



AL-NOOR  
SUGAR MILLS LTD.

ANNUAL  
REPORT 2022





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# Company Information

## BOARD OF DIRECTORS

MR. ZIA ZAKARIA  
MR. YUSUF AYOOB  
MR. SULEMAN AYOOB  
MR. NOOR MOHAMMAD ZAKARIA  
MS. MUNIFA  
MR. SHAMIM AHMAD  
MR. FARRUKH YASEEN

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### BOARD AUDIT COMMITTEE

MR. SHAMIM AHMAD  
MR. ZIA ZAKARIA  
MS. MUNIFA

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. FARRUKH YASEEN  
MR. SULEMAN AYOOB  
MS. MUNIFA

### CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

### 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  
Website: [www.alnoorsugar.co](http://www.alnoorsugar.co)

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

FACTORY  
Shahpur Jahania, P.O. Noor Jahania,  
Taluka Moro,  
District Shaheed Benazir Bhutto Abad  
(Nawabshah)





AL-NOOR  
SUGAR MILLS LTD.

## Mission

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

To operate ethically 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 model company producing sugar and allied products of international quality by maintaining high level of ethical and professional standards.

## CODE OF CONDUCT

Al-Noor 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 an 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 strengthen 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 53<sup>rd</sup> Annual General Meeting of AL-NOOR SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Thursday, January 26, 2023 at 03.00 p.m. to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the 52nd Annual General Meeting held on January 27, 2022.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2022 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of Final Cash Dividend @ 50% i.e. Rs. 5.00 per ordinary share of Rs.10/- each for the year ended September 30, 2022 as recommended by the Board of Directors.
4. To appoint Auditors and to fix their remuneration for the year 2022-23. The present Auditors M/s. Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

### SPECIAL BUSINESS

5. To consider and pass the following Special Resolutions in respect of related party transactions as required u/s 208 of Companies Act 2017.
  - a. "RESOLVED that the transactions carried out in normal course of business with related parties as disclosed in Note No. 37 of the audited financial statements for the year ended September 30, 2022 be and are hereby ratified and approved."
  - b. "FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in future in normal course of business with related parties during the ensuing years and in this connection the Chief Executive Officer or Director or Company Secretary be and are hereby authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

6. To consider and if thought fit, approve enhancement in the scale of remuneration to be paid to the Non-Executive Directors for attending the Board and its Committee(s) meetings by passing the following resolution, as Special Resolutions with or without modification, addition or deletion in General Meeting as per Articles No.75 of the Articles of Association of the company.

"RESOLVED THAT the scale of the remuneration to be paid to the Non-Executive Directors for attending the Board and its Committee(s) meetings be enhanced from PKR 10,000/- to PKR 25,000/-."

"Further Resolved That the Chief Executive Officer or Director or Company Secretary be and are hereby authorized to do all acts, deeds and things, all steps and action necessary, ancillary and incidental for altering the Articles of Association of the company, including filing of all requisite documents / statutory forms, as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements, so as to effectuate the alteration in the Articles of Association and implementing the aforesaid resolution."

### OTHER BUSINESS

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

Attached to this notice is a statement of Material Facts covering the above mentioned Special Business, as required under section 134(3) of the Companies Act, 2017.

By Order of the Board

M. YASIN MUGHAL  
COMPANY SECRETARY

Karachi: December 27, 2022



**NOTES:**

**1. Closure of Share Transfer Books:**

The Register of the Members of the Company will remain closed from January 20, 2023 to January 28, 2023 (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. Participation in the Annual General Meeting Electronically:**

In Pursuance of Circular No. SMD/SL/2(20)/2021/117 dated 15-02-2021 Issued by SECP to ensure the participant Members may attend the Meeting Electronically. To attend the Meeting Electronically a Member is required to send an e-mail to [agm.alnrs@alnoorgroup.co](mailto:agm.alnrs@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 ALNRS". 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.

**4. Submission of copies of CNIC:**

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

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

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

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

- (II) 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%.

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)	

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

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

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

**7. Payment of Cash Dividend Electronically:**

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

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

**8. Unclaimed Dividend / Shares :**

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

**9. 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 47th Annual General Meeting held on January 31, 2017 approved to circulate Annual Audited Financial Statements (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.alnoorsugar.co](http://www.alnoorsugar.co)



**10. Video Conference Facility :**

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

I / We, \_\_\_\_\_ of being a member of Al-Noor Sugar Mills Limited, holder of Ordinary \_\_\_\_\_ Share(s) as per Register Folio No / CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
Members Signature

**11. Deposit of Physical Shares into CDC Accounts.**

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

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.

**12. Financial Statements and relevant reports have been placed on the website of the company which can be seen on [www.alnoorsugar.co](http://www.alnoorsugar.co)**

**13. E-Voting:**

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

**14. 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.

**Statement under Section 134(3) of the Companies Act, 2017 Regarding Special Business**

This statement sets out the material facts concerning the special resolution contained in the notice pertaining to the Special Business to be transacted at the Annual General Meeting of Al-Noor Sugar Mills Limited to be held on January 26, 2023.

**RELATED PARTY TRANSACTIONS.**

Agenda Item No. 5(a) of the Notice - Transactions carried out with related parties during the year ended September 30, 2022 to be passed as a Special Resolution.

The transactions carried out in normal course of business with related parties were approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to Section 208 of the Companies Act 2017 and Section 15 of listed Companies Code of Corporate Governance, Regulation 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company's Directors were interested in these transactions due to their common directorship and holding of shares in the related parties, the quorum of directors could not be formed for approval of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting. In view of the above, the transactions carried out during the financial year ended September 30, 2022 with related parties shown in note No. 37 of the financial statements are being placed before the shareholders for their consideration and approval/ ratification.



The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the related parties.

Agenda Item No. 5(b) of the Notice - Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with related parties during the ensuing years to be passed as a Special Resolution.

The Company is expected to be conducting transactions with related parties in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the related parties. Therefore, 'such transactions with related parties have to be approved by the shareholders.

In order to comply with the provisions of Section 208 of Companies Act 2017 and Section 15 of listed Companies Code of Corporate Governance Regulation 2019, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with related parties during the ensuing years.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding.

**REVISION OF MEETING FEE.**

Agenda Item No.6 of the Notice - The Board of Directors in their meeting held on December 27, 2022 has recommended for shareholders' approval proposed to enhance Non-Executive Directors' Remuneration for attending Board and its committee(s) meetings from Rs.10,000/- to Rs.25,000/- for each meeting.

The directors of the Company have no vested interest, direct or indirect in the above mentioned Special Business except to the extent of payment of fee to non-executive directors.

## CHAIRMAN'S REVIEW REPORT

It is a matter of great pleasure for me to communicate with our valued members and stakeholders to present the financial statements of the Company which also contain other pertinent information for the year ended September 30, 2022. I also appreciate overall performance of the Board and their effective role played by the members of the Board in achieving the company's objectives. The Company has performed well and achieved the crushing target of 940,764 metric tons of sugarcane and produced 98,110 metric tons of sugar and achieved a recovery rate of 10.43 percent.

The world faced unprecedented challenge in the past form of corona virus during the period under review which has posed serious threats and losses of lives and loss of employment. The Board ensured compliance of all regulatory requirements by the Management.

The Board focused on developing and reviewing the company's corporate vision and achievement of its objectives which are reflected in the financial performance of the company.

Despite immense challenges in the foregoing year, the Company was able to achieve positive results mainly due to contribution by MDF Board division and value addition in its various products. The Company has taken continued steps in the field of sugarcane development, energy efficiency, and value addition to ensure the sustainability of the Company.

On behalf of the Board of Directors, I would like to acknowledge the contribution of all our employees to the success of the Company. I look forward to and pray to Allah Subhana Wa Taa'ala for the next years of success and continuous growth of the Company.



**Zia Zakaria**  
Chairman

Karachi  
December 27, 2022





## DIRECTORS' REPORT TO THE MEMBERS

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear members Asslamu Alaikum

I feel great pleasure in presenting before you on behalf of the Board of Directors the achievements of your Company along with the audited financial statements and Auditors' Report thereon for the year ended September 30, 2022. The principal activity of your Company is to manufacture sugar and MDF Board in various thicknesses. Significant production and financial data is provided as under.

FINANCIAL PERFORMANCE:	2021-22	2020-21
	(Rupees in thousand)	
Profit before taxation	213,277	451,118
Provision for taxation	(39,958)	(240,228)
Net profit after taxation	173,319	210,890
Profit per share- basic and diluted	Rs.8.47	Rs.10.30

OPERATIONAL RESULTS:	2021-22	2020-21
Sugarcane crushed (M Tons)	940,764	677,785
Sugar produced (M Tons)	98,110	68,623
Sugar recovery percentage	10.43	10.12
Molasses produced (M Tons)	43,125	30,800
MDF Production (Cubic Meters)	67,506	86,397

FINANCIAL DATA:	(Rupees in thousands)	
Sales	10,546,358	10,791,880
Cost of sales	(9,034,810)	(9,087,207)
Gross profit	1,511,548	1,704,673
Distribution cost	(74,340)	(68,475)
Administration cost	(809,089)	(662,385)
Other operating expenses	(17,733)	(195,127)
Financial cost	(680,022)	(389,461)
Other Income	25,618	40,863
Share of profit in associates	257,895	21,030
Profit before tax	213,277	451,118

### PERFORMANCE REVIEW:

#### SUGAR DIVISION:

By the blessings of Allah the sugarcane crop was good in the Province and the volume of crushing of your Company had enhanced to 940,764 metric tons as against 677,785 metric tons crushed in the same period last year. During the period under consideration your company achieved recovery rate of 10.43 percent as compared to 10.12 percent achieved last year. Increase in the recovery rate was mainly due to good quality of sugarcane as the crushing was commenced when the cane was fully matured for crushing. The production of sugar had also increased to 98,110 metric tons as against 68,623 metric tons produced during the period last year.

#### MEDIUM DENSITY FIBRE (MDF) BOARD DIVISION:

MDF board division under the critical circumstances performed well and produced 67,506 cubic meters of products in various thickness as against 86,397 cubic meters produced during the previous year. The production is substantially low than last year by 18,891 cubic meters or 21.87 percent. Low production was due to high flood in the country and non-availability of raw material as all means of procurement was suspended during flood. The demand of the various products was reduced substantially due to stagnation in the housing industry.

#### POWER GENERATION DIVISION:

Agreement executed with Water And Power Development Authority was for a period of ten years which has since expired. there after the proposal for sale of electricity was submitted which has been by National Electric Power Regulatory Authority the company sold 8 mega watt of electricity to Sukkur Electric Supply Company and earned of additional income of Rs.86.269 million.

#### STATEMENT OF COMPLIANCE AND FIANCIAL REPORTING FRAMEWORK:

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.
6. Implemented and monitored during the period.
7. There are no significant doubts upon the Company's ability to continue as going concern.
8. 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.
9. 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.
10. The pattern of shareholding in the Company as on September 30, 2022 is also included in the Annual Report.
11. 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.
12. The investment out of provident fund have been made in accordance with the provision of Section 218 of the companies Act 2017 and rules formulated for this purpose.

The key operating and financial data of the last ten years and pattern of shares holding 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:

There was no change in the composition of the Board of directors since last election held on March 30, 2020. During the period under review four meetings of the Board were held and attendance by each director was as follow.

S.No.	NAME OF DIRECTORS	ATTENDED	STATUS
01.	Mr. Zia Zakaria (Chairman)	4	Non-executive
02.	Mr. Yusuf Ayub	4	Executive
03.	Mr. Suleman Ayooob	1	Executive
04.	Mr. Noor Muhammad Zakaria	2	Non-executive
05.	Ms. Munifa Ayooob	4	Non-executive
06.	Mr. Shamim Ahmad	4	Independent Director
07.	Mr. Farrukh Yaseen	4	Independent Director



The details of remuneration of 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 the non-executive and independent directors except the meeting fee.

#### AUDIT COMMITTEE:

As required under the Code of Corporate Governance included in the Listing Regulation of Pakistan Stock Exchange the Board has constituted an Audit Committee comprising of the following directors. During the period under consideration four meetings of Audit Committee were held and attendance of each member was as under.

NAMES OF DIRECTORS	DESIGNATION	ATTENDED	STATUS
Mr. Shamim Ahmad	Chairman	4	Independent Director
Mr. Zia Zakaria	Member	4	Non-executive
Ms. Munifa Ayoob	Member	4	Non-executive

Terms of reference of Audit Committee has been determined by the Board as laid down in the Listing Regulations of Pakistan Stock Exchange.

#### HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Board also constituted Human Resource and Remuneration Committee as required under the Code of Corporate Governance comprising of the following Directors. During the year one meeting of the Committee was held and was attended by all the members of the Committee except Mr. Suleman Ayoob.

NAMES OF THE DIRECTORS	DESIGNATION	STATUS
Mr. Farrukh Yaseen	Chairman	Independent Director
Mr. Suleman Ayoob	Member	Executive Director
Ms. Munifa Ayoob	Member	Non-executive

#### DIRECTORS' REMUNERATION POLICY:

As per articles of the Company, the Board of Directors is authorized to determine the remuneration of executive, non-executive and independent directors from time to time and with the approval of members in general meeting as required in accordance with the Companies Act 2017. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail the Policy's objectives and a transparent procedure for determination of the remuneration packages of individual director for attending the Board's and its committees' meetings. Salient features, amongst other, of Directors' Remuneration Policy included that the level of remuneration shall be competitive and sufficient to attract and retain qualified and skilled individuals on the Board, there shall be no gender discrimination and the remuneration shall not be at a level that could be perceived to compromise with independence of the directors.

Details of the aggregate amount of remuneration of executive and non-executive directors are disclosed in note 38 to the financial statements.

#### FUTURE OUTLOOK:

##### SUGAR DIVISION:

The price of sugarcane is notified by the Government of Sindh whereas the selling price of final product is left open to the market forces. As a result whenever there is bumper cane crop, the production of sugar is increased considerably whereas the consumption pattern remains more or less unchanged. Under such circumstances the price of sugar declines and sugar mills sustain loss. As the crushing season for 2022-23 has just commenced and the Government of Sindh has notified cane price at Rs.302/- per forty kgs of the same which is higher by Rs.52/- of the price notified for the crushing season 2021-22. It is expected that the production of sugar would be more than the requirement of the country inclusive of the carry over stock of previous year. The Government should consider the option to export the excess sugar in order to stabilize



the price in the domestic market and earn much needed foreign exchange for the country. Due to good rainfall in the province cane crop is expected to be good than last year and recovery rate is also expected to enhance. During the crushing season 2021-22 the growers earned higher return on their crop as the Government of Sindh has notified higher price of sugarcane at Rs.250/- per forty kgs vide notification No.8(142)/S.O(Ext)2021-22 dated November 04, 2021 as against Rs.202/- notified last year. for the crushing season 2022-23 cane price has further been enhanced which would increase the cost of production. In spite of the enhanced price of cane the growers are reluctant to sell their crop at notified price and the company has no option but to pay additional cost in order to run the factory at economical scale.

#### **MDF BOARD DIVISION:**

Alhamdulillah MDF board division under the critical circumstances has produced 67,506 cubic meters of board in various thickness. The production is lower than last year by 18,891 cubic meters or 21.87 percent. This was due to non-availability of raw material on account of high flood situation in the country and also scarcity of transport. The demand of the products also decline as the construction process in the country was badly affected due to flood. Products of the division has established its acceptability in the markets and neighboring countries. It is expected that after the drain out of the accumulated water in the country, the demand of laminated value added products would enhance due to reactivation in the housing sector. It is expected that the MDF board industry of the country will progress keeping in view the re-expansion in the housing sector.

#### **CREDIT RATING OF THE COMPANY:**

VIS Credit Rating Company has assigned initial medium to long term entity rating of "A-/A-2" (Single "A" Minus A-Two) to the Company. Outlook on the outstanding rating is "Stable".

#### **CORPORATE AND SOCIAL RESPONSIBILITY:**

Social and Environmental Policy envisages an active commitment and participation on the part of the Company in social work initiatives as a part of its corporate and social responsibility. The Company always play its due role to fulfill its responsibility towards the country and its people. In line with the policy the Company contribute to various social causes to improve the living standard of the people living in the surrounding area of the mill including education and health sector. 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, provide fertilizer and seed to growers, supply of free ration and medical assistance to needy persons. 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.

#### **GOVERNMENT POLICIES EFFECTING THE BUSINESS:**

We take the opportunity to request the Government to take necessary actions to ensure that the price of the sugarcane has some relevance with the price of the sugar throughout the country. The Sindh Government has notified a support price for the period under consideration at Rs.250/- per forty kgs of cane whereas the Punjab Government had announced price of cane at Rs.225/- per forty kgs. Thus the production cost of sugar in Sindh is more than the production cost in Punjab by about Rs.10/- per kg. There are no restriction over the movement of sugar across the border and this made the sugar mill in Sindh uncompetitive. Furthermore the recent registration of cases against sugar mills, brokers / dealers by the Government agencies in respect of enhanced sugar price had an adverse impact on the sale price of sugar. In addition to this sugar was exported under the directive of Government on the bases of export subsidy notified by the Government. However the subsidy has not yet been paid although all the relevant documents were provided to the SBP. We request the Federal and Provincial governments, as applicable, to urgently release the withheld subsidy as the same is instrumental to company's liquidity.

#### **RELATED PARTIES TRANSACTIONS:**

All related parties transactions were 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 during the year 2017-18 were also placed before the members in the Annual General Meeting as required under Section 208 of the Companies Act 2017. Members also accorded approval of the related parties transactions to be carried out in future by the management under arm's length price. All transactions entered into related parties was approved by the Board after approval by the Board's Audit Committee which is presided by an Independent director.



#### **CONTRIBUTION TO NATIONAL EXCHEQUER:**

The company is also contributing to enhance the resources of the country in the form of taxes, duties and earning foreign exchange through export of sugar, as and when allowed by the Government, and exporting laminated products of MDF board division. During the period under review your company has exported MDF laminated products and earned valuable foreign exchange for the country. This has also helped to reduce the trade deficit to some extent.

#### **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 enable smooth operation and ensures that focus remains on business growth.

#### **CREDIT RISK**

The company usually sell 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 which is enhanced by the Government of Sindh and finished products is left open to the market force. The Government must consider some relevance between the raw material cost and finished product price prevailing in the domestic market. However this is managed by planning of stock levels and continuous monitoring of markets for purchase and sale through various sources in time and intervals found appropriate.

#### **LIQUIDITY RISK**

The Company has managed working capital requirements from various banks to cater to the mismatch between sales receipts and payments 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 experience staff.

#### **MECHANISM FOR EVALUATION OF BOARD:**

Members of the Board and committees thereof are highly experienced personnel and continuously striving to improve their effectiveness and undertake annual review to assess the Board and committees performance from time to time. The Board also reviews the developments in the corporate sector and Governance to ensure that the company remained aligned with the best practices and development taking place in the corporate sector.

#### **DIVIDEND:**

Cash dividend @ 50 percent i.e. Rs.5.00 per share of Rs. 10/- each (2021, 50 percent i.e. Rs.5.00 per share of Rs. 10/- each) has been recommended by the Board for the current year.

#### **APPOINTMENT OF AUDITORS:**

With conclusion of the Annual General Meeting the present Auditors, M/s Kreston Hyder Bhimji and Company, Chartered Accountants, retired and being eligible offered themselves for reappointment for the financial year 2022-23. Audit Committee also recommended their appointment and the Board of your company endorsed the recommendations of the Audit Committee for their re-appointment for the year 2022-23 subject to the approval by the members in the forth coming Annual General Meeting.

**STAFF RELATIONS:**

Finally the directors are pleased to place on record their appreciation for devotion of duty and hard work of the executives, staff members and workers for 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



**YUSUF AYOOB**  
MANAGING DIRECTOR / CEO



**ZIA ZAKARIA**  
CHAIRMAN / DIRECTOR

Karachi: December 27, 2022





## KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>BALANCE SHEET:</b>										
						(Restated)	(Restated)			
Share Capital	204,737	204,737	204,737	204,737	204,737	204,737	204,737	204,737	204,737	194,988
Reserves	2,043,358	1,913,458	1,703,095	1,497,153	1,268,994	1,336,842	1,395,588	1,232,727	1,028,809	956,392
Surplus on revaluation of fixed assets	1,216,503	1,303,580	1,364,357	1,429,316	1,527,935	1,058,349	1,111,915	1,184,605	1,230,740	1,243,465
Long Term Liabilities	2,228,857	2,001,907	2,685,000	2,136,875	2,101,737	2,198,959	1,607,704	1,120,111	1,174,073	1,052,803
Deferred Liabilities	526,893	609,631	516,129	460,851	356,862	543,755	642,921	648,983	690,169	731,339
Lease Liability against right of use assets	-	712	5,245	-	-	-	-	-	-	-
Current Liabilities	5,068,907	3,066,384	2,228,047	3,524,797	3,981,330	4,177,513	2,044,518	2,758,206	2,236,586	1,930,760
Operating Assets	4,913,854	4,839,744	4,906,966	4,771,459	4,841,661	4,417,460	4,110,945	3,639,629	3,706,951	3,479,922
Right-of-use Assets	3,429	10,605	17,781	-	-	-	-	-	-	-
Long Term Deposits	5,538	4,268	17,781	4,238	3,094	5,510	3,560	3,552	46,954	37,889
Long Term Loans	4,305	4,771	4,268	2,912	3,893	3,227	3,935	6,022	3,516	2,196
Long Term Investments	944,540	729,327	747,755	685,385	522,710	264,864	272,070	260,215	246,884	260,215
Current Assets	5,416,253	3,511,694	3,025,264	3,784,054	4,067,654	4,829,094	2,616,873	3,239,951	2,560,809	2,406,599
<b>TRADING:</b>										
Turnover	10,546,358	10,791,880	10,906,700	9,340,031	9,080,899	6,895,714	8,103,145	6,966,274	7,699,097	7,594,313
Gross Profit	1,511,548	1,704,673	1,692,268	1,167,112	-652,569	705,115	963,780	1,027,737	848,907	8,377,847
Operating Profit	627,519	973,813	1,019,973	517,944	-1,359,854	705,925	963,737	1,028,381	851,525	840,823
Profit before Tax	213,276	451,118	429,886	456,886	-243,346	-126,833	226,150	221,089	76,223	126,267
Profit after Tax	173,318	210,890	202,463	189,334	-120,834	-30,319	170,080	166,319	31,333	24,074
Earning per share	8.47	10.30	9.89	9.25	-5.90	10.30	8.31	8.12	1.53	1.18
Cash dividend	50%	50%	30%	30%	15%	-	40%	33%	10%	5%
Bonus shares			-	-	-	-	-	-	-	5%
<b>SUGAR PRODUCTION:</b>										
a) From Cane	98,110	68,623	74,665	94,825	110,810	127,798	92,501	104,283	126,719	99,740
b) From Raw Sugar			-	-	-	-	-	-	-	-
Sugar Produced (M.Tons)	98,110	68,623	74,665	94,825	110,810	127,798	92,501	104,283	126,719	99,740
Cane crushed (M.Tons)	940,764	677,785	769,428	894,494	1,108,106	1,315,682	677,785	1,013,118	1,293,261	959,302
Recovery (%)	10.43%	10.12%	9.71%	10.60%	10.00%	9.70%	10.20%	10.30%	9.80%	10.40%

## STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2022

Al-Noor sugar Mills ("the company") Listed Companies (Code of Corporate Governance) Regulation 2019 ("the regulations") has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:-

- a. Male: 6
- b. Female: 1

2. The composition of Board is as follow:

(a) Independent directors:

- I) Mr. Shamim Ahmad
- II) Mr. Farrukh Yaseen

(b) Non-Executive directors:

- I) Mr. Zia Zakaria
- II) Mr. Noor Mohammad Zakaria
- III) MS Munifa Ayoob

(c) Executive directors:

- I) Mr. Yusuf Ayoob
- II) Mr. Suleman Ayoob

Following the election of directors, the Board was reconstituted on April 1, 2020 comprising of 7 directors including two independent directors. One third of 7 comes to 2.33 and the fraction was not rounded upward to one to have 3 independent directors in observance of general mathematic principle.

(The Independent directors meet the criteria of Independence under Section 166(2) of the Companies Act 2017)

- 3. The directors have confirmed that none of them is serving as director on more than seven listed companies, including this Company.
- 4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained 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 the Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8. The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. Since Chairman and all the directors 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(1) of the CCG Regulations. However, director MS. Munifa Ayoob has acquired the required certification.
- 10. The Board has approved appointment of Chief Financial Officer (CFO), company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment at the time of employment and complied with relevant requirements of Regulations.




11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below after election held during 2020.
  - a) **Audit Committee:**

Mr. Shamim Ahmad	Chairman
Mr. Zia Zakaria	Member
Ms. Munifa Ayooob	Member
  - b) **HR and Remuneration Committee:**

Mr. Farrukh Yaseen	Chairman
Mr. Suleman Ayooob	Member
Ms. Munifa Ayooob	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings of the committee were as per following:
  - a) Audit Committee. Four quarterly meetings
  - b) HR and remuneration Committee. One annual meeting
15. The Board has set up an effective Internal Audit function in the Company managed by qualified and experience professional, who are conversant with the policies and procedures of the Company and the industry's best practices. They are involved in the internal audit functions on full time basis. The head of internal audit department functionally reports to the Board's Audit Committee. The Audit Committee submit the Audit Reports to the chairman of the Committee.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parents, dependent and non-dependent children) of the chief Executive Officer, Head of Internal Audit, the Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirmed that all other requirements of Code of Corporate Governance 2019 and the relevant Regulations have been complied with except the following.
  - I. The requirement of Nomination Committee is optional in regulation no 29. The Board takes care of the responsibilities prescribed for nomination committee so a separate nomination committee is not considered necessary.
  - II. The requirement of Risk Management Committee is optional in regulation no 30. The risk management carried out at the overall Company's level by the executive management of the Company headed by the CEO. The Company's management monitors potential risk and risk management procedures are carried out to identify, assess and mitigate any identified or potential risk. The Board is also apprised from time to time about the risks and their management. Therefore, it is not considered necessary to have a separate committee in the respect.
  - III. Since the requirement with respect to disclosure of significant policies on the website is optional in regulation no 35(1), the company has uploaded only limited information in this respect on the Company's website. However, significant related information in respect of salient policies is disclosed in the annual reports of the Company which are duly uploaded on the website and are available for every one assessing the website. The company will however, review and place key elements of other policies if considered necessary.

  
ZIA ZAKARIA  
CHAIRMAN

  
YUSUF AYOOB  
CHIEF EXECUTIVE OFFICER

Karachi: December 27, 2022





## Independent Auditor's Review Report to the Members of Al-Noor 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 Al-Noor Sugar Mills Limited (the Company) for the year ended September 30, 2022 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, 2022.

Chartered Accountants

Karachi

Date: 27<sup>th</sup> December, 2022

UDIN: CR202210225ZAdr5p8yF

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-NOOR SUGAR MILLS LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the annexed financial statements of Al-Noor Sugar Mills Limited, ("the Company") which comprise the statement of financial position as at September 30, 2022, 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, 2022 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><b>Borrowings</b></p> <p>The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 5,718.350 million, being 73.08% of total liabilities, as at reporting date.</p> <p>Given the significant level of borrowings, finance costs, significant gearing impact and the compliance requirement with various loan covenants, this is considered to be a key audit matter.</p> <p>(Refer Notes 3.10, 20 and 25 to the financial statements).</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used for finance costs and to ensure that the borrowings have been approved at appropriate level.</li> <li>Verification of disbursement of loans and utilization on sample basis.</li> </ul>

S.No.	Key audit matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> <li>• 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.</li> <li>• Understating and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis.</li> <li>• Obtaining confirmation from Banks and other lenders of the Company to confirm balances, terms and conditions stated in the terms sheets and compliance thereof.</li> <li>• Review of charge registration documents.</li> <li>• Performing analytical procedures, recalculations and other related procedures for verification of finance costs.</li> <li>• Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.</li> </ul>
2.	<p><b>Contingencies</b></p> <p>The Company is under litigations in respect of various matters including industry wide matters as well as pending tax matters and other miscellaneous claims in respect of the assets/ payables of the company as disclosed in note 26 of the annexed financial statements.</p> <p>These contingencies require management's judgments and estimates in relation to the interpretation of relevant laws, notifications and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the annexed financial statements.</p> <p>Accordingly, these are considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee.</li> <li>• Review of the relevant information including case proceedings, related industry information and correspondence in respect of the ongoing litigations.</li> <li>• Obtaining confirmation from the legal counsel of the company to evaluate the status of the pending litigations and view point of the company's legal counsel thereon.</li> <li>• Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed.</li> <li>• Assessing the appropriateness of the related disclosures made in the accompanying financial statements in light of IAS-37 "Provisions and Contingencies."</li> </ul>



#### **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 auditor's report thereon.

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

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

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

#### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 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 Shalikh Muhammad Tanvir.



Chartered Accountants

Karachi

Dated: 27th December 2022

UDIN: AR20221022512uaDhWjn




## STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2022

AS AT SEPTEMBER 30, 2022		2022	2021
	Note	Rupees in thousand	
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Property, plant and equipment	4	4,813,866	4,839,744
Right-of-use assets	5	3,428	10,605
Intangible asset	6	1,336	-
Long term investments	7	844,640	729,327
Long term loans	8	4,306	4,771
Long term deposits	9	6,538	4,268
		6,873,002	5,588,715
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	10	644,413	491,515
Stock in trade	11	3,361,333	1,871,492
Trade debts	12	671,334	390,866
Loans and advances	13	133,672	121,762
Trade deposits and short term prepayments	14	4,842	6,772
Other receivables	15	180,797	184,245
Short term investment	16	82,460	-
Taxation - Net		284,180	213,560
Cash and bank balances	17	263,652	231,482
		6,418,263	3,511,694
		11,289,266	9,100,409
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVE</b>			
Authorised Capital			
50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	18	204,737	204,737
Revenue Reserve			
General reserve		1,000,000	1,000,000
Unappropriated profit		1,046,771	916,054
Share of associate's unrealised loss on remeasurement of its investment at fair value through other comprehensive Income		(2,413)	(2,596)
Surplus on Revaluation of property, plant and equipment	19	1,218,603	1,303,580
		3,484,688	3,421,775
<b>NON-CURRENT LIABILITIES</b>			
Long term financing	20	2,228,867	2,001,907
Lease liability against right-of use assets	21	-	712
Deferred taxation	22	628,883	609,631
		2,766,760	2,612,250
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	1,424,246	946,429
Accrued finance cost	24	148,238	41,775
Short term borrowings	25	2,868,448	1,364,840
Unclaimed dividend		8,221	7,140
Current portion of long term financing	20	831,046	701,667
Current portion of lease liability against right-of use assets	21	712	4,533
		6,088,907	3,066,384
<b>CONTINGENCIES AND COMMITMENTS</b>			
	26	-	-
		11,289,266	9,100,409

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
**YOUSUF AYOOB**  
Chief Executive Officer

  
**ZIA ZAKARIA**  
Chairman


  
**MUHAMMAD HANIF CHAUDHARY**  
Chief Financial Officer



## STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Note	2022 Rupees in thousand	2021
Sales	27	10,546,358	10,791,880
Cost of sales	28	(9,034,810)	(9,087,207)
Gross profit		1,511,548	1,704,673
Profit from trading activities	29	4,737	700
		1,516,285	1,705,373
Less:			
Distribution cost	30	(74,940)	(68,475)
Administrative expenses	31	(809,089)	(662,385)
Other operating expenses	32	(17,733)	(195,127)
		(901,762)	(925,987)
		614,523	779,386
Other Income	33	20,881	40,163
		635,404	819,549
Finance cost	34	(680,022)	(389,461)
		(44,618)	430,088
Share of profit from associates - net	7	257,895	21,030
Profit before taxation		213,277	451,118
Taxation	35	(39,958)	(240,228)
Profit after taxation		173,319	210,890
Earning per share - Basic and Diluted (Rupees)	36	8.47	10.30

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
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Chief Executive Officer

  
ZIA ZAKARIA  
Chairman

  
MUHAMMAD HANIF CHAUDHARY  
Chief Financial Officer



## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Note	2022 Rupees in thousand	2021
Profit after taxation		173,319	210,890
Other Comprehensive Income			
Items that shall not be reclassified subsequently to profit or loss			
Share of associate's unrealized gain / (loss) on remeasurement of its investment at fair value through other comprehensive income-net of deferred tax	7	183	118
Total Comprehensive Income for the year		173,502	211,008

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
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ZIA ZAKARIA  
Chairman


  
MUHAMMAD HANIF CHAUDHARY  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Issued, Subscribed & paid up capital	Revenue Reserve		Revaluation surplus on property, plant and equipment	Share of associate's unrealized (loss) / gain on remeasurement of investment at fair value through other comprehensive income	Total
		General reserves	Un-appropriated profit			
..... Rupees in thousand.....						
Balance as at October 01, 2020	204,737	1,000,000	705,809	1,364,357	(2,714)	3,272,189
<u>During the year ended September 30, 2021</u>						
Transaction with owners						
Final dividend for the year ended September 30, 2020 @ Rs 3.00 per share	-	-	(61,421)	-	-	(61,421)
Total Comprehensive Income for the year	-	-	210,890	-	118	211,008
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	48,198	(48,198)	-	-
Share of associate's incremental depreciation of revaluation surplus	-	-	12,578	(12,578)	-	-
Balance as at September 30, 2021	204,737	1,000,000	916,054	1,303,580	(2,596)	3,421,775
Balance as at October 01, 2021	204,737	1,000,000	916,054	1,303,580	(2,596)	3,421,775
<u>During the year ended September 30, 2021</u>						
Transaction with owners						
Final dividend for the year ended September 30, 2021 @ Rs 5.00 per share			(102,369)			(102,369)
Total Comprehensive Income for the year	-	-	173,319	-	183	173,502
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	-	43,605	(43,605)	-	-
Share of associate's incremental depreciation of revaluation surplus	-	-	15,162	(15,162)	-	-
Deferred tax adjustment due to change in tax rate directly credited to revaluation surplus	-	-	-	(28,311)	-	(28,311)
Balance as at September 30, 2022	204,737	1,000,000	1,046,771	1,218,608	(2,413)	3,484,698

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
YOUSUF AYOOB  
Chief Executive Officer

  
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Chairman

  
MUHAMMAD HANIF CHAUDHARY  
Chief Financial Officer






## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2022

	Note	2022 Rupees in thousand	2021 Rupees in thousand
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		213,277	451,118
Adjustments for:			
Depreciation of property, plant and equipment	4.1.1	320,770	311,469
Depreciation on right-of-use assets	5	7,178	7,176
Amortization of intangible assets	6	185	2,839
Gain on disposal of property, plant and equipment	33	(8,629)	(12,936)
Unclaimed liabilities written back	33	-	(6,600)
Impairment allowance for receivable against export subsidy	15.2	-	148,156
Expected credit loss against trade debts	12.1	-	1,000
Impairment allowance for obsolescence and slow moving items	10.1	12,667	13,796
Finance cost	34	880,022	389,461
Interest on lease liability against right-of use assets	21	114	827
Share of profit from associates - net	7	(257,885)	(21,030)
		764,289	834,158
Cash generated before working capital changes		987,667	1,285,276
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(86,466)	(80,747)
Stock in trade		(1,478,841)	(680,285)
Trade debts		(180,488)	69,822
Loans and advances		(11,810)	(50,380)
Trade deposits and short term prepayments		2,130	3,039
Other receivables		3,448	3,520
		(1,751,888)	(745,031)
Increase / (decrease) in current liabilities			
Trade and other payables		477,818	(402,929)
Short term borrowings		1,288,808	962,702
		1,771,424	559,773
		1,006,886	1,100,018
(Payments to) / Receipts from			
Income tax paid		(314,088)	(206,675)
Finance cost paid		(676,681)	(394,140)
(Increase) / Decrease in long term loans		488	(3,034)
(Increase) in long term deposits		(1,270)	-
		(880,463)	(603,849)
Net cash inflows from operating activities		118,632	496,169
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to property, plant and equipment		(408,488)	(250,304)
Additions in intangible assets		(1,600)	-
Sale proceeds from disposal of property, plant and equipment		23,247	18,992
Dividend received from associate		42,887	39,597
Net cash used in investing activities		(344,866)	(191,715)
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing		1,076,000	49,824
Repayment of long term financing		(718,672)	(438,125)
Repayment of lease liability against right-of use asset		(4,847)	(11,035)
Dividend paid		(101,288)	(60,694)
Net cash inflows / (used in) from financing activities		260,383	(460,030)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		22,070	(155,576)
Cash and cash equivalents at the beginning of the year		231,482	387,058
Cash and cash equivalents at the end of the year		253,662	231,482

The annexed notes from 1 to 48 form an integral part of these financial statements.

  
**YOUSUF AYOOB**  
Chief Executive Officer

  
**ZIA ZAKARIA**  
Chairman

  
**MUHAMMAD HANIF CHAUDHARY**  
Chief Financial Officer

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2022

### 1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operates sugar, medium density fiber (MDF) board and generation of power units which are located at Shahpur Jahania, District Shaheed Benazirabad and Noushero Feroze in the Province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The area of Sugar mill occupies an over area 150.175 Acres and MDF board division occupies an over area 57.075 Acres.

### 2 BASIS OF PREPARATION

#### 2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention' except otherwise stated in the 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 has made the 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 judgments 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) Intangibles**

The Company reviews appropriateness of useful life. Further, where applicable, an estimate of recoverable amount of intangible asset is made for possible impairment as and when any such condition arise.

**(c) Stock-in-trade**

The Company reviews the net realizable value of stock in trade to assess any impairment 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.

**(d) 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 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.

**(e) Impairment of non-financial assets**

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

**(f) Stores and 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 given as and when it takes place.

**(g) Impairment of financial assets**

The Company reviews its doubtful trade debts, loans, deposits and receivables at each reporting date to assess whether an impairment allowance should be recorded in the statement profit or loss. In particular, judgment by management is required in the estimation of the recoverable amount and timing of future cash flow when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in making payments are considered as indicators that the dues are doubtful and the impairment allowance is recognized in the statement profit or loss.

**(h) Contingencies**

The assessment of the 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).

**(i) Provisions**

Estimates with respect to provisions are reviewed at each reporting date and adjusted to reflect current best estimate.



**J) Leases**

The company uses judgements and estimates in measurement of right-of-use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination option etc., as disclosed in note 3.1 (c) and 3.11.

**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, 2022. 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.

IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 - Interest Rate Benchmark Reform (Amendments)

IFRS 16, - COVID-19, Related Rent Concessions beyond June 30, 2021 (Amendments)

Certain other amendments and annual improvements to existing standards have also become effective which are not relevant or do not have significant impact.

**2.5.2 Standards, interpretations and amendments to published approved accounting standards 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.

Amendment or Improvement		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	January 1, 2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	January 1, 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	January 1, 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	January 1, 2023
IAS 1	Disclosure of Accounting Policies (Amendments)	January 1, 2023
IAS 8	Definition of Accounting Estimates (Amendments)	January 1, 2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	January 1, 2023
<b>Improvements to accounting standards issued by the IASB (2018 - 2020 cycle)</b>		
IFRS 9	Financial Instruments - Fees in the '10 percent' test for the derecognition of financial liabilities	January 1, 2022
IAS 41	Agriculture - Taxation in fair value measurement	January 1, 2022
IFRS 16	Leases: Lease Incentives	January 1, 2022



Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standards / Amendments	IASB Effective dates (annual periods beginning on or after)
IFRS - 1 First Time Adoption of IFRS	January 1, 2004
IFRS - 17 Insurance Contracts	January 1, 2021
IFRS - 16 Lease Liability in a Sale and Leaseback	January 1, 2024

### 3 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below

#### 3.1 Property, Plant and Equipments

##### a) Operating fixed 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, office equipment and vehicles are stated at cost less accumulated depreciation and impairment, if any.

##### Depreciation

Depreciation is charged to income applying the reducing balance method at the rates specified in assets note no. 4.1 from the date asset is put into use. Depreciation on additions is charged from month of acquisition and up to the month preceding the month of disposal respectively.

##### Subsequent cost

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

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 it will flow to the Company and its cost can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as and when incurred.

##### Revaluation surplus

The revaluation of freehold land, factory buildings and non-factory buildings thereon is carried out with sufficient regularity to ensure that the carrying amount of the assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land, factory buildings and non-factory buildings, plant and machinery is recognised, net of tax, in other comprehensive income and presented as 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 recognised in the statement of statement of profit or loss, in which case the increase is first recognised in the statement of profit or loss to the extent of the decrease previously charged. Any decrease that reverse previous increase of the same assets are recognised first to other comprehensive income to the extent of remaining surplus attributable to that assets, all other decrease 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 the depreciation based on the revalued carrying amount of the assets charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earnings.

#### **Derecognition**

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

#### **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 and implementation, including borrowing cost capitalized, if any. These are transferred to specific assets as and when assets are available for intended use.

#### **c) Right of use assets**

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciating and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the assets. Where the ownership of the assets transfers to the company at the end of the lease term or if the cost of the asset reflects that the company will exercise the purchase option, depreciation is charged over the useful life of assets.

#### **3.2 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 and other comprehensive income of the investee after the date of acquisition which is recognized in the statement of profit or loss and statement of comprehensive income respectively. Dividend received, if any, reduces the carrying amount of investment. Changes recognized directly in the associate's equity 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.

#### **3.3 Stores, Spare parts and Loose Tools**

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

#### **3.4 Stock-in-Trade**

Stock-in-trade except "by products" are valued at the lower of cost and net realizable value. By products are valued at net realizable value.

Cost is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other directly attributable costs paid thereon up to the reporting date.

Cost of finished goods and work-in-process consist of cost of direct materials, labor and a proportion of manufacturing overheads based on normal capacity.

#### **3.5 Trade Debts**

Trade debts are carried at original invoice amount that is fair value of the goods sold less impairment allowance, if any. When a trade debt is uncollectable, it is written off.

#### **3.6 Employees post employment benefits**

##### **Defined Contribution Plan**

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made by the company and employees at the rate of 10% of basic salary plus cost of living allowance. The company's contribution to the fund is charged to statement of profit or loss for the year.





### 3.7 Compensated unavailed leaves

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

### 3.8 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 under section 113 or alternate corporate tax under section 113C 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 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 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 is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. In this regard, the effect on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted.

#### c) Sales tax

Revenues, expenses and assets are recognized net of amount of sales tax except:

- I) Where sales tax 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.

### 3.9 Trade and other payables

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

### 3.10 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 currently.

### 3.11 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of certain short term and low value leases are not recognised and payments against such leases are recognised as expense in profit and 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 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 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.

### **3.14 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 control of goods is transferred to customers, usually on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on accrual basis at applicable rate.
- 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 markup on loans considered doubtful is deferred.
- Share of the profit or loss of associates is taken to statement of profit or loss under equity method (note 7) and dividend is credited to investment in associate in the period 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 statement of profit or loss.

**3.17 Cash and Cash Equivalents**

For the purpose of cash flow statement cash and cash equivalents comprises cash 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 and for which discrete financial information is available.

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 i.e., at the average price prevailing in the market. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

### 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.

### 3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

	Note	2022	2021
		Rupees in thousand	
<b>4 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	4,787,410	4,794,225
Capital work in progress	4.2	126,445	45,519
		<b>4,913,855</b>	<b>4,839,744</b>

**4.1 OPERATING FIXED ASSETS**

PARTICULARS	2022									
	NET CARRYING VALUE					GROSS CARRYING VALUE				
	Opening Net Book Value At Oct 01, 2021	Direct Additions	Transfer From CWP	Disposal during the year	Depreciation	Net Book Value At Sep 30, 2022	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2022	Depreciation Rate
Repeat in thousand										
<b>FREE HOLD LAND</b>										
Cost	68,312	-	-	-	-	68,312	68,312	-	68,312	
Revaluation	294,991	-	-	-	-	294,991	294,991	-	294,991	
<b>FACTORY BUILDING</b>										
Cost	127,621	-	2,947	-	12,852	117,716	265,080	147,364	117,716	10%
Revaluation	94,524	-	-	-	9,453	85,071	191,285	106,215	85,071	
<b>NON FACTORY BUILDING</b>										
Cost	118,210	-	-	-	6,293	111,917	225,363	113,446	111,917	5% - 10%
Revaluation	414,526	-	-	-	22,146	392,380	632,591	240,211	392,380	
<b>POWER PLANT</b>										
Cost	482,367	-	165,018	-	56,117	595,288	942,069	346,801	595,288	10%
Revaluation	10,363	-	-	-	1,036	9,327	22,820	13,493	9,327	
<b>PLANT AND MACHINERY</b>										
Cost	2,430,375	64,616	41,404	-	144,165	2,392,230	4,784,830	2,392,400	2,392,230	5% - 20%
Revaluation	613,031	-	-	-	31,022	582,009	1,508,898	926,889	582,009	
<b>FURNITURE, FIXTURE AND FITTINGS</b>										
Cost	1,241	-	-	-	125	1,116	20,150	19,034	1,116	10%-33%
<b>OFFICE EQUIPMENT</b>										
Cost	21,748	13,972	-	-	10,771	24,949	127,736	102,789	24,949	33%
<b>VEHICLES</b>										
Cost	116,916	36,616	-	14,618	26,790	112,124	274,010	161,886	112,124	20%
<b>TOTAL</b>										
Cost	3,386,790	115,204	213,369	14,618	257,113	3,423,632	6,707,352	3,283,720	3,423,632	
Revaluation	1,427,436	-	-	-	63,657	1,363,778	2,650,586	1,286,808	1,363,778	
	<b>4,794,225</b>	<b>115,204</b>	<b>213,369</b>	<b>14,618</b>	<b>320,770</b>	<b>4,787,410</b>	<b>9,357,938</b>	<b>4,570,528</b>	<b>4,787,410</b>	





PARTICULARS	2021									
	NET CARRYING VALUE					GROSS CARRYING VALUE				
	Opening Net Book Value At Oct 01, 2020	Direct Additions	Transfer From CWP	Disposed during the year	Depreciation	Net Book Value At Sep 30, 2021	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2021	Depreciation Rate
Rupees in thousand										
<b>FREE HOLD LAND</b>										
Cost	68,312	-	-	-	-	68,312	68,312	-	68,312	
Revaluation	294,991	-	-	-	-	294,991	294,991	-	294,991	
<b>FACTORY BUILDING</b>										
Cost	141,801	-	-	-	14,180	127,621	262,133	134,512	127,621	10%
Revaluation	105,026	-	-	-	10,502	94,524	191,266	96,762	94,524	
<b>NON FACTORY BUILDING</b>										
Cost	80,452	-	42,895	-	5,137	118,210	225,383	107,153	118,210	5% - 10%
Revaluation	438,004	-	-	-	23,478	414,526	632,591	218,065	414,526	
<b>POWER PLANT</b>										
Cost	181,525	-	353,805	-	52,983	482,367	773,051	290,684	482,367	10%
Revaluation	11,515	-	-	-	1,152	10,363	22,820	12,457	10,363	
<b>PLANT &amp; MACHINERY</b>										
Cost	2,464,521	33,838	76,062	-	144,036	2,430,375	4,678,510	2,248,235	2,430,375	5% - 20%
Revaluation	645,784	-	-	-	32,753	613,031	1,508,898	865,867	613,031	
<b>FURNITURE, FIXTURE AND FITTINGS</b>										
Cost	2,068	-	-	-	827	1,241	20,150	18,909	1,241	10%-33%
<b>OFFICE EQUIPMENT</b>										
Cost	19,348	10,520	-	-	8,120	21,748	113,706	92,018	21,748	33%
<b>VEHICLES</b>										
Cost	70,002	71,281	-	6,056	18,321	116,916	281,760	144,834	116,916	20%
<b>TOTAL</b>										
Cost	3,028,029	115,649	472,752	6,056	243,584	3,386,790	6,403,135	3,056,345	3,386,790	
Revaluation	1,486,320	-	-	-	67,885	1,427,435	2,650,586	1,223,151	1,427,435	
	4,523,349	115,649	472,752	6,056	311,469	4,794,225	9,053,721	4,289,496	4,794,225	

**4.1.1 Depreciation for the year has been allocated as follows:**

	Note	2022	2021
		Rupees in thousand	
Cost of Sales	28.1	254,645	255,586
Administrative expenses	31	66,125	55,883
		<b>320,770</b>	<b>311,469</b>

**4.1.2 Detail of property, plant and equipment disposed off are as follow:  
- by negotiation except otherwise stated**

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss) on disposal	Particulars of Buyer	Mode of disposal
Rupees in thousand							
VEHICLES							
Crawler Dozer	16,849	3,279	13,370	17,000	3,630	Orient Energy System (Private) Limited, Plot No.9, Sector 24, Korangi Industrial Area Karachi	Negotiations
Aggregate of other Motor Vehicles and Motorcycles with individual book values not exceeding Rs.500,000/-	7,707	6,459	1,248	6,247	4,999	Various	Negotiations
2022	24,356	9,738	14,618	23,247	8,629		
2021	22,071	16,015	6,056	18,992	12,936		

**4.1.3 Revaluation of land, buildings and plant and machinery was carried out on September 30, 2018 by MYK Associates (Private) Limited (an independent valuator who is located in Karachi) on the basis of their professional assessment of present market value made on the inquiries made about the cost of land and building of similar nature, size and location including, consideration of current cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition and replacement cost of plant and machinery.**

- a) Had there been no revaluation of the aforementioned assets, the carrying value at historical cost would have been as follows:

	2022	2021
	Rupees in thousand	
Freehold land	68,312	68,312
Factory Building	117,716	127,621
Non-factory Building	111,917	118,210
Power plant	595,268	482,367
Plant and machinery	2,392,230	2,430,375
	<b>3,285,443</b>	<b>3,226,885</b>



- b) Forced sale value of the revalued item of property, plant and equipment based on latest revaluation as of September 30, 2018 are as follows;

	2022	2021
	Rupees in thousand	
Freehold Land	363,303	363,303
Building including factory/ non-factor and other building	812,580	812,580
Plant & Machinery including power plant	3,300,800	3,300,800

#### 4.2 Capital work in progress

						2022				
						Opening Balance	Reclassification	During the year		Closing Balance
								Capital expenditure incurred	Transferred to operating fixed assets	
						----- Rupees in thousand -----				
Civil works - Factory and non-factory building						8,138	(2,500)	30,067	(2,947)	32,758
Plant and machinery including power plant 4.2.1						37,381	2,500	264,228	(210,422)	93,687
						45,519	-	294,295	(213,369)	126,445

2021					
Opening Balance	Reclassification	During the year		Closing Balance	
		Capital expenditure incurred	Transferred to operating fixed assets		
----- Rupees in thousand -----					
Civil works - Factory and non-factory building	15,603	20,689	14,741	(42,895)	8,138
Plant and machinery including power plant	368,013	(20,689)	119,914	(429,857)	37,381
	383,616	-	134,655	(472,752)	45,519

- 4.2.1 Additions to plant and machinery under installation Includes borrowing cost of Rs.13.111 million (2021: 6.996 million) capitalized at the effective rate of SBP+1.50% (2021: SBP+1.50%).



	Note	2022	2021
		Rupees in thousand	
<b>5 RIGHT-OF-USE ASSETS</b>			
<b>Building premises</b>			
<b>Net carrying value basis</b>			
Opening		10,605	17,781
Depreciation charged to administrative expense		(7,176)	(7,176)
Net book value		3,429	10,605
<b>Gross Carrying value basis</b>			
Cost		21,529	21,529
Accumulated Depreciation		(18,100)	(10,924)
		3,429	10,605
<b>Useful Life</b>		3 years	3 years
<b>6 INTANGIBLE ASSET</b>			
<b>Softwares</b>			
<b>Net Carrying value basis</b>			
Opening carrying value		-	2,839
Additions during the year - at cost		1,500	-
Amortization for the year		(165)	(2,839)
		1,335	-
<b>Gross Carrying value basis</b>			
Cost		16,936	15,436
Accumulated amortization		(15,601)	(15,436)
		1,335	-

6.1 The Cost is being amortized using straight line at the rate of 33% per anum.

6.2 Cost of fully amortized intangible assets which are still in use of the Company aggregated to Rs. 15.436 million. (2021: 15.436 million).

**7 LONG TERM INVESTMENTS**

Investment in associates: -

	Shahmura Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Total 2022	Total 2021
----- Rupees in thousand -----				
Opening balances	728,368	959	729,327	747,755
Share of profit /(loss) of associates	257,945	(50)	257,895	21,030
Share of associate's unrealized gain on value remeasurement of associate's investment at fair through other comprehensive Income	29	186	215	139
Dividend received from associate	(42,897)	-	(42,897)	(39,597)
	215,077	136	215,213	(18,428)
Closing Balance	943,445	1,095	944,540	729,327



- 7.1 The Company holds 3,299,784 (15.625%) and 500,000 (14.285%) fully paid ordinary shares of Shahmura Sugar Mills Limited (SSML) and AI-Noor Modaraba Management (Pvt.) Limited (ANMM) respectively. Original cost of investments in SSML and ANMM is Rs. 21.631 million and Rs. 5 million respectively. SSML and ANMM being group companies of AI-Noor Group and having common directors are associates of the Company and this strategic investment in associates is accounted for using equity method.

SSML was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. SSML owns and operates Sugar and Ethanol manufacturing units which are located at Jhok, District Thatta in the Province of Sindh. The registered office of SSML is located at 96-A, Sindh Muslim Cooperative Housing Society, Karachi, Sindh. Chief Executive of SSML is Mr. Zia Zakaria. The market value (based on quoted market price on Pakistan Stock Exchange Limited) of shares of Shahmura Sugar Mills Limited as at September 30, 2022 was Rs. 353.11 million (2021 : Rs.257.38 million).

ANMM was incorporated on July 21, 1991, its principal business is to float and manage MODARABA and its principal place of business is situated at 96-A, S.M.C.H.S. Karachi. Chief Executive of ANMM is Mr. Zain Ayoob. In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30, 2022 and since there are no significant change in the associate's financial affairs up to September 30, therefore, the financial results of ANMM as June 30, 2022 have been used for the purpose of application of equity method.

- 7.2 Summarized financial information of associates based on their latest available audited financial statements is as follows :-

	2022		2021	
	Shahmura Sugar Mills Limited	AI Noor Modaraba Management (Pvt.) Limited	Shahmura Sugar Mills Limited	AI Noor Modaraba Management (Pvt.) Limited
----- Rupees in thousand -----				
Number of shares held	3,299,784	500,000	3,299,784	500,000
Cost of investment	21,631	5,000	21,631	5,000
Ownership interest	15.625%	14.285%	15.625%	14.285%
<b>Assets, Liabilities and net assets</b>				
<b>Assets</b>				
Tangible and intangible fixed assets	6,661,147	348	5,260,906	348
Long term investments	1,084	13,440	958	13,440
Other non-current assets	3,738	-	3,824	-
Current assets	7,484,898	886	4,665,568	685
	13,060,878	14,473	9,931,256	14,473
<b>Liabilities</b>				
Non - current liabilities	(818,887)	(1,128)	(965,379)	(1,126)
Current liabilities	(8,217,140)	(1,388)	(4,304,474)	(1,386)
	(7,036,027)	(2,516)	(5,269,853)	(2,512)
Net assets	6,014,648	11,981	4,661,403	11,961
Less: Loan from director included in equity	-	(5,284)	-	(5,264)
	6,014,648	6,697	4,661,403	6,697
Share of net assets / Breakup value of investments	943,446	1,086	728,368	959
<b>Operating Results</b>				
Revenue / Income	17,848,281	8	10,223,552	103
Total expenses	(16,882,657)	(318)	(9,924,945)	(1,250)
Share of loss of associates	(60)	(38)	(168)	-
Taxation	(315,823)	-	(162,773)	(26)
Profit/ (Loss) after taxation for the year	1,860,861	(347)	135,666	(1,174)
Share of AI-Noor Sugar Mills Limited	267,846	(60)	21,198	(168)
Other comprehensive Income	188	1,302	120	840
Share of AI-Noor Sugar Mills Limited - Other comprehensive Income	28	188	19	120

	Note	2022	2021
		Rupees in thousand	
<b>8 LONG TERM LOANS</b>			
<b>Secured &amp; Interest free</b>			
Considered good			
Due from - Executives	8.1	2,716	3,065
- Non Executive employees		13,710	15,594
		16,426	18,659
Less : Current portion of loans			
Due from - Executives		(916)	(2,480)
- Non Executive employees		(11,205)	(11,408)
		(12,121)	(13,888)
		4,305	4,771
<b>8.1 Movement of outstanding amount of loans to Executives:</b>			
Balance at the beginning of the year		3,065	1,563
Disbursed during the year		3,500	4,225
Recovered during the year		(3,849)	(2,723)
Balance at the end of the year		2,716	3,065
<b>8.2</b>	Loans and advances have been given in accordance with the terms of employment and are recoverable within a maximum period of three years in monthly installments. These are usually granted against the retirement benefits. These Interest free long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material.		
<b>8.3</b>	The maximum aggregate amount due from executives at any month end during the year was Rs. 6.565 million (2021: 4.245 million).		
<b>9 LONG TERM DEPOSITS</b>			
Interest free-considered good			
Utilities		647	647
Others		4,891	3,621
		5,538	4,268
<b>10 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		265,718	230,331
Spare parts		396,344	356,483
Loose tools		921	752
Stores in transit		-	9,962
		662,983	597,528
Less: Impairment allowance for obsolescence and slow moving items	10.1	(118,570)	(106,013)
		544,413	491,515
<b>10.1 Impairment allowance for obsolescence and slow moving items</b>			
Opening balance		106,013	92,217
Allowance for the year	32	12,557	13,796
Closing balance		118,570	106,013





	Note	2022	2021
		Rupees in thousand	
<b>11 STOCK IN TRADE</b>			
Raw material - In hand		529,727	550,080
- In transit		22,704	85,490
		552,431	635,570
Sugar In process		5,237	5,183
Finished goods			
Sugar	11.1	2,526,714	1,014,523
MDFB Sheets	11.2	204,322	198,535
		2,731,036	1,213,058
Trading stock of laminated flooring / Edge Banding		3,099	2,225
Bagasse		59,530	4,751
Molasses		-	10,705
		3,351,333	1,871,492
<b>11.1</b>	Stocks of refined sugar amounting to Rs.2,658.45 million (2021: 900 million) is pledged against cash finance facilities and Murabaha / Istisna arrangements as referred in Note.24.		
<b>11.2</b>	Stock in trade includes stocks costing Rs.490.514 million (2021: Rs. 517.253 million) written down to their net realizable value of Rs.433.082 million (2021: Rs.455.653 million).		
<b>12 TRADE DEBTS</b>			
Against Local sales - Unsecured, considered good		478,278	398,745
Against Power (Sukkur Electric Power Company)		100,935	-
		579,213	398,745
Less: Expected credit loss against trade debts	12.1	(7,879)	(7,879)
		571,334	390,866
<b>12.1 Expected credit loss against trade debts</b>			
Opening balance		7,879	6,879
Allowance for the year	32	-	1,000
Closing balance		7,879	7,879

	Note	2022	2021
		Rupees in thousand	
<b>13 LOANS AND ADVANCES</b>			
<b>Secured and Interest free</b>			
Current portion of long term loans	8	12,121	13,888
<b>Un-secured and Interest free</b>			
Considered good			
Advances against purchases and services		85,120	81,161
Advances to employees against expense		7,125	4,391
Advance to growers		29,206	22,322
		121,451	107,874
Considered doubtful			
Loans to growers	13.1	36,801	36,801
Advances for purchase and services		1,555	1,555
Advances for transportation		2,740	2,740
		41,096	41,096
		174,668	162,858
Impairment allowance against loans and advances considered doubtful		(41,096)	(41,096)
		133,572	121,762
<b>13.1</b>	These overdue loans were given to farmer/growers to support them for sugarcane cultivation and development. These were adjustable against purchase of sugarcane from respective growers. Interest is charged on these loans @ 10%. However, Impairment allowance has been made in respect of loans against which future adjustment through purchase of sugarcane is considered doubtful and hence no interest is accrued thereon.		
<b>14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits		3,058	4,893
Short term prepayments		1,584	1,879
		4,642	6,772
<b>15 OTHER RECEIVABLES</b>			
Considered good			
Receivables from related parties	15.1	862	2,741
Sales tax receivable	26.4	31,173	31,173
Export subsidy	15.2	148,156	148,156
Others		606	2,175
		180,797	184,245
Considered doubtful			
Export freight subsidy from Trade Development Authority of Pakistan	15.2	49,779	49,779
Export subsidy from Federal Government through State Bank of Pakistan	15.2	251,500	251,500
Cane Development Cess	15.2	8,238	8,238
		309,517	309,517
		490,314	493,762
Less: Impairment allowance against receivables			
Opening		(309,517)	(161,361)
Charged for the year		-	(148,156)
		(309,517)	(309,517)
		180,797	184,245



- 15.1 These represent insurance claims receivable from Reliance Insurance Company Limited. The maximum aggregate amount due from related parties at the end of any month during the year was Rs.8.4 million (2021: 3.6 million).
- 15.2 The Company is continuously pursuing for the recovery of these export subsidies and cane development cess and the Company has also filed suit in this matter in the Sindh High Court. However due to uncertainties regarding the timing and extent of their realisation the Company, as a matter of prudence, has recorded impairment allowance there against based on the management estimates.

	Note	2022 Rupees in thousand	2021
<b>16 SHORT TERM INVESTMENT</b>			
At fair value through profit or loss			
Meezan Rozana Amdani Fund		82,450	-
<b>17 CASH AND BANK BALANCES</b>			
Cash in hand		16,417	4,310
Cash at banks			
In Current accounts		109,498	188,390
In Saving accounts	17.1	127,637	38,782
	17.2	237,135	227,172
		253,552	231,482

- 17.1 This carry profit at the rate ranging between 2.61% to 15.02% (2021: 1.93% to 4.73% p.a).
- 17.2 This includes deposits of Rs.260.308 million (2021: Rs. 69.795 million) with Shariah Compliant financial institutions.

**18 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2022 No. of Shares	2021	Note	2022 Rupees in thousand	2021
3,817,836	3,617,635	Ordinary shares of Rs.10 each allotted for consideration paid in cash.	38,177	36,177
884,837	884,637	Ordinary shares of Rs. 10 each allotted as fully paid up otherwise than in cash (Issued in terms of loan arrangement and debenture trust deeds).	8,848	8,846
16,871,430	15,971,430	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares.	168,714	159,714
20,473,702	20,473,702		204,737	204,737

- 18.1 As at year end, the associated companies held 2,765,950 (2021: 2,765,950) ordinary shares of Rs. 10 each.
- 18.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends are declared from time to time and are entitled to one vote per share at general meeting of the Company.



	Nota	2022	2021
		Rupees In thousand	
<b>19 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>			
Surplus on revaluation of property, plant and equipment	19.2	1,027,110	1,099,026
Share of associates' surplus on revaluation of property, plant and equipment	19.3	189,393	204,555
		<u>1,216,503</u>	<u>1,303,580</u>
<b>19.1</b>	The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the company in accordance with the provision of section 240 (2) of the Companies Act 2017.		
<b>19.2 Surplus on revaluation of property, plant and equipment</b>			
Opening balance - gross		1,427,435	1,495,320
Incremental depreciation - net of deferred tax		(43,605)	(48,198)
Related deferred tax liability		(20,052)	(19,687)
		<u>(63,657)</u>	<u>(67,885)</u>
Closing balance - gross		1,363,778	1,427,435
Related deferred tax liability		(336,668)	(175,866)
Revaluation surplus net of deferred tax		<u>1,027,110</u>	<u>1,099,026</u>
<b>19.3 Share of associates' surplus on revaluation of property, plant and equipment</b>			
Opening balance		204,555	217,133
Transfer from surplus on revaluation of property, plant and equipment on account of Share of associate's incremental depreciation of revaluation surplus		(15,162)	(12,578)
		<u>189,393</u>	<u>204,555</u>
<b>19.4</b>	The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the Company in accordance with the section 240 of the Companies Act 2017.		
<b>20 LONG TERM FINANCING- Secured</b>			
<b>Conventional</b>			
Banks	20.1	333,333	500,000
Financial Institutions other than banks	20.1	549,486	649,824
		<u>882,819</u>	<u>1,149,824</u>
<b>Islamic</b>			
Diminishing Musharaka	20.1	2,177,083	1,553,750
		<u>3,059,902</u>	<u>2,703,574</u>
Less:-current maturity shown under current liabilities		(831,045)	(701,667)
		<u>2,228,857</u>	<u>2,001,907</u>



	Note	2022	2021
		Rupees in thousand	
<b>21 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS</b>			
Opening Balance		5,245	15,453
Accretion of Interest		114	827
Payment		(4,647)	(11,035)
Closing Balance		712	5,245
Less: Current portion		(712)	(4,533)
Non-Current		-	712
<b>21.1 LEASE LIABILITIES ARE PAYABLE AS FOLLOWS</b>			
	Minimum Lease Payments	Interest	Present Value of Minimum Lease Payment
Less than one year	726	14	712
Between one to five years	-	-	-
	726	14	712
	Minimum Lease Payments	Interest	Present Value of Minimum Lease Payment
Less than one year	4,647	114	4,533
Between one to five years	726	14	712
	5,373	128	5,245
	Note	2022	2021
		Rupees in thousand	
<b>22 DEFERRED TAXATION</b>			
Opening Balance		609,631	516,129
Effect of change in tax rate related to revaluation surplus		28,311	-
Effect of Items taken to other comprehensive income and statement of changes in equity		32	21
Charged to statement of profit or loss		(111,081)	93,480
	22.1	526,893	609,631





	Note	2022	2021
		Rupees in thousand	
<b>22.1 Deferred tax liabilities / (assets) arising in respect of:</b>			
<b>Taxable temporary differences</b>			
Accelerated depreciation		516,806	495,524
Investment in associates		137,686	105,404
Surplus on revaluation of property, plant and equipment	19.2	336,668	328,409
		<u>991,160</u>	<u>929,337</u>
<b>Deductible temporary differences</b>			
Impairment allowances and other provision		(54,418)	(46,613)
Minimum tax carried forward		(331,178)	(207,476)
Unabsorbed losses		(78,671)	(65,617)
		<u>(464,267)</u>	<u>(319,706)</u>
		<u>526,893</u>	<u>609,631</u>
<b>23 TRADE AND OTHER PAYABLES</b>			
Creditors	23.1	449,177	427,844
Accrued expenses		99,046	125,158
Advances from customers	23.2 & 23.3	626,378	250,251
Workers' Profit Participation fund	23.5	-	23,098
Workers' welfare fund		20,687	20,687
Sales tax payable		226,388	97,591
Payable to provident fund - related party		1,148	1,086
Trade deposits and retention money	23.4	1,421	714
		<u>1,424,245</u>	<u>946,429</u>
<b>23.1</b>	This includes Rs.Nil (2021: Rs. 3.566 million) payable to related party M/s. Reliance Insurance Company Limited.		
<b>23.2</b>	This includes advance from M/s. Shahmurad Sugar Mills Limited (an associated company) of Rs.237.502 (2021: Nil)		
<b>23.3</b>	During the year, performance obligation underlying the opening contract liability of Rs. 250.251 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. 613.796 million is not presented since the expected duration of all the contracts entered into with the customers is less than one year.		
<b>23.4</b>	These are utilized for the purpose of the business as per agreements, in compliance with the requirements of the section 217 of the Companies Act, 2017.		
<b>23.5 Workers' Profit Participation fund</b>			
Opening balance		23,098	16,865
Interest on funds utilized	23.5.1	475	1,882
Allocation for the year	32	-	23,098
		<u>23,573</u>	<u>41,845</u>
Payments made during the year		(23,573)	(18,747)
Closing balance		<u>-</u>	<u>23,098</u>

23.5.1 This carries interest at the rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 37.5% (2021: 22.5%).

	Note	2022	2021
		Rupees in thousand	
<b>24 ACCRUED FINANCE COST</b>			
On Long term financing		32,313	14,843
On Short term borrowings		113,923	26,932
		<b>146,236</b>	<b>41,775</b>

24.1 This includes Rs. 75.73 million (2021: Rs. 14.338 million) in respect of borrowings under Shariah Compliant arrangements.

## 25 SHORT TERM BORROWINGS

From banking companies - Secured

Running finance/Cash finance	25.1	1,561,432	464,840
Export refinance	25.1	-	400,000
Murabaha / Istisna	25.2	1,097,016	500,000
		<b>2,658,448</b>	<b>1,364,840</b>

25.1 These carry markup at rates ranging from 3 month KIBOR+0.10% to 3 month KIBOR+0.50% and 1% over SBP ERF rate. (2021 : 1 month KIBOR+0.25% to 6 month KIBOR+0.50 and 1.00% over SBP ERF rate) per annum chargeable and payable quarterly. These facilities are secured against pledge of refined sugar(hypothecated/pledge charge over stocks refer note 11.1) and 1st pari passu equitable mortgage charge on fixed assets. The aggregate limit of running/cash/export refinance arrangements is up to Rs.2,875 million (2021: Rs 2,875 million). The aggregate unavailed running finance/cash finance facilities from commercial banks at year end amounted to Rs.1,314 million (2021 : Rs.2,010 million) as on reporting date.

25.2 The Company has also obtained Murabaha / Istisna facilities from Islamic banks at respective KIBOR+0.30% and 6 month KIBOR+0.50% (2021: respective KIBOR+0.30% and 6 month KIBOR+0.50%). The profit is payable with principle amount on the date of maturity of transaction. These include pledge and hypothecation facilities. Pledge facilities are primarily secured by pledge of sugar and collaterally secured by ranking charge on current assets (refer note 11.1) and hypothecation facilities are secured by 1st pari passu hypothecation charge over plant and machinery. The aggregate limit of Murabaha/Istisna arrangements is up to Rs.2,500 million (2021: Rs 2,100 million). The unavailed facility at the year end amounted to Rs. 1,403 million (2021: 1,600 million).

## 26 CONTINGENCIES AND COMMITMENTS

### a) Contingencies

26.1 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 2017-18 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 is not payable owing to lesser recovery than base recovery in case of the company.



- 26.2 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.
- 26.3 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. 6.5 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. The constitutional petition filed before the Honourable High Court of Sindh has been allowed in favour of the company. 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. The appeal is pending before the Honourable Supreme Court of Pakistan and in view of earlier decision of Honourable Supreme Court of Pakistan, the company is confident for favourable outcome, so no provision is made.
- 26.4 An order was issued by Large Taxpayer Unit Karachi for recovery of Rs.31.173 million including additional tax and penalty being alleged inadmissible input tax claimed by the company. The amount of alleged inadmissible input tax was deposited by the company after receipt of order. However, the company filed an appeal before the Commissioner Inland Revenue Karachi. The Commissioner Inland Revenue decided the matter in favour of the company, declaring the input tax adjustment claimed by the company as admissible against which Large Taxpayer Unit Karachi has filed an appeal before Sales Tax Appellate Tribunal Inland Revenue Karachi. Appellate Tribunal Inland Revenue has partly remanded back the case, while other part of department appeal was rejected. However the Company has applied for refund of the amount deposited and is confident for outcome in favour of the company so no provision is made in this respect.
- 26.5 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 consultation with legal council is of the view that matter will be decided in favour of the Company, hence, no provision is made for difference of Rs. 10 per 40 kg aggregating to Rs. 253.279 million.
- 26.6 During the year 2017-18, 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 judgment 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.305.889 million.



- 26.7 During the year 2017-2018, the company has filed a constitution Petition No.D-1117/2018 before Honourable High Court of Sindh, bench at Hyderabad against the illegal construction of building by Govt School management on the land 1-12 Acres land 4-20 Acres are under dispute. The land is annexed to the School Al-Noor Sugar Mills High School, Shahpur Jahania District Shaheed Benazirabad. The High Court has dismissed the said Petition on 26-01-2022. Thereafter, the Company has filed an appeal against the High Court order dated 26-01-2022 before the Honourable Supreme Court of Pakistan in CPLA No.640 of 2022, and the Supreme Court has granted Leave to Appeal and suspended the High Court order dated 26-01-2022. Now the matter is pending before Honourable Supreme Court of Pakistan at Islamabad.
- 26.8 During the year 2018-19, the State Bank of Pakistan (SBP) imposed upon the Company a penalty of Rs.39.56 million as 15% of the shipment value of such export consignment which according to Interpretation of SBP, were delayed by 1 or 2 days. The Company has filed constitutional petition in the Honorable High Court of Sindh challenging such penalty which, according to the Company, was within stipulated time as required under SBP circulars. The Company's legal advisor is of the view that it is probable that the decision will be in favour of the Company and no financial liability is likely to arise.
- 26.9 The Competition Commission of Pakistan (CCP) in August 2021 passed an order 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 expects favourable outcome in the matter.
- 26.10 During the period the Federal Board of Revenue (FBR) issued notices for conducting tax audits for multiple years commencing from 2016 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 2016 were concluded by passing detrimental order under section 122(1)(5) of the Income Tax Ordinance 2001 whereby frivolous tax demand of Rs.8.857 billion for the year 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 (Appeal-II), Karachi which is pending for hearing. In the meanwhile, the Company also got stay orders from the Honorable Sindh High Court restraining 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.
- 26.11 During the period the Assistant /Deputy Commissioner Inland Revenue issued show cause notice under section 161(1A) of the Income Tax Ordinance 2002 for the tax year 2016, 2017 and 2019 and has passed order there under that the Company should have to charge and deposit tax u/s 236 H of the Income Tax Ordinance 2001 on the sale to unregistered buyers treating them as non-filers retailers instead of depositing tax u/s 236 G by treating unregistered buyers as whole sellers/distributors/dealers. The officer has created aggregate demand of Rs.76.314 million in respect of the above mentioned tax years. However the Company has filed Appeal before the Commissioner Inland Revenue Appeals (CIRA) but those appeals have been dismissed and now the Company has filed appeal in tribunal and we are confident that the matter will be decided in favour of the Company hence no provision is made in this respect.

	Note	2022	2021
		Rupees in thousand	
<b>b) Commitments</b>			
The Company's commitment as on September 30, are as follows:			
Letters of credit			
Stores		45,698	33,149
Raw Material		144,322	185,890
Machinery		55,846	95,796
		<b>245,866</b>	<b>314,835</b>



	Note	2022	2021
		Rupees in thousand	
<b>27 SALES</b>			
Export sales		85,150	721,577
Local sales			
Local sales gross		12,389,897	11,908,941
Sales tax and federal excise duty		(1,925,320)	(1,835,513)
		10,464,577	10,073,428
Brokerage and commission		(3,369)	(3,125)
		10,546,358	10,791,880
<b>28 COST OF SALES</b>			
Opening stock of finished goods		1,213,058	776,628
Cost of goods manufactured	28.1	10,552,788	9,523,637
		11,765,846	10,300,265
Less: Closing stock of finished goods		(2,731,036)	(1,213,058)
		9,034,810	9,087,207
<b>28.1 Cost of goods manufactured</b>			
Raw material consumed	28.1.1	9,637,686	8,269,705
Salaries, wages and benefits	28.1.2	437,110	387,283
Stores and spare parts consumed		474,122	432,620
Packing materials		70,883	34,340
Fuel and oil		115,384	141,955
Power and water		353,561	398,296
Repair and maintenance		179,910	137,129
Insurance		19,469	18,055
Depreciation	4.1.2	254,645	255,586
Other manufacturing expenses		54,913	44,221
		11,597,683	10,119,190
Less:			
Sale of molasses		899,730	574,803
Sale of bagasse	28.1.3	9,400	7,733
Inventory adjustment of bagasse and molasses		44,074	5,235
Sale of sunder dust	28.1.3	5,368	8,485
Sale of electric power		86,269	-
		(1,044,841)	(596,256)
Work-in-process			
Opening stock		5,183	5,886
Closing stock		(5,237)	(5,183)
		(54)	703
		10,552,788	9,523,637
<b>28.1.1 Raw material consumed</b>			
Opening stock		550,080	265,910
Purchases and related direct cost		9,617,333	8,553,875
		10,167,413	8,819,785
Closing stock		(529,727)	(550,080)
		9,637,686	8,269,705

28.1.2 It includes Rs. 16.123 million (2021: Rs. 11.727 million) in respect of the Company's contribution towards staff provident fund.

28.1.3 Sales of molasses, bagasse, sunder dust and electric power are net of sales tax of Rs. Nil (2021: Rs. 14.92 million), Rs. 1.598 million (2021: Rs. 1.315 million), Rs.0.913 million (2021:Rs. 1.697 million) and Rs. 14.667 million respectively.

	Note	2022	2021
		Rupees in thousand	
<b>29 PROFIT FROM TRADING ACTIVITIES</b>			
Sales		9,156	4,098
Sales tax		(1,557)	(97)
		7,599	4,001
Less: Cost of sales			
Opening stock		2,225	2,814
Purchases		3,736	2,712
Closing stock		(3,099)	(2,225)
		2,862	3,301
Profit for the year		4,737	700
<b>30 DISTRIBUTION COST</b>			
Sales promotion		45,211	40,817
Export sale expenses		4,562	7,803
Dispatch, stacking and other expenses		25,167	19,855
		74,940	68,475
<b>31 ADMINISTRATIVE EXPENSES</b>			
Salaries, wages and benefits	31.1	368,578	321,388
Staff welfare		70,565	40,817
Rent, rates and taxes		377	757
Electricity and gas charges		32,932	23,175
Repair and maintenance		77,230	62,525
Legal and professional		9,899	13,304
Vehicle running		59,962	38,067
Insurance		5,864	5,930
Communication		9,784	9,325
Entertainment		18,158	14,025
Printing and stationery		4,037	3,686
Fees and subscription		6,256	7,457
Travelling and conveyance		12,030	8,958
Security expenses		47,330	38,750
Auditors' remuneration	31.2	2,138	2,136
Charity and donation	31.3	7,340	2,505
Depreciation	4.1.1	66,125	55,883
Depreciation on right-of-used assets	5	7,176	7,176
Amortization	6	165	2,839
Others		3,143	3,682
		809,089	662,385

31.1 It includes Rs.15.310 million (2021 : Rs. 11.389 million) in respect of the Company's contribution towards staff provident fund.



	Note	2022	2021
		Rupees in thousand	
<b>31.2 Auditors' remuneration</b>			
Kreston Hyder Bhimji & Co			
Audit fee		1,426	1,320
Half yearly review fee		133	123
Code of corporate governance review fee		29	14
Other Certifications		105	155
Out of pocket expenses and sales tax on services		214	321
		<u>1,907</u>	<u>1,933</u>
A.D.Akhawala & Co. - Provident Fund		33	33
A.D.Akhawala & Co. - Cost Audit		198	170
		<u>231</u>	<u>203</u>
		<u>2,138</u>	<u>2,136</u>
<b>31.3 No directors or their spouses had any interest in the donee funds.</b>			
<b>32 OTHER OPERATING EXPENSES</b>			
Impairment allowance for obsolescence and slow moving items	10.1	12,557	13,796
Impairment allowance for receivable against export subsidy	15.2	-	148,156
Expected credit loss against trade debts	12.1	-	1,000
Worker's Profit Participation fund		-	23,098
Workers welfare fund		-	8,777
Net exchange loss		5,152	-
Penalty imposed from Federal Board of Revenue		24	300
		<u>17,733</u>	<u>195,127</u>
<b>33 OTHER INCOME</b>			
Income from financial assets			
Profit on bank deposits		10,915	18,393
Dividend Income		337	-
Exchange gain on export proceeds - net		-	2,169
		<u>11,252</u>	<u>20,562</u>
Income from non financial assets and others			
Unclaimed liabilities written back		-	6,600
Insurance claim		1,000	65
Gain on disposal of property, plant and equipment - net	4.1.2	8,629	12,936
		<u>9,629</u>	<u>19,601</u>
		<u>20,881</u>	<u>40,163</u>



	Note	2022	2021
		Rupees in thousand	
<b>34 FINANCE COST</b>			
Profit / Markup / Interest on:			
Long term financing		322,767	232,809
Short term borrowings			
Cash/Running finance/Murabaha/Istisna		348,609	139,187
Export refinance		3,797	11,992
		352,406	151,179
Workers' profit participation fund	23.5	475	1,882
Interest on liability against Right-of-use assets		114	827
Bank charges		4,260	2,764
		680,022	389,461
<b>34.1</b>	This includes Rs.392.357 million (2021: 191.528 million) in respect of Shariah Compliant Financial Institutions.		
<b>35 TAXATION</b>			
Current		151,039	146,748
Deferred		(111,081)	93,480
	35.1	39,958	240,228
<b>35.1 Tax Reconciliation</b>			
Tax at 29% on Accounting profit		61,850	130,824
Effect of			
Final tax regime		852	7,216
Minimum tax		143,702	133,593
Dividend income		6,485	5,940
Share of profit of associate		(74,790)	(6,099)
Others		(98,141)	(31,246)
		(21,892)	109,404
		39,958	240,228
<b>35.2</b>	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	
2021	146,748	146,764
2020	172,135	173,238
2019	144,961	141,800



	2022	2021
	Rupees in thousand	
<b>36 EARNINGS PER SHARE</b>		
<b>Basic and diluted</b>		
Profit after taxation (Rupees in thousands)	173,319	210,890
Weighted average number of ordinary shares outstanding during the year	20,473,702	20,473,702
Earnings per share (Rupees)	8.47	10.30

36.1 There is no dilutive impact on the company's earning per share.

### 37 RELATED PARTY TRANSACTIONS

The related parties comprise associates, key management personnel and staff retirement benefit plans. The transactions with related parties are carried out as per agreed terms in the normal course of business. Amounts due from and to related parties are shown in respective notes of Investment, receivables and payables, and remuneration of directors and key management personnel is disclosed in note.37. Other transactions with related parties are as follows:-

Relationship with the Company	Nature of Transactions	2022	2021
		Rupees in thousand	
<b>Associates</b>			
Reliance Insurance Company Limited	Insurance premium paid	35,472	27,586
	Insurance claims received	8,008	9,792
	Insurance claims receivable	862	2,741
Shahmurad Sugar Mills Limited	Sale of goods	910,729	598,793
	Dividend received	42,897	39,597
	Share of profit in associates	257,945	21,198
First Al-Noor Modaraba (Pvt) Limited	Share of loss in associates	(50)	(168)
	Share of other comprehensive loss and item taken directly to equity	186	120
<b>Others</b>			
Key management personnel	Remuneration to key management personnel	193,108	143,213
Staff Retirement Benefits Plan	Employer's contribution to provident fund	31,433	23,116

37.1 During the year the Company entered transactions/arrangements with following related parties.

Name of the related parties	Relationship	Percentage of shareholding	
		2022	2021
Reliance Insurance Company Limited	Common Directorship	-	-
Shahmurad sugar mills limited	Common Directorship	15.625%	15.625%
Al-Noor Management Modaraba (Pvt) Limited	Common Directorship	14.286%	14.286%

37.2 Outstanding balances with related parties have also been separately disclosed in trade debts, other receivable and trade and other payable respective. These are settled in ordinary course of business.

### 38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Executive Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Rupees in thousand								
Remuneration	13,113	10,928	8,742	7,285	74,146	58,941	96,001	77,154
Provident fund	1,311	911	874	607	6,367	5,895	8,552	7,413
Perquisite (Including house rent and bonus)	6,557	5,919	4,371	3,946	73,885	47,452	84,813	57,317
Reimbursable expenses including traveling expenses	914	367	2,828	616	-	-	3,742	983
Meeting fee	-	-	-	346	-	-	-	346
	21,895	18,125	16,815	12,800	154,398	112,288	193,108	143,213
Number of persons	1	1	1	1	32	23		

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

38.2 Meeting fee has been paid to 05 Directors, whereas no meeting fees is paid to Executive Directors and Chief Executive.

### 39 CAPACITY AND PRODUCTION

#### Sugar Division

	2022	2021
Installed Cane Crushing Capacity per day (M.Ton)	14,500	14,500
No of days Mill operated	112	89
Total Crushing Capacity on basis of no. of days mill operated (M.Ton)	1,624,000	1,290,500
Actual Crushing (M.Ton)	940,764	677,785
Sugar Production (M.Ton)	98,110	68,623

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.

#### MDF Board division

##### Mande Line

No. of Days Mill Operated	171	301
Capacity Per Day (Cubic Meter)	120	120
Total Capacity on basis of no. of days (Cubic Meter) mill operated	20,520	36,120
Actual Production (Cubic Meter)	25,349	40,259

##### Sunds Line

No. of Days Mill Operated	305	335
Capacity Per Day (Cubic Meter)	122	122
Total Capacity on basis of no. of days (Cubic Meter) mill operated	37,210	40,870
Actual Production (Cubic Meter)	42,157	46,235

The production capacity is based on standard size of sheets but actual production contain various size of sheets. Further wood recipe mix and any change in wood mix / raw material impact the productivity Vis a vis capacity of plant.



#### 40 SEGMENT INFORMATION

The Company has two operating / reportable segments, i.e., Sugar and Medium Density Fiber Board (MDFB) on the basis of product characteristics, internal reporting and the criteria defined by the "IFRS 8 Segment Reporting". The Company also generates and sells electric power, however this is not considered as separate segment since this does not meet the threshold requirements of a reportable segment.

Sugar Division - Manufacturing and sale of Refined Sugar

MDF Board - Manufacturing of Medium Density Fiber Board

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

	SUGAR		MDF BOARD		TOTAL	
	2022	2021	2022	2021	2022	2021
	Rupees in thousand					
<b>REVENUE</b>						
External sales net of brokerage and commission	5,069,237	5,069,174	5,487,121	5,722,706	10,548,358	10,791,880
External Sales of By-product, bagasse, molasses and sundries dust	995,399	582,536	6,988	8,485	1,000,787	591,021
Inter-segment transfer - Electricity	97,891	117,065	-	-	97,891	117,065
Inter-segment transfer - Bagasse	80,278	113,142	-	-	80,278	113,142
Total Revenue	6,232,805	5,881,917	6,492,489	5,731,191	11,725,092	11,613,108
<b>RESULTS</b>						
Profit from operations	484,741	462,826	182,778	510,987	627,619	973,813
Profit from trading activity	-	-	4,737	700	4,737	700
Other Income	7,051	13,833	18,830	25,330	20,881	40,163
	471,782	476,659	181,346	538,017	663,137	1,014,676
Other operating expenses					(17,783)	(195,127)
Finance cost					(880,022)	(389,461)
Share of profit from associates					267,896	21,030
Profit before tax					213,277	451,118
Taxation					(39,968)	(240,228)
Net profit for the year					173,318	210,890
<b>STATEMENT OF FINANCIAL POSITION</b>						
<b>Assets</b>						
Segment assets	8,038,211	4,420,426	4,011,344	3,737,096	10,060,655	8,157,522
Investment in associates	944,540	729,327	-	-	944,540	729,327
Unallocated Assets	-	-	-	-	294,180	213,560
Total assets					11,299,375	9,100,409
<b>Liabilities</b>						
Segment liabilities	6,781,241	4,903,278	1,034,608	724,431	7,795,749	5,627,709
Unallocated liabilities					28,808	50,925
Total liabilities					7,824,557	5,678,634
<b>OTHER INFORMATION</b>						
Additions to property, plant and equipment	121,198	21,136	288,333	229,168	409,499	250,304
Depreciation	134,814	138,749	188,168	172,720	322,779	311,469
Depreciation on right-of-use assets	-	-	7,178	7,176	7,178	7,176
Amortization	185	1,018	-	1,821	185	2,839

#### Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various customers in Pakistan as well as outside Pakistan. The company is not dependent on any single major customer whose sales is more than 10% of segment revenues. Geographical information about net sales is as follows:

Pakistan	10,481,209	10,070,303
Afghanistan	65,189	670,712
Middle East	29,890	50,865
	10,548,358	10,791,880



#### 41 FINANCIAL ASSETS AND LIABILITIES

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

	2022						Total
	Markup / Interest Based			Non Markup / Interest Based			
	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							
<b>FINANCIAL ASSETS</b>							
<b>At Cost / Amortised Cost</b>							
Loans and advances	-	-	-	12,121	4,305	16,426	18,428
Deposits	-	-	-	3,058	5,538	8,596	8,698
Trade debts	-	-	-	571,334	-	571,334	571,334
Other receivables	-	-	-	1,468	-	1,468	1,488
Cash and bank balances	127,637	-	127,637	125,915	-	125,915	263,662
	127,637	-	127,637	713,896	9,843	723,739	861,378
<b>FINANCIAL LIABILITIES</b>							
<b>At Cost / Amortised Cost</b>							
Long term financing	831,045	2,228,857	3,059,902	-	-	-	3,059,902
Lease Liability against Right-of-use assets	712	-	712	-	-	-	712
Trade and other Payables	-	-	-	550,792	-	550,792	550,792
Accrued finance cost	-	-	-	146,236	-	146,236	146,236
Short term borrowings	2,658,448	-	2,658,448	-	-	-	2,658,448
Unclaimed dividend	-	-	-	8,221	-	8,221	8,221
	3,490,205	2,228,857	5,719,062	705,249	-	705,249	6,424,311
<b>2021</b>							
	Markup / Interest Based			Non Markup / 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							
<b>FINANCIAL ASSETS</b>							
<b>At Cost / Amortised Cost</b>							
Loans and advances	-	-	-	13,888	4,771	18,659	18,659
Deposits	-	-	-	4,893	4,268	9,161	9,161
Trade debts	-	-	-	390,866	-	390,866	390,866
Other receivables	-	-	-	4,916	-	4,916	4,916
Cash and bank balances	38,782	-	38,782	192,700	-	192,700	231,482
	38,782	-	38,782	607,263	9,039	616,302	655,084
<b>FINANCIAL LIABILITIES</b>							
<b>At Cost / Amortised Cost</b>							
Long term financing	701,667	2,001,907	2,703,574	-	-	-	2,703,574
Lease Liability against Right-of-use assets	4,533	712	5,245	-	-	-	5,245
Trade and other Payables	23,098	-	23,098	554,802	-	554,802	577,900
Accrued finance cost	-	-	-	41,775	-	41,775	41,775
Short term borrowings	1,364,840	-	1,364,840	-	-	-	1,364,840
Unclaimed dividend	-	-	-	7,140	-	7,140	7,140
	2,094,138	2,002,619	4,096,757	603,717	-	603,717	4,700,474



## 42 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 42.1 Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including interest / markup 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 senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest / markup 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 as summarized below.

#### 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, advances, deposits, trade debts, other receivables and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	2022	2021
	(Rupees in thousand)	
Loans and advances	16,426	18,659
Deposits	8,596	9,161
Trade debts	571,334	390,866
Other receivables	1,468	4,916
Bank balances	237,135	227,172
	<u>834,959</u>	<u>650,774</u>

#### Loans and advances

These represent balances due from employees that are usually against their balances of retirement benefits and loans to growers which are also provided to ensure future cane supplies. The Company actively pursues for the recovery of loan / advances to employees through monthly deductions from salaries and based on past experience the Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary. However, certain loans to growers given in past are considered as doubtful. Therefore, impairment allowance is made there against.

#### Deposits

These represent security deposits with utility companies and trade deposits to suppliers. 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 and 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 by setting credit limits in relation to individual customers and / or by obtaining advance against sales and / or through irrevocable letter of credits and / or by providing for doubtful debts. Furthermore the Company actively pursues for the recovery and the Company does not expect these customers will fail to meet their obligation and also 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 3 months	328,995	161,373
3 to 6 months	141,364	133,871
More than 6 months	100,974	95,622
	<u>571,333</u>	<u>390,866</u>

#### Other receivables

These represent amounts receivables from parties against which the Company actively pursues for the recovery and there is no history of default in recent past therefore the Company expects that the amounts will be recovered, hence no impairment allowance is necessary in respect of receivable because these are neither past due nor impaired. Further, an impairment allowance has already been made against the export subsidy in view of uncertainties related to its realization.

#### Bank balances

The Company limits its exposure to credit risk by maintaining bank accounts only with counter-parties that have stable credit rating and 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	2022 Rupees in thousand	2021
United Bank Limited	AAA	A-1+	13,630	29,467
Habib Bank Limited	AAA	A-1+	2,731	25,960
Allied Bank Limited	AAA	A-1+	2,929	4,191
MCB Bank Limited	AAA	A-1+	1,803	9,208
Standard Chartered Bank Limited	AAA	A-1+	663	1,493
Standard Chartered Bank Limited-Islamic	AAA	A-1+	19,474	19,319
National Bank of Pakistan Limited	AAA	A-1+	4,660	10,691
Faysal Bank Limited	AA	A-1+	15,172	11,483
Bank Al-Falah Limited	AA+	A-1+	3,786	31,706
Bank Islami Limited	A+	A-1	96	785
Habib Metropolitan Bank Limited	AA+	A-1+	2,529	4,236
Al-Baraka Bank (Pakistan) Limited	A	A-1	5,217	4,242
Soneri Bank Limited	AA-	A-1+	169	169
Industrial Commercial bank of China	A	A-1	2	2
Meezan Bank Limited	AAA	A-1+	11,931	30,039
Al-Meezan MRAF			82,113	-
JS Bank Limited	AA+	AA-	146	160
Bank Al-Habib Limited	AA+	AAA	11,814	18,578
Askari Commercial Bank Limited	AA+	A-1+	2,695	24,995
Dubai Islamic Bank Limited	AA	A-1+	136,726	190
Samba Bank Limited	AA	A-1	176	176
Sindh Bank Limited	A+	A-1	78	82
The Bank of Khyber			708	-
			<b>319,248</b>	<b>227,172</b>

#### 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 historical information and external ratings or to information about counter party default rates. As at September 30, 2022 there were no significant past due or impaired financial assets except against which adequate loss allowance is made. However besides financial instruments as stated above;

(a) As at the year end amounts of Rs. 41.096 million (2021:41.096 million) receivable from growers, suppliers and contractors were past due against which impairment allowance have been made. The aging of the past due financial assets is as under,

More than 3 years	<b>41,096</b>	<b>41,096</b>
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(b) The company has also recorded impairment allowance of Rs. 309.517 million (2021: Rs. 309.517 million) in respect of Export subsidies and cane development cess due to uncertainties regarding the recoverability as stated in note 15.2.





## 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 (undiscounted) of the financial liabilities is as follow;

	Carrying Amount	Contractual Cashflows	Less than 3 months	3 to 12 months	1 to 5 years
	(Rupees in thousand)				
<b>Year ended 30 September 2022</b>					
Long term financing	3,059,902	3,799,555	206,062	931,269	2,662,224
Trade and other payables	1,424,245	1,424,245	328,003	143,163	306,014
Accrued finance cost	146,236	146,236	146,236	-	-
Short-term borrowings	2,658,448	2,658,448	-	2,658,448	-
Unclaimed dividend	8,221	8,221	8,221	-	-
	<b>7,297,052</b>	<b>8,036,705</b>	<b>688,522</b>	<b>3,732,880</b>	<b>2,968,238</b>
<b>Year ended 30 September 2021</b>					
Long term financing	2,703,574	2,703,574	135,417	566,250	2,001,907
Trade and other payables	946,429	946,429	150,056	427,844	-
Accrued finance cost	41,775	41,775	41,775	-	-
Short-term borrowings	1,364,840	1,364,840	-	1,364,840	-
Unclaimed dividend	7,140	7,140	7,140	-	-
	<b>5,063,758</b>	<b>5,063,758</b>	<b>334,388</b>	<b>2,358,934</b>	<b>2,001,907</b>

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2022 the Company has PKR 2,317 million (2021: PKR 3,610 million) available unutilized short term borrowing limit from financial institutions and also has PKR 335.665 million (2021: PKR 231.482 million) being cash and banks balances. Based on the above, management believes the liquidity risk is insignificant.

## 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/markup 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 /markup rate risk, currency risk and other price risk. The Company's activities are subject to interest / markup rate risk and foreign currency risks where as at year end there were no financial instruments carried at fair value which are subject other price risks.

## D Interest/ markup rate risk management

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

Financial Liabilities	Note	Carrying Values	
		2022	2021
		— Rupees in thousand —	
<b>Variable Rate Instruments</b>			
Long term financing	20	3,059,902	2,703,574
Worker's Profit Participation Fund	23	-	23,098
Short term Borrowings	25	2,658,448	1,364,840
Less: Balances in saving bank account	17	(127,637)	(38,782)
		<b>5,590,713</b>	<b>4,052,730</b>



#### Fair value sensitivity analysis for fixed rate Instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in Interest rate at the year end would not effect profit or loss of the Company.

#### Cash flow sensitivity analysis for variable rate Instruments

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. 55.103 million (2021: 35.550 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 statements 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.

As at the September 30, 2022 the currency risk profile of the Company's financial Instruments is:

	2022 \$ In thousands	2021	2022 (Rupees in thousand)	2021
<b>Balance Sheet Exposure</b>				
Foreign debtors	-	-	-	-
<b>Off Balance Sheet Exposure</b>				
Commitments				
US Dollars	359	1,015	82,235	173,461
EUROS	428	367	95,931	72,777
Chinese yuan	1,175	2,258	37,604	59,711
SEK	-	444	-	8,874
JPY	4,636		7,323	-
			<u>223,093</u>	<u>314,823</u>

The following significant exchange rate has been applied:

	2022	2021
Rupee per USD		
Average rate	199.93	168.63
Reporting date rate	229.00	170.85
Rupee per EURO		
Average rate	211.12	196.73
Reporting date rate	224.00	198.24
Rupee per CNY		
Average rate	29.23	25.51
Reporting date rate	32.00	26.45
Rupee per SEK		
Average rate	20.21	19.32
Reporting date rate	20.42	20.00
Rupee per CHF		
Average rate	212.14	185.48
Reporting date rate	233.99	190.29
Rupee per JPY		
Average rate	1.55	1.53
Reporting date rate	1.58	1.53

A 10 percent strengthening / weakening of the pkr against USD at year end would have decreased / increased profit before tax by the amount of Rs.Nil (2021: Nil) in respect of on foreign currency balances. The effect off statement of financial position items would have been Rs. 22.31 million (2021: Rs.32.30 million). This analysis assumes that all other variables, in particular Interest rates, remain constant. The analysis is performed on the same basis for 2021.



## 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 2022 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2022 and 2021 were as follows:

	2022 (Rupees in thousand)	2021 (Rupees in thousand)
Total borrowings	5,718,350	4,068,414
Less: Cash and bank balances	(253,552)	(231,482)
	5,464,798	3,836,932
Total equity	3,464,598	3,421,775
Total equity and debt	8,929,396	7,258,707
Gearing ratio (%)	61.20%	52.86%

## 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 and cash equivalent, short term deposits, other receivable, 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 approximate fair value.

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 including power plant) 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 Including power plant**

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.

**44 PROVIDENT FUND RELATED DISCLOSURES**

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 786 (2021:770) and Average number of employee during the year were 821 (2021:813).

**46 SUBSEQUENT EVENTS**


- 46.1** Subsequent to the year end the Board of Directors has proposed a final cash dividend of Rs.102.37 million (2021: Rs. 102.37 million) in their meeting held on 27th December 2022 subject to the approval of the members at the Annual General meeting scheduled to be held 26th January 2023.

**47 DATE OF AUTHORIZATION**

These financial statements were authorized for issue in the Board of Directors meeting held on 27th December 2022.

**48 GENERAL**

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.



**YOUSUF AYOUB**  
Chief Executive Officer



**ZIA ZAKARIA**  
Chairman



**MUHAMMAD HANIF CHAUDHARY**  
Chief Financial Officer



## PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON 30-09-2022

NO. OF SHAREHOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
470	1	-	100	12,594
354	101	-	500	100,059
95	501	-	1000	69,729
105	1001	-	5000	236,026
21	5001	-	10000	148,278
5	10001	-	15000	59,051
6	15001	-	20000	110,740
6	20001	-	25000	134,503
1	45001	-	50000	49,500
1	50001	-	55000	51,500
3	60001	-	65000	185,873
1	65001	-	70000	67,694
1	80001	-	85000	82,534
1	95001	-	100000	100,000
1	100001	-	105000	101,981
1	110001	-	115000	110,775
2	130001	-	135000	266,977
1	140001	-	145000	141,515
1	190001	-	195000	192,497
1	205001	-	210000	208,218
2	215001	-	220000	435,049
4	220001	-	225000	886,570
1	240001	-	245000	241,147
2	280001	-	285000	560,589
1	285001	-	290000	288,015
1	300001	-	305000	304,117
1	305001	-	310000	307,959
1	370001	-	375000	371,032
1	400001	-	405000	402,483
1	435001	-	440000	435,011
1	455001	-	460000	455,403
1	460001	-	465000	464,191
1	500001	-	505000	500,500
1	565001	-	570000	566,416
1	595001	-	600000	600,000
1	615001	-	620000	615,836
1	630001	-	635000	634,856
1	660001	-	665000	660,802
3	675001	-	680000	2,030,182
1	775001	-	780000	779,500
1	835001	-	840000	838,597
1	905001	-	910000	908,610
1	980001	-	985000	982,231
1	1875001	-	1880000	1,875,675
1	1895001	-	1900000	1,898,887
1,108				20,473,702

## CATEGORIES OF SHAREHOLDING AS ON 30-09-2022

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INSURANCE COMPANIES	1	566,416	2.77
2	JOINT STOCK COMPANIES	11	2,675,842	13.07
3	FINANCIAL INSTITUTIONS	6	34,030	0.17
4	MODARABAS	1	110,775	0.54
5	MUTUAL FUND	1	1,898,887	9.27
6	OTHERS	5	235,505	1.15
7	GENERAL PUBLIC	1084	14,952,247	73.03
	TOTAL:-	1109	20,473,702	100.00



## CATEGORIES OF SHARE HOLDING AS AT SEPTEMBER 30, 2022

Categories of Shareholders	No. of Share Holders	Shares Held	Percentage
<b>ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES</b>			
FIRST AL-NOOR MODARABA	1	110,775	0.54
NOORI TRADING CORP. (PVT) LTD	1	1,875,675	9.16
ZAIN TRADING CORPORATION (PVT) LTD.	1	779,500	3.81
<b>NBP, NIT &amp; ICP</b>			
INVESTMENT CORPORATION OF PAKISTAN	1	190	0.00
NATIONAL INVESTMENT TRUST LTD. ADMINISTRATION FUND	1	20,881	0.10
NATIONAL BANK OF PAKISTAN	1	1,430	0.01
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND.	1	220,468	1.08
TRUSTEE NATIONAL BANK OF PAKISTAN EMP. BENEVOLENT FUND TRUST.	1	7,736	0.04
NATIONAL BANK OF PAKISTAN	1	11,401	0.06
<b>MUTUAL FUNDS</b>			
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,898,887	9.27
<b>DIRECTORS, CEO &amp; THEIR SPOUSES AND MINOR CHILDREN</b>			
MR. MUHAMMAD YUSUF AYOOB	1	371,032	1.81
MR. MUHAMMAD SULEMAN AYOOB	1	223,394	1.09
MR. NOOR MOHAMMAD ZAKARIA	1	676,727	3.31
MR. ZIA ZAKARIA	1	464,191	2.27
MS. MUNIFA	2	635,356	3.10
MR. SHAMIM AHMAD	1	1,000	0.00
MRS. MUNIRA ANJUM (W/O YUSUF AYOOB)	1	402,483	1.97
MRS. SURAIYA SULEMAN (W/O SULEMAN AYOOB)	1	60,070	0.29
MRS. SHEHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD ZAKARIA)	1	676,728	3.31
<b>PUBLIC SECTOR COMPANIES AND CORP.</b>			
STATE LIFE INSURANCE CORP. OF PAKISTAN	1	566,416	2.77
<b>BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND</b>	2	128	0.00
<b>JOINT STOCK COMPANIES</b>	8	20,887	0.10
<b>OTHERS</b>	3	7,301	0.04
<b>GENERAL PUBLIC</b>			
FOREIGN	—	—	—
LOCAL	1,074	11,441,266	55.88
<b>TOTAL:-</b>	<b>1,108</b>	<b>20,473,702</b>	<b>100.00</b>

### SHAREHOLDER HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	—	1,898,887
NOORI TRADING CORPORATION (PVT.) LTD.	—	1,875,675

### 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 except the following.

	Gift Given No. of Shares
Mr. Mohammad Suleman Ayooob	100,000



## International Sugar Organization

1 Canada Square  
Canary Wharf  
London E14 5AA

Executive Director

25 November 2022

### TO WHOM IT MAY CONCERN

**"CARBON SUGAR ENERGY: Transition to a Sustainable World"**

**Tuesday 22 - Wednesday 23 November 2022**

**East Wintergarden, 43 Bank Street, Canary Wharf, London, E14 5NX**

The International Sugar Organization has the pleasure to confirm the participation of **Munifa Ayoob** at the International Sugar Organization's 31<sup>st</sup> International Seminar held in London from 22-23 November 2022 on the topic of "Carbon Sugar Energy: Transition to a Sustainable World".

José Orive  
Executive Director  
International Sugar Organization  
[exdir@isosugar.org](mailto:exdir@isosugar.org)





### بورڈ کی تفصیص کا طریقہ کار:

بورڈ کے ممبران اور اس کی کمیٹیاں انتہائی تجربہ کار ہلکار ہیں اور اپنی تاثیر کو بہتر بنانے کے لیے مسلسل کوشاں رہتے ہیں اور وقتاً فوقتاً بورڈ اور کمیٹیوں کی کارکردگی تک رسائی کے لیے سالانہ جائزہ لیتے رہتے ہیں۔ بورڈ کارپوریٹ سیکٹر اور گورننس میں ہونے والی پیش رفت کا بھی جائزہ لیتا ہے تاکہ یہ یقینی بنایا جاسکے کہ کمیٹی کارپوریٹ سیکٹر میں ہونے والے بہترین طریقوں اور ترقی کے ساتھ ہم آہنگ رہے۔

### منافع:

نقد منافع @ 50 فیصد یعنی 5.00 روپے فی شیئر 10 روپے بورڈ کے ذریعے موجودہ سال کے لئے سفارش کی گئی ہے۔  
(2021، 50 فیصد یعنی 5.00 روپے فی شیئر - 10 روپے)


### آڈیٹرز کی تقرری:


سالانہ جنرل میٹنگ کے اختتام پر موجودہ آڈیٹرز، میسرز کرسٹن حیدر بھی اینڈ کمیٹی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ اور اہل ہونے کے بعد مالی سال 2022-23 کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا۔ آڈٹ کمیٹی نے بھی ان کی تقرری کی سفارش کی اور آپ کی کمیٹی کے بورڈ نے سال 2022-23 کے لیے ان کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارشات کی توثیق کی جس کے بعد آئندہ سالانہ جنرل میٹنگ میں ممبران کی منظوری دی جائے گی۔

### عملے کے تعلقات:

آئرس ڈائریکٹرز کمیٹی کے معاملات کو ہموار طریقے سے چلانے، اہداف اور اہداف کو پورا کرنے کے لیے ایگزیکٹوز، عملے کے اراکین اور کارکنوں کی ڈیوٹی کی لگن اور محنت کی تعریف کرتے ہوئے خوشی محسوس کرتے ہیں اور انہیں یقین ہے کہ وہ موجودہ مشکل ماحول میں کام کریں گے۔ اپنے خالق کی برکت سے مستقبل میں بھی اسی جوش و جذبے کا مظاہرہ کرتے رہیں۔

بحکم بورڈ

  
ضیاء زکریا  
چیرمین / ڈائریکٹر

  
محمد یوسف الیوب  
ڈائریکٹر / چیف ایگزیکٹو آفیسر (CEO)

کراچی، دسمبر 27، 2022



### قومی خزانے میں شراکت:

کمپنی ٹیکسوں، ڈیویڈنڈ کی صورت میں ملک کے وسائل کو بڑھانے اور حکومت کی طرف سے اجازت کے مطابق کمپنی کی برآمد کے ذریعے زرمبادلہ کمانے اور MDF بورڈ ڈویژن کی لیمیٹڈ مصنوعات برآمد کرنے میں بھی اپنا حصہ ڈال رہی ہے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے MDF لیمیٹڈ مصنوعات برآمد کیں اور ملک کے لیے قیمتی زرمبادلہ کمایا۔ اس سے تمہاری خسارے کو کسی حد تک کم کرنے میں بھی مدد ملی ہے۔

### رسک مینجمنٹ اور مواقع:

کمپنی ایک پیچیدگی 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 تو جہر کم کر رہے۔

### قرض کارسک:

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 کارسک:

کمپنی اپنے خام مال کی قیمتوں میں تبدیلی کے خطرے سے دوچار ہے جسے حکومت سندھ نے بڑھایا ہے اور تیار مصنوعات کو مارکیٹ فورس کے لیے کھلا چھوڑ دیا گیا ہے۔ حکومت کو خام مال کی قیمت اور مقامی مارکیٹ میں موجود تیار مصنوعات کی قیمت کے درمیان کچھ مطابقت پر غور کرنا چاہیے۔ تاہم اس کا انتظام سٹاک کی سطح کی منصوبہ بندی اور مناسب پائے جانے والے وقت اور وقفوں میں مختلف ذرائع سے خرید و فروخت کے لیے مارکیٹوں کی مسلسل نگرانی کے ذریعے کیا جاتا ہے۔

### لیویڈیٹی کارسک

کمپنی نے اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لیے فروخت کی رسیدوں اور خریداریوں کی ادائیگیوں کے درمیان مماثلت کو پورا کرنے کے لیے مختلف بینکوں سے ورکنگ کیسٹھل کی ضروریات کا انتظام کیا ہے۔ بورڈ وچھوٹا کاروبار کو درپیش بڑے خطرے کا جائزہ لیتا ہے اور خطرے کو کم کرنے کے لیے ضروری اقدامات کرتا ہے۔ آڈٹ کمیٹی مالیاتی اور قسٹھل کے خطرات کا بھی جائزہ لیتی ہے۔ انسانی وسائل اور معاوضے کی کمیٹی اس بات کو یقینی بنانے کے لیے معاوضے اور انعام کی پالیسیوں کا جائزہ لیتی ہے کہ یہ باصلاحیت اور تجربہ کار عملے کو برقرار رکھنے اور اپنی طرف متوجہ کرنے کے لیے مسابقتی اور موثر ہیں۔



### کارپوریٹ اور سماجی ذمہ داری:

سماجی اور ماحولیاتی پالیسی کمپنی کی جانب سے اپنی کارپوریٹ اور سماجی ذمہ داری کے حصے کے طور پر سماجی کام کے اقدامات میں ایک فعال وابستگی اور شرکت کا تصور کرتی ہے۔ کمپنی ملک اور اس کے عوام کے لئے اپنی ذمہ داری کو نبھانے کے لیے ہمیشہ اپنا کردار ادا کرتی ہے۔ پالیسی کے مطابق کمپنی مل کے آس پاس کے علاقوں بشمول تعلیم اور صحت کے شعبے میں رہنے والے لوگوں کے معیار زندگی کو بہتر بنانے کے لیے مختلف سماجی کاموں میں اپنا حصہ ڈالتی ہے۔ کمپنی اپنے کارپوریٹ اور سماجی ذمہ داری (CSR) کے اہداف کو پورا کرنے کے لیے پرعزم ہے اور مل کے علاقے کے ارد گرد تعلیم، صحت کی دیکھ بھال، ماحولیات اور دیگر سماجی کاموں کی حمایت کرتے ہوئے کھل کرنا جاری رکھے ہوئے ہے تاکہ علاقے کی کم مراعات یافتہ کمیونٹی کی زندگیوں میں بہتری لائی جاسکے۔ کمپنی نے اپنے فرم چائیر یا میں مسلسل کئی فلاحی سرگرمیاں کیں یعنی سیکنڈری لیول تک ایک سکول قائم کیا، وقفہ وقفہ سے میڈیکل کیمپ کا انعقاد، مستحق دیہاتیوں کو مالی امداد، کاشتکاروں کو کھاد اور بیج فراہم کرنا، مفت راشن اور ضرورت مند افراد کی طبی امداد کی فراہمی شامل 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 کیونٹی کے اندر ماحول کو سہارا دینے کے لیے درخت لگانے کی مہم شروع ہوئی ہے۔

### کاروبار کو متاثر کرنے والی حکومتی پالیسیاں:

ہم اس موقع کا فائدہ اٹھاتے ہوئے حکومت سے درخواست کرتے ہیں کہ وہ اس بات کو یقینی بنانے کے لیے ضروری اقدامات کرے کہ گئے کی قیمت کا ملک بھر میں چینی کی قیمت سے کچھ مطابقت ہو۔ سندھ حکومت نے زیر غور مدت کے لیے 250/- روپے فی چالیس کلو گئے کی سپورٹ قیمت کا اعلان کیا ہے جب کہ پنجاب حکومت نے گئے کی قیمت 225/- روپے فی چالیس کلو گرام کا اعلان کیا تھا۔ اس طرح سندھ میں چینی کی پیداواری لاگت پنجاب کی پیداواری لاگت سے تقریباً 10 روپے فی کلو زیادہ ہے۔ سرحد کے پار چینی کی نقل و حرکت پر کوئی پابندی نہیں ہے اور اس نے سندھ میں شوگر مل کو غیر مسابقتی بنا دیا۔ مزید برآں چینی کی قیمتوں میں اضافے کے سلسلے میں حکومتی اداروں کی جانب سے شوگر ملوں، بروکرز/ڈیلرز کے خلاف مقدمات کے حالیہ اندراج نے چینی کی قیمت فروخت پر منفی اثر ڈالا۔ اس کے علاوہ چینی حکومت کی ہدایت کے تحت برآمد کی گئی سسڈی کی بنیادوں پر حکومت کی طرف سے مطلع کیا گیا تھا۔ تاہم سسڈی ابھی تک ادا نہیں کی گئی حالانکہ تمام متعلقہ دستاویزات اسٹیٹ بینک کو فراہم کر دی گئی تھیں۔ ہم وفاقی اور صوبائی حکومتوں سے درخواست کرتے ہیں، جیسا کہ قابل اطلاق ہو، روکی ہوئی سسڈی کو فوری طور پر جاری کریں کیونکہ یہ کمپنی کی لیکویڈیٹی کے لیے اہم ہے۔

### متعلقہ فریقین کے لین دین:

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت تمام متعلقہ فریقوں کے لین دین کو بورڈ کی آڈٹ کمیٹی اور بورڈ کے سامنے حتمی منظوری کے لیے پیش کیا گیا۔ سال 2017-18 کے دوران کئے گئے متعلقہ فریقین کے لین دین کو بھی کمپنیز ایکٹ 2017 کے سیکشن 208 کے تحت سالانہ جنرل میٹنگ میں ممبران کے سامنے رکھا گیا۔ ماکیت کی قیمت کے تحت انتظام۔ متعلقہ فریقوں میں داخل ہونے والے تمام لین دین کو بورڈ کی آڈٹ کمیٹی کی منظوری کے بعد بورڈ نے منظور کیا جس کی صدارت ایک آزاد انٹر کیٹر کرتا ہے۔

## مستقبل کا نقطہ نظر:

### شوگر ڈویژن:

حکومت سندھ کی جانب سے گنے کی قیمت کا اعلان کیا جاتا ہے جبکہ حتمی مصنوعات کی فروخت کی قیمت مارکیٹ فورسز کے لیے کھلی چھوڑ دی جاتی ہے۔ اس کے نتیجے میں جب بھی گنے کی بمپر فصل ہوتی ہے تو چینی کی پیداوار میں خاطر خواہ اضافہ ہوتا ہے جبکہ کھپت کا انداز کم و بیش کوئی تبدیلی نہیں ہوتا۔ ایسے حالات میں چینی کی قیمت میں کمی اور شوگر ملز کو نقصان ہوتا ہے۔ جیسا کہ 2022-23 کا کرشنگ سیزن ابھی شروع ہوا ہے اور حکومت سندھ نے گنے کی قیمت = 302 روپے فی چالیس کلوگرام مقرر کی ہے جو کہ کرشنگ سیزن 2021-22 کے لیے مقرر کردہ قیمت سے = 52 روپے زیادہ ہے۔ توقع ہے کہ چینی کی پیداوار ملک کی ضرورت سے زیادہ ہوگی جس میں پچھلے سال کے کیری اوور اسٹاک بھی شامل ہے۔ حکومت کو چاہیے کہ وہ اضافی چینی برآمد کرنے کے آپشن پر غور کرے تاکہ مقامی مارکیٹ میں قیمت کو مستحکم کیا جاسکے اور ملک کے لیے بہت زیادہ ضروری زر مبادلہ کمایا جاسکے۔ صوبے میں اچھی بارشوں کے باعث گنے کی فصل گزشتہ سال کی نسبت اچھی ہونے کی توقع ہے اور ریکوری کی شرح میں بھی اضافہ متوقع ہے۔ کرشنگ سیزن 2021-22 کے دوران کاشتکاروں نے اپنی فصل پر زیادہ منافع حاصل کیا کیونکہ حکومت سندھ نے نوٹیفکیشن نمبر No.8(142)/S.O(Ext)2021-22 مورخہ 4 نومبر 2021 کے ذریعے گنے کی قیمت = 250 روپے فی چالیس کلوگرام مقرر کی ہے۔ جیسا کہ جو پچھلے سال مقرر شدہ روپے = 202 روپے تھی۔ کرشنگ سیزن 2022-23 کے لیے گنے کی قیمت میں مزید اضافہ کیا گیا ہے جس سے پیداواری لاگت میں اضافہ ہوگا۔ گنے کی قیمت میں اضافے کے باوجود کاشتکار اپنی فصل کو مطلع شدہ قیمت پر فروخت کرنے سے گریزاں ہیں اور کمپنی کے پاس کارخانے کو کثایت شعاری پر چلانے کے لیے اضافی قیمت ادا کرنے کے علاوہ کوئی چارہ نہیں ہے۔

### MDF بورڈ ڈویژن:

الحمد للہ MDF بورڈ ڈویژن نے نازک حالات میں مختلف موٹائی میں 67,506 کیوبک میٹر بورڈ تیار کیا ہے۔ پیداوار گزشتہ سال کے مقابلے میں 18,891 کیوبک میٹر یا 21.87 فیصد کم ہے۔ اس کی وجہ ملک میں سیلاب کی شدید صورتحال اور ٹرانسپورٹ کی کمی کی وجہ سے خام مال کی عدم دستیابی تھی۔ سیلاب کی وجہ سے ملک میں تعمیراتی عمل بری طرح متاثر ہونے کی وجہ سے مصنوعات کی مانگ میں بھی کمی واقع ہوئی ہے۔ ڈویژن کی مصنوعات نے مارکیٹوں اور پڑوسی ممالک میں اپنی قبولیت قائم کر لی ہے۔ توقع ہے کہ ملک میں جمع پانی کے اخراج کے بعد، ہاؤسنگ سیکٹر میں دوبارہ فعال ہونے کی وجہ سے لیمینیٹڈ ویلجواؤڈ مصنوعات کی مانگ میں اضافہ ہوگا۔ توقع ہے کہ ہاؤسنگ سیکٹر میں دوبارہ توسیع کو مد نظر رکھتے ہوئے ملک کی MDF بورڈ انڈسٹری ترقی کرے گی۔

### کمپنی کی کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی نے کمپنی کو "A-2" (سنگل "A" ہینس A-Two) کی ابتدائی درمیانی تا طویل مدتی درجہ بندی تفویض کی ہے۔ بتایا درجہ بندی پر آؤٹ لک "مستحکم" ہے۔

## آڈٹ کمیٹی:

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں شامل کوڈ آف کارپوریٹ گورننس کے تحت ضرورت کے مطابق بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جس میں درج ذیل ڈائریکٹرز شامل ہیں۔ زیر غور مدت کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے اور ہر ممبر کی حاضری حسب ذیل تھی۔

ڈائریکٹرز کے نام	عہدہ	شرکت	درجہ
جناب خیم احمد	چیئر مین	4	آزاد ڈائریکٹر
جناب ضیاء زکریا	ممبر	4	نان ایگزیکٹو
محترمہ منیفہ ایوب	ممبر	4	نان ایگزیکٹو

آڈٹ کمیٹی کے ٹرمز آف ریفرنس کا تعین بورڈ نے کیا ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں بیان کیا گیا ہے۔

## انسانی وسائل اور معاوضے کی کمیٹی:

بورڈ نے کوڈ آف کارپوریٹ گورننس کے تحت ضرورت کے مطابق انسانی وسائل اور معاوضے کی کمیٹی بھی تشکیل دی جس میں درج ذیل ڈائریکٹرز شامل ہیں۔ سال کے دوران کمیٹی کا ایک اجلاس ہوا اور اس میں جناب سلیمان ایوب کے علاوہ کمیٹی کے تمام اراکین نے شرکت کی۔

ڈائریکٹرز کے نام	عہدہ	درجہ
جناب فرخ نسیم	چیئر مین	آزاد ڈائریکٹر
جناب سلیمان ایوب	ممبر	ایگزیکٹو ڈائریکٹر
محترمہ منیفہ ایوب	ممبر	نان ایگزیکٹو

## ڈائریکٹرز کا مشاہرہ پالیسی اور مشاہرہ کی تفصیلات:

کمیٹی کے آرٹیکلز کے مطابق، بورڈ آف ڈائریکٹرز کمپنیز ایکٹ 2017 کے مطابق متعلقہ ایگزیکٹو، نان ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے کا تعین کرنے کا مجاز ہے اور جنرل میٹنگ میں اراکین کی منظوری بھی کی جاتی ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی تیار کی ہے جس میں پالیسی کے مقاصد اور بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے انفرادی ڈائریکٹر کے معاوضے کے ٹیک کے تعین کے لیے ایک شفاف طریقہ کار کو تفصیل سے بیان کیا گیا ہے۔ ڈائریکٹرز کی معاوضے کی پالیسی کی دیگر اہم خصوصیات میں یہ بھی شامل ہے کہ معاوضے کی سطح مسابقتی اور بورڈ میں اہل اور ہنرمند افراد کو راغب کرنے اور برقرار رکھنے کے لیے کافی ہوگی، کوئی صنفی امتیاز نہیں ہوگا اور معاوضہ اس سطح پر نہیں ہوگا جو ڈائریکٹرز کی آزادی کے ساتھ سمجھوتہ کرنے کے لیے سمجھا جا سکتا ہے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی مجموعی رقم کی تفصیلات نوٹ 38 میں مالی بیانات میں ظاہر کی گئی ہیں۔



8۔ کوئی بلایا قانونی ادائیگی نہیں ہوئی ہے، سوائے ان کے جو معمول کے کاروبار کے تحت ہیں اور کچھ متاثرہ معاملات، جو مالیاتی بیانات کے متعلقہ نوٹس میں ظاہر ہو رہے ہیں۔

9۔ 30 ستمبر 2022 تک کمپنی میں شیئر ہولڈنگ کا پیٹرن بھی سالانہ رپورٹ میں شامل ہے۔

10۔ ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانس آفیسر، کمپنی سیکرٹری، ان کی شریک حیات یا نابالغ بچوں نے کمپنی کے حصص میں کوئی تجارت نہیں کی سوائے اس کے کہ دوسری صورت میں اشارہ کیا گیا ہو۔

11۔ پراویڈنٹ فنڈ سے سرمایہ کاری کیپنیز ایکٹ 2017 کے سیکشن 218 اور اس مقصد کے لیے وضع کردہ قواعد کے مطابق کی گئی ہے۔

12۔ سالانہ رپورٹ میں گزشتہ دس سالوں کے اہم آپریٹنگ اور مالیاتی اعداد و شمار اور حصص کی ہولڈنگ کا نمونہ شامل کیا گیا ہے۔ ڈائریکٹرز یا ان کی شریک حیات کے انعقاد میں کوئی خاص تبدیلی نہیں آئی سوائے دوسری صورت میں اشارہ کرنے کے۔

### بورڈ آف ڈائریکٹرز کی تشکیل:

30 مارچ 2020 کو ہونے والے گزشتہ انتخابات کے بعد سے بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔ زیر جائزہ مدت کے دوران بورڈ کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

ڈائریکٹرز کے نام	شرکت	درجہ
1. جناب ضیاء زکریا (چیرمین)	4	نان ایگزیکٹو
2. جناب یوسف ایوب	4	ایگزیکٹو
3. جناب سلیمان ایوب	1	ایگزیکٹو
4. جناب نور محمد زکریا	2	نان ایگزیکٹو
5. محترمہ منیلہ ایوب	4	نان ایگزیکٹو
6. جناب شمیم احمد	4	آزاد ڈائریکٹر
7. جناب فرخ یاسین	4	آزاد ڈائریکٹر

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت مطلوبہ مالیاتی گوشواروں کے متعلقہ نوٹ میں ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیلات بھی فراہم کی گئی ہیں۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز کو مینٹگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا جاتا۔



## کارکردگی کا جائزہ:

### شوگر ڈویژن:

اللہ کے فضل سے صوبے میں گنے کی فصل اچھی ہوئی اور آپ کی کمپنی کی کرشنگ کا حجم بڑھ کر 940,764 میٹرک ٹن ہو گیا جب کہ گزشتہ سال اسی عرصے میں 677,785 میٹرک ٹن کی کرشنگ کی گئی تھی۔ زیر نظر مدت کے دوران آپ کی کمپنی نے ریکوری کی شرح 10.43 فیصد حاصل کی جو گزشتہ سال حاصل کی گئی 10.12 فیصد تھی۔ ریکوری کی شرح میں اضافہ بنیادی طور پر گنے کے اچھے معیار کی وجہ سے تھا کیونکہ کرشنگ اس وقت شروع کی گئی تھی جب گنے کی کرشنگ کے لیے مکمل پختہ ہو گیا تھا۔ چینی کی پیداوار بھی بڑھ کر 98,110 میٹرک ٹن ہو گئی ہے جو کہ گزشتہ سال کے دوران 68,623 میٹرک ٹن تھی۔

### میڈیم ڈینسٹی قاسمر (MDF) بورڈ ڈویژن:

ایم ڈی ایف بورڈ ڈویژن نے نازک حالات میں اچھی کارکردگی کا مظاہرہ کیا اور مختلف موٹائی میں 67,506 کیوبک میٹر مصنوعات تیار کیں جبکہ پچھلے سال کے دوران یہ 86,397 کیوبک میٹر پیدا کی گئی تھی۔ پیداوار گزشتہ سال کے مقابلے میں 18,891 کیوبک میٹر یا 21.87 فیصد کم ہے۔ ملک میں زیادہ سیلاب اور خام مال کی عدم دستیابی کی وجہ سے پیداوار کم تھی کیونکہ سیلاب کے دوران خریداری کے تمام ذرائع معطل ہو گئے تھے۔ ہاؤسنگ انڈسٹری میں جمود کی وجہ سے مختلف مصنوعات کی مانگ میں خاطر خواہ کمی واقع ہوئی۔

### پاور جنریشن ڈویژن:

واٹرائیڈ پاور ڈویلپمنٹ اتھارٹی کے ساتھ معاہدہ دس سال کی مدت کے لیے تھا جس کی میعاد ختم ہو چکی ہے۔ وہاں بجلی کی فروخت کی تجویز پیش کرنے کے بعد جو کہ نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی کی جانب سے دی گئی ہے، کمپنی نے سکرا الیکٹرک سپلائی کمپنی کو 8 میگا واٹ فی گھنٹہ بجلی فروخت کی اور 86.269 ملین روپے کی اضافی آمدنی حاصل کی۔

### کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ فیمل کا بیان:

- 1۔ کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کے معاملات، آپریشن کے نتائج، یکیش ٹھو اور انکوبینی میں تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
- 2۔ قانون کے تحت ضرورت کے مطابق کمپنی نے کھاتوں کی مناسب کتابیں رکھی ہیں۔
- 3۔ مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تجزیے 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 بیرونی کی گئی ہے۔
- 5۔ اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اس مدت کے دوران مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔
- 6۔ کمپنی کی صلاحیت جاری رکھنے پر کوئی خاص شک نہیں ہے۔
- 7۔ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں تفصیل کے مطابق کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی خارج نہیں ہوا ہے۔



## ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ تعالیٰ کے بابرکت نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔

پیارے ممبران! السلام علیکم!

مجھے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2022 کو ختم ہونے والے سال کے آڈٹ شدہ مالیاتی گوشواروں اور اس پر آڈیٹرز کی رپورٹ کے ساتھ آپ کی کمپنی کی کامیابیوں کو آپ کے سامنے پیش کرتے ہوئے بہت خوشی محسوس ہو رہی ہے۔ آپ کی کمپنی کی بنیادی سرگرمی چینی اور مختلف موٹائیوں میں MDF بورڈ کی تیاری شامل ہے۔ اہم پیداوار اور مالیاتی اعداد و شمار ذیل میں فراہم کیے گئے ہیں۔

2020-21	2021-22	مالیاتی کارکردگی :
		☆ منافع قبل از ٹیکس
451,118	213,277	☆ ٹیکس کے لئے فراہمی
(240,228)	(39,958)	☆ منافع بعد از ٹیکس
210,890	173,319	☆ منافع فی شیئر بنیادی
Rs.10.30	Rs.8.47	
2020-21	2021-22	معلومات بہت پیداوار
		☆ گنتے کی پٹائی (میٹرک ٹن)
677,785	940,764	☆ چینی کی پیداوار (میٹرک ٹن)
68,623	98,110	☆ رکھری برائے چینی (فیصد)
10.12	10.43	☆ پیداوار برائے راب (میٹرک ٹن)
30,800	43,125	☆ ایم ڈی ایل کی پیداوار (کیوبک میٹر)
86,397	67,506	
		مالی اعداد و شمار:
		☆ فروخت
		☆ لاگت برائے فروختی
		☆ غلام منافع
		☆ تقسیمی لاگت
		☆ انتظامی اخراجات
		☆ دیگر عملیاتی اخراجات
		☆ مالیاتی اخراجات
		☆ دیگر آمدنی
		☆ منافع برائے ایسوسی ایٹس
		☆ قلمی از ٹیکس منافع
2020-21	2021-22	(روپے ہزاروں میں)
10,791,880	10,546,358	
(9,087,207)	(9,034,810)	
1,704,673	1,511,548	
(68,475)	(74,940)	
(662,385)	(809,089)	
(195,127)	(17,733)	
(389,461)	(680,022)	
40,863	25,618	
21,030	257,895	
451,118	213,277	



## PROXY FORM

I/We .....  
In the district of ..... being a Member of AL-NOOR SUGAR MILLS LIMITED  
and holder of ..... Ordinary Shares as per Share  
(Number of Shares)  
Register Follo 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 53<sup>rd</sup> Annual General Meeting of the Company to be held on the 26<sup>th</sup> day of January two  
thousand twenty three at 3:00 p.m and at any adjournment thereof :

Signed this ..... day of ..... 2023

### 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:

1. This Proxy Form, duly completed and signed, must be received at the office of our Shares Registrar not later than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities  
In addition to the above the following requirements have to be met.  
(i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.  
(ii) 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 \_\_\_\_\_  
 انور شوگر ملز لیٹڈ \_\_\_\_\_  
 کے رکن و حامل \_\_\_\_\_ عام حصص بمطابق شیئرز رجسٹرڈ فلیو نمبر \_\_\_\_\_  
 اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر \_\_\_\_\_ اور ڈیجیٹل اکاؤنٹ نمبر \_\_\_\_\_  
 بذریعہ ذہا \_\_\_\_\_ ساکن \_\_\_\_\_ یا بصورت دیگر \_\_\_\_\_  
 ساکن \_\_\_\_\_ جو کہ خود بھی ایک ممبر ہے کو اپنی / ہماری غیر موجودگی میں کچنی کے  
 53 واں سالانہ اجلاس عام مؤرخہ 26 جنوری 2023 بوقت 3:00 بجے منعقد یا ملتوی ہونے والے میں رائے دہندگی کیلئے اپنا نامحدود مقرر کرتا / کرتی ہوں۔

دھلا شدہ متاخر \_\_\_\_\_ بروز \_\_\_\_\_ 2023.

کامیاب:

میرے کرم پانچ روپے  
 ایک کے عوض ایک  
 چپا کر رہی۔

1۔ دھلا \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_

کچینٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

2۔ دھلا \_\_\_\_\_  
 نام \_\_\_\_\_  
 پتہ \_\_\_\_\_

دھلا میرے نمبر / نمبران \_\_\_\_\_  
 (دھلا کچنی میں حق نمونہ کے دھلا کے مطابق ہونے چاہیے)

کچینٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر \_\_\_\_\_

نوٹ:

- 1۔ ہر لحاظ سے مکمل اور دھلا شدہ یہ فارم بیلنگ سے کم از کم 48 گھنٹے قبل کچنی کے شیئرز رجسٹر کے دفتر میں موصول ہونا چاہیے۔
- 2۔ اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انشروٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انشروٹس آف پراکسی کا واحد مقرر ایسے بن جائیں گے۔
- 3۔ سی ڈی سی اکاؤنٹ دیکھنے والے کارپوریٹ ادارے صرف برائے درج شرائط کو پورا کریں گے۔
- (1) پراکسی فارم کے ممبران کا نام کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل بھی دی جائے گی۔
- (2) کارپوریٹ ادارے کی صورت میں بدو آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دھلا کے نمونے (اگر پہلے جمع نہ کر لیا ہو) کچنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔





Al-Noor Sugar Mills Ltd.  
96-A, Sindhi Muslim Society,  
Karachi-74400  
[www.alnoorsugar.co](http://www.alnoorsugar.co)