



Ansari Sugar Mills Limited



**29th
Annual Report
2018**



ANSARI SUGAR MILLS LIMITED

TWENTY NINTH ANNUAL REPORT 2018

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COMPANY PROFILE

BOARD OF DIRECTORS

Rashid Ahmed Khan
Khawaja Anver Majid
Waheed Ahmed
Khawaja Aleem Majid
Iqbal Buledi
Dawoodi Morkas
Aurangzeb Khan

Non-Executive Director (Independent)
Chief Executive & Executive Director
Executive Director
Non- Executive Director
Non- Executive Director
Non- Executive Director
Non - Executive Director & Chairman

AUDIT COMMITTEE

Khawaja Aleem Majid
Rashid Ahmed Khan
Dawoodi Morkas

Chairman, Non-Executive Director
Member, Non-Executive Director (Independent)
Member, Non Executive Director

HUMAN RESOURCE & RUMENERATION COMMITTEE

Khawaja Aleem Majid
Rashid Ahmed Khan
Waheed Ahmed

Chairman, Non Executive Director
Member, Non Executive Director (Independent)
Member Executive Director

CHIEF FINANCIAL OFFICER

Khawaja Muhammad Salman Younis

COMPANY SECRETARY

Zahid Haider

BANKERS

National Bank of Pakistan
Sindh Bank Limited
Summit Bank Limited
UBL Bank Limited
MCB Bank Limited
Habib Bank Limited
Bank-Al-Habib Limited

AUDITORS

M/s. J.A.S.B Associates & Co. Chartered Accountants.

COST AUDITOR

Mustafa Ahmad & Co Chartered Accountants
Cost and Management Accountants

LEGAL ADVISOR

Kashif Hanif Law Associates

REGISTRAR

C&K Management Associates (Pvt) Ltd
404, 4th floor, Trade Tower, Abdullah Haroon Road, Saddar, Karachi.

REGISTERED OFFICE

Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Muhammad Khan, Hyderabad, Sindh.

CORPORATE OFFICE

CL-5/4, State Life Building No. 10, Abdullah Haroon Road, Karachi

EMAIL ADDRESS

ansarisugarmills@omnigroup.com.pk

WEBSITE

www.ansarisugar.com.pk

FACTORY

Deh Jagsiyani, Taluka Tando Ghulam Hayder
District Tando Muhammad Khan, Sindh.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 29th (Twenty-Ninth) Annual General Meeting of the members of Ansari Sugar Mills Limited (the Company) will be held on Wednesday August 16, 2023 at 11:00 am at registered office of the company, situated at Deh Jagsiyani, Taulka Tando Ghulam Hayder, District Tando Muhammad Khan, Hyderabad Sindh for transacting the following business.

A. ORDINARY BUSSINESS

- To confirm the minutes of the Extra Ordinary General Meeting held on, March 21, 2018.
- To receive, consider and adopt the Audited Financial Statements of the Company for the yearended September 30, 2018 together with the Directors' report and the Auditors' report thereon.

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the official website of the Company (<http://www.ansarisugar.com.pk>).

- To appoint auditors and fix their remuneration for the year ended September 30, 2019, 30th September 2020, 30th September 2021 and 30th September 2022. The present auditors M/s JASB Associates Chartered Accountant, will retire and are eligible and therefore have offered themselves for reappointment.
- To elect seven Directors (07) of the company for a period of three (03) years, commencing from August 16, 2023 in accordance with the provision of section 159(1) of the Companies Act 2017. The names of retiring directors are as under:

1. Khawaja Anver Majid
2. Khawaja Aleem Majid
3. Waheed Ahmed
4. Aurangzeb Khan
5. Dawoodi Morkas
6. Iqbal Buledi
7. Rashid Ahmed Khan



NOTICE OF ANNUAL GENERAL MEETING

B. SPECIAL BUSINESS

- To consider and pass a resolution authorizing the board of directors of the Company to enter into an investment agreement with associated companies and approve amount(s) of investment to be invested in the associated companies.
- To obtain consent and approval u/s 199 of the Companies Act, 2017 and Companies (Investment in Associated Undertakings or Associated Undertakings) Regulations 2012 for limits of investments in associated companies subject to terms and conditions mentioned in the Annexure A of statement u/s 134(3) of the Companies Act, 2017.
- To consider and approve to circulate the Annual Report of the Company to the members via email. Pursuant to the directions issued by the SECP vide SRO 787 (1) 2014 dated September 8, 2014, SECP has directed to take the approval from members to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. However, the Company will provide hard copies of the Annual Report to any member on their demand, free of cost at their registered address.
- To obtain consent of the shareholders in terms of S.R.O. 470(1)/2016 dated May 31, 2016 issued by Securities of Exchange Commission of Pakistan, for the transmission of annual audited accounts, notice of the general meetings and other information contained therein of the Company either through CD or DVD or USB or in hard copy (Book form)
- To approve and authorize Company to sell molasses to Pak ethanol (Pvt) Limited at a price agreed between both the companies.
- To enter into any other business (es) with the permission of the chair.

For ANSARI SUGAR MILLS LIMITED
Karachi

Dated: July 26, 2023

Company Secretary



NOTICE OF ANNUAL GENERAL MEETING

NOTES:

- **Closure of Share Transfer Books:**

The Shares Transfer Book of the Company will remain closed from August 09, 2023 to August 16, 2023 (both day inclusive). Transfers received in order at the office of our Registrar, M/s C&K Management Associates (Pvt.) Ltd. 404, 4th Floor, Trade Tower, Abdullah Haroon Road, Near Metropolitan Hotel, Saddar, Karachi, by the close of business (5:00 p.m.) on August 08, 2023 will be treated as being in time for the purposes of attending and voting at the meeting.

- **Participation in Annual General Meeting and appointing proxies:**

A member of the company entitled to attend and vote at the AGM may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the registered office of the company or shares registrar's office not later than 48 hours before the meeting.

CDC account holders / subaccount holders are requested to bring with them their original CNIC's or Passports along with 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 members the same must be accompanied with attested copies of CNIC's or the passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be submitted along with Proxy form to the Company. The nominee shall produce his original CNIC at the time of attending the meeting for verification.

- **Submission of copies of CNIC:**

In terms of the directive of the Securities and Exchange Commission of Pakistan (SECP) the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person, except in the case of minor(s) and corporate shareholders, are required to be mentioned in the annual return filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNIC's are advised to provide at earliest the attested copies of their CNIC's (if not already provided) directly to our Independent Share Registrar, M/s C&K Management Associates (Pvt.) Ltd. 404, 4th Floor, Trade Tower, Abdullah Haroon Road, Near Metropolitan Hotel, Saddar, Karachi.



NOTICE OF ANNUAL GENERAL MEETING

- **Dividend:**

Shareholders are hereby reminded that Section 242 of the Companies Act, 2017 provides that in case of a listed company, any cash dividend declared by the company must be paid electronically directly into the bank accounts of the shareholders. In order to receive dividends directly into their bank account, shareholder are requested to fill in E-Dividend Mandate Form available on the Company's website i.e. www.ansarisugar.com.pk and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. C&K Management Associates (Pvt.) Ltd. in case of physical shares. In case shares are held in CDC, Then E-Dividend Mandate Form must be submitted directly to shareholder's broker/participant/CDC investor account services. In case of Non-submission of IBAN, the Company will withhold the payment of dividends under the Companies (Distribution of Dividends) Regulations, 2017. Further, the Information regarding gross dividend, tax/zakat deduction and net amount of dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eservices Portal at <https://eservices.cdcaccess.com.pk>. In compliance of Section 244 of the Companies Act 2017, once the Company has completed stipulated formalities, any unclaimed dividend and/or shares that have remained outstanding for a period of three years from the date of becoming due and payable or more shall be credited to the Federal Government (in case of dividend) or delivered to the SECP (in case of physical shares). Shareholders who by any reason could not collect and remained their unclaimed dividend/shares are advised to contact our Share Registrar of the company to collect/inquire about their unclaimed dividend or shares, if any.

- **Conversion of Physical Shares into CDC Account:**

The SECP, through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Companies Act, 2017 (the Act), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act. Accordingly, all shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages. Safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The shareholders of the Company may contact the Share Registrar M/s C&K Management Associates (Pvt.) Ltd. for the conversion of physical shares into book-entry form. Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar M/s C&K Management Associates (Pvt.) Ltd. 404, 4th Floor, Trade Tower, Abdullah Haroon Road, Near Metropolitan Hotel, Saddar, Karachi. Kindly quote your folio number in all correspondences with the Company.



NOTICE OF ANNUAL GENERAL MEETING

- **Election of Directors:**

Any member who intends to contest the election for the office of the Directors or otherwise, shall file with the Company at its Head Office not later than fourteen (14) days before the date of the Annual General Meeting, a notice of his/her intention to offer himself/herself for the election as Director in terms of Section 159(3) of the Companies Act, 2017 along with:

- (a) consent to act as director on Form 28, duly completed and signed by the candidate;
- (b) a detailed profile along with office address for the placement on the Company's website seven (7) days prior to the date of the AGM, in terms of SRO 1196(1) of 3rd October 2019;
- (c) His/ Her Folio number/ CDC investor Account Number/ CDC Participant Account Number/ Sub-account Number. He/ She must be a member of the Company at the time of filing consent for contesting election of directors except for a person representing a member which is not a natural person.
- (d) A declaration confirming that;
 - a. He/ She is aware of his/ her duties and powers under the relevant laws, Memorandum & Articles of the Company and listing regulations of the Pakistan Stock Exchange and
 - b. Declaration / undertaking in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017;

The Final list of contesting directors will be circulated not later than seven days before the date of said meeting, in terms of section 159(4).

- **Statement under Section 166 of the Companies Act, 2017 – Regarding Independent Directors.**

Independent Directors shall be selected in accordance with the applicable criteria set out for independence under section 166 of the Companies Act, 2017 and the Companies (manners and selection of independent directors) Regulations, 2018. Further, the Regulations issued there under and their names should be listed on the databank of independent directors maintained by Pakistan Institute of Corporate Governance. However, the Candidate shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017.



NOTICE OF ANNUAL GENERAL MEETING

“Annexure A”

Statement u/s 134(3) of the Companies Act, 2017

Investments in Associated Companies and Associated Undertakings

Associated Companies	Total Investment Approved	Amount of Investment made to date	Reason for not having made complete investment so far	Material change in financial statements of associated company since resolution
Bawany Sugar Mills Limited	Rs. 1,000,000,000 (One Billion) each	No Investment made / obtain	As the surplus funds were not available among the associated companies no investment has made / obtain.	No material change
Khoski Sugar Mills Pvt Limited		No Investment made / obtain		No material change
Chambar Sugar Mills Pvt Limited		No Investment made / obtain		No material change
Tando Allayar Sugar Mills Limited		No Investment made / obtain		No material change
Naudero Sugar Mills Pvt Limited		No Investment made / obtain		No material change
New Dadu Sugar Mills Pvt Limited		No Investment made / obtain		No material change
Larr Sugar Mills Limited		No Investment made / obtain		No material change
New Thatta Sugar Mills Pvt Limited		No Investment made / obtain		No material change

سالانہ عام اجلاس کانوٹس

بذریعہ مذکور مطلع کیا جاتا ہے کہ انصاری شوگر ملز لمیٹڈ (کمپنی) کے ممبران کا 29 واں (اخیسواں) سالانہ اجلاس بدھ 16 اگست 2023 کو صبح 11:00 بجے کمپنی کے رجسٹرڈ آفس، دیپہہ جکسیانی، تعلقہ ٹنڈو غلام حیدر، ضلع ٹنڈو محمد خان، حیدرآباد، سندھ میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا۔

A. عمومی امور

- مورخہ 21 مارچ 2018 کو ہونے والے غیر معمولی اجلاس عام کی کاروائی کی توثیق۔
- مورخہ 30 ستمبر 2018 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں میں ڈائریکٹرز کی رپورٹ اور اس پر آڈیٹرز کی رپورٹ کی وصولی، ان پر غور و خوض اور اختیار کرنا۔
- کمپنیز ایکٹ 2017 کے سیکشن 223(7) کے تحت تقاضوں کے مطابق، کمپنی کے مالیاتی گوشواروں کو کمپنی کی آفیشل ویب سائٹ (<http://www.ansarisugar.com.pk>) پر اپ لوڈ کر دیا گیا ہے۔
- 30 ستمبر 2019، 30 ستمبر 2020، 30 ستمبر 2021 اور 30 ستمبر 2022 کو ختم ہونے والے سال کے لیے آڈیٹرز کی تقرری اور ان کے معاوضہ کا تعین۔ موجودہ آڈیٹرز میسرز JASB ایسوسی ایشن چارٹرڈ اکاؤنٹنٹس، سکدوش ہو چکے ہیں اور اہل ہیں اور اس لیے انھوں نے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔
- کمپنیز ایکٹ 2017 کے سیکشن 159(1) کی شرائط کے مطابق 16 اگست 2023 سے شروع ہونے والے تین (03) سالوں کے لیے کمپنی کے سات ڈائریکٹرز (07) کا انتخاب کرنا۔

سکدوش ہونے والے ڈائریکٹرز کے نام درج ذیل ہیں:

- | | | | |
|--------------------|--------------------|------------------|-----------------|
| 1۔ خواجہ انور مجید | 2۔ خواجہ سلیم مجید | 3۔ وحید احمد | 4۔ اورنگزیب خان |
| 5۔ داؤدی مورکاس | 6۔ اقبال بلیدی | 7۔ راشد احمد خان | |

B. خصوصی امور

- کمپنی کے بورڈ آف ڈائریکٹرز کو مسئلہ کمپنیوں کے ساتھ سرمایہ کاری کا معاہدہ کرنے اور متعلقہ کمپنیوں میں سرمایہ کاری کی جانے والی سرمایہ کاری کی منظوری دینے کے لیے ایک قرارداد پر غور اور منظور کرنا۔
- کمپنیز ایکٹ، 2017 کی شق 199 اور کمپنیز (ایسوسی ایٹڈ انڈسٹریز) ریگولیشنز 2012 کے تحت متعلقہ کمپنیوں میں سرمایہ کاری کی حدود کے لیے شرائط و ضوابط جو کہ کمپنیز ایکٹ 2017 کے شق (3) 134 کے ضمیمہ A میں مذکور ہیں کے تحت رضامندی اور منظوری حاصل کرنا۔
- کمپنی کی سالانہ رپورٹ کو امی میل کے ذریعے ممبران تک ارسال کرنے پر غور و خوض اور منظوری دینا۔ SECP کی جانب سے ایس آر او 2014 (1) 787 مورخہ 8 ستمبر 2014 کے ذریعے جاری کردہ ہدایات کے مطابق، SECP نے کمپنی کو امی میل کے ذریعے سالانہ اجلاس عام کے نوٹس کے ساتھ آڈٹ شدہ مالیاتی گوشواروں کو گردش کرنے کے لیے اپنے اراکین سے منظوری لینے کی ہدایت کی ہے۔ تاہم، کمپنی کسی بھی رکن کو ان کے مطالبے پر سالانہ رپورٹ کی بارڈر کاغذیں ان کے رجسٹرڈ پتے پر بلا معاوضہ فراہم کرے گی۔
- سکیرٹریز آف انکچارج کمپنیز آف پاکستان کی جانب سے جاری کردہ ایس آر او 2016 (1) 470 مورخہ 31 مئی 2016 کے تحت، سالانہ آڈٹ شدہ اکاؤنٹس، اجلاس عام کے نوٹس اور اس میں موجود کمپنی کی دیگر معلومات یا تو CD یا DVD یا USB کے ذریعے یا بارڈر کاغذ کی ((کتابی شکل)) کی شکل میں ترسیل کرنے کیلئے شیئر ہولڈرز کی رضامندی حاصل کرنا۔
- دونوں کمپنیوں کے مابین طے شدہ قیمت پر پاک-اتھنول (پرائیویٹ) لمیٹڈ کو مولیس (گڑ) کی فروخت کرنے کے لیے کمپنی کو منظوری اور اجازت دینا۔
- صدر کی اجازت سے کسی دیگر امور کی انجام دہی۔

برائے انصاری شوگر ملز لمیٹڈ
کمپنی سیکریٹری

کراچی

تاریخ: 26 جولائی 2023

نوٹس:

شیئر ٹرانسفر کتب کی بندش:

کمپنی کی حصص کی منتقلی کی کتب 09 اگست 2023 سے 16 اگست 2023 تک (دونوں دن سمیت) بند رہے گی۔ ہمارے رجسٹرار، میسرز سی اینڈ کے منجمنٹ ایسوسی ایشن (پرائیویٹ) لمیٹڈ 404، چوچی منزل، ٹریفک ٹاور، عبداللہ ہارون روڈ، نزد میٹرو پولیٹن ہوٹل، صدر، کراچی کے دفتر میں مورخہ 08 اگست 2023 کو کاروبار کے اختتام (شام 5:00 بجے) تک موصول ہونے والی منتقلیوں کو اجلاس میں شرکت کے لیے بروقت سمجھا جائے گا۔

سالانہ اجلاس عام میں شرکت اور پراسسز کا تقرر:

AGM میں شرکت کرنے اور ووٹ دینے کا اہل کمپنی کارکن کسی دوسرے ممبر کو اپنی جانب سے شرکت کرنے اور ووٹ دینے کے لیے اپنا پراکسی مقرر کر سکتا ہے۔ پراسسز مؤثر ہونے کے لیے ضروری ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا شیئرز رجسٹرار کے دفتر میں موصول ہو جائیں۔

CDC اکاؤنٹ ہولڈرز/ذیلی اکاؤنٹ ہولڈرز سے درخواست کی جاتی ہے کہ وہ شناختی مقصد کے لیے سالانہ اجلاس عام میں شرکت کے وقت اپنے ساتھ اپنا اصل CNIC یا پاسپورٹ اور شرکا، ID نمبر اور CDC اکاؤنٹ نمبر ہمراہ لائیں۔ اگر ممبران کی جانب سے پراسسز مقرر کی جاتی ہیں تو اس کے ہمراہ CNIC کی تصدیق شدہ کاپیاں یا بینیفیشل مالکان کے پاسپورٹ ہمراہ ہونا لازمی ہے۔ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نامزد شخص کے دستخط کے ساتھ پراکسی فارم کے ساتھ کمپنی کو جمع کرایا جائے۔ نامزد شخص تصدیق کے لیے اجلاس میں شرکت کے وقت اپنا اصل CNIC پیش کرنا ہوگا۔

CNIC کاپیوں کی جمع آوری:

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی ہدایت کے مطابق رجسٹرڈ شیئرز ہولڈرز یا مجاز فرد، ماسوائے تالعوں اور کارپوریٹ شیئرز ہولڈرز، کمپیوٹر طراز ذوقی شناختی کارڈ نمبرز (CNIC) جمع کرنا ضروری ہے، کمپنی کی جانب سے SECP کے پاس جمع کرائے گئے سالانہ رپورٹ میں ان کا درج کرنا ضروری ہے۔ لہذا، جن شیئرز ہولڈرز نے ابھی تک اپنے CNIC کی کاپیاں فراہم نہیں کی ہیں انہیں مشورہ دیا جاتا ہے کہ وہ جلد از جلد اپنے CNIC کی تصدیق شدہ کاپیاں براہ راست ہمارے خود مختار شیئرز رجسٹرار میسرز C&K مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ 404، فورٹھ فلور، ٹریڈ مار، عبداللہ ہارون روڈ نزد میٹرو پولیٹن ہوٹل، کراچی کو فراہم کر دیں۔

منافع منقسمہ:

شیئرز ہولڈرز کو یاد دلایا جاتا ہے کہ کمپنی ایکٹ 2017 کی دفعہ 242 یہ فراہم کرتا ہے کہ کسی لحد کمپنی کی صورت میں، کمپنی کی طرف سے اعلان کردہ کوئی بھی نقد ڈیویڈنڈ الیکٹرانک طور پر براہ راست شیئرز ہولڈرز کے بینک اکاؤنٹوں میں ادا کیا جانا چاہیے۔ براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ حاصل کرنے کیلئے، شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ یعنی www.ansarisugar.com.pk پر دستیاب ای ڈیویڈنڈ مینڈیٹ فارم کو پُر کریں اور فزیکل حصص کی صورت میں کمپنی میسرز C&K مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے رجسٹرار CNIC کی ایک دستخط شدہ کاپی سے ارسال کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، پھر ای ڈیویڈنڈ مینڈیٹ فارم براہ راست شیئرز ہولڈرز کے بروکر/شرکت کنندہ/سی ڈی سی سرمایہ کار اکاؤنٹ سروسز میں جمع کرایا جانا چاہیے۔ IBAN جمع نہ کرنے کی صورت میں، کمپنی کمپنیز (ڈسٹری بیوشن آف ڈیویڈنڈز) ریگولیشنز، 2017 کے تحت ڈیویڈنڈ کی ادائیگی روک دی گئی۔ مزید برآں، مجموعی ڈیویڈنڈ ٹیکس/ڈکوکو کی کٹوتی اور ڈیویڈنڈ کی خالص رقم سے متعلق معلومات سینٹرلائزڈ کیش ڈیویڈنڈ رجسٹر (CCDR) کے ذریعے فراہم کی جائیں گی، اس لیے شیئرز ہولڈرز کو چاہیے کہ وہ خود کو CDC کے سروسز پورٹل <https://eservices.cdccaccess.com.pk> پر رجسٹر کریں کمپنیز ایکٹ 2017 کے سیکشن 244 کی تعمیل میں، ایک بار جب کمپنی نے مقررہ می کارروائیاں کو مکمل کر لیا، جو واجب الادا ہونے کی تاریخ سے تین سال کی مدت یا اس سے زیادہ سے کوئی ڈیویڈنڈ اور/یا حصص بٹایا ہیں یا دعوی نہ کیا گیا، اسے (ڈیویڈنڈ کی صورت میں) وفاقی حکومت کو جمع کرا دیا جائے گا یا فزیکل صورت میں شیئرز SECP کے حوالے کر دیے جائیں گے۔ وہ حصص یا دفنان جو کسی بھی وجہ سے اپنے غیر دعوی شدہ ڈیویڈنڈ/حصص کو جمع اور وصول نہیں کر سکے، انہیں مشورہ دیا جاتا ہے کہ وہ اپنے غیر دعوی شدہ ڈیویڈنڈ یا حصص، اگر کوئی ہیں، وصول کرنے/ان کے بارے میں پوچھ گچھ کرنے کے لیے کمپنی کے ہمارے شیئرز رجسٹرار سے رابطہ کریں۔

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کی تبدیلی:

ایس ای سی پی نے اپنے خط نمبر CSD/ED/Misc./2016-639-640 مورخہ 26 مارچ 2021 کے تحت تمام لحد کمپنیوں کو مشورہ دیا ہے کہ وہ کمپنیز ایکٹ 2017 (ایکٹ) کے سیکشن 72 کی دفعات پر عمل کریں، جس کے تحت تمام کمپنیوں سے ایکٹ کے نفاذ کے چار سالوں کے اندر فزیکل فارم میں جاری کردہ حصص کو بک انٹری فارم میں تبدیل کرنے کی ضرورت ہے۔ اس کے مطابق، فزیکل فوئو/شیئرز حقیقت رکھنے والے کمپنی کے تمام شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل فارم سے جلد از جلد بک انٹری فارم میں تبدیل کریں۔ شیئرز ہولڈرز سی ڈی سی ایس اکاؤنٹ کھولنے اور بعد ازاں فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے میں مدد و معاونت لیے پی ایس اینکس ممبر، سی ڈی سی شریک، یا سی ڈی سی انوٹسٹر اکاؤنٹ سروسز پرووائیڈرز سے رابطہ کر سکتے ہیں۔ بک انٹری فارم میں شیئرز کو برقرار رکھنے کے بہت سے فوائد ہیں، جس میں سی ڈی سی کے ساتھ حصص کی محفوظ تھوابل، ڈیجیٹل شیئرز کے اجراء کے لیے درکار سی کارروائیاں سے گریز وغیرہ شامل ہیں۔ کمپنی کے شیئرز ہولڈرز فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کے لیے شیئرز رجسٹرار میسرز ایڈ کے مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔ ممبران سے درخواست ہے کہ وہ اپنے پتے اور اپنے رابطہ نمبرز میں کسی بھی تبدیلی کے متعلق فوری طور پر ہمارے شیئرز رجسٹرار میسرز ایڈ کے مینجمنٹ ایسوسی ایٹس (پرائیویٹ) لمیٹڈ 404، فورٹھ فلور، ٹریڈ مار، عبداللہ ہارون روڈ، نزد میٹرو پولیٹن ہوٹل، صدر، کراچی کو مطلع کریں۔

ڈائریکٹر کا انتخاب:

کوئی بھی ممبر جو ڈائریکٹرز کے جھڈے کے لیے انتخاب میں حصہ لینے کا ارادہ رکھتا ہے یا بصورت دیگر، وہ کھپنی کے ہیڈ آفس میں سالانہ اجلاس عام کی تاریخ سے کم از کم چودہ (14) دن قبل کھپنیز ایکٹ 2017 کی دفعہ (3) 159 کے مطابق بطور ڈائریکٹر انتخاب کے لیے اپنے آپ کو پیش کرنے کے اپنے ارادے کا نوٹس فائل کرے گا، بشمول:

- فارم 28 پر ڈائریکٹر کے طور پر کام کرنے کی رضامندی، جس پر امیدوار کی جانب سے دستخط ہوں؛
 - ایس آر او (1) 1196 تاریخ 3 اکتوبر 2019 کے مطابق AGM کی تاریخ سے سات (7) دن قبل کھپنی کی ویب سائٹ پر تعیناتی کے لیے دفتر کے پتے کے ساتھ ایک تفصیلی پروفائل؛
 - ان کا فوٹیو نمبر/ CDC سرمایہ کار کا ڈسٹ نمبر/ CDC شراکت دار کا ڈسٹ نمبر/ ذیلی اکاؤنٹ نمبر۔ ڈائریکٹرز کے انتخاب میں حصہ لینے کے لیے رضامندی داخل کرنے کے وقت انہیں کھپنی کا رکن ہونا ہوگا سوائے اس فرد کے جو کسی ایسے رکن کی نمائندگی کر رہا ہو جس کا حقیقی تعلق نہیں ہے؛
 - ایک اعلامیہ اس بات کی تصدیق کرتا ہے کہ:
 - وہ متعلقہ قوانین، کھپنی کے میورنٹم اور آرٹیکلز اور پاکستان اسٹاک ایکسچینج کے فہرست سازی کے ضوابط کے تحت اپنے فرائض اور اختیارات سے آگاہ ہے اور
 - لنڈن کھپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 اور کھپنیز ایکٹ، 2017 میں بیان کردہ اہلیت کے معیار کے حوالے سے آگاہی کے سلسلے میں اعلان/ حلف نامہ؛
- دفعہ (4) 159 کے مطابق انتخاب میں حصہ لینے والے ڈائریکٹرز کی حتمی فہرست مذکورہ اجلاس کی تاریخ سے سات دن قبل جاری کی جائے گی۔

کھپنیز ایکٹ، 2017 کے سیکشن 166 کے تحت بیان۔ بحوالہ خود مختار آزاد ڈائریکٹرز:

خود مختار ڈائریکٹرز کا انتخاب کھپنیز ایکٹ 2017 کی دفعہ 166 (آزاد ڈائریکٹرز کا انتخاب اور طریقہ کار) ریگولیشنز، 2018 کے تحت خود مختاری کے لیے وضع کردہ قابل اطلاق معیار کے مطابق کیا جائے گا۔ مزید برآں، پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کے زیر انتظام آزاد ڈائریکٹرز کے ڈیٹا بینک میں ان کے نام کے تحت جاری کردہ ضوابط اور ان کے نام درج ہوں۔ تاہم، امیدوار کا انتخاب اسی انداز میں کیا جائے گا جس طرح کھپنیز ایکٹ، 2017 کی دفعہ 159 کے مطابق دوسرے ڈائریکٹرز کا انتخاب کیا جاتا ہے۔

”ضمیمہ A“

کھپنیز ایکٹ 2017 کے سیکشن (3) 134 کے مطابق بیان

ایسوسی ایٹڈ کھپنیز اور ایسوسی ایٹڈ ریگولیشنز میں سرمایہ کاری

ایسوسی ایٹڈ کھپنیز	منظوری کردہ کل سرمایہ کاری	موجودہ سرمایہ کاری کی رقم	اب تک مکمل سرمایہ کاری نہ کرنے کی وجوہات	بعد از قرا اردو ایسوسی ایٹڈ کھپنی کے مالی حسابات میں ٹھوس تبدیلی
ہوادانی شوگر مل لمیٹڈ	مبلغ 1,000,000,000 روپے (ایک بلین) ہر ایک	کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی	چونکہ سرٹیس (اضافی) فنڈز ایسوسی ایٹڈ کمپنیوں کے درمیان دستیاب نہیں تھے، کوئی سرمایہ کاری نہیں کی گئی/ حاصل نہیں کی گئی۔	کوئی تبدیلی نہیں
کھوسکی شوگر ملز پرائیویٹ لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں
چمبر شوگر ملز پرائیویٹ لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں
ننڈ والیار شوگر ملز لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں
نودیر شوگر ملز پرائیویٹ لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں
نیوداد شوگر ملز پرائیویٹ لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں
لار شوگر ملز لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں
نیوٹھہ شوگر ملز پرائیویٹ لمیٹڈ		کوئی سرمایہ کاری نہیں کی/ حاصل کی گئی		کوئی تبدیلی نہیں



VISION & MISSION STATEMENT

VISION

To make a product of International Standard acceptable as a brand in the world market. To explore business opportunities available under the World Trade Organization regime.

MISSION

- To sustain contribution to the National Economy by producing the cost effective product.
- To ensure professionalism and healthy working environment .
- To create a reliable product through adoption of latest technology/ advancement.
- To promote research & development and provide technical know how to growers for improvement of sugar cane yield/recovery.



DIRECTOR'S REPORT

We are pleased to present 29th Annual report of Ansari Sugar Mills Ltd ("The Company") along with the audited accounts and auditor's report for the year ended September 30, 2018.

The summarized results are set out below:

	Pakistani Rupees (PKR)	
	2018	2017
(Loss) / Profit before taxation	(122,948,881)	12,871,190
Taxation	(80,129,611)	14,419,946
(Loss) / Profit after taxation	(203,078,492)	27,291,136
(Loss) / Earnings per share	(3.62)	1.12

Delay in issuance / submission of Audited Accounts for FY2018:

During the year 2018, an enquiry against the Company's sponsors / directors and its shareholders along with other group companies had been initiated by the Federal Investigation Agency (FIA). Further, the matter was transferred to National Accountability Bureau (NAB) and we understand the Financial Institutions had blocked all Company bank accounts on a notice of NAB under section 23 of National Accountability Ordinance 1999 (NAO) on allegation of illicit transactions. However, it is pertinent to mention here that the action of blocking of account was not endorsed by Court of competent jurisdiction.

As a consequence, Company's access to available funds / legitimate sales proceeds and banking facilities were denied on the unjustified and arbitrary instructions of NAB, without realizing the consequences. Resultantly, the Company was forced to default on its dues including payments of banks' instalments, salaries, growers' and vendors', etc.

It is pertinent to note that the JIT, constituted under orders of the Supreme Court of Pakistan thoroughly investigated the entire Group Accounts maintained with all banks and that no charge has been established till yet. Despite all the ordeal no case have been filled against the Company.

Henceforth, after the amendment of NAB Ordinance, the bank accounts of the Company have been unfrozen and we are in coordination with all the stakeholders owing debt and other liabilities to move forward amicably.

It is pertinent to mention here that besides all the pressures of liquidity crises, risk and uncertain business environment, the Company took the initiative to carry on its business activities in extreme difficult situation with all possible efforts, making the necessary financial arrangements on personal basis by the sponsoring directors to ensure the going concern of the Company and by the collective efforts of the entire team of Ansari Sugar Mills Limited, we are through of the precarious conditions successfully by the grace of Almighty (Alhumdulillah).

Performance Review

The crushing season 2017-18 started as per usual practice in the month of November. The provincial government announced unrealistic support price of cane at PKR 182 per 40 kg for the season 2017-18 without considering selling price of sugar in the domestic as well as international market and without considering the fact that there were bumper crop production in two consecutive seasons (2016-17 & 2017-18) created a glut in the domestic market which kept sugar prices depressed throughout the season. However, the sugar millers approached every forum of justice for the survival of this sector of the country. Henceforth, on 1st February 2018 the Sindh High Court passed an order with mutual consent of all stakeholders and directed to millers to pay cane price at PKR 160 per 40 kg as interim arrangement while the differential of PKR 22 per 40 kg would be subject to the decision by the Apex Court.



The crushing commenced smoothly at the prescribed rates, the summary of the operational performance is set out as below:

		2017-18	2016-17
Crushing duration	Days	148	138
Sugarcane crushed	M.Tons	400,039	425,803
Sugar production	M.Tons	44,804	41,304
Sugar recovery	%	11.2	9.691
Molasses production	M.Tons	19,037	19,468
Molasses recovery	%	4.76	4.57

Audited accounts shows that company earned a gross profit of PKR 448.227 million during the year as compared to gross profit PKR 472.811 million in the preceding year.

During the financial year under review the Federal government, pre-empting a sugar glut in domestic market, allowed 2 million metric tons sugar export with freight support subsidy at the rate of PKR. 10.70/KG to the sugar millers. Furthermore, GOS in order to provide level playing field to the sugar millers of the province of Sindh has approved an additional subsidy of PKR 9.3/KG on export of surplus sugar. The aggregate subsidy amount on export of sugar is PKR 20/KG. Availing the said opportunity the company had decided to export 20,110 metric tons of refined sugar the highest ever export in the history of the company, at the average dollar rate of \$. 334.346/- per metric ton with an average exchange rate of PKR. 113 per dollar amounting to PKR.756,846.006/- after deduction of taxes. In addition to this the subsidy income on exports sales on the said quantity of export was amounting to PKR. 402,200,000/- in total, comprises of the cash support from the federal government amounting to PKR. 215,177,000/- and approved subsidy from Sindh government amounting to Rs. 187,023,000/-. Furthermore, the cash support amount from federal government is still pending. However, subsidy income received from GOS is amount to PKR. 182,187,000/- out of which PKR. 4,836,000/- is receivable as at 30th September 2018.

Value of Provident Fund Investment

The company operates a recognized provident fund scheme covering all eligible employees. Equal monthly contributions to the fund are made both by the Company and its Employees in accordance with fund rules. The value of investment as on September 30, 2018 aggregating to Rs. 56,699,176/- (2017: Rs. 55,869,821/-).

Corporate Social Responsibility

Since the sugarcane growers are considered to be the important stakeholders, your Company is committed to facilitate the local farmers of the area. In order to support the farmer of the area the company has given them substantial amount as grower's loan and advances particularly for fertilizer, seeds and other inputs.

Auditors

Due to some reasons the former auditor i.e. Horwath Hussain Chaudhury & Company Chartered Accountants, could not undertake / conduct the audit of the financial year 2018 of the Company. Subsequently, JASB & Associates Chartered Accountants, were appointed on 26th October, 2022 to conduct the financial audit for the year 2018 of the Company.

The auditors, JASB & Associates Chartered Accountants stand retired and are eligible for re- appointment for the financial year ending 2018-19. The Audit Committee has recommended the appointment of the said auditors.

Statement on Corporate and Financial Reporting Framework

1. The financial statements, prepared by the Company, present fairly its state of affairs, the result of its



operations, cash flows and changes in equity.

2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements.
4. Changes, if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgment.
5. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and departure there from if any, has been adequately disclosed.
6. The system of internal control is sound in design and has been effectively implemented and monitored regularly.
7. There are no significant doubts upon the Company's ability to continue as a going concern.
8. There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.
9. Key operating and financial data for last six years in summarized form is annexed.
10. Information about the taxes and levies is given in the notes to the financial statements.
11. The pattern of shareholding and additional information regarding pattern of shareholding given.
12. In pursuance of the intention to raise the equity through the issuance of allotted shares against the paid-up capital the company has raised its authorized share capital during the year by Rs. 600,000,000/- (60,000,000 ordinary shares of Rs. 10 each) therefore the total authorized share capital as at 30th September 2018 is Rs. 900,000,000/- (90,000,000 ordinary shares of Rs. 10 each) as compared to the last year that was Rs. 300,000,000/- (30,000,000 ordinary shares of Rs. 10 each).
13. During the year right shares were issued by the company the details of its subscription is as under;

Subscribed by	Shares (Number)	Amount (Rupees)
Sponsors	12,691,743	253,834,860
General Public and other	3,331,922	66,638,440
Allotment of unsubscribed shares to underwriters	15,705,692	314,113,840
Total	31,729,357	634,587,140

14. During the year there were no trade in the shares of the company carried out by the Directors, CFO, Company Secretary and their spouses and minor children except Kh. Anver Majid – CEO, details of transaction are below;

Trading Date	Share Acquired	Rate	Amount	Premium	Total Amount
29-June-2018	12,691,743	10	126,917,430/-	126,917,430/-	253,834,860/-



Meeting of Board of Directors

During the year, eight meeting of the Board of Directors were held. Attendance was as under.

S. No	Name of Directors	Meeting attended
1	Khawaja Anver Majid	7
2	Khawaja Aleem Majid	8
3	Waheed Ahmed	8
4	Dawoodi Morkas	8
5	Aurangzeb Khan	8
6	Rashid Ahmed Khan	8
7	Nehal Anver	8

Audit Committee

The Board has constituted an Audit Committee consisting of three members including Chairman of the Committee. The committee regularly meets as per requirement of the code. The committee assists the Board in reviewing internal audit manual and internal audit system. During the year, four audit committee meetings were held and all meetings were attended by all members.

Human Resource and Remuneration Committee

The Board has constituted a Human Resource and Remuneration Committee consisting of three members including Chairman of the Committee in compliance with Code of Corporate Governance. During the year, four HR & M committee meetings was held and attended by all members.

Future prospects:

Diversifying Revenue Streams:

The Company is focused to attain better energy efficiency mix and planning Balancing, Modernization and Replacement (BMR) accordingly, which will improve the revenue streams through sale of by-products of the company i.e. bagasse and molasses.

Sugarcane Cultivation Prospects:

The Company recognizes that the growth and sustainability in the sugar industry is also dependent on access to a growing volume of sugar cane, particularly from within existing areas of supply. The key here lies in long-term engagement with farmers, demonstrating the use of superior cane varieties (higher yield and hence higher income), timely growing support (provision of seeds, fertilizers and farming inputs) so as to convince them to plant more cane to ensure increased productivity and quality.

Moreover, where heavy rainfall and resultant flash floods have an adverse effect on the agriculture, sugarcane due to its robust nature manages to stay afloat. We expect that harvesting will remain optimum and mills will have enough sugarcane for crushing throughout the next season.

Government Policy:

Ansari Sugar Mills foresee bumper crushing of sugarcane as evidenced by increased production of sugarcane over last 2 to 3 years. As the Federal government regulates the export of sugar, we anticipate that the supply and demand balance will improve over the next year, and that domestic production will meet the country's sugar demands while creating an export surplus on sugar and ethanol. Thus, timely export permission from Federal government would be of critical importance as it would not only help industry to clear the surplus on improved price but would also stabilize the local market as well. The Government is also contemplating on allowing export as a permanent feature



rather than allocating on quota basis which will allow us to fetch good prices on our stocks in international market.

Working Capital:

We are in advanced level of negotiations with our bankers to restructure our debts which will improve our position on retained stocks, refraining ourselves into forced sales and allowing us to fetch better price during off-season as currently due to lack of working capital lines, almost 100% of our stock is sold during the crushing season to meet the working capital.

In the background of preceding paras your management anticipate a turnaround of the sugar industry and accordingly have mobilized all the resources at its disposal to generate huge volumes during the ongoing and upcoming seasons over the next 5 years.

The season in terms of cane supply, recovery and plant capacity utilization is extremely favorable. Ansari Sugar Mills being a large plant will be able to capitalize and procure and crush maximum cane in the next season.

Acknowledgement

We express our sincerest appreciation to our employees for their dedication and hard work and to our clients, business partners and shareholders for the support and confidence. The board also take this opportunity to express its gratitude to all the employees of Ansari Sugar Mill Limited for their untiring efforts.

On behalf of the Board of Directors

Khawaja Anver Majid
Chief Executive Officer

Karachi: April 12, 2023

ڈائریکٹرز کی رپورٹ

ہمیں انصاری شوگر ملز لمیٹڈ (کمپنی) کی ۲۹ ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی ہے بشمول آڈیٹڈ اکاؤنٹ آڈیٹرز رپورٹ برائے اختتامی سال 30 ستمبر 2018۔
مختصر نتائج درج ذیل ہیں۔

2018	2017	پاکستانی روپے (PKR)
(122,948,881)	12,871,190	منافع (نقصان)، قبل از ٹیکس
(80,129,611)	14,419,946	تخمینہ ٹیکس
(203,078,492)	27,291,136	منافع بعد از تخمینہ ٹیکس
(3.62)	1.12	آمدنی فی شیئر

وجہ تاخیر اشاعت و اجراء آڈیٹڈ اکاؤنٹ 2018:

سال 2018 کے دوران کمپنی کے ڈائریکٹرز، شیئرز، ہولڈرز اور دیگر گروپ آف کمپنیز کے خلاف فیڈرل انولس ٹیلیشن ایجنسی کی جانب سے ایک انکوائری کا آغاز ہوا مزید یہ کہ یہ انکوائری میٹشل اکاؤنٹبلٹی NAB کے حوالے کر دی گئی اور ہمیں معلوم ہوا کہ مالیاتی اداروں نے کمپنی کے بینک اکاؤنٹ میٹ نوٹس برائے سیکشن ۲۳ میٹشل اکاؤنٹبلٹی آرڈیننس ۱۹۹۹ (NAO) کے تحت بلاک کر دیئے۔ واضح رہے کہ اکاؤنٹ بلاکنگ کا عمل کسی ماتحت عدالت کے فیصلے کے تحت نہیں کیا گیا۔

نتیجتاً کمپنی اپنے موجودہ فنڈ، جائز فروخت کے حصول، مالیاتی امداد سے لاقانونی طور پر نیپ کے احکامات کے تحت بغیر کسی تخفیف کے محروم رہی۔ اس صورتحال کے نتیجے میں کمپنی مجبوراً اپنی ادائیگیاں جیسے کہ تنخواہوں، بینک کی انسٹالمنٹ کا شکار اور گاہکوں کی عدم ادائیگیوں کی وجہ سے ڈیفالٹ کر گئی۔ یہاں یہ بات قابل ذکر ہے کہ مسکورہ بالا (JIT) جے آئی ٹی سپریم کورٹ آف پاکستان کے تحت نافذ عمل ہونے کے بعد مکمل جائزہ لینے کے باوجود کسی بھی طرح کے چارج لاگو کرنے سے آج تک قاصر ہے اور تمام اقدامات کے باوجود کمپنی کے خلاف کوئی بھی مقدمہ درج نہ ہو سکا۔ بالآخر نیپ آرڈیننس کی ترمیم کے بعد تمام بینک اکاؤنٹ بہال کر دیئے گئے لہذا ہم بتدریج آگے بڑھتے ہوئے تمام اسٹیک ہولڈرز سے ادائیگیوں کے سلسلے میں رابطے میں ہیں۔ یہاں یہ واضح کرنا ہے ضروری ہے کہ تمام مالیاتی کرائس، دباؤ اور غیر یقینی کاروباری صورت حال کے باوجود کمپنی نے سخت مشکل حالات میں ہر ممکنہ اقدام اٹھاتے ہوئے بشمول ڈائریکٹرز کے ذاتی مالیاتی انتظامات کو بروکار لاتے ہوئے اور Going Concern کو مد نظر رکھتے ہوئے انصاری شوگر ملز کی پوری ٹیم کے ساتھ مل کر جدوجہد جاری رکھنے کا فیصلہ کیا اور بالآخر اللہ کے فضل و کرم سے ہم اس غیر منصفانہ صورت حال سے باہر آچکے ہیں۔ (الحمد للہ)

جائزہ برائے کارکردگی:

کرشک سیزن 2017-18 کا آغاز معمول کی مشق کے مطابق نومبر کے مہینے میں ہوا صوبائی گورنمنٹ نہایت غیر حقیقی سپورٹ پر انز برائے گنا۔ 182 پر 40 کلوگرام سیزن 2017-18 جاری کی یہ سوچے بغیر کے اس سے بننے والی چینی مقامی یا انٹرنیشنل مارکیٹ میں بک بھی سکے گی اور یہ بھی طوطا خاطر خواہ نہ رکھا کہ گزشتہ دو سالوں کے دوران بھر کر اپ رہی ہے جس کی پناہ پر مقامی مارکیٹ میں پہلے ہی کثیر ترسیل کے تحت پورا سیزن ریٹ دباؤ کا شکار رہا۔ دوسری طرف ملز مالکان ملکی سطح پر اپنی بقاء کے لئے عدلیہ کے ہر فورم سے مدد طلب کرتے رہے۔ بلا آخر 1 فروری 2018 کو سندھ ہائی کورٹ نے اسٹیک ہولڈرز کی مشترکہ حامی کو مد نظر رکھتے ہوئے گنے کی قیمت 160 روپے پر 40 کلوگرام عارضی انتظامات کے تحت طے کی گئی البتہ 22 روپے پر 40 کلوگرام کا تغیر کا فیصلہ

ایکس کورٹ کے تحت کیا گیا تاہم مقررہ ریٹ پر ہموار کرینگ جاری رہی۔ اس عملی کارکردگی کا خلاصہ درج ذیل ہیں۔

138	148	ایام	کرینگ کا دورانیہ
425,8.3	400,039	میٹرک ٹن	گنا کرش کیا گیا
41,304	44,804	میٹرک ٹن	چینی کی پیداوار
9691	11.2	%	شوگر برآمد
19,468	19,037	میٹرک ٹن	شیرے کی پیداوار
4.57	4.76	%	شیرے کی برآمدگی

آڈیٹڈ اکاؤنٹس واضح کرتے ہیں کہ کمپنی نے PKR 448.227 ملین کا گراس پرافٹ کمایا جو کہ گزشتہ سال PKR 472.811 ملین تھا۔

حالیہ فنانشل ایئر کے دوران فیڈرل گورنمنٹ نے ڈومیسٹک مارکیٹ میں موجود چینی کی فراہمی کے بہت طاقتور بھانپتے ہوئے دو ملین میٹرک ٹن چینی کی برآمد بعد فی ریٹ سپورٹ سبسڈی 10.7 روپے/kg کا فیصلہ مل مالکان کے حق میں جاری کیا اس کے علاوہ گورنمنٹ آف سندھ نے لیول پلینگ فیڈرل کی فراہمی کے تحت سندھ کے صوبے کے مل مالکان کو اضافی سبسڈی چینی کی برآمدگی پر 9.3 kg میٹرک ٹن ریفرنڈم کرنے کا فیصلہ سنایا کل ملا کر یہ سبسڈی 20 روپے/kg تک پہنچ گئی۔ اس موقع کو بروئے کار لاتے ہوئے کمپنی نے 20,110 میٹرک ٹن ریفرنڈم چینی تاریخ کی بلند ترین سطح پر برآمد کرتے ہوئے 334.346 ڈالر پر میٹرک ٹن ایپورج ایکنج ریٹ 113 روپے ڈالر جو کہ پاک روپی میں ٹیکس کی وصولی کے بعد 756,846 روپے بنتی ہے جس میں فیڈرل گورنمنٹ کا شیئر 215,177,000 کا ہے اور سندھ گورنمنٹ کا شیئر 187,023,000 ہے مزید یہ کہ فیڈرل گورنمنٹ کی سبسڈی کا شیئر ابھی وصولی کے مراہل میں ہے جبکہ سندھ گورنمنٹ سے 182,187,000 کمپنی وصول کر چکی ہے جس میں مزید 4,83,6000 کمپنی کو واجب الادا ہے 30-Sep-2019 تک۔

تخمینہ برائے پرو ریڈنٹ فنڈز:

یہ کمپنی ایک منظور شدہ پرو ریڈنٹ فنڈ اسکیم چلاتی ہے جو اس کے تمام ملازمین کا احاطہ کرتی ہے۔ فنڈز کی ماہانہ مساوی تقسیم کمپنی اور اس کے ملازمین کے مابین فنڈز قواعد و ضوابط کے تحت کی جاتی ہے۔ سرمائے کا تخمینہ 30 ستمبر 2018 تک مجموعی طور پر 56,699,176 روپے ہے جبکہ یہ رقم 30 ستمبر 2017 کو 55,869,821 روپے تھی۔

مروجہ سماجی ذمہ داری

کیونکہ گنے کی کاشتکار بحیثیت کاشتکار اہم متعلقین سمجھے جاتے ہیں اس لئے آپ کی کمپنی علاقے کے مقامی کسانوں کو سہولیات دینے کی پابند ہے علاقے کے کسانوں کی مدد کے لئے خصوصاً کھاد، بیج اور دیگر اخراجات کی مدد میں کاشتکاروں کو خرچہ اور ایڈوانس کی مدد میں کمپنی ایک خطیر رقم ادا کر چکی ہے۔

آڈیٹرز۔

کچھ وجوہات کے تحت گزشتہ آڈیٹرز جیسا کہ حاروت حسین چوہدری اینڈ کمپنی فنانشل آڈٹ 2018 کی ذمہ داری نہ نبھاسکے لہذا J.A.S.B اینڈ ایسوسی ایٹس چارٹرڈ اکاؤنٹنٹس 26 اگست 2022 کو فنانشل آڈٹ 2018 انجام دینے کے لئے مقرر کیے گئے۔

J.A.S.B چارٹرڈ اکاؤنٹنٹس مستعفی کئے جاتے ہیں اور مالی سال 2018-19 کے لئے دوبارہ تقرری کے اہل ہیں آڈٹ کمیٹی نے ریٹائر ہونے والے آڈیٹرز کی دوبارہ تقرری کی تجویز دی ہے۔

بیان بابت کمپنی قواعد اور خاکہ مالی رپورٹ:

- کمپنی کی جانب سے تیار کردہ مالی تفصیلات شفافیت ظاہر کرتی ہیں اپنے معاملات، اس کے انتظامی نتائج، کیش فلو اور ایکٹیویتی میں تبدیلی کی دستاویزات شامل ہیں۔
- باقاعدہ کمپنی کی بک آف اکاؤنٹ مرتب کی گئی۔
- مالی تفصیلات کی تیاری کے لئے مستقل طور پر مناسب حسابی حکمت عملی اپنائی گئی۔
- اگر کوئی تبدیلی ہو تو اسے مناسب طور پر ظاہر کیا جاتا ہے اور حسابی تخمینہ مناسب اور محتاط فیصلے کی بنیاد پر ہوتا ہے۔
- بین الاقوامی اکاؤنٹنگ اسٹینڈرڈ جیسا کہ پاکستان میں نافذ ہے جس کا اطلاق فنانشل اسٹیٹمنٹ کی تیاری میں کیا گیا اور کسی ڈپارچر کی صورت میں اسے حتی الامکان ظاہر کیا گیا۔
- اندرونی کنٹرول کا نظام معیار کے مطابق ہے جس پر موثر طریقے سے عملدرآمد کیا گیا ہے جس کی باقاعدہ نگرانی کی جاتی ہے۔
- رواں معاملات جاری رکھنے میں کمپنی کی اہلیت پر کوئی شبہات نہیں ہیں۔
- انتظامی امور پر بہتر عملدرآمد کے حوالے سے کوئی میٹرل ڈپارچر نہیں رہے۔ جیسا کہ قواعد و ضوابط کی فہرست میں بیان کیا گیا ہے۔
- گزشتہ چھ سال کے کلیدی کام اور مالی اعداد و شمار مختصر شکل میں منسلک ہیں۔
- ٹیکسوں اور لیویز سے متعلق دی گئی معلومات فنانشل اسٹیٹمنٹ کے نوٹس میں دی گئی ہیں۔
- شیئر ہولڈنگ کا نمونہ اور اس نمونے سے متعلق اضافی معلومات مہیا کی جاتی ہے۔
- ایکیویٹی بڑھانے کے ارادے، بذریعہ شیئر یا مقابل کے عوض کمپنی نے اوٹھراؤ شیئر، پیڈ اپ کیپ کیلنل میں سال نو میں 600,000,000 (10 روپے آرڈیزی شیئر کے 60,000,000 شیئر) روپے کا اضافہ کیا گیا لہذا ٹوٹل ایتھرائزڈ شیئر 900,000,000 (10 روپے آرڈیزی شیئر کے 90,000,000 شیئر) روپے بالمقابل گزشتہ سال جو کہ 300,000,000 (10 روپے آرڈیزی شیئر کے 30,000,000 شیئر) روپے تھا۔
- سال کے دوران کمپنی نے رائٹ شیئر کا اجراء کیا تفصیلات مندرجہ ذیل ہیں۔

سبسکرائب ہائے	شیئر (نمبر)	اماؤنٹ (روپے)
اسپیونسر	12,691,743	253,834,860
جنرل پبلک اور اورز	3,331,922	66,638,440
انڈر رائٹڈ رکوالاٹ کیئے ان سبسکرائب شیئر	15,705,692	314,113,840
ٹوٹل	31,729,357	634,587,140

مذکورہ سال شیئر کی تجارت کسی بھی ڈائریکٹر، CFO، کمپنی سیکریٹری یا ان کے اہل عیال کی صورت عمل میں نہیں آئی ماسوائے خواجہ انور مجید CEO کے جس کی تفصیلات مندرجہ ذیل ہیں۔

ٹریڈنگ ڈیٹ	حصول شیئر	ریٹ	اماؤنٹ	پریمیم	ٹوٹل
29-June-2018	12,691,743	10	126,917,430	126,917,430	253,834,860/-

بورڈ آف ڈائریکٹرز کی میٹنگ:

اس سال کے دوران، بورڈ آف ڈائریکٹرز کی 8 میٹنگ منعقد ہوئیں۔ حاضری درج ذیل ہے۔

نمبر شمار	نام دائرہ کیئر	میٹنگ کی حاضری
1	خواجہ انور مجید	7
2	خواجہ عظیم مجید	8
3	وحید احمد	8
4	داؤدی مورکاس	8
5	اورنگزیب خان	8
6	راشد احمد خان	8
7	نہال انور	8

آڈٹ کمیٹی:

بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جو بشمول کمیٹی چیئر مین تین ممبران پر مشتمل ہے۔ یہ کمیٹی باقاعدگی سے برطانیہ ضروریات کوڈ، میٹنگ کرتی ہے۔ یہ کمیٹی اندرونی آڈٹ کنٹراپچ اور اندرونی آڈٹ سسٹم کا جائزہ لینے میں بورڈ کی مدد کرتی ہے۔ سال کے دوران چار آڈٹ کمیٹی میٹنگ منعقد کی گئی اور ہر میٹنگ میں تمام ممبران نے شرکت کی۔

ہیومن ریسورس اور ری میو نیریشن کمیٹی

بورڈ نے کارپوریٹ گورننس کوڈ کی تعمیل کرتے ہوئے ایک انسانی وسائل اور ری میو نیریشن کمیٹی تشکیل دی ہے جو تین ممبران بشمول کمیٹی چیئر مین پر مشتمل ہے۔ سال کے دوران چار HR & M کمیٹی کی میٹنگ منعقد کی گئیں جس میں تمام ممبران نے شرکت کی۔

مستقبل کا لائحہ عمل:

مختلف آمدن کے دھارے:

کمپنی نے بہتر انرجی، فیشینسی کمس اور پلاننگ، ہیڈنگ، موڈرنا ئزیشن اور رینیلیٹیمینٹ (BMR) کو مد نظر رکھا جو کہ آمدن کے دھارے کو بہتر بنانے کا مثلاً بگاس، مولا سیز وغیرہ۔

گنے کی کاشت کا ویزن:

کمپنی یہ جان چکی ہے کہ گروتھ اور استحکام شکر کین کے کرشنگ ولیم کی پہنچ پر منحصر ہے اس میں خاص طور پر ان علاقوں کی پہنچ شامل ہے جہاں گنا کاشت ہوتا ہے یہاں کئی کسانوں سے دیر پاہ تعلقات پر منحصر ہے گنے کی ورائٹی کو واضح کرتے ہوئے (زیادہ پیداوار اور زیادہ منافع) بروقت پیداواری مدد کی فراہمی، کھاد اور زرعی امداد شامل ہیں تاکہ ان کو زیادہ اور بہتر پیداوار کی طرف مائل کیا جاسکے۔

علاوہ ازیں جہاں کثیر برسات اور اس کے نتیجے میں سیلاب کا زراعت پر برا اثر ہو وہاں اس مجموعی صورتحال میں پیداواری کمی ہوگی۔ ہم پر امید ہیں کاشت اپنی عروج پر ہوگی اور آنے والے سیزن میں ملز کو گنے کی فراہمی بھرپور ہوگی۔

حکومتی پالیسی:

انصاری شوگر ملز بمپر کین کرشنگ کی امید رکھتی ہے جیسا کہ پچھلے دو سے تین سالوں میں پروڈکشن بڑھتی ہے۔ جیسا کہ فیڈرل گورنمنٹ ایکسپورٹ کوریولیٹ رکھتی ہے ہم امید رکھتے ہیں، سپلائی اور ڈیمانڈ کے بیلنس کے تحت اگلے سال مزید بہتری آئے گی اور مقامی پیداوار ملک کے پیداواری ضرورت کو پورا کرنے کے ساتھ چینی اور انتھونال میں بہتات بھی لائی گئی لہذا بروقت وفاقی گورنمنٹ کی طرف سے برآمد کی اجازت بہت اہمیت کی حامل ہے جو کہ نہ صرف بہتر قیمت پر بہتات کی ذمہ دار ہے بلکہ مقامی مارکیٹ کو یکساں رکھنے میں معاون ہے۔ گورنمنٹ پر عزم ہے کہ ایکسپورٹ کو محظوظ کوئے تک محدود رکھنے کے بجائے باقاعدہ طریقہ عمل قرار دے دیں تاکہ اچھی قیمت میں غیر مقامی منڈیوں تک رسائی کی جاسکے۔

ورکنگ کیپیٹل:

ہم اپنے بینکرز کے ساتھ مذاکرات کے اگلے مراحل میں داخل ہو چکے ہیں تاکہ ہم اپنے قرضے کو ری اسٹرکچر کر سکیں تاکہ ہم خود کو جاری فروخت سے بچائیں اور آف سیزن میں بھی بہترین پرائز حاصل کریں برعکس اس کے کہ جیسے ابھی ہم سیزن میں بھی پورا مال فروخت کر دیتے ہیں تاکہ ورکنگ کیپیٹل حاصل کر سکیں۔

مذکورہ معلومات کے تحت آپ کی مینجمنٹ پر امید ہے کہ شگرائڈ سٹری کے حالات بدلنے کو ہیں لہذا ہم نے اپنے تمام ذرائع کو ان کی بساط کے مطابق منظم کرنا شروع کر دیا ہے تاکہ آنے والے 5 سیزن میں بھرپور پیداوار حاصل کی جاسکے مذکورہ سیزن کین سپلائی، ریکوری اور پلانٹ کے مقدار کے استعمال سے بہت سودمند ہے انصاری شوگر ملز ایک بڑے پلانٹ کی صورت فائدہ اٹھاتے ہوئے آنے والے سیزن میں زیادہ سے زیادہ گنے کی خرید اور کرشنگ انجام دے گی۔

اعتراف:

ہم اپنے ملازمین کی جانب سے لگن اور انتھک محنت کے لئے اور اپنے کلائنٹ، بزنس پارٹنرز اور شیئر ہولڈرز کی حمایت اور اعتماد کے لئے اپنی خلاصانہ حوصلہ افزائی کا اظہار کرتے ہیں۔ بورڈ اس موقع پر انصاری شوگر مل لمیٹیڈ کے تمام ملازمین کی انتھک کوششوں پر بے حد مشکور ہے۔

منجانب بورڈ آف ڈائریکٹرز



خواجہ انور مجید

چیف ایکویٹیو آفیسر

کراچی

12 اپریل 2023



STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19. of rule book of the Pakistan Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

<u>CATEGORY</u>	<u>NAME</u>
Non-Executive Independent Directors	Mr. Rashid Ahmed Khan
Non-Executive Directors	Mr. Khawaja Aleem Majid
	Mr. Dawoodi Morkas
	Mr. Aurangzeb Khan
	Mr. Iqbal Bulidi
Executive Directors	Mr. Khawaja Anver Majid
	Mr. Waheed Ahmed

The Independent Directors meets the criteria of independence under clause I (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.
4. A causal vacancy accrued and filled on the board during the year.
5. 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.
6. 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.
8. 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 and the Board meet at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.



9. One director had already completed director training program, remaining directors will complete director training ensuing year.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.
12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The company has complied with all the corporate and financial reporting requirements of the CCG.
14. The Board has formed an Audit Committee. It comprises of three members and all of them are non-executives directors including the chairman of the committee.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The Board has formed an HR and Remuneration Committee. It comprises three members of whom two are non-executive directors including the chairman of the committee.
17. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
22. We confirm that all other material principles enshrined in the CCG have been complied.

For and on behalf of the **BoD of Ansari Sugar Mills Limited**


Aurangzeb Khan
Chairman



THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS)
REGULATIONS, 2018 [Section 227(2)(f)]
PATTERN OF SHAREHOLDING

FORM 34

1. Incorporation Number 0019909
2. Name of the Company ANSARI SUGAR MILLS LIMITED
3. Pattern of holding of the shares held by the Shareholders as at 3 0 0 9 2 0 1 8

4.	Number of Shareholders	Shareholdings				Total Shares held
	1033	1	-	100	Shares	35,945
	580	101	-	500	Shares	191,341
	279	501	-	1,000	Shares	224,838
	426	1,001	-	5,000	Shares	986,173
	76	5,001	-	10,000	Shares	540,519
	38	10,001	-	15,000	Shares	467,589
	15	15,001	-	20,000	Shares	268,295
	8	20,001	-	25,000	Shares	179,269
	3	25,001	-	30,000	Shares	82,275
	2	30,001	-	35,000	Shares	64,050
	3	35,001	-	40,000	Shares	112,063
	2	40,001	-	45,000	Shares	82,800
	4	45,001	-	50,000	Shares	190,000
	1	50,001	-	60,000	Shares	55,165
	5	60,001	-	70,000	Shares	337,699
	1	70,001	-	80,000	Shares	72,500
	1	80,001	-	90,000	Shares	85,000
	2	90,001	-	100,000	Shares	194,250
	4	100,001	-	200,000	Shares	800,000
	1	200,001	-	260,000	Shares	257,600
	1	260,001	-	300,000	Shares	279,400
	1	300,001	-	350,000	Shares	350,000
	1	350,001	-	450,000	Shares	401,500
	1	450,001	-	800,000	Shares	720,220
	1	800,001	-	900,000	Shares	892,000
	1	900,001	-	1,000,000	Shares	929,800
	1	1,000,001	-	1,300,000	Shares	1,238,371
	1	1,300,001	-	1,400,000	Shares	1,301,800
	1	1,400,001	-	2,000,000	Shares	1,917,000
	1	2,000,001	-	3,000,000	Shares	2,062,285
	2	3,000,001	-	13,000,000	Shares	24,754,980
	1	13,000,001	-	16,100,000	Shares	16,061,828
	2,497	TOTAL				56,136,555



THE COMPANIES ACT, 2017
THE COMPANIES (GENERAL PROVISIONS AND FORMS)
REGULATIONS, 2018 [Section 227(2)(f)]
PATTERN OF SHAREHOLDING

FORM 34

5.	Categories of Shareholders	Shares held	Percentage
5.1	Directors, Chief Executive Officer, their spouses and minor children	29,475,941	52.51%
5.2	Associated Companies, undertakings and related parties	-	0.00%
5.3	NIT and ICP	109,790	0.20%
5.4	Banks, Development Financial Institutions, Non-Banking Finance Companies	36,150	0.06%
5.5	Insurance Companies	11,265	0.02%
5.6	Modarabas and Mutual Funds	800	0.00%
5.7	Shareholders holding 5%	40,816,808	72.71%
5.8	<u>General Public</u>		
	a. Local	6,577,603	11.72%
	b. Foreign	-	0.00%
5.9	Others (Joint Stock Companies, Charitable Trusts, Wakf, & Government	19,925,006	35.49%



PATTERN OF SHAREHOLDING UNDER REGULATION 37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS AT SEPTEMBER 30, 2018

Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1. Associated Companies	-	-	0.00%
2. NIT and ICP	2	109,790	0.20%
3. Directors, CEO, their Spouses & Minor Children	9	29,475,941	52.51%
4. Executives	-	-	0.00%
5. Public Sector Companies & Corporations	26	19,925,006	35.49%
Banks, Development Finance Institutions, Non-			
6. Banking Finance Companies, Insurance	8	48,215	0.09%
Companies, Modarbas & Mutual Funds			
7. Individuals	2,452	6,577,603	11.72%
TOTAL	2,497	56,136,555	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS

Names	Number of Shareholders	Number of Shares held	% of Shareholding
1. <u>Associated Companies</u>	-	-	-
2. <u>NIT and ICP</u>			
2.1 INVESTMENT CORPORATION OF PAKISTAN	1	68,990	0.12%
2.3 NATIONAL BANK OF PAKISTAN TRUSTEE DEPARTMENT	1	40,800	0.07%
	2	109,790	0.20%
3. <u>Directors, CEO, their Spouses & Minor Children</u>			
<u>Directors and CEO</u>			
3.1 KHAWAJA ANVER MAJID	2	28,753,571	51.22%
3.2 KHAWAJA ALEEM MAJID	1	1,000	0.00%
3.3 IQBAL BULEDI	1	500	0.00%
3.4 RASHID AHMED KHAN	1	500	0.00%
3.5 AURANGZEB KHAN	1	50	0.00%
3.6 DAWOOD MORKAS	1	50	0.00%
3.7 WAHEED AHMED	1	50	0.00%
	8	28,755,721	51.22%
<u>Spouses of Directors and CEO</u>	-	-	-
<u>Minor Children of Directors and CEO</u>			
KHAWAJA ALI KAMAL MAJID	1	720,220	1.28%
	9	29,475,941	52.51%



**PATTERN OF SHAREHOLDING UNDER REGULATION 37(XX)(I) OF
THE CODE OF CORPORATE GOVERNANCE
AS AT SEPTEMBER 30, 2018**

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/ INTERESTS IN THE COMPANY

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	KHAWAJA ANVER MAJID	2	28,753,571	51.22%
2	AKD SECURITIES LIMITED	1	12,063,237	21.49%

**DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO,
COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN**



STATEMENT OF ETHICS & BUSINESS PRACTICE

Ansari Sugar Mills Limited was established with an aim of producing high quality sugar for its customer and meeting the expectation of its stakeholders. We ensure transparency and professionalism at every step of our dealings, and look after the interests of our stakeholders.

This statement of the company is based on the following principles:

Quality of Product

- We strive to produce the high quality of sugar for our customers.
- We believe in technology and innovation and strive to implement innovative ideas in the Company.
- We maintain all relevant technical and professional standards to be compatible with the requirements of the trade.

Dealing with Employees

- We recognize and reward employees for their performance.
- We measure the performance of our employees by their ability to meet their objectives, their conduct at work, dealing with others both within and outside the organization, their contribution towards training people and succession planning, and innovation at their work place.
- We provide a congenial work atmosphere where all employees are treated with respect and dignity and work as a team for a common goal.
- Unless specifically mentioned, all rules and regulation prevailing in the company apply to all levels of employees of the company.

Responsibility to Society / Interested Parties

- We have an important role towards our society, shareholders, creditors, the Government and public at large. We are objective and transparent in our dealings with all our stakeholders so as to meet the expectations of the people who rely on us.
- We meet all our obligations and ensure timely compliance.

Financial Reporting and Internal Control

- To meet the expectations of the wide spectrum of society and Government agencies, we have implemented an effective, transparent and fair system of financial reporting and internal control.
- To ensure efficient and effective utilization of Company's resources, we have placed financial planning and reporting at the heart of management practice at this not only serves to facilitate viable and timely decisions, but also makes Company dealings more transparent and objective oriented.
- We have a sound and efficient Internal Audit department to enhance the reliability of the financial information and data generated by the Company. It also helps building the confidence of our external stakeholders.

Purchase of Goods and Timely Payment

- To ensure cost effectiveness, we only purchase goods and services that meet our specifications and are priced appropriately. To gauge the market conditions and availability of substitute or services, we obtain quotations from various sources before finalizing our decision.



- We ensure timely payments, which over the year, has built trust and reliability amongst our suppliers.

Conflict of Interest

- Activities and involvements of the directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are made in the interest of the Company.

Observance to laws of the Country

- The Company fulfills all statutory requirements of the Government and follows all applicable laws of the country.

Environmental Protection

- The Company uses all means to protect the environment and to ensure health and safety of the work force. We have, and will continue to attain, necessary technology to ensure protection of the environment and well being of the people living in adjoining areas of our plant.

Objectives of the Company

- We at Ansari Sugar Mills Limited, recognize the need of working at the highest standards to meet the expectations of all our stakeholders.
- We conduct the business of the Company with integrity and supply only quality and credible information.
- We produce and supply goods and information with great care and competence, to ensure that customers and creditors receive the best quality and care.
- We respect the confidentiality of the information acquired during the course of our work with our business associates, and refrain from acting in any manner which could discredit the Company.
- Our organization is free of all vested interests that could affect its integrity, objectivity and independence.



SIX YEARS REVIEW AT A GLANCE

FINANCIAL RESULTS	2018	2017	2016	2015	2014	2013
	Rupees					
Sales	1,677,306	2,146,349	1,730,162	1,865,650	1,481,835	2,731,253
Gross profit / (loss)	448,228	472,811	376,246	309,629	248,489	186,126
Operating profits / (loss)	275,873	373,263	295,787	227,553	161,570	77,925
Profit / (loss) before taxation	(122,949)	12,871	11,710	311,775	46,691	(195,605)
Profit / (loss) after taxation	(203,078)	27,291	21,533	293,182	232,062	(87,374)
Accumulated (loss) / profit	(313,217)	(142,941)	(225,504)	46,758	(250,571)	(497,163)
OPERATING RESULTS	2018	2017	2016	2015	2014	2013
Season started	29-11-2017	15-11-2016	25-11-2015	09-12-2014	01-11-2013	29-11-2012
Season closed	25-04-2018	01-04-2017	03-03-2016	27-03-2015	14-03-2014	22-03-2013
Days Worked	148	138	100	109	134	114
Sugar crushed (tonnes)	400,039	425,803	499,872	400,216	382,090	400,574
Sugar Recovery (%)	11.20%	9.69%	10.99%	9.75%	10.56%	10.55%
Sugar Produced (tonnes)	44,804	41,304	54,995	39,100	41,643	42,300
Molasses Recovery (%)	4.76%	4.57%	4.99%	4.49%	4.47%	4.30%
Molasses produced (tonnes)	19,037	19,468	24,960	17,985	17,090	17,255
ASSETS EMPLOYED	2018	2017	2016	2015	2014	2013
	Rupees					
Fixed capital expenditure	57,438	158	92,087	3,339,049	3,302,064	3,238,354
Long term loans and deposits	38	529	2,319	1,396	2,726	1,982
Current Assets	(86,460)	1,406,740	3,582,885	2,278,513	2,365,424	2,012,999
Total Assets employed	(28,984)	1,407,427	3,677,291	5,618,959	5,670,214	5,253,335
FINANCED BY	2018	2017	2016	2015	2014	2013
	Rupees					
Shareholder's equity	334,587	-	825,567	317,830	20,501	(226,091)
Long term liabilities	(219,527)	376,040	2,534,235	1,062,762	1,244,670	1,504,742
Deferred liabilities	70	(38)	611,234	360,583	430,520	423,083
Current Liabilities	(59,636)	979,446	2,101,771	2,602,597	2,882,434	1,980,062
Total funds invested	55,494	1,355,448	6,072,807	4,343,772	4,578,125	3,681,797
Break-up value per share	(1.50)	2.13	(98.15)	57.06	44.16	50.41
Earning / (loss) per share	(3.62)	1.12	0.88	11.41	(9.51)	(3.58)



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of Ansari Sugar Mills Limited for the year ended September 30, 2018 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 part of our audit of 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 corporate governance procedures and risks.

The Regulations requires the Company to place before 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, 2018.

Basharat Rasool

Chartered Accountant

Engagement Partner:

Basharat Rasool

Karachi

Dated: April 12, 2023



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANSARI SUGAR MILLS LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the annexed financial statements of Ansari Sugar Mills Limited, which comprise the statement of financial position as at September 30, 2018 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 purpose of the audit.

Except for the adjustments in respect for the matters stated in the Basis for Qualified Opinion paragraph, in our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with approved accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give true and fair view of the state of company's affairs as at September 30, 2018 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

- a.) The company holds inventories and cash balance amounting to Rs. 2,656 Million and Rs. 2.089 Million respectively as of September 30, 2018. These inventories comprise of stores, spares and loose tools, work-in-process, by-product and finished goods. We have not received response from predecessor auditor against our request to share audit working papers of physical counting of inventories & cash balance. In addition to this we were unable to obtain sufficient appropriate audit evidence about the physical existence of these inventories and cash balance mainly because we were appointed as auditor after lapse of 24 months from end of financial year. Consequently, we were unable to determine whether any adjustment to these amounts were necessary.



- b.) Subsequent to year end, an enquiry against the Company's shareholders, directors and group companies has been initiated by the National Accountability Bureau & Federal Investigation Agency (FIA) in the matter of fake bank accounts and accordingly bank accounts of the Company were seized by the State Bank of Pakistan. We were unable to obtain sufficient appropriate audit evidence of the matter because we did not have access to the records of investigation agencies with respect to investigation which is pending and sub-judice before court. Consequently, we were unable to determine whether any adjustment due to this may be necessary in these financial statements.

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 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 significant in our audit of the financial statements of the Company. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters;

S. No.	Key Audit Matters	How the matter was addressed in our audit
1	The Companies Act, 2017 and its impact on the financial statements <i>(Refer to note 2.1 to the financial statements)</i>	
	<p>The Companies Act 2017 became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30th September 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements.</p> <p>The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes to the financial statements.</p>	<p>The following procedures were performed:</p> <ul style="list-style-type: none">• We assessed the procedures applied by the management for identification of the changes required in the financial statements due the application of the Act.• We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements.• We evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements.



S. No.	Key Audit Matters	How the matter was addressed in our audit
2	<p>Change in accounting policy for treatment of revaluation surplus <i>(refer note 4.3.7 & 15 to the financial statements)</i></p> <p>The Company changed its accounting policy for the revaluation surplus on property, plant and equipment, in accordance with requirements of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance, 1984. Further, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance, 1984.</p> <p>The Companies Act, 2017 has not retained the above mentioned specific accounting and presentation requirements of revaluation surplus on property, plant and equipment. Consequently, this impacted the Company's accounting policy for revaluation surplus on property, plant and equipment, and now the related accounting and presentation requirements set out in IAS 16 are being followed by the Company.</p> <p>The new accounting policy is explained under note 5.1 to the financial statement. Further, the revaluation surplus on property, plant and equipment is now presented in the statement of financial position and statement of changes in equity as a capital reserve i.e. part of equity.</p> <p>In view of the significant changes in policy and disclosures, we consider it as a key audit matter.</p>	<p>In this area, our audit procedures comprised:</p> <ul style="list-style-type: none"> Recalculating the amount of surplus and its deferred tax at year end. Applied the change in policy retrospectively and restating Statement of financial position and statement of changes in equity as per new requirements. <p>Testing and assessment of the completeness, appropriateness and adequacy of the disclosures in Company's financial statements as per the requirement of The Companies Act, 2017 and IAS 16.</p>

S. No.	Key Audit Matters	How the matter was addressed in our audit
3	Income Tax	<i>(refer note 22 & 31 to the financial statements)</i>
	<p>The Company has recognized provisions and has disclosed contingent liabilities in respect of certain income tax matters, which are pending adjudication before various appellate and legal forums.</p> <p>Provisions and contingencies require management of the Company to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulation and the probability of outcome and financial impact, if any, on the Company in respect of such provisions and contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of these matters and use of significant management, judgment and estimates to assess the same including related financial impacts, we have considered provisions and contingent liabilities relating to income tax a key audit matter.</p>	<p>The following procedures were performed:</p> <ul style="list-style-type: none"> • Obtaining the reviewing details of the pending tax matters and discussed the same with the Company's management. • Circularizing confirmations to the Company's external legal and tax counsels for their views on matters being handled by them. • Involving internal tax professionals to assess management's conclusions or contingent tax matters and evaluating the consistency of such conclusions with the views of management and external tax advisors engaged by the Company. • Reviewing correspondence of the Company with the relevant authorities including judgments or orders passed by the competent authorities in relation to the issues involved or matters which have similarities with the issues involved. • Checking mathematical accuracy of the calculations underlying the provisions, if any and • Reviewing the adequacy of the disclosures made by the Company with regard to the applicable accounting and reporting standards.
4	Recognition of Subsidy on Sugar Export	<i>(refer note 12 & 24 to the financial statements)</i>
	<p>During the year, Federal Government lifted the restrictions on sugar export and announced the subsidy based on the defined criteria. Sindh Government also announced the subsidy for the mills located in the province.</p> <p>Company managed to export sugar during the year amounting to Rs. 756 million and recognizing the subsidy thereon amounting to Rs. 402.2 million out of which Rs 236.613 million is still receivable as on reporting date.</p> <p>We consider it as a key audit matter in view of the drastic change in the performance of the Company during the year as compared to the corresponding period.</p>	<p>Our audit procedures included the following:</p> <p>We corroborated the recognition of the subsidy in line with the policy announced by the Federal and Provincial Governments.</p> <p>We substantiated the subsidy received during the year with the subsidy recognized in the financial statements to ensure the accuracy and completeness.</p> <p>We analyzed and evaluated the steps taken by the management to recover the outstanding subsidy from the Governments.</p> <p>We assessed the adequacy and appropriateness of the additional disclosures in relation to the export subsidy announced during the year.</p>



S. No.	Key Audit Matters	How the matter was addressed in our audit
5	<p>COVID-19 & Its impact</p> <p>Due to the COVID-19 situation and lockdown in the country since March 2020, business activity has been adversely affected. The Company's factory and offices were closed. Many of the functions and operations were carried out remotely. Although Covid-19 did not have effect on the financial performance of the Company during the financial year ended 30th September, 2018, however, it has affected the audit of the company namely overall audit strategy, allocation of resources in the audit and directing the efforts of the engagement team.</p> <p>In relation to the accounting and reporting obligations, management assessed the following significant areas for incorporating COVID - 19 impact in the financial statements:</p> <ul style="list-style-type: none"> • expected credit losses (ECL) under IFRS 9, 'Financial Instruments'; • the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets'; • provisions and contingent liabilities under IAS 37, including onerous contracts; and • going concern assumption used for the preparation of the financial statements <p>The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and its execution and involved assessment of significant management judgments in the preparation of financial statements. Therefore, we considered it to be a key audit matter.</p>	<p>(refer note 40 to the financial statements)</p> <p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy; • Unlisted technology for communication and evidence gathering; • For information / record provided by management in scanned form, the original record was checked subsequently when the lockdown was relaxed; • For confirmation received through email, the authenticity of the confirmations was ensured by performing alternate procedure such as making telephone calls to confirming parties; • Assessed the reasonableness of forward-looking factors under the COVID-19 situation used by management in preparing ECL model; • Evaluated whether any impairment indicators exist that could trigger impairment for tangible and intangible assets; • Evaluated management's assessment as to whether any provisions were required to be recorded as a result of COVID-19; and • Evaluated management's going concern assessment by reviewing the approved budget / future cash flow forecast and assessed whether going concern assumption is appropriate. <p>Assessed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.</p>

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

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue and 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 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 a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and access the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive of those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of 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 reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based in 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 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.

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns and are further in accordance with the accounting policies consistently applied.
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

Other Matters

Prior Year Financial Statements Audited by Predecessor Auditor

The financial statements of the Company for the year ended September 30, 2017 were audited by another auditor who had expressed an un-modified opinion vide their report dated January 02, 2018.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Basharat Rasool.

Jais & Associates
Chartered Accountants
Karachi
Dated: April 12, 2023



FINANCIAL STATEMENTS



BALANCE SHEET AS AT SEPTEMBER 30, 2018

		2018	2017 (Rupees')	2016
	Note		(Re-stated)	
NON CURRENT ASSETS				
Property, plant and equipment	5	4,412,089,947	4,425,769,273	4,503,125,449
Intangible asset	6	752,849	1,075,036	1,604,531
Long term investment	7	215,061,649	191,748,826	170,963,129
Long term loan	8	-	364,450	1,044,801
Long term deposits	9	1,236,600	1,236,600	1,274,300
		4,629,141,045	4,620,194,185	4,678,012,210
CURRENT ASSETS				
Inventories	10	2,656,547,199	2,448,467,720	2,145,954,337
Trade & other receivables	11	274,724,848	760,299,719	559,799,326
Loans and advances	12	1,696,449,812	1,768,376,816	857,371,497
Tax refund due from government		22,648,149	6,970,197	6,970,197
Cash and bank balances	13	252,795,292	5,510,659	12,789,959
		4,903,165,300	4,989,625,111	3,582,885,316
TOTAL ASSETS		9,532,306,345	9,609,819,296	8,260,897,526
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Issued, Subscribed & paid-up capital	14	561,365,550	244,071,980	244,071,980
Capital reserves				
Surplus on revaluation of property, plant and equipment	15	1,837,318,078	1,869,613,831	1,923,982,826
Share premium		317,293,570	-	-
Equity reserve	16	336,000,000	336,000,000	336,000,000
		2,490,611,648	2,205,613,831	2,259,982,826
Revenue reserves				
Dividend equalization reserve		27,000,000	27,000,000	27,000,000
Accumulated losses		(313,217,161)	(142,940,704)	(225,504,656)
		(284,631,211)	(115,940,704)	(198,504,656)
		2,765,760,037	2,333,745,107	2,305,550,150
Subordinated Debt	17	-	300,000,000	300,000,000
TOTAL EQUITY		2,765,760,037	2,633,745,107	2,605,550,150
NON CURRENT LIABILITIES				
Financial liabilities	18	2,600,748,222	2,820,275,003	2,534,234,707
Deferred tax liability	19	790,108,560	720,473,925	755,233,969
Provision for quality premium	20	264,108,125	264,108,125	264,108,125
		3,654,964,907	3,804,857,053	3,553,576,801
CURRENT LIABILITIES				
Trade and other payables	21	470,582,436	722,783,642	293,506,703
Financial liabilities	18	2,417,042,211	2,305,637,723	1,616,706,811
Accrued markup		213,062,819	91,806,889	128,198,140
Current tax liability	22	10,893,935	50,988,882	63,358,921
		3,111,581,401	3,171,217,136	2,101,770,575
CONTINGENCIES AND COMMITMENTS				
	23	-	-	-
		9,532,306,345	9,609,819,296	8,260,897,526

The annexed notes from 1 to 44 form an integral part of these financial statements.


CHIEF EXECUTIVE


CHIEF FINANCIAL OFFICER


DIRECTOR



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2018

		2018 ------(Rupees')-----	2017 ------(Rupees')-----
	Note		
Sales – net	24	1,677,305,780	2,146,348,702
Cost of sales	25	(1,229,078,164)	(1,673,537,331)
Gross profit		448,227,616	472,811,371
Administrative and general expenses	26	(104,604,681)	(95,548,919)
Selling and distribution expenses	27	(67,749,795)	(3,999,253)
Other operating expenses	28	-	(914,801)
		(172,354,476)	(100,462,973)
Operating profit		275,873,140	372,348,398
Other income	29	23,762,417	22,576,822
		299,635,557	394,925,220
Finance cost	30	(422,584,438)	(382,054,030)
(Loss) / Profit before tax		(122,948,881)	12,871,190
Taxation	31	(80,129,611)	14,419,946
(Loss) / Profit after tax		(203,078,492)	27,291,136
Earnings/ (loss) per share- basic and diluted	32	(3.62)	1.12

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2018

	2018	2017
	(Rupees)	
Note		
(Loss) / profit after taxation	(203,078,492)	27,291,136
Loss on re-measurement of post-employment benefit obligations	506,282	903,821
Incremental depreciation – net tax	32,295,753	55,272,816
Total comprehensive (Loss)/ Income for the year	(170,276,457)	83,467,773

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2018

	2018	2017
	(Rupees)	
Note		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(121,362,931)	12,871,190
Adjustments for non- cash income and expenses :		
Depreciation of property, plant and equipment	70,755,964	77,270,806
Amortization of intangible assets	370,806	529,495
Finance cost	422,584,438	378,172,904
Provision for gratuity	1,606,794	2,027,211
Workers' Welfare Fund	-	258,324
Workers' Profit Participation Fund	-	656,477
Gain on disposal of asset	(449,594)	(702,355)
Profit on DSC investment	(23,312,823)	(20,785,697)
	471,555,585	437,427,165
	350,192,654	450,298,355
CHANGES IN WORKING CAPITAL		
Inventories	(208,079,479)	(302,513,383)
Trade & other receivables	485,574,872	(200,500,391)
Prepayments, deposits and Advances	71,927,004	(911,005,320)
Trade and other payables	(251,694,924)	431,481,296
Tax refunds due from government	(15,677,952)	-
Cash generated from operations	430,656,225	(532,239,443)
Finance cost paid	(301,328,508)	(417,004,202)
Gratuity paid	(1,385,200)	(1,038,569)
Long term staff loans (sanctioned) / received	364,450	680,350
Income tax paid	(50,811,517)	(33,833,526)
Net cash from operating activities (A)	77,495,450	(983,435,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure incurred	(57,437,654)	(157,648)
Proceeds from issuance of shares	317,293,570	-
Share Premium	317,293,570	-
Long term deposits received / (paid)	-	37,700
Proceeds from disposal of property plant and equipment	761,990	1,304,830
Net cash (used in) investing activities (B)	577,911,476	1,184,880
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings obtained during the year	(101,290,281)	273,893,585
Short term Finances	(6,832,012)	701,077,623
Subordinated Loan	(300,000,000)	-
Net cash(used in)/generated from financing activities (C)	(408,122,293)	974,971,208
Net increase/(decrease) in cash and cash equivalents (A+B+C)	247,284,633	(7,279,300)
Cash and cash equivalents at the beginning of the year	5,510,659	12,789,959
Cash and cash equivalents at the end of the year	252,795,292	5,510,659

The annexed notes from 1 to 44 form an integral part of these financial statements.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid-up capital	Share Premium	Equity Reserve	Revaluation surplus on PPE	Total	General reserve	Accumulated Losses	Total	Grand Total
As at October 1, 2016	244,071,980	-	780,000,000	-	780,000,000	27,000,000	(225,504,656)	(198,504,656)	825,567,324
Effect of Correction of error (in note 4.22)									
Re transfer from equity reserve to accumulated loss-net	-	-	(300,000,000)	-	(300,000,000)	-	300,000,000	300,000,000	-
Re Classification of subordinate loan wrongly taken to income	-	-	-	-	-	-	(300,000,000)	(300,000,000)	(300,000,000)
Tax impact on Equity Reserve	-	-	(144,000,000)	-	(144,000,000)	-	-	-	(144,000,000)
	-	-	(444,000,000)	-	(444,000,000)	-	-	-	(444,000,000)
Effect of accounting policy with respect to Revaluation Surplus on Property, Plant & Equipment	-	-	-	1,923,982,826	1,923,982,826	-	-	-	1,923,982,826
As at October 1, 2016 -Restated	244,071,980	-	336,000,000	1,923,982,826	2,259,982,826	27,000,000	(225,504,656)	(198,504,656)	2,305,550,150
Profit after taxation	-	-	-	-	-	-	27,291,136	27,291,136	27,291,136
Subordinated loan	-	-	-	-	-	-	-	-	-
Re-measurement of define benefit liability	-	-	-	-	-	-	903,821	903,821	903,821
Incremental depreciation on revalued Property, plant and equipment - net of tax (in note 4.3.7)	-	-	-	(54,368,995)	(54,368,995)	-	54,368,995	54,368,995	-
Balance as at September 30, 2017 - Restated	244,071,980	-	336,000,000	1,869,613,831	2,205,613,831	27,000,000	(142,940,704)	(115,940,704)	2,333,745,107
Loss after taxation	-	-	-	-	-	-	(203,078,492)	(203,078,492)	(203,078,492)
Increase in Share Capital	317,293,570	-	-	-	-	-	-	-	317,293,570
Increase in Share Premium	-	317,293,570	-	-	317,293,570	-	-	-	317,293,570
Redemption in equity reserves	-	-	-	-	-	-	-	-	-
Subordinated loan	-	-	-	-	-	-	-	-	-
Re-measurement of define benefit liability	-	-	-	-	-	-	506,282	506,282	506,282
Incremental depreciation on revalued fixed assets - net of tax (in note 4.3.7)	-	-	-	(32,295,753)	(32,295,753)	-	32,295,753	32,295,753	-
Balance as at September 30, 2018	561,365,550	317,293,570	336,000,000	1,837,318,078	2,490,611,648	27,000,000	(313,217,161)	(286,217,161)	2,765,760,037

The annexed notes from 1 to 44 form an integral part of these financial statements.

Signature

CHIEF EXECUTIVE

Signature

CHIEF FINANCIAL OFFICER

Signature

DIRECTOR



NOTES TO THE FINANCIAL STATEMENTS BALANCE SHEET AS AT SEPTEMBER 30, 2018

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Ansari Sugar Mills Limited (the Company) was incorporated in Pakistan on July 09, 1989, as a public limited company and its shares were quoted in Pakistan Stock Exchanges.

1.2 Principal activity

Principal activity of the Company is to manufacture and sale of sugar.

1.3 Geographical location

The registered office and the manufacturing unit of the Company is situated at Deh Jagsiyani, Taluka Tando Ghulam Haider, Tando Muhammad Khan, District Hyderabad, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 ("The Act");
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017. Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes amongst others, included change in respect of presentation and measurement of surplus on revaluation of property, plant and equipment as fully explained in note 4.3.7 & 15 of these financial statements, change in nomenclature of primary statements.

2.1.3 Further, the disclosure requirements contained in the Schedule of the Act have been revised, resulting in elimination of duplicative disclosure with IFRS disclosure requirements and incorporation of additional amended disclosures including, but not limited to, particulars of immovable assets of the Company (refer note 5.4), management assessment of sufficiency of tax provision in the financial statements (refer note 29), change in threshold for identification of executives (refer note 31), additional disclosure requirements for related parties (refer note 33) etc.

2.2 Basis of measurement

These financial statements have been prepared under the "historical cost convention", except for certain items as disclosed in the relevant accounting policies.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (Rs. / Rupees) which is the Company's functional currency. Amounts presented in the financial statements have been rounded off to the nearest of Rs. / Rupees, unless otherwise stated.



2.4 Significant accounting estimates and judgments

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 judgment, estimates and assumptions in the process of applying accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

- Useful lives of property, plant and equipment (note 5)
- Valuation of stock in trade (note 10)
- Provision for taxation (note 29)

3. STANDARDS, AMENDMENTS OR INTERPRETATIONS

3.1 Standards, amendments and interpretations adopted during the year

The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:

IAS 7 Statement of Cash Flows – Disclosure Initiative – (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements

3.2 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

Standards or Interpretation		Effective date (annual periods beginning on or after)
IFRS 2 -	Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 -	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 -	Financial Instruments	01 July 2018
IFRS 9 -	Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 10 -	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint	Not yet finalized



Venture (Amendment) Contracts – (Amendments)

IFRS 15 -	Revenue from Contracts with Customers	01 July 2018
IFRS 16 -	Leases	01 January 2019
IAS 19 -	Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 -	Long term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 -	Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 -	Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 -	Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application except for IFRS 15 – Revenue from contracts with customers. The Company is currently evaluating the impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies. If there is no applicable standard in place and to assist all parties to understand and interpret the standards.

3.3 Standards, amendments and interpretations not yet adopted by Securities and Exchange Commission of Pakistan

The following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

Standard	IASB effective date (annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	January 01, 2018
IFRS 17 - Insurance Contracts	January 01, 2018

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Employees benefits- defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement



of comprehensive income when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

The Company operates a defined contribution plan in the form of recognized provident fund scheme for the permanent employees. Contributions to fund are made monthly by the Company and employee at the rate of 10% of the basic salary. The Company's contributions are recognized as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

4.2 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

4.2.1 Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

4.2.2 Deferred tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognized for deductible temporary differences and unused tax losses and credits only if it is probable that future taxable amounts will be available to utilise those temporary differences and unused tax losses and credits.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

4.2.3 Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain as these matters are being contested at various legal forums. The Company recognizes liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax assets and liabilities in the period in which such determination is made.

4.3 Property, plant and equipment

4.3.1 Measurement

Items of property, plant and equipment other than land, buildings, plant & machinery and capital work in progress are measured at cost less accumulated depreciation and impairment loss (if any).

Land, buildings and leasehold improvements are measured at the revalued amount less accumulated depreciation and impairment loss (if any).

Capital work in progress is stated at cost less impairment loss (if any).

4.3.2 Revaluation

Any revaluation increase arising on the revaluation of land, buildings and plant & machinery is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of



the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on revaluation buildings and plant & machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to Other Comprehensive Income.

4.3.3 Depreciation

Depreciation is charged to income on reducing balance method, except for plant and machinery on which unit production method has been applied, so as to write off the written down value of assets over their estimated useful lives.

Depreciation methods, residual values and useful lives of assets are reviewed at the end of each financial year, and adjusted, if impact on depreciation is significant.

Gains/ losses on disposal of property, plant and equipment are included in the income currently.

4.3.4 Disposal

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on de-recognition of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognized in as other income in the statement of profit or loss.

4.3.5 Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate is accounted for on a prospective basis. Further, the key assumptions used to determine the fair value of property, plant and equipment are provided in Note 6.

4.3.6 Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

4.3.7 Change in policy:

As disclosed in notes 2.1.2 & 15 to the financial statements, the Companies Act, 2017 (The Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30th September 2018. Accordingly, the company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of property, plant and equipment. The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of International Accounting Standard (IAS) – 16 "Property Plant and Equipment" and IAS -8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Company has presented its statement of Financial Position as at the beginning of the earliest comparative period and related notes in accordance with requirement of IAS 1 – Presentation of Financial Statements (Revised) (IAS -1) . Had the accounting policy not been changed , the surplus on revaluation of property, plant and equipment would have been shown as a separate line item (below equity in the statement of financial position) amounting to PKR 1,837 million and PKR 1,870 million for the year ended 30th September 2018 and 2017 respectively.

4.4 Intangible assets – other than goodwill

4.4.1 Acquired

Intangible assets acquired separately are initially recognized at cost. After initial recognition, these are measured at cost less accumulated amortization and accumulated impairment losses. Costs associated with routine maintenance of intangible assets are recognized as an expense when incurred. However, costs that are directly attributable to identifiable intangible assets and which enhance or extend the performance of intangible assets beyond the original specification and useful life is recognized as capital improvement and added to the original cost of the intangible assets.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in note 6 to the financial statements.



4.4.2 Internally generated

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by the management. After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and impairment losses.

Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method at the rates specified in note 6 to the financial statements.

4.5 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which such costs are capitalized as part of the cost of that asset. Borrowing costs includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs and net gain / loss on the settlement of derivatives hedging instruments.

4.6 Stores, spares and loose tools

These are valued at lower of cost and net realizable value except for items in transit, which are valued at invoice value and other related expenses incurred thereon up to the balance sheet date. Cost is calculated on First-in-First-out (FIFO) basis.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.7 Stock-in-trade

The basis of valuation has been specified against each;

- Finished goods	Lower of cost and net realizable value
- Bagasse	Net realizable value
- Work-in-process	Cost of raw material consumed and proportionate manufacturing expenses
- Rice husk	Net realizable value
- Molasses in process	Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

4.8 Trade debts and other receivables

These are recognized initially at fair value plus directly attributable transaction costs, if any and subsequently measured at amortized cost using effective interest rate method less provision for impairment, if any. A provision for impairment is established if there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is charged to income. Trade debts and other receivables considered irrecoverable are written-off.

4.9 Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership of these goods have been transferred to the buyer.

4.10 Foreign currency transactions and translations

The Company's financial statements are presented in Rupees, which is Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at



year end exchange rates are generally recognized in profit or loss. They are deferred in Comprehensive Income (OCI) if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities measured at fair value through OCI are recognized in other comprehensive income.

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Company initially recognized the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Company determines the transaction date for each payment or receipt of advance consideration.

4.11 Provisions

4.11.1 Recognition and measurement

Provisions for legal claims, service warranties and make good obligations are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

4.11.2 Judgment and estimates

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

4.12 Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a class of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the income correctly.

4.13 Biological assets

These are measured at fair value less costs to sell on initial recognition at each balance sheet date unless the fair value cannot be measured reliably. Gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset at the balance sheet date is included in profit and loss account.



4.14 Related party transactions

All transactions between the Company and related parties are recorded at arm's length. Prices are determined in accordance with comparable uncontrolled price method, except for the allocation of expenses such as electricity, gas, water, repair and maintenance that are shared with the associated companies based on actual. Following are the related parties of the company:

- Bawany Sugar Mills Limited
- ASML Provident Fund

4.15 Financial assets

4.15.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting date; which are classified as non-current assets.

c) Held to maturity

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity.

d) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose it off within 12 months of the end of the reporting date.

4.16 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of an instrument. Financial liabilities are extinguished when these are discharged or cancelled or expire or when there is substantial modification in the terms and conditions of the original financial liability or part of it. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least ten percent different from the discounted present value of the remaining cash flows of the original financial liability. If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

4.17 Offsetting financial instruments

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



4.18 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term bank deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

4.19 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

4.20 Dividends distribution

Dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved.

4.21 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 year. 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.

4.22 In 2018 the Company conducted a detailed review of Loan from Director and discovered the error in relation to its recording and classification. In 2015, the Company received an interest free Loan from Director amounting to the Rs. 480 M as Special Loan Subordinated to Equity. Instead of its classification, the company recognized Rs. 311,638,952 as other income and the balance recognized as Subordinated Debt of Rs. 168,361,048. In 2016, the Company transferred the balance of Subordinated Debt to create an Equity Reserve. In addition, the Company also received a Fresh Loan of Rs. 300 M from Director and the same has also been transferred in the Equity Reserve. Further the management also transferred Rs. 311,638,952 from Accumulated Loss to Equity Reserve. In 2018 the Director demanded repayment of loan granted in 2016. However, the Company recognized that loan in Equity Reserve instead of its recording as Subordinated Debt from Director.

4.23 The Correction of error is accounted for retrospectively and the comparative information for 2016 and 2017 has been restated. The error has been corrected by restating each of the affected financial statement's line item for the prior period.

There is no financial impact of this correction of error in Statement of Profit or Loss.

Statement of Financial Position

	As at October 1, 2017			As at September 30, 2018		
	Sep 30, 2017	Increase / (Decrease)	Oct 01, 2017	Sep 30, 2018	Increase / (Decrease)	Sep 30, 2018 (Restated)
(Rupees).....		(Rupees).....		
Equity Reserve	780,000,000	(300,000,000)	480,000,000	780,000,000	(300,000,000)	480,000,000
Deferred Tax	-	(144,000,000)	(144,000,000)	-	(144,000,000)	(144,000,000)
Net impact on Equity	780,000,000	(444,000,000)	336,000,000	780,000,000	(444,000,000)	336,000,000



5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress

Note
5.1

2018 (Rupees)

2017

4,215,217,280	4,256,599,537
196,872,667	169,169,736
4,412,089,947	4,425,769,273

5.1 Operating fixed assets

Description	Freehold Land	Factory Building-Freehold	Non-factory Building-Freehold	Plant and machinery	Electrical Installations	Weighbridge	Office equipments and Others	Electrical appliances	Furniture and fixtures	Vehicles	Tent and tarpaulins	Tools and ladders	Capital Work in progress (note 5.12)	Total
(Rupees)														
2018														
As at October 1, 2017														
Cost/	382,025,000	771,447,836	580,509,621	3,922,102,084	9,457,061	4,618,918	10,898,928	9,030,094	3,262,298	34,953,633	6,570,321	1,993,521	169,169,736	5,906,039,052
Revalued amount														
Accumulated depreciation and impairment	-	(239,555,980)	(125,575,923)	(1,052,561,949)	(7,843,093)	(2,420,943)	(6,893,049)	(5,975,900)	(2,601,404)	(28,526,179)	(6,326,664)	(1,988,694)	-	(1,480,269,776)
Carrying Amount	382,025,000	531,891,856	454,933,698	2,869,540,135	1,613,968	2,197,975	4,005,879	3,054,194	660,894	6,427,454	243,657	4,827	169,169,736	4,425,769,273
Year ended September 30, 2018														
Opening carrying amount	382,025,000	531,891,856	454,933,698	2,869,540,135	1,613,968	2,197,975	4,005,879	3,054,194	660,894	6,427,454	243,657	4,827	169,169,736	4,425,769,273
Additions		332,714	-	25,210,811	4,400	-	358,429	3,332,770	249,200	2,487,885	-	-	-	31,976,209
Disposals - carrying amount		-	-	-	-	-	-	-	-	-	-	-	27,702,931	27,702,930
Depreciation		(26,611,229)	(22,746,685)	(20,795,817)	(161,537)	(219,798)	(406,431)	(638,696)	(91,009)	(1,262,568)	(80,407)	(1,593)	-	(2,602,500)
Disposal Depreciation		-	-	-	-	-	-	-	-	-	-	-	-	(73,046,070)
Closing Carrying amount	382,025,000	505,613,341	432,187,013	2,873,965,129	1,456,531	1,978,177	3,927,877	5,748,268	819,085	7,340,375	163,250	3,234	196,872,667	4,412,089,947
As at September 30, 2018														
Cost/	382,025,000	771,780,550	580,509,621	3,947,312,895	9,461,461	4,618,918	11,257,357	12,362,864	3,511,486	34,839,018	6,570,321	1,993,522	196,872,667	5,963,115,692
Revalued amount		(268,167,209)	(148,322,808)	(1,073,357,766)	(8,004,930)	(2,640,741)	(7,329,480)	(6,614,596)	(2,682,413)	(27,498,643)	(6,407,071)	(1,990,288)	-	(1,551,025,745)
Accumulated depreciation and impairment														
Closing Carrying amount	382,025,000	505,613,341	432,187,013	2,873,965,129	1,456,531	1,978,177	3,927,877	5,748,268	819,085	7,340,375	163,250	3,234	196,872,667	4,412,089,947
Rate of depreciation per annum (%)	-	5%	5%	-	5%	10%	10%	10%	10%	10%	20%	20%	-	-



Description	Freehold Land	Factory Building-Freehold	Non-factory Building-Freehold	Plant and machinery	Electrical Installations	Weightbridge	Office equipments and Others	Electrical appliances	Furniture and fixtures	Vehicles	Tent and tarpaulins	Tools and tackles	Capital Work in progress (note 5.12)	Total
As at October 1, 2016														
Cost/														
Revalued amount	382,025,000	771,447,836	580,509,621	3,922,102,084	9,457,061	4,618,918	10,741,278	9,030,094	3,262,298	36,961,633	6,570,321	1,993,521	169,169,736	5,907,889,401
Accumulated depreciation and impairment	-	(211,561,572)	(101,632,044)	(1,030,254,752)	(7,663,763)	(2,176,723)	(6,459,261)	(5,636,545)	(2,527,971)	(28,658,249)	(6,206,654)	(1,986,319)	-	(1,404,763,953)
Carrying Amount	382,025,000	559,886,164	478,877,577	2,891,847,332	1,793,298	2,442,195	4,282,017	3,393,549	734,327	8,303,384	363,667	7,202	169,169,736	4,503,125,448
Year ended September 30, 2017														
Opening carrying amount	382,025,000	559,886,164	478,877,577	2,891,847,332	1,793,298	2,442,195	4,282,017	3,393,549	734,327	8,303,384	363,667	7,202	169,169,736	4,503,125,448
Additions	-	-	-	-	-	-	157,650	-	-	-	-	-	-	157,650
Disposals - carrying amount	-	-	-	-	-	-	-	-	-	(2,008,000)	-	-	-	(2,008,000)
Depreciation	-	(27,994,306)	(23,943,879)	(22,307,197)	(179,330)	(244,220)	(433,788)	(339,355)	(73,433)	(1,632,911)	(120,010)	(2,375)	-	(77,270,806)
Disposals Depreciation										1,764,981				1,764,981
Closing Carrying amount	382,025,000	531,891,856	454,933,698	2,869,540,135	1,613,968	2,197,975	4,005,879	3,054,194	560,894	6,427,454	243,657	4,827	169,169,736	4,425,769,273
As at September, 2017														
Cost/														
Revalued amount	382,025,000	771,447,836	580,509,621	3,922,102,084	9,457,061	4,618,918	10,898,928	9,030,094	3,262,298	34,953,633	6,570,321	1,993,521	169,169,736	5,906,039,051
Accumulated depreciation and impairment	-	(239,655,980)	(125,575,923)	(1,052,561,949)	(7,843,093)	(2,420,943)	(6,893,049)	(5,975,900)	(2,601,404)	(28,526,179)	(6,326,664)	(1,988,696)	-	(1,480,269,778)
Closing Carrying amount	382,025,000	531,891,856	454,933,698	2,869,540,135	1,613,968	2,197,975	4,005,879	3,054,194	560,894	6,427,454	243,657	4,827	169,169,736	4,425,769,273
Rate of depreciation per annum (%)														
	-	5%	5%	-	10%	10%	10%	10%	10%	10%	20%	20%	-	-



5.2 As at June 14, 2016, valuation was conducted resulting in revaluation surplus (net of deferred tax liability) of PKR 1,924 million, the valuation was conducted by an independent valuer. Valuations for plant and machinery and building were based on the estimated gross replacement cost, depreciated to reflect the residual service potential of the assets taking account of the age, condition and obsolescence. Land was valued on the basis of fair market value. The fair value of the assets subject to revaluation model fall under level 2 of fair value hierarchy (i.e. significant observable inputs).

5.3 Forced sale value as per the last revaluation report dated 14th June 2016 are as follows:

Asset class	Forced Sale Value ----- (Rupees) -----
Freehold land (note 5.3.1)	464,537,500
Factory & Non-Factory Building	846,397,000
Plant and machinery	2,309,600,000
Total	3,620,534,500

5.3.1 The forced sale value of Freehold land is not available in the valuation report.

5.3.2 The above amount does not contain assets which are capitalized from 1st July 2016 to 30th June 2018.

5.4 Particulars of immovable asset of the Company are as follows:

Location	Address	Usage	Units	Area/ covered area (approx.)
Sindh	Deh Jagsiyani, Taluka Tando Ghulam Hyder, District Tando Muhammad Khan, Sindh, Pakistan	Industrial Land	Acres	132.725
Sindh	Deh Jagsiyani, Taluka Tando Ghulam Hyder, District Tando Muhammad Khan, Sindh, Pakistan	Factory building	Square fts	563,442

5.4.1 Depreciation charge is inclusive of the incremental depreciation due to revaluation and has been allocated as follows:

		2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
	Note		
Manufacturing expenses	25.1	47,626,843	50,548,101
Administrative and general expenses	26	25,419,225	26,722,705
		73,046,068	77,270,806

5.5 Had there been no revaluation, the net book value of the specific class of property, plant and equipment would have amounted to:



	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Freehold land	179,178,750	179,178,750
Buildings	550,901,044	599,926,243
Plant and machinery	1,254,225,221	1,249,810,228
	1,984,305,015	2,028,915,221

5.6 Capital work-in-progress represents plant and machinery- stores held for capitalization

The following is the movement of capital work in process during the year:

	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Opening balance	169,169,736	169,169,736
Additions during the year	27,702,931	-
Transfers during the year	-	-
Closing balance	196,872,667	169,169,736

5.7 Disposals

Description	Cost	Accumulated depreciation	Carrying value	Sale Proceed	Mode of disposal	Particulars of buyer
Vehicle	2,602,500	2,290,104	312,396	761,990	Company Policy	
Sep 30, 2018	2,602,500	2,290,104	312,396	761,990		
Sep 30, 2017	2,008,000	1,764,981	243,019	988,552		

6. INTANGIBLE ASSET- SOFTWARE

As at October 1

	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Cost	3,768,724	3,768,724
Accrued amortization	2,693,688	2,164,193
Carrying value	1,075,036	1,604,531
Additions	48,619	-
Amortization for the year	370,806	529,495
Closing carrying amount	602,552	850,712

As at September 30

	2018 ----- (Rupees) -----	2017 ----- (Rupees) -----
Cost	3,817,343	3,768,724
Accumulated amortization	(3,064,494)	(2,693,688)
	752,849	1,075,036
Amortization rate	33%	33%



		2018	2017
		(Rupees')	(Rupees')
7. LONG TERM INVESTMENT			
Held to maturity			
Accrued profit	7.1	143,061,649	119,748,826
Defense Saving Certificates (DSCs)	7.2	72,000,000	72,000,000
		215,061,649	191,748,826
7.1	This represents the DSCs purchased by the Company on March 18, 2009 with a maturity of 10 years having effective interest rate of 12.16%. These have been pledged with National Bank of Pakistan as a security of repayment of term loan of Rs. 213.551 million (2016: 213.551 million)		
7.2	The amount represents accrued profit on DSCs purchased by the Company calculated using the effective rate of interest.		
		2018	2017
		(Rupees')	(Rupees')
8. LONG TERM LOANS – SECURED, CONSIDERED GOOD			
Long term loan to employees	8.1	-	567,350
Less: Current portion shown under current assets		-	(202,900)
		-	364,450
8.1	The above loan under the terms of employment have been given to employees and executives other than directors of the Company to facilitate purchase of house and vehicles. The loan is repayable in monthly installments over a period of two to four years. These loans are secured against retirement benefits of the employees.		
		2018	2017
		(Rupees')	(Rupees')
9. LONG TERM DEPOSITS			
Hyderabad Electric Supply Company (HESCO)		82,500	82,500
British Oxygen Company		212,500	212,500
Sui gas supply deposit		50,000	50,000
Security deposit Others		775,600	775,600
Security deposit		116,000	116,000
		1,236,600	1,236,600
10. INVENTORIES			
Stores, spare parts and loose tools		267,434,657	274,275,959
Packing material		10,303,427	7,831,304
Work in progress		21,524,883	21,766,020
By-Products		25,216,825	297,772,695
Finished goods		2,332,067,407	1,846,821,742
		2,656,547,199	2,448,467,720



10.1 Pledged as security

At September 30, 2018, the finished goods inventory amounting to Rs. 2,332 Million (2017: 1,847 Million) was pledged as security against short term financing amounting to Rs. 2,164 Million (2017: 2,173 Million) from scheduled banks namely Summit Bank Ltd., National Bank of Pakistan and Sindh Bank Ltd.

11. TRADE AND OTHER RECEIVABLES

Trade debts

	2018	2017
	(Rupees)	
Local sugar sales	28,015,759	746,281,000
Local molasses sales	246,709,089	8,120,835
Export sale	-	5,897,884
	274,724,848	760,299,719

12. LOANS AND ADVANCES

Current portion of long term loans

- 202,900

Considered good, unsecured

- advance to crane growers	1,204,793,116	1,108,711,847
- to employees	1,431,734	1,005,630
- advance to suppliers and contractors	242,203,575	229,172,824
- advance against expenses	11,316,600	363,672,728
- prepayments	91,787	91,787
- Freight subsidy on export	236,613,000	65,519,100
	1,696,449,812	1,768,173,916

12.1 Loans and advances exceeding Rs. 1 million

Category	2018	2017
	(Rupees)	
Rs. 1 million to 2 million		
- Prepayments	91,787	91,787
- loans and advances to employees	1,431,734	1,005,630
	1,523,521	1,097,417
Rs. 2 million to 3 million		
-	-	-
Rs. 3 million and onward		
- advance against expenses	11,316,600	363,672,728
- Freight subsidy on export	236,613,000	65,519,100
- advance to suppliers and contractors	242,203,575	229,172,824
- advance to crane growers	1,204,793,116	1,108,711,847
	1,694,926,291	1,767,076,499



13. CASH AND BANK BALANCES

With banks on:

- Current accounts – Local currency	13.1	250,706,168	5,296,753
- Cash in hand		2,089,124	213,906
		252,795,292	5,510,659

13.1 The bank accounts of the company have been seized with effect from 25th July 2019 due to enquiry initiated by National Accountability Bureau (NAB), Federal Investigation Agency (FIA).

14. SHARE CAPITAL

14.1 Authorised share capital

2018	2017		2018	2017
No. of shares			(Rupees)	
90,000,000	30,000,000	Ordinary shares of Rs. 10 each.	900,000,000	300,000,000

14.2 Issued, subscribed and paid up capital

14.2.1 The breakup of ordinary paid up share capital is as follows:

2018	2017		2018	2017
No. of shares			(Rupees)	
50,025,607	18,296,250	Ordinary share of Rs. 10 each paid in cash	500,256,070	182,962,500
6,110,948	6,110,948	Ordinary shares allotted as bonus Shares	61,109,480	61,109,480
56,136,555	24,407,198		561,365,550	244,071,980

14.2.2 Reconciliation of number of ordinary shares outstanding

	(Numbers)	
Balance at the beginning of the year	24,407,198	24,407,198
Share issued during the year	31,729,357	-
Balance at the end of the year	56,136,555	24,407,198

14.2.3 Mr. Khawaja Anver Majid holds 51.22% shareholding in the Company.

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



15. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The revaluation surplus represents net cumulative increase in the carrying amount as a result of revaluation of property, plant and equipment carried at revalued amount.

	2018	2017
	-----	-----
	(Rupees)	(Rupees)
Opening balance	1,869,613,831	1,923,982,826
Less incremental depreciation – net of tax	(32,295,753)	(54,368,995)
Closing balance	1,837,318,078	1,869,613,831

- 15.1** As disclosed in note 2.1.2 and 4.3.7 to the financial statements, the surplus on revaluation of property, plant & equipment has been restated retrospectively as separate capital reserve in the financial statements.

15.2 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

16. Equity Reserve

	2018	2017
	-----	-----
	(Rupees)	(Rupees)
Equity Reserve	480,000,000	480,000,000
Deferred Tax	(144,000,000)	(144,000,000)
	336,000,000	336,000,000

- 16.1** represent as Special Loan from Directors converted to Equity Reserve vide Board Resolution dated. In 2015 Rs. 480 M was injected as Loan from Director out of which Rs. 311,638,952 was taken to income and Rs. 168,361,047 classified in Sub Ordinated Loan. In 2016, the Company took the amount of Rs. 311,638,952 previously recognized income and amount of Sub Ordinated Loan to Equity Reserve the accounting treatment of recording and classification of Director Loan through Income Statement and Equity in corrected as stated in note 4.22.

17. Subordinate Debt

	2018	2017
	-----	-----
	(Rupees)	(Rupees)
Opening Balance	300,000,000	300,000,000
Disbursed during the year	-	-
Repayment during the year	300,000,000	300,000,000
	(300,000,000)	-
Closing Balance	-	300,000,000

- 17.1** As a result of correction of error Rs. 300 M is classified and recorded as a Sub Ordinated



Loan from director in period ended Sep 30, 2016. The loan carried Nil interest/markup and was repayable at the discretion of the Company. During the year, the Company has repaid the entire amount of loan.

18. FINANCIAL LIABILITIES

Non- current	18.1	<u>2,600,748,222</u>	<u>2,820,275,003</u>
Current	18.2	<u>2,417,042,211</u>	<u>2,305,637,723</u>

18.1 Financial liabilities at amortized cost- Non Current

	Note	Installments Number	Commencing from	Mark-up	2018	2017
Terms loans						
National Bank of Pakistan – Demand Finance Facility – I	18.1.1	22 quarterly	July 2016	3-months KIBOR +2% per annum	612,088,035	675,407,856
National Bank of Pakistan – Frozen Mark-up Facility – I	18.1.2	-	January 2019	Frozen	-	169,762,240
National Bank of Pakistan – Demand Finance Facility – II	18.1.3	22 quarterly	July 2016	3-months KIBOR +2% per annum	335,134,772	366,745,142
National Bank of Pakistan – Demand Finance	18.1.4	22 quarterly	April 2018	3-months KIBOR +2% per annum	200,000,000	-
Sindh Bank Limited – Term Finance – I	18.1.5	28 Quarterly	October 2017	3-months KIBOR +3% per annum	145,500,000	150,000,000
Sindh Bank Limited – Term Finance – II	18.1.5	28 Quarterly	October 2017	3-months KIBOR +3% per annum	80,510,000	83,000,000
Syndicated Term Finance Facility	18.1.6	8 semi-annual	July 2014	6-months KIBOR +2% per annum	98,000,000	100,000,000
Sindh Bank Limited – Restructured from Running Finance	18.1.7	24 Quarterly	October 2017	3-months KIBOR +2.75% per annum	328,077,250	338,298,250
Sindh Bank Limited	18.1.8	24 Quarterly	October 2016	3-months KIBOR +2.75% per annum	90,160,000	92,000,000
Summit Bank Limited	18.1.9	24 Quarterly	October 2017	6-months KIBOR +2.75% per annum	133,375,000	137,500,000
Summit Bank Limited – Restructure	18.1.10	24 Quarterly	October 2017	6-months KIBOR +2.75% per annum	730,508,265	739,930,115
Sindh Bank Limited	18.1.11	24 Quarterly	July 2016	3-months KIBOR +2.75% per annum	98,000,000	100,000,000
					<u>2,851,353,322</u>	<u>2,952,643,603</u>



- 18.1.1** National Bank of Pakistan had amalgamated and re-scheduled four long term loans' outstanding amount up-to Rs. 703.55 million into a single facility. The principal and mark-up thereon is repayable in 4.25 years and 19 quarterly installments to be paid on step-up basis as the 1st installment was felt due on January 01, 2017. The Facility is secured against 1st pari passu equitable mortgage charge over all present and future fixed assets of the Company including land, building, plant & machinery and 1st pari passu hypothecation charge over present and future plant and machinery of the Company situated at Deh Jagsiyani, Tappo Fateh Bagh, Taluka Tando Ghulam Hyder, district Tando Muhammad Khan, Sindh.

	2018	2017
	(Rupees)	
18.1.2 National bank of Pakistan- frozen mark-up facility		
Opening balance	-	151,359,903
Add: Amortization during the year	-	18,402,337
	-	169,762,240

The Company had entered into an agreement dated February 23, 2009 with National Bank of Pakistan (NBP) in respect of settlement of long term loans amounting to Rs. 956.437 million against which Rs. 656.40 million was reflected in Company's books (NBP - I of Rs. 34.30 million, NBP - II of Rs. 116.45 million of General Term Finance, NBP LCY of Rs. 127.636 and frozen markup on these loans amounting to Rs. 377.20 million). The above settlement resulted in the extinguishment of debt by Rs. 484.9 million. According to the agreement, the Company has to pay an amount of Rs. 213.551 million after ten (10) years from the date of agreement i.e. by January 01, 2019. The amount is secured against the pledge of Defense Saving Certificates (DSCs) of Rs.72 million as explained in note 7.2 to these financial statements. The loan is measured on amortized cost, discounted on 12.16% over the period of 10 years.

The NBP will retain the 1st charge but release the sponsor's shares lying pledged in lieu of security in the shape of DSCs of Rs. 72 million to be kept under lien with NBP till recovery of entire settlement amount. However, NBP may consider request for NOC 1st pari passu charge with the approval of competent authority.

- 18.1.3** National Bank of Pakistan had re-scheduled existing running finance facility into long term loan amount up-to Rs. 385.21 million. The principal and mark-up thereon is repayable in 4.75 years and 19 quarterly installments to be paid on step-up basis with the 1st installment was felt due on January 01, 2017. The Facility is secured against 1st pari passu equitable mortgage charge over all present and future fixed assets of the Company including land, building, plant & machinery and 1st pari passu hypothecation charge over present and future plant and machinery of the Company situated at Deh Jagsiyani, Tappo Fateh Bagh, Taluka Tando Ghulam Hyder, district Tando Muhammad Khan, Sindh.
- 18.1.4** The Company had entered into an agreement dated April 17, 2018 with National Bank of Pakistan (NBP) for the demand finance facility for the purpose of financing the cane growers' and suppliers' liability against the hypothecation of charged assets. This facility comprises of twenty four quarterly installments commencing from 30-06-2018, and the markup is charged on the outstanding balance at Kibor plus spread of 2%. The facility is secured by creating 1st pari passu equitable mortgage over all present and future fixed assets of the company including land and building and 1st pari passu hypothecation charge over present and future plan and machinery of the company situated at Deh Jagsiyani, Tappo Fateh Bagh, Taluka Tando Ghulam Hyder District Tando Muhammad Khan, Sindh.



- 18.1.5** This represent Long term Finance Facility of TF I of Rs. 150 million and TF II Rs. 83 million from Summit Bank Limited for the expenses incurred against maintenance, servicing and overhauling of property, plant and machinery of the mill. Since Principal Repayment has to be commenced only after the end of 1 year grace period but the markup is being accrued. The facility is secured against moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.
- 18.1.6** This represent Syndicated Term Finance Facility (STFF) of Rs 230 million to settle cane growers and suppliers/contractors liabilities and to improve liquidity position. The parties of the syndicates are Sindh Bank Limited with the share of Rs. 200 million and Summit Bank Limited (agent) with the share of Rs. 30 million. Since the date the facility was availed the loan was repayable in five years including one year grace period. The facility is secured by first pari passu charge over all present and future fixed assets of the Company.
- 18.1.7** Sindh Bank Limited had restructured a short term Running Finance Facility of Rs. 325 million as Long Term Finance Facility with effect from October 2017. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The facility is secured against moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.
- 18.1.8** This represent Long Term Finance Facility of Rs. 92 million from Sindh Bank Limited with effect from October 2016 for payment of grower liabilities. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The principal and mark-up thereon is repayable in 24 quarterly instalments to be paid on step-up basis with the 1st instalment falling due on January 30, 2018. The facility is secured against pari passu charge overall present and future moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.
- 18.1.9** This represent Long term Finance Facility of Rs. 137.5 million from Summit Bank Limited for settlement of growers' liability, suppliers' repayment and adjustment of advances. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The first principal payment shall fall due within 15 months from the date of disbursement i.e. January 17, 2018. The facility is secured against joint pari-passu hypothecation charge / pari-passu charge (both acceptable) over all present and future movable fixed assets of the customer with 20% margin over facility amount, joint pari-passu equitable mortgage over Land, building any other immovable property with 20% margin over facility amount and over all rights and benefits of customer under any and all project insurances and cut through agreements for reinsurance.
- 18.1.10** Summit Bank had re-scheduled existing Running Finance - I, Running Finance - II, Syndicated term Finance and Long Term Finance facilities amounting to Rs. 199.93 million, Rs. 300 million, Rs. 15 million and Rs. 250 million respectively into Long Term Finance facility Rs. 764.93 million for balance sheet restructuring, change in debit mix and optimum utilization of resources to maximize cane crushing. The principal and mark-up thereon is repayable in 24 quarterly instalments to be paid on step-up basis with the 1st instalment falling due on September 01, 2017. The principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued. The facility is secured against joint pari-passu hypothecation charge over all present and future movable fixed assets of the company with 20% margin over facility amount, joint pari-passu equitable mortgage over Land, building any other immovable property with 20% margin over facility amount and over all rights and benefits of the company under any and all project insurances and cut through agreements for reinsurance.
- 18.1.11** The company had converted the Syndicated Term Finance Facility into Long Term Finance amounting Rs. 100 million from Sindh Bank Limited to settle cane growers and suppliers/contractors liabilities and to improve liquidity position in the aftermath of devastating floods in Sindh in 2011 with effect from July 2016. Since the date of conversion the principal and markup thereon is repayable in seven years including one year grace period but the markup is being accrued, the first repayment falling due in fifteen months from the first drawdown date and subsequently every three months thereafter. The facility is secured against initial ranking charge over fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.



		2018	2017
		-----	-----
		(Rupees)	(Rupees)
18.2 Current	Note		
Short term borrowings	18.2.1	2,166,437,111	2,173,269,123
Current portion of long term loan	18.2.2	250,605,100	132,368,600
		2,417,042,211	2,305,637,723

18.2.1 These represents cash finance facilities amounting 2,167 million (2017 Rs. 2,173 million) obtained by the Company from National bank of Pakistan, Summit Bank Limited and Sindh bank limited. The rate of markup applicable during the year was 3 months KIBOR plus 1.5% to 3 % (2016: 3 month quarterly). These facilities are secured against all present and future current assets and fixed assets of the company including pledge of sugar bags in standard size of 50 KG,s with 20 % to 25 % margin over facilities amount.

18.2.2 This amount represents letter of guarantee obtained from Sindh Bank.

19. DEFERRED TAX LIABILITY

The deferred tax assets and the deferred tax liabilities relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, these have been offset in the statement of financial position as follows:

	2018	2017
	-----	-----
	(Rupees)	(Rupees)
Taxable temporary differences		
- Accelerated tax depreciation	462,603,372	388,061,789
- Surplus on revaluation of fixed assets	658,616,347	650,594,739
Deductible temporary differences		
- Provision for staff retirement and other benefits	(2,722,903)	(2,841,995)
- Alternate corporate tax	(106,940,104)	(45,531,885)
- Unused tax losses	(374,837,473)	(422,976,450)
	636,719,239	567,306,198
Staff retirement benefits- gratuity	9,389,321	9,167,727
Equity Reserve	144,000,000	144,000,000
	790,108,560	720,473,925

19.1 Staff retirement benefits – Gratuity

Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at September 30, 2018 amounting to Rs. 1,606,794 (2017: Rs. 3,065,779) using the Project Unit Credit Method.



Principal assumptions	Note		
		10.00% per annum	8.00% per annum
Discount rate		10.00% per annum	8.00% per annum
Expected rate of eligible salary increase in future years		10.00% per annum	8.00% per annum
		2018	2017
		----- (Rupees) -----	
Liability for gratuity arose in the following manner:			
Opening net liability		9,167,727	8,044,337
Expense for the year	19.3	1,606,794	3,065,779
Other Comprehensive Income		(506,282)	(903,821)
Benefits paid		(878,918)	(1,038,568)
Closing net liability		9,389,321	9,167,727
Reconciliation of the liability			
Present value of defined benefit obligations		9,389,321	9,167,727
		9,389,321	9,167,727
19.2 Charge to profit and loss account			
Current service cost		905,269	2,536,239
Interest cost		701,525	529,540
Total amount chargeable to profit and loss account		1,606,794	3,065,779

19.3 Expected charge for the year ending 30 September, 2018 is Rs. 1,606,794.

20. PROVISION FOR QUALITY PREMIUM

This represents the amount of Quality Premium up to the years 2003-2004. The Federal Government in its steering meeting held on July 16, 2007 suspended the quality premium till decision of the Honorable Supreme Court of Pakistan/consensus on uniform formula is developed in the Ministry of Food and Agriculture.

The matter of quality premium has been declared unlawful by the Lahore High Court while appeal against the conflicting judgment of the Sindh High Court is pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. The Company has made the provision of the quality premium up to the year 2004. However with respect to quality premium for the year ranging within 2004 to 2007 the Company has adjusted subsidies paid above minimum cane price level against quality premium to the growers. The Company has no liability for the period 2007-08 due to recovery rate is less than the threshold of quality premium.



		2018	2017
		----- (Rupees) -----	
21. TRADE AND OTHER PAYABLES			
Trade creditors		43,781,853	73,488,454
Sugar cane creditors		183,134,579	454,235,200
Accrued expenses		18,930,542	9,075,690
		245,846,974	536,799,344
Other liabilities			
Advances from customers	21.1	76,147,290	34,254,697
Due to associates		139,052,840	90,000,000
Workers' Welfare Fund (WWF)		-	16,400,230
Withholding tax payable		2,728,919	650,968
Sales tax payable		1,750,328	17,220,585
Workers' Profit Participation Fund	21.3	-	25,956,487
Unclaimed dividend		2,194,784	405,085
Others		2,861,301	1,096,246
		224,735,462	185,984,298
		470,582,436	722,783,642

21.1 This includes Rs. 7,194,885 (2017: 24,648,813) payable to Omni Polymer Packages (Private) Limited, a related party, in respect of purchases of polypropylene bags.

21.2 This represents advances received against delivery of sugar for which delivery orders have been issued or sale contracts have been made.

21.3 Movement in Workers Profit Participation Fund During the year

	2018	2017
	----- (Rupees) -----	
Balance as at October 01, 2017	-	23,858,930
Expense recognized during the year	-	656,477
Repaid during the year	-	1,441,079
Balance as at September 30, 2018	-	25,956,487

22. CURRENT TAX LIABILITY

Balance as at Oct 1, 2017	50,988,882	63,358,921
Current Tax	10,716,570	21,463,487
Income Tax Paid	(50,811,517)	(33,833,526)
	10,893,935	50,988,882

In determining the income tax liabilities, management is required to estimate the deductibility of certain expenses. Subsequent to year end, the DCIR has opened tax assessment for Tax year 2014, 2016, 2017, 2018 and 2019 demanding significant amount of tax; however management believe that the tax positions are sustainable and provision for current tax for the year is sufficient following is the position of tax provision against assessed tax liability by DCIR.



Tax year	Provision as per financial statements	Assessed tax liability	Difference between provision and assessed tax
			Rupees.....
2016	45,531,885	19,805,524	(25,726,361)
2017	17,301,620	13,359,375	(3,942,245)
2018	21,463,487	27,987,247	6,523,760
2019	21,769,248	9,429,168	(12,340,080)
	106,066,240	70,581,314	(35,484,926)

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

The Company has following contingent liabilities in respect of legal and other claims arising in the ordinary course of business.

23.1.1 Claims subject to legal proceedings

Subsequent to year end following cases have been filed against the company.

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
High Court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	Sindh Bank	31-08-2019
Banking Court	Suit filed against the recoveries of outstanding amount	National Bank	18-10-2019
Banking Court	Suit filed against the recoveries of outstanding amount	Summit Bank	17-10-2019
Banking Court	Suit filed against the recoveries of outstanding amount	Summit Bank	24-08-2020
High court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	The Collector Sales Tax	10-04-2004
High court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	Additional Collector Sales Tax	16-04-2003
High court Sindh at Karachi	Suit filed against the recoveries of outstanding amount	Collectorate of Customs	10-01-2004

23.1.2 Suit B-44 of 2019 file against the Company for the recoveries of outstanding amount of Rs. 1,715,813,366 by Sindh Bank. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law..

23.1.3 Suit B-64 of 2019 file against the Company for the recoveries of outstanding amount of Rs. 2,932,119,904 & 1,430,374,965 by National Bank Of Pakistan. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual



period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law..

23.1.4 Suit B-61 of 2019 file against the Company for the recoveries of outstanding amount of Rs. 1,091,573,113 by Summit Bank. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law.

23.1.5 Suit B-28 of 2020 file against the Company for the recoveries of outstanding amount of Rs. 109,565,519 by Summit Bank. The Company has denied the outstanding amount as claimed by the bank in the subject suit as the Bank without having any lawful jurisdiction recovered huge amount from the Company and has illegally adjusted the same toward alleged markup after the expiry of contractual period. No provision has been made in accounts as in view of legal advisor the claimed amount by Bank has to qualify the test of judicial determination with respect to amount actually payable by the Company in accordance with law.

23.1.6 Excise duty rebate on excess production during the crushing season 1993-94 over the previous three years average production amounting to Rs. 22.40 million refunded by the department had been claimed back by the Collector of Customs and Central Excise on the ground that the amount was erroneously refunded. The Sales Tax Appellate Tribunal decided the case in favor of Company vide its order dated 20-10-2003. Against the said order the department has filed appeal before the High Court. The Company expects a favorable outcome of the case in view of legal advisor, hence no provision has been made in these financial statements.

23.1.7 The Company is contesting a case relating to additional sales tax amounting to Rs. 10.364 million on account of in house consumption of baggase as fuel for production during season 1996-97. The matter was under appeal at the Sales Tax Appellate Tribunal which passed an unfavorable order dated 22-05-2004. The other bench of the Tribunal had however remanded back similar case of other mills to the department to consider afresh the valuation aspect of baggase and exemption offered by the government for additional taxes and penalties on discharging only the principal sales tax liability in installments by the mills. The Company has preferred an appeal before the High Court against the order and has made no provision as in view of its legal council the Company has a case on merit which is expected to be decided favorably.

23.1.8 The Company is defending the case of further tax amounting to Rs. 31.181 million under the Sales Tax Act, 1990 pending adjudication before the High Court of Sindh. Earlier, the High Court maintained the favourable order of the Sales Tax Appellate Tribunal, Karachi wherein it was decided that the taxpayer companies were not required to charge impugned further tax. Upon the appeal of Collector of sales tax, the Honourable Supreme Court of Pakistan has remanded the case back to the High Court. The Company has paid a sum of Rs. 6.97 million in the same case in respect of further tax of Rs. 6.45 million and additional tax of Rs. 0.517 million under protest and recorded it as an asset in the financial statements. The Company expects that the High Court will maintain its previous favourable order, hence it does not expect any liability to be materialised and no provision is made in these financial statements.

23.1.9 As discussed in note 19 the Company has adjusted the quality premium against the subsidies paid above minimum cane price level for the year ranging from 2004 to 2007 to the growers. The Company has no liability for the period 2007-08 to 2011-12 due to recovery rate is less than threshold of quality premium. However for the season 2012-13 and 2013-14, as a matter of prudence the Company has not made any provision for quality premium amounting to Rs. 20.76 million (2017: Rs. 20.76 million).

23.2 Commitments

There are no further commitments in respect of capital and revenue expenditures as at September 30, 2018.



		2018 ------(Rupees')-----	2017 ------(Rupees')-----
24. SALES – NET			
Sugar – Local		582,493,822	2,378,938,702
Sugar – Export		1,159,046,006	-
		1,741,539,828	2,378,938,702
Sales tax		(64,234,048)	(232,590,000)
		1,677,305,780	2,146,348,702
25. COST OF SALES			
Sugarcane consumed		1,601,157,699	1,905,852,467
Manufacturing expenses	25.1	179,434,934	165,194,822
		1,780,592,633	2,071,047,289
Opening stocks			
Sugar in process		20,956,459	19,490,714
Finished goods		1,846,821,742	1,570,856,122
Molasses		287,169,694	260,921,888
Molasses in process		809,561	964,811
Bagasse		10,603,000	9,248,033
		2,166,360,456	1,861,481,568
Closing stocks			
Sugar in process		(19,224,258)	(20,956,459)
Finished goods		(2,332,067,407)	(1,846,821,742)
Molasses		(13,341,825)	(287,169,694)
Molasses in process		(2,300,625)	(809,561)
Bagasse		(11,875,000)	(10,603,000)
		(2,378,809,115)	(2,166,360,456)
Sale of by product – Molasses		(339,065,810)	(92,631,070)
		1,229,078,164	1,673,537,331
		2018 ------(Rupees')-----	2017 ------(Rupees')-----
25.1 Manufacturing expenses			
Salaries, wages including bonus and staff amenities	25.1.1	46,859,509	44,464,991
Packing material		29,471,775	17,366,476
Production Store		30,918,510	28,465,355
Fuel and power		8,320,502	11,301,437
Repair and maintenance		1,898,162	1,903,718
Insurance expense		4,646,628	4,758,871
Vehicle maintenance		637,593	692,277
Freight & Handling Charges		9,055,412	5,693,596
Depreciation		47,626,843	50,548,101
		179,434,934	165,194,822



25.1.1 This includes Rs. 2,761,775/- (2017: Rs. 2,837,777/-) in respect of contribution to provident fund and Rs. 1,221,074/- (2017: Rs. 2,329,821/-) in respect of charge for staff gratuity.

		2018	2017
		-----	-----
		(Rupees)	(Rupees)
26. ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries including bonus and staff amenities	26.1	30,976,302	29,393,415
Rent, rates and taxes		5,054,191	5,603,303
Insurance		6,129,118	9,940,238
Water, gas and electricity		1,018,104	760,489
Printing and stationery		554,337	653,414
Postage, telegram and telephone		1,881,288	723,598
Vehicle maintenance		510,854	771,330
Repairs and maintenance		881,362	824,708
Travelling and conveyance		4,376,760	4,424,848
Fees and subscription		14,480,988	4,571,989
Legal and professional		4,510,440	1,664,015
Entertainment		1,908,244	1,624,179
Computer Expense		506,930	1,234,034
Depreciation		25,419,225	26,722,705
Amortization		370,806	529,495
Auditors' remuneration	26.2	1,974,700	1,542,867
Internet Expense		1,480,463	900,718
Others		2,570,569	3,663,574
		104,604,681	95,548,919

26.1 This includes Rs. 1,782,008 (2017: 391,241) in respect of contribution to provident fund.

		2018	2017
		-----	-----
		(Rupees)	(Rupees)
26.2 Auditors' remuneration			
Audit services			
Audit fee - Annual		1,432,750	1,105,517
Half yearly review		288,750	288,750
Certification - Code of Corporate Governance		178,200	137,500
Out of pocket expenses		75,000	11,100
		1,974,700	1,542,867

		2018	2017
		-----	-----
		(Rupees)	(Rupees)
27. SELLING AND DISTRIBUTION EXPENSES			
Advertisement		353,090	1,111,580
Exports Expense		56,525,310	-
Marketing and Selling		3,275,312	434,800
Research and Development		-	28,700
Loading and stacking		7,596,083	2,424,173
		67,749,795	3,999,253



28. OTHER OPERATING EXPENSES

Workers' Welfare Fund	-	258,324
Workers' Profit Participation Fund	-	656,477
	-	914,801

28.1 Due to losses in current year no provision has been made.

2018 2017
----- (Rupees) -----

29. OTHER INCOME

Profit on investment	23,312,823	20,785,697
Gain/(loss) on Fixed Assets	449,594	702,355
Gain rescheduling of Bank liability	-	1,088,770
	23,762,417	22,576,822

30. FINANCE COST

Mark-up on long term finances	236,073,263	217,968,015
Mark-up on short term borrowings	177,080,334	141,802,552
	413,153,597	359,770,567
Unwinding of discount on NBP loan	-	18,402,337
Mark-up on WPPF	-	1,441,079
Bank charges and others	9,430,841	2,440,047
	422,584,438	382,054,030

31. TAXATION

- Current tax	31.1	10,716,570	21,463,487
- Deferred tax		69,413,041	(35,883,433)
		80,129,611	(14,419,946)

Current

Current income tax assessments of the Company deemed to be finalized up to the accounting year 2011 corresponding to tax year 2012 u/s 120 of the Income Tax Ordinance 2001.

31.1 Major components of current tax expense

Turnover tax	10,716,570	21,463,487
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31.2 Major components of deferred tax expense

Reversal of Accelerated tax depreciation	74,541,583	21,915,814
Surplus on revaluation of fixed assets	8,021,608	(14,209,785)
Provision for staff retirement and other benefits	119,092	(428,694)
Minimum Tax/Alternate Corporate tax	(61,408,219)	25,121,459
Reversal of deferred tax on tax losses	48,138,977	(68,282,227)
	69,413,041	(35,883,433)

31.3 Tax on items recognized in Comprehensive Income

Revaluation of property, plant and equipment	13,191,223	7,003,046
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31.4 The current and deferred tax for the year is calculated using corporation tax rate of 29% (2017: 30%). The tax rate was enacted through the Finance Act, 2018, where by the tax rate was reduced from 32% to 30% enacted and effective from September 30, 2017.

31.5 Reconciliation between tax expense and accounting profit

	2018	2017
Tax rate	29%	30%
	----- (Rupees) -----	
(Loss)/profit before tax	(122,948,881)	12,871,190
Tax on accounting (Loss)/profit	(36,884,664)	3,681,357
Temporary differences	69,413,041	(35,883,433)
Minimum tax charge "current" year	10,716,570	21,463,487
Excess charge on account of minimum tax	36,884,664	(3,681,357)
	117,014,275	(18,101,303)
Tax charge for the year	80,129,611	(14,419,946)

32. EARNINGS PER SHARE –basic and diluted

Net profit for the year	Rupees	(203,078,492)	27,291,136
Number of ordinary shares	Numbers	56,136,555	24,407,198
Earning per share - Basic & diluted	Rupees	(3.62)	1.12

The calculation of basic earnings per share has been based on the profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	2018	2017
	----- (Rupees) -----	
32.1.1 Profit attributable to Ordinary Shareholders		
(Loss)/ profit for the year	(203,078,492)	27,291,136
	----- (No. of shares) -----	
32.1.2 Weighted average number of Ordinary shares (basic)		
- Opening balance	24,407,198	24,407,198
- Effect of shares issued during the year	31,729,357	-
- Closing balance	56,136,555	24,407,198

32.2 Diluted earnings per share

There is no impact of dilution on basic earnings per share.

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits to the CEO, directors and executives of the Company are as follows:



	2018			2017		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Short-term benefits						
- Managerial remuneration	-	882,580	16,961,734	-	882,580	15,419,759
- Housing and utilities	-	485,419	1,486,522	-	485,419	1,351,384
Allowances						
- Company's contribution to the Provident fund	-	88,258	1,486,523	-	88,258	1,351,384
	-	1,456,257	19,934,779	-	1,456,257	18,122,527
Number of persons	1	6	7	1	6	7

In addition, no remuneration has been paid to chief executive and other directors of the Company. Further, certain executives are provided with Company maintained cars.

34. FINANCIAL RISK MANAGEMENT

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

34.1 Risk management framework

The Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework. The executive management team is responsible for developing and monitoring the Company's risk management policies. The team regularly meets and any changes and compliance issues are reported to the Board of Directors through the audit committee.

Risk management systems are reviewed regularly by the executive management team to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The audit committee oversees compliance by management with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

34.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk, interest rate risk, currency risk and other price risk.

a. Interest rate risk

Interest rate risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances. At the reporting date the interest rate profile of Company's interest-bearing financial instruments were:



	Carrying Amount	
	2018	2017
	(Rupees)	
Fixed rate instruments		
- Financial assets	-	-
- Financial liabilities	-	-
Variable rate instruments		
- Financial liabilities	5,017,790,433	5,125,912,726
	5,017,790,433	5,125,912,726

Sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, therefore a change in interest rates at the reporting date would not affect the statement of profit or loss. There is no fixed rate financial assets and liabilities at balance sheet date.

Sensitivity analysis for variable rate instruments

If KIBOR had been 1% higher / lower with all other variables held constant, the impact on the profit before tax for the year would have been: Rs. 84.61 million (2017: Rs. 107.20 million).

b. Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into are denominated in foreign currencies. The Company is exposed to foreign currency risk on sales which are entered in a currency other than Pak Rupees. When the management expects future depreciation of Pak Rupees, the Company enters into forward foreign exchange contracts in accordance with State Bank of Pakistan instructions and the Company's treasury policy. The policy allows the Company to take currency exposure within predefined limits while open exposures are rigorously monitored.

Following is the gross exposure classified into separate foreign currencies:

	2018	2017
	USD	
Export trade debt	-	56,117
Advance against exports trade debts	23,403	-
Gross statement of financial position exposure	23,403	56,117

Significant exchange rates applied during the year were as follows:

	2018	2017
	Rs per USD	
Average rate	114.88	105.10
Reporting date rate	124.30	105.45

Sensitivity analysis

Every 1% increase or decrease in exchange rate on reporting date with all other variables held constant will decrease or increase profit before tax for the year by Rs.0.023 million (2017: Rs.0.056 million).

34.3 Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter-parties failed completely to perform as contracted. The Company does not have significant exposure to any individual



counter-party. To reduce exposure to credit risk the Company has developed a formal approval process whereby credit limits are applied to its customers. The management also regularly monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery. To mitigate the risk, the Company has a system of assigning credit limits to its customers based on evaluation based on customer profile and payment history. Outstanding customer receivables are regularly monitored. Some customers are also secured, where possible, by way of inland letters of credit, cash security deposit, bank guarantees and insurance guarantees.

The Company's gross maximum exposure to credit risk at the reporting date is as follows:

	2018	2017
	----- (Rupees) -----	----- (Rupees) -----
Financial assets		
- Long term investment	215,061,649	191,748,826
- Long term loans	-	364,450
- Long term deposits	1,236,600	1,236,600
- Trade debts	274,724,847	760,299,718
- Loans and advances	1,696,449,812	1,768,376,816
- Other receivables	22,648,149	6,970,197
- Bank balances	250,706,168	5,296,753
	<u>2,460,827,225</u>	<u>2,734,293,360</u>

The Company has placed its funds with banks which have long term rating of A1+ ,A-1+ and A-1 by PACRA and JCR – VIS respectively.

	2018	2017
	----- (Rupees) -----	----- (Rupees) -----
Financial assets		
- Secured	467,004,417	198,496,085
- Unsecured	1,993,822,808	2,535,797,275
	<u>2,460,827,225</u>	<u>2,734,293,360</u>

The ageing of trade debts, loans and advances at the reporting date is as follows:

	2018	2017
	----- (Rupees) -----	----- (Rupees) -----
Not past due	<u>133,225,546</u>	<u>143,375,945</u>

There were no post due or impaired receivables from related parties.

There is no provision for doubtful trade debt.

The recommended approach for provision is to assess the top layer (covering 50%) of trade receivables on an individual basis and apply a dynamic approach to the remainder of receivables. The procedure introduces a Company-standard for dynamic provisioning:

- Provide an impairment loss for 50% of the outstanding receivable when overdue more than 90 days, and
- Provide impairment loss for 100% when overdue more than 120 days.



Concentration risk

The sector wise analysis of Trade debts, loans and advances and bank balances are given below:

	2018	2017
	----- (Rupees) -----	
Banking Sector	250,706,168	5,296,753
Trading Sector	274,724,847	760,299,719
Others	1,719,097,961	1,775,560,919
	2,244,528,976	2,541,157,391
Provision for doubtful:		
- Trade debts	-	-
- Loans and advances	-	-
	2,244,528,976	2,541,157,391

Other price risk is the risk that the value of future cash flows of the financial instrument will fluctuate because of changes in market prices such as equity price risk. Equity price risk is the risk arising from uncertainties about future values of investment securities. As at the reporting date, the Company is not materially exposed to other price risk.

34.4 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. The Company treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the maturity date.

	2018			2017		
	Up to One year	After One year	Total	Up to One year	After One year	Total
	----- (Rupees) -----			----- (Rupees) -----		
Long term loan	250,605,100	2,600,748,222	2,851,353,322	132,368,600	2,820,275,003	2,952,643,603
Short term borrowing	2,166,437,111	-	2,166,437,111	2,173,269,123	-	2,173,269,123
Accrued markup	213,062,819	-	213,062,819	91,806,889	-	91,806,889
Trade & other payable	470,582,436	-	470,582,436	722,783,642	-	722,783,642
	3,100,687,466	2,600,748,222	5,701,435,688	3,120,228,254	2,820,275,003	5,940,503,257

34.5 Fair value estimation

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.

As at September 30, 2018, all financial assets and financial liabilities are carried at amortized costs except for investment in Pakistan Investment bonds which are carried at their fair values.



The carrying value of all financial assets and liabilities reflected in these financial statements approximate their fair values. The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the input used in making the measurements. The fair value hierarchy has the following levels:

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

There are no financial instruments carried at fair value by valuation method and there were no transfer amongst the levels during the year.

34.6 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

34.7 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon, trade and other payables, less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The gearing ratio as at September 30, 2018 and September 30, 2017 is as follows:

	2018	2017
	------(Rupees')-----	
Long-term loans	2,600,748,222	2,820,275,003
Short-term borrowings	2,417,042,211	2,305,637,723
Total debt	5,017,790,433	5,125,912,726
Cash and bank balances	(252,795,292)	(5,510,659)
Net debt	4,764,995,141	5,120,402,067
Share capital	561,365,550	244,071,980
Share premium	317,293,570	-
Capital reserves	27,000,000	27,000,000
Equity reserves	480,000,000	780,000,000
Surplus on revaluation of property, plant and equipment	1,837,318,078	1,869,613,831
Revenue reserve – un-appropriated profit	(313,217,161)	(142,940,704)
Equity	2,909,760,037	2,777,745,107
Capital (Net debt + Equity)	7,674,755,178	7,898,147,174
Gearing ratio	62.09%	64.83%

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated companies, other related companies, directors of the company, key management personnel and post-employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and due to related parties are shown



under respective notes to the financial statement. Other significant transactions with related parties are as follows:

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2018Rupees.....	2017
Loan received/ (repaid) from directors	Chairman 69% Shares holding	Reimbursement	300,000,000	-
Loan from Associates	Associates	Loan received	8,445,000	90,000,000
ASML Employees	Employee	Contribution during the year	3,135,459	3,279,008
Provident Fund Trust	Benefits			

36. CAPACITY AND PRODUCTION (METRIC TONS)

Years	Installed			Actual production	Reason for short fall
	Number of days mill operated	Installed crushing capacity (Metric tons)	Total crushing on the basis of number of days mil operated (Metric tons)	Total actual crushing on the basis of number of days mill operated (Metric tons)	
2017-2018	148	8,000	1,184,000	400,039	-
2016-2017	138	8,000	1,104,000	425,803	-

The low crushing was due to shortage of sugarcane and funds.

37. NUMBER OF EMPLOYEES

	2018	2017
Employees as at September 30, 2018		
- Head Office	12	12
- Factory	274	428
	286	440
Average No. of employees during the year		
- Head Office	12	12
- Factory	438	563

38. PROVIDENT FUND (UN-AUDITED)

	2018(Rupees').....	2017
Size of the fund – Net assets	65,094,131	62,701,780
Cost of investments made	55,382,335	55,079,377
Percentage of investments made	87.10%	89.10%
Fair value of investments	56,699,176	55,869,821



38.1 Break-up of fair value of investment is:

	2018		2017	
	---(Rupees)---	--- % ---	---(Rupees)---	--- % ---
Mutual funds	9,079,080	16.39%	19,940,444	35.69%
Saving Accounts	46,303,255	83.6%	35,929,377	64.3%
	55,382,335	100%	55,869,821	100%

Investments out of the Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

39. EVENTS AFTER THE END OF THE REPORTING DATE

39.1 Subsequent to year end, an enquiry against the Company's shareholders, directors and other group companies has been initiated by the National Accountability Bureau & Federal Investigation Agency (FIA) in the matter of fake bank accounts and accordingly bank accounts of the company were seized by the State Bank of Pakistan. As a consequence of this the Company has failed to start its production in 2019 as well as defaulted in making repayments of principal and interest thereon of loans obtained from banks. The Company has engaged legal counsel to defend false allegations of money laundering and illegal actions taken by National Accountability Bureau (NAB) and Federal Investigation Agency (FIA) against the Company, its business, shareholders, directors and lenders. The commercial operations including productions of the Company have been resumed for the year 2020 and 2021. Further, bank borrowings of the companies are being rescheduled/restructured and be implemented in due course. The management is also confident that outcome of the court proceedings in respect of alleged enquiry would be in the Company's favor.

39.2 On March 11, 2020, the World Health Organization declared the 2019 Novel Coronavirus (the "Covid-19") outbreak a pandemic. In response to the outbreak, many countries including Pakistan have implemented measures to combat the outbreak, such as quarantines and travel restrictions. The Company's financial and operating performance may be adversely affected by the recent corona virus outbreak. Any prolonged restrictive measures in order to control the spread of Covid-19, or other adverse public health developments may significantly impact the demand for the Company's products. The extent to which Covid-19 will impact the Company's results of operations and financial condition will depend on future developments, which are highly un-certain and cannot be predicted, and accordingly, an estimate of the impact on these financial statements cannot be made at this time. The financial impact of Covid-19, if any, will be accounted for in the relevant period financial statements.

40. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 20, 2020, the Government of the Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from March 23, 2020. In the Company's case, the lockdown was subsequently relaxed from end of May, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future. Due to this, management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of non-financial assets';
- the net realizable value of inventory under IAS 2, 'Inventories';
- deferred tax assets in accordance with IAS 12, 'Income taxes';
- provisions and contingent liabilities under IAS 37, including onerous contracts; and



- Going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

41. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

During the year, the business was conducted as usual, however, after balance sheet dates some significant events have happened which are properly disclosed in note 37 above.

42. CORRESPONDING FIGURES

The Companies Act, 2017 has introduced certain presentation and classification requirements for the elements of financial statements. The preparation and presentation of these financial statements for the year ended September 30, 2018 is in accordance with requirements in Companies Act, 2017. Accordingly, the corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of Companies Act, 2017.

43. AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been authorized for issue on April 12, 2023 by the board of directors of the Company.

44. GENERAL

The figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR



PROXY FORM

The Secretary

Ansari Sugar Mills Limited

Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Mohammad Khan, Sindh

I _____ of _____ being a member of
Ansari Sugar Mills Limited and holder of _____ Ordinary shares, as per Register
Folio No. _____ hereby appoint _____ of **Karachi** who is also a
Member of the Company of as my Proxy to vote for me and on my behalf at the 29th Annual General
Meeting of the Company to be held on **16th Aug, 2023** at **11:00 AM** at **Deh Jagsiyani, Taluka Tando
Ghulam Hayder, District Tando Mohammad Khan, Sindh** and at any adjournment thereof.

Signed on _____ day of _____ 20____.

Name:

Witness:

1. Signature: _____
Name: _____
Address: _____
CNIC: _____
2. Signature: _____
Name: _____
Address: _____
CNIC: _____

Important:

1. Instruments of Proxy will not be considered as valid unless deposited or received at the Company's Head Office at CL-5/4, State Life Building No. 10, Abdullah Haroon Road, Karachi not later than 48 hours before the time of holding the meeting.
2. CDC shareholders, entitled to attend, speak and vote at this meeting, must bring with them their CNIC/ Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/ her CNIC or Passport.
3. In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee should be attached with the proxy form.

Shares held: _____

Folio no.	CDC Account no.	
	Participant ID	Account No.
	CNIC: _____ - _____ - _____	



ANSARI SUGAR MILLS LIMITED

Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Muhammad Khan Sindh.