

TOMORROW IN THE MAKING





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Form of Proxy (English and Urdu)



Company Information

BOARD OF DIRECTORS

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

MR. ABDUL AZIZ AYOOB

MRS. SANOBAR HAMID ZAKARIA

MR. ASAD AHMED MOHIUDDIN

MR. NAEEM AHMED SHAFI

MR. KHURRAM AFTAB

BOARD AUDIT COMMITTEE

MR. NAEEM AHMED SHAFI MR. NOOR MOHAMMAD ZAKARIA MRS. SANOBAR HAMID ZAKARIA

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. KHURRAM AFTAB

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL FCMA

AUDITORS

MIs. KRESTON HYDER BHIMJI & CO. Chartered Accountants

LEGAL ADVISOR

MR. IRFAN Advocate

REGISTERED OFFICE

96-A, Sindhi Muslim Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675

REGISTRAR & SHARES REGISTRATION OFFICE

C & K Management Associates (Pvt) Ltd. 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi - 75530 www.shahmuradsugar.co FACTORY Jhok Sharif, Taluka Mirpur Bathoro, District Sujawal (Sindh)



Mission

To gain strength through industry leadership in the manufacturing and marketing of sugar and allied products, to have a strong presence in these products markets while retaining the options to diversify in other lucrative ventures,

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

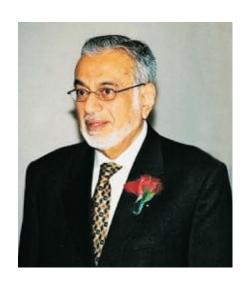
To assist in the socio economic development of Pakistan especially in the rural areas through industrial expansion and development.

Vision

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



SHAHMURAD SUGAR MILLS LTD.



Mr. ISMAIL H. ZAKARIA

(January 1935 - May 2020)

Chairman and one of the founding fathers of Al-Noor Group, was an entrepreneur who steered forward with a firm faith in ALLAH SWT. Under his leadership the Al-Noor Group excelled in the field of sugar, Lasani wood (medium density fiberboard), ethanol, insurance, trading and Modarba. A father figure, an anchor and a guide to all of us, we remember and miss deeply Mr. Ismail Zakaria's ambition, integrity and discipline that he personified so effortlessly.

May ALLAH grant him the highest place in Jannat-ul-Firdous and give the company and all his bereaved ones the fortitude to bear this loss. May we all have the strength to carry forward his vision with the same love, vigor and integrity that he displayed. Ameen.

Surah Aal-e-Imran, Verse 26-27:

Say (O Muhammad SAW): "O Allah! Possessor of the kingdom, You give the kingdom to whom You will, and You take the kingdom from whom You will, and You endue with honour whom You will, and You humiliate whom You will. In Your Hand is the good. Verily, You are Able to do all things.

You make the night to enter into the day, and You make the day to enter into the night, You bring the living out of the dead, and You bring the dead out of the living. And You give wealth and sustenance to whom You will, without limit (measure or account).

(English - Mohsin Khan)



CODE OF CONDUCT

Shahmurad Sugar Mills Limited is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

THE COMPANY

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

AS DIRECTORS

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

AS EXECUTIVE AND MANAGERS

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

AS EMPLOYEES AND WORKERS

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



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 42nd Annual General Meeting of SHAHMURAD SUGAR MILLS LIMITED will be held on Thursday, January 28, 2021 at 11.30 a.m. through video link facility to transact the following business:

ORDINARY BUSINESS

- To confirm the minutes of the 41st Annual General Meeting held on January 28, 2020.
- To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2020 together with the Directors' and Auditors' Reports thereon.
- 3. To approve payment of Cash Dividend @ 120% i.e. Rs12.00 per ordinary share of Rs.10/= each for the year ended September 30, 2020 as recommended by the Board of Directors.
- 4. To appoint Auditors and to fix their remuneration for the year ended September 30, 2021. The present Auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

OTHER BUSINESS

Karachi: December 21, 2020

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

By Order of the Board

M. YASIN MÜGHAL COMPANY SECRETARY

NOTE:

1. Online Participation in the Annual General Meeting:

Due to COVID-19 Pandemic and the SECP's in terms of its circular No.5 of 2020 dated March 17, 2020 and circular No.33 of 2020 dated November 5, 2020, has advised companies to modify their usual planning for general meetings for the safety and wellbeing of shareholder and the public at large with minimal , physical interaction, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies. The meeting can be attended using smart phones/tablets/ computers. To attend the meeting through video link, the shareholders are requested to register themselves by providing the following information along with valid copy of CNIC with the subject "Registration for Shahmurad Sugar Mills Limited AGM" through email at yasin.mughal@alnoorgroup.co or WhatsApp 03002472329 by the close of business hours (5:00 p.m.) on January 26, 2021.

Name of Shareholder	CNIC No.	CDC Account No./ Folio No.	Cell Number	e-mail address

The shareholders who are registered after the necessary verification shall be emailed a video link by the Company on the same email address that they provided the Company with. The Login facility will remain open from start of the meeting till its proceedings are concluded.

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at email yasin.mughal@alnoorgroup.co or WhatsApp at 03002472329 The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.



2. Closure of Share Transfer Books:

The Register of the Members of the Company will remain closed from January 21, 2021 to January 30, 2021 (Both days inclusive) for the purpose of holding the Annual General Meeting / Transfer of shares / entitlement of cash dividend.

3. Participation in Annual General Meeting:

A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote on his/her behalf . PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

In pursuance of Circular No.1 of SECP dated January 26, 2000 the CDC Account holders/subaccount holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced at the time of meeting. The nominee shall produce has original CNIC at the time of attending the meeting for identification.

4. Submission of copies of CNIC

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

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

- (i) The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from dividend payment are as follows
 - 1. Rate of tax deduction for the filer(s) of income tax return 15%.
 - 2. Rate of tax deduction for the non-filer(s) of income tax return 30%.

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

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

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

	F !! (0D0	-	Principal shareholder		Joint Sha		
Company Name	Folio/CDS Account #	Total Shares	Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)	Signature

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

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

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



7 Payment of Cash Dividend Electronically:

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

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

8 Unclaimed Dividend / Shares:

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

9. Video Conference Facility:

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

I / We,	of being a member	of Shahmurad Sugar	Mills Limited, holder of Ordir	nary Share(s) a
per Register Folio No	/ CDC Account No	hereby opt for vio	leo conference facility at	
			_	
				MEMBER SIGNATURE

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

Pursuant to the directions issued by the SECP vide SRO 787(1) 2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 whereby Securities and Exchange Commission of Pakistan (SECP) has directed and Shareholders of the company in the 38th Annual General Meeting held on January 31, 2017 approved to circulate Annual Audited Accounts (i.e.Statement of Financial Position, Statement of Profit or loss Accounts, Statement of Comprehensive income, Statement of Cash Flows, Notes to the Financial Statements, Auditors' and Directors' Report) along with notice of Annual General Meeting to its members through e-mail /CD/DVD/USB/ at their registered Addresses.

Shareholders who wish to receive the printed / hard copy of Financial Statements shall have to fill the standard request form available on the Company's website www.shahmuradsugar.co

11 Deposit of Physical Shares into CDC Accounts.

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



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

- 12 Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.shahmuradsugar.co
- 13 Change of Address and Non-Deduction of Zakat Declaration Form:

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



CHAIRMAN'S REVIEW

It gives me immense pleasure to present to the shareholders of Shahmurad Sugar Mills Limited, review of the financial performance of the Company and overall performance of the Board.

The year under review has been immense challenges for the world. The pendemic Corona virus has caused an economic slow down globally. Despite immense challanges in the fore going year, Alhamdulillah the Company was able to achieve exceptional results mainly due to its diversified portfolio, export sales and measures taken to control costs.

The composition of the Board of Directors reflects a varied mix of necessary skills and competencies. The rich backgrounds and experience of the Board in the fields of business; finance and banking is able to steer the Company forward.

The Board carried out the annual review of its effectiveness and performance on a self-assessment basis. I believe that the processes adopted in developing and reviewing the overall corporate strategy and achievement of organizational goals are commendable which are truly reflected in the financial results and performance of the Company.

The company continued to fulfill its corporate social responsibilities and contribute positively to the environment. On behalf of the Board of Directors, I would like to acknowledge the contribution of all our employees to the success of the Company. I look forward to and pray to ALLAH SWT for the continued success and growth of the Company.

NOOR MOHAMMAD ZAKARIA CHAIRMAN

Karachi December 21, 2020



DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members Asslamu Alaikum

I take the opportunity with great pleasure to present to you on behalf of the Board of Directors the audited financial statements of your company along with the Auditors' report for the year ended September 30, 2020.

FINANCIAL PERFORMANCE:	2019-20	2018-19
	(Rupees in t	housands)
Profit before taxation	931,588	1,354,532
Provision for taxation	(171,273)	(148,986)
Profit after taxation	760,315	1,205,546
Earnings per share	Rs.36.00	Rs.57.08

Your company has earned a profit after tax amounting to Rs.760.315 million as against a profit of Rs.1,205.546 million earned during the previous year. The principal activity of the company is to manufacture sugar and ethanol.

Salient comparative production and financial data are provided as under:

OPERATIONAL RESULTS	2019-20	2018-19
Sugarcane crushed (metric tons)	444,430	500,270
Sugar produced (metric tons)	48,786	55,425
Sugar recovery rate (percentage)	11.00	11.08
Molasses produced (metric tons)	19,715	23,100
Ethanol produced (metric tons)	47,608	57,271

FINANCIAL DATA (Rupees in thousands)

Sales	11,143,607	9,497,552
Cost of sales	(9,551,967)	(7,487,357)
Gross profit	1,591,640	2,010,195
Distribution cost	(14,777)	(84,727)
Administrative cost	(245,866)	(254,637)
Other operating expenses	(129,844)	(99,801)
Financial cost	(344,024)	(350,347)
Other income	74,459	133,849
Profit before tax	931,588	1,354,532

PERFORMANCE REVIEW

SUGAR DIVISION:

Alhamdulillah, the performance of the company was satisfactory. During the period under review the recovery rate reduced from 11.08 percent to 11.00 percent which was due to lower quality of sugar cane. The sugar produced was 48,786 metric tons which was 12 percent lower than the previous year's production of 55,425 metric tons. This was due to shortage of sugar cane crop in the country. It is expected that during the next year the crop of sugar cane would improve marginally in the country.



ETHANOL DIVISION

During the period under review ethanol plant operated satisfactorily and produced 47,608 metric tons of ethanol as compared to 57,271 metric tons produced last year. The production is lower by 16.87 percent when compared with the production of last year. The decrease in production of ethanol was due to scarcity of molasses in the country. Your company exported 45,807 metric tons of ethanol as against 60,645 metric tons exported last year and the company earned valuable foreign exchange for the country. The management has worked extensively to develop a portfolio of various products mixes in order to ensure optimum utilization of the plant capacity.

STATEMENT OF COMPLIANCE WITH THE BEST

PRACTICES OF CORPORATE GOVERNANCE:

- 1. The Financial Statements prepared by the management of the Company present fairly its states of affairs, the results of operations, cash flow and changes in equity.
- 2. The Company has maintained proper books of accounts as required under the law.
- 3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- 5. The system of internal control is sound in design and has been effectively implemented and monitored.
- 6. There are no significant doubts upon the Company's ability to continue as going concern.
- 7. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the Listing Regulations of Pakistan Stock Exchange.
- 8. There have been no outstanding statutory payments; except those under normal course of business and some disputed cases which are appearing in the relevant notes to the financial statements.
- 9. The pattern of shareholding in the Company as on September 30, 2020 is also included in the Annual Report.
- 10. The Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the Company except as otherwise indicated.
- 11. The value of investment and balance in deposit accounts of Provident Fund based on un-audited accounts as at June 30, 2020 amounted to Rs. 79.787 million out of total assets of Rs. 83.702 million.

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

COMPOSITION OF BOARD OF DIRECTORS:

All the members of the Board, executives and staff are deeply grieved by the sad demise of our late Chairman Mr. Ismail H Zakaria who passed away on May 26, 2020. May Almighty Allah (SWT) grant him maghfirah, illuminate his grave and grant him the highest place in Jannat-ul-Firdaus. Ameen. Upon his sad demise the Board has appointed Mr. Noor Muhammad Zakaria as the Chairman of the Board. The Board also appointed Mr. Asad Mohiuddin as director in place of Mr. Ismail H Zakaria.



During the period under consideration four meetings of the Board were held and presence of each director was as under.

	NAME OF DIRECTORS	ATTENDED	STATUS
01.	Mr. Ismail H Zakaria	2	Non-Executive
02.	Mr. Noor Muhammad Zakaria	4	Non-Executive
03.	Mr. A. Aziz Ayoob	4	Executive
04.	Mr. Zia Zakaria	4	Executive
05.	Mrs. Sanober Hamid Zakaria	3	Non-Executive
06.	Mr. Naeem Ahmad Shafi	4	Independent Director
07.	Mr. Khurram Aftab	4	Independent Director

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

AUDIT COMMITTEE:

The Board has also constituted an Audit Committee comprising of the following directors. During the period under consideration, four meetings of the Audit Committee were held and attendance of each director was as under:

	NAME OF DIRECTORS	<u>ATTENDED</u>	STATUS
1.	Mr. Naeem Ahmad Shafi (Chairman)	4	Independent Director
2.	Mr. Noor Muhammad Zakaria	4	Non-executive
3.	Mrs. Sanober Hamid Zakaria	3	Non-executive

Terms of Reference of the Audit Committee have also been determined by the Board in accordance with the guidelines provided in the Listing Regulations of the Pakistan Stock Exchange Limited.

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Board has also constituted Human Resource and Remuneration Committee in accordance with the guide lines provided in the Listing Regulations of Pakistan Stock Exchange Limited consisting of the following Directors.

1.	Mr. Khurram Aftab	Chairman	Independent Director
2.	Mr. Noor Muhammad Zakaria	Member	Non-Executive Director
3.	Mr. Zia Zakaria	Member	Executive Director

During the period, one meeting of the Committee was held and all the directors attended the meeting.

DIRECTORS' REMUNERATION POLICY:

Through the articles of the Company, the Board of Directors is authorized to fix remuneration of non-executive and independent Directors. Approval of members in general meeting is required in accordance with the articles of the Company and Companies Act 2017. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail, the objectives and sets a transparent procedure for determination of the remuneration packages of individual director.

Salient features, amongst other, of Directors' Remuneration Policy include that the level of remuneration shall be competitive and sufficient to attract and retain qualified and skilled individuals. Details of the aggregate amount of remuneration of executive and non-executive directors are disclosed in note no. 39 to the financial statements.

FUTURE OUTLOOK:

The lock down measures are being gradually lifted and the government has taken aggressive economic measures to encourage businesses by maintaining interest rates, salary loans at reduced rates and deferment of Long term loans which will have a positive impact on the economy.



SUGAR DIVISION

The Government of Sindh has notified the price of sugar cane at Rs. 202/= per forty kgs as against Rs. 192/= notified last season. Due to the shortage of water availability and late announcements of support price of Sugar Cane, the crop availability is less in Lower Sindh. In order to run the mill on an economical scale, the raw material has to be procured from great distance and extra cost is paid for transportation which raises the cost of production.

ETHANOL DIVISION:

Molasses is the by-product of sugar mills and due to non-availability of sugarcane the production of molasses has reduced considerably. As a result the price of molasses has increased considerably. It is apprehended that the profit margin may decline during the next year in light of higher prices of raw material. The management is aggressively pursuing various avenues to procure molasses at reasonable price in order to improve the contribution of ethanol division.

CREDIT RATING OF THE COMPANY:

JCR.VIS Credit Rating Company Limited has assigned initial medium to long term entity rating of 'A-/A-2' (Single A minus/ A-two) to the Company an outlook on medium to long term rating as "stable".

CORPORATE AND SOCIAL RESPONSIBILITY:

The Company being a corporate citizen undertook number of welfare activities in its franchise area i.e. established a school up to secondary level, holding of medical camps on interval basis, financial assistance to deserving villagers, provide fertilizer to growers, supply of free ration and medical assistance to needy persons.

ENVIRONMENTS AND COMPANY'S BUSINESS:

The management is well aware of its responsibilities towards maintaining good environment so that its negative impacts can be eliminated and it is committed to sustainable development of the society. Your company is determined to minimize environmental impact by reducing waste and emissions and conduct its business with the highest concern for health and safety of its employees, customers, suppliers, neighbors and the general public. The management initiates tree plantation drives to support the environment within the community.

RELATED PARTIES TRANSACTIONS:

All related parties transactions are placed before the Board's Audit Committee and the Board for final approval as required under the Listing Regulation of Pakistan Stock Exchange. Related parties transactions carried out during the year 2017-18 were also placed before the members as required under Section 208 of the Companies Act 2017.

CONTRIBUTION TO NATIONAL EXCHEQUER:

The company is also enhancing the resources of the country in the form of taxes, duties and earning foreign exchange through export of sugar and ethanol. During the period under review your company has exported 45,807 metric tons of ethanol and 6,536 metric tons of sugar and earned valuable foreign exchange for the country.

RISK MANAGEMENT AND OPPORTUNITIES:

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

Credit risk

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

Market risk

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



Liquidity risk

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

MECHANISM FOR EVALUATION OF THE BOARD:

The Board and Board's committee's members are highly experienced personnel and continuously striving to improve their effectiveness and undertake annual review to assess the Board's performance. The Board also reviews the developments taking place in the corporate sector and governance to ensure that the company remains aligned with the best practices.

DIVIDEND:

The Directors have recommended a final cash dividend at the rate of 120 percent .i.e. Rs.12/= per share of Rs.10/= each. (2019: 170 percent .i.e. Rs.17.00 per share of Rs. 10/= each)

APPOINTMENT OF AUDITORS:

The present Auditors, M/s Kreston Hyder Bhimji and Company, Chartered Accountants, will stand retired with the conclusion of Annual General Meeting and being eligible have offered themselves for re-appointment for the year 2020-21. Audit Committee also recommended their re-appointment for the year 2020-21 and the Board of your company also endorsed the recommendation of the Audit Committee for re-appointment of M/s Kreston Hyder Bhimji and Company, Chartered Accountants, till the conclusion of next Annual General Meeting.

STAFF RELATIONS:

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

By order of the Board

ZIA ZAKARIA Managing Director & CEO

Karachi: Dated December 21, 2020



STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2020

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

The total number of directors are seven as per following:

- a) Male Sixb) Female One
- 2. The composition of Board is as follow:
 - (a) Independent director:

i) Mr. Naeem Ahmad Shafi

ii) Mr. Khurram Aftab

(b) Non-Executive directors:

i) Mr. Noor Mohammad Zakaria

ii) Mrs. Sanobar Hamid Zakaria

iii) Mr. Asad Ahmed Mohiuddin

(c) Executive directors:

i) Mr. Zia Zakaria

iii) Mr. Aziz Ayoob

Following the election of Directors, the Board was reconstituted on March 28, 2019 comprising of 7 directors including 2 independent directors. One third of seven comes to 2.33 and the fraction was not rounded upward to one to have three independent directors in observance of general mathematic principle.

- The directors have confirmed that none of them is serving as director on more than seven listed companies, including this Company.
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and the Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
- 9. Since Chairman and all the directors except 2 including the lady director, have prescribed education and experience required for exemption under clause 19(2) of the CCG Regulations accordingly they are exempted from attending directors training program pursuant to clause 19(2) of the CCG Regulations. One director would be provided the facility to acquire the required certification during the year.
- 10. The Board has approved the appointment of Chief Financial Officer (CFO) including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. The remuneration, terms and conditions of the employment CFO, Company Secretary and Head of Internal Audit and any change thereto have been approved by the Board.



- 11. CFO and CEO duly endorsed the financial statements before approval of the Board.
- 12 The Board has formed committees comprising of members given below:

a) Audit Committee:

Mr. Naeem Ahmad Shafi Chairman Mr. Noor Mohammad Zakaria Member Mrs. Sanobar Hamid Zakaria Member

b) HR and Remuneration Committee:

Mr. Khurram Aftab Chairman
Mr. Noor Mohammad Zakaria Member
Mr. Zia Zakaria Member

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14. The frequency of meetings of the committee were as per following.

a) Audit Committee Four quarterly meetings b) HR and Remuneration Committee One annual meeting

- 15. The Board has set up an effective Internal Audit function in the Company managed by qualified and experience professional, who are conversant with the policies and procedures of the Company and the industry's best practices. They are involved in the internal audit functions on full time basis. The head of internal audit department functionally reports to the Board's Audit Committee.
- 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the chief Executive Officer, Head of Internal Audit, the Company Secretary or Director of the Company.
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. Explanation for non-compliance with non-mandatory requirements i.e. other than regulation 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- i. The requirement of Nomination Committee is optional in regulation no 29. The Board takes care of the responsibilities prescribed for nomination committee so a separate nomination committee is not considered necessary.
- ii. The requirement of Risk Management Committee is optional in regulation no 30. The risk management carried out at the overall Company's level by the executive management of the Company headed by the CEO. The Company's management monitors potential risk and risk management procedures are carried out to identify, assess and mitigate any identified or potential risk. The Board is also apprised from time to time about the risks and their management. Therefore, it is not considered necessary to have a separate committee in the respect.
- iii. Since the requirement with respect to disclosure of significant policies on the website is optional in regulation no 35(1), the company has uploaded only limited information in this respect on the Company's website. However, significant related information in respect of salient policies is disclosed in the annual reports of the Company which are duly uploaded on the website and are available for every one assessing the website. The company will however, review and place key elements of other policies if considered necessary.

NOOR MOHAMMAD ZAKARIA

Chairman

ZIA ZAKARIA Chief Executive Officer

Karachi: December 21, 2020



KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

									(Rupees in	n thousand)
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
FINANCIAL POSITION:										
Share capital	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187
Revenue reserves	3,178,204	2,690,419	1,750,761	920,125	937,213	858,025	736,114	521,769	442,188	296,930
Surplus on revaluation	1,389,650	1,476,197	1,582,959	546,707	568,724	587,964	611,888	416,220	431,487	451,986
of fixed assets										
Long-term financing	1,163,612	1,340,813	1,659,686	1,542,234	756,942	774,675	761,669	726,251	817,157	914,113
Deferred taxation	17,212	(25,726)	(68,700)	(81,034)	53,862	56,458	28,842	24,831	70,877	128,364
Current liabilities	5,351,671	4,672,241	4,925,666	3,456,917	1,428,785	2,642,076	2,318,096	1,901,805	2,336,772	2,878,103
Operating assets	5,386,952	5,498,699	5,315,321	3,052,313	2,541,075	2,424,275	2,425,608	2,141,973	2,149,828	2,044,741
Long-term deposits	2,429	2,429	2,429	2,429	2,428	2,395	2,390	2,390	2,532	2,708
Long-term investment	1,006	1,351	1,815	2,673	3,097	3,759	5,101	4,346	4,130	2,909
Current assets	5,919,925	4,860,438	4,529,303	3,537,186	1,407,923	2,696,867	2,229,376	1,646,273	2,150,986	2,828,149
FINANCIAL PERFORMAN	NCE									
Turnover	11,143,607	9,497,552	7,220,127	5,055,682	5,909,743	5,199,162	5,353,972	5,642,437	5,362,004	4,392,083
Gross profit	1,591,640	2,010,195	810,408	583,894	670,379	805,191	884,146	606,322	695,891	754,349
Operating profit	1,275,897	1,705,403	783,430	128,636	343,522	541,563	616,908	395,721	462,591	550,887
Profit/(Loss) before tax	931,588	1,354,532	548,249	(74,397)	170,136	262,783	243,411	84,281	111,079	88,526
Profit after tax	760,315	1,205,546	601,258	7,268	125,148	184,723	226,741	91,611	145,344	89,717
Earning per share	36.00	57.08	28.47	0.34	5.93	8.75	10.74	4.34	6.88	4.25
Cash dividend	120%	170%	70%	5%	24%	35%	43%	15%	15%	10%
Bonus shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
OUGAR PROPULTION										
SUGAR PRODUCTION	444.400	500.070	744.530	070 747	400.400	500.000	000.007	504.000	500.077	054.000
Cane Crushed (M.Tons)	444,430	500,270	,	672,747	496,109	596,006	666,887	561,083	566,077	654,892
Sugar Produced (M.Tons)	48,786	55,425	,	72,755	52,578	65,791	71,473	59,343	57,077	60,775
Recovery (%)	11.08%	11.08%	11.06%	10.82%	10.60%	11.02%	10.72%	10.58%	10.09%	9.27%



Independent Auditor's Review Report to the Members of Shahmurad Sugar Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shahmurad Sugar Mills Limited (the company) for the year ended September 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2020.

Chartered Accountants

Karachi, December 21, 2020

Suite No. 1601, 16th Floor, Kashif Centre, Shahrah-e-Faisal, Karachi. Phone: 92-21-35640050 to 52 Fax: 92-21-35640053, Website: www.krestonhb.com E-mail: hyderbhimji@yahoo.com, hyderbhimji@gmail.com

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAHMURAD SUGAR MILLS LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Shahmurad Sugar Mills Limited, ("the Company") which comprise the statement of financial position as at September 30, 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2020 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key audit matter	How the matter was addressed in our audit
1.	Borrowings The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 5,097.023 million, being 78% of total liabilities, as at reporting date. Given the significant level of borrowings, finance costs, significant gearing, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter. (Refer Notes 3.11, 21, 24 and 34 to the financial statements).	Our audit procedures included: Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level. Verification of disbursement of loans and utilization on sample basis. Review of charge registration documents. Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. Understating and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis.

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S.No.	Key audit matter	How the matter was addressed in our audit
		Obtaining confirmation from Banks and other lenders of the Company to confirm balances, terms and conditions stated in the terms sheets and compliance thereof. Performing analytical procedures, recalculations and other related procedures for verification of finance costs. Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.
2.	Recognition of Revenue	
	The company is engaged in the production and sale of sugar and ethanol.	Our audit procedures to assess the recognition of revenue included the following:
	The Company recognized revenue from the sales of sugar and ethanol of Rs 11,143.607 million for the year ended 30 September 2020. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. (Refer to note 3.15 and 27 to the financial statements).	 Obtaining an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue. Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards including management's assessment of impact of "Revenue from contracts with customers" (IFRS 15). Obtaining an understanding of the nature of the revenue contracts entered into by the Company, testing a sample of sales contractsto confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard. Performing analytical procedures and test of details by selecting sample of transactions for comparing with sales orders, sales invoices, delivery orders and other underlying records. Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. Reviewing the adequacy of disclosure asrequired under applicable financial reporting framework.



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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and
whether the financial statements represent the underlying transactions and events in a manner that achieves fair
presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

Chartered Accountants

Place: Karachi

Date: December 21, 2020



STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

AS AT SEPTEMBER 30, 2020		2020	2019
	Note	(Rupees in	thousand)
ASSETS			,
NON CURRENT ASSETS Property, plant and equipment Intangible asset Long term investment Long term loans Long term deposits Deferred taxation	4 5 6 7 8 9	5,386,952 - 1,006 1,224 2,429 -	5,498,699 - 1,351 2,214 2,429 25,726
CURRENT ASSETS		5,391,611	5,530,419
Stores, spare parts and loose tools Stock-in-trade Trade debts Loans and advances Trade deposits and short term prepayments Other receivables Short term investment Income tax refundable-net Cash and bank balances	10 11 12 13 14 15 16	247,329 1,603,448 207,178 1,467,802 457 176,689 2,103,781 76,852 36,389 5,919,925 11,311,536	243,590 1,967,859 459,571 1,586,334 1,095 235,130 200,714 103,896 62,249 4,860,438
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 25,000,000 ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital Revenue reserve General reserve Share of associate's unrealised loss on remeasurement of its investment at fair value through other comprehensive income Unappropriated profit	18 19	211,187 80,000 (2,501) 3,100,705	211,187 80,000 (2,441) 2,612,860
Capital reserve Revaluation surplus on property, plant and equipment	20	1,389,650 4,779,041	1,476,197 4,377,803
NON OURSELL LABOURES		4,775,041	4,377,003
NON CURRENT LIABILITIES Long term financing Deferred taxation	21 9	1,163,612 17,212 1,180,824	1,340,813 - 1,340,813
CURRENT LIABILITIES Trade and other payables Accrued finance cost Short term borrowings Loan from related parties Unclaimed dividend Current portion of long term financing	22 23 24 25	1,328,710 31,816 3,641,288 48,135 9,599 292,123 5,351,671	1,106,764 39,816 3,112,830 48,135 6,136 358,560 4,672,241
CONTINGENCIES AND COMMITMENTS	26	_	· · ·
-		11,311,536	10,390,857
The annexed notes 01 to 48 form an integral part of these financial statements.			. 5,565,661

ZIA ZAKARIAManaging Director & CEO

AZIZ AYOOB Director



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2020

		2020	2019
	Note	(Rupees in thousand)	
Sales	27	11,143,607	9,497,552
Cost of sales	28	(9,551,967)	(7,487,357)
Gross profit		1,591,640	2,010,195
Profit from trading activities	29	1,132 1,592,772	<u>1,472</u> 2,011,667
Less: Distribution cost Administrative cost Other operating cost	30 31 32	(14,777) (245,866) (129,844) (390,487)	(84,727) (254,637) (99,801) (439,165)
Other income	33	73,612	132,901
Operating profit		1,275,897	1,705,403
Finance cost	34	(344,024)	(350,347)
		931,873	1,355,056
Share of loss in associate	6	(285)	(524)
Profit before taxation		931,588	1,354,532
Provision for taxation	35	(171,273)	(148,986)
Profit after taxation		760,315	1,205,546
Earning per share - Basic and diluted	36	36.00	57.08

The annexed notes 01 to 48 form an integral part of these financial statements.

ZIA ZAKARIA Managing Director & CEO AZIZ AYOOB Director



2019

(Rupees in thousand)

2020

Note

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2020

Profit after taxation	760,315	1,205,546
Other comprehensive income		
Items that may be reclassified subsequently to statement of profit or loss		
Share of associate's unrealised (loss) / gain on remeasurement of its	(00)	00
investment at fair value through other comprehensive income 6.2	(60)	60
Items that may be reclassified subsequently to statement of profit or loss	_	_
Total comprehensive income for the year	760,255	1,205,606

The annexed notes 01 to 48 form an integral part of these financial statements.

ZIA ZAKARIA Managing Director & CEO ZIZ AYOOB Director



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED SEPTEMBER 30, 2020

		Revenue Reserve			Capital Reserve	
Note	Issued, Subscribed & paid up capital	General reserves	Share of associate's unrealized (loss)/ Gain on remeasurement of investment	Un-appropriated profit	Revaluation surplus on property, plant and equipment	Total
			Rupees	in thousand		
Balance as at October 01, 2018	211,187	80,000	(2,501)	1,462,075	1,582,959	3,333,720
During the year ended September 30, 2019						
Transaction with owners Final dividend for 30-September-2018 @ Rs. 7 per Shar	e -	-	-	(147,831)	-	(147,831)
Total comprehensive income for the year	-	-	60	1,205,546	-	1,205,606
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	-	93,070	(93,070)	-
Deferred tax adjustment due to change in tax rate direct debited to revaluation surplus	у -	-	-	-	(13,692)	(13,692)
Balance as at September 30, 2019	211,187	80,000	(2,441)	2,612,860	1,476,197	4,377,803
Balance as at October 01, 2019 During the year ended September 30, 2020	211,187	80,000	(2,441)	2,612,860	1,476,197	4,377,803
Transaction with owners						
Final dividend for 30-September-2019 @ Rs. 17 per Sha	ire -	-	-	(359,017)	-	(359,017)
Total comprehensive (loss) / income for the year	-	-	(60)	760,315	-	760,255
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	-	86,547	(86,547)	-
Balance as at September 30, 2020	211,187	80,000	(2,501)	3,100,705	1,389,650	4,779,041

The annexed notes 01 to 48 form an integral part of these financial statements.

ZIA ZAKARIAManaging Director & CEO

AZIZ AYOOB Director



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2020

FO	R THE YEAR ENDED SEPTEMBER 30, 2020			
		Note	2020	2019
			(Rupees in	thousand)
A.	CASH FLOW FROM OPERATING ACTIVITIES Profit before taxation Adjustment for:		931,588	1,354,532
	Depreciation	4.1.1	372,285	357,711
	Gain on disposal of property, plant and equipment	33	(1,434)	(1,483)
	Provision for obsolescence and slow moving items	32	10,856	14,353
	Provision for export subsidy	32	58,695	-
	Finance cost	34	344,024	350,347
	Share of loss in associate	6	285	524
			784,711	721,452
	Cash generated before working capital changes		1,716,299	2,075,984
	(Increase) / decrease in current assets		(4.4.505)	(40.050)
	Stores, spare parts and loose tools		(14,595)	(43,950)
	Stock in trade Trade debts		364,411	600,633
	Loans and advances		252,393 118,532	(71,604) (923,399)
	Trade deposits and short term prepayments		638	(379)
	Other receivables		(254)	289,292
	Other receivables		721,125	(149,407)
	Increase / (decrease) in current liabilities			(1.10,101)
	Trade and other payables		221,946	93,794
	Short term borrowings		528,458	(340,113)
			750,404	(246,319)
	Receipts / (payments) for		3,187,828	1,680,258
	Income tax		(101,291)	(98,274)
	Finance cost		(352,024)	(365,508)
	Long term loans - net		990	(710)
	. 3		(452,325)	(464,492)
	Net cash inflows from operating activities		2,735,503	1,215,766
В.	CASH FLOW FROM INVESTING ACTIVITIES			
	Additions to property, plant and equipment		(261,343)	(542,271)
	Sale proceeds from disposal of property, plant and equipment	4.1.2	2,239	2,665
	Net cash (outflow) from investing activities		(259,104)	(539,606)
C.	CASH FLOW FROM FINANCING ACTIVITIES			
	Proceeds from long term financing			39,687
	Repayment of long term financing		(243,638)	(233,472)
	Repayment of loans from related parties		(055 554)	(119,201)
	Dividend paid		(355,554)	(145,663)
	Net cash (outflow) from financing activities		(599,192)	(458,649)
Net	increase in cash and cash equivalents (A+B+C)		1,877,207	217,511
	Cash and cash equivalents at the beginning of the year		262,963	45,452
Cas	h and cash equivalents at the end of year		2,140,170	262,963
Cas	h and cash Equivalent			
	Cash and cash Equivalent			
	- Short term investment	16	2,103,781	200,714
	- Cash and bank balance	17	36,389	62,249
			2,140,170	262,963
T I	annoved notes 01 to 40 forms on integral next of those financial etatements			

The annexed notes 01 to 48 form an integral part of these financial statements.

ZIA ZAKARIA Managing Director & CEO AZIZ AYOOB Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh.

The Company owns and operates Sugar and Ethanol manufacturing units which are located at Jhok, District Sujawal in the Province of Sindh. The total area of factory land which includes the main factory is 333.32 Acres.

1.1 The pandemic of COVID-19 has rapidly spread across the world and has been declared a public health emergency of an international concern by the World Health Organization ("WHO"). This has not only endangered human lives but has also adversely affected the global economy. During the month of March 2020, Provincial Governments of Pakistan announced a temporary lock down as a measure to control the outbreak of the pandemic. In order to comply with the directives issued by Government of Sindh and other provinces of Pakistan and administration authorities falling under their control, the Company in the wider national interest temporarily closed down it's production facilities in Sindh on March 22, 2020.

Subsequently, the lockdown was relaxed and the Company on April 22, 2020, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of its employees, resumed its operations and took all the necessary steps to ensure safe and smooth continuation of its business activities for the purpose of maintaining business performance despite slackening economic activity.

"The Company is still monitoring the COVID19 situation and development across the globe and has made an assessment of the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- Realization of Receivables and expected credit losses under IFRS 9, 'Financial Instruments';
- Impairment of tangible and intangible assets under IAS 36, 'Impairment of non financial assets';
- Net realizable value of inventory under IAS 2, 'Inventories';
- Provisions and contingent liabilities under IAS 37, including onerous contracts; and
- Going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements. The Management believes that the going concern assumption of the Company remains valid.

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

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

2.2 STATEMENT OF COMPLIANCE

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

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



- Provisions of and directives issued under the Companies Act, 2017.

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

a) Property, plant and equipment

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

b) Stock-in-trade

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

c) Taxation

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

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

d) Impairment of financial assets

The Company reviews the recoverability of its financial assets i.e. trade debts, loans, deposits, short term investments, and other receivables to assess amount of doubtful debts and allowance required there against on annual basis. While determining impairment allowance, the Company considers financial health, market and economic information, aging of receivables, credit worthiness, credit rating, past records and business relationship.

e) Impairment - non-financial assets

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



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

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

g) Contingencies

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

2.5 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

2.5.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year

The following Standards, interpretations and amendments to published approved accounting standards became effective during the year. These are either irrelevant or do not have material impact on the Company's Financial Statements.

Effective from accounting period beginning on or after

IAS-1	Presentation of Financial Statements (Amendment)	
IFRS - 3	Business Combinations: Previously held interest in a joint operation.	January 01, 2019
IFRS - 9	'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities.	January 01, 2019
IFRS - 11	Joint Arrangements: Previously held interest in a joint operation.	January 01, 2019
IFRS - 14	Regulatory Deferral Accounts	July 01, 2019
IFRS - 16	Leases.	January 01, 2019
IAS - 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity.	January 01, 2019
IAS - 19	'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.	January 01, 2019
IAS - 23	Borrowing Costs - Borrowing costs eligible for capitalization.	January 01, 2019
IAS - 28	'Investments in Associates and Joint Ventures' - Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.	January 01, 2019
IFRIC - 23	Uncertainty over Income Tax Treatments	January 01, 2019



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

The following standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each of them. These are either irrelevant or do not have material impact on the Company's Financial Statements.

		Effective from accounting period beginning on or after
IFRS - 3	'Business Combinations' - Amendments regarding the definition of business.	January 01, 2020
IFRS - 10	'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.	Effective from accounting period beginning on or after a date to be determined. Earlier application is permitted.
IAS 1 & IAS 8	'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material.	January 01, 2020
IAS 1	Presentation of Financial Statements & Accounting Policies -Amendments regarding the classification of liabilities	January 01, 2023
IAS 16	Property, Plant and Equipment- Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use	January 01, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets - Amendments regarding the cost of fulfilling a contract when assessing whether a contract is onerous	January 01, 2022
IFRS 16	Leases -Amendment to provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification	January 01, 2020
IFRS 9	Financial Instruments - Amendments resulting from Annual Improvements to IFRS Standards 2018–2020	January 01, 2022

On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process - this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 01 January 2020, unless the new guidance contains specific scope outs.



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

"IASB Effective Date' Effective for the accounting period beginning on or after"

IFRS – 1 First Time Adoption of IFRS

January 1, 2004

IFRS – 17 Insurance Contracts

January 1, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below:

3.1 Property Plant and Equipment

a) Operating assets

Recognition/measurement

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

Depreciation

Depreciation is charged to income applying the reducing balance method over the expected useful lives of the assets at the rates specified in assets note no. 4.1. Depreciation on additions is charged from the quarter in which the assets are put to use while no Depreciation is charged in the quarter in which the assets are disposed off.

Subsequent cost

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with the part will flow to the Company and its cost can be measured reliably. Major renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company. The costs of day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as incurred.

Revaluation surplus

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

Derecognition

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

b) Capital work-in-progress

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



3.2 Intangible Asset

Intangible assets acquired by the company are stated at cost less accumulated amortization and impairment if any. Amortization is charged to income on straight line basis over the period specified in note 5.

3.3 Investment in Associates

The Investment in associates, where the company has significant influence, is accounted for under equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the statement of profit or loss. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from the revaluation of property, plant and equipment are recognized directly in the Company's equity in proportion of the equity held.

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

3.4 Stores, Spare parts and Loose Tools

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

3.5 Stock-in-Trade

These are stated at lower of weighted average cost and net realizable value.

Cost in relation to finished goods and semi finished goods represents cost of raw material and an appropriate portion of manufacturing overheads. Cost in respect of semi finished goods is adjusted to an appropriate stage of completion of process.

3.6 Trade Debts

Trade debts are carried at original invoice amount that is fair value of the goods sold less Expected Credit Losses (ECLs), if any. When a trade debt is uncollectable, it is written off.

3.7 Employees post employment benefits

Defined Contribution Plan

The Company operates an approved provident fund scheme for all its employees eligible to the benefit and equal monthly contributions thereto are made both by the Company and the employees in accordance with the terms of the scheme @ 10% of the basic salary plus applicable cost of living allowances.

3.8 Compensated unavailed leaves

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

3.9 Taxation

a) Current Income Tax

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



b) Deferred taxation

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

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

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the guidelines mentioned in Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan (ICAP), if considered material.

c) Sales tax and Federal Excise Duty

Revenues, expenses and assets are recognized net off amount of sales tax / federal excise duty (FED) except:

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

3.10 Trade and other payables

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

3.11 Borrowings and their costs

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

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

3.12 Provisions and contingencies

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.13 Financial Instruments

3.13.1 Recognition

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



3.13.2 Initial measurement

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

3.13.3 Classification of financial assets

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

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

3.13.4 Classification of financial liabilities

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

3.13.5 Subsequent measurement

Financial assets and liabilities at amortised cost

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

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

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



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

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

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

3.13.6 Derecognition of Financial Instruments

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

3.13.7 Offsetting of financial assets and liabilities

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

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

3.13.8 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. Derivatives qualifying for hedge accounting are accounted for accordingly whereas, derivatives that do not qualify for hedge accounting are accounted for as held for trading instruments. All changes in the fair value are recognised in the statement of profit or loss.

3.14 Impairment

a) Financial assets

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

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

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



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

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

b) Non-Financial assets

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

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

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

3.15 Revenue Recognition

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

- Revenue from sale of goods is recognized when the control of the goods have transferred to the buyer, usually
 on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on the principal amount outstanding at the rate applicable.
- Mark-up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of mark-up on loans considered doubtful is deferred.
- Dividend income is recognized when the Company's right to receive the payment is established.

3.16 Foreign currency transactions and translation:

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

3.17 Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprises of short term investments, cash and cheques in hand, balances with banks on current, savings and deposit accounts.



3.18 Segment Reporting

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

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

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

The Company has following reportable segments on the basis of product characteristics and the criteria defined by the "IFRS 8 Segment Reporting".

Sugar Division - Manufacturing and sale of Refined Sugar

Ethanol Division - Manufacturing and sale of Ethyl Ethanol.

3.19 Dividends and other appropriations

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

4	PROPERTY, PLANT AND EQUIPMENT	Note	2020 (Rupees in	2019 i thousand)
	Operating fixed assets Capital work in progress (CWIP)	4.1 4.2	5,372,447 14,505	5,342,921 155,778
			5,386,952	5,498,699



OPERATING FIXED ASSETS

				2020						
			NET	NET CARRYING VALUE	ALUE		GRC	GROSS CARRYING VALUE	VALUE	
PARTICULARS	AS ON OCTOBER 1, 2019	DIRECT ADDITIONS	TRANSFER FROM CWIP	DISPOSAL	DEPRECIATION	AS ON SEPTEMBER 30, 2020	COST	ACCUMULATED DEPRECIATION	NET CARRYING VALUE AT SEP 30, 2020	DEPRECIATION RATE PER ANNUM
		1 :				thousand		Rupees in thousand		
FREEHOLD LAND Cost Revaluation	31,575			1 1		31,575	31,575	1 1	31,575 181,756	
FACTORY BUILDING Cost Revaluation	49,699 64,219	1 1	1 1	1 1	4,970 6,422	44,729	149,346 71,354	104,617	44,729 57,797	10%
NON FACTORY BUILDING Cost Revaluation	75,327 151,376	1 1	253	1 1	3,775	71,805	136,988 159,343	65,183 15,536	71,805	5%
RES QTR FOR LABOUR Cost Revaluation	3,604	1 1	1 1	1 1	360	3,244	30,308 12,695	27,064 4,325	3,244 8,370	10%
PLANT & MACHINERY Cost Revaluation	3,441,999		390,557	1 1	252,734 81,367	3,579,822	5,424,014	1,844,192	3,579,822 1,176,415	5% & 7.5% 5% & 7.5%
FURNITURE, FIXTURE AND FITTINGS Cost	3,225	,	,	1	322	2,903	10,564	7,661	2,903	10%
OFFICE EQUIPMENT Cost Revaluation	24,249	864	1 1	1 1	2,468	22,645	56,189	33,544	22,645	10%
VEHICLES Cost	48,810	10,942	'	805	11,368	47,579	101,983	54,404	47,579	20%
TOTAL										
Cost Revaluation	3,678,488	11,806	390,810	805	275,997 96,288	3,804,302	5,940,967	2,136,665 202,012	3,804,302 1,568,145	
	5,342,921	11,806	390,810	805	372,285	5,372,447	7,711,124	2,338,677	5,372,447	



				2019						
			NET	NET CARRYING VALUE	ALUE		GRC	GROSS CARRYING VALUE	VALUE	
PARTICULARS	AS ON OCTOBER 1, 2018	DIRECT ADDITIONS	TRANSFER FROM CWIP	DISPOSAL	DEPRECIATION	AS ON SEPTEMBER 30, 2019	COST	ACCUMULATED DEPRECIATION	NET CARRYING VALUE AT SEP 30, 2019	DEPRECIATION RATE PER ANNUM
						thousand			Rupees in thousand	
FREEHOLD LAND Cost Revaluation	31,575 181,756	1 1	1 1	1 1		31,575 181,756	31,575 181,756	1 1	31,575 181,756	1 1
FACTORY BUILDING Cost Revaluation	50,710 71,354	1 1	4,274		5,285 7,135	49,699 64,219	149,346 71,354	99,647 7,135	49,699 64,219	10%
NON FACTORY BUILDING Cost Revaluation	75,194 159,343	1 1	3,993		3,860 7,967	75,327 151,376	136,735 159,343	61,408 7,967	75,327 151,376	5%
RES QTR FOR LABOUR Cost Revaluation	4,005	1 1		1 1	401 1,033	3,604 9,300	30,308 12,695	26,704 3,395	3,604	10%
PLANT & MACHINERY Cost Revaluation	3,085,488	1 1	588,665	1 1	232,154 87,227	3,441,999	5,033,457 1,345,009	1,591,458 87,227	3,441,999 1,257,782	5% & 7.5% 5% & 7.5%
FURNITURE, FIXTURE AND FITTINGS Cost	3,493	06		1	358	3,225	10,564	7,339	3,225	10%
OFFICE EQUIPMENT Cost	24,325	2,539	,	1	2,615	24,249	55,325	31,076	24,249	10%
VEHICLES Cost	30,808	28,860	,	1,182	9,676	48,810	95,067	46,257	48,810	20%
	5,073,393	31,489	596,932	1,182	357,711	5,342,921	7,312,534	1,969,613	5,342,921	
TOTAL										
Cost Revaluation	3,305,598 1,767,795	31,489	596,932	1,182	254,349 103,362	3,678,488 1,664,433	5,542,377 1,770,157	1,863,889 105,724	3,678,488 1,664,433	
	5,073,393	31,489	596,932	1,182	357,711	5,342,921	7,312,534	1,969,613	5,342,921	



4.1.1 Allocation of Depreciation

Depreciation has been allocated as follows:

Manufacturing 28
Administration 31

	2020	
SUGAR	ETHANOL	TOTAL
(Rı	upees in thousa	nd)
81,163	264,329	345,492
16,326	10,467	26,793
97,489	274,796	372,285

	2019	
SUGAR	ETHANOL	TOTAL
(R	upees in thousa	and)
73,604	258,198	331,802
15,496	10,413	25,909
89,100	268,611	357,711

4.1.2 DISPOSAL OF FIXED ASSETS

Description	Sold to	Original Cost	Accumulated Depreciation	Net Carrying Value	Sale proceeds	Gain on Disposal	Mode of Disposal
			(Rı	pees in thousand)-			
Four vehicles each having carrying value less than Rs. 500,000	Various	4,026	3,221	805	2,239	1,434	Negotiation
2020		4,026	3,221	805	2,239	1,434	
2019		3,945	2,763	1,182	2,665	1,483	

4.2 CAPITAL WORK-IN-PROGRESS

2020
Civil Works
Plant & Machinery
2019
2019 Civil Works

	During	the year	
Balance as at beginning of the year	Capital expenditure incurred	Transferred to operating fixed assets	Balance as at close of the year
	(Rupees in	n thousand)	
253	-	(253)	-
155,525	249,537	(390,557)	14,505
155,778	249,537	(390,810)	14,505
-	8,520	(8,267)	253
241,928	502,262	(588,665)	155,525
241,928	510,782	(596,932)	155,778



5

	Note	2020 (Rupees in th	2019 lousand)
INTANGIBLE ASSET			
Software - SAP Application			
Cost		5,917	5,917
Accumulated Amortization		(5,917)	(5,917)
			-

The cost of software has been fully amortized over the period of three years in accordance with the accounting policy of the Company. However, the software is still in use of the Company.

6 LONG TERM INVESTMENT

Under Equity Method

Investment in associate - Al-Noor Modaraba Management (Pvt.) Ltd.

Opening balance		1,351	1,815
Share of (loss) for the year	6.1.2	(285)	(524)
Share of associate's unrealized (loss)/ gain on remeasurement of associate's investment at fair value through other			
comprehensive income.	6.2	(60)	60
		(345)	(464)
		1,006	1,351

6.1 The Company holds 500,000 (14.29%) fully paid ordinary shares of Al-Noor Modaraba Management (Pvt.) Ltd (ANMM) originally acquired at cost of Rs. 5.0 million. ANMM is a group company of Al-Noor Group and it is an associate by virtue of common directorship. The principal activity of ANMM is to float and manage MODARABA and its principal place of business is 96-A, S.M.C.H.S. Karachi. Chief Executive of ANMM is Mr. Zainuddin Aziz.

This strategic investment is measured using equity method. In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30 and since there are no significant changes in the associate's financial affairs up to September 30, therefore, the financial results of ANMM as of June 30, 2020 have been used for the purpose of application of equity method. The summarized financial information of ANMM based on its audited financial statements for the year ended June 30, 2020 is as under:

6.1.1 Assets and Liabilities of ANMM

Assets Tangible and intangible fixed assets Long term investments Other non current assets Current assets	452 12,600 13 1,382 14,447	565 13,020 13 1,198 14,796
Liabilities Non - current liabilities Current liabilities	(1,100) (1,316) (2,416)	(1,100) (1,653) (2,753)
Net Assets Less: Loan from directors included in equity	12,031 5,000 7,031	12,043 2,600 9,443
Share of Shahmurad Sugar Mills Limited - Breakup value of investment	1,006	1,351



			2020	2019
		Note	(Rupees in	thousand)
6.1.2	Profit and loss of ANMM			
	Income Expenses		(2,108) (2,077)	(3,567) (3,562)
	Unrealised loss on remeasurement & impairment loss on investment at fair value through profit or loss. Other income Loss for the year before taxation Taxation Loss for the year after taxation Share of Shahmurad Sugar Mills Limited		(19) 106 (1,990) (1) (1,991) (285)	(3,671) (3,671) (3,671) (524)
6.2	Share of Associate's unrealized loss on re-measurement of associate's investment at fair value through OCI			
	Opening balance		2,441	2,501
	Unrealized loss / (gain) on re-measurement of investment at fair value through other comprehansive income	e	60	(60)
	Closing balance		2,501	2,441
7	LONG TERM LOANS - Unsecured & Interest free Considered Good - Due from executives - Due from non- executive employees Less: Current Portion of: - Due from executives - Due from non- executive employees	2 & 7.3	300 2,744 3,044 (300) (1,520) (1,820) 1,224	2,021 5,241 7,262 (1,771) (3,277) (5,048) 2,214
7.1	Loans and advances have been given in accordance with the terms of instalments, within three years following the reporting date. These interested of amortization is immaterial.			
7.2	Movement of loans to executives			
	Balance at the beginning of the year Disbursed during the year Recovered during the year Balance at the end of the year		2,021 30 (1,751) 300	1,633 2,450 (2,062) 2,021

The maximum aggregate amount due from executives at any month end during the year was Rs. 1.929 million (2019: 2.050 million).

7.3

45



		Note	2020 (Rupees in	2019 thousand)
8	LONG TERM DEPOSITS			
	Unsecured & Interest free Utilities Others		1,039 1,390 2,429	1,039 1,390 2,429
9	DEFERRED TAXATION			
	Opening balance Charged to statement of profit or loss Deferred tax related to change in tax rate debited to revaluation s Closing balance Deferred tax arises due to:	surplus	25,726 (42,938) 	68,700 (29,282) (13,692) 25,726
	Taxable temporary differences in respect of			
	Accelerated tax depreciation Revaluation surplus on property, plant and equipment Deductible temporary differences in respect of		(202,549) (178,495) (381,044)	(176,460) (188,236) (364,696)
	Provisions / impairment allowances / others Unabsorbed business loss/ tax depreciation Tax credit under section 65-B carried forward		29,072 334,760 - 363,832 (17,212)	25,924 364,498 - 390,422 25,726
10	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores Spare parts and loose tools Stores in transit		147,504 169,817 108 317,429	132,060 169,948 826 302,834
	Less: Provision for obsolescence and slow moving items	10.1	(70,100)	(59,244)
			247,329	243,590
10.1	Provision for obsolescence and slow moving items			
	Opening Balance Provision for the year Closing balance		59,244 10,856 70,100	44,891 14,353 59,244
11	STOCK-IN-TRADE			
	Raw Material - Molasses Sugar in process Trading stock of fertilizers Finished goods Sugar	11.1 13.2 11.1	473,232 13,228 214	571,241 5,831 3,757 1,202,189
	Ethanol		1,116,774 1,603,448	1,387,030 1,967,859



11.1 Stock of finished goods pledged against short term finances under mark-up arrangement as referred in note No. 24 amounted to Rs. 141.476 million (2019: Rs. 509 million).

	2020	2019
Note	(Rupees in	n thousand)
	191,750 15,428 207,178	394,122 65,449 459,571
7 13.1	1,820 1,459,917 - 6,065 1,467,802	5,048 1,346,609 230,121 4,556 1,586,334
13.2	25,018 (25,018) - 1,467,802	25,018 (25,018) - 1,586,334
	7 13.1	7 1,820 1,459,917 - 6,065 1,467,802 13.2 25,018 (25,018) -

- **13.1** This includes Rs. 150.00 million (2019: Rs. 105.0 million) advance to Al- Noor Sugar Mills Limited, an associate company, for purchase of molasses.
- 13.2 These loans were given to farmers/growers for sugar cane cultivation and development carrying interest @ 10% which is accounted for in line with the recovery of the respective loan. These loans are adjustable against purchase of sugarcane from respective growers. However, an impairment allowance has been made in respect of loans against which future adjustment through purchase of sugarcane is considered doubtful and hence as a matter of prudence no interest is accrued thereon as well.

14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS

	Short term deposits Short term prepayments	5 452 457	12 1,083 1,095
15	OTHER RECEIVABLES		
	 - Unsecured Considered Good Associated undertaking - Reliance Insurance Company Limited 15.1 Fair value of forward contracts State Bank of Pakistan - Export subsidy Government of Sindh - Export subsidy Others 	595 - 175,318 767 9 176,689	84 233,756 1,023 267 235,130
	 Considered Doubtful Export subsidies Less: Impairment allowance against export freight subsidy 	105,700 (105,700) - 176,689	47,005 (47,005) - 235,130



- **15.1** This represented receivable against an insurance claim for damage to sugar stock and which has been recovered during the year.
- 15.2 This includes freight subsidy of Rs. 47.005 million on sugar exports receivable from Trade Development Authority of Pakistan and Rs. 58.695 million receivable from State Bank of Pakistan and Sindh Government. However, due to uncertainties regarding its recoverability, impairment allowance has been made as a matter of prudence.

			2020	2019
		Note	(Rupees in	thousand)
16	SHORT TERM INVESTMENT			
	Special Sharikah Certificates Accrued Profit	16.1	2,100,000 3,781	200,000 714
			2,103,781	200,714

16.1 These special sharikah certificates carry profit at 5.75% p.a. The investment has maturity of upto one month.

17 CASH AND BANK BALANCES

Cash in hand Cash at banks		850	1,050
In current accounts Local currency Foreign currency		34,936 49 34,985	60,912 40 60,952
In saving accounts	17.1	554	247
		36,389	62,249

- **17.1** This carry profit at the rate ranging between 9.5% to 11.5% (2019: 7% to 9.5%) p.a.
- 17.2 Bank balances include Rs. 10.104 million (2019: Rs. 9.624 million) with shariah compliant financial institutions.

18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019
No. of	Shares

11,730,368	11,730,368	Ordinary shares of Rs.10 each allotted for consideration paid in cash	117,304	117,304
9,388,295	9,388,295	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	93,883	93,883
21,118,663	21,118,663	as rany para bonds shares	211,187	211,187

18.1 Associated companies hold 5,013,100 (23.73%) shares of the Company (2019: 4,959,500 i.e. 23.48%).

19 GENERAL RESERVE

This represents amount appropriated out of profit in past years and retained in order to meet future exigencies.



2020		2019
(Rupees	in	thousand)

20 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT

Opening balance - Gross	1,664,433	1,767,795
Transfer to equity on account of incremental depreciation Incremental depreciation - net of deferred tax Deferred tax on incremental depreciation	(86,547) (9,741) (96,288)	(93,070) (10,292) (103,362)
Closing balance - Gross	1,568,145	1,664,433
Related deferred tax liability	(178,495)	(188,236)
Revaluation surplus net of deferred tax	1,389,650	1,476,197

20.1 The Company carries its land, building and plant and machinery on revaluation model in accordance with IAS -16 "Property, Plant and Equipment". Revaluation is carried out by independent valuer and last revaluation was carried out during the year ended September 30, 2018 through report dated September 28, 2018. Forced sale value has been determined by the valuer using discount factor, i.e., Disposition Value (DV) Factor for Land and Building and Orderly Liquidation Value (OLV) factor for plant and machinery as follows;

	Discoun	t Factor %	Revalued	Forced
	Disposition Value (DV)	Orderly Liquidation Value (OLV)	Amount based on last revaluation as of 30-09-18	Sale Value
Freehold Land	20%	-	213,331	170,665
Building including factory/ non-factor and other building	20%	-	370,939	296,749
Plant & Machinery	-	25% / 30%	4,430,497	3,340,206

20.2 The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the Company in accordance with the section 240 of the Companies Act 2017.

21 LONG TERM FINANCING

Financial institutions Banks	141,872 1,021,740	143,112 1,197,701
21.1	1,163,612	1,340,813



į		HOLINITE INCITATION	200			DANING			14101	
7:17		ANCIAL INSTITUTION	5			DAINE			2]
	PAK Brunei Investment Co. Ltd.	Pak Oman Investment Co. Ltd.	TOTAL	Standard Chartered Bank (Pakistan) Ltd.	Faysal Bank Ltd. (Islamic)	Bank Alfalah Ltd.	Meezan Bank Ltd.	TOTAL	2020	2019
Opening balance Addition Repayment Closing balance	22,223	150,000	172,223	281,250 - (125,000) 156,250	270,000	475,900 - (16,415) 459,485	500,000 (50,000) 450,000	1,527,150 - (221,415) 1,305,735	1,699,373 (243,638) 1,455,735	1,893,158 39,687 (233,472) 1,699,373
Current Maturity Shown under current liabilities	13 57	(8,128)	(8,128)	(125,000)	(30,000)	(28,995)	(100,000)	(283,995)	(292,123)	(358,560)
Description	Long Term Finance	Long Term Finance		Diminishing Musharaka	Diminishing Musharaka	Long Term Finance	Diminishing Musharaka			
Sanctioned/Sale Price/ Disbursed Amount (Rs in million)	100	150		200	300	200	200			
Effective rate of mark-up (per annum)	6M KIBOR + 0.75%	SBP Rate + 0.75%		3 M KIBOR + 0.60%	3 M KIBOR + 0.50%	SBP Rate + 0.75%	6 M KIBOR + 0.50%			
Facility tenor	5 years	10 years		5 years	8 years	10 years	7 years			
Number of instalments	6	32		16	20	32	10			
Principal amount of each instalment (Rs in million)	11.11	Various		31.250	15.000	Various	20.000			
Instalments Payable	Half yearly	Quarterly		Quarterly	Quarterly	Quarterly	Half yearly			
Date of Disbursement	26-06-2015	06-02-2018		14-12-2016	21-02-2017	12-07-2017	11-07-2017			
Grace Period	6 Months	2 years		1 Year	2 Years	2 Years	2 Years			
Date of payment of 1st instalment	26-06-2016	06-05-2021		14-03-2018	21-05-2019	12-01-2020	11-01-2020			
Date of payment of final instalment	26-06-2020	30-10-2028		14-12-2021	21-02-2024	26-03-2028	11-07-2024			
SECURITIES										
Pak Brunei Investment Co. Ltd Rs. 100 M	ω 0	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.	table mortgage	& hypothecation of	harqe over all fix	ed assets includir	iq Land, Building,	Plant & Machinery	of the Company.	
Pak Oman Investment Co. Ltd Rs. 150 M	M C	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.	table mortgage	& hypothecation of	harge over all fix	ed assets includir	iq Land, Building,	Plant & Machinery	of the Company.	
Standard Chartered Bank (Pakistan) Ltd Rs. 500 M	Rs. 500 M	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.	table mortgage	& hypothecation of	charge over all fix	ed assets includir	iq Land, Building,	Plant & Machinery	of the Company.	
Faysal Bank Ltd Rs 300 M.		First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.	table mortgage	& hypothecation of	charge over all fix	ed assets includir	iq Land, Building,	Plant & Machinery	of the Company.	
Bank Alfalah Ltd Rs 500 M.		First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.	table mortgage	& hypothecation of	harge over all fix	ed assets includir	iq Land, Building,	Plant & Machinery	of the Company.	
Meezan Bank Ltd Rs 500 M.		First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.	table mortgage	& hypothecation of	harge over all fix	ed assets includir	iq Land, Building,	Plant & Machinery	of the Company.	

Shariah Compliant
Long term financing under shariah compliant arrangements amounted to Rs. 846.25 million (2019: Rs. 1,051,25 million)



22	TRADE AND OTHER PAYABLES	Note	2020 (Rupees	2019 in thousand)
	Creditors Accrued expenses Advance from customers Retention money payables Sales tax payable - net Gratuity payable Worker's profit participation fund Worker's Welfare Fund Payable to staff provident fund	26.10 & 26.11 22.1	922,779 29,790 179,498 10,281 105,106 1,930 56,261 22,732 333 1,328,710	960,178 23,972 13,632 10,281 - 1,930 79,561 17,060 150 1,106,764
22.1	Worker's profit participation fund			
	Opening balance Interest on funds utilized Allocation for the year		79,561 3,813 52,448 135,822	29,458 9,916 71,628 111,002
	Payments made during the year Closing balance		(79,561) 56,261	<u>(31,441)</u> 79,561
23	ACCRUED FINANCE COST			
	On long term financing On short term borrowings		14,363 17,453 31,816	26,784 13,032 39,816

23.1 Accrued finance cost includes Rs. 22.100 million (2019: Rs. 28.359 million) in respect of borrowings under shariah compliant arrangements.

24 SHORT TERM BORROWINGS

From banking companies - Secured			
Cash / Running finance	24.1	171,288	57,830
Export refinance	24.2	2,170,000	2,305,000
Musawama / IERF / Murabaha	24.3	1,300,000	750,000
		3,641,288	3,112,830

- 24.1 The facilities are available up to Rs. 2,220 million (2019: Rs. 1,975 million) and are secured against pledge of sugar / molasses/ ethanol and first pari passu charge on property, plant and equipment. The effective rate of mark-up ranges from 1M / 3M Kibor + 0.10% to 0.60% (2019: 1M / 3M Kibor + 0.10% to 0.25%). Unutilized facilities as on year end amounted to Rs. 1,639 million (2019: Rs. 1,917 million).
- 24.2 The facilities are available under SBP export finance scheme up to limit of Rs. 2,170 million (2019: Rs. 2,605 Million) and are secured by first pari passu equitable mortgage charge and hypothecation over current and future fixed assets of the company and pledge of sugar / molasses / ethanol. The effective rate of mark-up is 0.25% to 1.00% over SBP ERF rate which was 2.25% to 3.00% (2019: 2.25%, 2.5% and 3.0%). Unutilized facilities as on year end amounted to Rs. Nil (2019: Rs. 300 million).



- 24.3 Musawama / IERF / Murabaha has been obtained from shariah compliant banks. The aggregate limit of Musawama / IERF / Murabaha arrangements is up to Rs. 2,250 million (2019: Rs 1,450 million). These are secured by Pledge of sugar, molasses and ethanol ranking charge over stocks and book debts and pari passu hypothecation charge on Property Plant & Equipment & Pledge of Sugar (refer note 11.1). The effective rates of profit are ranging between Respective / 3M Kibor + 0.25% to 0.30% and SBP rate + 0.50% to 1.00% (2019: Respective / 3M Kibor + 0.25% and SBP rate + 0.75%). The unavailed facility at the year end amounted to Rs. 950 million (2019: Rs. 700 million).
- 24.4 Short-term borrowings include Rs. 1,300 million (2019: Rs. 750 million) under shariah compliant arrangements.

2020 2019 Note (Rupees in thousand)

25 LOANS FROM RELATED PARTIES

Loans from related parties

25.1

48,135

48,135

- 25.1 These represent loans from related parties which are repayable on demand and currently these do not carry markup.
- 26 CONTINGENCIES AND COMMITMENTS
- a) CONTINGENCIES
- 26.1 The Company filed petition before Honourable High Court of Sindh challenging the levy of further tax against taxable supplies made to unregistered person under section 3(1A) of the Sales Tax Act, 1990. The entire liability till November 30, 2000 was paid by the Company, in the month of December 2000. As per judgment awarded against the department by the Honourable High Court of Sindh, the Company has claimed refund of such further tax amounting to Rs. 45.190 million out of which an amount of Rs.7.144 million was refunded by the department.

The Department of Sales Tax has thereafter filed an Appeal before the Honourable Supreme Court against the Order of the Honourable High Court of Sindh. The Honourable Supreme Court has allowed the Appeal with direction to the department to act in accordance with law; however Ratio Decidendi ordered by the High Court of Sindh has not been reversed, over ruled or amended. Sales Tax department has however raised demands of further tax involving amount of Rs. 54 million, which had been contested by the company in the light of Sindh High Court Judgment on which the Sales Tax Tribunal had issued orders in favour of the company. Against the order of the tribunal the sales tax department filed appeal before the Honourable High Court which is pending. Considering the decision of the Court and facts of the case the legal counsel of the company is of the view that the final outcome of the matter will be in favour of the Company.

- 26.2 The Company has filed a petition before the Honourable High Court of Sindh on 11 June 2011 against the imposition of special excise duty and recovery by the Inland Revenue Department (the Department) of 70% of the total amount of Rs 7.073 million against excise duty involved. The case was decided in favour of the company declaring Special Excise Duty as void ab-initio and of no legal effect. Thereafter the Department has filed an appeal before Honourable Supreme Court of Pakistan against the decision of Honourable High Court which is pending. The Company as a matter of abundant prudence has provided for the amount of said duty in the financial statements. During the year 2013, the Company received show-cause notice no C.No.01(01)RP/Zone-II/2013/ dated 10 December 2013 from the Department against refund claim of Special Excise Duty amounting to Rs. 48.457 million filed by the Company in compliance with the order of Honourable High Court of Sindh. The Company filed appeal in the Honourable High court of Sindh on 30 December 2013 against that show cause notice issued by the Department and the Honourable High Court issued stay order against the proceedings on show cause notice. No provision is made in the financial statement as the outcome of case is expected to be in favour of the company as per legal counsel.
- 26.3 The Company's appeal in the Honourable Supreme Court dated 19 February 2004 against the Order of the Sindh High Court for levy of Quality Premium was accepted by the Honourable Supreme Court by assailing the Order of Sindh High Court. Furthermore Federal Government steering committee through its decision on 16-07-2007 held that the quality premium shall remain suspended till decision of Honourable Supreme Court or consensus on uniform formula to be developed by MINFAL.



During the year 2017-2018, the Honourable Supreme Court of Pakistan through its order dated 5 March 2018 has decided the matter against the Sugar Manufacturing Companies and the Legal Counsel of the Company is of the view that the Honourable Supreme Court has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998 – 1999) it appears that no liability arose as no legally binding notification under section 16(v) can be said to be in the field in the light of the decision of the Honourable Supreme Court. Accordingly, no liability arises for the past except for the year 1998 – 99 for which quality premium amounted to Rs. 93.7 million against which no provision is made as the Company has already paid price higher than the minimum notified price for the said year.

- 26.4 There are certain litigations pending in the Honourable Sindh High Court, Hyderabad pertaining to ex-employees. The sixth Sindh labour court awarded decision in favour of the company and the ex-employees filed an appeal in Labour Appellate Tribunal at Hyderabad the outcome of which has also been decided in favour of the Company. The ex-employees have now filed suit before the Honourable Sindh High Court, Hyderabad. The financial liability may arise only if these cases are finally decided against the Company. The amount of liability is not ascertainable and hence, no provision has been made in this regard as in the management view the same is not likely to crystallize.
- **26.5** Cases regarding possession of land of the Company are pending in the Honourable High Court of Sindh which were filed on 01 January 2010 and 22 July 2010 and the financial impact of the same is not presently determinable with any accuracy. The Company is confident that the same is not likely to be decided against the Company.
- 26.6 The Company has filed a petition in the Honourable Supreme Court of Pakistan, dated 14 January 2010 against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. There are no financial implications related to this at the moment.
- 26.7 Pakistan Standards and Quality Control Authority (the Authority) has demanded a marking fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 1.45 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Company has filed a petition before the Honourable High Court of Sindh dated 01 September 2010 challenging the levy of marking fee under PSQCA Act-VI of 1996 and the Honourable court accepted the petition and termed that the impugned notification has been issued without lawful authority and suspended the operation of the impugned notifications. In the meantime the legal counsel of the company filed caveat in respect of an appeal to be filed by the PSQCA against the Judgment in Honourable Supreme Court of Pakistan. The Pakistan Standards and Quality Control Authority have filed an appeal before the Honourable Supreme Court of Pakistan against the decision of Honourable High Court of Sindh. No provision has been made in this respect.
- 26.8 A show cause notice was issued by the Department of Inland Revenue LTU Karachi, regarding the reduced rate of Federal Excise Duty availed by the Company amounting to Rs. 99.801 million under SRO 77 (1) / 2013 dated February 7, 2013. The Company has filed suit in the Honourable High Court of Sindh Karachi dated 30 December 2013 against the show cause notice and the matter is pending before the Honourable High Court of Sindh. Pending the outcome of the case no provision has been made as the outcome of the case is expected to be in favour of the company as per legal counsel.
- 26.9 Excise, taxation and Narcotics department, Government of Sindh had notified fee on storage of rectified spirit in a private bonded warehouse at Rs. 0.5 per litre. The Company has filed appeal before the Honourable High Court of Sindh against the notification dated 08 July 2014. The Honourable High Court has issued stay order against the recovery of the storage charges on rectified spirit. Amount of the storage fee up-to September 30, 2015 works out to Rs. 70.044 million and no provision is made in the financial statements as the outcome of case is expected to be in the favour of Company as per legal counsel.



- 26.10 Against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The HonourableHigh Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent on upon the decision of Honourable Supreme Court of Pakistan. The Company however as a matter of prudence has accounted for the said difference of Rs. 10 per 40 kgs in the accounts aggregating to Rs. 149 millions.
- 26.11 During the year 2017-2018, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honourable Court after deliberations with all stakeholders announced the judgement fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan which is pending. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40 kgs these financial statements aggregating to Rs.409.518 million.
- 26.12 During the year 2016-17, Deputy Commissioner has raised a demand of Rs. 4.01 million in respect of claim of inadmissible input through order dated 21 August 2017 in light of proceedings of showcause notice no C.No. DCIR/SSML/Inadmissible/E&C-3&4/Zone-II/LTU/2017 dated 02 May 2017. The Company filed an appeal with Commissioner Inland Revenue (Appeals), dated 15 September 2017 and the case was decided in favour of the Company. Being aggrieved by the said order, the Department has filed appeal in the Appellate Tribunal Inland Revenue which is yet to be decided. The management and advisor of the Company are of the view that the Company has reasonable grounds and favourable outcome is expected so no provision is made.
- 26.13 During the year 2019-20, Deputy Commissioner had raised demands of Rs. 198.995 million and Rs. 109.734 million in respect of claims of inadmissible input through orders both dated 16 December 2019. The Company filed appeals with Commissioner Inland Revenue (Appeals), dated 15 January 2020 and both the cases were remanded back to the officer for re-adjudication. The Deputy Commissioner have re-heard the cases and order is pending. The management and advisor of the Company are of the view that the Company has reasonable grounds and favourable outcome is expected so no provision is made.

b)	COMMITMENTS	2020 (Rupees	2019 in thousand)
	The Company's commitment as on September 30, are as follows:		
	Commitments for capital expenditure Commitments for stores and spares	34,114 14,056 48,170	185,838 3,846 189,684
	Bank Guarantees In favour of Excise and Taxation Department	500	500



		SU	GAR	ETHANOL		TOTAL	
		2020	2019	2020	2019	2020	2019
	Note			(Rupees in	n thousand)		
27	SALES						
	Local Export	4,339,699 358,175 4,697,874	2,970,267 432,223 3,402,490	4,306 7,086,803 7,091,109	6,468,326 6,468,326	4,344,005 7,444,978 11,788,983	2,970,267 6,900,549 9,870,816
	Less: Sales Tax Commission	(644,213) (537) (644,750)	(371,139) (481) (371,620)	(626) - (626)	(1,644) (1,644)	(644,839) (537) (645,376)	(371,139) (2,125) (373,264)
	Net sales	4,053,124	3,030,870	7,090,483	6,466,682	11,143,607	9,497,552
28	COST OF SALES						
	Manufacturing cost: Raw material consumed Salaries, wages and benefits 28.1 Stores and spares consumed Packing materials Fuel and oil Power and water Chemicals and process materials Repair and maintenance Insurance Other manufacturing expenses Depreciation Opening stock of work in process Less: Molasses transfer to Ethanol Division Sale of bagasse/fusil oil Opening stock of finished goods Less: Closing stock of finished goods	3,192,597 122,838 103,516 25,674 10,007 8,365 28,704 32,060 7,351 15,607 81,163 3,627,882 5,831 (13,228) (7,397) 3,620,485 (60,300) (427,635) 3,192,850 1,202,189 (628,322) 573,867	2,657,296 117,371 84,632 29,374 10,590 5,216 29,046 35,283 6,965 13,046 73,604 3,062,423 4,977 (5,831) (854) 3,061,569 (272,175) - (272,175) 2,789,394 1,227,074 (1,202,189) 24,885	4,539,506 47,233 27,763 - 86,732 715 44,641 30,859 8,962 2,052 264,329 5,052,792 - - 5,052,792 - (4,167) (4,167) 5,048,625 184,841 (488,452) (303,611)	3,147,194 48,053 49,928 - 113,861 689 53,578 32,950 9,095 6,060 258,198 3,719,606 - - 3,719,606 - (2,125) (2,125) 3,717,481 312,542 (184,841) 127,701	7,732,103 170,071 131,279 25,674 96,739 9,080 73,345 62,919 16,313 17,659 345,492 8,680,674 5,831 (13,228) (7,397) 8,673,277 (367,335) (64,467) (431,802) 8,241,475 1,387,030 (1,116,774) 270,256	5,804,490 165,424 134,560 29,374 124,451 5,905 82,624 68,233 16,060 19,106 331,802 6,782,029 4,977 (5,831) (854) 6,781,175 (272,175) (2,125) (274,300) 6,506,875 1,539,616 (1,387,030) 152,586
	Export freight, packing and related charges	4,155	22,815	1,036,081	805,081	1,040,236	827,896
	-	3,770,872	2,837,094	5,781,095	4,650,263	9,551,967	7,487,357
28.1	Includes Rs. 4.615 million (2019 : Rs. 3	.806 million) in	respect of contribu	tion towards stat	ff provident fund.		
29	PROFIT FROM TRADING ACTIVITIES						
	Sales Sales tax	15,503 (304) 15,199	17,667 (346) 17,321	-		15,503 (304) 15,199	17,667 (346) 17,321
	Less: Cost of sales Opening stock Purchases Closing stock	3,758 10,523 (214) 14,067 1,132	3,340 16,266 (3,757) 15,849 1,472	<u>-</u>		3,758 10,523 (214) 14,067 1,132	3,340 16,266 (3,757) 15,849 1,472



		SUGAR ETHANOL		TC	TAL		
		2020	2019	2020	2019	2020	2019
	Note			(Rupees	in thousand)		
30	DISTRIBUTION COST			(,		
30	DISTRIBUTION COST						
	Sugar handling and other charges	14,777	19,029	-	_	14,777	19,029
	Storage rent	,	-	_	22.759	,	22.759
	Carriage out ward		-	_	42,939	_	42,939
	3	14,777	19,029	-	65,698	14,777	84,727
31	ADMINISTRATIVE EXPENSES						
	Salaries, allowances and benefits 31.1	55,110	48,115	35,107	32,980	90,217	81,095
	Chief Executives and Director's 39	8,793	14,177	10,177	9,812	18,970	23,989
	remuneration and perquisites						
	Staff welfare	11,776	8,030	12,627	15,850	24,403	23,880
	Repair and maintenance	7,758	11,339	9,103	17,692	16,861	29,031
	Legal and professional	4,877	1,370	530	86	5,407	1,456
	Auditor's remuneration 31.2	1,024	930	541	493	1,565	1,423
	Vehicle running	10,474	9,600	6,855	7,194	17,329	16,794
	Insurance	758	275	-	-	758	275
	Communication	1,077	1,302	3,052	3,452	4,129	4,754
	Entertainment	2,556	2,465	4,651	3,745	7,207	6,210
	Printing and stationery	944	933	790	690	1,734	1,623
	Fees and subscription	3,553	3,526	2,918	3,154	6,471	6,680
	Advertisement	175	329	-	-	175	329
	Depreciation	16,326	15,496	10,467	10,413	26,793	25,909
	Others	11,842	12,880	12,005	18,309	23,847	31,189
		137,043	130,767	108,823	123,870	245,866	254,637

^{31.1} Includes Rs. 1.968 million (2019: Rs. 2.041 million) in respect of contribution towards staff provident fund.

31.2 Auditor's remuneration

Kreston Hyder Bhimji & Co						
Statutory audit	766	696	489	445	1,255	1,141
Half yearly review	75	68	46	43	121	111
Corporate Governance	10	9	6	5	16	14
Other certifications	56	50	-	-	56	50
Sindh sales tax on services	117_	107			117	107
	1,024	930	541	493	1,565	1,423

32 OTHER OPERATING COST	Note	2020 (Rupees i	2019 n thousand)
Charity and donation Export non-performance penalty Provision for obsolescence and slow moving store and spares Provision for export subsidy Directors meeting fee Worker's profit participation fund Worker's welfare fund Balances written-off	32.1	1,612 - 10,856 58,695 280 52,448 5,672 281	2,207 5,551 14,353 - 198 71,628 5,864 - 99,801

32.1 None of the directors or their spouses had any interest in the above donees.



				SOURI FILES EITHED
			2020	2019
		N - 4 -		
		Note	(Rupees i	n thousand)
33	OTHER INCOME			
	Income from financial Assets and others			
	Net exchange gain		8,998	102,293
	Income on saving bank accounts		46,227	1,664
	•		55,225	103,957
			,	,
	Income from non financial Assets			
	Gain on disposal of property, plant and equipment		1,434	1,483
	Export performance rebate		10,666	12,096
	Insurance claim			12,090
			5,025	-
	Scrap sales		1,082	45.005
	Others		180	15,365
			18,387	28,944
			73,612	132,901
34	FINANCE COST			
	Mark-up/Interest/Profit on:			
	Long term financing		140,824	156,448
	Short-term borrowiings			
	Cash/running finance		77,165	87,874
	Export refinance/IERF		78,306	65,381
	•		155,471	153,255
	Istisna / Murabaha		40,325	26,898
	Worker's profit participation fund	22.1	3,813	9,916
	Bank charges		1,393	1,592
	Others		2,198	2,238
	Culoro		344,024	350,347
			=======================================	=======================================
34.1	Finance cost includes Rs. 179.304 million (2019: Rs. 153.0	95 million) in respect	of shariah compl	iant arrangements
04.1	T marioe 600t molados 110. 170.004 million (2010. 110. 100.0	oo miiion) in roopoot	or orialian compi	iant arrangements.
35	PROVISION FOR TAXATION			
00	THOUSING ON INJUNION			
	Current		130,305	109,338
	Prior year adjustment		(1,970)	10,366
	Deferred		,	29,282
	Delerred		42,938	29,282
			171,273	148,986
35.1	Reconciliation of tax expense:			
	·			
	Accounting profit before tax		931,588	1,354,532
	Applicable tax rate		29%	29%
	Tax expense based on accounting profit		270,161	392,814
	Add/(less)		ŕ	,
	, ,			
	Effects of FTR		(192,646)	(357,267)
	Effects of minimum tax		55,668	39,288
	Effects of temporary differences		42,938	29,282
	Prior year adjustment		(1,970)	10,366
	Others		(2,877)	34,503
	Outors			
			(98,887)	(243,828)
			474.070	140,000
			171,273	148,986



36

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

Accounting Year	As per Financial Statements	As per Return/ Assessment Rupees in thousand ———
2019	109,338	-
2018	-	-
2017	47,524	43,040

	2020	2019
EARNING PER SHARE - BASIC AND DILUTED		
Profit after taxation (Rupees in thousand)	760,315	1,205,546
Weighted average number of ordinary shares	21,118,663	21,118,663
Earning per share - Rupees	36.00	57.08

There is no dilutive effect on the basic earning per share.

37 TRANSACTIONS WITH RELATED PARTIES

37.1 The related parties comprise of associate companies, directors, executives being the key management personnel and post employment contribution plan. The company in the normal course of business carries out transactions with various related parties. Balances due from and to related parties are shown under respective notes, and remuneration of executives and directors and key management personnel, being executives, have been disclosed in note 39. Transactions with related parties are as follow:

		2020 (Rupees	2019 in thousand)
Relationship	Nature of Transactions		
Associates (Common Directors)			
Al Noor Sugar Mills Limited	Purchase of GoodsDividend paid	667,173 56,096	400,991 23,098
Al Noor Modaraba Management (Pvt.) Ltd.	Share of lossShare of other comprehensive loss and item taken to equity	(285) (60)	(524) 60
Reliance Insurance Company Limited	- Insurance premium - Insurance claim	25,507 5,647	21,052 950
Others Staff Provident Fund Other related parties	- Contribution of the Company - Loan repaid during the year	6,584 -	5,848 119,201

37.2 During the year the Company entered transactions / arrangement with following related parties

Name of related parties	Relationship	Percentage	of shareholding
Reliance Insurance Company Limited	Common directorship	-	-
Al Noor Modaraba Management (Pvt.) Ltd.	Common directorship	14.29%	14.29%
Al-Noor Sugar Mills Limited	Common directorship	-	-



37.3 Outstanding balances with related parties have been separately disclosed at their respective notes to these financial statements.

Note	2020 (Rupees in t	2019 housand)
CAPACITY AND PRODUCTION IN METRIC TONS		
Sugar Division		
Installed cane crushing capacity per day (M.Tons)	11,000	11,000
No of days Mill operated	96	91
Total crushing capacity on basis of no. of days mill operated (M.Tons)	1,056,000	1,001,000
Actual crushing (M.Tons)	444,430	500,270
Sugar Production (M.Tons)	48,786	55,425

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

Ethanol Division Plant - I		
Installed ethanol production capacity per day (M.Tons)	100	100
No of days Mill operated	191	252
Total ethanol production capacity on basis of no. of days mill		
operated (M.Tons)	19,100	25,200
Production in M.Tons	17,566	24,046
Plant - II		
Installed ethanol production capacity per day (M.Tons)	100	100
No of days Mill operated	322	350
Total ethanol production capacity on basis of no. of days mill operated (M.Tons)	32,200	35,000
Production in M.Tons	30,042	33,224

The ethanol plant production capacity under-utilization is due to various technical factors and shortage of raw material.

39 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

38

The aggregate amount charged in the financial statements in respect of remuneration including all benefits to Chief Executive, Director and Executives of the Company during the year were as follows:

		2020				2019			
	Chief Executive	Executive Directors	Executives	Total	Chief Executive	Executive Directors	Executives	Total	
	Rupees in thousand								
Managerial Remuneration	5,152	6,387	26,523	38,062	4,907	9,587	21,129	35,623	
Provident fund	-	-	1,207	1,207	-	-	1,145	1,145	
Perquisite (including house rent and bonus)	2,576	3,193	27,615	33,384	2,453	4,793	21,518	28,764	
Reimbursable expenses including travelling expense	s 1,065	597	-	1,662	1,174	1,075	-	2,249	
	8,793	10,177	55,345	74,315	8,534	15,455	43,792	67,781	
Number of persons	1	1	11	13	1	2	9	12	

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

ii. Meeting fee paid to non-executive directors aggregates to Rs. 280,000 (2019: Rs.198,000) respectively.

iii. Executives are those employees whose annual basic salary is equal to or more than twelve hundred thousands



40 SEGMENT INFORMATION

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

	Sugar Division		Ethanol Division		Total	
	2020	2019	2020	2019	2020	2019
			Rupees in	thousand		
REVENUE						
External sales Note 27 Inter-segment transfers	4,053,124 367,335	3,030,870 272,175	7,090,483	6,466,682 -	11,143,607 367,335	9,497,552 272,175
	4,420,459	3,303,045	7,090,483	6,466,682	11,510,942	9,769,727
RESULTS						
Profit from operations Profit from trading activity Other Income / (Loss)	130,432 1,132 11,721	43,979 1,472 (4,140)	1,200,565 - 61,891	1,626,852 - 137,041	1,330,997 1,132 73,612	1,670,831 1,472 132,901
	143,285	41,311	1,262,456	1,763,893	1,405,741	1,805,204
Other operating expenses Finance cost Share of loss from associate Profit before tax Taxation Net profit for the year					(129,844) (344,024) (285) 931,588 (171,273) 760,315	(99,801) (350,347) (524) 1,354,532 (148,986) 1,205,546
STATEMENT OF FINANCIAL POSITION						
Assets Segment assets Unallocated Assets Long term investment Total assets	2,886,010	3,649,910	8,134,341	6,192,247	11,020,351 290,179 1,006 11,311,536	9,842,157 547,349 1,351 1 <u>0,390,857</u>
Liabilities Segment liabilities Unallocated liabilities Total liabilities	1,746,292	1,782,667	4,707,071	4,133,766	6,453,363 79,132 6,532,495	5,916,433 96,621 6,013,054
OTHER INFORMATION Additions to property, plant and equipment	210,165	37,740	51,178	504,531	261,343	542,271
Depreciation	97,489	89,100	274,796	268,611	372,285	357,711

Revenue from major customers

During the year external sales to major customers amounted to Rs. 4,109 million (2019: 4,397 million).



2020 2019 (Rupees in thousand)

Note

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various customers in Pakistan as well as outside Pakistan as follows:

Pakistan	3,698,629	2,597,003
Ghana	1,607,476	938,304
Angola	784,454	545,099
Ivory Coast	439,620	211,100
Jordan	418,549	-
Afghanistan	358,175	-
Thailand	346,361	187,185
Indonesia	306,025	-
Sierra Leone	301,400	312,898
Tanzania	280,661	289,669
Cameroon	278,909	194,884
Kuwait	267,354	-
South Korea	260,728	-
Philippines	285,796	356,351
UAE	219,645	-
IRAQ	138,873	-
Turkey	128,922	314,371
Singapore	119,257	336,063
Lebanon	116,355	-
Liberia	93,865	-
Nigeria	33,799	552,645
Taiwan	69,111	129,245
Korea	38,271	94,696
Spain	-	105,038
Italy	-	977,031
China	-	393,284
Netherlands	-	193,494
Others	551,372	769,192
	11,143,607	9,497,552



41 FINANCIAL ASSETS AND LIABILITIES

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

Mark-up / Interest Based

	Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	Total
FINANCIAL ASSETS			(I	Rupees in thous	and)		
At cost / amortised cost Long term loans Long and short term deposits Trade debts Other receivables Short term investment Cash and bank balances	2,100,000 554	:	- - - 2,100,000 554	1,820 5 207,178 604 3,781 35,835	1,224 2,429 - - - -	3,044 2,434 207,178 604 3,781 35,835	3,044 2,434 207,178 604 2,103,781 36,389
At fair value Other receivables	-	-	-	-	-	-	-
	2,100,554	-	2,100,554	249,223	3,653	252,876	2,353,430
FINANCIAL LIABILITIES							
At cost / amortised cost Long term financing Trade and other payables Accrued finance cost Short term borrowings Loan from related parties Unclaimed dividend	292,123 56,261 3,641,288 - - 3,989,672		56,261 - 3,641,288 - -	965,113 31,816 - 48,135 9,599 1,054,663	- - - - -	965,113 31,816 - 48,135 9,599 1,054,663	1,455,735 1,021,374 31,816 3,641,288 48,135 9,599 6,207,947
				2019			I
	Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	Total
FINANCIAL ASSETS			(I	Rupees in thous	and)		
At cost / amortised cost Long term loans Long and short term deposit Trade debts Other receivables Short term investment	200,000	- - - -	- - - - 200,000	5,048 12 459,571 267 714	2,214 2,429 - - -	7,262 2,441 459,571 267 714	7,262 2,441 459,571 267 200,714
Cash and bank balances	247	-	247	62,002	-	62,002	62,249
At fair value Other receivables			<u>-</u>	84	-	84	84
	200,247						

2020

Non-Mark-up / Non-Interest Based

1,699,373 1,076,072 39,816

3,112,830

5,982,362

48,135

6,136

996,511

39,816

48,135

6,136

1,090,598

FINANCIAL LIABILITIES

At cost / amortised cost
Long term financing
Trade and other payables
Accrued finance cost

Short term borrowings

Unclaimed dividend

Loan from related parties

358,560

79,561

3,112,830

3,550,951

1,340,813

1,340,813

1,699,373

3,112,830

4,891,764

79,561

996,511

39,816

48,135

6,136

1,090,598



42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

42.1 Financial Risk Management Objectives

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

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

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

The information about the Company's exposure to each of the above risk, the Company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital, is as follows;

A Credit risk

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

2020
2019

Loans 3,044	7.262
Long and short term deposits Trade debts Other receivables Short term investment 2,434 207,178 604 2,103,781	2,441 459,571 351 200,714
Bank balances 35,539 2,352,580	61,199

Loans and advances

These represent loans to employees against which the Company pursues for the recovery through monthly deductions from salaries of these employees and also the Company retains right to adjust retirement balance in case of default hence there is no significant credit risk in this respect. Certain loans are receivable from growers; however, considering the uncertainty about their recovery an impairment allowance is made there against as disclosed in note 13.

Deposits

These represent security deposits against utilities and other services and contracts. These are not significant and further based on past experience and credit worthiness of the counterparties the Company does not expect that these counter parties will fail to meet their obligations hence the Company believes that it is not exposed any significant credit risk in respect of deposits.

Trade debts

Trade debts are due from local and foreign customers. The Company manages credit risk in respect of trade debts interalia by obtaining advance against sales / or through letter of credits and by monitoring and follow up of customers. All the export debts are secured under irrevocable letter of credit, document acceptance contracts and other acceptable banking instruments. Further the Company actively pursue for the recovery and the significant amounts have been recovered subsequent to the year end date. Futhermore, these are neither past due nor impaired, hence no impairment allowance is necessary in respect of trade debts. Aging of trade debts is as follows:

1 to 6 months	207,178	459,571
---------------	---------	---------



Short term investment and Bank balances

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

The bank balances along with credit ratings are tabulated below:

	Long Term Ratings	Short Term Ratings	2020 Rupees i	2019 n thousand
In Local Currency				
I Inited Double Limited	A A A	A-1+	0.040	4F 240
United Bank Limited	AAA		8,040	15,318
Allied Bank Limited	AAA	A-1+	490	934
MCB Bank Limited	AAA	A-1+	3,681	16,206
Standard Chartered Bank (Pakistan) Limited	AAA	A-1+	968	2,091
National Bank of Pakistan Limited	AAA	A-1+	5,964	2,869
Faysal Bank Limited	AA	A-1+	504,212	1,791
BankIslami Pakistan Limited	A+	A-1	440	195
JS Bank Limited	AA-	A-1+	47	47
Al-Baraka Bank (Pakistan) Limited	Α	A-1	8,088	4,952
Soneri Bank Limited	AA-	A-1+	40	40
Meezan Bank Limited	AA+	A-1+	1,605,027	204,384
Habib Bank Limited	AAA	A-1+	584	1,035
Habib Metropolitan Bank Limited	AA+	A-1+	811	2,943
Dubai Islamic Bank Pakistan Limited	AA	A-1+	93	93
Samba Bank Limited	AA	A-1	478	478
Bank Al-Habib Limited	AA+	A-1+	308	7,783
In Foreign Currency				
Habib Bank Limited	AAA	A-1+	49	40
			2,139,320	261,199

Financial assets that are either past due or impaired

The credit quality of financial assets that are either past due or impaired is assessed by reference to past experience and external ratings or to historical information about counter party default rates.

As at the reporting date amounts of Rs. 25.018 million (2019: 25.018 million) receivable from growers were past due against which impairment allowance have been made. These past due loans to growers are outstanding for more than three years.



B Liquidity risk

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

Year ended 30 September 2020	On demand maturity	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total	
	(Rupees in thousand)						
Long term financing	-	31,250	260,873	904,143	259,469	1,455,735	
Trade and other payables	-	274,673	746,701	-	-	1,021,374	
Accrued finance cost	_	24,456	7,360	-	-	31,816	
Short-term borrowings	-	171,288	3,470,000	-	-	3,641,288	
Loan from related parties	48,135	-	-	-	-	48,135	
Unclaimed dividend	9,599	-	-	-	-	9,599	
	57,734	501,667	4,484,934	904,143	259,469	6,207,947	

Year ended 30 September 2019	On demand maturity	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
			···· (Rupees in	thousand) ······		
Long term financing	-	57,362	301,198	1,156,126	184,687	1,699,373
Trade and other payables	-	312,491	754,562	-	-	1,067,053
Accrued finance cost	-	10,160	29,656	-	-	39,816
Short-term borrowings	-	57,830	3,055,000	-	-	3,112,830
Loan from related parties	48,135	-	-	-	-	48,135
Unclaimed dividend	6,136	-	-	-	-	6,136
	54,271	437,843	4,140,416	1,156,126	184,687	5,973,343

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2020 the Company has Rs. 2,589 million (2019: Rs. 2,917 million) available unutilized short term financing limit from financial institutions and also has Rs. 35.539 million (2019: Rs. 62.249 million) being cash and bank balances. The Company has also made investment of Rs. 2,103.781 million (2019: Rs. 200.714 million) in short term securities which can be realised as well.

C Market Risk

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



D Interest/ mark-up rate risk management

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

	Effective interest rates 2020	Carrying 2020 (Rupees in	2019
Financial Liabilities			
Variable Rate Instruments			
Long term financing Trade and other payables Short term borrowings	See Note 21 See Note 22 See Note 24	846,250 56,261 3,641,288	1,073,473 79,561 3,112,830
		4,543,799	4,265,864
Financial Assets			
Fixed Rate Instruments			
Short term investment Bank balances (PLS savings)	See Note 16 See Note 17	2,100,000 554 2,100,554	200,000 247 200,247
Net exposure		2,443,245	4,065,617

Fair value sensitivity analysis

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

Cash flow sensitivity analysis

An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased /increased profit for the year before tax by the amount of Rs. 24.433 million (2019: Rs. 46.92 million) assuming that all other variables remains constant.



Foreign exchange risk management

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

Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivables / payable from / to the foreign entities and foreign currency bills payable. Management regularly analyses and monitors exchange rates and in appropriate cases, the Company takes out forward contracts to mitigate risk. The Company's exposure to foreign currency risk is as follows:

		2020		2019	2020 (Rupees in	2019 thousand)
Statement of Financial Position Exposi	ure					
Foreign debtors Bank balances	\$ \$	1,155,816 258	\$ \$	2,523,993 258	191,750 49 191,799	394,122 40 394,162
Off Statement of Financial Position Exp	osu	re			=====	
Commitments US Dollars EUROS Forward-exchange contract	\$	58,862 24,914 -	\$ €	410,082 22,542 2,000,000	9,795 4,863 14,658	64,239 3,845 68,084 313,300
Toward oxonarige contract	Ψ		Ψ	2,000,000		
The following significant exchange rates h	nave	been applied:			2020	2019
Rupee per USD						
Average rate Reporting date rate - Selling Reporting date rate - Buying					166.15 166.40 165.90	156.40 156.65 156.15
Rupee per Euro						
Average rate Reporting date rate - Selling Reporting date rate - Buying					194.92 195.21 194.62	171.05 171.32 170.77

Sensitivity analysis

A 10 percent strengthening / weakening of the PKR against USD at 30 September would have decreased / increased profit before tax by the amount of Rs. 19.179 million (2019: Rs. 39.416 million). The effect of commitments in foreign currency would have been Rs. 1.465 million (2019: Rs. 6.80 Million) .This analysis assumes that all other variables, in particular interest rates, remain constant.



F Capital risk management

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

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure. The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During 2020 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2020 and 2019 were as follows:

2020		2019
(Rupees	in	thousand)

Total borrowings Less: Cash and bank Net debt Total equity

Total equity and debt

Gearing ratio (%)

5,145,158	4,860,338
(36,389)	(62,249)
5,108,769	4,798,089
4,779,041	4,377,803
9,887,810	9,175,892
51.67%	52.29%

43 FAIR VALUES / MEASUREMENT

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

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

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

Management assessed that the fair values of cash & cash equivalent, short term investment and short term deposits, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value. Fair value of forward contracts is determined using level 2 input.

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



Land and Building The valuation is considered on the factors of location, need of the

buyers, the overall prevailing market situation and other

considerations linked with this.

Plant and Machinery and office equipment Factors taken into consideration in order to assess the present

value of the machinery and equipments include Make, Model, Quality, Operational Capacity, Existing Condition, Demand and

Resale Prospects, Depreciation and Obsolescence etc.

2020 2019 (Rupees in thousand) **Un-audited Audited**

44 PROVIDENT FUND RELATED DISCLOSURES

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

83,702 Size of the fund - Total assets 69,942 Cost of investments made 66,090 79,787 Percentage of investments made 95.32% 94.49% Fair value of investments 79,787 66,090

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

Meezan Amdani Certificate Saving accounts with banks

2020		2019		
Rs. 000s	%	Rs. 000s	%	
Un-au	ıdited	Audited		
78,500 1,287	98.39% 1.61%	65,000 1,090	99.18% 0.82%	
79,787	100.00%	66,090	100.00%	

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

45 **NUMBER OF EMPLOYEES**

Number of persons employed as on year end were 377 (2019: 391) and average number of employee during the year were 417 (2019: 431).

DATE OF AUTHORIZATION 46

These financial statements were authorized for issue in the Board of Directors meeting held on December 21, 2020.

47 SUBSEQUENT EVENTS

Subsequent to the year ended September 30, 2020, the Board of Directors has proposed a final cash dividend of Rs. 253.424 million at 120% i.e. Rs. 12 per share of Rs. 10 each (2019: Rs. 359.02 million at 170% i.e. Rs. 17 per share of Rs. 10 each) in their meeting held on December 21, 2020 subject to the approval of the members at the Annual General Meeting scheduled to be held on January 28, 2021.



48 GENERAL

- **48.1** Comparitive figures have been re-arranged and re-grouped where considered necessary for more appropriate presentation and comparison including adjustment of Rs. 6.256 million between cost and accumulated depreciation of plant and machinery.
- **48.2** Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.

ZIA ZAKARIA Managing Director & CEO AZIZ AYOOB Director **ZAID ZAKARIA**Chief Financial Officer



PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON SEPTEMBER 30, 2020

NO. OF SHARESHOLDERS		SHARE HOLDING	S	TOTAL SHARES HELD
1374	1	То	100	30,922
556	101	То	500	143,978
136	501	То	1000	114,683
174	1001	То	5000	411,554
37	5001	То	10000	273,052
15	10001	То	15000	191,417
10	15001	То	20000	179,881
9	20001	То	25000	203,517
1	25001	То	30000	28,500
2	30001	То	35000	62,470
2	40001	То	45000	83,813
1	45001	То	50000	49,000
1	55001	То	60000	59,900
2	60001	То	65000	129,316
1	75001	То	80000	77,000
1	90001	То	95000	94,200
1	95001	То	100000	100,000
1	105001	То	110000	110,000
1	110001	То	115000	112,200
1	115001	То	120000	115,909
2	130001	То	135000	266,706
2	145001	То	150000	294,175
2	155001	То	160000	313,866
1	175001	То	180000	180,000
3	180001	То	185000	551,003
1	185001	То	190000	185,514
1	200001	То	205000	204,553
2	205001	То	210000	411,119
1	215001	То	220000	218,086
2	220001	То	225000	445,991
1	225001	То	230000	226,624
1	265001	То	270000	267,838
1	285001	То	290000	288,924
1	305001	То	310000	308,500
1	310001	То	315000	313,040
1	360001	To	365000	360,263
2	375001	То	380000	755,669
1	395001	<u>T</u> o	400000	400,000
1	410001	To	415000	410,210
1	420001	То	425000	422,428
1	515001	To	520000	520,000
1	570001	То	575000	571,845
3	585001	То	590000	1,763,305
1	640001	To	645000	644,346
1	665001	To	670000	666,566
1	910001	To	915000	910,999
1	960001	To	965000	964,787
1	1005001	To	1010000	1,009,000
1	1370001	To	1375000	1,372,210
1	3295001	То	3300000	3,299,784
2366				21,118,663

CATEGORIES OF SHAREHOLDING AS ON SEPTEMBER 30, 2020

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	2330	13,169,891	62.36%
2	INSURANCE COMPANIES	1	23,551	0.11%
3	JOINT STOCK COMPANIES	20	5,221,782	24.73%
4	FINANCIAL INSTITUTIONS	4	1,010,558	4.79%
5	MUTUAL FUND	1	1,372,210	6.50%
6	MODARABAS	1	15	0.00%
7	OTHERS	9	320,656	1.52%
	TOTAL:-	2366	21,118,663	100.00%



CATEGORIES OF SHAREHOLDING AS AT SEPTEMBER 30, 2020

Categories of Shareholders	No. of Share holders	Sheres Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES			
Al-Noor Sugar Mills Ltd. Reliance Insurance Co. Ltd. Noori Trading Corporation (Pvt.) Ltd. Zain Trading Corporation (Pvt.) Ltd.	1 1 1 2	3,299,784 23,551 666,566 1,023,199	15.62% 0.11% 3.16% 4.84%
NBP, NIT & ICP			
NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT NATIONAL BANK OF PAKISTAN TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST. TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1 1 1	100 1,358 7,757 221,055	0.00% 0.01% 0.04% 1.05%
MUTUAL FUND			
CDC TRUSTEE NATIONAL INVESTMENT (UNIT) FUND	1	1,372,210	6.50%
DIRECTORS , CEO & THEIR SPOUSES AND MINOR CHILDREN			
MR. ABDUL AZIZ AYOOB MR. NOOR MOHAMMAD ZAKARIA MR. ZIA ZAKARIA MRS. SANOBER HAMID ZAKARIA MR. ASAD AHMED MOHIUDDIN MR. NAEEM AHMED SHAFFI MRS. MEHRUNNISA A. AZIZ (W/O A. AZIZ AYOOB) MRS. SHAHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD ZAKARIA)	1 1 1 1 1 1 1	204,553 587,769 422,428 10,641 571,845 1,000 43,613 587,769	0.97% 2.78% 2.00% 0.05% 2.71% 0.00% 0.21% 2.78%
PUBLIC SECTOR COMPANIES AND CORP.	1	1,009,000	4.78%
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND.	2	115	0.00%
JOINT STOCK COMPANIES	16	232,233	1.10%
OTHERS	7	91,844	0.43%
GENERAL PUBLIC	2322	10,740,273	50.86%
TOTAL:-	2366	21,118,663	100.00%

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

EMPLOYEES OLD AGE BENEFITS INSTITUTION 1,009,000
CDC TRUSTEE NATIONAL INVESTMENT (UNIT) FUND 1,372,210
AL-NOOR SUGAR MILLS LIMITED 3,299,784

Details of trading in the shares by the Directors, Excutives and their spouses and minor children: None of the Directors, Executive and their spouses and minor Children has traded in the shares of the Company during the year.



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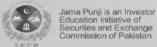
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بورڈ کے شخیص کے لئے مکینزم:

بورڈ اور بورڈ کی کمیٹی کے ممبران انتہائی حجربہ کارعملہ ہیں اور اپنی تا ثیر کوبہتر بنا نے اور بورڈ کی کارکردگی کا جائزہ لینے کے لئے سالانہ جائزہ لینے کے لئے ستقل حدو جہد کرر ہے ہیں۔ بورڈ کار پوریٹ سیٹر اور گورننس میں ہونے والی پیشرفتوں کا بھی جائزہ لیتا ہے تا کہ یہ تینی بنایا جاسکے کہ کمپنی بہترین طرزعمل کے ساتھ جڑی ہوئی ہے۔

منافع Dividend:

ڈ ائر کیٹرز نے فائنل کیش ڈیویڈ ٹڈ 120% فیصد کی شرح سے یعنی 12.00 روپے فی 10 روپے والی مالیت کے شیئر کی سفارش کی ہے۔ (2019:170% i.e, Rs. 17.00 per Share of Rs. 10/=each)

آ ڈیٹرزی تقرری:

موجودہ آڈیٹر میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی چارٹرڈ اکاؤنٹینٹ اس سالانہ جنرل میٹنگ (AGM) کے اختتام پرریٹا بیڑ ہور ہے ہیں اور اہل ہونے کی بنا پر انہوں نے دوبارہ تقریری برائے 2020-21 کی پیشکش کی ہے۔ آڈٹ کمیٹی نے بھی ان کی 2020-21 تقریری کی سفارش کی ہے۔ آپ کی کمپنی کے بورڈ نے بھی آڈٹ کمیٹی کی سفارش کو Endorse کیا ہے کہ میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی چارٹرڈ اکاؤنٹینٹ کو آگی سالانہ جنرل میٹنگ کے اختتام تک کیلئے کو تقرر کیا جا ہے۔

عملے کے تعلقات (Staff Relation):

آخر میں ڈائز یکٹرز، ایگز یکٹو، اسٹاف ممبرز اور ورکرز کی تقریب کوریکارڈ پرلانا چاہتے ہیں کہ انہوں نے پورے سال سخت محنت اور Devotion سے کام کیا اور کئی گئر نہوں نے اعتاد کا کہین کے معاملات کو Smooth طریقے پر چلا یا اور موجودہ مسابقتی رجحان کے دور میں کمپنی کے معاملات کو ماصل کیے۔ انہوں نے اعتاد کا اظہار کرتے ہوئے توقع ظاہر کی کہ وہ اللہ تعالی کے فضل و کرم سے آئندہ بھی اسی جذبے اورلگن سے کام کریں گے۔

اعزيزايوب

Air Ano

وائزيكثر

بحكم بورد في المراكز ا

*ضياءز*کريا

جَنَّكُ ذَا رُيكُمْ/ چِيفِ اليَّزِيكُثِيوَ فيسر (CEO)

کراچی : 21 دسمبر،2020



يار ٹيول سے متعلقہ لين دين:

تمام متعلقہ پارٹیوں کی لین دین بورڈ کی آڈٹ کمیٹی میں رکھی جاتی ہیں۔ پاکستان اسٹاک ایکیپینچ کے لسٹنگ ریگولیشن کے تحت بورڈ سے تئی منظوری لی جاتی ہے۔ متعلقہ پارٹیوں کا تمام لین دین جو کہ 18-2017 میں طے کیا گیا تھاوہ سب کمپنی ایکٹ 2017 کی ثق 208 کے تحت ممبران کے سامنے پیش کیا گیا تھااور ممبران نے اٹکی منظوری بھی دی۔

قومی خزانے میں حصّہ:

کمپنیٹیکس، ڈیوٹی کی صورت میں بھی ملکی وسائل میں اضافہ کررہی ہے اور چینی اور ایٹھنول کی برآمد کے ذریعے زرمبادلہ کمارہی ہے۔ زیرجائزہ مدت کے دوران آپ کی کمپنی نے 45,807 میٹرکٹن ایٹھنول اور 6,536 میٹرکٹن چینی برآمد کی ہے اوراس ملک کے لئے فیتی زرمبادلہ حاصل کیا ہے۔

رسك مينجمنط اورمواقع:

کمپنی ایک مشکل ماحول میں کام کرتی ہے اورانتظامیہ نے خطرے کی نشاندہی آشخیص اور تخفیف کے لئے ایک موٹر طریقہ کار مرتب کیا ہے جوآسانی سے چلانے کے قابل بنا تا ہے اوراس بات کویقینی بنا تا ہے کہ کاروبار کی نشوونما پر توجہ مرکوزر کھے۔

كريديي رسك:

آپ کی کمپنی پراڈکٹس کی فروخت عموماً ایڈوانس پےمنٹ پر کرتی ہے لیکن کریڈٹ پر مال کی فروخت کے کیس میں خریدارجسکو کریڈٹ پر مال دیاجار ہاہے کو مناسب طریقہ کارے گذرنا پڑتا ہے۔

ماركيك رسك:

کمپنی کواپنے خام مال اور تیار شدہ مصنوعات کی قیمتوں میں تنبہ ملی کا خطرہ لاحق ہے۔اس کاا ہتمام اسٹا ک کی سطح کی منصوبہ بندی اور بروقت خریداری اور فروخت کے لئے مارکیٹوں کی مستقل نگرانی کے ذریعے مختلف وسائل کے ذریعے اور وقفوں سے موزوں پایاجا تاہے۔

ليكويد يني رسك:

کمپنی نے اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لئے مختلف بینکوں سے کاروباری سرمایے کی ضروریات کا انتظام کیا تا کہ فروخت کی وصولیوں اور خریداریوں کے لئے ادائیگی کے مابین مطابقت پیدا نہ ہو۔ بورڈ وقتا نوقتا کاروبار کو درپیش بڑے خطرات کا جائزہ لیتا ہے اوراس خطرے کو کم کرنے کے لئے ضروری اقدامات کرتا ہے۔ آڈٹ کمیٹی معاوضے اور انعام کی پالیسیوں کا جائزہ لیتی ہے۔ ہیومن ریسورس اینڈریموزیشن کمیٹی معاوضے اور انعام کی پالیسیوں کا جائزہ لیتی ہے تا کہ پیقینی بنائے کہ وہ باصلاحیت اور تجربہ کار عملے کی برقراری اور شش کے لئے مسابقتی اور موثر ہیں۔



مستبقل پرجائزه:

لاک ڈاؤن کے اقدامات آہستہ آہستہ اٹھائے جارہے ہیں اور حکومت نے سود کی شرح برقر ارر کھنے ہنخواہ قرضوں کو کم شرح پر برقر ارر کھنے اور طویل مدتی قرضوں کی التوا کے ذریعہ کاروباری اداروں کی حوصلہ افزائی کے لئے جار جانہ معاشی اقدامات کیے ہیں جس سے معیشت پر شبت اثرات مرتب ہوں گے۔

شوگراد و پیژن:

حکومت سندھ نے گئے کی قیمت کانوٹیفکیشن =/202 روپے فی چالیس کلوگرام مقرر کیا ہے اس کے مقابلہ میں =/192 روپے گذشتہ سیزن میں مقرر کیا گیا۔ پانی کی دستیابی میں کمی اور شوگر کین کی امدادی قیمت کے دیر سے اعلانات کی وجہ سے زیریں سندھ میں فصل کی دستیابی کم ہے ۔ مل کومعاشی پیما نے پر چلانے کے لیئے خام مال بہت فاصلے سے حاصل کرنا پڑتا ہے اور نقل وحمل کے لئے اضافی قیمت ادا کی جاتی ہے جس سے پیداوار کی لاگت میں اضافہ ہوتا ہے۔

استقنول ڈویژن:(Ethanol Division)

راب چینی کی by-product ہے اور گنے کی عدم دستیا بی کی وجہ سے راب پیداوار میں کا فی حد تک کمی واقع ہوئی ہے۔اس کے نتیج میں راب کی قیمت میں کافی حد تک اضافہ ہوا ہے۔ یہ خدشہ ہے کہ آئندہ سال کے دوران خام مال کی بڑی ہوئی قیمتوں کی روثنی میں منافع کے مارجن میں کمی واقع ہوسکتی ہے۔ایتھنول ڈویژن کی شراکت میں بہتری لانے کے لئے انتظامیہ جار جانہ طور پر مناسب قیمت پر راب کی خریداری کے لئے مختلف راستوں پرعمل پیرا ہے۔

كېينى كى كريدك رلينگ:

جے سی آر ۔ وی آئی ایس (JCR- VIS) کریڈیٹ ریٹنگ کمپنی کی ابتدائی میڈیم سے لونگ ٹرم ریٹنگ کے مطابق ہما ری کمپنی کو (A-/A-2" (Single A Minus/A-Two) "کاورجہ یا ہے یعنی میڈیم سے لانگ ٹرم ریٹنگ میں ہماری کمپنی کو Stable یعنی مستحکم قرار دیا ہے۔

کار پوریٹ اور سوشل ذمہ داری (CSR):

کمپنی نے کارپوریٹ ذمہ داری کونبا ہتے ہوئے اپنے فرانحچائز ایریابیں کئی فلاجی سرگرمیاں شروع کیں۔سکنڈری لیول تک ایک اسکول قائم کیا۔میڈیکل کیمپ تھو ٹرے تھوڑے وقفے سے لگائے مستحق لوگوں کی مالی امداد کی ، کاشٹکاروں کوکھا د فراہم کی ضرورت مندافراد کومفت راشن ، بیارافراد ،میڈیکل کی سہولیات فراہم کیں۔

ماحوليات اوركميني كابرنس يا كاروبار:

مینجمنٹ ماحولیات کی بحالی اوراسے برقر ارر کھنے کی ذمہ داری ہے بخو بی آگاہ ہے تا کہ اس کے منفی اثرات کا ازالہ کیا جا سکے اور وہ معاشرے کی دیر پاخطوط پرترقی کیلئے کوشاں ہے۔ آپ کی کمپنی نے بیع ہد کیا ہے کہ وہ فضلہ اور اخراج کو کم کرکے ماحول پر اس کے پڑنے والے منفی اثرات کو کم سے کم کیا جائے تا کہ گا ہک، پڑوی اور عوام کی صحت اور حفاظت کولیٹین بنایا جاسکے۔ آپ کی مینجمنٹ نے ماحول کی بہتری کے لیے وقتاً فوقتاً درخیوں کے لگانے کی اسکیم کرتی رہتی ہے۔



درج	شركت	عبده	ڈائزیکٹرز کے نام	
انڈیبینڈینٹ(آزاد)ڈائزیکٹر	4	چيئر مين	جناب نعيم احمد شفيع	()
نان ایگزیکٹیو	4	ممبر	جناب <i>نور محدز کر</i> یا	(r
نان ایگز یکٹیو	3	ممبر	مسزصنو برحامدز كريا	(٣

یا کستان اسٹا ک ایجینی کے کسٹنگ رگولیشن کی گائیڈ لائن کی روشنی میس کمیٹی کے ٹرم آف ریفرنس (TOR) تیار کیے گئے ہیں۔

انسانی وسائل اورمعاوضه کمیٹی:

پاکستان اسٹاک ایجیجنج کے لسٹنگ ریگولیشن میں دی گئی گائیڈ لائن کے مطابق بورڈ نے ایک انسانی وسائل اور معاوضہ کمیٹی تشکیل دی گئی ہے جو کہ مندر جہذیل ڈائزیکٹرزیر شتمل ہے۔

درجہ	عہدہ	ڈائز یکٹرز کے نام	
آ زاد ڈائریکٹر	چيئزمين	جناب خرم آفتاب	(1
نان الگزيكڻيوڙ ائزيكٹر	ممبر	جناب نور محمدز کریا	(r
ا يگزيکڻيوڙ ائريکٹر	ممبر	جناب ضياءز كريا	(٣

اس ملّات کے دوران کمیتی کاایک اجلاس ہواجس میں تمام ڈائریکٹرزشریک ہوئے۔

دُّائر بَكِمْرز كامشاهره ياليسي اورمشاهره كي تفصيلات:

کمپنی کے آرٹیکلز کے مطابق بورڈ آف ڈائریکٹرز کووقتاً فوقتاً نان ایگزیکٹیواور آزادڈ ائریکٹرز کامشاہرہ طے کرنے کااختیار ہے، کمپنی اور کمپنی ایکٹ 2017 کے آرٹیکل اور قابل اطلاق قوانین کی تصدیق کے مطابق عام اجلاس میں ممبروں کی منظوری ضروری ہے۔ بورڈ آف ڈائریکٹرزنے ڈائریکٹر ان کی مشاہرہ پالیسی تیار کی سے جس میں پالیسی کے مقاصد کی تفصیل اور بورڈ اور اس کے عہدوں کے اجلاسوں میں شرکت کے لئے انفرادی ڈائریکٹرز کے مشاہرہ کے پیکیج کے تعین کے لئے شفاف طریقہ کاربیان کیا گیاہی۔

ڈ ائز یکٹر کی مشاہرہ پالیسی کی دوسروں کے ساتھ نمایاں خصوصیات میں مشاہرہ پالیسی کی سطح میں یہجی شامل ہے کہ مشاہرہ کے معیار کی سطح مسابقتی اور تقابلتاً ہوگی تا کہ بورڈ میں اہل اور ہنرمندافراد کوراغب کرنے اور برقر ارر کھنے کے لئے کافی ہوگی۔اورمشاہرہ کی سطح اس طرح نہیں ہوگی جس میں سمجھاجا سکتا ہے کہ وہ ڈائز یکٹرز سے سمجھونة کر سکتے ہیں۔ایگز یکٹیواور نان ایگز یکٹوڈ ائز یکٹرز کومشاہرہ کی مجموعی تفصیلات نوٹ 37 میں مالی حسابات میں ظاہر کی گئی ہے۔



10) تمام ڈائر یکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی کے سیریٹری اورائلی بیگات یا چھوٹے بچے جنہوں نے کمپنی شیئر میں کوئی کاروبار نہیں کیا ماسواتے ان کے جن کے نام رپورٹ میں دینے گئے ہیں۔

11) 30 جون 2020 کے غیر آڈٹ شدہ اکاؤنٹس کی بنیاد پراویڈنٹ فنڈ کی سرمایہ کاری اورڈ پا زٹ اکاؤنٹس میں بیلنس کی رقم 83.702 ملین روپے کے مجموعی اثاثوں میں سے 79.787 ملین روپے ہے۔

پچھلے 10 سالوں کے چیدہ چیدہ آپریٹنگ اور فنانشل اعداد شار اور شیئر ہولڈنگ کا پیٹرن بھی سالاندر پورٹ میں شامل کیا گیا ہے۔ ڈائریکٹرز اوران کی شریک حیات کے شیئر ہولڈنگ میں کوئی نمایاں تبدیلی نہیں آئی ہے ماسوائے ان کے جنکاذ کرریورٹ میں کیا گیاہے۔

بوردٔ آف دُائر يَكْرز كَيْشكيل (Composition)

بورڈ کے تمام ممبران، ایگزیکٹوز اور عملہ ہمارے مرحوم چیئز مین جناب اسماعیل انچ زکریا کے غمز دہ انتقال پر گہرے رنج وغم کا شکار ہیں جن کا 62 مئی 2020 کو انتقال ہو گیا۔ اللہ تعالیٰ انہیں مغفرت عطافر مائے ، ان کی قبر کوروش فرمائے ۔ اسے جنت الفردوس میں اعلی مقام حاصل ہو۔ آمین ۔ ان کے غمز دہ انتقال پر بورڈ نے مسٹر اسم کی الدین کوڈ ائزیکٹر بھی مقرر کیا۔ نے مسٹر اسم کی الدین کوڈ ائزیکٹر بھی مقرر کیا۔

زیرغورمدت میں بورڈ کے جارا جلاس ہوئے اور ہرڈ ائریکٹر کی موجودگی اس طرح رہی۔

			_
درجہ	شرکت	ڈائریکٹرز کے نام	
نان الگزيکڻيو	2	جناب اساعیل ایچ زکریا	(1
ا يگز يکڻيو	4	جناباءعزيزا يوب	(٢
نان الگزيكڻيو	4	جناب نورمحمدز کریا	(٣
ا يگز يکڻيو	4	جناب ضياءز كريا	(~
نان الگزيكڻيو	3	مسسر صنو برحامد ز کریا	(3
آ زاد دائر یکٹر	4	جناب نعيم احمد شفيع	(1
آ زاد ڈائر یکٹر	4	جناب خرم آفتاب	(2

فنانشل اسٹیٹمنٹ کے متعلقہ نوٹس میں ایگزیکٹواور نان ایگزیکٹوڈ ائریٹر نر کے مالی معاوضہ جات کی تفصیل جو کہ پاکستان اسٹاک ایکپچپنج کمیٹیڈ کے اسٹنگ ریگولیشن کے تحت درکار ہیں میں دی گئی ہیں۔نان ایگزیکٹوڈ ائریکٹرز کومیٹینگ فیس کے علاوہ کوئی معاوضہ نہیں دیا گیا۔

آ د کیلی:

بورڈ نے ایک آڈٹ کمپنی بھی تشکیل کی ہے جو کہ مندر جہذیل ڈائز یکٹرز پرمشتل ہے جسکی زیرنظر عرصہ میں اب تک 4میٹنگز ہو چکی ہیں جن میں ان ڈائز یکٹرز کی



کارکردگی کاجائزه:

شوگرڈ ویژن (Sugar Division)

الحداللہ، کمپنی کی کارکردگی تسلی بخش رہی۔جائزہ کے دوران ریکوری کی شرح 11.08 فیصد سے کم ہوکر 11.00 فیصد ہوگئی جو گئے کی کم معیار کی وجہ سے تھی۔ چینی کی پیداوار 48,786 میٹرکٹن کے مقابلے میں 12 فیصد کم ہے۔اس کی وجہ ملک میں گئے کی فصل کی قلت ہے۔توقع ہے کہ اگلے سال کے دوران ملک میں گئے کی فصل میں معمولی بہتری آئے گی۔

ایتھنول ڈویژن:

جائزے کے دوران استھنول پلانٹ نے اطمینان بخش کام کیااور گذشتہ سال 57,271 میٹرکٹن کے مقابلے میں 47,608 میٹرکٹن استھنول پیدا کیا۔ جب پچھلے سال کی پیداوار کے مقابلے میں اس سال پیداوار 16.87 فیصد کم رہی۔ استھنول کی پیداوار میں کمی ملک میں راب کی کمی کی وجتھی۔ آپ کی کمپنی نے 45,807 میٹرکٹن استھنول برآمد کیا جبکہ اس سے گزشتہ سال 60,645 میٹرکٹن برآمد ہوا تھااور اس کمپنی نے ملک کے لئے قیمتی زرمبادلہ حاصل کیا تھا۔ پلانٹ کی صلاحیت کے زیادہ سے زیادہ استعال کو یقینی بنانے کے لئے انتظامیہ نے مختلف مصنوعات کے مرکب کو تیار کرنے کے لئے وسیع پیانے پر کام کیا ہے۔

کار پوریٹ گورننس کے بہترین طریقوں کے ساتھ تعمیل کابیان:

- 1) مینجمنٹ نے جوفنانشیل اسٹیمنٹ تیار کیا ہے اسمیں کمپنی کے تمام امور بشمول آپریشن رزلٹ، کیش فلو اور Equity کی تبدیلی شامل ہیں۔
 - 2) قانون کے مطابق بک آف اکاؤنٹس (Books of Account) کے ریکارڈ کی تیاری اور دیکھ بھال۔
- 3) فنانشل اسٹیٹمنٹ کی تیاری میں مناسب اکاؤنٹنگ پالیسز کوئدنظر رکھنا۔ نیز اکاؤنٹنگ اسٹیٹمنٹ (Accounting Estimates) کی بھی مناسب پروڈ نٹ ججمینٹ کی روشنی میں تیاری۔
 - 4) فنانشنل اسٹیٹمنٹ کی تیاری میں یا کستان میں مروج بین الاقوا می رپورٹنگ کوئدنظرر کھنا۔
- 5) کمپنی کے اندورنی کنٹرول کا نظام بہت عمدہ طریقے پرڈیزائن کیا گیا ہے جسکونہایت موثرطریقے سے نافذ کیا گیا ہے اوراسکی بروقت دیکھ بھال کی جاتی ہے۔
 - 6) اسمیں کوئی شک نہیں ہے کہ پینی روزمرہ کے مسائل اور خدشات پر قابور کھنے کی بہتر صلاحیت رکھتی ہے۔
 - 7) كار پوريٹ گوريننس كے بهترين طريقه كارجسكي تفصيل لسيٽنگ (Listing) ريگوليشن آف پا كستان اسٹاك ايجينج
- (Regulations of Pakistan Stock Exchange) میں درج ہے کے تت تمام امور طے کیئے جاتے ہیں اور ان سے قطاانحراف نہیں کیا جاتا۔
- 8) کمپنی کے ذمے کوئی دیریا قانونی ادائیگی نہیں ہے ماسوائے ان کے جنگی ادائیگی ناریل برنس کے تحت کرنی ہوتی ہے۔ نیزان متنا زع کمیسز کی تفصیل فنانشل اسٹیٹمنٹ (Financial Statements) کے متعلقہ نوٹس میں دی گئی ہے۔
 - 9)30 ستمبر 2020 كوكمپني مين شيئز مولڈ نگ كاپيٹرن (Pattern) بھي سالاندر پورٺ مين شامل كيا گيا ہے۔



ڈائر یکٹرزر پورٹ برائے ممبران

شروع کرتا ہوں اللہ کے نام سے جو بہت مہر بان اور رحم کرنے والاہے میرے لیے بینہایت خوثی کی بات ہے کہ میں آج بورڈ آف ڈائز یکٹرز کی جانب سے 30ستمبر 2020 کونتم ہونے والے سال کیلئے آپ کی کمپنی کی آڈٹ شدہ مالی حسابات (Financial Statements) اور آڈ بیٹرز کی رپورٹ پیش کرنے کی سعادت حاصل کرر ہا ہوں۔

2018-19	2019-20	مالياتی کار کردگی:
	(روپے ہزاروں پس)	
1,354,532	931,588	🖈 منافع قبل ازفیکس
(148,986)	(171,273)	🖈 کمیکس کے لئے فراہمی
1,205,546	760,315	🖈 منافع بعدا زهیکس
Rs.57.08	Rs.36.00	🖈 منافع فی شیئر بنیادی
نافع کمایاہے۔ کمپنی کی بنیادی سرگرمیاں	راس سال760.315 ملین روپے کام	آپ کی کمپنی نے بچھلے سال بعداز ٹیکس 1205.546 ملین روپے کے مقابلے میں
• "	•	شکرنی اورا پیشونو ل(Ethanol) ہیں۔
		کمپنی کی خاص تقابلی پیداوار اور مالی اعدادشمارینچ دیئے گئے ہیں۔
2018-19	2019-20	معلومات بإبت پيداوار
500,270	444,430	🖈 گنے کی پیائی (میٹرکٹن)
55,425	48,786	🖈 چینی کی پیداوار (میٹرکٹن)
11.08	11.00	🖈 ریکوری برائے چینی (فیصد)
23,100	19,715	🖈 پیداوار برائے راب (میٹرکٹن)
57,271	47,608	🖈 اینقنول کی پیداوار (میٹرکٹن)
(روپیهزارون مین)		مالی اعداد وشمار:
9,497,552	11,143,607	☆ فروننت ☆ لاگت برائے فروننگی
(7,487,357)	(9,551,967)	🖈 لاگت برائے فروختگی
2,010,195	1,591,640	🖈 يٺام منافع
(84,727)	(14,777)	🖈 تقسیمی لاگت
(254,637)	(245,866)	🖈 انتظامی اخراجات
(99,801)	(129,844)	🖈 دیگرعملیاتی اخراجات
(350,347)	(344,024)	🖈 مالياتی اخراجات
133,849	74,459	🖈 دیگرآ مدنی
1,354,532	931,588	🖈 قبل از شیکس منافع



PROXY FORM

I/We .			
in the	district of	being a Member of SHAHMURA	D SUGAR MILLS LIMITED
and h	older of	О	rdinary Shares as per Share
		(Number of Shares)	
Regis	ter Folio No	and/or CDC Participant I.D. No and S	ub Account No
hereb	y appoint	of	
or faili	ng him		
of		also a member; as my/our	Proxy in my/our absence to
attend	and vote for m	ne/us at the 42nd Annual General Meeting of the Company to be held o	n the 28th day of January two
thousa	and Twenty On	e at 11:30 a.m. and at any adjournment thereof :	
Signe	d this	day of	2021
WITN	ESSES:		
1.	Signature		
	Name:		Rupees five
	Address		Revenue
			Stamp
	NIC or Passport No.		
2.	Signature		
	Name:		
	Address		
	NIC or		
	rassport NO.		Signature of Member(s)

NOTE:

- 1. This Proxy Form, duly completed and signed, must be received at the office of our Shares Registered office not later than 48 hours before the time of holding the meeting.
- 2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- For CDC Account Holders / Corporate Entities

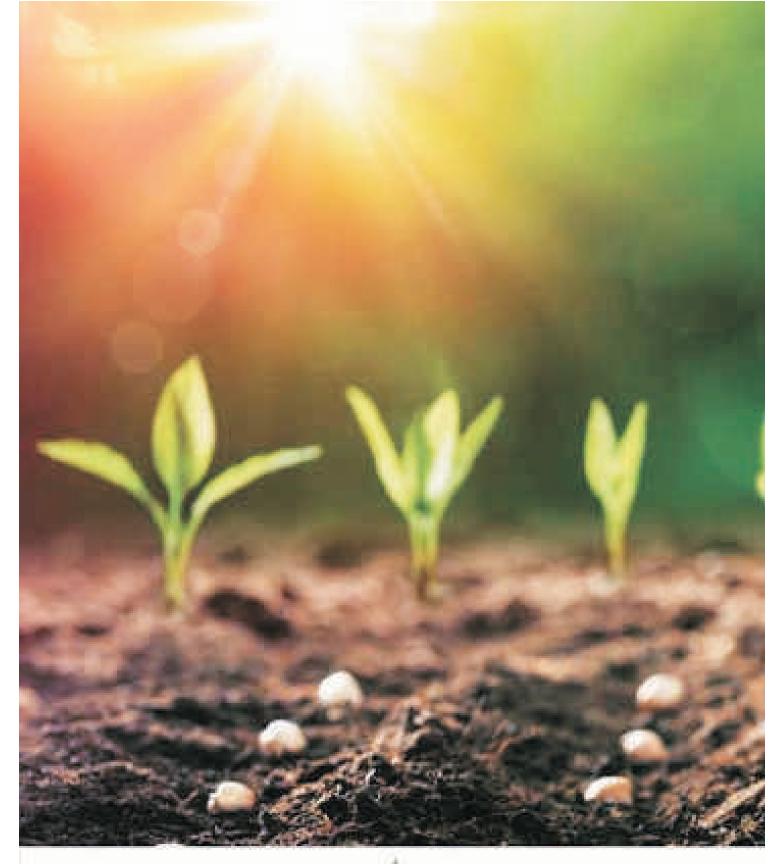
In addition to the above the following requirements have to be met.

- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form. In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (i) (ii) (unless it has been provided earlier alongwith proxy form to the Company).



پراکسی فارم

	میں ا ہم ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
شاه مراد شوگر ملز لمیشد	براکن ب
ى بمطابق شيئررجىٹر د ^و فوليونمبر	کے رکن وحامل ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
ــــاور ذیلی کھانة نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔	اور یاسی ڈی سی کے شراکق آئی ڈی نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔
یا بصورت دیگر۔۔۔۔۔۔۔۔۔۔	بذريجه بذا
و دبھی ایک ممبر ہے کو اپنی/ ہاری غیر موجودگی میں نمپنی کے	ساکن جو که
· · · · · · · · · · · · · · · · · · ·	42وال سالانه اجلاس عام مؤرخه 28 جنوري 2021 بوقت 11:30 ببيج منعقد يا ملتوى هو نـ
2021	دستخط شده بتاریخ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ ـ
	- گوالمان:
برائے کرم پانچ روپ مالیت کے دیونیونکٹ	ا۔ وستخط ۔۔۔۔۔۔۔۔۔۔۔
مايت <u>ڪريو پيومت</u> چيا <i>ن کرين</i> _	t
4 .4.	
	كمپيوٹرائز دُشناختى كار دُيا پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔
	۲- دستخط
11	
د شخط برائے ممبر الممبران ۔۔۔۔۔۔۔۔۔۔ (دمخط کمپنی میں درج نمونہ کے دمخط کے مطابق ہونے چاہیے)	<i>*</i> ;
••	کمپیوٹرائز ڈشاختی کارڈیا پاسپورٹ نمبر۔۔۔۔۔۔۔۔۔
	نوٹ:
	1 - ہر لحاظ سے مکمل اور دستخط شدہ بیافارم میٹنگ سے کم از کم 48 گھنے قبل کمپنی کے شیئر زر جسٹر کے دفتر میں موصول دیگ کرم ہے میں میں کسی ماری سال میں کا میں کی میں ماری کا میٹنگ ہونی کسی جمعی میں موسول
صورت میں نمام استرومنٹ اف پرا ن6 تعدم فراردیتے جا یں۔۔	2-اگرگوئی ممبرایک سے زائد پراکسی نامز دکرتا ہے اورایک سے ذیادہ انسٹر ومنٹس آف پراکسی جمع کرا تا ہے توالا 3-سی ڈی تی اکا وَنث رکھنے والے/کارپوریٹ ادارے مزید برآں درج شرائط کو پورا کریں گے۔
	ن کی کوئی کا موجود کی میں اور کیا گائی ہے۔ (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈیا پاسپدورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
اگر پہلے جمع نہ کرایا ہو) ممینی میں پرانسی فارم کےساتھ جمع کرانی ہوگی۔	(ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائر کیٹرزی قرارداد/ پاور آف اٹارنی مع و تخط کے نمونے (أُ





Discretized Sugar Mills Ltd. 90 A. Smort Muslim Society Konsmil Zupto Smercafashmuradougance