

Sustainable Growth
Our Way of Business

2020



The top half of the page features a decorative graphic of several overlapping, wavy, translucent blue lines that flow from the left side towards the right, creating a sense of movement and depth. Below this graphic, the title is centered.

Challenge to the endless growth

We at Juaharabad Sugr Mills Limited hold a profound belief that we can pivot our energy and therefore that of the world around us as we apprehend and encourage our human resource to challenge some of the basic premises that we base our life choices on.

One of the key ideas in this book is JSML's empowerment by growth, which is the expansion of assets and capabilities of our people to challenge the paradigm of growth itself.

Corporate Information

Board of Directors

Mr. Jamal Ahmed
Mr. Muhammad Aamir Beg
Mr. Farhan Ilyas
Ms. Nazia Waheed
Mr. Ghias-ul-Hasan
Mr. Amjad Bashir Hussain
Mr. Saif-ur-Rehman

Chief Executive
Independent Director
Independent Director
Independent Director
CPL Nominee
CPL Nominee
CPL Nominee

Audit Committee

Mr. Farhan Ilyas
Mr. Muhammad Aamir Beg
Mr. Amjad Bashir Hussain

Chairman
Member
Member

Human Resource And Remuneration Committee

Mr. Muhammad Aamir Beg
Mr. Jamal Ahmed
Mr. Ghias-ul-Hasan

Chairman
Member
Member

Chief Operating Officer

Chief Financial Officer

Company Secretary

Head of Internal Audit

Ahsan Latif
Imran Ilyas
Al-Yousuf
Syed Muhammad Usman Afzaal

Registered Address

125-B, Quaid-e-Azam Industrial Estate,
Kot Lakh Pat, Lahore, Pakistan
Phone No. 042 35213491,
Fax No. 042 35213490,
E-mail: secretary@jsml.com.pk

MILLS
Jauharabad, District Khushab, Pakistan.
Phone No. 0454 720063-6,
Fax No. 0454 720880

Auditors

UHY Hassan Naeem & Co.
(Chartered Accountants)
193-A, Shah Jamal
Lahore, Pakistan.
Phone No. 042 35403550,
Fax No. 042 35403599,
E-mail: info@uhy-hnco.com

Share Registrar

Corplink (Pvt.) Limited
Wings Arcade, 1-K Commercial, Model
Town, Lahore, Pakistan.
Phone No. 042 35916714,
Fax No. 042 35869037,
E-mail: shares@corplink.com.pk

Legal Advisor

Siddiqui Bar Kasuri & Co.
Advocates & Corporate Legal Consultants
179/180-A Scotch Corner,
Upper Mall Lahore.
Phone No. 042-35758573-74,
Fax No. 042-35758572

Bankers of The Company

Askari Bank Limited
Soneri Bank Limited
National Bank of Pakistan

JS Bank Limited
Habib Metropolitan Bank Limited
Habib Bank Limited

United Bank Limited
Bank Alfalah Limited
Allied Bank Limited

Islamic Bankers of The Company

Albaraka Bank Pakistan Limited
Dubai Islamic Bank Limited

MCB Islamic Bank Limited
Faysal Bank Limited

National Tax Number

0225972-9

Sales Tax Registration Number

0409170300137

Company Website

www.jsml.com.pk



Corporate Profile

Jauharabad Sugar Mills Limited is a Public Limited Company, and has a privilege of being one of the pioneer sugar mills of Pakistan. Initially it was setup by THAL Development Corporation of Pakistan which was later privatized and was listed as on December, 1973 at Pakistan Stock Exchange Limited and has been in operation for the last sixty-seven years. Further in March 2013 the current management acquired major shareholding of the Company by taking over its assets and liabilities, paying-off old sponsors and renaming it as Jauharabad Sugar Mills Limited from Kohinoor Sugar Mills Limited. This takeover enabled the Company to settle previous bank /grower/creditor debts. A major Balancing, Modernization and Replacement of Machinery has been carried out thus enabling the Company to achieve stated capacity to 7,000 TCD of its currently operating crushing line-II, in addition to non-operating crushing line -I having stated capacity to 5,500 TCD. The new sponsors have shown their commitment by conducting this BMR and repair works through their own resources. The Company has successfully consolidated its Sugar Mills operations and financially strengthened its position over period of seven crushing seasons. The Company in June 2016 following its vision and strategy of diversification has opted to install biomass based 15MW Co-generation Power Plant, under Captive Power Plant regime with upfront determined tariff, to export electricity. Power project is currently in finalization stage with expected commencement of commercial operations by upcoming financial year. The Company is playing its role for developing regional agronomy, generating employment and bringing happiness among the people directly and indirectly associated with it.





Calendar of Major Events

First Quarter Results Issued
Thursday, January 23, 2020

01

Second Quarter Results Issued
Friday, May 29, 2020

02

Third Quarter Results Issued
Monday, July 27, 2020

03

Extraordinary General Meeting
Monday, September 07, 2020

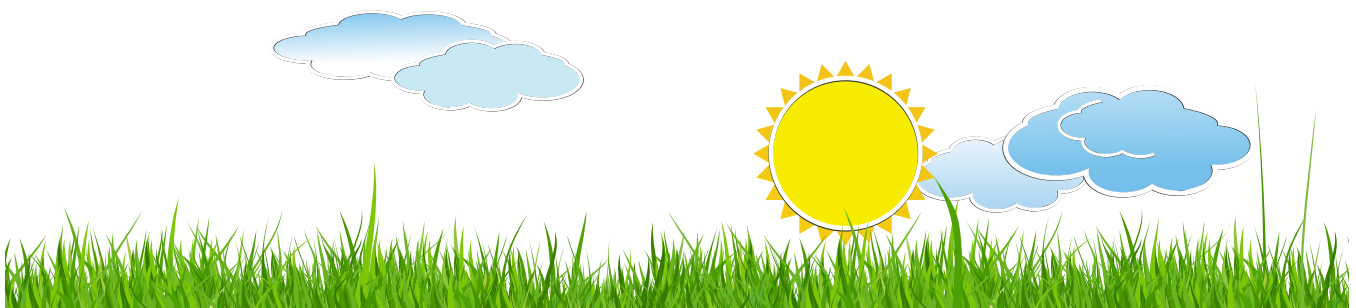
04

Annual Results
Monday, December 28, 2020

05

**52nd Annual General
Meeting Scheduled**
Thursday, January 28, 2021

06





Notice of Annual General Meeting

Notice is hereby given that the Fifty Second Annual General Meeting (AGM) of the members of Jauharabad Sugar Mills Limited (the "Company") will be held on Thursday, January 28, 2021 at 11:30 a.m., at its Register Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore to transact the following business:

Ordinary Business

1. To confirm the minutes of Extra Ordinary General Meeting held on September 07, 2020.
2. To receive, consider and adopt the audited annual financial statements of the Company for the year ended September 30, 2020 together with Auditors' Reports and Directors' and Chairman's Review Report thereon.
3. To consider and approve, as recommended by the Board of Directors, the payment of cash dividend for the year ended September 30, 2020 @ 10% i.e. Re.1/- per ordinary share.
4. To appoint Auditors for the next financial year ending September 30, 2021 and to fix their remunerations. M/S UHY Hassan Naeem & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
5. Corporate Briefing Session as per requirement of PSX.

Special Business

6. To adopt new Memorandum of Association of the Company due to enactment of Companies Act, 2017 new SECP Rules/ Regulations and PSX Regulations and adopt the following resolution as special resolution.

"RESOLVED that new Memorandum of Association of the Company as proposed by the management be and is hereby approved."

"FURTHER RESOLVED that the Company Secretary be and is hereby authorized to do all acts, deeds and things that may be required to carry out for the purposes aforesaid and to give full effect to the above said purpose."

"FURTHER RESOLVED that the Company Secretary be and is authorized to make any corrections/modifications/ alterations as may be pointed out or directed by the Company Registration Office, Securities & Exchange Commission of Pakistan, Lahore."

7. To adopt new Article of Association of the Company due to enactment of Companies Act, 2017 new SECP Rules/ Regulations and PSX Regulations and adopt the following resolution as special resolution.

"RESOLVED that new Article of Association of the Company as proposed by the management be and is hereby approved"

"FURTHER RESOLVED that the Company Secretary be and is hereby authorized to do all acts, deeds and things that may be required to carry out for the purposes aforesaid and to give full effect to the above said purpose."

"FURTHER RESOLVED that the Company Secretary be and is authorized to make any corrections/modifications/ alterations as may be pointed out or directed by the Company Registration Office, Securities & Exchange Commission of Pakistan, Lahore."

Other Business

8. To transact any other business with the permission of the chair.

A statement under section 134(3) of the Companies Act, 2017 is being sent to the shareholders with this notice. The new proposed Memorandum of Association and Article of Association will be available for inspection of the members at the meeting.

By order of the Board

Lahore
Dated: January 06, 2021


Al Yousuf
Company Secretary

NOTE:

1. The share transfer books of the Company will remain closed from January 21, 2021 to January 28, 2021 (both days inclusive). Transfer received in order by the Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town; Lahore up to the close of business on January 20, 2021 will be treated in time for entitlement to attend the Meeting.

2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form of the Company. Proxies, in order to be effective, must be received at the registered office of the Company 48 hours before the time of holding of the meeting.

3. Those members who have deposited their shares with the Central Depository Company of Pakistan Limited (CDC) are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities and Exchange Commission of Pakistan's Circular No. 1 dated January 26, 2000.

4. The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.

5. Members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company's Share Registrar.

6. As per provisions of Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled members. Accordingly, all members are requested to provide Dividend Mandate Information to the Company's Share Registrar, member broker, participant/CDC investor Account Services. In case of shares held in CDC, the same information should be provided directly to the CDS. A notice of the foregoing seeking information from the members is being sent to them separately. Standard Request form has also been placed on the Company's website www.jsml.com.pk. In case of failure to provide the information, the Company will be unable to pay the dividend.

7. The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for persons whose names are appearing in the active taxpayers' list (ATL) and 30% for persons whose names are not appearing in the ATL. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.

8. The Corporate members having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical members should send a copy of their NTN certificate to the Company's Share Registrar.

9. As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to the Company's Share Registrar; otherwise, tax will be deducted on dividend amount as per prescribed rates.

10. The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Company's Share Registrar latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC Shareholding	Total Shares	Principal/Joint Shareholder
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11. Section 244 of the Companies Act 2017 requires that any shares that remain unclaimed for a period of three years (or more) are to vest with Federal Government. The law requires the Company to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the Company after giving due notices to the shareholders. Through this notice all shareholders who by any reason could not claim their dividend or shares are advised to immediately collect / enquire about their unclaimed dividend or pending shares, if any, with Company's Share Registrar.

12. Corporate Analyst Briefing Session as mandated by the Pakistan Stock Exchange according to its notification PSX/N-92 dated January 28, 2019 of Jauharabad Sugar Mills Limited will also be held at its Register Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore on Thursday, January 28, 2021 shortly after the completion of AGM in which performance and results for the year ended September 30, 2020 will be provided.

13. Members in 51st Annual General Meeting dated 28-Jan-2020 had already approved to adopt the new Article of Association of the Company due to enactment of Companies Act, 2017 new SECP Rules/Regulations and PSX Regulations. The Company remained unsuccessful to give effect to the said approval owing to regulation of SECP resulting in lapse of validity period. Hence, Members are required to review and approve the new proposed Article of Association.

14. Transmission of Annual Financial Statements through email
The Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditor's and Directors' reports and Chairman's Review Report along with notice of annual general meeting to its members through email. Members who have provided their email addresses are being sent the same by email. Members who have not provided their email addresses and wish to avail this facility may send their consent along with email address to the Company. Hard copies of the annual audited accounts will be provided on demand.

15. In accordance with section 132(2) of the 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 meeting through video conference at least 7 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate to such shareholder's information regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting to enable them to access to such facility.

16. Members can exercise their right to demand a poll subject to meeting requirements of section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

17. Precautionary Measures to attend Meeting:
The health of the members, staff and stakeholders of the Company (the attendees) is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following measures at the Annual General Meeting to safeguard the health and safety of the attendees:

a) Compulsory body temperature will be conducted for every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will be denied entry into the AGM venue or be required to leave AGM venue.

b) Each attendee would be provided with and wear a surgical face mask throughout the AGM and inside the AGM venue.

c) The Company will maintain safe distance between seats and attendees are advised to avoid any contacts, stay in your accommodation, at least one meter away from others and try to minimize the spread of the virus by covering coughs, cleaning surfaces, and washing or sanitizing your hands regularly.

18. The Annual Audited Financial Statements of the Company for the year ended September 30, 2020 along with Auditors' and Directors' Report and Chairman's Review Report thereon have been placed on the Company's website: www.jsml.com.pk.

19. The Company has placed the notice of AGM along with form of proxy in English and Urdu languages on its website: www.jsml.com.pk.

DIRECTORS' REPORT

The Directors of Jauharabad Sugar Mills Limited (the Company) are pleased to present the Annual Report together with audited financial statements and Auditors' Report thereon for the year ended September 30, 2020.

Industry Review

Sugar industry with paramount significance is ranked as the second largest agro-based industry. According to the economic survey 2019-20, the industry played a vital role in posting 0.58 percent growth in agricultural sector's contribution of 19.31 percent towards annual GDP. This year the Industry alone remained the main source of rural employment nearly 13 percent of 23.76 million agricultural labour. Likewise, other segments of agricultural sector there is no significant impact of COVID-19 on the sugar industry. During the lock down situation under this pandemic the consumption of sugar remained depressed which resulted in misinterpretation of statistics by the government. Sugar crisis build up owing to sudden increase in demand after the ease in lock down coupled with delayed import of sugar, resulted in increase of sugar prices drastically. Despite 2020 remained one of the most challenging year, the sector overall performance shown resilience to this fact.

In this crop year sugarcane, the basic raw material, has been grown on approximately 1.04 million hectares of land [CY2018/19: 1.102 million hectares], a decline of 5.6 percent, resulting in an estimated production of 66.880 million tons [CY2018/19: 67.174 million tons], a decrease of 0.44 percent YOY bases. The provincial government of Punjab, to encourage the farmers, has announced higher support price of Rs. 190 per maund [CY2018/19: Rs. 180 per maund]. Improvement in water shortage for irrigation, agro technology and effective pest control has resulted in a 5.5 percent increase in per hectare yield i.e. to 64.308 tons per hectare [CY2018/19: 60.956 tons per hectare]. Despite the increase in yield and placement of better varieties in field, climatic conditions have resulted overall decline in sugar recovery rate this year. Sugar production for crushing season 2019-20 was 4.816 million tons [CY2018-19: 5.210 million tons]. This year and the upcoming crushing season will help in reviving the industry and will be rewarding for the farmer prospective as well. Going forward expected sugar production and sugar imported by Government of Pakistan at the start of the season will suffice the annualized domestic consumption.

Operational Review

Principal activities of your Company during the period under review remained unchanged i.e. manufacturing and sales of sugar and its allied products. The production and sales statistics for the Company for the CY2019/20 as compared to last season are as follows:

Description	Units	FY2019/20	FY2018/19	YOY Change
Working Days	Days	104	96	8.33%
Sugar Cane Crushed	M. Tons	425,433	431,121	(1.32%)
Sugar Produced	M. Tons	41,150	44,776	(8.1%)
Sugar Recovery	Percentage	9.67%	10.39%	(6.93%)
Sugar Sold - Domestic	M. Tons	44,649	48,667	(8.26%)
Sugar Sold - International	M. Tons	-	5,000	(100%)
Sugar Sold -Total	M. Tons	44,649	53,667	(16.8%)
Sugar Closing Stock	M. Tons	2,624	6,123	(57.15%)
Molasses Produced	M. Tons	20,180	20,304	(0.62%)
Molasses Recovery	Percentage	4.74%	4.71%	0.64%

During this financial year, the Company had started season on 30th November, 2019 [CY2018/19: 15th December, 2018] and operated for 104 days, eight days higher as compared to last year. The Company has produced 41,150 tons [FY2018/19: 44,776 tons] of white sugar at a recovery rate of 9.67 percent [FY2018/19: 10.39 percent] by crushing 425,433 tons [FY2018/19: 431,121 tons] of sugarcane during crushing year under review. Despite the shortage of sugar cane, the Company through its sustained efforts of cane development, timely payments, and financial support to growers has managed to crush sugarcane at 98% of last year's volume, which is far better than the performance of regional players. The Company has sold 93.62% percent [FY2018/19: 86.32 percent] of its sugar production before the closure of this financial year. The Company has produced 20,180 tons of molasses [FY2018/19: 20,305 tons] at 4.74% YOY [FY2018/19: 4.71 percent], contributing 8.14 percent to topline.

Financial Performance

This year the directors are gratified and pleased to inform that the transparency of presenting its financial report is endorsed by two leading institution of Pakistan Institute of Chartered Accountant of Pakistan and Institute of Cost and Management Accountant in their joint evaluation and has awarded Jauharabad Sugar Mills Limited with a Merit Certificate for Best Corporate Reporting 2019 that will further strengthen the confidence of user of the financial statements. The summarized financial performance of your Company for the fiscal year 2019/20 compared to last year is presented as follow:

Description	FY2019/20	FY2018/19	YOY Change
Sales – Net	3,502,836	3,441,483	1.78%
Cost of Sales	2,898,771	2,787,754	3.98%
Gross Profit	604,065	653,729	-7.60%
Selling and Distribution Expenses	14,141	45,828	-69.14%
Administrative and General Expenses	157,059	139,924	12.25%
Operating Profit	432,865	467,977	-7.50%
Other Operating Income	(5,296)	5,029	-205.31%
Financial Cost	231,178	205,679	12.40%
Profit Before Tax	196,391	257,269	-23.66%
Taxation	16,937	74,552	-77.28%
Profit After Tax	213,329	182,717	16.75%
Earnings Per Share (Rs. /Share)	6.25	5.35	16.82%

This year the Company has managed to increase its domestic sales by 20.03 percent [FY2018/19: 43.26 percent] and has planned to carry-forward 6.38 percent [FY2018/19: 13.67 percent] of total sugar stocks. Topline has improved by Rs. 61 million resulting in topline growth of 1.8 percent. Corresponding expenses have been abridged by optimum utilization of available resources resulting in 17.24 percent of gross profits and 6.08 percent of profit after taxation [FY2018/19: 5.29 percent]. Total comprehensive income for the period is Rs. 213.329 million [FY2018/19: Rs. 182.717 million]. Financial performance has resulted in earning of Rs. 6.25 per share, as compared to EPS of Rs. 5.35, earned in last financial year.

Future Prospects

The crop for the upcoming season is estimated to increase by 10-15%. Better yield per acre and improvement in sucrose recovery are also expected. The Company align with its vision to improve mills efficiency is continuously investing in BMR and maintenance of its mills. The Company in order to improve the quality of its product and to strengthen its brand "Kohinoor", has installed moisture control unit and electronic filling machine.

Diversification in business is already weighted vital for sustainability for our organization. In lieu of achieving sustainable advantage over its competitors, the Company has developed capacity to hold molasses. Furthermore, biomass captive power plant will be commissioning its production in the up coming financial year subject to EPA approval. Going ahead the management is also planning to install distillery, the initial feasibility of which are being carried out to ascertain the possible hindrances well before time and to mitigate risk factors.

Credit Rating

Credit rating is an assessment of the credit standing of entities in Pakistan. PACRA has its primary function to evaluate the capacity and willingness of an entity to honour its debt obligations. During the year, PACRA maintained entity ratings of the Company as long-term and short-term at BBB and A2 respectively with a positive outlook. The ratings reflects improving business profile of Jauharabad Sugar Mills Limited in line with the current dynamics of sugar Industry. These ratings denote a low expectation of credit risk and indicate satisfactory capacity for timely repayment of financial commitments. Company is current on all its debt obligations.

Dividend & Appropriation

Taking into account planned future investments, financial commitments and capital expenditure plans; the board proposed cash dividend of PKR 1/- per share for the financial year ended September 30, 2020 and balance amount is retained by the Company for future expansions.

This approach remains in line with our Company's commitment to consistently provide sustainable returns to all the shareholders. Movement in un-appropriated profit is as follows:

Description	Rs. in "000"
Net profit for the year	213,328,747
Un-appropriated profits of prior years	240,007,968
Net profit available for appropriation	453,336,715
Appropriations	
Proposed cash dividend @ 10%	34,128
Un-appropriated profit carried forward	447,159,558
Earnings per share	6.25

Holding Company

Cane Processing (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of Jauharabad Sugar Mills Limited with 63.66 percent shares.

Auditors' Report

The audited financial statements of the Company are authorized for issue to its shareholders by UHY Hassan Naeem & Company dated December 28th 2020 with a satisfactory report.

External Auditors

The present auditors, M/s. UHY Hassan Naeem & Co., Chartered Accountants, stands retire on conclusion of the annual general meeting and being eligible, offer themselves for re-appointment. As recommended by Audit Committee, the Board of Directors has recommended the re-appointment and remuneration of present auditors for the year ended September 30, 2021, for the approval of shareholders in the forthcoming Annual General Meeting.

Vision, Mission and Overall Corporate Strategy

The board of directors has carefully reviewed, revamped and approved the vision, mission and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Jauharabad Sugar Mill was incorporated. We ensure that our vision and mission set the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision-making criterion in our day-to-day business.

Compliance with the Code of Corporate Governance

The management of the company is committed to good corporate governance and compliance with its best practices. As required under Code of Corporate Governance, Directors of the Company are pleased to state as follows:

Presentation of Financial Statements

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

Books of Accounts

The company has maintained proper books of accounts for the current year and the previous years as required by the applicable laws.

Accounting Policy

Appropriate accounting policy has been consistency applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

International Accounting Standards

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements to ensure the true and fair view of the Company's financial position.

Internal Control System

The system of internal control is sound in design and has been effectively implemented and is being monitored continuously. The process of review will continue by the audit committee to monitor the effective implementation and future improvement in controls.

Going Concern

These financial statements are prepared on going concern basis and there is no concern upon the Company's ability to continue as a going concern.

Statement on Value of Staff Retirement Funds

The fair value of investments of provident fund based on its audited accounts as of September 30, 2020 is Rs.26.050 million [FY2018/19: Rs.26.050 million].

Statement of Compliance

There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations of Pakistan Stock Exchange, applicable to the Company for the year ended September 30, 2020.

Pattern of Shareholdings

Pattern of Shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as at September 30, 2020 is annexed.

Board of Directors Meetings

In order to ensure transparency, good governance and smooth functioning of the Company's operations, the Company has implemented regulatory framework in terms of qualification, experience and composition of the Board of Directors as well as awareness of the Board responsibilities. The Board comprises 7 directors effectively representing shareholders' interests. All directors are qualified and experienced, which enables the Board to carry out effective and efficient decision making. During the financial year 2018-19, four meetings of the Board of Directors were held and the attendance by each director was as under;

Sr. No.	Director	Category	Meetings Attended
1	Mr. Jamal Ahmed	Independent/Non-Executive Director	4
2	Mr. Muhammad Aamir Beg	Dependent/Executive Director	4
3	Mr. Ghias Ul Hasan	Independent/Non-Executive Director	4
4	Mr. Amjad Bashir Hussain	Dependent/Executive Director	4
5	Mr. Amjad Javed Aftab	Dependent/Non-Executive Director	2
6	Mr. Farhan Ilyas	Dependent/Non-Executive Director	2
7	Mr. Saif Ur Rehman	Chief Executive/Executive Director	4

The Directors who could not attend the Board Meeting and requested for leave were duly granted leave for absence from the meeting by the Board in accordance with the law.

Audit Committee

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee. During the year, four meetings of audit committee were held as per requirements of Companies Act, 2017. All relevant matters were taken into consideration as required under the relevant act. Detail of meeting attended by each member is given as under:

Sr.	Name	Status	No. of Meetings Attended
1	Mr. Farhan Ilyas	Chairman	4/4
2	Mr. Amjad Bashir Hussain	Member	4/4
3	Mr. Amir beg	Member	4/4

Human Resource Committee

The board of director in compliance with applicable regulations has established HR Committee. During the year 2018-19, one meeting of HR committee was held for the approval of increment and bonus to the employees. The attendance by each member is as under.

Sr.	Name	Status	No. of Meetings Attended
1	Mr. Amir Beg	Chairman	1/1
2	Mr. Jamal Ahmed	Member	1/1
3	Mr. Ghias-Ul-Hasan	Member	1/1

Qualification of CFO and Head of Internal Audit

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in the code of Corporate Governance

Insider Tradings

The board has developed the policy that no person shall indulge in insider trading as per listing regulation applicable in Pakistan. During the financial year none of the director, CEO, CFO, Head of internal audit and Company Secretary traded in the share of the Company.

Outstanding Statutory Dues

The outstanding statutory dues on the account of taxes, duties and charges are disclosed on the face of balance sheet and in Note 15 to the financial statements. There is no overdue amount on account of taxes and duties.

Director Meeting Outside Pakistan

No meeting of the Company was held outside Pakistan during the current financial year.

Related Party Transaction

The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. Moreover, the Company will place all related party transactions before shareholders in the Annual General Meeting for obtaining approval, if any.

Acknowledgement

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the relentless efforts and dedicated services, team work, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep it abreast to face future developments and demands.

No material changes and commitment affecting the financial position of your company have occurred between the end of the financial year to which these financial statements relate and date of director's report.

On behalf of the Board



Jamal Ahmed
Chief Executive

Lahore: December 28, 2020

Categories of Shareholding

required under Code of Corporate Governance (CCG)

As on September 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	Cane Processing (PVT) LTD. (CDC)	21,725,885	63.6592%
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Mutual Funds (Name Wise Detail)

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Directors and their Spouse and Minor Children (Name Wise Detail):

1	Mr. Ghias-Ul-Hasan (CPL Nominee)	2,500	0.0073%
2	Mr. Amjad Bashir Hussain (CPL Nominee)	2,500	0.0073%
3	Mr. Farhan Ilyas	2,500	0.0073%
4	Mr. Jamal Ahmad (CPL Nominee)	--	--
5	Mr. Saif Ur Rehman (CPL Nominee)	--	--
6	Mr. Muhammad Aamir Beg	--	--
7	Ms. Ayesha Rasheed	--	--

Executives:	126,685	0.3712%
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Public Sector Companies & Corporations:	--	--
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Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	342,211	1.0027%
--	---------	---------

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	Cane Processing (Pvt) Ltd. (CDC)	21,725,885	63.6592%
2	Ghazala Amjad (CDC)	3,175,816	9.3055%

All trades in the shares of the listed company,
Carried out by its Directors, Executives and
their spouses and minor children shall also be disclosed:

1	Mr. Gyas-Ul-Hasan (CPL Nominee)	5,090	--
2	Mr. Amjad Bashir Hussain (CPL Nominee)	1,294	--
3	Mr. Farhan Ilyas	1,294	--

Pattern of Shareholding

As on September 30, 2020

1.1 Name of the Company

Jauharabad Sugar Mills Limited

2.1. Pattern of holding of the shares held by the shareholders as at

30-09-2020

Number of Shareholders	From	to	Total Shares Held
625	1	100	15,945
260	101	500	70,643
105	501	1,000	81,273
174	1,001	5,000	445,036
39	5,001	10,000	278,039
15	10,001	15,000	195,996
6	15,001	20,000	112,700
11	20,001	25,000	252,771
1	25,001	30,000	26,000
2	30,001	35,000	65,151
2	40,001	45,000	87,500
2	45,001	50,000	94,000
1	50,001	55,000	51,500
2	55,001	60,000	119,170
1	60,001	65,000	63,000
1	85,001	90,000	85,376
1	90,001	95,000	93,000
2	95,001	100,000	196,485
1	105,001	110,000	107,103
1	120,001	125,000	124,618
1	145,001	150,000	150,000
1	215,001	220,000	219,000
1	230,001	235,000	230,626
1	240,001	245,000	244,000
1	260,001	265,000	264,000
1	390,001	395,000	392,897
1	440,001	445,000	444,500
2	450,001	455,000	941,506
1	1,025,001	1,030,000	1,028,582
1	1,145,001	1,150,000	1,146,335
1	1,595,001	1,600,000	1,600,000
1	3,175,001	3,180,000	3,175,816
1	21,725,001	21,730,000	21,725,885
1266			34,128,453

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officer, their spouse and minor children.	7,500	0.0220%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	21,725,885	63.6592%
2.3.3	NIT and ICP	1,033,239	3.0275%
2.3.4	Banks Development Financial Institutions, Non-Banking Financial Institutions.	5,875	0.0172%
2.3.5	Insurance Companies	236,877	0.6941%
2.3.6	Modarabas and Mutual Funds	--	0.0000%
2.3.7	Shareholders holding 10% or more	21,725,885	63.6592%
2.3.8	General Public		
	a. Local	7,853,717	23.0122%
	b. Foreign	690	0.0020%
2.3.9	Others (to be specified)		
	- Investment Companies	2,425	0.0071%
	- Joint Stock Companies	3,112,715	9.1206%
	- Pension Funds	99,459	0.2914%
	- Others	50,071	0.1467%

Statement of Compliance

As of September 30, 2020

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

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

Gender	Number
Male	6
Female	1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Aamir Beg
	Mr. Farhan Ilyas
	Ms. Ayesha Rasheed (Resigned)
Non-Executive Directors	Ms. Nazia Waheed
	Mr. Ghias-Ul-Hasan
	Mr. Amjad Bashir Hussain
Executive Director	Mr. Jamal Ahmad
	Mr. Saif-Ur-Rehman
Female Director	Ms. Ayesha Rasheed (Resigned)
	Ms. Nazia Waheed

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. 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 Board/ Shareholders as empowered by the relevant provisions of Companies Act 2017 (the Act) and CCG Regulations.
7. The meetings of the Board were presided 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 the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. In terms of Regulation 19 of Chapter VI of the Code of Corporate Governance, the Companies are required to ensure that all the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2022. Presently, four (4) directors of the Company have already completed this program. The remaining three (3) directors shall obtain certification under

the DTP in due course of time.

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:

Audit Committee	Chairman: Mr. Farhan Ilyas
	Member: Mr. Muhammad Aamir Beg
	Member: Mr. Amjad Bashir Hussain
HR & Remuneration Committee	Chairman: Mr. Muhammad Aamir Beg
	Member: Mr. Jamal Ahmed
	Member: Mr. Ghias-Ul-Hasan

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

Meetings	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended September 30, 2020
HR & Remuneration Committee	One meeting was held during the financial year ended September 30, 2020

15. The Board has set up an effective internal audit function.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, CCG Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.



Mr. Muhammad Aamir Beg
Chairman

Date: December 28, 2020

To the members of Jauharabad 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 Jauharabad Sugar Mills Limited ("the Company") for the year ended September 30, 2020 to comply 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 the any non-compliance with the requirements of the regulations. A review is limited primarily to inquiries of the Company's personnel and review of the 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.

Lahore December 28, 2020

UHY Hassan Naeem & Co.

UHY Hassan Naeem & Co.
Chartered Accountant

Independent Auditor's Report

To the members of Jauharabad Sugar Mills Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Jauharabad Sugar Mills Limited ("the Company"), which comprise the statement of financial position as at September 30, 2020, and the statement of profit or loss and other 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with approved 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 or loss and other 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 period. 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 matters.

Following are the Key audit matters:

S.No.	Key audit matters How the matter was addressed in our audit.	How the matter was addressed in our audit
1	<p>Revenue</p> <p>Refer to the statement of profit or loss and note 4.11 and 28 to the financial statements.</p> <p>The Company generates revenue from sale of sugar and its byproducts to both local and export customers.</p> <p>We identified recognition of sales as a key audit matter because sales are one of the key performance indicator of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none">• Obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;• assessed the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;• compared, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue has been recognized in the appropriate financial period;• performed scanning analytics to identify any manual journal entries relating to sales during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and• performed test of details over a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.• assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.

S.No.	Key audit matters How the matter was addressed in our audit.	How the matter was addressed in our audit
2	<p>Borrowings and finance costs</p> <p>Refer to notes 4.12, 19, 20 and 32 to the financial statements.</p> <p>The Company has obtained a range of financing facilities from different financial institutions with varying terms and tenure. Further, compliance with debt covenants is a key requirement of these financing arrangements.</p> <p>This was considered to be a key audit matter as this affects Company's gearing, liquidity and solvency.</p>	<p>Our audit procedures, amongst others included the following:</p> <ul style="list-style-type: none"> inspected financing arrangement and relevant supporting documents to identify terms and conditions of the facilities. circularized confirmations to financial institutions for verification of borrowings as at September 30, 2020; re-calculated the mark-up recognized during the year; inquired and recalculated mark-up capitalized on qualifying assets; identified and assessed whether these facilities were accounted for in accordance with approved accounting standards as applicable in Pakistan; and assessed the adequacy of the disclosures in the financial statements.
3	<p>Valuation of stock-in-trade</p> <ul style="list-style-type: none"> Refer to notes 4.10 and 9 to the financial statements. The balance of stock-in-trade as at September 30, 2020 was Rs. 194 million. We identified valuation of stock-in-trade as a key audit matter as it involves significant management judgement in determining the carrying value of stock-in-trade. 	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> assessed the appropriateness & consistency of Company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing accounting standards; obtained an understanding of internal controls over valuation of inventories and performed test of control on a sample basis, to test the design, implementation and operating effectiveness; performed substantive procedure over purchases and consumptions; re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology; performed cut-off procedures and subsequent stock count to validate the completeness and existence of closing stock; assessed reasonableness management's determination of net realizable value (NRV) and the key estimates adopted and compared on sample basis cost of inventories with their respective net realizable value (NRV); assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.
4	<ul style="list-style-type: none"> Revaluation of Property, Plant & Equipment The company follows revaluation model for measurement of its property, plant and equipment. As at September 30, 2020, the carrying value of property, plant and equipment after revaluation was Rs 4,583.85 million which included an amount of Rs 2,056.34 million relating to land, an amount of Rs 2,281.72 million relating to plant and machinery and an amount of Rs 245.79 million relating to buildings. The fair value of the company's property, plant and equipment was assessed by management based on independent valuation performed by an external valuation expert as at September 30, 2020. We identified the above matter as a key audit matter as this represents significant transaction and involves certain estimates and judgmental areas. 	<p>Our audit procedures to assess the valuation of property, plant and equipment included the following:</p> <ul style="list-style-type: none"> Obtained valuation report of external valuation expert and gather understanding of the valuation process and techniques adopted by the valuation expert to assess, if they are consistent with the industry norms; Evaluated the qualification, experience and competence of the independent external property valuation expert engaged by the Company as management expert for valuation of property, plant and equipment; Reviewed the adequacy of the related disclosures in the annexed financial statements.

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 for the year ended September 30, 2020, but does not include the financial statements and our auditor's 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 accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 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 are 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 period 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under 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 Mr. Imran Iqbal.

UHY Hassan Naeem & Co.

Place: Lahore
Date: December 28, 2020

UHY Hassan Naeem & Co.
Chartered Accountants

Statement of Financial Position

As at September 30, 2020

	Note	2020 Rupees	2019 Rupees
Non-current assets			
Property, plant and equipment	5	5,125,094,780	3,273,754,214
Intangible assets	6	173,363	258,751
Long-term deposits	7	2,786,800	2,386,800
		5,128,054,943	3,276,399,765
Current assets			
Stores, spare parts and loose tools	8	91,673,389	77,788,357
Stock-in-trade	9	193,621,434	390,002,409
Loans and advances	10	69,597,556	124,834,849
Trade debts	11	1,345,521	270,266,327
Trade deposits and short term prepayments	12	3,102,985	2,025,234
Other receivables-unsecured considered good	13	31,340,756	32,735,917
Tax refunds due from the Government	14	116,665,800	128,183,170
Short term investments	15	17,128,849	-
Cash and bank balances	16	223,833,689	58,854,832
		748,309,979	1,084,691,095
Current liabilities			
Trade and other payables	17	345,925,065	500,525,678
Unclaimed dividend		1,156,796	1,122,395
Accrued mark-up	18	3,054,333	19,243,202
Short term borrowings	19	198,320,645	408,925,231
Current portion of:			
-Long term loans from banking companies-secured	20	74,183,077	108,395,839
-Liabilities against assets subject to lease-secured	21	-	135,805
Provision for taxation	22	55,205,499	42,451,685
		677,845,415	1,080,799,835
Working capital employed			
		70,464,564	3,891,260
		5,198,519,507	3,280,291,025
Contingencies and commitments			
Non-current liabilities			
Long term loans from banking companies-secured	20	147,932,831	119,376,765
Deferred taxation	24	354,304,212	260,980,126
		502,237,043	380,356,891
Net capital employed			
		4,696,282,464	2,899,934,134
Represented by:			
Share capital and reserves			
Share capital	25	341,284,530	341,284,530
Capital reserve - share premium		372,402,633	372,402,633
Loan from sponsors	26	611,827,898	610,677,150
Revenue reserve - accumulated profits		481,288,027	274,136,437
Revaluation surplus on property, plant and equipment - net of tax	27	2,889,479,376	1,301,433,384
		4,696,282,464	2,899,934,134

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

Lahore:
December 28, 2020


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Statement of Profit or Loss

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Sales - net	28	3,502,836,509	3,441,483,202
Cost of sales	29	2,898,771,289	2,787,754,072
Gross profit		604,065,220	653,729,130
Operating expenses:			
Distribution cost	30	14,140,541	45,827,743
Administrative expenses	31	157,059,000	139,924,332
		(171,199,541)	(185,752,075)
Operating profit		432,865,679	467,977,055
Finance cost	32	(231,178,175)	(205,679,057)
Other income	33	7,911,244	10,556,847
Other expenses	34	(13,207,530)	(15,585,734)
Profit before taxation		196,391,218	257,269,111
Taxation	35	16,937,529	(74,551,998)
Profit after taxation		213,328,747	182,717,113
Earning per share - basic and diluted	36	6.25	5.35

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

Lahore:
December 28, 2020


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Statement of Other Comprehensive Income

For the year ended September 30, 2020


	2020 Rupees	2019 Rupees
Profit after taxation	213,328,747	182,717,113
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit and loss account		
Gain on revaluation of land, building, plant & machinery - net of tax	1,615,997,304	-
Total comprehensive income for the year	1,829,326,051	182,717,113

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

Lahore:
December 28, 2020


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Statement of Cash Flows

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Cash flow from operating activities			
Profit before taxation		196,391,218	257,269,111
Adjustments for:			
Depreciation	5.1.1	110,973,001	110,692,351
Amortization	6.3	85,388	127,445
Balances written-off		-	1,419,817
Gain on foreign currency transaction	33	(342,634)	(7,748,115)
Provision for workers' profit participation fund	34	10,336,380	13,540,480
Finance cost	32	231,178,175	205,679,057
Gain on disposal of property, plant and equipment	5.1.6	(1,035,674)	625,437
		351,194,636	324,336,472
Operating profit before working capital changes		547,585,854	581,605,583
Working capital changes			
Stores, spare parts and loose tools		(13,885,032)	(6,302,631)
Stock-in-trade		196,380,975	363,444,032
Loans and advances		55,237,293	(49,191,819)
Trade debts		269,263,440	63,855,283
Trade deposits and short term prepayments		(1,077,751)	517,019
Other receivables-unsecured considered good		1,395,161	14,054,308
Trade and other payables		(263,146,513)	280,140,674
Unclaimed dividend		34,401	(79,335)
Short term loan from sponsors		111,750,000	-
		355,951,974	666,437,531
Cash generated from operations		903,537,828	1,248,043,114
Tax paid		(19,669,310)	(15,051,793)
WPPF paid		(13,540,480)	(1,893,002)
Finance cost paid		(272,526,934)	(273,284,195)
		(305,736,724)	(290,228,990)
Net cash generated from operating activities		597,801,104	957,814,124

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

Lahore:
December 28, 2020


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Statement of Cash Flows

For the year ended September 30, 2020


	Note	2020 Rupees	2019 Rupees
Cash flow from investing activities			
Purchase of property, plant and equipment		(167,968,779)	(111,246,996)
Sale proceeds from disposal of property, plant and equipment		2,053,741	489,700
Long term deposits		(400,000)	(1,722,800)
Net cash (used in)/from investing activities		(166,315,038)	(112,480,096)
Cash flow from financing activities			
Repayment proceeds of long term finances - net		(5,656,696)	(99,805,129)
Lease rentals paid - net		(139,357)	(553,256)
Dividend paid		(34,128,469)	(28,281,708)
Proceeds from sponsors' loan - net		1,150,748	674,413
Net cash used in financing activities		(38,773,774)	(127,965,680)
Net increase/(decrease) in cash and cash equivalents		392,712,292	717,368,348
Cash and cash equivalents at the beginning of the year		(350,070,399)	(1,067,438,747)
Cash and cash equivalents at the end of the year		42,641,893	(350,070,399)
Cash and cash equivalents comprise of following statement of financial position amounts:			
- Short term investments	15	17,128,849	-
- Cash and bank balances	16	223,833,689	58,854,832
- Short term borrowings	19	(198,320,645)	(408,925,231)
		42,641,893	(350,070,399)

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

Lahore:
December 28, 2020


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

Statement of Changes in Equity

For the year ended September 30, 2020

	Share capital	Capital reserves		Revenue reserve	Loan from sponsors	Total
	Issued subscribed and paid-up capital	Share premium	Revaluation surplus	Accumulated profits		
----- (Rupees) -----						
Balance as at October 01, 2018	284,403,780	429,283,383	1,333,959,745	87,333,341	610,002,737	2,744,982,986
Repayment of loan during the year	-	-	-	-	(347,325,658)	(347,325,658)
Loan received during the year	-	-	-	-	348,000,071	348,000,071
Dividend paid @ Re.1/- per share	-	-	-	(28,440,378)	-	(28,440,378)
Profit after taxation	-	-	-	182,717,113	-	182,717,113
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	182,717,113	-	182,717,113
Issuance of bonus shares @ 15%	56,880,750	(56,880,750)	-	-	-	-
Transfer of incremental depreciation (net of tax)	-	-	(32,526,361)	32,526,361	-	-
Balance as at September 30, 2019	341,284,530	372,402,633	1,301,433,384	274,136,437	610,677,150	2,899,934,134
Balance as at October 01, 2019	341,284,530	372,402,633	1,301,433,384	274,136,437	610,677,150	2,899,934,134
Repayment of loan during the year	-	-	-	-	(12,176,000)	(12,176,000)
Loan received during the year	-	-	-	-	13,326,748	13,326,748
Dividend paid @ Re.1/- per share	-	-	-	(34,128,469)	-	(34,128,469)
Profit after taxation	-	-	-	213,328,747	-	213,328,747
Other comprehensive income for the year	-	-	1,615,997,304	-	-	1,615,997,304
Total comprehensive income for the year	-	-	1,615,997,304	213,328,747	-	1,829,326,051
Transfer of incremental depreciation (net of tax)	-	-	(27,951,312)	27,951,312	-	-
Balance as at September 30, 2020	341,284,530	372,402,633	2,889,479,376	481,288,027	611,827,898	4,696,282,464

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

Lahore:
December 28, 2020

Jamal Ahmed

Jamal Ahmed
Chief Executive

Amjad Bashir Husain

Amjad Bashir Husain
Director

Imran Ilyas

Imran Ilyas
Chief Financial Officer

Notes to the Financial Statements

For the year ended September 30, 2020

1 Reporting entity

1.1 Jauharabad Sugar Mills Limited "the Company" (formerly known as Kohinoor Sugar Mills Limited) was incorporated in Pakistan in 1968 under the repealed Companies Act 1913 (now Companies Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 125-B, Quaid-e-Azam Industrial Estate, Gate No. 4, Kot Lakhpat, Lahore, and the mill is located at Jauharabad, District Khushab, Pakistan. The production plant is located at Industrial Area Jauharabad City District Khushab in the province of Punjab. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

- a) The Company is in the process of installation of a power plant with generation capacity of 15 MW/hour, which will significantly affect the business volume and profitability of the Company. Refer to note 5.2 for capital expenditures and advances against the same incurred till September 30, 2020. In this regard, the Company has arranged long term finance facilities aggregating Rs. 350 million (note 20).
- b) The pandemic of COVID-19 that has rapidly spread all across the world not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. The potential impacts from COVID-19 remain uncertain including among other things on economic conditions businesses and consumers, the impact varies from industry to industry in different jurisdictions. Based on management assessment, COVID-19 is not likely to significantly impact the business of the Company due to seasonal (November to March) nature of the business activities. However, pursuant to relaxation announced by the State Bank of Pakistan in view of this pandemic, the Company has availed deferments of principal amount of certain long term financing which is fully explained in note 20.3 to these financial statements.

2 Basis of preparation

2.1 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 applicable in Pakistan comprise:

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

Where provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for the certain property, plant and equipment that are at revalued amounts.

Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

Notes to the Financial Statements

For the year ended September 30, 2020

3 Use of estimates and judgements

The preparation of these financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

The areas where assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

3.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

3.3 Stores, spare parts and loose tools

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spare parts and loose tools with a corresponding effect on the provision.

3.4 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable represents the estimated selling price less cost necessarily to be incurred for such sale.

3.5 Impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

3.6 Taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with the law, the amounts are shown as contingent liabilities.

3.7 Impairment of trade debts, advances and other receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the Financial Statements

For the year ended September 30, 2020

3.8 Provisions and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims affect the carrying amounts of the liabilities recognized at the balance sheet date.

3.9 Expected credit loss

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. 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 including forward-looking information.

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 Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating. The Company monitors changes in credit risk by tracking published external credit ratings. 12-month and lifetime probabilities of default are based on historical credit ratings of the issuer.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

4 Significant accounting policies

4.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts' and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

Based on the assessment performed by the management, there is no significant impact of the changes laid down by IFRS 15 on these financial statements of the Company.

4.2 IFRS 16 - Leases

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognized in the condensed interim statement of financial position, as the distinction between operating and finance leases has now been eliminated. Under the new standard, an asset and a lease liability to pay rentals are required to be recognized. The only exceptions are short term and low value leases.

Notes to the Financial Statements

For the year ended September 30, 2020

Impact on financial position of the company

The company has adopted IFRS 16 and it has no material impact on the company's financial position as the only lease appearing is finance lease.

4.3 IFRS 9 - Financial instruments

IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces the incurred loss impairment model included in IAS 39. The details of new significant accounting policies adopted, the nature and effect of the changes to previous accounting policies are set out below

4.3.1 Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans, receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI), or through profit or loss (FVTPL); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

Equity investments at fair value through other comprehensive income are measured at fair value. Net gains and losses are recognized in statement of other comprehensive income and dividend income is recognized in statement of profit or loss account.

4.3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2020:

Standards or Interpretation		Effective date (beginning on or after)
IFRS-3	- Business Combination - (Amendments)	January 1, 2020
IFRS-9	- Interest rate Benchmark reforms - (Amendments)	January 1, 2020
IFRS-16	- COVID-19-19 related rent concession - (Amendments)	June 1, 2020
IAS-1	- Presentation of financial statements - (Amendments)	January 1, 2020
IFRS-3	- Definition of business - (Amendments)	January 1, 2020
IAS-1&8	- Definition of material - (Amendments)	January 1, 2020

The above amendments are effective from annual period beginning on or after 1 January 2020 and are not

Notes to the Financial Statements

For the year ended September 30, 2020

likely to have an impact on Company's financial statements.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated:

4.4 Staff retirement benefits Defined contribution plan

The Company operates a defined contribution provident fund scheme (the Fund) for its permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10% of basic salary. The Company's contribution is charged to the statement of comprehensive income.

4.5 Taxation

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

Current

Provision for current taxation is based on taxable income, as adjusted for tax purposes, at the current rate of tax after taking into account all tax credits, rebates and available tax losses determined in accordance with prevailing tax laws. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments made during the year for such years.

Deferred

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

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor the taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Notes to the Financial Statements

For the year ended September 30, 2020

4.6 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

4.7 Property, plant and equipment

4.7.1 Owned

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is stated at revalued amount, building and plant & machinery which is stated at revalued amount less subsequent accumulated depreciation and subsequent impairment losses, if any. Cost includes purchase cost together with any incidental expenses of acquisition. Depreciation on additions is charged from the month when the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off. Depreciation is charged to profit or loss account at the rates specified in Note 5.1 to these financial statements using the reducing balance method unless specifically stated otherwise. Estimate of useful life of depreciable assets is based on assessment of industry trends, technical obsolescence and past experiences. Residual value and useful life of assets are reviewed, at each date of statement of financial position and adjusted expectations differ significantly from previous estimates.

Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

De-recognition

Gain or loss arising from de-recognition of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of an asset and is charged to the profit or loss account.

Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

4.7.2 Leased

Right to use Asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-

Notes to the Financial Statements

For the year ended September 30, 2020

to-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

Lease liability

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

4.8 Intangibles

Recognition and measurement

Intangibles, with finite useful lives, are measured at cost less accumulated amortization and impairment losses, if any. Amortization is charged to profit or loss account using the reducing balance method over its useful life.

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is charged to profit or loss account as incurred.

De-recognition

Gains or losses arising from de-recognition of intangibles are measured as the difference between the net disposal proceeds and the carrying amount of assets and are charged to the profit or loss account.

4.9 Impairment

Financial assets

The Company records impairment based on lifetime expected credit loss at the time of initial recognition of financial instrument at a default rate calculated using own historical credit loss experience and forward looking factors. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

Non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each year end to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be value in use. Impairment losses are recognized as an expense in the statement of other comprehensive income

4.10 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined at average running cost. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Cost is determined at average running cost.

Notes to the Financial Statements

For the year ended September 30, 2020

Stock in trade

These are valued at lower of cost and net realizable value (NRV) except molasses, bagasse and VF cake which is valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labour and appropriate manufacturing overheads. NRV represents the estimated selling price less cost necessarily to be incurred for such sale. Cost is determined as follows;

Work-in-process:

At estimated cost

Finished goods - sugar:

Lower of weighted average cost and net realizable value

4.11 Revenue recognition

According to the core principle of IFRS 15, the Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognise revenue when the entity satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. This criteria of revenue recognition for its timing and amount is consistent with the previously adopted accounting standard therefore, the management concludes that the adoption of IFRS 15 does not have impact on the timing and amount of revenue recognition of the Company.

4.12 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

4.13 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

4.14 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated admeasured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

4.15 Trade and other payables

Liabilities of trade and other amounts payable are carried at cost, which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.16 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the board of directors.

Notes to the Financial Statements

For the year ended September 30, 2020

4.17 Financial instruments

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, running finance under mark-up arrangements and short term loans which form an integral part of the Company's cash management.

4.19 Foreign currencies transactions

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

4.20 Related party transactions

All transactions with related parties are carried out as arms' length transactions by the Company using the methods prescribed under the Companies Act, 2017.

4.21 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

Notes to the Financial Statements

For the year ended September 30, 2020

		Note	2020 Rupees		2019 Rupees					
5	Property, plant and equipment									
	Property, plant and equipment	5.1	4,630,504,304		2,829,629,326					
	Capital work-in-progress	5.2	494,590,476		444,124,888					
			5,125,094,780		3,273,754,214					
5.1 Property, plant and equipment										
Particulars	Owned assets				Leased assets		Grand total			
	Freehold	Land	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture		Office equipment	Vehicles	Vehicles
------(Rupees)-----										
Cost										
Balance at October 01, 2018	817,868,000		309,212,272	2,628,374,327	10,177,778	9,558,230	10,871,309	64,168,251	1,853,223	3,852,083,390
Additions	-		28,709,946	60,607,223	-	387,047	1,086,322	6,684,989	-	97,475,527
Transfers	-		-	20,872,923	-	-	-	-	-	20,872,923
Disposal	-		-	-	-	-	(150,000)	(1,973,676)	-	(2,123,676)
Balance at September 30, 2019	817,868,000		337,922,218	2,709,854,473	10,177,778	9,945,277	11,807,631	68,879,564	1,853,223	3,968,308,164
Balance at October 01, 2019	817,868,000		337,922,218	2,709,854,473	10,177,778	9,945,277	11,807,631	68,879,564	1,853,223	3,968,308,164
Revaluation surplus	1,238,468,000		36,222,160	495,509,253	-	-	-	-	-	1,770,199,413
Additions	-		21,284,185	114,676,873	-	443,475	472,300	5,789,800	-	142,666,633
Disposal	-		-	-	-	-	(78,535)	(63,500)	(1,853,223)	(1,995,258)
Balance at September 30, 2020	2,056,336,000		395,428,563	3,320,040,599	10,177,778	10,388,752	12,201,396	74,605,864	-	5,879,178,952
Depreciation										
Balance at October 01, 2018	-		128,921,997	857,042,862	8,398,892	5,573,236	4,509,631	23,929,448	618,960	1,028,995,026
For the year	-		9,928,881	90,595,951	177,889	419,548	695,533	8,627,696	246,853	110,692,351
Disposal	-		-	-	-	-	(39,757)	(968,782)	-	(1,008,539)
Balance at September 30, 2019	-		138,850,878	947,638,813	8,576,781	5,992,784	5,165,407	31,588,362	865,813	1,138,678,838
Balance at October 01, 2019	-		138,850,878	947,638,813	8,576,781	5,992,784	5,165,407	31,588,362	865,813	1,138,678,838
For the year	-		10,787,947	90,820,931	160,100	420,041	699,875	8,034,736	49,371	110,973,001
Disposal	-		-	-	-	-	(29,348)	(32,659)	(915,184)	(977,191)
Balance at September 30, 2020	-		149,638,825	1,038,459,744	8,736,881	6,412,825	5,835,934	39,590,439	-	1,248,674,648
Carrying value 2019	817,868,000		199,071,340	1,762,215,660	1,600,997	3,952,493	6,642,224	37,291,202	987,410	2,829,629,326
Carrying value 2020	2,056,336,000		245,789,738	2,281,580,855	1,440,897	3,975,927	6,365,462	35,015,425	-	4,630,504,304
Rates of depreciation	0%		5%	5%	10%	10%	10%	20%	20%	

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
5.1.1	Depreciation for the year has been allocated as under:		
	Cost of sales	108,753,541	108,478,504
	Administrative expenses	2,219,460	2,213,847
		<u>110,973,001</u>	<u>110,692,351</u>
5.1.2	All assets are acquired with the funds of the Company and are held by and in the possession and control of the Company.		
5.1.3	Plant and machinery includes mark-up capitalized amounting to Rs. Nil (2019: Rs. Nil).		
5.1.4	The latest valuation of the Company's assets was carried out by Tristar International Consultant (Private) Limited as at September 30, 2020 and the forced sale value as at the date is given below:		
		Amount in Rupees	
	Freehold land		1,645,068,800
	Building on freehold land		184,342,303
	Plant, machinery and equipment		1,825,379,065
			<u>3,654,790,168</u>
5.1.5	Buildings, plant and machinery are located at freehold land measuring 497.68 Kanals located at industrial area Jauharabad City District Khushab.		
5.1.6	Disposal of property, plant and equipment		

Particulars	Cost	Net Book Value	Sale proceeds	Gain/(loss) on proceeds	Mode of Disposal	Name of purchaser
-----2020-----						
Amount in Rupees						
Vehicles						
Honda City Aspire	1,853,223	938,039	2,010,461	1,072,422	Sale	Mr. Amjad Mahmood Employee
Having book value less than Rs. 500,000	63,500	30,841	31,500	659	Sale	Employees
Sub total	<u>1,916,723</u>	<u>968,880</u>	<u>2,041,961</u>	<u>1,073,081</u>		
Office equipment						
Having book value less than Rs. 500,000	78,535	49,187	11,780	(37,407)	Sale	Employees
Total- 2020	<u>1,995,258</u>	<u>1,018,067</u>	<u>2,053,741</u>	<u>1,035,674</u>		
-----2019-----						
Amount in Rupees						
Vehicles						
Honda City (LEA-16-2168)	1,917,176	1,001,922	462,200	(539,722)	Sale	Mr. Imran Ilyas Employee

Notes to the Financial Statements

For the year ended September 30, 2020

Having book value less than Rs. 500,000	56,500	2,972	5,000	2,028	Negotiation	Muhammad Mushtaq Mughal -Open market
Sub total	1,973,676	1,004,894	467,200	(537,694)		
Office equipment						
Having book value less than Rs. 500,000	150,000	110,243	22,500	(87,743)	Sale	Employees
Total- 2019	2,123,676	1,115,137	489,700	(625,437)		

5.1.7 If the freehold land, building and plant and machinery were measured using the cost model, the carrying amount would be as follows:

Particulars	Cost	Accumulated depreciation	Accumulated depreciation
2020	------(Rupees)-----		
Freehold land	1,648,310	-	1,648,310
Building on freehold land	254,506,492	108,423,375	146,083,117
Plant and machinery	1,849,133,154	789,963,154	1,059,170,000
	2,105,287,956	898,386,529	1,206,901,427
2019			
Freehold land	1,648,310	-	1,648,310
Building on freehold land	233,222,307	100,976,715	132,245,592
Plant and machinery	1,734,456,281	735,168,981	999,287,300
	1,969,326,898	836,145,696	1,133,181,202

5.2 Capital work-in-progress

This cost incurred at Balancing Modernization and Replacement program (BMR) of the Company in previous year and transferred to fixed assets as follows:

Description	Opening balance	Additions during the year	Transferred to/(from)	Closing balance
2020	------(Rupees)-----			
Plant and machinery	437,112,928	50,465,588	379,530	487,958,046
Advances for capital expenditure	7,011,960	-	(379,530)	6,632,430
	444,124,888	50,465,588	-	494,590,476
2019				
Plant and machinery	388,735,573	48,369,232	8,123	437,112,928
Advances for capital expenditure	27,789,261	103,745	(20,881,046)	7,011,960
	416,524,834	48,472,977	(20,872,923)	444,124,888

5.2.1 Capital work in progress includes mark-up capitalized amounting to Rs. 25,163,443 in plant and machinery (2019: Rs. 34,701,508).

5.2.2 Advances for capital expenditure relates to the purchase of plant and equipment.

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
6 Intangible assets			
Software	6.1	173,363	258,751
6.1 Software			
Cost		1,100,000	1,100,000
Additions during the year		-	-
Disposal during the year		-	-
Accumulated amortization	6.2	(926,637)	(841,249)
At the end of the year		173,363	258,751
6.2 Accumulated Amortization			
At beginning of the year		841,249	713,804
Amortization for the year	6.3	85,388	127,445
At the end of the year		926,637	841,249
Amortization rate - % per annum		33%	33%
6.3 Amortization for the year has been allocated as under:			
Cost of sales	29	83,680	124,896
Administrative expenses	31	1,708	2,549
		85,388	127,445
7 Long-term deposits			
This represents interest free deposits to sub division canal officer for provision of utilities at plant and are refundable on disconnection of services.			
8 Stores, spare parts and loose tools			
Stores		54,264,127	44,279,221
Spare parts		34,569,778	31,584,287
Loose tools		2,839,484	1,924,849
		91,673,389	77,788,357
9 Stock-in-trade			
Work-in-process		3,810,289	2,674,488
Finished goods	9.1	189,811,145	387,327,921
		193,621,434	390,002,409
9.1	Finished goods are pledged against short term borrowing from various banks.		
10 Loans and advances			
Advances-considered good-unsecured			
-Suppliers		30,906,763	73,129,045
-Employees		5,647,985	14,804,961
-Agricultural loan	10.1	28,131,008	34,160,837
		64,685,756	122,094,843
L.C Deposit	10.2	4,911,800	2,740,006
		69,597,556	124,834,849

10.1 This represents interest free advances to sugarcane growers, which are adjustable against supply of sugarcane.

Notes to the Financial Statements

For the year ended September 30, 2020

10.2 This comprises deposits against letter of credits for consumables.

	Note	2020 Rupees	2019 Rupees
11 Trade debts			
Local Debtors			
Local debtors considered good - unsecured		1,345,521	10,682,327
Export debtors considered good - secured		-	259,584,000
		<u>1,345,521</u>	<u>270,266,327</u>
12 Trade deposits and short term prepayments			
Prepaid expenses	12.1	2,818,167	2,025,234
Others		284,818	-
		<u>3,102,985</u>	<u>2,025,234</u>
13 Other receivables - unsecured considered good			
Excise duty recoverable	13.1	10,500,922	10,500,922
Export fund refund	13.2	2,746,250	2,746,250
Special excise duty refundable	13.3	505,200	505,200
Rebate receivable on export of sugar	13.4	8,323,540	5,938,500
Sales tax refundable	13.5	9,264,844	13,045,045
		<u>31,340,756</u>	<u>32,735,917</u>
<p>13.1 This represents refund allowed by the Central Excise Appellate Tribunal, Lahore, in the light of criteria set up by the Supreme Court of Pakistan against Central Excise Duty paid during the season 1988-89. The Company legal council expecting that the case can be decided either way.</p> <p>13.2 This represents relief granted by the Lahore High Court against previous years' demand. However the same is still pending for final adjudication. The Company legal council expecting that the case will be decided in our favour.</p> <p>13.3 This represents an amount paid under protest as 1% Special Excise Duty on the goods manufactured prior to Finance Bill 2007, whereas it was leviable on goods manufactured/imported from July-01, 2007, vide Circular No. 1(3) Fed 2007 dated 28th August, 2007. The Company legal council expecting that the case will be decided in our favour.</p> <p>13.4 This represents rebate receivable from Government against export of sugar.</p> <p>13.5 This represents sales tax amount recoverable against purchase/sale of goods.</p>			
14 Tax refunds due from the Government			
Opening balance		128,183,170	124,476,219
Add: Tax deducted during the year		19,669,310	15,051,793
Less: Adjusted against prior year taxes		(31,186,680)	(11,344,842)
		<u>116,665,800</u>	<u>128,183,170</u>
<p>14.1 This represents income tax refundable from government. The assessments of the Company have been completed for and up to financial year ended on September 30, 2019.</p>			

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
15	Short term investments		
	Investment at fair value through profit or loss	17,128,849	-
		<u>17,128,849</u>	<u>-</u>

15.1 This represents the investment made in Securities of JS Investment Limited.

16 Cash and bank balances

Cash in hand		320,703	286,082
Cash at banks - current accounts		183,476,300	40,646,276
Cash at banks - saving accounts	16.1	40,036,686	17,922,474
		<u>223,833,689</u>	<u>58,854,832</u>

16.1 The balances in saving accounts carry mark-up at 1.1% to 1.8% per annum (2019: 5% to 8.5%).

17 Trade and other payables

Trade Creditors		84,028,467	36,166,320
Salaries and wages payable		19,580,287	13,945,867
Accrued liabilities		14,647,582	7,463,827
Advances from customers	17.1	55,001,804	416,567,174
Income tax deducted at source		118,024	61,712
Sugarcane cess payable	17.2	3,001,109	3,001,109
Sales tax payable	17.3	41,063,705	3,441,661
Security deposit		5,043,181	4,983,002
Workers' profit participation fund (WPPF)	17.4	10,381,906	13,586,006
Other payable	17.5	1,309,000	1,309,000
Short term loan from sponsors	17.6	111,750,000	-
		<u>345,925,065</u>	<u>500,525,678</u>

17.1 This represents advances received from customers for sale of sugar.

17.2 This represents sugarcane cess demanded by Cane Commissioner Lahore against sugarcane purchased from KPK.

17.3 This represents provision against pending cases of sales tax for the year 1999-2000 amounting to Rs. 3.44 million (2019: 3.44 million) and sales tax payable for the month of September 2020 amounting to Rs. 37.62 million (2019: Rs. Nil).

17.4 Workers' Profit Participation Fund (WPPF)

Balance at beginning of the year	13,586,006	1,938,528
Add: charge for the year	10,336,380	13,540,480
	<u>23,922,386</u>	<u>15,479,008</u>
Less: Payments made to the fund during the year	(13,540,480)	(1,893,002)
Balance at end of the year	<u>10,381,906</u>	<u>13,586,006</u>

17.5 This represents labor colony land at Jauharabad against which a case is pending with Housing and Physical Planning Department (PHATA), Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2020.

Notes to the Financial Statements

For the year ended September 30, 2020

- 17.6 This represents interest free loan provided to the Company by its sponsors' immediate family member. This loan has been agreed to be repayable at the Sponsors' immediate family member's discretion.

	Note	2020 Rupees	2019 Rupees
18	Accrued mark-up		
	Accrued mark-up on:		
	- Long term finances from banking companies-secured	2,076,939	4,969,449
	- Short term borrowings	977,394	14,273,753
		3,054,333	19,243,202

19 Short term borrowings

	Sanction limit 'Rupees in Million'	Note	2020 Rupees	2019 Rupees
Mark-up based borrowings from Conventional Banks				
Running finance	250	19.1	198,320,645	198,365,230
Cash finance	2,000	19.1	-	210,560,001
Islamic mode of financing				
Murabaha finance (hypothecation)	500	19.2	-	-
Bai Salam	650	19.2	-	-
	3,400		198,320,645	408,925,231

- 19.1 These facilities have been obtained from various conventional banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company). These facilities carry mark-up at the rates ranging from 1 month KIBOR + 2.00% to 3 months KIBOR + 3.00% per annum payable quarterly.

The aggregate available short term funded facilities amounts to Rs. 2.25 billion (2019: Rs. 2.10 billion).

- 19.2 These facilities have been obtained from various Islamic banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the Company, pledge of sugar stock, pledge of share of company, lien over import documents, and personal guarantees of sponsors and corporate guarantee of Cane Processing (Private) Limited (Holding Company). These facilities carry mark-up at the rates ranging from matching KIBOR + 2.25% to matching KIBOR + 2.50% per annum.

The aggregate available short term funded facilities amount to Rs.1.15 billion (2019: Rs. 1.55 billion).

20 Long term loans from banking companies-secured

Mark up bearing finance from conventional bank:

Soneri Bank Limited - Term Finance 20.1 60,404,982 96,647,973

Islamic mode of financing:

Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka-II 20.2 95,584,513 118,232,438

Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka - 2,798,663

Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka - 10,093,530

95,584,513 131,124,631

Mark up bearing finance from conventional bank:

Faysal Bank Limited 20.3 66,126,413 -

222,115,908 227,772,604

Less: Current portion (74,183,077) (108,395,839)

147,932,831 119,376,765

Notes to the Financial Statements

For the year ended September 30, 2020

20.1 Soneri Bank Limited - Term Finance

This includes long term loan against sanctioned term finance facility of Rs. 200 million obtained from Soneri Bank Limited to finance procurement/installation of 15+5MW second hand power plant in terms of arrangement auxiliary equipment, completion of erection and civil work and interconnecting fees.

Total estimated cost of project is Rs. 500 million out of which 30% shall be incurred from equity resources and rest of Rs. 350 million shall be arranged from bank's borrowing (Rs. 200 million from Soneri Bank Limited and Rs. 150 million from Al Baraka Bank (Pakistan) Limited).

Principal repayment

The said loan is to be repaid within 4 years from the date of first disbursement and including grace period of 6 months in 12 equal quarterly instalments. First instalment became due on first working day of 10th month from the date of first drawdown commencing from October 2018 and ending in June 2021.

Rate of return

It carries mark-up at the rate of three months KIBOR plus 2.75 % per annum and mark-up is payable on quarterly basis.

Security

This loan is secured by way of Soneri Bank charge amounting to Rs. 267 million over fixed assets of the Company (land, building, plant and machinery including but not limited to sugar mill and power plant) duly registered with SECP. The facility shall also be secured against charge of Rs. 267 million on receivables of the Company specifically generated from power outlay 15+5 MW power plant. Further corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

20.2 Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka - II

This represents long term loan against sanctioned limit of Rs. 150 million obtained to finance procurement/installation of 15+5MW second hand power plant as referred in note 20.1 above.

Principal repayment

The loan is to be repaid in 12 quarterly installments within 3 years after installation of power plant commencing from March 2019 and ending in December 2021.

Rate of return

It carries profit at the rate of matching KIBOR plus 3.00 % per annum and profit is payable on quarterly basis.

Security

This loan is secured by way of bank's exclusive charge over Diminishing Musharaka assets amounting to Rs.150 million including power plant and allied parts, accessories, erections, civil construction etc. registered with SECP. Further corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

20.3 Faisal Bank Limited - Mark-up bearing finance from conventional bank

This represents long term loan obtained from SBP through Faisal Bank under Islamic refinance scheme against sanctioned limit of Rs. 110 million for payment of wages & salaries to the workers and employees of company via SBP IH&SMEFD circular no 07 of 2020.

Principal repayment

The loan is to be repaid in quarterly installments starting from March 2021 within 2.5 years including 6 month of grace period.

Rate of return

It carries profit at the rate of matching SBP base rate plus 3.00 % per annum and applicable rental is payable without any grace period.

Notes to the Financial Statements

For the year ended September 30, 2020

Security

This loan is secured by charge over all fixed assets (present and future) of the company and corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

	2020 Rupees	2019 Rupees
21 Liabilities against assets subject to lease-secured		
Opening balance	135,805	639,123
Add: Assets acquired during the year	-	-
	135,805	639,123
Less: Payments/adjustments	(135,805)	(503,318)
	-	135,805
Less: Current portion	-	(135,805)
Closing balance	-	-

21.1 The Company had entered into lease agreement with JS Bank for vehicle. Lease rentals were payable on monthly basis and includes finance cost at the rate of 3 months KIBOR plus 2.25 % (2019: 3 months KIBOR plus 2.25 %), which has been used as discounting factor. The Company had exercised the option and disposed the assets upon completion of lease period.

21.2 A reconciliation between the total future minimum lease payments and their present values at year end is as follows:

Particulars	Minimum lease payments	2020	Financial charges
		Present value of minimum lease payments	
		-----Amount in Rupees-----	
Due within one year	-	-	-
Due after one year but not later than 5 years	-	-	-
	-	-	-
		2019	
Due within one year	139,249	135,805	3,444
Due after one year but not later than 5 years	-	-	-
	139,249	135,805	3,444

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
22	Provision for taxation		
	Balance at beginning of the year	42,451,685	-
	Add: Provision for the year	55,205,499	42,451,685
		97,657,184	42,451,685
	Less: Prior year adjustments/payments	(42,451,685)	-
	Balance at end of the year	55,205,499	42,451,685

22.1 Provision for current tax is calculated as per provisions of Income Tax Ordinance, 2001 at the applicable rates.

23 Contingencies and commitments

23.1 Contingencies

The following are known contingencies as on September 30, 2020.

23.1.1 Since Federal Excise Duty (FED) is leviable on goods produced or manufactured, therefore, FED is not leviable on sale of sugar produced prior to the Finance Bill, 2011. Hence, FED amounting to Rs. 58.88 million has not been accounted for in these financial statements. The Company has filed a writ petition in the Honourable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.88 million.

23.1.2 The Income Tax Department raised a demand of Rs. 197.07 million on account of non-deduction of tax while making payment to sugar cane suppliers. The demand was deleted by the Commissioner appeals except for Rs. 5.9 million which was confirmed under section 34(5) of the Income Tax Ordinance, 2001. However, the Department has filed an appeal against the Commissioner's order. The Company is hopeful that the tribunal decision would be in its favour.

23.1.3 The Company has filed a writ petition against the amendments of finance act 2014 on "Alternate Corporate Taxes", implication on Tax Year 2013 of Company against which a demand of Rs.50.26 million has been established, the said amendments would not be implemented as the income realized was before the said amendments, these amendments become applicable after July 1, 2014.

23.1.4 The Company has filed an appeal and stay application before Commissioner Inland Revenue (Appeals-I) against demand of Rs. 82.16 million created by Assistant Commissioner Inland Revenue vide order under section 161(1A)/205(3) which is decided in favour of the Company creating the demand of Rs.1.37 million. The Department has filed an appeal before ATIR against the decision.

23.2 Commitments

23.2.1 In respect of:

-irrevocable letter of credits for stores and spares	46,921,021	22,720,957
	46,921,021	22,720,957

24 Deferred taxation

Deferred tax liability on taxable temporary differences arising in respect of:

Surplus on revaluation of related assets	343,111,758	200,326,382
Accelerated depreciation / amortization	169,780,930	149,843,861
Leased assets	-	251,987

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Deferred tax asset on deductible temporary differences arising in respect of:			
Liabilities against assets subject to finance lease		-	(34,657)
Tax credits / Unused tax losses		(158,588,476)	(89,407,447)
		<u>354,304,212</u>	<u>260,980,126</u>
24.1 Movement in deferred tax balances is as follows:			
At beginning of the year		260,980,126	240,224,655
Deferred tax liability on addition in revaluation surplus		154,202,109	-
Recognized in statement of profit or loss:			
Accelerated tax depreciation/amortization on fixed assets		19,937,069	(9,530,562)
Incremental depreciation		(11,416,733)	(11,144,908)
Liabilities against assets subject to finance lease		(217,330)	44,740
Tax credits / unused tax losses		(69,181,029)	41,386,201
		<u>(60,878,023)</u>	<u>20,755,471</u>
At end of the year		<u>354,304,212</u>	<u>260,980,126</u>

25 Share capital

2020 ------(Number)-----	2019		Note	2020 Rupees	2019 Rupees
25.1 Authorized share capital					
<u>70,000,000</u>	<u>70,000,000</u>	Ordinary shares of Rs. 10/- each		<u>700,000,000</u>	<u>700,000,000</u>
25.2 Issued, subscribed and paid-up capital					
873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each		8,731,800	8,731,800
125,008	125,008	Shares issued for cash of Rs. 10 each		1,250,080	1,250,080
13,651,899	13,651,899	Shares issued as fully paid bonus shares of Rs. 10/- each	25.3	136,518,990	136,518,990
7,905,650	7,905,650	Right shares of Rs. 10/- each		79,056,500	79,056,500
11,572,716	11,572,716	Issue of shares against loan from sponsors		115,727,160	115,727,160
<u>34,128,453</u>	<u>34,128,453</u>			<u>341,284,530</u>	<u>341,284,530</u>

25.3 20 bonus shares issued for every 100 shares.

26 Loan from sponsors

Loan from Sponsors	26.1	<u>611,827,898</u>	<u>610,677,150</u>
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26.1 This represents interest free loan provided to the Company by its Sponsors. These loans have been agreed to be repayable at the Company's discretion.

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
27	Revaluation surplus on property, plant and equipment - net of tax		
Land		816,219,690	816,219,690
Buildings		100,592,998	100,592,998
Plant and machinery		855,042,404	855,042,404
		1,771,855,092	1,771,855,092
Add: Addition in revaluation surplus			
Land		1,238,468,000	-
Buildings		36,222,160	-
Plant and machinery		495,509,253	-
		1,770,199,413	-
Less: Accumulated incremental depreciation		(309,463,371)	(270,095,326)
		3,232,591,134	1,501,759,766
Less: Deferred tax liability			
Opening balance		200,326,382	211,471,290
Deferred tax liability on addition in revaluation surplus		154,202,109	-
Tax on Incremental depreciation for the year		(11,416,733)	(11,144,908)
		343,111,758	200,326,382
		2,889,479,376	1,301,433,384
28	Sales - net		
Sugar - local		3,596,765,002	2,996,533,883
Sugar - export		-	570,950,945
		3,596,765,002	3,567,484,828
By-products:			
-Molasses		330,780,002	224,592,325
-Bagasse		131,187,037	28,737,932
-Mud		5,768,130	3,933,679
		467,735,169	257,263,936
		4,064,500,171	3,824,748,764
Less:			
Sales tax		557,418,012	379,081,362
Commission on sale		4,245,650	4,184,200
		561,663,662	383,265,562
		3,502,836,509	3,441,483,202
29	Cost of sales		
Sugarcane purchased and consumed		2,326,990,669	2,052,745,736
Salaries, wages and other benefits	29.1	128,314,275	105,397,911
Chemicals and stores consumed		32,782,199	28,874,935
Packing material consumed		20,850,481	25,702,193
Fuel		733,228	808,719
Power		19,883,760	15,385,991
Repairs and maintenance		43,952,061	64,776,183
Workers' welfare expense		3,034,462	3,395,924
Insurance		2,807,218	2,732,082
Vehicle running and maintenance		5,720,927	7,896,569
Travelling and conveyance		2,153,917	2,284,822
Carriage and freight		2,542,670	2,066,074
Rent rate and taxes		517,403	1,100,906

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Printing and stationery		651,914	415,153
Depreciation	5.1.1	108,753,541	108,478,504
Amortization	6.3	83,680	124,896
Other factory expenses		2,617,909	2,123,442
		<u>2,702,390,314</u>	<u>2,424,310,040</u>
Opening work-in-process		2,674,488	1,929,396
Closing work-in-process	9	(3,810,289)	(2,674,488)
		<u>(1,135,801)</u>	<u>(745,092)</u>
Cost of goods manufactured		2,701,254,513	2,423,564,948
Opening stock of finished goods		387,327,921	751,517,045
Closing stock of finished goods	9	(189,811,145)	(387,327,921)
		<u>197,516,776</u>	<u>364,189,124</u>
		<u>2,898,771,289</u>	<u>2,787,754,072</u>

29.1 This includes Company's contributions to provident fund amounts to Rs. 1,514,312 (2019: Rs. 1,329,504).

30 Distribution cost

Salaries, wages and other benefits	30.1	10,250,601	8,890,718
Communication		122,622	137,648
Vehicles running and maintenance		76,481	41,754
Freight and clearing charges on exports	30.2	-	33,945,379
Miscellaneous	30.3	3,690,837	2,812,244
		<u>14,140,541</u>	<u>45,827,743</u>

30.1 This includes Company's contributions to provident fund amounts to Rs. 105,098 (2019: Rs. 94,031).

30.2 This represents freight charges with respect to export of sugar to China.

30.3 This includes the penalty paid by the Company on Export quota.

31 Administrative expenses

Salaries, wages and other benefits	31.1	117,565,915	102,237,281
Staff welfare		4,266,879	3,797,859
Legal and professional charges		9,122,789	9,718,896
Rent, rate and taxes		3,974,723	4,177,514
Fuel and power		2,020,849	1,241,931
Vehicles running and maintenance		4,881,985	4,150,198
Travelling and conveyance		880,622	1,868,889
Printing and stationery		827,494	633,657
Telecommunication		427,366	492,457
Repair and maintenance		394,952	108,931
Postage and telegrams		237,235	396,029
Advertisement		423,500	266,500
Auditors' remuneration	31.2	613,000	563,000
Charity and donations	31.3	2,184,595	2,036,985
Depreciation	5.1.1	2,219,460	2,213,847
Amortization	6.3	1,708	2,549
Insurance		5,502,694	4,873,273
Miscellaneous		1,513,234	1,144,536
		<u>157,059,000</u>	<u>139,924,332</u>

Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
31.1	This includes Company's contributions to provident fund amounts to Rs. 1,208,633 (2019: Rs. 1,081,358).		
31.2	Auditors' remuneration		
	Annual audit fee	550,000	500,000
	Half yearly review	63,000	63,000
		<u>613,000</u>	<u>563,000</u>
31.3	None of the Directors of the Company or any of their spouse have any interest in charity and donations.		
32	Finance cost		
	Mark-up on long term loan from banking companies-secured	768,919	3,894,020
	Mark-up on short term borrowings	226,556,119	197,453,896
	Bank Commission on exports	1,228,939	1,349,059
	Bank charges	2,624,198	2,982,082
		<u>231,178,175</u>	<u>205,679,057</u>
32.1	Finance cost amounting to Rs.25.16 million (2019 : Rs.34.70 million) relating to installation of a power plant with generation capacity of 15 WM/hour has been capitalized.		
33	Other income		
	Insurance claim received	-	583,000
	Gain on foreign currency transactions	342,634	7,748,115
	Miscellaneous	6,532,936	2,225,732
	Gain on disposal of property, plant and equipment	1,035,674	-
		<u>7,911,244</u>	<u>10,556,847</u>
33.1	This mainly include interest received on saving accounts maintained with banks.		
34	Other expenses		
	Trade parties balance written-off	-	851,660
	Loss on disposal of property, plant and equipment	-	625,437
	Rebate on exports written-off	-	568,157
	Fair value loss on investment	2,871,150	-
	Provision for Workers' Profit Participation Fund (WPPF)	10,336,380	13,540,480
		<u>13,207,530</u>	<u>15,585,734</u>
35	Taxation		
	Income tax		
	Current year	55,205,499	42,451,685
	Prior year	(11,265,005)	11,344,842
		<u>43,940,494</u>	<u>53,796,527</u>
	Deferred tax	(60,878,023)	20,755,471
		<u>(16,937,529)</u>	<u>74,551,998</u>
35.1	Provision for current taxation is based on minimum tax at the rate of 1.5% of net revenue under section 113 of Income Tax Ordinance, 2001, excess of minimum tax over tax liability shall be carry forward for next five years and adjusted against tax liability. However, the tax credit for the year 2016 has lapsed.		

Notes to the Financial Statements

For the year ended September 30, 2020

35.2 The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements, as the total income of the Company falls under section 113 of the Income Tax Ordinance, 2001, and the deferred tax asset was also recorded on unadjusted tax credit under section of 113.

35.3 The provision for current year tax represents tax on taxable income, net of tax credits. As per management's assessment the provision for tax made in the financial statements is sufficient. Tax assessment for the year 2019 is finalized, a comparison of income tax provision of last three years with tax assessment is presented below:

Years	Tax provision as per financial statements ------(Amount in Rupees)-----	Tax as per assessment
2018	-	-
2019	42,451,685	31,186,680
2020	55,205,499	-

		2020 Rupees	2019 Rupees
36 Earnings per share			
36.1 Earnings per share - basic			
Profit after taxation attributable to members	Rupees	213,328,747	182,717,113
Weighted average number of ordinary shares	Number	34,128,453	34,128,453
Earnings per share - basic	Rupees	6.25	5.35

36.2 Earning per share - diluted

There is no dilutive effect on the basic (loss)/earnings per share as the Company does not have any convertible instruments in issue as at 30 September 2020 and 30 September 2019.

37 Remuneration of Chief Executive, Director and Executives

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

	Directors				Executives			
	Chief Executive		Executive Director		Non-Executive Directors			
	2020	2019	2020	2019	2020	2019	2020	2019
	------(Rupees)-----							
Short term employee benefits								
Managerial remuneration	2,590,200	694,000	2,367,000	4,388,000	-	-	10,933,704	8,173,092
Allowances	-	-	-	-	-	-	-	-
Post employment benefits								
Contribution to provident fund	-	-	79,345	-	-	-	-	-
	<u>2,590,200</u>	<u>694,000</u>	<u>2,446,345</u>	<u>4,388,000</u>	<u>-</u>	<u>-</u>	<u>10,933,704</u>	<u>8,173,092</u>
Number of key executive/ non-executive	1	1	2	2	5	5	6	5

37.1 The Chief Executive does not hold any shares in the Company.

37.2 Executives are employees whose basic salaries exceed Rs. 1.2 million (2019: 1.2 million) in a financial year.

Notes to the Financial Statements

For the year ended September 30, 2020

37.3 The Executive and Non-Executive Directors had voluntarily forgone their right of remuneration. However, one Executive Directors waived his voluntary request and received salary during the year.

38 Operating segments

38.1 These financial statements have been prepared on the basis of single reportable segment.

38.2 Revenue from sale of sugar represents 87.64 % (2019: 93.18 %) of the total revenue of the Company.

38.3 The Company sold sugar only in Pakistan (2019: Pakistan and China) and revenue of sugar from continuing operations from external customers based on geographical areas is 0.00% (2019: 17.80%).

38.4 Sale of sugar includes 100.00% (2019: 82.20%) that relates to customers in Pakistan.

38.5 All assets of the Company as at September 30, 2020 are located in Pakistan.

39 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 39.5. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is conducted by the Board of Directors. The Company focuses on securing its cash flows & minimizing its exposure to financial markets. The Company does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the company is exposed are described below:

39.1 Credit risk

Credit risk represents 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 carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2020 Rupees	2019 Rupees
Long term deposits	2,786,800	2,386,800
Trade debts	1,345,521	270,266,327
Loans and advances	69,597,556	124,834,849
Trade deposits and short term prepayments	3,102,985	2,025,234
Other receivables	31,340,756	32,735,917
Short term investments	17,128,849	-
Bank balances	223,512,986	58,568,750

Counterparties with external credit ratings

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Rating		Rating Agency	2020 Rupees	2019 Rupees
	Short term	Long Term			
Albaraka bank Pakistan limited	A1	A	PACRA	33,573,600	17,736,797
Allied bank limited	A1+	AAA	PACRA	7,492,790	1,060,226
Bank Alfalah limited	A1+	AA+	PACRA	165,347	326,087
Dubai Islamic bank	A1+	AA	JCR-VIS	66,664	61,647
Faysal bank limited	A1+	AA	PACRA	110,644,907	499,229
Habib bank limited	A1+	AAA	JCR-VIS	1,816	2,425

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For the year ended September 30, 2020

JS bank limited	A1+	AA-	PACRA	243,334	295,679
MCB bank limited	A1+	AAA	PACRA	8,930,566	1,166,836
MCB Islamic bank limited	A1	A	PACRA	49,363,663	11,306,851
Meezan bank limited	A1+	AA+	JCR-VIS	177,175	2,445,538
National bank of Pakistan	A1+	AAA	PACRA	300,335	549,219
Soneri bank limited	A1+	AA-	PACRA	10,327,012	16,190,731
United bank limited	A1+	AAA	JCR-VIS	1,336,893	4,712,129
Askari bank limited	A1+	AA+	PACRA	225,901	226,019
Habib Metropolitan bank limited	A1+	AA+	PACRA	662,953	1,989,337
				223,512,986	58,568,750

39.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

39.2.1 Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at year end.

	2020			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 year
	-----Amount in Rupees-----			
Long-term finances	222,115,908	225,170,241	77,237,410	147,932,831
Liabilities against assets subject to lease	-	-	-	-
Unclaimed dividend	1,156,796	1,156,796	1,156,796	-
Trade and other payables	117,102,245	117,102,245	117,102,245	-
Mark-up accrued	3,054,333	3,054,333	3,054,333	-
Short term borrowings	198,320,645	198,320,645	198,320,645	-
	2019			
Long-term finances	227,772,604	266,588,300	136,251,244	130,337,056
Liabilities against assets subject to lease	-	-	-	-
Unclaimed dividend	1,122,395	1,122,395	1,122,395	-
Trade and other payables	65,200,264	65,200,264	65,200,264	-
Mark-up accrued	19,243,202	19,243,202	19,243,202	-
Short term borrowings	408,925,231	408,925,231	408,925,231	-

The Company's current ratio is 1.11 (2019: 1.00). The Company arranged facility from different conventional and Islamic financial institutions to meet its working capital requirements.

39.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk

Notes to the Financial Statements

For the year ended September 30, 2020

management is to manage and control market risk exposures within acceptable parameters, while optimizing return. Market risk comprises of currency risk, interest rate risk and other price risk.

39.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company's potential currency exposure comprises of:

- Transactional exposure in respect of non-functional currency monetary items.
- Transactional exposure in respect of non-functional currency revenues.

The potential currency exposures are discussed below:

Transactional exposure in respect of non-functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non-functional currency revenues

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Exposure to currency risk

The Company's exposure to currency risk at the reporting date was as follows:

	2020 USD	2019 USD
Export debtors considered good - secured	-	1,664,000

Exchange rates applied during the year

The following exchange rate has been applied during the year on transactions involving foreign currency.

	Reporting date rate		Average rate for the year
	Buying	Selling	
	----- USD -----		
Exchange rate during the year on transactions		2020	
Involving foreign currency	155.40	156.21	155.81
Exchange rate during the year on transactions		2019	
Involving foreign currency	156.00	156.75	153.71

Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on translation of export debtors.

Notes to the Financial Statements

For the year ended September 30, 2020

	2020 Rupees	2019 Rupees
Effect on Profit or Loss	-	166,400

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profit.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit/(loss) for the year and assets/liabilities of the Company.

39.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate		Carrying amount	
	2020 Percentage	2019 Percentage	2020 Rupees	2019 Rupees
Financial assets				
Fixed rate instruments				
Bank balances - saving accounts	1.1% to 1.8%	5% to 8.5%	40,036,686	17,922,474
Financial liabilities				
Floating rate instrument				
Long term loans from banking companies -secured	10.00% to 16.60%	10.93% to 16.91%	222,115,908	227,772,604
Short term borrowings	10.25% to 16.85%	8.48% to 15.8%	198,320,645	408,925,231
Liabilities against assets subject to finance lease-secured	10.00 to 16.60 %	11.13% to 16.11%	-	135,805

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for floating rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or (loss) for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or loss 100 bp	
	Increase	decrease
	-----Amount in Rupees-----	
As at 30 September 2020		
-Cash flow sensitivity-Variable rate financial liabilities	(4,204,366)	4,204,366
As at 30 September 2019		
-Cash flow sensitivity-Variable rate financial liabilities	(6,368,336)	6,368,336

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets /liabilities of the Company.

Notes to the Financial Statements

For the year ended September 30, 2020

Interest rate risk management

The Company manages interest rate risk through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings, loans and advances by the Company have variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

39.3.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

39.3.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company believes that it is not exposed to other price risk.

39.4 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of long term debt to equity.

The gearing ratio as at 30th September were as follows:

	2020 Rupees	2019 Rupees
Debt	225,170,241	266,588,300
Equity	4,696,282,464	2,899,934,134
Total capital employed	4,921,452,705	3,166,522,434
Gearing ratio	5%	8%

The Company is less geared as compared to previous year.

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For the year ended September 30, 2020

39.5 Accounting classifications and fair values

September 30, 2020	Carrying amount			Total		Fair Value			
	Fair value through profit or loss	Fair value through OCL	At amortized cost	Total	Level 1	Level 2	Level 3	Total	
Amount in Rupees									
Financial assets									
Investment	17,128,849	-	-	17,128,849	17,128,849	-	-	17,128,849	
Long term deposit	-	-	2,786,800	2,786,800	-	-	-	-	
Trade debts	-	-	1,345,521	1,345,521	-	-	-	-	
Loan and advances	-	-	69,597,556	69,597,556	-	-	-	-	
Other receivables	-	-	31,340,756	31,340,756	-	-	-	-	
Cash and bank balances	-	-	223,512,986	223,512,986	-	-	-	-	
	17,128,849	-	328,583,619	345,712,468	17,128,849	-	-	17,128,849	
Financial liabilities									
Long term finances	-	-	222,115,908	222,115,908	-	-	-	-	
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-	
Trade and other payables	-	-	117,102,245	117,102,245	-	-	-	-	
Accrued mark-up	-	-	3,054,333	3,054,333	-	-	-	-	
Short term borrowing	-	-	198,320,645	198,320,645	-	-	-	-	
	-	-	540,593,131	540,593,131	-	-	-	-	
September 30, 2019									
Financial assets									
Long term deposit	-	-	2,386,800	2,386,800	-	-	-	-	
Trade debts	-	-	270,266,327	270,266,327	-	-	-	-	
Loan and advances	-	-	124,834,849	124,834,849	-	-	-	-	
Other receivables	-	-	32,735,917	32,735,917	-	-	-	-	
Cash and bank balances	-	-	58,568,750	58,568,750	-	-	-	-	
	-	-	488,792,643	488,792,643	-	-	-	-	
Financial liabilities									
Long term finances	-	-	227,772,604	227,772,604	-	-	-	-	
Liabilities against assets subject to finance lease	-	-	135,805	135,805	-	-	-	-	
Trade and other payables	-	-	65,200,264	65,200,264	-	-	-	-	
Accrued mark-up	-	-	19,243,202	19,243,202	-	-	-	-	
Short term borrowing	-	-	408,925,231	408,925,231	-	-	-	-	
	-	-	721,277,106	721,277,106	-	-	-	-	

The aforementioned table presents assets and liabilities carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within 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.

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	Unit	2020 Number	2019 Number
40	Number of employees		
	Average number of employees for the year		
	Plant	778	745
	Head Office	11	11
		789	756
	Total number of employees at year end		
	Plant	624	597
	Head Office	11	11
		635	608
41	Plant capacity and production		
	Cane crushing capacity	M.Ton	1,040,000
	Cane crushed	M.Ton	425,433
	Sugar production	M.Ton	41,150
	Recovery ratio	Percentage	9.67%

41.1 The cane crushing capacity is based on crushing capacity of line-II, which is currently in operation.

41.2 The cane crushing capacity is based on 104 days.

41.3 Shortage in capacity utilization is due to the fact that in current year previously non-functional mills have become operational in the region and low yield of sugarcane crop with lesser sucrose content caused by adverse climatic conditions.

42 Related party transactions / balances

The related parties comprise directors of the Company, key employees, provident fund trust, associated undertakings and holding company. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

Party name	Relationship and percentage of shareholding	Transaction during the year and year end balances	2020 Rupees	2019 Rupees
Cane Processing Private Limited	Holding company holds 63.63 % (2019: 63.63 %) share capital	Loan received during the year	-	18,550,000
		Loan repaid during the year	176,000	18,825,658
		Amount payable at year end	140,593,488	140,769,488
		Dividend paid	21,725,885	18,098,580
Mrs. Ghazala Amjad	Chief Executive officer of holding company (Cane Processing Private Limited)	Loan received during the year	13,250,000	329,450,071
		Loan repaid during the year	-	328,500,000
		Amount payable at year end	471,234,410	469,907,662
		Dividend paid	3,175,816	2,646,514
Radiant Power Private Limited	The company had been wound up last year and shareholding in the said company was 59.9 %.	Expenses paid during the year on behalf of the company	-	-
		Expenses written off during the year	-	-
		Amount receivable at year end	-	-
Employee benefit-Provident Fund Trust	Employee benefit fund	Provident fund contribution	2,879,184	2,556,112
Chief Executive	Key management personnel	Remuneration paid	2,590,200	694,000
Mrs. Shahida Mazhar	Immediate family member of sponsor	Loan received during the year	111,750,000	-
Executive Director	Key management personnel	Remuneration paid	2,367,000	4,388,000
Non-executive Director	Key management personnel	Dividend paid	18,954	15,796

All transactions with related parties have been carried out on commercial terms and conditions.

Notes to the Financial Statements

For the year ended September 30, 2020

	Unit	2020 Rupees	2019 Rupees
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43 Employees Provident Fund Trust

The following information is based on the financial statements of Provident Fund Trust.

		Un-audited	Audited
Size of fund - total assets	Rupees	34,577,941	31,649,061
Cost of investments made	Rupees	26,050,000	26,050,000
Percentage of investments made	Percentage	75.34%	82.31%
Fair value of investment	Rupees	26,050,000	26,050,000

The breakup of fair value of investments is as follows:

	2020		2019	
	Rupees	Percentage	Rupees	Percentage
Defence Saving Certificates	26,050,000	75.34%	26,050,000	82.31%
	26,050,000	75.34%	26,050,000	82.31%

The investments of the Provident Fund Trust are in compliance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

44 Date of authorization for issue

These financial statements have been authorized for issue on December 28, 2020 by the Board of Directors of the Company.

45 General


45.1 Figures have been rounded off to the nearest Rupee.

45.2 Corresponding figures have been re-classified and re-arranged where necessary, for the purpose of comparison, the effects of which are not material.

Lahore:
December 28, 2020


Jamal Ahmed
Chief Executive


Amjad Bashir Husain
Director


Imran Ilyas
Chief Financial Officer

جوہر آباد شوگر ملز لمیٹڈ

اطلاع سالانہ اجلاس عام

بذریعہ نوٹس بذراطلاع کیا جاتا ہے کہ جوہر آباد شوگر ملز لمیٹڈ ("کمپنی") کے ممبران کا 52 واں سالانہ اجلاس عام بروز جمعرات 28 جنوری 2021 کو صبح 11:30 بجے، رجسٹرڈ دفتر B-125، قانبر اعظم انڈسٹریل انلیٹ، کوٹ لکھپت، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہو گا۔

عام امور:

- 07 ستمبر 2020ء کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 30 ستمبر 2020ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ سالانہ مالی حسابات معदान پر ڈائریکٹرز اور ڈیزیزی رپورٹس اور چیئرمین کی جائزہ رپورٹ کی وصولی وغیرہ اور منظوری دینا۔
- 30 ستمبر 2020ء کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق نقد ڈیویڈنڈ بشرح 10% یعنی 10 روپیہ فی عام شیئر کی ادائیگی کیلئے غور و خوض اور منظوری دینا۔
- 30 ستمبر 2021ء کو ختم ہونے والے سال کیلئے ڈیزیزی رپورٹس اور ان کے صلہ خدمت کا تعین کرنا۔ میسرز یو ایچ ڈائی حسن فیم اینڈ کمپنی، چارڈا کا ڈسٹریکشن، اے ایل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔
- PSX کے تقاضہ کے مطابق کارپوریٹ بریفنگ سیشن۔
- کمپنیز ایکٹ، 2017ء کے سیکر 2 کے تحت قواعد و ضوابط اور PSX رگولیشنز کے نفاذ کی وجہ سے کمپنی کا نیا میمورٹم آف ایسوی ایشن اپنانا اور درج ذیل قرار داد کو بطور خصوصی قرار داد منظور کرنا۔

خصوصی امور:

قرار پایا کہ کمپنی کا نیا میمورٹم آف ایسوی ایشن انتظامیہ کی تجویز کے مطابق ہے اور بذریعہ ہذا اس کی منظوری دی گئی ہے۔

"مزید قرار پایا کہ کمپنی سکرٹری کو تمام کاموں، اعمال اور چیزوں کو کرنے کا اختیار ہے اور جو مذکورہ بالا مقاصد کو انجام دینے اور مذکورہ بالا مقصد کو مؤثر بنانے کے لئے درکار ہو سکتے ہیں۔"

"مزید قرار پایا کہ کمپنی سکرٹری کو سیکرٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان لکھنیز کے رجسٹرار کے ذریعہ جس طرح کی نشاندہی یا ہدایت کی گئی اس میں کوئی اصلاحات/ترمیم/تبدیلی کرنے کا اختیار ہے۔"

7 کمپنیز ایکٹ، 2017ء کے سیکر 2 کے تحت قواعد و ضوابط اور PSX رگولیشنز کے نفاذ کی وجہ سے کمپنی کا نیا آرٹیکل آف ایسوی ایشن اپنانا اور درج ذیل قرار داد کو بطور خصوصی قرار داد منظور کرنا۔

قرار پایا کہ کمپنی کا نیا آرٹیکل آف ایسوی ایشن انتظامیہ کی تجویز کے مطابق ہے اور بذریعہ ہذا اس کی منظوری دی گئی ہے۔

"مزید قرار پایا کہ کمپنی سکرٹری کو تمام کاموں، اعمال اور چیزوں کو کرنے کا اختیار ہے اور جو مذکورہ بالا مقاصد کو انجام دینے اور مذکورہ بالا مقصد کو مؤثر بنانے کے لئے درکار ہو سکتے ہیں۔"

"مزید قرار پایا کہ کمپنی سکرٹری کو سیکرٹریز اینڈ ایگزیکٹو کمیشن آف پاکستان لکھنیز کے رجسٹرار کے ذریعہ جس طرح کی نشاندہی یا ہدایت کی گئی اس میں کوئی اصلاحات/ترمیم/تبدیلی کرنے کا اختیار ہے۔"

دیگر امور:

8 صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔

کمپنیز ایکٹ 2017ء کی دفعہ (3) 134 کے تحت بیان نوٹس ہذا کے ہمراہ حصص داران کو ارسال کیا جا رہا ہے۔ نیا مجوزہ میمورٹم آف ایسوی ایشن اور آرٹیکل آف ایسوی ایشن اجلاس میں ارکان کے معائنہ کے لئے دستیاب ہوگا۔

نوٹ:-

- کمپنی کی حصص منتقلی کتابیں 21 جنوری 2021ء تا 28 جنوری 2021ء (بشمول ہر دو ایام) بند رہیں گی۔ منتقلی کمپنی کے شیئر رجسٹرار، میسرز کارپ لٹک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کرسٹل، ماڈل ٹاؤن لاہور کو 20 جنوری 2021ء کو کاروبار کے اختتام تک وصول ہونے والی اجلاس میں شرکت کے استحقاق کیلئے بروقت منظور ہوگی۔
- اجلاس میں شرکت اور ووٹ دینے کا حقیق ممبر اپنی جانب سے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراسی مقرر کر سکتا ہے۔ کارپوریٹ اسمبلی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد پر مبنی ممبرانہ کے نمونہ دستخط کمپنی کے پراسی فارم کے ہمراہ جمع کرنا ہوگا۔ پراسی کسیر تا آئندہ مؤثر ہوگیں، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہونی چاہئیں۔
- وہ ممبران جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ (سی ڈی سی) کے ہاں جمع کرنا چکے ہوں، سے درخواست ہے کہ اپنے اصل CNIC، اکاؤنٹ اور پارٹیشن کے نمبرز ہمراہ لائیں۔ ایسے ممبران کو مزید برآں سیکورٹیز اینڈ ایگزیکٹو کمیشن پاکستان کے سرکل نمبر ۱ مورخہ 26 جنوری 2000ء میں دی گئی ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔
- ممبران کو کمپنی کے ساتھ تمام کارپسٹرانٹس میں اور سالانہ اجلاس عام میں شرکت کے وقت اپنے فوینمبر درج کرنے چاہئیں۔
- ممبران سے درخواست ہے کہ اپنے رجسٹرڈ پتوں میں تبدیلی، ڈیوڈنڈ پتوں اور ٹیکس ایگزیمیشن سٹیشن، اگر کوئی ہو، کا قاعدہ اپنے کارآمد سرٹیفیکیشن کے ہمراہ کمپنی کے شیئر رجسٹرار کو فی الحال مطلع فرمائیں۔
- کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پرویز کے مطابق کوئی منافع منقسمہ قابل ادا نقد صورت میں فقط الیکٹرونک طریقہ کے ذریعہ براہ راست مستحق ممبران کے منسوب کردہ بینک اکاؤنٹ میں ادا کیا جائے گا۔ اس کے مطابق تمام ممبران سے درخواست ہے کہ کمپنی کے شیئر رجسٹرار، ممبر رور، پارٹیشن اسی ڈی سی انویسٹر اکاؤنٹ سرور کو ڈیویڈنڈ منیٹیف معلومات مہیا کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں یہ معلومات سی ڈی ایس کو براہ راست مہیا کی جانی چاہئیں۔ ممبران سے معلومات حاصل کرنے کا نوٹس نہیں اگلا۔ ارسال کیا جا رہا ہے۔ معیاری درخواست فارم کمپنی کی ویب سائٹ www.jsml.com.pk پر بھی رکھا جا چکا ہے۔ معلومات مہیا کرنے میں تاخیر کا کوئی صورت میں، کمپنی ڈیویڈنڈ ادا کرنے کے قابل نہیں ہوگی۔
- انکم ٹیکس آرڈیننس، 2001 (آرڈیننس) کی طرف سے مزید کے مطابق ڈیویڈنڈ ادائیگیوں پر موجودہ دوہولنگ ٹیکس ریش افراد جن کے نام انکم ٹیکس انٹرنیٹ فزرسٹ (ATL) میں درج ہیں کے لئے 15% اور افراد جن کے نام ATL میں درج نہیں ہیں کے لئے 30% ہیں۔ کمپنی کو نقد ڈیویڈنڈ کی رقم پر ٹیکس دیکشن 30% کے بجائے 15% شرح سے منہا کرنے کے قابل بنانے کے لئے، تمام حصص داران جن کے نام فزرسٹ بورڈ آف ریونیو کی ویب سائٹ پر دستیاب ATL میں درج نہیں ہیں کو ہدایت ہے کہ ڈیویڈنڈ ادائیگی کی تاریخ سے قبل ATL میں اپنے ناموں کا اندراج یقینی بنائیں، بصورت دیگر ان سے بطور ٹیکس بینر سلوک نہیں کیا جائے گا (باوجودیکہ وہ انکم ٹیکس ریشن کے فائلرز ہیں) اور ان کے نقد ڈیویڈنڈ پر ٹیکس 30% کی شرح سے منہا کیا جائے گا۔
- سی ڈی سی اکاؤنٹ کے حامل کارپوریٹ ممبران کو اپنے متعلقہ پارٹیشن کے ہاں اپنے پینل ٹیکس نمبر (NTN) اپ ڈیٹ رکھنے چاہئیں جبکہ کارپوریٹ مادی ممبران کو اپنے این ٹی این ٹیکس کی کاپی کمپنی کے شیئر رجسٹرار کو ارسال کرنی چاہئیں۔
- ایف بی آر کی وضاحت کے مطابق آرڈیننس کی دفعہ 159 کے تحت کا آڈٹ ایگزیمیشن سرٹیفیکٹ آرڈیننس کے دوسرے شیڈول کے پارٹ IV کی کارڈ 47B کے تحت دوہولنگ ٹیکس کی ایگزیمیشن کے دعویٰ کیلئے لازمی ہے۔ وہ جو مذکورہ بالا کارڈ کی تکلیف میں آتے ہیں کولازماً کمپنی کے شیئر رجسٹرار کو کارڈ ٹیکس ایگزیمیشن سرٹیفیکیشن مہیا کریں بصورت دیگر مجوزہ شرحوں کے مطابق ڈیویڈنڈ رقم پر ٹیکس منہا کیا جائے گا۔
- ایف بی آر نے وضع کیا ہے کہ فائلرز اور نان فائلرز کے ملکیٹی مشنر کے حصص داران کے اکاؤنٹس سے الگ الگ سلوک کیا جائے گا اور ایسی خاص صورت حال میں ہر ایک اکاؤنٹ ہولڈر سے یا تو فائلر یا نان فائلر سلوک کیا جائے گا اور ٹیکس ان کے شیئر ہولڈنگ کے مطابق منہا کیا جائے گا۔ اگر شیئر قابل تحقیق نہیں ہوا تو ہر اکاؤنٹ ہولڈر شیئر کے مساوی تناسب کا مالک تصور ہوگا اور اس کے مطابق ڈیٹکشن ہوگی اس لئے زیادہ شرح پر ٹیکس کی ڈیٹکشن سے بچنے کیلئے مشنر کہ اکاؤنٹ ہولڈرز سے درخواست ہے کہ اپنے شیئر ہولڈنگ کی حسب ذیل تفصیلات کمپنی کے شیئر رجسٹرار کو اگم اگم کی تاریخ تک مہیا کریں۔

فولیڈر سی ڈی سی	نام شیئر ہولڈر	کمپنیز آرڈیننس کی شناختی	شیئر ہولڈنگ	کل حصص	پرنسپل/جوائنٹ
اکاؤنٹ نمبر		کارڈ			شیئر ہولڈر

- کمپنیز ایکٹ 2017ء کی دفعہ 244 کے تحت ضروری ہے کہ کوئی شیئرز جو تین سالوں (یا زیادہ) کی مدت کیلئے غیر دعویٰ شدہ رہے ہوں وفاقی حکومت کو پہنچائے جائیں۔ قانون کے مطابق کمپنی کیلئے ضروری ہے کہ اگر حصص داران کو غیر مردینے کے بعد کمپنی کے ہاں کوئی دعویٰ نہ کیا جائے تو غیر دعویٰ شدہ یا غیر ادا شدہ رقم فیڈرل حکومت کے ہاں جمع کرانی جائے۔ لہذا تمام حصص داران جو کسی وجہ سے اپنے ڈیویڈنڈ یا حصص دعویٰ نہیں کر سکتے تھے کو نوٹس ہذا کے ذریعے سمجھتی جاتی ہے کہ اپنے غیر دعویٰ شدہ ڈیویڈنڈ یا پنڈنگ حصص، اگر کوئی ہوں فی الفور حاصل کرنے کے بارے میں تحقیق کیلئے کمپنی کے شیئر رجسٹرار سے رابطہ کریں۔

بحکم بورڈ

ایوسف

کمپنی سیکرٹری

لاہور

مورخہ: 06 جنوری 2021ء

12۔ مطابق نوٹیفکیشن PSX/N-92 مورخہ 28 جنوری 2019 پاکستان اسٹاک ایکسچینج کی طرف سے ضروری جوہر آباد شوگر ملز لمیٹڈ کا کارپوریٹ اپنا اسٹاک بریفنگ سیشن بھی بروز جمعرات 28 جنوری 2021 کو AGM کی تکمیل کے فوراً بعد رجسٹرڈ دفتر 125-B، قائداعظم انٹرنیشنل اسٹیٹ، کوٹ لکھپت، لاہور میں منعقد ہوگا جس میں 30 ستمبر 2020 کو ختم ہونے والے سال کی کارکردگی اور نتائج مہیا کئے جائیں گے۔

13۔ مورخہ 28 جنوری 2020 کو 51 ویں سالانہ اجلاس عام میں ارکان پہلے ہی کمپنیز ایکٹ 2017 سے SECP رولز اور گیلینڈز اور PSX رگولیشنز کے نفاذ کی وجہ سے کمپنی کے نئے آرٹیکل آف ایسوسی ایشن کی منظوری دے چکے ہیں۔ کمپنی ویلڈیٹی مدت ختم ہونے کے نتیجے SECP کے رگولیشن کے باعث مذکورہ منظوری کو مؤثر بنانے میں ناکام رہی ہے۔ چنانچہ، ارکان سے نئے مجوزہ آرٹیکل آف ایسوسی ایشن کے جائزہ اور منظوری کی ضرورت ہے۔

14۔ سالانہ مالی حسابات کی بذریعہ ای میل ترسیل

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بروئے کار 787(1)/2014 SRO مورخہ 8 ستمبر 2014 کمپنیوں کو سالانہ بیلنس شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز، ڈائریکٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ مع اطلاع سالانہ اجلاس عام اپنے ممبران کو بذریعہ ای میل جاری کرنے کی اجازت دی ہے۔ ارکان جنہوں نے اپنے ای میل ایڈریسز فراہم کر دیے ہیں کو بذریعہ ای میل ارسال کئے جارہے ہیں۔ ارکان جنہوں نے اپنے ای میل ایڈریسز فراہم نہیں کئے اور اس سہولت سے مستفید ہونا چاہتے ہیں، کمپنی کو اپنی رضامندی، بعد ای میل ایڈریسز ارسال کریں۔ سالانہ نظر جان شدہ حسابات کی بارڈر کا یہاں مطالبہ پر فراہم کی جائیں گی۔

15۔ کمپنیز ایکٹ 2017ء کی دفعہ (2) 132 کے مطابق، اگر کمپنی کو جغرافیائی محل وقوع پر کنکٹیو مجموعی 10% یا زیادہ شیئرز ہولڈنگ کے مالک ممبران سے اجلاس میں بذریعہ ڈیوکیٹافرنس شرکت کیلئے رضامندی AGM کی تاریخ سے کم از کم 7 یوم قبل وصول ہوئی تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالہ سے شہر میں ڈیوکیٹافرنس سہولت کا انتظام کرے گی۔ کمپنی ایسے حصص داران کو ایسی سہولت تک رسائی کے قابل بنانے کے لئے ڈیوکیٹافرنس سہولت کے مقام کی بابت معلومات سالانہ اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

16۔ ارکان کمپنیز ایکٹ 2017 کی دفعہ 143 تا دفعہ 145 اور کمپنیز (پرنٹل بیلٹ) رگولیشنز، 2018 کی قابل اطلاق کلاز کی ضروریات کے حوالہ سے انتخاب کے مطابق اپنا حق استعمال کر سکتے ہیں۔

17۔ اجلاس میں شرکت کے لئے دستیابی مداخلت:

کمپنی کے ارکان، عملے اور اسٹیک ہولڈرز (شرکت کرنے والوں) کی صحت ہمارے لئے خاصی اہمیت کی حامل ہے۔ جاری COVID-19 وبا کی مرض کے پیش نظر کمپنی شرکاء کی صحت اور تحفظ کو محفوظ بنانے کے لئے سالانہ اجلاس عام میں مندرجہ ذیل اقدامات عمل درآمد کرے گی۔

a۔ AGM پنڈال کے داخلی راستے پر ہر ایک شرکاء کے جسمانی درجہ حرارت کا چیک لازمی ہوگا۔ جسمانی درجہ حرارت 37.5 ڈگری سینٹی گریڈ سے زائد کے حامل کسی بھی شخص کو AGM پنڈال میں داخلے سے روکا جائے گا یا اسے AGM پنڈال چھوڑنا ضروری ہوگا۔

b۔ ہر ایک شرکاء کو تمام AGM میں اور AGM پنڈال کے اندر سرجیکل ماسک فراہم اور پہنایا جائے گا۔

c۔ کمپنی نشستوں کے مابین محفوظ فاصلہ برقرار رکھے گی اور شرکاء کو مہابت کی جانے کی کدوہ کسی سے بھی رابطے سے گریز کریں، اپنی سیٹ پر رہیں، دوسروں سے کم سے کم ایک میٹر دور رہیں اور کھانسی کو روکنے، سرفیس کی صفائی، اور اپنے ہاتھوں کو باقاعدگی سے دھونے یا سینیٹائز کرنے کے ذریعہ وائرس کے پھیلاؤ کو کم سے کم کرنے کی کوشش کریں۔

18۔ 30 ستمبر 2020ء، مختلف سال کیلئے تصدیق شدہ سالانہ مالی حسابات مع احاد پر آڈیٹران اور ڈائریکٹران کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ www.jsml.com.pk پر رکھے چکے ہیں۔

19۔ کمپنی نے AGM کا نوٹس انگریزی اور اردو دونوں میں پر کسی فارم کے ساتھ اپنی ویب سائٹ www.jsml.com.pk پر رکھ دیا ہے۔

1. Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
2. CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC) /Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport.
3. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.

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The Company Secretary

Jauharabad Sugar Mills Limited

125-B, Quaid-e-Azam Industrial Estate,
Kot Lakh Pat, Lahore, Pakistan.
Tel : 042 35213491

تشکیل نیابت داری (پراسی فارم)

میں / ہم _____

ساکن _____

بحیثیت حصہ دار جوہر آباد شوگر ملز لمیٹڈ _____

نام (فولیو / سی ڈی سی اکاؤنٹ نمبر اگر مہر ہو)

ساکن _____ یا بصورت دیگر _____

نام (فولیو / سی ڈی سی اکاؤنٹ نمبر اگر مہر ہو)

ساکن _____ کو اپنی جگہ بروز 28 جنوری 2021

کو بوقت 11:30 بجے دن 125 - B، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور پاکستان۔ میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

بطور گواہ میرے / ہمارے دستخط سے مورخہ _____ جنوری 2021 کو دی گئی۔

۵ روپے کارسیدی ٹکٹ
چسپاں کر کے دستخط کریں

۱۔ گواہ

دستخط _____ :
نام _____ :
شناختی کارڈ نمبر _____ :
پتہ _____ :

دستخط _____
(ممبر اجازت فر)

۲۔ گواہ

دستخط _____ :
نام _____ :
شناختی کارڈ نمبر _____ :
پتہ _____ :

حامل عام حصص

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر _____

نوٹس:

- (۱) پراسیز کے منوثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۴۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراسی فارم کے ساتھ لف کرنے ہوں گے۔

درست رسیدی
ٹکٹ چسپاں کریں

کمپنی سیکرٹری

جوہر آباد شوگر ملز لمیٹڈ

B - 125، قائد اعظم انڈسٹریل اسٹیٹ،

کوٹ لکھپت، لاہور پاکستان۔








فون: 042 35213491










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The website link of Jama Punji is available at the website of Jauharabad Sugar Mills Limited for the convenience and facilitation of shareholders and investors.

Registered Office

125-B Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan.

Phone: 042 35213491, Fax: 042 35213490, Email: secretary@jsml.com.pk

Mills:

Jauharabad, District Khusab, Pakistan

Phne: 0454 720063-6, Fax: 0454 7200880