



H U S E I N  
S U G A R

INNOVATING  
TODAY  
DEFINING  
TOMORROW

annual  
report **20**  
**20**





**INNOVATING TODAY**  
DEFINING TOMORROW

As the Covid-19 pandemic changes the world forever, Husein Sugar remains resilient. As per our commitment to our core philosophy, the company continues to innovate new products and technologies to stay relevant and competitive in an uncertain, challenging, and exciting future. Staying focused and continuously innovating, Husein Sugar is prepared to face any challenge on its way to defining tomorrow.



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## VISION STATEMENT

To be a leading producer of sugar and its by-products by delivering the highest quality of products of the highest international standards to our customers at the lowest possible cost.

To maximize the wealth of our shareholders by increasing equity and earnings in real terms.

To strive for excellence through integrity, unrelenting efforts, and by synergizing the integral components of the company.

To achieve sustainable growth and development by anticipating the expectations of our customers, predicting market trends, and through constant and fluid innovation.

To provide a safe, hygienic, challenging, and non-discriminatory workplace environment to our employees.

To contribute to the social and economic development of our community.



## MISSION STATEMENT

Our mission is to be a dynamic, profitable, and growth oriented company by working with all relevant stakeholders to maximize the returns on the investments of our shareholders and investors through the production and sale of the highest quality of products at the lowest possible costs in a secure and harmonious environment. To conduct business with the philosophy of "business for better life, respect for human dignity, and intelligent investment for a prosperous future."



# COMPANY INFORMATION

## DIRECTORS

Mian Ahmed Ali Tariq	Chairman
Mian Mustafa Ali Tariq	Chief Executive Director
Mrs. Nusrat Shamim	Non Executive Director
Mrs. Maryam Habib	Executive Director
Mr. Taufiq Ahmed Khan	Independent Director
Mr. M. Imran Khan	Independent Director
Mr. Saif Hasan	Independent Director

## CHIEF OPERATING AND FINANCIAL OFFICER

Mr. Wasim Saleem

## COMPANY SECRETARY

Mr. Khalid Mahmood

## HEAD OF INTERNAL AUDIT

Mr. Jalal-ud-din Khan

## AUDIT COMMITTEE

Chairman	Mr. Taufiq Ahmad Khan
Member	Mian Ahmed Ali Tariq
Member	Mr. Muhammad Imran Khan

## HUMAN RESOURCE & REMUNERATION COMMITTEE

Chairman	Mian Ahmed Ali Tariq
Member	Mian Mustafa Ali Tariq
Member	Mr. Taufiq Ahmad Khan

## RISK MANAGEMENT COMMITTEE

Chairman	Mian Mustafa Ali Tariq
Member	Mrs. Maryam Habib
Member	Mr. Saif Hasan

## LEGAL ADVISOR

Saad Rasool Law Associates

## BANKERS OF THE COMPANY ISLAMIC

Askari Bank Limited  
Bankislami Pakistan Limited  
Dubai Islamic Bank Limited  
Habib Bank Limited  
Meezan Bank Limited  
Orix Modaraba

## CONVENTIONAL

First Credit and Investment Bank Limited  
National Bank of Pakistan  
The Bank of Punjab  
Samba Bank Limited

## SHARE REGISTRAR

M/s Corptec Associates (Pvt) limited  
503 – E, Johar Town, Lahore, Pakistan  
Ph: 042-35170336-7  
Fax: 042-35170338

## EXTERNAL AUDITORS

Kreston Hyder Bhimjee & Co  
Chartered Accountants

## MILLS

Lahore Road, Jaranwala  
Ph:041-4312499

## REGISTERED & HEAD OFFICE

180 Abu Bakar Block, New Garden Town,  
Canal Road, Lahore.  
Ph: 042-111-111-HSM (476)  
Fax: 042-35712680  
Email: info@husein.pk

## WEBSITE INFORMATION

www.husein.pk

## PSX SYMBOL

HSM



# CODE OF CONDUCT FOR DIRECTORS

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical, and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for members of the Board of Directors. The Code defines acceptable and unacceptable behavior, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

## SALIENT FEATURES OF THE CODE

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### 1. Conflict of Interest

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Each Director must avoid any conflict of interest between the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly.

### 2. Corporate Opportunities

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Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain or competing with the Company for business opportunities.

### 3. Confidentiality

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Directors must maintain the confidentiality of information entrusted upon to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated.

### 4. Honesty, Integrity and Fair Dealing

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Directors must act honestly and fairly and exhibit high ethical standards in dealing with all the stakeholders of the Company.

### 5. Compliance with Laws, Rules and Regulations

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Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Ordinance, 1984, Listing Regulations of the Stock Exchanges and Insider Trading Laws.

### 6. Encouraging the Reporting of any Possible Illegal or Unethical Behavior

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Directors should take steps to ensure that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers, and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violation of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow any retaliation for reports made in good faith.





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## 7. Trading in Company Shares

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Certain restrictions / reporting requirements apply to trading by the Directors in Company shares. Directors shall make sure that they remain compliant with these statutory requirements.

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## 8. Compliance Procedures

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Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

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## 9. Compliance Officer

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The Company has designated Company Secretary who serves as a Compliance Officer to administer the Code. Directors, at their discretion may make any report or complaint provided for in this Code to the Chairman of the Board or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

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## 10. Public Company Reporting

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As a public company it is of great importance that the Company's filings with the SECP and concerned Stock Exchange(s) on which the shares of the Company are or may be listed be full, fair, accurate, timely and understandable. Directors may be requested to provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

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## 11. Disclosure of Interest

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Directors are also required to disclose, at the time of appointment and on an annual basis the directorship and/ or memberships they hold in other companies.

# CODE OF CONDUCT FOR EMPLOYEES

It is a fundamental policy of the Company to conduct its business with honesty, integrity, and in accordance with the highest professional, ethical and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for employees. The Code defines acceptable and unacceptable behavior, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

## SALIENT FEATURES OF THE CODE

### 1. Conflict of Interest

Employees/trainees must not engage in activity or transactions which may give rise, or which may be seen to have given rise to conflict between their personal interests and the interests of the Company.

### 2. Confidentiality and Disclosure of Information

Employees/trainees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to any third party including, but limited to, the press, customers, suppliers, employees are not entitled to such information or any other outside party.

### 3. Political Contribution

No funds or assets of the Company may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.



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#### 4. Bribes and Commercial Payments

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An employee/trainee must not give or receive bribes or other payments, which are intended to influence a business decision or compromise independent judgment; nor must any employee/trainee give money in order to obtain business for the Company, nor receive money for having given Company business to an outside agency.

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#### 5. Proper Recording of Funds, Assets, Receipts and Disbursements

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All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

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#### 6. Agreements with Agents, Sales Representatives or Consultants

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Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.

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#### 7. Relations and Dealings with Suppliers, Consultants, Agents, Intermediaries and Other Third Parties

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HSM's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that HSM's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

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#### 8. Health, Safety and Environment Policy

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Every employee/trainee at work must take reasonable care for the health and safety of himself/herself and others including visitors who may be affected by his / her acts or omissions at work; and co-operate in the Company's efforts to protect the environment.

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#### 9. Smoking Policy

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Smoking and exposure of workplace to tobacco poses serious health hazards to the employees/trainees besides potential risks of explosions. Considering this, smoking is permitted only in the designated 'Smoking Areas'.





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## 10. Seat Belt Policy

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As per policy, it is mandatory for all HSM employees/trainees, contractors, visitors and all other persons to fasten seat belts in the front seats of the vehicle while traveling.

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## 11. Other Employment, Outside Interests, Civic Activities

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HSM does not allow its employees/trainees to take any part-time and/or full-time second employment during employees'/trainees' engagement with the Company.

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## 12. Unsolicited Gifts

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Accepting gifts that might place an employee/trainee under obligation is prohibited. Employee/trainee must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

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## 13. Family Connections and Employment of Relatives

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Any dealings between staff themselves or outside organizations in which they have a direct, indirect or family connection must be fully disclosed to the Management.

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## 14. Company and Personal Property

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An employee/trainee must not take or use Company property or the property of another employee/trainee without permission; nor must be employee/trainee use Company property for private purposes without the Management's permission.

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## 15. Alcohol and Drugs

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Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all locations.

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## 16. Gambling

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All forms of organized gambling or betting on the Company's premises is forbidden.

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## 17. Rumour Mongering & Gossiping

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Rumour mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating

the minds and emotions of the fellow employees/trainees are strictly prohibited.

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## 18. Harassment

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It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any employee/trainee that harasses, disrupts or interferes with another's work performance, creates an intimidating, humiliating, offensive or hostile environment.

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## 19. Grievance Handling

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HSML strives to provide a fair and impartial process to its employees/trainees and ensure timely resolution of their grievance.

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## 20. Whistle Blowing

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In order to enhance good governance and transparency, HSM has introduced a Whistle Blowing Policy. The Policy provides an avenue to employees/trainees and vendors to raise concerns and report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment. These concerns should be raised by bringing those into the notice of supervisors/managers or compliance office.

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## 21. General Discipline

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Every employee/trainee must adhere to the Company's rules of service and make sure that he/she is familiar with them.

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## 22. Reporting Violations / Disciplinary Actions

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Any violation of this Code shall be promptly reported to the Human Resources department by any employee/trainee having knowledge thereof or having reasonable belief that such a violation has occurred.

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## 23. Compliance Office

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The Human Resources Department will act as the designated compliance office for implementation of the code



## BUSINESS CONTINUITY PLAN

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extra ordinary circumstances. The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system backups at remote sites.

The key highlights and actions of Husein Sugars' Business Continuity Plan are as follows:

- It is regularly ensured that Data Recovery processes are operating effectively.
- The management is responsible for the development and execution of an effective Business Continuity Plan.
- The development of the plan must be done keeping in mind the on-going business needs and the environment it is operating in.
- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP for all practices.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extraordinary event.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure protection of employees and assets, adequate systems are in place for natural disasters, fire emergencies, etc at plants.
- The Company has also deployed adequate security staff at its plant to ensure uninterrupted sugar production regardless of the political situation and other external factors.
- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance whereas backup of virtual assets and data is created on a routine basis.

# COMPANY PROFILE

Husein Sugar Mills Limited (The Company) was incorporated on February 14, 1966 in Karachi and received its Certificate for Commencement of Business on April 16, 1966. The Company is listed on the Pakistan Stock Exchange and has received the award for Top 25 Companies of Pakistan twice in its history. The Company commenced trial production on January 22, 1968 and went into commercial production on February 15, 1968, making it one of the pioneers of Pakistan's sugar industries. Given the rich history of the company, which is now in its third generation, it enjoys cordial and familial relations with the sugarcane growers of the area.

The ancestors of the current sponsors took control of the Company in 1977 and transformed the Company to its current identity through a continued process of BMR. The current sponsors consolidated control of the company and took over management in 2015. The existing sugar manufacturing process is based on Defecation Remelt Sulphitation that was changed

in 1986- 87 from out-fashioned Double Carbonation Double Sulphitation process.

The plant is located in Jaranwala. Approximately 80KM from Lahore and 40 KM from Faisalabad, Jaranwala is situated in the heart of Punjab's urban centers. The region is highly suitable for the plantation of sugarcane because of the area's unique climate and soil conditions. The area has large tracts of land where sugarcane is cultivated and produces approximately 40-45 million maunds of sugarcane a year.

The Company has recently initiated an efficiency improvement scheme in which equipment is being installed, which will reduce steam consumption per ton of cane processed. The bagasse saved will help increase revenues and maximize profitability. In fact, various measures have already been completed and positive results have already been achieved, which have been reflected in the improved revenue generation and the increased profitability of the company.



## DIRECTORS PROFILE



**MIAN AHMED ALI TARIQ**  
CHAIRMAN

Mian Ahmed Ali Tariq is the Chairman of the Board of Directors of the company. He completed his higher education at the Lahore University of Management Sciences and was awarded with a Bachelors of Science (Honors) degree. Mian Tariq is also a certified director from the Institute of Cost and Management Accountants of Pakistan (ICMAP). He has been associated with the company for more than a decade, and has served in an executive capacity since 2009. Mian Ahmed's vision and leadership at Husein has played a critical role in the company's growth, success, and development. An industry leader, Mian Ahmed has also served on the Executive Committee of The Pakistan Sugar Mills Association for Punjab.

Mian Tariq is a strong advocate of giving back to the community. Under his leadership, Husein Sugar Mills has expanded its commitment and contribution towards social welfare and development. His family trust has providing quality education and healthcare for generations at affordable prices through substantial scholarships and financial aid.

# DIRECTORS PROFILE



**MIAN MUSTAFA ALI TARIQ**  
CHIEF EXECUTIVE OFFICER

Mian Mustafa Ali Tariq is the Chief Executive Officer of the company. He completed his higher education at the University of California, Los Angeles and was awarded with a Bachelor of Arts degree in Economics. He has also been certified by the Lahore University of Management Sciences for successfully completing their course on Enhancing Board Effectiveness. He is a member of the HR&R Committee of the Board.

He is also a trustee of his family's non-profit social welfare organization. The family's education trust, which operates Mian Mohammad Ali Tariq College and Mian Nazir Husein School, has provided financial aid and scholarships to thousands of children since its inception. The family's healthcare trust operates a non-profit hospital that provides low-cost and free health care services.



**MRS. NUSRAT SHAMIM**  
NON-EXECUTIVE DIRECTOR

Mrs. Nusrat Shamim was the chief executive and chairperson of Husein Sugar Mills for more than a decade. In her time at Husein Sugar, she spearheaded the process of bringing the company's core systems and procedures up to date with the latest practices of the 21st century. A true visionary, Mrs. Shamim led the company through a time of crisis and helped build the base on which the company continues to grow and develop in today. Mrs. Shamim has held directorships in various other companies.

She is also the chairperson of the HSM Education and Healthcare Trusts, which were formalized in 2003. Both the trusts have been providing quality education and healthcare facilities at subsidized rates to the underprivileged members of our community. Besides aforementioned trusts, Mrs. Nusrat Shamim is also operating a number of other welfare projects/non-profit non-governmental organizations to try and eliminate poverty in the country. Due to her decades of business experience across various industries, Mrs. Shamim's seasoned and wise insights and intuitions have proven essential to successful operations of the company.



**MRS. MARYAM HABIB**  
EXECUTIVE DIRECTOR

Mrs. Maryam Habib was elected as a director on the board of Husein Sugar Mills in March of 2017. Mrs. Habib pursued her higher education at Kinnaird College Lahore. She is currently serving as the Executive Director of the company. In her short time at the company, she has been instrumental in initiating and implementing various programs of the company.



**MR. TAUFIQ AHMED KHAN**  
INDEPENDENT DIRECTOR

Mr. Khan is a highly decorated executive of Pakistan's pharmaceutical industry. Serving as the independent director on Husein Sugar's Board of Directors, and as the Chairman of the Board's Audit Committee, Mr. Khan's contributions to the company are of the utmost importance. He pursued his higher education at the University of Exeter where he was rewarded with a Bachelors of Science Degree in Economics. Mr. Khan is also a director of Highnoon Laboratories Ltd., one of Pakistan's largest pharmaceutical manufacturers. He is also the Chief Executive Officer of Curexa Health Pvt. Ltd, a wholly owned subsidiary of Highnoon Labs. After completing the necessary requirements as per the Code of Corporate Governance, The Pakistan Institute of Corporate Governance has also certified Mr. Khan. Given his vast capabilities and wide-ranging exposure, Mr. Khan is an invaluable member of the Board of Directors.



**MR. SAIF HASAN**  
INDEPENDENT DIRECTOR

Mr. Saif Hasan is an experienced executive in the global textile and fashion industry with a background in technology operations and management. He is also serving as a Director of Intermoda Brands Pvt. Ltd and is an executive at Matrix Sourcing, Triple Tree Solutions, and Lulusar. Previously, Mr. Hasan has worked in Silicon Valley. He completed his higher education at The George Washington University in Washington DC. He has also completed executive courses at the London School of Economics and the Lahore University of Management Sciences. Mr. Hasan joined the Board of Directors of Husein Sugar on the December 18, 2019.



**MR. MUHAMMAD IMRAN KHAN**  
INDEPENDENT DIRECTOR

Mr. Muhammad Imran Khan joined the Board on 31 May 2018. He is currently serving as independent director on Husein Sugar's Board of Directors, and as the Member of the Board's Audit Committee. Mr. Khan's contributions to the company are of the utmost importance. Mr. Khan serves as CEO/ Founder of Sule International and brings in several years of experience in commodities trading domestic and internationally. He was Co-Founder of Amber Road Trading Co New York with focus on trading between South East Asia, North America and England. Mr. Khan also serves on the board of Admaxim a global digital advertising technology company. Mr. Khan holds a bachelor's degree from Government College (Lahore, Pakistan) and has completed a business management and marketing certification from the University of California Los Angeles.

# MANAGEMENT HEAD OFFICE

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**Mian Mustafa Ali Tariq**  
Chief Executive Officer



**Mr. Wasim Saleem**  
Chief Operating and Financial Officer



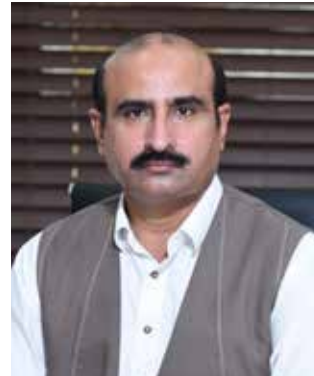
**Mr. Muhammad Mudassar Ahsan**  
General Manager Head Office



**Mr. Khalid Mahmood**  
Company Secretary



**Muhammad Iqbal Qasim Bhutta**  
Assistant General Manager  
(Finance and Accounts)



**Muhammad Khalid Mahmood Chatta**  
Assistant General Manager Purchase

## INSPIRED BY A DREAM BUILT TO GROW

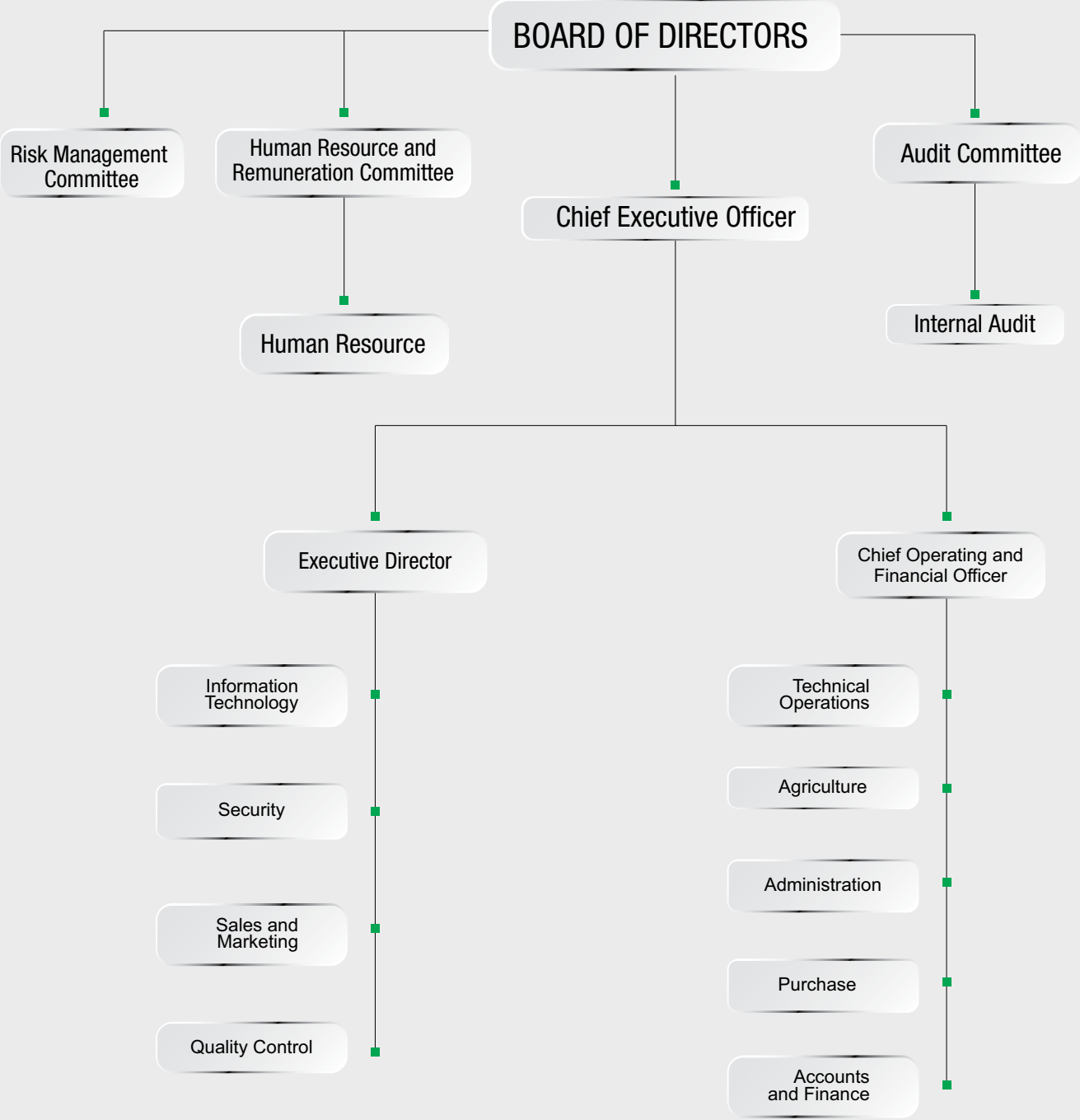
To be a leading producer of sugar and its by-products by delivering the highest quality of products of the highest international standards to our customers at the lowest possible cost. To maximize the wealth of our shareholders by increasing equity and earnings in real terms.

To achieve sustainable growth and development by anticipating the expectations of our customers, predicting market trends, and through constant and fluid innovation.

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# ORGANIZATION CHART







# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 54th Annual General Meeting of the company will Insha Allah be held on Thursday the January 28, 2021 at 10:00 A.M. at its registered office, 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore to transact the following business:

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## ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on 31 March 2020.
  2. To receive, consider and adopt the annual audited financial statements together with Directors' and Auditors' Reports thereon for the year ended September 30, 2020.
  3. To appoint Auditors for the year ending 30th September, 2021 and to fix their remuneration.
  4. To transact any other business with permission of the chairman
- 

By Order of the Board

Lahore  
January 06, 2021

KHALID MAHMOOD  
Company Secretary

## Notes:

1. The Share Transfer Books of the Company will remain closed from 21 January 2021 to 28 January 2021 (both days inclusive) to determine the names of members entitled to attend the Annual General Meeting. Transfers received in order at the office of our Share Registrar M/s Corptec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 January 2021, will be treated in time for entitlement of final cash dividend and for attending the meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend, speak and vote on behalf of him/her. A proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of holding the meeting.
4. Any individual beneficial owners of CDC, entitled to attend and vote at the meeting must bring his/her CNIC or passport to prove his/her identity and the proxy shall produce his/her original CNIC or passport. In case of corporate members, the Boards' resolution or power of attorney with specimen signatures of the nominee shall require to be produced at the time of meeting.
5. For the convenience of Members, a Standard Request Form with appropriate details has been uploaded on the Company's website www.husein.pk. Those Members who opt to receive the hard copies of the annual audited financial statements instead of sending the same through CD/DVD at their registered addresses may apply to the Company's Secretary at his postal address at 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore.
6. As per Section 72 of the Companies Act, 2017, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from

the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scripless form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

7. Members are requested to submit an attested photo copy of their valid Computerized National Identity Cards (CNICs) as per SECP's direction, if not provided earlier.
8. Members are requested to promptly notify any change in their address.
9. Pursuant to Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility, please fill the following form and submit to the registered address of the Company within seven (07) days before holding of annual general meeting.

I/ We, \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_' being  
a member of Husein Sugar Mills Limited, holder  
of \_\_\_\_\_ Ordinary Shares as per  
Register Folio No. / CDCA/C No... \_\_\_\_\_  
hereby opt for Video Conference facility  
at \_\_\_\_\_

\_\_\_\_\_  
Signature of member

# MANAGEMENT

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**MR. WASEEM AHMED GHAFOR**  
RESIDENT DIRECTOR



**MR. AZHAR FAZAL**  
GENERAL MANAGER OPERATIONS



**CH. MUHAMMAD ASHRAF**  
GENERAL MANAGER CANE



**MR. J AVID IQBAL SODAGAR**  
DEPUTY GENERAL MANAGER  
ELECTRICAL



**MR. GULZAMIN SAID**  
DEPUTY GENERAL MANAGER  
ADMIN & PR



**MR. MUHAMMAD SAEED ANWAR**  
ASSISTANT GENERAL MANAGER  
TECHNICAL



**MAJ. (R) MUHAMMAD ANWAR**  
ASSISTANT GENERAL MANAGER  
SECURITY & HR



**MR. SOHAIL AKBAR**  
ASSISTANT GENERAL MANAGER  
PRODUCTION



**MR. SHAH NAWAZ**  
ASSISTANT GENERAL MANAGER  
AGRICULTURE



**MR. ZAHID MEHMOOD**  
SR. MANAGER ACCOUNTS  
AND FINANCE



**SYED HASSAN MUJTABA**  
SR. CHIEF ENGINEER  
INSTRUMENTS



**MR. SHER-I-YAZDAN KHAN**  
SR. MANAGER QUALITY  
CONTROL



**MR. JALAL UD DIN KHAN**  
SR. MANAGER INTERNAL  
CONTROL

# PROFILE OF KEY MANAGEMENT



**MR. WASIM SALEEM**  
CHIEF OPERATING & FINANCIAL  
OFFICER

Mr. Wasim Saleem is the Chief Financial Officer of the Company. He did his masters in Business Administration. He is a member of Institute of Cost and management Accountants of Pakistan and Institute of Bankers in Pakistan. Besides attending many senior executive/management courses he has diversified experience of over thirty years at senior management level in development banking and sugar industry. Prior to joining Husein Sugar Mills Limited, He has worked with the NDFC and Ashraf Sugar Mills Limited.



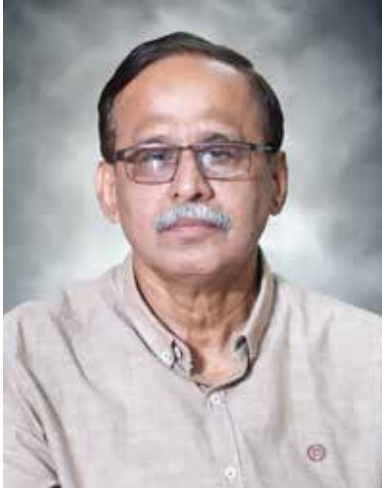
**MR. MUHAMMAD  
MUDASSAR AHSAN**  
GENERAL MANAGER  
HEAD-OFFICE

Mr. Muhammad Mudassar Ahsan is working in Husein Sugar Mills Limited as General Manager (Head Office). He has more than 20 years experience of sugar industry. He remained on the Board of the Husein Sugar Mills Limited in 2011-2012. He got his Masters in Business Administration (MBA Marketing) from University of Management and Science, Lahore in 1995 along with Diplomas in Export Marketing Management and Computer Applications. He attended Financial Management Courses from Lahore University of Management Sciences (LUMS).



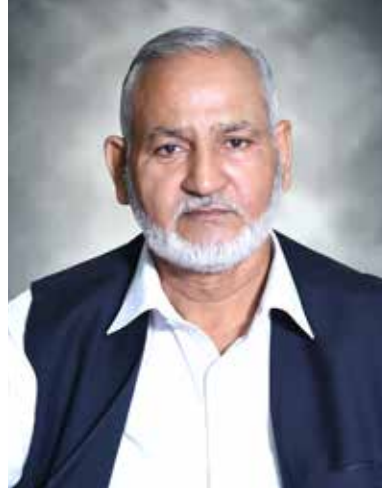
**MR. KHALID MAHMOOD**  
COMPANY SECRETARY

Mr. Khalid Mahmood has been working in Husein Sugar Mills Limited as the Company Secretary. He has been associated with the Company since 2005 Mr. Khalid is associate member of Institute of Chartered Secretaries of Pakistan (ICSP). He is also Associate Member of Institute of Corporate Secretaries of Pakistan (ICSM) He got his Masters in Business Administration (MBA) from Virtual University of Pakistan, Lahore in 2008. He done CAF from the Institute of Chartered Accountants of Pakistan (ICAP). He has complete command over good corporate secretarial practices and very competent professional grip on all applicable laws to ensure compliance thereto and to adopt good corporate governance practices



**MR. WASEEM AHMED  
GHAFOOR**  
RESIDENT DIRECTOR

Mr. Waseem Ahmed Ghafoor is the Resident Director of the company. He joined Husein Sugar Mills in 2012. He has done masters in Chemistry from the University of Agricultural Faisalabad. He has 31 years of practical experience in sugar industry. He is being assisted by adequately qualified and well experienced team of technical persons in the fields of chemical processing, mechanical, electrical and instruments engineering.



**CHAUDHRY MUHAMMAD  
ASHARAF**  
GENERAL MANAGER - AGRICULTURE

Chaudhary Muhammad Ashraf is working with Husein Sugar Mills Limited as General Manager - Agriculture. The University of Agriculture in Faisalabad rewarded Mr. Chaudhry with a Masters degree MSC (Hons) Agri in 1982. Mr. Ashraf has been instrumental in the innovation and development of the Cane Procurement and Cane Development department at the company. He has 35 years of experience in the sugar industry.



**MR. AZHER FAZAL**  
GENERAL MANAGER -  
OPERATIONS

Mr. Azher Fazal has been a part of the Husein team since 2013. Mr. Azher Fazal completed his higher education at the University of Engineering and Technology where he was rewarded with a degree in Mechanical Engineering. Mr. Fazal is also a certified engineer from the Pakistan Engineering Council. Mr. Azher's numerous contributions in the technical operations of the plant have been instrumental in the operating success of the company.

# KEY OPERATING AND FINANCIAL DATA

OPERATING DATA	2020	2019	2018	2017	2016	2015
Cane crushed (M.Tons)	476,430	491,278	600,773	660,136	499,396	447,091
Sugar produced from Sugar Cane (M.Tons)	43,307	48,251	55,331	65,024	46,861	41,103
Average Recovery from Sugarcane( %)	9.12	9.81	9.21	9.85	9.41	9.20
Number of days worked	117	98	135	151	111	139

FINANCIAL DATA	(Rupees in ' 000)					
Sales	2,954,630	3,715,573	2,755,737	3,856,539	3,144,147	1,995,710
Gross Profit /(Loss)	294,265	240,082	259,095	485,320	245,551	(209,329)
Operating Profit /(Loss)	47,665	74,514	71,923	286,354	68,130	(381,278)
Profit / (Loss) before taxation	(208,942)	313,185	32,792	228,853	98,257	(416,144)
Taxation	(77,265)	(19,642)	2,376	(27,263)	17,408	(2,197)
Profit / (Loss) after taxation	(286,206)	293,543	35,168	201,590	115,665	(418,342)
Earning /(Loss) per share (Rupees)	(7.43)	9.05	1.28	9.55	5.61	(24.61)
Total Assets	6,891,961	4,640,998	5,137,458	3,732,920	3,139,121	3,337,783
Current Liabilities	2,950,762	1,395,380	2,439,517	1,052,191	1,276,551	1,731,041
<b>Capital Employed</b>	<b>3,941,199</b>	<b>3,245,618</b>	<b>2,697,941</b>	<b>2,680,729</b>	<b>1,862,570</b>	<b>1,606,742</b>

REPRESENTED BY:						
Share Capital	385,200	360,000	250,000	250,000	170,000	170,000
Reserves	2,295,364	1,938,295	1,998,952	2,043,551	1,644,092	1,703,580
Accumulated Profit / ( Loss)	(137,888)	102,945	(246,489)	(341,669)	(770,789)	(952,607)
Directors' Loan	424,429	446,381	530,352	531,852	609,682	403,442
<b>Shareholders' Equity</b>	<b>2,967,105</b>	<b>2,847,621</b>	<b>2,532,815</b>	<b>2,483,734</b>	<b>1,652,985</b>	<b>1,324,415</b>

NON - CURRENT LIABILITIES						
Liabilities against assets subject to finance lease	3,714	-	-	-	-	-
Long term financing	702,028	277,663	-	-	-	-
Deferred income tax liability	268,352	120,334	165,126	196,995	209,585	282,327
	974,094	397,997	165,126	196,995	209,585	282,327
<b>Total</b>	<b>3,941,199</b>	<b>3,245,618</b>	<b>2,697,941</b>	<b>2,680,729</b>	<b>1,862,570</b>	<b>1,606,742</b>

EXCITATION PANEL G-4

The Excitation Panel G-4 features a control interface with three indicator lights at the top (green, red, green). Below these are three analog meters, three rotary switches, and several push buttons, including a prominent red emergency stop button at the bottom. The panel is branded with the logos for Exact Engineering and Usman Engineering.

CONTROL INSTRUMENTS & SWITCH PANEL G-4

The Control Instruments & Switch Panel G-4 includes a digital display at the top, followed by a row of indicator lights. The panel is densely packed with various control elements such as toggle switches, rotary switches, and push buttons. A red emergency stop button is located near the bottom. The Exact Engineering and Usman Engineering logos are visible at the bottom of the panel.

RECORD PANEL G-4

The Record Panel G-4 contains a digital display at the top, several indicator lights, and a series of push buttons and switches. The Exact Engineering and Usman Engineering logos are positioned at the bottom of the panel.

OPERATION PANEL G-4

The Operation Panel G-4 features a digital display at the top, indicator lights, and a collection of push buttons and switches. The Exact Engineering and Usman Engineering logos are located at the bottom of the panel.

Exact Engineering

Usman Engineering

Exact Engineering

Usman Engineering

Exact Engineering

Usman Engineering

Exact Engineering

Usman Engineering



## REPORT OF THE BOARD AUDIT COMMITTEE

The Board Audit Committee (BAC) is governed by the mandate given to it by the Board of Directors in compliance of the Code of Corporate Governance. It is a vital platform to ensure the transparency of financial reporting and is critical for the efficient effectiveness of the company's objectives.

The BAC assists the Board in scrutinizing the financial and non-financial information and maintaining an independent check on the activities of the management. It also serves as a platform to evaluate, asses, and monitor internal controls, compliance, and manage risks.

The Board Audit Committee comprises of three members:

Mr. Taufiq Ahmad Khan	Independent Director	Chairman
Mian Ahmed Ali Tariq	Non-Executive Director	Member
Mr. M. Imran Khan	Independent Director	Member

All the members have extensive knowledge and experience in the fields of finance, accounting, controls, and systems management.

The BAC takes into account information from various sources such as biweekly reports from management, internal auditors' report, external auditors' report among other sources. The BAC is empowered to invite and question any person from management as and when required for the purposes it has been authorized to scrutinize by the Board of Directors.

During FY2019-20, The Board Audit Committee met four times. The Chief Financial Officer and the Head of Internal Audit are regular participants of the meeting. The BAC also meets external and internal auditors independently once a year.

The terms of BAC are precisely defined by the Board. The Committee monitors including other things:

- Internal Controls
- Risk Management
- Integrity of Financial Information
- Internal Audit Report
- Audit Observations
- Compliance with Applicable Laws
- Assessing accounting & financial estimates, changes in accounting policies, and compliance with standards.
- Recommendation of External Auditors Appointment based on independence, integrity and satisfactory rating with ICAP

The Board Audit Committee has reviewed the

performance and operations of the Company for the year ended September 30, 2020 and reports that:

- Internal controls of the company are sound and are working properly;
- Departments of the company are working in line with company objectives;
- Records are maintained in accordance with applicable laws and regulations;
- Financial statements are in conformity with applicable laws and regulations;
- Code of Corporate Governance is followed;
- Recommended the present auditors, M/S Kirsten Hyder Bhimji & Co. Chartered Accountants, for reappointment for year ending September 30, 2021.

TAUFIQ AHMAD KHAN  
Chairman

BOARD AUDIT COMMITTEE  
Lahore





## ROLES AND RESPONSIBILITIES OF THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Listed below are the responsibilities of the Chairman and the Chief Executive Officer of the Company.

### CHAIRMAN

The Chairman is responsible for the leadership of the Board. In particular, he will:

1. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
2. Ensure effective communication with shareholders.
3. Set the agenda of Board discussions to promote constructive debate and effective decision-making.
4. Chair the Nominations Committee and build an effective and complementary Board, initiating change and planning succession on Board and Executive appointments.
5. Ensure that all Board committees are properly established, composed and operated.
6. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.

7. Support the Chief Executive in the development of strategy and, more broadly, to support and advise the Chief Executive.
8. Maintain access to senior management as is necessary and useful, but not intrude on the Chief Executive's responsibilities.
9. Promote effective relationships and communications between non-executive directors Executive directors.
10. Ensure that the performance of the Board, its main committees and individual directors is formally evaluated on an annual basis.
11. Preside over all the BOD meetings and AGM.
12. Declare results of the meetings where result based on show of hands of General Meeting.
13. Sign the minutes of meetings of the Board Of Directors and the Annual General Meeting.
14. Establish a harmonious and open relationship with the Chief Executive Officer and Management.

### Chief Executive Officer

The Chief Executive Officer is responsible for leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

1. Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business.
2. Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.
3. Plan human resource strategies to ensure that the Company has the capabilities and resources required to achieve its plans.
4. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
5. Be responsible to the Board for the performance of the business consistent with agreed plans, strategies, and policies.

6. Lead the executive team, including the development of performance contracts and appraisals.
7. Ensure that financial results, business strategies and, where appropriate, targets and milestones are communicated to the investors.
8. Develop and promote effective communication with shareholders.
9. Ensure that business performance is consistent with the Business Principles.
10. Ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
11. Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly and that associated risks are identified and appropriate steps taken to manage the risks.
12. Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Company's trading activities.
13. Ensure that the flow of information to the Board is accurate, timely and clear.
14. Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.







## CHAIRMAN'S REVIEW

Dear Shareholders,

It gives me great pleasure to address my fellow stockholders at the culmination of another year. Husein Sugar has successfully completed fifty-four years of business and throughout this period, the company has continued to grow each year. I would like to take this opportunity to highlight the commitment of the company to achieve excellence and provide a broad review of the economic environment your company operates in today. Although the last fiscal year has been extremely challenging, I am happy to report that the company has managed to retain gross profitability in an uncertain environment.

For the financial year ended September 30, 2020, the Board has deemed the overall performance of management as satisfactory and in line with the vision set forth by the Board. The overall assessment as satisfactory is based on an evaluation of integral components, such as strategic planning, effective fiscal budgeting, successful implementation

of policies, enhancement of systems, and operational results. With domestic sugar prices rising drastically towards the end of the year due to a stocks deficit, the management decided to pursue a conservative selling strategy.

After what we all would agree was an uncertain and challenging year, Pakistan and the Rest of the World are still facing one of the worst economic crises in the last century. Given the outbreak of the Covid-19 pandemic, it has been a difficult year for businesses throughout different sectors of the economy. In fact, with the highest interest rates in more than a decade (during most of the financial year), it has become much more expensive to access capital. Furthermore, with the devaluation of the Rupee against all major currencies around the world, the costs of various inputs have increased dramatically. However, in spite of this challenging economic environment, I am pleased to announce that your company has continued to deliver.

We look forward to work with the government to do our part in the stabilization and growth of the economy. The government has finally engaged the sugar industry to study the sector and provide legislation suitable to the 21st century. These steps are praiseworthy and we are hopeful the government will soon provide legislation that is beneficial for the country.

This season, climatic conditions proved detrimental for agricultural produce across the country through out all sectors, as was witness with lower sugar recovery for this year. However, for next year, we forecast a continued rise in our sucrose recovery. Based on the initial data our cane quality and laboratory teams are reporting, we predict our sugar recovery will rise significantly in the next crushing season.

The management at Husein continues to pursue the policy of hiring capable and motivated individuals, rewarding hard work, and providing platforms for personal development. In this regard, not only are we ensuring that executives undertake Director's Training Programs in compliance with the Code of Corporate Governance, but we are also providing internships to aspiring engineers and investing in the development of our managers and executives throughout the company. We at Husein strongly believe that transparency and accountability are essential to generate value at any institution in the long run. Thus, we continue to ensure compliance to the Code of Corporate Governance and warrant the highest professional standards throughout the company. Accordingly, we have developed and implemented policies to guarantee the highest safety, health, and equal opportunity standards at your company.

As the company has continued to excel over the last few decades, the company has ensured continuous investment in social projects in our community. Our commitment to giving back to our community has only grown with time. We are proud to state that our CSR projects have set a benchmark for other companies to follow. The schools and college at our associated educational complex continue to provide the highest standard education to more than a thousand children every year from Kindergarten to College at extremely subsidized rates. This year, we have focused on providing personal protective equipment to the Jaranwala community where our mills are located. Under the directions of the Board, the Management of the company has coordinated disbursement of various personal protective equipment and has ensured that Standard Operating Procedures as recommended by the World Health Organization and the Health

Department of the Government of Punjab are strictly enforced.

To stay competitive in today's industry, it is imperative to constantly innovate, modernize, and update essential technologies and procedures. In this regard, we are integrating the latest technologies to our core systems. The Efficiency Improvement Project that the company initiated a few years ago is right on track and we are already realizing returns on this investment.

From a record high in sugarcane prices, to one of the toughest most uncertain working environment in more than a hundred years, we at Husein have overcome a challenging business environment. These challenges do not deter us. Rather, they renew our strength and keep the company innovating. In this difficult economy, by the grace of Allah, I am happy to humbly report, we have fought through difficult times and our looking forward to the future.

The confidence of the shareholders and other stakeholders in the management and the board has been indispensable in allowing the company to embark on a new journey from a time of crisis to a position where we have sound prospects for sustainable development, greater value creation, and stable growth in the years ahead. I look forward to welcome as many of our shareholders as possible at the forthcoming Annual General Meeting.

Our management has worked tremendously hard to steer the company to a place where we can comfortably expect sustainable development, growth, and financial success in the years ahead. I would like to take this opportunity to place on record my appreciation to all stakeholders for their continued support. In particular, I would like to acknowledge the hard work, unrelenting efforts, and steadfast dedication of the entire Husein team and look forward to the same cooperation and commitment in the future.

As always, Husein Sugar continues its unwavering support for sustainable development and remains resolute in its commitments to all its stakeholders.



MIAN AHMED ALI TARIQ  
Chairman of the Board





## DIRECTORS' REPORT

Your Directors are pleased to present the 53rd Annual Report of Husein Sugar Mills Limited for the year ended September 30, 2020.

The Company's performance for the current and last year is given below:

September 30	2020	2019	Increase % ↑ / Decrease % ↓
<b>OPERATIONS</b>			
Sugarcane crushed: (M. Tons)	476,431	491,278	3% ↓
Sugar produced: (M. Tons)	43,307	48,251	10% ↓
Molasses produced: (M.Tons)	22,955	24,070	5% ↓
Sugar recovery: (%age)	9.12	9.81	7% ↓
Rupees in Thousand			
<b>FINANCIAL</b>			
Sales:	2,954,630	3,715,573	20% ↓
Gross Profit:	294,265	240,082	23% ↑
Operating Profit:	47,665	74,514	36% ↓
Finance Cost:	374,089	221,351	69% ↑
(Loss) / Profit After Taxation:	-286,206	293,543	
(Loss)/ Earnings Per Share (Rupees):	-7.43	9.05	

## CHAIRMAN'S REVIEW

The Directors of your Company fully endorse the Chairman's Review for the year ended September 30, 2020.

## COVID-19 and THE STATE OF THE ECONOMY

With one of the most uncertain and difficult years on record, Pakistan and nations across the world continue to face the stressful tasks of rebuilding their economies post the pandemic. Embracing the new normal, like companies across the planet, Husein Sugar has also learned to adapt and adopt new technologies and systems to stay competitive in a pandemic shaken world. Given one of the worst economic and humanitarian crises the world has ever seen, like other sectors of the economy, Pakistan's sugar industry, too, has had a challenging year. The Government of Pakistan and the State Bank of Pakistan deserve credit for the Covid-19 related initiatives they took that provide much needed relief to a distressed economy. The effort is extremely commendable and we support this critical decision. Ultimately, this will provide much needed relief to the economy.

Across various industries, production has taken a serious blow, and the cost of doing business has increased considerably. Pakistan's sugar industry has not survived this economic devastation. Pre Covid-19 measures, the policy rate was at a ten-year high, it had become almost twice as expensive to access capital. Consumer demand and industrial manufacturing are at a low. However, with in oil prices decreasing, the current account being in surplus and the Pakistani rupee stabilizing against the dollar, there is now a comfortable balance in our economy and potential for growth next year looks optimistic. However, with Covid-19 cases still rising exponentially day-by-day and lockdowns becoming the now normal, it remains to be seen how and if the economy will adapt to keep growing.

## SUGARCANE AND SUGAR

For the last current crushing season, the Government of Punjab had set a notified price for the procurement of sugarcane at Rs. 190 per Maund or 40 KG of sugarcane whereas the Government of Sindh has notified the price at Rs. 192 per 40 KG. This year, the Government of Punjab had set a notified price for the procurement of sugarcane at Rs. 200 per Maund or 40 KG of sugarcane whereas the Government of Sindh has notified the price at Rs. 200 per 40 KG. Similar to last year, where most mills procured at Rs. 240 per 40 KG, despite a lower support price, this year on average, the mills are also acquiring at a cost 25-30% higher than the support price. It is essential for the government to take notice of the fact that sugarcane growers across Pakistan



are not selling their produce at the price notified by the various provincial governments. Ultimately, this will translate to a high cost of production per KG for sugar.

The area under cultivation in the operational domain of the mills was about the same as was last year with slight decrease in per acre yield attributed to pest attacks, diseases, and climatic conditions such as lower rainfall received during the year. For next year, our Agriculture Department predicts a similar amount of area under cultivation, but with greater sugar recoveries and per-acre-yields due to better climatic conditions. Therefore, we forecast a 5-10% greater sugar production as compared to last year. However, given that this season began with a sugar shortage and negligible sugar inventories, the market for Sugar should behave similar to last year.

The main challenge faced during the previous crushing season was a 7% drop in sucrose recovery of your company that increased the cost of raw material phenomenally. Last year, sugarcane cultivation and yields per acre were drastically lower than the previous year. At a national level, the unavailability of sugarcane kept sugarcane prices on the rise throughout the crushing season. Naturally with an unavailability of sugarcane to be crushed, there was a sugar shortage. It was ironic to the demand for sugarcane price by the grower kept increasing on one hand, whereas simultaneously they also stopped supplying sugarcane to the mills for at least 15 days in the first week of January. Ultimately the shortage of sugar produced due to the shortage and unwillingness of sugarcane growers to provide sugarcane at the support price kept sugar prices on the rise. Resultantly, as sugar prices rallied, the Government panicked and formed the sugar inquiry commission to investigate the reasons for price hike. Although the intention of the Government is commendable, the methodology adopted was unfortunate. The government should have engaged the Sugar Industry to try and find a solution to the ongoing crisis. It is unfortunate that instead of engaging stakeholders throughout the sugar supply chain, the Government engaged in coercive measures against the sugar industry. Again, it is pertinent to mention that the current sugarcane situation is similar to last year. Already sugarcane farmers are reluctant to provide sugar cane even at prices as high as Rs. 275/ 40 Kg. Ultimately this will once again lead to high costs of production of sugar. We request the Government to take timely measures during the crushing season before it is too late to reverse the costs of production for next year.

## OPERATIONAL RESULTS

The management at Husein has always emphasized on staying ahead of the market. Acting upon our market intelligence and foreseeing that the surplus of sugar would evaporate by the end of the year, the management pursued a relatively conservative selling strategy. This policy paid off and your company managed to materialize gains at lucrative prices. Most of these gains were realized in the months of October to November and the corresponding capital gains will be made manifest in the First Quarter of the next financial year. For this financial year, your company has recorded sales of PKR 2.9 Billion compared to PKR 3.7 Billion the year earlier. It is important to note that the decreased sales, which have validated our selling strategy, result from a majority of inventory that was sold post the closing of the financial year. In order to offset rising costs of production last year, inventory had been held for a significant period.

Due to low production, a reduced sucrose recovery, and high costs of sugarcane, the management of the company was foreseeing a dent of about Rs. 300 million. Therefore, the company adopted a strategy of holding off to inventories to offset higher costs of production. Although sales revenue dropped by 20%, our policy paid off as is visible in our gross profitability that increased by 23%. The company was carrying about 10.21% of last season's sugar stocks as of September 30, 2020. According to account principles, these sugar stocks are being carried at cost. These stocks were subsequently sold in next accounting period yielding substantial margin over cost. This factor has temporarily depressed the profitability of the company. The corresponding phenomenal increase in financial charges that have increased more than 69% as compared to the corresponding period last year have eroded profitability. As most of the working capital lines availed by the company were on the Islamic mode of financing and therefore, the true benefit of reduction in markup rates could not be passed on to the company due to structure of financing facilities. This factor along with additional financing obtained by the company for its efficiency improvement initiatives along with longer retention period of inventories raised financial charges dramatically. For next year however, given an almost 40-50% reduction in KIBOR rates, our financial costs should decrease significantly allowing for greater profitability.

Furthermore, a number of provisions were made on our balance sheet regarding freight, subsidy receivable from TDAP (an institution of the Government of



Pakistan), deferred taxation, etc., which are non-cash provisions but has dragged down profit and loss bottom line. This is made manifest by the encouraging fact that this year, the company's balance sheet size grew by 49% and fixed assets by 35% as of September 30, 2020. Accordingly, for the current year, Gross Profit was recorded at Rs. 295 million and Profit after Taxation as compared to Gross Profit of Rs. 240 Million the previous year.

This year, Husein Sugar crushed more than 476,431 tons of sugarcane at a recovery of 9.12 as compared to last year's crushing of 491,278 tons at a recovery of 9.82. The 3% drop in cane crushed is attributed to reduce sugarcane availability nationwide. Similarly, the drop in sugar recovery is due to various climatic conditions and pest attacks. However, for next year, our Agriculture Department much greater sugar recoveries and per-acre-yields due to better climatic conditions. In fact, as the crushing season has already begun, we have already seen much higher sugar recoveries as compared to last year already.

With the Covid-19 pandemic and sugarcane prices and interest rates at new highs, it has been one of the toughest years on record. We at Husein have not been deterred by the challenges. Rather, we have faced the difficulties head on and persevered. Since 2015, Husein Sugar's story has been one of recovery, rejuvenation, and resilience. As has been the case in the last two years, in 2020, you can expect a story of growth.

## HEALTH AND SAFETY

At Husein, we make no compromises on the health and safety of our employees. This year, we have taken measures to implement the latest international techniques to improve and enhance the working conditions of our workers to maintain the highest safety and health standards. We are committed to providing a hygienic and secure environment for our employees, stakeholders, and visitors. Our top priority is always safety and this year, we have continued to build upon the progress of earlier years. We continue to take measures to ensure the same level of safety and health in the future.

## THE ENVIRONMENT AND CLIMATE CHANGE

Another priority of ours is the environment. With record levels of poor air quality in Punjab, to some of the lowest temperatures recorded in previous years the effects of climate change are becoming increasingly clearer every year. As responsible corporate citizens, we share

a collective responsibility in protecting the ecosystem that permits our operations, development, and growth. In this regard, along with the coordination of the local administration, we have embarked on various eco-friendly projects. We have begun a tree plantation campaign and have made significant progress in minimizing our waste through renewed investment in recycling among other initiatives. We look forward to working with local partners and other stakeholders to do our part in ensuring that all Husein products are made in a responsible and environmentally friendly manner. We are also exploring new technologies to innovate and improve our processes.

It is recommended that the government in coordination with farmers and millers formulate a long-term policy with regard to the sustainability of the environment. Compared to other crops, sugarcane is unique in that almost all of its by-products can be used for value addition. Not only is sugarcane used to manufacture sugar, but can also be used to generate electricity, ethanol, and fertilizer. With a comprehensive private-public policy, new avenues can be used to generate additional value in the supply chain of sugarcane.

## FUTURE OUTLOOK

For the current crushing season the government of Punjab has notified a support price of sugar cane for crushing season 2019-20 at Rs.200 per 40 kg. Based on the area of sugarcane under cultivation, the average yield per acre of sugarcane, and the varieties of sugarcane planted, it is expected that sugar production for the upcoming year will be 5-10% higher than last year. The company started its crushing season on November 13, 2020 as compared to November 25, 2019 last year and up to December 31, 2020 has crushed 319,529 tons at an average sucrose recovery of 8.52% (Last year 169,797 tons crushing at average sucrose recovery of 8.75%). This means the company has already crushed 88% more cane than last year with satisfactory sucrose contents as the company has taken an earlier start compared to last year.

The area under sugarcane in our operational domain is about 5% more than last year. However, the encouraging factor being witnessed this year is that per acre yield is about 11% to 14% more than last year and cane crop is healthier due to timely and abundant rainfall in this year's monsoons. The current working environment indicates that the company is poised to produce more sugar than last year which will boost both the top and bottom lines of the company.





The company has made significant progress with regard to its Efficiency Improvement Project (EIP) that aims to reduce operational losses considerably and multiply savings in fuel consumption. Having made significant process in this project during the financial year 2019-20, we have started witnessing favorable results already in the first quarter of 2020-21 season in the form of quantum jump in revenues for bagasse and greater mills extraction of sugar due to better overall plant efficiency.

All the indicators are pointing towards national production shortfall in this season also and international sugar and molasses prices are at three year higher level. This means domestic prices will remain firm in days to come.

Considering all the above factors, we can safely say that operational and financial results for the next season will be even better next year insha Allah.

#### CORPORATE SOCIAL RESPONSIBILITY

The Company provides a safe, healthy, and friendly atmosphere to its all employees, besides promoting a culture of tolerance, mutual respect, and openness.

Apart from offering apprenticeship to fresh graduates and postgraduates, the Company maintains an employment policy purely on the basis of merit. In tune with the vision set forth by the Board of Directors, the Company ensures an equal employment opportunity is provided to all potential employees. Furthermore, the company has a strict zero tolerance policy with regard to discrimination. The company also provides employment to physically handicapped and special persons to maximize their potential and integrate them into the community.

As a responsible corporate entity, the Company continues to work with government functionaries and other local representatives to maximize the development of the local community. The Company has, for this purpose, established non-profit institutions for the welfare of the poor and needy, primarily in the field of education and health. Over the course of the company's history, the aforesaid institutions have provided free medical facilities and quality education to tens of thousands of individuals in the area.

#### MODERNIZATION AND EFFICIENCY IMPROVEMENT

It is your Company's policy to constantly invest and explore options for strategical expansion,



technological advancement, and/or environment safety. Cutting edge technologies in key areas of the sugar plant are being incorporated to enhance overall efficiencies and reduction in overall cost of production are being adopted.

### EARNINGS PER SHARE

The Company's post-tax loss of RS 286. 206 million translates into loss per share Rs. 7.43 as compared to earnings per share of Rs 9.05 last year.

### CORPORATE GOVERNANCE

#### BEST CORPORATE PRACTICES

The directors of the company are committed to good corporate governance and are compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of the Pakistan Stock Exchange. The statement of compliance with the CCG Regulations, 2019 is enclosed.

### STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. These financial statements prepared by the management of the Company present a fair state of affairs of the company, the results of its

operations, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained as required by the Companies Act, 2017.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.
4. The International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of Corporate Governance as listed in the listing regulations of the Pakistan Stock Exchange where the Company is listed.
8. Key operating and financial data for last six years in summarized form is annexed.

9. The Provident Fund is managed by a duly executed separate Trust and the Trust has invested Rupees 116.515 million, as at September 30, 2020 (2019: Rupees 107.270 million).

#### PATTERN OF SHAREHOLDING AND SHARES TRADED

A statement of the pattern of shareholding as at September 30, 2020, which is required to be disclosed under the reporting framework, is annexed to this report.

Detail of trade in the shares of the Company by Directors, and other executives their spouses and minor children is as under:

Trade in Shares:	
Mian Ahmed Ali Tariq – Chairman	85,500
Mian Mustafa Ali Tariq – Chief Executive	169,500
Mrs. Nusrat Shamim – Non-Executive Director	332,000
Mrs. Maryam Habib – Executive Director	102,500

#### ELECTION OF DIRECTORS:

An Extraordinary General Meeting (EOGM) of the Company was held on March 31, 2020 for election of Directors. Seven (7) Directors including three (3) Independent Directors were elected for a term of three (3) years effective April 01, 2020 in the said EOGM. While selecting the Independent Directors, core competencies, qualifications, diversified work experience, skill set and knowledge of the individuals was considered.

#### COMPOSITION OF THE BOARD

In line with the requirements of the CCG, the Company encourages representation of Independent and Non-Executive Directors, as well as gender diversity on its Board. The current composition of the Board is as follows:

The total number of directors is Seven (7) as per the following:

Category	No of Directors
Male Directors	5
Female Directors	2

The composition of board is as follows:

Category	Name
Independent Directors	Mr. Taufiq Ahmad Khan Mr. Muhammad Imran Khan Mr. Saif Hasan
Executive Director	Mian Mustafa Ali Tariq
Non-Executive Director	Mian Ahmed Ali Tariq
Female Directors	Mrs. Nusrat Shamim (Non Executive Director) Mrs. Maryam Habib (Executive Director)



## BOARD COMMITTEES

### AUDIT COMMITTEE

The Board of Directors has established Audit Committee in compliance with the Code of Corporate Governance. A chairman heads the Audit Committee, which consists of three members. The committee regularly meets with the Chief Financial Officer and the Head of Internal Audit to review and ensure that the highest accounting standards are being maintained. The Audit Committee comprises of the following members:

Directors' Names	Status	Category
Mr. Taufiq Ahmad Khan	Independent Director	Chairman
Mian Ahmed Ali Tariq	Non - Executive Director	Member
Mr. Muhammad Imran Khan	Independent Director	Member

The Audit Committee reviewed the quarterly, half yearly, annual financial statements along with the related party transaction register before submission to the Board. The Audit Committee also reviewed the internal audit department's findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

### HUMAN RESOURCES AND REMUNERATION (HR&R) COMMITTEE

Human resource planning and management is one of the most important focus points at the highest management level. The Company has a Human Resource and Remuneration Committee, which is involved in the selection, evaluation, compensation, and succession planning of key management personnel. It is also involved in endorsing improvements in Company's human resource policies and procedures and their periodic appraisal. The Human Resources and Remuneration Committee comprises of the following members:

Directors' Names	Status	Category
Mian Ahmed Ali Tariq	Non - Executive Director	Chairman
Mr. Taufiq Ahmad Khan	Independent Director	Member
Mian Mustafa Ali Tariq	Chief Executive Officer	Member

### RISK MANAGEMENT COMMITTEE

The Risk Management Committee serves a term of three years. A director retiring by rotation may be re-elected. The Committee report directly to the Board of Directors and perform their tasks as assigned by the Board of Directors. The Risk Management Committee comprises of the following members:

Directors' Names	Status	Category
Mian Mustafa Ali Tariq	Chief Executive Officer	Chairman
Mrs. Maryam Habib	Executive Director	Member
Mr. Saif Hasan	Independent Director	Member

### Meetings of Board of Directors

The Board of the Company met four times during the current year in Pakistan and the attendance of the directors is summarized below:



Directors' Names	Status	No. of Meetings Attended
Mian Ahmed Ali Tariq	Chairman	4
Mian Mustafa Ali Tariq	Chief Executive Officer	4
Mrs. Nusrat Shamim	Non - Executive Director	3
Mrs. Maryam Habib	Executive Director	4
Mr. Taufiq Ahmed Khan	Independent Director	4
Mr. Muhammad Iftikhar*	Non - Executive Director	0
Mr. Muhammad Imran Khan	Independent Director	4
Mr. Saif Hasan**	Independent Director	4

\* Mr. Muhammad Iftikhar resigned on November 29,2019.

\*\* Mr. Saif Hasan joined on December 19,2019.

Leaves of absences were granted to the directors who could not attend the Board meetings.

#### ROLES OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer have separate and distinct roles. The Chairman has all the powers vested under the Code of Corporate Governance and presides over Board meetings. The principal role of the Chairman is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company through the Chief Executive Officer. The Chairman is independent from management and free from any interest and any business or other relationship that could conflict with the Chairman's independent judgment. The Chief Executive Officer performs his duties under the powers vested by the law and the Board. The Chief Executive Officer recommends and implements business strategy and is responsible for the overall control and operations of the Company.





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### DIRECTORS TRAINING PROGRAMME (DTP)

The Company takes keen interest in the professional development of its Board members and has carried out necessary training of its Board members as per the requirements of the Code of Corporate Governance and ensures that all the Directors of the Board comply with the requirements of Directors Training Certification.

### RELATED PARTIES TRANSACTIONS

All related parties transactions entered into are at arm's length basis and were reviewed and approved by the Board Audit Committee as well as the Board of Directors of the Company in compliance with the Code of Corporate Governance and the Companies Act, 2017. The detail of transactions with the related parties is provided in the financial statements.

### CORPORATE BRIEFING SESSION

The Company carried out a corporate briefing session in the year.

### COMMUNICATION

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly, and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The website of the Company is compliant to all requirements of Securities and Exchange Commission of Pakistan (SECP), and all the information relating to the Company is available on the website. Stakeholders and members of the general public can visit the company's website [www.husein.pk](http://www.husein.pk) to get their desired information.

### CHIEF FINANCIAL OFFICER, COMPANY SECRETARY AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer (CFO) and the Head of Internal Audit possesses the requisite qualification and experience as prescribed in the Code of Corporate Governance. The Company Secretary possesses the requisite qualification and experience as prescribed in the Companies Act, 2017. The appointment, remuneration and terms and conditions of employment of Chief Financial Officer, the Company Secretary and the Head of Internal Audit were determined by the Board of Directors. The removal of the Chief Financial Officer and Company Secretary whenever applicable is made with the approval of the Board of Directors.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has made an efficient system of internal financial controls. They confirm to comply with the Listed Companies Code of Corporate Governance except





as disclosed in Statement of Compliance, with applicable laws, regulation and have been effectively implemented and monitored. Internal Audit function of our company regularly appraises the financial controls and Audit committee reviews the internal controls and Financial accounts on quarterly basis.

#### BOARD EVALUATION

In compliance with the Code of Corporate Governance, the Board approved self-evaluation mechanisms for evaluation of performance of the Board, its directors and committees through discussion and questions focusing on the Board's scope, objectives, functions, responsibilities, the Company's performance and monitoring. The Board has evaluated all the factors based on the inputs of the Directors made in the Board Meeting.

#### EXTERNAL AUDITORS

The present Auditors M/s. Kreston Hyder Bhimji & Co. Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being

eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2021.

#### APPRECIATION

The generation of long-term shareholder value is the primary driving force of our company. The continued confidence and trust of our shareholders is of the utmost importance to us. At Husein - we have always strived to maximize our shareholder's equity and we remain determined in our commitment. This would not be possible without the continued support of all our stakeholders. The Board acknowledges with thanks the continued support and cooperation extended by the shareholders, bankers, sugarcane farmers and all other stakeholders. The Board also places on record its appreciation for employees of the Company for its devotion and hard work.

For and on Behalf of the Board of Directors,

MIAN MUSTAFA ALI TARIQ  
Chief Executive Officer

MIAN AHMED ALI TARIQ  
Chairman

Lahore: 31 December 2020



# STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS , 2019

Name of Company: Husein Sugar Mills Limited  
Year Ended: 30 September 2020

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:

Category	No of Directors
Male Directors	5
Female Directors	2

2. The composition of board is as follows:

Category	Names
Independent Directors	Mr. Taufiq Ahmad Khan
	Mr. Muhammad Imran Khan
	Mr. Saif Hasan
Executive Director Non-Executive Director	Mian Mustafa Ali Tariq
	Mian Ahmed Ali Tariq
Female Directors	Mrs. Nusrat Shamim (Non Executive Director)
	Mrs. Maryam Habib (Executive Director)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 the 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 remained fully compliant with the provision with regard to their Directors' Training Program. Out of seven directors, four (04) directors have completed the Director's Training program in prior years and the remaining directors shall obtain certification under the DTP in due course of time.
10. All appointments (including remuneration, terms and conditions of employment) of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit have been duly approved by the Board as per the requirements of applicable provisions of the Act and the Regulations.
11. The CEO and CFO duly endorsed the financial statements before approval of the Board.
12. The board has formed committees comprising of members given below:

Audit Committee:	
Name of Director	Designation
Mr. Taufiq Ahmad Khan	Chairman
Mian Ahmed Ali Tariq	Member
Mr. Muhammad Imran Khan	Member

HR and Remuneration Committee:	
Name of Director	Designation
Mian Ahmed Ali Tariq	Chairman
Mr. Taufiq Ahmad Khan	Member
Mian Mustafa Ali Tariq	Member

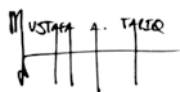
Risk Management Committee:	
Name of Director	Designation
Mian Mustafa Ali Tariq	Chairman
Mrs. Maryam Habib	Member
Mr. Saif Hasan	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
  - a) Audit Committee: Four quarterly meetings during the financial year ended September 30,2020
  - b) HR and Remuneration Committee: One meeting during the financial year ended September 30,2020
15. The Board has set up an effective internal audit function controlled by internal audit department, which is comprised of qualified and experienced professionals 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International

Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firms involved in the audit are not a close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any Director of the Company.

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

For and on Behalf of the Board of Directors,



MIAN MUSTAFA ALI TARIQ  
Chief Executive Officer



MIAN AHMED ALI TARIQ  
Chairman

Lahore: December 31, 2020

# PATTERN OF SHAREHOLDING

1.1 Name of the Company	Husein Sugar Mills Limited
2.1 Pattern of holding of the shares held by the shareholders as at	September 30, 2020

2.2	No. of Shareholders	Shareholding		Total shares held
		From	To	
	374	1	100	7,581
	114	101	500	29,522
	143	501	1,000	96,945
	246	1,001	5,000	557,160
	61	5,001	10,000	446,104
	28	10,001	15,000	356,072
	16	15,001	20,000	277,008
	8	20,001	25,000	182,354
	6	25,001	30,000	165,333
	6	30,001	35,000	194,661
	3	35,001	40,000	110,650
	10	40,001	45,000	429,704
	4	45,001	50,000	194,650
	1	50,001	55,000	50,290
	3	55,001	60,000	168,893
	1	60,001	65,000	64,364
	2	65,001	70,000	136,148
	1	70,001	75,000	72,000
	1	75,001	80,000	75,692
	1	80,001	85,000	80,250
	2	100,001	105,000	205,383
	1	105,001	110,000	107,000
	1	120,001	125,000	124,437
	1	130,001	135,000	134,516
	1	135,001	140,000	136,500
	1	140,001	145,000	140,935
	1	165,001	170,000	166,275
	2	170,001	175,000	344,932
	2	175,001	180,000	355,485
	2	180,001	185,000	365,363
	1	185,001	190,000	187,285
	1	205,001	210,000	205,475
	3	210,001	215,000	635,894
	1	215,001	220,000	215,149
	1	345,001	350,000	349,596
	1	355,001	360,000	355,050
	1	375,001	380,000	377,099
	1	420,001	425,000	423,484
	1	530,001	535,000	533,617
	1	690,001	695,000	692,171
	1	695,001	700,000	696,280
	1	820,001	825,000	824,280
	1	1,065,001	1,070,000	1,070,000
	1	2,960,001	2,965,000	2,963,900
	1	11,195,001	11,200,000	11,197,229
	1	12,015,001	12,020,000	12,017,284
	1,061			38,520,000

Sr. No	Categories of Shareholders	Shares Held	Percentage
A)	Associated Companies, Undertakings and related parties	-	-
B)	Mutual Funds	-	-
C)	Directors/Chief Executive Officer and their spouse and minor Children		
1	Mian Ahmed Ali Tariq	12,017,284	31.20
2	Mian Mustafa Ali Tariq	11,197,229	29.07
3	Mst. Nusrat Shamim	7,500	0.02
4	Mrs.Maryam Habib	423,484	1.10
5	Mr.Taufiq Ahmed Khan	5,511	0.01
6	Mr. M.Imran Khan	749	0.00
7	Mr. Saif Hasan	535	0.00
	<b>TOTAL:-</b>	<b>23,652,292</b>	<b>61.40</b>
D)	Executives	1,029	0.00
E)	Public Sector Companies & Corporations		- -
F)	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		
1	Habib Bank Limited	2,140	0.01
2	National Bank of Pakistan	1	0.00
3	Industrial Development Bank of Pakistan	1,304	0.00
	<b>TOATL:-</b>	<b>3,445</b>	<b>0.01</b>
G)	*Shareholding 10% or more		
1	Mian Ahmed Ali Tariq	12,017,284	31.20
1	Mian Mustafa Ali Tariq	11,197,229	29.07
	<b>TOTAL:-</b>	<b>23,214,513</b>	<b>64.48</b>
H)	Joint Stock Companies		
1	MERCANTILE COOPERATIVE FINANCE CORP. LTD.	9,945	0.03
2	RS CAPITAL (PRIVATE) LIMITED	107,000	0.28
3	SHAFFI SECURITIES (PVT) LIMITED	324	0.00
4	BULK MANAGEMENT PAKISTAN (PVT.) LTD.	215,149	0.56
5	WESTBURY (PRIVATE) LTD	66,148	0.17
6	NADEEM INTERNATIONAL (PVT.) LTD.	10,072	0.03
7	NAEEM'S SECURITIES (PVT) LTD	39	0.00
8	KAIZEN CONSTRUCTION (PVT) LTD	66,500	0.17
9	PROSPERITY SECURITIES (SMC-PVT.) LIMITED	19,000	0.05
10	SHARE CENTRE (PRIVATE) LIMITED	56,175	0.15
11	PAKISTAN CLOTH MERCHANT ASSOCIATION	1,534	0.00
12	HH MISBAH SECURITIES (PRIVATE) LIMITED	14,993	0.04
13	NCC - PRE SETTLEMENT DELIVERY ACCOUNT	2,500	0.01

Sr. No	Categories of Shareholders	Shares Held	Percentage
14	FAIRTRADE CAPITAL SECURITIES (PVT.) LIMITED	376	0.00
15	FIKREES (PRIVATE) LIMITED	1,070	0.00
16	ARIF HABIB LIMITED - MF	36,500	0.09
	<b>TOTAL:-</b>	<b>607,325</b>	<b>1.58</b>
I)	Investment Companies		
J)	Others		
1	TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	125	0.00
2	TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST	4	0.00
		129	0.00
K)	General Public	14,255,708	37.01
	<b>GRAND TOTAL</b>	<b>38,520,000</b>	<b>100.00</b>

\* Shareholders having 10% or above shares exist in other categories therefore not included in total.

### Information Under Clause ( I )

of Sub-Regulation (XVI) of Regulation 35 of Chapter (XI) of Listing Regulations

of the Pakistan Stock Exchange Limited As at September 30, 2016

All trade in the Company's shares, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children during the year are as under:

		Sold	Purchased
1	Mr. Ahmed Ali Tariq-Chairman	-	85,500
2	Mr. Mustafa Ali Tariq-CEO	-	169,500
3	Mrs. Nusrat Sahmim	-	332,000
4	Mrs. Maryam Habib- Executive Director	-	102,500

# INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Husein Sugar Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Husein Sugar Mills Limited for the year ended September 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions 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 September 30, 2019.



KRESTON HYDER BHIMJI & CO.  
CHARTERED ACCOUNTANTS

Lahore: December 31, 2020

**Other Office at: Karachi - Faisalabad - Islamabad**  
**Web site: www.krestonhb.com**

# FINANCIAL STATEMENTS

for the Year Ended September 30, 2020



# INDEPENDENT AUDITOR'S REPORT

To the members of Husein Sugar Mills Limited

Report on the Audit of the Financial Statements

## Opinion

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

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

## Basis for Opinion

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

## Key Audit Matters

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

Following are the Key Audit Matter(s):

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
1.	<p>Capitalization of Property, Plant and Equipment:</p> <p>The Company has made significant capital expenditure on balancing and modernization to improve plant efficiency and product quality as discussed in note - 5 to the annexed financial statements.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year.</p>	<p>Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Understand the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system;</li> <li>• test on a sample basis, the costs incurred on projects with supporting documentation and contracts;</li> <li>• assess the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy discussed in note 4.9 to the financial statements and applicable accounting standards; and</li> <li>• verify supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.</li> </ul>
2.	<p>Inventory</p> <p>As at September 30, 2020 inventory comprises consumable stores and spares and stock in trade as disclosed in note - 9 to the annexed financial statements.</p> <p>There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete.</p> <p>The Company's principal accounting policy on inventory and the critical accounting estimates, judgements and assumptions are disclosed in note 4.12 to the annexed financial statements.</p> <p>The Company's principal accounting policy on inventory and the critical accounting estimates, judgements and assumptions are disclosed in note 4.12 to the annexed financial statements.</p> <p>Further, stock in trade in financial statements as disclosed in note - 9 includes:</p>	<p>Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions.</p> <p>We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by:</p> <ul style="list-style-type: none"> <li>• checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end with sample / verification test;</li> <li>• critically assessing the Company's provisioning policy, with specific consideration given to aged / slow-moving inventory;</li> <li>• assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes to total weight as well as confirming it from perpetual record.</li> </ul>

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
	<ul style="list-style-type: none"> <li>• By-products comprising press mud, bagasse and molasses;</li> <li>• work-in-progress mainly comprising sugar in process and molasses in process; and</li> <li>• finished goods in the shape of refined sugar.</li> </ul> <p>The press mud and bagasse is stored in the opened area in the form of stockpiles. As the weighing of these inventories of stock in trade is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose.</p> <p>Due to the significance of inventory balances of consumable stores and spares and stock in trade and related estimations involved, this is considered as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• obtained and reviewed the inventory valuation report relating to press mud, bagasse and molasses of the external surveyor and assessed its accuracy and authenticity; and</li> <li>• tested the NRV of the inventories held by performing a review of sales close to and subsequent to the year end.</li> </ul>
3.	Revenue recognition:	
	<p>As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period.</p> <p>These revenue may also be manipulated through the use of inappropriate rates for the overstatement / understatement of revenue to achieve desired financial results.</p> <p>The accounting policy related to recognition of revenue by the company is provided in note 4.26 to the annexed financial statements.</p> <p>In view of significant value of transactions and presumed risk of material misstatement involved, we have considered this as a key audit matter.</p>	<p>In this regard, our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards including management's assessment of impact of "Revenue from contracts with customers" (IFRS 15).</li> <li>• Obtaining an understanding of the nature of the revenue contracts entered into by the Company, testing a sample of sales contracts to confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard.</li> <li>• Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude as to whether they were recognized at the moment the related goods actually sold.</li> <li>• Analyzing other adjustments and credit notes issued after the reporting date, if any.</li> <li>• Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out by paying special attention to accounting entries recorded close to the yearend or subsequently, as well as those deemed unusual, among other reasons, due to their nature, amount and date of occurrence.</li> <li>• Reviewing disclosures included in the notes to the annexed financial statements.</li> </ul>

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
		<ul style="list-style-type: none"> <li>• Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out by paying special attention to accounting entries recorded close to the yearend or subsequently, as well as those deemed unusual, among other reasons, due to their nature, amount and date of occurrence.</li> <li>• Reviewing disclosures included in the notes to the annexed financial statements.</li> </ul>
4.	Borrowings:	
	<p>The Company has significant amounts of borrowings from financial institutions amounting to Rs. 2,229.383 million, being 56.80% of total liabilities as disclosed in note 18 and 23 to the annexed financial statements, at reporting date.</p> <p>Given the significant level of borrowings, finance costs, gearing ratio and the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Review of loan agreements / offer letters to ascertain the terms and conditions of repayment and rates of markup used by management in calculation of finance costs and those disclosed by management are correct.</li> <li>• Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made.</li> <li>• Verification of disbursement of loans and its utilization on sample basis.</li> <li>• Assessing procedures designed by management to comply with the debt covenants.</li> <li>• Obtaining external confirmations from financial institutions of the Company to confirm balances and terms and conditions stated in the loan agreements / offer letters and compliance thereof.</li> </ul> <p>Ensuring that the outstanding liabilities and terms thereto have been properly classified and adequately disclosed in the financial statements.</p>
5.	Contingencies:	
	<p>The Company is subject to a number of legal, regulatory, tax and competition matters, many of which are beyond its control. Consequently, the management make judgements about the incidence and quantum of such liabilities arising from litigation, tax and regulatory or competition claims which are subject to the future outcome of legal or regulatory processes.</p> <p>There are a number of legal and regulatory matters for which no provision has been established, as discussed in note – 25 to the annexed financial statements.</p> <p>There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.</p>	<p>We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax, regulatory and competition matters. It is determined that we could rely on these controls for the purposes of our audit.</p> <p>In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provisional assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsels setting out their views in major cases.</p> <p>Specifically, we discussed with management the timing of recognition for cases where there was potential exposure as it was not that a provision determinable was required e.g. where obtaining reliable estimates were not considered possible.</p> <p>As set out in the annexed financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.</p>

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

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and 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 the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan, the requirements of the 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. The Board of directors is responsible for overseeing the company's financial reporting process.

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

The engagement partner on the audit resulting in this independent auditor's report is Shabir Ahmad, FCA.



**KRESTON HYDER BHIMJI & CO.**  
Chartered Accountants

Lahore: December 31, 2020

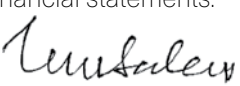
# STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	4,489,999,101	3,318,051,479
Right-of-use assets	6	8,325,733	-
Intangible assets	7	-	-
Long term deposits	8	26,800,128	22,073,148
		4,525,124,962	3,340,124,627
<b>CURRENT ASSETS</b>			
Inventory	9	1,017,799,297	335,903,774
Trade and other receivables	10	955,664,958	659,067,826
Advances, deposits and prepayments	11	300,256,041	150,017,601
Financial assets	12	6,716,005	22,606,830
Tax refund due from Government - income tax		44,643,508	62,347,548
Cash and bank balances	13	41,756,584	70,929,231
		2,366,836,393	1,300,872,810
<b>TOTAL ASSETS</b>		<b>6,891,961,355</b>	<b>4,640,997,437</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Issued, subscribed and paid-up ordinary share capital</b>			
38.52 million (30 September 2019: 36 million) ordinary shares of Rupees 10 each	14	385,200,000	360,000,000
<b>Capital reserves</b>			
Reserve arising as a consequence of scheme of arrangement		70,694,859	70,694,859
Share premium account	15	115,893,550	141,093,550
Surplus on revaluation of property, plant and equipment	16	2,108,775,752	1,726,506,614
		2,295,364,161	1,938,295,023
<b>Revenue reserves</b>			
Accumulated (loss) / profit		(137,887,770)	102,944,970
Directors' loans - related parties	17	424,428,823	446,380,983
		2,967,105,214	2,847,620,976
<b>NON-CURRENT LIABILITIES</b>			
Long term finance	18	702,028,227	277,662,559
Lease liability	19	3,713,686	-
Deferred tax liability - net	20	268,351,697	120,333,836
		974,093,610	397,996,395
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	893,103,388	386,445,064
Contract liabilities	22	444,619,183	489,959,343
Short term borrowings	23	1,407,998,902	411,382,178
Accrued mark-up on secured borrowings	24	80,052,541	31,474,678
Current portion of long term finance	18	119,355,938	74,910,714
Current portion of lease liability	19	4,392,625	-
Unpaid dividend		43,970	-
Unclaimed dividend		1,195,984	1,208,089
		2,950,762,531	1,395,380,066
<b>CONTINGENCIES AND COMMITMENTS</b>			
	25		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,891,961,355</b>	<b>4,640,997,437</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE:   
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Note	2020 Rupees	2019 Rupees
REVENUE FROM CONTRACT WITH CUSTOMERS - NET	26	2,954,629,913	3,715,572,674
COST OF REVENUE	27	(2,660,365,273)	(3,475,490,206)
GROSS PROFIT		294,264,640	240,082,468
OPERATING EXPENSES			
Administrative and general expenses	28	(185,574,545)	(141,129,901)
Selling and distribution cost	29	(17,271,171)	(18,030,206)
Other operating expenses	30	(43,753,741)	(6,408,173)
		(246,599,457)	(165,568,280)
PROFIT FROM OPERATIONS		47,665,183	74,514,188
OTHER INCOME	31	117,482,495	460,021,435
FINANCE COST	32	(374,089,310)	(221,350,835)
(LOSS) / PROFIT BEFORE TAXATION		(208,941,632)	313,184,788
TAXATION	33	(77,264,816)	(19,642,159)
(LOSS) / PROFIT AFTER TAXATION		(286,206,448)	293,542,629
(LOSS) / EARNINGS PER SHARE OF RUPEES 10 EACH - BASIC AND DILUTED	34	(7.43)	9.05

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE:   
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2020 Rupees	2019 Rupees
(LOSS) / PROFIT AFTER TAXATION	(286,206,448)	293,542,629
OTHER COMPREHENSIVE INCOME		
Items that will never be reclassified to statement of profit or loss:		
Surplus on revaluation of property, plant and equipment	565,116,070	-
Deferred tax surplus on revaluation of property, plant and equipment	(106,421,116)	-
	458,694,954	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>172,488,506</b>	<b>293,542,629</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE:   
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED SEPTEMBER 30, 2020

	SHARE CAPITAL	Reserve arising as a consequence of scheme of arrangement	Share premium account	Surplus on revaluation of property, plant and equipment	Sub total	Revenue			TOTAL RESERVES	DIRECTORS' LOANS	TOTAL EQUITY
						General	Accumulated (loss) / profit	Sub total			
Balance as at 30 September, 2018	250,000,000	70,694,859	141,093,550	1,777,492,862	1,998,952,271	169,450,000	(415,938,796)	(246,488,796)	1,752,463,475	530,351,753	2,532,815,228
Total comprehensive income for the year ended 30 September 2019	-	-	-	-	-	-	293,542,629	293,542,629	293,542,629	-	293,542,629
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-
Shares issued pursuant to scheme of arrangement	9,671,000	-	-	-	(9,671,000)	-	-	-	(9,671,000)	-	293,542,629
Right share issued during the year	100,329,000	-	-	-	-	-	-	-	-	-	100,329,000
Transfer of general reserve to accumulated profit	-	-	-	(169,450,000)	-	169,450,000	-	-	-	-	-
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	(55,891,137)	(55,891,137)	-	55,891,137	55,891,137	-	-	-
Effect of changes in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	4,904,889	4,904,889	-	-	-	4,904,889	-	4,904,889
Adjustment due to repayment	-	-	-	-	-	-	-	-	-	(83,970,770)	(83,970,770)
Balance as at 30 September 2019	360,000,000	70,694,859	141,093,550	1,726,505,614	1,938,295,023	-	102,944,970	102,944,970	2,041,239,993	446,380,983	2,847,620,976
Total comprehensive income for the year ended 30 September 2020	-	-	-	-	-	-	(286,206,448)	(286,206,448)	(286,206,448)	-	(286,206,448)
Loss after taxation	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	458,694,954	458,694,954	-	-	-	458,694,954	-	458,694,954
Bonus shares issued during the year @ 7% share capital	-	-	(25,200,000)	-	(25,200,000)	-	-	-	(25,200,000)	-	-
Dividend paid during the period at the rate of Rs. 0.30 per share of Rs. 10 each for the year ended September 30, 2019	-	-	-	-	-	-	-	-	-	-	-
Incremental depreciation associated with surplus on revaluation of property, plant and equipment (net of deferred tax)	-	-	-	(56,173,708)	(56,173,708)	-	56,173,708	56,173,708	-	-	-
Effect of changes in tax rate on deferred tax related to revaluation surplus of property, plant and equipment	-	-	-	(20,252,108)	(20,252,108)	-	-	-	(20,252,108)	-	(20,252,108)
Adjustment due to repayment	-	-	-	-	-	-	-	-	-	(21,952,160)	(21,952,160)
Balance as at 30 September 2020	385,200,000	70,694,859	115,893,550	2,108,775,752	2,295,364,161	-	(137,887,770)	(137,887,770)	2,157,476,391	424,428,823	2,967,105,214

The annexed notes from 1 to 46 form an integral part of these financial statements.

USTRALIA  
TALIKER

LAHORE:

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

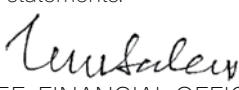
# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
(Loss) / profit before taxation		(208,941,632)	313,184,788
Adjustments for non-cash and other items:			
Depreciation		126,508,559	124,082,277
Depreciation of ROU assets		4,192,558	-
Finance cost		374,089,310	221,350,835
Profit on bank accounts		(309,053)	(74,611)
Fair value gain on financial assets		(298,167)	(564,016)
Advances against sale of sugar forfeited		(14,028,000)	(22,017,600)
Gain on disposal of operating fixed assets		(1,557,440)	(345,990,252)
Dividend income		(748,100)	-
Old credit balances no more payable written back		(3,290,174)	-
Provision for doubtful receivable / advances		43,739,265	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>319,357,126</b>	<b>289,971,421</b>
Inventory		(681,895,523)	758,657,479
Trade and other receivables		(339,336,397)	353,417,684
Advances, deposits and prepayments		(151,238,440)	(117,389,221)
Contract liabilities		(31,312,160)	312,650,086
Trade and other payables		509,176,938	(207,107,993)
		(694,605,582)	1,100,228,035
<b>CASH (OUTFLOWS) / INFLOWS FROM OPERATIONS</b>		<b>(375,248,456)</b>	<b>1,390,199,456</b>
Net increase in long term deposits		(4,726,980)	(10,187,575)
Finance cost paid		(325,511,447)	(254,810,831)
Income tax paid		(38,216,141)	(55,363,108)
<b>NET CASH (OUTFLOWS) / INFLOWS FROM OPERATING ACTIVITIES</b>		<b>(743,703,024)</b>	<b>1,069,837,942</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of operating fixed assets		(235,436,324)	(61,873,985)
Capital work in progress incurred		(455,895,758)	(255,039,264)
Stores held for capitalization		(42,667,590)	-
Prepayment against ROU assets		(1,200,000)	-
Proceeds from disposal of operating fixed assets		2,217,000	121,895,099
Equity securities encashed / (purchased) during the year		16,188,992	(22,042,814)
Dividend received		748,100	-
Profit on bank deposits received		309,053	74,655
<b>NET CASH OUTFLOWS FROM INVESTING ACTIVITIES</b>		<b>(715,736,527)</b>	<b>(216,986,309)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividend paid		(10,768,135)	-
Proceed from issuance of right shares during the year	42	-	100,329,000
Long term finance - net	42	468,810,892	352,573,273
Repayment of lease liability		(3,211,980)	-
Repayment of director's loans - unsecured and interest free	42	(21,952,160)	(83,970,770)
Short term borrowings obtained - net	42	996,616,724	(1,169,492,349)
<b>NET CASH INFLOWS / (OUTFLOWS) FROM FINANCING ACTIVITIES</b>		<b>1,429,495,341</b>	<b>(800,560,846)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(29,944,210)</b>	<b>52,290,787</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>		<b>70,548,104</b>	<b>18,257,317</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>		<b>40,603,894</b>	<b>70,548,104</b>
The reconciliation in cash and cash equivalents is as follows:			
Cash and cash equivalents			
Cash and bank balances	13	41,756,584	70,929,231
Temporary books' overdraft balances	21	(1,152,690)	(381,127)
<b>Cash and cash equivalents at the end of the year</b>		<b>40,603,894</b>	<b>70,548,104</b>

The annexed notes from 1 to 46 form an integral part of these financial statements.

LAHORE:  CHIEF EXECUTIVE OFFICER

 CHIEF FINANCIAL OFFICER

 DIRECTOR

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2020

## 1. CORPORATE AND GENERAL INFORMATION

### Legal status and operations

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and its by-products. Its registered office is situated at 180 Abu Bakar Block, New Garden Town, Canal Road, Lahore, whereas its mill / plant is situated at Lahore Road, Jaranwala, district Faisalabad.

These financial statements are of the individual entity i.e. Husein Sugar Mills Limited.

## 2. STATEMENT OF COMPLIANCE

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

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

## 3. BASIS OF MEASUREMENT

### a) Accounting convention

These financial statements have been prepared following accrual basis of accounting except for cash flow statement.

These financial statements have been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the following material items in the statement of financial position:

- Inventories which are valued at lower of weighted / moving average cost or Net Realizable Value (NRV) in accordance with IAS 2;
- Freehold land, buildings on freehold land and plant and machinery which stands at revalued amount in accordance with IAS 16; and
- Certain financial instruments which are carried at their fair value in accordance with IFRS 9.

### b) Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to nearest rupee, unless otherwise indicated.

c) Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

Description	Note
· Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses)	4.2
· Estimation of provisions	4.7
· Estimation of contingent liabilities	4.9
· Useful lives and residual values of property, plant and equipment as well as fair values	4.9
· Useful lives, residual values and amortization method of intangible assets	4.1
· Fair value of property, plant and equipment	16
· Inventories (stock in trade and consumable stores and spares)	4.12
· Impairment of financial assets	4.17
· Impairment loss of non-financial assets other than inventories	4.16
· Classifications	

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

d) Standards, interpretations and amendments to publish approved accounting standards that are effective but not relevant.

Change in significant accounting policies

The Company has adopted IFRS 16 'Leases' from 01 October 2019 which is effective from the annual periods beginning on or after 01 October 2019. There are other new standards which are effective from 01 October 2019 but they do not have a material effect on the Company's financial statements. The detail of new significant accounting policy adopted and the nature and effect of the changes from previous accounting policy are set out below:

Adoption of IFRS 16 'Leases'

Previously, the Company classified property leases as operating leases under IAS 17. From October 01, 2019, the Company has applied IFRS 16 for recognition of the property leases, having non-cancellable period of more than one year, using the modified retrospective approach.

New accounting policies of the Company upon adoption of IFRS 16 is disclosed in note 4.4.

The effect of adoption of IFRS 16 as at October 01, 2019 is as follows.

	October 01, 2019 Rupees
<b>Assets</b>	
RoU assets	11,318,291
Add: Lease prepayments	1,200,000
	<hr/>
	12,518,291
<b>Liability</b>	
Liabilities against RoU assets	<hr/>
	11,316,291

The carrying amounts of the Company's right-of-use assets, lease liabilities and the movements during the period is as below:

	September 30, 2020	
	RoU asset	Lease liability Rupees
As at October 01, 2019	12,518,291	11,318,291
Depreciation	(4,192,558)	-
Interest expense on lease liability	-	-
Payments	-	(3,211,980)
As at September 30, 2020	8,325,734	8,106,310

New accounting standards and amendments to standards not yet effective.

The following Standards, interpretations and amendments of published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each of them.

	Effective for the period beginning on or after
IAS-1 and IAS 8	January 01, 2020
IAS-1	January 01, 2023
IAS-16	January 01, 2022
IAS-37	January 01, 2022
IAS-41	January 01, 2020
IFRS-1	January 01, 2022
IFRS-3	January 01, 2022
IFRS-3	January 01, 2020
IFRS-4	January 01, 2023
IFRS-9	January 01, 2020
IFRS-9	January 01, 2022
IFRS-7	January 01, 2020
IFRS-16	June 01, 2020
Revised Conceptual Framework	January 01, 2020

## New Standards issued by IASB but not yet been notified / adopted by SECP

Following new standards issued by IASB but not yet effective:

		Effective for the period beginning on or after
IFRS – 1	First Time Adoption of IFRS	January 01, 2004
IFRS – 17	Insurance Contracts	January 01, 2023

## 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 4.1 Share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

### 4.2 Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in in other comprehensive income or equity.

#### Current

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

#### Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of property, plant and equipment) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

#### Sales tax and Federal Excise Duty

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

- Where sales tax / FED incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables or payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### Judgment and estimates

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

Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. If required, carrying amount of deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits to allow the benefit of part or all of that recognised deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

#### Off-setting

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 4.3 Borrowings / loans and borrowing costs

#### Interest bearing borrowings / Loans

Interest bearing borrowings / loans are recorded at the proceeds received. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest rate method. Finance costs are accounted for on accrual basis and are reported under accrued mark up to the extent of the amount remaining unpaid.

### Interest free loans payable on discretion of the company

Interest free loans given by directors and sponsors of the company and repayable at the discretion of the Company are initially measured and subsequently recognized in line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

### Overdrafts

Overdrafts, if any, are repayable in full on demand and are measured at amortized cost.

### Interest / borrowing costs

Interest expense / borrowing costs are accounted for on the basis of the effective interest method and are included in finance costs which are charged to income in the period in which these are incurred, except borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Borrowings are reported under accrued finance costs to the extent of the amount remaining unpaid and are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## 4.4 Leases

The Company assesses at the contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-Use (RoU) assets

RoU assets are initially measured at the present value of lease liability adjusted for lease prepayments. Subsequently, RoU assets are measured at cost, less accumulated depreciation and any impairment loss. RoU assets are depreciated on a straight-line basis over the lease term. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### Lease liabilities

The Company recognises lease liabilities measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the incremental rate of borrowing. Subsequently, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments

(e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company's lease liabilities are shown on the face of statement of financial position.

#### Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### Ijarah contracts

The Company has entered into Ijarah contracts under which it obtains usufruct of an asset for an agreed period for an agreed consideration. The Ijarah contracts are undertaken in compliance with the Shariah essentials for such contracts prescribed by the State Bank of Pakistan. The Company accounts for its Ijarah contracts in accordance with the requirements of IFAS 2 'Ijarah'. Accordingly, Company as a Mustaj'ir (lessee) in the Ijarah contract recognises the Ujrah (lease) payments as an expense in the profit and loss on straight line basis over the Ijarah term.

### 4.5 Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### 4.6 Employees benefits

#### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of profit or loss when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

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

### 4.7 Provisions

#### Recognition and measurement

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

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

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

#### Judgement and estimates

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

### 4.8 Contingencies and commitments

A contingent liability is disclosed when the company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the company; or the company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

Capital commitments, unless those are actual liabilities, are not incorporated in the books of accounts.

### 4.9 Property, plant and equipment

#### Operating fixed assets - tangible

##### Owned

Property, plant and equipment except freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land is stated at revalued amount less accumulated impairment losses (if any). Buildings on freehold land and plant and machinery are stated at revalued amount less accumulated depreciation and accumulated impairment losses (if any). The accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of these assets; and thereafter the carrying amount of these assets are adjusted to the revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

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 benefit associated with item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

#### De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

## Depreciation

Depreciation on all operating fixed assets is charged to statement of profit or loss by applying the reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 16.1. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the date on which the assets are available for use and on deletions up to the date on which the assets are deleted.

## Capital work in progress

Capital work-in-progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when the assets are available for use.

## Revaluation

Any revaluation increase arising on the revaluation of free hold land and building on free hold land and plant & machinery is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land and building on freehold land and plant & machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on revaluation of building on free hold land and plant & machinery to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

## Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

### 4.10 Intangibles

#### Measurement

Intangible assets, other than goodwill, are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is charged so as to allocate the cost of assets over their estimated useful lives, using the straight-line method.

Research and development expenditure is charged to 'administrative and general expenses' in the statement of profit or loss, as and when incurred.

#### Judgment and estimates

The useful lives, residual values and amortization method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis. All intangible assets are estimated to have definite useful lives.

### 4.11 Long term deposits

Deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date.

## 4.12 Inventories

### Measurement

Inventories comprises of refined sugar, press mud, bagasse, molasses, sugar and molasses in process and consumables stores and spares. Inventories are stated at the lower of cost and net realizable value. Cost is calculated on the following basis:

- Finished goods and work-in-process of sugar

These are valued at the average annual production cost, which comprise cost of direct material, labour and appropriate manufacturing overheads.

- Molasses, bagasse and press mud

These are valued at their net realizable value.

- Consumable stores and spares

Consumables stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and estimated costs necessary to be incurred in order to make the sale.

### Impairment

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the cost of sales in the statement of profit or loss.

### Judgments and estimates

- The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.
- The Company reviews the consumable stores and spares for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of consumable stores and spares with a corresponding effect on the provision.

## 4.13 Trade debts, deposits and other receivables

These are classified at amortized cost and are initially recognized when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

## 4.14 Investments

Financial assets that are acquired principally for the purpose of generating profit from short-term fluctuation in prices are classified as 'financial assets at fair value through profit or loss' category. These investments are initially recognized at fair value, relevant transaction costs are taken directly to profit or loss account and subsequently measured at fair value. Net gains and losses arising on changes in fair value of these financial assets are taken to the statement of profit or loss in the period in which they arise.

#### 4.15 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash net of temporary bank or books overdrafts / overdrawn.

#### 4.16 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

#### 4.17 Financial instruments

The Company classifies its financial assets at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

##### Financial assets at amortised cost

Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognised directly in profit or loss.

##### Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Equity instrument financial assets are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result

of statutory requirements imposed by the Government are not the financial instruments of the Company.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

### Financial liabilities

Financial liabilities are classified as measured at amortized cost or 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 statement of profit or loss.

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

Financial liabilities comprise contractual trade and other payables, long and short term financing, unclaimed dividend and accrued markup.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit or loss.

### Offsetting of financial assets and liabilities

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

### Impairment of financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balance for which credit risk (the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible

default events over the expected life of a financial instrument. 12 months ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

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

#### 4.18 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers' right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

#### 4.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are included in noncurrent liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets.

#### 4.20 Foreign currencies

Transactions in foreign currency during the year are initially recorded in the functional currency at the rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency rates of exchange prevailing at the reporting date. All differences are taken to the statement of profit or loss.

#### 4.21 Dividend and other distribution

Dividend and other distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the company's shareholders.

#### 4.22 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.

#### 4.23 Related party transactions

All transactions arising in the normal course of business and are conducted at arm's length at normal commercial rate on the same terms and conditions as third party transactions using valuation modes as admissible, except in rarely extreme circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

#### 4.24 Operating segments

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

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

Accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets. The Company has only one reportable segment (manufacturing and sale of refined sugar) on the basis of product characteristics and the criteria defined by the IFRS 8, "Segment Reporting".

#### 4.25 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments that are not recognized in profit or loss as required or permitted by approved accounting standards.

#### 4.26 Revenue recognition

##### Sale of goods

Revenue from the sale of goods is recognized at the point in time when the performance obligations arising from the contract with a customer is satisfied and the amount of revenue that it expects to be entitled to can be determined. This usually occurs when control of the asset is transferred to the customer, which is when goods are delivered to the customers.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is disclosed net of taxes, returns, rebates, discounts and other allowances.

##### Government incentive

Government incentive relating to export sales are recognized when the right to receive such incentives has been established and the underlying conditions are met.

### Return on bank deposits

Return on bank deposits is accounted for on a time proportionate basis using the applicable rate of return / interest.

### Unrealized gain / (losses)

Unrealized gain / (losses) arising on revaluation of securities classified as 'fair value through profit or loss' are included in statement of profit or loss in the period in which they arise.

### Dividend income

Dividend income is recognised in profit or loss as other income when:

- the Company's right to receive payment have been established;
- is probable that the economic benefits associated with the dividend will flow to the company; and
- the amount of the dividend can be measured reliably.

### Other income

Other income, if any, is recognized on accrual basis.

	Note	2020 Rupees	2019 Rupees
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	3,648,180,908	2,766,230,718
Capital work-in-progress	5.2	799,150,603	551,820,761
Stores held for capitalization	5.3	42,667,590	-
		<b>4,489,999,101</b>	<b>3,318,051,479</b>

5.1 Operating fixed assets - tangible

	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION					NET BOOK VALUE AS AT 30-Sep-20			
	Balance as at 1-Oct-19	Additions	Transfer	Deletion	Revaluation Surplus	Depreciation Adjustment	Balance as at 30-Sep-20	Rate %	For the year	Transfer		Deletion	Depreciation Adjustment	Balance as at 30-Sep-20
<b>Owned</b>														
Freehold land	928,856,250	-	-	-	154,809,375	-	1,083,665,625	-	-	-	-	-	-	1,083,665,625
Buildings on freehold land	443,886,749	-	-	-	141,001,075	(119,229,188)	465,658,636	10	38,191,602	-	-	(119,229,188)	12,850,143	452,808,493
Plant and machinery	1,586,613,783	228,768,758	197,484,499	-	269,305,620	(2,144,195,111)	2,067,753,149	5	160,907,628	79,317,159	-	(214,419,511)	25,805,277	2,041,947,872
Standby equipment	2,625,683	-	-	-	2,625,683	-	2,625,683	10	1,373,250	125,243	-	-	1,498,493	1,127,190
Factory equipment	9,021,145	425,368	-	-	9,446,513	-	9,446,513	10	6,780,001	248,102	-	-	7,028,103	2,417,410
Gas and electric installation	520,13,673	1,755,775	226,000	(80,000)	-	-	5,391,5648	10	16,442,211	3,699,263	(65,266)	-	20,076,209	33,839,439
Railway sidings	492,072	-	-	-	-	-	492,072	5	-	-	-	-	492,072	-
Furniture and fixtures	4,377,667	3,248,444	-	-	-	-	7,626,111	10	3,705,318	260,596	-	-	3,965,914	3,660,197
Office equipment	7,785,049	56,200	-	-	-	-	7,841,249	20	6,719,830	223,689	-	-	6,943,519	897,730
Computer equipment	6,190,947	294,900	-	-	-	-	6,485,847	30	5,580,337	256,596	-	-	5,836,933	648,914
Vehicles	77,354,033	886,878	-	(2,666,280)	-	-	75,574,631	20	57,098,157	4,179,377	(2,021,465)	-	59,256,079	16,318,552
Leasehold improvement	-	-	10,855,417	-	-	-	10,855,417	-	5,932	-	-	-	5,932	10,849,485
<b>Rupees - 2020</b>	<b>3,119,217,251</b>	<b>235,436,323</b>	<b>208,565,916</b>	<b>(2,746,280)</b>	<b>565,116,070</b>	<b>(333,648,699)</b>	<b>3,791,940,581</b>		<b>126,508,559</b>	<b>-</b>	<b>(2,086,720)</b>	<b>(333,648,699)</b>	<b>143,759,673</b>	<b>3,648,180,908</b>

	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION					NET BOOK VALUE AS AT 30-Sep-20			
	Balance as at 1-Oct-18	Additions	Transfer	Deletion	Revaluation Surplus	Depreciation Adjustment	Balance as at 30-Sep-19	Rate %	For the year	Transfer		Deletion	Depreciation Adjustment	Balance as at 30-Sep-19
<b>Owned</b>														
Freehold land	1,014,616,250	-	-	(85,760,000)	-	-	928,856,250	-	-	-	-	-	-	928,856,250
Buildings on freehold land	459,152,150	30,000	-	(15,295,401)	-	-	443,886,749	10	55,765,386	39,553,100	-	(1,430,757)	93,887,729	349,999,020
Plant and machinery	1,552,800,820	39,900,338	-	(6,087,375)	-	-	1,586,613,783	5	87,022,094	74,996,481	-	(1,110,946)	160,907,628	1,425,706,154
Stand by equipment	2,625,683	-	-	-	-	-	2,625,683	10	1,294,091	139,159	-	-	1,373,250	1,252,433
Factory equipment	9,021,145	-	-	-	-	-	9,021,145	10	6,530,885	249,016	-	-	6,780,001	2,241,144
Gas and electric installation	322,15,186	21,912,217	-	(2,113,530)	-	-	52,013,873	10	14,818,542	3,737,198	-	(2,113,529)	16,442,211	35,571,663
Railway sidings	492,072	-	-	-	-	-	492,072	5	-	-	-	-	492,072	-
Furniture and fixtures	4,606,953	31,430	-	(260,716)	-	-	4,377,667	10	3,872,404	93,630	-	(260,716)	3,705,318	672,349
Office equipment	8,445,599	-	-	(660,550)	-	-	7,785,049	20	7,040,995	339,385	-	(660,550)	6,719,830	1,065,219
Computer equipment	6,190,947	-	-	-	-	-	6,190,947	30	5,183,647	261,690	-	-	5,580,337	610,610
Vehicles	81,359,658	-	-	(4,005,625)	-	-	77,354,033	20	55,087,391	4,712,616	(2,701,852)	-	57,098,157	20,258,876
<b>Rupees - 2019</b>	<b>3,171,526,463</b>	<b>61,873,995</b>	<b>-</b>	<b>(114,183,197)</b>	<b>-</b>	<b>-</b>	<b>3,119,217,251</b>		<b>237,182,806</b>	<b>124,082,277</b>	<b>(2,701,852)</b>	<b>(5,576,498)</b>	<b>352,986,533</b>	<b>2,766,230,718</b>

### 5.1.1 Measurement of fair values

Freehold land, building on free hold land and plant and machinery have been carried at fair values / revalued amounts determined by professional valuers. The valuations are conducted by an independent valuer, namely; Messrs Harvester Services (Private) Limited, who are approved by Pakistan Banks' Association (PBA) in any amount category. Fresh valuation exercises were carried out on June 21, 2020 (Previously was carried on June 22, 2017).

#### Valuation technique

The basis used for revaluation were as follows:

#### Free hold land

Fair market value of freehold land was assessed through survey of land, taking into consideration, the land specifications, independent market inquiries from property dealers / estate agents, recent matured transactions in the vicinity and market trends.

#### Buildings on free hold land

The fair value of the buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The significant inputs include the estimated construction costs and other ancillary expenditure and a residual factor applied to the estimated construction cost. A slight increase in the residual factor would result in a significant decrease in the fair values of buildings, and a slight increase in the estimated construction costs would result in a significant increase in the fair value of the buildings and vice versa.

#### Plant and machinery

The fair value of the plant and machinery was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence. The significant inputs include the estimated construction costs and other ancillary expenditure and a residual factor applied to the estimated construction cost. A slight increase in the residual factor would result in a significant decrease in the fair values of plant and machinery, and a slight increase in the estimated construction costs would result in a significant increase in the fair value of the plant and machinery and vice versa.

There has been no change to the valuation technique during the year.

#### Fair value hierarchy

Details of the Company's free land, buildings on freehold land and plant and machinery and information about the fair value hierarchy as at the end of the reporting period are as follows:

Non financial assets	Note	As on September 30, 2020			
		Carrying amount	Recurring fair value		
			Level 1 ----- Rupees -----	Level 2	Level 3
Freehold land		1,083,665,625	-	1,083,665,625	-
Buildings on freehold land		452,808,493	-	452,808,493	-
Plant and machinery		2,041,947,872	-	2,041,947,872	-
	5	3,578,421,990	-	3,578,421,990	-

5.1.2 Had the revaluations of these assets not been made, the carrying value of these assets as at reporting date would have been as under:

	2020				2019			
	Opening carrying amount	Addition during the year	Depreciation for the year	Closing carrying amount	Opening carrying amount	Addition during the year	Depreciation for the year	Closing carrying amount
	----- Rupees -----				----- Rupees -----			
Freehold land	3,600,212	-	-	3,600,212	3,600,212	-	-	3,600,212
Buildings on freehold land	41,231,040	-	4,123,104	37,107,936	45,780,600	30,000	4,579,560	41,231,040
Plant and machinery	679,969,012	426,253,257	39,083,793	1,067,138,476	675,313,624	39,900,338	35,244,950	679,969,012
	724,800,264	426,253,257	43,206,897	1,107,846,624	724,694,436	39,930,338	39,824,510	724,800,264

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

	Note	2020 Rupees	2019 Rupees
Cost of revenue	27	114,439,630	111,622,734
Administrative and general expenses	28	4,926,191	5,234,975
Selling and distribution cost	29	7,142,738	7,224,568
		126,508,559	124,082,277

5.1.4 Detail of operating fixed assets disposed off during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/(Loss)	Mode of Disposal	Particulars of purchasers
Gas and electric installation	80,000	(65,265)	14,735	17,000	2,265	Exchange with new Negotiation	Cool Engineering Services Muhammad Iftikhar
Vehicles	2,666,280	(2,021,455)	644,825	2,200,000	1,555,175		
2020	2,746,280	(2,086,720)	659,560	2,217,000	1,557,440		
2019	107,142,776	(2,541,703)	104,601,073	450,000,000	345,398,927		

5.1.5 The cost of operating fixed assets includes fully depreciated operating fixed assets which are still in use of the Company. The breakup of cost of such assets is as follows :

	2020 Rupees	2019 Rupees
Plant and machinery	319,164,000	319,164,000
Vehicles	15,462,221	15,462,221
	334,626,221	334,626,221

5.1.6 Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 21, 2020) was as under:

	Assessed sale vale Rupees	Forced sale value Rupees
Freehold land	1,083,665,625	921,115,781
Buildings on freehold land	465,658,636	349,243,977
Plant and machinery	1,868,268,650	1,401,201,488
	3,417,592,911	2,671,561,246

5.1.7 Particulars of immovable property (i.e. land) in the name of the Company are as follows:

Location	Usage of immovable property	Area
Lahore Road Jarranwala, District Faisalabad	Manufacturing factory	825 Kanals and 13 Marlas

## 5.2 Capital work-in-process

	Note	Opening Balance	Additions	Transfer to operating fixed assets / adjustments	Closing Balance
		.....Rupees.....			
Civil work and buildings		12,193,584	50,175,508	11,320,952	51,048,160
Plant and machinery	5.2.1	184,502,154	344,887,462	197,484,499	331,905,117
Advances for capital expenditure	5.2.2	355,125,023	443,092,775	382,020,472	416,197,326
<b>2020</b>		<b>551,820,761</b>	<b>838,155,746</b>	<b>590,825,903</b>	<b>799,150,603</b>
<b>2019</b>		<b>296,781,497</b>	<b>443,910,874</b>	<b>188,871,610</b>	<b>551,820,761</b>

5.2.1 Borrowing cost amounting to Rs. 15.023 million (2019: Rs. 15.025 million) capitalized during the year at a rate disclosed in note 18.4.

5.2.2 Provision for balances doubtful of adjustment against advances for capital expenditure amounting to Rs. nil (2019: Rs. 1.358 million) is written off during the year.

	2020 Rupees	2019 Rupees
5.3 Stores held for capitalization	42,667,590	-
<b>6. RIGHT-OF-USE ASSETS</b>		
Balance as at October 01, 2019	12,518,291	-
Depreciation charge for the year	(4,192,558)	-
Balance as at September 30, 2020	8,325,733	-

6.1 The Company has lease contracts for office building used in its operations. Leases of office building have lease term of three years with renewal option.

6.2 The depreciation charge for the year has been allocated to:

Administrative and general expenses	4,192,558	-
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## 7. INTANGIBLE ASSETS

The Company has fully amortized intangible assets i.e. computer software having a cost of Rs. 1 million (2019: Rs. 1 million) which are still in use of the Company.

	Note	2020 Rupees	2019 Rupees
<b>8. LONG TERM DEPOSITS</b>			
Security deposits	8.1		
- against ijarah and diminishing musharikhah facilities		25,964,188	21,298,708
- utilities		835,940	774,440
		<b>26,800,128</b>	<b>22,073,148</b>

- 8.1 This consists of unsecured, non-interest bearing long term deposits paid to banks and utility companies. These balances have not been discounted as the impact of time value of money is considered to be immaterial.

	Note	2020 Rupees	2019 Rupees
<b>9. INVENTORY</b>			
Consumable stores and spares	9.1	364,987,905	155,697,484
Stock in trade	9.2	652,811,392	180,206,290
		1,017,799,297	335,903,774
<b>9.1. Consumable stores and spares</b>			
Stores		344,056,245	133,759,072
Spare parts		20,931,660	21,938,412
		364,987,905	155,697,484
<b>9.2. Stock in trade</b>			
Work-in-process		15,437,264	7,157,809
Finished goods		637,374,128	173,048,481
		652,811,392	180,206,290

9.3 Stock-in-trade includes stock of press mud, molasses and bagasse amounting to Rs. 167.107 million (2019: Rs. 92.134 million), Rs. 11.799 (2019: Rs. 15.743 million) and Rs. 16.213 million (2019: Rs. 33.256 million) respectively, carried at net realizable value.

9.4 Certain short term borrowings of the company are secured by way of collateral charge on stock-in-trade of sugar.

9.5 The cost of inventories recognised as an expense is disclosed in note 27.

	Note	2020 Rupees	2019 Rupees
<b>10. TRADE AND OTHER RECEIVABLES</b>			
<b>Unsecured and Considered good</b>			
Trade receivables from contracts with customers - local	10.1	948,778,524	284,708,971
Other receivables - unsecured			
<i>Freight subsidy receivable from Government</i>	10.2	-	36,509,750
<i>Other receivables</i>			
From related parties	10.3		
Tariq Capital (Private) Limited		104,393	-
HSM Healthcare Trust		1,328,185	443,424
Others	10.4	5,453,856	337,405,681
		6,886,434	374,358,855
		955,664,958	659,067,826

	Note	2020 Rupees	2019 Rupees
<b>10.1 Trade receivables - local</b>			
Considered doubtful		955,008,039	284,708,971
Less: Allowance for expected credit losses		(6,229,515)	-
		948,778,524	284,708,971
<b>10.2 Freight subsidy receivable from Government</b>			
Considered doubtful		36,509,750	36,509,750
Less: Allowance for expected credit losses		(36,509,750)	-
		-	36,509,750

### 10.3 Age analysis of other receivables from related parties

Name of related parties	Current	Past due 0-30 days	Past due 31-60 days	Past due 61-90 days	Past due 91-365 days	Past due 365 days	Total gross amount
	.....Rupees.....						
Tariq Capital (Private) Limited	-	-	-	-	104,393	-	104,393
HSM Healthcare Trust	37,172	25,240	-	377,766	400,000	488,007	1,328,185
<b>2020</b>	<b>37,172</b>	<b>25,240</b>	<b>-</b>	<b>377,766</b>	<b>504,393</b>	<b>488,007</b>	<b>1,432,578</b>
<b>2019</b>	<b>59,508</b>	<b>60,614</b>	<b>48,460</b>	<b>-</b>	<b>274,842</b>	<b>-</b>	<b>443,424</b>

This represents receivable in respect of various expenses incurred for these related parties, which are repayable on demand. There is no security for these receivables.

Highest aggregate balances during the end of any month are as follows:

	Note	2020 Rupees	2019 Rupees
Tariq Capital (Private) Limited		104,393	-
HSM Healthcare Trust		1,328,185	577,165
		1,432,578	577,165
<b>10.4 Others</b>			
Considered good		5,453,856	337,405,681
Considered doubtful		1,865,466	1,865,466
Less: Allowance for expected credit losses		(1,865,466)	(1,865,466)
		-	-
		5,453,856	337,405,681

	Note	2020 Rupees	2019 Rupees
<b>11. ADVANCES, DEPOSITS AND PREPAYMENTS</b>			
<b>Considered good</b>			
Advances to:			
Employees against salaries - secured and interest free		5,629,713	3,232,465
Employees against expenses - unsecured		1,340,801	657,677
Suppliers - unsecured	11.1	256,521,854	47,129,258
Sugarcane growers - unsecured	11.2	5,082,198	1,815,983
Contractors - unsecured	11.3	10,297,126	1,657,271
Advances against letters of credit		20,381,988	92,256,627
Prepayments		1,002,361	3,268,320
		300,256,041	150,017,601
<b>11.1 Advances to suppliers - unsecured</b>			
Considered good		256,521,854	47,129,258
Considered doubtful		9,341,085	9,341,085
Less: Provision for doubtful advances		(9,341,085)	(9,341,085)
		-	-
		256,521,854	47,129,258
<b>11.2 Advances to sugarcane growers - unsecured</b>			
Considered good		5,082,198	1,815,983
Considered doubtful		2,037,006	2,037,006
Less: Provision for doubtful advances		(2,037,006)	(2,037,006)
		-	-
		5,082,198	1,815,983
<b>11.3 Advances to contractors - unsecured</b>			
Considered good		10,297,126	1,657,271
Considered doubtful		1,000,000	-
Less: Provision for doubtful advances		(1,000,000)	-
		-	-
		10,297,126	1,657,271

## 12. FINANCIAL ASSETS

At fair value through profit or loss

Investees	Shares Number	Rate Rupees	Fair value Rupees
D.G. Khan Cement Co. Limited	13,500	103	1,391,985
Fauji Cement Company.	87,000	20	1,729,560
Nishat Mills Limited.	7,500	101	758,025
Pak Elektron Limited.	14,500	33	479,370
Synthetic Products Enterprises Limited.	10,000	45	445,600
Treet Corporation Limited.	30,000	24	710,400
Al Shaheer Corporation Limited	5,000	19	95,800
Bank Islami Pakistan Limited	25,000	10	257,750
Fauji Fertilizer Bin Qasim Limited	5,000	20	100,750
Fauji Foods Limited	5,000	16	80,100
Habib Sugar Limited	1,000	36	35,530
Mehran Sugar Mills Limited	1,000	74	74,150
Nishat Chunian Power Limited	5,000	14	71,850
Noon Sugar Mills Limited	1,000	72	71,870
At-Tahir Limited	5,000	21	105,750
Shahmurad Sugar Limited	500	100	50,015
Treet Corporation Limited.	10,000	24	236,800
World Call Telecom Limited	18,000	1	20,700
<b>2020</b>	<b>244,000</b>		<b>6,716,005</b>
<b>2019</b>	<b>584,000</b>		<b>22,606,830</b>

	Note	2020 Rupees	2019 Rupees
<b>13. CASH AND BANK BALANCES</b>			
Cash in hand		966,897	265,241
Cash at bank in local currency:			
Current accounts		38,491,677	70,590,738
Saving accounts	13.1	2,298,010	73,252
		40,789,687	70,663,990
		41,756,584	70,929,231

13.1 The savings accounts earns profit at floating rates based on daily bank deposit rates ranging from 7.50% to 10.50% (2019: 7.50% to 10.50%) per annum.

## 14. SHARE CAPITAL

### 14.1. Authorized capital

Ordinary share capital	530,000,000	530,000,000
53 million (30 September 2019: 53 million) ordinary shares of Rupees 10 each		
Preference share capital	150,000,000	150,000,000
15 million (30 September 2019: 15 million) preference shares of Rupees 10 each	680,000,000	680,000,000

## 14.2 Issued, subscribed and paid-up ordinary share capital

2020 (Number of shares)	2019		Note	2020 Rupees	2019 Rupees
26,189,150	26,189,150	Ordinary shares of Rs. 10 each, fully paid in cash		261,891,500	261,891,500
1,129,000	1,129,000	Ordinary shares of Rs. 10 each, fully paid for consideration other than cash		11,290,000	11,290,000
11,201,850	8,681,850	Ordinary shares of Rs. 10 each, issued as bonus shares	14.3	112,018,500	86,818,500
38,520,000	36,000,000			385,200,000	360,000,000

## 14.3 The movement in ordinary share capital issued as bonus shares is as under:

2020 (Number of shares)	2019		2020 Rupees	2019 Rupees
8,681,850	8,681,850	Opening balance	86,818,500	86,818,500
2,520,000	-	Bonus shares issued during the year	25,200,000	-
11,201,850	8,681,850	Closing balance	112,018,500	86,818,500

	Note	2020 Rupees	2019 Rupees
<b>14.4. Number of shares held by associates</b>			
Mr. Ahmed Ali Tariq		12,017,284	10,410,257
Mr. Mustafa Ali Tariq		11,197,229	10,200,578
Mrs. Nusrat Shamim		7,500	526,539
Mr. Taufiq Ahmed Khan		5,511	5,151
Mrs. Maryam Habib		423,484	387,009
Mr. Muhammad Imran Khan		749	700
Mr. Saif Hasan (2019: Mr. Muhammad Iftikhar)		535	1,029
		23,652,292	21,531,263

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

## 15. SHARE PREMIUM ACCOUNT

Opening balance		141,093,550	141,093,550
Share premium utilized to issue bonus shares during the year	15.1	(25,200,000)	-
		115,893,550	141,093,550

15.1 Share premium can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

	Note	2020 Rupees	2019 Rupees
<b>16. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- NET OF DEFERRED TAX</b>			
Balance as at October 01,		1,979,761,161	2,053,318,038
Fresh surplus aroused during the year		565,116,070	-
Less: Incremental depreciation for the year		75,845,812	73,556,877
Balance as at September 30,		2,469,031,419	1,979,761,161
Less: Deferred tax attributed to revaluation surplus	16.1	360,255,667	253,254,547
		2,106,775,752	1,726,506,614
<b>16.1 Reconciliation of deferred tax attributed to revaluation surplus</b>			
Balance as at October 01,		253,254,547	275,825,176
Incremental depreciation for the year		(19,672,104)	(17,665,740)
Surplus aroused during the year		106,421,116	-
Tax rate adjustment		20,252,108	(4,904,889)
Balance as at September 30,		360,255,667	253,254,547
<b>16.2</b> The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.			
<b>17. DIRECTORS' LOANS - RELATED PARTIES</b>	17.1	424,428,823	446,380,983
<i>Unsecured and interest free</i>			
Mr. Mustafa Ali Tariq		280,271,273	293,523,433
Mr. Ahmed Ali Tariq		144,157,550	152,857,550
		424,428,823	446,380,983
<b>17.1</b> This represents unsecured, interest free loan given by directors to meet the liquidity requirements of the Company. These loans are repayable at the discretion of the Company. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.			
	Note	2020 Rupees	2019 Rupees
<b>18. LONG TERM FINANCE</b>			
<i>From banking companies - secured</i>			
National Bank of Pakistan			
Demand finance	18.1	166,473,162	177,584,273
Demand finance	18.2	200,000,000	-
Demand finance	18.3	18,616,248	-
First Credit & Investment Bank Limited	18.4	94,117,647	100,000,000
Bank Islami Pakistan Limited	18.5	250,000,000	-
ORIX Modaraba	18.6	55,911,196	74,989,000
ORIX Modaraba	18.7	13,390,650	-
Meezan Bank Limited	18.8	22,875,262	-
		821,384,165	352,573,273
Less: current portion shown under current liabilities		(119,355,938)	(74,910,714)
		702,028,227	277,662,559

- 18.1 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2019: Rs.200 million), to finance CAPEX / BMR requirement of the company ( installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 2.50% (2019: 3 months Kibor + 2.50%) per annum, payable quarterly. It is secured by way of first pari passu mortgage charge of Rs. 267 million over fixed assets (including land, building and machinery) of the company with 25% margin registered with SECP as well as personal guarantees of two directors of the company along with personal Net-worth Statement (PNWS).
- 18.2 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 200 million (2019: nil), to finance CAPEX / BMR requirement of the company ( installation of equipment and plant & machinery i.e. falling film evaporators) to improve efficiency of mill. It carries mark-up at the rate of 3 month KIBOR + 3.00% (2019: nil) per annum, payable quarterly. It is secured by way of first pari passu / JPP charge of Rs. 267 million (2019: nil) over fixed assets (land, building and plant & machinery) of the company, ranking charge for Rs. 267 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari pasu / JPP within 90 days of first disbursement of Demand finance-III, total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited and measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.
- 18.3 This demand finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 278.640 million (2019: nil), for import of equipment and plant & machinery i.e. planetary gears. It carries commission at 0.10% per quarter. It is secured by way of lien over import documents of the title of goods, first pari passu / JPP charge of Rs. 372 million (2019: nil) over fixed assets (land, building and plant & machinery) of the company, a ranking charge for Rs. 372 million over fixed assets (land, building and plant & machinery) of the company registered with SECP which shall be converted into first pari pasu / JPP within 90 days of first LC establishment), total value of fixed assets assessed at Rs. 2,109.061 million (FSV Rs. 1,581.796 million) vide evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited & measuring 616 Kanal 14 marla / 77 Acres 14 marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad as well as personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of the two directors of the company.
- 18.4 This long term finance facility has been obtained from First Credit & Investment Bank Limited (FCIBL), out of the total sanctioned limit of Rs. 100 million (2019: 100), for Balancing, Modernization and Replacement (BMR) and Efficiency Improvement Project (EIP). It carries mark-up at the rate of 3 months KIBOR + 4% (2019: 3 months KIBOR + 4%) per annum, payable quarterly in arrears. It is secured by way of first pari passu charge over all present and future fixed assets / non-current assets (including land, building and plant & machinery) of the company with 25% margin to be registered with SECP, NOCs obtained from all charge holders and provided to FCIBL and personal guarantee of Chief Executive and Chairman of the Company along with his latest Personal Net Worth Statement (PNWS) as well as subordination of directors' loan amounting to Rs. 500 million. The tenor of the facility is five years from the date of disbursement.
- 18.5 This diminishing musharakah facility has been obtained from Bank Islami Pakistan Limited, out of the total sanctioned limit of Rs. 250 million (2019: nil), to meet company's requirements of BMR. It carries mark-up at the rate of 6 months KIBOR + 3.0% floor =13% and cap=25% (rates to be revised on semi-annually basis) (2019: nil) per annum, payable quarterly. It is secured by way of ranking charge over present and future fixed assets (land, building and plant & machinery) of the company amounting to Rs. 334 million to be upgraded to first pari pasu charge within 120 days from the date of disbursement and personal guarantees of two directors of the company.
- 18.6 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 75 million (2019: Rs. 75 million), to import one unit brand new Steam Turbine. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2019: 3 Months Kibor + 3.75%) per annum, payable quarterly. It is secured by way of 10% security deposit of the finance amount, title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and subordination of directors' loan in favour of ORIX Modaraba to the tune of Rs. 500 million. The tenor of the facility is three years.

18.7 This Ijarah facility has been obtained from ORIX Modaraba, out of the total sanctioned limit of Rs. 26.781 million (2019: nil), to import one unit brand new over head crane. It carries mark-up at the rate of 3 months KIBOR + 3.75% (2019: nil) per annum, payable monthly. It is secured by way of title of the leased asset, exclusively in the name of ORIX Modaraba for the entire lease period and personal guarantee of all directors.

18.8 This Diminishing Musharakah (Sale and Lease Back) facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 57 million (2019: Rs. nil) for the payment of salaries & wages for the month of April, May and June 2020 under SBP Islamic Refinance Scheme. It carries services charges of 3.00% per annum. It is secured by way of ranking charge over fixed assets of Rs. 81.4 million which will be upgraded to pari passu within 120 days of disbursement and personal guarantees of Mr. Ahmad Ali Tariq and Mr. Mustafa Ali Tariq being the main sponsor directors of the company.

	Note	2020 Rupees	2019 Rupees
<b>19. LEASE LIABILITY</b>			
The movement in this head of account is as follows :			
As on October 01,		11,318,291	-
Payments made during the year		(4,597,434)	-
Interest expense		1,385,454	-
As on September 30,		8,106,311	-
Less: current portion shown under current liabilities		(4,392,625)	-
		3,713,686	-
<b>Maturity analysis of lease liability - undiscounted</b>			
Upto one year		5,341,032	-
After one year		3,936,645	-
		9,277,677	-

The lease liability has been discounted at the incremental borrowing rate of 16.49% (2019: nil) p.a.

## 20. DEFERRED TAX LIABILITY - net

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

The (liability) / asset for deferred taxation comprises temporary differences arising due to:

	Note	2020 Rupees	2019 Rupees
<b>Taxable temporary differences</b>			
Accelerated tax depreciation		(163,916,297)	(111,714,831)
Surplus on revaluation of fixed assets		(360,255,669)	(253,254,549)
Right-of-used assets		(2,159,443)	-
Financial assets		(50,185)	-
		(526,381,594)	(364,969,380)
<b>Deductible temporary differences</b>			
Impairment against trade receivables / advances		14,779,616	3,275,186
Lease liability		2,102,531	-
Trading liabilities		4,959,371	-
Provisions		412,125	113,604
Available tax losses		93,135,311	100,209,134
Tax credits available for carry forward		142,640,943	141,037,621
		258,029,897	244,635,545
<b>Net deferred tax liability</b>		<b>(268,351,697)</b>	<b>(120,333,835)</b>

	Note	2020 Rupees	2019 Rupees
<b>20.1 Reconciliation of deferred tax credit for the year</b>			
Opening deferred tax liability		(120,333,835)	(165,126,216)
Closing deferred tax liability		268,351,697	120,333,835
Deferred tax attributed to fresh revaluation surplus		(106,421,116)	-
Deferred tax attributed to revaluation surplus due to change in tax rate		(20,252,108)	4,904,889
Deferred tax attributed to statement of profit or loss due to change in tax rate	33	(8,662,552)	6,177,357
Net deferred tax charge / (credit) recognized in statement of profit or loss		12,682,086	(33,710,135)

## 21. TRADE AND OTHER PAYABLES

Trade creditors		556,107,209	208,390,547
Security deposits - interest free	21.1	61,736,549	58,224,757
Accrued liabilities		30,401,178	26,281,030
Income tax deducted at source payable		353,608	2,277,216
Taxes and duties payable		183,809,141	50,380,595
Payable to HSML Employees' Provident Fund Trust - related party	21.2	20,403,914	4,967,501
Worker's Profit Participation Fund payable	21.3	26,886,759	23,106,531
Worker's Welfare Fund payable		6,391,526	6,391,526
Ijarah rentals payable		290,829	292,381
Temporary book overdraft - unrepresented cheques		1,152,690	381,127
Diminishing Musharakah rental payable		319,453	344,852
Retention money payable		2,706,645	665,792
Other payables			
HSM Education Trust - related party		471,105	1,142,927
Others		2,072,782	3,247,282
		893,103,388	386,094,064

### 21.1 Security deposits - interest free

It includes:

Dealers security deposits		48,083,400	48,083,400
Employee vehicle deposits		13,302,149	10,141,357
Others		351,000	351,000
		61,736,549	58,224,757

21.1.1 These security deposits have not been kept in a separate bank account as required by section 217 of the Companies Act, 2017. These security deposits are utilizable for company's business.

21.2 It includes mark-up payable to HSML Employees' Provident Fund Trust - related party amounting to Rs. 4,556,548 (2019: Rs. 3,004,830) accrued at the rate of 12.38% per annum (2019: 14.78% per annum).

### 21.3 Due to workers' profit participation fund (WPPF)

Opening balance		23,106,531	20,745,673
Interest on funds utilized by the Company		3,780,228	2,360,858
Allocation for the year		-	-
Closing balance		26,886,759	23,106,531

21.3.1 This carries interest at the rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 16.36% (2019: 11.38%)

21.4 Investments out of provident fund has not been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

## 22. CONTRACT LIABILITIES

The contract liabilities primarily relate to the advance consideration received from customers for sale of goods, for which revenue is recognised at point in time when goods are transferred. The amount of Rs. 489.959 million (2019: Rs. 199.327) million recognised in contract liabilities at the beginning of the period has been recognised as revenue for the period ended September 30, 2020 (2019).

	Note	2020 Rupees	2019 Rupees
<b>23. SHORT TERM BORROWINGS</b>			
From financial institutions	23.1.	1,394,396,907	397,180,183
From related parties	23.2.	13,601,995	14,201,995
		1,407,998,902	411,382,178
<b>23.1 From financial institutions</b>			
<i>Secured and interest bearing</i>			
National Bank of Pakistan			
Cash finance (hypothecation)	23.1.1	99,995,182	99,995,182
Cash finance (pledge)	23.1.2	-	47,485,000
Bank Islami Pakistan Limited			
Istisna finance	23.1.3	514,660,005	249,700,001
Meezan Bank Limited			
Istisna / tijarah	23.1.4	379,741,720	-
Askari Bank Limited - Islamic banking			
Salam OTT (Pledge)	23.1.5	400,000,000	-
		1,394,396,907	397,180,183

23.1.1 This cash finance (hypothecation) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 100 million (2019: Rs.100 million), to finance working capital needs i.e. raw material procurement & other direct / indirect cost / expense / overheads as well as financing of white refined sugar. It carries mark-up at the rate of 3 months KIBOR + 3.00% (2019: 3 months KIBOR + 3.00%) per annum, payable quarterly. It is secured by way of first pari passu charge over current assets of the company (already registered with SECP) to the extent of Rs. 134 million (2019: Rs. 134 million), first pari passu charge over fixed assets. Total value of fixed assets assessed at Rs. 2,109.061 Million (FSV Rs. 1,581.796 Million) vide Evaluation report dated 22.06.2017 conducted by Harvester Services (Pvt.) Limited measuring 616 Kanal 14 Marla / 77 Acre 14 Marala land located at Chak No. 128 G.B., Lahore Road, Tehsil Jaranwala, District Faisalabad and personal guarantees along with Personal Net Worth Statement (PNWS) / Wealth tax returns of the two directors of the company.

23.1.2 This cash finance (Pledge) facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 500 million (2019: Rs. 500 million) to finance working capital needs (purchase of raw material i.e. sugarcane for manufacturing of refined sugar / stock-in-trade financing / for keeping stock of white refined sugar). It carries markup at the rate of 1 month KIBOR + 2.50% (2019: 1 month KIBOR + 2.50%) per annum, payable quarterly. It is secured by way of pledge of white refined sugar bags ( Season 2019-2020) in standard size bags of 50 KGs and in shared godowns properly demarcated under common housing arrangement with the Company's banks' stock inclusive of 25% margin, charge of Rs. 667.000 million (inclusive of 25% margin) over pledged assets of the company, ranking charge of Rs. 400 million (2019: Rs. 400 million) over fixed assets of the company (registered with SECP) and personal guarantees along with Personal Net Worth Statement (PNWS) / wealth tax returns of two directors of the Company.

- 23.1.3 This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 580.14 million (2019: Rs. 250 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (2019: respective KIBOR + 3%) per annum, payable quarterly. It is secured by way of first pari passu charge over fixed assets (land, building and plant & machinery) of the Company to the extent of Rs. 334 million (2019: Rs. 334 million), first pari passu charge over present and future current assets of the company to the extent of Rs. 234 million (2019: Rs. 234 million), ranking charge over present and future current assets of the company amounting to Rs. 825 million upgraded to first pari passu / JPP charge within 120 days from the date of sanction advice and personal guarantees of two directors of the Company.
- 23.1.4 This istisna pledge/ tijarah finance facility was obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 500 million (2019: Rs. 500 million) for purchase of raw materials, stores & spares and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 2.75% per annum till 31st December, 2020. It is secured by way of pledge of charge on pledge assets registered with SECP of the company (white refined crystalline sugar) amounting to Rs. 715 million.
- 23.1.5 This Salam (Pledge) facility was obtained from Askari Bank Limited, out of total sanctioned limit of Rs. 400 million (2019: nil) for production of white refined sugar from sugarcane. It carries profit at the rate of matching KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future fixed assets of the company to the extent of Rs. 400 million through constructive MOTD and plant & machinery (through letter of hypothecation) duly registered with SECP, ranking charge over all present and future current assets of the company to the extent of Rs. 534 million out of which Rs. 400 million has been registered with SECP and remaining charge of Rs. 134 million for enhancement, pledge of white refined sugar of 2019-2020 season with 25% margin (inclusive of applicable sales tax) stored at the company's godown (shared with other banks), duly stacked and segregated in countable position and insured under the supervision of the banks approved muccadam, placement of 33.33% (166.650 million approx.) of total pledge of sugar bags in open area located within the Mill's premises keeping in view of lesser capacity of godowns during the peak season (FY 2019-2020) and personal guarantees of two directors of the company along with PNWSs.
- 23.1.6 The Company has total credit facilities from all the banks as mentioned in notes 23.1.1 to 23.1.5 above, amounting to Rs. 1,835.743 million (2019: Rs. 452.515 million) that remained unutilized at the terminal date. The overall charge on the current and fixed assets of the Company is in the sum of Rs. 11.206 billion (2019: Rs. 10.274 billion) at the terminal date.

	Note	2020 Rupees	2019 Rupees
<b>23.2 From related parties</b>			
<i>Unsecured and interest free</i>			
Ms. Nusrat Shamim	23.2.1	13,601,995	14,201,995
23.2.1 This represents loan obtained from the sponsoring director, Ms. Nustrat Shamim, of the Company to bridge / assist its working capital requirements. It is payable on demand.			
<b>24. ACCRUED MARK-UP ON SECURED BORROWINGS</b>			
From banking companies		80,052,541	31,474,678

## 25. CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

- 25.1.1 The tax department raised demand of Rs. 44.039 million in show cause notice issued to the Company on 10 November, 2014, alleging that the Company charged federal excise duty (FED) at the rate of 0.5% instead of 8% on local supplies made during the period from January 2014 to June 2014 against quantity of white crystalline sugar exported to Afghanistan which was not in accordance with clause (d) of SRO 77(1)/2013 dated 07 February, 2013. Consequently, the Company filed a writ petition on November 24, 2014 against this notice in the Honourable Lahore High Court, Lahore on the basis

that the FED at the rate of 0.5% has been charged as allowed by the order dated 08 November, 2013 passed in W.P No. 4927/2013, which declared that clause (d) of SRO No. 77/2013 was unlawful. The writ petition filed by the Company is in the process of hearing. The Company also filed appeal dated February 19, 2015 against this order before the CIR (Appeals) Lahore, which was decided on November 30, 2020 describing that the FED demand raised is justified legally and factually and hence confirmed. However, the matter is sub-judice before the Honourable Lahore High Court, Lahore vide ICA No. 1091 of 2013, therefore, the appellant would not be pressed for deposit/recovery of the amount till final decision of the Honourable High Court in the said ICA.

- 25.1.2 As a result of withholding tax audit for the tax year 2010, the Deputy Commissioner Inland Revenue raised a demand of Rs. 7.264 million under sections 161 / 205 of the Income Tax Ordinance, 2001. The CIR (Appeals) Lahore has rejected Company's appeal. The Company has filed an appeal dated August 07, 2014 before Appellate Tribunal Inland Revenue against this order, pending adjudication at the terminal date.
- 25.1.3 For the tax year 2011, the Income Tax Department has created tax demand of Rs. 15.914 million under section 161 / 205. The Company filled appeal before the learned CIR (Appeals) Lahore, who has deleted tax demand to the extent of Rs. 7.991 million. The tax department has filed an appeal before the Appellate Tribunal Inland Revenue, Lahore against the decision of CIR appeal-I regarding the deleted demand to the extent of Rs. 7.991 million, pending adjudication at the terminal date.
- 25.1.4 The tax department has filled references before the Honourable Lahore High Court Lahore, against the orders of the Appellate Tribunal Inland Revenue, Lahore, deleting the income tax demand of Rs. 17.3 million of the company for the assessment years 2001-2002 and 2002-2003. These references were last heard on 10 October, 2018.
- 25.1.5 The Company has filed appeal before the Commissioner of Inland Revenue (Appeals) Lahore against the Order in-original no. 14/2015 passed by DCIR Enforcement - 18 zone- III, LTU, Lahore for the tax period January 2015 for illegal adjustment of input sale tax in the sum of Rs. 22,031,342 on the bills of Lahore Electric Supply Company against its liability of federal excise duty in monthly sale tax return in sale tax mode along with additional tax and penalty. In this view of matter, the DCIR is directed to adjust the FED liability of the appellant against the available income tax refunds of appellant but no default surcharge should be levied in the case of the appellant. The CIR LTU has filed appeal in Appellate Tribunal Inland Revenue, Lahore against the deletion of default surcharge earlier deleted by the CIR appeal-I., pending adjudication at the terminal date.
- 25.1.6 For the tax years 2014 and 2017, the Additional Commissioner, Zone-III, LTU, Lahore, had passed orders u/s 122(5A) of the Income Tax Ordinance, 2001 on different issues. However, no tax demand is involved in the instant cases as these orders only reduced tax losses. The company has filed appeals against these orders before the Commissioner Inland Revenue, Appeals-I, Lahore, which are pending adjudication at the terminal date.
- 25.1.7 A writ petition has been filed by the Company against the assumptions of jurisdiction by the Competition Commission of Pakistan whereby a show cause notice dated December 31, 2009 had been issued to the Company under section 30 of the Competition Ordinance, 2009. The Company has sought declaration that such show cause is without lawful authority and of no legal effect as the Competition Ordinance, 2009 itself is ultra vires the Constitution of the Islamic Republic of Pakistan, 1973 as well as the law laid down by the Supreme Court of Pakistan.
- 25.1.8 The Company has filed a writ petition before Sind High Court against the assumption of jurisdiction by Pakistan Standard and Quality Control Authority (PSQCA) for issuing notification demanding marking fee at the rate of 0.1% of ex-factory price of all sales as the fee payable for placing the PSQCA standard mark on the notified item. The learned High Court struck down the notification and declared to be void. The Appellant being aggrieved assailed the judgment before the Supreme Court of Pakistan which is still pending adjudication.

The legal advisor of the Company is of the view that due to complex nature of the legal and constitutional laws it is not possible to assess the outcome of these legal proceedings and the financial impact thereof.

- 25.1.9 The Finance Act, 2017 introduced a tax levy under section 5A of the Income Tax Ordinance, 2001 on every public Company other than a scheduled bank or Modarba, that derives profits for tax year but does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash or bonus shares. For the tax year 2017 relevant to the income year ended September 30, 2016, bonus share or cash dividends may be distributed before the due date mentioned in sub-

section 2 of section 118, for filling of income tax return relevant to the income year ended September 30, 2016. The company declared profit after tax in the sum of Rs. 115.665 million, therefore, 40% of tax should have been distributed among the shareholder through dividend or bonus shares. However, the company has not distributed dividend in the tax year 2017. In the tax year 2018 relevant to the income year ended September 30, 2017, the company declared a profit after tax in the sum of Rs. 201.590 million, which as per the revised provision of section 5A of the Ordinance requires the company to distribute 20% of its profit after tax. However, no distribution was also made in this year as well. Against this levy, the Company file writ petition before the Honourable Lahore High Court Lahore for the tax year 2017, pending adjudication at the reporting date. The management of the Company considered this levy against the Constitution of Pakistan and tantamount to double taxation, therefore a favourable outcome is expected in this case. Accordingly, no provision for tax in the sum of Rs. 11.443 million for the financial year ended September 30, 2018 relevant to tax year 2019 (2017: Rs. 4.913 million being 7.5% of accounting profit before tax) being 5% of the accounting profit before tax on non-distribution dividend in cash or kind has been made in these financial statements.

25.1.10 A demand of social security arrears of Rs. 251,678 raised by the Punjab Employees Social Security Institution Lahore against the company. Against these arrears the company filed a complaint before the Punjab Labour Court -II, Lahore. The Honourable court remanded the case back to Vice Commissioner/Commissioner PESSI, Lahore to decide company's claim afresh after following proper procedures laid down in law and after proper perusal of record through speaking order, dealing with all concerns of the company. Management is hopeful for a favourable outcome.

The management of the Company and its legal / tax advisors expects a favourable outcome of the above mentioned cases / suits, hence no provision / adjustment has been made against contingencies disclosed in the Note 25.1.1 to 25.1.10 to these financial statements.

25.1.11 Provision for Workers' Profit Participation Fund amounting to Rs. 15.979 for the year ended September 30, 2019 has not been made in these financial statements on the capital gain on disposal of operating fixed assets of the merging entity, as the management believe that it does not represents ordinary activity of the Company.

25.1.12 The Company was contingently liable for the outstanding principal and markup on the Agri Murabaha facility obtained by the Company's Sugarcane Growers from Bank Islami Pakistan Limited. The Company has given corporate guarantee amounting to Rs. 820 million (2019: Rs. 820 million) and ranking charge over current assets of the Company with 25% margin registered with SECP as security against Agri Murabaha facility to the sugarcane growers obtained from Bank Islami Pakistan Limited. This facility has been fully paid (principle plus profit), except a disputed amount of charity amounting to Rs. 126.176 million against the said facility for which the company is contingently liable in case of failure of growers to repay.

25.1.13 The Company was contingently liable for the outstanding principal and markup on the Value Chain Financing (VCF) facility to the Company's Sugarcane Growers from Apna Bank Limited. The Company has also given corporate guarantee amounting to Rs. 95.500 million (2019: Rs. 95.500 million) against this facility to Company's Sugarcane Growers from Apna Microfinance Bank Limited. Subsequent to the reporting date, this VCF facility has been full and final settled, accordingly, the corporate guarantee stands ineffective.

## 25.2 Commitments

25.2.1 During the year, the Company entered into an Ijarah Agreement with a financial institution for acquisition of a vehicle. Under the agreement, the term of Ijarah is five years and Ujrah payments of Rs. 71,357 are payable monthly in arrears. Further, subsequent to the reporting date, the Company also entered into an other Ijarah Agreement with a financial institution for acquisition of a vehicle. Under this agreement, the term of Ijarah is five years and Ujrah payments of Rs. 30,074 are payable monthly in arrears. Therefore, the Company is committed to pay the following rentals:

	Note	2020 Rupees	2019 Rupees
<i>Ijarah rentals</i>			
Due within one year		8,227,394	7,381,200
Due after one year but not later than five years		15,810,735	21,057,482
<i>Diminishing Musharika rentals</i>			
Due within one year		3,834,596	4,138,224
Due after one year but not later than five years		2,346,277	6,164,133
		30,219,002	38,741,039

	Note	2020 Rupees	2019 Rupees
25.2.2 Commitment against CAPEX		-	294,845,939
<b>26. REVENUE FROM CONTRACT WITH CUSTOMERS - NET</b>			
Local		2,951,400,633	2,745,451,053
Export - sugar		3,229,280	881,541,960
Sugar export subsidy		-	88,579,661
		2,954,629,913	3,715,572,674
<b>26.1 Local</b>			
Sugar		2,989,202,207	2,852,973,821
By products:			
Molasses		361,786,547	182,061,974
Bagasse		6,405,820	15,781,353
Press mud		37,676,272	2,038,999
		405,868,639	199,882,326
		3,395,070,846	3,052,856,147
Less:			
Sales tax on local sale of sugar		437,197,769	304,016,748
Sales tax on molasses, bagasse and press mud		6,472,444	3,388,346
		443,670,213	307,405,094
		2,951,400,633	2,745,451,053
<b>27. COST OF REVENUE</b>			
Raw material consumed:			
Sugarcane purchased		2,697,795,298	2,347,930,204
Sugarcane development cess		17,873,914	18,426,877
Market committee fee		4,773,897	4,921,526
		2,720,443,109	2,371,278,607
Salaries, wages and other benefits		134,372,325	145,587,097
Workers' welfare expense		9,330,726	7,144,299
Stores, spare parts and loose tools consumed		11,175,164	9,009,785
Chemicals consumed		24,541,177	24,879,769
Packing material consumed		28,168,951	26,497,760
Fuel and power		27,171,538	22,135,107
Repair and maintenance		39,135,275	31,821,046
Vehicle running expenses		11,511,222	9,002,383
Insurance		9,271,230	6,104,657
Other factory overheads		3,410,028	1,870,644
Depreciation	5.1.3	114,439,630	111,622,734
		3,132,970,375	2,766,953,888
Work-in-process			
Opening stock		7,157,809	7,428,720
Closing stock		(15,437,264)	(7,157,809)
		(8,279,455)	270,911
Cost of goods manufactured		3,124,690,920	2,767,224,799
Finished goods			
Opening stock		173,048,481	881,313,888
Closing stock		(637,374,128)	(173,048,481)
		(464,325,647)	708,265,407
		2,660,365,273	3,475,490,206

27.1 Salaries, wages and other benefits include Rs. 2,761,774 (2019: Rs.2,983,557) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

	Note	2020 Rupees	2019 Rupees
<b>28. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Directors' remuneration		14,900,828	13,278,972
Salaries and other benefits		103,165,969	74,091,371
Travelling and conveyance		3,689,260	1,528,392
Communication		2,856,413	2,420,531
Utilities		6,200	51,385
Rent, rates and taxes		11,072,004	4,695,557
Printing and stationery		2,193,163	1,787,468
Repair and maintenance		4,044,668	805,732
Vehicle running and maintenance		6,076,845	5,728,840
Fee and subscription		5,348,960	4,760,450
Legal and professional		2,451,395	3,393,500
Auditors' remuneration		2,131,000	2,602,598
Entertainment		4,093,352	4,665,406
Insurance		828,129	807,017
Computerization expenses		369,548	1,088,408
Ijarah rentals		7,579,895	5,919,612
Diminishing musharakah rental		4,021,365	4,008,064
News papers and periodicals		49,759	76,652
Fines and penalties		170,404	953,657
Depreciation	5.1.3 & 6	9,118,749	5,234,975
Miscellaneous		1,406,639	3,231,314
		185,574,545	141,129,901

28.1 Salaries and other benefits include Rs. 3,962,548 (2019: Rs. 3,166,157) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

#### 28.2 Auditors' remuneration

##### Audit services

Annual audit fee	750,000	750,000
Half yearly review fee	200,000	200,000
Out of pocket expenses	118,000	118,000
	1,068,000	1,068,000

##### Non audit services

Tax advisory fee	1,000,000	942,500
Certifications for regulatory purposes	63,000	592,098
	1,063,000	1,534,598

	2,131,000	2,602,598
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#### 29. SELLING AND DISTRIBUTION COST

Salaries and other benefits		4,685,803	4,133,525
Handling and distribution		4,483,266	4,819,427
Repair and maintenance		461,746	175,395
Printing and stationery		262,074	1,345,123
Advertisement		235,544	332,168
Depreciation	5.1.3	7,142,738	7,224,568
		17,271,171	18,030,206

29.1 Salaries, wages and other benefits include Rs. 165,598 (2019: Rs. 139,729) in respect of contribution to HSML Employees' Provident Fund Trust - related party by the Company.

	Note	2020 Rupees	2019 Rupees
<b>30. OTHER OPERATING EXPENSES</b>			
Provision against freight subsidy receivable		36,509,750	-
Provision against trade receivables		6,229,515	-
Provision against advances to contractors		1,000,000	-
Zakat		14,476	16,647
Workers' Welfare Fund		-	6,391,526
		43,753,741	6,408,173
30.1 There is no interest in the donees fund, of any director or their spouses.			
<b>31. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Profit on saving bank accounts		309,053	74,611
Dividend income from equity instruments at fair value through profit or loss		748,100	-
Fair value gain / (loss) on equity instruments at fair value through profit or loss			
<i>Realized</i>		104,680	-
<i>Unrealized</i>		193,487	564,016
		1,355,320	638,627
<b>Fair value gain on equity instruments at fair value through profit or loss</b>			
<b>Income from non-financial assets</b>			
Gain on disposal of operating fixed assets		1,557,440	345,990,252
Gain on sale of bio fertilizer		92,911,022	84,274,214
Advances against sale of sugar forfeited		14,028,000	22,017,600
Rental income		195,878	5,405,684
Old credit balances no more payable written back		3,290,174	-
Miscellaneous		4,144,661	1,695,058
		116,127,175	459,382,808
		117,482,495	460,021,435
<b>32. FINANCE COST</b>			
Mark up on secured borrowings		356,463,508	200,649,159
Interest on balance payable to provident fund trust - related party		1,551,718	2,187,544
Interest on lease liability		1,385,454	-
Interest on Workers' Profit Participation Fund		3,780,228	2,360,858
Bank charges and commission		10,908,402	16,153,274
		374,089,310	221,350,835
<b>33. TAXATION</b>			
<b>Current income tax:</b>			
Normal / presumptive tax		46,206,944	49,619,278
Prior year		9,713,237	9,910,372
		55,920,181	59,529,650
<b>Deferred income tax:</b>			
Tax rate adjustment		8,662,552	(6,177,357)
For the year		12,682,083	(33,710,134)
		21,344,635	(39,887,491)
		77,264,816	19,642,159

33.1 There is no relationship between tax expense and accounting profit as the provision for current taxation is based on turnover tax, therefore no numerical reconciliation has been presented.

33.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. During the year, Finance Act, 2020 (2019: Finance Act, 2019) enacted turnover tax rate of 1.50% (2019: 1.50%) and normal tax rate of 29% (2019: 29%), therefore, provision for current tax is made @ 1.50% (2019: 1.50%) of the local turnover and 1% of export sales. The deferred tax is computed at the rate of 29% (2019: 29%) adjusted by export rebate.

33.3 The Company has unused tax losses amounting to Rs. 321.156 million as on September 30, 2020.

	Note	2020	Restated 2019
<b>34. (LOSS) / EARNINGS PER SHARE</b>			
<b>Basic earnings per share</b>			
(Loss) / profit attributable to ordinary shareholders	Rupees	(286,206,448)	293,542,629
Weighted average number of ordinary shares outstanding during the year	Numbers 34.1	38,520,000	38,520,000
(Loss) / earnings per share - basic	Rupees	(7.43)	7.62
<b>34.1 Weighted-average number of ordinary shares (basic)</b>			
Issued ordinary shares at October 01,		36,000,000	25,000,000
Effect of bonus factor due to bonus shares issued		2,520,000	13,520,000
<b>Weighted-average number of ordinary shares as on September 30,</b>		<b>38,520,000</b>	<b>38,520,000</b>

#### Diluted (loss) / earnings per share

Diluted earnings per share is same as basic earnings per share because the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

#### 35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Aggregate amount charged in these financial statements for remuneration including all benefits to the chief executive, directors and executives of the Company is as follows:

	2020		
	Chief Executive	Executive director	Executives
	----- Rupees -----		
<b>Short-term employee benefits</b>			
<i>Managerial remuneration</i>	7,129,452	1,548,384	8,061,084
House rent	3,208,248	696,771	2,691,252
<i>Utilities / medical allowance</i>	-	1,450,193	806,100
Special allowance	712,944	154,836	806,100
<b>Post-employment benefits</b>			
<i>Company's contribution to provident fund</i>	712,944	154,836	686,000
	11,763,588	4,005,020	13,050,536
Number of persons	1	1	5

2019		
Chief Executive	Executive director	Executives

----- Rupees -----

#### Short-term employee benefits

Managerial remuneration	7,692,788	1,548,384	5,581,080
House rent	2,606,896	696,771	1,947,264
Utilities / medical allowance	-	-	558,096
Special allowance	579,300	154,836	558,096
Post-employment benefits			
Contribution to provident fund	579,297	154,836	558,096
	<u>11,458,281</u>	<u>2,554,827</u>	<u>9,202,632</u>
Number of persons	<u>1</u>	<u>1</u>	<u>3</u>

35.1 In addition to above, the chief executive, directors and one executive is provided with the free use of the Company's maintained cars. The approximate value of this benefit is Rs. 7.248 million (2019: Rs. 6.524 million).

35.2 No meeting fee was paid to directors during the year (2019: nil).

35.3 No remuneration was paid to non-executive directors of the Company (2019: nil).

### 36. TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Related parties of the company are as follow:

Names of related parties	Relationship	Basis of relationship (Common directorship / percentage shareholding)
Mr. Ahmed Ali Tariq	- Chairman of the Board / Non - Executive Director	31.20%
Mr. Mustafa Ali Tariq	- Director / Chief Executive Officer	29.07%
Mrs. Nusrat Shamim	Non - Executive Director	0.02%
Mr. Taufiq Ahmed Khan	Independent Director	0.01%
Mrs. Maryam Habib	Executive Director	1.10%
Mr. Saif Hasan	Independent Director	0.0014%
Mr. Muhammad Imran Khan	Independent Director	0.0019%
Mrs. Sadia Ali Tariq	Close relative of Chief Executive Officer / Chairman	
Husein Power Company (Pvt.) Limited	Associated company by virtue of common directorship	
Tariq Capital (Pvt.) Limited	Associated company by virtue of common directorship	
Mrs. Rukhsana Javed	Close relative of CEO and Chairman of the Board	
Mr. Wasim Saleem	Chief Financial / Operating Officer - key management personnel	
HSM Healthcare Trust	Associated company by virtue of common directorship	
HSM Education Trust	Associated company by virtue of common directorship	
HSML Employees' Provident Fund Trust	Post-employment benefit plan	

36.2 Balances with related parties are disclosed in respective notes to these financial statements, whereas significant transactions with these related parties during the year are as under:

		2020 Rupees	2019 Rupees
<b>Transactions with key management personnel</b>			
Chief Financial / Operating Officer - key management personnel	Short-term employee benefits	4,739,988	4,739,988
	Post-employment benefits	287,268	287,268
<b>Transactions with post -employment benefit plan</b>			
HSM Employees' Provident Fund Trust	Contribution for the year	6,889,920	6,289,443
<b>Transactions with associated companies</b>			
Tariq Capital (Pvt.) Limited	Current account	104,393	-
HSM Healthcare Trust	Current account	2,657,240	443,424
HSM Education Trust	Current account	671,822	1,142,927
<b>Transactions with other related parties</b>			
Mr. Ahmed Ali Tariq	Repayment of loan	14,500,000	56,423,870
	Loan received	5,800,000	8,335,500
Mr. Mustafa Ali Tariq	Repayment of loan	13,252,160	35,882,400

Short-term employee benefits include salaries, house rent allowance and medical allowance as well as non monetary benefits such as medical, car, etc.

In addition to above, chief executive and a director of the Company has given personal gurantees to financial institutions on behalf of the Company as disclosed in note 18 and 23.

### 37. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTIONS

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. During the year, the Company carried out transactions with both the conventional side as well as islamic window of financial institutions. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below :

	2020			2019		
	Islamic Banks	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total
	.....Rupees.....			.....Rupees.....		
<b>Account balances:</b>						
Accrued mark-up on secured borrowings	65,611,156	14,441,385	80,052,541	24,818,089	6,656,589	31,474,678
Long term finance	69,301,846	752,082,319	821,384,165	74,989,000	277,584,273	352,573,273
Short term borrowings	1,294,401,725	99,995,182	1,394,396,907	249,700,001	147,480,182	397,180,183
Bank balances	14,276,215	26,513,472	40,789,687	3,085,984	67,578,006	70,663,990
Ijarah rentals	290,829	-	290,829	292,381	-	292,381
Diminishing Musharikh rentals	319,453	-	319,453	344,852	-	344,852
<b>Class of transactions:</b>						
Ijarah and diminishing musharikh rentals	11,601,260	-	11,601,260	9,927,676	-	9,927,676
Finance cost	224,957,002	131,506,506	356,463,508	115,333,861	85,315,298	200,649,159
Income from PLS bank accounts	-	309,053	309,053	-	74,611	74,611
<b>Disclosures:</b>						
<b>Commitments</b>						
Ijarah rentals	24,038,129	-	24,038,129	28,438,682	-	28,438,682
Diminishing musharikh rentals	6,180,873	-	6,180,873	10,302,357	-	10,302,357

### 38. PLANT CAPACITY AND ACTUAL PRODUCTION

Installed crushing capacity 6,500 to 8,000 metric ton  
(2019: 6,500 to 8,000 metric ton) per day for 117  
(2019: 98) working days

		2020	2019
	Metric tons	760,500 to 936,000	637,000 to 784,000
Actual crushing	Metric tons	476,430	491,278
Actual production	Metric tons	43,307	48,251
Sugar recovery	Percentage	9.12	9.81

38.1 Shortfall in actual production from installed capacity was due to the scarcity / shortage of raw material (sugarcane) supply.

### 39. NUMBER OF EMPLOYEES

The number of employees as at September 30 and average during the year is as follows:

	2020	2019
Number of employees as at September 30,	527	576
Average number of employees during the year	783	771

	Note	2020 Rupees	2019 Rupees
<b>40. FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>FINANCIAL ASSETS</b>			
<b>At fair value through profit or loss</b>			
Equity securities	12	6,716,005	22,606,830
<b>FINANCIAL ASSETS</b>			
<b>At amortised cost</b>			
Long term security deposits	8	835,940	774,440
Trade and other receivables	10	955,664,958	622,558,076
Advances, deposits and prepayments	11	5,629,713	3,232,465
Cash and bank balances	13	41,756,584	70,929,231
		1,003,887,195	697,494,212
<b>FINANCIAL LIABILITES</b>			
<b>At amortised cost</b>			
Long term finance (including current portion)	18	821,384,165	352,573,273
Trade and other payables	21	675,662,354	303,938,196
Short term borrowings	23	1,407,998,902	411,382,178
Accrued mark-up on secured borrowings	24	80,052,541	31,474,678
Unclaimed dividend		1,195,984	1,208,089
Unpaid dividend		43,970	-
		2,986,337,916	1,100,576,414

### 41. FINANCIAL RISK MANAGEMENT

#### 41.1 Financial risk factors

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company does not engaged in the trading of financial assets for speculative purposes nor does it write options.

The Company's Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk

management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk and liquidity risk.

(a) **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing return.

(i) **Currency risk**

The Company is exposed to currency risk on import of raw materials, stores and spares and export of goods mainly denominated in US Dollars and Euros and on foreign currency bank accounts.

At the reporting date, the Company is not exposed to foreign exchange risk.

(ii) **Other price risk**

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Other price risk arises from the Company's investment in equity instruments.

**Sensitivity analysis - equity price risk**

Impact of a 2% increase or decrease in the prices at the reporting date on profit or loss would have been as follow:

	Note	2020 Rupees	2019 Rupees
Increase		134,320	452,137
Decrease		(134,320)	(452,137)

(iii) **Interest rate risk**

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

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments were as follows:

**Fixed rate instruments**

**Financial assets**

Bank balances - saving bank accounts	13	2,298,010	73,252
--------------------------------------	----	-----------	--------

**Floating rate instruments**

**Financial liabilities**

Long term finance		821,384,165	352,573,273
Short term borrowings	23	1,394,396,907	397,180,183
		2,215,781,072	749,753,456

### Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, pre - tax profit for the year would have been (decreased) / increased by Rs. 22.135 million (2019: Rs. 7.497 million), mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments i.e. borrowings net of saving bank accounts outstanding at reporting dates were outstanding for the whole year.

### Fair value sensitivity analysis for fixed rate instruments

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

#### (b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, deposits with banks, financial institutions and utility companies, as well as credit exposures to customers, including outstanding trade receivables.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period is as follows:

	Note	2020 Rupees	2019 Rupees
Long term deposits	8	835,940	774,440
Trade and other receivables	10	955,664,958	622,558,076
Advances and deposits	11	5,629,713	3,232,465
Equity securities	12	6,716,005	22,606,830
Bank balances	13	40,789,687	70,663,990
		1,009,636,303	719,835,801

### Trade receivables

Customer is counterparty to local trade receivables against sale of refined sugar. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales to customers are required to be settled in cash or cash in advance, thus mitigating credit risk. Exports sales are secured partially by way of advance payments. Majority of the local sales are made through dealers. Outstanding customer receivables, if any, are regularly monitored.

	2020 Rupees	2019 Rupees
The maximum exposure to credit risk for trade receivables at the reporting date by the type of customers is receivables from sugar dealers only :	948,778,524	284,708,971

As at September 30, 2020 (2019), trade receivables amounting to Rs. 117.913 million (2019: Rs. 2.250) were past due but not impaired. These related to a number of independent customers having no recent history of default. The ageing analysis of trade receivables is as follows:

	Note	2020 Rupees	2019 Rupees
Not over due (current)		830,865,479	282,459,070
Overdue			
61 to 90 days		102,628,023	-
91 to 180 days		-	2,249,901
181 to 365 days		1,604,022	-
Over 365 days		19,910,515	-
		124,142,560	2,249,901
		955,008,039	284,708,971
Impairment provision for trade receivables		(6,229,515)	-
		948,778,524	284,708,971

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

### Bank balances

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

	Rating			2020	2019
	Short Term	Long term	Agency	Rupees	Rupees
<b>Banks</b>					
Allied Bank Limited	A1+	AAA	PACRA	2,713,524	2,177,362
Bank Islami Pakistan Limited	A1	A+	PACRA	2,763,024	173,034
Faysal Bank Limited	A1+	AA	PACRA	371,337	327,367
The Bank of Punjab	A1+	AA	PACRA	831,683	1,698,204
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,053,961	16,106,123
Bank Al Habib	A-1+	AA+	PACRA	1,132,727	-
Meezan Bank Limited	A-1+	AA	JCR-VIS	2,202,154	3,395,730
National Bank of Pakistan	A1+	AAA	PACRA	5,965,375	41,286,527
United Bank Limited	A1	A	PACRA	6,921	171,799
Al-Baraka Bank (Pakistan) Limited	A-1+	AAA	JCR-VIS	131,973	6,604
Summit Bank Limited	A1	A+	JCR-VIS	41	43,911
NIB Bank Limited	A-1	A-	JCR-VIS	43,911	6,921
Apna Microfinance Bank Limited	A3	BBB+	PACRA	39,678	129,059
Dubai Islamic Bank Limited	A1+	AA	JCR-VIS	2,142,304	1,104,588
Askari Bank Limited	A1+	AA+	PACRA	6,468,541	146,910
JS Bank Limited	A1+	AA-	PACRA	-	-
Finca Microfinance Bank Limited	A1	A	PACRA	222	8,422
Soneri Bank Limited	A1+	AA-	PACRA	3,700	3,700
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	3,563,494	1,173,982
MCB Bank Limited	A1+	AAA	PACRA	7,251,434	942,613
Bank Alfalah Limited	A1+	AA+	PACRA	2,139,016	806,467
Samba Bank Limited	A-1	AA+	JCR-VIS	964,667	954,667
				40,789,687	70,663,990

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

### Long term deposits

Long term deposits represent mainly deposits with utility / banking companies, hence the management believes that no impairment allowance is necessary in respect of these long term deposits.

### (c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At reporting date, the Company had Rupees 1,835.743 million (2019: 452.515 million) available credit limits from financial institutions and Rupees 41.757 million (2019: Rupees 70.929) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows.

#### Contractual maturities of non derivative financial liabilities as at 30 September 2020

Description	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	2-5 years	More than 5 years
----- Rupees -----							
Long term finance	821,384,165	821,384,165	35,489,053	83,866,885	204,108,588	442,364,083	55,555,557
Trade and other payables	675,662,354	675,662,354	675,662,354	-	-	-	-
Short term borrowings	1,407,998,902	1,407,998,902	1,407,998,902	-	-	-	-
Accrued mark-up on secured borrowings	80,052,541	80,052,541	80,052,541	-	-	-	-
Unpaid dividend	43,970	43,970	43,970	-	-	-	-
Unclaimed dividend	1,195,984	1,195,984	-	1,195,984	-	-	-
	2,986,337,916	2,986,337,916	2,199,246,820	85,062,869	204,108,588	442,364,083	55,555,557

#### Contractual maturities of non derivative financial liabilities as at 30 September 2019

Description	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 Years	2-5 years	More than 5 years
----- Rupees -----							
Long term finance	352,573,273	352,573,273	31,203,598	43,707,125	90,195,247	187,467,312	-
Trade and other payables	303,938,196	303,938,196	303,938,196	-	-	-	-
Short term borrowings	411,382,178	411,382,178	411,382,178	-	-	-	-
Accrued mark-up on secured borrowings	31,474,678	31,474,678	31,474,678	-	-	-	-
Unclaimed dividend	1,208,089	1,208,089	-	1,208,089	-	-	-
	1,100,576,414	1,100,576,414	777,998,641	44,915,214	90,195,247	187,467,312	-

### 41.2 Capital risk management

The Company's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of our business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of profit attributed to ordinary shareholders.

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends attributed to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital using 'net debt to capital ratio'. Net debt is calculated as long and short term interest bearing bank borrowings less cash and cash equivalents.

	2020 Rupees	2019 Rupees
Interest bearing bank borrowings	2,215,781,072	749,753,456
Less: cash and cash equivalents	(41,756,584)	(70,929,231)
Net debt	2,174,024,488	678,824,225
Total equity	2,967,105,214	2,847,620,976
Total capital (net debt and equity)	5,141,129,702	3,526,445,201
Net debt to total capital ratio	42%	19%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The net debt to equity ratio mainly increased during the year due to increase in fresh bank borrowings.

### 41.3 Operational risk management

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation including insurance where this is effective

### 41.4 Fair values of financial instruments

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 a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

Level 1 - Quoted prices (unadjusted) in active markets 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 or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The Company has not disclosed the fair values of the financial assets and financial liabilities as disclosed in note 40 because their carrying amounts are reasonable approximation of fair values, except fair value of equity instruments.

### Valuation techniques used to determine fair values

The table analyses financial assets measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Financial assets		As on September 30, 2020			
		Carrying amount	Recurring fair value		
			Level 1	Level 2	Level 3
Note			----- Rupees -----		
Financial assets at fair value through profit or loss (equity securities)	12	6,716,005	6,716,005	-	-

Financial assets		As on September 30, 2019			
		Carrying amount	Recurring fair value		
			Level 1	Level 2	Level 3
Note			----- Rupees -----		
Financial assets at fair value through profit or loss (equity securities)	12	22,606,830	22,606,830	-	-

### Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 1 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market approach (quoted market prices)	Per share price	The estimated fair value would increase (decrease) if the price go higher (lower).

42. RECONCILIATION OF MOVEMENTS OF LIABILITIES  
TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Share capital	Directors' loans	Long term finance	Lease liability	Short term borrowings
	Rupees				
Balance at October 01, 2019	360,000,000	446,380,983	352,573,273	11,318,291	411,382,178
Proceeds during the year	-	5,800,000	(36,071,268)	-	-
Repayments during the year	-	(27,752,160)	504,882,160	(3,211,980)	-
Movement in short term borrowings - net	-	-	-	-	996,616,724
Changes arising from bonus share issuance	25,200,000	-	-	-	-
Balance at September 30, 2020	385,200,000	424,428,823	821,384,165	8,106,311	1,407,998,902

43. SEGMENT INFORMATION

43.1 Sales of sugar represents 86.48% (2019: 92%) of the total sales of the Company.

	2020	2019
43.2 The sales percentage by geographic region is as follows:		
Pakistan	99.89%	95.30%
Canada	0.11%	0.18%
Afghanistan	-	4.52%
	100%	100%

Sales are attributed to countries on the basis of the customers' location.

43.3 All non-current assets of the Company as at 30 September 2020 and 2019 were located in Pakistan.

43.4 11.34% (2019: 34.53%) of the total sales of sugar of the Company are made to a single customer in Pakistan.

44. IMPACT OF COVID - 2019 ON FINNACIAL STATEMENTS

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lockdown as a measure to reduce the spread of the COVID-19. The Company's operations were not affected as it fell under the exemption provided by the Government of Punjab to providers of essential services. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure the safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure the smooth and adequate continuation of its business. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment; there is no significant accounting impact of the effects of COVID-19 on these financial statements.

45. DATE OF AUTHORIZATION

These financial statements have been approved and authorized by the Board of Directors of the Company for issue on December 31, 2021.

46. CORRESPONDING FIGURES

Corresponding figures have been re-arranged, wherever necessary, to facilitate better comparison. However, no material re-arrangements / reclassifications have been made in these financial statements during the year.

LAHORE:   
CHIEF EXECUTIVE OFFICER

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

## کافی داخلی مالیاتی کنٹرول

بورڈ آف ڈائریکٹرز نے داخلی مالیاتی کنٹرول کا ایک موثر نظام تیار کیا ہے۔ وہ تعمیل کے بیان میں منکشف، قابل اطلاق قوانین و ضوابط کے علاوہ مندرجہ کمپنیوں کے کوڈ آف کارپوریٹ گورننس کے مطابق عملدرآمد کی توثیق کرتے ہیں اور موثر طریقہ سے لاگو اور نگرانی کی جارہی ہے۔ ہماری کمپنی کا داخلی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کی تشخیص کرتا ہے اور آڈٹ کمیٹی سے ماہی بنیاد پر داخلی کنٹرول اور مالیاتی حسابات کا جائزہ لیتی ہے۔

## بورڈ کی تشخیص

کوڈ آف کارپوریٹ گورننس کی تعمیل میں، بورڈ نے بورڈ کے اسکوپ، مقاصد، عوامل، ذمہ داریوں، کمپنی کی کارکردگی اور نگرانی پر مرکوز توجہ پر بحث اور سوالات کے ذریعے بورڈ، اس کے ڈائریکٹرز اور کمیٹیوں کی تشخیص کے لئے خود تشخیصی میکانزم کی منظوری دی ہے۔ بورڈ نے بورڈ کے اجلاس میں کی گئی ڈائریکٹرز کی ان پٹ پر مبنی تمام عناصر کی تشخیص کی ہے۔

## بیرونی آڈیٹرز

کمپنی کے بیرونی آڈیٹرز، میسرز کریسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی بناء پر، دوبارہ تفری کے لئے خود کو پیش کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کی شرائط میں آڈٹ کمیٹی کے تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 30 ستمبر 2021 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ان کی تفری کی منظوری دی ہے۔

## اظہار تشکر

طویل مدتی شہرداری قدر کی جزییشن ہماری کمپنی کی بنیادی قوت ہے۔ ہمارے حصص داروں کا مسلسل اعتماد اور یقین ہمارے لئے انتہائی اہمیت کا حامل ہے۔ حسین میں ہم نے ہمیشہ اپنے حصص یافتگان کی ایکویٹی کو زیادہ سے زیادہ کرنے کی کوشش کی ہے اور ہم اپنے عزم پر قائم ہیں۔ یہ ہمارے تمام اسٹیک ہولڈرز کی مسلسل حمایت کے بغیر ممکن نہیں ہے۔ بورڈ حصص یافتگان، بینکروں، گئے کے کاشتکاروں اور دیگر تمام اسٹیک ہولڈرز کی جانب سے مسلسل حمایت اور تعاون کا شکریہ ادا کرتے ہیں۔ بورڈ کمپنی کے ملازمین کی لگن اور محنت کو سراہتا ہے۔

منجانب بورڈ آف ڈائریکٹرز

میاں احمد علی طارق  
چیئر مین

مصطفیٰ علی طارق  
چیف ایگزیکٹو آفیسر

لاہور: 31 دسمبر 2020ء

## بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کے بورڈ کے رواں سال کے دوران پاکستان میں چار اجلاس ہوئے اور ڈائریکٹرز کی حاضری حسب ذیل ہے:

تعداد حاضری	حیثیت	نام ڈائریکٹرز
4	چیئرمین	جناب احمد علی طارق
4	چیف ایگزیکٹو آفیسر	جناب مصطفیٰ علی طارق
3	نان ایگزیکٹو ڈائریکٹر	محترمہ نصرت شمیم
4	ایگزیکٹو ڈائریکٹر	محترمہ مریم حبیب
4	آزاد ڈائریکٹر	جناب توفیق احمد خان
0	نان ایگزیکٹو ڈائریکٹر	* جناب محمد افتخار
4	آزاد ڈائریکٹر	جناب محمد عمران خان
4	آزاد ڈائریکٹر	** جناب سیف حسن

\* جناب محمد افتخار نے 29 نومبر 2019 کو استعفیٰ دیا۔

\*\* جناب سیف حسن 9 دسمبر 2019 کو شامل ہوئے۔

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے کو عدم شرکت کی چھٹی دی گئی۔

## چیئرمین اور چیف ایگزیکٹو آفیسر کا کردار

چیئرمین اور چیف ایگزیکٹو آفیسر کے الگ اور مختلف کردار ہیں۔ چیئرمین کارپوریٹ گورننس کے تحت مندرجہ تمام اختیارات رکھتے ہیں اور بورڈ کے اجلاسوں کی صدارت کرتے ہیں۔ چیئرمین کا اصل کردار کمپنی کے بورڈ آف ڈائریکٹرز کو قیادت فراہم اور انتظام کرنا ہے۔ چیئرمین بورڈ کو جواب دہ ہے اور چیف ایگزیکٹو آفیسر کے ذریعہ بورڈ اور انتظامیہ کے درمیان براہ راست رابطے کے طور پر کام کرتا ہے۔ چیئرمین انتظامیہ سے آزاد ہے اور کسی بھی دلچسپی اور کسی بھی کاروباری یا دیگر تعلق سے آزاد ہے جو چیئرمین کے آزاد فیصلے سے متصادم ہو سکتے ہیں۔ چیف ایگزیکٹو آفیسر قانون اور بورڈ کی طرف سے مقرر کردہ اختیارات کے تحت اپنے فرائض انجام دیتا ہے، اور کاروباری منصوبوں کی منظوری اور لاگو کرتا ہے، اور کمپنی کے مجموعی کنٹرول اور آپریشن کا ذمہ دار ہے۔

## ڈائریکٹرز ٹریننگ پروگرام (DTP)

کمپنی اپنے بورڈ ارکان کی پیشہ وارانہ بہتری میں گہری دلچسپی لیتی ہے اور کوڈ آف کارپوریٹ گورننس کے تقاضوں کے مطابق اپنے بورڈ ارکان کی ضروری تربیت کرتی ہے اور اس بات کو یقینی بناتی ہے کہ بورڈ کے تمام ارکان نے ڈائریکٹرز کے ٹریننگ سرٹیفیکیشن کے سلسلے میں تقاضوں کی مکمل تعمیل کی ہے۔

## متعلقہ پارٹیوں سے لین دین

تمام متعلقہ پارٹیوں کے ساتھ لین دین قابل رسائی قیمتوں پر کیا جاتا ہے اور کوڈ آف کارپوریٹ گورننس، 2017 اور کمپنیز ایکٹ، 2017 کی تعمیل میں کمپنی کے بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی کی طرف سے جائزہ اور منظوری دی جاتی ہے۔ متعلقہ پارٹیوں کے ساتھ لین دین کی تفصیلات مالی حسابات میں مہیا کی گئی ہیں۔

## کارپوریٹ بریفنگ سیشن

کمپنی سال میں کارپوریٹ بریفنگ سیشن کا انعقاد کرتی ہے۔

## مواصلات

کمپنی حصص داران کے ساتھ مواصلات کی اہمیت پر بہت توجہ دیتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹس کمپنیز ایکٹ، 2017 کے مطابق مقررہ وقت کے اندر انہیں ترسیل کی جاتی ہیں۔ کمپنی کی ویب سائٹ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی تمام ضروریات کو پورا کرتی ہے اور کمپنی سے متعلقہ تمام معلومات ویب سائٹ پر دستیاب ہیں۔ حصص داران اور عوام الناس کے ارکان اپنی مطلوبہ معلومات حاصل کرنے کے لئے کمپنی کی ویب سائٹ [www.husein.pk](http://www.husein.pk) ملاحظہ کر سکتے ہیں۔

## چیف فنانشل آفیسر، کمپنی سیکرٹری اور داخلی آڈٹ کا سربراہ

چیف فنانشل آفیسر (سی ایف او) اور داخلی آڈٹ کے سربراہ کوڈ آف کارپوریٹ گورننس میں درج کردہ مطلوبہ اہلیت اور تجربہ رکھتے ہیں۔ کمپنی سیکرٹری کمپنیز ایکٹ، 2017 میں مروجہ مطلوبہ اہلیت اور تجربہ حاصل ہے۔ چیف فنانشل آفیسر، کمپنی سیکرٹری اور داخلی آڈٹ کے سربراہ کی تقرری، معاوضہ اور ملازمت کی شرائط و ضوابط بورڈ آف ڈائریکٹرز نے طے کی ہیں۔ جب بھی ضروری خیال کیا جائے چیف فنانشل آفیسر اور کمپنی سیکرٹری کی برطرفی بورڈ آف ڈائریکٹرز کی منظوری سے کی جاتی ہے۔

بورڈ کی ترتیب حسب ذیل کے مطابق ہے:

نام	کمیٹری
1- جناب توفیق احمد خان 2- جناب محمد عمران خان 3- جناب سیف حسن	آزاد ڈائریکٹر
میاں مصطفیٰ علی طارق	ایگزیکٹو ڈائریکٹر
میاں احمد علی طارق	نان ایگزیکٹو ڈائریکٹر
محترمہ نصرت شمیم (نان ایگزیکٹو ڈائریکٹر) محترمہ مریم حبیب (ایگزیکٹو ڈائریکٹر)	خاتون ڈائریکٹر

### بورڈ کی کمیٹیاں آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہء اخلاق کی تعمیل میں، بورڈ آف ڈائریکٹرز نے ایک آڈٹ کمیٹی تشکیل دی ہے۔ چیئرمین کی سربراہی میں آڈٹ کمیٹی تین ارکان پر مشتمل ہے۔ کمیٹی باقاعدگی سے چیف فنانشل آفیسر اور داخلی آڈٹ کے سربراہ کے ساتھ جائزہ اور یقینی بنانے کے لئے ملاقات کرتی ہے کہ اکاؤنٹنگ کے اعلیٰ معیار کو برقرار رکھا جا رہا ہے۔ آڈٹ کمیٹی درج ذیل ارکان پر مشتمل ہے:

نام ڈائریکٹرز	حیثیت	کمیٹری
جناب توفیق احمد خان	آزاد ڈائریکٹر	چیئرمین
میاں احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	رکن
جناب محمد عمران خان	آزاد ڈائریکٹر	رکن

آڈٹ کمیٹی سہ ماہی، ششماہی اور سالانہ حسابات مع متعلقہ پارٹی ٹرانزیکشنز رجسٹر کارپوریٹ جمع کرانے سے قبل جائزہ لیتی ہے۔ آڈٹ کمیٹی نے داخلی آڈیٹرز کی فائنڈنگ کا جائزہ لیا اور کارپوریٹ گورننس کے ضابطہ کے تحت درکار داخلی اور بیرونی آڈیٹرز کے ساتھ الگ الگ اجلاس بھی کئے۔

### انسانی وسائل اور ریزریشن (HR&R) کمیٹی

ہیومن ریسورس پلاننگ اور مینجمنٹ اعلیٰ ترین مینجمنٹ سطح پر بہت ہی اہم فوکس پوائنٹس میں سے ایک ہے۔ کمیٹی کی ایک ہیومن ریسورس اینڈ ریزریشن کمیٹی ہے جو اہم انتظامی افراد کے انتخاب، مشاہرہ اور جانشینی پلاننگ میں مشغول ہے۔ یہ کمیٹی کی ہیومن ریسورس پالیسیوں اور پروسیجرز کی اصلاحات میں توثیق اور ان کے دورانیہ کی تشخیص میں بھی ملوث ہے۔ انسانی وسائل اور ریزریشن (HR&R) کمیٹی درج ذیل ارکان پر مشتمل ہے۔

نام ڈائریکٹرز	حیثیت	کمیٹری
میاں احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	چیئرمین
جناب توفیق احمد خان	آزاد ڈائریکٹر	رکن
میاں مصطفیٰ علی طارق	چیف ایگزیکٹو آفیسر	رکن

### رسک مینجمنٹ کمیٹی

رسک مینجمنٹ کمیٹی تین سالوں کی مدت کے لئے خدمات سرانجام دیتی ہے۔ ریٹائر ہونے والے ڈائریکٹرز دوبارہ منتخب کئے جاسکتے ہیں۔ کمیٹی براہ راست بورڈ آف ڈائریکٹرز کو رپورٹ کرتی ہے اور بورڈ آف ڈائریکٹرز کی طرف سے تفویض کردہ اپنے فرائض سرانجام دیتی ہے۔ رسک مینجمنٹ کمیٹی درج ذیل ارکان پر مشتمل ہے۔

نام ڈائریکٹرز	حیثیت	کمیٹری
میاں احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	چیئرمین
محترمہ مریم حبیب	ایگزیکٹو ڈائریکٹر	رکن
جناب سیف حسن	آزاد ڈائریکٹر	رکن

## کارپوریٹ گورننس

### کارپوریٹ کے بہترین طریقے

کمپنی کے ڈائریکٹرز بہتر کارپوریٹ گورننس کے لئے پُر عزم ہیں اور لسٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہء اخلاق) ریگولیشنز 2019ء اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک کی ضروریات پر عمل کرتے ہیں۔ سی سی جی ریگولیشنز 2019ء کی تعمیل کا بیان منسلک ہے:

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی کا بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتہ جات کمپنیز ایکٹ 2017 کے تحت درکار بالکل صحیح طور سے بنائے گئے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی ضروریات کی پیروی کی گئی ہے۔
- 5- اندرونی کنٹرول کا نظام جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- 7- پاکستان اسٹاک ایکسچینج جہاں کمپنی لسٹڈ ہے کے فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔
- 8- گزشتہ چھ سال کا کلیدی آپرینٹنگ اور مالیاتی ڈیٹا منسلک ہے۔
- 9- پراویڈنٹ فنڈ باقاعدہ ایک علیحدہ ٹرسٹ کے زیر انتظام ہے اور ٹرسٹ نے 30 ستمبر 2020 کو 116.515 ملین روپے (2019: 107.270 ملین روپے) کی سرمایہ کاری کی ہے۔

### نمونہ حصص داری اور حصص کی تجارت

30 ستمبر 2020ء کے مطابق نمونہ حصص داری کا بیان، جو رپورٹنگ فریم ورک کے تحت منکشف کیا جانا ضروری ہے، اس رپورٹ سے منسلک ہے۔  
ڈائریکٹرز، چیف ایگزیکٹو، کمپنی سیکریٹری، چیف فنانشل آفیسر، ان کے زوج اور چھوٹے بچوں کی طرف سے کمپنی کے حصص میں لین دین کی تفصیلات حسب ذیل ہیں:

حصص میں تجارت	
جناب احمد علی طارق۔ چیئر مین	85,500
جناب مصطفیٰ علی طارق۔ چیف ایگزیکٹو	169,500
محترمہ نصرت شیم۔ نان ایگزیکٹو ڈائریکٹر	332,000
محترمہ مریم حبیب۔ ایگزیکٹو ڈائریکٹر	102,500

### ڈائریکٹرز کے انتخابات

ڈائریکٹرز کے انتخاب کے لئے کمپنی کا غیر معمولی اجلاس عام (EOGM) 31 مارچ 2020 کو منعقد ہوا۔ تین (3) آزاد ڈائریکٹرز سمیت سات (7) ڈائریکٹرز مذکورہ EOGM میں یکم اپریل 2020 سے مؤثر تین سالوں کی مدت کے لئے منتخب کئے گئے۔ جبکہ آزاد ڈائریکٹرز کا انتخاب بنیادی صلاحیتوں، قابلیتوں، متنوع کام کا تجربہ، مہارتوں اور انفرادی علم پر غور کرتے ہوئے کیا گیا۔

### بورڈ کی تشکیل

سی سی جی کے تقاضوں کے مطابق، کمپنی آزاد اور نان ایگزیکٹو ڈائریکٹرز اور بورڈ پر صنفی تنوع کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ بورڈ کی موجودہ تشکیل حسب ذیل کے مطابق ہے:

ڈائریکٹرز کی کل تعداد سات (7) حسب ذیل کے مطابق ہے:

کیٹگری	ڈائریکٹرز کی تعداد
مرد ڈائریکٹرز	5
خاتون ڈائریکٹرز	2

تبدیلیوں کے اثرات تیزی سے واضح ہوتے جا رہے ہیں۔ کارپوریٹ شہری ہونے کی حیثیت سے، ہم ماحولیاتی نظام کے تحفظ میں ایک اجتماعی ذمہ داری لیتے ہیں جو ہمارے کام، ترقی اور نمو کی اجازت دیتی ہے۔ اس سلسلے میں، مقامی انتظامیہ کے تعاون کے ساتھ، ہم نے مختلف ماحول دوست منصوبوں کا آغاز کیا ہے۔ ہم نے درختوں کی شجر کاری ہم شروع کی ہے اور دیگر اقدامات میں ری سائیکلنگ میں تجدید سرمایہ کاری کے ذریعہ اپنے کوڑے کو کم سے کم کرنے میں اہم پیشرفت کی ہے۔ ہم مقامی شراکت داروں اور دیگر اسٹیک ہولڈرز کے ساتھ مل کر کام کرنے کے منتظر ہیں تاکہ اس بات کو یقینی بنایا جائے کہ حسین کی تمام مصنوعات ایک ذمہ دارانہ اور ماحول دوست انداز میں بنائی جائیں۔ ہم اپنے عمل کو جدید اور بہتر بنانے کے لئے نئی ٹیکنالوجیز کی بھی تلاش کر رہے ہیں۔

یہ سفارش کی جاتی ہے کہ حکومت کسانوں اور ملرز کے ساتھ ہم آہنگی سے ماحول کے استحکام کے سلسلے میں ایک طویل مدتی پالیسی بنائے۔ دیگر فصلوں کے مقابلے میں، گنا انفرادیت کا حامل ہے کہ اس کی تقریباً تمام مصنوعات ویلیو ایڈیشن کے لئے استعمال کی جاسکتی ہیں۔ نہ صرف گنے کو چینی تیار کرنے کے لئے استعمال کیا جاتا ہے بلکہ بجلی، ایندھن اور کھاد پیدا کرنے میں بھی استعمال کیا جاسکتا ہے۔ ایک جامع نجی عوامی پالیسی کے ساتھ، اضافی قدر پیدا کرنے کے لئے گنے کی سپلائی چین میں نئی راہیں استعمال کی جاسکتی ہیں۔

### مستقبل کا نقطہ نظر

حکومت پنجاب نے کرشنگ سیزن 2020-21 کے لئے گنے کی امدادی قیمت 200 روپے فی 40 کلوگرام کا اعلان کیا ہے۔ زیر کاشت گنے کے رقبہ، گنے کی اوسط فی ایکڑ پیداوار، اور کاشت گنے کی اقسام کی بنیاد پر یہ توقع کی جاتی ہے کہ آنے والے سال کے لئے گنے کی پیداوار گزشتہ سال سے 10-5 فیصد زیادہ ہوگی۔ کمپنی نے اپنا کرشنگ سیزن گزشتہ سال 25 نومبر 2019 کے مقابلے میں اس سال 13 نومبر 2020 سے شروع کیا اور 31 دسمبر 2020 تک 8.52% کی اوسط سکروس ریکوری پر 319,529 ٹن (گزشتہ سال سے 8.75% کی اوسط ریکوری پر 169,797 ٹن کرشنگ) گنا کرش کیا اس کا مطلب کمپنی نے گزشتہ سال کے مقابلے میں جلد آغاز کر کے تسلی بخش سکروس اجزاء کے ساتھ گزشتہ سال سے 88% فیصد زیادہ گنا کرش کیا۔

ہمارے آپریشنل ڈومین میں گنے کا کاشت رقبہ پچھلے سال کے مقابلے میں 5 فیصد زیادہ ہے۔ تاہم، اس سال حوصلہ افزاء عنصر کا مشاہدہ کیا جا رہا ہے کیونکہ پچھلے سال کے مقابلے میں اس سال مون سون میں بروقت اور زیادہ بارش کی وجہ سے گنے کی فصل کی فی ایکڑ پیداوار تقریباً 11 فیصد سے 14 فیصد زیادہ اور صحتمند ہے۔ موجودہ کام کے ماحول سے یہ ظاہر ہوتا ہے کہ کمپنی گزشتہ سال کے مقابلے میں زیادہ چینی پیدا کرے گی جس سے کمپنی کی بالائی اور زیریں لائن دونوں کو فروغ ملے گا۔

کمپنی نے اپنے کارکردگی کو بہتر بنانے کے منصوبے (EIP) کے حوالے سے اہم پیشرفت کی ہے جس کا مقصد آپریشنل نقصانات کو کافی حد تک کم کرنا اور ایندھن کی کچھت کی بچت میں کئی گنا اضافہ کرنا ہے۔ مالی سال 2019-20 کے دوران اس پروجیکٹ میں نمایاں عمل انجام دینے کے بعد، ہم نے 2020-21 سیزن کی پہلی سہ ماہی میں بیگاس کی فروخت آمدنی کی رفتار بڑھنے اور پلانٹ کی مجموعی کارکردگی بہتر ہونے کی وجہ سے چینی کی ایکسٹریکشن کی بڑی لموں کی صورت میں سازگار آپریشنل نتائج دیکھنا شروع کر دیے ہیں۔

اس سیزن میں بھی تمام اشارے قومی پیداوار کی کمی ظاہر کر رہے ہیں اور چینی اور مولاس کی بین الاقوامی قیمتیں تین سال کی زیادہ سطح پر ہیں۔ اس کا مطلب ہے کہ آنے والے دنوں میں مقامی قیمتیں مستحکم رہیں گی۔

مذکورہ بالا تمام عوامل پر غور کرتے ہوئے، ہم یہ کہہ سکتے ہیں کہ اگلے سیزن کے آپریشنل اور مالی نتائج اگلے سال انشاء اللہ بہتر ہوں گے۔

### کارپوریٹ سماجی ذمہ داری

کمپنی رواداری، باہمی احترام، دوستانہ، اپنی مدد آپ اور باہمی اعتماد اور اعتماد کی ثقافت کو فروغ دینے کے علاوہ، اپنے تمام ملازمین کو ایک محفوظ، صحت مند، اور دوستانہ ماحول فراہم کرتی ہے۔

تازہ گریجویٹ اور پوسٹ گریجویٹوں کے لئے انٹرنل شپ کی پیشکش کے علاوہ، کمپنی خالصتاً میرٹ کی بنیاد پر روزگار کی پالیسی کو مکمل طور پر برقرار رکھتی ہے۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ نقطہ نظر کے ساتھ، کمپنی یقینی طور پر ملازمت کے مساوی مواقع کو یقینی بناتی ہے کہ تمام ممکنہ ملازمین کو فراہم کی جائے۔ اس کے علاوہ، کمپنی امتیازی سلوک کے سلسلے میں صفر رواداری کی پالیسی پر سختی سے عمل کرتی ہے۔ کمپنی جسمانی طور پر معذور اور خصوصی افراد کو بھی معاشرے کا مفید حصہ بنانے کے لئے روزگار فراہم کرتی ہے۔ ایک ذمہ دار کارپوریٹ ادارے کے طور پر، کمپنی مقامی معاشرہ کی ترقی کو زیادہ سے زیادہ کرنے کے لئے سرکاری اداروں اور دیگر مقامی نمائندوں کے ساتھ کام جاری رکھتی ہے۔ اس مقصد کے لئے، کمپنی نے بنیادی طور پر تعلیم اور صحت کے میدان میں، غریب اور ضرورت مندوں کی فلاح و بہبود کے لئے غیر منافع بخش ادارے قائم کیے ہیں۔ کمپنی کی تاریخ کے کورس میں، مذکورہ بالا اداروں نے علاقہ میں لاکھوں افراد کو مفت طبی سہولیات اور معیاری تعلیم فراہم کی ہے۔

### جدت اور کارکردگی کی بہتری

حکومت عملی کی توسیع، ٹیکنیکی ترقی، اور/یا ماحول کی حفاظت کے لئے مسلسل سرمایہ کاری اور اختیارات کی تلاش آپ کی کمپنی کی پالیسی ہے۔ مجموعی صلاحیتوں کو بڑھانے اور پیداوار کی مجموعی لاگت میں کمی لانے کے لئے شوگر پلانٹ کے اہم شعبوں میں جدید ترین ٹیکنالوجیز کو اپنایا جا رہا ہے۔

### نی شیئر آمدنی

کمپنی کا بعد از ٹیکس 286,206 ملین روپے کا نقصان جو 7.43 روپے فی شیئر نقصان بننا ہے جبکہ گزشتہ سال میں منافع 9.05 روپے فی شیئر تھا۔

چینی کی زیادہ ریکوری اور فی ایکڑ پیداوار میں اضافہ متوقع ہے۔ لہذا، ہم گذشتہ سال کے مقابلہ میں چینی کی پیداوار میں 10-5 فیصد زیادہ پیداوار کی پیش گوئی کرتے ہیں۔ تاہم، بیان کیا گیا کہ اس سیزن کا آغاز چینی کی قلت اور چینی کی ناقص انویٹریز کے ساتھ ہوا ہے، شوگر مارکیٹ کو پچھلے سال کی طرح برتاؤ کرنا چاہئے۔

پچھلے کرشنگ سیزن 2019-2020 کے دوران آپ کی کمپنی کی سکروس ریکوری میں 7% کی کمی کا اہم چیلنج درپیش تھا جس نے خام مال کی قیمت میں غیر معمولی اضافہ کیا۔ اسی طرح، گنے کی کاشت اور فی ایکڑ پیداوار گزشتہ سال کے مقابلے میں کافی کم تھی۔ قومی سطح پر، گنے کی عدم دستیابی نے پورے کرشنگ سیزن میں گنے کی قیمتوں میں اضافے کو برقرار رکھا۔ قدرتی طور پر گنے کی عدم دستیابی کے ساتھ، چینی کی قلت تھی۔ یہ ستم ظریفی تھی کہ ایک طرف تو کسانوں کی طرف سے گنے کی قیمت میں اضافہ ہوتا رہا، وہیں دوسری طرف جنوری کے پہلے ہفتے میں کم از کم 15 دن ملوں کو گنے کی سپلائی بھی بند کر دی گئی۔ آخر کار گنے کی کاشت کار کم از کم امدادی قیمت پر گنے کی فراہمی کے لئے رضامند نہ ہونے کی وجہ سے چینی کی پیداوار کی قلت نے چینی کی قیمتوں میں اضافہ کیا۔ نتیجتاً، جیسے ہی چینی کی قیمتیں بڑھیں، حکومت گھبراہٹ اور قیمت میں اضافے کی وجوہات کی تحقیقات کے لئے شوگر انکوائری کمیشن تشکیل دیا۔ اگرچہ حکومت کا ارادہ قابل تحسین ہے، لیکن اپنایا ہوا طریقہ بدقسمتی سے غلط تھا۔ حکومت کو شوگر انڈسٹری کے جاری بحران کا حل تلاش کرنے کی کوشش کرنی چاہئے تھی۔ بدقسمتی ہے کہ چینی کی سپلائی چین میں اسٹیک ہولڈرز کو شامل کرنے کے بجائے حکومت شوگر انڈسٹری کے خلاف سخت اقدامات میں مصروف ہے۔

## آپریٹل نتائج

حسین شوگر مل کی انتظامیہ نے ہمیشہ مارکیٹ سے آگے رہنے پر زور دیا ہے۔ ہماری مارکیٹ کی مہارت پر عملدرآمد اور سال کے اختتام تک بڑھ جانے والے چینی کے سرپلس کے پیش نظر، انتظامیہ نے ایک انتہائی جارحانہ فروخت کی حکمت عملی کی پیروی کی ہے۔ اس پالیسی پر عمل کیا گیا ہے اور آپ کی کمپنی نے منافع بخش قیمتوں پر منافع کو مد نظر رکھا ہے۔ یہ زیادہ تر منافع اکتوبر تا نومبر کے مہینوں میں حاصل ہوا اور اس کے مطابق انویٹری منافع اگلے مالی سال کی پہلی سہ ماہی میں ظاہر ہوگا۔ اس مالی سال کے لئے، آپ کی کمپنی نے 2.9 بلین روپے پاکستانی فروخت کی جو کہ گزشتہ سال میں 3.7 بلین روپے تھی۔ یہ ذہن نشین کرنا ضروری ہے کہ کم فروخت، جس نے ہماری فروخت کی حکمت عملی کی توثیق کی، انویٹری کی اکثریت کا نتیجہ ہے جو مالی سال کے اختتام کے بعد فروخت کی گئی۔ گزشتہ سال پیداوار کی بڑھتی ہوئی لاگت کو کم کرنے کے لئے، قابل ذکر طویل عرصہ تک انویٹری کو روکا گیا تھا۔

کم پیداوار، کم سکروس ریکوری، اور گنے کی زیادہ قیمتوں کی وجہ سے، کمپنی کی انتظامیہ تقریباً 300 ملین روپے کا نقصان دیکھ رہی تھی۔ لہذا، کمپنی نے پیداوار کے زیادہ اخراجات کو پورا کرنے کے لئے انویٹریوں کو روکنے کی حکمت عملی اپنائی۔ اگرچہ فروخت آمدنی میں 20 فیصد کمی واقع ہوئی ہے، لیکن ہماری پالیسی سے ہمارے مجموعی منافع میں 23 فیصد اضافہ ہوا ہے۔ 30 ستمبر 2020 کو کمپنی گزشتہ سیزن سے چینی کا تقریباً 16.21 فیصد اسٹاک لے کر آ رہی تھی۔ اکاؤنٹنگ اصولوں کے مطابق، یہ اسٹاک قیمت پر کئے جا رہے ہیں۔ یہ اسٹاک بعد میں اگلی اکاؤنٹنگ مدت میں فروخت ہوئے جس سے لاگت کے مقابلے میں کافی منافع حاصل ہوا ہے۔ اس عنصر نے کمپنی کے منافع کو عارضی طور پر کم کیا ہے۔ گزشتہ سال کے اسی عرصے کے مقابلے میں مالی معاوضوں میں اس غیر معمولی اضافہ نے 69 فیصد سے زیادہ اضافہ کیا جس سے منافع میں کمی واقع ہوئی ہے۔ چونکہ کمپنی کی حاصل کردہ بیشتر ورکنگ کیپٹل لائن فنڈنگ کے اسلامی انداز پر تھیں اور اسی وجہ سے، فنڈنگ کی سہولیات کے سٹرکچر کی وجہ سے مارک اپ ریٹ میں کمی کا حقیقی فائدہ کمپنی کو نہیں پہنچایا جا سکا۔ اس عنصر کے ساتھ کمپنی کی کارکردگی کو بہتر بنانے کے اقدامات کے لئے اضافی مالی اعانت اور انویٹریوں کے طویل عرصے تک برقرار رکھنے کے مالی معاوضوں میں ڈرامائی اضافہ ہوا۔ تاہم اگلے سال کے لئے، KIBOR کی شرحوں میں تقریباً 40-50 فیصد کمی کے پیش نظر، ہمارے مالی اخراجات میں نمایاں طور پر کمی آئی چاہئے تاکہ منافع زیادہ سے زیادہ حاصل ہو سکے۔

مزید یہ کہ، ہماری بیلنس شیٹ پر ٹی ڈی اے پی (حکومت پاکستان کا ایک ادارہ) سے موصول ہونے والی فریٹ سبسڈی، مؤخر نیکس وغیرہ کے بارے میں متعدد پرویشنز فراہم کی گئیں، جو غیر نقد پرویشنز ہیں لیکن اس نے منافع اور نقصان کی زیریں لائن کو نیچے کیا ہے۔ اس حوصلہ افزاء حقیقت سے یہ بات ظاہر ہوتی ہے کہ اس سال، کمپنی کی بیلنس شیٹ کے سائز میں 49 فیصد اضافہ ہوا ہے اور 30 ستمبر 2020 کو فلکسڈ اثاثوں میں 35 فیصد اضافہ ہوا ہے۔

اس سال حسین شوگر نے گزشتہ سال 9.82 کی ریکوری پر 491,278 ٹن گنا کرش کرنے کے مقابلے میں 9.12 کی ریکوری پر 476,431 ٹن سے زیادہ گنا کرش کیا ہے۔ کرش گنے میں 16.21 فیصد کمی گنے کی کم دستیابی کے باعث ہوئی ہے۔ اسی طرح، شوگر ریکوری میں کمی مختلف ماحولیاتی حالات اور کیڑوں کے حملوں کی وجہ سے ہے۔ COVID-19 وبائی بیماری اور گنے کی قیمتوں اور سود کی نئی زیادہ شرح کے ساتھ، یہ ریکارڈ میں سب سے مشکل سال رہا ہے۔ حسین میں ہم چیلنجوں سے نہیں گھبرائے ہیں۔ بلکہ، ہم نے مشکلات کا مقابلہ کیا اور محفوظ رہے ہیں۔ 2015 سے، حسین شوگر کی کہانی بحالی، تجدید اور چلدار رہی ہے۔ جیسا کہ پچھلے دو سالوں میں ہوا، 2020 میں، آپ نمو کی کہانی کی توقع کر سکتے ہیں۔

## صحت اور حفاظت

حسین شوگر میں، ہم اپنے ملازمین کی صحت اور حفاظت پر کوئی سمجھوتہ نہیں کرتے ہیں۔ اس سال، ہم نے سب سے زیادہ حفاظت اور صحت کے معیار کو برقرار رکھنے کے لئے اپنے کارکنوں کے کام کرنے کے حالات کو بہتر بنانے اور بڑھانے کے لئے جدید ترین بین الاقوامی طریقوں کو لاگو کرنے کے اقدامات کیے ہیں۔ ہم اپنے ملازمین، اسٹیک ہولڈرز اور زائرین کے لئے ایک حفظان صحت اور محفوظ ماحول فراہم کرنے کے لئے پُر عزم ہیں۔ ہماری سب سے بڑی ترجیح ہمیشہ ہمیشہ کی حفاظت ہے اور اس سال ہم نے گزشتہ برسوں کی طرح ترقی کی تعبیر جاری رکھی ہے۔ ہم مستقبل میں بھی حفاظت اور صحت کی یہی سطح یقینی بنانے کے لئے اقدامات اٹھانا جاری رکھیں گے۔

## ماحول اور ماحولیاتی تبدیلی

ہماری ایک اور ترجیح ماحول ہے۔ پنجاب میں ہوا کے ناقص معیار کی ریکارڈ سطح کے ساتھ، پچھلے سالوں میں ریکارڈ کیے گئے کم ترین درجہ حرارت سے ہر سال موسمیاتی

# ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2020ء کو ختم ہونے والے سال کے لیے حسین شوگر ملز لمیٹڈ کی 53 ویں سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ موجودہ اور گزشتہ سال کے لئے کمپنی کی کارکردگی حسب ذیل ہے:

آپریٹنجز	30 ستمبر 2020	30 ستمبر 2019	اضافہ فیصد / کمی فیصد
گنے کی کرشنگ (میٹرک ٹن)	476,431	491,278	3% کمی
چینی کی پیداوار (میٹرک ٹن)	43,307	48,251	10% کمی
تیار راب (میٹرک ٹن)	22,955	24,070	5% کمی
چینی کا حصول (فیصد)	9.12	9.82	7% کمی
مالیات	روپے ہزاروں میں	روپے ہزاروں میں	
فروخت	2,954,630	3,715,573	20% کمی
مجموعی منافع	294,265	240,082	23% اضافہ
آپریٹنگ منافع	47,665	74,514	36% کمی
مالی لاگت	374,089	221,351	69% اضافہ
بعد از ٹیکس (نقصان) / منافع	(286,206)	293,543	
فی شیئر (نقصان) / آمدنی (روپے)	(7.43)	9.05	

## چیئرمین کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز نے 30 ستمبر 2020ء کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی پر چیئرمین کے جائزہ کو مکمل طور پر منظور کیا ہے۔

## COVID-19 اور معیشت کی حالت

ایک انتہائی غیر یقینی اور مشکل سال کے ریکارڈ کے ساتھ، پاکستان اور دنیا بھر کی قوموں کو وبائی بیماری کے بعد اپنی معیشت کی تعمیر نو کے دباؤ کا سامنا کرنا پڑا ہے۔ نئے معمول کو اپناتے ہوئے، پورے سیارہ کی کمپنیوں کی طرح، حسین شوگر نے بھی وبائی بیماری سے دوچار دنیا میں مسابقتی رہنے کے لئے نئی ٹیکنالوجیز اور سسٹمز کو اپنانا سیکھا ہے۔ پوری دنیا میں بدترین معاشی اور انسانیت سوز بحرانوں کے تناظر میں، معیشت کے دوسرے شعبوں کی طرح، پاکستان کی چینی کی صنعت کو بھی، ایک مشکل ترین سال کا سامنا کرنا پڑا ہے۔ حکومت پاکستان اور اسٹیٹ بینک آف پاکستان کو ویڈیو 19 سے متعلقہ اقدامات کے کریڈٹ کے مستحق ہیں جو انہوں نے اٹھائے، جس سے معیشت کو کافی حد تک آسانی ملی ہے۔ یہ کوشش انتہائی قابل ستائش ہے اور ہم اس اہم فیصلے کی حمایت کرتے ہیں۔ مجموعی طور پر، اس سے معیشت کو کافی حد تک آسانی ہوگی۔

مختلف صنعتوں میں، پیداوار شدید متاثر ہوئی، اور کاروبار کرنے کی لاگت میں کافی اضافہ ہوا ہے۔ پاکستان کی چینی کی صنعت اس معاشی تباہی سے بچ نہیں سکی۔ کوویڈ 19 سے پہلے کے اقدامات کے تحت، پالیسی کی شرح دس سال کی بلند ترین سطح پر تھی، سرمائے تک رسائی حاصل کرنا تقریباً دو گنا مہنگا ہو گیا تھا۔ صارفین کی طلب اور صنعتی مینوفیکچرنگ کم ہے۔ تاہم، تیل کی قیمتوں میں کمی، کرنٹ اکاؤنٹ سرپلس ہونے کے ساتھ، ڈالر کے مقابلے میں پاکستانی روپیہ مستحکم ہونے کی وجہ سے، اب ہماری معیشت میں ایک آرام دہ توازن موجود ہے اور اگلے سال نمو کے امکانات کی امیدیں ہیں۔ تاہم، کوویڈ 19 کے کیسز اب بھی روز بروز تیزی سے بڑھ رہے ہیں اور لاک ڈاؤن اب معمول بن رہے ہیں، یہ دیکھنا ہے کہ معیشت کس طرح اور اگر نمونو برقرار رکھتی ہے تو موافقت پذیر ہوگی۔

## گنا اور شوگر

گذشتہ کرشنگ سیزن کے لئے حکومت پنجاب نے گنے کی خریداری کی قیمت 180 روپے فی 40 کلوگرام مقرر کی تھی، جبکہ حکومت سندھ نے قیمت 182 روپے فی 40 کلوگرام کا اعلان کیا۔ زیر جائزہ سال کے لئے، حکومت پنجاب نے گنے کی خریداری کی قیمت 190 روپے فی 40 کلوگرام مقرر کی جبکہ حکومت سندھ نے قیمت 192 روپے فی 40 کلوگرام کا اعلان کیا۔ پچھلے سال کی طرح، جہاں اکثر لوگوں نے، کم سے کم امدادی قیمت کے باوجود، 210 روپے فی 40 کلوگرام پر خریداری کیا، اس سال بھی اوسطاً، لوگوں نے امدادی قیمت سے 35-20 فیصد زیادہ قیمت پر خریداری کی ہے۔ حکومت کو اس حقیقت کا نوٹس لازمی لینا چاہئے کہ پاکستان بھر میں گنے کے کاشتکار مختلف صوبائی حکومتوں کی اعلان کردہ قیمت پر اپنی پیداوار فروخت نہیں کر رہے ہیں۔ آخر کار، اس کے نتیجے میں چینی کی فی کلوگرام پیداوار کی لاگت زیادہ ہوگی۔

ملوں کے آپریشنل ڈومین میں زیر کاشت رقبہ پچھلے سال جتنا ہی تھا جس میں کیڑوں کے حملوں، بیماریوں اور موسمی صورتحال، سال کے دوران بارش کم ہونے کی وجہ سے فی ایکڑ پیداوار میں معمولی کمی واقع ہوئی۔ اگلے سال کے لئے، ہمارے محکمہ زراعت نے گزشتہ سال جتنے ہی زیر کاشت رقبے کی پیشن گوئی کی ہے، لیکن بہتر موسمی حالات کی وجہ سے

# CORPORATE CALENDAR

## 2019-2020

MEETINGS HELD	DATES
Audit Committee meeting to consider annual accounts of the Company for the year ended September 30, 2019	22-Jan-20
Board of Directors meeting to consider annual accounts of the Company for the year ended September 30, 2019	22-Jan-20
Annual General meeting of Shareholders to consider annual accounts of the Company for the year ended September 30, 2019	18-Feb-20
Audit Committee meeting to consider interim accounts of the Company for the first quarter ended December 31, 2019	19-Feb-20
Board of Directors meeting to consider interim accounts of the Company for the first quarter ended December 31, 2019	19-Feb-20
Corporate Briefing Session (CBS)	March 06,2020
Extra Ordinary General meeting of Shareholders Extraordinary General Meeting (EOGM) of the Company was held on March 31, 2020 for election of Directors.	March 31,2020
Audit Committee meeting to consider interim accounts of the Company for the second quarter ended March 31, 2020	May 29,2020
Board of Directors meeting to consider interim accounts of the Company for the second quarter ended March 31, 2020 and right shares issuance	May 29,2020
Audit Committee meeting to consider interim accounts of the Company for the third quarter ended June 30, 2020	July 27,2020
Audit Committee meeting to consider interim accounts of the Company for the third quarter ended June 30, 2020	July 27,2020

# PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ being the member of HUSEIN SUGAR MILLS LIMITED

hereby appoint Mr./Mrs. \_\_\_\_\_ who is a member of the

company vide Registered Folio/CDC participant ID. No. \_\_\_\_\_ of failing whom

Mr./Mrs./miss. \_\_\_\_\_ who is also a

member of the company vide Registered Folio/CDC participant ID. No. \_\_\_\_\_

as my proxy to attend and vote for me and on my behalf at the Company 180- Abu Bakar Block, New Garden Town, Canal Road, Lahore on Thursday, the 28th January, 2021 at 10:00 A.M and adjournment there of.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

## WITNESS

1. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

(Signature on  
Rupees Fifty  
Revenue  
Stamp)

Signature should  
agree with specimen  
signature with the  
company

2. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC or Passport No. \_\_\_\_\_

## Notes:

1. A member entitled to attend to attend and vote at the meeting may appoint any other member as his/her proxy to attend the meeting and vote.
2. If a member is unable to attend the meeting, they may complete and sign this form and send it to the company secretary, the Husein Sugar Mills Limited, Lahore so as to reach not less than 48 hours before the time appointed for holding the meeting.
3. For CDC Shareholders in addition to above the following requirements have to be met.
  - i) In case of individual, the account holder or sub account holder and /or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per requirement notified by the Company.
  - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
  - v) In case of corporate entity being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee / attorney shall have to be submitted ( unless it has been provided earlier) along with the proxy form to the Company.

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The Company Secretary

**HUSEIN SUGAR MILLS LIMITED**  
180 Abu Bakar Block, New Garden Town,  
Canal Road, Lahore, Pakistran

## مختار نامہ

میں / ہم \_\_\_\_\_ ساکن \_\_\_\_\_ جو شیئر رجسٹرڈ فولیو / سی ڈی سی پارٹنیشن (شرکت) آئی  
 بحیثیت رکن حسین شوگر ملز لمیٹڈ بذریعہ ہذا محترم / محترمہ \_\_\_\_\_ کی رو سے کمپنی کارکن ہے یا ان کی غیر موجودگی میں محترم / محترمہ \_\_\_\_\_  
 ڈی نمبر \_\_\_\_\_ کی رو سے کمپنی کارکن ہے یا ان کی غیر موجودگی میں محترم / محترمہ \_\_\_\_\_ جو شیئر رجسٹرڈ فولیو / سی ڈی سی پارٹنیشن (شرکت) آئی ڈی نمبر \_\_\_\_\_ کی رو سے کمپنی کارکن ہے کو اپنے / ہمارے ایما پر بروز جمعرات  
 28 جنوری 2021ء صبح 10:00 بجے کمپنی کے رجسٹرڈ صدر دفتر بمقام 180 ابوبکر بلاک، نیوگارڈن ٹاؤن، لاہور میں منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں حق رائے وہی  
 استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں / کرتے ہیں۔  
 آج بروز ..... بتاریخ ..... 2021ء کو دستخط کئے گئے۔

### گواہان

پچاس روپے مالیت کے رسیدی ٹکٹ پر دستخط

-1

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

\_\_\_\_\_

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

-2

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

\_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: \_\_\_\_\_

### نوٹ:

- 1- ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہو، اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
- 2- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی سیکرٹری حسین شوگر ملز لمیٹڈ لاہور کے پتے پر ارسال کر دے۔
- 3- سی ڈی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:
  - (i) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ اور / یا وہ جس کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔
  - (ii) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہوں۔
  - (iii) تین فیصل اونرز (مستفید ہونے والے فرد) کو کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل بھی منسلک کرنی ہوگی جسے نائب مختار نامے کے ہمراہ پیش کرے گا۔
  - (iv) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
  - (v) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد / مع نامزد کردہ شخص / انٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کمپنی میں جمع کرانا ہوگا۔

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The Company Secretary

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Canal Road, Lahore, Pakistran



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