



*Imperial Sugar  
Limited*

**ANNUAL  
REPORT  
2019**



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## Corporate Information

<b>Board of Directors</b>	Mr. Waqar Ibn Zahoor Bandey Mr. Naveed M. Sheikh Malik Sohail Ahmed Mr. Muhammad Tariq Mr. Shahzad Ullah Khan Mr. Najam Faiz Mrs. Fakhra Chaudhry	- Chairman - Director/CEO - Director - Director - Director - Director - Director
<b>Audit Committee</b>	Mr. Najam Faiz Mr. Muhammad Tariq Mr. Shahzad Ullah Khan	- Chairman - Member - Member
<b>HR &amp; Remuneration Committee</b>	Mr. Shahzad Ullah Khan Malik Sohail Ahmed Mrs. Fakhra Chaudhry	- Chairman - Member - Member
<b>Chief Financial Officer</b>	Mr. Makhdoom Faisal Javed	
<b>Head of Internal Audit</b>	Mr. Ali Hassan	
<b>Company Secretary</b>	Mr. Mubashhar Asif	
<b>Financial Institutions</b>	BankIslami Pakistan Limited Dubai Islamic Bank Pakistan Limited Silk Bank Limited Soneri Bank Limited	
<b>Auditors</b>	Tariq Abdul Ghani Maqbool & Co. Chartered Accountants	
<b>Legal Advisors</b>	Ms. Aniqua Sheikh Advocate	
<b>Registered Office</b>	M. Ismail Aiwan - e - Science Building, 205 Ferozepur Road Lahore-54600 Ph # + 92 (042) 3575-8970 + 92 (042) 3575-1308 Fax # + 92 (042) 3576-3247	
<b>Shares Registrar</b>	<b>Hameed Majeed Associates (Pvt) Limited</b> H.M. House, 7-Bank Square, Lahore. Ph # + 92 (042) 3723-5081-2 Fax # + 92 (042) 3735-8817	
<b>Production Facilities</b>	Karmanwala, Tehsil Phalia Distt. Mandi Bahauddin Ph # + 92 (546) 541-151/54 Fax # + 92 (546) 541-162	



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## **Vision Statement**

To exploit our company's potential by diversifying into the entire range of industrial and consumer products that can be derived from Sugar Cane

## **Mission Statement**

To exceed our customers' expectations in quality and delivery on one hand and maximize profit for the stakeholders of our company on the other hand by continuous cost reduction through identifying and deploying latest technologies in process and monitoring control systems

# Notice of Annual General Meeting

**NOTICE** is hereby given that the 13<sup>th</sup> Annual General Meeting of the shareholders of Imperial Sugar Limited will be held on Tuesday the January 28, 2020, at 11:00 a.m. at the Registered Office at Ismail Aiwan-e-Science Building, 205 Ferozepur Road, Lahore to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of last Extraordinary General Meeting.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended September 30, 2019 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year 2019-2020 and to fix their remuneration.

## SPECIAL BUSINESS

4. To consider and approve the proposal regarding sale of freehold land, buildings on freehold land, plant and machinery and other assets of the Company located at Karmanwala, Tehsil Phalia, District Mandi Bahauddin by passing following resolution(s) as ordinary resolution(s) with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

RESOLVED that the consent of shareholders be and is hereby accorded to the disposal and sale of Company's assets located at Karmanwala, Tehsil Phalia, District Mandi Bahauddin comprised of Freehold Land, Buildings on Freehold Land, Plant and Machinery, Furniture & Fixture, Equipment and other assets ("the Assets").

RESOLVED FURTHER that, as part and parcel of the foregoing consent, Board of Directors be and are hereby authorized and empowered for the Assets Sale. The Board may delegate its powers to Chief Executive Officer (CEO) or any other person on such terms and conditions they deem fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement and / or give effect to the asset sale and the transaction contemplated by it, which shall include, but not be limited to:-

- a) conducting negotiations, obtaining quotations etc, with interested parties in such manner and on such terms and conditions as are in the best interest of the Company and its shareholders and which secure the best available market price for the assets;
- b) selling the Assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, negotiating with financial institution for vacation of lien/charges against assets if any, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving of sale consideration, executing, preparing and signing any sale deed, conveyance deed and / or transfer documents in favor of the buyer(s) or another person to effect the asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;
- c) representing before the Sub-Registrar or any other Competent Authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the Assets sale, and
- d) generally performing and executing in respect of the assets all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the Assets sale.

FURTHER RESOLVED that the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to Assets sale.

FURTHER RESOLVED that the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed / required by the SECP without the need of any other further approval of the shareholders.

FURTHER RESOLVED that certified copies of this resolution as present form or modified by CEO/Company Secretary be communicated to the concerned authorities and shall remain in force until notice in writing to the contrary be given.

5. Any other business with permission of the Chair.

The statement under Section 134(3) of the Companies Act, 2017 pertaining to Special Business is annexed with this Notice.

By Order of the Board

-Sd.-

**Company Secretary**

Lahore  
January 06, 2020

**NOTES:**

- The Share Transfer Books of the Company will remain closed from January 20, 2020 to January 28, 2020 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Hameed Majeed Associates (Private) Limited, H.M. House, 7-Bank Square, Lahore, at the close of business on January 18, 2019 will be considered in time to determine voting rights of the shareholders for attending the meeting.
- A member eligible to attend, speak and vote at meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, properly filled in must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting.
- The members are requested to bring their Folio / Account details (participant ID and sub-account) and original CNIC for identification purpose at the time of meeting. In case of corporate entity, the Board of Director's Resolution or power of attorney with specimen signatures of the nominee should be produced.
- Members can also avail facility of video conference at their hometown. In this case if the Company receives consent from members holding aggregate 10% or more shareholding, residing at a geographical location to participate in the meeting through video conference at least 07 days prior to the date of meeting, the Company will arrange video conference facility. For the purpose, please fill the following and submit at Registered Office of the Company as per time frame given above:  
 "I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Imperial Sugar Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Registered Folio / CDC A/c # \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.  
 \_\_\_\_\_  
 Signature of Member / Attorney".
- Members can exercise their right to demand a poll subject to provisions of section 143, 144 and 145 of the Companies Act, 2017 and the applicable clauses of the "Companies (Postal Ballot) Regulations, 2018".
- The Annual Financial Statements are being transmitted to shareholders through DVD and also have been placed at website of the Company at [www.imperialsugars.com](http://www.imperialsugars.com). However, the company shall send printed copy of its Financial Statements to desirous member within a week of such request without any cost. Shareholders desirous to receive the Financial Statements through eMail are requested to send written consent to Company for the purpose.
- In future, all dividend payments shall be paid through banks (ePayment Machnism), therefore, shareholders are requested to provide Bank Account details (IBAN) to update the record.
- Members are advised to:
  - Send valid copy of CNIC's if not provided earlier to our Share Registrar
  - Notify any change of address immediately, if any

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on January 28, 2020.

**Item No. 4 of the Agenda, Sale of Assets**

Pursuant to Company's shareholders' approval in Annual General Meeting held on January 31, 2017, assets of Mian Chanu Unit of the Company were disposed off during the year ended 30 September 2017. This asset sale transaction was a landmark in the history of Sugar Sector of Pakistan in terms of the total amount of the transaction. Now, the management of the Company is actively engaged in search of suitable buyer(s) for assets of Phalia Unit of the Company. Any resolution passed under section 183(3) of the Companies Act, 2017 if not implemented within one year from the date of passing stands lapsed, hence, the Board of Directors has approved the disposal of remaining Assets (Phalia Unit of the Company) subject to approval of the Company's shareholders in Annual General Meeting. The information required under SRO 423(1)/2018 dated April 03, 2018 is as follows:

**Detail of Assets to be sold**

Description of Assets	Cost as at 30-09-2019	Book Value as at 30-09-2019 (without surplus on revaluation)	Revalued Amount / Fair Value / Current Market Value
	Rupees in thousand		
<b>Land (Industrial)</b> 138 Acres 02 Kanals and 16 Marlas * Situated at Karmanwala, Tehsil Phalia District Mandi Bahauddin	173,577	173,577	1,106,448
<b>Building *</b>	791,400	493,124	2,485,601
<b>Plant &amp; Machinery *</b>	2,146,247	1,496,107	5,221,147
<b>Furniture, fixture and equipment</b>	38,205	17,543	-
<b>Vehicles</b>	38,376	17,919	-
<b>Stores, spares &amp; loose tools</b>	246,648	246,648	-

\* Phalia Sugar Unit of the Company was acquired in the financial year 2007-2008.

The assets are revalued as of September 30, 2019. The management is trying its best to enter into deal with that buyer who will pay the maximum amount above the revalued amounts. However, dip may be faced depending on the customer and market conditions.

#### **The proposed manner of disposal**

Tender (Advertisement) in newspapers.

#### **Reason for the disposal of assets**

There are certain factors which have led to the decision by the Directors of the Company to dispose of the Assets, as aforesaid. In view of overcapacity in sugar sector, sugar cane procurement issues, volatility in sugar prices, lack of good returns from ethanol, management has decided to dispose of the Assets and undertake the lucrative power generation business.

#### **Utilization of Sale Proceeds**

Surplus proceeds from the sale of the Assets along with balance proceeds already with Banks of the Company will be utilized to setup an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) which will be started upon close of the sale transaction of Phalia Unit. Presently, a sum of Rs. 2,963.905 Million has been kept in Banks, from the remaining amount of sale proceeds of Mian Chanu Unit, after making payments to Financial Institutions: Rs. 1,143.185 Million, Sponsors' Loan: Rs. 566.732 Million and Trade Creditors and other Payables: Rs. 667.706 Million, including Cane Growers. This amount includes the Markup accumulated on deposits with Banks. At present, there is no outstanding liability to any Bank. During the year on September 30, 2019 payment of Rs. 202.881 Million to BankIslami Pakistan Limited was made against its financing to Company. Charges registered in favor of BankIslami Pakistan Limited and AlBaraka Bank Pakistan Limited has been vacated in 2019 and the Company is debt free except payables to unsecured creditors (Trade Creditors). After the disposal under reference, the Company shall have NIL sugarcane crushing capacity and shall venture into power generation business. In the light of above circumstances, the Board of Directors has approved the disposal plan as mentioned above.

#### **Benefits expected to accrue to the shareholders**

The Company has paid all its finance liabilities towards Banks and other liabilities except Rs. 343.632 million payable to unsecured Trade Creditors. Proceeds from disposal of the Assets under reference along with remaining proceeds from the disposal of assets of Mian Chanu Unit will help the Company in roll out of future business plan and hence will enhance the shareholders' value.

#### **Future Business Plan**

The Company is well on its way to roll-out the new business plan regarding setting up of an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) subject to regulatory approvals. The total cost of this project is estimated at USD 221.263 million, with 70:30 Debt to Equity Ratio. IRR on Equity Investment is projected to be approx. 17% per annum (tax free) in US Dollar terms. Project completion time is estimated to be 2-3 years depending upon the financial close of the project and other regulatory approvals related thereto. A Special Purpose Vehicle (wholly owned subsidiary) has to be incorporated for this purpose. Hence, the Company i.e. Imperial Sugar Limited shall be a Holding Company as part of its future business plan and shall get the returns from its wholly owned subsidiary company. Progress to-date is that the Company has disposed off assets of one of its two sugar units i.e. Mian Chanu Unit of the Company during August 2017. The Company has paid all its debts towards secured and unsecured creditors except Creditors / Liabilities amounting to Rs. 343.632 Million. Disposal of remaining sugar unit of the Company at Phalia is taking time due to macro-economic conditions, high cost of funds, large size of transaction etc. However, positive indicators are active market for sugar units in Pakistan signifying interest of investors in sugar sector. We are confident that the Company shall be able to strike a good deal, which is in the best interest of all stakeholders, for disposal of Phalia Unit in best possible time. The acquisition transactions in the sugar sector usually occur before the commencement of cane crushing season. Current cane crushing season has already started hence, we are hopeful that in the forthcoming window i.e. end current cane crushing season and the start of next years' cane crushing season, the deal for disposal of the remaining sugar unit of the Company could be materialized.

None of the Directors have any direct or indirect interest in the sale/disposal of the said Assets except as shareholders of the Company. The Directors also undertake and confirm that they have carried out due diligence in respect of disposal of Assets and the new project.

#### **Availability of Relevant Documents**

The documents pertaining to foregoing special business (including the future business plan) are available for inspection at the registered office of the Company on any working day upto January 28, 2020 during business hours and also at the time of General Meeting.

## Chairman's Review

I am pleased to report on performance of the Board of Directors "the Board" during the year and welcome the newly constituted Board. The Board consists of competent and efficient Members having immense experience in various business sectors and has been constituted in accordance with the provisions of Listed Companies (Code of Corporate Governance) Regulations, 2019.

The board is responsible for management of the Company affairs, formulates and approves significant policies and strategies. The board acknowledges its responsibility for Corporate and Financial Reporting Framework and is committed to good Corporate Governance. There are two Committees of the Board (Audit and Human Resource & Remuneration Committees) which comprises suitably qualified persons having relevant competencies. The Committees performed in line with the Terms of Reference assigned to respective Committee.

The board also monitored the Compliance with best Corporate Practices and Governance, encouraging diversity and ethical behavior and development of skills to attain advancement and excellence. The Board is also well aware of its Corporate Social Responsibility especially towards Education, Health Safety and Environment. We are very much satisfied with our efforts towards Corporate Social Responsibility and are motivated to further extend it.

The overall performance of the Board on basis of approved criteria was satisfactory.



**Waqar Iqbal Zahoor Bandey**  
**Chairman**

Lahore  
January 06, 2020



## DIRECTORS' REPORT TO THE MEMBERS

On behalf of Board of Directors, we are pleased to present the Annual Report for the year ended **September 30, 2019** along with Financial Statements and Auditors' Report thereon and welcome you at the forthcoming Annual General Meeting.

### FINANCIAL PERFORMANCE

Your Company earned Mark-up of Rs. 301.394 Million (2018: Rs. 195.781 Million) during the year under review on deposits with banks, generated out of surplus proceeds from sale of the Mian Chanu Unit. Net Profit after Taxation for the year comes to Rs. 154.893 Million (Restated 2018: Loss Rs. 624.609 Million). Earnings per share for the year is Rs. 1.56 (Restated 2018: Loss per share of Rs.6.31).

### UTILIZATION OF SALE PROCEEDS

Out of the sale proceeds of Mian Chanu Sugar unit, certain liabilities (Financial Institutions: Rs. 1,143.185 Million, Sponsors' Loan: Rs. 566.732 Million and Trade Creditors and other Payables: Rs. 667.706 Million, including Cane Growers) amounting to Rs. 2,377.623 Million were paid. An amount of Rs. 2,963.905 Million (inclusive of Mark-up) is being kept with various Commercial Banks. The major amount paid during the year towards liabilities was payment of Rs. 202.881 Million paid to BankIslami Pakistan Limited. Presently there is no charge (lien) on the assets of Company.

### FUTURE OUTLOOK & BUSINESS PLAN IMPLEMENTATION

The Company under the authority of resolutions of its shareholders duly passed in their Annual General Meetings is in the process of disposal of its remaining assets and well on its way to roll-out the new business plan regarding setting up of an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) subject to regulatory approvals. A Special Purpose Vehicle (Wholly Owned Subsidiary) has to be incorporated for this purpose. Hence, the Company i.e. Imperial Sugar Limited shall be a Holding Company as part of its future business plan and shall get the returns from its Wholly Owned Subsidiary.

The Company has disposed off one of its two sugar units i.e. Mian Chanu in August 2017. The Company has paid all its debts towards Secured and Unsecured Creditors except payable to Creditors / Liabilities amounting to Rs. 343.632 Million.

Disposal of remaining Assets of the Company located at Phalia is taking a little longer than estimated initially due to various reasons, including but not limited to the Macro-Economic conditions in the Country and around the Globe, Double Digit Cost of Funds, Large Transaction Size, etc. However, there seems to be a positive investor sentiment towards the Sugar Sector, which is evident from a few Sale/Purchase transactions that have taken place. We are confident that the Company will be able to attract buyers for the disposal of its Remaining Assets prior to the start of the next crushing season.

It has been observed that all transactions of Sale/Purchase of Sugar Plants take place during the Off-Season (April to November) and since the Season has already started, we are quite hopeful that our plans for disposal will materialize prior to the start of the 2020-21 Season.

### DIVIDEND

In view of income being earned by the Company from sale proceeds of fixed assets, the directors have not recommended any dividend for the year.

### ENVIRONMENT, HEALTH AND SAFETY

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large.

### CORPORATE SOCIAL RESPONSIBILITY

Social welfare and community service are integral consideration of the Company. We pride ourselves for being an equal opportunity employer. Your company is running initiatives through donating to the institutions engaged in providing education, health services to needy people and working for community building.

### BOARD OF DIRECTORS

The composition of Board has been made in accordance with Regulation # 34 of Listed Companies (Code of Corporate Governance) Regulations, 2019 more specifically narrated in the "Statement of Compliance" annexed with this annual Report. During the year, five meetings of the Board of Directors, four meetings of the Audit Committee and one meeting of Human Resource & Remuneration (HRR) Committee were held. Attendance in the meetings by each director was as under:

Director Name*	Board of Directors	Audit Committee	HRR Committee
Mr. Naveed Mughis Sheikh	05	-	-
Mr. Waqar Ibn Zahoor Bandey	03	-	01
Mr. Ahmed Haji Mussa	05	-	-
Mr. Najam Faiz	04	04	01
Mr. Asad Ali	05	04	-
Mr. Muhammad Tariq	05	-	-
Mr. Shahzad Ullah Khan	05	04	01
Mrs. Fakhra Chaudhry	02	-	-

Leaves of absence were granted to those who have not attended the meetings.

During the year vacancy of Director occurred and was filled on the date of occurrence.

*The attendance of members is for the year ended September 30, 2019, later the new Members were elected.*

### DIRECTORS' REMUNERATION

Remuneration of Directors has been determined by the Board of Directors as per provisions of Articles of Association of the Company on the basis of market standards and reflects demand to competencies in accordance with scope of work and responsibilities. Remuneration of re-appointed Chief Executive and new Executive Director was fixed at Rs. 1,500,000/- and Rs. 181,500/- per month respectively with Company maintained Cars and other perks as per Company Policy.

### BOARD EVALUATION

The Board of Directors approved comprehensive mechanism for evaluation of Board's own performance and its Committees.

### CHAIRMAN'S REVIEW

The Board has considered the Chairman's review to the Members and has also been annexed to the Annual Report.

## STATEMENT OF COMPLIANCE

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 duly reviewed by the Auditors is attached with Annual Report.

## PATTERN OF SHAREHOLDING

The pattern of shareholding as required under section 227(2)(f) of the Companies Act, 2017 is annexed.

## NON-GOING CONCERN

Financial Statements for the year ended September 30, 2019 have been prepared using the non-going concern accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively due to current status of operations.

## EXTERNAL AUDITOR

The present auditors Tariq Abdul Ghani Maqbool & Company, Chartered Accountants, will retire at the Annual General Meeting. On recommendation of Audit Committee, Board of Directors has proposed their reappointment for the ensuing year at a remuneration of Rs.975 Million per annum.

The auditors conveyed that the Audit firm has enrolled with Audit Oversight Board and also have been assigned satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and the firm is fully compliant with code of ethics issued by the International Federation of Accountants (IFAC). Further they are not rendering any related services to the company. The auditors have also confirmed that neither the firm nor any of their partners, their spouses and minor children at any time during the year held or traded in the shares of the company except disclosed in the attached shareholding information.

## WEB PRESENCE

Annual and periodic financial statements of the Company are also available on [www.imperialsugars.com](http://www.imperialsugars.com).

## CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As required by the Listed Companies (Code of Corporate Governance) Regulations 2019 and Companies Act 2017 Directors are pleased to report that:

1. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
2. Proper books of accounts have been maintained by the Company.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. The International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and departures there from, if any, has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. The significant doubts upon the Company's ability to continue as a going concern have been adequately disclosed in Note No.2 to the Financial Statements.
7. There has been no material departure from the best practices of Corporate Governance.
8. Key operating and financial data for the last six years is annexed in summarized form.
9. There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on September 30, 2019 except for those disclosed in the financial statements.
10. The company operates a gratuity scheme for all employees.
11. All material information, as described in the Code is disseminated to Stock Exchange and Securities and Exchange Commission of Pakistan in a timely fashion.
12. The company has complied with requirements as stipulated in Code in respect of related party transactions.
13. The Directors are aware of their fiduciary responsibilities and in-house orientation course was arranged for management.

## POST BALANCE SHEET EVENTS

No material changes and commitments affecting the financial position of the Company have occurred from October 01, 2019 to the date of this report except that all charges registered in favor of Banks were vacated in the records of SECP and election of Directors were held on December 31, 2019.

## ACKNOWLEDGEMENT

We would like to place on record our deep appreciation for the efforts of the executives, officers and other staff members for their hard work, cooperation and sincerity to the company. The management is quite confident that these relations and cooperation will continue in the coming years.

For and on behalf of the Board



Waqar Ibn Zahoor Bandey  
Chairman



Naveed M. Sheikh  
Chief Executive Officer

Lahore  
January 06, 2020

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: IMPERIAL SUGAR LIMITED

Year ending: September 30, 2019

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

- 1) The total number of directors are 7 as per the following:
  - a. Male: 06
  - b. Female: 01

- 2) The composition of board is as follows:

Independent Directors	1. Mr. Najam Faiz 2. Mr. Shahzad ullah Khan
Non-Executive Director:	1. Mrs. FakhraChaudhry 2. Mr. Muhammad Tariq 3. Mr. WaqarIbnZahoorBandeey
Executive Director	1. Malik Sohail Ahmed 2. Mr. Naveed M. Sheikh

- 3) The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
- 4) The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
- 6) All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8) The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9) The Board has arranged Directors' Training Program for the following:  
1. Mr. Naveed M. Sheikh 2. Mr. Shahzad ullah Khan 3. Mrs. Fakhra Chaudhry
- 10) The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements.
- 11) Chief Financial Officer and Chief Executive Officer duly endorsed the Financial Statements prior to approval of Board.
- 12) The board has formed committees comprising of members given below:
  - a. Audit Committee
    - i) Mr. Najam Faiz Chairman
    - ii) Mr. Shahzad ullah Khan Member
    - iii) Mr. Muhammad Tariq Member
  - b. HR and Remuneration Committee
    - i) Mr. Shahzad ullah Khan Chairman
    - ii) Malik Sohail Ahmed Member
    - iii) Mrs. Fakhra Cahudhry Member
- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14) The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
  - a. Audit Committee: Quarterly during the year
  - b. HR and Remuneration Committee: Once during the year
- 15) The Board has set up an effective internal audit function, the members of internal audit team are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16) The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the ICAP and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC), guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of Company.
- 17) The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18) We confirm that all her requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

For and on behalf of the Board



WAQAR IBN ZAHOOR BANDEY  
Chairman

Lahore the January 06, 2020

**Independent Auditors' Review Report of Imperial Sugar Limited  
Review Report on 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, 2017 (the Regulations) prepared by the Board of Directors of **Imperial Sugar Limited** (the Company) for the year ended 30 September 2019 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2019.

Dated: 06 January 2020  
Lahore

  
Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

**Independent Auditors' Report  
To the members of Imperial Sugar Limited  
Report on the Audit of the Financial Statements**

**Opinion**

We have audited the annexed financial statements of **Imperial Sugar Limited** (the Company), which comprise the statement of financial position as at 30 September 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2019 and of the profit, and other comprehensive Income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Emphasis of Matters**

We draw attention to note No. 02 to the financial statements, which states that these financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of assets and liabilities respectively as the Company is no longer a going concern for the reasons stated in the aforesaid note. Our report is not modified on this matter.

**Key Audit Matters**

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

S.No .	Key audit matters	How the matter was addressed in our audit
1.	<b>Preparation of financial statements using the non-going concern basis of accounting</b>	
	<p>(Refer to note 02 to the financial statements)</p> <p>The Company is no longer a going concern; therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Estimated realizable / settlement values are based on the management's best estimates. Estimation involves judgements based on the latest available, reliable information, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realised and liabilities will be settled may be different from those carried in these financial statements. Therefore, we identified preparation of financial statements using the non-going concern basis of accounting as a key audit matter specially with reference to the estimates and judgments associated with the determination of estimated realisable / settlement values of assets and liabilities respectively.</p> <p>For further information, refer to going concern assumption, note 2 to the financial statements.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>- Checked compliance with "Guidelines on the Basis of Preparation of Financial Statements for Companies that are Not Considered Going Concern" by The Institute of Chartered Accountants of Pakistan.</li> <li>- Tested how management made the estimate of realisable / settlement values of assets and liabilities respectively and the data on which it is based.</li> <li>- Considered events occurring up to the date of our report to obtain audit evidence regarding the estimates.</li> <li>- Ensured that where the shareholders of the Company have approved to dispose of any assets, these have been classified as non-current assets held for sale.</li> <li>- Confirmed that impairment losses based on the differences between the expected transaction values and the carrying amounts of the assets have been fully recognized.</li> <li>- Ensured that non-current assets are measured at the lower of their carrying amounts and fair value less cost to sell.</li> </ul>
2.	<b>First time adoption of IFRS-9 Financial Instruments</b>	
	<p>(Refer to note 39.02 to the financial statements)</p> <p>The Company has adopted IFRS 9 with effect from 01 October 2018. The new standard requires the Company to make provision for financial assets (trade debts) using Expected Credit Loss (ECL) approach as against the Incurred Loss Model previously applied by the Company. Determination of ECL provision for trade debts requires significant judgment and assumptions including consideration of factors such as historical credit loss experience and forward-looking macro-economic information.</p> <p>We have considered the first-time application of IFRS 9 requirements as a key audit matter due to significance of the change in accounting methodology and involvement of estimates and judgments in this regard. Policy, we consider it as key audit matter.</p>	<ul style="list-style-type: none"> <li>- Our key procedures to review the application of IFRS 9 included, amongst others, review of the methodology developed and applied by the Company to estimate the ECL in relation to trade debts. We also considered and evaluated the assumptions used in applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.</li> </ul> <p>Further, we assessed the integrity and quality of the data used for ECL computation based on the accounting records and information system of the Company as well as the related external sources as used for this purpose.</p> <ul style="list-style-type: none"> <li>- We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.</li> <li>- In addition to above, we assessed the adequacy of disclosures in the financial statements of the Company regarding application of IFRS 9 as per the requirements of the above standard.</li> </ul>

<b>3.</b>	<b>Recognition of deferred tax asset relating to un-used business losses and unabsorbed depreciation losses to the extent of available/expected profits in foreseeable future</b>	
	<p>(Refer to note 13.02 to the financial statements)</p> <p>Significant judgment is required in determining provisions for deferred tax as well as assessment of provision for un-certain tax positions.</p> <p>Based on management's plan for disposal of assets of Phalia Unit of the Company, management is of the view that whole amount of un-absorbed tax depreciation and unused business losses (tax) of the Company as at 30<sup>th</sup> September 2019 shall not be utilized by the Company in the foreseeable future.</p> <p>Thus, deferred tax asset relating to unused business losses and unabsorbed depreciation losses has only been recognized, to the extent of expected profits in foreseeable future from disposal of assets of Phalia Unit of the company.</p> <p>Due to its significance to the financial statements, combined with the judgment and estimation required to determine its value, the evaluation of deferred tax asset is considered to be a key audit matter.</p>	<p><b>Our audit procedures included the following:</b></p> <ul style="list-style-type: none"> <li>- We evaluated the design and implementation of controls in respect of the recognition of recoverability of deferred tax assets.</li> <li>- We discussed with management the adequate implementation of Company's policies and controls regarding deferred tax, as well as the reporting of uncertain tax position</li> <li>- We examined the procedures in place for deferred tax calculations for completeness and valuation; and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist</li> <li>- We considered the management's assessment of the validity and the adequacy of provision for uncertain tax positions, evaluating the basis of assessment and reviewing the relevant correspondence and legal advice where available.</li> <li>- In respect of deferred tax assets and liabilities, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets for the utilization of tax losses carried forward as disclosed in note No. 13.02 to the financial statements.</li> <li>- We validated the appropriateness and completeness of the related disclosures in the note No. 13.02 of the financial statements. Based on the procedures performed above, we obtained sufficient audit evidence to corroborate management's estimates regarding deferred tax balances and provisions for uncertain tax positions</li> </ul>

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

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

- (a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- (c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- (d) No Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Shahid Mehmood.

Dated: 06 January 2020  
Lahore

  
Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants

# STATEMENT OF FINANCIAL POSITION

As at September 30, 2019

EQUITY AND LIABILITIES	Note	2019 (Rupees in '000')	2018 Restated
<b>Share Capital And Reserves</b>			
Authorized share capital 100,000,000 (2018: 100,000,000) ordinary shares of Rupees 10 each		1,000,000	1,000,000
Issued, subscribed and paid-up share capital	10	990,200	990,200
Surplus on revaluation of property, plant and equipment - net of deferred tax	11	5,528,996	5,528,996
Unappropriated profit		3,310,089	3,155,196
		<u>9,829,285</u>	<u>9,674,392</u>
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Long term financing	12	-	-
Deferred liabilities	13	1,831,295	1,829,625
<b>Current Liabilities</b>			
Trade and other payables	14	643,965	776,185
Current maturity of long term loans	15	-	202,881
Accrued finance cost	16	-	23,056
		643,965	1,002,122
Contingencies and commitments	18	-	-
		<u>12,304,545</u>	<u>12,506,139</u>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	19	18,171	26,933
<b>Current Assets</b>			
Stores, spares and loose tools	20	246,648	259,630
Trade debts	21	579	8,802
Loan and advances	22	190,862	214,318
Trade deposits and other receivables	23	19,526	18,554
Tax refunds due from government	24	125,040	120,213
Cash and bank balances	25	2,963,905	3,117,875
		3,546,560	3,739,392
Non current assets held for sale	26	8,739,814	8,739,814
		<u>12,304,545</u>	<u>12,506,139</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer




# STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2019

	Note	2019 (Rupees in '000')	2018 (Rupees in '000') Restated
<b>Profit or loss - continuing operations :</b>			
Sales - net		-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Administrative expenses		-	-
Inoperative plant expenses		-	-
Distribution and marketing expenses		-	-
Other operating expenses		-	-
Other operating income		-	-
<b>Profit / (loss) from operations</b>		-	-
Finance cost		-	-
<b>Profit / (loss) before taxation</b>		-	-
Taxation		-	-
<b>Profit / (loss) after taxation- continuing operations</b>		-	-
<b>Profit / (Loss) after taxation- discontinued operations</b>	27	154,893	(624,609)
<b>Profit / (Loss) after taxation</b>		154,893	(624,609)
<b>Earning / (Loss) per share - basic and diluted</b>	28	1.56	(6.31)

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



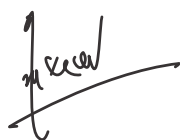
Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2019

	Note	2019 (Rupees in '000')	2018 (Rupees in '000') Restated
Profit / (loss) for the year - continued operations		-	-
Profit / (loss) for the year - discontinued operations		154,893	(624,609)
Other comprehensive (loss)		-	(1,194)
<b>Total comprehensive Profit / (loss) for the year</b>		<b>154,893</b>	<b>(625,803)</b>

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2019

	Ordinary Share Capital	Revaluation surplus on property, plant and equipment	Sponsors' loan	Unappropriated profit / (loss)	Total
			(Rupees in '000')		
<b>Balance as at 01 October 2017</b>	990,200	5,466,889	566,732	3,780,999	10,804,820
<b>Total comprehensive income:</b>					
Loss for the year ended 30 September 2018	-	-	-	(624,609)	(624,609)
Other comprehensive (loss)	-	-	-	(1,194)	(1,194)
Sponsors' loan - net	-	-	-	(625,803)	(625,803)
	-	-	(566,732)	-	(566,732)
<b>Transfer from surplus on revaluation of property, plant and equipment on account of</b>					
- Incremental depreciation - net of deferred tax	-	-	-	-	-
- Revaluation surplus on disposal of assets	-	-	-	-	-
- Related deferred taxation	-	62,107	-	-	62,107
	-	62,107	-	-	62,107
<b>Balance as at 30 September 2018 (Restated)</b>	990,200	5,528,996	-	3,155,196	9,674,392
<b>Total comprehensive income:</b>					
Profit for the year ended 30 September 2019	-	-	-	154,893	154,893
Other comprehensive (loss)	-	-	-	-	-
Sponsors' loan - net	-	-	-	154,893	154,893
	-	-	-	-	-
<b>Transfer from surplus on revaluation of property, plant and equipment on account of</b>					
- Incremental depreciation - net of deferred tax	-	-	-	-	-
- Revaluation surplus on disposal of assets	-	-	-	-	-
- Related deferred taxation	-	-	-	-	-
	-	-	-	-	-
<b>Balance as at 30 September 2019</b>	990,200	5,528,996	-	3,310,089	9,829,285

The annexed notes from 1 to 43 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2019

## 1 LEGAL STATUS AND NATURE OF BUSINESS

Imperial Sugar Limited ("the Company") was incorporated in Pakistan on May 09, 2007 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company's registered office is situated at Ismail Aiwana-e-Science building, 205 Ferozpur road, Lahore and its manufacturing facility is located at tehsil Phalia, district Mandi Bahauddin. The Company is engaged in manufacturing and sale of white refined sugar, ethanol and by products. During the year, the Company did not operate its production facility which comprises of sugar manufacturing plants and ethanol plant at Phalia, district Mandi Bahauddin.

## 2 GOING CONCERN ASSUMPTION

Shortage of working capital resulted in the closure of Company's operations since preceding three years. The Company in its Annual General Meeting held on January 31, 2017 resolved to dispose off its land, building and plant and machinery. Whole of the land, building and plant and machinery located at Mian Channu was disposed off on August 21, 2017.

In view of the aforesaid reasons, the Company is not considered a going concern. These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

## 3 SEASONALITY OF OPERATIONS

Normally the Company is inter alia, engaged in manufacturing of sugar, for which the season begins in November and ends in April. Therefore, normally majority of the expenses are incurred and production activities are undertaken in first half of the Company's financial year but as discussed in note 02 to the financial statements, the operations of the company have been closed.

## 4 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are reflected in note 39.

## 5 BASIS OF PREPARATION

### 5.01 Statement of compliance

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

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

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

The other amendments to published standards and interpretations that were mandatory for the Company's financial year ended September 30, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

### 5.02 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

#### - Standards, amendments to published standards and interpretations effective in current 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 - (Amendments)

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

The adoption of the above improvements to accounting standards and interpretations are not likely to have an impact on the Company's financial statements.

**- Standards, interpretations and amendments to existing standards that are not yet effective**

The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective effective dates.

Standard 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 15 - Revenue from Contracts with Customers	01 January 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 - Transfer 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, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

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 any impact on the Company's financial statements in the period of initial application.

The IASB has also issued the revised Conceptual Framework for the Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 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.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	01 January 2018
IFRS 17 - Insurance contracts	01 January 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.

## 6 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment that are stated at revalued amounts, employee benefits at present value. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

## 7 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for staff retirement benefits, doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of approved standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

**7.01 Depreciation method, rates and useful lives of property, plant and equipment**

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from those items.

**7.02 Fair value of financial instruments having no active market**

Fair value of financial instruments having no active market is determined using discounted cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instruments.

**7.03 Taxation**

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

**7.04 Provisions**

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

**7.05 Revaluation of property, plant and equipment**

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

**7.06 Stores, spares and loose tools and stock-in-trade**

The Company estimates the net realizable values of its stores, spares and loose tools and stock-in-trade to assess any diminution in the respective carrying values.

**7.07 Staff retirement benefit obligations**

The present values of these obligations depend on a number of factors that are determined on actuarial basis, using a number of assumptions. Any change in these assumptions will impact the carrying amounts of these obligations. The underlying assumptions and the present value of these obligations are disclosed in notes 9.02 and 13.03 respectively.

**8 PRESENTATION AND FUNCTIONAL CURRENCY**

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

**9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**9.01 Tangible fixed assets and depreciation**

**a) Owned**

Property, plant and equipment except freehold land, building on freehold land and plant and machinery are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at revalued amount less any identified impairment loss, building on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment losses, if any. Increases in the carrying amount arising on revaluation of operating fixed assets are credited to surplus on revaluation of operating fixed assets. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of operating fixed assets to retained earnings. All transfers to/from surplus on revaluation of operating fixed assets are net of applicable deferred income tax.

Residual value and the useful life of assets are reviewed annually at each financial year end and adjusted if impact on depreciation is significant.

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

**b) Depreciation**

Depreciation on property, plant and equipment (except freehold land) is charged to statement of profit or loss by applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates specified in note No. 19 to the financial statements. Depreciation on additions is charged from the month in which the asset was available for use up to the month prior to disposal. The residual values, depreciation method and useful lives of property, plant and equipment are reviewed by the management, at each financial year-end and adjusted if appropriate.

**c) De-recognition**

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. Gains and losses on disposal of assets are taken to the statement of profit or loss, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings/unappropriated profits.

**d) Surplus on revaluation**

Surplus on revaluation of revalued assets is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred taxation, if any) is transferred directly to retained earnings/unappropriated profits.

**9.02 Staff Retirement Benefits**

**Defined Benefit Plan**

The Company operates an un-funded gratuity scheme covering all employees whose period of services with the Company is more than one year. Provision is made annually to cover the liability under the scheme. The Company pays a lump-sum gratuity to members on leaving the Company after completion of one year of continuous service. The benefit is calculated as follows:

Last drawn gross salary x Number of completed years of services

Six or more months of service in excess of completed years of services is counted as one complete year. However, less than six month of services is ignored.

During the year, the company assessed its liabilities under the gratuity scheme through actuarial valuation under IAS-19 (Employee Benefits). As per actuarial valuation carried out as at 30 November 2018 and Company has a policy to make the actuarial valuation after two years.

Amounts arising as a result of 'Premeasurement', representing the actuarial gains and losses are recognised in the Statement of Financial Position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur.

The following significant assumptions were used:

	<b>2019</b>	<b>2018</b>
Discount factor used	7.25%	7.25%
Expected rate of eligible salary increase in future years	9.00%	9.00%
Actuarial valuation method	Project Unit Credit Method	

**9.03 Trade and other payables**

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

**9.04 Dividend and appropriation to reserves**

Dividend and appropriation to reserve are recognized in the financial statements in the period in which they are approved by the shareholders and therefore, they are accounted for as non-adjusting post financial position statement event.

**9.05 Taxation**

**Current and prior years:**

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.



**Deferred Tax:**

Deferred tax is accounted for using the financial position statement liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Income subject to final tax regime is also considered in accordance with the requirements of Technical Release-27 of Institute of Chartered Accountants of Pakistan.

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

**9.06 Stores, spare parts and loose tools**

Stores, spares and loose tools are stated at lower of cost and net realizable value. The cost of inventory is based on weighted average cost. Items-in-transit are stated at cost accumulated up to reporting date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if any. Impairment is also made for slow moving items identified as surplus to the requirements of the Company.

**9.07 Stock in trade**

These are valued at lower of cost and net realizable value. Cost of raw materials and components represents invoice value plus other charges paid thereon. Cost of inventory is based on weighted average cost. Cost in relation to work-in-process and finished goods represents direct cost of raw materials, wages and appropriate manufacturing overheads. Goods-in-transit are stated at cost accumulated up to the reporting date.

The Company reviews the carrying amount of stock-in-trade on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolete items, if any.

**9.08 Impairment**

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amount of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit or loss statement. Reversal of impairment loss is restricted to the original cost of asset.

**9.09 Trade debts and other receivables**

Trade debts and other receivables are recognized initially at original invoice amount which is the fair value of trade debts and other receivables and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

**9.10 Cash and cash equivalents**

Cash and cash equivalents are carried in the financial position statement at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

**9.11 Foreign currency transactions**

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the reporting date. Exchange gains and losses are included in income currently.

**9.12 Revenue recognition**

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commissions, sales returns and discounts. Revenue from different sources is recognized on the following basis:

- Revenue from sales of goods is recognized when goods are dispatched and invoiced to customers.
- Interest income on deposits with banks and other financial assets is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive dividend has been established.

### 9.13 Financial instruments

#### Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

#### a) Financial assets

##### (i) Initial Measurement

The Company classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

##### (ii) Subsequent Measurement

###### Debt Investments at FVOCI:

These assets are subsequently measured at fair value. Interest / markup income calculated using the effective interest rate method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in statement of comprehensive income. On de-recognition, gains and losses accumulated in statement of comprehensive income are reclassified to the statement of profit or loss.

###### Equity Investments at FVOCI:

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in statement of comprehensive income and are never reclassified to the statement of profit or loss.

###### Financial assets at FVTPL:

These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in statement of profit or loss.

###### Financial assets measured at amortized cost:

These assets are subsequently measured at amortized cost using the effective interest rate method. The amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### b) Financial liabilities

Financial liabilities are classified as measured at amortized cost or at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

#### c) Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### d) Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention on the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

**e) Derivatives**

Derivative instruments held by the Company comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivatives is equivalent to the unrealised gain or loss from marking the derivatives using prevailing market rates at the date of statement of financial position. The unrealised gains are included in other assets while unrealised losses are included in other liabilities in the statement of financial position. The corresponding gains and losses are included in the statement of profit or loss.

**9.14 Offsetting of financial assets and financial liabilities**

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**9.15 Contingencies and commitments**

Capital commitments and contingencies, unless those are actual liabilities are not incorporated in the financial statements.

**9.16 Provisions**

Provisions are recognized in the statement of financial position when the Company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect best estimate.

**9.17 Related party transactions and transfer pricing**

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

**9.18 Related parties**

Directors and key management personnel.

**9.19 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

**9.20 Earnings per share (EPS)**

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

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

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			
64,020,000 (2018: 64,020,000) ordinary shares of Rupees 10/- each fully paid in cash		640,200	640,200
35,000,000 (2018: 35,000,000) ordinary shares of Rupees 10/- each fully paid for consideration otherwise than in cash		350,000	350,000
		<b>990,200</b>	<b>990,200</b>

- Fully paid ordinary shares, which have a par value of Rs. 10/-, carry one vote per share and carry right to dividends.

- There are no rights, preferences and restrictions attached to any class of shares including restrictions on the distribution of the dividends and the repayment of capital.

- There are no shares reserved for issue under options and contracts for the sale of shares.

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>11 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- NET OF TAX</b>			
<b>Land-Free hold</b>			
Opening balance		1,119,361	1,119,361
Transfer to retained earnings		-	-
Revaluation surplus on disposal		-	-
Closing balance		1,119,361	1,119,361
<b>Building on free hold land</b>			
Opening balance		2,492,063	2,492,063
Transfer to retained earnings		-	-
Incremental depreciation		-	-
Revaluation surplus on disposal		-	-
Closing balance		2,492,063	2,492,063
<b>Plant, machinery and equipment</b>			
Opening balance - Deferred tax		3,718,691	3,718,691
Transfer to retained earnings		-	-
Incremental depreciation		-	-
Revaluation surplus on disposal		-	-
Closing balance		3,718,691	3,718,691
Total Gross surplus - closing balance		7,330,115	7,330,115
Opening Balance		1,801,119	1,801,119
Addition during the year		-	-
Less: Incremental depreciation		-	-
Less: Revaluation surplus on disposal		-	-
Closing balance		1,801,119	1,801,119
Net surplus - closing balance		<b>5,528,996</b>	<b>5,528,996</b>

**11.01** Property, plant and equipment has been revalued as at 30 September 2016. The valuation has been carried out by M/S Anderson Consulting (Private) Limited, included in the list of approved valuers of Pakistan Banks Association, on the basis of market and depreciated replacement value.

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>12 LONG TERM FINANCING</b>			
BankIslami Pakistan Limited (Formerly: KASB Bank Limited)	12.01	-	202,881
Less : Current maturity of long term loans	15	-	(202,881)
		-	-

**12.01** This represents Qardh facility of Rs. 202.88 million obtained from BankIslami Pakistan Limited (Formerly: KASB Bank Limited) which has been fully paid on 30 September 2019. It carries zero percent mark up rate. It was secured by way of first charge over fixed assets of the Company and personal guarantees of a sponsor director.

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>13 DEFERRED LIABILITIES</b>			
Deferred taxation	13.01	1,801,119	1,801,119
Staff retirement benefits	13.03	30,176	28,506
		<b>1,831,295</b>	<b>1,829,625</b>

### 13.01 Deferred taxation

Deferred taxation comprises of the following:

Deferred tax liability on taxable temporary differences  
in respect of the following:

- Accelerated tax depreciation allowance	(213)	(146)
- Depreciation allowance-disposal group	180,049	180,049
- Surplus on revaluation of assets	1,801,119	1,801,119
	<u>1,980,955</u>	<u>1,981,022</u>

Deferred tax asset on deductible temporary differences  
in respect of the following:

Provision for staff retirement benefits	(8,751)	(8,267)
Provision for doubtful debts and advances	(3,486)	-
Provision for store spares and loose tools	(3,765)	-
- Business losses	(160,208)	(207,662)
- Unabsorbed depreciation	(602,679)	(604,095)
	<u>(778,889)</u>	<u>(820,024)</u>

Deferred tax liability	1,202,066	1,160,998
Net deferred tax asset not recognised	599,053	640,121
	<u>1,801,119</u>	<u>1,801,119</u>

13.02 Deferred tax asset has been recognized to the extent of expected profits in foreseeable future.

	2019	2018
	(Rupees in '000')	(Rupees in '000')

### 13.03 Staff retirement benefits

Note

#### Statement of financial position liability

Opening balance	28,506	43,787
Amount recognized during the year	4,988	4,195
	<u>33,494</u>	<u>47,982</u>
Benefits paid during the year	(3,318)	(20,669)
Experience adjustment	-	1,174
Actuarial (gain) / loss	-	19
Closing balance	<u>30,176</u>	<u>28,506</u>

#### The amounts recognized in the statement of financial positions are as follows

Present value of defined benefit obligation	13,289	11,619
Benefits due but not paid	16,887	16,887
	<u>30,176</u>	<u>28,506</u>

#### Charge for the defined benefit plan

Current service cost	3,993	3,630
Past service cost	-	-
Interest cost	995	565
Charged to statement of profit or loss	<u>4,988</u>	<u>4,195</u>

#### Sensitivity analysis for actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions set-out in note . The following table summarizes how the net defined benefit obligation at the end of the reporting year would have increased/ (decreased) as a result of change in respective assumptions.

	Change in assumptions	Increase Rupees	Decrease Rupees
Discount rate	1%	10,925	12,418
Increase in future salaries	1%	12,418	10,913

	2019	2018
	(Rupees in '000')	(Rupees in '000')
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumptions	60 years	60 years

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

#### Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

**Interest risk:** The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

**Longevity risk:** The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

**Salary risk:** The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

The average duration of the defined benefit obligation is 3 years.

14 TRADE AND OTHER PAYABLES	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
Trade creditors		343,632	431,534
Advances from customers		263,800	274,839
Accrued liabilities		22,830	30,337
Withholding tax payable		3,925	20,175
Sales tax payable		978	777
Security deposits		5,087	16,143
Other payables		3,713	2,380
		<u>643,965</u>	<u>776,185</u>
15 CURRENT MATURITY OF LONG TERM LOANS	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
BankIslami Pakistan Limited		-	202,881
		<u>-</u>	<u>202,881</u>
16 ACCRUED FINANCE COST	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
Accrued finance cost on:			
- Short term borrowings		-	23,056
		<u>-</u>	<u>23,056</u>
17 PROVISION FOR TAXATION	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
Opening balance		-	49,726
Add: Taxation - current		31,725	-
		<u>31,725</u>	<u>49,726</u>
Less: Tax payments /adjustments during the year		31,725	49,726
		<u>-</u>	<u>-</u>

## 18 CONTINGENCIES AND COMMITMENTS

- Guarantee issued by bank on behalf of the Company to the Director Excise and Taxation, Karachi for Sindh Excise Duty on imports is Rs. 1.8 million (2018: 1.8 million). High Court dismissed the petitions but Supreme Court remanded bank the case and now ICA (Inter Court Appeal) has been re fixed after remanding back from Supreme Court. Next date of hearing is not fixed yet.
- A guarantee had been issued in favour of Sui Northern Gas Pipelines Limited (SNGPL) by bank on behalf of the Company for Rs. 45.4 million. Sui Northern Gas Pipelines Limited encashed Rs. 29.31 million out of the guarantee for alleged demand of arrears. The Company has filed case before OGRA vide complaint No.458/15 against this alleged demand, which is still pending and not fixed for hearing yet. The management of the Company is hopeful for favourable outcome of the case. Next date of hearing is not fixed yet.
- The Deputy Commissioner Audit Unit-15, Zone III, LTU passed an order under section 121 on 26 September 2017 for the tax year 2014 making certain additions under different heads of statement of profit or loss with a refund of Rs. 43.6 million. The Company has filed an appeal against the said order on 25 October 2017 for which hearing is still pending and the Company is expecting a favourable outcome.
- The Company filed an appeal on 30 October 2018 before Commissioner Inland Revenue (A) against the order of Additional Commissioner Inland Revenue, Zone-III, LTU under section 122(5A), dated 18 October 2018 for the tax year 2015 creating demand amounting to Rs. 24.59 million for which the Company is expecting a favourable outcome.
- Imperial sugar Limited purchased property after paying full consideration of Rs. 100 million and the case was decreed in favour of Imperial Sugar. Imperial Sugar filed execution petition before court on which u/s 12(2) were filed and same was accepted but still case is pending before court and most probably case will be decreed in favour of Imperial Sugar Limited. Next date of hearing is 31-January-2020

19 PROPERTY, PLANT AND EQUIPMENT

The following is a statement of operating fixed assets (tangible):

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixture and equipment	Owened vehicles	Musharaka vehicles	Total
Rupees '000'							
<b>At 30 September 2017</b>							
Cost/revalued amount	-	-	-	-	25,666	-	25,666
Accumulated depreciation	-	-	-	-	(19,483)	-	(19,483)
Net book value	-	-	-	-	6,183	-	6,183
<b>At 30 September 2018</b>							
<b>Additions / adjustments</b>							
Cost	-	-	-	-	97,871	-	97,871
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	97,871	-	97,871
<b>Disposal</b>							
Cost	-	-	-	-	(78,080)	-	(78,080)
Accumulated depreciation	-	-	-	-	4,154	-	4,154
Net book value	-	-	-	-	(73,926)	-	(73,926)
Depreciation charge for the year (note 22.01)	-	-	-	-	(3,195)	-	(3,195)
<b>Re-classified to non-current assets held for sale:</b>							
Cost / revalued amount	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Net book value as at 30 September 2018</b>	-	-	-	-	<b>26,933</b>	-	<b>26,933</b>
<b>At 30 September 2019</b>							
<b>Additions/ Adjustments</b>							
Cost	-	-	-	258	68,773	-	69,031
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	258	68,773	-	69,031
<b>Disposals (note 19.02)</b>							
Cost	-	-	-	-	(75,854)	-	(75,854)
Depreciation	-	-	-	-	3,169	-	3,169
Net book value	-	-	-	-	(72,685)	-	(72,685)
Depreciation charge for the year (note 22.01)	-	-	-	(6)	(5,101)	-	(5,107)
<b>Re-classified to non-current assets held for sale:</b>							
Cost / revalued amount	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
<b>Net book value as at 30 September 2019</b>	-	-	-	<b>252</b>	<b>17,919</b>	-	<b>18,171</b>

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixture and equipment	Owened vehicles	Musharaka vehicles	Total
Rupees '000'							
<b>At 30 September 2018</b>							
Cost/revalued amount	-	-	-	-	45,457	-	45,457
Accumulated depreciation	-	-	-	-	(18,524)	-	(18,524)
Net book value	-	-	-	-	<b>26,933</b>	-	<b>26,933</b>
Annual rates (%) of depreciation 2018	-	5	5	10	20	20	
<b>At 30 September 2019</b>							
Cost/Revalued amount	-	-	-	258	38,376	-	38,634
Accumulated depreciation	-	-	-	(6)	(20,457)	-	(20,463)
Net book value	-	-	-	<b>252</b>	<b>17,919</b>	-	<b>18,171</b>
Annual rates (%) of depreciation 2019	-	5	5	10	20	20	

19.01 Depreciation charge for the year has been allocated as follows:

	2019 Rupees '000'	2018 Rupees '000'
Administrative expenses	5,107	3,195
Inoperative plant expenses	-	-
	<b>5,107</b>	<b>3,195</b>



## 19.02 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The following operating fixed assets with net book value exceeding in aggregate Rs. 500,000 were disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Mode of disposal	Buyer name
Rupees '000'						
Honda City	1,703	85	1,618	1,753	Negotiation	Muzamil Rafique
Honda City	1,703	85	1,618	1,753	Negotiation	Shahid Mehmood
Honda City	1,703	85	1,618	1,753	Negotiation	Suraj Cotton Mills
Honda City	2,033	102	1,931	2,033	Negotiation	Abdul Rafay
Honda City	2,033	102	1,931	2,083	Negotiation	M. Luqman
Honda Civic	2,728	91	2,637	2,728	Negotiation	Anees Ahmad Gujjar
Honda City	1,873	31	1,842	1,923	Negotiation	Muhammad haider iqbal
Honda City	1,873	31	1,842	1,873	Negotiation	Suleman Zubair
Honda City	1,703	-	1,703	1,733	Negotiation	Naeem rasheed
Honda City	1,873	62	1,811	1,923	Negotiation	Hashim Muhammad Ashraf
Honda City	2,083	35	2,048	2,053	Negotiation	M. Waqas Rafi Bhatti
Honda City	1,873	31	1,842	1,923	Negotiation	Usman Raza
Honda City	1,873	62	1,811	1,923	Negotiation	Waqar Ali
Honda City	1,703	-	1,703	1,753	Negotiation	Muhammad Azhar
Honda Civic	2,728	91	2,637	2,728	Negotiation	Abdul Malik
Toyota Corolla	2,831	-	2,831	2,831	Negotiation	Meezan Bank Limited
Toyota Corolla	2,831	-	2,831	2,906	Negotiation	Asif Hameed
Honda City	1,873	62	1,811	1,873	Negotiation	Anjum Bibi
Honda City	1,873	94	1,779	1,923	Negotiation	Khizar Farooq
Honda City	1,873	62	1,811	1,923	Negotiation	Samia Naseem
Honda City	1,703	-	1,703	1,703	Negotiation	M. Riaz
Honda City	2,083	-	2,083	2,053	Negotiation	Esther Nazir Alam
Toyota Corolla	2,831	142	2,689	2,906	Negotiation	Khawar Sehzad
Honda City	1,703	-	1,703	1,753	Negotiation	Ahmad Tariq
Honda City	1,733	116	1,617	1,733	Negotiation	Ali Rasheed
Honda Civic	2,787	46	2,741	2,862	Negotiation	M.Imran
Honda City	1,873	94	1,779	1,858	Negotiation	Muhammad Waqar Ashraf
Honda City	2,033	102	1,931	2,033	Negotiation	Muhammad Riaz bajwa
Honda City	1,873	94	1,779	1,858	Negotiation	Ahmad Naveed Ashfaq
Honda City	1,703	-	1,703	1,753	Negotiation	Parvez
Honda Civic	2,728	-	2,728	2,803	Negotiation	Fahad
Honda City	1,873	-	1,873	1,923	Negotiation	Tajamul Baig
Honda City	1,703	-	1,703	1,753	Negotiation	Rafaqat Ali
Honda City	1,703	-	1,703	1,753	Negotiation	S.M.Ali Naqvi
Honda Civic	2,728	-	2,728	2,749	Negotiation	Talat Imtiaz
Honda City	1,873	-	1,873	1,800	Negotiation	Ruby Butt
<b>Rupees 2019</b>	<b>74,444</b>	<b>2,393</b>	<b>72,051</b>	<b>76,128</b>		
<b>Rupees 2018</b>	<b>78,080</b>	<b>4,154</b>	<b>73,926</b>	<b>77,428</b>		

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>20 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		142,876	145,352
Spares		103,702	103,702
Loose tools		13,052	13,052
		<u>259,630</u>	<u>262,106</u>
Less: Provision for slow moving and obsolete stores, spares and loose tools		<u>(12,982)</u>	<u>(2,476)</u>
		<u><b>246,648</b></u>	<u><b>259,630</b></u>
<b>20.01</b>	There are no stores, spares and loose tools in transit as at September 30, 2019 (2018: Nil).		
<b>21 TRADE DEBTS</b>	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
Unsecured - considered goods			
Local		8,802	8,802
Less: Provision for doubtful debts		<u>(8,223)</u>	<u>-</u>
		<u><b>579</b></u>	<u><b>8,802</b></u>
<b>22 LOANS AND ADVANCES</b>			
Advances - considered good	22.01	194,657	214,318
Less: Provision for doubtful advances		<u>(3,795)</u>	<u>-</u>
		<u><b>190,862</b></u>	<u><b>214,318</b></u>
<b>22.01</b>	It includes advances given to sugarcane growers of Rs. 5.778 million (2018: Rs. 5.778 million) and suppliers of Rs. 20.642 million (2018: Rs. 20.112 million). It also includes Rs. 100 million paid for purchase of property after obtaining Court's consent decree which is presently under execution with the same Court. Advances and other receivables are recorded on estimated realizable value.		
<b>23 TRADE DEPOSITS AND OTHER RECEIVABLE</b>	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
Security deposits		3,632	3,496
Other receivables		15,894	15,058
		<u><b>19,526</b></u>	<u><b>18,554</b></u>
<b>24 TAX REFUND DUE FROM GOVERNMENT</b>	24.01	<u><b>156,765</b></u>	<u><b>169,939</b></u>
<b>24.01 Tax refund due from government</b>			
Opening balance		120,213	147,363
Add: Tax deducted during the year		36,552	22,576
		<u>156,765</u>	<u>169,939</u>
Less: Tax refunded / adjusted during the year		<u>(31,725)</u>	<u>(49,726)</u>
		<u><b>125,040</b></u>	<u><b>120,213</b></u>
<b>25 CASH AND BANK BALANCES</b>			
Cash in hand		-	-
Cash with banks:			
Current accounts		2,774	26,047
Saving accounts	25.01	2,961,131	3,091,828
		<u>2,963,905</u>	<u>3,117,875</u>
		<u><b>2,963,905</b></u>	<u><b>3,117,875</b></u>

**25.01** These carry profit ranging from 6.5% to 13.40% (2018: 5.5% to 6.5%) per annum approximately.

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>26 NON-CURRENT ASSETS - HELD FOR SALE</b>			
Freehold land	26.01	1,106,448	1,106,448
Building on freehold land	26.02	2,478,950	2,478,950
Plant and machinery	26.03	5,137,125	5,137,125
Furniture, fixture and equipment	26.04	17,291	17,291
		<b>8,739,814</b>	<b>8,739,814</b>
<b>26.01 Freehold land</b>			
Opening Balance		1,106,448	1,292,937
Transferred from operating fixed assets	19	-	-
Less: Carrying amount of freehold land disposed off		-	-
Less: Impairment charged during the year		-	(186,489)
		<b>1,106,448</b>	<b>1,106,448</b>
<b>Gain / (Loss) on disposal of non-current assets held for sale</b>			
Sale proceeds		-	-
Less: Carrying amount of freehold land disposed off		-	-
Loss on disposal		-	-
<b>26.02 Buildings on freehold land</b>			
Opening Balance		2,478,950	2,985,187
Transferred from operating fixed assets	19	-	-
Less: Carrying amount of building disposed off		-	-
Less: Impairment charged during the year		-	(506,237)
		<b>2,478,950</b>	<b>2,478,950</b>
<b>Gain / (Loss) on disposal of non-current assets held for sale</b>			
Sale proceeds		-	-
Less: Carrying amount of building disposed off		-	-
Gain on disposal		-	-
<b>26.03 Plant and machinery</b>			
Opening Balance		5,137,125	5,214,800
Transferred from operating fixed assets	19	-	-
Less: Carrying amount of plant and machinery disposed off		-	-
Less: Impairment charged during the year		-	(77,675)
		<b>5,137,125</b>	<b>5,137,125</b>
<b>Gain / (Loss) on disposal of non-current assets held for sale</b>			
Sale proceeds		-	-
Less: Carrying amount of plant and machinery disposed off		-	-
Loss on disposal		-	-
<b>26.04 Furniture, fixture and equipment</b>			
Opening Balance		17,291	17,291
Transferred from operating fixed assets	19	-	-
Less: Carrying value of furniture, fixture and equipment disposed off		-	-
Net carrying value		<b>17,291</b>	<b>17,291</b>
<b>26.05</b>			
The shareholders of the company resolved in Annual General Meeting, held on 31 January 2017, to dispose off land, building and plant and machinery along with all other assets installed. These non-current assets have been classified as held for sale at lower of their carrying amount or fair value less costs to sell in accordance with the requirements of International Financial Reporting Standard 5 (IFRS 5) "Non-current Assets Held for Sale and Discontinued Operations". Management is committed to selling the asset and actively looking for a buyer. One unit situated at Mian Channu has already been disposed off, where as sale, of unit at tehsil Phalia, district Mandi Bahauddin could not be completed within one year. The delay was caused by circumstances / events beyond the Company's control. The company has already taken necessary actions and is committed to sell the non-currents assets. Further the non current asset is being actively marketed at reasonable price.			
<b>26.06</b>			
Assets held for sale have been revalued as at 30 September 2019. The valuation has been carried out by an independent valuers M/S Anderson Consulting (Private) Limited, included in the list of approved valuers of Pakistan Banks Association.			

**26.07 Particulars of immovable assets of the Company are as follows:**

Location	Addresses	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
Mandi Bahauddin	Karmanwala, Tehsil Phalia, Mandi Bahauddin	Held for sale	6,026,526	960,078

27 Due to fact disclosed in note No. 2 to these financial statements, operating assets of Imperial Sugar Limited has now been classified as held for sale. Following are the results for the year ending 30 September 2019 and the comparative year of discontinued operations:

PROFIT OR LOSS - DISCONTINUED OPERATIONS	Note	2019 (Rupees in '000')	2018 (Rupees in '000') Restated
Sales - net	27.01	-	-
Cost of sales	27.02	-	-
<b>Gross profit</b>		-	-
Administrative expenses	27.03	(93,202)	(55,007)
Inoperative plant expenses	27.04	(27,801)	(29,477)
		(121,003)	(84,484)
Other operating expenses	27.05	(25,027)	(774,586)
Other operating income	27.06	332,722	236,001
<b>Profit / (loss) from operations</b>		186,692	(623,069)
Finance cost	27.07	(74)	(1,540)
<b>Profit / (loss) before taxation</b>		186,618	(624,609)
Taxation	27.08	(31,725)	-
<b>Profit / (loss) after taxation- discontinued operations</b>		<b>154,893</b>	<b>(624,609)</b>

**27.03 Administrative expenses**

Salaries, wages and other benefits		64,023	33,845
Fee and subscription		1,051	1,288
Vehicle running and maintenance		3,418	1,921
Legal and professional charges		47	347
Rent, rates and taxes		175	304
Travelling and conveyance		6,678	4,407
Postage, telephone and telegram		942	937
Utilities expenses		1,592	1,280
Entertainment		903	721
Insurance		1,629	414
Repair and maintenance		2,313	986
Printing and stationery		235	277
Charity and donations	27.03.1	2,321	2,500
Auditors' remuneration	27.03.2	1,069	975
Advertisement and publicity		81	111
Depreciation	19.01	5,204	3,195
Other expenses		1,521	1,499
		<b>93,202</b>	<b>55,007</b>

**27.03.1** Donation to the following organisation is equal to or exceeds Rs. 0.5 million:

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
Friends of Cardiology Multan Foundation		-	2,500

- No director or his / her spouse has any interest in the donees' fund.

**27.03.2 Auditors' remuneration**

Statutory audit		847	770
Half yearly review		182	165
Out of pocket expenses		40	40
		<b>1,069</b>	<b>975</b>

	Note	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>27.04 Inoperative plant expenses</b>			
Salaries, wages and other benefits		3,686	3,300
Fuel and power		1,985	1,875
Legal and professional charges		8,925	21,463
Repair and maintenance		9,099	220
Utilities expenses		1,381	791
Rent, rates and taxes		-	144
Insurance		2,589	1,657
Other expenses		136	27
		<b>27,801</b>	<b>29,477</b>
<b>27.05 Other operating expenses</b>			
Loss on sale of assets held for sale		-	-
Provision for slow moving and obsolete store, spares - and loose tools		12,982	2,476
Provision for doubtful debts and advances		12,019	-
Debtors written off		26	1,709
Impairment on assets held for sale		-	770,401
		<b>25,027</b>	<b>774,586</b>
<b>27.06 Other operating income</b>			
Creditors written back		10,707	826
Provisions written back		14,083	-
Gain on sale of operating fixed assets		5,109	3,501
Profit on bank deposit		301,394	195,781
Miscellaneous income		1,429	35,893
		<b>332,722</b>	<b>236,001</b>
<b>27.07 Finance cost</b>			
Financial charges on:			
- Finances		-	1,277
Bank charges, commission and excise duty		74	263
		<b>74</b>	<b>1,540</b>
<b>27.08 Taxation</b>			
Current tax:			
- For the year		31,725	-
- Prior year		-	-
Deferred tax:		-	-
		<b>31,725</b>	<b>-</b>

**27.09** Income tax return has been filed to the income tax authorities up to tax year 2019 under the provisions of the Income Tax Ordinance, 2001.

**27.10** Deferred taxation has been provided using income tax rate applicable to tax year 2020 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the Company chargeable under normal tax regime.

**27.11** As per the management's assessment, sufficient tax provision has been made in the Company's financial statements. The comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

Description	2018	2017	2016
	(Rupees in '000')	(Rupees in '000')	(Rupees in '000')
Provision as per financial statements	-	-	3,446
Tax assessment	-	-	-

28 EARNING / (LOSS) PER SHARE	Note	2019 (Rupees in '000')	2018 (Rupees in '000') Restated
<b>Basic and diluted earning / (loss) per share:</b>			
Profit / (loss) from continuing operation	Rupees	-	-
Profit / (loss) from discontinued operation	Rupees	154,893	(624,609)
Profit / (loss) after taxation	Rupees	154,893	(624,609)
Weighted average number of ordinary shares	Numbers	99,020	99,020
<b>Earnings / (Loss) per share -Basic and diluted:</b>			
Continued operation	Rupees	-	-
Discontinued operation	Rupees	1.56	(6.31)

**Diluted earnings per share:**

There is no dilutive effect on the basic earnings per share of the company because the company has no outstanding potential ordinary shares.

**29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVES	
	2019	2018	2019	2018	2019	2018
	Rupees ( '000')	Rupees ( '000')	Rupees ( '000')	Rupees ( '000')	Rupees ( '000')	Rupees ( '000')
Managerial remuneration	16,364	5,227	866	2,792	11,643	6,160
Rent and utilities	-	47	-	49	-	39
Medical allowance	1,636	529	87	286	1,164	621
	<b>18,000</b>	<b>5,803</b>	<b>953</b>	<b>3,127</b>	<b>12,807</b>	<b>6,820</b>
Number of persons	1	1	1	2	6	4

**29.01** In addition to the above, certain executives are also provided with Company maintained cars in accordance with their entitlements. There was no remuneration paid to Non Executive Directors and no fee was paid to any director for attending meetings of the board and its committees.

**30 BUSINESS SEGMENT INFORMATION**

Note	For the year ended 30-Sep-2019			For the year ended 30-Sep-2018		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	( Rupees in '000' )			( Rupees in '000' )		
<b>Revenue</b>						
Local and export	27	-	-	-	-	-
Inter-segment	27	-	-	-	-	-
		-	-	-	-	-
<b>Segment expenses</b>						
Cost of sales - Intersegment	30	-	-	-	-	-
- External	30	-	-	-	-	-
		-	-	-	-	-
<b>Gross (loss)/profit</b>						
Administrative expenses	27	-	-	-	-	-
Inoperative plant expenses	27	-	-	-	-	-
Other expenses	27	-	-	-	-	-
Other operating income	27	-	-	-	-	-
		-	-	-	-	-
<b>Operating Profit / (loss)</b>		-	-	-	-	-

**30.01 Reconciliation of reportable segment assets and liabilities**

	30-Sep-19			30-Sep-18		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	( Rupees in '000' )			( Rupees in '000' )		
Segment assets	8,613,183	3,691,364	12,304,545	8,754,298	3,751,842	12,506,139
Segment Liabilities	1,732,682	742,578	2,475,260	1,982,223	849,524	2,831,747
Depreciation of property, plant and equipment	3,575	1,533	5,107	2,237	959	3,195

	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>31 CASH FLOWS FROM DISCONTINUED OPERATIONS</b>		
<b>31.01 Cash flows from operating activities - discontinued operations</b>		
Profit / (Loss) before taxation	186,618	(624,609)
<b>Adjustments for:</b>		
Finance cost	-	1,277
Profit on saving accounts	(301,394)	(195,781)
Depreciation of property, plant and equipment	5,204	3,195
Provision for staff retirement benefits - gratuity	4,988	4,195
Provisions written back	14,083	-
Impairment loss on assets held for sale	-	770,401
(Gain) on sale of operating fixed assets	(5,109)	(3,501)
	<u>(282,228)</u>	<u>579,786</u>
Operating profit / (loss) before working capital changes	(95,610)	(44,823)
<b>Changes in working capital:</b>		
<b>(Increase) /decrease in current assets:</b>		
Stores, spares and loose tools	12,982	2,476
Trade debts	8,223	308
Loan and advances	23,456	(59,002)
Trade deposits and other receivables	(972)	365,897
	43,689	309,679
<b>Increase / (decrease) in current liabilities:</b>		
Trade and other payables	(132,220)	(243,733)
	<u>(88,531)</u>	<u>65,946</u>
Finance cost paid / settled	(37,139)	(42,085)
Staff retirement benefits - gratuity paid	(3,318)	(20,669)
Income tax (paid) / refunded / Adjusted	(36,552)	(22,576)
	<u>(77,009)</u>	<u>(85,330)</u>
Net cash used in operating activities	<u><b>(261,150)</b></u>	<u><b>(64,207)</b></u>
<b>31.02 Cash flows from investing activities - discontinued operations</b>		
Fixed capital expenditure	(69,031)	(97,871)
Sale proceeds from sale of property, plant and equipment	77,698	77,428
Profit on saving accounts	301,394	195,781
Net cash generated from investing activities	<u><b>310,061</b></u>	<u><b>175,338</b></u>
<b>31.03 Cash flows from financing activities - discontinued operations</b>		
Long term finances	(202,881)	(210,000)
Short term finances	-	(278,496)
Sponsors' loans (paid) / received	-	(566,732)
Net cash used in financing activities	<u><b>(202,881)</b></u>	<u><b>(1,055,228)</b></u>

## 32 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, directors, key management personnel and post employment benefits plan. Remuneration of Chief Executive Officer is disclosed in note No. 29. There were no other transactions with related parties.

	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>33 FINANCIAL INSTRUMENTS BY CATEGORY</b>		
<b>Financial assets as per statement of financial position</b>		
Trade debts	579	8,802
Loans and advances	190,862	214,318
Trade deposit and other receivables	19,526	18,554
Cash and Bank balances	2,963,905	3,117,875
	<b>3,174,872</b>	<b>3,359,549</b>
<b>Financial liabilities as per statement of financial position</b>		
long term loans	-	202,881
Trade and other payables	370,175	464,251
Accrued interest/mark-up	-	23,056
	<b>370,175</b>	<b>690,188</b>

### 33.01 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

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

#### 33.01.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company does not hold any instrument which could be included in Level 1, Level 2 and Level 3.

## 34 FINANCIAL INSTRUMENTS

### Financial risk factors

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 programme focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.



(a) **Market risk**

(i) **Currency risk**

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). The Company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to foreign entities. However, there was no exposure to currency risk at the year end.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short term borrowings and interest bearing assets. Borrowings obtained at variable rates exposes the company to cash flow interest rate risk.

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

	2019 (Rupees in '000')	2018 (Rupees in '000')
<b>Floating rate instrument</b>		
<b>Financial liabilities</b>		
Long term Loans	-	202,881
<b>Financial assets</b>		
Bank balances- saving accounts	2,961,131	3,091,828

**Cash flow sensitivity analysis for floating rate instruments**

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 29,611 lower / higher (2018: 28,889 higher / lower), mainly as a result of higher / lower interest income / expense on floating rate borrowings and bank balances. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

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

(iii) **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity securities price risk as its investment is in non-listed securities.

(b) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

The maximum exposure to credit risk for trade debts, loans and receivables at the reporting date by type of parties was:

	2019 (Rupees in '000')	2018 (Rupees in '000')
Government institution	8,223	8,532
Private sector's companies	40,445	64,941
Others	162,299	168,201
	<u>210,967</u>	<u>241,674</u>
The aging of loans and receivables at the reporting date was:		
Past due 0-6 months	-	-
Past due 6-12 months	-	-
More than one year	210,967	241,674
	<u>210,967</u>	<u>241,674</u>

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	2019 (Rupees in '000')	2018 (Rupees in '000')
Trade debts	579	8,802
Loans and advances	190,862	214,318
Trade deposit and other receivables	19,526	18,554
	<b>210,967</b>	<b>241,674</b>

The credit quality of receivables can be assessed with reference to their historical performance with no or some defaults in recent history, however, no losses. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

	Rating agency	Short term	Rating Long term
Faysal Bank Limited	PACRA	A-1+	AA
Summit Bank Limited	JCR-VIS	A-3	BBB -
Bank Alfalah Limited	PACRA	A-1+	AA+
BankIslami Pakistan Limited	PACRA	A-1	A+
The Bank of Khyber	JCR-VIS	A-1	A
National Bank of Pakistan	PACRA	A-1+	AAA
MCB Bank Limited	PACRA	A-1+	AAA
The Bank of Punjab	PACRA	A-1+	AA
United Bank Limited	JCR-VIS	A-1+	AAA
Habib Bank Limited	JCR-VIS	A-1+	AAA
Soneri Bank Limited	PACRA	A-1+	AA-
Bank Al-Habib Limited	PACRA	A-1+	AA+
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+
Silk Bank Limited	JCR-VIS	A-2	A-
The Bank of Khyber - TDR	PACRA	A-1	A
The Bank of Punjab - TDR	PACRA	A-1+	AA

**(c) Liquidity risk**

Liquidity risk represents the risk that the company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to growing nature of the business, the Company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses how management monitors net liquidity based on details of the remaining contractual maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 September 2019	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
(RUPEES '000')							
<b>Non-derivative Financial Liabilities</b>							
Long term finance	-	-	-	-	-	-	-
Trade and other payables	368,842	368,842	368,842	-	-	-	-
Accrued interest/mark-up	-	-	-	-	-	-	-
	<b>368,842</b>	<b>368,842</b>	<b>368,842</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

30 September 2018	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
(RUPEES '000')							
<b>Non-derivative Financial Liabilities</b>							
Long term finance	202,881	202,881	202,881	-	-	-	-
Trade and other payables	492,208	492,208	492,208	-	-	-	-
Accrued interest/mark-up	23,056	23,056	23,056	-	-	-	-
	<u>718,145</u>	<u>718,145</u>	<u>718,145</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to above financial liabilities have been determined on the basis of interest rates/mark-up rates effective as at 30 September 2019/2018. The rates of interest have been disclosed in note 16 to these financial statements.

### 35 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

However, the Company can finance its operations through equity, loans and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Net debt is calculated as total borrowings as referred to in note No. 15 of the notes to the financial statements less cash and bank balances. Total capital employed includes 'total equity' as shown in the statement of financial position and 'net debt'. The gearing ratio as at 30 September 2019 and as at 30 September 2018 is as follows:

	2019 (Rupees in '000')	2018 (Rupees in '000')
Debt	-	202,881
Cash and bank balances	2,963,905	3,117,875
Net debt	<u>(2,963,905)</u>	<u>(2,914,994)</u>
Total equity	<u>9,829,285</u>	<u>9,674,392</u>
Total capital employed	<u>6,865,380</u>	<u>6,759,398</u>
Gearing ratio (%)	<u>Nil</u>	<u>Nil</u>

### 36 EMPLOYEES

Average number of employees during the year - factory  
- others

	2019 Number	2018 Number
	<u>52</u>	<u>51</u>
	<u>38</u>	<u>19</u>
	<u>90</u>	<u>70</u>
	<u>51</u>	<u>52</u>
	<u>56</u>	<u>20</u>
	<u>107</u>	<u>72</u>

### 37 CAPACITY AND PRODUCTION

#### Sugar

		2019	2018
Plant capacity on the basis of operating days	M. Tons	825,000	825,000
Actual production	M. Tons	-	-

#### Ethanol

Rated capacity on the basis of operating days	Liters	33,875,000	33,875,000
Actual production	Liters	-	-

The operations of the Company have been closed since preceeding three years.



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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

'- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or statement of comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The adoption of IFRS 9 did not have any significant effect on the Company's accounting policies related to financial liabilities.

The accounting policies that apply to financial instruments are stated in Note No. 9.13 to the financial statements.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at 01 July 2018:

Financial Assets - 2018	Note	Classification		Carrying amount	
		IAS 39	IFRS 9	IAS 39	IFRS 9
				Rupees ('000')	Rupees ('000')
Trade debts	21	Loans and receivables	Amortized cost	8,802	8,802
Loan and advances	22	Loans and receivables	Amortized cost	214,318	214,318
Trade deposits and other receivables	23	Loans and receivables	Amortized cost	18,554	18,554
Cash and Bank balances	25	Loans and receivables	Amortized cost	3,117,875	3,117,875
<b>Total</b>				<b>3,359,549</b>	<b>3,359,549</b>

Financial Liabilities - 2018	Note	Classification		Carrying amount	
		IAS 39	IFRS 9	IAS 39	IFRS 9
				Rupees ('000')	Rupees ('000')
Long term financing	12	Amortized cost	Amortized cost	202,881	202,881
Trade and other payables	14	Amortized cost	Amortized cost	776,185	776,185
<b>Total</b>				<b>979,066</b>	<b>979,066</b>

## (ii) Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used actual credit loss experience over past years to base the calculation of ECL on adoption of IFRS 9. Given the Company's experience of collection history and no historical loss rates / bad debts and normal receivable aging, the move from an incurred loss model to an expected loss model has not had an impact on the financial position and / or financial performance of the Company.

Loss allowance on bank balances is measured at 12 months expected credit losses. Since this asset is short term in nature, therefore no credit loss is expected on these balances.

#### 40 FUNDAMENTAL ERROR

During previous year, there was an error for the calculation of deferred tax. The effect of this error has been rectified retrospectively in accordance with the requirements of IAS-08.

The effects on the financial statements as at 2018 are summarised as follow:

	2018 (Rupees in '000')
Effect on equity / profit or loss	
Increase in revaluation surplus	<u>62,107</u>
Decrease in unappropriated profits	<u>62,107</u>

There was no impact of restatement on statement of financial position as at 30 September 2017, therefore statement of financial position as at 30 September 2017 has not been presented.

#### 41 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on 06 January 2020.

#### 42 NON ADJUSTING EVENTS AFTER THE REPORTING DATE

There were no non-adjusting events after the reporting date.

#### 43 GENERAL

- Figures have been rounded off to the nearest thousand, unless otherwise stated.
- Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.



Chief Executive Officer



Director



Chief Financial Officer

## Financial Highlights

	2019	2018 (Restated)	2017 (Restated)	2016 (Restated)	2015	2014
	(Rupees in thousands)					
Share capital	<b>990,200</b>	990,200	990,200	990,200	990,200	990,200
Sponsors' loans	-	-	566,732	332,330		
Unappropriated profit	<b>3,310,089</b>	3,155,196	3,780,999	17,418	319,687	819,386
Surplus on revaluation of property, plant and equipment-net of deferred tax	<b>5,528,996</b>	5,528,996	5,466,889	9,075,042		
Non current liabilities	<b>1,831,295</b>	1,829,625	1,907,013	3,358,271		424,512
Current liabilities	<b>643,965</b>	1,002,122	1,824,885	2,553,993	3,157,064	2,393,378
Non current assets	<b>18,171</b>	26,933	6,183	15,249,900		3,374,303
Current assets	<b>12,286,374</b>	12,479,206	14,530,535	1,077,354	4,466,951	1,253,173
Turnover	-	-	-	344,713	1,071,053	5,298,805
Gross profit	-	-	-	17,749	53,609	250,130
Profit / (loss) profit from operations	<b>186,692</b>	(623,069)	(924,067)	(230,168)	(335,112)	57,083
Profit / (loss) profit before taxation	<b>186,618</b>	(624,609)	(931,232)	(303,014)	(453,799)	(126,535)
Profit / (loss) profit after taxation	<b>154,893</b>	(624,609)	(882,067)	(302,269)	(499,699)	(126,615)
<b>Production Data</b>						
Cane crushed (M.Tons)	-	-	-	-	288,754	836,931
Sugar produced (M.Tons)	-	-	-	-	24,402	78,273
Ethanol produced (Litres)	-	-	-	-	-	21,260,418

## Pattern of Shareholding

As at September 30, 2019

Number of ShareHolders	Shareholdings		Total Share Held
	From	To	
404	1	100	14,823
586	101	500	166,342
260	501	1000	205,121
360	1001	5000	807,289
86	5001	10000	674,526
20	10001	15000	243,151
13	15001	20000	245,458
8	20001	25000	189,861
8	25001	30000	225,758
5	30001	35000	161,014
7	35001	40000	265,190
5	40001	45000	213,824
9	45001	50000	440,500
7	50001	55000	375,631
3	55001	60000	175,000
2	60001	65000	127,585
3	65001	70000	203,000
1	70001	75000	71,500
1	85001	90000	87,500
1	90001	95000	94,500
3	100001	105000	309,000
1	105001	110000	110,000
1	120001	125000	125,000
1	135001	140000	138,176
1	140001	145000	141,500
1	215001	220000	220,000
1	255001	260000	257,912
1	270001	275000	271,203
1	285001	290000	286,000
1	345001	350000	350,000
1	375001	380000	378,000
1	420001	425000	423,550
1	425001	430000	425,500
1	675001	680000	675,500
1	1435001	1440000	1,436,148
1	1850001	1855000	1,853,957
1	2370001	2375000	2,374,265
1	3010001	3015000	3,010,413
1	4965001	4970000	4,965,861
1	5865001	5870000	5,866,010
1	6465001	6470000	6,467,445
1	9215001	9220000	9,219,617
1	9710001	9715000	9,714,076
1	9800001	9805000	9,801,640
1	9880001	9885000	9,882,145
1	9890001	9895000	9,890,098
1	15435001	15440000	15,439,411
<b>1,818</b>			<b>99,020,000</b>



## Categorical Pattern of Shareholding

As at September 30, 2019

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
Individuals	1,759	81,663,893	82.47
Financial Institutions / Modarabas / Pension Funds etc	17	82,600	0.08
Joint Stock Companies	28	16,612,685	16.78
Insurance Companies	6	86,526	0.09
Investment Companies	1	196	0.00
Mutual Funds	2	519,500	0.52
Others	5	54,600	0.06
<b>Total</b>	<b>1,818</b>	<b>99,020,000</b>	<b>100.00</b>

## Pattern of Shareholding (Additional Information)

Under Code of Corporate Governance as at September 30, 2019

Directors, CEO, and their spouses and minor children:	Shareholding	Percentage
Mr. Waqar Ibn Zahoor Bandey	10,252	0.01
Mr. Naveed M. Sheikh	4,965,861	5.02
Mrs. Fakhra Chaudhry	1,000	0.00
Malik Sohail Ahmed	1,000	0.00
Mr. Muhammad Tariq	1,000	0.00
Mr. Najam Faiz	1,000	0.00
Mr. Shahzad Ullah Khan	56,500	0.06
Mrs. Aasiya Naveed Sheikh	3,810,413	3.85
<b>Executives</b>	<b>9,714,076</b>	<b>9.81</b>
<b>Associated Companies, Undertakings &amp; related parties</b>	<b>-</b>	<b>-</b>
<b>Mutual Funds</b>	<b>519,500</b>	<b>0.52</b>
<b>Public Sector Companies &amp; Corporation</b>	<b>-</b>	<b>-</b>
<b>Joint stock Companies</b>	<b>16,612,685</b>	<b>16.78</b>
<b>Banks, Finance Institutions, Insurance Companies, Modarabas and Pension Funds etc.</b>	<b>169,322</b>	<b>0.17</b>
<b>Others</b>	<b>54,600</b>	<b>0.06</b>
<b>General Public</b>	<b>63,112,043</b>	<b>63.74</b>
<b>Total</b>	<b>99,020,000</b>	<b>100.00</b>
<b>Shareholding 5% and More</b>		
M/s Colony Textile Mills Limited	15,862,961	16.02
Ms. Noreen M. Sheikh	9,890,098	9.99
Ms. Izza Naveed Sheikh	9,882,145	9.98
Ms. Naila Imtiaz Sheikh	9,801,640	9.90
Ms. Eesha Naveed Sheikh	9,714,076	9.81
Mrs. Fozia Mughis Sheikh	9,219,617	9.31
Ms. Noveen Noorul Amin	6,467,445	6.53
Ms. Aniqua M. Sheikh	5,866,010	5.92
Mr. Naveed M. Sheikh	4,965,861	5.02
<b>Trade by Executive during the Year</b>		
<u>Name of Executive</u>	<u>Shares Purchased</u>	<u>Shares Sold</u>
Mr. Muhammad Tayyab	8,500	8,500

**یورڈ کی کارکردگی کی جانچ کا رپورٹ**

ڈائریکٹریٹن نے اپنی اور ذیلی کمپنیوں کی کارکردگی کی جانچ کا رپورٹ کے لیے کلام واضح کیا ہے۔

**ڈائریکٹریٹن کی جانچ اور رپورٹ**

یورڈ نے ڈائریکٹریٹن کی طرف سے جاری کردہ جانچ اور رپورٹ پر غور و خوض کیا ہے اور یہ اس رپورٹ کے ساتھ منسلک ہے۔

**تعمیلی بیان**

کمپنی کے ڈائریکٹریٹن کی طرف سے ڈائریکٹریٹن کے گورنرز، ڈائریکٹریٹن کے افسران اور دیگر افسران کے ساتھ منسلک ہے۔

**ملکی خصوصیات**

ملکی خصوصیات کا قانون برائے سال 2019 30ء نافذ ہے۔

**کاروباری معاملات جاری رکھنے کی صلاحیت**

یورڈ کی سرگرمیوں کی عدم موجودگی میں کمپنی کاروباری معاملات جاری نہیں رکھ سکتی۔ اسی بنیاد پر ان نظامیہ نے مالی حدمات ہر سال 2018-19ء حدمات اور حدمات کی حقیقی مالیت کی بنیاد پر جاری کیے ہیں۔ ان حدمات میں اس حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔

**بیرونی حدمات**

کمپنی کے بیرونی حدمات کے حدمات اور حدمات کے حدمات نے اپنی حدمات جاری رکھنے کی حدمات سے مراد سمجھے گئے ہیں۔ چنانچہ حدمات سے ان حدمات کے موجودہ حدمات میں 978,000 روپے سالانہ پر دوبارہ حدمات کرنے کی حدمات کی درخواست کی جاتی ہے۔ جبکہ حدمات کے حدمات اور حدمات کے حدمات میں موجودہ حدمات پر حدمات ہیں۔

**ویب سائٹ کی دستیابی**

کمپنی کے سالانہ حدمات اور حدمات کی حدمات کی ویب سائٹ [www.imperialugars.com](http://www.imperialugars.com) پر حدمات ہیں۔

**کاروبار سے حدمات اور مالی حدمات پر حدمات کی حدمات**

گورنرز اور حدمات کے حدمات اور حدمات کے حدمات نے اپنی حدمات جاری رکھنے کی حدمات سے مراد سمجھے گئے ہیں۔

1. کمپنی کے مالیاتی حدمات جو کہ اس کی حدمات نے حدمات سے مراد سمجھے گئے ہیں۔ چنانچہ حدمات سے ان حدمات کے موجودہ حدمات میں 978,000 روپے سالانہ پر دوبارہ حدمات کرنے کی حدمات کی درخواست کی جاتی ہے۔ جبکہ حدمات کے حدمات اور حدمات کے حدمات میں موجودہ حدمات پر حدمات ہیں۔
2. مالیاتی حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔ گورنرز نے مالیاتی حدمات کی حدمات سے مراد سمجھے گئے ہیں۔
3. حدمات کی حدمات سے مراد سمجھے گئے ہیں۔
4. بین الاقوامی قوانین مالیاتی حدمات جو کہ پاکستان میں لاگو ہیں اور حدمات سے مراد سمجھے گئے ہیں۔
5. کمپنی کا حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔
6. کمپنی کے کاروبار کے جاری نہ رہنے کے حدمات سے مراد سمجھے گئے ہیں۔
7. حدمات کے حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔
8. حدمات کے حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔
9. حدمات کے حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔
10. کمپنی اپنے حدمات سے مراد سمجھے گئے ہیں۔
11. حدمات کے حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔
12. کمپنی نے حدمات پر اپنی حدمات سے مراد سمجھے گئے ہیں۔
13. کمپنی کے ڈائریکٹریٹن کے حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔

**مالی حدمات کی حدمات کے حدمات اور حدمات کے حدمات**

مالیاتی حدمات کی حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔

**حدمات اور حدمات کے حدمات**

حدمات اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔

  
 نديم انجم  
 چيف اديتور

گورنرز اور حدمات کے حدمات سے مراد سمجھے گئے ہیں۔

  
 وقار احمد  
 ڈائریکٹریٹن

لاہور 6 اگست 2020

## ڈائریکٹرز رپورٹ

کھٹی کے ڈائریکٹرز کی جانب سے، میں آئندہ ہونے والے سالانہ عمومی اجلاس میں ہم آپ کو کھٹی آمدیہ کہتے ہیں اور سالانہ حسابات پیش شدہ حسابات ہمارے سالانہ 30 ستمبر 2019ء کو حساب کی رپورٹ پیش کرتے ہیں۔

### باقی باقی کارروائی

اس سال کھٹی کی آمدنی مبلغ 301,394 ملین روپے ہے۔ جبکہ پچھلے سال یا آمدنی 198,781 ملین روپے تھی جو کہ بھگتوں میں جمع کروائی گئی رقم پر نتائج کی صورت میں حاصل ہوئی ہے۔ اس سال کھٹی کا کل نتائج سود انٹریکس مبلغ 154,893 ملین روپے ہے جبکہ پچھلے سال یہ 624,609 ملین روپے (تین گنا) تھا۔ اس سال کھٹی فی حصہ 1.56 روپے ہے۔ جبکہ پچھلے سال یہ (تین گنا) تھا 6.31K روپے فی حصہ تھا۔

### فروخت شدہ اثاثہ جات کی رقم کا استعمال

میں ہفتوں میں واقع لی فروخت سے حاصل شدہ رقم میں سے مبلغ 2,377,823 ملین روپے بھگتوں، ڈائریکٹرز اور دیگر قرض خواہان بشمول گئے کے اثاثہ جات کو ادا کئے گئے۔ جبکہ باقی ماندہ رقم مبلغ 2,963,906 ملین روپے باقی ماندہ رقم بھگتوں میں جمع ہے۔ اس سال بڑی ادائیگی ایک اسلامی پاکستان کو مبلغ 202,981 ملین روپے قرض کی مد میں کی گئی۔ اس وقت کھٹی کے اثاثہ جات پر کسی قسم کا کوئی (Charge) نہیں ہے۔

### کھٹی کا مستقل اور کاروباری منصوبہ 2019

کھٹی خاص یا ضمانت کی منظوری کے تحت باقی ماندہ اثاثہ جات کی فروخت اور نئے کاروبار کو شروع کرنے کے میں مصروف عمل ہے۔ نئے کاروباری منصوبے کو عملی جامہ پہنانے کے لئے کھٹی ایک نئی مالی منہجیت کھٹی بنائے گی۔ جس کے نتیجے میں آپ کی کھٹی کی آمدنی بڑھنے کی کھٹی سے حاصل کردہ نتائج پر مشتمل ہوگی۔ کھٹی نے میاں نیکون میں واقع اثاثہ جات آگست 2017 میں فروخت کئے تھے اور اس رقم میں سے سالانہ مبلغ 343,632 ملین روپے، کھٹی نے تمام قرض خواہان کو ادا کیا گیا ہے۔ پچھلے سال نتائج 81 اثاثہ جات کی فروخت میں یکدم بہتری ہے۔ کئی اور بین الاقوامی - حاشی صوری، شرح سود کا دورہ سے بعد میں اور اور بڑی مال اثاثہ جات کی فروخت سے حاصل شدہ رقم میں اور کی وجہ سے میں شامل ہیں۔ حال میں نو گروہوں کی فروخت سے سرمایہ کاروں کی اس صنعت میں دلچسپی ظاہر ہو رہی ہے۔ ہم پر امید ہیں کہ اس کے شکر سیزن سے نکلنے کے عمل کو مکمل ہو جائے گا۔ ساتھ ہی میں یہ بات آتی ہے کہ شکر گروہوں کی فروخت سے حاصل شدہ رقم کے معاملات بند شکر سیزن پر عمل سے نو گروہ تک ہوتے ہیں۔ چونکہ موجودہ شکر سیزن چل رہا ہے لہذا نئے شکر سیزن کے شروع ہونے سے پیکل فریڈنگی کا عمل مکمل ہو جائے گا۔

### مطالعہ معاصر

کھٹی نے اپنے سالانہ اثاثہ جات کی فروخت سے موجود رقم میں سے حصص داروں کے لیے کوئی نئی مالی نتائج کا اعلان نہیں کیا۔

### ماحولیاتی اور اخلاقی

کھٹی اپنے ملازمین اور تمام اداروں کی صحت کے اخلاقی اصولوں پر کاربند ہے۔

### کارپوریٹ سوشل ذمہ داری

کھٹی اپنے کاروباری مالوں میں تعلیم اور صحت عامہ کے شعبوں میں بہتری کے لئے مستعدی سے واقفوں کو پورا کر رہی ہے۔

### ہورڈ آف ڈائریکٹرز

کھٹی کا ہورڈ آف ڈائریکٹرز 14 ممبروں کو آف گورنرز، ریگولیشنز 2019 کی ترمیمات کے مطابق تشکیل شدہ ہے۔ جس کی تفصیل اس سالانہ رپورٹ میں کارپوریٹ گورننس کے تحت جاری بیان میں شامل ہے۔

ذیل بیان کردہ سالانہ ڈائریکٹرز کے پانچ اجلاس ہونے تھے جس میں جس میں ڈائریکٹرز کی شمولیت اس طرح رہی۔

ڈائریکٹرز کا نام	اجلاس میں حاضری	ڈائریکٹرز کا نام	اجلاس میں حاضری
جناب نوریہ بیگم شیخ	05	جناب شمیم شیخ	04
جناب وقار احمد لہور پانڈے	03	جناب محمد طارق	05
جناب احمد حاتی موہنی	05	جناب شہزاد بھٹو	02
جناب اسد علی	05	مختارہ فاطمہ بیگم پوری	02

اجلاس میں عدم شرکت کرنے والوں کو وضاحت کی جا رہی تھی۔ دوران سال ایک ڈائریکٹر کے مستعفی ہونے پر نئی تبدیلی کی گئی۔

اوپر دیے گئے ناموں کو دہرا ہوا نہیں ہیں، ہر مالی سال کے اختتام پر ڈائریکٹرز تھے۔ جبکہ بعد میں ڈائریکٹرز کا انتخاب مستعد ہوا۔

محاسنی کھٹی کے سال میں چار اجلاس ہونے سے اس کے تمام ممبران نے اپنی مدت کے دوران تمام اجلاس میں شرکت کی۔

اسرائیلی و مال بورڈز محاسنی کھٹی کے سال میں ایک اجلاس اور اس کے تمام ممبران نے اپنی مدت کے دوران شمولیت کی۔

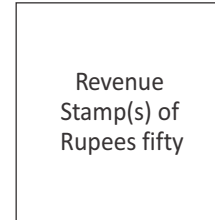
### ڈائریکٹرز کا معاوضہ

کھٹی ڈائریکٹرز کا معاوضہ انکی قابلیت، کارکردگی کے معیار اور انکی ذمہ داریوں کو ملحوظ خاطر رکھتے ہوئے کھٹی کے ڈائریکٹر کے مطابق طے کیا گیا ہے۔ چیف ایگزیکٹو کو دو بارہ موجودہ معاوضہ مبلغ 1,800,000K روپے ملتا ہے۔ معاوضہ طے کیا گیا ہے۔ جبکہ ایگزیکٹو ڈائریکٹر کا معاوضہ مبلغ 181,500K روپے ملتا ہے۔ جبکہ انکی کھٹی کی طرف سے ان کے استعمال کے لئے کارڈیاں اور دوسری مراعات بھی دی گئی ہیں۔

## FORM OF PROXY

I/We \_\_\_\_\_ of \_\_\_\_\_ being member of **IMPERIAL SUGAR LIMITED** and holder of \_\_\_\_\_ Ordinary shares as per Registered Folio / CDC Participant I.D. No. \_\_\_\_\_ hereby appoint Mr. / Mrs. / Miss. \_\_\_\_\_ of \_\_\_\_\_ or failing him / her Mr. / Mrs. / Miss. \_\_\_\_\_ of \_\_\_\_\_ who is also a member of the **IMPERIAL SUGAR LIMITED** vide Registered Folio / CDC Participant I.D. No. \_\_\_\_\_ as my proxy to vote for me and on my behalf at the 13<sup>th</sup> Annual General Meeting of the Company to be held on Tuesday, January 28, 2020 at 11.00 a.m. and any adjournment thereof.

Signed this \_\_\_\_\_ day of **January 2020**.



Signature  
(As registered with the company)

Witness: 1

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or \_\_\_\_\_

Passport # \_\_\_\_\_

Witness: 2

Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or \_\_\_\_\_

Passport # \_\_\_\_\_

### **NOTES:-**

- This proxy form, duly completed and signed, must be received at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.
- No person shall act as Proxy unless he/she himself / herself is a Shareholder of the Company except that a company may appoint a person as its representative who is not a shareholder.

# امپیریل شوگر لمیٹڈ

تشکیل نیاہت داری برائے سالانہ اجلاس عام

میں اہم  
ساکن \_\_\_\_\_ امپیریل شوگر لمیٹڈ  
کا ا کے حصص دار ہوں / ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت  
\_\_\_\_\_ عمومی حصص کا ا کے مالک ہوں / ہیں۔ اپنی جگہ پر حق رائے دی کے لیے  
رہائشی \_\_\_\_\_ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر \_\_\_\_\_ کو یا اس کے نہ  
آنے کی صورت میں \_\_\_\_\_ رہائشی \_\_\_\_\_ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی  
ڈی سی کھاتہ نمبر \_\_\_\_\_ کو جو کہ امپیریل شوگر لمیٹڈ کا ا کے حصص دار ہے / ہیں۔ کو اپنی جگہ بروز منگل  
بتاریخ 28 جنوری 2020 بوقت صبح 11 بجے بہ مقام اسماعیل ایوان سائنس بلڈنگ 205 فیروز پور لاہور میں منعقد ہونے والے سالانہ  
اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا کرتی کرتے ہوں / ہیں۔

یہ فارم \_\_\_\_\_ جنوری 2020 کو دستخط کیا گیا۔

بچاس روپے کی رسیدی ٹکٹ  
چسپاں کریں

دستخط۔

کمپنی کے ریکارڈ کے مطابق دستخط

گواہ نمبر: 1	گواہ نمبر: 2
_____ دستخط	_____ دستخط
نام _____	نام _____
پتہ _____	پتہ _____
_____	_____
شناختی کارڈ نمبر یا _____	شناختی کارڈ نمبر یا _____
پاسپورٹ نمبر _____	پاسپورٹ نمبر _____

نوٹ: 1- یہ مقدار نامہ مکمل اور دستخط شدہ کمپنی کے رجسٹرڈ آفس کے پتے پر اجلاس کے شروع ہونے سے 48 گھنٹے پہلے پہنچ جانا چاہیے۔

2- کوئی بھی فرد مختار نامہ اس وقت تک استعمال نہیں کر سکتا جب تک وہ کمپنی کا حصص دار نہ ہو۔ علاوہ اس کے کہ کوئی ایک کمپنی کسی فرد کو نمائندہ مقرر

کرے جو کمپنی کا حصص دار نہ ہو۔

**M. Ismail Aiwan-e-Science Building**  
**205-Ferozpur Road**  
**Lahore - 54600 Pakistan**  
**Tel: +92 (42) 3575-8970, 3575 1308**  
**Fax: +92 (42) 3576 3247**  
**E-mail: [info@imperialsugars.com](mailto:info@imperialsugars.com)**