Shakarganj Limited

ANNUAL REPORT 2020

growing together

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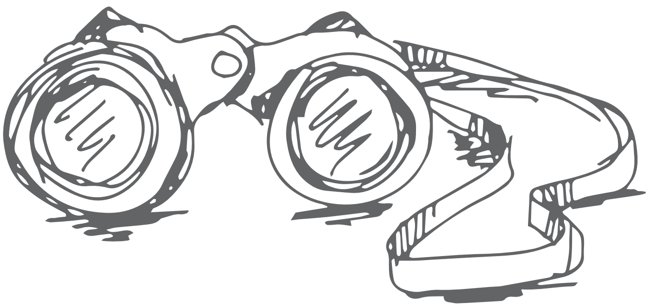
VISION

To provide the best value products and services to our customers through investment in technology, human resources, operational systems, and processes

To provide the best working environment to our employees and provide them opportunities to enhance their skills



MISSION

To gain and maintain leadership in our relevant sectors by producing the best quality products at the lowest possible cost

To give the best returns to our shareholders by optimal allocation of resources to the products and markets we compete in

CORE VALUES

To work with our farmers, suppliers, and distributors as partners in developing their expertise and profitability

To pursue environment friendly policies, and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment

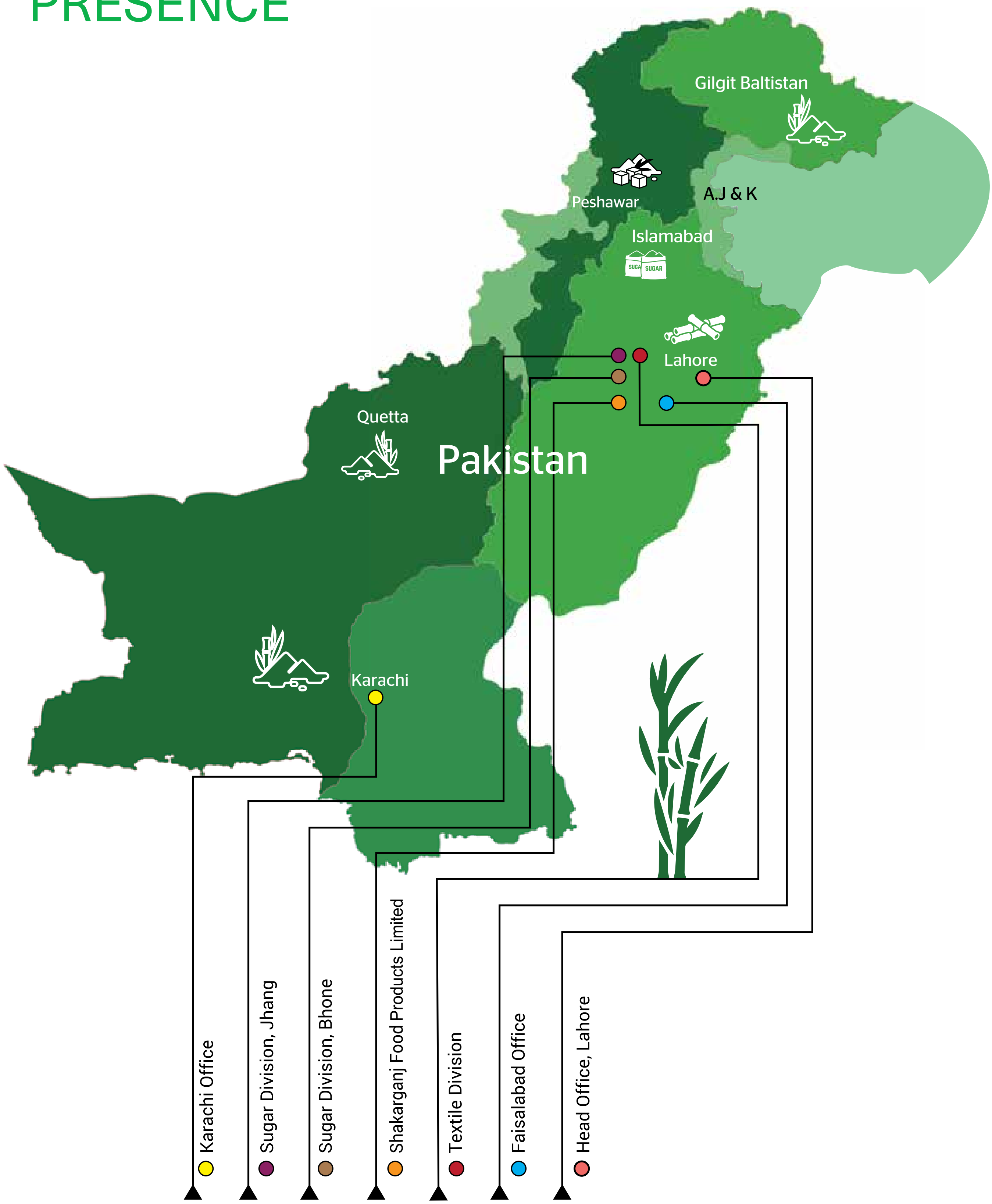
To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

QUALITY POLICY

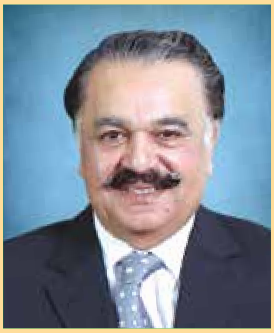
Our quality policy, stemming from our vision, is to maintain industry leadership and customer satisfaction through production of high quality sugar, biofuel, yarn, and other allied products at lowest cost, using environment friendly technology in safe working conditions.

We run our businesses with integrity and professionalism, and believe in continual improvements and a fair deal for our investors, customers, suppliers and above all our employees.

GEOGRAPHICAL PRESENCE



COMPANY INFORMATION





BOARD OF DIRECTORS

From Left to Right

1. Chairman (Non-Executive)	Mian Muhammad Anwar
2. Chief Executive Officer	Anjum Muhammad Saleem
In alphabetic order:	
3. Executive Director	Ali Altaf Saleem
4. Non-Executive Director	Javed Anjum
5. Non-Executive Director (Independent)	Jawad Amjad
6. Non-Executive Director	Khalid Bashir
7. Non-Executive Director (Independent)	Sheikh Asim Rafiq
8. Non-Executive Director (Independent)	Zahra Ahsan Saleem

Chief Financial Officer

Muhammad Asif

Company Secretary

Asif Ali

Audit Committee

Chairman	Member
Sheikh Asim Rafiq (Independent)	Javed Anjum
	Khalid Bashir
	Zahra Ahsan Saleem (Independent)

Human Resource & Remuneration Committee

Chairperson	Member
Zahra Ahsan Saleem (Independent)	Anjum Muhammad Saleem
	Khalid Bashir
	Mian Muhammad Anwar

SHAREHOLDERS' INFORMATION

Stock Exchange Listing

Shakarganj Limited is a listed company and its shares are traded on the Pakistan Stock Exchange. Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar & Allied Industries '

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact
Mr. Asif Ali
at the Company's Office, Jhang.
Tel: (047) 763 1001 - 05
Fax: (047) 763 1011
E-mail: info@shakarganj.com.pk

Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt) Limited, Share Registrar of the Company at Lahore.
Tel: (042) 3517 0336 - 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

Products

- Sugar
- Biofuel
- Yarn
- Tiger Compost

Legal Advisor

Saad Rasool Law Associates
Hassan & Hassan Advocates

Auditors

Riaz Ahmad & Company
Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

Management House
Toba Road, Jhang, Pakistan
Tel: (047) 763 1001 - 05
Fax: (047) 763 1011
E-mail: info@shakarganj.com.pk

Satellite Facility

Management House
63 km, Jhang Sargodha Road
Bhone, Pakistan
Tel: (048) 688 9211 - 13
Fax: (047) 763 1011

Website

www.shakarganj.com.pk
Note: This Report is available on Shakarganj website.

Registered and Principal Office

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
UAN: (042) 111 111 765
Tel: (042) 3578 3801-06
Fax: (042) 3578 3811

Karachi Office

12th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi, Pakistan
Tel: (021) 3568 8149
Fax: (021) 3568 0476

Faisalabad Office

Nishatabad, New Lahore Road,
Faisalabad, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811

Share Registrar

CorpTec Associates (Pvt) Limited
503-E, Johar Town
Lahore
Tel: (042) 3517 0336 - 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

Annual General Meeting

The 53rd Annual General Meeting of Shakarganj Limited will be held on Thursday, 28 January 2021- at 11:00 a.m. at Registered Office, Lahore.

COMPANY PROFILE AND GROUP STRUCTURE

Shakarganj Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on the Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, biofuel, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, biofuel and textiles etc. Our registered office is in Lahore with regional offices in Faisalabad and Karachi. Shakarganj Limited, through its strategic shareholding in Shakarganj Food Products Limited, is also active in production of dairy and fruit products.

Sugar Business:

We have two manufacturing facilities, which are both located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Our combined crushing capacity is of 20,000 Tons of Cane per Day (TCD) which is extendable to 32,000 TCD.

Biofuel Business:

We have six distillation plants of which three are located at our Jhang facility and the remaining three are located at our Bhone facility where various grades of biofuel are produced. Our products include Rectified Ethanol (REN) for industrial and food grades, Anhydrous Ethanol for fuel grade, and Extra Neutral Alcohol (ENA) for pharmaceutical and perfume grades. The combined capacity of our distilleries is 350,000 litres per day.

Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s and doubled cotton yarn ranging from 8 to 40 TPI. The installed capacity is 24,960 spindles for cotton spinning and 2,304 spindles for doubling.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area under cultivation is 1,285 acres which is our owned land. The main crops include sugarcane, wheat, gram, maize, fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of around 200 milking and fattening cattle. A small herd of rams and bucks for fattening purpose has also been developed. Shakarganj has also launched a new product in the area of non chemicals fertilizers under the brand name of "Shakarganj Tiger Compost". The product as organic fertilizer has been developed using aerobic decomposition process with addition of standardised microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil and it is very useful for better growth, yield and quality of all field crops in general and specifically for sugarcane. This is at its initial stage and would grow up in the farmer's community with the practical exposures.

Business Vision and Strategy:

Shakarganj's vision is to create the country's leading renewable ingredients business. We aim to achieve this by building a consistent portfolio of distinctive, profitable, high-value solutions in products and services for our customers. Shakarganj is committed to providing long-term value for our shareholders. Our strategy is to build a stronger value added business with a low-cost commodity base.

We focus on five key business objectives to deliver consistent growth.

- Serve our Customers:

Delivering excellent customer service is at the core of everything we do. Our aim is to be the partner of choice in our customers' processes and to help them develop more successful consumer products.

- Operate Efficiently and Safely:

We aim to be the lowest-cost and most efficient producer in all our markets. Through our expertise in high-volume process management, our focus is on technical and manufacturing excellence and the efficient use of services such as logistics and utilities. We are continually working to improve operational efficiency and strive to ensure safe and healthy conditions for everyone at our sites.

- Invest in Long Term Assets and Partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could originally. We also aim to grow our business by forming joint ventures and partnerships to enhance the capabilities of our existing product portfolio. Using alliances and joint ventures can be an efficient way to lower our cost of investing in new areas and markets, and will help secure access to new and complementary technology and expertise.

- Invest in Technology and People:

We are investing in our research and development capabilities to help us in developing innovative solutions that meet our customers' product challenges. We are also complementing our own capabilities through business and technology partnerships, and university collaborations. To develop talent, improve leadership and help our employees succeed, we operate various Programmes designed to ensure the right skills at all levels to grow our business.

- Grow the Contribution from Value Added Products:

We are committed to grow the contribution from our value added products. Value added products utilise technology and intellectual property enabling us to obtain a price premium along with sustainable and/or higher margins.

shakarganj®

FOOD PRODUCTS LIMITED

SFPL comprises of three divisions – Dairy, Juice and Pulp & Concentrates. The Dairy and Juice division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Pulp & Concentrate division produces fruit pulps, concentrates and purees for sale in both the Pakistan and International market. Our aim is to supply premium quality food products to our customers and become one of the leading food companies in Pakistan.

DAIRY & JUICE DIVISION

Shakarganj entered into the dairy business in 2006 with the introduction of its brand "good milk". Since then, it has expanded with a diverse product portfolio in both the dairy and beverage category including UHT white milk, flavoured milk as well as a wide range of juices and nectars. The company has been able to leverage the Shakarganj name in the farming community to establish its milk collection network thereby developing a strong, sustainable and shared value-based supply chain for the business function. The company sells its products throughout the country via a nationwide distribution network.

DAIRY & JUICE PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art of laboratory and testing facility at the plant run by a team of technically skilled and experienced staff.
- Research facility for new product development.
- International and domestic quality certifications: HACCP, PSQCA, PFA and HILAL

MILK PROCUREMENT NETWORK

- Well established network of milk collection center at prime locations in Pakistan.
- Collection center run by highly skilled and experienced staff members.
- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community

PULP & CONCENTRATE DIVISION

Shakarganj has significant capabilities regarding the production of fruit pulps and purees. It is one of the leading manufacturers in Pakistan and has a significant volume of exports to Europe, the Middle East, Africa and Far East. Our manufacturing and processing facility is located in the heart of the agricultural and fruit producing region of Pakistan; giving our customers an advantage in terms of product freshness, continuity of fruit supply and reduced 'time to market'.

- Plant is located at Chiniot.
- Two processing lines for production of juice concentrates, puree and pulps.
- Product storage facilities consist of both, a refrigerated and frozen setup.
- Technically skilled and experienced manpower.
- Well-equipped laboratory and testing facilities ensure effective quality assurance according to international standards.
- International quality certifications: Food Safety System Certification 22000

MANAGEMENT COMMITTEES

Executive Committee

Anjum Muhammad Saleem
Chairman
Ali Altaf Saleem
Muhammad Pervez Akhtar

This committee devises long term policies and visions for the Company with the sole objective for providing the best returns to shareholders by optimum allocation of existing resources. The Committee is also responsible for review of Company's operation on ongoing basis, establishing and ensuring adequacy of internal controls and monitoring compliance of key policies.

Business Strategy Committee

Anjum Muhammad Saleem
Chairman
Ali Altaf Saleem
Muhammad Pervez Akhtar
Muhammad Asif
Manzoor Hussain Malik

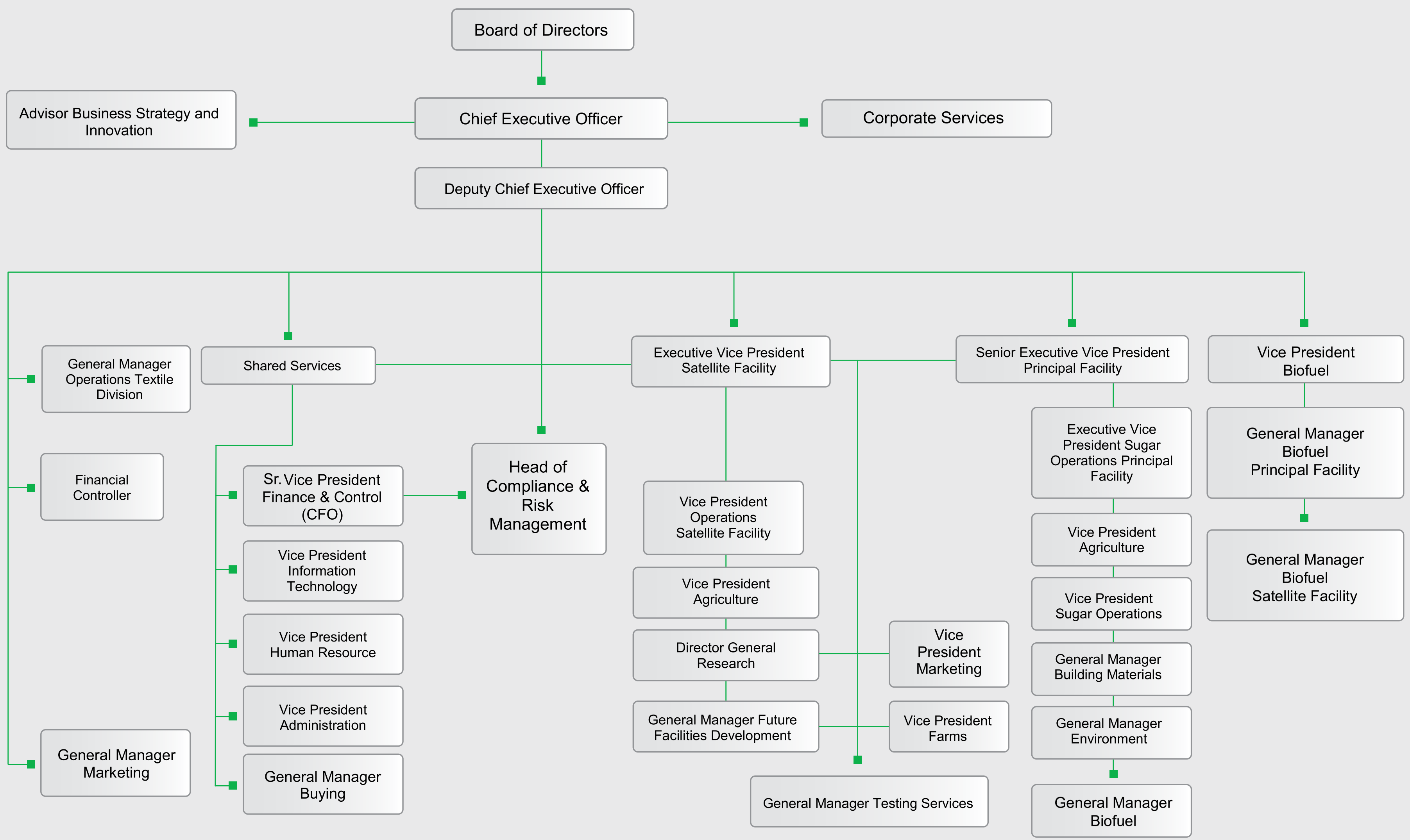
This Committee is responsible for formulation of business strategy, review of risks and their mitigation plan. Further, the Committee is also responsible for staying abreast of developments and trends in the Industry to assist the Board in planning for future capital intensive investments and growth of the Company.

System and Technology Committee

Muhammad Pervez Akhtar
Chairman
Muhammad Asif
Ibrahim Ahmad Cheema

This committee is responsible for devising the I.T. Strategy within the organization to keep all information systems of the Company updated in a fast changing environment.

ORGANIZATIONAL CHART



REVIEW REPORT BY THE CHAIRMAN

It gives me immense pleasure to present this report to the shareholders of Shakarganj Limited pertaining to the overall performance of the Board and the effectiveness of its role in attaining the Company's aims and objectives.

Shakarganj Limited has implemented a strong governance framework supportive of an effective and prudent management of business matters which is regarded as instrumental in achieving long-term success of the Company.

During the year, the Board Committees continued to work with a great measure of proficiency. The Audit Committee has focused in particular on the management and control of risks associated with the business. At the same time, the Human Resource and Remuneration Committee has ensured that the HR policies regarding performance management, HR staffing, compensation and benefits are market driven, and are properly aligned not only with the Company's performance and shareholders' interests but also with the long-term success of the Company.

The Board as a whole has reviewed the Annual Report and Financial Statements, and is pleased to confirm that in its view the report and financial statements, taken as a whole, are fair, balanced, and understandable.

The Board carries out a review of its effectiveness and performance each year after the closure of the fiscal year, on a self-assessment basis. The last such review was carried out in July 2019 for the fiscal year 2020. The overall effectiveness of the Board was assessed as satisfactory and areas that required improvement were duly considered and suitable action plans were framed.

The overall assessment was based on an evaluation of the following integral components:

1. **Vision, Mission, and Core Values:** The Board members are familiar with the current vision, mission, and core values and found them appropriate for the organization.
2. **Engagement in strategic planning:** The Board has a clear understanding of the stakeholders whom the organization is meant to serve i.e. its shareholders, farmers, customers, employees, vendors, and the community. The Board has the strategic vision of how the organization should be evolving over the next three to five years and has identified key indicators for tracking its progress.
3. **Formulation of policies:** The Board has established policies that cover all essential areas of board responsibility and operations of the Company.
4. **Monitoring the organization's business activities:** The Board is knowledgeable about the organization's current business activities including strengths and weaknesses of each major activity, and has an effective process for tracking performance activity-wise as well as area-wise.
5. **Adequacy of financial resources management:** The Board is knowledgeable about key aspects relating to managing the financial resources of the Company and provides appropriate direction and oversight on a timely basis.
6. **Provide effective fiscal oversight:** The Board ensures that the budget reflects the priorities established in the annual strategic plan and it complies with regulations governing the audit or independent examination of accounts and considers all recommendations made in the independent auditors' report.
7. **Act as a responsible employer:** The Board has created necessary policies which ensure that the organization behaves in an equitable and legal manner towards staff, contractors, vendors, and any other individual working on its behalf.
8. **Relationship between Board and Staff:** Roles and Responsibilities of Board and management staff are clearly defined and understood and climate of mutual trust and respect exists between Board and management.
9. **Organization's Public Image:** Board members promote a positive image of the organization in the community.
10. **Review of CEO performance:** The Board assesses the performance of the Chief Executive Officer in a fair and systematic manner and ensures that CEO's pay is properly aligned with the Company's performance, shareholders' interests and the long-term success of the Company.
11. **Board Structure and Dynamics:** Size and composition of the Board is adequate to govern the Board procedures and the members are actively engaged in the work of the Board. The Board meets frequently enough to adequately discharge its responsibilities.

On an overall basis, I believe that the strategic direction of the Company for the next three years is clear and appropriate despite of the tough macroeconomic situation. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of Company's objectives are comprehensive.

Mian Muhammad Anwar
Chairman

04 January 2021

DIRECTOR'S REPORT

Dear Shakarganj Shareholder:

The Directors of Shakarganj Limited ("the Company") have the pleasure in submitting their report together with audited financial statements of the Company for the year ended 30 September 2020.

State of the Company's affairs and Overview of its Business

The Company was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. It is principally engaged in the manufacture, purchase, and sale of sugar, biofuel, yarn (textile). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone.

Financial Results

The financial results of the Company are summarised below:		2020	2019
		(Rupees in thousand)	
Sales – net		6,409,384	6,256,738
Gross loss		(671,675)	(26,611)
Loss from operations		(293,219)	(448,715)
Share of loss from equity accounted investment		(538,637)	(5,279)
(Loss) / profit before taxation		(1,170,655)	(774,470)
Taxation		173,072	46,059
Loss for the year		(997,583)	(728,411)
Loss per share - basic and diluted	(Rupees)	(7.98)	(5.83)

Overview of the Company's Business

This year, we started crushing campaign timely and were able to increase crushing significantly. Shakarganj started its crushing campaign by more than one month earlier on 25 November 2019 as compared to the last season start up from 30 December 2018. The fiscal year under review was full of challenges and in view of COVID-19 pandemic and consequent lockdowns, in addition to the long prevailing politico-economic uncertainty, exchange rates hike as well as other factors making the business environment persistently unfavorable especially for the manufacturers. However, some recent measures by the Government for ease of doing business, like reduction in interest rates, decrease in duties on raw material imports may bring some relief for the manufacturing sector. The struggling economy is adjusting to the new status quo while most companies are reeling from the impact on businesses and assessing the road to recovery. All the factors impacting Shakarganj adversely and inspite of significant increase in crushing, its affects are apparent in all the businesses activities within the Company.

In these challenging environments, Shakarganj was able to crush 884,724 MT of sugarcane which is almost double as compared to 484,762 MT of sugarcane crushed in the corresponding period. However, during the season, most of the time growers were not willing to sell sugarcane at the rate fixed by provincial government and wanted more prices which resulted in price war among the mills. Keeping in view all the challenges we were able to significantly increase our crushing but due to price hike overall production cost was increased significantly. Sugar Division recorded operational losses of Rs. 812.385 million due to increased cost of production on account of higher sugarcane price and increased fixed overheads cost per unit due to low capacity utilization.

In the Biofuel business, our distilleries could not start its operations properly due to non-availability of molasses at feasible rates. The price increased significantly due to which biofuel operations were abandoned most of the time during the year under review. Operational days of distilleries were only 96 as compared to 136 days in the corresponding period. During the year under review, the performance of the Biofuel Division remained depressed with production at 9.82 million litres (FY19: 15.16 million litres). Biofuel production decreased by more than 35 percent when compared to the last year mainly on account of higher prices of molasses.

Yarn production at our Textile Division decreased to 1.68 million kg from 4.67 million kg in the previous year. Production was decreased significantly due to Covid-19 lock down. Moreover, due to increase in the cost of raw material without corresponding increase in the sale price, bottom line was remained negative.

Due to aforesaid factors, Company's after tax loss for the year under review was Rs. 997.58 million as compared to after tax loss of Rs. 728.41 million in the last year.

Principal Risks and Uncertainties Facing

Following are the principal risks and uncertainties currently faced by the Company:

- Higher purchase price of sugarcane as compared to sugar sale price
- Heavy taxation, sales tax rates on finished products
- Lack of irrigation water, reducing the yield of crop & low capacity utilizations
- Vulnerable to political interests
- Being an agro based industry, inherent risks of natural calamities / conditions
- Increasing cost of production and labour
- Overall inflationary increase in operational expenses
- Environmental concerns and sugar free products
- Further Rupee devaluation will be resulting in cost escalation

Adequacy of Internal Control

The system of internal control of the Company is sound in design and has been effectively implemented and monitored. The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company's assets, compliance with applicable laws and regulations and has a reliable financial reporting system. The outsourced independent internal audit function is in operation and such function regularly appraises and monitors the implementation of financial controls. Audit Committee of the Board, reviews the effectiveness of the internal control framework and financial statements regularly on quarterly basis.

Auditors

The auditors Riaz Ahmad & Co, Chartered Accountants will retire and are eligible for re-appointment as auditors of the Company for the next year. The Board, on recommendation of the Audit Committee, has recommended the re-appointment of Riaz Ahmad & Co, Chartered Accountants as auditors for consideration of members at the forthcoming Annual General Meeting.

Corporate Social Responsibility

We actively seek opportunities to contribute to the communities in which we operate and to improve the environments that sustain us all. Our areas of primary focus are education, health and safety, energy conservation, waste reduction, and community building. During the year Shakarganj contributed around Rs. 8.47 million toward these activities. As a responsible member of the corporate community, Shakarganj always contributes substantially towards the national economy on account of taxes and other government levies. Company's contribution toward federal, provincial and local taxes was in excess of Rs. 1,129 million during the year under review.

At Shakarganj, Corporate Social Responsibility (CSR) is a strategic management driven initiative that incorporates our business, environmental, and citizenship activities in a manner that supports our vision and upholds our values. We aim to play a positive role in the communities in which we operate. Our community involvement policy is one of the core components underpinning our ethical behaviour. Our programmes involve building long term relationships with local communities to deliver our shared objective: establishing strong, safe, healthy and educated communities by investing time and resources into projects that directly address local needs. Our Social Action Programme (under Shakarganj Foundation) delivers a variety of social services in our extended community under the banner of "Sukh Char Programme" These services include education, healthcare, promotion of arts, and protection of our cultural heritage.

Our school adoption initiative provides support to 35 local girls' and boys' schools that includes provision of clean drinking water, nutrition supplements, uniforms, maintenance of infrastructure and building additional facilities where required. Shakarganj also provides support to education programme of The Citizens Foundation. To provide backbone support to the education initiative a purpose built teachers training institute was established at Shakarganj premises as a public service.

Shakarganj funded special incentives for school children include recognition of high achievers in school exams with scholarships and awards, sports competitions for school children, and inter-school handwriting competitions for school children and teachers. Our Healthcare initiative delivers primary medical facilities at the doorsteps of our extended community. Three teams of qualified doctors, paramedical staff, and mobile dispensaries served over 19,345 patients during the year. Due to Covid-19 activities the numbers were decreased during the year. Diagnostic facilities, preventive treatment, and free medicines are provided through this programme.

We provide support to promising local talent in improving their artistic skills in a structured training programme at the School of Art and Calligraphy. A display centre exhibiting the works of these artists and promotion of cultural heritage is also maintained by Shakarganj at the School.

Health, Safety, and Environment

As we always aim to be an exemplary corporate citizen, health, safety, and environmental concerns are always among our key focal points. We are committed to providing healthy, safe, and clean conditions for our employees, contractors and visitors. In providing a good working environment there is no higher priority than safety and we target continuous improvement to reduce recordable injury and accident times to zero. Nearly eight hundred and fifty five members of Team Shakarganj have participated in a structured program to obtain professional training and certification in first aid in collaboration with Pakistan Red Crescent Society – Punjab. Preventive action and training and timely response procedures to deal with potential accidents have resulted in minimising recordable injuries and accidents.

Environmental protection issues are always considered on a higher priority than profit concerns. Shakarganj produces all its products from renewable crops and raw materials and does not believe in making profits at the cost of damage to our environment. We proactively fund and support environmental protection activities in our communities in particular and on national level generally. Energy conservation and aiming for 'zero' waste are our key environment friendly policies. Using sugar by-products in our production lines substantially reduces use of fossil fuels and waste disposal problems. Distillery spent-wash is the ultimate waste product in our production process. This is now biologically treated to produce bio-gas as fuel, and water which is safe to use for irrigation. In addition to this we encourage and promote biological pest control, organic farming techniques, and return of all natural nutrients to the soil that are brought with supply of sugarcane to the mills. We strongly support the activities of Worldwide Fund for Nature - Pakistan, run regular training and education programmes for water management and participate in tree plantation campaigns twice every year. Our approach to HSE is apparent in our Mission Zero Agenda that targets zero accidents and work-related illnesses. To effectively implement the mission zero agenda, we empower and encourage our people to play their part. We all have a part to play in keeping our workplaces safe. One of the most effective ways we can do this is by being aware of the risks around us and taking action to address these. That's why we actively encourage all our people to regularly assess their working environments and report any identified risks - as they arise. As a result, we have achieved 4.3 million safe working man hours without lost time injury.

Shakarganj is committed to providing a healthy and safe workplace for all personnel performing their duties on its behalf, in a manner that protects the environment, prevention of pollution, and compliance of applicable legal and other requirements. We remain committed to protecting the physical and mental health of our employees, extending the scope and coverage of occupational health services, and constantly improving our occupational health management system. At Shakarganj, health checks are organised on a regular basis for our employees. In addition, we keep health records of employees for better health management and disease prevention. We also pay close attention to a dedicated health support system and provide special disease checks to ensure the health and safety of our employees. We have also released the comprehensive Emergency Plan for incidents and accidents at Shakarganj, and have established a safety management and risk prevention system for the Company. We organise regular emergency drills to improve the plan, enhance awareness of prevention and self-help of the employees and improve the team's ability to handle emergencies.

Board of Directors & its Committees

The election of Directors was held on 01 June 2020 and a seven member Board excluding the Chief Executive Officer was elected unopposed whose term of office will expire on 31 May 2023. The Board of Directors consists of eight members including seven male members and one female member as per the following composition: During the year, six (6) meetings of the Board of Directors, four (4) meetings of the Audit Committee and one (1) meeting of Human Resource and Remuneration Committee were held. Attendance of each director is also given below.

Category	Names of Director	Meeting Attended
Independent Directors	Mr. Sheikh Asim Rafiq Ms. Zahra Ahsan Saleem Mr. Jawad Amjad Outgoing Director Mr. Khawaja Jalaluddin (Retired on 31 May 2020)	6 3 1 3
Non-Executive Directors	Mr. Khalid Bashir Mr. Mian Muhammad Anwar Mr. Javed Anjum Outgoing Directors Ms. Hajerah Ahsan Saleem (Retired on 31 May 2020) Mr. Muhammad Arshad (Retired on 31 May 2020) Mr. Muhammad Anees (Resigned on 09 December 2020)	5 6 - 3 3 3
Executive Directors	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem (Deputy Chief Executive Officer)	6 6

The Board has formed committees comprising of members given below:

Name of Committee	Names of Members and Chairman	Meeting Attended
Audit Committee	Mr. Sheikh Asim Rafiq (Chairman) Mr. Khalid Bashir Ms. Zahra Ahsan Saleem Mr. Javed Anjum Outgoing Members Mr. Muhammad Anees (Resigned on 09 December 2020) Ms. Hajerah Ahsan Saleem (Retired on 31 May 2020) Mr. Khawaja Jalaluddin (Retired on 31 May 2020)	4 3 1 - 1 3 3
Human Resource and Remuneration Committee	Ms. Zahra Ahsan Saleem (Chairperson) Mr. Mian Muhammad Anwar Mr. Khalid Bashir Mr. Anjum Muhammad Saleem	- 1 1 1

Casual vacancies were filled up as and when occurred on the Board. Subsequent to the Election of Directors, the Board in its 192nd meeting held on 08 June 2020 unanimously re-appointed Mr. Anjum Muhammad Saleem as Chief Executive Officer and Mr. Ali Altaf Saleem as Deputy Chief Executive Officer for a period of three years till 31 May 2023. However, there is no change in CEO remuneration except normal increment at the rate of 10% on yearly basis.

As per threshold reviewed by the Board of Directors, the heads of all departments of the Company shall be considered as “executives”.

Non executive and Independent Director's Remuneration

The Board of Directors has approved a 'Directors' Remuneration Policy', the salient features of the approved policy are as follows:

- No Director shall determine his/her own remuneration.
- Meeting fee of a Director other than regular paid Chief Executive, Sponsors and or family Directors and full time working Director(s), shall be amounting to Rs. 20,000 (twenty thousand rupees only) per meeting or as time to time determined by the Board for attending the Board and its Committee meetings.
- Directors shall also be entitled for all reasonable expenses including travelling, stay and other expenses incurred by them for attending meetings.

Performance Evaluation of Board of Directors and its Committees

Human Resource and Remuneration Committee has assessed the performance of Board of Directors and its Committees based on the established mechanism of self-assessment by the individual Board or Committee members as the case may be. The above mechanism was approved by the Board on the recommendation of Human Resource and Remuneration Committee.

CEO's Performance Evaluation

During the year, the Human Resource and Remuneration Committee of the Board evaluated the performance of the CEO in line with the established performance based evaluation system. The evaluation was reviewed against the following criteria:

- Leadership
- Policy and Strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- Impact on Society

Subsequently, on the recommendation of the Committee, the evaluation was approved by the Board after their review.

Pattern of Shareholding and Shares Traded

The pattern of shareholding and additional information thereof is attached with this report. No trade in the shares of the Company was reported / carried out by the directors, executives and their spouses and minor children.

Financial Statements

As required under the accounting and reporting standards as applicable in Pakistan and as per the requirements of Companies Act, 2017 (XIX of 2017), the management is aware of its responsibility for the preparation and fair presentation of the financial statements 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. The Chief Executive Officer and Chief Financial Officer presented the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board, after consideration and approval, authorised the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company, Riaz Ahmad & Co., Chartered Accountants and their report is attached with the financial statements. The Directors endorse the contents of this annual report and those shall form an integral part of the Directors' Report in terms of Section 227 of the Companies Act, 2017 and the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2017.

Dividend and Carried Forward

The Directors have not recommended the payment of dividend for the year ended 30 September 2020. Moreover, no amount is being carried forward to the general reserve or any other reserve funds account.

Subsequent Events

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report.

Default in Payments, Debt or Loan

The Company recognizes its responsibility of timely repayments of due amount and adhering to the best practices prevails in the industry it is stated that no default in payment of any loan or debts was occurred during the year under review.

Change in Nature of Business

No change has been occurred during the financial year relating to the nature of the business of the Company.

Related Party Transactions

All related party transactions are approved by the Board after review and recommendation of Audit Committee. 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.

Financial Review

In spite of the impacts of COVID-19 pandemic on Company's operations, the Company undertook significant financial and operational measures in the current year to improve its productivity. During the year, the Company's sugarcane crushing was almost double as compared to last year. During the year, the Company has successfully renewed its working capital lines. The measures taken by the Government to support businesses after spread of COVID-19 have also positive impact on liquidity position of the Company as repayment of long term financing has been deferred by one year and repayment of significant portion of short term borrowings has been deferred for a period of six months to one year. The Company also availed facility of Rupees 165.6 million under SBP Refinance Scheme for payment of wages and salaries. The Company expects significant improvement in its biofuel and textile businesses in the next year owing to restoration of exports of biofuel and increased demand of yarn. Subsequent to the reporting date, the Company is in negotiations with its lenders for working capital finance for operational liquidity. The Company is also arranging long term financing of Rupees 500 million to finance capital expenditure. Further, fresh working capital lines of Rupees 1,000 million, in addition to existing lines, are being arranged to meet operational liquidity requirements. The Company remains committed to its best efforts to improve liquidity position. The financial projections of the Company show improvements in cash generation and profits. The Company is expected to generate sufficient cash flows in the next year. The management believes that the measures taken will generate sufficient financial resources from operations during the next year to meet the company's targets.

Future Outlook

We hope that as the Federal and Provincial Governments in Pakistan responded well to the crisis and implemented a carefully crafted lockdown during first phase, the current wave of Covid-19 would also be managed well. The country's macroeconomic indicators are expected to slowly revert to a stable trajectory and with the revival efforts for businesses; we are hopeful for restoration of our exports of biofuel as well as local businesses next financial year. Company's management is reviewing the situation and would take all necessary measures for continuity of business whenever possible.

In fiscal year 2021, we expect improvement in sugar recovery by crushing quality sugarcane and measures would be taken to control the cost and improvements of margins. As the future outlook of our distilleries operation depends on continuous availability of good quality molasses on feasible rates and the management would try its best to operate distilleries to create enough margins for better bottom line. The Textile Division performance is expected to improve as this time no shut down due to lock down so far till the writing of this report. The management remains committed for improving operational profitability and the liquidity position of the Company to achieve profitable results in fiscal year 2021.

Acknowledgment

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication and devotion to the Company. The Directors feel pleasure in expressing appreciation for the continued interest and support of the shareholders, bankers and all other parties involved and hope that the same spirit will prevail in the future as well.

By Order of the Board

Anjum Muhammad Saleem
Chief Executive Officer

Ali Altaf Saleem
Director

04 January 2021

FINANCIAL HIGHLIGHTS

		2020	2019	2018	2017	2016	2015	2014
Profitability & Ratios Area:								
Net Sales	(Rs 000)	6,409,384	6,256,738	7,404,243	11,360,157	4,373,219	6,578,986	11,356,340
Cost of Sales	(Rs 000)	7,081,059	6,283,349	7,047,093	10,704,342	4,668,941	6,647,610	11,402,233
Gross Profit / (loss)	(Rs 000)	(671,675)	(26,611)	357,150	655,815	(295,722)	(68,624)	(45,893)
Operating Profit/(Loss)	(Rs 000)	(293,219)	(448,715)	92,871	324,500	(140,704)	(183,146)	(378,875)
Profit/(Loss) Before Tax	(Rs 000)	(1,170,655)	(774,470)	158,161	350,012	(31,663)	(42,652)	(584,585)
Profit/(Loss) After Tax	(Rs 000)	(997,583)	(728,411)	(14,008)	210,819	(17,893)	(142,756)	(638,809)
Earnings/(Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	(262,493)	172,169	858,121	1,054,322	733,985	829,395	71,650
Gross Profit Ratio	(%)	(10.48)	(0.43)	4.82	5.77	(6.76)	(1.04)	(0.40)
Net Profit to Sales	(%)	(15.56)	(11.64)	(0.19)	1.86	(0.41)	(2.17)	(5.63)
EBITDA Margin to Sales (net)	(%)	(0.04)	0.03	0.12	0.09	0.17	0.13	0.01
Operating Leverage Ratio	(%)	35.90	14.43	0.89	1.53	0.68	4.19	8.38
Return on Capital Employed	(%)	(9.53)	(4.54)	4.08	7.66	(2.60)	(3.52)	(6.45)
Liquidity Ratios Area:								
Current Assets	(Rs 000)	1,257,098	992,065	1,485,414	1,599,932	814,003	2,767,463	1,501,818
Current Liabilities	(Rs 000)	4,566,845	4,170,356	4,052,096	3,962,002	4,567,308	7,972,985	6,669,301
Net Current Assets / (Liabilities)	(Rs 000)	(3,309,747)	(3,178,291)	(2,566,682)	(2,362,070)	(3,753,305)	(5,205,522)	(5,167,483)
Property, Plant and Equipment	(Rs 000)	9,745,632	10,253,780	10,825,661	8,487,270	8,987,560	9,599,483	10,254,043
Total Assets	(Rs 000)	12,734,587	13,467,068	14,307,132	11,270,752	10,839,796	13,328,591	12,411,426
Current Ratio	(Times)	0.28	0.24	0.37	0.40	0.18	0.35	0.23
Quick / Acid Test Ratio	(Times)	0.12	0.08	0.09	0.10	0.08	0.23	0.13
Cash to Current Liabilities	(%)	0.18	2.01	0.70	0.13	0.41	19.17	1.42
Cash Flow from Operations to Sales	(%)	11.03	17.47	4.07	(10.87)	13.70	20.99	4.82
Activity / Turnover Ratios Area:								
Inventory Turnover Ratio	(Times)	10.80	7.24	6.21	13.42	7.14	9.05	18.73
No. of days in Inventory	(Days)	33.80	50.38	58.82	27.21	51.09	40.32	19.48
Debtor Turnover Ratio	(Times)	53.82	167.95	71.49	125.62	200.06	189.45	205.53
No. of Days in Receivables / Average Collection Period	(Days)	6.78	2.17	5.11	2.91	1.82	1.93	1.78
Total Assets Turnover Ratio	(Times)	0.50	0.46	0.52	1.01	0.40	0.49	0.91
Fixed Assets Turnover Ratio	(Times)	0.66	0.61	0.68	1.34	0.49	0.69	1.11
Investment / Market Ratios Area:								
Earning / (Loss) Per Share	(Rupees)	(7.98)	(5.83)	0.11	1.80	(0.16)	(1.89)	(9.19)
Dividend Yield Ratio	(%)	-	-	-	1.38	-	-	-
Dividend Payout Ratio	(%)	-	-	-	69.44	-	-	-
Dividend Cover Ratio	Times	-	-	-	1.44	-	-	-
Cash Dividend per Share	(Rupees)	-	-	-	1.25	-	-	-
Market Value Per Share at the Year End	(Rupees)	38.00	34.10	55.00	90.75	26.62	17.71	15.75
- Highest during the Year	(Rupees)	50.00	76.48	90.44	132.25	29.65	20.60	24.95
- Lowest during the Year	(Rupees)	30.17	26.25	54.15	22.50	10.75	12.30	13.31
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	54.87	63.67	69.46	49.09	45.14	64.60	66.78
Capital Structure Ratios Area:								
Shareholders' Equity (Without Surplus on revaluation of property, plant and Equipment)	(Rs 000)	770,716	1,601,612	1,857,468	1,416,858	(19,900)	(711,810)	(654,867)
Share Capital	(Rs 000)	1,250,000	1,250,000	1,250,000	1,250,000	1,100,000	695,238	695,238
Financial Leverage Ratio	Times	2.44	1.37	1.50	1.55	(80.80)	(5.08)	(4.93)
Weighted Average Cost of Debt	(%)	11.42	12.39	7.84	7.63	8.10	9.93	10.56
Long Term Debt : Equity Ratio	:	0.60	0.24	0.29	0.37	(32.10)	(1.45)	(2.07)
Interest Cover Ratio	(Times)	(2.46)	(1.34)	1.79	3.06	0.83	0.82	(0.78)

PRODUCTION DATA

Season	Duration Season (Days)	Cane Crushed (MT)	Raw Sugar Processed (MT)	Sugar Produced (MT)	Recovery (Percent)
2019-20	108	884,724		77,560	8.76
2018-19	83	484,762		49,016	10.13
2017-18	105	669,064		61,634	9.20
2016-17	145	1,543,849		144,460	9.36
2015-16	97	450,804		45,707	10.16
2014-15	129	615,394		59,905	9.73
2013-14	140	1,259,272		112,271	8.92
2012-13	135	1,409,811		133,753	9.49
2011-12	164	1,957,358		173,620	8.87
2010-11	136	1,567,361		141,549	9.01
2009-10	109	913,272		78,540	8.62
2008-09	110	784,056		71,600	9.13
2007-08	174	2,254,712		177,092	7.85
2006-07	155	1,587,929		128,170	8.04
2005-06	170	1,288,548	92,968.40	178,934	6.97
2004-05	160	1,324,510	67,930.40	177,679	8.63
2003-04	159	1,614,539		136,813	8.48
2002-03	196	1,675,370		127,060	7.58
2001-02	195	1,704,812		128,000	7.53
2000-01	161	1,054,992	27,811.59	105,550	7.50
1999-00	144	524,377		39,965	7.63
1998-99	157	1,350,119		101,479	7.51
1997-98	163	1,434,389		112,430	7.85
1996-97	176	1,036,955		79,740	7.69
1995-96	151	763,316		60,285	7.92
1994-95	157	1,057,036		86,075	8.11
1993-94	196	1,203,371		88,117	7.34
1992-93	161	691,839		54,055	7.85
1991-92	174	746,506		63,986	8.57
1990-91	204	866,552		65,537	7.56
1989-90	187	708,632		57,912	8.17
1988-89	170	446,325		36,367	7.70
1987-88	193	698,605		55,726	7.98
1986-87	149	333,601		27,899	8.36
1985-86	113	237,602		20,625	8.66
1984-85	168	441,718		39,523	8.96
1983-84	173	427,169		35,501	8.31
1982-83	173	361,291		29,440	8.16
1981-82	207	466,040		39,474	8.47
1980-81	187	287,723		25,562	8.89
1979-80	112	61,207		5,619	8.95
1978-79	114	107,106		9,267	8.80
1977-78	177	319,960		27,620	8.61
1976-77	166	308,987		26,086	8.45
1975-76	157	246,394		18,865	7.61
1974-75	107	104,069		8,253	8.30
1973-74	101	87,825		5,477	6.28

Process Losses (Percent)	Process Molasses (MT)	Biofuel (Litres)	Building Materials (m3)	Yarn (Bags)	Bio Power (MWh)
2.02	40,229	9,816,686		36,930	
2.22	22,458	15,164,206		102,978	
2.17	31,025	56,728,278		76,107	
2.12	68,086	41,621,230	1,578	75,559	
2.06	19,295	10,201,684		72,776	
2.15	27,270	46,134,870		95,719	10,702
2.07	55,817	76,377,765	6,096	112,846	12,857
2.16	61,450	63,372,339	6,894	146,466	22,865
2.20	93,575	93,796,731	8,789	149,872	27,779
2.02	70,505	68,860,824	5,920	86,209	21,826
2.05	40,901	22,669,768	3,562	149,878	27,292
1.95	33 ,070	33,319,694	1,643	148,426	23,542
2.17	117,742	66,490,739	6,540	149,788	17,714
2.30	79,340	35,093,676	1,834	135,935	
2.54	71,008	27,625,611	1,477	133,580	
2.17	66,190	33,245,964	3,584	119,106	
2.41	81,953	35,408,000	5,141	119,922	
2.36	84,277	26,233,000	1,668	109,096	
2.42	91,890	15,800,156	5,670	96,326	
2.31	53,601	10,469,000	1,571	82,063	
2.20	24,243	4,967,000	497	96,999	
2.23	61,756	5,324,756	1,922	103,555	
2.38	73,477	6,350,000	2,784	85,259	
2.50	54,711	6,015,000		98,406	
2.65	39,397	2,573,700	2,118	83,542	
2.77	53,172	5,460,000	5,299	73,938	
2.65	60,150	5,250,076	4,335	50,880	
2.68	35,980	4,887,020	1,663	115,488	
2.53	37,710	4,525,900	3,360	117,902	
2.59	47,135	3,422,204	643	113,341	
2.31	33,180	3,030,217		97,388	
2.44	22,410				
2.61	38,740	308,494			
2.24	15,060	1,855,809			
2.29	11,470	20,239			
2.38	22,580				
2.40	21,860				
2.44	16,255				
2.48	21,255				
2.42	13,373				
2.25	2,358				
2.27	4,147				
2.44	14,103				
2.67	15,228				
2.68	11,424				
2.75	4,182				
3.57	4,726				

STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company : SHAKARGANJ LIMITED
Year Ended : 30 September 2020

Shakarganj Limited (the company) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are eight as per the following:
a. Male : Seven
b. Female : One
2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Directors	Mr. Shaikh Asim Rafiq Ms. Zahra Ahsan Saleem (female) Mr. Jawad Amjad*
Non-Executive Directors	Mr. Khalid Bashir Mr. Mian Muhammad Anwar Mr. Javed Anjum**
Executive Directors	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem (Deputy Chief Executive Officer)

*Mr. Jawad Amjad appointed as independent director of the company on 11 December 2020 in place of Mr. Muhammad Anees who resigned on 09 December 2020.

**Mr. Javed Anjum was appointed to be the non-executive director of the company on 12 October 2020 in place of Mr. Jawad Amjad who resigned on 17 July 2020.

3. Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has already arranged Directors' Training program for the following:

   1. Mr. Ali Altaf Saleem
   2. Mr. Shiekh Asim Rafiq

   Moreover, our following two directors meet the exemption criteria of minimum 14 years education and 15 years of experience on the boards of listed companies, hence exempt from Directors' Training Program:

   1. Mr. Mian Muhammad Anwar
   2. Mr. Khalid Bashir
   3. Mr. Anjum Muhammad Saleem

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

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

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

a) Audit Committee

Mr. Sheikh Asim Rafiq	(Chairman)
Mr. Javed Anjum	(Member)
Mr. Khalid Bashir	(Member)
Ms. Zahra Ahsan Saleem	(Member)

b) HR and Remuneration Committee

Ms. Zahra Ahsan Saleem	(Chairperson)
Mr. Khalid Bashir	(Member)
Mr. Mian Muhammad Anwar	(Member)
Mr. Anjum Muhammad Saleem	Member)

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 aforesaid committees were as per following:

a) Audit Committee: Four meetings during the financial year ended 30 September 2020

b) HR and Remuneration Committee: One meeting was held during the financial year ended 30 September 2020

15. The Board has set up an effective outsourced internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company secretary or Director of the company.

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with and all other requirements of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non-Mandatory Requirement	Reg. No.	Explanation
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	The Board has not constituted separate Nomination Committee and currently functions required to be performed by nomination committee are being dealt with by HR & R Committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	The Board has not constituted separate Risk Management Committee and currently functions required to be performed by such committee are currently being performed by the Board.

Chairman

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Shakarganj 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 Shakarganj Limited (the Company) for the year ended 30 September 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

Riaz Ahmad & Co.

RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad
04 January 2020

A member of Nexia International

Shakarganj Limited

FINANCIAL STATEMENTS (UNCONSOLIDATED)

for the year ended 30 September 2020

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Shakarganj Limited

Report on the Audit of the Financial Statements

Opinion

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

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

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Following are the Key audit matters.

S.No.	Key audit matters	How the matters were addressed in our audit
1.	Inventory existence and valuation Inventories as at 30 September 2020 amounting to Rupees 670.712 million, break up of which is as follows: - Stores, spare parts and loose tools of Rupees 55.596 million - Stock-in-trade of Rupees 615.116 million Inventories are stated at lower of cost and net realizable value. We identified existence and valuation of inventories as a key audit matter due to their size, representing 5.27% of the total assets of the Company as at 30 September 2020, and the judgment involved in valuation. For further information on inventories, refer to the following: - Summary of significant accounting policies, Inventories (Note 2.8 to the financial statements). - Stores, spare parts and loose tools (Note 19) and Stock-in-trade (Note 20) to the financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.
2.	Revenue recognition The Company recognized revenue of Rupees 6,409.384 million for the year ended 30 September 2020. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	Our procedures included, but were not limited to: • We 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; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We compared a sample of revenue transactions recorded around the year- end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period;

S.No.	Key audit matters	How the matters were addressed in our audit
	For further information on revenue recognition, refer to the following: - Summary of significant accounting policies, Revenue from contracts with customers (Note 2.2 to the financial statements). - Revenue (Note 25 to the financial statements).	• We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; • We compared the detail of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation. • We also considered the appropriateness of disclosures in the 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, 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 the 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current 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, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980)

Other Matter

The financial statements for the year ended 30 September 2019 were audited by another firm of Chartered Accountants whose auditor's report dated 04 January 2020 expressed unmodified opinion.

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

Riaz Ahmad & Co.

Faisalabad
04 January 2021

Riaz Ahmad & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	2020	2019
		(Rupees in thousand)	
			Restated
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
150 000 000 (2019: 150 000 000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50 000 000 (2019: 50 000 000) preference shares of Rs. 10 each 500,000		500,000	500,000
		2,000,000	2,000,000
Issued, subscribed and paid up share capital	3	1,250,000	1,250,000
Capital reserves			
Surplus on revaluation of property, plant and equipment - net of deferred income tax	4	6,087,758	6,356,860
Other capital reserves	4	1,683,231	1,696,421
Revenue reserves	5	516,306	516,306
Accumulated loss		(2,678,821)	(1,861,115)
Total equity		6,858,474	7,958,472
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	219,945	128,291
Deferred income - Government grant	7	3,405	-
Employees' retirement benefits	8	160,503	-
Deferred income tax liability	9	925,415	1,209,949
		1,309,268	1,338,240
CURRENT LIABILITIES			
Trade and other payables	10	2,808,451	2,028,140
Short term borrowings	11	1,415,698	1,804,077
Accrued mark-up	12	57,152	79,647
Current portion of non-current liabilities	13	245,419	256,453
Unclaimed dividend		1,954	2,039
Provision for taxation		38,171	-
		4,566,845	4,170,356
TOTAL LIABILITIES		5,876,113	5,508,596
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		12,734,587	13,467,068

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

Chief Executive Officer

	Note	2020	2019
		(Rupees in thousand)	
			Restated
ASSETS			
Non-current assets			
Property, plant and equipment	15	9,745,632	10,253,780
Biological assets	16	18,819	17,017
Long term investments	17	1,679,003	2,131,209
Employees' retirement benefits	8	-	38,996
Long term advances and deposits	18	34,035	34,001
		11,477,489	12,475,003
CURRENT ASSETS			
Biological assets	16	20,973	29,299
Stores, spare parts and loose tools	19	55,596	63,691
Stock-in-trade	20	615,116	576,860
Trade debts	21	203,093	35,078
Loans and advances	22	70,369	126,738
Prepayments and other receivables	23	283,852	76,697
Cash and bank balances	24	8,099	83,702
		1,257,098	992,065
TOTAL ASSETS		12,734,587	13,467,068

Director

Chief Financial Officer

STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2020

	Note	2020	2019
		(Rupees in thousand)	
			Restated
Revenue	25	6,409,384	6,256,738
Cost of sales	26	(7,081,059)	(6,283,349)
Gross loss		(671,675)	(26,611)
Distribution cost	27	(66,676)	(137,699)
Administrative expenses	28	(320,360)	(311,176)
Other expenses	29	(38,460)	(38,707)
Other income	30	803,952	65,478
Loss from operations		(293,219)	(448,715)
Finance cost	31	(338,799)	(331,034)
Share of (loss) / profit from equity accounted investee	17	(538,637)	5,279
Loss before taxation		(1,170,655)	(774,470)
Taxation	32	173,072	46,059
Loss after taxation		(997,583)	(728,411)
Loss per share - basic and diluted (rupees)	33	(7.98)	(5.83)

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2020

	2020	2019
	(Rupees in thousand)	
		Restated
LOSS AFTER TAXATION	(997,583)	(728,411)
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of defined benefit obligations	(207,519)	27,198
Related deferred income tax liability	44,964	(5,733)
	(162,555)	21,465
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	5,413	(5,964)
Share of other comprehensive income of equity accounted investee	6,330	47,911
	(150,812)	63,412
Items that may be reclassified subsequently to statement of profit or loss	-	-
Other comprehensive (loss) / income for the year - net of deferred income tax - restated	(150,812)	63,412
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(1,148,395)	(664,999)

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

	SHARE CAPITAL	RESERVES											ACCUMULATED LOSS	TOTAL EQUITY
		CAPITAL RESERVES						REVENUE RESERVES				TOTAL		
		Premium on issue of right shares	Share in capital reserves of equity accounted investee	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total			
	(RUPEES IN THOUSAND)													
Balance as at 01 October 2018	1,250,000	1,056,373	469,980	(7,347)	155,930	6,825,404	8,500,340	410,606	22,700	83,000	516,306	9,016,646	(1,583,774)	8,682,872
Impact of restatement (Note 17.1.2)	-	-	-	-	-	-	-	-	-	-	-	-	81,283	81,283
Balance as at 01 October 2018 - restated	1,250,000	1,056,373	469,980	(7,347)	155,930	6,825,404	8,500,340	410,606	22,700	83,000	516,306	9,016,646	(1,502,491)	8,764,155
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(324,955)	(324,955)	-	-	-	-	(324,955)	324,955	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	(140,684)	(140,684)	-	-	-	-	(140,684)	-	(140,684)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	(2,905)	(2,905)	-	-	-	-	(2,905)	2,905	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(20,462)	-	-		(20,462)	-	-	-	-	(20,462)	20,462	-
Loss for the year ended 30 September 2019 - restated	-	-	-	-	-	-	-	-	-	-	-	-	(728,411)	(728,411)
Other comprehensive income for the year ended 30 September 2019 - restated	-	-	47,911	(5,964)	-	-	41,947	-	-	-	-	41,947	21,465	63,412
Total comprehensive loss for the year ended 30 September 2019 - restated	-	-	47,911	(5,964)	-	-	41,947	-	-	-	-	41,947	(706,946)	(664,999)
Balance as at 30 September 2019 - restated	1,250,000	1,056,373	497,429	(13,311)	155,930	6,356,860	8,053,281	410,606	22,700	83,000	516,306	8,569,587	(1,861,115)	7,958,472
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(314,120)	(314,120)	-	-	-	-	(314,120)	314,120	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	48,397	48,397	-	-	-	-	48,397	-	48,397
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	(3,379)	(3,379)	-	-	-	-	(3,379)	3,379	-
Incremental depreciation of property, plant and equipment of equity accounted investee - net of deferred income tax	-	-	(24,933)	-	-	-	(24,933)	-	-	-	-	(24,933)	24,933	-
Loss for the year ended 30 September 2020	-	-	-	-	-	-	-	-	-	-	-	-	(997,583)	(997,583)
Other comprehensive loss for the year ended 30 September 2020	-	-	6,330	5,413	-	-	11,743	-	-	-	-	11,743	(162,555)	(150,812)
Total comprehensive loss for the year ended 30 September 2020	-	-	6,330	5,413	-	-	11,743	-	-	-	-	11,743	(1,160,138)	(1,148,395)
Balance as at 30 September 2020	1,250,000	1,056,373	478,826	(7,898)	155,930	6,087,758	7,770,989	410,606	22,700	83,000	516,306	8,287,295	(2,678,821)	6,858,474

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended 30 September 2020

	Note	2020	2019
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	706,933	1,092,855
Finance cost paid		(357,347)	(297,098)
Income tax paid		(35,739)	(83,773)
Net increase in long term advances and deposits		(34)	(15)
Workers' profit participation fund paid		(124)	(8,862)
Employees' retirement benefits paid		(28,447)	(18,032)
Net cash generated from operating activities		285,242	685,075
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(69,859)	(62,908)
Proceeds from disposal of property, plant and equipment		13,453	28,367
Net cash used in investing activities		(56,406)	(34,541)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(81,581)	(155,662)
Proceeds from long term financing		165,606	-
Short term borrowings - net		(388,379)	(439,207)
Dividend paid		(85)	(234)
Net cash used in financing activities		(304,439)	(595,103)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(75,603)	55,431
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		83,702	28,271
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	24	8,099	83,702

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

Chief Executive Officer

Director

Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

1. THE COMPANY AND ITS OPERATIONS

Shakarganj Limited (the Company) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at E-Floor, IT tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

1.1 Geographical locations and addresses of all business units of the Company except for the registered office are as follows:

Manufacturing Unit	Address
Jhang Unit (Sugar, Biofuel and Textile)	5 KM Toba Tek Singh Road, Jhang, Punjab
Bhone Unit (Sugar and Biofuel)	63 KM Jhang - Sargodha Road, Bhone, Tehsil and District Jhang, Punjab
Liaison Office	Nishatabad, Chak Jhumra Road, Faisalabad, Punjab
Liaison Office	12th Floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi, Sindh

1.2 These financial statements are the separate financial statements of the Company. Consolidated financial statements are prepared separately.

1.3 Impact of COVID-19 on the financial statements

The pandemic of COVID-19 which rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. From 24 March 2020, Punjab Government announced a temporary lockdown as a measure to reduce the spread of the COVID–19. The Company's operations were also affected, as sugar sales, biofuel exports and yarn sales of the Company dropped after the country-wide lockdown. However, after lifting of lockdown by Punjab Government in June 2020, supply chain system of the Company reverted back to normal level. Moreover, State Bank of Pakistan vide BPRD circular No. 13 of 2020 dated 26 March 2020 allowed deferment of principal repayments on loan obligations due to banks by a period of one year. The Company has availed this opportunity and its long term financing as given in Note 6.1.2 were deferred for a period of one year and its short term borrowings as given in Note 11.2 were deferred for a period of six months to one year. Furthermore, the Company has availed a facility of Rupees 165.606 million from MCB Bank Limited, sanctioned under State Bank of Pakistan Refinance Scheme for payment of wages and salaries to workers and employees of business concerns, as given in Note 6.1.1. According to management's assessment, there is no other significant accounting impact of the effects of COVID-19 in these financial statements.

1.4 In spite of the impacts of COVID-19 pandemic on Company's operations as stated in Note 1.3 above, the Company undertook significant operational measures in the current year to improve its productivity. During the year, the Company has crushed 884 724 MT which is almost double as compared to 484 762 MT of sugarcane crushed in the corresponding period and produced 77 560 MT (2019: 49 016 MT) of sugar. During the year, the Company has successfully renewed its working capital lines. The measures taken by the Government to support businesses after spread of COVID-19 have positive impact on liquidity position of the Company as repayment of long term financing has been deferred by one year and repayment of significant portion of short term borrowings has been deferred for a period of six months to one year. The

Company also availed facility of Rupees 165.606 million under SBP Refinance Scheme for payment of wages and salaries. The Company expects drastic improvement in its Biofuel and Textile Segments in next year owing to restoration of exports of biofuel and increased demand of yarn. Subsequent to the reporting date, the Company is in negotiations with its lenders for working capital finance for operational liquidity. The Company is also arranging long term financing of Rupees 500 million to finance capital expenditure. Further, fresh working capital lines of Rupees 1,000 million, in addition to existing lines, are being arranged to meet operational liquidity requirements. The Company remains committed to its best efforts to improve liquidity position. The financial projections of the Company show improvements in cash generation and profits. The management believes that the measures taken by it will generate sufficient financial resources from operations. The Company is expected to generate sufficient cashflows in the next year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated:

2.1 Basis of preparation

a) 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 of:

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed."

b) Accounting convention

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendations of technical teams of the Company. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Company. Any change in the 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.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Taxation

In making the estimates for income tax currently payable by the Company, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Deferred tax 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 tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred income tax assets are recognized for deductible temporary differences only if the Company considers it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Company's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provision for obsolescence of stores, spare parts and loose tools

The Company reviews the carrying amount of stores, spare parts and loose tools on regular basis and provision for obsolescence is made if there is any change in usage pattern and physical form of stores, spare parts and loose tools.

Employees' retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations. Changes in these assumptions in future years may affect the liability under these schemes in those years.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

d) Standard, interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Company

Following standard, interpretation and amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 October 2019:

• IFRS 16 'Leases'
• Amendments to IFRS 09 'Financial Instruments'
• IFRIC 23 'Uncertainty over Income Tax Treatments'
• Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement
• Annual Improvements to IFRSs: 2015 – 2017 Cycle"

The amendments and interpretation listed above do not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods. However the implications of IFRS 16 are given hereunder:

IFRS 16 'Leases' has replaced the guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement Contains a Lease', SIC-15 'Operating Leases - Incentive' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 provided a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is twelve months or less or the underlying asset has a low value. A lessee recognizes a right of use asset representing the right of use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to IAS 17. The Company has only short-term operating leases, hence, the adoption of IFRS 16 does not have any impact on the amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

e) Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Company

There are other standard and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 October 2019 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Company

Following amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after 01 October 2020 or later periods:

Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

Interest Rate Benchmark Reform which amended IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments' and IAS 39 'Financial Instruments: Recognition and Measurement', is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published report setting out its recommended reforms of some major interest rate benchmarks such as Interbank Offer Rates (IBORs). Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rates benchmarks reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provided relief from the potential impacts of the uncertainty caused by the reform. A company shall apply these exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

Amendments to IFRS 16 'Leases' (effective for annual periods beginning on or after 01 June 2020). Under pervious requirements of IFRS 16, lessee assesses whether rent concessions are leased modifications, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring these lease liabilities using the revised lease payments and revised discount rates. In light of the effects of the COVID-19 pandemic and the fact that many lessees are applying the standard for the first time in their financial statements, the IASB has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for as if these were not lease modifications. Rent concessions are eligible for the practical expedient if these occur as a direct consequence of the COVID-19 pandemic and if following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially same as, or less than, the considerations for the lease immediately preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

- there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2022). These amendments have been added to further clarify when a liability is classified as current. These amendments also changes the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Company.

Amendments to IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply these amendments retrospectively, but only to items of property, plant and equipment which are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Company.

Following Annual Improvements to IFRSs: 2018 - 2020 issued by IASB on 14 May 2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' - 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 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to the de-recognize a financial liability.

-IFRS 16 'Leases' - the amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' 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 rise in lease incentives.

-IAS 41 'Agriculture' - 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 above amendments and improvements do not have a material impact on these financial statements.

On 29 March 2018, the IASB has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, de-recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRSs. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Company

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 October 2020 but are considered not to be relevant or do not have any significant impact on the Company's financial statements and are therefore not detailed in these financial statements.

2.2 Revenue from contracts with customers

i) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Revenue is recognized when rent is accrued.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Contract liabilities

Contract liability is the obligation of the Company to transfer goods to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

2.3 Financial Instruments

i) Recognition of financial instruments

The Company initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value through other comprehensive income, and
• those to be measured at amortized cost"

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

For assets measured at fair value, gains and losses will be recorded in other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into following measurement category:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Equity instruments

The Company subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). The Company classifies its equity instruments into following measurement category:

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividend from such investments is recognized in statement of profit or loss as other income when the Company's right to receive payments is established.

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are also subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss.

iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

Financial assets

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial liabilities

The Company de-recognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expired. Any gain or loss on de-recognition is included in profit or loss.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.4 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity respectively.

2.5 Property, plant and equipment

Property, plant and equipment except freehold land, building, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Building, plant and machinery are stated at revalued amount less accumulated depreciation and any identified impairment loss. Cost of the property, plant and equipment consists of historical cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of profit or loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'accumulated loss'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

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

Capital work-in-progress is stated at cost less any identified impairment loss. It consists of all expenditure and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

Depreciation

Depreciation on property, plant and equipment is charged to statement of statement of profit or loss on the reducing balance method so as to write off the cost of an asset over its estimated useful life at the annual rates given in Note 15.1 after taking into account the impact of their residual values, if considered significant. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed of.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.6 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. For the purpose of impairment testing, assets which cannot be tested individually are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or group of assets. An impairment loss is recognized whenever, the carrying amount of an asset exceeds its recoverable amount. Impairment loss is charged to the statement of profit or loss. Reversal of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment loss had not been recognized. Reversal of impairment loss is also recognized in the statement of profit or loss.

2.7 Biological assets

Biological assets comprise of standing crops and livestock. These are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognized in the statement of profit or loss. The fair value of standing crops is based on the support price fixed by the Government and other factors such as estimated crop yield and area under cultivation. The fair value of livestock is estimated on the basis of market prices of livestock of similar age, breed and genetic merit. Point-of-sale costs include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to the market.

2.8 Inventories

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon up-to the reporting date. Provision is made in the financial statements for obsolete and slow moving stores and spares based on management's estimate as a result of changes in usage pattern and physical form.

Stock-in-trade

Stock of raw materials, work-in-process and finished goods, except for those in transit are valued principally at the lower of weighted average cost and net realizable value. Cost of work-in-process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads. Cost of own produced molasses, a by product, is determined on the basis of monthly average cost of molasses purchased from third parties. Cost of stillage, a by product of the Effluent Treatment Plant, used in the generation of electricity by the Power division is valued at Nil as it does not have any market value.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon up to the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's estimate.

2.9 Trade and other receivables

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts overdue by 365 days.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.11 Share capital

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

2.12 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method.

2.13 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2.14 Trade and other payables

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

2.15 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.16 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

2.18 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.19 Contingent assets

Contingent assets are disclosed when the Company has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized until their realization becomes certain.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

Transactions among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment sales and purchases are eliminated from the total.

2.21 Earnings / (Loss) Per Share (EPS / LPS)

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

2.22 Employees' retirement benefits

Defined benefit plans

The main feature of the schemes operated by the Company for its employees are as follows:

The Company operates a funded gratuity scheme as a defined benefit plan for its permanent employees and also funded defined benefit pension plan. All permanent employees who are in the management cadre of the Company participate in these plans subject to a minimum qualifying period of service according to the terms of employment. Monthly contributions are made to these funds on the basis of actuarial recommendation at the rate of 20% per annum of basic salary for pension and 8.33% per annum of basic salary for gratuity. Actuarial valuation using projected unit credit method for the schemes was carried out as at 30 September 2020. The main features of defined benefit schemes are mentioned in Note 8.1 and Note 8.2.

The Company's net obligation in respect of these defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in profit or loss.

When the benefits of plans are changed or when plans are curtailed, the resulting change in benefits that relate to past service or the gain or loss on curtailment are recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of defined benefit plans when the settlement occurs.

Defined contribution plan

There is an approved contributory provident fund for all employees. Equal monthly contributions are made both by the employees and the Company to the fund in accordance with the fund rules. The Company's contributions are charged to statement of profit or loss.

2.23 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the Company's financial statements in the period in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

2.24 Investment in subsidiary company

Investment in subsidiary company is accounted for using equity method in accordance with IAS 27 'Separate Financial Statements'.

3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2020	2019		2020	2019
(Number of shares)			(Rupees in thousand)	
79,021,000	79,021,000	Ordinary shares of Rs. 10 each fully paid in cash	790,210	790,210
33,131,816	33,131,816	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	331,318	331,318
12,847,184	12,847,184	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	128,472	128,472
125,000,000	125,000,000		1,250,000	1,250,000

3.1 Ordinary shares of the Company held by related parties:

	Note	2020	2019
		(NUMBER OF SHARES)	
Crescent Steel and Allied Products Limited		27 409 075	27 409 075
Crescent Cotton Mills Limited	3.1.1	-	1 531 193
The Crescent Textile Mills Limited		9 019 690	9 019 690
CS Capital (Private) Limited		7 602 272	7 602 272
Premier Insurance Limited		5 000	5 000
Roomi Fabrics Limited	3.1.1	-	11 984 754
Shakarganj Mills Limited Employees' Provident Fund Trust		1 375 427	1 375 427
Shakarganj Mills Limited Gratuity Fund		107 876	107 876
Shakarganj Mills Limited Pension Fund		916 582	916 582
		46 435 922	59 951 869

3.1.1 Crescent Cotton Mills Limited and Roomi Fabrics Limited ceased to be the related parties due to elimination of common directorship after election of directors on 01 June 2020.

	Note	2020	2019
		(Rupees in thousand)	
4. CAPITAL RESERVES			
Surplus on revaluation of property, plant and equipment - net of deferred income tax (Note 4.1)		6,087,758	6,356,860
Other capital reserves			
Premium on issue of right shares	4.2	1,056,373	1,056,373
Share in capital reserves of equity accounted investee		478,826	497,429
Fair value reserve of investments at fair value through other comprehensive income	4.3	(7,898)	(13,311)
Difference of capital under scheme of arrangement of merger		155,930	155,930
		1,683,231	1,696,421
		7,770,989	8,053,281

		Note	2020	2019
			(Rupees in thousand)	
4.1	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DIFFERED INCOME TAX			
	Surplus on revaluation of operating fixed assets as at 01 October		6,356,860	6,825,404
	Add: Impact of change in deferred tax rate		48,397	-
			6,405,257	6,825,404
	Less:			
	Impact of change in deferred tax rate		-	(140,684)
	Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax		(314,120)	(324,955)
	Surplus on revaluation of property, plant and equipment disposed of during the year - net of deferred income tax		(3,379)	(2,905)
			(317,499)	(468,544)
			6,087,758	6,356,860

4.1.1 The latest valuation of land, building, plant and machinery was carried out by independent valuers Tristar International Consultant (Private) Limited and Saleem Engineers on 27 September 2018 and 09 April 2018 respectively. The valuation was determined by reference to current market value of the similar properties / assets. Previously revaluations were carried out on 30 September 2012 and 30 September 2014 by independent valuers.

4.2 This reserve can be utilized by the Company only for the purposes specified in section 81 of the Companies Act, 2017.

4.3 This represents the unrealized (loss) / gain on remeasurement of investments at fair value through other comprehensive income. Reconciliation of fair value reserve is as under:

		Note	2020	2019
			(Rupees in thousand)	
	Balance as on 01 October		(13,311)	(7,347)
	Fair value adjustment during the year		5,413	(5,964)
	Balance as on 30 September		(7,898)	(13,311)
5.	REVENUE RESERVES			
	General		410,606	410,606
	Dividend equalization		22,700	22,700
	Equity investment market value equalization		83,000	83,000
			516,306	516,306
6.	LONG TERM FINANCING			
	From banking companies - secured	6.1	456,919	384,744
	Less: Current portion shown under current liabilities	13	236,974	256,453
			219,945	128,291

6.1 From banking companies

LENDER	2020	2019	RATE OF INTEREST PER ANNUM	EFFECTIVE RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(RUPEES IN THOUSAND)							
National Bank of Pakistan	78,163	117,244	3 Month KIBOR + 1%	8.26% - 14.85%	Sixteen equal quarterly installments commenced on 31 March 2017 and ending on 31 December 2021 due to deferment of one year	Quarterly	Quarterly	First joint pari passu charge of 182.378 million over entire present and future fixed assets of the Company with 25% margin and personal guarantees of Chief Executive Officer and one Director of the Company.
National Bank of Pakistan	168,750	200,000	3 Month KIBOR + 3%	10.26% - 16.85 %	Seven quarterly installments commenced on 31 October 2019 and ending on 30 April 2022 due to deferment of one year	Quarterly	Quarterly	First joint pari passu charge of Rupees 306.667 million over present and future fixed assets of the Company with 25% margin and personal guarantee of Chief Executive Officer and one Director of the Company. It is also secured through pledge of 6 387 000 number of shares of Crescent Steel and Allied Products Limited.
First Credit and Investment Bank Limited	56,250	67,500	3 Month KIBOR + 3.5%	11.65% - 17.40%	Six equal quarterly installments commenced on 07 March 2020 and ending on 07 June 2022 due to deferment of one year	Quarterly	Quarterly	Ranking hypothecation charge over present and future assets of the Company with 25% margin excluding land and building plus against pledge of shares from KSE 100 index acceptable to the Bank at market value with 35% margin and personal guarantee of Chief Executive Officer and one Director of the Company.
MCB Bank Limited - Loan under SBP Refinance Scheme (Note 6.1.1)	153,756	-	SBP rate + 3%	3%	Eight equal quarterly installments commenced on 01 January 2021 and ending on 30 September 2022.	-	Quarterly	First joint pari passu charge over present and future fixed assets of Rupees 1,000 million, first pari passu charge of Rupees 551 million over stocks, ranking charge of Rupees 200 million on fixed assets, charge on plant and machinery of Rupees 250 million of the Company and personal guarantee of Chief Executive Officer and one Director of the Company.
	456,919	384,744						

6.1.1 This facility aggregating to Rupees 165.606 million is obtained by the Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rate of 10.25% per annum.

6.1.2 Repayment terms of the above mentioned loans outstanding during the year from National Bank of Pakistan and First Credit and Investment Bank Limited were deferred by one year on request of the Company in accordance with BPRD circular No. 13 of 2020 dated 26 March 2020 issued by State Bank of Pakistan to cope the impacts of COVID-19 pandemic.

		Note	2020	2019
			(Rupees in thousand)	
7.	DEFERRED INCOME - GOVERNMENT GRANT			
	Recognized during the year		15,797	-
	Amortized during the year	3 0	(3,947)	-
			11,850	-
	Current portion shown under current liabilities	13	(8,445)	-
			3,405	-

7.1 The State Bank of Pakistan (SBP), through its Circular No. 06 of 2020 dated 10 April 2020 has introduced a temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme). The Refinance Scheme is funded by SBP. Borrowers can obtain loans from the Banks and ease their cash flow constraints to avoid layoffs. One of the key feature of the Refinance Scheme is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance' the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Company has obtained this loan as disclosed in Note 6.1 to the financial statements. In accordance with IFRS 9 'Financial Instruments', loan obtained under the Refinance Scheme was initially recognized at its fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the statement of profit or loss, in line with the recognition of interest expense the grant is compensating.

		Note	2020	2019
			(Rupees in thousand)	
8.	EMPLOYEES' RETIREMENT BENEFITS			
	Pension fund	8.1	132,896	(27,222)
	Gratuity fund	8.2	27,607	(11,774)
			160,503	(38,996)
8.1	Pension fund			
	The amount recognized in the statement of financial position are determined as follows:			
	Present value of defined benefit obligation	8.1.1	511,634	401,271
	Fair value of plan assets	8.1.2	(378,738)	(428,493)
	Net defined benefit obligation / (asset)		132,896	(27,222)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

		Note	2020	2019
			(Rupees in thousand)	
8.1.1	The movement in the defined benefit obligation over the year is as follows:			
	Present value of defined benefit obligation as at 01 October		401,271	381,034
	Current service cost		18,917	15,456
	Interest cost		50,599	36,896
	Remeasurement losses / (gains)		64,950	(7,963)
	Benefits paid during the year		(24,103)	(24,152)
	Present value of defined benefit obligation as at 30 September		511,634	401,271
8.1.2	The movement in the fair value of plan assets for the year is as follows:			
	Fair value as at 01 October		428,493	390,711
	Expected return on plan assets		55,399	38,476
	Contributions during the year		19,405	12,242
	Benefits paid during the year		(24,103)	(24,152)
	Remeasurement (losses) / gains		(100,456)	11,216
	Fair value as at 30 September		378,738	428,493
8.1.3	The amounts recognized in the statement of profit or loss are as follows:			
	Current service cost		18,917	15,456
	Interest cost		50,599	36,896
	Expected return on plan assets		(55,399)	(38,476)
			14,117	13,876
8.1.3.1	The amounts recognized in the statement of profit or loss are classified as follows:			
	Cost of sales	26.2	4,531	5,165
	Distribution cost	27.1	487	431
	Administrative expenses	28.1	8,845	8,010
	Other expenses	29.1	254	270
			14,117	13,876
8.1.4	Remeasurements of net defined benefit liability / (asset)			
	Actuarial losses / (gains) due to experience adjustments		64,950	(7,963)
	Return on plan assets excluding interest income		100,456	(11,216)
	Amount chargeable to other comprehensive income		165,406	(19,179)

	Note	2020	2019
		(Rupees in thousand)	
8.1.5 Reconciliation of net defined benefit liability / (asset)			
As at 01 October		(27,222)	(9,677)
Expense chargeable to profit or loss during the year		14,117	13,876
Amount chargeable to other comprehensive income during the year		165,406	(19,179)
Contributions paid by the Company during the year		(19,405)	(12,242)
As at 30 September		132,896	(27,222)

8.1.6 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 September 2021 is Rupees 38.592 million.

	Note	2020	2019
		(Rupees in thousand)	
8.1.7 Actual return on plan assets			
Interest income for the year		55,399	38,476
Return on plan assets excluding interest income		(100,456)	11,216
		(45,057)	49,692

8.1.8 The principal actuarial assumptions used were as follows:	2020	2019
Discount rate (per annum)	10.50%	13.00%
Future salary increases (per annum)	9.50%	12.00%
Expected rate of future pension increases (per annum)	5.50%	8.00%
Average expected remaining working life time of employees	10 years	10 years
Expected average duration of obligation	19 years	20 years
Expected mortality rate	SLIC (2001-05) mortality table	

	Note	2020	2019
		(Rupees in thousand)	
8.1.9 Plan assets are comprised as follows:			
Equity instruments		307,054	56,033
Cash and cash equivalents		135,379	422,944
Others - net		(63,695)	(50,484)
		378,738	428,493

8.1.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2020	2019
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(51,631)	(40,494)
Decrease in assumption (Rupees in thousand)	62,777	49,259
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	21,790	17,090
Decrease in assumption (Rupees in thousand)	(19,122)	(14,997)

8.2 Gratuity fund

The amount recognized in the statement of financial position are determined as follows:

	Note	2020	2019
		(Rupees in thousand)	
Present value of defined benefit obligations	8.2.1	111,375	67,775
Fair value of plan assets	8.2.2	(83,768)	(79,549)
Net defined benefit obligation / (asset)		27,607	(11,774)

8.2.1 The movement in the defined benefit obligation over the year is as follows:

	2020	2019
Present value of defined benefit obligation as at 01 October	67,775	64,184
Current service cost	8,428	4,823
Interest cost	8,811	6,363
Benefits paid during the year	-	(1,101)
Remeasurement losses / (gains)	26,361	(6,494)
Present value of defined benefit obligation as at 30 September	111,375	67,775

8.2.2 The movement in the fair value of plan assets for the year is as follows:

	2020	2019
Fair value as at 01 October	79,549	66,455
Contributions during the year	9,042	5,790
Expected return on plan assets	10,929	6,880
Benefits paid during the year	-	(1,101)
Remeasurement gains / (losses)	(15,752)	1,525
Fair value as at 30 September	83,768	79,549

8.2.3 The amounts recognized in the statement of profit or loss are as follows:

	2020	2019
Current service cost	8,428	4,823
Interest cost	8,811	6,363
Expected return on plan assets	(10,929)	(6,880)
Total included in salaries and wages	6,310	4,306

	Note	2020	2019
		(Rupees in thousand)	
8.2.3.1 The amounts recognized were included in the statement of profit or loss as follows:			
Cost of sales	26.2	2,530	1,525
Administrative expenses	28.1	3,679	2,723
Other expenses	29.1	101	58
		6,310	4,306
8.2.4 Remeasurements of net defined benefit liability / (asset)			
Actuarial losses / (gains) due to experience adjustments		26,361	(6,494)
Return on plan assets excluding interest income		15,752	(1,525)
Amount chargeable to other comprehensive income		42,113	(8,019)

8.2.5 The estimated expenses to be charged to the statement of profit or loss for the year ending on 30 September 2021 is Rupees 10.616 million.

	Note	2020	2019
		(Rupees in thousand)	
8.2.6 Reconciliation of net defined benefit liability / (asset)			
As at 01 October		(11,774)	(2,271)
Expense chargeable to profit or loss during the year		6,310	4,306
Amount chargeable to other comprehensive income during the year		42,113	(8,019)
Contributions paid by the Company during the year		(9,042)	(5,790)
As at 30 September		27,607	(11,774)
8.2.7 Actual return on plan assets			
Interest income for the year		10,929	6,880
Return on plan assets excluding interest income		(15,752)	1,525
		(4,823)	8,405

	2020	2019
8.2.8 The principal actuarial assumptions used were as follows:		
Discount rate	9.75%	13.00%
Future salary increases	8.75%	12.00%
Average expected remaining working life time of employees	9 years	9 years
Expected average duration of benefit obligation	9 years	7 years
Expected mortality rate	SLIC (2001-05) mortality table	

	Note	2020	2019
		(Rupees in thousand)	
8.2.9 Plan assets are comprised as follows:			
Equity instruments		26,041	12,096
Cash and cash equivalents		67,362	76,580
Others - net		(9,635)	(9,127)
		83,768	79,549

8.2.10 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2020	2019
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(7,998)	(4,876)
Decrease in assumption (Rupees in thousand)	9,178	5,589
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	9,178	5,589
Decrease in assumption (Rupees in thousand)	(8,137)	(4,958)

8.3 The sensitivity analysis for pension fund and gratuity fund are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year except for certain changes as given in Note 8.1.8 and Note 8.2.8.

	Note	2020	2019
		(Rupees in thousand)	Restated
9. DEFERRED INCOME TAX LIABILITY			
Taxable temporary difference			
Accelerated tax depreciation		413,815	337,653
Surplus on revaluation of property, plant and equipment		942,320	1,078,146
Undistributed reserve of investment		161,249	320,006
		1,517,384	1,735,805
Deductible temporary differences			
Unused tax losses		(551,000)	(525,856)
Provision for doubtful receivables		(6,202)	-
Employees' retirement benefits		(34,767)	-
		(591,969)	(525,856)
		925,415	1,209,949

9.1 Deferred income tax asset on unused tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable profits is probable. The Company has not recognized deferred income tax asset on Rupees 5,017.307 million (2019: Rupees 4,114.900 million) in respect of tax losses, as sufficient tax profits may not be available to set off these in the foreseeable future.

		Note	2020	2019
			(Rupees in thousand)	
10.	TRADE AND OTHER PAYABLES			
	Creditors		1,303,472	1,074,294
	Advances for sale of property, plant and equipment		12,000	12,000
	Contract liabilities		374,704	132,109
	Security deposits		1,680	2,142
	Payable to associated companies	10.1	71,947	10,393
	Accrued liabilities		307,100	233,568
	Payable to Government authorities:			
	- Sales tax		548,985	29,536
	- Income tax deducted at source		55,288	27,465
	- Duty on manufacturing of spirit (biofuel)	10.2	-	436,604
	Workers' profit participation fund		-	124
	Payable to Employees' Provident Fund Trust		2,804	2,743
	Payable to Pension Fund and Gratuity Fund		63,339	33,885
	Others		67,132	33,277
			2,808,451	2,028,140

10.1 These include amounts due to following related parties:

	2020	2019
Crescent Steel and Allied Products Limited - associated company	54,083	10,393
Shakarganj Food Products Limited - subsidiary company	4,065	-
Premier Insurance Limited - associated company	13,799	-
	71,947	10,393

10.2 This represented excise duty levied on manufacturing of spirit (biofuel) by Punjab Government, recorded in previous years. This duty has been written back following the withdrawal of notification by Punjab Government as explained in Note 14(a)(i).

		Note	2020	2019
			(Rupees in thousand)	
11.	SHORT TERM BORROWINGS			
	From banking companies - secured			
	- Cash finance	11.1	468,100	469,000
	- Export refinance / Istisna	11.2	935,000	900,000
	Others - unsecured			
	- Short term interest free finance	11.3	12,598	435,077
			1,415,698	1,804,077

11.1 Cash finance

The Company has arranged this short term finance facility from MCB Bank Limited to meet working capital requirements to the extent of Rupees 725 million (2019: Rupees 1,000 million). Mark-up ranged from 9.03% to 15.65% (2019: 10.83% to 15.80%) per annum on the outstanding balance or part thereof. Expiry date of this facility was 30 September 2020 which has been extended till 31 December 2020.

It is secured against exclusive charge of Rupees 1,177 million over pledge stocks of sugar, molasses and ethanol and first joint pari passu charge of Rupees 1,000 million over all present and future fixed assets of the Company.

11.2 Export refinance

The Company has arranged facilities for short term finances to meet working capital requirements from various banks under mark-up arrangements to the extent of Rupees 2,800 million (2019: Rupees 2,475 million). These finances were available at a mark-up ranging from 3.00% to 16.35% (2019: 3.00% to 15.47%) per annum on the outstanding balance or part thereof. These include Istisna of Rupees 425 million (2019: Rupees 100 million) payable to BankIslami Pakistan Limited, a related party. Expiry date of these finances is 31 December 2020 except for finances of Rupees 260 million received from National Bank of Pakistan which has been deferred for six months to one year in accordance with the BPRD Circular No. 13 of 2020 dated 26 March 2020 issued by State Bank of Pakistan to cope the impacts of COVID-19 pandemic.

The aggregate export finances are secured against ranking charge over fixed assets of the Company with 25% margin, ranking charge over current assets of the Company with 25% margin, pledge of molasses and ethanol, first joint pari passu charge over all present and future fixed assets of the Company and personal guarantees of Chief Executive Officer and a Director. These are additionally secured by pledge of shares of the Company and of other related parties.

11.3 Short term interest free finance

It represents unsecured short term interest free finance provided by a sugar agent for financing the operations of the Company.

	Note	2020	2019
		(Rupees in thousand)	
12. ACCRUED MARK-UP			
Long term financing		18,035	22,219
Short term borrowings	12.1	39,117	57,428
		57,152	79,647

12.1 This includes mark-up of Rupees 16.294 million (2019: Rupees 7.239 million) payable to BankIslami Pakistan Limited, a related party.

	Note	2020	2019
		(Rupees in thousand)	
13. CURRENT PORTION OF NON CURRENT LIABILITIES			
Long term financing	6	236,974	256,453
Deferred income - Government grant	7	8,445	-
		245,419	256,453

14. CONTINGENCIES AND COMMITMENTS

a) Contingencies

(i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levied a duty of Rupees 2 per liter on manufacturing of spirit (biofuel) with effect from 01 July 2012. In view of legal lacunas, discrimination as to other provinces, no legislative competence and lawful authority of Government of Punjab to impose such duty on industrial ethanol which is not alcohol liquor and the fact that the Company is exporter of the spirit which is exempted under Order 6 of the Punjab Liquor Import, Export, Transportation and Possessions Orders, the management through its legal counsel has challenged the imposition of said levy and is currently contesting it at Honorable Lahore High Court, Lahore. Keeping in view all the court proceedings and grounds discussed in various higher courts, Punjab Government, after due deliberations of the Provincial Cabinet of the Punjab Government, on 20 August 2019, through its notification no. SO(E&M)2-5/2018/ED withdrew the imposed duty of Rupees 2 per liter upon the manufacture of spirit in any distillery. As per Company's legal counsel, the Company has clear-cut case and the decision of the case shall be in favor of the Company. In view of the aforesaid, the duty on manufacturing of spirit (biofuel) previously recognized as liability amounting to Rupees 436.604 million has been de-recognized and Rupees 229.918 million previously deposited on this account has been recognized as receivable being refundable.

(ii) The Company has paid an advance amounting to Rupees 12.999 million to Messrs Industrial Enterprises for designing the boiler project to use only biogas as fuel with no option of burning bagasse. However, the boiler could not generate steam as per specification. It is unlikely that this project will be completed. Therefore the Company has gone into litigation with Industrial Enterprises in Civil Court, Jhang on 03 July 2018 for the recovery of the advance paid along with damages. Based on the advice of legal counsel, there are favourable grounds that the case will be decided in favour of the Company and the advance amount paid will be refunded back.

(iii) Subsequent to the reporting date, an appellate order was made by Commissioner Inland Revenue, Appeals, Lahore on 30 November 2020 under section 33 of Federal Excise Act, 2005, confirming payment of federal excise duty of Rupees 12.757 million including penalty regarding export of sugar to Afghanistan through land route in 2014. The Company has filed appeal before Appellate Tribunal Inland Revenue, Lahore against this order on 23 December 2020. No provision has been recognized in the books of account as the Company is confident on positive outcome of the appeal, on the advice of legal counsel.

(iv) The Competition Commission of Pakistan (CCP) issued show cause notices on 03 November 2020 and 04 November 2020, subsequent to the reporting date, under the provisions of the Competition Act, 2010, demanding facts and materials to satisfy CCP against various violations given in the show cause notice including closure of sugarcane crushing, price hike and other factors. The Company submitted replies before the CCP on 21 November 2020, denying any of the violations contained in the show cause notice. Management is confident that the above-mentioned reply will satisfy CCP accordingly.

(v) In addition to above-mentioned matters there are certain cases which have been filed against the Company, primarily by the Company's employees, customers and vendors. However, the management is of the view that in the overall context of these financial statements, there would be no significant liability of the Company against such cases.

b) Commitments

There is no contract for capital and other expenditure as at 30 September 2020 (2019: Rupees Nil).

	Note	2020	2019
		(Rupees in thousand)	
15. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	9,603,953	10,109,369
Capital work-in-progress	15.2	141,679	144,411
		9,745,632	10,253,780

15.1 Operating fixed assets

	Freehold land	Building	Plant and machinery	Tools and equipment	Water, electric and weighbridge equipment	Furniture and fixtures	Office equipment	Vehicles	Laboratory equipment	Arms and ammunition	Library books	Total
	(RUPEES IN THOUSAND)											
At 30 September 2018												
Cost / revalued amount	2,661,150	1,076,485	6,899,348	51,109	276,014	48,932	59,602	152,641	23,106	575	10,983	11,259,945
Accumulated depreciation	-	-	-	(49,015)	(257,307)	(44,187)	(59,562)	(109,284)	(22,892)	(498)	(10,774)	(553,519)
Net book value	2,661,150	1,076,485	6,899,348	2,094	18,707	4,745	40	43,357	214	77	209	10,706,426
Year ended 30 September 2019												
Opening net book value	2,661,150	1,076,485	6,899,348	2,094	18,707	4,745	40	43,357	214	77	209	10,706,426
Additions	-	4,193	28,097	690	3,003	532	400	816	-	-	-	37,731
Disposals:												
Cost / revalued amount	(5,300)	(2,266)	(10,440)	(50)	(1,957)	(202)	(41)	(19,158)	-	-	-	(39,414)
Accumulated depreciation	-	1,473	283	50	1,865	129	40	16,391	-	-	-	20,231
	(5,300)	(793)	(10,157)	-	(92)	(73)	(1)	(2,767)	-	-	-	(19,183)
Depreciation charge	-	(80,959)	(518,967)	(627)	(4,687)	(996)	(400)	(8,819)	(89)	(15)	(46)	(615,605)
Closing net book value	2,655,850	998,926	6,398,321	2,157	16,931	4,208	39	32,587	125	62	163	10,109,369
At 30 September 2019												
Cost / revalued amount	2,655,850	1,078,412	6,917,005	51,749	277,060	49,262	59,961	134,299	23,106	575	10,983	11,258,262
Accumulated depreciation	-	(79,486)	(518,684)	(49,592)	(260,129)	(45,054)	(59,922)	(101,712)	(22,981)	(513)	(10,820)	(1,148,893)
Net book value	2,655,850	998,926	6,398,321	2,157	16,931	4,208	39	32,587	125	62	163	10,109,369
Year ended 30 September 2020												
Opening net book value	2,655,850	998,926	6,398,321	2,157	16,931	4,208	39	32,587	125	62	163	10,109,369
Additions	-	3,712	65,402	332	2,353	709	-	83	-	-	-	72,591
Disposals:												
Cost / revalued amount	(3,000)	-	(6,000)	(1,444)	(2,936)	(108)	-	(3,319)	-	-	-	(16,807)
Accumulated depreciation	-	-	832	1,443	2,843	89	-	2,956	-	-	-	8,163
	(3,000)	-	(5,168)	(1)	(93)	(19)	-	(363)	-	-	-	(8,644)
Depreciation charge	-	(75,174)	(481,602)	(803)	(4,185)	(947)	(16)	(6,536)	(51)	(12)	(37)	(569,363)
Closing net book value	2,652,850	927,464	5,976,953	1,685	15,006	3,951	23	25,771	74	50	126	9,603,953
At 30 September 2020												
Cost / revalued amount	2,652,850	1,082,124	6,976,407	50,637	276,477	49,863	59,961	131,063	23,106	575	10,983	11,314,046
Accumulated depreciation	-	(154,660)	(999,454)	(48,952)	(261,471)	(45,912)	(59,938)	(105,292)	(23,032)	(525)	(10,857)	(1,710,093)
Net book value	2,652,850	927,464	5,976,953	1,685	15,006	3,951	23	25,771	74	50	126	9,603,953
Annual rate of depreciation (%)	-	7.5	7.5, 30	20, 40	20, 40	20	40	20	40	20	20, 30	

15.1.1 Particulars of immoveable fixed assets (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Area of land	Covered Area of building
			Sq. ft.
Free hold land (Farms)	Land of Chak Rasool Pur	103.65 Kanals	-
	Land of Mouza Billi Nualan Par	284.80 Kanals	-
	Land of Mouza Chandia Nasheb	437 Kanals	-
	Land of Mouza Billi Habib	17.45 Kanals	-
	Land of Mouza Doka Baloucha	639.25 Kanals	-
	Land At Mouza Khai Kalan	495.16 Acres	-
	Land of Mouza Kot Esa Shah	1 262 Kanals	-
	Land of Mouza Kot Khan	2 926.2 Kanals	-
	Land at Chak 462 JB	753 Kanals, 19 Marlas	-
	Land at Kot Sahai Singh	52.2 Kanals	-
Free hold land (Bhone)	Land of Chund Bharwana	1 Kanal	-
	Land of Adda Massan	1 Kanal	-
	Land of Mouza Wadhi The	1 Kanal	-
	Land of Wijhalka (Muhammad Wala)	1 Kanal	-
	Land of Mouza Dholka Adda Akrian Wala	1.05 Kanals	-
	Bhone Unit (factory land)	1 419.74 Kanals	496 365
Free hold land (Jhang)	Land at Lalazar	1 Kanal	-
	Land at Mouza Suleman Adda Sher Abad	1 Kanal	-
	Land at Chak 338 Adda Nia Lahore	1 Kanal	-
	Land at Chak 426 Adda Pul	1 Kanal	-
	Land at Chak 428 Adda Pul	1 Kanal	-
	Land at Chak 316 Talwandi	15.8 Kanals	-
	Land at Mouza Sangra Adda Kot Shakir	1 Kanal	-
	Land at Adda Daal More	1 Kanal	-
	Land at Islam Wala Adda Pul Gagan	1 Kanal	-
	Land at Adda Kot Bahadar	1 Kanal	-
	Land at Dari Gondal Maharaja Road	1 Kanal	-
	Land at Chak 1/3L Ahmad Pur Sial	1 Kanal	-
	Land at Mouza Kalachi Adda	1 Kanal	-
	Land at Mouza Bagh	1 Kanal	-
	Land at Chak 214 Adda Gojra More	1 Kanal	-
	Land at Mouza Gilmala	1 Kanal	-
	Land at Malluana More	1 Kanal	-
	Land at Chak 457 Kot Lakhana	1 Kanal	-
	Land at Roran Wali	1 Kanal	-
	Land at Ballo Shahabal (Adda Chabeel)	1 Kanal	-
	Land at Jhang Shumali (Pacca Wala)	12 Marlas	-
	Jhang Unit (factory land)	1 289.25 Kanals	1 710 670

15.1.2 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Cost / revalued amount	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	------(RUPEES IN THOUSAND)------						
Freehold land							
Land of Mouza Walla (Tirkhana Wala)	3,000	-	3,000	3,300	300	Negotiation	Muhammad Nawaz, Tirkhana Wala, Tehsil Lalian, District Chiniot.
Plant and machinery							
Machcorner (2 Nos)	3,000	416	2,584	1,838	(746)	Negotiation	Mubashar Brothers, Rasool Pura, Faisalabad
	6,000	416	5,584	5,138	(446)		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000	10,807	7,747	3,060	8,315	5,255		
	16,807	8,163	8,644	13,453	4,809		

15.1.3 The carrying amount of freehold land, building and plant and machinery would have been Rupees 221.99 million (2019: Rupees 222.42 million), Rupees 223.762 million (2019: Rupees 220.05 million) and Rupees 2,081.437 million (2019: Rupees 2,020.13 million) respectively, had there been no revaluation.

15.1.4 Forced sale value as per last revaluation was of Rupees 2,254.923 million, Rupees 788.344 million and Rupees 5,080.410 million for freehold land, building and plant and machinery respectively.

	Note	2020	2019
		(Rupees in thousand)	
15.1.5 The depreciation charge has been allocated as follows:			
Cost of sales	26	552,217	595,460
Administrative expenses	28	17,146	20,145
		569,363	615,605
15.2 CAPITAL WORK-IN-PROGRESS			
Civil works		-	3,712
Plant and machinery	15.2.1	71,271	109,691
		71,271	113,403
Advances given for capital work in progress	15.2.2	70,408	31,008
		141,679	144,411

15.2.1 This mainly relates to energy conservation project and capacity enhancement of sugar plant.

15.2.2 This relates to advances given to various parties for supplies and consultancy services relates to for energy conservation. It also includes advance given to Industrial Enterprises amounting to Rupees 31.01 million (2019: Rupees 31.01 million).

	Note	2020	2019
		(Rupees in thousand)	
Considered good:			
- Plant and machinery	15.2.3	70,408	31,008
Considered doubtful:			
- Plant and machinery		21,664	21,664
- Intangibles		15,274	15,274
		36,938	36,938
		107,346	67,946
Less: Provision against doubtful advances		(36,938)	(36,938)
		70,408	31,008

15.2.3 Advances included an amount given to Mian Muhammad Sugar Mill Limited in pursuance to a purchase arrangement whereby the Company was to get a beneficial interest in the machinery installed at the premises. In prior years, the management re-evaluated the status of this arrangement and decided to discontinue with it. Appropriate legal proceedings were initiated in this regard and consequently provision was created against the remaining advance. The movement to date is as follows:

	Note	2020	2019
		(Rupees in thousand)	
Advance to date		217,817	217,817
Machinery received		(169,315)	(169,315)
		48,502	48,502
Advance written off		(28,148)	(28,148)
Provision for doubtful advances		(20,354)	(20,354)
		(48,502)	(48,502)
		-	-

16. BIOLOGICAL ASSETS

	Note	2020	2019
Sugarcane			
Mature	16.1	8,676	15,607
Immature	16.2	1,218	3,108
		9,894	18,715
Rice - mature		11,847	12,852
Others - mature		450	840
Livestock - mature	16.3	17,601	13,909
		39,792	46,316
Non - current			
- livestock		17,601	13,909
- sugarcane - immature		1,218	3,108
		18,819	17,017
Current - crops		20,973	29,299
		39,792	46,316

16.1 The value of mature sugarcane crops is based on estimated average yield of 561.25 (2019: 623) maunds per acre on cultivated area of 128.30 (2019: 195) acres. The value of rice crops is based on the estimated yield of 35 (2019: 40) maunds per acre on cultivated area of 145 (2019: 189) acres.

16.2 25 (2019: 64) acres relates to the sugarcane cultivation which is valued at cost incurred to date being considered its fair value and is considered to be immature for the reason that it will take more than a year for harvesting.

16.3 Livestock comprises 229 (2019: 166) cows, heifers, bulls and calves.

	Note	2020	2019
		(Rupees in thousand)	
16.4 Movement during the year			
Livestock			
As at 01 October		13,910	11,558
Gain arising from changes in fair value less estimated point of sale costs		4,149	3,381
Decrease due to sale / deceased livestock		(458)	(1,029)
As at 30 September		17,601	13,910
Crops			
As at 01 October		32,406	19,717
Increase due to purchases / costs incurred		50,753	39,217
Decrease due to harvest / sales		(47,444)	(47,246)
Fair value adjustment related to sales during the year		(3,307)	8,028
Fair value adjustment of agricultural assets	26	(10,217)	12,690
As at 30 September		22,191	32,406
		39,792	46,316

	Note	2020	2019
		(Rupees in thousand)	
			Restated
17. LONG TERM INVESTMENTS			
Investment in equity accounted investee	17.1	1,665,780	2,123,399
Classified as fair value through other comprehesive income	17.2	13,223	7,810
		1,679,003	2,131,209
17.1 Investment in equity accounted investee			
Shakarganj Food Products Limited - Unquoted 87 785 643 (2019: 87 785 643) fully paid ordinary shares of Rupees 10 each. Equity held: 52.39% (2019: 52.39%)			
Cost		590,784	590,784
Share of post acquisition reserves:			
As at 01 October		1,532,615	1,429,634
Share of (loss) / profit for the year before taxation		(538,637)	5,279
Provision for taxation	32	74,688	49,791
Share of other comprehensive for the year		6,330	47,911
		1,074,996	1,532,615
Balance as on 30 September		1,665,780	2,123,399

17.1.1 Shakarganj Food Products Limited (SFPL) is a public unlisted company incorporated in Pakistan and is principally engaged in the business of manufacturing, processing and sale of food products. Its registered office is situated at E- Floor, IT Tower, 73-E/1, Hali Road, Gulberg – III, Lahore. On 08 August 2018, the Company's shareholding in SFPL increased to 52.39% from 49.24%. However, the Company did not classify this investment as investment in subsidiary company in its financial statements for the year ended 30 September 2018 and onwards. In view of the applicable requirements of the Companies Act, 2017, the Company has now classified this investment as investment in subsidiary company and accounted for this investment using the equity method in accordance with IAS 27 'Separate Financial Statements' in its separate financial statements. As the Company was already applying equity method of accounting to this investment, hence there is no impact of this reclassification on separate financial statements of current and previous periods. However, the Company has now started preparing consolidated financial statements.

17.1.2 The Company has restated the post acquisition reserves as at 30 September 2019 in respect of its investment in SFPL by revising the share of post acquisition profit from the subsidiary, which was wrongly disclosed in the annual financial statements of the Company. This prior period error has been corrected retrospectively in these financial statements in accordance with International Accounting Standard IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Consequently, as at 30 September 2019, investment in equity accounted investee and deferred income tax liability have been increased by Rupees 116.085 million and Rupees 17.413 million, loss after taxation has been decreased by Rupees 17.389 million and loss per share has been decreased by Rupee 0.14 per share. There was no cash flow impact as a result of the restatement. Moreover accumulated loss as at 01 October 2018 has been decreased by Rupees 81.283 million. Furthermore, the Company has not presented the third statement of financial position as at the beginning of the preceding period as the retrospective restatement do not have a significant effect on the information in the statement of financial position at the beginning of the preceding period.

	2020	2019
	(Rupees in thousand)	
		Restated
Summarized statement of financial position		
Non-current assets	7,834,405	7,836,557
Current assets	2,772,705	3,135,481
Non-current liabilities	(1,795,651)	(2,006,583)
Current liabilities	(5,767,903)	(5,048,414)
Net assets	3,043,556	3,917,041

	2020	2019
Company's share (%)	52.39%	52.39%

	2020	2019
	(Rupees in thousand)	
		Restated
Company's share	1,594,519	2,052,138
Excess of purchase consideration over net assets	71,261	71,261
	1,665,780	2,123,399

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

	2020	2019
	(Rupees in thousand)	
		Restated
Reconciliation to carrying amounts:		
As at 01 October	3,917,041	2,663,525
(Loss) / profit after income tax	(885,568)	105,115
Other comprehensive income	12,083	1,009,971
Musharika financing-equity portion	-	138,430
As at 30 September	3,043,556	3,917,041
Summarized statement of comprehensive income		
Revenue	15,383,420	16,588,008
(Loss) / profit for the year	(885,568)	105,115
Other comprehensive income	12,083	1,009,971
Total comprehensive (loss) / income	(873,485)	1,115,086

	2020	2019
	(Rupees in thousand)	
17.2 At fair value through other comprehensive income		
Associated company - quoted		
Crescent Steel and Allied Products Limited 180 000 (2019: 180 000) fully paid ordinary shares of Rupees 10 each	15,921	15,921
Others - unquoted		
Crescent Group (Private) Limited 220 000 (2019: 220 000) fully paid ordinary shares of Rupees 10 each	2,200	2,200
Crescent Standard Telecommunications Limited 300 000 (2019: 300 000) fully paid ordinary shares of Rupees 10 each	3,000	3,000
Innovative Investment Bank Limited 51 351 (2019: 51 351) fully paid ordinary shares of Rupees 10 each	-	-
	21,121	21,121
Less: Fair value adjustment	(7,898)	(13,311)
	13,223	7,810

		Note	2020	2019
			(Rupees in thousand)	
18.	LONG TERM ADVANCES AND DEPOSITS			
	Security deposits:			
	Considered good		34,035	34,001
	Considered doubtful		265	265
			34,300	34,266
	Advance to Creek Marina (Private) Limited - considered doubtful	18.1	38,557	38,557
			72,857	72,823
	Less: Provision against doubtful receivables		(38,822)	(38,822)
			34,035	34,001

18.1 This represents payment for two apartments in the Creek Marina Projects pursuant to a settlement agreement entered into by the Company and the former Crescent Standard Investment Bank Limited in year 2006. The construction work at the site has been halted since year 2011 due to differences between Defence Housing Authority and the developer. The resumption of construction work is still uncertain in near future. Consequently, based on prudence principal the Company provided the above advance in full.

		Note	2020	2019
			(Rupees in thousand)	
19.	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores		34,460	31,129
	Spare parts		23,130	34,465
	Loose tools		826	917
			58,416	66,511
	Less: Provision for obsolete items		(2,820)	(2,820)
			55,596	63,691
20.	STOCK-IN-TRADE			
	Raw materials		38,827	2,652
	Work-in-process		16,100	20,724
	Finished goods	20.2		
	- Manufactured		560,189	269,484
	- Trading		-	284,000
			560,189	553,484
			615,116	576,860

20.1 Stock-in-trade of Rupees 31.200 million (2019: Rupees 1.417 million) is being carried at net realizable value.

20.2 These include stock of Rupees 0.211 million (2019: Rupees Nil) held by a third party.

		Note	2020	2019
			(Rupees in thousand)	
21.	TRADE DEBTS			
	Considered good:			
	Unsecured	21.1	203,093	35,078
	Considered doubtful		11,934	10,522
			215,027	45,600
Less:	Allowance for expected credit losses	21.2	(11,934)	(10,522)
			203,093	35,078

21.1 As at 30 September 2020, trade debts due from the related party, Shakarganj Food Products Limited are amounting to Rupees 51.167 million (2019: Rupees Nil). The ageing analysis of these trade debts is as follows:

	2020	2019
	(Rupees in thousand)	
Upto 1 month	23,672	-
1 to 6 months	27,495	-
	51,167	-

21.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rupees 87.485 million (2019: Rupees 11.430 million).

		Note	2020	2019
			(Rupees in thousand)	
21.2	Allowance for expected credit losses			
	Balance as at 01 October		10,522	11,476
	Provision for the year	29	1,412	-
	Written off during the year		-	(954)
	Balance as at 30 September		11,934	10,522

21.3 As at 30 September 2020, trade debts due from other than the related party are aggregating to Rupees 140.355 million (2019: Rupees 34.124 million) which are past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2020	2019
	(Rupees in thousand)	
Upto 1 month	118,553	1,312
1 to 6 months	21,539	5,141
More than 6 months	263	27,671
	140,355	34,124

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
22. LOANS AND ADVANCES			
Considered good:			
- to employees	22.1	4,776	3,572
- to executives	22.1	2,293	2,052
- to suppliers and contractors		52,031	116,991
- to sugarcane growers		2,422	3,036
		61,522	125,651
Advances - considered doubtful:			
- to employees		177	628
- to suppliers and contractors		9,468	9,409
- to sugarcane growers		4,606	4,705
		14,251	14,742
Due from related party	22.2	8,847	1,087
		84,620	141,480
Less: Provision against doubtful loans and advances	22.3	(14,251)	(14,742)
		70,369	126,738

22.1 These represent interest free loans to employees and executives for various purposes. These are recoverable in monthly installments and are recovered against the balances to the credit of employees and executives in the retirement benefits.

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
22.2 Due from related party			
Crescent Steel and Allied Products Limited	22.2.1	8,847	1,087

22.2.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rupees 8.847 million (2019: Rupees 22.32 million).

22.2.2 Ageing of related party balance:

	2020	2019
Upto 1 month	359	263
1 to 6 months	1,861	824
More than 6 months	6,627	-
	8,847	1,087

	Note	2020	2019
22.3 Provision for doubtful loans and advances			
Balance as at 01 October		14,742	14,742
Provision for the year		502	-
Reversal during the year		(993)	-
Net reversal during the year	30	(491)	-
Balance as at 30 September		14,251	14,742

		Note	2020	2019
			(Rupees in thousand)	
23.	PREPAYMENTS AND OTHER RECEIVABLES			
	Advance income tax		-	18,879
	Export rebate		41,737	41,737
	Prepayments		2,912	4,654
	Others:			
	- considered good		239,203	11,427
	- considered doubtful		2,448	2,448
			286,300	79,145
	Less: Provision against doubtful receivables		(2,448)	(2,448)
			283,852	76,697
24.	CASH AND BANK BALANCES			
	With banks:			
	On current accounts		7,551	77,540
	On saving accounts	24.1	106	4,771
			7,657	82,311
	Cash in hand		442	1,391
			8,099	83,702

24.1 These carry mark-up at the rates ranging from 5.50% to 11.25% (2019: 8.25% to 10.25%) per annum.

24.2 These include balances amounting Rupees 0.087 million (2019: Rupees 1.358 million) with BankIslami Pakistan Limited, a related party.

		Note	2020	2019
			(Rupees in thousand)	
25.	REVENUE			
	Local sales	25.1	5,831,922	4,389,571
	Export sales		577,462	1,867,167
			6,409,384	6,256,738
25.1	Local sales			
	Sugar		5,681,302	3,061,315
	By-products		297,059	182,252
	Biofuel		214,572	106,109
	Yarn		584,679	1,411,519
	Farm		30,082	29,171
	Waste		9,453	16,904
	Others		-	503
			6,817,147	4,807,773
	Less: Sales tax and federal excise duty		985,225	418,202
			5,831,922	4,389,571

		Note	2020	2019
			(Rupees in thousand)	
26.	**COST OF SALES**			
	Raw materials consumed	26.1	5,356,989	3,669,014
	Salaries, wages and other benefits	26.2	459,665	459,051
	Stores, spare parts and loose tools consumed		116,722	181,946
	Duty on manufacturing of biofuel		-	30,286
	Dyes and chemicals consumed		44,951	32,813
	Loading and unloading charges		4,219	5,141
	Packing materials consumed		53,135	52,017
	Fuel and power		409,560	469,852
	Repairs and maintenance		21,423	36,281
	Insurance		9,438	8,325
	Vehicle running and maintenance		6,084	6,470
	Travelling and conveyance		1,030	1,595
	Printing and stationery		271	473
	Rent, rates and taxes		2,043	1,960
	Land preparation and irrigation expenses		10,165	13,410
	Sugarcane research and development		1,696	1,593
	Fair value adjustment of agricultural assets	16.4	10,217	(12,690)
	Depreciation	15.1.5	552,217	595,460
	Miscellaneous		23,315	22,069
			7,083,140	5,575,066
	Work-in-process			
	Opening stock		20,724	7,958
	Closing stock		(16,100)	(20,724)
			4,624	(12,766)
	Cost of goods manufactured		7,087,764	5,562,300
	Finished goods purchased for resale		284,000	-
	Finished goods			
	Opening stock		269,484	990,533
	Closing stock		(560,189)	(269,484)
			(290,705)	721,049
			7,081,059	6,283,349

			2020	2019
26.1	**Raw materials consumed**			
	Opening stock		2,652	29,820
	Add: Purchased during the year		5,393,164	3,641,846
			5,395,816	3,671,666
	Less: Closing stock		(38,827)	(2,652)
			5,356,989	3,669,014

26.2 Salaries, wages and other benefits include following in respect of retirement benefits:

	Note	2020	2019
		(Rupees in thousand)	
Pension Fund	8.1.3.1	4,531	5,165
Gratuity Fund	8.2.3.1	2,530	1,525
Employees' Provident Fund Trust		3,685	5,530
		10,746	12,220

27. DISTRIBUTION COST

	Note	2020	2019
Storage tank charges		1,162	24,205
Freight and forwarding		49,823	99,794
Handling and distribution		1,443	1,669
Commission to selling agents		6,167	4,831
Salaries and other benefits	27.1	5,413	4,034
Insurance		2,093	2,325
Sales promotion expenses		575	841
		66,676	137,699

27.1 Salaries and other benefits include following in respect of retirement benefits:

	Note	2020	2019
Pension Fund	8.1.3.1	487	431
Employees' Provident Fund Trust		170	160
		657	591

28. ADMINISTRATIVE EXPENSES

	Note	2020	2019
Salaries, wages and other benefits	28.1	246,142	227,293
Repairs and maintenance		5,313	7,126
Insurance		3,950	3,927
Vehicle running and maintenance		7,508	10,353
Travelling and conveyance		1,656	3,148
Printing and stationery		999	1,008
Electricity and gas		2,333	1,934
Telephone and postage		3,743	3,264
Legal and professional		10,924	12,124
Auditor's remuneration	28.2	2,724	2,769
IT consultancy and advisory services		-	10
Rent, rates and taxes		6,774	6,349
Staff training and development		430	137
Entertainment		2,985	3,055
Subscriptions		5,181	6,783
Advertisement		231	241
Registered office expenses		965	898
Depreciation	15.1.5	17,146	20,145
Others		1,356	612
		320,360	311,176

28.1 Salaries, wages and other benefits include following in respect of retirement benefits:

	Note	2020	2019
		(Rupees in thousand)	
Pension Fund	8.1.3.1	8,845	8,010
Gratuity Fund	8.2.3.1	3,679	2,723
Employees' Provident Fund Trust		3,141	4,024
		15,665	14,757

28.2 Auditor's remuneration

	Note	2020	2019
Audit fee		1,764	1,764
Half yearly review		635	635
Reimbursable expenses		325	370
		2,724	2,769

29. OTHER EXPENSES

	Note	2020	2019
Net exchange loss		21,981	20,471
Social action programme expenses including salaries	29.1	5,468	5,514
Waste water drainage		6,577	11,088
Allowance for expected credit loss	21.2	1,412	-
Donations	29.2	3,000	1,000
Others		22	634
		38,460	38,707

29.1 Social action programme salaries expenses include following in respect of retirement benefits:

	Note	2020	2019
		(Rupees in thousand)	
Pension Fund	8.1.3.1	254	270
Gratuity Fund	8.2.3.1	101	58
Employees' Provident Fund Trust		112	83
		467	411

29.2 During the year, donation amounting to Rupees 2.500 million (2019: Rupees 1.000 million) was given to Lyallpur Golf and Country Club, Faisalabad, in which a director Mr. Ali Altaf Saleem is a member.

	Note	2020	2019
		(Rupees in thousand)	
30. OTHER INCOME			
Income from financial assets			
Dividend income		-	180
Return on bank deposits		617	301
Reversal of provision for doubtful loans and advances - net	22.3	491	-
		1,108	481
Income from non-financial assets			
Scrap sales		17,248	19,487
Gain on sale of property, plant and equipment	15.1.2	4,809	9,183
Agriculture income - net		1,788	7,141
Liabilities no longer payable written back		1,249	1,710
Adjustment on account of excise duty on manufacturing of ethanol		666,522	-
Rental income		23,787	17,956
Amortization of deferred income - Government grant	7	3,947	-
Others		83,494	9,520
		802,844	64,997
		803,952	65,478
31. FINANCE COST			
Mark up on:			
Long term financing		52,816	63,777
Short term borrowings		192,003	205,030
Due to Gratuity Fund and Pension Fund - related parties		44,603	48,870
Interest on workers' profit participation fund		-	842
Bank and other charges		49,377	12,515
		338,799	331,034

	Note	2020	2019
		(Rupees in thousand)	
			Restated
32. TAXATION			
Charge for the year:			
Current	32.1	92,802	84,005
Deferred		(191,186)	(80,273)
		(98,384)	3,732
Equity accounted investee	17.1	(74,688)	(49,791)
		(173,072)	(46,059)

32.1 Provision for current taxation represents the final tax against export sales and minimum tax on local sales under the relevant provisions of the Income Tax Ordinance, 2001. Unused tax losses available for carry forward as at 30 September 2020 are of Rupees 6,917.307 million (2019: Rupees 5,928.29 million). Reconciliation of tax expenses and product of accounting profit multiplied by the applicable tax rate is not required in view of unused tax losses of the Company.

33. LOSS PER SHARE - BASIC AND DILUTED

	2020	2019
Loss for the year (Rupees in thousand)	(997,583)	(728,411)
Weighted average number of ordinary shares (Numbers)	125 000 000	125 000 000
Loss per share (Rupees)	(7.98)	(5.83)

33.1 There is no dilutive effect on basic loss per share.

34. CASH GENERATED FROM OPERATIONS

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand) Restated
Loss before taxation		(1,170,655)	(774,470)
Adjustments for non-cash charges and other items:			
Depreciation		569,363	615,605
Liabilities no longer payable written back		(1,249)	(1,710)
Gain on sale of property, plant and equipment		(4,809)	(9,183)
Fair value adjustment of agricultural assets		8,429	(19,831)
Allowance for expected credit losses		1,412	-
Reversal of provision for doubtful loans and advances		(491)	-
Provision for employees' retirement benefits		20,427	18,182
Adjustment on account of excise duty on manufacturing of ethanol		(666,522)	-
Share of loss / (profit) from equity accounted investee		538,637	(5,279)
Amortization of deferred grant		(3,947)	-
Unrealized (gain) / loss on agriculture income		(14)	1,682
Finance cost		338,799	331,034
Working capital changes	34.1	1,077,553	936,825
		706,933	1,092,855

34.1 Working capital changes

	2020	2019
Decrease / (increase) in current assets:		
- Stores, spare parts and loose tools	8,095	2,065
- Stock-in-trade	(38,256)	451,451
- Biological assets	(1,891)	3,108
- Trade debts	(168,015)	4,353
- Loans and advances	55,448	(1,960)
- Prepayments and other receivables	10,420	103,063
	(134,199)	562,080
Increase in trade and other payables	1,211,752	374,745
	1,077,553	936,825

34.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2020				2019			
	Unclaimed Dividend	Long term financing	Short term borrowings	Total	Unclaimed Dividend	Long term financing	Short term borrowings	Total
	(Rupees in thousand)							
Balance as at 01 October	2,039	384,744	1,804,077	2,190,860	2,273	540,406	2,243,284	2,785,963
Dividend paid	(85)	-	-	(85)	(234)	-	-	(234)
Loans availed	-	165,606	2,775,325	2,940,931	-		3,998,655	3,998,655
Repayment of loans	-	(81,581)	(3,163,704)	(3,245,285)	-	(155,662)	(4,437,862)	(4,593,524)
Fair value adjustment	-	(11,850)	-	(11,850)	-	-	-	-
Balance as at 30 September	1,954	456,919	1,415,698	1,874,571	2,039	384,744	1,804,077	2,190,860

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executive Directors		Non-Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)							
Managerial remuneration	10,503	9,828	6,000	6,000	-	-	81,887	66,314
Allowances								
House rent	4,726	4,423	2,400	2,400	-	-	26,716	21,542
Utilities	1,050	983	600	600	-	-	6,213	4,919
Medical	-	-	480	480	-	-	5,573	4,415
Others	-	-	-	-	-	-	1,816	2,802
Reimbursable expenses	-	24	-	275	-	-	-	76
Contribution to retirement benefits	3,712	3,472	2,120	2,120	-	-	14,252	9,923
Meeting fee	-	-	-	-	800	620	-	-
	19,991	18,730	11,600	11,875	800	620	136,457	109,991
Number of persons	1	1	1	1	6	6	32	34

35.1 The Chief Executive Officer, some directors and some executives are provided with company maintained car, travel facilities and club membership.

35.2 Out of six directors to whom the meeting fee was paid during the year, one director Mr. Jawad Amjad resigned on 24 June 2020.

36. PROVIDENT FUND RELATED DISCLOSURE

As at the reporting date, Shakarganj Limited - Employees' Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan which allows transition period of three years for bringing the Trust in conformity with the requirements of the regulations.

37. NUMBER OF EMPLOYEES

	2020	2019
	(Number of persons)	
- Number of employees as at 30 September	1,253	1,435
- Average number of employees during the year	1,256	1,469

38. RELATED PARTY DISCLOSURES

The related parties comprise of subsidiary company, associated companies, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties along with basis of relationship, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of Related Party	Basis of Relationship	Nature of transactions	2020	2019
			(Rupees in thousand)	
Subsidiary company				
Shakarganj Food Products Limited (SFPL)	Common CEO and 52.39% (2019: 52.39%) of shareholding in SFPL	Sale of goods	368,678	315,186
		Common expenses shared	2,768	1,650
		Hand sanitizer processing	1,360	-
Associated companies				
Crescent Steel and Allied Products Limited (CSAPL)	Associate due to shareholding by CSAPL in the Company of 21.93% (2019: 21.93%)	Purchase of goods	257,469	193,514
		Common expenses shared	11,113	11,150
		Sale of goods and rendering of services	259,410	181,390
		Dividend income	-	180
Premier Insurance Limited	Common directorship	Insurance expense	8,314	10,257
BankIslami Pakistan Limited	Subsidiary's associate	Borrowing received - net	325,000	-
Other related parties				
Post employment benefit plans	Employees' Provident Fund Trust, Gratuity Fund and Pension Fund	Expense charged in respect of:		
		Employees' Provident Fund Trust	7,108	9,797
		Pension Fund	14,117	13,876
		Gratuity Fund	6,310	4,306
		Other transactions with Gratuity Fund and Pension Fund		
		- Funds received	410,975	416,215
		- Funds repaid	410,975	416,215
		- Mark-up expense	44,603	48,870

38.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 35.

		2020	2019
39. PLANT CAPACITY AND ACTUAL PRODUCTION			
Sugar			
Jhang			
Rated crushing capacity	(MT / day)	10 000	10 000
On the basis of 104 days (2019: 77 days)	(MT)	1040 000	770 000
Actual sugarcane crushed	(MT)	497 156	226 738
Bhone			
Rated crushing capacity	(MT / day)	6 000	6 000
On the basis of 102 days (2019: 83 days)	(MT)	612 000	498 000
Actual sugarcane crushed	(MT)	387 568	258 024
The low crushing was due to low quality sugarcane.			
Biofuel			
Jhang			
Rated production capacity	(Litres / day)	150 000	150 000
On the basis of average number of 69 days (2019: 108 days) working	(Litres)	10 350 000	16 150 000
Actual production	(Litres)	9 816 686	14 450 368
Bhone			
Rated production capacity	(Litres / day)	200 000	200 000
On the basis of average number of Nil days (2019: 4 days) working	(Litres)	-	750 000
Actual production	(Litres)	-	713 838
Major reason for low production was due to non-availability of raw material at feasible prices.			
Textile			
Capacity (converted in 20s counts)	(Kg)	9 198 418	9 198 418
Actual production (converted in 20s counts)	(Kg)	3 102 521	8 850 689

The actual production was low due to COVID-19 pandemic lockdown and high prices of raw materials.

40. SEGMENTS INFORMATION

(Rupees in thousand)

	Sugar		Biofuel		Textile		Farms		Others		Elimination of Inter-segment transactions		Total - Company	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
														Restated
Revenue														
External	5,124,097	2,919,986	747,402	1,924,133	507,803	1,382,945	30,082	29,171	-	503	-	-	6,409,384	6,256,738
Inter segment	775,354	496,981	31,743	80,065	-	-	17,362	18,074	-	-	(824,459)	(595,120)	-	-
	5,899,451	3,416,967	779,145	2,004,198	507,803	1,382,945	47,444	47,245	-	503	(824,459)	(595,120)	6,409,384	6,256,738
Cost of sales	(6,445,818)	(3,783,023)	(874,879)	(1,687,347)	(540,996)	(1,375,864)	(43,825)	(31,177)	-	(1,058)	824,459	595,120	(7,081,059)	(6,283,349)
Gross (loss) / profit	(546,367)	(366,056)	(95,734)	316,851	(33,193)	7,081	3,619	16,068	-	(555)	-	-	(671,675)	(26,611)
Distribution cost	(13,445)	(8,543)	(51,890)	(125,957)	(1,341)	(3,199)	-	-	-	-	-	-	(66,676)	(137,699)
Administrative expenses	(252,573)	(174,021)	(33,566)	(102,171)	(33,212)	(33,533)	(1,008)	(1,425)	-	(26)	-	-	(320,360)	(311,176)
(Loss) / profit before taxation and unallocated expenses / income	(812,385)	(548,620)	(181,190)	88,723	(67,746)	(29,651)	2,611	14,643	-	(581)	-	-	(1,058,711)	(475,486)
Unallocated expenses / income:														
Other expenses													(38,460)	(38,707)
Other income													803,952	65,478
Finance cost													(338,799)	(331,034)
Share of (loss) / income from equity accounted investee													(538,637)	5,279
Taxation													173,072	46,059
Loss after taxation													(997,583)	(728,411)

(Rupees in thousand)

	Sugar		Biofuel		Textile		Farms		Others		Total - Company	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
												Restated
40.1 Reconciliation of reportable segment assets and liabilities:												
Total assets for reportable segments	7,096,953	7,379,763	2,225,377	2,061,537	447,340	464,900	823,504	833,598	-	-	10,593,174	10,739,798
Unallocated assets											2,141,413	2,727,270
Total assets as per statement of financial position											12,734,587	13,467,068
Total liabilities for reportable segments	4,036,571	3,254,914	1,369,828	1,798,633	258,307	184,451	18,085	13,865	-	-	5,682,791	5,251,863
Unallocated liabilities											193,322	256,733
Total liabilities as per statement of financial position											5,876,113	5,508,596

40.2 Geographical information

The Company's segment wise revenue from external customers as per geographical locations is detailed below:

(Rupees in thousand)

	Sugar		Biofuel		Textile		Farms		Others		Total - Company	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Europe	9,355	26,101	-	113,382	-	-	-	-	-	-	9,355	139,483
Africa	-	-	-	38,450	-	-	-	-	-	-	-	38,450
Asia	4,956	9,092	563,151	1,680,142	-	-	-	-	-	-	568,107	1,689,234
Pakistan	5,109,786	2,884,793	184,251	92,159	507,803	1,382,945	30,082	29,171	-	503	5,831,922	4,389,571
	5,124,097	2,919,986	747,402	1,924,133	507,803	1,382,945	30,082	29,171	-	503	6,409,384	6,256,738

40.3 All non-current assets of the Company as at reporting dates are located and operating in Pakistan.

40.4 The Company's revenue is earned from a large mix of customers.

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to any currency risk at statement of financial position date as it doesn't have any outstanding balance in foreign currency.

(ii) Other price risk

Other price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index on the Company's equity (fair value reserve of FVTOCI investments). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables of FVTOCI instruments held constant and all the Company's equity instruments moved according to the historical correlation with the index:

Index	Impact on statement of other comprehensive income (fair value reserve)	
	2020	2019
	(Rupees in thousand)	
PSX 100 (5% increase)	661	391
PSX 100 (5% decrease)	(661)	(391)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as FVTOCI.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate risk arises from long term financing, short term borrowings and deposit in saving accounts. Financial instruments at variable rates expose the Company to cash flow interest rate risk. Financial instruments at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	2020	2019
	(Rupees in thousand)	
Fixed rate instruments		
Financial liabilities		
Long term financing	153,756	-
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	106	4,771
Financial liabilities		
Long term financing	303,163	384,744
Short term borrowings	1,403,100	1,369,000

Fair value sensitivity 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 the carrying value of any of Company's assets or liabilities.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% lower / higher with all other variables held constant, loss after taxation for the year would have been Rupees 17.062 million (2019: Rupees 17.490 million) higher / lower mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) 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	2019
	(Rupees in thousand)	
Investments	13,223	7,810
Trade debts	203,093	35,078
Loans and advances	18,338	9,747
Deposits	34,035	34,001
Prepayments and other receivables	2,749	11,427
Bank balances	7,657	82,311
	279,095	180,374

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

The Company's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 21.

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Banks	Rating Short term	Long term	Rating Agency	2020	2019
				(Rupees in thousand)	
Conventional accounts					
Allied Bank Limited	A1+	AAA	PACRA	519	20
Bank Alfalah Limited	A1+	AA+	PACRA	1,152	379
Habib Bank Limited	A-1+	AAA	VIS	798	43,085
MCB Bank Limited	A1+	AAA	PACRA	1,190	5,166
National Bank of Pakistan	A-1+	AAA	VIS	319	31,363
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	29	30
Askari Bank Limited	A1+	AA+	PACRA	1	12
The Bank of Punjab	A1+	AA	PACRA	3	46
United Bank Limited	A-1+	AAA	VIS	-	424
				4,011	80,525
Shariah compliant accounts					
Askari Bank Limited	A1+	AA+	PACRA	12	202
BankIslami Pakistan Limited	A1	A+	PACRA	87	1,358
Bank Alfalah Limited	A1+	AA+	PACRA	14	13
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	152	152
Meezan Bank Limited	A-1+	AA+	VIS	3,303	4
Habib Bank Limited	A-1+	AAA	VIS	7	48
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	71	9
				3,646	1,786
				7,657	82,311

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 September 2020, the Company had Rupees 2,121.900 million (2019: Rupees 2,106 million) available borrowing limits from financial institutions and Rupees 8.099 million (2019: Rupees 83.702 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 September 2020:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	More than one year
	---------------------------- Rupees in thousand ----------------------------				
Non-derivative financial liabilities:					
Long term financing	456,919	502,551	84,400	178,433	239,718
Trade and other payables	1,751,331	1,751,331	1,751,331	-	-
Unclaimed dividend	1,954	1,954	1,954	-	-
Accrued mark-up	57,152	57,152	57,152	-	-
Short term borrowings	1,415,698	1,448,758	1,448,758	-	-
	3,683,054	3,761,746	3,343,595	178,433	239,718

Contractual maturities of financial liabilities as at 30 September 2019:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	More than one year
Non-derivative financial liabilities:					
Long term financing	384,744	409,744	128,226	128,227	153,291
Trade and other payables	1,353,674	1,353,674	1,353,674	-	-
Unclaimed dividend	2,039	2,039	2,039	-	-
Accrued mark-up	79,647	79,647	79,647	-	-
Short term borrowings	1,804,077	1,804,077	1,804,077	-	-
	3,624,181	3,649,181	3,367,663	128,227	153,291

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark up rates effective as at 30 September. The rates of interest / mark-up have been disclosed in Note 6 and Note 11 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2020

41.2 Financial instruments by categories

	2020			2019		
	At amortized cost	At FVTOCI	Total	At amortized cost	At FVTOCI	Total
	------------ Rupees in thousand ------------					
Assets as per statement of financial position						
Investments	-	13,223	13,223	-	7,810	7,810
Loans and advances	18,338	-	18,338	9,747	-	9,747
Deposits	34,035	-	34,035	34,001	-	34,001
Prepayments and other receivables	2,749	-	2,749	11,427	-	11,427
Trade debts	203,093	-	203,093	35,078	-	35,078
Cash and bank balances	8,099	-	8,099	83,702	-	83,702
	266,314	13,223	279,537	173,955	7,810	181,765

	At Amortized Cost	
	2020	2019
	(Rupees in thousand)	
Liabilities as per statement of financial position		
Long term financing	456,919	384,744
Short term borrowings	1,415,698	1,804,077
Trade and other payables	1,751,331	1,353,674
Accrued mark-up	57,152	79,647
Unclaimed dividend	1,954	2,039
	3,683,054	3,624,181

41.3 Offsetting financial assets and financial liabilities

As on reporting date, recognized financial instruments are not subject to offsetting as there are no enforceable master netting arrangements and similar agreements.

41.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing and short term borrowings obtained by the Company as referred in Note 6 and 11 respectively. Total capital employed includes 'total equity' as shown in the statement of financial position plus 'borrowings'.

		2020	2019
Borrowings	Rupees in thousand	1,881,062	2,188,821
Total equity	Rupees in thousand	6,858,474	7,958,472
Total capital employed	Rupees in thousand	8,739,536	10,147,293
Gearing ratio	Percentage	21.52	21.57

Decrease in gearing ratio resulted primarily from decrease in borrowings of the Company.

42. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	--------------Rupees in thousand--------------			
Financial assets				
At 30 September 2020				
At fair value through other comprehensive income	13,223	-	-	13,223
At 30 September 2019				
At fair value through other comprehensive income	7,810	-	-	7,810

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There was no transfer between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation technique used to determine fair values

Specific valuation techniques used to value financial instruments include the use of quoted market prices for listed securities.

43. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgements and estimates are made for the non-financial assets that are recognized and measured at fair value in these financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
	---------Rupees in thousand----------			
At 30 September 2020				
Freehold land	-	2,652,850	-	2,652,850
Building	-	927,464	-	927,464
Plant and machinery	-	5,976,953	-	5,976,953
Biological assets	-	17,601	22,191	39,792
Total non-financial assets	-	9,574,868	22,191	9,597,059
At 30 September 2019				
Freehold land	-	2,655,850	-	2,655,850
Building	-	998,926	-	998,926
Plant and machinery	-	6,398,321	-	6,398,321
Biological assets	-	13,909	32,407	46,316
Total non-financial assets	-	10,067,006	32,407	10,099,413

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Company obtains independent valuation for its freehold land, building, plant and machinery at least after every three years. The management updates the assessment of the fair value of property, plant and equipment taking into account the most recent independent valuation. The management determines the value of these assets within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of building is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of plant and machinery is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new plant and machinery of the same specifications. The fair value of standing crops is based on the support price fixed by the Government and other factors such as estimated crop yield and area under cultivation. The fair value of livestock is estimated on the basis of market prices of livestock of similar age, breed and genetic merit.

Valuation processes

The Company engages external, independent and qualified valuer to determine the fair value of the Company's freehold land, building, plant and machinery after three years. The fair value of these assets has been determined by independent valuers Tristar International Consulting (Private) Limited and Saleem Engineers on 27 September 2018 and on 09 April 2018 respectively. The fair value of biological assets are determined by the related experts keeping in view the current market conditions and other salient factors.

44. DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX

Description	Note	2020	2019
		(Rupees in thousand	
Revenue earned from shariah compliant business	25	6,409,384	6,256,738
Gain / (loss) or dividend earned from shariah complaint investments			
Dividend income	30	-	180
Unrealized gain / (loss) on remeasurement of investments at FVTOCI		5,413	(5,964)
Exchange loss incurred	29	21,981	20,471
Shariah compliant bank deposits and bank balances			
Bank balances	24	3,646	1,786
Profit earned from shariah compliant bank deposits			
Profit on deposit with banks	30	1	-
Mark-up paid on Islamic mode of financing	31	24,890	13,888
Profit earned or interest paid on any conventional loan / advance			
Mark-up on long term financing	31	52,816	63,777
Mark-up on short term borrowings	31	167,113	191,142
Profit earned on deposit with banks	30	616	301
Loans / advances obtained as per Islamic mode			
Contract liabilities	10	374,704	132,109
Short term borrowings	11	437,598	535,077

The relationship with shariah compliant banks is related to bank accounts as given in Note 41.1(b) and short term borrowings obtained from BankIslami Pakistan Limited as mentioned in Note 11.2.

45. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of better presentation and comparison. However, no significant re-arrangements have been made except following:

Head of account	Reclassification		RUPEES IN
	From	To	THOUSAND
Commission to selling agents	Revenue	Distribution cost	4,831
Freight and forwarding	Cost of sales	Distribution cost	99,794
Handling and distribution	Cost of sales	Distribution cost	1,669
Fair value adjustment on crops	Other income	Cost of sales	12,690

46. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on 04 January 2021, by the Board of Directors of the Company.

47. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Chief Executive Officer | Director | Chief Financial Officer

Shakarganj Limited

FINANCIAL STATEMENTS (CONSOLIDATED)

for the year ended 30 September 2020

Riaz Ahmad & Company
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the members of Shakarganj Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of Shakarganj Limited and its Subsidiary Company (the Group), which comprise the consolidated statement of financial position as at 30 September 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 September 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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.

Other Matter

The figures of the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and notes relating thereto for the year ended 30 September 2019 are un-audited.

Key Audit Matters

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

A member of Nexia International

Following are the Key audit matters.

S.No.	Key audit matters	How the matters were addressed in our audit
1.	Inventory existence and valuation We identified existence and valuation of inventories of the sugar, biofuel, textile and farms segments of the Group as at 30 September 2020 as a key audit matter due to the judgment involved in valuation. Inventories are stated at lower of cost and net realizable value. For further information on inventories refer to following: - Summary of significant accounting policies, Inventories (Note 2.11 to the consolidated financial statements). - Stores, spare parts and loose tools (Note 21) and Stock-in-trade (Note 22) to the consolidated financial statements.	Our procedures over existence and valuation of inventory included, but were not limited to: • To test the quantity of inventories at all locations, we assessed the corresponding inventory observation instructions and participated in inventory counts on sites. Based on samples, we performed test counts and compared the quantities counted by us with the results of the counts of the management. • For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost appearing on valuation sheets. • On a sample basis, we tested the net realizable value of inventory items to recent selling prices and re-performed the calculation of the inventory write down, if any. • In the context of our testing of the calculation, we analyzed individual cost components and traced them back to the corresponding underlying documents. • We also made inquiries from management, including those outside of the finance function, and considered the results of our testing above to determine whether any specific write downs were required. • We also assessed the adequacy of the disclosures made in respect of the accounting policies and related notes to the financial statements.
2.	Revenue recognition We identified recognition of revenue of sugar, biofuel, textile and farms segments of the Group as a key audit matter because revenue is one of the key performance indicator of the Group and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets. For further information, refer to the following:	Our procedures included, but were not limited to: • We 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; • We compared a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery documents and other relevant underlying documents; • We compared a sample of revenue transactions recorded around the year-end with the sales orders, sales invoices, delivery documents and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period;

S.No.	Key audit matters	How the matters were addressed in our audit
	- Summary of significant accounting policies, Revenue from contracts with customers (Note 2.3 to the consolidated financial statements). - Revenue (Note 27 to the consolidated financial statements).	• We assessed whether the accounting policies for revenue recognition complies with the requirements of IFRS 15 'Revenue from Contracts with Customers'; • We compared the detail of a sample of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; • We also considered the appropriateness of disclosures in the consolidated 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, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 consolidated 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.

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

Riaz Ahmad & Co.

Faisalabad
04 January 2021

Riaz Ahmad & Co.
Chartered Accountants

CONSOLIDATED
DIRECTORS' REPORT

The directors of Shakarganj Limited have pleasure in presenting their report together with the audited consolidated financial statements of the Group for the year ended 30 September 2020. The Group comprises of Shakarganj Limited and its partially owned subsidiary namely Shakarganj Food Products Limited.

The comments on performance of Shakarganj Limited for the year ended 30 September 2020 has been presented separately in directors' report.

Group Financial Results

The financial results of the Group are summarised below:

		2020	2019
		(Rupees in thousand)	
Sales – net		21,424,125	22,529,561
Gross profit		559,321	2,044,268
Loss from operations		(905,129)	(256,770)
Loss before taxation		(1,660,149)	(769,673)
Taxation		399,702	(47,576)
Loss for the year		(1,260,447)	(817,249)
Loss per share - basic and diluted	(Rupees)	(6.71)	(6.94)

Pattern of Shareholding and Shares Traded

The pattern of shareholding and additional information thereof is attached with this report. No trade in the shares of the Company was reported / carried out by the directors, executives and their spouses and minor children.

Subsequent Events and Commitments

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the directors' report.

Acknowledgment

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication and devotion to the Company. The Directors feel pleasure in expressing appreciation for the continued interest and support of the shareholders, bankers and all other parties involved and hope that the same spirit will prevail in the future as well.

By Order of the Board

Anjum Muhammad Saleem
Chief Executive Officer

Ali Altaf Saleem
Director

04 January 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Note	2020	2019
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital			
150 000 000 (2019: 150 000 000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50 000 000 (2019: 50 000 000) preference shares of Rs. 10 each		500,000	500,000
		2,000,000	2,000,000
Issued, subscribed and paid up share capital	3	1,250,000	1,250,000
Capital reserves			
Surplus on revaluation of property, plant and equipment			
- net of deferred income tax	4	6,600,793	6,894,890
Other capital reserves	4	1,276,928	1,271,515
Revenue reserves	5	516,306	516,306
Accumulated loss		(2,695,569)	(2,043,010)
Equity attributable to equity holders of the Holding Company		6,948,458	7,889,701
Non-controlling interest		1,449,037	1,864,903
Total equity		8,397,495	9,754,604
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term financing	6	1,067,406	859,853
Long term deposits		7,000	7,000
Liabilities against assets subject to finance lease	7	-	714,538
Lease liabilities	8	639,181	-
Deferred liabilities	9	1,120,162	1,404,430
		2,833,749	2,985,821
CURRENT LIABILITIES			
Trade and other payables	10	7,306,744	6,250,335
Short term borrowings	11	1,764,892	2,103,271
Accrued mark-up	12	96,846	119,385
Current portion of non-current liabilities	13	448,392	802,248
Unclaimed dividend		1,954	2,039
		9,618,828	9,277,278
TOTAL LIABILITIES		12,452,577	12,263,099
CONTINGENCIES AND COMMITMENTS	14		
TOTAL EQUITY AND LIABILITIES		20,850,072	22,017,703

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

Chief Executive Officer

	Note	2020	2019
		(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	15	16,178,240	17,980,521
Right-of-use assets	16	1,180,192	-
Intangible asset	17	4,771	5,467
Biological assets	18	18,819	17,017
Long term investments	19	13,223	7,810
Long term loans, advances and deposits	20	140,944	138,349
		17,536,189	18,149,164
CURRENT ASSETS			
Biological assets	18	20,973	29,299
Stores, spare parts and loose tools	21	251,156	277,178
Stock-in-trade	22	1,839,290	1,984,302
Trade debts	23	275,787	154,993
Loans and advances	24	209,827	346,890
Deposits, prepayments and other receivables	25	386,838	561,588
Cash and bank balances	26	330,012	514,289
		3,313,883	3,868,539
TOTAL ASSETS		20,850,072	22,017,703

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 30 September 2020

	Note	2020	2019
		(Rupees in thousand)	
Revenue	27	21,424,125	22,529,561
Cost of sales	28	(20,864,804)	(20,485,293)
Gross profit		559,321	2,044,268
Distribution cost	29	(1,786,160)	(1,912,024)
Administrative expenses	30	(476,680)	(446,779)
Other expenses	31	(39,440)	(38,533)
Other income	32	837,830	96,298
Loss from operations		(905,129)	(256,770)
Finance cost	33	(755,020)	(512,903)
Loss before taxation		(1,660,149)	(769,673)
Taxation	34	399,702	(47,576)
Loss after taxation		(1,260,447)	(817,249)
Share of (loss) / profit attributable to:			
Equity holders of holding company		(838,828)	(867,294)
non-controlling interest		(421,619)	50,045
		(1,260,447)	(817,249)
Loss per share - basic and diluted (rupees)	35	(6.71)	(6.94)

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 September 2020

	2020	2019
	(Rupees in thousand)	
LOSS AFTER TAXATION	(1,260,447)	(817,249)
OTHER COMPREHENSIVE (LOSS) / INCOME		
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement of retirement benefits	(195,436)	10,198
Related deferred income tax liability	44,964	(5,733)
	(150,472)	4,465
Surplus on revaluation of property, plant and equipment	-	1,415,783
Related deferred income tax liability	-	(388,812)
	-	1,026,971
Surplus / (deficit) arising on remeasurement of investments at fair value through other comprehensive income	5,413	(5,964)
	(145,059)	1,025,472
Items that may be reclassified subsequently to statement of profit or loss	-	-
Other comprehensive (loss) / income for the year - net of deferred income tax	(145,059)	1,025,472
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(1,405,506)	208,223
SHARE OF TOTAL COMPREHENSIVE (LOSS) / INCOME ATTRIBUTABLE TO:		
EQUITY HOLDERS OF HOLDING COMPANY	(989,640)	(322,669)
NON-CONTROLLING INTEREST	(415,866)	530,892
	(1,405,506)	208,223

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2020

	SHARE CAPITAL	Attributable To Equity Holder of be Holding Company											ACCUMULATED LOSS	SHAREHOLDERS' EQUITY	NON-CONTROLLING INTEREST	TOTAL EQUITY
		CAPITAL RESERVES						REVENUE RESERVES				TOTAL RESERVES				
		Premium on issue of right shares	Musharakah financing - equity portion	Fair value reserve of investments at fair value through other comprehensive income	Difference of capital under scheme of arrangement of merger	Surplus on revaluation of property, plant and equipment - net of deferred income tax	Sub total	General	Dividend equalization	Equity investment market value equalization	Sub total					
	(RUPEES IN THOUSAND)															
Balance as at 01 October 2018	1,250,000	1,056,373	-	(7,347)	155,930	6,825,404	8,030,360	410,606	22,700	83,000	516,306	8,546,666	(1,516,135)	8,280,531	1,268,104	9,548,635
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(324,955)	(324,955)	-	-	-	-	(324,955)	324,955	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	(140,684)	(140,684)	-	-	-	-	(140,684)	-	(140,684)	-	(140,684)
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	(2,905)	(2,905)	-	-	-	-	(2,905)	2,905	-	-	-
Musharakah financing obtained - equity portion	-	-	72,523	-	-	-	72,523	-	-	-	-	72,523	-	72,523	65,907	138,430
Loss for the year ended 30 September 2019	-	-	-	-	-	-	-	-	-	-	-	-	(867,294)	(867,294)	50,045	(817,249)
Other comprehensive income for the year ended 30 September 2019	-	-	-	(5,964)	-	538,030	532,066	-	-	-	-	532,066	12,559	544,625	480,847	1,025,472
Total comprehensive income for the year ended 30 September 2019	-	-	-	(5,964)	-	538,030	532,066	-	-	-	-	532,066	(854,735)	(322,669)	530,892	208,223
Balance as at 30 September 2019	1,250,000	1,056,373	72,523	(13,311)	155,930	6,894,890	8,166,405	410,606	22,700	83,000	516,306	8,682,711	(2,043,010)	7,889,701	1,864,903	9,754,604
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred income tax	-	-	-	-	-	(339,053)	(339,053)	-	-	-	-	(339,053)	339,053	-	-	-
Adjustment of deferred income tax liability due to re-assessment at year end	-	-	-	-	-	48,397	48,397	-	-	-	-	48,397	-	48,397	-	48,397
Transfer from surplus on revaluation of property, plant and equipment on disposal of property, plant and equipment - net of deferred income tax	-	-	-	-	-	(3,441)	(3,441)	-	-	-	-	(3,441)	3,441	-	-	-
Loss for the year ended 30 September 2020	-	-	-	-	-	-	-	-	-	-	-	-	(838,828)	(838,828)	(421,619)	(1,260,447)
Other comprehensive loss for the year ended 30 September 2020	-	-	-	5,413	-	-	5,413	-	-	-	-	5,413	(156,225)	(150,812)	5,753	(145,059)
Total comprehensive loss for the year ended 30 September 2020	-	-	-	5,413	-	-	5,413	-	-	-	-	5,413	(995,053)	(989,640)	(415,866)	(1,405,506)
Balance as at 30 September 2020	1,250,000	1,056,373	72,523	(7,898)	155,930	6,600,793	7,877,721	410,606	22,700	83,000	516,306	8,394,027	(2,695,569)	6,948,458	1,449,037	8,397,495

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 September 2020

	Note	2020	2019
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	1,751,370	3,864,343
Finance cost paid		(654,731)	(378,031)
Mark-up paid against lease liabilities		(96,732)	(50,311)
Income tax paid		(200,858)	(283,078)
Net increase in long term loans, advances and deposits		(2,595)	(1,002)
Workers' profit participation fund paid		(124)	(20,184)
Employees' benefits paid		(46,380)	(23,501)
Net cash generated from operating activities		749,950	3,108,236
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(310,507)	(3,021,946)
Proceeds from disposal of property, plant and equipment		17,654	30,461
Interest received on loan to SNGPL		67	101
Net cash used in investing activities		(292,786)	(2,991,384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing		(256,998)	(306,995)
Proceeds from long term financing		262,201	280,000
Liabilities against assets subject to finance lease - net		-	562,001
Repayment of lease liabilities - net		(308,180)	-
Short term borrowings - net		(338,379)	(481,160)
Dividend paid		(85)	(234)
Net cash (used in) / from financing activities		(641,441)	53,612
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(184,277)	170,464
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		514,289	343,825
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	26	330,012	514,289

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

Chief Executive Officer | Director | Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2020

1. THE GROUP AND ITS OPERATIONS

The Group consists of Shakarganj Limited (the Holding Company) and its Subsidiary Company, Shakarganj Food Products Limited.

Shakarganj Limited

Shakarganj Limited (SL) is a public limited company incorporated on 20 September 1967 in Pakistan under the Companies Act, 1913 (Now Companies Act, 2017) and is listed on Pakistan Stock Exchange Limited. It is principally engaged in manufacture, purchase and sale of sugar, biofuel and yarn. SL has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of SL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

Geographical locations and addresses of all business units of SL except for the registered office are as follows:

Manufacturing Unit	Address
Jhang Unit (Sugar, biofuel and textile)	5 KM Toba Tek Singh Road, Jhang, Punjab
Bhone Unit (Sugar and biofuel)	63 KM Jhang - Sargodha Road, Bhone, Tehsil and District Jhang, Punjab
Liaison Office	Nishatabad, Chak Jhumra Road, Faisalabad, Punjab
Liaison Office	12th Floor, Sidco Avenue Centre, 264 R.A. Lines, Karachi, Sindh

Shakarganj Food Products Limited

Shakarganj Food Products Limited (SFPL) was incorporated in Pakistan initially as a private limited company on 03 April 2001 under the Companies Ordinance, 1984 (Now Companies Act, 2017). Its name was later changed from A.M. Fruit Products (Private) Limited to Shakarganj Food Products Limited along with change of its status from private limited to public limited on 03 January 2006. The principal activity of the SFPL is manufacturing, processing and sale of food products (dairy, fruit pulps and concentrate juices). The registered office of SFPL is situated at E-Floor, IT Tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

Geographical locations and addresses of all business units of SFPL except for the registered office are as follows:

Manufacturing Unit	Address
Dairy Plant	4 KM Lahore Road, Jaranwala
Juice Plant	Near Ahmad Nagar, Sargodha Road, Tehsil Lalian, District Chiniot

1.1 These consolidated financial statements have been prepared for the first time after treating Shakarganj Food Products Limited as a subsidiary of Shakarganj Limited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

2.1 Basis of preparation

a) Statement of compliance

"These consolidated 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 of:

- International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan (ICAP), as notified under the Companies Act, 2017; and

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs and IFASs, the provisions of and directives issued under the Companies Act, 2017 have been followed."

b) Accounting convention

These consolidated financial statements have been prepared under the historical cost convention except as otherwise stated in the respective accounting policies.

c) Critical accounting estimates and judgments

The preparation of these consolidated financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the consolidated financial statements or where judgments were exercised in application of accounting policies are as follows:

Useful lives, patterns of economic benefits and impairments

The estimates for revalued amounts of different classes of property, plant and equipment, are based on valuation performed by external professional valuers and recommendations of technical teams of the Group. The said recommendations also include estimates with respect to residual values and depreciable lives. Further, the Group reviews the value of the assets for possible impairment on an annual basis. Estimates with respect to residual values and useful lives and pattern of flow of economic benefits are based on the analysis of the management of the Group. Any change in the 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.

Inventories

Net realizable value of inventories is determined with reference to currently prevailing selling prices less estimated expenditure to make sales.

Taxation

In making the estimates for income tax currently payable by the Group, the management takes into account the current income tax law and the decisions of appellate authorities on certain issues in the past. Deferred tax 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 tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date. Deferred income tax assets are recognized for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, based on the Group's experience of actual credit loss in past years.

Revenue from contracts with customers involving sale of goods

When recognizing revenue in relation to the sale of goods to customers, the key performance obligation of the Group is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Provision for obsolescence of stores, spare parts and loose tools

The Group reviews the carrying amount of stores, spare parts and loose tools on regular basis and provision for obsolescence is made if there is any change in usage pattern and physical form of stores, spare parts and loose tools.

Employees' retirement benefits

Certain actuarial assumptions have been adopted for valuation of present value of defined benefit obligations. Changes in these assumptions in future years may affect the liability under these schemes in those years.

Provisions

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the consolidated statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

d) Standard, interpretation and amendments to published approved accounting standards that are effective in current year and are relevant to the Group

Following standard, interpretation and amendments to published approved accounting standards are mandatory for the Group's accounting periods beginning on or after 01 October 2019:

- IFRS 16 'Leases'
- Amendments to IFRS 09 'Financial Instruments'
- IFRIC 23 'Uncertainty over Income Tax Treatments'
- Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement
- Annual Improvements to IFRSs: 2015 – 2017 Cycle"

The Group's accounting policy of leases in accordance with IFRS 16 is disclosed in Note 2.5 to these consolidated financial statements. However, the amendments and interpretation listed above do not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

e) Standard and amendments to published approved accounting standards that are effective in current year but not relevant to the Group

There are other standard and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 October 2019 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

f) Amendments to published approved accounting standards that are not yet effective but relevant to the Group

Following amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 01 October 2020 or later periods:

Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 01 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future.

Interest Rate Benchmark Reform which amended IFRS 7 'Financial Instruments: Disclosures', IFRS 9 'Financial Instruments' and IAS 39 'Financial Instruments: Recognition and Measurement', is applicable for annual financial periods beginning on or after 01 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published report setting out its recommended reforms of some major interest rate benchmarks such as Interbank Offer Rates (IBORs). Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rates benchmarks reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provided relief from the potential impacts of the uncertainty caused by the reform. A company shall apply these exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Group.

Amendments to IFRS 16 'Leases' (effective for annual periods beginning on or after 01 June 2020). Under pervious requirements of IFRS 16, lessee assesses whether rent concessions are leased modifications, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring these lease liabilities using the revised lease payments and revised discount rates. In light of the effects of the COVID-19 pandemic and the fact that many lessees are applying the standard for the first time in their financial statements, the IASB has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for as if these were not lease modifications. Rent concessions are eligible for the practical expedient if these occur as a direct consequence of the COVID-19 pandemic and if following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially same as, or less than, the considerations for the lease immediately preceding the change; any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

- there is no substantive change to the other terms and conditions of the lease.

The above amendments are not likely to affect the financial statements of the Group.

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (effective for annual periods beginning on or after 01 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs. The amendments are not likely to affect the financial statements of the Group.

Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after 01 January 2022). These amendments have been added to further clarify when a liability is classified as current. These amendments also changes the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8. The amendments are not likely to affect the financial statements of the Group.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify what comprise the cost of fulfilling a contract. Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are not likely to affect the financial statements of the Group.

Amendments to IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 01 January 2022). These amendments clarify that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognized in profit or loss in accordance with applicable standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 'Inventories'. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply these amendments retrospectively, but only to items of property, plant and equipment which are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. The amendments are not likely to affect the financial statements of the Group.

Following Annual Improvements to IFRSs: 2018 - 2020 issued by IASB on 14 May 2020 are effective for annual reporting periods beginning on or after 01 January 2022:

- IFRS 9 'Financial Instruments' - 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 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to de-recognize a financial liability.

- IFRS 16 'Leases' - the amendment partially amends Illustrative Example 13 accompanying IFRS 16 'Leases' 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 rise in lease incentives.

- IAS 41 'Agriculture' - 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 above amendments and improvements do not have a material impact on these consolidated financial statements.

On 29 March 2018, the IASB has issued a revised Conceptual Framework. The new Framework: reintroduces the terms stewardship and prudence; introduces a new asset definition that focuses on rights and a new liability definition that is likely to be broader than the definition it replaces, but does not change the distinction between a liability and an equity instrument; removes from the asset and liability definitions references to the expected flow of economic benefits–this lowers the hurdle for identifying the existence of an asset or liability and puts more emphasis on reflecting uncertainty in measurement; discusses historical cost and current value measures, and provides some guidance on how the IASB would go about selecting a measurement basis for a particular asset or liability; states that the primary measure of financial performance is profit or loss, and that only in exceptional circumstances will the IASB use other comprehensive income and only for income or expenses that arise from a change in the current value of an asset or liability; and discusses uncertainty, de-recognition, unit of account, the reporting entity and combined financial statements. The Framework is not an IFRS and does not override any standard, so nothing will change in the short term. The revised Framework will be used in future standard-setting decisions, but no changes will be made to current IFRSs. Preparers might also use the Framework to assist them in developing accounting policies where an issue is not addressed by an IFRS. It is effective for annual periods beginning on or after 01 January 2020 for preparers that develop an accounting policy based on the Framework.

g) Standards and amendments to published approved accounting standards that are not yet effective and not considered relevant to the Group

There are other standards and amendments to published approved accounting standards that are mandatory for accounting periods beginning on or after 01 October 2020 but are considered not to be relevant or do not have any significant impact on the Group's financial statements and are therefore not detailed in these consolidated financial statements.

2.2 Consolidation

Subsidiary is the entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The subsidiary is fully consolidated from the date of acquisition, being the date on which the control is transferred to the Group. They are deconsolidated from the date the control ceases.

The assets and liabilities of the Subsidiary Company have been consolidated on a line by line basis and the carrying value of investment held by the Holding Company is eliminated against the Holding Company's in the paid up capital of the Subsidiary Company.

Non-controlling interest is that part of net results of the operations and of net assets of the Subsidiary Company attributable to interest which are not owned by the Holding Company either directly or indirectly. Non-controlling interest is presented as a separate item in the consolidated financial statements.

Intragroup balances and transactions are eliminated.

2.3 Revenue from contracts with customers

i) Revenue recognition

Sale of goods

Revenue from the sale of goods is recognized at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Interest

Interest income is recognized as interest accrues using the effective interest method. This is a method of calculating the amortized cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Revenue is recognized when rent is accrued.

Dividend

Dividend on equity investments is recognized when right to receive the dividend is established.

Other revenue

Other revenue is recognized when it is received or when the right to receive payment is established.

ii) Contract assets

Contract assets arise when the Group performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due. Contract assets are treated as financial assets for impairment purposes.

iii) Contract liabilities

Contract liability is the obligation of the Group to transfer goods to a customer for which the Group has received consideration from the customer. If a customer pays consideration before the Group transfers goods, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group performs its performance obligations under the contract.

2.4 Intangible asset and amortization

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to the consolidated statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization is charged from the month in which the asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed of. Intangible asset is amortized over a period of five years.

The Group assesses at each reporting date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such asset is reviewed to assess whether it is recorded in excess of its recoverable amount. When carrying value exceeds the respective recoverable amount, asset is written down to its recoverable amount and resulting impairment is recognized in the consolidated statement of profit or loss. When an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

2.5 IFRS 16 'Leases'

The Group has adopted IFRS 16 from 01 October 2019. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognized in the consolidated statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognized lease liabilities (included in finance cost). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17, as the operating expense is now replaced by interest expense and depreciation in the consolidated statement of profit or loss. For classification within the consolidated statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Right-of-use assets

A right-of-use asset is recognized at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is charged over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognize a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are charged to income as incurred.

Lease liabilities

A lease liability is recognized at the commencement date of a lease. The lease liability is initially recognized at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which these are incurred.

Lease liabilities are measured at amortized cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of-use asset, or to consolidated statement of profit or loss if the carrying amount of the right-of-use asset is fully written down.

Impacts on adoption of IFRS 16 on these consolidated financial statements as on 01 October 2019

IFRS 16 has been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impacts of adoption as at 01 October 2019 are as follows:

	RUPEES IN THOUSAND
Right-of-use assets increased by	29,295
Lease liabilities increased by	743,833
Liabilities against assets subject to finance lease decreased by	714,538

2.6 Financial Instruments

i) Recognition of financial instruments

The Group initially recognizes financial assets on the date when they are originated. Financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

ii) Classification and measurement of financial instruments

Investments and other financial assets

a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through other comprehensive income, and
- those to be measured at amortized cost"

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

For assets measured at fair value, gains and losses will be recorded in other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

b) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into following measurement category:

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on de-recognition is recognized directly in profit or loss and presented in other income / (other expenses) together with foreign exchange gains and losses.

Equity instruments

The Group subsequently measures all equity investments at fair value for financial instruments quoted in an active market, the fair value corresponds to a market price (level 1). For financial instruments that are not quoted in an active market, the fair value is determined using valuation techniques including reference to recent arm's length market transactions or transactions involving financial instruments which are substantially the same (level 2), or discounted cash flow analysis including, to the greatest possible extent, assumptions consistent with observable market data (level 3). The Group classifies its equity instruments into following measurement category:

Fair Value Through Other Comprehensive Income (FVTOCI)

Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value. Dividend from such investments is recognized in consolidated statement of profit or loss as other income when the Group's right to receive payments is established.

Financial liabilities

Classification and measurement

Financial liabilities are classified at amortized cost. These are also subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in consolidated statement of profit or loss.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iv) De-recognition

Financial assets

The Group de-recognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such de-recognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial liabilities

The Group de-recognizes a financial liability (or a part of financial liability) from its consolidated statement of financial position when the obligation specified in the contract is discharged or cancelled or expired. Any gain or loss on de-recognition is included in profit or loss.

v) Offsetting of financial instruments

Financial assets and financial liabilities are set off and the net amount is reported in the consolidated financial statements when there is a legal enforceable right to set off and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

2.7 Taxation

Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the consolidated statement of profit or loss, except in the case of items credited or charged to other comprehensive income or directly in equity, in which case it is included in other comprehensive income or directly in equity, respectively.

2.8 Property, plant and equipment

Property, plant and equipment except freehold land, building, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at revalued amount less any identified impairment loss. Building, plant and machinery are stated at revalued amount less accumulated depreciation and any identified impairment loss. Cost of the property, plant and equipment consists of historical cost pertaining to erection / construction period of qualifying assets and other directly attributable costs of bringing the asset to working condition.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the consolidated statement of profit or loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'accumulated loss'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

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

Capital work-in-progress is stated at cost less any identified impairment loss. It consists of all expenditure and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

Depreciation

Depreciation on property, plant and equipment is charged to consolidated statement of statement of profit or loss on the reducing balance method so as to write off the cost of an asset over its estimated useful life at the annual rates given in Note 15.1 after taking into account the impact of their residual values, if considered significant. The residual values and useful lives are reviewed by the management, at each financial year-end and adjusted if impact on depreciation is significant.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed of.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

2.9 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less cost to sell, is estimated. For the purpose of impairment testing, assets which cannot be tested individually are grouped together into smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash flows of other assets or group of assets. An impairment loss is recognized whenever, the carrying amount of an asset exceeds its recoverable amount. Impairment loss is charged to the consolidated statement of profit or loss. Reversal of the impairment losses are restricted to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if impairment loss had not been recognized. Reversal of impairment loss is also recognized in the consolidated statement of profit or loss.

2.10 Biological assets

Biological assets comprise of standing crops and livestock. These are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognized in the consolidated statement of profit or loss. The fair value of standing crops is based on the support price fixed by the Government and other factors such as estimated crop yield and area under cultivation. The fair value of livestock is estimated on the basis of market prices of livestock of similar age, breed and genetic merit. Point-of-sale costs include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to the market.

2.11 Inventories

Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon up-to the reporting date. Provision is made in the consolidated financial statements for obsolete and slow moving stores and spares based on management's estimate as a result of changes in usage pattern and physical form.

Stock-in-trade

Stock of raw materials, work-in-process and finished goods, except for those in transit are valued principally at the lower of weighted average cost and net realizable value. Cost of work-in-process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads. Cost of own produced molasses, a by-product, is determined on the basis of monthly average cost of molasses purchased from third parties. Cost of stillage, a by-product of the Effluent Treatment Plant, used in the generation of electricity by the Power division is valued at Nil as it does not have any market value.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon up to the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred in order to make a sale. Provision is made in the consolidated financial statements for obsolete and slow moving stock-in-trade based on management's estimate.

2.12 Trade and other receivables

Trade and other receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally do not include amounts overdue by 365 days.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values.

2.14 Ijarah contracts

Under the Ijarah contracts, the Group obtains usufruct of an asset for an agreed period and consideration. The Group accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, the Group as a Mustaj'ir (lessee) in the Ijarah contract recognizes the Ujrah (lease) payments as an expense in the consolidated statement of profit or loss on straight line lease over the Ijarah term.

2.15 Share capital

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

2.16 Borrowings

Financing and borrowings are initially recognized at fair value of the consideration received, net of transaction costs. These are subsequently measured at amortized cost using the effective interest method.

2.17 Government grants

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss over the expected lives of the related assets.

2.18 Trade and other payables

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

2.19 Provisions

Provisions are recognized when the Group has a present, legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.20 Functional and presentation currency along with foreign currency transactions and translation

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the reporting date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in consolidated statement of profit or loss. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in consolidated statement of profit or loss in the period in which these are incurred.

2.22 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

2.23 Contingent assets

Contingent assets are disclosed when the Group has a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognized until their realization becomes certain.

2.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Board of Directors of the Group that makes strategic decisions.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those income, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

2.25 Earnings / (Loss) Per Share (EPS / LPS)

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

2.26 Employees' benefits

Defined benefit plans

The main feature of the schemes operated by the Group for its employees are as follows:

The Holding Company operates a funded gratuity scheme as a defined benefit plan for its permanent employees and also funded defined benefit pension plan. All permanent employees who are in the management cadre of the Holding Company participate in these plans subject to a minimum qualifying period of service according to the terms of employment. Monthly contributions are made to these funds on the basis of actuarial recommendation at the rate of 20% per annum of basic salary for pension and 8.33% per annum of basic salary for gratuity. Actuarial valuation using projected unit credit method for the schemes was carried out as at 30 September 2020.

The Holding Company's net obligation in respect of these defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Holding Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liabilities, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Holding Company determines the net interest expense / (income) on the net defined benefit liability / (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability / (asset), taking into account any changes in the net defined benefit liability / (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plan are recognized in profit or loss.

When the benefits of plans are changed or when plans are curtailed, the resulting change in benefits that relate to past service or the gain or loss on curtailment are recognized immediately in profit or loss. The Holding Company recognizes gains and losses on the settlement of defined benefit plans when the settlement occurs.

The Subsidiary Company operates an unfunded gratuity scheme covering all permanent employees. Qualifying period for permanent employees is one year of continuous service. Provision is made in the consolidated financial statements on the basis of actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Actuarial Cost Method. The latest actuarial valuation was carried out as at 30 September 2020.

Defined contribution plan

There is an approved contributory provident fund for all employees of Holding Company. Equal monthly contributions are made both by the employees and the Holding Company to the fund in accordance with the fund rules. The Holding Company's contributions are charged to consolidated statement of profit or loss.

Accumulating compensated absences

Provisions are made at each reporting date by Subsidiary Company to cover the obligation for accumulating compensated absences and are charged to consolidated statement of profit or loss. Provision is made in the consolidated financial statements on the basis of actuarial recommendations. The actuarial valuation is carried out using the Projected Unit Credit Actuarial Cost Method. The latest actuarial valuation was carried out as at 30 September 2020.

2.27 Dividend and other appropriations

Dividend distribution to the shareholders is recognized as a liability in the consolidated financial statements in the periods in which the dividends are declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2020	2019		2020	2019
(Number of shares)			(Rupees in thousand)	
79,021,000	79,021,000	Ordinary shares of Rs. 10 each fully paid in cash	790,210	790,210
33,131,816	33,131,816	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	331,318	331,318
12,847,184	12,847,184	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	128,472	128,472
125,000,000	125,000,000		1,250,000	1,250,000

3.1 Ordinary shares of the Holding Company held by related parties:

	Note	2020	2019
		(NUMBER OF SHARES)	
Crescent Steel and Allied Products Limited		27 409 075	27 409 075
Crescent Cotton Mills Limited	3.1.1	-	1 531 193
The Crescent Textile Mills Limited		9 019 690	9 019 690
CS Capital (Private) Limited		7 602 272	7 602 272
Premier Insurance Limited		5 000	5 000
Roomi Fabrics Limited	3.1.1	-	11 984 754
Shakarganj Mills Limited Employees' Provident Fund Trust		1 375 427	1 375 427
Shakarganj Mills Limited Gratuity Fund		107 876	107 876
Shakarganj Mills Limited Pension Fund		916 582	916 582
		46 435 922	59 951 869

3.1.1 Crescent Cotton Mills Limited and Roomi Fabrics Limited ceased to be the related parties due to elimination of common directorship after election of directors on 01 June 2020.

	Note	2020	2019
		(Rupees in thousand)	
4. CAPITAL RESERVES			
Surplus on revaluation of property, plant and equipment - net of deferred income tax (Note 4.1)		6,600,793	6,894,890
Other capital reserves			
Premium on issue of right shares	4.2	1,056,373	1,056,373
Musharakah financing - equity portion		72,523	72,523
Fair value reserve of investments at fair value through other comprehensive income	4.3	(7,898)	(13,311)
Difference of capital under scheme of arrangement of merger		155,930	155,930
		1,276,928	1,271,515
		7,877,721	8,166,405
4.1 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF DIFFERED INCOME TAX			
Surplus on revaluation of operating fixed assets as at 01 October		6,894,890	6,825,404
Add:			
Surplus arising on revaluation during the year - net of deferred income tax		-	538,030
Impact of change in deferred tax rate		48,397	-
		6,943,287	7,363,434
Less:			
Impact of change in deferred tax rate		-	(140,684)
Transferred to accumulated loss in respect of incremental depreciation charged during the year - net of deferred income tax		(339,053)	(324,955)
Surplus on revaluation of property, plant and equipment disposed of during the year - net of deferred income tax		(3,441)	(2,905)
		(342,494)	(468,544)
		6,600,793	6,894,890

4.1.1 The latest valuation of land, building, plant and machinery was carried out by independent valuers Messrs Tristar International Consultant (Private) Limited, Messrs Saleem Engineers and Messrs Surval on 27 September 2018, 09 April 2018 and 30 September 2019 respectively. The valuation was determined by reference to current market value of the similar properties / assets. Previously revaluations were carried out on 30 September 2012 and 30 September 2014 by independent valuers.

4.2 This reserve can be utilized by the Holding Company only for the purposes specified in section 81 of the Companies Act, 2017.

4.3 This represents the unrealized (loss) / gain on remeasurement of investments at fair value through other comprehensive income. Reconciliation of fair value reserve is as under:

	Note	2020	2019
		(Rupees in thousand)	
Balance as on 01 October		(13,311)	(7,347)
Fair value adjustment during the year		5,413	(5,964)
Balance as on 30 September		(7,898)	(13,311)

5. REVENUE RESERVES

	Note	2020	2019
General		410,606	410,606
Dividend equalization		22,700	22,700
Equity investment market value equalization		83,000	83,000
		516,306	516,306

6. LONG TERM FINANCING

	Note	2020	2019
From banking companies - Secured.			
Long term loans	6.1	456,919	384,744
Diminishing musharakah	6.2	716,250	791,667
Musharakah financing	6.3	173,711	151,562
		1,346,880	1,327,973
Less: Current portion shown under current liabilities	13	279,474	468,120
		1,067,406	859,853

6.1 From Banking Companies

LENDER	2020	2019	RATE OF INTEREST PER ANNUM	EFFECTIVE RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(RUPEES IN THOUSAND)							
Shakarganj Limited - Holding Company								
National Bank of Pakistan	78,163	117,244	3 Month KIBOR + 1%	8.26% - 14.85%	Sixteen equal quarterly installments commenced on 31 March 2017 and ending on 31 December 2021 due to deferment of one year	Quarterly	Quarterly	First joint pari passu charge of 182.378 million over entire present and future fixed assets of the Company with 25% margin and personal guarantees of Chief Executive Officer and one Director of the Company.
National Bank of Pakistan	168,750	200,000	3 Month KIBOR + 3%	10.26% - 16.85 %	Seven quarterly installments commenced on 31 October 2019 and ending on 30 April 2022 due to deferment of one year	Quarterly	Quarterly	First joint pari passu charge of Rupees 306.667 million over present and future fixed assets of the Company with 25% margin and personal guarantee of Chief Executive Officer and one Director of the Company. It is also secured through pledge of 6 387 000 number of shares of Crescent Steel and Allied Products Limited.
First Credit and Investment Bank Limited	56,250	67,500	3 Month KIBOR + 3.5%	11.65% - 17.40%	Six equal quarterly installments commenced on 07 March 2020 and ending on 07 June 2022 due to deferment of one year	Quarterly	Quarterly	Ranking hypothecation charge over present and future assets of the Company with 25% margin excluding land and building plus against pledge of shares from KSE 100 index acceptable to the Bank at market value with 35% margin and personal guarantee of Chief Executive Officer and one Director of the Company.
MCB Bank Limited - Loan under SBP Refinance Scheme (Note 6.1.1)	153,756	-	SBP rate + 3%	3%	Eight equal quarterly installments commenced on 01 January 2021 and ending on 30 September 2022.	-	Quarterly	First joint pari passu charge over present and future fixed assets of Rupees 1,000 million, first pari passu charge of Rupees 551 million over stocks, ranking charge of Rupees 200 million on fixed assets, charge on plant and machinery of Rupees 250 million of the Company and personal guarantee of Chief Executive Officer and one Director of the Company.
	456,919	384,744						

6.1.1 This facility aggregating to Rupees 165.606 million is obtained by the Holding Company under SBP Refinance Scheme for payment of wages and salaries to workers and employees of business concerns. This loan is recognized and measured in accordance with IFRS 9 'Financial Instruments'. Fair value adjustment is recognized at discount rate of 10.25% per annum.

6.1.2 Repayment terms of the above mentioned loans outstanding during the year from National Bank of Pakistan and First Credit and Investment Bank Limited were deferred by one year on request of the Holding Company in accordance with BPRD circular No. 13 of 2020 dated 26 March 2020 issued by State Bank of Pakistan to cope the impacts of COVID-19 pandemic.

6.2 Diminishing musharakah

Shakarganj Food Products Limited - Subsidiary Company

LENDER	2020	2019	RATE OF INTEREST PER ANNUM	EFFECTIVE RATE OF INTEREST	NUMBER OF INSTALLMENTS	INTEREST REPRICING	INTEREST PAYABLE	SECURITY
	(RUPEES IN THOUSAND)							
BankIslami Pakistan Limited - related party	-	66,667	One year KIBOR + 2%	10.45% - 16.48%	Facility was completely repaid during the year.	Quarterly	Quarterly	First pari passu charge over fixed assets of the Company amounting to Rupees 471 million and a title over diminishing musharakah assets.
Sindh Modaraba (SM)	100,000	-	6 Month KIBOR + 3.5%	10.80% - 15.81%	Sixteen equal quarterly installments to be commenced in March 2021 and ending in December 2024	Semi annually	Quarterly	Post dated cheques and a title of the assets in the name of SM for entire facility period.
Diminishing Musharaka Sukuk (Note 6.2.1)	616,250	725,000	3 Month KIBOR + 1.75%	8.61% - 15.31%	Twenty equal quarterly installments commenced in October 2019 and ending in July 2024.	Quarterly	Quarterly	First pari passu charge over fixed assets of the Company amounting to Rupees 967 million.
	716,250	791,667						

6.2.1 This represents rated and privately placed Diminishing Musharakah Sukuk Certificates of Rupees 725 million issued in 2018. The Subsidiary Company has exercised the option to defer principal repayment for a period of one year in accordance with BPRD circular No. 13 of 2020 dated 26 March 2020 issued by State Bank of Pakistan to cope the impacts of COVID-19 pandemic.

		Note	2020	2019
			(Rupees in thousand)	
6.3	Musharakah financing			
	Balance as at 01 October		151,562	-
	Add:			
	Financing obtained during the year		-	280,000
	Unwinding of discount	33	22,149	9,992
			173,711	289,992
	Less: Equity portion		-	138,430
	Balance as at 30 September		173,711	151,562

6.3.1 This represents musharakah financing facility amounting to Rupees 280 million obtained from BankIslami Pakistan Limited, a related party on 01 April 2019 for a period of five years. To secure the musharakah facility, the Subsidiary Company has provided an Equity Warrant Option to Bank under which Bank may opt for conversion of its musharakah finance claim, either wholly or partially, into ordinary shares of the Subsidiary Company at a fixed price of Rupees 15 per share, subject to necessary approval from its regulator. The facility has been treated as a compound financial instrument with the debt instrument being measured first using an effective rate of 14.12% per annum while the remainder has been classified as equity portion as given above. In subsequent years, mark-up expense shall be recognized through consolidated statement of profit or loss by using the same rate of interest, and equivalent amount shall be reinstated to the loan through unwinding of discount.

		Note	2020	2019
			(Rupees in thousand)	
7.	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
	Future minimum lease payments		-	1,242,622
	Less: Un-amortized financial charge		-	193,956
	Present value of minimum lease rental payments		-	1,048,666
	Less: Current portion shown under current liabilities	13	-	334,128
			-	714,538

7.1 As on 01 July 2019, the Group has adopted IFRS 16 'Leases', hence, liabilities against assets subject to finance lease have been classified as lease liabilities (Note 8 to these consolidated financial statements). The value of minimum lease payments were discounted using implicit interest rate ranged from 8.50 percent to 14.29 percent per annum. These arrangements relate to Tetra Pak processing and filling machines. Repayment period ranges from 36 to 60 months.

7.2 Minimum lease payments and their present values are regrouped as under:

	2020		2019	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	-------------------(Rupees in thousand) --------------------			
Future minimum lease payments	-	-	395,927	846,695
Less: Un-amortized finance charge	-	-	61,799	132,157
Present value of future minimum lease payments	-	-	334,128	714,538

	Note	2020	2019
		(Rupees in thousand)	
8. LEASE LIABILITIES			
Total lease liabilities	8.1.1	799,654	-
Less: Current portion shown under current liabilities	13	160,473	-
		639,181	-
8.1 Reconciliation of lease liabilities			
Opening balance		-	-
Add:			
Adjustment on adoption of IFRS 16 on 01 July 2019		1,077,961	-
Additions during the year		29,996	-
Interest accrued on lease liabilities	33	78,922	-
		1,186,879	-
Less: Payments during the period		387,225	-
Closing balance		799,654	-
Less: Current portion shown under current liabilities		160,473	-
Non-current portion		639,181	-

8.1.1 The value of minimum lease payments were discounted using implicit interest rate ranged from 8.50 percent to 10.29 percent per annum. These arrangements relate to Tetra Pak processing and filling machines and corresponding liability of head office building classified as right-of-use asset under IFRS 16. Repayment period ranges from 36 to 60 months.

8.2 Minimum lease payments and their present values are regrouped as under:

	2020		2019	
	Not later than one year	Later than one year but not later than five years	Not later than one year	Later than one year but not later than five years
	-------------------(Rupees in thousand) --------------------			
Future minimum lease payments	196,736	783,622	-	-
Less: Un-amortized finance charge	36,263	144,441	-	-
Present value of future minimum lease payments	160,473	639,181	-	-

		Note	2020	2019
			(Rupees in thousand)	
9.	DIFFERED LIABILITIES			
	Deferred income	9.1	25,216	22,977
	Employees' benefits	9.2	440,704	207,426
	Differed income tax liability	9.3	654,242	1,174,027
			1,120,162	1,404,430
9.1	Deferred income			
	Government grant	9.1.1	11,850	-
	Others		21,811	22,977
			33,661	22,977
	Less: Current portion shown under current liabilities	13	8,445	-
			25,216	22,977
9.1.1	Government grant			
	Recognized during the year		15,797	-
	Amortized during the year (Note 32)		(3,947)	-
			11,850	-

9.1.1.1 The State Bank of Pakistan (SBP), through its Circular No. 06 of 2020 dated 10 April 2020 has introduced a temporary Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns (the Refinance Scheme). The Refinance Scheme is funded by SBP. Borrowers can obtain loans from the Banks and ease their cash flow constraints to avoid layoffs. One of the key feature of the Refinance Scheme is that borrowers can obtain loan at mark-up rates that are below normal lending rates. As per International Accounting Standard (IAS) 20 'Accounting for Government Grants and Disclosure of Government Assistance' the benefit of a Government loan at a below-market rate of interest is treated as a Government Grant. The Holding Company has obtained this loan as disclosed in Note 6.1 to the consolidated financial statements. In accordance with IFRS 9 'Financial Instruments', loan obtained under the Refinance Scheme was initially recognized at its fair value which is the present value of loan proceeds received, discounted using prevailing market rates of interest for a similar instrument. Hence, the benefit of the below-market rate of interest has been measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received. This benefit is accounted for and presented as deferred grant in accordance with IAS 20. The grant is being amortized in the consolidated statement of profit or loss, in line with the recognition of interest expense the grant is compensating.

		Note	2020	2019
			(Rupees in thousand)	
9.1.2	Others			
	Grants received - gross		30,186	30,186
	Less: Amortization			
	Opening balance		7,209	5,977
	Charged during the year	30	1,166	1,232
	Closing balance		8,375	7,209
			21,811	22,977

9.1.2.1 This represents the grants received by Subsidiary Company in 2014 from United States Agency for International Development (USAID) amounting to Rupees 8.527 million and from Market Development Facility (MDF), Australia amounting to Rupees 21.659 million from 2014-2017. These grants were provided in order to support the Subsidiary Company for the purchase and installation of Farm Cooling Tanks (FCTs) at different locations of milk collections, purchase of motor bikes and training of farmers for dairy farming development.

	Note	2020	2019
		(Rupees in thousand)	
9.2 EMPLOYEES' BENEFITS			
Shakarganj Limited - Holding Company			
Pension fund	9.2.1	132,896	(27,222)
Gratuity fund	9.2.2	27,607	(11,774)
Shakarganj Food Products Limited - Subsidiary Company			
Staff retirement gratuity	9.2.3	255,679	222,044
Accumulating compensated absences	9.2.4	24,522	24,378
		440,704	207,426

9.2.1 Pension fund

The amount recognized in the consolidated statement of financial position are determined as follows:

	Note	2020	2019
Present value of defined benefit obligation	9.2.1.1	511,634	401,271
Fair value of plan assets	9.2.1.2	(378,738)	(428,493)
Net defined benefit obligation / (asset)		132,896	(27,222)

9.2.1.1 The movement in the defined benefit obligation over the year is as follows:

	2020	2019
Present value of defined benefit obligation as at 01 October	401,271	381,034
Current service cost	18,917	15,456
Interest cost	50,599	36,896
Remeasurement losses / (gains)	64,950	(7,963)
Benefits paid during the year	(24,103)	(24,152)
Present value of defined benefit obligation as at 30 September	511,634	401,271

9.2.1.2 The movement in the fair value of plan assets for the year is as follows:

	2020	2019
Fair value as at 01 October	428,493	390,711
Expected return on plan assets	55,399	38,476
Contributions during the year	19,405	12,242
Benefits paid during the year	(24,103)	(24,152)
Remeasurement (losses) / gains	(100,456)	11,216
Fair value as at 30 September	378,738	428,493

	Note	2020	2019
		(Rupees in thousand)	
9.2.1.3 The amounts recognized in the consolidated statement of profit or loss are as follows:			
Current service cost		18,917	15,456
Interest cost		50,599	36,896
Expected return on plan assets		(55,399)	(38,476)
		14,117	13,876
9.2.1.4 The amounts recognized in the consolidated statement of profit or loss are classified as follows:			
Cost of sales	28.2	4,531	5,165
Distribution cost	29.2	487	431
Administrative expenses	30.1	8,845	8,010
Other expenses	31.1	254	270
		14,117	13,876
9.2.1.5 Remeasurements of net defined benefit liability / (asset)			
Actuarial losses / (gains) due to experience adjustments		64,950	(7,963)
Return on plan assets excluding interest income		100,456	(11,216)
Amount chargeable to other comprehensive income		165,406	(19,179)
9.2.1.6 Reconciliation of net defined benefit liability / (asset)			
As at 01 October		(27,222)	(9,677)
Expense chargeable to profit or loss during the year		14,117	13,876
Amount chargeable to other comprehensive income during the year		165,406	(19,179)
Contributions paid by the Company during the year		(19,405)	(12,242)
As at 30 September		132,896	(27,222)

9.2.1.7 The estimated expenses to be charged to the consolidated statement of profit or loss for the year ending on 30 September 2021 is Rupees 38.592 million.

	Note	2020	2019
		(Rupees in thousand)	
9.2.1.8 Actual return on plan assets			
Interest income for the year		55,399	38,476
Return on plan assets excluding interest income		(100,456)	11,216
		(45,057)	49,692

	2020	2019
9.2.1.9 The principal actuarial assumptions used were as follows:		
Discount rate (per annum)	10.50%	13.00%
Future salary increases (per annum)	9.50%	12.00%
Expected rate of future pension increases (per annum)	5.50%	8.00%
Average expected remaining working life time of employees	10 years	10 years
Expected average duration of obligation	19 years	20 years
Expected mortality rate	SLIC (2001-05) mortality table	

	Note	2020 (Rupees in thousand)	2019
9.2.1.10 Plan assets are comprised as follows:			
Equity instruments		307,054	56,033
Cash and cash equivalents		135,379	422,944
Others - net		(63,695)	(50,484)
		378,738	428,493

9.2.1.11 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2020	2019
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(51,631)	(40,494)
Decrease in assumption (Rupees in thousand)	62,777	49,259
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	21,790	17,090
Decrease in assumption (Rupees in thousand)	(19,122)	(14,997)

9.2.2 Gratuity fund

The amount recognized in the consolidated statement of financial position are determined as follows:

	Note	2020 (Rupees in thousand)	2019
Present value of defined benefit obligations	9.2.2.1	111,375	67,775
Fair value of plan assets	9.2.2.2	(83,768)	(79,549)
Net defined benefit obligation / (asset)		27,607	(11,774)
9.2.2.1 The movement in the defined benefit obligation over the year is as follows:			
Present value of defined benefit obligation as at 01 October		67,775	64,184
Current service cost		8,428	4,823
Interest cost		8,811	6,363
Benefits paid during the year		-	(1,101)
Remeasurement losses / (gains)		26,361	(6,494)
Present value of defined benefit obligation as at 30 September		111,375	67,775

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
9.2.2.2 The movement in the fair value of plan assets for the year is as follows:			
Fair value as at 01 October		79,549	66,455
Contributions during the year		9,042	5,790
Expected return on plan assets		10,929	6,880
Benefits paid during the year		-	(1,101)
Remeasurement gains / (losses)		(15,752)	1,525
Fair value as at 30 September		83,768	79,549
9.2.2.3 The amounts recognized in the consolidated statement of profit or loss are as follows:			
Current service cost		8,428	4,823
Interest cost		8,811	6,363
Expected return on plan assets		(10,929)	(6,880)
Total included in salaries and wages		6,310	4,306
9.2.2.4 The amounts recognized were included in the consolidated statement of profit or loss as follows:			
Cost of sales	28.2	2,530	1,525
Administrative expenses	30.1	3,679	2,723
Other expenses	31.1	101	58
		6,310	4,306
9.2.2.5 Remeasurements of net defined benefit liability / (asset)			
Actuarial losses / (gains) due to experience adjustments		26,361	(6,494)
Return on plan assets excluding interest income		15,752	(1,525)
Amount chargeable to other comprehensive income		42,113	(8,019)

9.2.2.6 The estimated expenses to be charged to the consolidated statement of profit or loss for the year ending on 30 September 2021 is Rupees 10.616 million.

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
9.2.2.7 Reconciliation of net defined benefit liability / (asset)			
As at 01 October		(11,774)	(2,271)
Expense chargeable to profit or loss during the year		6,310	4,306
Amount chargeable to other comprehensive income during the year		42,113	(8,019)
Contributions paid by the Company during the year		(9,042)	(5,790)
As at 30 September		27,607	(11,774)

	Note	2020	2019
		(Rupees in thousand)	
9.2.2.8 Actual return on plan assets			
Interest income for the year		10,929	6,880
Return on plan assets excluding interest income		(15,752)	1,525
		(4,823)	8,405

	2020	2019
9.2.2.9 The principal actuarial assumptions used were as follows:		
Discount rate	9.75%	13.00%
Future salary increases	8.75%	12.00%
Average expected remaining working life time of employees	9 years	9 years
Expected average duration of benefit obligation	9 years	7 years
Expected mortality rate	SLIC (2001-05) mortality table	

	Note	2020	2019
		(Rupees in thousand)	
9.2.2.10 Plan assets are comprised as follows:			
Equity instruments		26,041	12,096
Cash and cash equivalents		67,362	76,580
Others - net		(9,635)	(9,127)
		83,768	79,549

9.2.2.11 The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2020	2019
Discount rate	1.00%	1.00%
Increase in assumption (Rupees in thousand)	(7,998)	(4,876)
Decrease in assumption (Rupees in thousand)	9,178	5,589
Future salary increase	1.00%	1.00%
Increase in assumption (Rupees in thousand)	9,178	5,589
Decrease in assumption (Rupees in thousand)	(8,137)	(4,958)

9.2.2.12 The sensitivity analysis for pension fund and gratuity fund are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligations to significant actuarial assumptions the same method (present value of the defined benefit obligations calculated with the projected unit credit method at the end of the reporting period) has been applied.

9.2.3 Staff retirement gratuity

9.2.3.1 The amount recognized in the consolidated statement of financial position is as follows:

	Note	2020	2019
		(Rupees in thousand)	
Present value of defined benefit obligation as at 01 October		222,044	156,353
Current service cost		40,402	30,817
Interest cost		26,250	15,778
Benefits paid during the year		(15,998)	(4,847)
Remeasurements (gains) / losses		(17,019)	23,943
Present value of defined benefit obligation as at 30 September		255,679	222,044

9.2.3.2 The amounts recognized in the consolidated statement of profit or loss are as follows:

		2020	2019
Current service cost		40,402	30,817
Interest cost		26,250	15,778
		66,652	46,595

9.2.3.3 The amounts recognized were included in the consolidated statement of profit or loss as follows:

	Note	2020	2019
Cost of sales	28.2	25,598	20,202
Distribution cost	29.2	27,910	20,533
Administrative expenses	30.1	13,144	5,860
		66,652	46,595

9.2.3.4 The principal actuarial assumptions used were as follows:

	2020	2019
Future salary increases	8.75%	11.50%
Discount rate	9.75%	12.50%
Expected average duration of benefit obligation	9 years	9 years

9.2.3.5 The estimated expenses to be charged to the consolidated statement of profit or loss for the year ending on 30 September 2021 is Rupees 59.378 million.

9.2.4 Accumulating compensated absences

9.2.4.1 The amount recognized in the consolidated statement of financial position is as follows:

	2020	2019
	(Rupees in thousand)	
Present value of defined benefit obligation as at 01 October	24,378	17,733
Current service cost	1,957	1,677
Interest cost	2,926	1,785
Benefits paid during the year	(1,935)	(622)
Re-measurement (gains) / losses	(2,804)	3,805
Present value of defined benefit obligation as at 30 September	24,522	24,378

9.2.4.2 The amounts recognized in the consolidated statement of profit or loss are as follows:

	Note	2020	2019
		(Rupees in thousand)	
Current service cost		1,957	1,677
Interest cost		2,926	1,785
Re-measurement (gains) / losses		(2,804)	3,805
		2,079	7,267

9.2.4.3 The amounts recognized were included in the consolidated statement of profit or loss as follows:

	Note	2020	2019
Cost of sales	28.2	116	3,183
Distribution cost	29.2	1,601	3,192
Administrative expenses	30.1	362	892
		2,079	7,267

9.2.4.4 The principal actuarial assumptions used were as follows:

	2020	2019
Future salary increases	8.75%	11.50%
Discount rate	9.75%	12.50%
Expected average duration of benefit obligation	10 years	10 years

	Note	2020	2019
		(Rupees in thousand)	
9.3 DEFERRED INCOME TAX LIABILITY			
Taxable temporary difference			
Accelerated tax depreciation		1,274,209	1,118,901
Surplus on revaluation of property, plant and equipment		1,311,646	1,466,958
		2,585,855	2,585,859
Deductible temporary differences			
Unused tax losses, minimum tax and alternate corporate tax		(1,868,741)	(1,399,725)
Provision for doubtful receivables		(6,202)	-
Deferred and unpaid liabilities		(56,670)	(12,107)
		(1,931,613)	(1,411,832)
		654,242	1,174,027

9.3.1 Deferred income tax asset of the Holding Company on unused tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable profits is probable. The Holding Company has not recognized deferred income tax asset on Rupees 5,017.307 million (2019: Rupees 4,114.900 million) in respect of tax losses, as sufficient tax profits may not be available to set off these in the foreseeable future.

		Note	2020	2019
			(Rupees in thousand)	
10.	TRADE AND OTHER PAYABLES			
	Creditors		5,074,992	4,242,674
	Advances for sale of property, plant and equipment		12,000	12,000
	Contract liabilities		1,037,571	926,040
	Security deposits		1,680	2,142
	Payable to related parties	10.1	74,875	15,767
	Accrued liabilities		432,418	350,990
	Payable to Government authorities:			
	- Sales tax		289,114	-
	- Income tax deducted at source		75,216	37,083
	- Duty on manufacturing of spirit (biofuel)	10.2	-	436,604
	Workers' profit participation fund	10.3	172,744	154,271
	Workers' welfare fund		2,859	2,859
	Payable to Employees' Provident Fund Trust		2,804	2,743
	Payable to Pension Fund and Gratuity Fund		63,339	33,885
	Others		67,132	33,277
			7,306,744	6,250,335
10.1	These include amounts due to following related parties:			
	Crescent Steel and Allied Products Limited		61,076	15,767
	Premier Insurance Limited		13,799	-
			74,875	15,767

10.2 This represented excise duty levied on manufacturing of spirit (biofuel) by Punjab Government, recorded in previous years. This duty has been written back following the withdrawal of notification by Punjab Government as explained in Note 14(a)(i).

		Note	2020	2019
			(Rupees in thousand)	
10.3	Workers' profit participation fund			
	Opening balance		154,271	159,149
	Interest for the year	33	18,597	14,776
	Provision for the year		-	530
			172,868	174,455
	Less: Payments during the year		124	20,184
	Balance as on 30 June		172,744	154,271

10.3.1 Interest is paid at prescribed rate under the Companies Profit (Workers' Participation) Act, 1968 on funds utilized till the date of allocation to workers.

	Note	2020	2019
		(Rupees in thousand)	
11. SHORT TERM BORROWINGS			
Shakarganj Limited - Holding Company			
From banking companies - secured			
- Cash finance	11.1	468,100	469,000
- Export refinance / Istisna	11.2	935,000	900,000
Others - unsecured			
- Short term interest free finance	11.3	12,598	435,077
		1,415,698	1,804,077
Shakarganj Food Products Limited - Subsidiary Company			
From banking companies - secured			
- Running finances / Istisna	11.4	349,194	299,194
		1,764,892	2,103,271

11.1 Cash finance

The Company has arranged this short term finance facility from MCB Bank Limited to meet working capital requirements to the extent of Rupees 725 million (2019: Rupees 1,000 million). Mark-up ranged from 9.03% to 15.65% (2019: 10.83% to 15.80%) per annum on the outstanding balance or part thereof. Expiry date of this facility was 30 September 2020 which has been extended till 31 December 2020.

It is secured against exclusive charge of Rupees 1,177 million over pledge stocks of sugar, molasses and ethanol and first joint pari passu charge of Rupees 1,000 million over all present and future fixed assets of the Company.

11.2 Export refinance

The Company has arranged facilities for short term finances to meet working capital requirements from various banks under mark-up arrangements to the extent of Rupees 2,800 million (2019: Rupees 2,475 million). These finances were available at a mark-up ranging from 3.00% to 16.35% (2019: 3.00% to 15.47%) per annum on the outstanding balance or part thereof. These include Istisna of Rupees 425 million (2019: Rupees 100 million) payable to BankIslami Pakistan Limited, a related party. Expiry date of these finances is 31 December 2020 except for finances of Rupees 260 million received from National Bank of Pakistan which has been deferred for six months to one year in accordance with the BPRD Circular No. 13 of 2020 dated 26 March 2020 issued by State Bank of Pakistan to cope the impacts of COVID-19 pandemic.

The aggregate export finances are secured against ranking charge over fixed assets of the Company with 25% margin, ranking charge over current assets of the Company with 25% margin, pledge of molasses and ethanol, first joint pari passu charge over all present and future fixed assets of the Company and personal guarantees of Chief Executive Officer and a Director. These are additionally secured by pledge of shares of the Company and of other related parties.

11.3 Short term interest free finance

It represents unsecured short term interest free finance provided by a sugar agent for financing the operations of the Company.

11.4 Running finances / Istisna

The Company has an Istisna Islamic running finance facility with BankIslami Pakistan Limited (BIPL), a related party of Rupees 200 million (2019: Rupees 200 million), running finance facilities from National Bank of Pakistan (NBP) and United Bank Limited (UBL) of Rupees 100 million (2019: Rupees 100 million) and Rupees 49.500 million (2019: Rupees 50 million) respectively. The mark-up rates on these facilities from BIPL, NBP and UBL were KIBOR + 1% (2019: 6 Month KIBOR + 2 %) per annum, 3 Month KIBOR + 2% (2019: 3 Month KIBOR + 2%) per annum and deposit rate + 1% (deposit rate + 1%) to be charged monthly, respectively. The effective mark-up rates during the year for the facilities availed from BIPL, NBP and UBL ranged from 14.23% to 15.64% (2019: 10.02% to 15.23%) per annum, 9.03% to 15.86% (2019: 9.82% to 14.97%) per annum and 7.73% to 13.50% (2019: 7.90% to 12.50%) per annum respectively. The facility from BIPL is secured against first charge over fixed assets (land, building, plant and machinery) amounting to Rupees 286 million (inclusive of 30% safety margin) and ownership of Istisna assets and will expire on 31 December 2020. The facility from NBP is secured against first charge over present and future current assets of the Company amounting to Rupees 133.300 million (inclusive of 25% safety margin). Meanwhile the facility from UBL is secured by lien over Term Deposit Receipt of the Company maintained with UBL amounting to Rupees 55 million and will expire on 30 November 2020.

	Note	2020	2019
		(Rupees in thousand)	
12. ACCRUED MARK-UP			
Long term financing	12.1	31,731	24,682
Liabilities against assets subject to finance lease		-	26,803
Lease liabilities		8,993	-
Short term borrowings	12.2	56,122	67,900
		96,846	119,385

12.1 This includes mark-up of Rupees 1.214 million (2019: Rupees 1.415 million) payable to BankIslami Pakistan Limited, a related party.

12.2 This includes mark-up of Rupees 30.012 million (2019: Rupees 12.387 million) payable to BankIslami Pakistan Limited, a related party.

	Note	2020	2019
		(Rupees in thousand)	
13. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Long term financing	6	279,474	468,120
Liabilities against assets subject to finance lease	7	-	334,128
Lease liabilities	8	160,473	-
Deferred income - Government grant	9.1.1	8,445	-
		448,392	802,248

14. CONTINGENCIES AND COMMITMENTS

a) Contingencies

(i) The Government of Punjab under the powers conferred through the Punjab Excise Act, 1914 through notification No. SO. Tax (E&T) 3-4/2012 dated 03 July 2012, levied a duty of Rupees 2 per liter on manufacturing of spirit (biofuel) with effect from 01 July 2012. In view of legal lacunas, discrimination as to other provinces, no legislative competence and lawful authority of Government of Punjab to impose such duty on industrial ethanol which is not alcohol liquor and the fact that the Holding Company is exporter of the spirit which is exempted under Order 6 of the Punjab Liquor Import, Export, Transportation and Possessions Orders, the management of the Holding Company through its legal counsel has challenged the imposition of said levy and is currently contesting it at Honorable Lahore High Court, Lahore. Keeping in view all the court proceedings and grounds discussed in various higher courts, Punjab Government, after due deliberations of the Provincial Cabinet of the Punjab Government, on 20 August 2019, through its notification no. SO(E&M)2-5/2018/ED withdrew the imposed duty of Rupees 2 per liter upon the manufacture of spirit in any distillery. As per Holding Company's legal counsel, this is clear-cut case and the decision of the case shall be in favor of the Holding Company. In view of the aforesaid, the duty on manufacturing of spirit (biofuel) previously recognized as liability amounting to Rupees 436.604 million has been de-recognized and Rupees 229.918 million previously deposited on this account has been recognized as receivable being refundable.

(ii) The Holding Company has paid an advance amounting to Rupees 12.999 million to Messrs Industrial Enterprises for designing the boiler project to use only biogas as fuel with no option of burning bagasse. However, the boiler could not generate steam as per specification. It is unlikely that this project will be completed. Therefore the Holding Company has gone into litigation with Messrs Industrial Enterprises in Civil Court, Jhang on 03 July 2018 for the recovery of the advance paid along with damages. Based on the advice of legal counsel, there are favourable grounds that the case will be decided in favour of the Holding Company and the advance amount paid will be refunded back.

(iii) Subsequent to the reporting date, an appellate order was made by Commissioner Inland Revenue, Appeals, Lahore on 30 November 2020 under section 33 of Federal Excise Act, 2005, confirming payment of federal excise duty of Rupees 12.757 million including penalty regarding export of sugar to Afghanistan through land route in 2014. The Holding Company has filed appeal before Appellate Tribunal Inland Revenue, Lahore against this order on 23 December 2020. No provision has been recognized in the books of account as the Holding Company is confident on positive outcome of the appeal, on the advice of legal counsel.

(iv) The Competition Commission of Pakistan (CCP) issued show cause notices on 03 November 2020 and 04 November 2020, subsequent to the reporting date, under the provisions of the Competition Act, 2010, demanding facts and materials to satisfy CCP against various violations given in the show cause notice including closure of sugarcane crushing, price hike and other factors. The Holding Company submitted replies before the CCP on 21 November 2020, denying any of the violations contained in the show cause notice. Management is confident that the above-mentioned reply will satisfy CCP accordingly.

(v) In addition to above-mentioned matters there are certain cases which have been filed against the Holding Company, primarily by the Holding Company's employees, customers and vendors. However, the management is of the view that in the overall context of these consolidated financial statements, there would be no significant liability of the Holding Company against such cases.

(vi) Bank guarantee amounting to Rupees 59.400 million (2019: Rupees 59.900 million) given by the Bank of the Subsidiary Company in favor of Sui Northern Gas Pipelines Limited for the performance of contract.

(vii) The Subsidiary Company has filed an appeal before the Commissioner Inland Revenue (Appeals) against order passed by the Additional Commissioner Inland Revenue for the tax year 2011 under Section 122 (5A) of Income Tax Ordinance, 2001 (the Ordinance) whereby tax demand of Rupees 6.240 million was created. However, on request for rectification, the tax demand was curtailed to Rupees 1.290 million. The main appeal has been heard on 15 October 2020, subsequently to the reporting date, and the learned Commissioner Inland Revenue (Appeals) has deleted the tax demand of Rupees 1.290 million. Additions to the deemed income amounting to Rupees 1.280 million remain in field by deleting impugned additions of Rupees 89.800 million. Based on tax advisor's opinion, management is confident that no tax liability would arise, therefore, no provision has been made in these consolidated financial statements.

(viii) Assessment for the tax year 2012 was amended under Section 122 (5A) of the Ordinance resulting into additions of Rupees 17.210 million and income tax demand of Rupees 3.366 million from the Subsidiary Company. On appeal, the learned Commissioner Inland Revenue (Appeals) has deleted all the additions and demand vide order number 05 dated 12 July 2018 while the department has preferred further appeal against this order of the Commissioner Inland Revenue (Appeals) which is pending for adjudicating before the Appellate Tribunal Inland Revenue.

(ix) Proceedings under Section 122 (5A) of the Ordinance were initiated and order passed for the tax year 2013 wherein arbitrary additions to the tune of Rupees 177.439 million and tax demand of Rupees 85.448 million were made. This triggered the Subsidiary Company for filing an appeal before the learned Commissioner Inland Revenue (Appeals) who vide order dated 14 June 2018 annulled the amended assessment order for de-novo proceedings. In reassessment proceedings, additions were curtailed to Rupees 32.625 million. On filing an appeal before the learned Commissioner Inland Revenue (Appeals), additions to the tune of Rupees 25.153 million were annulled through order number 01 dated 06 January 2020. The Subsidiary Company has filed an appeal against the said order before the Appellate Tribunal Inland Revenue which is pending for hearing.

(x) Proceedings under sections 161/205 of the Ordinance for the tax years 2014, 2015 and 2016 have been initiated and concluded by Deputy Commissioner Inland Revenue on 14 February 2017, 03 March 2017 and 23 February 2018 respectively. Under these proceedings, demand of Rupees 1.349 million, Rupees 1.396 million and Rupees 1.305 million respectively have been created. The Subsidiary Company has filed appeals before the concerned Commissioner Inland Revenue (Appeals) against orders of aforementioned years. With respect to tax year 2014, the appeal of the Subsidiary Company was heard by the learned Commissioner Inland Revenue (Appeals) who deleted impugned recovery amounting to Rupees 0.247 million vide order dated 21 May 2020. The default surcharge was also deleted subject to verification of refunds. Both the Subsidiary Company and Deputy Commissioner Inland Revenue had preferred further appeals before the Appellate Tribunal Inland Revenue which are pending for adjudication. The appeal for tax year 2015 has been concluded by the learned Commissioner Inland Revenue (Appeals) by deleting impugned demand of Rupees 0.904 million vide order dated 23 September 2020. Based on tax advisor's opinion, management expects favorable outcome of the appeals, therefore no provision has been recorded in these consolidated financial statements.

(xi) The Subsidiary Company was selected for audit of its income tax affairs for the tax year 2014 in the random computerized balloting held on 14 September 2015. The proceedings under Section 177 read with Section 122 of the Ordinance were completed creating tax demand of Rupees 3.074 million and impugned additions of Rupees 71.312 million. On appeal before the learned Commissioner Inland Revenue (Appeals), additions to the tune of Rupees 5.993 million were deleted and demand of tax was confirmed through order number 03 dated 05 June 2020. Both the Subsidiary Company and the Income Tax Department have further assailed the order before the Appellate Tribunal Inland Revenue which is pending for adjudication. Based on the tax advisor's opinion, management is confident of favorable outcome of the appeal. Therefore, no provision has been made in these consolidated financial statements.

(xii) Proceedings under Section 122 read with Section 177(1) of the Ordinance for the tax year 2015 were culminated into amended assessment order dated 30 September 2020 whereby tax demand of Rupees 3.232 million has been raised. The Subsidiary Company has filed an appeal before the learned Commissioner Inland Revenue (Appeals) which is pending for adjudication. Based on the tax advisor's opinion, management is confident of favorable outcome of the appeal. Therefore, no provision has been made in these consolidated financial statements.

b) Commitments

i) Contracts for capital expenditure of the Group are of Rupees 8.800 million (2019: Rupees 123.801 million).

ii) There was no contract other than for capital expenditure of the Group as at 30 September 2020 (2019: Rupees Nil).

iii) Ijarah commitments are of Rupees 45.912 million (2019: Rupees 65.589 million).

The total of future ijarah payments under arrangement are as follows:

	Note	2020	2019
		(Rupees in thousand)	
Not later than one year		28,566	31,956
Later than one year and not later than five years		17,346	33,633
		45,912	65,589

15. PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
Operating fixed assets			
- Owned	15.1	15,961,600	15,823,049
- Leased	15.1	-	2,010,148
Capital work-in-progress (Note 15.2)		216,640	147,324
		16,178,240	17,980,521

15.1 Operating fixed assets

	OWNED												LEASED
	Freehold land	Building	Plant and machinery	Tools and equipment	Water, electric and weighbridge equipment	Furniture and fixtures	Office equipment	Vehicles	Laboratory and milk collection equipment	Arms and ammunition	Library books	Total	Plant and machinery
	(RUPEES IN THOUSAND)												
At 30 September 2018													
Cost / revalued amount	2,715,457	1,361,214	9,505,061	51,109	380,289	83,407	86,729	222,668	33,146	575	10,983	14,450,638	1,115,189
Accumulated depreciation	-	(57,276)	(645,946)	(49,015)	(283,011)	(53,019)	(73,397)	(141,653)	(26,201)	(498)	(10,774)	(1,340,790)	(64,386)
Net book value	2,715,457	1,303,938	8,859,115	2,094	97,278	30,388	13,332	81,015	6,945	77	209	13,109,848	1,050,803
Year ended 30 September 2019													
Opening net book value	2,715,457	1,303,938	8,859,115	2,094	97,278	30,388	13,332	81,015	6,945	77	209	13,109,848	1,050,803
Additions	-	270,650	1,841,475	690	46,715	2,159	5,596	11,826	1,990	-	-	2,181,101	975,928
Transfer:													
Cost	-	-	310,415	-	-	-	-	-	-	-	-	310,415	(310,415)
Accumulated depreciation	-	-	(45,452)	-	-	-	-	-	-	-	-	(45,452)	45,452
	-	-	264,963	-	-	-	-	-	-	-	-	264,963	(264,963)
Disposals:													
Cost / revalued amount	(5,300)	(2,266)	(17,140)	(50)	(2,104)	(202)	(41)	(22,190)	-	-	-	(49,293)	-
Accumulated depreciation	-	1,473	3,175	50	1,900	129	40	18,843	-	-	-	25,610	-
	(5,300)	(793)	(13,965)	-	(204)	(73)	(1)	(3,347)	-	-	-	(23,683)	-
Effect of surplus on revaluation	75,050	130,018	875,717	-	-	-	-	-	-	-	-	1,080,785	334,998
Depreciation charge	-	(98,157)	(648,787)	(627)	(14,668)	(3,717)	(5,583)	(17,521)	(844)	(15)	(46)	(789,965)	(86,618)
Closing net book value	2,785,207	1,605,656	11,178,518	2,157	129,121	28,757	13,344	71,973	8,091	62	163	15,823,049	2,010,148
At 30 September 2019													
Cost / revalued amount	2,785,207	1,759,616	12,515,528	51,749	424,900	85,364	92,284	212,304	35,136	575	10,983	17,973,646	2,115,700
Accumulated depreciation	-	(153,960)	(1,337,010)	(49,592)	(295,779)	(56,607)	(78,940)	(140,331)	(27,045)	(513)	(10,820)	(2,150,597)	(105,552)
Net book value	2,785,207	1,605,656	11,178,518	2,157	129,121	28,757	13,344	71,973	8,091	62	163	15,823,049	2,010,148
Year ended 30 September 2020													
Opening net book value	2,785,207	1,605,656	11,178,518	2,157	129,121	28,757	13,344	71,973	8,091	62	163	15,823,049	-
Additions	-	15,356	202,723	332	16,506	709	2,433	2,602	-	-	-	240,661	-
Transfer:													
Cost / revalued amount	-	-	876,375	-	-	-	-	-	-	-	-	876,375	-
Accumulated depreciation	-	-	(67,275)	-	-	-	-	-	-	-	-	(67,275)	-
	-	-	809,100	-	-	-	-	-	-	-	-	809,100	-
Disposals:													
Cost / revalued amount	(3,000)	(655)	(6,824)	(1,444)	(2,936)	(108)	-	(6,856)	-	-	-	(21,823)	-
Accumulated depreciation	-	210	1,210	1,443	2,843	89	-	5,165	-	-	-	10,960	-
	(3,000)	(445)	(5,614)	(1)	(93)	(19)	-	(1,691)	-	-	-	(10,863)	-
Depreciation charge	-	(106,003)	(754,849)	(803)	(15,521)	(3,400)	(4,440)	(14,434)	(848)	(12)	(37)	(900,347)	-
Closing net book value	2,782,207	1,514,564	11,429,878	1,685	130,013	26,047	11,337	58,450	7,243	50	126	15,961,600	-
At 30 September 2020													
Cost / revalued amount	2,782,207	1,774,317	13,587,802	50,637	438,470	85,965	94,717	208,050	35,136	575	10,983	19,068,859	-
Accumulated depreciation	-	(259,753)	(2,157,924)	(48,952)	(308,457)	(59,918)	(83,380)	(149,600)	(27,893)	(525)	(10,857)	(3,107,259)	-
Net book value	2,782,207	1,514,564	11,429,878	1,685	130,013	26,047	11,337	58,450	7,243	50	126	15,961,600	-
Annual rate of depreciation (%)	-	5, 7.5	5, 7.5, 30	20, 40	10, 20, 40	10, 20	30, 40	20	10, 40	20	20, 30		

15.1.1 Particulars of immoveable fixed assets (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Area of land	Covered Area of building
			Sq. ft.
Shakarganj Limited			
Free hold land (Farms)	Land of Chak Rasool Pur	103.65 Kanals	-
	Land of Mouza Billi Nualan Par	284.80 Kanals	-
	Land of Mouza Chandia Nasheb	437 Kanals	-
	Land of Mouza Billi Habib	17.45 Kanals	-
	Land of Mouza Doka Baloucha	639.25 Kanals	-
	Land At Mouza Khai Kalan	495.16 Acres	-
	Land of Mouza Kot Esa Shah	1 262 Kanals	-
	Land of Mouza Kot Khan	2 926.2 Kanals	-
	Land at Chak 462 JB	753 Kanals, 19 Marlas	-
	Land at Kot Sahai Singh	52.2 Kanals	-
Free hold land (Bhone)	Land of Chund Bharwana	1 Kanal	-
	Land of Adda Massan	1 Kanal	-
	Land of Mouza Wadhi The	1 Kanal	-
	Land of Wijhalka (Muhammad Wala)	1 Kanal	-
	Land of Mouza Dholka Adda Akrian Wala	1.05 Kanals	-
	Bhone Unit (factory land)	1 419.74 Kanals	496 365
Free hold land (Jhang)	Land at Lalazar	1 Kanal	-
	Land at Mouza Suleman Adda Sher Abad	1 Kanal	-
	Land at Chak 338 Adda Nia Lahore	1 Kanal	-
	Land at Chak 426 Adda Pul	1 Kanal	-
	Land at Chak 428 Adda Pul	1 Kanal	-
	Land at Chak 316 Talwandi	15.8 Kanals	-
	Land at Mouza Sangra Adda Kot Shakir	1 Kanal	-
	Land at Adda Daal More	1 Kanal	-
	Land at Islam Wala Adda Pul Gagan	1 Kanal	-
	Land at Adda Kot Bahadar	1 Kanal	-
	Land at Dari Gondal Maharaja Road	1 Kanal	-
	Land at Chak 1/3L Ahmad Pur Sial	1 Kanal	-
	Land at Mouza Kalachi Adda	1 Kanal	-
	Land at Mouza Bagh	1 Kanal	-
	Land at Chak 214 Adda Gojra More	1 Kanal	-
	Land at Mouza Gilmala	1 Kanal	-
	Land at Malluana More	1 Kanal	-
	Land at Chak 457 Kot Lakhana	1 Kanal	-
	Land at Roran Wali	1 Kanal	-
	Land at Ballo Shahabal (Adda Chabeel)	1 Kanal	-
	Land at Jhang Shumali (Pacca Wala)	12 Marlas	-
	Jhang Unit (factory land)	1 289.25 Kanals	1 665 196
Shakarganj Food Products Limited			
Dairy plant	4 KM Lahore Road, Jaranwala	701 316 Square Feet	187 207 Square Feet
Juice plant	Near Ahmad Nagar, Sargodha Road, Tehsil Lalian, District Chiniot	231 957 Square Feet	71 656 Square Feet
Fruit procurement centre	Chak No. 13 S.B. Ajnala Station, Muazamabad Road, Tehsil Bhalwal, District Sargodha	43 560 Square Feet	1 672 Square Feet

15.1.2 Detail of operating fixed assets, exceeding the book value of Rupees 500,000, disposed of during the year is as follows:

Description	Cost / revalued amount	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of purchasers
	(RUPEES IN THOUSAND)						
Freehold land							
Land of Mouza Walla (Tirkhana Wala)	3,000	-	3,000	3,300	300	Negotiation	Muhammad Nawaz, Tirkhana Wala, Tehsil Lalian, District Chiniot.
Plant and machinery							
Machcorner (2 Nos)	3,000	416	2,584	1,838	(746)	Negotiation	Mubashar Brothers, Rasool Pura, Faisalabad
	6,000	416	5,584	5,138	(446)		
Aggregate of other items of property, plant and equipment with individual book values not exceeding Rupees 500,000	15,823	10,544	5,279	12,516	7,237		
	21,823	10,960	10,863	17,654	6,791		

15.1.3 The carrying amount of freehold land, building and plant and machinery would have been Rupees 276.297 million (2019: Rupees 276.727 million), Rupees 687.345 million (2019: Rupees 697.762 million) and Rupees 7,544.822 million (2019: Rupees 7,599.760 million) respectively, had there been no revaluation.

15.1.4 Forced sale value as per last revaluation was of Rupees 2,358.409 million, Rupees 1,273.728 million and Rupees 10,639.305 million for freehold land, building and plant and machinery respectively.

	Note	2020	2019
		(Rupees in thousand)	
15.1.5 The depreciation charge has been allocated as follows:			
Owned:			
Cost of sales	28	872,024	757,123
Distribution cost	29	8,772	10,078
Administrative expenses	30	19,551	22,764
		900,347	789,965
Leased:			
Cost of sales	28	-	86,618
		900,347	876,583

15.1.6 Plant and machinery includes assets having cost of Rupees 25.890 million (2019: Rupees 25.890 million) and book value of Rupees 15.877 million (2019: Rupees 16.713 million) mounted on transport contractors' vehicles.

15.2 CAPITAL WORK-IN-PROGRESS

	Note	2020	2019
Civil works		1,200	5,885
Plant and machinery		145,011	110,431
Water, electric and weighbridge equipment		21	-
		146,232	116,316
Advances given for capital work in progress	15.2.1	70,408	31,008
		216,640	147,324

15.2.1 This relates to advances given to various parties for supplies and consultancy services relates to energy conservation. It also includes advance given to Industrial Enterprises amounting to Rupees 31.01 million (2019: Rupees 31.01 million).

	Note	2020	2019
		(Rupees in thousand)	
Considered good:			
- Plant and machinery	15.2.2	70,408	31,008
Considered doubtful:			
- Plant and machinery		21,664	21,664
- Intangibles		15,274	15,274
		36,938	36,938
		107,346	67,946
Less: Provision against doubtful advances		(36,938)	(36,938)
		70,408	31,008

15.2.2 Advances included an amount given to Mian Muhammad Sugar Mill Limited in pursuance to a purchase arrangement whereby the Holding Company was to get a beneficial interest in the machinery installed at the premises. In prior years, the management re-evaluated the status of this arrangement and decided to discontinue with it. Appropriate legal proceedings were initiated in this regard and consequently provision was created against the remaining advance. The movement to date is as follows:

	Note	2020	2019
		(Rupees in thousand)	
Advance to date		217,817	217,817
Machinery received		(169,315)	(169,315)
		48,502	48,502
Advance written off		(28,148)	(28,148)
Provision for doubtful advances		(20,354)	(20,354)
		(48,502)	(48,502)
		-	-

16. RIGHT-OF-USE ASSETS

	Plant and machinery	Building	Total
		(Rupees in thousand)	
Net carrying amount			
01 October 2019	2,010,148	29,295	2,039,443
30 September 2020	1,160,565	19,627	1,180,192
Depreciation expense for the year (Note 16.1)	70,479	9,668	80,147
Additions during the year	29,996	-	29,996
Book value of assets transferred during the year to operating fixed assets - owned	809,100	-	809,100
Annual rate of depreciation (%)	5	33	

	Note	2020	2019
		(Rupees in thousand)	
16.1 Depreciation charge for the year has been allocated as follows:			
Cost of sales	28	70,479	-
Distribution cost	29	4,914	-
Administrative expenses	30	4,754	-
		80,147	-

		Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
17.	INTANGIBLE ASSET			
	Computer software			
	Net carrying value basis			
	Opening net book value		5,467	-
	Add: Additions during the year		530	6,075
	Amortization	30	(1,226)	(608)
	Closing net book value		4,771	5,467
	Gross carrying amount			
	Cost		6,605	6,075
	Accumulated amortization		(1,834)	(608)
	Closing net book value		4,771	5,467

	2020	2019
Amortization rate (per annum)	20%	20%

		Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
18.	BIOLOGICAL ASSETS			
	Sugarcane			
	Mature	18.1	8,676	15,607
	Immature	18.2	1,218	3,108
			9,894	18,715
	Rice - mature		11,847	12,852
	Others - mature		450	840
	Livestock - mature	18.3	17,601	13,909
			39,792	46,316
	Non - current			
	- livestock		17,601	13,909
	- sugarcane - immature		1,218	3,108
			18,819	17,017
	Current - crops		20,973	29,299
			39,792	46,316

18.1 The value of mature sugarcane crops is based on estimated average yield of 561.25 (2019: 623) maunds per acre on cultivated area of 128.30 (2019: 195) acres. The value of rice crops is based on the estimated yield of 35 (2019: 40) maunds per acre on cultivated area of 145 (2019: 189) acres.

18.2 25 (2019: 64) acres relates to the sugarcane cultivation which is valued at cost incurred to date being considered its fair value and is considered to be immature for the reason that it will take more than a year for harvesting.

18.3 Livestock comprises 229 (2019: 166) cows, heifers, bulls and calves.

	Note	2020	2019
		(Rupees in thousand)	
18.4 Movement during the year			
Livestock			
As at 01 October		13,910	11,558
Gain arising from changes in fair value less estimated point of sale costs		4,149	3,381
Decrease due to sale / deceased livestock		(458)	(1,029)
As at 30 September		17,601	13,910
Crops			
As at 01 October		32,406	19,717
Increase due to purchases / costs incurred		50,753	39,217
Decrease due to harvest / sales		(47,444)	(47,246)
Fair value adjustment related to sales during the year		(3,307)	8,028
Fair value adjustment of agricultural assets	28	(10,217)	12,690
As at 30 September		22,191	32,406
		39,792	46,316

	Note	2020	2019
		(Rupees in thousand)	
19. LONG TERM INVESTMENTS			
At fair value through other comprehensive income			
Related party - quoted			
Crescent Steel and Allied Products Limited 180 000 (2019: 180 000) fully paid ordinary shares of Rupees 10 each.		15,921	15,921
Others - unquoted			
Crescent Group (Private) Limited 220 000 (2019: 220 000) fully paid ordinary shares of Rupees 10 each.		2,200	2,200
Crescent Standard Telecommunications Limited 300 000 (2019: 300 000) fully paid ordinary shares of Rupees 10 each.		3,000	3,000
Innovative Investment Bank Limited 51 351 (2019: 51 351) fully paid ordinary shares of Rupees 10 each		-	-
		21,121	21,121
Less: Fair value adjustment		(7,898)	(13,311)
		13,223	7,810

	Note	2020	2019
		(Rupees in thousand)	
20. LONG TERM LOANS, ADVANCES AND DEPOSITS			
Long term loans - considered good:			
Sui Northern Gas Pipelines Limited	20.1	2,496	4,992
Executives	20.2 & 20.3	12,723	15,861
Employees	20.3	11,338	12,058
		26,557	32,911
Security deposits:			
Considered good		66,559	60,728
Considered doubtful		265	265
		66,824	60,993
Margin against bank guarantee - considered good		59,400	59,400
Advance to Creek Marina (Private) Limited - considered doubtful	20.4	38,557	38,557
		191,338	191,861
Less: Provision against doubtful receivables		38,822	38,822
		152,516	153,039
Less: Current portion showed under current assets	24	11,572	14,690
		140,944	138,349

20.1 This represents unsecured long term loan provided to Sui Northern Gas Pipelines Limited (SNGPL) for the development of infrastructure for supply of natural gas to the dairy plant of the Subsidiary Company. The loan is repayable by SNGPL in 10 equal annual installments with two years grace period started from 30 September 2011. The loan carries mark up at the rate of 1.5% (2019: 1.5%) per annum payable annually in arrears.

20.2 Maximum aggregate balance due from executives at the end of any month during the year was Rupees 12.723 million (2019: Rupees 15.861 million).

20.3 These include the interest free advances given to Subsidiary Company's executives and other employees recoverable in equal monthly installments and secured against the retirement benefit payable to these employees. The fair value adjustment in accordance with the requirements of IFRS 9 'Financial Instruments: Recognition and Measurement' arising in respect of advances to employees is not considered material and hence not recognized.

20.4 This represents payment for two apartments in the Creek Marina Projects pursuant to a settlement agreement entered into by the Holding Company and the former Crescent Standard Investment Bank Limited in year 2006. The construction work at the site has been halted since year 2011 due to differences between Defence Housing Authority and the developer. The resumption of construction work is still uncertain in near future. Consequently, based on prudence principal the Holding Company provided the above advance in full.

	2020	2019
	(Rupees in thousand)	
21. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	79,005	78,985
Spare parts	174,145	200,096
Loose tools	826	917
	253,976	279,998
Less: Provision for obsolete items	(2,820)	(2,820)
	251,156	277,178

21.1 The Group holds stores and spare parts for specific capitalization amounting to Rupees 9.888 million (2019: Rupees 2.242 million).

	Note	2020	2019
		(Rupees in thousand)	
22. STOCK-IN-TRADE			
Raw materials		775,667	832,461
Work-in-process		16,100	20,724
Finished goods	22.2		
- Manufactured		1,047,523	847,117
- Trading		-	284,000
		1,047,523	1,131,117
		1,839,290	1,984,302

22.1 Stock-in-trade of Rupees 31.200 million (2019: Rupees 1.417 million) is being carried at net realizable value.

22.2 These include stock of Rupees 0.211 million (2019: Rupees Nil) held by a third party.

	Note	2020	2019
		(Rupees in thousand)	
23. TRADE DEBTS			
Considered good - unsecured		275,787	154,993
Considered doubtful		11,934	10,522
		287,721	165,515
Less: Allowance for expected credit losses	23.1	11,934	10,522
		275,787	154,993

		Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
23.1	Allowance for expected credit losses			
	Balance as at 01 October		10,522	15,709
	Provision for the year	31	1,412	-
	Written off during the year		-	(5,187)
	Balance as at 30 September		11,934	10,522

23.2 As at 30 September 2020, trade debts aggregating to Rupees 191.649 million (2019: Rupees 81.167 million) are past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	Note	2020 (Rupees in thousand)	2019 (Rupees in thousand)
Upto 1 month		142,754	18,907
1 to 6 months		45,592	34,025
More than 6 months		3,303	28,235
		191,649	81,167

		Note	2020	2019
24.	LOANS AND ADVANCES			
	Considered good:			
	- to employees		21,169	12,105
	- to executives		2,293	2,052
	- to suppliers and contractors		157,844	312,400
	- to sugarcane growers		2,422	3,036
			183,728	329,593
	Current portion of long term loans, advances and deposits	20	11,572	14,690
	Due from related party	24.1	14,527	2,607
	Advances - considered doubtful:			
	- to employees		177	628
	- to suppliers and contractors		9,468	9,409
	- to sugarcane growers		4,606	4,705
			14,251	14,742
			224,078	361,632
	Less: Provision against doubtful loans and advances	24.2	14,251	14,742
			209,827	346,890
24.	Due from related party			
	Crescent Steel and Allied Products Limited	24.1.1	14,527	2,607

24.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rupees 14.527 million (2019: Rupees 23.84 million).

	Note	2020	2019
		(Rupees in thousand)	
24.1.2 Ageing of related party balance:			
Upto 1 month		764	516
1 to 6 months		4,147	1,502
More than 6 months		9,616	589
		14,527	2,607
24.2 Provision for doubtful loans and advances			
Balance as at 01 October		14,742	14,742
Provision for the year		502	-
Reversal during the year		(993)	-
Net reversal during the year	32	(491)	-
Balance as at 30 September		14,251	14,742

25. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2020	2019
Security deposits		3,359	5,429
Advance income tax		83,141	231,455
Sales tax recoverable		-	226,190
Export rebate		41,737	41,737
Prepayments		18,336	45,139
Others:			
- considered good		240,265	11,638
- considered doubtful		2,448	2,448
		389,286	564,036
Less: Provision against doubtful receivables		2,448	2,448
		386,838	561,588

26. CASH AND BANK BALANCES

	Note	2020	2019
With banks:			
On current accounts		212,968	445,159
On saving accounts	26.1	116,212	66,240
		329,180	511,399
Cash in hand		832	2,890
		330,012	514,289

26.1 These carry mark-up at the rates ranging from 5.50% to 13.50% (2019: 8.25% to 14.63%) per annum.

26.2 These include balances amounting to Rupees 77.199 million (2019: Rupees 51.107 million) with BankIslami Pakistan Limited, a related party.

		Note	2020	2019
			(Rupees in thousand)	
27.	REVENUE			
	Local sales	27.1	20,734,716	20,640,298
	Export sales		689,409	1,889,263
			21,424,125	22,529,561
27.1	Local sales			
	Sugar		5,269,769	2,743,433
	By-products		297,059	175,455
	Biofuel		214,572	106,109
	Dairy		18,834,542	18,681,891
	Yarn		584,679	1,411,519
	Juice		80,861	309,096
	Farm		10,261	11,573
	Waste		9,453	16,904
	Others		-	503
			25,301,196	23,456,483
	Less:			
	Sales tax and federal excise duty		2,279,860	979,725
	Trade discounts / replacements		2,286,620	1,836,460
			4,566,480	2,816,185
			20,734,716	20,640,298
28.	COST OF SALES			
	Raw materials consumed	28.1	12,672,174	11,116,521
	Salaries, wages and other benefits	28.2	704,373	725,954
	Stores, spare parts and loose tools consumed		634,522	800,940
	Duty on manufacturing of biofuel		-	30,286
	Dyes and chemicals consumed / processing charges		45,631	52,766
	Loading and unloading charges		4,219	5,141
	Packing materials consumed		4,729,820	5,165,633
	Fuel and power		822,013	964,160
	Repairs and maintenance		21,423	36,281
	Insurance		23,810	21,003
	Vehicle running and maintenance		24,967	25,068
	Travelling and conveyance		12,029	14,908
	Printing and stationery		3,171	3,590
	Rent, rates and taxes	28.3	67,016	72,627
	Land preparation and irrigation expenses		10,165	13,410
	Sugarcane research and development		1,696	1,593
	Fair value adjustment of agricultural assets	18.4	10,217	(12,690)
	Depreciation - owned assets	15.1.5	872,024	757,123
	Depreciation - leased assets	15.1.5	-	86,618
	Depreciation - right-of-use assets	16	70,479	-
	Miscellaneous		46,837	48,997
			20,776,586	19,929,929

	Note	2020	2019
		(Rupees in thousand)	
Work-in-process			
Opening stock		20,724	7,958
Closing stock		(16,100)	(20,724)
		4,624	(12,766)
Cost of goods manufactured		20,781,210	19,917,163
Finished goods purchased for resale		284,000	-
Finished goods			
Opening stock		847,117	1,415,247
Closing stock		(1,047,523)	(847,117)
		(200,406)	568,130
		20,864,804	20,485,293

28.1 Raw materials consumed

	2020	2019
Opening stock	832,461	780,543
Add: Purchased during the year	12,615,380	11,168,439
	13,447,841	11,948,982
Less: Closing stock	(775,667)	(832,461)
	12,672,174	11,116,521

28.2 Salaries, wages and other benefits include following in respect of employees' retirement / other benefits:

	Note	2020	2019
		(Rupees in thousand)	
Pension Fund	9.2.1.4	4,531	5,165
Gratuity Fund	9.2.2.4	2,530	1,525
Employees' Provident Fund Trust		3,685	5,530
Staff retirement gratuity	9.2.3.3	25,598	20,202
Accumulating compensated absences	9.2.4.3	116	3,183
		36,460	35,605

28.3 These include ijarah rentals amounting to Rupees 1.383 million (2019: Rupees 1.917 million).

	Note	2020	2019
		(Rupees in thousand)	
29. DISTRIBUTION COST			
Storage tank charges		1,162	24,205
Freight and forwarding		793,704	894,130
Handling and distribution		1,443	1,669
Commission to selling agents		6,167	4,831
Travelling and conveyance		28,506	35,514
Rent, rates and taxes	29.1	34,083	33,912
Postage and telephone		7,465	7,983
Vehicles' running and maintenance		37,241	33,802
Entertainment		2,235	3,524
Printing and stationery		749	1,368
Repair and maintenance		1,787	2,625
Salaries and other benefits	29.2	296,414	292,357
Insurance		7,845	6,628
Sales promotion expenses and advertisement	29.3	546,519	545,266
Utilities		2,315	1,872
Depreciation - owned assets	15.1.5	8,772	10,078
Depreciation - right-of-use assets	16	4,914	-
Others		4,839	12,260
		1,786,160	1,912,024

29.1 These include ijarah rentals amounting to Rupees 25.518 million (2019: Rupees 17.450 million).

29.2 Salaries and other benefits include following in respect of employees' retirement / other benefits:

	Note	2020	2019
		(Rupees in thousand)	
Pension Fund	9.2.1.4	487	431
Employees' Provident Fund Trust		170	160
Staff retirement gratuity	9.2.3.3	27,910	20,533
Accumulating compensated absences	9.2.4.3	1,601	3,192
		30,168	24,316

29.3 Sales promotion expenses and advertisement are net of marketing support credits allowed by Tetra Pak Pakistan Limited aggregating to Rupees 87.955 million (2019: Rupees 39.719 million).

		Note	2020	2019
			(Rupees in thousand)	
30.	ADMINISTRATIVE EXPENSES			
	Salaries, wages and other benefits	30.1	317,700	288,735
	Repairs and maintenance		7,388	8,385
	Insurance		5,134	5,069
	Vehicles' running and maintenance		16,171	18,443
	Travelling and conveyance		9,290	12,892
	Printing and stationery		1,818	1,699
	Electricity and gas		3,994	4,346
	Telephone and postage		6,024	5,544
	Legal and professional		30,870	32,436
	Auditors' remuneration	30.2	4,164	4,147
	IT consultancy and advisory services		-	10
	Rent, rates and taxes	30.3	15,314	21,599
	Staff training and development		430	137
	Entertainment		4,806	5,527
	Subscriptions		24,154	11,802
	Advertisement		231	241
	Registered office expenses		965	898
	Amortization	17	1,226	608
	Depreciation - owned assets	15.1.5	19,551	22,764
	Depreciation - right-of-use assets	16	4,754	-
	Others		2,696	1,497
			476,680	446,779

30.1 Salaries, wages and other benefits include following in respect of employees' retirement / other benefits:

	Note	2020	2019
Pension Fund	9.2.1.4	8,845	8,010
Gratuity Fund	9.2.2.4	3,679	2,723
Employees' Provident Fund Trust		3,141	4,024
Staff retirement gratuity	9.2.3.3	13,144	5,860
Accumulating compensated absences	9.2.4.3	362	892
		29,171	21,509

30.2 Auditors' remuneration

	2020	2019
Riaz Ahmad and Company		
Audit fee	1,764	-
Half yearly review	635	-
Reimbursable expenses	325	-
	2,724	-
KPMG Taseer Hadi and Co.		
Audit fee	-	1,764
Half yearly review	-	635
Reimbursable expenses	-	370
	-	2,769

	Note	2020	2019
		(Rupees in thousand)	
EY Ford Rhodes			
Audit fee		715	650
Review of interim financial statements		325	325
Group reporting		200	200
Certifications		100	116
Reimbursable expenses		100	87
		1,440	1,378
		4,164	4,147

30.3 These include ijarah rentals amounting to Rupees 8.442 million (2019: Rupees 8.584 million).

	Note	2020	2019
		(Rupees in thousand)	
31. OTHER EXPENSES			
Workers' profit participation fund		-	530
Trade debts written off		907	-
Net exchange loss		21,884	19,767
Social action programme expenses including salaries	31.1	5,468	5,514
Waste water drainage		6,577	11,088
Allowance for expected credit loss	23.1	1,412	-
Donations	31.2	3,170	1,000
Others		22	634
		39,440	38,533

31.1 Social action programme salaries expenses include following in respect of retirement benefits:

	Note	2020	2019
		(Rupees in thousand)	
Pension Fund	8.1.3.1	254	270
Gratuity Fund	8.2.3.1	101	58
Employees' Provident Fund Trust		112	83
		467	411

31.2 During the year, donation amounting to Rupees 2.500 million (2019: Rupees 1.000 million) was given to Lyallpur Golf and Country Club, Faisalabad, in which a director Mr. Ali Altaf Saleem is a member.

	Note	2020	2019
		(Rupees in thousand)	
32. OTHER INCOME			
Income from financial assets			
Dividend income		-	180
Return on bank deposits		14,599	11,677
Interest income on loan to SNGPL		35	75
Reversal of provision for doubtful loans and advances - net	24.2	491	-
		15,125	11,932
Income from non-financial assets			
Scrap sales		35,321	38,029
Gain on sale of property, plant and equipment	15.1.2	6,791	6,777
Agriculture income - net		1,788	7,141
Liabilities no longer payable written back		1,249	1,710
Adjustment on account of excise duty on manufacturing of ethanol		666,522	-
Rental income		23,787	17,956
Amortization of deferred income - Government grant	9.1.1	3,947	-
Amortization of deferred income - Others	9.1.2	1,166	1,232
Others		82,134	11,521
		822,705	84,366
		837,830	96,298
33. FINANCE COST			
Mark up/Interest on:			
Long term financing		151,054	103,895
Liabilities against assets subject to finance lease		-	73,821
Lease liabilities	8.1	78,922	-
Short term borrowings		241,259	246,779
Due to Gratuity Fund and Pension Fund - related parties		44,603	48,870
Workers' profit participation fund	10.3	18,597	14,776
Unwinding of discount	6.3	22,149	9,992
Bank and other charges		50,935	14,770
Delayed payment surcharge to Tetra Pak		147,501	-
		755,020	512,903
34. TAXATION			
Charge for the year:			
Current		333,915	204,390
Prior year adjustment		15,270	3,554
		349,185	207,944
Deferred		(748,887)	(160,368)
		(399,702)	47,576

		2020	2019
35.	LOSS PER SHARE - BASIC AND DILUTED		
	Loss Attributable to ordinary share holders of Holding Company (Rupees in thousand)	(838,828)	(867,294)
	Weighted average number of ordinary shares of Holding Company (Numbers)	125 000 000	125 000 000
	Loss per share (Rupees)	(6.71)	(6.94)

35.1 There is no dilutive effect on basic loss per share.

		Note	2020	2019
			(Rupees in thousand)	
36.	CASH GENERATED FROM OPERATIONS			
	Loss before taxation		(1,660,149)	(769,673)
	Adjustments for non-cash charges and other items:			
	Depreciation		980,494	876,583
	Liabilities no longer payable written back		(1,249)	(1,710)
	Gain on sale of property, plant and equipment		(6,791)	(6,777)
	Fair value adjustment of agricultural assets		8,429	(19,831)
	Interest income on loan to SNGPL		(35)	(75)
	Allowance for expected credit losses		1,412	-
	Trade debts written off		907	-
	Reversal of provision for doubtful loans and advances		(491)	-
	Provision for employees' benefits		89,158	72,044
	Adjustment on account of excise duty on manufacturing of ethanol		(666,522)	-
	Amortization of deferred grant		(5,113)	(1,232)
	Amortization of intangible asset		1,226	608
	Unrealized (gain) / loss on agriculture income		(14)	1,682
	Finance cost		755,020	512,903
	Working capital changes	36.1	2,255,088	3,199,821
			1,751,370	3,864,343
36.1	Working capital changes			
	Decrease / (increase) in current assets:			
	- Stores, spare parts and loose tools		26,022	(24,202)
	- Stock-in-trade		145,012	219,446
	- Biological assets		(1,891)	3,108
	- Trade debts		(123,113)	(16,525)
	- Loans and advances		137,554	830,287
	- Deposits, prepayments and other receivables		262,890	72,807
			446,474	1,084,921
	Increase in trade and other payables		1,808,613	2,114,900
			2,255,088	3,199,821

36.2 Reconciliation of movement of liabilities to cash flows arising from financing activities:

	2020				
	Unclaimed Dividend	Long term financing	Lease liabilities	Short term borrowings	Total
	(Rupees in thousand)				
Balance as at 01 October	2,039	1,327,973	-	2,103,271	3,433,283
Transferred on adoption of IFRS 16 'Leases'	-	-	1,077,961	-	1,077,961
Lease liabilities obtained	-	-	29,996	-	29,996
Dividend paid	(85)	-	-	-	(85)
Loans availed	-	265,606	-	-	265,606
Short term borrowings repaid - net	-	-	-	(338,379)	(338,379)
Repayment of loans	-	(256,998)	-	-	(256,998)
Repayment of lease liabilities	-	-	(308,303)	-	(308,303)
Fair value adjustment	-	(11,850)	-	-	(11,850)
Unwinding of discount	-	22,149	-	-	22,149
Balance as at 30 September	1,954	1,346,880	799,654	1,764,892	3,913,380

	2019				
	Unclaimed Dividend	Long term financing	Liabilities against assets subject to finance lease	Short term borrowings	Total
	(Rupees in thousand)				
Balance as at 01 October	2,273	1,344,976	740,486	2,584,431	4,672,166
Liabilities against assets subject to finance lease obtained - net	-	-	308,180	-	308,180
Dividend paid	(234)	-	-	-	(234)
Loans availed	-	280,000	-	-	280,000
Short term borrowings repaid - net	-	-	-	(481,160)	(481,160)
Repayment of loans	-	(306,995)	-	-	(306,995)
Unwinding of discount	-	9,992	-	-	9,992
Balance as at 30 September	2,039	1,327,973	1,048,666	2,103,271	4,481,949

37. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in these consolidated financial statements for remuneration including all benefits to Chief Executive Officer, directors and executives of the Holding Company is as follows:

	Chief Executive Officer		Executive Directors		Non-Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Rupees in thousand)							
Managerial remuneration	10,503	9,828	6,000	6,000	-	-	81,887	66,314
Allowances								
House rent	4,726	4,423	2,400	2,400	-	-	26,716	21,542
Utilities	1,050	983	600	600	-	-	6,213	4,919
Medical	-	-	480	480	-	-	5,573	4,415
Others	-	-	-	-	-	-	1,816	2,802
Reimbursable expenses	-	24	-	275	-	-	-	76
Contribution to retirement benefits	3,711	3,472	2,120	2,120	-	-	14,252	9,923
Meeting fee	-	-	-	-	800	620	-	-
	19,991	18,730	11,600	11,875	800	620	136,457	109,991
Number of persons	1	1	1	1	6	6	32	34

371 The Chief Executive Officer, some directors and some executives of the Holding Company are provided with company maintained car, travel facilities and club membership.

37.2 Out of six directors of the Holding Company to whom the meeting fee was paid during the year, one director Mr. Jawad Amjad resigned on 24 June 2020.

38. PROVIDENT FUND RELATED DISCLOSURE

As at the reporting date, Shakarganj Limited - Employees' Provident Fund Trust is in the process of regularizing its investments in accordance with section 218 of the Companies Act, 2017 and the regulations formulated for this purpose by Securities and Exchange Commission of Pakistan which allows transition period of three years for bringing the Trust in conformity with the requirements of the regulations.

39. NUMBER OF EMPLOYEES

	2020	2019
Number of employees as on 30 September	2 001	2 193
Average number of employees during the year	2 009	2 221

40. RELATED PARTY DISCLOSURES

The related parties comprise of associated companies, key management personnel and post employment benefit plans. The Group in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties along with basis of relationship, other than those which have been specifically disclosed elsewhere in these financial statements are as follows:

Name of Related Party	Basis of Relationship	Nature of transactions	2020 (Rupees in thousand)	2019 (Rupees in thousand)
Associated companies				
Crescent Steel and Allied Products Limited (CSAPL)	Associate due to shareholding by CSAPL in the Holding Company of 21.93% (2019: 21.93%)	Purchase of goods	257,469	196,895
		Common expenses shared	14,274	13,135
		Sale of goods and rendering of services	261,907	184,094
		Guest house rent and utilities expenses	4,072	3,990
		Dividend income	-	180
Premier Insurance Limited	Common directorship	Insurance expense	8,314	10,257
BankIslami Pakistan Limited	Subsidiary's associate	Short term borrowings received / (repaid) - net	375,000	(50,000)
		Mark-up expense	55,930	60,807
		Ijarah rentals	9,454	13,215
		Long term financing repaid	66,667	151,333
		Long term financing obtained	-	280,000
Other related parties				
Post employment benefit plans	Employees' Provident Fund Trust, Gratuity Fund and Pension Fund	Expense charged in respect of:		
		Employees' Provident Fund Trust	7,108	9,797
		Pension Fund	14,117	13,876
		Gratuity Fund	6,310	4,306
		Other transactions with Gratuity Fund and Pension Fund		
		- Funds received	410,975	416,215
		- Funds repaid	410,975	416,215
		- Mark-up expense	44,603	48,870

40.1 Detail of compensation to key management personnel comprising of Chief Executive Officer, directors and executives is disclosed in Note 37.

		2020	2019
41. PLANT CAPACITY AND ACTUAL PRODUCTION			
a) Holding Company - Shakarganj Limited			
Sugar			
Jhang			
Rated crushing capacity	(MT / day)	10 000	10 000
On the basis of 104 days (2019: 77 days)	(MT)	1040 000	770 000
Actual sugarcane crushed	(MT)	497 156	226 738
Bhone			
Rated crushing capacity	(MT / day)	6 000	6 000
On the basis of 102 days (2019: 83 days)	(MT)	612 000	498 000
Actual sugarcane crushed	(MT)	387 568	258 024
The low crushing was due to low quality sugarcane.			
Biofuel			
Jhang			
Rated production capacity	(Litres / day)	150 000	150 000
On the basis of average number of 69 days (2019: 108 days) working	(Litres)	10 350 000	16 150 000
Actual production	(Litres)	9 816 686	14 450 368
Bhone			
Rated production capacity	(Litres / day)	200 000	200 000
On the basis of average number of Nil days (2019: 4 days) working	(Litres)	-	750 000
Actual production	(Litres)	-	713 838
Major reason for low production was due to non-availability of raw material at feasible prices.			
Textile			
Capacity (converted in 20s counts)	(Kg)	9 198 418	9 198 418
Actual production (converted in 20s counts)	(Kg)	3 102 521	8 850 689
The actual production was low due to COVID-19 pandemic lockdown and high prices of raw materials.			
b) Subsidiary Company - Shakarganj Food Products Limited			
Dairy segment			
Ultra Heat Treated Packed Milk, Juice and Cream			
Rated processing capacity on the basis of 354 days (2019: 353 days)	(Litres)	422 781 120	381 821 040
Actual milk, juice and cream processed	(Litres)	187 509 058	222 838 284
Desi Ghee			
Rated production capacity on the basis of 354 days (2019: 353 days)	(Kg)	531 000	353 000
Actual desi ghee produced	(Kg)	98 745	113 041
Juice segment			
Fruit Pulps and Concentrate Juices			
Rated production capacity on the basis of 36 days (2019: 102 days)	(Kg)	5 740 000	5 465 600
Actual fruit processed	(Kg)	578 244	2 231 991

Under utilization of production / processing capacities was due to limited sales orders.

42. SEGMENTS INFORMATION

	Sugar 2020	Sugar 2019	Biofuel 2020	Biofuel 2019	Dairy 2020	Dairy 2019	Juice 2020	Juice 2019	Textile 2020	Textile 2019	Farms 2020	Farms 2019	Others 2020	Others 2019	Elimination Of Inter-Segment Transactions 2020	Elimination Of Inter-Segment Transactions 2019	Total - Group 2020	Total - Group 2019
	(Rupees in thousand)																	
Revenue																		
External	4,772,356	2,619,842	747,402	1,924,133	15,286,656	16,402,210	96,767	185,798	507,803	1,382,945	13,141	14,130	-	503	-	-	21,424,125	22,529,561
Inter segment	1,127,092	797,125	31,743	80,065	-	-	86,377	95,362	-	-	34,303	33,115	-	-	(1,279,515)	(1,005,667)	-	-
	5,899,448	3,416,967	779,145	2,004,198	15,286,656	16,402,210	183,144	281,160	507,803	1,382,945	47,444	47,245	-	503	(1,279,515)	(1,005,667)	21,424,125	22,529,561
Cost of sales	(6,445,818)	(3,783,023)	(874,879)	(1,687,347)	(14,015,118)	(14,373,039)	(223,683)	(239,452)	(540,996)	(1,375,864)	(43,825)	(31,177)	-	(1,058)	1,279,515	1,005,667	(20,864,804)	(20,485,293)
Gross (loss) / profit	(546,370)	(366,056)	(95,734)	316,851	1,271,538	2,029,171	(40,539)	41,708	(33,193)	7,081	3,619	16,068	-	(555)	-	-	559,321	2,044,268
Distribution cost	(13,445)	(8,543)	(51,890)	(125,957)	(1,711,663)	(1,769,758)	(7,821)	(4,567)	(1,341)	(3,199)	-	-	-	-	-	-	(1,786,160)	(1,912,024)
Administrative expenses	(252,573)	(174,021)	(33,566)	(102,171)	(156,320)	(135,603)	-	-	(33,212)	(33,533)	(1,008)	(1,425)	-	(26)	-	-	(476,680)	(446,779)
(Loss) / profit before taxation and unallocated expenses / income	(812,388)	(548,620)	(181,190)	88,723	(596,445)	123,810	(48,360)	37,141	(67,746)	(29,651)	2,611	14,643	-	(581)	-	-	(1,703,519)	(314,535)
Unallocated expenses / income:																		
Other expenses																	(39,440)	(38,533)
Other income																	837,830	96,298
Finance cost																	(755,020)	(512,903)
Taxation																	399,702	(47,576)
Loss after taxation																	(1,260,447)	(817,249)

	Sugar 2020	Sugar 2019	Biofuel 2020	Biofuel 2019	Dairy 2020	Dairy 2019	Juice 2020	Juice 2019	Textile 2020	Textile 2019	Farms 2020	Farms 2019	Others 2020	Others 2019	Total - Group 2020	Total - Group 2019
	(Rupees in thousand)															
42.1 Reconciliation of reportable segment assets and liabilities:																
Total assets for reportable segments	7,007,614	7,350,227	2,225,377	2,061,537	9,104,055	10,025,732	766,549	716,835	447,340	464,900	823,504	833,598	-	-	20,374,439	21,452,829
Unallocated assets															475,633	564,874
Total assets as per consolidated statement of financial position															20,850,072	22,017,703
Total liabilities for reportable segments	3,994,335	3,218,757	1,369,828	1,798,633	6,594,715	6,234,987	186,031	594,669	258,307	184,451	18,085	13,865	-	-	12,421,301	12,045,362
Unallocated liabilities															31,276	217,737
Total liabilities as per consolidated statement of financial position															12,452,577	12,263,099

42.2 Geographical information

The Company's segment wise revenue from external customers as per geographical locations is detailed below:

	Sugar 2020	Sugar 2019	Biofuel 2020	Biofuel 2019	Dairy 2020	Dairy 2019	Juice 2020	Juice 2019	Textile 2020	Textile 2019	Farms 2020	Farms 2019	Others 2020	Others 2019	Total - Group 2020	Total - Group 2019
Europe	9,355	26,101	-	113,382	-	-	30,816	22,096	-	-	-	-	-	-	40,171	161,579
Africa	-	-	-	38,450	-	-	-	-	-	-	-	-	-	-	-	38,450
Asia	4,956	9,092	563,151	1,680,142	69,869	-	11,262	-	-	-	-	-	-	-	649,238	1,689,234
Pakistan	4,758,045	2,584,649	184,251	92,159	15,216,787	16,402,210	54,689	163,702	507,803	1,382,945	13,141	14,130	-	503	20,734,716	20,640,298
	4,772,356	2,619,842	747,402	1,924,133	15,286,656	16,402,210	96,767	185,798	507,803	1,382,945	13,141	14,130	-	503	21,424,125	22,529,561

42.3 All non-current assets of the Group as at reporting dates are located and operating in Pakistan.

42.4 The Group's revenue is earned from a large mix of customers.

43. INTERESTS IN OTHER ENTITY

Non-Controlling Interest (NCI)

Set out below is summarized financial information for Shakarganj Food Products Limited - Subsidiary Company that has non-controlling interest which is material to the Group. The amounts disclosed for Subsidiary Company are before inter-company eliminations.

	2020	2019
	(Rupees in thousand)	
Summarized statement of financial position		
Current assets	2,772,705	3,135,481
Current liabilities	(5,767,903)	(5,048,414)
Net current liabilities	(2,995,198)	(1,912,933)
Non-current assets	7,834,405	7,836,557
Non-current liabilities	(1,795,651)	(2,006,583)
Net non-current assets	6,038,754	5,829,974
Net assets	3,043,556	3,917,041
Accumulated non-controlling interest	1,449,037	1,864,903
Summarized statement of comprehensive income		
Revenue	15,383,420	16,588,008
(Loss) / profit for the year	(885,568)	105,115
Other comprehensive income	12,083	1,009,971
Total comprehensive (loss) / income	(873,485)	1,115,086
(Loss) / profit allocated to non-controlling interest	(421,619)	50,045
Total comprehensive (loss) / income allocated to non-controlling interest	(415,866)	530,892
Summarized cash flows		
Cash flows from operating activities	447,321	2,411,785
Cash flows used in investing activities	(252,394)	(2,945,467)
Cash flows (used in) / from financing activities	(303,601)	648,715
Net (decrease) / increase in cash and cash equivalents	(108,674)	115,033

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out by the finance department of the Subsidiary Company under the policies approved by its Board of Directors, while the risk management of the Holding Company is carried out by its Board of Directors. The Board of each Group Company provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies. The Company is not exposed to any currency risk at statement of financial position date as it doesn't have any outstanding balance in foreign currency.

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Group's exposure to currency risk was as follows:

	2020	2019
Trade debts - USD	54,587	-
Following significant exchange rates were applied during the year:		
Rupees per US Dollar		
Average rate	160.30	-
Reporting date rate	165.68	-

Sensitivity analysis

If the functional currency, at reporting date, had weakened / strengthened by 5% against the USD with all other variables held constant, the impact on loss after taxation for the year would have been Rupees 0.452 million lower / higher (2019: Rupees Nil) mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis. In management's opinion, the sensitivity analysis is unrepresentative of inherent currency risk as the year end exposure does not reflect the exposure during the year.

(ii) Other price risk

Other price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Group is not exposed to commodity price risk.

Sensitivity analysis

The table below summarizes the impact of increase / decrease in the Pakistan Stock Exchange Limited (PSX) Index on the Group's equity (fair value reserve of FVTOCI investments). The analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables of FVTOCI instruments held constant and all the Group's equity instruments moved according to the historical correlation with the index:

Index	Impact on statement of other comprehensive income (fair value reserve)	
	2020	2019
	(Rupees in thousand)	
PSX 100 (5% increase)	661	391
PSX 100 (5% decrease)	(661)	(391)

Equity (fair value reserve) would increase / decrease as a result of gains / losses on equity investments classified as FVTOCI.

(iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's interest rate risk arises from long term financing, lease liabilities, short term borrowings, long term loans, advances and deposits and deposit in saving accounts. Financial instruments at variable rates expose the Group to cash flow interest rate risk. Financial instruments at fixed rate expose the Group to fair value interest rate risk.

At the reporting date, the interest rate profile of the Group's interest bearing financial instruments was:

	2020	2019
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Long term loan to SNGPL	2,496	4,992
Financial liabilities		
Long term financing	153,756	-
Floating rate instruments		
Financial assets		
Bank balances - saving accounts	116,212	66,240
Financial liabilities		
Long term financing	1,019,413	1,176,411
Short term borrowings	1,752,294	1,668,194

Fair value sensitivity for fixed rate instruments

The Group 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 of the Group.

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, loss after taxation for the year would have been Rupees 26.555 million (2019: Rupees 27.784 million) higher / lower mainly as a result of higher / lower interest expense / income on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments outstanding at reporting dates were outstanding for the whole year.

(b) 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	2019
	(Rupees in thousand)	
Investments	13,223	7,810
Trade debts	275,787	154,993
Loans and advances	66,968	52,711
Deposits	69,918	66,157
Prepayments and other receivables	3,811	11,638
Bank balances	329,180	511,399
	758,887	804,708

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

The Group's exposure to credit risk and allowance for expected credit losses related to trade debts is disclosed in Note 23.

The credit quality of Group's bank balances can be assessed with reference to external credit ratings as follows:

Banks	Rating Short term	Long term	Rating Agency	2020	2019
				(Rupees in thousand)	
Conventional accounts					
Allied Bank Limited	A1+	AAA	PACRA	530	30
Bank Alfalah Limited	A1+	AA+	PACRA	4,685	24,590
Habib Bank Limited	A-1+	AAA	VIS	94,625	109,753
MCB Bank Limited	A1+	AAA	PACRA	78,973	58,575
National Bank of Pakistan	A-1+	AAA	VIS	3,876	38,008
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	29	30
Askari Bank Limited	A1+	AA+	PACRA	13	214
The Bank of Punjab	A1+	AA	PACRA	3	46
United Bank Limited	A-1+	AAA	VIS	61,764	228,852
				244,498	460,098

Banks	Rating Short term	Long term	Rating Agency	2020	2019
				(Rupees in thousand)	
BankIslami Pakistan Limited	A1	A+	PACRA	77,200	51,107
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	152	152
Meezan Bank Limited	A-1+	AA+	VIS	6,064	4
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	71	9
Silkbank Limited	A-2	A-	VIS	27	29
The Bank of Khyber	A-1	A	VIS	1,060	-
MCB Islamic Bank Limited	A1	A	PACRA	108	-
				329,180	511,399

Due to the Group's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Accordingly, the credit risk is minimal.

(c) Liquidity risk

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

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At 30 September 2020, the Group had Rupees 2,122.210 million (2019: Rupees 2,156.806 million) available borrowing limits from financial institutions and Rupees 330.012 million (2019: Rupees 514.289 million) cash and bank balances. Management believes the liquidity risk to be low. Followings are the contractual maturities of financial liabilities, including interest payments. The amounts disclosed in the tables are undiscounted cash flows.

Contractual maturities of financial liabilities as at 30 September 2020:

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	More than one year
	---------------------------- Rupees in thousand ----------------------------				
Non-derivative financial liabilities:					
Long term financing	1,346,880	1,498,801	84,400	263,433	1,150,968
Lease liabilities	799,654	980,358	114,879	114,879	750,600
Trade and other payables	5,651,097	5,651,097	5,651,097	-	-
Unclaimed dividend	1,954	1,954	1,954	-	-
Accrued mark-up	96,846	96,846	96,846	-	-
Short term borrowings	1,764,892	1,797,952	1,797,952	-	-
	9,661,323	10,027,008	7,747,128	378,312	1,901,568

Contractual maturities of financial liabilities as at 30 September 2019:

Non-derivative financial liabilities:

Long term financing	1,466,403	1,481,411	267,393	200,727	1,013,291
Liabilities against assets subject to finance lease	1,048,666	1,242,622	242,784	242,784	757,054
Trade and other payables	4,644,850	4,644,850	4,644,850	-	-
Unclaimed dividend	2,039	2,039	2,039	-	-
Accrued mark-up	119,385	119,385	119,385	-	-
Short term borrowings	2,103,271	2,103,271	2,103,271	-	-
	9,384,614	9,593,578	7,379,722	443,511	1,770,345

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates / mark-up rates effective as at 30 September. The rates of interest / mark-up have been disclosed in Note 6, Note 7, Note 8 and Note 11 to these consolidated financial statements.

44.2 Financial instruments by categories

	2020			2019		
	At amortized cost	At FVTOCI	Total	At amortized cost	At FVTOCI	Total
	---------------------------- Rupees in thousand ----------------------------					
Assets as per consolidated statement of financial position						
Investments	-	13,223	13,223	-	7,810	7,810
Loans and advances	66,968	-	66,968	52,711	-	52,711
Deposits	69,918	-	69,918	66,157	-	66,157
Prepayments and other receivables	3,811	-	3,811	11,638	-	11,638
Trade debts	275,787	-	275,787	154,993	-	154,993
Cash and bank balances	330,012	-	330,012	514,289	-	514,289
	746,496	13,223	759,719	799,788	7,810	807,598

	At Amortized Cost	
	2020	2019
	(Rupees in thousand)	
Liabilities as per consolidated statement of financial position		
Long term financing	1,346,880	1,466,403
Lease liabilities	799,654	-
Liabilities against assets subject ton finance lease	-	1,048,666
Short term borrowings	1,764,892	2,103,271
Trade and other payables	5,651,097	4,644,850
Accrued mark-up	96,846	119,385
Unclaimed dividend	1,954	2,039
	9,661,323	9,384,614

44.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends to be paid to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as borrowings divided by total capital employed. Borrowings represent long term financing, lease liabilities and short term borrowings obtained by the Group as referred in Note 6, 8 and 11 respectively. Total capital employed includes 'total equity' as shown in the consolidated statement of financial position plus 'borrowings'.

		2020	2019
Borrowings	Rupees in thousand	3,919,871	4,479,910
Total equity	Rupees in thousand	8,397,495	9,754,604
Total capital employed	Rupees in thousand	12,317,366	14,234,514
Gearing ratio	Percentage	31.82	31.47

45. RECOGNIZED FAIR VALUE MEASUREMENTS - FINANCIAL INSTRUMENTS

(i) Fair value hierarchy

Judgements and estimates are made in determining the fair values of the financial instruments that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into following three levels. An explanation of each level follows underneath the table:

Recurring fair value measurements	Level 1	Level 2	Level 3	Total
	--------------Rupees in thousand--------------			
Financial assets				
At 30 September 2020				
At fair value through other comprehensive income	13,223	-	-	13,223
At 30 September 2019				
At fair value through other comprehensive income	7,810	-	-	7,810

The above table does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amounts are a reasonable approximation of fair value. Due to the short term nature, carrying amounts of certain financial assets and financial liabilities are considered to be the same as their fair value. For the majority of the non-current receivables, the fair values are also not significantly different to their carrying amounts.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further there was no transfer out of level 3 measurements.

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation technique used to determine fair values

Specific valuation technique used to value financial instruments include the use of quoted market prices for listed securities.

46. RECOGNIZED FAIR VALUE MEASUREMENTS - NON-FINANCIAL ASSETS

(i) Fair value hierarchy

The judgements and estimates are made for the non-financial assets that are recognized and measured at fair value in these consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets into the following three levels.

	Level 1	Level 2	Level 3	Total
	---------Rupees in thousand----------			
At 30 September 2020				
Freehold land	-	2,782,207	-	2,782,207
Building	-	1,514,564	-	1,514,564
Plant and machinery	-	11,429,878	-	11,429,878
Biological assets	-	17,601	22,191	39,792
Total non-financial assets	-	15,744,250	22,191	15,766,441
At 30 September 2019				
Freehold land	-	2,785,207	-	2,785,207
Building	-	1,605,656	-	1,605,656
Plant and machinery	-	11,178,518	-	11,178,518
Biological assets	-	13,909	32,407	46,316
Total non-financial assets	-	15,583,290	32,407	15,615,697

The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year. Further, there was no transfer in and out of level 3 measurements.

(ii) Valuation techniques used to determine level 2 fair values

The Group obtains independent valuation for its freehold land, building, plant and machinery at least after every three years. The management updates the assessment of the fair value of property, plant and equipment taking into account the most recent independent valuation. The management determines the value of these assets within a range of reasonable fair value estimates. The best evidence of fair value of land is current prices in an active market for similar lands. The best evidence of fair value of building is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the new construction / replacement value of the same building. The best evidence of fair value of plant and machinery is to calculate fair depreciated market value by applying an appropriate annual rate of depreciation on the value of new plant and machinery of the same specifications. The fair value of standing crops is based on the support price fixed by the Government and other factors such as estimated crop yield and area under cultivation. The fair value of livestock is estimated on the basis of market prices of livestock of similar age, breed and genetic merit.

Valuation processes

The Group engages external, independent and qualified valuer to determine the fair value of the Group's freehold land, building, plant and machinery after three years. The fair value of these assets has been determined by independent valuers Messrs Tristar International Consulting (Private) Limited, Messrs Saleem Engineers and Messrs Surval on 27 September 2018, on 09 April 2018 and on 30 September 2019 respectively. The fair value of biological assets are determined by the related experts keeping in view the current market conditions and other salient factors.

47. CORRESPONDING FIGURES

As the consolidated financial statements have been prepared for the first time, therefore the corresponding figures have been consolidated for the first time for the previous year presented.

48. DATE OF AUTHORIZATION

These consolidated financial statements were authorized for issue on 04 January 2021 by the Board of Directors.

49. GENERAL

Figures have been rounded off to the nearest thousand of Rupees unless otherwise stated.

Chief Executive Officer	Director	Chief Financial Officer

PATTERN OF SHAREHOLDING

Form - 34

THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018 [Section 227(2)(f)]

Part-I

1.1 Name of The Company   Shakarganj Limited

Part-II

2.1 Pattern of Holding of the Shares held by the Shareholders as at : 30 September 2020

2.2 No. of Shareholders	Shareholding From	Shareholding To	Total shares held
449	1	100	12,766
344	101	500	106,746
228	501	1,000	177,529
331	1,001	5,000	746,697
67	5,001	10,000	463,945
23	10,001	15,000	271,458
11	15,001	20,000	197,504
11	20,001	25,000	249,024
7	25,001	30,000	191,845
4	30,001	35,000	135,369
3	35,001	40,000	117,164
4	40,001	45,000	165,633
4	45,001	50,000	185,849
3	50,001	55,000	155,839
5	55,001	60,000	285,409
2	60,001	65,000	125,041
3	65,001	70,000	200,120
8	70,001	75,000	587,105
2	75,001	80,000	153,752
1	80,001	85,000	84,504
3	85,001	90,000	262,959
1	95,001	100,000	95,146
2	100,001	105,000	202,372
3	105,001	110,000	326,852
1	110,001	115,000	113,636
4	115,001	120,000	472,797
1	120,001	125,000	120,861
1	130,001	135,000	133,178
1	140,001	145,000	142,017
1	160,001	165,000	164,772
1	175,001	180,000	175,230
1	185,001	190,000	189,501
1	195,001	200,000	198,863
1	220,001	225,000	223,140

No. of Shareholders	Shareholding From	To	Total shares held
2	250,001	255,000	504,552
1	255,001	260,000	257,349
1	260,001	265,000	263,700
1	275,001	280,000	279,000
1	295,001	300,000	297,727
1	320,001	325,000	320,454
1	655,001	660,000	657,754
1	665,001	670,000	667,500
1	740,001	745,000	743,980
1	770,001	775,000	772,727
1	785,001	790,000	788,611
1	915,001	920,000	916,582
1	965,001	970,000	968,463
1	1,130,001	1,135,000	1,132,600
1	1,375,001	1,380,000	1,375,427
1	2,035,001	2,040,000	2,035,600
1	5,090,001	5,095,000	5,090,908
1	5,305,001	5,310,000	5,306,818
1	6,660,001	6,665,000	6,660,137
1	7,050,001	7,055,000	7,051,136
1	7,600,001	7,605,000	7,602,272
1	8,380,001	8,385,000	8,384,754
1	9,015,001	9,020,000	9,019,690
1	11,290,001	11,295,000	11,290,721
1	17,765,001	17,770,000	17,767,840
1	27,405,001	27,410,000	27,409,075
1,559			125,000,000

2.3	Categories of Shareholder	Share held	Percentage
2.3.1	- Directors, CEO, Their Spouse and Minor Childern	6,321,821	5.06
2.3.2	- Associated Companies, Undertakings & Related Parties	46,435,922	37.15
2.3.3	- NIT & ICP	6,660,137	5.33
2.3.4	- Banks, DFIs, NBFCs	106,854	0.09
2.3.5	- Insurance Companies	8	0.00
2.3.6	- Modarabas and Mutual Funds	453	0.00
2.3.8	- A. General Public (Local)	24,024,323	19.22
2.3.9	- A. Other Companies (Local)	41,450,266	33.16
2.3.9	- B. Other Companies (Foreigner)	216	0.00
		125,000,000	100.00

Shareholders More Than 10.00%

M/S. CRESCENT STEEL AND ALLIED PRODUCTS LIMITED	27,409,075	21.93
M/S. MASOOD FABRICS LIMITED	17,767,840	14.21

NOTICE OF 53rd ANNUAL GENERAL MEETING

Notice is hereby given that the 53rd Annual General Meeting ("AGM") of shareholders of Shakarganj Limited (the "Company") will be held on Thursday, 28 January 2021 at 11:00 a.m through video-link to transact the following Ordinary Business::

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Consolidated and Unconsolidated Annual Financial Statements of the Company for the year ended 30 September 2020.

2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of M/s. Riaz Ahmad & Company, Chartered Accountants for re-appointment as auditors of the Company.

By Order of the Board

Asif Ali
Company Secretary

Lahore: : 04 January 2021

NOTES:

In view of the SECP instructions due to Pandemic Covid19, the AGM will be conducted virtually via video link for safety and well-being of the shareholders of the Company and general public. The AGM can be attended using smart phones/tablets/computers. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through WhatsApp at 0300-0801554 or email at asif.malik@shakarganj.com.pk by 26 January 2021.

Name of member	CNIC No.	CDC Account No/Folio No.	Cell Number.	Email address

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

The shareholders who wish to send their comments/ suggestions on the agenda of the AGM can email the Company at asif.malik@shakarganj.com.pk or WhatsApp at 0300-0801554. The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

Book Closure and Proxies:

The Share Transfer Books of the Company will remain closed from 21 January 2021 to 28 January 2021 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 January 2021, will be treated in time for the entitlement to attend, speak and vote at the AGM.

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her and a proxy so appointed shall have the same rights, as respects attending, speaking and voting at the AGM as are available to the members. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form. A Proxy must be a member of the Company.

The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting. Proxy Forms, in English and Urdu languages, have been dispatched to the members along with the notice of AGM.

CNIC/IBAN for E-Dividend Payment:

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company. In case of non-submission, all future dividend payments may be withheld.

Zakat Declarations:

The members of the Company are required to submit Declarations for Zakat exemption to the Company in terms of Zakat and Ushr Ordinance, 1980.

Circulations of Annual Reports through CD/DVD/USB/ Email

The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intend to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.shakarganj.com.pk.

Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s Corptec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any.

Placement of Financial Statements

The Company has placed the Annual Report containing, notice of Annual General Meeting, Audited Consolidated and Unconsolidated Annual Financial Statements for the year ended 30 September 2020 along with Auditors and Directors Reports thereon and Chairman's Review on its website: www.shakarganj.com.pk

کرنے کیلئے سی ڈی ایس پارٹیسپنٹس کو مہیا کی جانی چاہئیں۔ جمع نہ کروانے کی صورت میں، آئندہ کے تمام منافع کی ادائیگی روکی جاسکتی ہے۔

زکوۃ ڈیکلیریشن

کمپنی کے ارکان کو زکوۃ اینڈ عشر آرڈیننس 1980 کی شرائط میں زکوۃ ایگزیمپشن کے لئے کمپنی کے ہاں ڈیکلیریشن جمع کرانا ضروری ہے۔

مالی حسابات کی ترسیل بذریعہ سی ڈی / ڈی وی ڈی/یو ایس بی

حصص داران جو مذکورہ بالا دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکرٹری رشیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹسز بذریعہ ای میل بھی وصول کرنا چاہتے ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ :www.shakarganj.com.pk پر بھی دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

ان کلیم ڈیویڈنڈ اور بونس شیئرز

حصص داران کے ان کلیم ڈیویڈنڈز، جو کسی وجہ سے اپنے ڈیویڈنڈ یا بونس شیئرز کلیم نہیں کرسکے یا اپنے مادی حصص حاصل نہیں کرسکے تھے، اگر کوئی ہوں، سے التماس ہے کہ ہمارے شیئر رجسٹرار میسرز کارپ لنک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 503-E، جوہر ٹاؤن لاہور سے اپنے ان کلیم ڈیویڈنڈ، اگر کوئی ہوں، کے بارے دریافت رحاصل کرنے کے لئے رابطہ کریں۔

مالی حسابات کی پلیسمنٹ

کمپنی 30 ستمبر 2019ء مختتمہ سال کیلئے نظرثانی شدہ جداگانہ اور مربوط سالانہ مالی حسابات معہ ان پر آڈیٹران اور ڈائریکٹران کی رپورٹس اور چیئرمین کی جائزہ رپورٹ اپنی ویب سائٹ www.shakarganj.om.pk پر رکھ چکی ہے۔

اطلاع 53 واں سالانہ اجلاسِ عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ شکر گنج لمیٹڈ (کمپنی) کے حصص داران کا 53 واں سالانہ اجلاس ویڈیو لنک کے ذریعے 28 جنوری 2021ء کو صبح 11:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1۔ 30 ستمبر 2020ء کو **مختتمہ** سال کیلئے کمپنی کے نظر ثانی شدہ جداگانہ اور مربوط سالانہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس، چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظور کرنا۔

2۔ کمپنی کے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ ارکان کو بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کی حیثیت سے مقرر کرنے کی سفارش کی ہے۔

لاہور	**بحکم بورڈ**
مورخہ 04 جنوری 2021ء	آصف علی
	کمپنی سیکرٹری

نوٹ:

وبائی مرض COVID-19 کی وجہ سے ایس ای سی پی کی ہدایات کے پیشِ نظر، کمپنی کے حصص یافتگان اور عام لوگوں کی حفاظت اور فلاح و بہبود کے لئے ویڈیو لنک کے ذریعہ اے جی ایم کو عملی طور پر انجام دیا جائے گا۔ سمارٹ فونز/ ٹیبلیٹ/ کمپیوٹر کا استعمال کرتے ہوئے اے جی ایم میں شرکت کی جا سکتی ہے۔ ویڈیو لنک کے ذریعے اجلاس میں شرکت کے لئے ممبران اور ان کے پراکسیز سے درخواست ہے کہ وہ 26 جنوری 2021 تک 0300-0801554 پر واٹس اپ یا asif.malik@shakarganj.com.pk پر ای میل کے ذریعے اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (دونوں اطراف)/ پاسپورٹ، بورڈ ریزولوشن/ پاور آف اٹارنی کی تصدیق شدہ کاپی (کارپوریٹ شیئر ہولڈرز کی صورت میں) کے ساتھ مندرجہ ذیل معلومات فراہم کر کے اپنا اندراج کریں۔

ممبر کا نام	شناختی کارڈ نمبر	CDC اکاؤنٹ نمبر/فولیو نمبر	موبائل نمبر	ای میل ایڈریس

ضروری تصدیق کے بعد رجسٹرڈ ہونے والے ممبروں کو کمپنی کے ذریعہ ای میل ایڈریس پر ایک ویڈیو لنک فراہم کیا جائے گا جس کے ساتھ وہ کمپنی کو ای میل کرتے ہیں۔ لاگ ان کی سہولت میٹنگ کے آغاز سے اس کی کارروائی مکمل ہونے تک کھلی رہے گی۔

جو شیئر ہولڈرز اے جی ایم کے ایجنڈے پر اپنے تاثرات/تجاویز بھیجنا چاہتے ہیں وہ کمپنی کو asif.malik@shakarganj.com.pk پر ای میل یا 0300-0801554 پر واٹس ایپ کر سکتے ہیں۔ کمپنی اس بات کو یقینی بنائے گی کہ شیئر ہولڈرز کے تبصرے/ مشورے میٹنگ میں پڑھ کر سنائے جائیں گے اور جوابات کو میٹنگ کے منٹس کا حصہ بنایا جائے گا۔

کتابوں کی بندش اور پراکسیز:

کمپنی کی حصص منتقلی کتابیں 22 جنوری 2021ء تا 28 جنوری 2021ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار دفتر میسرز کارپ لنک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ E-503 جوہر ٹاؤن لاہور پر 21 جنوری 2021ء کو کاروبار کے اختتام تک موصولہ **منتقلیاں** سالانہ اجلاس عام (AGM) میں شرکت کے استحقاق کیلئے بروقت تصور ہونگی۔

اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے دیگر ممبر کو بطور پراکسی مقرر کر سکتا ہے۔ اور مقرر کردہ پراکسی کے بھی وہی حقوق ہوں گے، جیسا کہ AGM میں شرکت، بولنے اور ووٹ ڈالنے کے احترام کے طور پر ممبران کو دستیاب ہیں۔ پراکسی فارم کی گواہی دو افراد دیں گے، جن کے نام، پتے اور CNIC نمبرز کا فارم پر ذکر کیا جائے گا۔ پراکسی لازماً کمپنی کا ممبر ہونا چاہیے۔

پراکسی تقرری کے آلات اور مختار نامہ یا دیگر اختیارتی جس کے تحت یہ دستخط شدہ ہے یا مختار نامہ کی نوٹری مصدقہ کاپی کمپنی کے رجسٹرڈ دفتر پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرائی جانی چاہیے۔ اے جی ایم کے نوٹس کے ساتھ، انگریزی اور اردو زبانوں میں، پراکسی فارم ارکان کو روانہ کر دیے گئے ہیں۔

ای ڈیویڈینڈ ادائیگی کے لئے IBAN / CNIC

کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پرویژنز کے مطابق فہرستی کمپنیوں کیلئے ضروری ہے کہ کوئی منافع منقسمہ قابل ادا نقد صورت میں فقط الیکٹرونک موڈ کے ذریعے براہ راست مستحق حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائیگا۔ اس کے مطابق، مادی حصص کے مالک حصص داران سے درخواست ہے درج بالا پتہ پر کمپنی کے شیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیویڈینڈ فارم پر الیکٹرونک ڈیویڈینڈ مینڈیٹ فراہم کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، یہ معلومات اپ ڈیٹنگ اور کمپنی کو ارسال

ڈائریکٹرز کی مجتمع رپورٹ

شکرگنج لمیٹڈ کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے گروپ کے آڈٹ شدہ مجتمع مالی حسابات کے ساتھ اپنی رپورٹ پیش کرتے میں خوشی محسوس کرتے ہیں۔ اس گروپ میں شکرگنج لمیٹڈ اور اس کی جزوی طور پر ملکیتی ماتحت ادارہ ہے جس کا نام شکرگنج فوڈ پروڈکٹس لمیٹڈ ہے۔

30 ستمبر 2020 کو ختم ہونے والے سال کے لئے شکرگنج لمیٹڈ کی کارکردگی سے متعلق تبصروں کو ڈائریکٹرز کی رپورٹ میں الگ سے پیش کیا گیا ہے۔

گروپ کے مالیاتی نتائج:

گروپ کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

	روپے ہزاروں میں	
	2020	2019
فروخت۔ خالص	21,424,125	22,529,561
مجموعی منافع	559,321	2,044,268
آپریشنز سے نقصان	(905,129)	(256,770)
قبل از ٹیکس نقصان	(1,660,149)	(769,673)
ٹیکسیشن	399,702	(47,576)
بعد از ٹیکس نقصان	(1,260,447)	(817,249)
نقصان فی شیئر۔ بنیادی اور معتدل (روپے)	(6.71)	(6.94)

ترتیب حصص داری اور حصص کی تجارت

ترتیب حصص داری اور اضافی معلومات اس رپورٹ سے منسلک ہیں۔ ڈائریکٹرز، ایگزیکٹو اوران کے زوج اور چھوٹے بچوں کی طرف سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے۔

بعد کے واقعات اور وعدے

مالی سال جس سے یہ بیلنس شیٹ متعلقہ ہے کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں وقوع پذیر اور وعدے نہیں کیے گئے ہیں۔

اظہار تشکر

ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی کمپنی کے لئے لگن اور جان نثاری کو سراہتے ہیں۔ ڈائریکٹرز حصص داران، بینکوں اور شریک تمام جماعتوں کی مسلسل دلچسپی اور حمایت کی تعریف کا اظہار کرنے میں خوشی محسوس کرتے ہیں اور امید رکھتے ہیں کہ مستقبل میں بھی یہی جذبہ غالب رہے گا۔

منجانب بورڈ

انجم محمد سلیم
چیف ایگزیکٹو آفیسر

علی الطاف سلیم
ڈائریکٹر

04 جنوری 2021ء

اظہار تشکر

ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی کمپنی کے لیے لگن اور جاں نثاری کو سراہتے ہیں۔ ڈائریکٹرز حصص داران، بینکوں اور شریک تمام جماعتوں کی مسلسل دلچسپی اور حمایت کی تعریف کا اظہار کرنے میں خوشی محسوس کرتے ہیں اور امید رکھتے ہیں کہ مستقبل میں بھی یہی جذبہ غالب رہے گا۔

منجانب بورڈ

انجم محمد سلیم
چیف ایگزیکٹو آفیسر

علی الطاف سلیم
ڈائریکٹر

04 جنوری 2021ء

ادائیگیوں، ڈیبٹ یا قرض میں نادہندگی

کمپنی واجب رقم کی بروقت واپسی کی اپنی ذمہ داری کو تسلیم کرتی ہے اور صنعت میں کامیابی حاصل کرنے والے بہترین طریقوں کی تعمیل کی جاتی ہے یہ بیان کیا گیا ہے کہ زیر جائزہ سال کے دوران کسی بھی قرض یا ڈیبٹ کی ادائیگی میں کوئی نادہندگی نہیں ہوئی۔

کاروبار کی نوعیت میں تبدیلی

کمپنی کے کاروبار کی نوعیت سے متعلق مالی سال کے دوران کوئی تبدیلی نہیں ہوئی ہے۔

متعلقہ پارٹی کے معاملات

آڈٹ کمیٹی کے جائزہ اور سفارش کے بعد تمام متعلقہ پارٹی لین دین کو بورڈ کی طرف سے منظور کیا گیا ہے۔ کمپنی نے اس سالانہ رپورٹ سے منسلک اپنے مالی حسابات میں متعلقہ پارٹی معاملات کے بارے میں تفصیلی وضاحت کی ہے۔ اس طرح کا وضاحت کمپنیز ایکٹ، 2017 کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات کے مطابق ہے۔

مالی جائزہ

کمپنی کے کاموں پر COVID-19 وبائی امراض کے اثرات کے باوجود، کمپنی نے اپنی پیداواری صلاحیت کو بہتر بنانے کے لئے رواں سال کے دوران اہم مالی اور آپریشنل اقدامات کیے۔ سال کے دوران، کمپنی کی گنے کی کرشنگ گزشتہ سال کے مقابلہ میں تقریباً دوگنا تھی۔ سال کے دوران، کمپنی نے کامیابی کے ساتھ اپنی ورکنگ کیپیٹل لائنوں کی تجدید کی ہے۔ COVID-19 کے پھیلاؤ کے بعد حکومت کی جانب سے کاروباری اداروں کی مدد کے لئے کیے جانے والے اقدامات سے کمپنی کی لیکویڈیٹی پوزیشن پر بھی مثبت اثرات مرتب ہوئے ہیں کیونکہ طویل مدتی فنانسنگ کی ادائیگی ایک سال تک ملتوی کردی گئی ہے اور قلیل مدتی قرضے کے اہم حصے کی ادائیگی چھ ماہ سے ایک سال کی مدت کے لئے مؤخر کردیا گیا ہے۔ کمپنی نے اجرتوں اور تنخواہوں کی ادائیگی کے لئے اسٹیٹ بینک ری فنانس اسکیم کے تحت 165.6 ملین روپے کی سہولت بھی حاصل کی۔ بائیو فیول کی برآمدات کی بحالی اور یارن کی طلب میں اضافہ کی وجہ سے کمپنی کو اگلے سال اپنے بائیو فیول اور ٹیکسٹائل کے کاروبار میں نمایاں بہتری کی توقع ہے۔ اطلاع دہندگی کی تاریخ کے بعد، کمپنی آپریشنل لیکویڈیٹی کے لئے ورکنگ کیپیٹل فنانس کے لیے اپنے قرض دہندگان سے بات چیت کررہی ہے۔ کمپنی کیپیٹل اخراجات کے لئے 500 ملین روپے کی طویل مدتی فنانسنگ کا بھی اہتمام کررہی ہے۔ مزید برآں، آپریشنل لیکویڈیٹی کی ضروریات کو پورا کرنے کے لیے موجودہ لائنوں کے علاوہ 1,000 ملین روپے کی فریش ورکنگ کیپیٹل لائنوں کا اہتمام کیا جارہا ہے۔ کمپنی لیکویڈیٹی پوزیشن کو بہتر بنانے کے لئے اپنی پوری کوششوں کے لئے پرعزم ہے۔ کمپنی کے مالی تخمینے نقد پیداوار اور منافع میں بہتری ظاہر کرتے ہیں۔ توقع کی جارہی ہے کہ کمپنی اگلے سال میں کافی رقم کی روانی پیدا کرے گی۔ انتظامیہ کا خیال ہے کہ اٹھائے گئے اقدامات سے کمپنی کے اہداف کو پورا کرنے کے لئے اگلے سال کے دوران کارروائیوں سے کافی مالی وسائل پیدا ہوں گے۔

مستقبل کا نقطہ نظر

ہم امید کرتے ہیں کہ چونکہ پاکستان میں وفاقی اور صوبائی حکومتوں نے اس بحران کا بھرپور جواب دیا اور احتیاط سے تیار کردہ لاک ڈاؤن کو پہلے مرحلے کے دوران نافذ کیا، COVID-19 کی موجودہ لہر کو بھی اچھی طرح سے نبھایا جائے گا۔ توقع کی جارہی ہے کہ ملک کے معاشی اشارے آہستہ آہستہ مستحکم راستہ پر واپس آئیں گے اور کاروبار کے لئے احیائے کوششوں کے ساتھ، ہم اگلے مالی سال بائیو فیول کے ساتھ ساتھ مقامی کاروباری اداروں کی اپنی برآمدات کی بحالی کے لئے پرامید ہیں۔ کمپنی کی انتظامیہ صورتحال کا جائزہ لے رہی ہے اور جب بھی ممکن ہوا تو کاروبار کے تسلسل کے لیے تمام ضروری اقدامات اٹھائے گی۔ مالی سال 2021 میں، ہم توقع کرتے ہیں کہ معیاری گنے کی کرشنگ کرکے شوگر کی ریکوری میں بہتری آئے گی اور مارجن کی لاگت اور بہتری کو کنٹرول کرنے کے لئے اقدامات اٹھائے جائیں گے۔ چونکہ ہمارے ڈسٹلریز کے آپریشن کا جائزہ مستقبل قابل فہم زرخوں پر اچھے معیار کے مولاسس کی مستقل دستیابی پر منحصر ہے اور انتظامیہ بجلی لائن کے بہتر خاطر خواہ مارجن بنانے کے لئے ڈسٹلریز کو چلانے کی پوری کوشش کرے گی۔ ٹیکسٹائل ڈویژن کی کارکردگی میں بہتری کی توقع ہے کیونکہ اس بار اس رپورٹ کے لکھنے تک لاک ڈاؤن کی وجہ سے شٹ ڈاؤن نہیں ہوا ہے۔ مالی سال 2021 میں منافع بخش نتائج حاصل کرنے کے لیے انتظامیہ آپریشنل منافع اور کمپنی کی لیکویڈیٹی پوزیشن میں بہتری لانے کے لئے پرعزم ہے۔

سی ای او کی کارکردگی کی تشخیص

سال کے دوران بورڈ کی ہیومن ریسورس اینڈ ریمنریشن کمیٹی نے تشخیصی نظام پر مبنی قائم شدہ کارکردگی کے مطابق سی ای او کی کارکردگی کا تعین کیا۔ مندرجہ ذیل معیار پر تشخیصی جائزہ لیا گیا:

- ✓ **قیادت**
- ✓ **پالیسی اور حکمت عملی**
- ✓ **لوگوں کی مینجمنٹ**
- ✓ **بزنس پراسیس / مہارت**
- ✓ **گورننس اور تعمیل**
- ✓ **مالیاتی کارکردگی**
- ✓ **معاشرہ پر اثرات**

اس کے بعد، کمیٹی کی سفارش پر جائزہ کے بعد بورڈ کی طرف سے تشخیص کی منظوری دی گئی۔

ترتیب حصص داری اور حصص کی تجارت

ترتیب حصص داری اور اضافی معلومات اس رپورٹ سے منسلک ہیں۔ ڈائریکٹرز، ایگزیکٹو اور ان کے زوج اور چھوٹے بچوں کی طرف سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے۔

مالیاتی حسابات

پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ معیارات کے تحت درکار او کمپنیز ایکٹ، 2017 کی ضروریات (XIX of 2017) کے مطابق، انتظامیہ ایسے داخلی کنٹرول کے لئے مالی حسابات کی تیاری اور منصفانہ پریزنٹیشن کی اپنی ذمہ داری سے آگاہ ہے کیونکہ انتظامیہ کا تعین مالی حسابات کی تیاری کو مستحکم کرنے کے لئے ضروری ہے جس میں مواد غلطی سے پاک ہو، چاہے دھوکہ دہی یا غلطی کی وجہ سے ہو۔

چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے مالیاتی حسابات اپنے دستخطوں کے ساتھ باقاعدہ توثیق شدہ بورڈ آف ڈائریکٹرز کے غور وخوض اور منظوری کے لئے پیش کئے ہیں اور بورڈ غور وخوض اور منظوری کے بعد مالی حسابات جاری اور ترسیل کرنے کے لئے دستخط کرنے کا مجاز ہے۔ کمپنی کے مالیاتی حسابات کمپنی کے آڈیٹرز، ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی طرف سے کوالیفیکیشن کے بغیر باقاعدہ نظرثانی شدہ اور منظور شدہ ہیں اور ان کی رپورٹ مالیاتی حسابات کے ہمراہ منسلک ہے۔ ڈائریکٹرز چیف ایگزیکٹو کے جائزہ اور اس سالانہ رپورٹ کے مواد کی تصدیق کرتے ہیں اور وکمپنیز ایکٹ 2017ء کی دفعہ 227 کی شرائط اور مندرجہ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضابطے 2017 کے مطابق ڈائریکٹرز رپورٹ کا لازمی حصہ بنے گا۔

ڈیویڈینڈ اور کیری فارورڈ

مجموعی نقصانات، حتمی موجودہ تناسب کو مدنظر رکھتے ہوئے، ڈائریکٹرز نے 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے۔۔۔ ڈیویڈینڈ کی ادائیگی کی سفارش کی ہے۔ اس کے علاوہ۔۔۔ رقم عام ریزرو یا کسی بھی دیگر ریزرو فنڈز اکاؤنٹ میں آگے بھیجی جا رہی ہے۔

بعد کے واقعات

مالی سال جس سے یہ بیلنس شیٹ متعلقہ ہے کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں وقوع پذیر اور وعدے نہیں کئے گئے ہیں۔

بورڈ نے حسب ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں:

نام کمیٹی	نام ارکان اور چیئرمین	تعداد حاضری
آڈٹ کمیٹی	جناب شیخ عاصم رفیق (چیئرمین)	4
	جناب خالد بشیر	3
	محترمہ زہرا احسان سلیم	1
	جناب جاوید انجم	-
	آؤٹ گوئنگ ڈائریکٹرز	
	جناب محمد انیس (09 دسمبر 2020 کو ریٹائر ہوئے)	1
	محترمہ ہاجرہ احسان سلیم (31 مئی 2020 کو ریٹائر ہوئیں)	3
	جناب خواجہ جلال الدین (31 مئی 2020 کو ریٹائر ہوئے)	3
ہیومن ریسورس اینڈ ریمنریشن کمیٹی	محترمہ زہرا احسان سلیم (چیئرپرسن)	-
	جناب میاں محمد انور	1
	جناب خالد بشیر	1
	جناب انجم محمد سلیم	1

بورڈ کی عارضی آسامیاں جب جب خالی ہوئیں، پوری کی گئیں۔ ڈائریکٹرز کے الیکشن کے بعد، بورڈ نے 08 جون 2020 کو منعقدہ اپنی 192 ویں میٹنگ میں متفقہ طور پر جناب انجم محمد سلیم کو چیف ایگزیکٹو آفیسر اور جناب علی الطاف سلیم کو 31 مئی 2023 تک تین سال کی مدت کے لئے ڈپٹی چیف ایگزیکٹو آفیسر مقرر کیا۔ تاہم، سالانہ بنیاد پر 10% کی شرح سے نارمل اضافے کے سوا چیف ایگزیکٹو آفیسر کے معاوضے میں کوئی تبدیلی نہیں ہوئی۔

بورڈ آف ڈائریکٹرز کی طرف سے حد کے مطابق جائزہ لیا گیا، کمپنی کے تمام محکموں کے سربراہ "ایگزیکٹوز" تصور کیے جائیں گے۔

نان ایگزیکٹو اور آزاد ڈائریکٹرز کا معاوضہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنریشن پالیسی" کی منظوری دی ہے، منظور شدہ پالیسی کی اہم خصوصیات حسب ذیل ہیں:

- ✓ کوئی ڈائریکٹر اپنی خود کی ریمنریشن متعین نہیں کرے گا / گی۔
- ✓ باقاعدہ پیڈ چیف ایگزیکٹو، سپانسرز اور یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ بورڈ اور اسکی کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز میٹنگ فیس کی رقم 20,000 روپے (بیس ہزار روپے صرف) یا بورڈ کی طرف سے وقتاً فوقتاً متعین کردہ کے مطابق ہوگی۔
- ✓ ڈائریکٹرز اجلاسوں میں شرکت کے لئے سفری، قیام اور دیگر اخراجات کے بشمول تمام مناسب اخراجات لینے کے بھی اہل ہوں گے۔

بورڈ آف ڈائریکٹرز اور اسکی کمیٹیوں کی کارکردگی کی تشخیص

ہیومن ریسورس اینڈ ریمنریشن کمیٹی نے انفرادی بورڈ یا کمیٹی ارکان کی طرف سے جو بھی صورت ہو خود تشخیصی کے قائم شدہ میکانزم پر مبنی بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا ہے۔ مندرجہ بالا میکانیزم بورڈ کی طرف سے ہیومن ریسورس اینڈ ریمنریشن کمیٹی کی سفارش پر منظور کیا گیا۔

شکرگنج ماحولیات، آلودگی کی روک تھام، اور قابل اطلاق قانونی اور دیگر ضروریات کی تعمیل کی طرح، اپنے ملازمین کو ان کے فرائض انجام دینے کے لئے ایک صحت مند اور محفوظ کام کی جگہ فراہم کرنے کے لئے پرعزم ہے۔ ہم اپنے ملازمین کی جسمانی اور ذہنی صحت کی حفاظت، پیشہ ورانہ صحت کی خدمات کے سکوپ اور کوریج کو بڑھانے اور مسلسل اپنے پیشہ ورانہ صحت کے انتظام کے نظام کو بہتر بنانے کے لئے پُرعزم رہتے ہیں۔ شکرگنج میں، ہمارے ملازمین کے لئے باقاعدگی سے صحت کی دیکھ بھال کی جاتی ہے۔ اس کے علاوہ، ہم بہتر صحت کے انتظام اور بیماری کی روک تھام کے لئے ملازمین کی صحت کا ریکارڈ رکھتے ہیں۔ ہم ایک وقف صحت کے معاون نظام پر بھی گہری توجہ دیتے ہیں اور اپنے ملازمین کی صحت اور حفاظت کو یقینی بنانے کے لئے خصوصی بیماری کی جانچ فراہم کرتے ہیں۔ ہم نے شکرگنج میں واقعات اور حادثات کے لئے جامع ایمرجنسی پلان بھی جاری کیا ہے اور کمپنی کے لئے حفاظتی انتظام اور خطرے کی روک تھام کا نظام قائم کیا ہے۔ ہم منصوبہ کو بہتر بنانے، ملازمین کی روک تھام اور خودکی مدد بارے شعور کو بڑھانے اور ہنگامی صورتحال کو سنبھالنے کے لئے ٹیم کی صلاحیت کو بہتر بنانے کے لئے باقاعدگی سے ایمرجنسی مشق منظم کرتے ہیں۔

بورڈ آف ڈائریکٹرز اور اسکی کمیٹیاں

ڈائریکٹرز کا الیکشن 01 جون 2020 کو ہوا تھا اور چیف ایگزیکٹو آفیسر کو چھوڑ کر سات ممبر بورڈ بلا مقابلہ منتخب ہوا تھا جس کے عہدے کی میعاد 31 مئی 2023 کو ختم ہوگی۔ حسب ذیل تشکیل کے مطابق، بورڈ آٹھ ڈائریکٹرز آٹھ ارکان پر مشتمل ہے جس میں سات مرد ارکان اور ایک خاتون رکن شامل ہے۔ سال کے دوران بورڈ آف ڈائریکٹرز کے چھ (6) اجلاس، آڈٹ کمیٹی کے چار (4) اجلاس اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک (1) اجلاس منعقد ہوا اور ہر ایک ڈائریکٹر کی حاضری بھی دی گئی ہے۔

کیٹگری	نام ڈائریکٹر	تعداد حاضری
آزاد ڈائریکٹرز	جناب شیخ عاصم رفیق	6
	محترمہ زہرا احسان سلیم	3
	جناب جواد امجد	1
	آؤٹ گوئنگ ڈائریکٹر	
	جناب خواجہ جلال الدین (31 مئی 2020 کو ریٹائر ہوئے)	3
نان ایگزیکٹو ڈائریکٹرز	جناب خالد بشیر	5
	جناب میاں محمد انور	6
	جناب جاوید انجم	0
	آؤٹ گوئنگ ڈائریکٹرز	
	محترمہ ہاجرہ احسان سلیم (31 مئی 2020 کو ریٹائر ہوئیں)	3
	جناب محمد ارشد (31 مئی 2020 کو ریٹائر ہوئے)	3
	جناب محمد انیس (09 دسمبر 2020 کو ریٹائر ہوئے)	3
ایگزیکٹو ڈائریکٹرز	جناب انجم محمد سلیم (چیف ایگزیکٹو آفیسر)	6
	جناب علی الطاف سلیم (ڈپٹی چیف ایگزیکٹو آفیسر)	6

شکر گنج میں، کارپوریٹ سماجی ذمہ داری (سی ایس آر) ایک بنیادی اسٹریٹجک مینجمنٹ چلاتی ہے جو ہمارے کاروبار، ماحول اور سٹیزن شپ کو اس انداز سے قائم کرتی ہے جو ہمارے وژن کو مدد دیتی ہے اور ہماری اقدار کو برقرار رکھتی ہے۔ ہمارا مقصد کمیونٹیز جس میں ہم کاروبار کرتے ہیں میں ایک مثبت کردار ادا کرنا ہے۔ ہماری کمیونٹی انوالومنٹ پالیسی ہمارے اخلاقی رویے کے بنیادی عناصر میں سے ایک ہے۔ ہمارا مشترکہ مقصد ڈلیور کرنے کیلئے مقامی کمیونٹیز کے ساتھ طویل مدتی تعلقات تعمیر کرنے میں مصروف ہمارے پروگرامز منصوبے جو براہ راست مقامی ضروریات کو پورا کرتے ہیں میں وقت اور وسائل کی سرمایہ کاری کے ذریعے مضبوط، محفوظ، صحت مند اور تعلیم یافتہ کمیونٹیز کا قیام ہیں۔ ہمارا سوشل ایکشن پروگرام (شکر گنج فاؤنڈیشن کے تحت) "Sukh Char Programme" عنوان کے تحت ہماری وسیع کمیونٹی میں سماجی خدمات کی وسائی مہیا کرتا ہے۔ ان خدمات میں تعلیم، صحت کی حفاظت، فنون کی ترقی اور ہمارے ثقافتی ورثہ کی حفاظت شامل ہیں۔

ہمارا اسکول کو اپنانے کا اقدام 35 مقامی گرلز اور بوائز سکولوں کو مدد فراہم کرتا ہے جس میں جہاں ضرورت ہو پینے کا صاف پانی، نیوٹریشن سپلیمنٹ، یونیفارمز، بنیادی ڈھانچے کی بحالی اور اضافی سہولیات کی تعمیر شامل ہیں۔ شکر گنج سٹیزنز فاؤنڈیشن کے ایجوکیشن پروگرام کو بھی مدد فراہم کرتی ہے۔ تعلیم کو بنیادی تعاون فراہم کرنے کے مقصد کے ساتھ ایک پبلک سروس کے طور پر شکر گنج کے پریمسز میں ٹیچرز ٹریننگ انسٹیٹیوٹ قائم کیا گیا ہے۔

شکر گنج سکول کے بچوں کو خصوصی مراعات بھی دیتا ہے جس میں سکول کے امتحانات میں اعلیٰ نمبرز حاصل کرنے والوں کو اسکالرشپس اور انعامات، سکول کے بچوں کے لئے کھیلوں کے مقابلے اور سکول کے بچوں اور اساتذہ کیلئے انٹر سکول خوشخطی کے مقابلے شامل ہیں۔ ہمارے ہیلتھ کیئر کے اقدامات ہماری وسیع کمیونٹی کے دروزے پر بنیادی طبی سہولیات فراہم کرتے ہیں۔ ماہر ڈاکٹروں، پیرامیڈیکل سٹاف کی تین ٹیموں اور موبائل ڈسپنسریوں نے سال کے دوران 19,345 سے زائد مریضوں کا علاج کیا۔ COVID-19 سرگرمیوں کی وجہ سے اس سال تعداد کم ہوئی۔ اس پروگرام کے ذریعے ڈائیگناسٹک سہولیات، حفاظتی علاج اور مفت ادویات فراہم کی گئی ہیں۔

ہم اسکول آف آرٹ اینڈ کیلی گرافی میں سٹرکچرڈ ٹریننگ پروگرام میں فنکارانہ مہارتوں کو بہتر بنانے میں مقامی ذہانت کو مدد فراہم کرتے ہیں۔ سکول میں شکر گنج کے زیر انتظام ان فنکاروں کے کام کی نمائش اور ثقافتی ورثہ کی ترقی کیلئے ایک ڈسپلے سنٹر بھی قائم کیا گیا ہے۔

صحت، حفاظت اور ماحول

جیسا کہ ہم ہمیشہ مثالی کارپوریٹ شہری بننے کا ارادہ رکھتے ہیں، صحت، حفاظت، اور ماحولیاتی خدشات ہمیشہ ہمارے اہم فوکل پوائنٹس ہیں۔ ہم اپنے ملازمین، ٹھیکیداروں اور زائرین کے لئے صحت مند، محفوظ اور صاف حالات فراہم کرنے کے لئے مصروف عمل ہیں۔ ایک اچھا کام کرنے والا ماحول فراہم کرنے میں حفاظت سے زیادہ کسی اور کو اعلیٰ ترجیح نہیں دی جاتی ہے اور ہم شدید چوٹ اور حادثے کے اوقات کو صفر درجہ تک کم کرنے کے لئے مسلسل کوشاں رہتے ہیں۔ شکر گنج ٹیم کے تقریباً آٹھ سو چھپن اراکین نے پاکستان ہلال احمر سوسائٹی۔ پنجاب کے تعاون سے ابتدائی طبی امداد میں پیشہ ورانہ تربیت اور سرٹیفکیٹ حاصل کرنے کے لئے منظم پروگرام میں حصہ لیا ہے۔ ممکنہ حادثات سے نمٹنے کے لئے حفاظتی اقدامات اور ٹریننگ اور بروقت ردعمل کے طریقہ کار نے شدید زخم اور حادثات کو کم سے کم کیا۔

ماحولیاتی تحفظ کے معاملات کو ہمیشہ منافع کے خدشات سے زیادہ ترجیح دی جاتی ہے۔ شکر گنج اپنی تمام مصنوعات کو قابل تجدید فصلوں اور خام مال سے پیدا کرتی ہے اور ہمارے ماحول کو نقصان پہنچانے کی لاگت میں منافع بنانے میں یقین نہیں رکھتی ہے۔ ہم فعال طور پر اپنی کمیونٹی میں اور قومی سطح پر ماحولیاتی تحفظ کی سرگرمیوں کو فنڈ اور معاونت دیتے ہیں۔ بجلی کی بچت اور "صفر ضیاع" کا مقصد ہماری اہم ماحول دوست پالیسیاں ہیں۔ ہماری پروڈکشن لائنوں میں چینی کی بائی مصنوعات کے استعمال نے فوسل فیولز کے استعمال اور فضلہ کو ضائع کرنے کے مسائل کو نمایاں طور پر کم کر دیا ہے۔ ہمارے پیداواری عمل میں ڈسٹلری سپینٹ واش قطعی ویسٹ مصنوعات ہے۔ اب اسے حیاتیاتی طریقہ سے بطور ایندھن بائیو گیس تیار کی جاتی ہے اور پانی آبپاشی کے لئے استعمال کیا جاتا ہے۔ اس کے علاوہ ہم زمین کے حیاتیاتی کیڑوں کے کنٹرول، نامیاتی زراعت کی تکنیک، اور تمام قدرتی غذائی اجزاء کی واپسی اور فروغ دینے کی حوصلہ افزائی کرتے ہیں۔ ہم فطرت، پاکستان کے لئے ورلڈ وائڈ فنڈ کی سرگرمیوں کی بھرپور مدد کرتے ہیں، واٹر مینجمنٹ کیلئے باقاعدہ تربیتی اور تعلیمی پروگرام چلاتے ہیں اور ہر سال دو بار شجر کاری مہم میں شرکت کرتے ہیں۔ HSE کا ہمارا نقطہ نظر ہمارے مشن زیرو ایجنڈا میں ظاہر ہوتا ہے جو صفر حادثات اور کام سے متعلق کیسوں کو نشانہ بناتا ہے۔ مشن زیرو ایجنڈا کو موثر طریقے سے نافذ کرنے کے لئے، ہم اپنے لوگوں کو اپنے حصہ کا کردار ادا کرنے کے لئے بااختیار بناتے اور حوصلہ افزائی کرتے ہیں۔ ہم سب کو اپنے کام کی جگہوں کو محفوظ رکھنے میں اپنے حصہ کا کردار ادا کرنا چاہئے۔ سب سے زیادہ موثر طریقوں میں سے ایک جو ہم کر سکتے ہیں اپنے ارد گرد کے خطرات کے بارے میں آگاہ رہنا اور ان سے نمٹنے کے لئے کارروائی کرنا ہے۔ لہذا ہم اپنے تمام لوگوں کی فعال طور پر ان کے کام کے ماحول کا باقاعدگی سے جائزہ لینے اور کسی بھی شناختی خطرات کی اطلاع دینے کے لئے سرگرمی کی حوصلہ افزائی کرتے ہیں۔ اس کے نتیجے میں، ہم نے بغیر لوسٹ ٹائم انجری کے 4.3 ملین سیف ورکنگ مین گھنٹے حاصل کیے ہیں

کے دوران، بائیو فیول ڈویژن کی کارکردگی 9.82 ملین لیٹر (ملین لیٹر FY19: 15.16) پیداوار کے ساتھ افسردہ رہی۔ بائیو فیول کی پیداوار میں مولاسس کی زیادہ قیمتوں کی وجہ سے گذشتہ سال کے مقابلے میں 35% فیصد سے زیادہ کمی واقع ہوئی۔

ہمارے ٹیکسٹائل ڈویژن میں یارن کی پیداوار گزشتہ سال میں 4.67 ملین کلوگرام سے کم ہو کر 1.68 ملین کلوگرام ہوگئی۔ COVID-19 لاک ڈاؤن کی وجہ سے پیداوار میں نمایاں کمی واقع ہوئی۔ مزید یہ کہ خام مال کی قیمت میں اضافے کی وجہ سے، قیمت فروخت میں اسی طرح کے اضافے کے بغیر، نچلی لائن منفی رہی۔ مذکورہ عوامل کی وجہ سے، کمپنی کے زیر جائزہ سال میں ٹیکس کے بعد 997.58 ملین روپے نقصان کے مقابلہ میں پچھلے سال ٹیکس کے بعد 728.4 ملین روپے نقصان تھا۔

اصل خطرات اور غیر یقینی صورتحال کا مقابلہ

کمپنی کو درپیش اصل خطرات اور غیر یقینی صورتحال حسب ذیل ہیں۔

- ✓ چینی کی قیمت فروخت کے مقابلے گنے کی زیادہ قیمت خرید۔
- ✓ تیار پراڈکٹس پر بھاری ٹیکسز، سیلز ٹیکس ریٹس۔
- ✓ آبپاشی پانی کی کمی، فصل کی فی ایکڑ پیداوار میں کمی اور کم صلاحیتی استعمالات۔
- ✓ نقصان دہ سیاسی دلچسپیاں
- ✓ زراعت پرمبنی صنعت، قدرتی آفات کے حالات کے اصل خطرات۔
- ✓ پیداوار اور لیبر کی لاگت میں اضافہ۔
- ✓ آپریشنل اخراجات میں مجموعی افراط زر میں اضافہ۔
- ✓ ماحولیاتی تعلقات اور شوگر فری مصنوعات۔
- ✓ روپے کی قدر میں مزید کمی لاگت میں اضافہ پر منتج ہوگی۔

کافی داخلی کنٹرول

کمپنی کے داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر طریقے سے لاگو اور نگرانی کی جاتی ہے۔ بورڈ آف ڈائریکٹرز داخلی کنٹرولز کے ماحول کی بابت اپنی ذمہ داریوں سے آگاہ ہے اور اس کے مطابق آپریشنز کی موثرگی کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین وضوابط کی تعمیل اور قابل اعتبار مالی رپورٹنگ کیلئے داخلی مالیاتی کنٹرولز کا موثر نظام قائم کیا ہے۔ آؤٹ سورس آزاد داخلی آڈٹ فنکشن کام کر رہا ہے اور ایسا فنکشن مالیاتی کنٹرولز کے اطلاق کی باقاعدگی سے تشخیص اور نگرانی کرتا ہے۔ بورڈ کی آڈٹ کمیٹی، سہ ماہی بنیاد پر باقاعدگی سے داخلی کنٹرول فریم ورک اور مالیاتی حسابات کی موثرگی کا جائزہ لیتی ہے۔

آڈیٹرز

آڈیٹرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور کمپنی کے اگلے سال کے لیے دوبارہ تقرری کے اہل ہیں۔ بورڈ کی آڈٹ کمیٹی نے اگلے سالانہ اجلاس عام میں ارکان کے غور کے لئے ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ سماجی ذمہ داری

ہم کمیونٹیز، جس میں کاروبار کرتے ہیں، میں فعال طور پر حصہ لینے اور ماحول کو بہتر بنانے کے مواقع تلاش کرتے ہیں۔ بنیادی توجہ کے ہمارے شعبے تعلیم، صحت اور حفاظت، توانائی کی بچت، فضلہ کی کمی اور کمیونٹیز کی تعمیر ہیں۔ سال کے دوران شکر گنج نے ان سرگرمیوں میں 8.47 ملین روپے کا حصہ شامل کیا۔ کارپوریٹ کمیونٹی کا ایک ذمہ دار رکن ہونے کی حیثیت سے، شکر گنج نے ہمیشہ ٹیکسز اور دیگر حکومتی لیویز کی مد میں قومی معیشت میں کافی حصہ شامل کیا ہے۔ کمپنی کا وفاقی، صوبائی اور ملکی ٹیکسز کا حصہ زیر جائزہ سال کے دوران 1,129 ملین روپے سے زائد تھا۔

ڈائریکٹرز کی رپورٹ

محترم شکرگنج حصص داران:

شکرگنج لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے اپنی رپورٹ معہ کمپنی کے نظرثانی شدہ مالیاتی حسابات بخوشی پیش کررہے ہیں۔

کمپنی کے معاملات اور اسکے کاروبار کا جائزہ

کمپنی پاکستان میں قائم ہوئی اور پاکستان سٹاک ایکسچینج پر مندرج ہے۔ یہ بنیادی طور پر چینی، بائیو فیول، یارن (ٹیکسٹائل) کی تیاری، خریداری اور فروخت کے کاروبار میں مشغول ہے۔ کمپنی کی اصل مینوفیکچرنگ سہولیات جھنگ اور سٹلائٹ مینوفیکچرنگ سہولیات بھون میں واقع ہیں۔

مالیاتی نتائج:

کمپنی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

روپے ہزاروں میں

	2020	2019
فروخت۔خالص	6,409,384	6,256,738
مجموعی نقصان	(671,675)	(26,611)
آپریٹنگ سے نقصان	(293,219)	(448,715)
ایکوئٹی سے نقصان کا حصہ بلحاظ سرمایہ کاری	(538,637)	(5,279)
قبل از ٹیکس نقصان	(1,170,655)	(774,470)
ٹیکسیشن	173,072	46,059
بعد از ٹیکس نقصان	(997,583)	(728,411)
نقصان فی شیئر۔بنیادی اور معتدل (روپے)	(7.98)	(5.83)

کمپنی کے کاروبار کا جائزہ

اس سال ہم نے بروقت کرشنگ مہم شروع کی اور کرشنگ میں نمایاں اضافہ کرنے کے قابل تھے۔ 30 دسمبر 2018 سے شروع ہونے والے پچھلے سیزن کے مقابلے میں شکرگنج نے رواں سال اپنی کرشنگ مہم کا آغاز ایک ماہ سے زیادہ پہلے 25 نومبر 2019 کو کیا تھا۔ زیرنظر مالی سال چیلنجوں سے بھرا ہوا تھا اور COVID-19 وبائی مرض اور اس کے نتیجے میں لاک ڈاون کے پیش نظر، طویل عرصے سے جاری سیاسی و معاشی غیر یقینی صورتحال کے علاوہ زرمبادلہ کی شرحوں میں اضافے کے ساتھ ساتھ دیگر عوامل نے کاروباری ماحول کو مستقل طور پر غیر سازگار رہنایا۔ تاہم، کاروبار کرنے میں آسانی کے لیے حکومت کے کچھ حالیہ اقدامات جیسے سود کی شرحوں میں کمی، خام مال کی درآمد پر ڈیوٹی میں کمی سے مینوفیکچرنگ سیکٹر کو کچھ ریلیف مل سکتا ہے۔ جدوجہد کرنے والی معیشت نئی صورتحال میں ایڈجسٹ ہوری ہے جبکہ بیشتر کمپنیاں کاروبار پر پڑنے والے اثرات سے دوچار ہورہی ہیں اور بحالی کی راہ کا جائزہ لے رہی ہیں۔ شکر گنج کو بری طرح متاثر کرنے والے تمام عوامل اور کرشنگ میں نمایاں اضافہ کے باوجود اس کے اثرات کمپنی کے اندر موجود تمام کاروباری سرگرمیوں میں ظاہر ہیں۔

ان مشکل ماحول میں، شکرگنج 884,724MT گنے کو کچلنے میں کامیاب رہی جو پچھلے سال اس عرصے میں کچلے ہوئے 484,762 MT گنے کے مقابلے میں تقریباً دوگنا ہے۔ تاہم، سیزن کے دوران، زیادہ تر وقت کاشت کار صوبائی حکومت کے مقرر کردہ نرخ پر گنے فروخت کرنے پر راضی نہیں تھے اور مزید قیمتیں چاہتے تھے جس کی وجہ سے طوں میں قیمتوں کا مقابلہ ہوا۔ ان تمام چیلنجوں کو مدنظر رکھتے ہوئے ہم اپنی کرشنگ کو نمایاں طور پر بڑھا سکنے کے قابل تھے لیکن قیمت میں اضافے کی وجہ سے مجموعی پیداوار لاگت میں نمایاں اضافہ ہوا۔ شوگر ڈویژن میں گنے کی بڑھی قیمت کی وجہ سے پیداوار کی لاگت میں اضافے اور کم صلاحیت کے استعمال کی وجہ سے فی یونٹ فکسڈ اوور ہیڈز لاگت میں اضافے کی وجہ سے 812.385 ملین روپے آپریٹنگ نقصان ریکارڈ کیا گیا۔

بائیو فیول کے کاروبار میں، قابل نرخوں پر مولاسس کی عدم دستیابی کی وجہ سے ہماری ڈسٹلریز اپنے آپریشنز کو طور پر شروع نہیں کرسکیں۔ قیمتوں میں نمایاں اضافہ ہوا جس کی وجہ سے زیرجائزہ سال کے دوران زیادہ تر وقت بائیو فیول کی کاروائیاں ترک کردی گئیں۔ اسی عرصے میں 136 دن کے مقابلے میں ڈسٹلریز کے آپریشنل دن صرف 96 تھے۔ زیرجائزہ سال

10۔ **سی ای او کی کارکردگی کا جائزہ:** بورڈ منصفانہ اور منظم طریقے سے سی ای او کی کارکردگی کی تشخیص کرتا ہے اور اس بات کو یقینی بناتا ہے کہ سی ای او کی تنخواہ کمپنی کی کارکردگی، حصص داران کے مفادات اور کمپنی کی طویل مدتی کامیابی سے موزوں طور منسلک ہے۔

11۔ **بورڈ کی ساخت اور متحرکات:** بورڈ کا سائز اور ساخت بورڈ کے طریقہ کار کو کنٹرول کرنے کے لئے کافی ہے اور اراکین بورڈ کے کام میں فعال طور پر مصروف ہیں۔ بورڈ اپنی ذمہ داریوں کی ادائیگی کے لئے کافی ضروریات کو پورا کرتا ہے۔

مجموعی طور پر، میں سمجھتا ہوں کہ سخت معاشی صورتحال کے باوجود اگلے تین سالوں کے لئے کمپنی کی اسٹریٹجک سمت واضح اور مناسب ہے۔ مزید یہ کہ مجموعی کارپوریٹ حکمت عملی تیار کرنے اور اس کے جائزہ لینے میں اپنائے جانے والے عمل اور کمپنی کے مقاصد کی تکمیل جامع ہے۔

میاں محمد انور

چیئرمین

04 جنوری 2021ء

چیئرمین کی جائزہ رپورٹ

مجھے شکر گنج لمیٹڈ کے حصص داروں کو بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں ان کے کردار کی موثرگی سے متعلق یہ رپورٹ پیشکش کرنے میں بہت خوشی ہو رہی ہے۔

شکر گنج نے کاروباری معاملات کا ایک موثر اور محتاط انتظامات کا حامل مضبوط گورننس فریم ورک لاگو کیا ہے جو کمپنی کی طویل مدتی کامیابی حاصل کرنے میں اہم کردار ادا کرتی ہے۔

سال کے دوران بورڈ کمیٹیوں نے بڑی صلاحیت کے ساتھ کام جاری رکھا۔ آڈٹ کمیٹی نے خاص طور پر کاروبار سے منسلک خطرات کے انتظام اور کنٹرول پر توجہ مرکوز رکھی ہے۔ ساتھ ہی ساتھ، ہیومن ریسورس اور ریمنریشن کمیٹی نے اس بات کو یقینی بنایا ہے کہ کارکردگی کے انتظامات، ایچ آر عملے، معاوضہ اور فوائد کے بارے میں ایچ آر کی پالیسیاں مارکیٹ کے مقابلہ کی ہیں اور صرف کمپنی کی کارکردگی اور حصص داران کے مفادات کے ساتھ نہیں بلکہ کمپنی کی طویل مدتی کامیابی سے بھی موزوں طور پر منسلک ہیں۔

بورڈ نے مجموعی طور پر سالانہ رپورٹ اور مالی حسابات کا جائزہ لیا ہے، اور خوشی سے اس بات کی تصدیق کی ہے کہ مجموعی طور پر لی گئی ان کی جائزہ رپورٹ اور مالی حسابات، منصفانہ، متوازن اور قابل فہم ہیں۔

بورڈ خود تشخیصی کی بنیاد پر، مالی سال کے اختتام کے بعد ہر سال اپنی موثرگی اور کارکردگی کا جائزہ لیتا ہے۔ اس طرح کا گزشتہ جائزہ مالی سال 2020 کے لئے جولائی 2019 میں لیا گیا تھا۔ بورڈ کی مجموعی طور پر موثرگی اطمینان بخش تھی۔ شعبے جن میں بہتری کی ضرورت ہے ان پر مناسب طریقے سے غور وخوض کیا گیا ہے اور موزوں کارروائی کے منصوبے تیار کئے گئے ہیں۔

مجموعی تشخیص مندرجہ ذیل لازمی اجزاء کی تشخیص پر مبنی تھی:

1۔ **نقطہ نظر، مشن اور اقدار:** بورڈ کے اراکین موجودہ نقطہ نظر، مشن اور اقدار سے واقف ہیں اور تنظیم کے لئے انہیں موزوں پاتے ہیں۔

2۔ **اسٹریٹجک منصوبہ بندی میں مصروفیت:** بورڈ حصص داروں کو بخوبی سمجھتا ہے جن کو تنظیم خدمات فراہم کرتی ہے یعنی اپنے حصص داران، صارفین، ملازمین، وینڈرز، معاشرہ وغیرہ۔ بورڈ کا اسٹریٹجک نقطہ نظر ہے کہ اگلے تین سے پانچ سالوں میں تنظیم کو کس طرح تیار رہنا چاہئے اور اس کی ترقی کو ٹریک کرنے کے لئے اہم اشاروں کی نشاندہی کی ہے۔

3۔ **پالیسیوں کی تشکیل:** بورڈ نے ایسی پالیسیاں تشکیل دی ہیں جو بورڈ کی ذمہ داری اور کمپنی کے آپریشنز کے تمام ضروری شعبوں کا احاطہ کرتی ہیں۔

4۔ **تنظیم کی کاروباری سرگرمیوں کی نگرانی:** بورڈ تنظیم کی موجودہ کاروباری سرگرمیوں بشمول ہر ایک اہم سرگرمی کی مضبوطی اور کمزوری کے بارے بخوبی واقف ہے اور سرگرمی/ شعبہ وار کارکردگی کی نگرانی کے لئے ایک موثر طریقہ کار رکھتا ہے۔

5۔ **مالی وسائل کے انتظام کی مہارت:** بورڈ کمپنی کے مالی وسائل کے انتظامات سے متعلق اہم پہلوؤں کے بارے میں جانتا ہے اور بروقت بنیاد پر مناسب سمت اور نگرانی فراہم کرتا ہے۔

6۔ **موثر مالی نگرانی کی فراہمی:** بورڈ یقینی بناتا ہے کہ بجٹ سالانہ اسٹریٹجک منصوبہ میں قائم ترجیحات کی عکاسی کرتا ہے اور یہ اکاؤنٹس کے آڈٹ یا آزاد آزمائش پر قابو پانے والے قواعد وضوابط پر عمل کرتا ہے اور آزاد آڈیٹر کی رپورٹ اور مینجمنٹ لیٹر میں تمام سفارشات پر غور کرتا ہے۔

7۔ **ایک ذمہ دار آجر کا کردار ادا کرنا:** بورڈ نے ضروری پالیسیاں تشکیل دی ہیں جو اس بات کو یقینی بناتی ہیں کہ تنظیم عملے، ٹھیکیداروں، وینڈرز اور اس کی جانب سے کام کرنے والے کسی دوسرے فرد کی طرف مناسب اور قانونی طریقے کا سلوک روا رکھتی ہے۔

8۔ **بورڈ اور عملہ کے درمیان تعلقات:** بورڈ اور انتظامی عملے کے کردار اور ذمہ داریوں کی واضح طور پر وضاحت، فہم، باہمی اعتماد کا ماحول اور بورڈ اور انتظامیہ کے درمیان احترام موجود ہے۔

9۔ **تنظیم کے بارے عوامی تصور:** بورڈ کے ارکان کمیونٹی میں تنظیم کے مثبت تصور کو فروغ دیتے ہیں۔

FORM OF PROXY

I/We ____, being member(s) of Shakarganj Limited and holder of ______________ Shares as per Folio No.________/CDC Participation ID # ___________ and Sub Account # ___________ /CDC Investor Account ID #__________do hereby appoint ______________________________ of ________________________ having Folio No.________CDC Participation ID # _________ and Sub Account # ________/CDC Investor Account ID #___________as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of Shakarganj Limited scheduled to be held on Thursday, 28 January 2021 at 11:00 a.m through video-link to transact the following Ordinary Business:

As witness my / our hand this ____________________ day of ____________________ 2021.

1. Name ______________________________

C.N.I.C ______________________________

Address ______________________________

____

2. Name ______________________________

C.N.I.C ______________________________

Address ______________________________

____

Please affix here Revenue Stamp of Rs. 5/-

Notes:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Share Registrar Office of the Company, CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular# 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for appointing Proxies:

    i) In case of individuals, the account holder or sub-account holder whose securities and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

    ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

    iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

    iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.

    v) In case of a corporate entity, the Board of Directors' resolution/Power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

مختارنامہ

میں / ہم ______________ کا / کے ______________

بحیثیت رکن شکر گنج لمیٹڈ اور حامل عام حصص، بمطابق شیئرز رجسٹر فولیو نمبر ______________ اور / یا سی ڈی سی

پارٹیسپنٹ (شرکت) آئی ڈی نمبر ______________ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر ______________

محترم / محترمہ ______________ کو اپنے / ہمارے ایماء پر ______________ مورخہ 28 جنوری 2021 ء بروز جمعرات

بمقام رجسٹرڈ آفس لاہور ______________ منعقد ہونے والے کمپنی کے سالانہ اجلاس عام

میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔

آج بروز ______________ بتاریخ ______________ 2021 ء کو دستخط کیے گئے۔

گواہان:

پانچ روپے مالیت کے رسیدی ٹکٹ پر دستخط	

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہیئں

1- دستخط: ______________

نام: ______________

پتہ: ______________

____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: ______________

2- دستخط: ______________

نام: ______________

پتہ: ______________

____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: ______________

نوٹ:

1۔ ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو وہ اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔

2۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل لاہور کے پتے پر ارسال کرے۔

3۔ سی ڈی سی شیئرز ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:

(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور / یا وہ جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

(ب) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

(ج) بینیفیشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوں گی جسے نائب مختار نامے کے ہمراہ پیش کرے گا۔

(د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(ہ) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد / مع نامزد کردہ شخص / اٹارنی کے نمونہ دستخط / پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s Corptec Associates (Private) Limited
503-E Johar Town, Lahore
Email: info@corptec.com.pk

SUBJECT: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of Shakarganj Limited ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2019.

1. Name of Shareholder(s) : ______________________________

____

2. Fathers / Husband Name:______________________________

____

3. CNIC: ______________________________

____

4. NTN: ______________________________

____

5. Participant ID / Folio No: ______________________________

____

6. E-mail address: ______________________________

____

7. Telephone: ______________________________

____

8. Mailing address:______________________________

____

Date: ______________________
Signature:
(In case of corporate shareholders,
the authorized signatory must sign)

سالانہ رپورٹ اور اے جی ایم نوٹس کی
الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

503-E، جوہر ٹاؤن، لاہور

ای میل info@corptec.com.pk

عنوان: سالانہ رپورٹ اور اے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جناب عالی:

میں/ہم بذریعہ ہذا شکر گنج لمیٹڈ ("کمپنی") کا/کے شیئر ہولڈر (ہولڈرز) ہونے کے ناطے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی، ذیل میں دیئے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا کمپنیز ایکٹ، 2017، کی دفعات کے تحت ذکر کیا گیا ہے۔

1۔ شیئر ہولڈر (ہولڈرز) کا نام ____________________

2۔ والد/شوہر کا نام ....

3۔ سی این آئی سی ....

4۔ این ٹی این ....

5۔ پارٹیسپنٹ آئی ڈی/فولیو نمبر ....

6۔ ای میل ایڈریس ....

7۔ فون نمبر: ....

8۔ میلنگ ایڈریس: ....

....

دستخط

(کارپوریٹ شیئر ہولڈرز کی صورت میں، مجاز دستخط کنندہ لازمی دستخط کرے)

تاریخ: ....

STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of member: ____

____

2. CNIC No/Passport No: ____

____

3. Folio/CDC Participant ID/ Sub a/c/Investor a/c: ____

____

4. Registered Address: ____

____

____

I/We hereby request you to provide me/us a hard copy of the Annual Report of Shakarganj Limited for the year ended September 30, ______at my above mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Date: Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary
Shakarganj Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,
M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

معیاری درخواست فارم برائے سالانہ آڈٹ شدہ حسابات کی ہارڈ کاپیز

ممبر کا نام:..

سی این آئی سی نمبر/ پاسپورٹ نمبر...

فولیو/سی ڈی سی پارٹیسپنٹ آئی ڈی/سب a/c/انویسٹر a/c ....

رجسٹرڈ ایڈریس:..

میں/ہم آپ سے درخواست کرتا ہوں/کرتے ہیں کہ مجھے/ہمیں شکرگنج لمیٹڈ کے 30 ستمبر .... کو ختم ہونے والے سال کی سالانہ رپورٹ کی ہارڈ کاپی، سی ڈی/ڈی وی ڈی/یو ایس بی کے بجائے میرے مذکورہ بالا رجسٹرڈ پتے پر فراہم کی جائے۔ میں وعدہ کرتا ہوں کہ میں مذکورہ بالا معلومات میں کسی تبدیلی کی اطلاع نظرثانی شدہ معیاری درخواست فارم کے ذریعے دوں گا/دیں گے۔

تاریخ.....................................

....

ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

کمپنی سیکرٹری

شکرگنج لمیٹڈ

E فلور، آئی ٹی ٹاور، 73/E-1، حالی روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکٹو

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

انڈیپنڈنٹ شیئر رجسٹرار آف شکرگنج لمیٹڈ

503-E، جوہر ٹاؤن، لاہور

ای میل: info@corpetc.com.pk

اگر کوئی ممبر مستقبل کے تمام سالانہ آڈٹ شدہ حسابات کی ہارڈ کاپیوں کی وصولی کو ترجیح دیتا ہے تو اس ترجیح کے بارے میں کمپنی کو تحریری طور پر مطلع کیا جائے۔

E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)

The Company Secretary/Share Registrar,

I/We, ______________________________, holding CNIC No. ________________________, being the registered shareholder of the company under folio no. ____________________, state that pursuant the relevant provisions of Section 242 of the Companies Act, 2019 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur through revised E-Dividend Form.

Title of Bank Account	
Bank Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant.

Date: Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary
Shakargan Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,
M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

ای-ڈیویڈنڈ فارم (الیکٹرانک طریقے سے ڈیویڈنڈ کی ادائیگی)

دی کمپنی سیکرٹری / شیئر رجسٹرار،

میں / ہم .... حامل سی این آئی سی نمبر .... فولیو نمبر .... کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر ہونے کی حیثیت سے بیان کرتا ہوں کہ لسٹڈ کمپنیوں کی طرف سے ڈیویڈنڈ کی ادائیگیوں سے متعلق کمپنیز ایکٹ، 2017ء کے سیکشن 242 کی متعلقہ دفعات کی رُو سے موجودہ اور مستقبل کے کیش ڈیویڈنڈز کی الیکٹرانک طریقے سے براہ راست میرے بینک اکاؤنٹ میں وصولی کے لئے ذیل میں دی جانے والی معلومات صحیح اور درست ہیں۔ اگر اوپر بیان کردہ معلومات میں کوئی تبدیلی ہوئی تو جیسے ہی یہ تبدیلی ہوگی میں نظر ثانی شدہ ای-ڈیویڈنڈ فارم کے ذریعے کمپنی اور متعلقہ شیئر رجسٹرار کو فوری طور پر اس کی اطلاع دوں گا۔

	ٹائٹل آف بینک اکاؤنٹ
	بینک اکاؤنٹ نمبر
	آئی بی اے این نمبر
	بینک کا نام
	برانچ کا نام اور ایڈریس
	شیئر ہولڈر کا سیل نمبر
	شیئر ہولڈر کا لینڈ لائن نمبر
	شیئر ہولڈر کا ای میل

سی ڈی سی شیئر ہولڈنگ کی صورت میں، میں بذریعہ ہذا یہ وعدہ بھی کرتا ہوں کہ متعلقہ پارٹیسپنٹ کے ذریعے سنٹرل ڈیپازٹری سسٹم میں اپنے بینک اکاؤنٹ کی مذکورہ بالا معلومات کو اپ ڈیٹ کروں گا۔

تاریخ ....

ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

کمپنی سیکرٹری
شکرگنج لمیٹڈ
E فلور، آئی ٹی ٹاور، 73/E-1، حالی روڈ، لاہور
ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکٹو
میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
انڈیپنڈنٹ شیئر رجسٹرار آف شکرگنج لمیٹڈ
503-E، جوہر ٹاؤن، لاہور
ای میل: info@corpetc.com.pk

FORM FOR VIDEO CONFERENCE FACILITY

The Company Secretary/Share Registrar,

I/we,____________________________, of ______________________, being the registered shareholder(s) of the company under Folio No(s). ___________________/ CDC Participant ID No.___ and Sub Account No.___ CDC Investor Account ID No., and holder of ___________ Ordinary Shares, hereby request for video conference facility at __________________ for the Annual General Meeting of the Company to be held on _________________.

Date: Member's Signature:

Note:
This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary
Shakargan Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,
M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

ای۔ فارم برائے ویڈیو کانفرنس سہولت

دی کمپنی سیکرٹری/شیئرز رجسٹرار،

میں/ہم.................... سے تعلق رکھنے والا/والے، میں/ہم.................... حامل.................... عام حصص فولیو نمبر(نمبرز).................... /سی ڈی سی پارٹیسپنٹ ID نمبر.................... اور سب اکاؤنٹ نمبر.................... سی ڈی سی انویسٹر اکاؤنٹ ID نمبر.................... کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے .... کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام کے لئے.................... میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں/کرتے ہیں۔

تاریخ....................   ....

ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئرز رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جا سکتا ہے۔

کمپنی سیکرٹری

شکرگنج لمیٹڈ

E فلور آئی ٹی ٹاور، 73/E-1، حالی روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکٹو

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

انڈیپنڈنٹ شیئرز رجسٹرار آف شکرگنج لمیٹڈ

E-503، جوہر ٹاؤن، لاہور

ای میل: info@corpetc.com.pk

Shakarganj Limited

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
Telephone: (042) 111 111 765
Fax: (042) 3578 3811