure to credit risk by maintaining bank accounts only with counter-parties that have stable credit rating and given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with credit ratings are tabulated below

	Long Term Ratings	Short Term Ratings	2019 Rupees in thousand	2018
United Bank Limited	AAA	A-1+	11,915	6,557
Habib Bank Limited	AAA	A-1+	5,341	1,097
Allied Bank Limited	AAA	A1+	1,795	3,566
MCB Bank Limited	AAA	A1+	14,210	11,159
Standard Chartered Bank Limited	AAA	A1+	758	449
National Bank of Pakistan Limited	AAA	A-1+	4,189	2,914
Faysal Bank Limited	AA	A-1+	3,635	3,897
Bank Al-Falah Limited	AA+	A1+	4,841	21,963
Bank Islami Limited	A+	A1	28	28
Habib Metropolitan Bank Limited	AA+	A1+	3,485	2,912
Al-Baraka Bank (Pakistan) Limited	A+	A-1	2,680	2,148
Soneri Bank Limited	AA-	A1+	169	169
Industrial Commercial bank of China	A1	P-1	2	2
Meezan Bank Limited	AA+	A-1+	15,853	9,888
Burj Bank Limited	A+	A-1	7	18
JS Bank Limited / Al-Baraka Bank Ltd	AA-	A1+	114	111
Bank Al-Habib Limited	AA+	A1+	17,118	14,819
Askari Commercial Bank Limited	AA+	A1+	4,466	8,148
Dubai Islamic Bank Limited	AA-	A-1	190	190
Samba Bank Limited	AA	A-1	176	176
Sindh Bank Limited	AA	A-1+	78	25
			<b>91,050</b>	<b>90,236</b>

**Financial assets that are either past due or impaired**

The credit quality of financial assets that are either past due or impaired is assessed by reference to historical information and external ratings or to information about counter party default rates. As at September 30, 2019 there were no significant past due or impaired financial assets. However besides financial instruments as stated above;

(a) As at the year end amounts of Rs. 41,096 million (2018:41.096 million) receivable from growers, suppliers and contractors were past due against which impairment allowance have been made. The aging of the past due financial assets is as under,""

2 year to 3 years	<b>41,096</b>	<b>41,096</b>
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(b) The company has also made provision of Rs.49.779 million in respect of Export freight subsidy due to uncertainties regarding the recoverability.



**B Liquidity risk**

Liquidity risk represents the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with contractual maturities (undiscounted) of the financial liabilities is as follow;

	Less than 3 months	3 to 12 months	1 to 5 years	Total
(Rupees in thousand)				
<b>Year ended 30 September 2019</b>				
Long term financing	431,736	333,125	2,136,875	2,901,736
Trade and other payables	138,472	698,165	-	836,637
Accrued finance cost	111,499	-	-	111,499
Short-term borrowings	-	1,204,219	-	1,204,219
Unclaimed dividend	5,661	-	-	5,661
	<b>687,368</b>	<b>2,235,509</b>	<b>2,136,875</b>	<b>5,059,752</b>
<b>Year ended 30 September 2018</b>				
Long term financing	-	597,222	2,101,737	2,698,959
Trade and other payables	177,068	1,011,766	-	1,188,833
Accrued finance cost	59,226	-	-	59,226
Short-term borrowings	-	1,931,335	-	1,931,335
Unclaimed dividend	5,169	-	-	5,169
	<b>241,463</b>	<b>3,540,323</b>	<b>2,101,737</b>	<b>5,883,522</b>

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2019 the Company has PKR 2,196 million (2018: PKR 2,393.67 million) available unutilized short term borrowing limit from financial institutions and also has PKR 93.221 million (2018: PKR 92.508 million) being cash and banks balances. Based on the above, management believes the liquidity risk is insignificant.

**C Market Risk**

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest/markup rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: interest /markup rate risk, currency risk and other price risk.

**D Interest/ markup rate risk management**

Interest / markup rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest / markup rates. The Company's major interest / markup rate exposure arises from long term financings, short term borrowings and murabaha financing. The Company analyses its interest / markup rate exposure on a regular basis by monitoring markup/interest rate trends. At the year end the interest / markup rate profile of the Company's mark up/interest bearing financial instruments is:

Financial Liabilities	Note number	Carrying Values	
		2019	2018
--- Rupees in thousand ---			
<u>Variable Rate Instruments</u>			
Long Term Financing	18	2,901,736	2,698,959
Workers' Profit Participation Fund	20	14,476	-
Short term Borrowings	22	1,529,219	1,931,335
Less: Balances in saving bank account	15	(1,276)	(12,111)
		<b>4,444,155</b>	<b>4,618,183</b>

**Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the year end would not effect profit or loss of the Company.

**Cash flow sensitivity analysis for variable rate instruments**

An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased /increased profit for the year before tax by the amount of Rs. 44.4 million (2018: 46.2 million) assuming that all other variables remains constant.

**E Foreign exchange risk management**

Foreign exchange risk is the risk that the fair value of future cash flows of financial statements will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economical transactions or receivables and payables that exist due to transactions in foreign currencies.

As at the September 30, 2019 the currency risk profile of the Company's financial instruments is:

	2019 \$ in thousands	2018	2019 Rupees in thousands	2018
<b><u>Balance Sheet Exposure</u></b>				
Foreign debtors	<b>828</b>	-	<b>129,802</b>	-
<b><u>Off Balance Sheet Exposure</u></b>				
Commitments				
US Dollars	\$ 1,040	\$ 1,503	<b>162,941</b>	176,171
EUROS	€ 397	€ 599	<b>68,039</b>	35,998
Chinese yuan	€ 560	CHF -	<b>12,880</b>	-
SEK	€ 439	CHF -	<b>6,915</b>	-
			<b>250,775</b>	212,169

The following significant exchange rate has been applied:

	2019	2018
Rupee per USD		
Average rate	<b>156.40</b>	124.20
Reporting date rate	<b>156.70</b>	124.25
Rupee per EURO		
Average rate	<b>170.30</b>	144.12
Reporting date rate	<b>170.59</b>	144.23
Rupee per CNY		
Average rate	<b>22.50</b>	22.00
Reporting date rate	<b>23.00</b>	22.00
Rupee per GBP		
Average rate	<b>192.15</b>	161.78
Reporting date rate	<b>192.49</b>	16.191

**Sensitivity analysis**

A 10 percent strengthening / weakening of the pkr against USD at year end would have decreased / increased profit before tax by the amount of Rs. 13 million (2018:nil) in respect of on foreign currency balances. The effect off statement of financial position items would have been Rs. 25.1 million (2018: Rs.21.2 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019.

**F Capital risk management**

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During 2019 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2019 and 2018 were as follows:

	<b>2019</b>	<b>2018</b>
	<b>(Rupees in thousand)</b>	
Total borrowings	<b>4,430,955</b>	4,630,294
Less: Cash and bank balances	<b>(93,221)</b>	(92,508)
	<b>4,337,734</b>	4,537,786
Total equity	<b>3,131,206</b>	3,001,666
Total equity and debt	<b>7,468,940</b>	7,539,452
Gearing ratio (%)	<b>58.08%</b>	60.19%

**40 FAIR VALUES / MEASUREMENT**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Management assessed that the fair values of cash & cash equivalent and short term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery and equipment) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land and Building

The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.

Plant and Machinery and office equipment

Factors taken into consideration in order to assess the present value of the machinery and equipments include Make, Model, Quality, Operational, Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc.

#### 41. PROVIDENT FUND RELATED DISCLOSURES

The following information based on latest financial statements of the fund:

	2019 ..... (Rupees in thousand) .....	2018 ..... (Rupees in thousand) .....
	Un-audited	Audited
Size of the fund - Total assets	190,937	154,671
Cost of investments made	184,911	151,404
Percentage of investments made	96.84%	97.89%
<b>Fair value of investments</b>	<b>184,911</b>	<b>151,404</b>

41.1 The break-up of fair value of investment is:

	2019		2018	
	Rs. 000s	..... % .....	Rs. 000s	..... % .....
	Un-audited		Audited	
Meezan Amdan Certificate	182,500	98.70%	150,400	99.34%
Saving accounts with banks	2,411	1.30%	1,004	0.66%
	<b>184,911</b>	<b>100.00%</b>	<b>151,404</b>	<b>100.00%</b>

41.2 The investment out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and rules formulated for this purpose.

#### 42. NUMBER OF EMPLOYEES

No of persons employed as on year end were 733 (2018:775) and Average number of employee during the year were 784 (2018:827).

#### 43. EVENTS AFTER BALANCE SHEET DATE

43.1 Subsequent to the year ended September 30, 2019, the Board of Directors has proposed a final cash dividend of Rs.61.42 million (2018: Rs.30.71 million) in their meeting held on 26th December 2019 subject to the approval of the members at the Annual General meeting scheduled to be held 28th January 2020.

**44 DATE OF AUTHORIZATION**

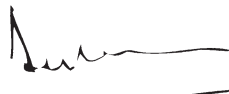
These financial statements were authorized for issue in the Board of Directors meeting held on 26th December 2019.

**45 GENERAL**

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



**ISMAIL H. ZAKARIA**  
Chief Executive Officer



**SULEMAN AYOOB**  
Director



**MUHAMMAD HANIF CHAMDIA**  
Chief Financial Officer

**PATTERN OF HOLDING OF THE SHARES HELD  
BY THE SHAREHOLDERS AS ON 30-09-2019**

NO. OF SHAREHOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
474	1	To	100	11,988
367	101	To	500	106,802
120	501	To	1000	93,096
135	1001	To	5000	314,395
25	5001	To	10000	177,555
4	10001	To	15000	47,951
9	15001	To	20000	159,391
7	20001	To	25000	153,603
2	25001	To	30000	54,500
2	30001	To	35000	67,500
2	35001	To	40000	75,500
1	55001	To	60000	59,500
4	60001	To	65000	250,873
2	65001	To	70000	134,803
1	70001	To	75000	74,538
1	85001	To	90000	90,000
2	90001	To	95000	185,308
1	100001	To	105000	101,981
1	110001	To	115000	110,775
1	130001	To	135000	133,977
1	145001	To	150000	146,500
1	155001	To	160000	156,940
1	170001	To	175000	173,500
1	190001	To	195000	191,165
1	205001	To	210000	208,218
2	215001	To	220000	435,049
2	220001	To	225000	442,176
1	240001	To	245000	241,147
2	280001	To	285000	560,589
1	285001	To	290000	288,015
1	300001	To	305000	304,117
1	305001	To	310000	307,959
1	320001	To	325000	323,394
1	370001	To	375000	371,032
1	400001	To	405000	402,483
1	435001	To	440000	435,011
1	455001	To	460000	455,403
1	460001	To	465000	464,191
1	465001	To	470000	469,637
1	565001	To	570000	566,416
1	595001	To	600000	600,000
1	615001	To	620000	615,686
1	630001	To	635000	634,856
3	675001	To	680000	2,030,182
1	740001	To	745000	742,000
1	835001	To	840000	838,597
1	905001	To	910000	908,610
1	980001	To	985000	982,231
1	1875001	To	1880000	1,875,675
1	1895001	To	1900000	1,898,887
<b>1196</b>		<b>Total</b>		<b>20,473,702</b>

**CATEGORIES OF SHAREHOLDING AS ON 30-09-2019**

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INSURANCE COMPANIES	1	566,416	2.77
2	JOINT STOCK COMPANIES	15	2,750,342	13.43
3	FINANCIAL INSTUTIONS	5	34,030	0.17
4	MODARABAS	1	110,775	0.54
5	MUTUAL FUND	1	1,898,887	9.27
6	OTHERS	5	381,662	1.86
7	GENERAL PUBLIC	1168	14,731,590	71.95
	<b>TOTAL:-</b>	<b>1196</b>	<b>20,473,702</b>	<b>100.00</b>

## CATEGORIES OF SHARE HOLDING AS AT SEPTEMBER 30, 2019

Categories of Shareholders	No. of Share Holders	Sheres Held	Percentage
<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>			
FIRST AL-NOOR MODARABA	1	110,775	0.54
NOORI TRADING CORP. (PVT) LTD	1	1,875,675	9.16
ZAIN TRADING CORPORATION (PVT) LTD.	2	762,000	3.72
<b>NBP, NIT &amp; ICP</b>			
INVESTMENT CORPORATION OF PAKISTAN	1	208	0.00
NATIONAL INVESTMENT TRUST LTD. ADMINISTRATION FUND	1	20,881	0.10
NATIONAL BANK OF PAKISTAN	1	1,430	0.01
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND.	1	220,468	1.08
TRUSTEE NATIONAL BANK OF PAKISTAN EMP. BENEVOLENT FUND TRUST.	1	7,736	0.04
NATIONAL BANK OF PAKISTAN	1	11,401	0.06
<b>MUTUAL FUNDS</b>			
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,898,887	9.27
<b>DIRECTORS , CEO &amp; THEIR SPOUSES AND MINOR CHILDERN</b>			
MR. ISMAIL H. ZAKARIA	1	469,637	2.29
MR. MUHAMMAD YUSUF AYOOB	1	371,032	1.81
MR. MUHAMMAD SULEMAN AYOOB	1	323,394	1.58
MR. ABDUL AZIZ AYOOB	1	288,015	1.41
MR. NOOR MOHAMMAD ZAKARIA	1	676,727	3.31
MR. ZIA ZAKARIA	1	464,191	2.27
MR. MOHAMMAD SALIM SULEMAN	1	167,349	0.82
MS. MUNIFA	1	635,356	3.10
MR. SHAMIM AHMAD	1	1,000	0.00
MRS. ZARINA ISMAIL ZAKARIA (W/O ISMAIL H. ZAKARIA)	1	191,165	0.93
MRS. MUNIRA ANJUM (W/O YUSUF AYOOB)	1	402,483	1.97
MRS. SURAIYA SULEMAN (W/O SULEMAN AYOOB)	1	60,070	0.29
MRS. MEHRUNNISA A. AZIZ (W/O A. AZIZ AYOOB)	1	208,218	1.02
MRS. SHEHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD)	1	676,728	3.31
<b>PUBLIC SECTOR COMPANIES AND CORP.</b>	1	566,416	2.77
<b>BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND</b>	1	110	0.00
<b>JOINT STOCK COMPANIES</b>	12	112,667	0.55
<b>OTHERS</b>	3	153,458	0.75
<b>GENERAL PUBLIC</b>	1,154	9,796,225	47.84
<b>TOTAL:-</b>	<b>1,196</b>	<b>20,473,702</b>	<b>100.00</b>

### SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	---	1,898,887
NOORI TRADING CORPORATION (PVT.) LTD.	---	1,875,675

### Details of trading in the shares by the Directors, Executives and their spouses and minor children:

None of the Directors, Executive and their spouses and minor Children has traded in the shares of the Company during the year except the following:

	Purchase shares No. of Shares	Sale No. of Shares	Gift Received No. of Shares	Gift Given No. of Shares
MR. NOOR MOHAMMAD ZAKARIA	--	--	215,410	--
MRS. SHEHNAZ SATTAR ZAKARIA	--	--	215,410	--
MR. MOHAMMAD SALIM SULEMAN	--	--	74,538	--
MS. MUNIFA	500	--	--	--

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### آڈیٹرز کی تقرری :

سالانہ عام اجلاس کے اختتام کے ساتھ موجودہ آڈیٹرز، میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس، ریٹائرڈ اور اہل ہونے کی وجہ سے مالی سال 2019-20 کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی نے ان کی تقرری کی سفارش بھی کی ہے اور بورڈ نے سال 2019-20 کے لئے ان کی دوبارہ تقرری کے لئے کمیٹی کی سفارشات کی توثیق کرتے ہوئے آئندہ آنے والے سالانہ عمومی اجلاس میں ممبروں کی طرف سے منظوری لینے ہے۔

### عملے کے تعلقات :

آخر میں ڈائریکٹران نے کمپنی کے معاملات کو خوش اسلوبی سے چلانے کے لئے ذمہ داری کی تقویت اور ایگزیکٹوز، عملہ کے ممبروں اور کارکنوں کی محنت کے لئے ان کی تعریف کو ریکارڈ کیا، موجودہ ماحولیاتی ماحول میں مقاصد اور اہداف کو پورا کیا اور پر اعتماد ہیں کہ وہ یہ مظاہرہ ہمارے خالق کی برکت کے تحت مستقبل میں بھی وہی جوش و جذبہ سے جاری رکھیں گے۔

بحکم بورڈ



سلیمان ایوب  
ڈائریکٹر



اسماعیل انجم زکریا  
نیجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر

کراچی، دسمبر 26، 2019

**قومی خزانے میں شراکت :**

کمپنی MDF بورڈ ڈویژن کی شوگر اور لمبھینڈ مصنوعات کی برآمد کے ذریعے ٹیکس، ڈیوٹی کی شکل میں اور ملکی زر مبادلہ حاصل کرنے کے لئے ملک کے وسائل میں اضافہ کر رہی ہے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے MDF لمبھینڈ مصنوعات، شوگر برآمد کی ہے اور ملک کے لئے قیمتی زر مبادلہ کمایا ہے۔

**انتظامیہ کے لئے خطرات اور مواقع :**

کمپنی ایک مشکل ماحول میں کام کرتی ہے اور انتظامیہ نے خطرے کی نشاندہی، تشخیص اور تخفیف کے لئے ایک موثر طریقہ کار مرتب کیا ہے جو آسانی سے عمل کو قابل بناتا ہے اور اس بات کو یقینی بناتا ہے کہ کاروبار کی نشوونما پر توجہ مرکوز رکھے۔

**قرض کا خطرہ :**

کمپنی عام طور پر پیشگی ادائیگیوں کے خلاف مصنوعات فروخت کرتی ہے لیکن کریڈٹ بیچنے کی صورت میں صارفین کی مناسب و واجب تکرار استعمال کی جاتی ہے جس میں کریڈٹ بڑھایا جاتا ہے۔

**مارکیٹ کا خطرہ :**

کمپنی کو اپنے خام مال اور تیار شدہ مصنوعات کی قیمتوں میں بدلاؤ کا خطرہ لاحق ہے۔ اس کا اہتمام اسٹاک کی سطح کی منصوبہ بندی اور بروقت اور وقفوں کے مطابق مختلف وسائل کے ذریعے خریداری اور فروخت کے لئے مارکیٹوں کی مستقل نگرانی سے ہوتا ہے۔

**مالیاتی (Liquidity) خطرہ :**

کمپنی نے اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لئے مختلف بینکوں سے کاروباری سرمایہ کی ضرورت کا انتظام کیا ہے تاکہ وہ اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لئے فروخت کی وصولیوں اور خریداری کے لئے ادائیگیوں کے مابین مطابقت رکھ سکے۔ بورڈ وقتاً فوقتاً کاروبار کو درپیش بڑے خطرات کا جائزہ لیتا ہے اور اس خطرے کو کم کرنے کے لئے ضروری اقدامات کرتا ہے۔ آڈٹ کمیٹی مالیاتی اور تعمیل کے خطرات کا بھی جائزہ لیتی ہے۔ انسانی وسائل اور معاوضہ کمیٹی اور انعام کی پالیسیوں پر نظر ثانی کرتی ہے تاکہ یہ یقینی بنائے کہ وہ باصلاحیت اور تجربہ کار عملے کو برقرار رکھنے اور راغب کرنے کے لئے مسابقتی اور موثر ہیں۔

**بورڈ کی تشخیص کے لئے طریقہ کار :**

بورڈ کے ممبر اور اس کی کمیٹیاں انتہائی تجربہ کار اہلکار پر مشتمل ہیں اور ان کی کارکردگی کو بہتر بنانے اور بورڈ اور کمیٹیوں کی کارکردگی تک رسائی کے لئے سالانہ جائزہ لینے کے لئے مستقل جدوجہد کرتے ہیں۔ بورڈ کارپوریٹ سیکٹر اور گورننس میں ہونے والی پیش رفت کا بھی جائزہ لیتا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی کارپوریٹ سیکٹر میں رونما ہونے والے بہترین طریقہ کار اور ترقی سے ہم آہنگ ہے۔

**منافع :**

نقد منافع @ 30 فیصد یعنی 03.00 روپے فی شیئر 10 روپے (2018، 15 فیصد یعنی 1.50 روپے فی شیئر - 10 روپے) بورڈ کے ذریعے موجودہ سال کے لئے سفارش کی گئی ہے۔

**مستقبل کا جائزہ :****شوگر ڈویژن :**

گنے کی قیمت کو حکومت سندھ نے مطلع کیا ہے جبکہ چینی کی فروخت ہونے والی قیمت کو مارکیٹ فورسز کے لئے کھلا چھوڑ دیا گیا ہے۔ بمپر فصل کے نتیجے میں، چینی کی پیداوار میں کافی اضافہ ہوا ہے جبکہ کھپت کا پیٹرن نہیں بدلا اس صورتحال سے مارکیٹوں میں چینی کی قیمت متاثر ہوتی ہے۔ کرشنگ سیزن 20-2019 کا آغاز ہو چکا ہے اور توقع کی جا رہی ہے کہ چینی کی پیداوار گزشتہ سال کے مقابلے میں کم ہوگی۔ حکومت سندھ نے گنے کی قیمت 192 روپے فی چالیس کلوگرام کے بارے میں نوٹیفیکیشن نمبر 8(142)/S.O(Ext)2019-20 تاریخ دسمبر 9، 2019 کو مطلع کیا ہے اور 182 روپے گزشتہ سال مطلع کیا گیا تھا۔ فریچائزر کے علاقے میں خام مال کی کمی کی وجہ سے مل کو دور دراز سے گنے کی خریداری کرنی پڑتی ہے جس کے لئے گنے کی قیمت کے علاوہ ٹرانسپورٹ لاگت بھی ادا کی جاتی ہے۔ یہ تمام عوامل پیداوار کی لاگت میں اضافہ کرتے ہیں۔

**MDF بورڈ ڈویژن :**

زیادہ مسابقتی بننے اور مصنوعات کی حد کو بڑھانے کے لئے نئی لائنوں کی گنجائش اور صلاحیت میں اضافے کی ضرورت ہے۔

**کمپنی کی کریڈٹ ریٹنگ :**

JCR-VIS کریڈٹ ریٹنگ کمپنی نے ابتدائی میڈیم سے طویل مدتی ہستی کی درجہ بندی "A-2/A-1" (سنگل "A" رٹس A-two) کمپنی کو تقویض کر دی ہے۔ بقایا درجہ بندی پر نقطہ نظر "مستحکم" ہے۔

**کارپوریٹ اور معاشرتی ذمہ داری :**

کمپنی کارپوریٹ شہری ہونے کے ناطے اپنے فریچائزر ایریا میں متعدد فلاحی سرگرمیاں انجام دے رہی ہے یعنی ثانوی سطح تک اسکول قائم کیا، وقفہ کی بنیاد پر میڈیکل کیمپ منعقد کرنا، دیہاتیوں کو مستحکم کرنے کے لئے مالی امداد، کاشتکاروں کو کھاد فراہم کرنا، مفت راشن کی فراہمی اور طبی امداد ضرورت مند افراد کو فراہم کرنا ہیں۔ ملازمین کے بچوں کے علاوہ مل کے آس پاس کے علاقوں میں بسنے والے تمام بچوں کے لئے اسکول کی سہولت دستیاب ہے۔ کمپنی اپنے ملازمین کو طبی سہولیات بھی فراہم کرتی ہے اور معروف میڈیکل کافل کمپنی سے میڈیکل کوریج اسکیم حاصل کرتی ہے۔

**ماحول اور کمپنی کا کاروبار :**

انتظامیہ ماحول کو برقرار رکھنے کی طرف اپنی ذمہ داری سے بخوبی واقف ہے تاکہ اس کے منفی اثرات کو ختم کیا جاسکے اور معاشرے کی پائیدار ترقی میں ہماری شراکت ہو سکے۔ آپ کی کمپنی فضلہ اور اخراج کو کم کر کے ماحولیاتی اثرات کو کم کرنے اور اپنے ملازمین، صارفین، سپلائی کرنے والوں، پڑوسیوں اور عام لوگوں کی صحت اور حفاظت کے لئے سب سے زیادہ تشویش کے ساتھ اپنے کاروبار کو انجام دینے کے لئے پرعزم ہے۔ کمپنی نے ماحول کو صاف ستھرا رکھنے کے لئے صنعتی اور آس پاس کے علاقوں میں درخت لگائے۔

**متعلقہ فریقوں کا لین دین :**

تمام متعلقہ فریقوں کے لین دین کو بورڈ اسٹاک آپیکس کے لسٹنگ ریگولیشن کے تحت حتمی منظوری کے لئے بورڈ آڈٹ کمیٹی اور بورڈ کے سامنے رکھا گیا تھا۔ سال 2017-2018 کے دوران ہونے والی متعلقہ فریقوں کے لین دین کو بھی ممبروں کے سامنے رکھا گیا تھا جیسے کہ کمپنیز ایکٹ 2017 کی سیکشن 208 کے تحت ممبروں کے سامنے رکھا گیا تھا جسے ممبروں نے منظور کر لیا تھا۔ ممبران نے متعلقہ فریقوں کے لین دین کی منظوری بھی دی جو مستقبل میں انتظامیہ کے ذریعے مارکیٹ کی قیمت کے تحت کی جائے گی۔

## آڈٹ کمیٹی :

جیسا کہ کارپوریٹ گورننس کے ضابطہ اخلاق کے تحت بورڈ کی ایک آڈٹ کمیٹی تشکیل دی گئی تھی جس میں مندرجہ ذیل ڈائریکٹرز شامل ہیں۔ زیر غور مدت کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے اور ہر ممبر کی حاضری اس طرح تھی:-

ڈائریکٹرز کے نام	عہدہ	شرکت	درجہ
(۱) جناب شمیم احمد	چیرمین	4	انڈیپنڈنٹ (آزاد) ڈائریکٹر
(۲) جناب اے عزیز ایوب	ممبر	3	نان ایگزیکٹو
(۳) جناب ضیاء زکریا	ممبر	4	نان ایگزیکٹو
(۴) جناب محمد آصف	ممبر	4	N.I.T امیدوار

آڈٹ کمیٹی کے حوالے کی شرائط بورڈ نے طے کی ہیں جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط میں درج ہے۔

## انسانی وسائل اور معاوضہ کمیٹی :

بورڈ نے کارپوریٹ گورننس کے تحت انسانی وسائل اور معاوضہ کمیٹی بھی تشکیل دی جو درج ذیل ڈائریکٹرز پر مشتمل ہے۔ سال کے دوران کمیٹی کا ایک اجلاس ہوا اس میں تمام ممبران شریک ہوئے۔

ڈائریکٹرز کے نام	عہدہ	درجہ
(۱) جناب نور محمد زکریا	چیرمین	نان ایگزیکٹو
(۲) جناب اسماعیل ایچ زکریا	ممبر	ایگزیکٹو
(۳) جناب ضیاء زکریا	ممبر	نان ایگزیکٹو

## ڈائریکٹرز کا مشاہرہ پالیسی اور مشاہرہ کی تفصیلات

کمپنی کے آرٹیکلز کے ذریعہ، بورڈ آف ڈائریکٹرز کو وقتاً فوقتاً نان ایگزیکٹو اور آزاد ڈائریکٹرز کا مشاہرہ طے کرنے کا اختیار ہے اور کمپنی کے آرٹیکلز اور قابل اطلاق قوانین کی تصدیق کے مطابق عام اجلاس میں ممبروں کی منظوری ضروری ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹران کی مشاہرہ پالیسی تیار کی ہے جس میں پالیسی کے مقاصد کی تفصیل اور بورڈ اور اس کے عہدوں کے اجلاسوں میں شرکت کے لئے انفرادی ڈائریکٹرز کے مشاہرہ کے پیکیج کے تعین کے لئے شفاف طریقہ کار بیان کیا گیا ہے۔

ڈائریکٹری مشاہرہ پالیسی کی دوسروں کے ساتھ نمایاں خصوصیات میں یہ بھی شامل ہے کہ مشاہرہ پالیسی کی سطح میں یہ بھی شامل ہے کہ مشاہرہ کے معیار کی سطح مسابقتی اور تقابلی ہوگی تاکہ بورڈ میں اہل اور ہنرمند افراد کو راغب کرنے اور برقرار رکھنے کے لئے کافی ہوگی۔ اس میں صنفی امتیاز نہیں ہوگا اور مشاہرہ کی سطح اس طرح نہیں ہوگی جس میں سمجھا جاسکتا ہے کہ وہ ڈائریکٹرز سے سمجھوتہ کر سکتے ہیں۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کو مشاہرہ کی مجموعی تفصیلات نوٹ 35 میں مالی حسابات میں ظاہر کی گئی ہے۔

- ۹۔ 30 ستمبر 2019 کو کمپنی میں شیئرز ہولڈنگ کا پیٹرن بھی سالانہ رپورٹ میں شامل ہے۔
- ۱۰۔ ڈائریکٹر، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکریٹری، ان کے شریک حیات یا نابالغ بچوں نے کمپنی کے حصص میں کوئی تجارت نہیں کی سوائے اس کے کہ دوسری صورت میں اشارہ کیا گیا ہو۔
- ۱۱۔ جون 30، 2019 کو غیر آڈٹ شدہ اکاؤنٹ پر مبنی Provident Fund کے ڈیپازٹ اکاؤنٹس میں سرمایہ کاری اور بیلنس کی مالیت 184.911 ملین روپے تھی۔
- پچھلے دس سالوں کے اہم آپریٹنگ اور مالی اعداد و شمار اور شیئرز ہولڈنگ کے نمونے کو سالانہ رپورٹ میں شامل کیا گیا ہے۔ ڈائریکٹر یا ان کے شریک حیات کے انعقاد میں کوئی حاصل تبدیلی نہیں آئی ہے سوائے دوسری صورت میں اشارہ کیا گیا ہے۔

### بورڈ آف ڈائریکٹرز کی تشکیل :

زیر جائزہ مدت کے دوران ڈائریکٹرز وہی رہے جو 20، جون 2019 کو کمپنی کی ڈائریکٹر شپ سے استعفیٰ دے دیا اور بورڈ نے مس مینیفایوٹ کو ان کی جگہ پر شامل کیا ہے تاکہ خالی جگہ کو پُر کر سکیں جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط میں کیا گیا ہے۔ بورڈ آف ڈائریکٹرز کی تشکیل میں اس کے سوا کوئی تبدیلی نہیں آئی ہے۔ زیر غور مدت کے دوران، بورڈ کے چار اجلاس ہوئے اور ہر ڈائریکٹر کی حاضری مندرجہ ذیل تھی۔

ڈائریکٹرز کے نام	شرکت	درجہ
(۱) جناب یوسف ایوب (چیئر مین)	4	نان ایگزیکٹو
(۲) جناب اسماعیل ایچ زکریا	3	ایگزیکٹو
(۳) جناب سلیمان ایوب	3	ایگزیکٹو
(۴) جناب اے عزیز ایوب	4	نان ایگزیکٹو
(۵) جناب ضیاء زکریا	4	نان ایگزیکٹو
(۶) جناب سلیم ایوب	2	نان ایگزیکٹو
(۷) جناب زوہیر زکریا	2	ایگزیکٹو
(۸) جناب نور محمد زکریا	2	نان ایگزیکٹو
(۹) جناب شمیم احمد	4	انڈیپنڈنٹ ممبر (آزاد) ڈائریکٹر
(۱۰) جناب محمد آصف	4	N.I.T. امیدوار

پاکستان اسٹاک ایکسچینج کے لسٹنگ ضوابط کے تحت مالی حسابات کو متعلقہ نوٹ میں ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیل بھی فراہم کی گئی ہے۔ نان ایگزیکٹو ڈائریکٹرز کو میٹنگ کی فیس کے سوا کوئی معاوضہ نہیں دیا جاتا ہے۔

## کارکردگی کا جائزہ :

### شوگر ڈویژن:

اللہ کے فضل و کرم سے آپ کی کمپنی کی کارکردگی تسلی بخش رہی۔ زیر غور مدت کے دوران آپ کی کمپنی نے اعلیٰ ریکوری کی شرح 10.60 فیصد حاصل کی۔ چینی کی پیداوار 94,825 میٹرک ٹن تھی جو گزشتہ سال کی پیداوار کے مقابلے میں 14.43 فیصد کم تھی۔ اس کی وجہ خام مال کی عدم دستیابی ہے۔ اضافی اسٹاک اٹھانے کی وجہ سے آپ کی کمپنی نے 2,000 میٹرک ٹن چینی برآمد کی اور اس ملک کے لئے انتہائی ضروری زر مبادلہ کمایا۔

### میڈیم ڈینسٹی فائبر (MDF) بورڈ ڈویژن :

MDF بورڈ ڈویژن نے بہت عمدہ کارکردگی کا مظاہرہ کیا اور 71,762 کیوبک میٹر مختلف مصنوعات تیار کیں جبکہ پچھلے سال کے دوران 70,561 کیوبک میٹر پیدا ہوا تھا۔ پیداوار گزشتہ سال کے مقابلے میں کچھ زیادہ ہے۔ فروخت کا حجم بڑھا کر 104,993 کیوبک میٹر ہو گیا جبکہ پچھلے سال 95,653 کیوبک میٹر تھا۔ فروخت کی قیمت 4,217.409 ملین روپے کے مقابلے میں 3,412.003 ملین روپے تھی جو پچھلے سال اسی عرصے میں حاصل کی تھی جس میں تقریباً 24 فیصد اضافہ ہوا ہے۔ حتیٰ مصنوعات میں لمیٹڈ مصنوعات کی قدر اور پروڈکٹ کے اعلیٰ جزو کو شامل کیا گیا جس کی وجہ سے قیمت فروخت میں اضافہ ہوا۔

### بجلی پیداوار ڈویژن :

سکھری الیکٹرک سپلائی کمپنی طلب کی فراہمی کے فرق کو سنبھالنے کے لئے لوڈ شیڈنگ کرتی ہے جس کی وجہ سے MDF ڈویژن کی پیداوار بری طرح متاثر ہوتی ہے۔ کرسٹل سیزن کے دوران شوگر ڈویژن کے ذریعہ اضافی توانائی کی پیداوار حاصل کر کے اس صورتحال کو قابو کیا جاتا ہے۔ آپ کی کمپنی نے زائد بجلی سکھری الیکٹرک سپلائی کمپنی کو 64.654 ملین روپے میں فروخت کی جو کہ 18-2017 کے دوران 90.183 ملین روپے میں فروخت ہوئی۔ یہ کمپنی کے لیے اضافی آمدنی کا ذریعہ ہے۔

### کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ تعمیل کا بیان:

- ۱۔ کمپنی کے انتظام کے ذریعے تیار کردہ مالی حسابات اس کے امور کی منصفانہ حیثیت، کارروائیوں کے نتائج، نقد بہاؤ اور حصوں میں تبدیلیوں کو پیش کرتے ہیں۔
- ۲۔ کمپنی نے قانون کے تحت ضرورت کے مطابق اکاؤنٹس کی مناسب کتابیں برقرار رکھی ہیں۔
- ۳۔ مالی حسابات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی ہیں اور محاسبہ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہوتا ہے۔
- ۴۔ بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی حسابات کی تیاری میں عمل کیا گیا ہے۔
- ۵۔ اندرونی کنٹرول کا نظام ڈیزائن کے لحاظ سے مستحکم ہے اور اس مدت کے دوران موثر طریقے سے نافذ اور نگرانی کی گئی ہے۔
- ۶۔ کمپنی کو جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں۔
- ۷۔ کارپوریٹ گورننس کے بہترین ضابطوں سے کسی بھی طرح کی خلاف ورزی نہیں ہوئی جس کی تفصیل پاکستان اسٹاک ایکسچینج کے سسٹمک ضوابط میں دی گئی ہے۔
- ۸۔ کوئی قانونی بقایا جات واجب الادا نہیں ہیں سوائے اس کے کہ عام کاروبار کے تحت اور کچھ متنازعہ معاملات جو متعلقہ نوٹ میں مالی حسابات میں موجود ہیں۔

## ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ تعالیٰ کے بابرکت نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔  
میں بورڈ آف ڈائریکٹرز کی جانب سے یہ موقع ملنے پر آپ کے سامنے کمپنی کے آڈٹ شدہ حسابات برائے سال 30 ستمبر 2019ء پیش کرنے پر  
خوشی محسوس کر رہا ہوں۔ آپ کی کمپنی کی اصل سرگرمیاں چینی کی پیداوار اور MDF بورڈ مختلف سائز میں تیار کرنا ہے۔ اہم پیداوار اور مالی اعداد و شمار کو درج ذیل  
میں فراہم کیئے گئے ہیں۔

## مالیاتی کارکردگی :

2017-18	2018-19		
		(روپے ہزاروں میں)	
(243,346)	456,886	☆	☆
122,512	(267,552)	☆	☆
(120,834)	189,334	☆	☆
Rs.(5.90)	Rs.9.25	☆	☆

## معلومات بابت پیداوار

2017-18	2018-19		
1,108,106	894,494	☆	☆
110,810	94,825	☆	☆
10.00	10.60	☆	☆
57,140	40,120	☆	☆
70,561	71,762	☆	☆

## (روپے ہزاروں میں)

## مالی اعداد و شمار:

9,080,899	9,340,031	☆	☆
(9,733,468)	(8,172,919)	☆	☆
(652,569)	1,167,112	☆	☆
(198,084)	(78,915)	☆	☆
(509,257)	(570,253)	☆	☆
(18,513)	(50,301)	☆	☆
(309,881)	(495,809)	☆	☆
1,351,197	297,209	☆	☆
93,705	187,843	☆	☆
(243,346)	456,886	☆	☆

## PROXY FORM

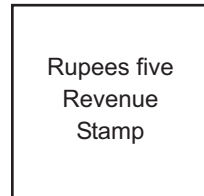
I/We .....  
in the district of ..... being a Member of **AL-NOOR SUGAR MILLS LIMITED**  
and holder of ..... Ordinary Shares as per Share  
(Number of Shares)

Register **Folio No.** ..... and/or **CDC Participant I.D. No.** ..... and **Sub Account No.** .....  
hereby appoint ..... of .....  
or failing him .....  
of..... also a member; as my/our Proxy in my/our absence to  
attend and vote for me/us at the 50<sup>th</sup> Annual General Meeting of the Company to be held on the 28<sup>th</sup> day of January two  
thousand twenty at 3:00 p.m at Company's Registered Office 96-A, Sindhi Muslim Housing Society, Karachi and at any  
adjournment thereof :

Signed this ..... day of ..... 2020

**WITNESSES:**

1. Signature .....  
Name: .....  
Address .....  
NIC or  
Passport No. ....



2. Signature .....  
Name: .....  
Address .....  
NIC or  
Passport No. ....

\_\_\_\_\_  
Signature of Member(s)

**NOTE:**

1. This Proxy Form, duly completed and signed, must be received at the office of our Shares Registrar not later than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities  
In addition to the above the following requirements have to be met.
  - (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
  - (ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
  - (iii) In case of a 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).



## پراکسی فارم

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
 انور شوگر ملز لمیٹڈ \_\_\_\_\_  
 کے رکن و حامل \_\_\_\_\_ عام حصص بر مطابق شیئر رجسٹرڈ فولیو نمبر \_\_\_\_\_  
 اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر \_\_\_\_\_ اور ڈیلی کھاتہ نمبر \_\_\_\_\_  
 بذریعہ ہذا \_\_\_\_\_ ساکن \_\_\_\_\_ یا بصورت دیگر \_\_\_\_\_  
 ساکن \_\_\_\_\_ جو کہ خود بھی ایک ممبر ہے کو اپنی / ہماری غیر موجودگی میں کمپنی کے  
 50 واں سالانہ اجلاس عام مورخہ 28 جنوری 2020 بوقت 3:00 بجے بمقام رجسٹرڈ آفس 96۔ اے سندھی مسلم ہاؤسنگ سوسائٹی کراچی میں منعقد یا ملتوی  
 ہونے والے میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط شدہ بتاریخ \_\_\_\_\_ بروز \_\_\_\_\_ 2020۔

گواہان:

برائے کرم پانچ روپے  
 مالیت کے ریونیو ٹکٹ  
 چسپاں کریں۔

1- دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

2- دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_

دستخط برائے ممبر / ممبران \_\_\_\_\_  
 (دستخط کمپنی میں درج نمونہ کے دستخط کے مطابق ہونے چاہیے)

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

نوٹ:

- 1۔ ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئر رجسٹر کے دفتر میں موصول ہونا چاہیے۔
- 2۔ اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹس آف پراکسی کا عدم قرار دیئے جائیں گے۔
- 3۔ سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے مزید برآں درج شرائط کو پورا کریں گے۔
  - (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
  - (ii) پراکسی کو اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت دکھانا ہوگا۔
  - (iii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔



**AL-NOOR SUGAR MILLS LTD.**

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