



# ANSARI SUGAR MILLS LIMITED

## NINETEENTH ANNUAL REPORT 2008

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## COMPANY PROFILE

### BOARD OF DIRECTORS

Mrs. Nasreen Ghani Ansari - Chief Executive  
Mr. Ahmed Khan Ansari  
Mr. Abdul Hafeez Ansari  
Mr. Imran Rasheed Ansari  
Syed Anwar Raza Naqvi  
Mr. S.M. Ahsan Raza  
(Nominee of N.I.T.)  
Mr. M. Manzurul Haq  
(Nominee of N.B.P formerly N.D.F.C.)

### AUDIT COMMITTEE

Mr. Imran Rasheed Ansari - Chairman  
Mr. Abdul Hafeez Ansari - Member  
Syed Anwar Raza Naqvi - Member

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Ahsan Mukhtar - ACMA

### BANKERS

Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Allied Bank Limited

### AUDITORS

M/s. Khalid Majid Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

### LEGAL ADVISOR

Dr. Raees Mushtaq

### REGISTRAR

Noble Computer Services (Pvt) Limited  
Mezzanine Floor, House of Habib  
Building (Siddiq son Towers)  
3-Jinnah Cooperative Housing Society,  
Main Shahra-e-Faisal, Karachi.

### REGISTERED OFFICE

41-K, Block- 6, P.E.C.H.S., Karachi.  
Fax : 021-34546456  
<http://www.ansarisugar.com>

### FACTORY

Deh Jagsiyani,  
Taluka Tando Mohammad Khan  
District Hyderabad, Sindh



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of the shareholders of **ANSARI SUGAR MILLS LIMITED**, will be held on Saturday January 30, 2010 at 9:00 a.m. at the registered office of the Company situated at 41-K, Block 6, P.E.C.H.S., Karachi for transacting the following business.

### Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on January 05, 2008.
2. To receive, consider and adopt the audited accounts of the Company for the year ended September 30, 2008 together with the Directors' and Auditors' Report thereon.
3. To appoint Auditors and fix their remuneration. One of the shareholders has proposed the name of M/s. Rahman Sarfarz Rahim Iqbal Rafiq, Chartered Accountants as statutory auditors for the year ended September 30, 2009 in place of retiring auditors.
4. To elect seven Directors (07) of the company for a period of three (03) years, commencing from January 30, 2010 in accordance with the provision of section 178 of the Companies Ordinance, 1984. The names of retiring directors are as under :
  1. Mr. Ahmed Khan Ansari
  2. Mr. Abdul Hafeez Ansari
  3. Mrs. Nasreen Ghani Ansari
  4. Mr. Imran Rasheed Ansari
  5. Syed Anwar Raza Naqvi
  6. Mr. S.M. Ahsan Raza (Nominee of N.I.T)
  7. Mr. M. Manzurul Haq (Nominee of N.B.P formerly N.D.F.C)
5. Any other business with the permission of the chair.

**for ANSARI SUGAR MILLS LIMITED**

**Company Secretary**

Karachi :

Dated : December 15, 2009

### NOTES :

1. The Shares Transfer Book of the Company will remain close from January 21, 2010 to January 30, 2010 (both days inclusive).
2. A member entitles to attend and vote at this meeting may appoint another member as his/her behalf. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.
3. Any member desiring to contest the election of Directors must submit to the company his/her consent as such not later than 14 days before the date of AGM.
4. The share holders are requested to notify any change in their address immediately.
5. Kindly quote your folio number in all correspondence with the Company.



## VISION & MISSION STATEMENT

### VISION

To make a product of International Standard acceptable as a brand in the world market. To explore business opportunities available under the World Trade Organization regime.

### MISSION

- To sustain contribution to the National Economy by producing cost effective product.
- To ensure professionalism and healthy working environment.
- To create a reliable product through adoption of latest technology/ advancement.
- To promote research & development and provide technical know how to growers for improvement of sugarcane yield/recovery.



## DIRECTOR'S REPORT

The Directors are pleased to submit report on affairs of the company for the financial year ended September 30, 2008 and the subsequent developments to-date.

### MANAGEMENT

As you are aware, the Board of Directors was suspended by the Ehtesab Court in May 1998 and the Receiver was appointed to run the affairs of the company. The Court, however, set aside its earlier Order for appointment of the Receiver directing him to relinquish the charge of his office through a short order in March 2008. However, the Receiver continued in his office till October 31, 2008 at his own in the absence of clear directions from the Court regarding restoration of the Board suspended in May 1998. As the crushing season was about to commence in November 2008, the Receiver handed over the charge of the Mills to the Management, and the Board vide its Resolution dated November 1, 2008 appointed Mr. Anver Majid, as Chief Controller/Consultant entrusting him with powers to run the mills and manage the affairs of the Company.

On resumption in November 2008, the Board took serious note of the financial issues of the company which remained highly mismanaged during the ten years' tenor of the Receiver. In order to turn around the company, the management approached the financial institutions and signed a Settlement Agreement with National Bank of Pakistan in February 2009 to clear its financials of the long outstanding liabilities towards the Bank.

The accounts of the company could not be disseminated timely as the management altogether remained occupied to run the mills for the 2008-09 crushing season and manage the financial affairs of the company with a long-term view to the benefit of the shareholders. In view of the resumption of the Board on November 1, 2008, the accounts for the half year ended March 31, 2008 and the third quarter ended June 30, 2008 are being issued simultaneously with the audited accounts for the year ended September 30, 2008.

### FINANCIAL RESULTS

The financial results for the year ended September 30, 2008 are as follows:

	2008	2007	CHANGE
	RUPEES IN THOUSANDS		PERCENTAGE
Sales	1,383,041	1,372,820	0.74
Cost of Sales	(1,369,922)	(1,377,303)	(0.54)
Net Loss after taxation	(52,582)	(72,391)	(27.36)
<b>OPERATING RESULTS</b>			
	<b>METRIC TONES</b>		
Sugarcane crushed	788,409	604,957	30.32
Sugar produced	66,600	55,963	19.01
Molasses produced	42,692	30,628	39.39
	<b>PERCENTAGE</b>		
Sugar Recovery	8.45	9.25	
Number of days worked	148	163	

### PERFORMANCE REVIEW

The financial results for the year 2007-08 reflect improvements as the sales have increased while cost of sales and net loss have decreased. The increased sales and reduced cost of sales resulted in gross profit of Rs. 13.12 million as compared to the previous year's gross loss of Rs. 4.48 million. The record crushing of sugarcane and production of sugar during the year is an achievement.

### FUTURE OUTLOOK

The crushing season 2008-09 lasted for only 112 days commencing from November 28, 2008 and ending on March 19, 2009. After the crushing season 2008-09, the present management focussed on BMR which was neglected during the tenor of the Receiver.



## **LABOUR MANAGEMENT RELATIONS**

The labour management relations have remained cordial. I thank and appreciate the spirit of goodwill and co-operation by the workers. I also thank the staff members, officers and executives for their devotion and sense of responsibility.

## **AUDITORS' REPORT**

The auditors in their report have emphasised on the Company's continuation as a going concern on the basis of negative equity as well as negative working capital. In order to address the issue, the Board after resumption in November 2008 approached the financial institutions and, as state above, entered into a Settlement Agreement with National Bank of Pakistan. After enforcement of the said Agreement in February 2009, the equity of the company turned positive. Other measures are being taken to further improve the financial standing of the company.

## **STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

1. The financial statements prepared by the company present fairly its affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained by the company.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements, changes if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgement.
4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and departure there from, if any, has been adequately notices.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. Key operating and financial data for last six years in summarized form is annexed.
7. There has been no material departure from the best practices of Corporate Governance except those mentioned in the preamble of the statement.
8. No trade in the shares of the company were carried out by the directors and their spouses and minor children.

## **AUDITORS**

M/s. Khalid Majid Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants retire.

On the basis of proposal by one of the shareholders, the Audit Committee has recommended the name of M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants as auditors for the year 2008-09.

## **PATTERN OF SHARE HOLDING**

The pattern of share holding as on September 30, 2008 is annexed.

On behalf of the Board

**NASREEN GHANI ANSARI**  
Chief Executive

Karachi: December 15, 2009.



## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purposes of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

As the Board of Directors was suspended and Company's affairs were being managed by the Receiver appointed by Ehtesab Bench of Lahore High Court, certain clauses of the Code which are related to the function of/by directors and Board of Directors were not relevant to the Company. The SECP has however relaxed the requirements contain in the said clauses, as numerated below, vide its letter no. SECP/ICAP/EM/36/2000/48 dated January 28, 2003.

- Clause (i) to clause (vii)
- Clause (viii), sub clauses (e) and (f)
- Clause (ix) to clause (xii)
- Clause (xiv)
- Clause (xv)
- Clause (xviii)
- Clause (xxx) to Clause (xxxiv)

On March 05, 2008 the Accountability Court No. IV Rawalpindi/Islamabad set aside the orders of Lahore High Court of appointment of Receiver dated July 02, 1998 and directed the Receiver to vacate the office. However, the Company continues to avail above relaxations for the year under review as the Receiver relinquished his charge on November 01, 2008.

As regard to remaining provision of the Code, the Company applied principles in the following manner :

1. Statement of Ethics and Business Practices has been prepared and accordingly signed by all the concerned persons.
2. Vision/Mission Statement, Overall Corporate Strategy and Significant Policies of the Company have been developed and complete record of particulars of significant policies along with the dates on which they were approve/amended, is maintained by the department.
3. All the powers of the Board and decision-making have been duly exercised by the Receiver.
4. The Directors report for this year has been prepared in compliance with the requirement of the Code and fully describes the salient matters required to be closed.
5. The Company has complied with all the corporate and financial reporting requirement of the Code.
6. The director, CEO and executives do not hold any interest in the share of the Company other than that disclosed in the pattern of shareholding.
7. An effective internal audit function for the company has been established.



8. 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, that they or any of the partners of the firm, their spouse and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
9. The statutory auditors or the persons associated with them have not been appointed to provide other services.
10. It is confirmed that all material principles contained in the Code have been dully complied with.

**NASREEN GHANI ANSARI**  
**Chief Executive**  
Karachi.  
Dated : December 15, 2009





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

We have reviewed the Statement of Compliance with the best practises contained in the Code of Corporate Governance prepared by the Board of Directors of **Ansari Sugar Mills Limited**, to comply with the Listing regulation No.37 and Chapter XIII of the Karachi and Lahore Stock Exchanges where the Company is listed.

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

As part of the audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

We report that :

The SECP vide its letter No. SECP/ICAP/EM/36/2000/48 dated January 28, 2003 had given relaxation to the Company from complying with certain provision of the Code of Corporate Governance in view of the implication of the appointment of Receiver by the Ehtesab Bench of Lahore High Court vide its order dated July 02, 1998.

On March 05, 2008 the Accountability Court No. IV Rawalpindi/Islamabad set aside the order of Lahore High Court of appointment of Receiver dated July 02, 1998 and directed the Receiver to vacate the office. However the Company continues to avail above relaxations for the year under review as the Receiver relinquished his charge on November 01, 2008.

Based on our review, except as stated above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended **September 30, 2008**.

Karachi  
Dated : December 15, 2009

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Khalid Majid Rahman Sarfaraz  
Rahim Iqbal Rafiq  
Chartered Accountants



**PATTERN OF SHAREHOLDING  
OF THE SHARES HELD BY THE SHAREHOLDERS  
AS ON SEPTEMBER 30, 2008**

NUMBER OF SHARE HOLDERS	FROM	SHARE HOLDING	TO	TOTAL SHARES HELD
485	1	-	100	26,608
511	101	-	500	160,472
279	501	-	1,000	205,139
435	1,001	-	5,000	967,519
85	5,001	-	10,000	608,842
29	10,001	-	15,000	364,133
12	15,001	-	20,000	208,712
11	20,001	-	25,000	236,414
12	25,001	-	30,000	327,476
7	30,001	-	35,000	230,044
10	35,001	-	40,000	376,839
6	40,001	-	45,000	256,692
9	45,001	-	50,000	439,362
4	50,001	-	55,000	200,844
8	55,001	-	60,000	476,715
5	60,001	-	65,000	301,150
3	65,001	-	70,000	205,937
5	70,001	-	75,000	365,337
2	75,001	-	80,000	151,204
4	80,001	-	85,000	331,779
2	85,001	-	90,000	171,650
19	100,001	-	105,000	1,910,737
2	105,001	-	110,000	216,521
2	145,001	-	150,000	294,520
2	150,001	-	155,000	305,365
4	155,001	-	160,000	626,665
2	165,001	-	170,000	331,762
1	185,001	-	190,000	186,300
1	190,001	-	195,000	193,440
1	195,001	-	200,000	199,810
1	200,001	-	205,000	201,445
1	220,001	-	225,000	220,800
1	230,001	-	265,000	232,247
2	245,001	-	250,000	495,774
1	265,001	-	270,000	266,070
1	270,001	-	275,000	271,590
2	285,001	-	290,000	575,115
1	295,001	-	300,000	298,600
2	305,001	-	310,000	616,784
1	310,001	-	315,000	314,065
1	395,001	-	400,000	399,400
1	410,001	-	415,000	413,108
1	555,001	-	560,000	559,980
1	600,001	-	605,000	603,316
1	605,001	-	610,000	609,109
1	705,001	-	710,000	705,865
1	790,001	-	795,000	790,248
1	955,001	-	960,000	955,163
1	990,001	-	995,000	991,531
1	1,985,001	-	1,990,000	1,989,000
1	2,015,001	-	2,020,000	2,020,000
<b>1982</b>				<b>24,407,198</b>

S. No.	Category	No. of Shareholders	Total Shares Held	Percentage %
1.	Individual	1,956	19,932,826	81.67
2.	Investment Companies	1	5,500	0.02
3.	Insurance Companies	6	727,454	2.98
4.	Joint Stock Companies	11	3,353,564	13.74
5.	Financial Institutions	5	348,814	1.43
6.	Modaraba Companies	2	3,390	0.01
7.	Leasing Companies	1	35,450	0.15
		<b>1,982</b>	<b>24,407,198</b>	<b>100%</b>



**PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2008  
AS PER REQUIREMENTS OF  
THE CODE OF CORPORATE GOVERNANCE**

Category	Number of shares held	Category wise No. of Shareholders	Category wise Shares held	Percentage %
<b>JOINT STOCK COMPANIES</b>		11	2,506,716	10.27
<b>INVESTMENT COMPANIES</b>		1	5,500	0.02
<b>DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN</b>		10	1,196,470	4.9
Mr. Ahemd Khan Ansari	269,013			
Mr. Abdul Hafeez Ansari	48,450			
Mrs. Nasreen Ghani Ansari	33,350			
Mr. Imran Rasheed Ansari	202,283			
Mr. Dinshaw Hoshang Anklesaria	559,980			
S. Anwar Raza Naqvi	50,044			
Mr. Abdul Ghani Ansari H/O Mrs. Nasreen Ghani Ansari	33,350			
<b>NIT / ICP</b>		2	286,690	1.17
National Bank of Pakistan - Trustee Department	154,300			
Investment Corporation of Pakistan	132,390			
<b>BANKS, DFIs, NBFIs, INSURANCE COMPANIES MODARABAS AND MUTUAL FUNDS</b>		11	126,309	0.52
<b>INDIVIDUALS</b>		1,947	20,285,513	83.11
		1982	24,407,198	100.00

**Shareholders holding ten percent or more voting interest in the Company**

Name of Shareholders	No. of Shares held	Percentage
None		



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ANSARI SUGAR MILLS LIMITED** as at September 30, 2008 and the related profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984.
- (b) In our opinion;
  - (i) The balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with the accounting policies consistently applied :
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (ii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) In our opinion and to best of our information and according to explanation given to us, the balance sheet, profit and loss account, cash flow statement, and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the company's affairs as at September 30, 2008 and of the loss, its cash flow and changes in equity for the year then ended: and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.



Without qualifying our opinion, we draw attention to note 1.2 to the financial statements which indicates that during the year of the company incurred a net loss of Rs. 52.58 million (2007: loss 79.259 million) and its accumulated loss increased to Rs. 326.6 million (2007: 274.02 million). The company's negative equity increased to Rs. 55 million (2007: 2.948 million) and its current liabilities exceeds its current assets by Rs. 376.5 million (2007: 323.66 million). These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as going concern. The going concern assumption used in the preparation of these financial statements is based on the consequential effect of settlement of liabilities and other details disclosed in note 1.4 & 4v annexed thereto.

Karachi  
Dated : December 15, 2009

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**KHALID MAJID RAHMAN SARFARAZ**  
**RAHIM IQBAL RAFIQ**  
**CHARTERED ACCOUNTANTS**  
**Muhammad Waseem**



## BALANCE SHEET AS AT

	Note	2 0 0 8 Rupees	2 0 0 7 Rupees
<b><u>SHARE CAPITAL &amp; RESERVES</u></b>			
Authorized capital 30,000,000 Ordinary shares of Rs. 10/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, Subscribed and Paid - up Capital	3	244,071,980	244,071,980
General Reserve		27,000,000	27,000,000
Accumulated (Loss)		(326,603,020)	(274,020,755)
		<b>(55,531,040)</b>	<b>(2,948,775)</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>LONG TERM FINANCES - Secured</b>			
Markup bearing	4	61,260,525	77,837,201
Markup free	5	305,209,470	328,469,956
		<b>366,469,995</b>	<b>406,307,157</b>
<b>PROVISION FOR GRATUITY</b>	6	<b>5,589,793</b>	<b>4,385,021</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long term finances	7	295,125,385	264,674,818
Trade and other payables	8	555,558,057	358,265,701
Accrued markup		40,572,993	30,362,089
		<b>891,256,435</b>	<b>653,302,608</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	9	—	—
		<u><b>1,207,785,183</b></u>	<u><b>1,061,046,011</b></u>

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



## SEPTEMBER 30, 2008

	Note	2 0 0 8 Rupees	2 0 0 7 Rupees
<b>PROPERTY, PLANT AND EQUIPMENTS</b>	10	692,490,158	730,193,658
<b>LONG TERM LOANS</b>	11	121,603	274,360
<b>LONG TERM DEPOSITS</b>		486,176	940,246
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	12	21,233,430	20,096,124
Stock in trade	13	192,232,885	104,602,112
Trade debts - Unsecured (Considered good)	14	175,490,731	80,120,050
Loans and advances	15	81,896,350	91,268,548
Prepayments and other receivables	16	15,467,286	16,012,130
Income tax receivable		4,959,456	1,184,410
Cash and bank balances	17	23,407,108	16,354,193
		514,687,246	329,637,567
		<u>1,207,785,183</u>	<u>1,061,046,011</u>

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Note	2 0 0 8 Rupees	2 0 0 7 Rupees
<b>SALES-Net</b>	18	1,383,041,117	1,372,819,615
Cost of sales	19	(1,369,921,876)	(1,377,302,518)
		13,119,241	(4,482,903)
<b>OPERATING EXPENSES</b>			
Distribution cost	20	2,546,506	1,417,110
Administrative expenses	21	53,251,244	54,658,411
		55,797,750	56,075,521
		(42,678,509)	(60,558,424)
Financial cost	22	11,046,050	12,907,153
Other charges	23	622,135	575,610
Other income	24	(1,764,429)	(1,650,426)
		9,903,756	11,832,337
<b>LOSS BEFORE TAXATION</b>		(52,582,265)	(72,390,761)
<b>PROVISION FOR TAXATION</b>			
Current	26	—	(6,868,814)
<b>LOSS AFTER TAXATION</b>		(52,582,265)	(79,259,575)
<b>Loss per Share-Basic</b>	28	(2.15)	(3.25)

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

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director





## CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2008

	2 0 0 8 Rupees	2 0 0 7 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	(52,582,265)	(72,390,761)
<b>ADJUSTMENT FOR :</b>		
Depreciation	42,330,751	42,662,959
Financial Cost	11,046,050	12,907,153
(Profit) on sale of Property Plant and Equipments	(1,317,837)	(938,719)
Provision for doubtful advances & Other receivables	—	5,306,476
Provision for gratuity	1,527,480	1,400,245
	53,586,444	61,338,114
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	1,004,179	(11,052,647)
<b>CHANGES IN WORKING CAPITAL (INCREASE)/DECREASE IN CURRENT ASSETS</b>		
Stores, spares and loose tools	(1,137,306)	1,226,761
Stock in trade	(87,630,773)	26,158,435
Trade debts - Unsecured (Considered good)	(95,370,681)	(73,091,378)
Loans and advances	9,337,005	(53,213,284)
Prepayments and other receivables	544,844	4,762,805
	(174,256,911)	(94,156,661)
	(173,252,732)	(105,209,308)
<b>INCREASE/(DECREASE) IN CURRENT LIABILITIES</b>		
Trade and other payables	197,292,763	40,654,753
<b>CASH(USED)/GENERATED FROM OPERATING ACTIVITIES</b>	24,040,031	(64,554,555)
Taxes paid	(3,775,046)	(7,586,503)
WPPF paid	—	(7,108,615)
Gratuity paid	(322,708)	(326,000)
Financial cost paid	(835,146)	(2,713,682)
	(4,932,900)	(17,734,800)
<b>NET CASH (USED)/GENERATED FROM OPERATING ACTIVITIES</b>	19,107,131	(82,289,355)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(12,059,414)	(4,930,540)
Proceeds from disposal of Property, Plant and Equipments	8,750,000	1,354,828
Long term deposits	454,250	(4,000)
Long term loans	187,950	98,964
	(2,667,241)	(3,480,748)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(2,667,241)	(3,480,748)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend paid	(407)	(11,797,162)
Repayment of long term finances	(9,386,595)	(9,682,001)
	(9,387,002)	(21,479,163)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	(9,387,002)	(21,479,163)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT</b>	7,032,915	(107,249,266)
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	16,354,193	123,603,459
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	23,407,108	16,354,193

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

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED SEPTEMBER 30, 2008**

	Issued Subscribed and paid-up capital	Reserve			Net Equity
		General Reserve	Accumulated Loss	Total Reserve	
Rupees					
Balance as at September 30, 2006	244,071,980	27,000,000	(194,761,180)	(167,761,180)	76,310,800
Loss for the year	—	—	(79,259,575)	(79,259,575)	(79,259,575)
Balance as at September 30, 2007	244,071,980	27,000,000	(274,020,755)	(247,020,755)	(2,948,775)
Loss for the year	—	—	(52,582,265)	(52,582,265)	(52,582,265)
Balance as at September 30, 2008	244,071,980	27,000,000	(326,603,020)	(299,603,020)	(55,531,040)

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

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2008

### 1. STATUS AND NATURE OF BUSINESS

- 1.1 The Company was incorporated in Pakistan on July 09, 1989 as a Public Limited Company and its shares are quoted in Karachi and Lahore Stock Exchanges. The principal business of the Company is to manufacture and sale of white sugar. The registered office of the company is situated at 41-K, Block 6, P.E.C.H.S., Karachi and its factory is located at Deh Jagsiyani, Taluka Tando Mohammad Khan, District Hyderabad, Sindh.
- 1.2 During the year the company incurred a net loss of Rs, 52.58 million (2007: 79.259 million) and its accumulated loss increased to Rs. 326.6 million (2007: 274.02 million). The company's negative equity increased to Rs. 55 million (2007: 2.948 million) and its current liabilities exceeds its current assets by Rs, 376.5 million (2007: 323.66 million).
- 1.3 The Accountability court No. IV Rawalpindi/Islamabad vide order dated March 05, 2008 set aside the orders of appointment of receiver. The receiver relinquished the charge of the affairs of the company on November 01, 2008 and the surviving members of the suspended Board simultaneously took over the charge of the Company.

In view of the resumption of the Board on November 01, 2008 the accounts for half year ended March 31, 2008 and third quarter ended June 30, 2008 are also being issued simultaneously.

- 1.4 Subsequent to the Balance sheet date the company has entered in to an agreement with National Bank of Pakistan in respect of outstanding liability of long term loan amounting to Rs. 956.437 (refer to note 4 & 5 & ) to be settled at Rs. 213.551 million payable after 10 years i.e January 01, 2019 (refer to note 4(v) against security of DSCs.

The financial effect of the above settlement agreement as disclosed in note 4(v) will result in positive equity and positive current ratio of the Company in subsequent years. The Company managed the crushing operations at approximately 70% of capacity utilization in the year 2008-2009.

In view of the above, these financial statements are prepared on going concern basis.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

##### (a) Statement of Compliance

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

##### (b) Accounting convention

These financial statements have been prepared under the basis of 'historical cost' convention and certain staff retirement benefits which have been measured at present value.

##### (c) Functional and presentation currency

These Financial statements are presented in Pakistani Rupee which is the company's functional currency.

##### (d) Use of estimates and judgments

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



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

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

Judgments made by management in the application of approved Accounting Standard, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are discussed in note No. 30 to these financial statements.

**(e) New Accounting Standards and IFRIC Interpretations that are not yet effective**

The following standards, interpretations and amendments in approved accounting standards are only effective for accounting periods beginning on or after October 01, 2007 and are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain increased disclosures in the certain cases:

IAS 1 - Preparation of Financial statement- Amendments Relating to Capital Disclosures;

IAS 23 - Borrowing Costs (as revised);

IFRS 7 - Financial instruments disclosure.

IFRS 8 - Operating Segments

IFRIC 10 - Interim Financial Reporting and Impairment;

IFRIC 11 - Group and Treasury Share Transactions;

IFRIC 12 - Services Concession Arrangements;

IFRIC 13 - Customer Loyalty Programmes;

IFRIC 14 - The Limit on a Defined Benefit Asset Minimum Funding Requirements and their intersection.

**2.2 Employees' retirement benefits**

**(a) Provident Fund**

The Company operates a defined contributory Provident Fund for all its employees eligible under the scheme. The scheme has been approved under the Income Tax Ordinance, 2001. Monthly contributions are made both by the company and by the employee to the fund at a rate of 8.33% of basic salary.

**(b) Gratuity**

The company operates an defined benefit gratuity fund for all of its permanent employees who attain the minimum qualification period for entitlement to gratuity. Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at September 30, 2008 using the Projected Unit Credit Method. For details (refer to Note No 6).

**2.3 Provision**

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



## **2.4 Taxation**

### **Current**

Provision for current taxation is computed in accordance with the provisions of the applicable Income Tax laws.

### **Deferred**

Deferred taxation is recognized using the balance sheet liability method on all major temporary difference arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax assets is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

## **2.5 Property, plant and equipment**

These are stated at cost less accumulated depreciation and accumulated impairment losses (if any), except freehold land which is stated at cost.

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

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than the recoverable amount.

Depreciation is charged on all property, plant and equipment using reducing balance method in accordance with the rates specified in the note 10 to these financial statements and after taking into account residual value, if any.

Depreciation on addition is charged from the quarter in which the assets become available for use while no depreciation is charged in the quarter in which the assets are disposed off.

Repairs and maintenance are charged to profit and loss account as and when incurred except major over hauling. Major renewals and improvements are capitalized.

Gains and losses on disposal of property, plant and equipment are charged to the profit and loss account accordingly.

## **2.6 Impairment of assets**

The carrying amount of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such asset is estimated. The impairment loss is recognized whenever, the carrying amount of the asset or its cash generating unit exceed its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

## **2.7 Financial Assets**

Financial assets are long term deposits, trade debts, advances (excluding advance income tax), deposits, other receivable and cash & bank balances which have been stated in accordance with the requirement of IAS-39 (Financial Instruments: Recognition & Measurement). Financial assets are initially recognized at cost which is the fair value of the consideration given for it and subsequently these are carried at fair value.

## **2.8 Financial Liabilities**

Financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are long term loans, creditors, accrued and other liabilities (excluding sales tax payable and withholding tax deducted) and unclaimed dividends.

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



## 2.9 Stores, spares and loose tools

The basis of valuation has been specified against each.

In hand	-	At lower of moving average cost or NRV.
In transit	-	Actual cost incurred upto the balance sheet date

Net realizable value signifies the estimated selling price in the ordinary course of business and cost necessary to be incurred in order to make the sale.

## 2.10 Stock in trade

The basis of valuation has been specified against each.

Sugar in process	-	At average cost of sugarcane consumed
Finished sugar	-	At lower of cost or net realizable value
Molasses	-	At net realizable value

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

## 2.11 Trade debts and other receivable

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables which is determined based on management review of outstanding amounts and previous repayment pattern. Balances considered bad and irrecoverable are written off.

## 2.12 Trade and other payables

Liabilities for trade and other payable are initially recognized at fair value which is normally the transaction cost.

## 2.13 Cash and cash equivalent

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

## 2.14 Offsetting

A financial asset and financial liability are offset when there is a legally enforceable right to offset the recognized amounts and the Company intends to settle either on a net basis, or to realize the assets and to settle the liabilities simultaneously.

## 2.15 Revenue recognition

Sales are recorded on dispatch of goods.  
Interest, profit and income from investments is recorded on accrual basis.

## 2.16 Borrowing costs

Borrowing cost shall be recognized as an expense in the period in which they are incurred except borrowing cost that are directly attributable to acquisition, construction or production of qualifying asset shall be capitalized as a part of the cost of that asset.

## 2.17 Related Party transactions

The transactions between the Company and related parties are carried out on an arm's length basis and the relevant rates are determined in accordance with the Comparable Uncontrolled Price Method.



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

Number of shares				
2008 Rupees	2007 Rupees		2008 Rupees	2007 Rupees
18,296,250	18,296,250	Fully paid ordinary shares of Rs.10/- each issue for cash	182,962,500	182,962,500
6,110,948	6,110,948	Fully paid ordinary shares of Rs.10/- each issued as bonus share	61,109,480	61,109,480
<b>24,407,198</b>	<b>24,407,198</b>		<b>244,071,980</b>	<b>244,071,980</b>

### 4. LONG TERM FINANCES (INTEREST BEARING)

	SECURED				September 2008	September 2007
	PICIC	NBP I	NBP II	NBP formerly NDFC		
	General Term Finance			Loan LCY		
Rupees						
Opening balance	6,246,546	34,305,138	116,457,257	127,636,299	284,645,240	289,630,240
Repaid during the year	(4,985,000)	—	—	—	(4,985,000)	(4,985,000)
<b>Current Maturity</b>	<b>1,261,546</b>	<b>34,305,138</b>	<b>116,457,257</b>	<b>127,636,299</b>	<b>279,660,240</b>	<b>284,645,240</b>
Over due installment	—	(34,305,138)	(116,457,257)	(51,060,644)	(201,823,039)	(186,507,909)
Payable with in one year	(1,261,546)	—	—	(15,315,130)	(16,576,679)	(20,300,130)
	—	—	—	<b>61,260,525</b>	<b>61,260,525</b>	<b>77,837,201</b>

#### Significant terms and repayment :

Installment payment	Quarterly	Semi annually	Semi annually	Semi annually
No. of installment	39	14	12	23
Installment amount (Rupees in million)	1.246	6.861	9.705	7.657
Date of first installment	01-10-99	30-12-92	31-03-97	30-04-02
Rate of interest per annum	14%	44 paisa per Rs. thousand per day	51 paisa per Rs. thousand per day	8%
Sub note number	4 (i)	4 (ii)	4 (ii)	4 (iii)



**4 (i) Pakistan Industrial Credit and Investment Corporation**

**Security**

The finances are secured through first charge by way of an equitable mortgage of immovable properties, hypothecation of plant and machinery, and a floating charge on all other assets.

The securities shall rank pari-passu with other creditors.

**4(ii) National Bank of Pakistan [Also refer note no. 4.(v)]**

**Security**

a) 'The finance is secured by creating a mortgage on the immovable properties, pledge and hypothecation of movable properties including book debts, receivables and hypothecation of machinery purchased under the agreement, personal guarantees of the sponsoring directors and the promissory notes of the Company.

The securities shall rank pari-passu with other creditors.

b) 'The finance is secured by equitable registered mortgage on fixed assets both present and future, general irrevocable power of attorney executed in favour of the bank, hypothecation of stocks, floating charge on all other assets and properties of the Company and personal guarantee of all directors of the Company.

The securities shall rank pari-passu with other creditors.

**4(ii) National Bank of Pakistan (formerly NDFC) [Also refer note no. 4.(v)]**

**Security**

The loans are secured by way of mortgage on the immovable properties, pledge and hypothecation of movable properties of the Company both present and future including book debts, receivables and hypothecation of machinery purchased under the agreement and personal guarantees as per Personal Net worth Survey (PNWS) of the sponsoring directors and pledge of sponsors' shares and a floating charge on all other properties and assets of the Company.

The securities shall rank pari-passu with other creditors.

**4(iv)** The Company is contesting two recovery suits filed by National Bank of Pakistan. The Bank has claimed for recovery of Rs. 956.437 million against which Rs. 656.4 million is reflected in the Company's books. The difference of Rs. 300 million represents excessive amounts claimed on various accounts in the suits.

**4(v)** Subsequent to the balance sheet date on February 23, 2009 the company has entered into agreement with National Bank of Pakistan (formerly NDFC) in respect of long term loans mentioned in note (4ii, 4iii, 5i, 5ii) in total amounting to Rs. 656.4 million settled against an amount of Rs. 213.551 million payable after 10 years from the date of the agreement i.e January 01, 2019. The significant terms and conditions of the agreement are as under:

- 1) The company has pledged DSCs worth Rs. 72 million with National Bank of Pakistan (formerly NBFC) as security till the recovery of the settlement amount with maturity value of Rs. 213.551 million.
- 2) The settlement has been filed in the High Court of Sindh, Karachi and that has passed necessary order for disposal of pending suits accordingly (refer in note 4 iv).
- 3) The company and judgment debtors etc. and the bank have agreed to with draw all the cases against each other upon the settlement.
- 4) The Bank released the personal Guarantees / Judgment Debtors only on receipt of 10 years DSCs and also create charge on assets.

The effect of the above settlement would be extinguishment of debt by Rs. 484.9 including accrued markup of Rs. 42.8 million and frozen markup of Rs. 377.2 million (refer to note 5i & 5ii). The subsequent financial statements shall reflect total long term loan due to NBP of Rs.213.551 and consequential effect of debt extinguishment by Rs. 484.9 million.





## 5. LONG TERM FINANCES (INTEREST FREE)

	SECURED			Unsecured Loan From Sponsors	September 2008	September 2007
	L.C.Y.	General Term Finance				
	NBP formerly NDFC	NBP I	NBP II			
----- Rupees -----						
Opening balance	206,045,916	6,889,241	171,201,578	2,200,000	386,336,735	391,033,736
Repaid during the year	—	(4,401,595)	—	—	(4,401,595)	(4,697,001)
	<b>206,045,916</b>	<b>2,487,646</b>	<b>171,201,578</b>	<b>2,200,000</b>	<b>381,935,140</b>	<b>386,336,735</b>
<b>Current Maturity</b>						
Over due	(53,465,185)	—	—	—	(53,465,185)	(35,989,616)
Payable with in one year	(20,772,839)	(2,487,646)	—	—	(23,260,485)	(21,877,163)
	<b>111,035,053</b>	<b>(2,487,646)</b>	<b>171,201,578</b>	<b>2,200,000</b>	<b>305,209,470</b>	<b>328,469,956</b>

### Significant terms and repayment :

Installment payment	Half Yearly	Quarterly		
No. of installment	24	39		
Date of first installment	31-10-2001	01-10-1999		
Sub note number	5 (i)	5 (i)	5 (ii)	5 (iii)

### 5 (i) National Bank of Pakistan (formerly NDFC) [refer 4(iii) & 4(v)]

This represents the markup on loans restructured. The total amount was Rs 209.857 million payable in 23 half yearly installments commencing from April 30, 2002 to April 30, 2013. The Company has requested for fresh restructuring of this scheme. Company's proposal is under consideration of the Credit Committee of the bank. Subsequent to the balance sheet date the frozen markup was settled in terms of the details given in note 4v.

### 5 (ii) National Bank of Pakistan [refer 4(ii) & 4(v)]

This represents the accumulated outstanding markup on long term loan from National Bank of Pakistan as on 30th September 2005. Since the year 1999, the Company continue to transfer the markup on the long term loan to above non interest bearing loan based on its proposal submitted to bank to convert it into long term loan. Subsequent to the balance sheet date the frozen markup was settled in terms of the details given in note 4v.

### 5 (iii) Loans from Sponsors

This represents unsecured and interest free loan with no fixed term for repayment.

<b>2008</b>	<b>2007</b>
<b>Rupees</b>	<b>Rupees</b>

## 6. PROVISION FOR GRATUITY

Gratuity	6.1	<b>5,589,793</b>	<b>4,385,021</b>
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6.1 Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at September 30, 2008 using the Projected Unit Credit Method.

### Principal assumptions

Discount rate	9% per annum	9% per annum
Expected rate of eligible salary increase in future years	8% per annum	8% per annum



		2 0 0 8 Rupees	2 0 0 7 Rupees
<b>Liability for gratuity arose in the following manner:</b>			
Opening net liability		4,385,021	3,310,775
Expense for the year		1,527,480	1,400,245
Contributions paid		(322,708)	(325,999)
Closing net liability		<u>5,589,793</u>	<u>4,385,021</u>
<b>Reconciliation of the liability</b>			
Present value of defined benefit obligations		4,788,862	3,859,578
Net Actuarial gains / Losses not recognized		800,932	1,476,651
Un-recognized transitional liability		—	(951,208)
Total balance sheet liability		<u>5,589,794</u>	<u>4,385,021</u>
<b>Charge to profit and loss account</b>			
Current service cost		328,064	300,601
Interest cost		347,362	320,778
Additional liability charged for the year		(99,154)	(86,172)
Recognized Transitional Liability		951,208	865,038
Total amount chargeable to P&L account		<u>1,527,480</u>	<u>1,400,245</u>
<b>7. CURRENT PORTION OF LONG TERM FINANCE</b>			
<b>Overdue</b>			
Interest bearing	4	201,823,039	186,507,909
Interest free	5	53,465,185	35,989,616
		255,288,224	222,497,525
<b>Current Portion</b>			
Interest bearing	4	16,576,676	20,300,130
Interest free	5	23,260,485	21,877,163
		39,837,161	42,177,293
		<u>295,125,385</u>	<u>264,674,818</u>
<b>8. TRADE AND OTHER PAYABLES</b>			
Quality premium	8.1	264,108,125	264,108,125
Sugar cane creditors		190,659,472	48,217,443
Other creditors		42,217,148	18,840,836
		496,984,745	331,166,404
Accrued expenses		968,754	4,309,156
		<u>497,953,499</u>	<u>335,475,560</u>
<b>Other liabilities</b>			
Advances from customers	8.2	41,879,037	21,109
Retention money		1,853,101	2,133,659
Sales tax payable		10,481,865	18,644,387
Withholding income tax		3,346	33,075
Unclaimed dividend		406,029	406,436
Others		2,981,180	1,551,475
		57,604,558	22,790,141
		<u>555,558,057</u>	<u>358,265,701</u>



- 8.1 This represents the amount of Quality Premium for the years 2003 and 2004. The Federal Government in its steering meeting held on July 16, 2007 suspended the quality premium till decision of the Honorable Supreme Court of Pakistan/consensus on uniform formula is developed in the Ministry of Food and Agriculture.

The matter of quality premium has been declared unlawful by the Lahore High court while appeal against the conflicting judgment of the Sindh High court is pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. The company has made the provision of the quality premium up to the year 2004. However with respect to quality premium for the year ranging within 2004 to 2007 the company has adjusted subsidies paid above minimum cane price level against quality premium to the growers. The company has no liability for the period 2007-08 due to recovery rate is less than the threshold of quality premium.

- 8.2 This represents advances received against delivery of sugar can against which delivery orders have been issued.

## 9. CONTINGENCIES & COMMITMENTS

### Contingencies

- i) Excise duty rebate on excess production during the crushing season 1992-93 over the previous three years average production amounting to Rs. 11.969 million refunded by the department had been claimed back by the Collector of Customs and Central Excise on the ground that the amount was erroneously refunded. The Company has filed appeal before the High Court against the decision of the Sales Tax Appellate Tribunal Karachi. No provision has been made in accounts as in view of legal advisor the Company expects a favorable outcome.
- ii) Excise duty rebate on excess production during the crushing season 1993-94 over the previous three years average production amounting to Rs. 22.40 million refunded by the department had been claimed back by the Collector of Customs and Central Excise on the ground that the amount was erroneously refunded. The Sales Tax Appellate Tribunal decided the case in favor of Company vide its order dated 20-10-2003. Against the said order the department has filed appeal before the High Court. The Company expects a favorable outcome of the case in view of legal advisor, hence no provision has been made in the accounts.
- iii) The Company is contesting a case relating to additional sales tax amounting to Rs. 10.364 million on account of in house consumption of baggase as fuel for production during season 1996-97. The matter was under appeal at the Sales Tax Appellate Tribunal which passed an unfavorable order dated 22-05-2004.

The other bench of the Tribunal had however remanded back similar case of other mills to the department to consider afresh the valuation aspect of baggase and exemption offered by the government for additional taxes and penalties on discharging only the principal sales tax liability in installments by the mills. The Company has preferred an appeal before the High Court against the order and has made no provision as in view of its legal council the Company has a case on merit which is expected to be decided favorably.

- iv) The Company is also contesting two orders passed by the Collector of sales tax raising demands of Rs. 20.407 million and Rs. 11.229 million by virtue of audits conducted by the sales tax auditors of the audit periods 2001-2002 and 2003 to 2005 respectively. Against the above orders, the Company has preferred appeals before the Sales Tax Appellate Tribunal and the demand has been stayed. No provision has been made since the legal counsels of the Company are confident that all the observations raised in the orders will be set aside on merits of the cases.

### Commitments

Unlifted delivery orders of Rs. 50.131 million as at September 30, 2008 (2007: 53.619 million).



## 10. PROPERTY PLANT AND EQUIPMENT

PARTICULARS	COST			Rate %	DEPRECIATION			Book Value as on September 30, 2008
	As at October 01, 2007	Addition/ (Disposals)	As at September 30, 2008		As at October 01, 2007	For the year	As at September 30, 2008	
	Rupees							
Freehold land	9,252,730	—	9,252,730	—	—	—	—	9,252,730
Factory building	128,524,948	—	128,524,948	5	58,852,067	3,483,644	62,335,711	66,189,237
Non-factory building	33,381,199	—	33,381,199	10	20,394,774	1,298,644	21,693,418	11,687,781
Plant and machinery	1,096,595,188	3,264,508	1,099,859,696	5	487,207,401	30,591,809	517,799,210	582,060,486
Electrical installation	8,825,781	—	8,825,781	—	5,261,726	356,404	5,618,130	3,207,651
Weighbridge	878,917	—	878,917	—	708,907	17,000	725,907	153,010
Office equipment & others	6,389,273	295,992	6,685,265	10	3,223,204	341,385	3,564,589	3,120,676
Electrical appliances	5,206,941	—	5,206,941	—	2,731,250	247,568	2,978,818	2,228,123
Furniture and fixtures	2,481,202	24,100	2,505,302	10	1,829,330	66,607	1,895,937	609,365
Vehicles	32,457,184	8,474,814 (13,487,876)	27,444,122	20	14,220,599	5,719,938 (6,055,713)	13,884,824	13,559,298
Tents and tarpaulins	3,282,737	—	3,282,737	33	2,861,836	138,896	3,000,732	282,005
Tools and tackles	1,993,521	—	1,993,521	33	1,784,869	68,856	1,853,725	139,796
<b>Rupees - 2008</b>	<b>1,329,269,621</b>	<b>12,059,414</b> <b>(13,487,876)</b>	<b>1,327,841,159</b>		<b>599,075,963</b>	<b>42,330,751</b> <b>(6,055,713)</b>	<b>635,351,001</b>	<b>692,490,158</b>
<b>Rupees - 2007</b>	<b>1,326,537,991</b>	<b>4,930,540</b> <b>(2,198,910)</b>	<b>1,329,269,621</b>		<b>558,195,805</b>	<b>42,662,959</b> <b>(1,782,801)</b>	<b>599,075,963</b>	<b>730,193,658</b>

**2 0 0 8**  
**Rupees**

**2 0 0 7**  
**Rupees**

### 10.1 Depreciation for the year has been allocated as under :-

Cost of sales	<b>34,161,309</b>	35,853,826
Administration expenses	<b>8,169,442</b>	6,809,133
	<b>42,330,751</b>	42,662,959

### 10.2 DETAIL OF DISPOSAL OF OPERATING FIXED ASSETS

PARTICULARS	Cost	Accumulated depreciation	W.D.V	Sales Proceed	Gain/ (Loss) on Sale	Mode of Disposal	Buyer
AKQ-612	930,545	361,051	569,494	675,000	105,506	Negotiation	Maqsood Alam
AFH-035	795,000	501,931	293,069	350,000	56,931	Negotiation	M. Mustaqeem
BD-2957	7,035,076	2,729,609	4,305,467	5,000,000	694,533	Negotiation	EFU
CN-7777	3,652,415	1,969,382	1,683,033	2,000,000	316,967	Negotiation	M/s. City Cars
AKU-596	891,340	313,752	577,588	575,000	(2,588)	Negotiation	A.Qayoom
BA-1624	183,500	179,988	3,512	150,000	146,488		
<b>Rupees - 2008</b>	<b>13,487,876</b>	<b>6,055,713</b>	<b>7,432,163</b>	<b>8,750,000</b>	<b>1,317,837</b>		
<b>Rupees - 2007</b>	<b>2,198,910</b>	<b>1,782,801</b>	<b>416,109</b>	<b>1,354,828</b>	<b>938,719</b>		

**2 0 0 8**  
**Rupees**

**2 0 0 7**  
**Rupees**

## 11. LONG TERM LOANS

### - considered good

Vehicle loans to employees	<b>232,351</b>	420,301
Less: Current portion of long term loans shown under current assets	<b>(110,748)</b>	(145,941)
	<b>121,603</b>	274,360



		2 0 0 8 Rupees	2 0 0 7 Rupees
<b>12. STORES, SPARES AND LOOSE TOOLS</b>			
<b>In hand</b>			
-Stores		3,989,497	3,784,420
-Spares		16,602,411	15,360,785
-Loose tools		379,514	277,330
		20,971,422	19,422,535
<b>In transit</b>		262,008	673,589
		<u>21,233,430</u>	<u>20,096,124</u>
<b>13. STOCK IN TRADE</b>			
Finished good		54,698,929	53,776,711
Sugar in process		923,356	579,809
Molasses		136,610,600	50,245,592
		<u>192,232,885</u>	<u>104,602,112</u>
<b>14. TRADE DEBTS-Unsecured considered good</b>			
<b>Considered good</b>			
Trade debts		175,490,731	80,120,050
<b>Considered doubtful</b>			
Trade debts		7,972,431	7,972,431
Less: Provision for doubtful debts		(7,972,431)	(7,972,431)
		<u>175,490,731</u>	<u>80,120,050</u>
<b>15. LOANS AND ADVANCES</b>			
Current portion of vehicle loans	11	110,748	145,941
<b>- Unsecured considered good</b>			
Advance to cane growers		76,850,835	85,081,663
Advance to suppliers and contractors		2,295,166	3,926,460
Advance to staff		1,447,011	862,627
Advance against expenses		676,594	728,244
Advance against salaries		515,996	523,613
		81,785,602	91,122,607
		81,896,350	91,268,548
<b>- Considered doubtful</b>			
Advance to cane growers, suppliers and contractors		23,911,294	23,911,294
Less: Provision for doubtful advances	15.1	(23,911,294)	(23,911,294)
		<u>81,896,350</u>	<u>91,268,548</u>
15.1		This includes provisions made against advance to growers amounting to Rs, 20 million. The company has policy to re-assess the recoverability/adjustability of advances to growers at each year end.	
<b>16. PAYMENTS AND OTHER RECEIVABLES</b>			
Prepayments		632,653	403,354
Other receivables	16.1	14,834,633	15,608,776
<b>- Considered doubtful</b>			
Other receivables	16.2	15,467,286	16,012,130
Less: Provision for doubtful receivables		2,038,030	2,038,030
		<u>(2,038,030)</u>	<u>(2,038,030)</u>
		<u>15,467,286</u>	<u>16,012,130</u>



- 16.1 This include amounts paid to government on account of sales tax Rs 6.970 million, (2007: Rs. 6.970 million), sales tax on disposal of fixed assets Rs. 1.170 million (2007: Rs. 1.170 million) and excise duty Rs 1.570 million (2007: Rs 1.570 million) in matters. These cases are pending at High Court and Supreme Court.
- 16.2 This include other receivable of Rs 2.038 million outstanding for last several years against sales tax, excise duty, octroi receivable. As a matter of prudence, the Company has made necessary provision there against though it expects positive result from its recovery efforts.

	2 0 0 8 Rupees	2 0 0 7 Rupees
<b>17. CASH AND BANK BALANCES</b>		
Cash in hand	210,041	40,887
Cash with banks		
- in current account	21,360,969	14,477,208
- in deposit account	1,836,098	1,836,098
	23,197,067	16,313,306
	23,407,108	16,354,193
<b>18. SALES - Net</b>		
Sugar	1,497,814,200	1,477,636,050
Molasses	111,723,309	102,644,765
	1,609,537,509	1,580,280,815
Less : Sales tax	(213,917,362)	(207,158,626)
Special Excise Duty	(12,176,568)	—
Brokerage and commission	(402,462)	(302,574)
	1,383,041,117	1,372,819,615
<b>19. COST OF SALES</b>		
Sugarcane consumed	1,297,444,148	1,207,752,101
Manufacturing expenses	160,108,500	143,391,983
	1,457,552,648	1,351,144,084
<b>Sugar in process</b>		
- opening	579,809	702,674
- closing	(923,356)	(579,809)
	(343,547)	122,865
	1,457,209,101	1,351,266,949
<b>Finished goods</b>		
- opening	53,776,711	53,739,071
- closing	(54,698,929)	(53,776,711)
	(922,218)	(37,640)
	1,456,286,883	1,351,229,309
<b>Molases</b>		
- opening	50,245,593	76,318,802
- closing	(136,610,600)	(50,245,593)
	(86,365,007)	26,073,209
	1,369,921,876	1,377,302,518



		2 0 0 8	2 0 0 7
		Rupees	Rupees
<b>19.1</b>	<b>Manufacturing expenses</b>		
	Stores and spares	32,546,913	24,854,558
	Fuel and power	9,888,618	7,983,573
	Salaries, wages including bonus and staff amenities	40,184,131	41,193,395
	Repairs and maintenance	33,029,122	24,007,435
	Vehicle maintenance	2,219,183	1,974,701
	Insurance	4,745,729	4,254,762
	Depreciation	34,161,309	35,853,826
	Others	3,333,495	3,269,733
		<b>160,108,500</b>	<b>143,391,983</b>

19.1.1 It includes Rs. 1,731,227 (2007:Rs.1,668,058) in respect of contribution to employee benefits.

## 20. DISTRIBUTION COST

Advertisement	115,175	103,075
Loading and stacking	2,430,566	1,308,375
Others	765	5,660
	<b>2,546,506</b>	<b>1,417,110</b>

## 21. ADMINISTRATIVE EXPENSES

Salaries, including bonus and staff amenities	25,036,464	23,254,138
Receiver remuneration	1,800,000	1,800,000
Rent, rates and taxes	532,592	547,850
Insurance	1,167,726	1,049,162
Water, gas and electricity	2,479,664	2,881,517
Printing and stationery	805,931	643,317
Postage, telephone, telegrams and telex	1,770,666	1,554,367
Vehicle maintenance	3,910,867	2,640,543
Repairs and maintenance	1,029,139	1,528,692
Traveling and conveyance	697,890	575,282
Newspaper, books and periodicals	37,265	45,464
Fee and subscription	1,006,617	324,042
Legal and professional	3,217,912	3,977,818
Entertainment	1,331,443	1,535,642
Advertisement	48,554	40,763
Provision for doubtful advances & other receivables	—	5,306,476
Depreciation	8,169,442	6,809,133
Others	209,072	144,205
	<b>53,251,244</b>	<b>54,658,411</b>

21.1 It includes Rs.933,914 (2007:Rs.880,479) in respect of contribution to employee benefits.

## 22. FINANCIAL COST

Mark-up on long term finances	10,824,310	11,503,936
Mark-up on WPPF	—	462,548
Bank charges	221,740	940,669
	<b>11,046,050</b>	<b>12,907,153</b>



		2008	2007
		Rupees	Rupees
<b>23. OTHER CHARGES</b>			
Auditors' remuneration	23.1	550,000	404,635
Charity and donation	23.2	72,135	170,975
		<u>622,135</u>	<u>575,610</u>
<b>23.1 Auditors' remuneration comprises of :</b>			
Audit fees- Annual		300,000	200,000
Half yearly review		50,000	50,000
Cost audit fee		30,000	60,000
Certification -Code of Corporate Governance		20,000	20,000
Internal audit fee		120,000	26,100
Out of pocket expenses		30,000	48,535
		<u>550,000</u>	<u>404,635</u>
<b>23.2</b>	The directors or his spouse had no interest in the donees fund.		
<b>24. OTHER INCOME</b>			
Interest on bank account		2,050	71,198
Scrap sales		444,542	640,509
Profit on sale of fixed assets		1,317,837	938,719
		<u>1,764,429</u>	<u>1,650,426</u>

**25. REMUNERATION OF CHIEF EXECUTIVE, RECEIVER AND EXECUTIVE**

Particulars	2008			2007		
	Receiver	Executive	Total	Receiver	Executive	Total
Meeting fee	---	---	---			
Remuneration	1,800,000	1,450,900	3,250,900	1,800,000	1,338,400	3,138,400
Company's contribution to provident fund	—	72,056	72,056	—	69,996	69,996
Perquisites, benefits and utilities	—	333,500	333,500	—	237,600	237,600
Others	—	—	—	—	—	—
<b>TOTAL</b>	<b>1,800,000</b>	<b>1,856,456</b>	<b>3,656,456</b>	<b>1,800,000</b>	<b>1,645,996</b>	<b>3,445,996</b>
<b>NO. OF PERSONS</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>

**26. TAXATION**

**Current**

Income tax assessments of the Company deemed to be finalized upto the accounting year 2007 corresponding to tax year 2008. The Company's tax losses amounted to Rs.695.949 million upto tax year 2008. In view of the amendments brought about by the Finance Act, 2008 no provision for tax under section 113 of the Income Tax Ordinance, 2001 has been made in these financial statements.

**Deferred**

There is no deferred tax liability of the Company as at September 30, 2008 (2007: Nil) as Company's unused tax losses are higher than deferred credit against accelerated tax depreciation adjusted by deferred debits in respect of other assets and liabilities. The remaining loss is not recognized as their utilization against future taxable profit is not presently ascertainable.





	2 0 0 8 Rupees	2 0 0 7 Rupees
<b>26.1 Relationship between tax expense and accounting profit</b>		
(Loss)/ profit for the current year	<b>(52,582,265)</b>	<b>(72,390,761)</b>
Permanent differences	<b>(1,558,156)</b>	111,468
Temporary differences	<b>5,603,416</b>	1,166,161
Taxable income/(loss)	<b>(485,537,005)</b>	<b>(71,113,132)</b>
Less: Carry forward loss	<b>(695,949,401)</b>	<b>(637,091,910)</b>
	<b>(744,486,406)</b>	<b>(708,205,042)</b>
Minimum tax liability u/s. 113 as per Income Tax Ordinance, 2001	<b>—</b>	<b>(6,868,814)</b>

## 27. CAPACITY AND PRODUCTION

Years	CAPACITY		PRODUCTION		% of Capacity Attained
	Metric Tons	Days	Metric Tons	Days	
2008	86,400	160	66,600	148	77.08%
2007	86,400	160	55,963	163	64.77%

The main reason for under utilization of production capacity is the scarcity of sugar cane in Sindh.

## 28. (LOSS) / EARNING PER SHARE -Basic

(Loss)/ Profit for the year	<b>(52,532,400)</b>	<b>(79,259,575)</b>
Number of ordinary shares	<b>24,407,198</b>	<b>24,407,198</b>
(Loss) / Earning per share	<b>(2.15)</b>	<b>(3.25)</b>

## 29. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. In respect of income earning financial assets and interest/ mark-up bearing financial liabilities, the following table indicate their effective interest/mark-up rates at the balance sheet date and the periods in which they will re-price or mature:

	2 0 0 8 (Amount in Rupees)			
	Interest bearing		Non-interest bearing	Total
	One month to one year	One year to onwards		
<b>Financial Assets</b>				
Long term loans	—	—	232,351	232,351
Long term deposits	—	—	486,176	486,176
Trade debts	—	—	175,490,731	175,490,731
Loans and advances	—	—	81,785,602	81,785,602
Other receivables	—	—	15,467,286	15,467,286
Cash and bank balances	1,836,098	—	21,571,010	23,407,108
	1,836,098	—	295,033,156	296,869,254
<b>Financial Liabilities</b>				
Long term finances	218,399,715	61,260,525	381,935,140	661,595,380
Trade and other payables	—	—	545,076,192	545,076,327
Accrued markup	—	—	40,572,993	40,572,993
	218,399,715	61,260,525	967,584,325	1,247,244,565



		2 0 0 7		(Amount in Rupees)	
Intrest bearing		Non-interest bearing		Total	
One month to one year	One year to onwards				
<b>Financial Assets</b>					
Long term loans	—	—	420,301	420,301	
Long term deposits	—	—	940,426	940,426	
Trade debts	—	—	80,120,050	80,120,050	
Loans and advances	—	—	91,122,607	91,122,607	
Other receivables	—	—	16,012,130	16,012,130	
Cash and bank balances	1,836,098	—	14,518,095	16,354,193	
	1,836,098	—	203,133,609	204,969,707	
<b>Financial Liabilities</b>					
Long term finances	206,808,039	77,837,201	386,336,735	670,981,975	
Trade and other payables	—	—	339,621,314	339,621,314	
Accrued markup	—	—	30,362,089	30,362,089	
Interim dividend payable	—	—	—	—	
	206,808,039	77,837,201	756,320,138	1,040,965,378	

Effective rates of markup for financial liabilities are mentioned in note # 4.

### 29.1 Financial Risk Management Objectives

The company finances its operations through equity, borrowings and management of working capital with a view to maintaining a reasonable mix between the various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

### 29.2 Credit Risk and Concentration of Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter party fails completely to perform as contracted without taking into account the fair value of any collateral. To manage exposure of credit risk, the Company applies credit limits to its customers and ensures that sale of products are made to customers with appropriate credit history.

Concentration of credit risk arise when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations or credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry.

The financial assets of the company are not exposed to any credit risk in respect of trade debts and loan and advances. The Company seeks to minimize the credit risk exposure through having exposure only to customers considered credit worthy, obtaining securities where applicable and make provision against those balance considered doubtful of recovery.

### 29.3 Interest Rate Risk Management

Interest rate risk arising from the possibility that changes in interest rates will effect the value of financial instruments. The company is not exposed to any significant interest rate risk. The rate of financing and their maturity period has been disclosed in the relevant notes.

Interest rate risk arises from the possibility that changes in interest rate will effect the value of financial instrument. Since the company borrows funds usually at fix rates of interest, the risk arising is minimal.



#### **29.4 Liquidity Risk**

Liquidity risk reflects an enterprise's inability in raising funds to meet commitments. The company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.

#### **29.5 Capital Risk Management**

The Company's objectives when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain a strong capital base.

#### **29.6 Fair value of Financial Assets and Liabilities**

The carrying value of financial assets and liabilities reflected in the financial statements approximates their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

### **30. ACCOUNTING ESTIMATES AND JUDGMENTS**

#### **30.1 Staff Retirement Benefits**

Certain actuarial assumptions have been adopted as disclosed in Note 6.2 to the financial statement for valuation of present value of defined obligations and fair value of plan assets any changes in these assumptions in future years might effect gains and losses in those years.

#### **30.2 Property, Plant and Equipment**

The company's management determines the estimated useful life and related depreciation charge for its plant and equipment. The company reviews the value of the assets for possible impairment on an annual base. Any change in the estimates in future years might affect the carrying amount of the respective items of the property, plant and equipments with a corresponding effect on the depreciation charged and impairment.

#### **30.3 Income Taxes**

In making the estimates for income taxes currently payable by the company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

### **31. TRANSACTIONS WITH RELATED PARTIES**

The related parties comprise directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with related parties. Amounts due from and to related parties are shown under receivables and payables, amounts due from directors and key management personnel are shown under receivables and remuneration of directors and key management personnel is disclosed in note 33. During the year there is no significant transactions with related parties except contribution paid to the post employment benefits as disclosed in respective note.

### **32. DATE OF AUTHORIZATION**

'These financial statements were authorized for issue on December 15, 2009 by the Board.

### **33. GENERAL**

- Figures have been rounded off to the nearest rupee.
- Figures have been rearrange and reclassified where necessary.

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



## SIX YEARS REVIEW AT A GLANCE

FINANCIAL RESULTS	2008	2007	2006	2005	2004	2003
	-----Rupees-----					
Sales	1,338,041	1,372,918	1,368,625	832,402	894,972	980,623
Gross profit/(loss)	13,119	(4,482)	202,201	18,672	(4,245)	38,247
Operating (loss)/profit	(42,678)	(60,558)	155,691	(23,774)	(40,012)	712
(Loss)/profit before taxation	(52,582)	(72,391)	135,064	(35,758)	(92,890)	(61,327)
(Loss)/profit after taxation	(52,582)	(79,260)	128,221	(39,922)	(97,365)	(66,230)
Accumulated (loss)/profit for the year	(326,603)	(274,020)	(194,761)	(310,778)	(270,856)	(257,050)
<b>OPERATING RESULTS</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	-----Rupees-----					
Season Started	16-11-2007	10-11-2006	02-12-2005	01-11-2004	30-11-2003	10-12-2002
Season Closed	11-04-2008	20-04-2007	25-03-2006	03-03-2005	23-03-2004	06-04-2003
Days Worked	148	163	114	123	115	117
Sugarcane crushed (tonnes)	788,409	604,957	485,294	378,689	587,108	633,048
Sugar Recovery ( % )	8.45	9.25	10.20	9.98	10	10
Sugar produced (tonnes)	66,600	55,963	49,520	37,782	59,520	64,065
Molasses recovery ( % )	5.416	5.06	5.033	5.027	5.159	5.568
Molasses produced (tonnes)	42,692	30,628	24,430	19,032	30,288	35,252
<b>ASSETS EMPLOYED</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	-----Rupees-----					
Fixed capital expenditure	692,490	730,194	768,342	797,911	830,415	865,777
Long term loans and deposits	607	1,215	1,303	566	591	559
Current Assets	514,687	329,637	347,325	221,356	311,538	243,095
<b>Total Assets employed</b>	<b>1,207,784</b>	<b>1,061,046</b>	<b>1,116,970</b>	<b>1,019,833</b>	<b>1,142,544</b>	<b>1,109,431</b>
<b>FINANCE BY</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>
	-----Rupees-----					
Shareholders' equity	(55,531)	(2,949)	76,311	(39,706)	216	14,022
Long term liabilities	366,470	406,307	448,484	487,343	521,855	624,311
Deferred Liabilities	5,590	4,385	10,950	10,073	9,087	7,627
Current Liabilities	891,256	653,303	581,225	562,123	611,386	463,471
<b>Total funds invested</b>	<b>1,207,785</b>	<b>1,061,046</b>	<b>1,116,970</b>	<b>1,019,833</b>	<b>1,142,544</b>	<b>1,109,431</b>
<b>Break-up value per share</b> ( Rupees)	(0.002)	---	0.003	(0.002)	---	0.001
<b>(Loss)/Earnings per share</b> ( Rupees)	(2.15)	(3.25)	5.25	(1.64)	(3.99)	(2.71)



## FORM OF PROXY

The Receiver  
ANSARI SUGAR MILLS LIMITED  
41-K, Block-6, P.E.C.H.S.,  
Karachi - 75000

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member of **ANSARI SUGAR MILLS LIMITED** and holder of \_\_\_\_\_

ordinary shares, as per Register Folio No. \_\_\_\_\_

who is also a Member of the Company of as my / our Proxy to vote for me / us and on my / our behalf at the 19th Annual general Meeting of the Company to be held on \_\_\_\_\_ and at any adjournment thereof.

Signed \_\_\_\_\_ day of 2010.

**RUPEES FIVE  
REVENUE STAMP**

(Signature should agree with  
the specimen signature  
registered with the Company)

### Note :

1. This form of proxy duly completed and signed, must be deposited at Company's Registered Office not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to instrument.
3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is not a member.



## COMPANY PROFILE

### BOARD OF DIRECTORS

Mrs. Nasreen Ghani Ansari - Chief Executive  
Mr. Ahmed Khan Ansari  
Mr. Abdul Hafeez Ansari  
Mr. Imran Rasheed Ansari  
Syed Anwar Raza Naqvi  
Mr. S.M. Ahsan Raza (Nominee of N.I.T.)  
Mr. M. Manzurul Haq (Nominee of N.B.P. formerly N.D.F.C.)

### AUDIT COMMITTEE

Mr. Imran Rasheed Ansari - Chairman  
Mr. Abdul Hafeez Ansari - Member  
Syed Anwar Raza Naqvi - Member

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Ahsan Mukhtar - ACMA

### BANKERS

Habib Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
Allied Bank Limited

### AUDITORS

M/s. Khalid Majid Rahman Sarfaraz  
Rahim Iqbal Rafiq  
Chartered Accountants

### LEGAL ADVISOR

Dr. Raees Mushtaq

### REGISTRAR

Noble Computer Services (Pvt) Limited  
Mezzanine Floor, House of Habib  
Building (Siddiqson Towers)  
3-Jinnah Cooperative Housing Society,  
Main Shahra-e-Faisal, Karachi

### REGISTERED OFFICE

41-K, Block- 6, P.E.C.H.S., Karachi.  
Fax : 021-34546456  
<http://www.ansarisugar.com>

### FACTORY

Deh Jagsiyani,  
Taluka Tando Mohammad Khan  
District Hyderabad, Sindh



## DIRECTORS' REPORT

On behalf of the Board of Directors, it is my privilege to present the unaudited interim condensed financial statements of the Company for the half year ended March 31, 2008 together with the Auditors Review Report thereon.

### RESTORATION OF MANAGEMENT

As you are aware that the Board of Directors remained suspended by the Ehtesab Bench of Lahore High Court. However, the Court vide its short order dated March 05, 2008 set aside the order of appointment of the Receiver and directed the Receiver to vacate the office. The Receiver handed over the charge of the Mill to the Management on November 01, 2008 when the crushing season was about to commence. The charge was assumed on emergent basis in order to save the Mill from complete shutdown.

In the absence of the clear directions of the Court, which the Receiver as well as the Management had sought regarding the restoration of the Board of Directors, the accounts could not be published timely.

### FINANCIAL RESULTS

The Company's overall performance for the period is as under :

	(Rs. in 000)
Sales	770,302
Cost of sales	778,208
Operating loss	(34,318)
Pre tax loss	(39,989)

### OPERATING RESULTS

Season started		16-11-2007
Duration of season	Days	137
Sugarcane crushed	M.Tons	770,689
Sugar produced	M.Tons	64,568
Sugar recovery	%	8.459
Molasses produced	M.Tons	41,285
Molasses recovery	%	5.390

The Company could not maintain its profitability due to the increase in the official price fixed by the Sindh Government for the season at Rs. 67 per 40 kg which which was however subsequently revised to Rs. 63 per 40 kg as compared to sugarcane price fixed at Rs. 60 per 40 kg in the corresponding period last year.

These accounts are prepared on going concern assumption in view of the reasons detailed in note 1.4 to these financial statements.

We shall continue to work with enhanced zeal and determination for maximising Company's profits and to stabilise it for future operations.

**for ANSARI SUGAR MILLS LIMITED**

**Nasreen Ghani Ansari**  
**Chief Executive**

Karachi : December 15, 2009



## INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENT TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed balance sheet balance sheet of **Ansari Sugar Mills Limited** ("the Company") as at **March 31, 2008** and the related condensed profit and loss account, condensed cash flow statement and condensed statement of changes in equity for the six months period then ended March 31, 2008. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the Condensed profit and loss account for the quarters ended **March 31, 2008 and 2007** have not been reviewed, as we are required to review only the cumulative figures for the six months period ended **March 31, 2008**.

### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Base on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of March 31, 2008 is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan.

Without qualifying our opinion, we draw attention to the accompanying financial statements which indicates that during the period. The company incurred a net loss of Rs. 39.98 million (2007: profit Rs. 1.669 million). That as of the balance sheet date, its accumulated loss increased to Rs. 314 million (2007: 274.02 million), negative equity increased to Rs. 42.9 million (2007: 2.948 million) and its current liabilities exceeds its current assets by Rs. 367.3 million (2007: 323.66 million). These conditions indicate the existence of a material uncertainty which may cas significant doubt about the Company's ability to continue as going concern. The going concern assumption used in the preparation of these financial statements is based on the consequential effect of bank liabilities settled subsequent to the balance sheet date and other details disclosed in note 1.4.

**Khalid Majid Rahman Sarfaraz**  
**Rahim Iqbal Rafiq**  
Chartered Accountants

Karachi:  
Dated: December 15, 2009





## CONDENSED INTERIM BALANCE SHEET

	Note	March 31, 2008 Rupees	September 30, 2007 Rupees
<b>SHARE CAPITAL &amp; RESERVES</b>			
Authorised:			
30,000,000 ordinary shares of Rs.10/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed & paid-up capital		244,071,980	244,071,980
General reserves		27,000,000	27,000,000
Accumulated loss		(314,009,839)	(274,020,755)
		<b>(42,937,859)</b>	<b>(2,948,775)</b>
<b>LONG TERM FINANCES - Secured</b>			
Markup bearing	2a	68,918,090	77,837,201
Markup free	2b	316,383,047	328,469,956
		<b>385,301,137</b>	<b>406,307,157</b>
<b>PROVISION FOR GRATUITY</b>		<b>5,004,973</b>	<b>4,385,021</b>
<b>CURRENT LIABILITIES</b>			
Current portion of long term finances		281,075,317	264,674,818
Trade and other payables		1,053,771,160	358,265,701
Accrued mark up		35,467,541	30,362,089
		<b>1,370,314,018</b>	<b>653,302,608</b>
<b>CONTINGENCIES &amp; COMMITMENTS</b>	<b>3</b>	<b>—</b>	<b>—</b>
		<b>1,717,682,269</b>	<b>1,061,046,011</b>

**NASREEN GHANI ANSARI**  
Chief Executive



**AS AT MARCH 31, 2008**

	Note	March 31, 2008 Rupees	September 30, 2007 Rupees
PROPERTY, PLANT & EQUIPMENT	4	713,630,712	730,193,658
LONG TERM LOANS		192,477	274,360
LONG TERM DEPOSITS		940,426	940,426
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		19,430,507	20,096,124
Stock in trade		685,038,378	104,602,112
Trade debts - unsecured - considered good		132,303,247	80,120,050
Loans and advances-unsecured		102,395,643	91,268,548
Prepayments and other receivables		17,218,689	16,012,130
Income Tax Receivable		4,663,049	1,184,410
Cash and bank balances		41,869,141	16,354,193
		1,002,918,654	329,637,567
		<u>1,717,682,269</u>	<u>1,061,046,011</u>

**IMRAN RASHEED ANSARI**  
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT  
FOR THE HALF YEAR ENDED MARCH 31, 2008**

	2007-2008		2006-2007	
	Quarter Ended March 31, 2008	Half year Ended March 31, 2008	Quarter Ended March 31, 2007	Half year Ended March 31, 2007
—Rupees—				
<b>SALES-Net</b>	<b>431,242,572</b>	<b>770,302,003</b>	614,987,885	808,359,226
Cost of sales	(402,675,984)	(778,208,138)	(559,368,756)	(769,567,903)
<b>GROSS PROFIT/(LOSS)</b>	<b>28,566,588</b>	<b>(7,906,135)</b>	55,619,129	38,791,323
<b>OPERATING EXPENSES</b>				
Administrative expenses	12,822,587	24,524,973	13,121,207	25,397,880
Distribution cost	1,648,660	1,886,706	897,940	966,503
	<b>14,471,247</b>	<b>26,411,679</b>	14,019,147	26,364,383
<b>OPERATING PROFIT/(LOSS)</b>	<b>14,095,341</b>	<b>(34,317,814)</b>	41,599,982	12,426,940
Financial cost	2,818,124	5,638,026	3,668,098	6,793,674
Other income	(310)	(110,716)	(4,357)	(529,263)
Other charges	84,600	143,960	66,500	150,960
Workers' profit participation fund	—	—	300,578	300,578
	<b>2,902,414</b>	<b>5,671,270</b>	4,030,819	6,715,949
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>11,192,927</b>	<b>(39,989,084)</b>	37,569,163	5,710,991
<b>PROVISION FOR TAXATION</b>				
Current	—	—	3,074,939	4,041,796
<b>PROFIT/(LOSS) AFTER TAXATION</b>	<b>11,192,927</b>	<b>(39,989,084)</b>	34,494,224	1,669,195
Earning per share/(Loss) - basic	<b>0.46</b>	<b>(1.64)</b>	1.41	0.07

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



**CONDENSED INTERIM CASH FLOW STATEMENT  
FOR THE HALF YEAR ENDED MARCH 31, 2008**

	HALF YEAR ENDED	
	March 31, 2008 Rupees	March 31, 2007 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(LOSS)/PROFIT BEFORE TAXATION</b>	<b>(39,989,084)</b>	5,710,991
<b>Adjustments for:</b>		
Depreciation	20,108,755	21,227,549
Financial cost	5,638,026	6,793,674
Provision for Workers' profit participation fund	—	300,578
Provision for gratuity	700,122	700,122
	<b>26,446,903</b>	<b>29,021,923</b>
<b>OPERATING (LOSS)/PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(13,542,181)</b>	<b>34,732,914</b>
<b>CHANGES IN WORKING CAPITAL (INCREASE) IN CURRENT ASSETS</b>		
Stores, spares and loose tools	665,617	(206,717)
Trade debts	(52,183,197)	(48,648,954)
Stock in trade	(580,436,266)	(408,210,395)
Loans and advances	(11,145,964)	(67,950,586)
Prepayments and other receivables	(1,206,559)	1,846,952
	<b>(644,306,369)</b>	<b>(523,169,700)</b>
<b>INCREASE/(DECREASE) IN CURRENT LIABILITIES</b>		
Trade and other payables	695,505,866	411,962,907
<b>CASH GENERATED FROM/(USED IN) OPERATION</b>	<b>37,657,316</b>	<b>(76,473,879)</b>
Taxes paid	(3,478,639)	(2,072,297)
Financial cost paid	(532,574)	(1,705,655)
Payment of gratuity	(80,171)	(142,078)
	<b>(4,091,384)</b>	<b>(3,920,030)</b>
<b>NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES</b>	<b>33,565,932</b>	<b>(80,393,909)</b>



	HALF YEAR ENDED	
	March 31, 2008 Rupees	March 31, 2007 Rupees
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, Plant and Equipment	(3,545,809)	(1,515,250)
Long term deposits	—	(131,377)
Long term loans	100,752	(20,705)
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<b>(3,445,057)</b>	<b>(1,667,332)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	(4,605,520)	(11,371,653)
Interim dividend paid	(407)	(5,251,433)
<b>NET CASH (USED IN) FINANCING ACTIVITIES</b>	<b>(4,605,927)</b>	<b>(16,623,086)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>25,514,948</b>	<b>(98,684,327)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>16,354,193</b>	<b>123,603,459</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>41,869,141</b>	<b>24,919,132</b>

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

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED MARCH 31, 2008**

	Share Capital	General Reserve	Reserve Accumulated Profit/(Loss)	Total Reserve	Net Equity
<b>Balance as at September 30, 2006</b>	244,071,980	27,000,000	(194,761,180)	(167,761,180)	76,310,800
Profit after taxation for the period ended March 31, 2007	—	—	1,669,195	1,669,195	1,669,195
<b>Balance as at March 31, 2007</b>	244,071,980	27,000,000	(193,091,985)	(166,091,985)	77,979,995
<b>Balance as at September 30, 2007</b>	244,071,980	27,000,000	(274,020,755)	(247,020,755)	(2,948,775)
Loss after taxation for the period ended March 31, 2008	—	—	(39,989,084)	(39,989,084)	(39,989,084)
<b>Balance as at March 31, 2008</b>	244,071,980	27,000,000	(314,009,839)	(287,009,839)	(42,937,859)

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

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director



## CONDENSED INTERIM NOTE TO THE ACCOUNTS FOR THE HALF YEAR ENDED MARCH 31, 2008

### 1. SELECTED EXPLANATORY NOTES TO THE ACCOUNTS

- 1.1 The Company was incorporated in Pakistan as Public Limited Company on July 09, 1989 and its shares are quoted on Karachi and Lahore Stock Exchanges. The principal business of the Company is the manufacture and sale of sugar. The registered office is situated in P.E.C.H.S, Karachi and mill is located at Deh Jagsiyani, Taluka Tando Mohammad Khan, District Hyderabad.
- 1.2 These condensed unaudited interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, as applicable in Pakistan, subjected to limited scope review by statutory auditors as required under regulation XXI of the Code of Corporate Governance and are being circulated to the shareholders as required under Section 245 of the Companies Ordinance, 1984.
- 1.3 The accounting convention, policies and methods of computation followed in the preparation of condensed interim financial statements are the same as those of the published annual financial statements for the year ended September 30, 2007.
- 1.4 The Accountability court No. IV Rawalpindi/Islamabad vide order dated March 05, 2008 set aside the orders of appointment of receiver. The receiver relinquished the charge of the affairs of the company on November 01, 2008 and the surviving members of the suspended Board simultaneously took over the charge of the Company.

In view of the resumption of the Board on November 01, 2008 the accounts for half year ended March 31, 2008 and third quarter ended June 30, 2008 are also being issued simultaneously.

During the period the company incurred a net loss of Rs, 39.98 million (2007: profit Rs.1.669 million) and its accumulated loss increased to Rs. 314 million (2007: 274.02 million). The company's negative equity increased to Rs. 42.9 million (2007: 2.948 million) and its current liabilities exceeds its current assets by Rs. 367.3 million (2007: 323.66 million).

Subsequent to the Balance sheet date the company has entered in to an agreement with National Bank of Pakistan in respect of outstanding liability of long term loan amounting to Rs. 655.646 million (refer to note 2a & 2b) to be settled at Rs. 213.551 million payable after 10 years i.e January 01, 2019 against security of DSCs. The company deposited the DSCs with the bank.

The above settlement will result in converting negative equity to positive and positive current ratio of the Company in subsequent period and material mitigation of the uncertainty faced by the company.

In view of the above, these financial statements are prepared on going concern basis.



## 2A. LONG TERM LOANS - INTEREST BEARING

PARTICULARS	PICIC	NBP	NBP II	NBP (formerly N.D.F.C.)	MARCH	SEPTEMBER
	GTF Rupees	GTF Rupees	GTF Rupees	Loan LCY Rupees	2008 Rupees	2007 Rupees
Opening balance	6,246,546	34,305,138	116,457,257	127,636,299	284,645,240	289,630,240
Repaid during the year	(2,492,500)	—	—	—	(2,492,500)	(4,985,000)
	3,745,046	34,305,138	116,457,257	127,636,299	282,152,740	284,645,240
over due installment	—	(34,305,138)	(116,457,257)	(43,403,079)	(194,165,474)	(186,507,909)
Current portion	(3,754,046)	—	—	(15,315,130)	(19,069,176)	(20,300,130)
	—	—	—	68,918,090	68,918,090	77,837,201

Security and term of loan are same as disclosed in annual financial statements for the year ended September 30, 2007.

## 2B. LONG TERM LOANS - INTEREST FREE

PARTICULARS	NBP (formerly N.D.F.C.)	PICIC	NBP	Unsecured Loan From Sponsors	MARCH	SEPTEMBER
	Rupees	GTF Rupees	GTF Rupees	Rupees	2008 Rupees	2007 Rupees
Opening balance	206,045,916	6,889,241	171,201,578	2,200,000	386,336,735	391,033,736
Repaid during the year	—	(2,113,020)	—	—	(2,113,020)	(4,697,001)
	206,045,916	4,776,221	171,201,578	2,200,000	384,223,715	386,336,735
over due installment	(44,440,242)	—	—	—	(44,440,242)	(35,989,616)
Current portion	(18,624,204)	(4,776,221)	—	—	(23,400,425)	(21,877,163)
	142,981,470	—	171,201,578	2,200,000	316,383,048	328,469,956

Security and term of loan are same as disclosed in annual financial statements for the year ended September 30, 2007.

## 3. CONTINGENCIES AND COMMITMENTS

3.1 There is no change in the status of contingencies as disclosed in the published annual financial statements for the year ended September 30, 2007.

3.2 Commitment in respect of unlifted delivery orders amounted to Rs.197,174,350 (2007: 190,037,250) as at March 31,2008.

## 4. PROPERTY PLANT AND EQUIPMENT

	March 31, 2008		September 30, 2007	
	Additions	Disposals	Additions	Disposals
	Rupees			
Factory building	—	—	239,425	—
Non-factory building	—	—	6,500	—
Plant and machinery	3,264,508	—	—	—
Office equipment & others	242,701	—	746,850	—
Electrical appliances	—	—	228,300	—
Furniture and fixtures	8,600	—	4,350	—
Vehicles	30,000	—	3,685,115	2,198,910
Tents and Tarpaulins	—	—	20,000	—
Tools and Tackles	—	—	—	—
	3,545,809	—	4,930,540	2,198,910





	2007-2008		2006-2007	
	Quarter Ended March 31, 2008	Half year Ended March 31, 2008	Quarter Ended March 31, 2007	Half year Ended March 31, 2007
Rupees				
<b>5. COST OF SALES</b>				
Sugarcane consumed	866,424,733	1,262,013,101	979,858,611	1,091,625,909
Manufacturing expenses 5.1	55,365,432	96,631,302	51,444,464	86,152,389
	<b>921,790,165</b>	<b>1,358,644,403</b>	<b>1,031,303,075</b>	<b>1,177,778,298</b>
<b>Sugar in process</b>				
- opening	29,462,165	579,809	14,444,665	702,674
- closing	(12,621,198)	(12,621,198)	(12,507,381)	(12,507,381)
	<b>16,840,967</b>	<b>(12,041,389)</b>	<b>1,937,284</b>	<b>(11,804,707)</b>
<b>Sugar</b>				
- opening	95,738,104	53,776,711	39,451,410	53,739,071
- closing	(540,754,896)	(540,754,896)	(458,883,561)	(458,883,561)
	<b>(445,016,792)</b>	<b>(486,978,185)</b>	<b>(419,432,151)</b>	<b>(405,144,490)</b>
<b>Molasses</b>				
- opening	40,723,928	50,245,593	13,140,548	76,318,802
- closing	(131,662,284)	(131,662,284)	(67,580,000)	(67,580,000)
	<b>(90,938,356)</b>	<b>(81,416,691)</b>	<b>(54,439,452)</b>	<b>8,738,802</b>
	<b>402,675,984</b>	<b>778,208,138</b>	<b>559,368,756</b>	<b>769,567,903</b>
<b>5.1 Manufacturing expenses</b>				
Production stores	9,465,095	13,096,692	8,043,412	9,394,539
Packing material	11,684,100	17,199,499	11,196,382	12,304,494
Salaries, wages including bonus and staff amenities	13,247,189	22,366,549	12,449,703	24,565,758
Repair and maintenance	4,288,698	13,757,708	4,411,759	10,765,979
Vehicle maintenance	557,760	1,013,228	544,819	984,947
Fuel and power	3,153,369	6,423,765	2,825,556	5,632,519
Insurance	1,091,478	2,182,956	1,068,551	2,126,813
Freight and handling	252,748	476,888	152,050	244,867
Depreciation	8,550,529	17,060,251	8,962,333	17,924,665
Bagasse and mud handling charges	3,074,466	3,053,766	1,789,899	2,207,808
	<b>55,365,432</b>	<b>96,631,302</b>	<b>51,444,464</b>	<b>86,152,389</b>

## 6. DATE OF AUTHORIZATION FOR ISSUE

The financial statements were approved by the Board and authorized for issue on December 15, 2009

## 7. GENERAL

Figures have been rounded off to the nearest rupee.

**NASREEN GHANI ANSARI**  
Chief Executive

**IMRAN RASHEED ANSARI**  
Director