

SHAHMURAD SUGAR MILLS LTD.



Annual Report 2021

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Company Information

BOARD OF DIRECTORS

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

MR. ABDUL AZIZ AYOOB

MRS. SANOBAR HAMID ZAKARIA

MR. ASAD AHMED MOHIUDDIN

MR. NAEEM AHMED SHAFI

MR. KHURRAM AFTAB

BOARD AUDIT COMMITTEE

MR. NAEEM AHMED SHAFI

MR. NOOR MOHAMMAD ZAKARIA

MRS. SANOBAR HAMID ZAKARIA

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. KHURRAM AFTAB

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

CHIEF FINANCIAL OFFICER

MR. ZAID ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M/s. KRESTON HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. IRFAN
Advocate

REGISTERED OFFICE

96-A, Sindhi Muslim Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675
www.shahmuradsugar.co

REGISTRAR & SHARES REGISTRATION OFFICE

C & K Management Associates (Pvt) Ltd.
404-Trade Tower,
Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530

FACTORY

Jhok Sharif,
Taluka Mirpur Bathoro,
District Sujawal (Sindh)



Mission

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

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

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

Vision

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

CODE OF CONDUCT

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

THE COMPANY

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

AS DIRECTORS

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

AS EXECUTIVE AND MANAGERS

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

AS EMPLOYEES AND WORKERS

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 43rd Annual General Meeting of SHAHMURAD SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Thursday, January 27, 2022 at 11.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 42nd Annual General Meeting held on January 28, 2021.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2021 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of Cash Dividend @ 30% i.e. Rs.3.00 per ordinary share of Rs.10/= each for the year ended September 30, 2021 as recommended by the Board of Directors.
4. To appoint Auditors and to fix their remuneration for the year 2021-22. The present Auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

OTHER BUSINESS

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

By Order of the Board



M. YASIN MUGHAL
COMPANY SECRETARY

Karachi: December 23, 2021

NOTES:

1. Closure of Share Transfer Books:

The Register of the Members of the Company will remain closed from January 21, 2022 to January 30, 2022 (Both days inclusive) for the purpose of attending the Annual General Meeting / Transfer of shares / entitlement of cash dividend.

2. Participation in Annual General Meeting and appointing Proxies:

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

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

3. Submission of copies of CNIC:

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

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

- (i) The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 for payment of dividend are as follows

1. Rate of tax deduction for the filer(s) of income tax return 15%.
2. Rate of tax deduction for the non-filer(s) of income tax return 30%.

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

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

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

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

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

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

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

6. Payment of Cash Dividend Electronically:

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

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

7. Unclaimed Dividend / Shares :

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

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

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

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

9. Deposit of Physical Shares into CDC Accounts.

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

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

10. Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.shahmuradsugar.co

11. Video Conference Facility and Attendance:

As per directive of SECP Members may attend the Meeting virtually. To attend the Meeting virtually, a Member is required to send an e-mail to agm.shsml@alnoorgroup.co with e-mail address, name, folio number, CNIC Number, Cell number and number of shares held in his / her name with subject "Registration for AGM of SHSML". A video link to join the Meeting will be shared with Members whose e-mails, containing all the required particulars, are received not later than 48 (forty-eight) hours before the time of the Meeting.

12. Change of Address and Non-Deduction of Zakat Declaration Form:

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

Note: In compliance of circular SMD/SE/2(20)/2021/117 dated 15th December, 2021 by the Commission members are requested to adhere with the following guidelines is case they wish to attend the meeting physically:

- 1) Vaccination Certificate has to be checked while entering the premises for attending the meeting physically.
- 2) Members are requested to send their vaccination certificates at the registered office or email us at agm.shsml@alnoorgroup.co at least two days before holding of an AGM to be held on Thursday, 27th January. 2022 at 11:30 a.m. for making the arrangements accordingly.
- 3) Wearing of mask during the entire meeting is mandatory.
- 4) Accompanying children or any person who is not eligible to attend the meeting is strictly prohibited.
- 5) Please follow the seating arrangement as per social distancing norms in the meeting area.
- 6) Members with even mild cough or low-grade fever are prohibited to attend the meeting.

For any query/clarification/information, the shareholder may contact the company. And/or the Share Registrar.

CHAIRMAN'S REVIEW REPORT

It gives me immense pleasure to present to you the 43rd Annual Report of the Company for the year ended September 30, 2021 and review of the financial performance of the Company and of the Board. The period under review has been immensely challenging due to continuous presence of Corona Virus which has caused an economic slowdown globally. Despite immense challenges in the foregoing period, Alhamdulillah the Company was able to achieve sound results mainly due to its diversified portfolio, export sales and measures taken by the Board to control costs. I believe that the processes adopted in developing and reviewing the overall corporate strategy and achievement of organizational goals are commendable which are truly reflected in the performance of the Company.

Shahmurad Sugar Mills Limited complies with all the requirements set out in the Companies Act 2017 and listed companies Code of Corporate Governance Regulations with respect to the composition of Board of Directors and procedure of meetings of Board and its committees. As required under the Code of Corporate Governance evaluation of the Board is carried on self assessment basis in order to ensure that the Board's overall performance and effectiveness is measured against expectations set in the Code.

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



NOOR MOHAMMAD ZAKARIA
CHAIRMAN

Karachi
December 23, 2021

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members Asslamu Alaikum

I take the opportunity with great pleasure to present to you on behalf of the Board of Directors with the audited financial statements of your company along with Auditors' report for the year ended September 30, 2021.

FINANCIAL PERFORMANCE:

	2020-21	2019-20
	(Rupees in thousands)	
Profit before taxation	298,439	931,588
Provision for taxation	(162,773)	(171,273)
Profit after taxation	135,666	760,315
Earnings per share	Rs.6.42	Rs.36.00

Your company has earned a profit after tax amounting to Rs.135.666 million as against a profit of Rs.760.315 million earned during the previous year. The principal activity of your company is to manufacture sugar and ethanol.

Salient comparative production and financial data are provided as under:

OPERATIONAL RESULTS:

	2020-21	2019-20
Sugarcane crushed (metric tons)	441,293	444,430
Sugar produced (metric tons)	47,220	48,786
Sugar recovery rate (percentage)	10.70	11.00
Molasses produced (metric tons)	19,740	19,715
Ethanol produced (metric tons)	42,643	47,608

FINANCIAL DATA:

	(Rupees in thousands)	
Sales	9,934,493	11,143,607
Cost of sales	(9,172,383)	(9,551,967)
Gross profit	762,110	1,591,640
Distribution cost	(43,368)	(14,777)
Administrative expenses	(255,575)	(245,866)
Other expenses	(87,000)	(129,844)
Financial cost	(366,619)	(344,024)
Other income	289,059	74,744
Share of loss in associate	(168)	(285)
Profit before tax	298,439	931,588

PERFORMANCE REVIEW:

SUGAR DIVISION:

Alhamdulillah, the performance of the company was satisfactory. During the period under review the recovery rate reduced from 11.00 percent to 10.70 percent which was due to lower quality of sugar cane. The sugar produced was 47,220 metric tons which was 3.21 percent lower than the previous year's production of 48,786 metric tons. This was due to lower crushing volume due to non-availability of raw material and decline in the recovery rate. It is anticipated that during the next year the crop of sugar cane would improve marginally in the country. In Shah Allah.

ETHANOL DIVISION:

During the period under consideration ethanol plant operated satisfactorily and produced 42,643 metric tons of ethanol as compared to 47,608 metric tons produced last year. The production is lower by 10.43 percent when compared with the production of last year. The decrease in production of ethanol was due to lower demand from European countries as a result of corona virus. Your company exported 39,690 metric tons of ethanol as against 45,807 metric tons exported last year and the company earned valuable foreign exchange for the country. The management has worked extensively to develop a portfolio of various products mixes in order to ensure optimum utilization of the plant capacity.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE:

1. The Financial Statements prepared by the management of the Company present fairly its states of affairs, the results of operations, cash flow and changes in equity.
2. The Company has maintained proper books of accounts as required under the law.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as going concern.
7. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the Listing Regulations of Pakistan Stock Exchange.
8. There have been no outstanding statutory payments, except those under normal course of business and some disputed cases which are appearing in the relevant notes to the financial statements.
9. The pattern of shareholding in the Company as on September 30, 2021 is also included in the Annual Report.
10. The Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the Company except as otherwise indicated.
11. The value of investment and balance in deposit accounts of Provident Fund based on un-audited accounts as at June 30, 2021 amounted to Rs.85.546 million out of total assets of Rs.90.399 million.

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

COMPOSITION OF BOARD OF DIRECTORS:

During the period under review there has been no change in the composition of Board of Directors.

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

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

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

AUDIT COMMITTEE:

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

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

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

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

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

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

DIRECTORS' REMUNERATION POLICY:

As per articles of the Company, the Board of Directors is authorized to fix remuneration of executive and non-executive and independent Directors. Approval of members in general meeting is required in accordance with the articles of the Company and Companies Act 2017. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail, the objectives and sets a transparent procedure for determination of the remuneration packages of individual director. Salient features, amongst other, of Directors' Remuneration Policy include that the level of remuneration shall be competitive and sufficient to attract and retain qualified and skilled individuals. Details of the aggregate amount of remuneration of executive and non-executive directors are disclosed in note No. 39 to the financial statements.

FUTURE OUTLOOK:

SUGAR DIVISION

The government of Sind has notified the price of sugarcane at Rs.250/= per forty kgs as against Rs.202/= notified last year. The following notification has been challenged in the Sindh High Court as there is Rs. 25/- difference between notified price in Punjab and Sindh.

Sugarcane crop is better in the country due to attractive return to the growers during the last two years. Further improvement is expected in September 2021 plantation and onward. Shortage of water in Sindh is a major constraint. Crushing season 2021-22 has commenced and it is expected that the production of sugar would be 15 percent greater than last year. In order to run the mill economically, sugarcane is procured from far area and transportation cost increase cost of production.

ETHANOL DIVISION:

The availability of molasses is expected to be better due to a larger cane crop in the country. The price of ethanol is range bound and there is uncertainty due to new strain of corona virus. The management is aggressively pursuing various avenues to develop product mixes which would help improve the profit margin of ethanol division.

CREDIT RATING OF THE COMPANY:

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

CORPORATE AND SOCIAL RESPONSIBILITY:

The company is committed to accomplish its Corporate and Social Responsibility (CSR) goals and continued to take initiatives by supporting education, healthcare, environments and other social causes around the Mills area in order to bring improvement in the lives of lesser privileged communities of the area. The Company undertook continuously numbers of welfare activities in its franchise area i.e. established a school up to secondary level, holding of medical camps on interval basis, financial assistance to deserving villagers, provided fertilizer and seed to growers, supply of free ration and medical assistance to needy persons.

ENVIRONMENTS AND COMPANY'S BUSINESS:

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

RELATED PARTIES TRANSACTIONS:

All related parties transactions carried out during the period are placed before the Board's Audit Committee and the Board for final approval as required under the Listing Regulations of Pakistan Stock Exchange. Related parties transactions carried out at arm's length price as provided in Companies Act 2017.

CONTRIBUTION TO NATIONAL EXCHEQUER:

The company is also enhancing the resources of the country in the form of taxes, duties and earning foreign exchange through export of sugar as when allowed by the Government and ethanol in order to reduce trade deficit being faced by the country. During the period under review your company has exported 39,672 metric tons of ethanol and earned valuable foreign exchange for the country.

RISK MANAGEMENT AND OPPORTUNITIES:

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

CREDIT RISK:

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

MARKET RISK:

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

LIQUIDITY RISK:

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

MECHANISM FOR EVALUATION OF THE BOARD:

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

DIVIDEND:

The Directors have recommended a final cash dividend at the rate of 30 percent .i.e. Rs. 3.00 per share of Rs.10/= each. (2020: 120 percent .i.e. Rs.12.00 per share of Rs. 10/= each)

APPOINTMENT OF AUDITORS:

The present Auditors, M/s Kreston Hyder Bhimji and Company, Chartered Accountants, will stand retired with the conclusion of Annual General Meeting for the year 2021 and being eligible have offered themselves for re-appointment for the year 2021-22. Audit Committee also recommended their re-appointment for the year 2021-22 and the Board of your company also endorsed the recommendation of the Audit Committee for re-appointment of M/s Kreston Hyder Bhimji and Company, Chartered Accountants, till the conclusion of next Annual General Meeting.

STAFF RELATIONS:

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

By order of the Board



ZIA ZAKARIA
Managing Director & CEO



A. AZIZ AYOOB
Director

Karachi

Dated: December 23, 2021

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2021

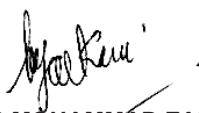
The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per following:
 - a) Male 6
 - b) Female 1
2. The composition of Board is as follow:
 - (a) Independent director:
 - i) Mr. Naeem Ahmad Shafi
 - ii) Mr. Khurram Aftab
 - (b) Non-Executive directors:
 - i) Mr. Noor Mohammad Zakaria
 - ii) Mrs. Sanobar Hamid Zakaria
 - iii) Mr. Asad Ahmed Mohiuddin
 - (c) Executive directors:
 - i) Mr. Zia Zakaria
 - iii) Mr. Aziz Ayoob

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

3. The directors have confirmed that none of them is serving as a director for more than seven listed companies, including this company;
4. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Since the Chairman and all the directors except the lady director, have prescribed education and experience required for exemption under clause 19(2) of the CCG Regulations accordingly they are exempted from attending directors training program pursuant to clause 19(2) of the CCG Regulations. One director would be provided the facility to acquire the certification during the year.
10. The Board has approved the appointment of Chief Financial Officer, (CFO) including his remuneration and terms and condition of employment and complied with the relevant requirements of the Regulations. The remuneration, terms and conditions of the employment of CFO, Company Secretary and Head of Internal Audit and any change thereto have been approved by the Board.
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. Naeem Ahmad Shafi | Chairman |
| Mr. Noor Mohammad Zakaria | Member |
| Mrs. Sanobar Hamid Zakaria | Member |
- b) **HR and Remuneration Committee:**
- | | |
|---------------------------|----------|
| Mr. Khurram Aftab | Chairman |
| Mr. Noor Mohammad Zakaria | Member |
| Mr. Zia Zakaria | Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-
- | | |
|----------------------------------|--|
| a) Audit Committee | Four quarterly meetings including annual meeting |
| b) HR and Remuneration Committee | One annual meeting |
15. The Board has set up an effective internal audit function in the company managed by qualified and experience professional, who are conversant with the policies and procedures of the Company and industry's best practices. They are involved in the internal audit function on full time basis. The head of internal audit department functionally reports to the Board's Audit Committee
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review 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
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below.
- The requirement of Nomination Committee is optional in regulation no 29. The Board takes care of the responsibilities prescribed for Nomination Committee so a separate Nomination Committee is not considered necessary.
 - The requirement of Risk Nomination committee is optional in regulation no 30. The risk management is carried at the overall company's level by the executive management of the Company by the CEO. The Company's management monitors potential risk and risk management procedures are carried out to identify, access and mitigate any identified or potential risk. The Board is also apprised from time to time about the risks and their management. Therefore, it is not considered necessary to have a separate committee in this respect.
 - Since the requirement with respect to disclosure of significant policies on the website is optional in regulation No. 35(1), the company has uploaded only limited information in this respect on the company's website. However significant related information in respect of salient policies are disclosed in the annual reports of the Company which are duly uploaded on the website and are available for every one assessing the website. The company will however, review and place key elements of the policies if considered necessary.


NOOR MOHAMMAD ZAKARIA
Chairman


ZIA ZAKARIA
Chief Executive Officer

Karachi: December 23, 2021

KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
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FINANCIAL POSITION:

Share capital	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187	211,187
Revenue reserves	3,141,065	3,178,204	2,690,419	1,750,761	920,125	937,213	858,025	736,114	521,769	442,188
Surplus on revaluation of fixed assets	1,309,151	1,389,650	1,476,197	1,582,959	546,707	568,724	587,964	611,888	416,220	431,487
Long-term financing	895,100	1,163,612	1,340,813	1,659,686	1,542,234	756,942	774,675	761,669	726,251	817,157
Deferred taxation	70,279	17,212	(25,726)	(68,700)	(81,034)	53,862	56,458	28,842	24,831	70,877
Current liabilities	4,304,474	5,351,671	4,672,241	4,925,666	3,456,917	1,428,785	2,642,076	2,318,096	1,901,805	2,336,772
Operating assets	5,260,906	5,386,952	5,498,699	5,315,321	3,052,313	2,541,075	2,424,275	2,425,608	2,141,973	2,149,828
Long-term deposits	2,429	2,429	2,429	2,429	2,429	2,428	2,395	2,390	2,390	2,532
Long-term investment	958	1,006	1,351	1,815	2,673	3,097	3,759	5,101	4,346	4,130
Current assets	4,665,568	5,919,925	4,860,438	4,529,303	3,537,186	1,407,923	2,696,867	2,229,376	1,646,273	2,150,986

FINANCIAL PERFORMANCE

Turnover	9,934,493	11,143,607	9,497,552	7,220,127	5,055,682	5,909,743	5,199,162	5,353,972	5,642,437	5,362,004
Gross profit	762,110	1,591,640	2,010,195	810,408	583,894	670,379	805,191	884,146	606,322	695,891
Operating profit	665,226	1,275,897	1,705,403	783,430	128,636	343,522	541,563	616,908	395,721	462,591
Profit/(Loss) before tax	298,439	931,588	1,354,532	548,249	(74,397)	170,136	262,783	243,411	84,281	111,079
Profit after tax	135,666	760,556	1,205,546	601,258	7,268	125,148	184,723	226,741	91,611	145,344
Earning per share	6.42	36.00	57.08	28.47	0.34	5.93	8.75	10.74	4.34	6.88
Cash dividend	30%	120%	170%	70%	5%	24%	35%	43%	15%	15%
Bonus shares	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

SUGAR PRODUCTION

Cane Crushed (M.Tons)	441,293	444,430	500,270	744,578	672,747	496,109	596,006	666,887	561,083	566,077
Sugar Produced (M.Tons)	47,220	48,786	55,425	82,366	72,755	52,578	65,791	71,473	59,343	57,077
Recovery (%)	10.70%	11.00%	11.08%	11.06%	10.82%	10.60%	11.02%	10.72%	10.58%	10.09%

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

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shahmurad Sugar Mills Limited (the Company) for the year ended September 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2021.

Chartered Accountants



Karachi

Dated: December 23, 2021

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHAHMURAD SUGAR MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Shahmurad Sugar Mills Limited**, ("the Company") which comprise the statement of financial position as at September 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

S.No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Borrowings</p> <p>The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 4,310.302 million, being 82% of total liabilities, as at reporting date.</p> <p>Given the significant level of borrowings, finance costs, the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter. (Refer Notes 3.11, 20 and 24 to the financial statements).</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used and disclosed by management for finance costs and to ensure that the borrowings have been approved at appropriate level. Verification of disbursement of loans and utilization on sample basis. Review of charge registration documents. Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. Understating and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis.

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S.No.	Key audit matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> Obtaining confirmation from Banks and other lenders of the Company to confirm balances, terms and conditions stated in the terms sheets and compliance thereof. Performing analytical procedures, recalculations and other related procedures for verification of finance costs. Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.
2.	<p>Recognition of Revenue</p> <p>The company is engaged in the production and sale of sugar and ethanol.</p> <p>The Company recognized revenue (net of sales tax and commission) from the sales of sugar and ethanol of Rs 9,934.493 million for the year ended 30 September 2021.</p> <p>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 and that during the year IFRS 15 "Revenue from contracts with customers" became applicable to the Company which states that "revenue from sale of goods is recognized when the Company satisfies its performance obligation by transferring the promised goods to customer under the contract with customer."</p> <p>(Refer to note 3.15 and 27 to the financial statements).</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue. Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards including management's assessment of impact of IFRS 15. Obtaining an understanding of the nature of the revenue contracts entered into by the Company, testing a sample of sales contracts to confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard. Performing analytical procedures and test of details by selecting sample of transactions for comparing with sales orders, sales invoices, delivery orders and other underlying records. Comparing a sample of revenue transactions recorded around the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period. Reviewing the adequacy of disclosure as required under applicable financial reporting framework.

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

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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



Chartered Accountants

Place: Karachi

Date: December 23, 2021

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2021

		2021	2020
	Note	(Rupees in thousand)	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	5,260,906	5,386,952
Intangible asset	5	-	-
Long term investment	6	958	1,006
Long term loans	7	1,395	1,224
Long term deposits	8	2,429	2,429
		5,265,688	5,391,611
CURRENT ASSETS			
Stores and spares	9	297,350	247,329
Stock-in-trade	10	3,574,691	1,603,448
Trade debts	11	415,500	207,178
Loans and advances	12	155,596	1,467,802
Trade deposits and short term prepayments	13	1,442	457
Other receivables	14	117,555	176,689
Short term investment	15	376	2,103,781
Income tax refundable-net of provision		49,297	76,852
Cash and bank balances	16	53,761	36,389
		4,665,568	5,919,925
		9,931,256	11,311,536
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 25,000,000 ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital	17	211,187	211,187
Revenue reserve			
General reserve	18	80,000	80,000
Share of associate's unrealised loss on remeasurement of its investment at fair value through other comprehensive income		(2,381)	(2,501)
Unappropriated profit		3,063,446	3,100,705
Revaluation surplus on property, plant and equipment	19	1,309,151	1,389,650
		4,661,403	4,779,041
NON CURRENT LIABILITIES			
Long term financing	20	895,100	1,163,612
Deferred taxation	21	70,279	17,212
		965,379	1,180,824
CURRENT LIABILITIES			
Trade and other payables	22	798,875	1,328,710
Accrued finance cost	23	30,270	31,816
Short term borrowings	24	3,176,979	3,641,288
Loan from related parties	25	48,135	48,135
Unclaimed dividend		11,992	9,599
Current portion of long term financing	20	238,223	292,123
		4,304,474	5,351,671
CONTINGENCIES AND COMMITMENTS			
	26	-	-
		9,931,256	11,311,536

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
Director


ZAID ZAKARIA
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 (Rupees in thousand)	2020
Sales	27	9,934,493	11,143,607
Cost of sales	28	(9,172,383)	(9,551,967)
Gross profit		762,110	1,591,640
Profit from trading activities	29	442	1,132
		762,552	1,592,772
Distribution cost	30	(43,368)	(14,777)
Administrative expenses	31	(255,575)	(245,866)
Other expenses	32	(87,000)	(129,844)
		(385,943)	(390,487)
Other income	33	288,617	73,612
Operating profit		665,226	1,275,897
Finance cost	34	(366,619)	(344,024)
		298,607	931,873
Share of loss in associate	6	(168)	(285)
Profit before taxation		298,439	931,588
Provision for taxation	35	(162,773)	(171,273)
Profit after taxation		135,666	760,315
Earning per share - Basic and diluted	36	6.42	36.00

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
Director


ZAID ZAKARIA
Chief Financial Officer

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 (Rupees in thousand)	2020
Profit after taxation		135,666	760,315
Other comprehensive income			
Items that shall not be reclassified subsequently to statement of profit or loss			-
Share of associate's unrealised gain / (loss) on remeasurement of its investment at fair value through other comprehensive income	6.2	120	(60)
Total comprehensive income for the year		135,786	760,255

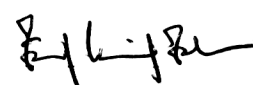
The annexed notes 01 to 48 form an integral part of these financial statements.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOOB
Director



ZAID ZAKARIA
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Issued, Subscribed & paid up capital	General reserves	Share of associate's unrealized (loss)/ Gain on remeasurement of investment	Un-appropriated profit	Revaluation surplus on property, plant and equipment	Total
..... Rupees in thousand						
Balance as at October 01, 2019	211,187	80,000	(2,441)	2,612,860	1,476,197	4,377,803
During the year ended September 30, 2020						
Transaction with owners						
Final dividend for 30-September-2019 @ Rs. 17 per Share	-	-	-	(359,017)	-	(359,017)
Total comprehensive (loss) / income for the year	-	-	(60)	760,315	-	760,255
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	-	86,547	(86,547)	-
Balance as at September 30, 2020	211,187	80,000	(2,501)	3,100,705	1,389,650	4,779,041
Balance as at October 01, 2020	211,187	80,000	(2,501)	3,100,705	1,389,650	4,779,041
During the year ended September 30, 2021						
Transaction with owners						
Final dividend for 30-September-2020 @ Rs. 12 per Share	-	-	-	(253,424)	-	(253,424)
Total comprehensive income for the year	-	-	120	135,666	-	135,786
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax	-	-	-	80,499	(80,499)	-
Balance as at September 30, 2021	211,187	80,000	(2,381)	3,063,446	1,309,151	4,661,403

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOUB
Director


ZAID ZAKARIA
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021	2020
		(Rupees in thousand)	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		298,439	931,588
Adjustment for:			
Depreciation	4.1.1	355,646	372,285
Gain on disposal of property, plant and equipment	33	(8,991)	(1,434)
Liabilities written back	33	(177,610)	-
Impairment allowance for obsolescence and slow moving items	32	4,100	10,856
Impairment allowance for export subsidy	32	58,695	58,695
Finance cost	34	366,619	344,024
Share of loss in associate	6	168	285
		953,847	784,711
Cash generated before working capital changes		1,252,286	1,716,299
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(54,121)	(14,595)
Stock in trade		(1,971,243)	364,411
Trade debts		(208,322)	252,393
Loans and advances		1,312,206	118,532
Trade deposits and short term prepayments		(985)	638
Other receivables		439	(254)
		(922,026)	721,125
Increase / (decrease) in current liabilities			
Trade and other payables		(352,225)	221,946
Short term borrowings		(464,309)	528,458
		(1,171,754)	750,404
		(841,494)	3,187,828
Receipts / (payments) for			
Income tax		(82,151)	(101,291)
Finance cost		(368,165)	(352,024)
Long term loans - net		(171)	990
		(450,487)	(452,325)
Net cash inflows from operating activities		(1,291,981)	2,735,503
B. CASH FLOW FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(232,594)	(261,343)
Sale proceeds from disposal of property, plant and equipment	4.1.2	11,985	2,239
Net cash (outflow) from investing activities		(220,609)	(259,104)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing	20.1	(322,412)	(243,638)
Dividend paid		(251,031)	(355,554)
Net cash (outflow) from financing activities		(573,443)	(599,192)
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(2,086,033)	1,877,207
Cash and cash equivalents at the beginning of the year		2,140,170	262,963
Cash and cash equivalents at the end of year		54,137	2,140,170
Cash and cash Equivalent			
- Short term investment	15	376	2,103,781
- Cash and bank balances	16	53,761	36,389
		54,137	2,140,170

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


ZIA ZAKARIA
Managing Director & CEO


AZIZ AYOOB
Director


ZAID ZAKARIA
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

1 THE COMPANY AND ITS OPERATIONS

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

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

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention' except otherwise specifically stated in these financial statements. The Company uses accrual basis of accounting except for cash flow statement.

2.2 STATEMENT OF COMPLIANCE

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

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

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

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

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

a) Property, plant and equipment

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

b) Stock-in-trade

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

c) Taxation

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

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

d) Impairment of financial assets

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

e) Impairment - non-financial assets

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

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

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

g) Contingencies

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

2.5 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

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

The following standards, amendments and interpretations are effective for the year ended September 30, 2021. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after

Amendment to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards.	January 01, 2020
Amendments to IFRS 3 'Business Combinations' - Amendment regarding the definition of business.	January 01, 2020
Amendment to IAS 1 'Presentation of Financial statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material.	January 01, 2020
Amendments to IAS 39, IFRS 7 & IFRS 9 - The amendment will effect entities that apply the hedge accounting requirements of IFRS 9 pr IAS 39 to hedging relationship directly affected by the interest rate benchmark reform.	January 01, 2020
Certain other amendments and improvements to existing standards have also become effective which are not relevant or do not have significant impact	

2.5.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Effective from accounting period beginning on or after

Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	January 01, 2021
Interest Rate Benchmark Reforms - Phase 2 (Amendment to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39)	January 01, 2021
Amendment to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework	January 01, 2022
Amendment to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contract - cost of fulfilling a contract	January 01, 2022
Amendment to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023

In addition there are certain other amendments that are also either not relevant or have any impact.

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

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

IFRS – 1	First Time Adoption of IFRS	January 1, 2004
IFRS – 17	Insurance Contracts	January 1, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below:

3.1 Property Plant and Equipment

a) Operating assets

Recognition/measurement

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

Depreciation

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

Subsequent cost

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

Revaluation surplus

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

Derecognition

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

b) Capital work-in-progress

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

3.2 Intangible Asset

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

3.3 Investment in Associates

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

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

3.4 Stores and Spares

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

3.5 Stock-in-Trade

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

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

3.6 Trade Debts

Trade Debts are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value and subsequently at amortised cost. An allowance is made for lifetime expected credit losses using simplified approach as mentioned in note 3.14. Trade debts are written off when there is no reasonable expectation of recovery, i.e., when these are considered irrecoverable.

3.7 Employees post employment benefits

Defined Contribution Plan

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

3.8 Compensated unavailed leaves

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

3.9 Taxation

a) Current Income Tax

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

b) Deferred taxation

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

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

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

c) Sales tax and Federal Excise Duty

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

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

3.10 Trade and other payables

Liabilities for trade and other payables are recognized at cost which is the fair value of the consideration to be paid for goods and services received plus directly attributable costs and these are subsequently measured at amortised cost.

3.11 Borrowings and their costs

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

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

3.12 Provisions and contingencies

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

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

3.13 Financial Instruments

3.13.1 Recognition

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

3.13.2 Initial measurement

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

3.13.3 Classification of financial assets

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

The Company classifies its financial instruments in the following categories:

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

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

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

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

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

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

3.13.4 Classification of financial liabilities

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

3.13.5 Subsequent measurement

Financial assets and liabilities at amortised cost

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

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

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

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

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

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

3.13.6 Derecognition of Financial Instruments

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

3.13.7 Offsetting of financial assets and liabilities

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

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

3.13.8 Derivative financial instruments

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

3.14 Impairment

a) Financial assets

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

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

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

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

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

b) Non-Financial assets

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

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

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

3.15 Revenue Recognition

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

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

3.16 Foreign currency transactions and translation:

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

3.17 Cash and Cash Equivalents

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

3.18 Segment Reporting

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

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

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

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

Sugar Division - Manufacturing and sale of Refined Sugar

Ethanol Division - Manufacturing and sale of Ethyl Ethanol.

3.19 Dividends and other appropriations

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

	Note	2021 (Rupees in thousand)	2020
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	5,140,258	5,372,447
Capital work in progress (CWIP)	4.2	120,648	14,505
		5,260,906	5,386,952

4.1 OPERATING FIXED ASSETS

PARTICULARS	2021									
	NET CARRYING VALUE					GROSS CARRYING VALUE				
	AS ON OCTOBER 1, 2020	DIRECT ADDITIONS	TRANSFER FROM CWIP	DISPOSAL	DEPRECIATION	AS ON SEPTEMBER 30, 2021	COST	ACCUMULATED DEPRECIATION	NET CARRYING VALUE AT SEP 30, 2021	DEPRECIATION RATE PER ANNUM
Rupees in thousand										
FREEHOLD LAND										
Cost	31,575	-	-	-	-	31,575	31,575	-	31,575	-
Revaluation	181,756	-	-	-	-	181,756	181,756	-	181,756	-
FACTORY BUILDING										
Cost	44,729	-	-	-	4,473	40,256	149,346	109,090	40,256	10%
Revaluation	57,797	-	-	-	5,780	52,017	71,354	19,337	52,017	10%
NON FACTORY BUILDING										
Cost	71,805	-	-	-	3,590	68,215	136,988	68,773	68,215	5%
Revaluation	143,807	-	-	-	7,190	136,617	159,343	22,726	136,617	5%
RES QTR FOR LABOUR										
Cost	3,244	-	-	-	324	2,920	30,308	27,388	2,920	10%
Revaluation	8,370	-	-	-	837	7,533	12,695	5,162	7,533	10%
PLANT AND MACHINERY										
Cost	3,579,822	-	108,524	-	244,344	3,444,002	5,532,538	2,088,536	3,444,002	5% & 7.5%
Revaluation	1,176,415	-	-	-	75,913	1,100,502	1,345,009	244,507	1,100,502	5% & 7.5%
FURNITURE, FIXTURE & FITTINGS										
Cost	2,903	-	-	-	290	2,613	10,564	7,951	2,613	10%
OFFICE EQUIPMENT										
Cost	22,645	1,942	-	-	2,349	22,238	58,131	35,893	22,238	10%
VEHICLES										
Cost	47,579	15,985	-	2,994	10,556	50,014	105,367	55,353	50,014	20%
TOTAL										
Cost	3,804,302	17,927	108,524	2,994	265,926	3,661,833	6,054,817	2,392,984	3,661,833	
Revaluation	1,568,145	-	-	-	89,720	1,478,425	1,770,157	291,732	1,478,425	
	5,372,447	17,927	108,524	2,994	355,646	5,140,258	7,824,974	2,684,716	5,140,258	

2020									
PARTICULARS	NET CARRYING VALUE					GROSS CARRYING VALUE			DEPRECIATION RATE PER ANNUM
	AS ON OCTOBER 1, 2019	DIRECT ADDITIONS	TRANSFER FROM C/WIP	DISPOSAL	DEPRECIATION	AS ON SEPTEMBER 30, 2020	COST	ACCUMULATED DEPRECIATION	NET CARRYING VALUE AT SEP 30, 2020
Rupees in thousand									
FREEHOLD LAND									
Cost	31,575	-	-	-	-	31,575	31,575	-	-
Revaluation	181,756	-	-	-	-	181,756	181,756	-	-
FACTORY BUILDING									
Cost	49,699	-	-	-	4,970	44,729	149,346	104,617	44,729
Revaluation	64,219	-	-	-	6,422	57,797	71,354	13,557	57,797
NON FACTORY BUILDING									
Cost	75,327	-	253	-	3,775	71,805	136,988	65,183	71,805
Revaluation	151,376	-	-	-	7,569	143,807	159,343	15,536	143,807
RES QTR FOR LABOUR									
Cost	3,604	-	-	-	360	3,244	30,308	27,064	3,244
Revaluation	9,300	-	-	-	930	8,370	12,695	4,325	8,370
PLANT AND MACHINERY									
Cost	3,441,999	-	390,557	-	252,734	3,579,822	5,424,014	1,844,192	3,579,822
Revaluation	1,257,782	-	-	-	81,367	1,176,415	1,345,009	168,594	1,176,415
FURNITURE, FIXTURE & FITTINGS									
Cost	3,225	-	-	-	322	2,903	10,564	7,661	2,903
OFFICE EQUIPMENT									
Cost	24,249	864	-	-	2,468	22,645	56,189	33,544	22,645
VEHICLES									
Cost	48,810	10,942	-	805	11,368	47,579	101,983	54,404	47,579
TOTAL									
Cost	3,678,488	11,806	390,810	805	275,997	3,804,302	5,940,967	2,136,665	3,804,302
Revaluation	1,664,433	-	-	-	96,288	1,568,145	1,770,157	202,012	1,568,145
	5,342,921	11,806	390,810	805	372,285	5,372,447	7,711,124	2,338,677	5,372,447

4.1.1 Allocation of Depreciation

Depreciation has been allocated as follows:

		2021			2020		
		SUGAR	ETHANOL	TOTAL	SUGAR	ETHANOL	TOTAL
		----- (Rupees in thousand) -----			----- (Rupees in thousand) -----		
Manufacturing	28	82,593	247,915	330,508	81,163	264,329	345,492
Administration	31	15,484	9,654	25,138	16,326	10,467	26,793
		98,077	257,569	355,646	97,489	274,796	372,285

4.1.2 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

Description	Sold to	Original Cost	Accumulated Depreciation	Net Carrying Value	Sale proceeds	Gain on Disposal	Mode of Disposal
----- (Rupees in thousand) -----							
Toyota Corolla	Reliance Insurance Co Ltd	1,863	1,100	763	2,000	1,237	Negotiations
Suzuki Cultus	Hammad Iqbal	1,145	486	659	1,400	741	Negotiations
Toyota Corolla	Ans Israr Ahmed	1,560	1,017	543	1,820	1,277	Negotiations
Seven vehicles each having carrying value less than Rs. 500,000	Various	8,033	7,004	1,029	6,765	5,736	Negotiations
2021		12,601	9,607	2,994	11,985	8,991	
2020		4,026	3,221	805	2,239	1,434	

4.2 CAPITAL WORK-IN-PROGRESS

	Balance as at beginning of the year	During the year		Balance as at close of the year
		Capital expenditure incurred	Transferred to operating fixed assets	
(Rupees in thousand)				
2021				
Civil Works	-	10,965	-	10,965
Plant & Machinery	14,505	203,702	(108,524)	109,683
	14,505	214,667	(108,524)	120,648
2020				
Civil Works	253	-	(253)	-
Plant & Machinery	155,525	249,537	(390,557)	14,505
	155,778	249,537	(390,810)	14,505

	Note	2021 (Rupees in thousand)	2020
5 INTANGIBLE ASSET			
Software - SAP Application			
Cost		5,917	5,917
Accumulated Amortization		(5,917)	(5,917)
		<u>-</u>	<u>-</u>

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

6 LONG TERM INVESTMENT Under Equity Method

Investment in associate - Al-Noor Modaraba Management (Pvt.) Ltd.			
Opening balance		1,006	1,351
Share of (loss) for the year	6.1.2	(168)	(285)
Share of associate's unrealized (loss)/ gain on remeasurement of associate's investment at fair value through other comprehensive income.	6.2	120	(60)
		(48)	(345)
		<u>958</u>	<u>1,006</u>

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

This strategic investment is measured using equity method. In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30 and since there are no significant changes in the associate's financial affairs up to September 30, therefore, the financial results of ANMM as of June 30, 2021 have been used for the purpose of application of equity method. The summarized financial information of ANMM based on its audited financial statements for the year ended June 30, 2021 is as under:

6.1.1 Assets and Liabilities of ANMM

Assets			
Tangible and intangible fixed assets		348	452
Long term investments		13,440	12,600
Other non current assets		-	13
Current assets		676	1,382
		<u>14,464</u>	<u>14,447</u>
Liabilities			
Non - current liabilities		(1,126)	(1,100)
Current liabilities		(1,386)	(1,316)
		<u>(2,512)</u>	<u>(2,416)</u>
Net Assets		<u>11,952</u>	<u>12,031</u>
Less: Loan from directors included in equity		5,264	5,000
		<u>6,688</u>	<u>7,031</u>
Share of Shahmurad Sugar Mills Limited - Breakup value of investment		<u>958</u>	<u>1,006</u>

	Note	2021 (Rupees in thousand)	2020
6.1.2 Profit and loss of ANMM			
Income		99	31
Expenses		(1,251)	(2,108)
		(1,152)	(2,077)
Unrealised loss on remeasurement & impairment loss on investment at fair value through profit or loss.		-	(19)
Other income		4	106
Loss for the year before taxation		(1,148)	(1,990)
Taxation		(26)	(1)
Loss for the year after taxation		(1,174)	(1,991)
Share of Shahmurad Sugar Mills Limited		(168)	(285)
6.2 Share of Associate's unrealized loss on re-measurement of associate's investment at fair value through OCI			
Opening balance		2,501	2,441
Unrealized loss / (gain) on re-measurement of investment at fair value through other comprehensive income		(120)	60
Closing balance		2,381	2,501
7 LONG TERM LOANS			
- Unsecured & Interest free			
Considered Good			
- Due from executives	7.2 & 7.3	1,307	300
- Due from other employees		3,704	2,744
		5,011	3,044
Less: Current Portion of:			
- Due from executives		(957)	(300)
- Due from other employees		(2,659)	(1,520)
		(3,616)	(1,820)
		1,395	1,224
7.1 Loans and advances have been given in accordance with the terms of employment and are recoverable, in monthly instalments, within three years following the reporting date. These interest free loans are carried at cost since the effect of amortization is immaterial.			
7.2 Movement of loans to executives			
Balance at the beginning of the year		300	2,021
Disbursed during the year		2,150	30
Recovered during the year		(1,143)	(1,751)
Balance at the end of the year		1,307	300
7.3 The maximum aggregate amount due from executives at any month end during the year was Rs. 1.70 million (2020: 1.929 million).			

	Note	2021 (Rupees in thousand)	2020
8 LONG TERM DEPOSITS			
Unsecured & Interest free			
Utilities		1,039	1,039
Others		1,390	1,390
		<u>2,429</u>	<u>2,429</u>
9 STORES AND SPARES			
Stores		204,373	147,504
Spare parts		166,637	169,817
Stores in transit		540	108
		<u>371,550</u>	<u>317,429</u>
Less: Impairment allowance for obsolescence and slow moving items	9.1	(74,200)	(70,100)
		<u>297,350</u>	<u>247,329</u>
9.1 Impairment allowance for obsolescence and slow moving items			
Opening Balance		70,100	59,244
Provision for the year		4,100	10,856
Closing balance		<u>74,200</u>	<u>70,100</u>
10 STOCK-IN-TRADE			
Raw Material - Molasses	10.1	1,954,857	473,232
Sugar in process		15,220	13,228
Trading stock of fertilizers		65	214
Finished goods			
Sugar	10.1	620,828	628,322
Ethanol		983,721	488,452
		<u>1,604,549</u>	<u>1,116,774</u>
		<u>3,574,691</u>	<u>1,603,448</u>
10.1	Stock of finished goods pledged against short term finances under mark-up arrangement as referred in note No. 24 amounted to Rs. 473.136 million (2020: Rs. 141.476 million).		
11 TRADE DEBTS			
Export sales		292,372	191,750
Local sales		123,128	15,428
		<u>415,500</u>	<u>207,178</u>

	Note	2021 (Rupees in thousand)	2020
12 LOANS AND ADVANCES			
Unsecured - Considered Good			
Current portion of long term loans	7	3,616	1,820
Advances against purchases and services	12.1	143,764	1,459,917
Advances against expenses		8,216	6,065
		155,596	1,467,802
Considered doubtful			
Loans to growers	12.2	25,018	25,018
Less impairment allowance		(25,018)	(25,018)
		-	-
		155,596	1,467,802
12.1	This includes Rs. Nil (2020: Rs. 150.0 million) advance to Al- Noor Sugar Mills Limited, an associate company, for purchase of molasses.		
12.2	These loans were given to farmers/growers for sugar cane cultivation in the year and development carrying interest @ 10% which is accounted for in line with the recovery of the respective loan. These loans were adjustable against purchase of sugarcane from respective growers. However, an impairment allowance has been made in respect of loans against which future adjustment through purchase of sugarcane is considered doubtful and hence as a matter of prudence no interest is accrued thereon as well.		
13 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Short term deposits		1,112	5
Short term prepayments		330	452
		1,442	457
14 OTHER RECEIVABLES			
- Unsecured Considered Good			
Associated undertaking - Reliance Insurance Company Limited	14.1	156	595
State Bank of Pakistan - Export subsidy		116,623	175,318
Government of Sindh - Export subsidy		767	767
Others		9	9
		117,555	176,689
- Considered Doubtful			
Export subsidies	14.2	164,395	105,700
Less: Impairment allowance against export freight subsidy		(164,395)	(105,700)
		-	-
		117,555	176,689
14.1	This represented receivable against an insurance claim for damage to sugar stock and which has been recovered during the year.		
14.2	These represent freight subsidy of Rs. 47.005 million on sugar exports receivable from Trade Development Authority of Pakistan and Rs. 117.390 million receivable from State Bank of Pakistan and Sindh Government. The Company is following up for the recovery however, due to uncertainties regarding its recoverability, impairment allowance has been made as a matter of prudence.		

	Note	2021 (Rupees in thousand)	2020
15 SHORT TERM INVESTMENT			
Special Sharikah Certificates	15.1	373	2,100,000
Accrued Profit		3	3,781
		376	2,103,781

15.1 These special sharikah certificates carry profit at 2021: 5.75% (2020: 5.75%). The investment has maturity of upto one month.

16 CASH AND BANK BALANCES

Cash in hand		1,149	850
Cash at banks			
In current accounts			
Local currency		52,067	34,936
Foreign currency		44	49
In saving accounts	16.1	501	554
		52,612	35,539
		53,761	36,389

16.1 This carry profit at the rate ranging between 4.10% to 4.7% (2020: 9.5% to 11.5%) p.a.

16.2 Bank balances include Rs. 12.864 million (2020: Rs. 10.104 million) with shariah compliant financial institutions.

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020			
No. of Shares	No. of Shares			
11,730,368	11,730,368	Ordinary shares of Rs.10 each allotted for consideration paid in cash	117,304	117,304
9,388,295	9,388,295	Ordinary shares of Rs.10 each allotted as fully paid bonus shares	93,883	93,883
21,118,663	21,118,663		211,187	211,187

17.1 Associated companies hold 5,013,100 (23.73%) shares of the Company (2020: 5,013,100 i.e. 23.73%).

17.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

18 GENERAL RESERVE

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

	2021	2020
	(Rupees in thousand)	
19 REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT		
Opening balance - Gross	1,568,145	1,664,433
Transfer to equity on account of incremental depreciation		
Incremental depreciation - net of deferred tax	(80,499)	(86,547)
Deferred tax on incremental depreciation	(9,221)	(9,741)
	(89,720)	(96,288)
Closing balance - Gross	1,478,425	1,568,145
Related deferred tax liability	(169,274)	(178,495)
Revaluation surplus net of deferred tax	1,309,151	1,389,650

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

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

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

20 LONG TERM FINANCING

Banks	771,964	1,021,740
Financial institutions	123,136	141,872
20.1	895,100	1,163,612

20.1

	BANKS					FINANCIAL INSTITUTION	TOTAL	
	Standard Chartered Bank (Pakistan) Ltd.	Faysal Bank Ltd. (Islamic)	Bank Alfalah Ltd.	Meezan Bank Ltd.	Subtotal		2021	2020
Opening balance	156,250	240,000	459,485	450,000	1,305,735	150,000	1,455,735	1,699,373
Addition	-	-	-	-	-	-	-	-
Repayment	(156,250)	(30,000)	(28,034)	(100,000)	(314,284)	(8,128)	(322,412)	(243,638)
Closing balance	-	210,000	431,451	350,000	991,451	141,872	1,133,323	1,455,735
Current Maturity	-	(60,000)	(59,487)	(100,000)	(219,487)	(18,736)	(238,223)	(292,123)
Shown under current liabilities	-	150,000	371,964	250,000	771,964	123,136	895,100	1,163,612
Description	Diminishing Musharaka	Diminishing Musharaka	Long Term Finance	Diminishing Musharaka		Long Term Finance		
Sanctioned/Sale Price/Disbursed Amount (Rs in million)	500	300	500	500	150			
Effective rate of mark-up (per annum)	3 M KIBOR + 0.60%	3 M KIBOR + 0.50%	SBP Rate + 0.75%	6 M KIBOR + 0.50%		SBP Rate + 0.75%		
Facility tenor	5 years	8 years	10 years	7 years		10 years		
Number of instalments	16	20	32	10	32			
Principal amount of each instalment (Rs in million)	31.250	15.000	Various	50.000	Various			
Instalments Payable	Quarterly	Quarterly	Quarterly	Half yearly	Quarterly			
Date of Disbursement	14-12-2016	21-02-2017	12-07-2017	11-07-2017	06-02-2018			
Grace Period	1 Year	2 Years	2 Years	2 Years	2 years			
Date of payment of 1st instalment	14-03-2018	21-05-2019	12-01-2020	11-01-2020	06-05-2021			
Date of payment of final instalment	14-12-2021	21-02-2024	26-03-2028	11-07-2024	30-10-2028			

SECURITIES

Standard Chartered Bank (Pakistan) Ltd. - Rs. 500 M	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.
Faysal Bank Ltd Rs 300 M.	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.
Bank Alfalah Ltd Rs 500 M.	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.
Meezan Bank Ltd Rs 500 M.	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.
Pak Oman Investment Co. Ltd. - Rs. 150 M	First pari passu equitable mortgage & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of the Company.

Shariah Compliant

Long term financing under shariah compliant arrangements amounted to Rs. 560 million (2020: Rs. 846.25 million)

	Note	2021 (Rupees in thousand)	2020
21 DEFERRED TAXATION			
Opening balance		17,212	(25,726)
Charged to statement of profit or loss		53,067	42,938
Closing balance		70,279	17,212
Deferred tax arises due to:			
Taxable temporary differences in respect of			
Accelerated tax depreciation		206,180	202,549
Revaluation surplus on property, plant and equipment	19	169,274	178,495
		375,454	381,044
Deductible temporary differences in respect of			
Impairment allowances & other provisions		(30,261)	(29,072)
Unabsorbed business loss/ tax depreciation		(274,914)	(334,760)
		(305,175)	(363,832)
		70,279	17,212
22 TRADE AND OTHER PAYABLES			
Creditors	26.10 & 26.11	564,541	922,779
Accrued expenses		37,392	29,790
Advance from customers	22.1	56,794	179,498
Retention money payables	22.2	10,281	10,281
Sales tax payable - net		98,237	105,106
Gratuity payable		1,930	1,930
Worker's profit participation fund	22.3	16,037	56,261
Worker's Welfare Fund		11,772	22,732
Payable to staff provident fund		1,891	333
		798,875	1,328,710
22.1	During the year, performance obligation underlying the opening contract liability of Rs. 179.498 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year. In addition, information regarding the timing of satisfaction of performance obligations underlying the closing contract liability of Rs. 56.794 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.		
22.2	These are utilized for the purpose of the business as per agreements, in compliance with requirements of section 217 of the Companies Act, 2017.		
22.3 Worker's profit participation fund			
Opening balance		56,261	79,561
Interest on funds utilized	34	1,494	3,813
Allocation for the year	32	16,037	52,448
		73,792	135,822
Payments made during the year		(57,755)	(79,561)
Closing balance		16,037	56,261
22.3	This carries interest rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 2021: 10% (2020: 14.7%).		

		2021	2020
	Note	(Rupees in thousand)	
23 ACCRUED FINANCE COST			
On long term financing		7,621	14,363
On short term borrowings		22,649	17,453
		30,270	31,816
23.1	Accrued finance cost includes Rs. 9.932 million (2020: Rs. 22.100 million) in respect of borrowings under shariah compliant arrangements.		
24 SHORT TERM BORROWINGS			
From banking companies - Secured			
Cash / Running finance	24.1	300,979	171,288
Export refinance	24.2	1,826,000	2,170,000
Musawama / IERF / Murabaha	24.3	1,050,000	1,300,000
		3,176,979	3,641,288
24.1	The facilities are available up to Rs. 2,800 million (2020: Rs. 2,220 million) and are secured against pledge of sugar / molasses/ ethanol and first pari passu charge on property, plant and equipment. The effective rate of mark-up ranges from 1M / 3M Kibor + 0.10% to 0.60% (2020: 1M / 3M Kibor + 0.10% to 0.60%). Unutilized facilities as on year end amounted to Rs. 2,499 million (2020: Rs. 2,049 million).		
24.2	The facilities are available under SBP export finance scheme up to limit of Rs. 2,290 million (2020: Rs. 2,170 Million) and are secured by first pari passu equitable mortgage charge and hypothecation over current and future Property, plant and equipment of the company and pledge of sugar / molasses / ethanol (refer note 10.1). The effective rate of mark-up is 0.25% to 1.00% over SBP ERF rate which was 2.25% to 3.00% (2020: 2.25% to 3.0%). Unutilized facilities as on year end amounted to Rs. 464 million (2020: Rs. Nil).		
24.3	Musawama / IERF / Murabaha has been obtained from shariah compliant banks. The aggregate limit of Musawama / IERF / Murabaha arrangements is up to Rs. 3,500 million (2020: Rs 2,250 million). These are secured by Pledge of sugar, molasses and ethanol ranking charge over stocks and book debts and pari passu hypothecation charge on Property Plant & Equipment & Pledge of Sugar (refer note 10.1). The effective rates of profit are ranging between Respective 3M/6M Kibor + 0.35% to 0.50% and SBP rate + 1.00% (2020: Respective / 3M Kibor + 0.25 % to 0.30% and SBP rate + 0.50% to 1.00%). The unavailed facility at the year end amounted to Rs. 2,450 million (2020: Rs. 950 million).		
24.4	Short-term borrowings include Rs. 1,050 million (2020: Rs. 1,300 million) under shariah compliant arrangements.		
		2021	2020
	Note	(Rupees in thousand)	
25 LOANS FROM RELATED PARTIES			
Loans from related parties	25.1	48,135	48,135
25.1	These represent loans from related parties which are repayable on demand and currently these do not carry markup.		

26 CONTINGENCIES AND COMMITMENTS

a) CONTINGENCIES

- 26.1** The Company filed petition before Honourable High Court of Sindh challenging the levy of further tax against taxable supplies made to unregistered person under section 3(1A) of the Sales Tax Act, 1990. The entire liability till November 30, 2000 was paid by the Company, in the month of December 2000. As per judgment awarded against the department by the Honourable High Court of Sindh, the Company has claimed refund of such further tax amounting to Rs. 45.190 million out of which an amount of Rs.7.144 million was refunded by the department.

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

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

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

- 26.4** There are certain litigations pending in the Honourable Sindh High Court, Hyderabad pertaining to ex-employees. The sixth Sindh labour court awarded decision in favour of the company and the ex-employees filed an appeal in Labour Appellate Tribunal at Hyderabad the outcome of which has also been decided in favour of the Company. The ex-employees have now filed suit before the Honourable Sindh High Court, Hyderabad. The financial liability may arise only if these cases are finally decided against the Company. The amount of liability is not ascertainable and hence, no provision has been made in this regard as in the management view the same is not likely to crystallize.

- 26.5** Cases regarding possession of land of the Company are pending in the Honourable High Court of Sindh which were filed on 01 January 2010 and 22 July 2010 and the financial impact of the same is not presently determinable with any accuracy. The Company is confident that the same is not likely to be decided against the Company.
- 26.6** The Company has filed a petition in the Honourable Supreme Court of Pakistan, dated 14 January 2010 against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. There are no financial implications related to this at the moment.
- 26.7** Pakistan Standards and Quality Control Authority (the Authority) has demanded a marking fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 1.45 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Company has filed a petition before the Honourable High Court of Sindh dated 01 September 2010 challenging the levy of marking fee under PSQCA Act-VI of 1996 and the Honourable court accepted the petition and termed that the impugned notification has been issued without lawful authority and suspended the operation of the impugned notifications. In the meantime the legal counsel of the company filed caveat in respect of an appeal to be filed by the PSQCA against the Judgment in Honourable Supreme Court of Pakistan. The Pakistan Standards and Quality Control Authority have filed an appeal before the Honourable Supreme Court of Pakistan against the decision of Honourable High Court of Sindh. No provision has been made in this respect.
- 26.8** A show cause notice was issued by the Department of Inland Revenue LTU Karachi, regarding the reduced rate of Federal Excise Duty availed by the Company amounting to Rs. 99.801 million under SRO 77 (1) / 2013 dated February 7, 2013. The Company has filed suit in the Honourable High Court of Sindh Karachi dated 30 December 2013 against the show cause notice and the matter is pending before the Honourable High Court of Sindh. Pending the outcome of the case no provision has been made as the outcome of the case is expected to be in favour of the company as per legal counsel.
- 26.9** Excise, taxation and Narcotics department, Government of Sindh had notified fee on storage of rectified spirit in a private bonded warehouse at Rs. 0.5 per litre. The Company has filed appeal before the Honourable High Court of Sindh against the notification dated 08 July 2014. The Honourable High Court has issued stay order against the recovery of the storage charges on rectified spirit. Amount of the storage fee up-to September 30, 2015 works out to Rs. 70.044 million and no provision is made in the financial statements as the outcome of case is expected to be in the favour of Company as per legal counsel.
- 26.10** Against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season 2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The Honourable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent on upon the decision of Honourable Supreme Court of Pakistan. The Company based on the discussion with legal council is of the view that this difference will not be payable, hence provision of Rs 149 million already made as a matter of prudence has been reversed.
- 26.11** During the year 2017-2018, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honourable Court after deliberations with all stakeholders announced the judgement fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan which is pending. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40 kgs these financial statements aggregating to Rs.409.518 million.

- 26.12** During the year 2016-17, Deputy Commissioner has raised a demand of Rs. 4.01 million in respect of claim of inadmissible input through order dated 21 August 2017 in light of proceedings of showcause notice no C.No. DCIR/SSML/Inadmissible/E&C-3&4/Zone-II/LTU/2017 dated 02 May 2017. The Company filed an appeal with Commissioner Inland Revenue (Appeals), dated 15 September 2017 and the case was decided in favour of the Company. Being aggrieved by the said order, the Department has filed appeal in the Appellate Tribunal Inland Revenue which is yet to be decided. The management and advisor of the Company are of the view that the Company has reasonable grounds and favourable outcome is expected so no provision is made.
- 26.13** The Competition Commission of Pakistan (CCP) in August 2021 passed an orders dated 13 August 2021 and imposed penalty on PSMA and member sugar mills alleging them to be guilty of collusive activities and cartelization. The penalty imposed on the Company is Rs. 575 million. The PSMA and our Company along with other sugar mills filed the Suit against the order of the Competition Commission of Pakistan (CCP) at Sindh High Court (SHC). The Honorable Court passed an interim order on October 7, 2021 stating that the operation of impugned orders dated 06.08.2021 and 13.08.2021 shall remain suspended till the hearing is underway. The Company expect favourable outcome in the matter.
- 26.14** The Federal Board of Revenue (FBR) issued notices for conducting tax audits for multiple years commencing from 2015 to 2019 under section 177 of the Income Tax Ordinance, 2001 and despite providing all records, submission of evidences and details, audit proceedings for the tax year 2015 and 2016 were concluded by passing detrimental orders under section 122(1)/(5) of the Income Tax Ordinance 2001 whereby frivolous tax demand of Rs. 7,016 billion for these two tax years have been created and no conclusion for other tax years has yet been made. The demand is based on arbitrary and illogical observations against which the company has preferred appeals to the Commissioner Inland Revenue [Appeals-I], Karachi which is pending for hearing. In the meanwhile, the Company also got stay orders from the Honorable Sindh High Court refraining the department to take coercive measures for recovery of the demand during the pendency of the Appeal. Since the demanded tax is not based on fact and records and in the view of tax advisor, favourable outcome is expected in the appeal, hence no provision has been made in the financial statements against said demands.

	2021	2020
	(Rupees in thousand)	
b) COMMITMENTS		
The Company's commitment as on September 30, are as follows:		
Commitments for capital expenditure	61,997	34,114
Commitments for stores and spares	4,729	14,056
	66,726	48,170
Bank Guarantees		
In favour of Excise and Taxation Department	500	500

		SUGAR		ETHANOL		TOTAL	
	Note	2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
27	SALES						
	Local	4,577,081	4,339,699	-	4,306	4,577,081	4,344,005
	Export	-	358,175	6,024,695	7,086,803	6,024,695	7,444,978
		4,577,081	4,697,874	6,024,695	7,091,109	10,601,776	11,788,983
	Less:						
	Sales Tax	(665,046)	(644,213)	-	(626)	(665,046)	(644,839)
	Commission	(2,237)	(537)	-	-	(2,237)	(537)
		(667,283)	(644,750)	-	(626)	(667,283)	(645,376)
	Net sales	3,909,798	4,053,124	6,024,695	7,090,483	9,934,493	11,143,607
28	COST OF SALES						
	Manufacturing cost:						
	Raw material consumed	3,418,526	3,192,597	5,148,429	4,539,506	8,566,955	7,732,103
	Salaries, wages and benefits 28.1	118,779	122,838	50,073	47,233	168,852	170,071
	Stores and spares consumed	91,284	103,516	34,174	27,763	125,458	131,279
	Packing materials	26,019	25,674	222,502	598,940	248,521	624,614
	Fuel and oil	11,971	10,007	123,575	86,732	135,546	96,739
	Power and water	6,671	8,365	1,157	715	7,828	9,080
	Chemicals and process materials	28,757	28,704	55,527	44,641	84,284	73,345
	Repair and maintenance	33,856	32,060	27,228	30,859	61,084	62,919
	Insurance	7,148	7,351	11,182	8,962	18,330	16,313
	Other manufacturing expenses	14,039	15,607	2,761	2,052	16,800	17,659
	Depreciation 4.1.1	82,593	81,163	247,915	264,329	330,508	345,492
		3,839,643	3,627,882	5,924,523	5,651,732	9,764,166	9,279,614
	Opening stock of work in process	13,228	5,831	-	-	13,228	5,831
	Closing stock of work in process	(15,220)	(13,228)	-	-	(15,220)	(13,228)
		(1,992)	(7,397)	-	-	(1,992)	(7,397)
		3,837,651	3,620,485	5,924,523	5,651,732	9,762,174	9,272,217
	Molasses transfer to Ethanol Division	(449,085)	(367,335)	-	-	(449,085)	(367,335)
	Bagasse transfer to Ethanol Division	(46,023)	(60,300)	-	-	(46,023)	(60,300)
	Fusil oil sale	-	-	(11,133)	(4,167)	(11,133)	(4,167)
		(495,108)	(427,635)	(11,133)	(4,167)	(506,241)	(431,802)
		3,342,543	3,192,850	5,913,390	5,647,565	9,255,933	8,840,415
	Opening stock of finished goods	628,322	1,202,189	488,452	184,841	1,116,774	1,387,030
	Closing stock of finished goods	(620,828)	(628,322)	(983,721)	(488,452)	(1,604,549)	(1,116,774)
		7,494	573,867	(495,269)	(303,611)	(487,775)	270,256
	Export freight and related charges	-	4,155	404,225	437,141	404,225	441,296
		3,350,037	3,770,872	5,822,346	5,781,095	9,172,383	9,551,967
28.1	Includes Rs. 4.378 million (2020 : Rs. 4.615 million) in respect of contribution towards provident fund.						
29	PROFIT FROM TRADING ACTIVITIES						
	Sales	6,504	15,503	-	-	6,504	15,503
	Sales tax	(128)	(304)	-	-	(128)	(304)
		6,376	15,199	-	-	6,376	15,199
	Less: Cost of sales						
	Opening stock	214	3,758	-	-	214	3,758
	Purchases	5,785	10,523	-	-	5,785	10,523
	Closing stock	(65)	(214)	-	-	(65)	(214)
		5,934	14,067	-	-	5,934	14,067
		442	1,132	-	-	442	1,132

		SUGAR		ETHANOL		TOTAL	
		2021	2020	2021	2020	2021	2020
Note		(Rupees in thousand)					
30	DISTRIBUTION COST						
	Sugar handling and other charges	14,393	14,777	-	-	14,393	14,777
	Storage charges	-	-	14,159	-	14,159	-
	Carriage out ward	-	-	14,816	-	14,816	-
		14,393	14,777	28,975	-	43,368	14,777

31 ADMINISTRATIVE EXPENSES

Salaries, allowances and benefits	31.1	58,856	63,903	54,834	45,284	113,690	109,187
Staff welfare		7,204	11,776	12,977	12,627	20,181	24,403
Repair and maintenance		8,145	7,758	9,740	9,103	17,885	16,861
Legal and professional		6,129	4,877	1,181	530	7,310	5,407
Auditors' remuneration	31.2	1,024	1,024	541	541	1,565	1,565
Vehicle running		11,982	10,474	7,738	6,855	19,720	17,329
Insurance		686	758	-	-	686	758
Communication		952	1,077	2,868	3,052	3,820	4,129
Entertainment		2,978	2,556	5,566	4,651	8,544	7,207
Printing and stationery		434	944	1,028	790	1,462	1,734
Fees and subscription		4,058	3,553	3,391	2,918	7,449	6,471
Advertisement		402	175	-	-	402	175
Depreciation	4.1.1	15,484	16,326	9,654	10,467	25,138	26,793
Others		15,571	11,842	12,152	12,005	27,723	23,847
		<u>133,905</u>	<u>137,043</u>	<u>121,670</u>	<u>108,823</u>	<u>255,575</u>	<u>245,866</u>

31.1 Includes Rs. 5.211 million (2020 : Rs. 1.968 million) in respect of contribution towards provident fund.

31.2 Auditors' remuneration

Kreston Hyder Bhimji & Co							
Statutory audit		766	766	489	489	1,255	1,255
Half yearly review		75	75	46	46	121	121
Corporate Governance		10	10	6	6	16	16
Other certifications		56	56	-	-	56	56
Sindh sales tax on services		117	117	-	-	117	117
		<u>1,024</u>	<u>1,024</u>	<u>541</u>	<u>541</u>	<u>1,565</u>	<u>1,565</u>

	Note	2021	2020
(Rupees in thousand)			
32 OTHER EXPENSES			
Charity and donation	32.1	1,749	1,612
Impairment allowance for obsolescence and slow moving store and spares		4,100	10,856
Impairment allowance for export subsidy		58,695	58,695
Directors meeting fee		320	280
Worker's profit participation fund		16,037	52,448
Worker's welfare fund		6,099	5,672
Balances written-off		-	281
		<u>87,000</u>	<u>129,844</u>

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

	Note	2021 (Rupees in thousand)	2020
33 OTHER INCOME			
Income from financial Assets and others			
Net exchange gain	4.1.2	36,080	8,998
Income on saving bank accounts		46,601	46,227
		82,681	55,225
Income from non financial Assets			
Gain on disposal of property, plant and equipment		8,991	1,434
Liabilities written back		177,610	-
Export performance rebate		-	10,666
Insurance claim		716	5,025
Scrap sales	33.1	18,619	1,082
Others		-	180
		205,936	18,387
		288,617	73,612
33.1 This is net of sales tax of Rs 3.165 million (2020: Rs 0.184 million).			
34 FINANCE COST			
Mark-up/Interest/Profit on:			
Long term financing		81,824	140,824
Short-term borrowings			
Cash/running finance		100,994	77,165
Export refinance/IERF		84,631	78,306
		185,625	155,471
Istisna / Murabaha		91,521	40,325
Worker's profit participation fund	22.3	1,494	3,813
Bank and other charges		6,155	3,591
		366,619	344,024
34.1 Finance cost includes Rs. 179.392 million (2020: Rs. 179.304 million) in respect of shariah compliant arrangements.			
35 PROVISION FOR TAXATION			
Current		109,706	130,305
Prior year adjustment		-	(1,970)
Deferred		53,067	42,938
		162,773	171,273
35.1 Reconciliation of tax expense:			
Accounting profit before tax		298,439	931,588
Applicable tax rate		29%	29%
Tax expense based on accounting profit		86,547	270,161
Add/(less)			
Effects of FTR		60,719	(192,646)
Effects of minimum tax		48,987	55,668
Prior year adjustment		-	(1,970)
Effects of temporary differences and others		(33,479)	40,060
		76,227	(98,888)
		162,773	171,273

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

Accounting Year	As per Financial Statements	As per Return/ Assessment
	Rupees in thousand	
2020	130,305	138,833
2019	109,338	108,016
2018	-	-

2021 2020

36 EARNING PER SHARE - BASIC AND DILUTED

Profit after taxation (Rupees in thousand)	135,666	760,315
Weighted average number of ordinary shares	21,118,663	21,118,663
Earning per share - Rupees	6.42	36.00

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

37 TRANSACTIONS WITH RELATED PARTIES

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

Relationships	Nature of Transactions	Note	2021 (Rupees in thousand)	2020
Associates				
Al Noor Sugar Mills Limited	- Purchase of Goods - Dividend paid		598,793 39,597	667,173 56,096
Al Noor Modaraba Management (Pvt.) Ltd.	- Share of loss - Share of other comprehensive loss and item taken to equity		(168) 120	(285) (60)
Reliance Insurance Company Limited	- Insurance premium - Insurance claim		24,701 716	25,507 5,647
Others				
Staff Provident Fund	- Contribution of the Company		9,590	6,584

- 37.2** During the year the Company entered transactions / arrangement with following related parties on the basis of relationship mentioned below:

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

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

	2021	2020
	(Rupees in thousand)	
38 CAPACITY AND PRODUCTION IN METRIC TONS		
Sugar Division		
Installed cane crushing capacity per day (M.Tons)	11,000	11,000
No of days Mill operated	90	96
Total crushing capacity on basis of no. of days mill operated (M.Tons)	990,000	1,056,000
Actual crushing (M.Tons)	441,293	444,430
Sugar Production (M.Tons)	47,220	48,786

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

Ethanol Division

Plant - I		
Installed ethanol production capacity per day (M.Tons)	100	100
No of days Mill operated	210	191
Total ethanol production capacity on basis of no. of days mill operated (M.Tons)	21,000	19,100
Production in M.Tons	17,103	17,566
Plant - II		
Installed ethanol production capacity per day (M.Tons)	100	100
No of days Mill operated	303	322
Total ethanol production capacity on basis of no. of days mill operated (M.Tons)	30,300	32,200
Production in M.Tons	25,540	30,042

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

39 CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES' REMUNERATION

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

	2021				2020			
	Chief Executive	Executive Directors	Executives	Total	Chief Executive	Executive Directors	Executives	Total
Rupees in thousand								
Managerial Remuneration	5,888	7,299	25,084	38,271	5,152	6,387	26,523	38,062
Provident fund	736	912	2,485	4,133	-	-	1,207	1,207
Perquisite (including house rent and bonus)	2,944	3,650	24,520	31,114	2,576	3,193	27,615	33,384
Reimbursable expenses including travelling expenses	1,234	809	-	2,043	1,065	597	-	1,662
	10,802	12,670	52,089	75,561	8,793	10,177	55,345	74,315
Number of persons	1	1	10	12	1	1	11	13

- The Chief Executive, Executive Directors and all the Executives are also provided with free use of company's maintained cars.
- Meeting fee paid to non-executive directors aggregates to Rs. 320,000 (2020: Rs.280,000) respectively.
- Executives are those employees whose annual basic salary is equal to or more than twelve hundred thousands.

40 SEGMENT INFORMATION

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

	Note	Sugar Division		Ethanol Division		Total	
		2021	2020	2021	2020	2021	2020
		----- Rupees in thousand -----					
REVENUE							
External sales	27	3,909,798	4,053,124	6,024,695	7,090,483	9,934,493	11,143,607
Inter-segment transfers		495,108	427,635	-	-	495,108	427,635
		4,404,906	4,480,759	6,024,695	7,090,483	10,429,601	11,571,242
RESULTS							
Profit from operations		411,463	130,432	51,704	1,200,565	463,167	1,330,997
Profit from trading activity		442	1,132	-	-	442	1,132
Other Income		167,831	11,721	120,786	61,891	288,617	73,612
		579,736	143,285	172,490	1,262,456	752,226	1,405,741
Other expenses						(87,000)	(129,844)
Finance cost						(366,619)	(344,024)
Share of loss from associate						(168)	(285)
Profit before tax						298,439	931,588
Taxation						(162,773)	(171,273)
Net profit for the year						135,666	760,315
STATEMENT OF FINANCIAL POSITION							
Segment assets		2,979,334	2,886,010	6,687,999	8,134,341	9,667,333	11,020,351
Unallocated Assets						262,965	290,179
Long term investment						958	1,006
Total assets						9,931,256	11,311,536
Liabilities							
Segment liabilities		1,469,955	1,746,292	3,772,089	4,707,071	5,242,044	6,453,363
Unallocated liabilities						27,809	79,132
Total liabilities						5,269,853	6,532,495
OTHER INFORMATION							
Additions to property, plant and equipment		139,091	210,165	93,503	51,178	232,594	261,343
Depreciation		98,077	97,489	257,569	274,796	355,646	372,285

Revenue from major customers

During the year external sales to major customers amounted to Rs. 1,655 million (2020: 4,109 million).

	Note	2021 (Rupees in thousand)	2020
Geographical Information			
All non-current assets of the Company are located in Pakistan. Company's local external net sales represent sales to various customers in Pakistan as well as outside Pakistan as follows:			
Pakistan		3,909,798	3,698,629
China		1,103,323	-
Ghana		969,027	1,607,476
Indonesia		677,412	306,025
Taiwan		488,424	69,111
Thailand		358,847	346,361
Philippines		332,867	285,796
Tanzania		297,753	280,661
Spain		280,478	-
Netherlands		269,860	-
Lebanon		237,336	116,355
Singapore		152,982	119,257
Jordan		117,733	418,549
Italy		96,040	-
Cameroon		65,999	278,909
Turkey		65,030	128,922
Korea		56,264	38,271
Iraq		55,960	138,873
UAE		37,354	219,645
Ivory Coast		26,762	439,620
Angola		-	784,454
Afghanistan		-	358,175
Sierra Leone		-	301,400
Kuwait		-	267,354
South Korea		-	260,728
Liberia		-	93,865
Nigeria		-	33,799
Others		335,244	551,372
		9,934,493	11,143,607

41 FINANCIAL ASSETS AND LIABILITIES

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

2021						
Mark-up / Interest Based			Non-Mark-up / Non-Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

------(Rupees in thousand)-----

FINANCIAL ASSETS

At cost / amortised cost

Long term loans	-	-	-	3,616	1,395	5,011	5,011
Long and short term deposits	-	-	-	1,112	2,429	3,541	3,541
Trade debts	-	-	-	415,500	-	415,500	415,500
Other receivables	-	-	-	165	-	165	165
Short term investment	373	-	373	3	-	3	376
Cash and bank balances	501	-	501	53,260	-	53,260	53,761
	874	-	874	473,656	3,824	477,480	478,354

FINANCIAL LIABILITIES

At cost / amortised cost

Long term financing	238,223	895,100	1,133,323	-	-	-	1,133,323
Trade and other payables	16,037	-	16,037	616,035	-	616,035	632,072
Accrued finance cost	-	-	-	30,270	-	30,270	30,270
Short term borrowings	3,176,979	-	3,176,979	-	-	-	3,176,979
Loan from related parties	-	-	-	48,135	-	48,135	48,135
Unclaimed dividend	-	-	-	11,992	-	11,992	11,992
	3,431,239	895,100	4,326,339	706,432	-	706,432	5,032,771

2020						
Mark-up / Interest Based			Non-Mark-up / Non-Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

------(Rupees in thousand)-----

FINANCIAL ASSETS

At cost / amortised cost

Long term loans	-	-	-	1,820	1,224	3,044	3,044
Long and short term deposits	-	-	-	5	2,429	2,434	2,434
Trade debts	-	-	-	207,178	-	207,178	207,178
Other receivables	-	-	-	604	-	604	604
Short term investment	2,100,000	-	2,100,000	3,781	-	3,781	2,103,781
Cash and bank balances	554	-	554	35,835	-	35,835	36,389
	2,100,554	-	2,100,554	249,223	3,653	252,876	2,353,430

FINANCIAL LIABILITIES

At cost / amortised cost

Long term financing	292,123	1,163,612	1,455,735	-	-	-	1,455,735
Trade and other payables	56,261	-	56,261	965,113	-	965,113	1,021,374
Accrued finance cost	-	-	-	31,816	-	31,816	31,816
Short term borrowings	3,641,288	-	3,641,288	-	-	-	3,641,288
Loan from related parties	-	-	-	48,135	-	48,135	48,135
Unclaimed dividend	-	-	-	9,599	-	9,599	9,599
	3,989,672	1,163,612	5,153,284	1,054,663	-	1,054,663	6,207,947

42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

42.1 Financial Risk Management Objectives

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

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

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

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

A Credit risk

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

	2021	2020
	(Rupees in thousand)	
Loans to executive and other employees	5,011	3,044
Long and short term deposits	3,541	2,434
Trade debts	415,500	207,178
Other receivables	165	604
Short term investment	376	2,103,781
Bank balances	53,113	35,539
	477,706	2,352,580

Loans

These represent loans to executive and other employees against which the Company pursues for the recovery through monthly deductions from salaries of these employees and also the Company retains right to adjust retirement balance in case of default hence there is no significant credit risk in this respect. Certain loans are receivable from growers; however, considering the uncertainty about their recovery an impairment allowance is made there against as disclosed in note 12.2.

Deposits

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

Trade debts

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

1 to 6 months	415,500	207,178
---------------	----------------	----------------

Short term investment and Bank balances

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

The bank balances along with credit ratings are tabulated below:

	Long Term Ratings	Short Term Ratings	2021 Rupees in thousand	2020
In Local Currency				
United Bank Limited	AAA	A-1+	15,003	8,040
Al-Baraka Bank (Pakistan) Limited	A	A-1	10,933	8,088
Habib Metropolitan Bank Limited	AA+	A-1+	6,523	811
National Bank of Pakistan Limited	AAA	A-1+	4,159	5,964
Standard Chartered Bank (Pakistan) Limited	AAA	A-1+	3,382	968
MCB Bank Limited	AAA	A-1+	3,194	3,681
Allied Bank Limited	AAA	A-1+	2,452	490
Faysal Bank Limited	AA	A-1+	1,839	504,212
Askari Bank Limited	AA+	A-1+	1,832	
BankIslami Pakistan Limited	A+	A-1	1,381	440
Habib Bank Limited	AAA	A-1+	679	584
Samba Bank Limited	AA	A-1	478	478
Meezan Bank Limited	AAA	A-1+	456	1,605,027
Dubai Islamic Bank Pakistan Limited	AA	A-1+	93	93
Bank Al-Habib Limited	AAA	A-1+	77	308
JS Bank Limited	AA-	A-1+	47	47
Soneri Bank Limited	AA-	A-1+	40	40
In Foreign Currency				
Habib Bank Limited	AAA	A-1+	44	49
			52,612	2,139,320

Financial assets that are either past due or impaired

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

As at the reporting date amounts of Rs. 25.018 million (2020: 25.018 million) receivable from growers were past due against which impairment allowance have been made. These past due loans to growers are outstanding for more than three years (Refer Note 12.2).

B Liquidity risk

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

Year ended 30 September 2021	Carrying Amount	Contractual Cashflows	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
(Rupees in thousand)						
Long term financing	1,133,323	1,299,904	37,746	261,131	834,765	166,262
Trade and other payables	632,072	632,072	632,072	-	-	-
Accrued finance cost	30,270	30,270	28,715	1,555	-	-
Short-term borrowings	3,176,979	3,176,979	300,979	2,876,000	-	-
Loan from related parties	48,135	48,135	48,135	-	-	-
Unclaimed dividend	11,992	11,991	11,991	-	-	-
	5,032,771	5,199,351	1,059,638	3,138,686	834,765	166,262

Year ended 30 September 2020	Carrying Amount	Contractual Cashflows	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years
(Rupees in thousand)						
Long term financing	1,455,736	1,710,709	44,656	335,861	1,062,509	267,684
Trade and other payables	1,021,374	1,021,374	274,673	746,701	-	-
Accrued finance cost	31,816	31,816	24,456	7,360	-	-
Short-term borrowings	3,641,288	3,641,288	171,288	3,470,000	-	-
Loan from related parties	48,135	48,135	48,135	-	-	-
Unclaimed dividend	9,599	9,599	9,599	-	-	-
	6,207,948	6,462,921	572,807	4,559,922	1,062,509	267,684

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2021 the Company has Rs. 5,413 million (2020: Rs. 2,999 million) available unutilized short term financing limit from financial institutions and also has Rs. 53.761 million (2020: Rs. 36.389 million) being cash and bank balances. The Company has also made investment of Rs. 0.373 million (2020: Rs. 2,100 million) in short term securities which can be realised as well.

C Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk. The Company is subject only interest rate risk and currency risk whereas there were no financial instrument as at year end that were subject to other price risk.

D Interest/ mark-up rate risk management

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

	Note	Carrying Values	
		2021 (Rupees in thousand)	2020
Financial Liabilities			
Variable Rate Instruments			
Long term financing	20	560,000	846,250
Trade and other payables	22.2	16,037	56,261
Short term borrowings	24	3,176,979	3,641,288
		3,753,016	4,543,799
Financial Assets			
Variable Rate Instruments			
Short term investment	15.1	373	2,100,000
Bank balances (PLS savings)	16.1	501	554
		874	2,100,554
Net exposure		3,752,142	2,443,245

Fair value sensitivity analysis

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

Cash flow sensitivity analysis

An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased /increased profit for the year before tax by the amount of Rs. 37.519 million (2020: Rs. 24.433 million) assuming that all other variables remains constant.

E Foreign exchange risk management

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

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

	2021	2020	2021 (Rupees in thousand)	2020
Statement of Financial Position Exposure				
Foreign debtors	\$ 1,715,296	\$ 1,155,816	292,372	191,750
Bank balances	\$ 258	\$ 258	44	49
			292,416	191,799
Off Statement of Financial Position Exposure				
Commitments				
US Dollars	\$ 30,100	\$ 58,862	5,146	9,795
EUROS	€ 310,867	€ 24,914	61,595	4,863
			66,741	14,658
			2021	2020
The following significant exchange rates have been applied:				
Rupee per USD				
Average rate			170.70	166.15
Reporting date rate - Selling			170.95	166.40
Reporting date rate - Buying			170.45	165.90
Rupee per Euro				
Average rate			198.43	194.92
Reporting date rate - Selling			198.14	195.21
Reporting date rate - Buying			198.72	194.62

Sensitivity analysis

A 10 percent strengthening / weakening of the PKR against USD at 30 September would have decreased / increased profit before tax by the amount of Rs. 29.241 million (2020: Rs. 19.179 million). The effect of commitments in foreign currency would have been Rs. 6.675 million (2020: Rs. 1.465 Million). This analysis assumes that all other variables, in particular interest rates, remains constant.

F Capital risk management

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

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

During 2021 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2021 and 2020 were as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Total borrowings	4,358,437	5,145,158
Less: Cash and cash equivalent	(54,137)	(2,140,170)
Net debt	4,304,300	3,004,988
Total equity	4,661,403	4,779,041
Total equity and debt	8,965,703	7,784,029
Gearing ratio (%)	48.01%	38.60%

43 FAIR VALUES / MEASUREMENT

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

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

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

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

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

Land and Building

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

Plant and Machinery

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

2021 **2020**
(Rupees in thousand)
Un-audited **Audited**

44 PROVIDENT FUND RELATED DISCLOSURES

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

Size of the fund - Total assets	90,399	83,203
Cost of investments made	85,546	79,734
Percentage of investments made	94.63%	95.83%
Fair value of investments	85,546	79,734

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

	2021		2020	
	Rs. 000s %	Rs. 000s %
	Un-audited		Audited	
Meezan Amdani Certificate	84,500	98.78%	78,500	98.39%
Saving accounts with banks	1,046	1.22%	1,234	1.61%
	85,546	100.00%	79,734	100.00%

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

45 NUMBER OF EMPLOYEES

No of persons employed as on year end were 361 (2020: 377) and average number of employee during the year were 394 (2020: 417).

46 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on December 23, 2021.

47 SUBSEQUENT EVENTS

Subsequent to the year ended September 30, 2021, the Board of Directors has proposed a final cash dividend of Rs. 63.35 million at 30% i.e. Rs. 3.00 per share of Rs. 10 each (2020: Rs. 253.424 million at 120% i.e. Rs. 12 per share of Rs. 10 each) in their meeting held on December 23, 2021 subject to the approval of the members at the Annual General Meeting scheduled to be held on January 27, 2022.

48 GENERAL

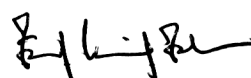
- 48.1** Comparative figures have been re-arranged and re-grouped where considered necessary for more appropriate presentation and comparison.
- 48.2** Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



ZIA ZAKARIA
Managing Director & CEO



AZIZ AYOOB
Director



ZAID ZAKARIA
Chief Financial Officer

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON SEPTEMBER 30, 2021

NO. OF SHAREHOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
1379	1	-	100	31,427
572	101	-	500	146,399
145	501	-	1000	122,182
179	1001	-	5000	414,074
40	5001	-	10000	309,410
18	10001	-	15000	222,817
10	15001	-	20000	185,481
8	20001	-	25000	183,714
1	25001	-	30000	28,500
1	30001	-	35000	30,970
2	40001	-	45000	83,813
1	45001	-	50000	49,000
1	50001	-	55000	52,100
1	60001	-	65000	64,816
1	75001	-	80000	77,000
1	80001	-	85000	80,500
1	100001	-	105000	104,900
1	110001	-	115000	112,200
1	115001	-	120000	115,909
2	130001	-	135000	266,706
1	135001	-	140000	138,500
2	145001	-	150000	294,175
2	155001	-	160000	313,866
1	175001	-	180000	180,000
3	180001	-	185000	551,003
1	185001	-	190000	185,514
1	200001	-	205000	204,553
2	205001	-	210000	411,119
1	215001	-	220000	218,086
2	220001	-	225000	445,991
1	225001	-	230000	226,624
1	265001	-	270000	267,838
1	285001	-	290000	288,924
1	300001	-	305000	301,500
1	305001	-	310000	308,500
1	310001	-	315000	313,040
1	360001	-	365000	360,263
2	375001	-	380000	755,669
1	395001	-	400000	400,000
1	410001	-	415000	410,210
1	420001	-	425000	422,428
1	515001	-	520000	520,000
1	570001	-	575000	571,845
3	585001	-	590000	1,763,305
1	640001	-	645000	644,346
1	665001	-	670000	666,566
1	725001	-	730000	725,100
1	910001	-	915000	910,999
1	960001	-	965000	964,787
1	1370001	-	1375000	1,372,210
1	3295001	-	3300000	3,299,784
2405				21,118,663

CATEGORIES OF SHAREHOLDING AS ON SEPTEMBER 30, 2021

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	2370	13,614,891	64.47%
2	INSURANCE COMPANIES	1	23,551	0.11%
3	JOINT STOCK COMPANIES	20	5,031,682	23.83%
4	FINANCIAL INSTITUTIONS	4	726,658	3.44%
5	MUTUAL FUND	1	1,372,210	6.50%
6	MODARABAS	1	15	0.00%
7	OTHERS	8	349,656	1.66%
	TOTAL:-	2405	21,118,663	100.00%

CATEGORIES OF SHAREHOLDING AS AT SEPTEMBER 30, 2021

Categories of Shareholders	No. of Share holders	Sheres Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES			
Al-Noor Sugar Mills Ltd.	1	3,299,784	15.62%
Reliance Insurance Co. Ltd.	1	23,551	0.11%
Noori Trading Corporation (Pvt.) Ltd.	1	666,566	3.16%
Zain Trading Corporation (Pvt.) Ltd.	2	1,023,199	4.84%
NBP, NIT & ICP			
NATIONAL BANK OF PAKISTAN, TRUSTEE DEPARTMENT	1	100	0.00%
NATIONAL BANK OF PAKISTAN	1	1,358	0.01%
TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST.	1	7,757	0.04%
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	221,055	1.05%
MUTUAL FUND			
CDC TRUSTEE NATIONAL INVESTMENT (UNIT) FUND	1	1,372,210	6.50%
DIRECTORS , CEO & THEIR SPOUSES AND MINOR CHILDREN			
MR. ABDUL AZIZ AYOOB	1	204,553	0.97%
MR. NOOR MOHAMMAD ZAKARIA	1	587,769	2.78%
MR. ZIA ZAKARIA	1	422,428	2.00%
MRS. SANOBBER HAMID ZAKARIA	1	10,641	0.05%
MR. ASAD AHMED MOHIUDDIN	1	571,845	2.71%
MR. NAEEM AHMED SHAFFI	1	1,000	0.00%
MRS. MEHRUNNISA A. AZIZ (W/O A. AZIZ AYOOB)	1	43,613	0.21%
MRS. SHAHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD ZAKARIA)	1	587,769	2.78%
PUBLIC SECTOR COMPANIES AND CORP.	1	725,100	3.43%
BANKS, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES, INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND.	2	115	0.00%
JOINT STOCK COMPANIES	16	42,133	0.20%
OTHERS	6	120,844	0.57%
GENERAL PUBLIC	2362	11,185,273	52.96%
TOTAL:-	2405	21,118,663	100.00%

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

CDC TRUSTEE NATIONAL INVESTMENT (UNIT) FUND	1,372,210
AL-NOOR SUGAR MILLS LIMITED	3,299,784
ZAID ZAKARIA	1,164,346

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

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

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عملے کے تعلقات (Staff Relation):

آخر میں ڈائریکٹرز، ایگزیکٹو، اسٹاف ممبرز اور ورکرز کی تقریب کو ریکارڈ پر لانا چاہتے ہیں کہ انہوں نے پورے سال سخت محنت اور دل جمعی سے کام کیا اور کمپنی کے معاملات کو احسن طریقے پر چلایا اور موجودہ مسابقتی رجحان کے دور میں کمپنی کے مقاصد اور ہدف کو حاصل کیے۔ انہوں نے اعتماد کا اظہار کرتے ہوئے توقع ظاہر کی کہ وہ اللہ تعالیٰ کے فضل و کرم سے آئندہ بھی اسی جذبے اور لگن سے کام کریں گے۔

بحکم بورڈ



اے عزیز ایوب
ڈائریکٹر



شہزاد کریا
منیجنگ ڈائریکٹر / چیف ایگزیکٹو آفیسر (CEO)

کراچی:

بتاریخ: 23 دسمبر 2021

کریڈٹ رسک:

کمپنی عام طور پر پیشگی ادائیگیوں کے عوض مصنوعات فروخت کرتی ہے لیکن کریڈٹ کی فروخت کی صورت میں ان صارفین کی مناسب احتیاط برتی جاتی ہے جن کو کریڈٹ دیا جاتا ہے۔

مارکیٹ رسک:

کمپنی اپنے خام مال اور تیار مصنوعات کی قیمتوں میں تبدیلی کے خطرے سے دوچار ہے۔ اس کا انتظام اسٹاک کی سطح کی منصوبہ بندی اور مناسب پائے جانے والے وقفوں پر مختلف ذرائع سے خریداری اور فروخت کے لیے مارکیٹوں کی مسلسل نگرانی کے ذریعے کیا جاتا ہے۔

لیکویڈیٹی رسک:

کمپنی نے اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لیے فروخت کی رسیدوں اور خریداریوں کی ادائیگی کے درمیان مماثلت کو پورا کرنے کے لیے مختلف بینکوں سے ورکنگ کیپیٹل کی ضروریات کا انتظام کیا۔ بورڈ وقتاً فوقتاً کاروبار کو درپیش بڑے خطرے کا جائزہ لیتا ہے اور خطرے کو کم کرنے کے لیے ضروری اقدامات کرتا ہے۔ آڈٹ کمیٹی مالیاتی اور تعمیل کے خطرات کا بھی جائزہ لیتی ہے۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی معاوضے اور انعام کی پالیسیوں کا جائزہ لیتی ہے تاکہ یہ یقینی بنایا جاسکے کہ یہ باصلاحیت اور تجربہ کار عملے کو برقرار رکھنے اور راغب کرنے کے لیے مسابقتی اور موثر ہیں۔

بورڈ کے تشخیص کے لئے مکینزم:

بورڈ اور بورڈ کی کمیٹی کے ممبران انتہائی تجربہ کار ہلکار ہیں اور اپنی تاثیر کو بہتر بنانے کے لیے مسلسل کوشش کرتے ہیں اور بورڈ کی کارکردگی کا جائزہ لینے کے لیے سالانہ جائزہ لیتے ہیں۔ بورڈ کارپوریٹ سیکرٹری اور گورننس میں ہونے والی پیشرفت کا بھی جائزہ لیتا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمپنی بہترین طریقوں سے ہم آہنگ رہے۔

منافع Dividend:

ڈائریکٹرز نے فائنل کیش ڈیویڈنڈ 30% کی شرح سے یعنی 3.00 روپے فی 10 روپے والی مالیت کے شیئر کی سفارش کی ہے۔
(2020:120% i.e, Rs. 12.00 per Share of Rs. 10/=each)

آڈیٹرز کی تقرری:

سالانہ عام اجلاس کے اختتام کے ساتھ موجودہ آڈیٹرز، میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس، ریٹائرڈ اور اہل ہونے کی وجہ سے مالی سال 2021-22 کے لئے دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ آڈٹ کمیٹی نے ان کی تقرری کی سفارش بھی کی ہے اور بورڈ نے سال 2021-22 کے لئے ان کی دوبارہ تقرری کے لئے کمیٹی کی سفارشات کی توثیق کرتے ہوئے آئندہ سالانہ جنرل اجلاس میں ممبران کی طرف سے منظوری لینے ہے۔

کمپنی کی کریڈٹ ریٹنگ:

وی آئی ایس (VIS) کریڈٹ ریٹنگ کمپنی کی ابتدائی میڈیم سے لوگ ٹرم ریٹنگ کے مطابق ہماری کمپنی کو "A-/A-2" (Single A Minus/A-Two) کا درجہ دیا ہے یعنی میڈیم سے لاگ ٹرم ریٹنگ میں ہماری کمپنی کو Stable یعنی مستحکم قرار دیا ہے۔

کارپوریٹ اور سماجی ذمہ داری:

کمپنی اپنے کارپوریٹ اور سماجی ذمہ داری (CSR) کے اہداف کو پورا کرنے کے لیے پرعزم ہے اور ملز کے علاقے کے ارد گرد تعلیم، صحت کی دیکھ بھال، ماحولیات اور دیگر سماجی معاملات کی حمایت کرتے ہوئے پہل کرنا جاری رکھے ہوئے ہے تاکہ علاقے کی کم مراعات یافتہ کمیونٹیز کی زندگیوں میں بہتری لائی جاسکے۔ کمپنی نے اپنے فرنیچر، آئیریا میں مسلسل کئی فلاجی سرگرمیاں کیں یعنی سیکنڈری لیول تک اسکول قائم کیا، وقفہ وقفہ سے میڈیکل کیمپ کا انعقاد، مستحق دیہاتیوں کو مالی امداد، کاشتکاروں کو کھاد اور بیج فراہم کیا، مفت راشن اور طبی امداد کی فراہمی۔ ضرورت مند افراد کو طبی سہولیات فراہم کر رہے ہیں۔

ماحولیات اور کمپنی کا کاروبار:

انتظامیہ اچھے ماحول کو برقرار رکھنے کے حوالے سے اپنی ذمہ داریوں سے بخوبی واقف ہے تاکہ اس کے منفی اثرات کو ختم کیا جاسکے اور وہ معاشرے کی پائیدار ترقی کے لیے پرعزم ہے۔ آپ کی کمپنی فضلہ اور اخراج کو کم کر کے ماحولیاتی اثرات کو کم کرنے اور اپنے ملازمین، صارفین، سپلائرز، پڑوسیوں اور عام لوگوں کی صحت اور حفاظت کے لیے سب سے زیادہ فکر کے ساتھ اپنا کاروبار چلانے کے لیے پرعزم ہے۔ انتظامیہ کمیونٹی کے اندر ماحول کو سہارا دینے کے لیے درخت لگانے کی مہم شروع کر رکھی ہے۔

پارٹیوں سے متعلقہ لین دین:

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن کے تحت مطلوبہ تمام متعلقہ فریقین کے لین دین کو اس مدت کے دوران بورڈ کی آڈٹ کمیٹی اور بورڈ کے سامنے حتمی منظوری کے لیے پیش کیا جاتا ہے۔ متعلقہ فریقوں کے لین دین مارکیٹ کی قیمت پر کئے گئے جیسا کہ کمپنیز ایکٹ 2017 میں فراہم کیا گیا ہے۔

قومی خزانے میں شراکت:

کمپنی ٹیکسوں، ڈیوٹیوں کی شکل میں ملک کے وسائل کو بڑھا رہی ہے اور چینی کی برآمد کے ذریعے زرمبادلہ کم کر رہی ہے جیسا کہ حکومت اور اتھنول کی اجازت ہے تاکہ ملک کو درپیش تجارتی خسارے کو کم کیا جاسکے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے 39,672 میٹرک ٹن اتھنول برآمد کیا ہے اور ملک کے لیے قیمتی زرمبادلہ کمایا ہے۔

رسک مینجمنٹ اور مواقع:

کمپنی ایک چیلنجنگ ماحول میں کام کرتی ہے اور انتظامیہ نے خطرے کی شناخت، تشخیص اور تخفیف کے لیے ایک مؤثر طریقہ کار ترتیب دیا ہے جو ہموار آپریشن کو قابل بناتا ہے اور اس بات کو یقینی بناتا ہے کہ کاروبار کی ترقی پر توجہ مرکوز رہے۔

انسانی وسائل اور معاوضہ کمیٹی:

بورڈ نے پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز میں فراہم کردہ گائیڈ لائنز کے مطابق ہیومن ریسورس اینڈ ریمونریشن کمیٹی بھی تشکیل دی ہے جو درج ذیل ڈائریکٹرز پر مشتمل ہے۔

ڈائریکٹرز کے نام	عہدہ	درجہ
(۱) جناب خرم آفتاب	چیئرمین	آزاد ڈائریکٹر
(۲) جناب نور محمد زکریا	ممبر	نان ایگزیکٹو ڈائریکٹر
(۳) جناب ضیاء زکریا	ممبر	ایگزیکٹو ڈائریکٹر

اس دوران کمیٹی کا ایک اجلاس ہوا جس میں تمام ڈائریکٹرز نے شرکت کی۔

ڈائریکٹرز کا مشاہرہ پالیسی اور مشاہرہ کی تفصیلات:

کمپنی کے آرٹیکلز کے مطابق، بورڈ آف ڈائریکٹرز ایگزیکٹو اور نان ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے طے کرنے کا مجاز ہے۔ کمپنیز ایکٹ 2017 کے آرٹیکلز کے مطابق جنرل میٹنگ میں ممبران کی منظوری ضروری ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی تیار کی ہے جس میں تفصیل، مقاصد اور معاوضے کے ہیکچر کے تعین کے لیے شفاف طریقہ کار طے کیا گیا ہے۔ انفرادی ڈائریکٹر کے ڈائریکٹرز کے معاوضے کی پالیسی کی دیگر اہم خصوصیات میں یہ شامل ہے کہ معاوضے کی سطح مسابقتی اور قابل اور ہنرمند افراد کو راغب کرنے اور برقرار رکھنے کے لیے کافی ہوگی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی مجموعی رقم کی تفصیلات نوٹ نمبر 39 میں مالیاتی حسابات میں ظاہر کی گئی ہے۔

مستقبل کا جائزہ:

شوگر ڈویژن:

حکومت سندھ نے گنے کی قیمت =/250 روپے فی چالیس کلوگرام مقرر کی ہے جو کہ گزشتہ سال نوٹیفکیشن =/202 روپے تھی۔ درج ذیل نوٹیفکیشن کو سندھ ہائی کورٹ میں چیلنج کیا گیا ہے کیونکہ =/25 روپے کا فرق پنجاب اور سندھ میں نوٹیفائیڈ قیمت میں ہے۔

گزشتہ دو سالوں کے دوران کاشتکاروں کو پرکشش قیمت کی وجہ سے ملک میں گنے کی فصل بہتر ہے۔ ستمبر 2021 میں گنے کی کاشت کے بعد مزید بہتری کی توقع ہے۔ سندھ میں پانی کی کمی ایک بڑی رکاوٹ ہے۔ کرشنک سیزن 2021-22 کا آغاز ہو چکا ہے اور توقع ہے کہ چینی کی پیداوار گزشتہ سال کے مقابلے میں 15 فیصد زیادہ ہوگی۔ مل کو معاشی طور پر چلانے کے لیے گنے کو دور دراز کے علاقے سے منگوا یا جاتا ہے اور نقل و حمل کی لاگت سے پیداواری لاگت میں اضافہ ہوتا ہے۔

اتھنول ڈویژن:

ملک میں گنے کی زیادہ فصل کی وجہ سے راب کی دستیابی بہتر ہونے کی امید ہے۔ اتھنول کی قیمت حد سے زیادہ ہے اور کورونا وائرس کے نئے تناؤ کی وجہ سے غیر یقینی صورتحال ہے۔ انتظامیہ پروڈکٹ کس تیار کرنے کے لیے جارحانہ طریقے سے مختلف طریقوں پر عمل پیرا ہے جس سے اتھنول ڈویژن کے منافع کے مارجن کو بہتر بنانے میں مدد ملے گی۔

بورڈ آف ڈائریکٹرز کی تشکیل:

زیر جائزہ مدت کے دوران بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں کی گئی۔

زیر غور مدت کے دوران بورڈ کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی موجودگی حسب ذیل تھی۔

درجہ	شرکت	ڈائریکٹر کے نام	
نان ایگزیکٹو	3	جناب نور محمد زکریا	(۱)
ایگزیکٹو	4	جناب ضیاء زکریا	(۲)
ایگزیکٹو	4	مسٹر اے عزیز ایوب	(۳)
نان ایگزیکٹو	4	مسز صنوبر حامد زکریا	(۴)
نان ایگزیکٹو	4	جناب اسد احمد محی الدین	(۵)
آزاد ڈائریکٹر	4	جناب نعیم احمد شفیع	(۶)
آزاد ڈائریکٹر	4	جناب خرم آفتاب	(۷)

فنانشل اسٹیٹمنٹ کے متعلق نوٹس میں ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے مالی معاوضہ جات کی تفصیل جو کہ پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشن کے تحت درکار ہیں میں دی گئی ہیں۔ نان ایگزیکٹو ڈائریکٹرز کو میٹنگ فیس کے علاوہ کوئی معاوضہ نہیں دیا گیا۔

آڈٹ کمیٹی:

بورڈ نے ایک آڈٹ کمیٹی بھی تشکیل کی ہے جو کہ مندرجہ ذیل ڈائریکٹرز پر مشتمل ہے جسکی زیر نظر عرصہ میں اب تک 4 میٹنگز ہو چکی ہیں جن میں ان ڈائریکٹرز کی حاضری کی تفصیلات مندرجہ ذیل ہے۔

درجہ	شرکت	عہدہ	ڈائریکٹر کے نام	
آزاد ڈائریکٹر	4	چیئر مین	جناب نعیم احمد شفیع	(۱)
نان ایگزیکٹو	3	ممبر	جناب نور محمد زکریا	(۲)
نان ایگزیکٹو	4	ممبر	مسز صنوبر حامد زکریا	(۳)

آڈٹ کمیٹی کے ٹرمز آف ریفرنس کا تعین بھی بورڈ نے پاکستان اسٹاک ایکسچینج لمیٹڈ کے لسٹنگ ریگولیشنز میں فراہم کردہ رہنما خطوط کے مطابق کیا ہے۔

کارکردگی کا جائزہ:

شوگر ڈویژن:

الحمد للہ ادارے کی کارکردگی تسلی بخش رہی۔ زیر جائزہ مدت کے دوران ریکوری کی شرح 11.00 فیصد سے کم ہو کر 10.70 فیصد رہ گئی جس کی وجہ سے گنے کا معیار کم ہونا تھا۔ چینی کی پیداوار 47,220 میٹرک ٹن تھی جو پچھلے سال کی 48,786 میٹرک ٹن کی پیداوار سے 3.21 فیصد کم تھی۔ یہ خام مال کی عدم دستیابی اور ریکوری کی شرح میں کمی کی وجہ سے کرشنگ کا کم حجم تھا۔ یہ توقع ہے کہ اگلے سال کے دوران ملک میں گنے کی فصل میں معمولی بہتری آئے گی۔ ان شاء اللہ۔

اتھنول ڈویژن:

زیر غور مدت کے دوران اتھنول پلانٹ نے اطمینان بخش طریقے سے کام کیا اور 42,643 میٹرک ٹن اتھنول کی پیداوار کی جو کہ گزشتہ سال کی پیداوار 47,608 میٹرک ٹن تھی۔ پچھلے سال کی پیداوار کے مقابلے میں پیداوار 10.43 فیصد کم ہے۔ اتھنول کی پیداوار میں کمی کی وجہ سے نیچے میں یورپی ممالک سے مانگ میں کمی کی وجہ سے ہوئی۔ آپ کی کمپنی نے گزشتہ سال 45,807 میٹرک ٹن کے مقابلے میں 39,690 میٹرک ٹن اتھنول برآمد کیا اور کمپنی نے ملک کے لیے قیمتی زرمبادلہ کمایا۔ انتظامیہ نے پلانٹ کی صلاحیت کے زیادہ سے زیادہ استعمال کو یقینی بنانے کے لیے مختلف پراڈکٹس مکسر کا ایک پورٹ فولیو تیار کرنے کے لیے بڑے پیمانے پر کام کیا ہے۔

کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ تعمیل کا بیان:

1. کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں اس کے معاملات کی صورتحال، آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں پیش کی جاتی ہیں۔
2. قانون کے تحت ضرورت کے مطابق کمپنی نے کھاتوں کی مناسب کتابیں برقرار رکھی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی حسابات کی تیاری میں پیروی کی گئی ہے۔
5. اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
6. تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔
7. پاکستان اسٹاک ایکسچینج کے فہرست سازی کے ضابطوں میں تفصیل کے مطابق کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے۔
8. کوئی بقایا قانونی ادائیگی نہیں ہوئی ہے، سوائے ان کے جو معمول کے کاروبار کے تحت ہیں اور کچھ متنازعہ معاملات جو مالیاتی گوشواروں کے متعلقہ نوٹس میں درج ہے۔
9. 30 ستمبر 2021 تک کمپنی میں شیئر ہولڈنگ کا پیٹرن بھی سالانہ رپورٹ میں شامل ہے۔
10. ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کی شریک حیات یا نابالغ بچوں نے کمپنی کے حصص کی کوئی تجارت نہیں کی سوائے ان کے جن کے نام رپورٹ میں دیئے گئے ہیں۔
11. 30 جون 2021 تک غیر آڈٹ شدہ کھاتوں کی بنیاد پر پراویڈنٹ فنڈ کے جمع کھاتوں میں سرمایہ کاری اور بیلنس کی مالیت کل اثاثوں 90.399 ملین روپے میں سے 85.546 ملین روپے ہے۔

سالانہ رپورٹ میں گزشتہ دس سالوں کے اہم آپریٹنگ اور مالیاتی ڈیٹا اور شیئر ہولڈنگ کے پیٹرن کو شامل کیا گیا ہے۔ ڈائریکٹرز یا ان کی شریک حیات کے انعقاد میں کوئی خاص تبدیلی نہیں آئی سوائے دوسری صورت میں جن کا ذکر رپورٹ میں کیا گیا ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

شروع کرتا ہوں اللہ کے نام سے جو بہت مہربان اور رحم کرنے والا ہے
میرے لیے یہ نہایت خوشی کی بات ہے کہ میں آج بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021 کو ختم ہونے والے سال کیلئے آپ کی کمپنی کی آڈٹ شدہ مالی حسابات
(Financial Statements) اور آڈیٹرز کی رپورٹ پیش کرنے کی سعادت حاصل کر رہا ہوں۔

مالیاتی کارکردگی :

2019-20 **2020-21**

(روپے ہزاروں میں)

931,588	298,439	☆	منافع قبل از ٹیکس
(171,273)	(162,773)	☆	ٹیکس کے لئے فراہمی
760,315	135,666	☆	منافع بعد از ٹیکس
Rs.36.00	Rs.6.42	☆	منافع فی شیئر بنیادی

آپ کی کمپنی نے پچھلے سال کے دوران 760,315 ملین روپے کے منافع کے مقابلے میں اس سال 135,666 ملین روپے کا بعد از ٹیکس منافع کمایا ہے۔ کمپنی کی بنیادی
سرگرمیاں شکر کی اور اتھنول (Ethanol) ہیں۔
کمپنی کی خاص تقابلی پیداوار اور مالی اعداد و شمار نیچے دیئے گئے ہیں۔

2019-20 **2020-21**

معلومات بابت پیداوار

444,430	441,293	☆	گنے کی پسائی (میٹرک ٹن)
48,786	47,220	☆	چینی کی پیداوار (میٹرک ٹن)
11.00	10.70	☆	ریکوری برائے چینی (فیصد)
19,715	19,740	☆	پیداوار برائے راب (میٹرک ٹن)
47,608	42,643	☆	اتھنول کی پیداوار (میٹرک ٹن)

(روپے ہزاروں میں)

مالی اعداد و شمار:

11,143,607	9,934,493	☆	فروخت
(9,551,967)	(9,172,383)	☆	لاگت برائے فروختگی
1,591,640	762,110	☆	خیام منافع
(14,777)	(43,368)	☆	نقسی لاگت
(245,866)	(255,575)	☆	انتظامی اخراجات
(129,844)	(87,000)	☆	دیگر عملیاتی اخراجات
(344,024)	(366,619)	☆	مالیاتی اخراجات
74,744	289,059	☆	دیگر آمدنی
(285)	(168)	☆	ایسوسی ایٹ میں نقصان کا حصہ
931,588	298,439	☆	قبل از ٹیکس منافع

PROXY FORM

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

Register **Folio No.** and/or **CDC Participant I.D. No.** and **Sub Account No.**
hereby appoint of
or failing him
of..... also a member; as my/our Proxy in my/our absence to
attend and vote for me/us at the 43rd Annual General Meeting of the Company to be held on the 27th day of January two
thousand Twenty Two at 11:30 a.m. and at any adjournment thereof :

Signed this day of 2022

WITNESSES:

1. Signature
Name:
Address
CNIC or
Passport No.

Rupees five
Revenue
Stamp

2. Signature
Name:
Address
CNIC or
Passport No.

Signature of Member(s)

NOTE:

- This Proxy Form, duly completed and signed, must be received at the office of our Shares Registered office not later than 48 hours before the time of holding the meeting.
- If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- For CDC Account Holders / Corporate Entities
In addition to the above the following requirements have to be met.
 - Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

پراکسی فارم

میں / ہم _____ ساکن _____
 _____ شاہ مراد شوگر ملز لمیٹڈ
 _____ کے رکن و حامل _____ عام حصص برطانیہ شیئرز رجسٹرڈ فوئیو نمبر _____
 _____ اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____
 _____ بذریعہ ہذا _____ ساکن _____ یا بصورت دیگر _____
 _____ ساکن _____ جو کہ خود بھی ایک ممبر ہے کو اپنی / ہماری غیر موجودگی میں کمپنی کے
 43 واں سالانہ اجلاس عام مؤرخہ 27 جنوری 2022 بوقت 11:30 بجے منعقد یا ملتوی ہونے والے میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط شدہ بتاریخ _____ بروز _____ 2022

گواہان:

برائے کرم پانچ روپے
 مالیت کے ریونیو ٹکٹ
 چسپاں کریں۔

1- _____ دستخط _____
 _____ نام _____
 _____ پتہ _____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

2- _____ دستخط _____
 _____ نام _____
 _____ پتہ _____

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

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

نوٹ:

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



Shahmurad Sugar Mills Ltd.
96-A, Sindhi Muslim Society
Karachi 74400
www.shahmuradsugar.co