



# Sanghar Sugar Mills Limited

HEAD OFFICE: Office # 204, 2nd Floor, Clifton Centre, Block-5, Clifton, Karachi - Pakistan.  
Tel: (021) 35371441-3 Fax: (021) 35371444 E-mail: info@sangharsugarmills.com

Ref: SSML/CS/200103007

January 03, 2020

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi.

Dear Sir,

**Transmission of Annual Audited Financial Statements  
for the year ended September 30, 2019**

We have to inform you that the Annual Report of the Company for the year ended September 30, 2019 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

*Muhammad Mubeen Alam*

Muhammad Mubeen Alam  
Company Secretary





# ANNUAL REPORT 2019



سانگھڑ شوگر ملز لمیٹیڈ  
Sanghar Sugar Mills Limited

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# Company Information

## BOARD OF DIRECTORS

Mr. Gul Muhammad (Chairman)  
 Haji Khuda Bux Rajar (Chief Executive)  
 Mr. Mohammad Aslam  
 Mr. Rahim Bux  
 Mr. Ghulam Hyder  
 Mr. Qazi Shamsuddin  
 Mr. Shahid Aziz (Nominee of N.I.T.)

## BOARD COMMITTEES

### AUDIT COMMITTEE

Mr. Rahim Bux (Chairman)  
 Mr. Mohammad Aslam  
 Mr. Shahid Aziz

### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rahim Bux (Chairman)  
 Mr. Mohammad Aslam  
 Mr. Shahid Aziz

### INFORMATION TECHNOLOGY & STEERING COMMITTEE

Mr. Ghulam Hyder (Chairman)  
 Syed Rehan Ahmad Hashmi  
 Mr. Sheraz Khan

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Rahim Bux (Chairman)  
 Mr. Mohammad Aslam  
 Mr. Shahid Aziz  
 Syed Rehan Ahmad Hashmi

### RISK MANAGEMENT COMMITTEE

Mr. Mohammad Aslam (Chairman)  
 Mr. Ghulam Hyder  
 Mr. Shahid Aziz

### COMPANY SECRETARY

Mr. Muhammad Mubeen Alam

### CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

## STATUTORY AUDITOR

Kreston Hyder Bhimji & Co.  
 Chartered Accountants

## SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited  
 Karachi Chambers, Hasrat Mohani Road,  
 Karachi.  
 Phone: 021 32424826, Fax: 021 32424835

## LEGAL ADVISOR

Rafiq Kalwar & Dars Law Associates,  
 Advocates & Corporate Counselors,  
 Office # 412, 4th Floor, Clifton Centre,  
 DC-1, Block 5, Clifton, Karachi

## BANKERS

### Islamic

Al-Baraka Bank (Pakistan) Limited  
 Bank Islami Pakistan Limited  
 Meezan Bank Limited

### Conventional

Bank Al-Falah Limited  
 Bank Al-Habib Limited  
 MCB Bank Limited  
 National Bank of Pakistan  
 Soneri Bank Limited  
 United Bank Limited

## REGISTERED / HEAD OFFICE

Office # 204, 2nd Floor, Clifton Centre,  
 Block 5, Clifton, Karachi, Pakistan.  
 Phone: 021 35371441 to 43 (3 lines)  
 Fax: 021 35371444  
 E-mail: info@sangharsugarmills.com  
 Website: www.sangharsugarmills.com

## MANUFACTURING FACILITIES

13 K.M., Sanghar - Sindhari Road  
 Deh Kehore, District Sanghar, Sindh  
 Phone: (0345) 3737001 - 8222911

# Statement of Vision, Mission, Corporate Objectives and Strategy & Strategic Planning

## VISION STATEMENT

To have eminent position in manufacturing and supplying quality white refined sugar and allied products and thereby play an important role in the economic and social development of the country.

## MISSION STATEMENT

We the Management of Enterprise, have set forth our belief as to the purpose for which the Company is established and the principles under which it should operate. We pledge our entire efforts to the accomplishment of the purpose within the agreed principles. Sanghar Sugar Mills Limited is committed to:

- o Manufacture to the highest quality standards. Pursuing the improvement in shareholders' value through team work and continuous improvement in the system in a competitive business environment.
- o Be ethical in practice and fulfill social responsibilities.
- o Ensure a fair return to stakeholders.
- o Realize responsibility towards society and contribute to the environment as good corporate citizen.

## CORPORATE OBJECTIVES

The over riding objective of the Company is to optimize over the time, the return to its shareholders. To achieve this objective, the Company shall endeavor to ensure long term viability of its business and to manage effectively its relationship with stakeholders. Sanghar Sugar Mills Limited shall:

- o Recognize the need of working at the highest standard to achieve greater level of performance in order to meet the expectations of the stakeholders.
- o Optimize over the time, the returns to shareholders of the Company.
- o Strive for excellence and build on the Company's core competencies.
- o Conduct Company's business with integrity and supply only quality and credible information.
- o Respect confidentiality of the information acquired during the course of dealings with the interested parties and refrain from acting in any manner which might discredit the Company.

- o Operate within the regulatory framework and be free of any vested interest which might be incompatible with Organization's integrity, objectivity and independence.

## CORPORATE STRATEGY

Production of sugar and sugar by-products are the Company's main area of business. The Company, its Director and Management:-

- o Believe in diversification through new manufacturing facilities and through equity participation.
- o Recognize the value of technological improvement and acquire the benefits of current innovation and development in their business field.
- o Believe in professional management and modern practices and use latest techniques available for growth and overall prosperity.
- o Consider their human resource as the most important asset and help them in providing facilities with regard to training and updating their knowledge and skill and keep them highly motivated.
- o Believe in integrity in business and the Company's integrity depends on integrity of each one of its employees.
- o Consider the sugar cane growers as the most important part of the business.

## STRATEGIC PLANNING

- o Keep up with technological advancement and continuously update the company in the field of sugar technology.
- o Maintain all relevant technical and professional standards to be compatible with the requirement of the trade.
- o Gauge the market conditions and availability of substitute products and services and ensure quality with cost effectiveness.
- o Inculcate efficient, ethical and time tested business practice in the Company's management.

# Code of Conduct

The entire Organization of **Sanghar Sugar Mills Limited** will be guided by the following principles of Code of Conduct in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

## THE COMPANY

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

## AS DIRECTORS

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

## AS EXECUTIVES AND MANAGERS

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

## AS EMPLOYEES AND WORKERS

- o Observe Company policies, regulations and code of best business practices.
- o Devote productive time and continued efforts to strengthen the Company.
- o Make concerted struggle for excellence and quality.
- o Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- o Protect and safeguard the interest of the Company and avoid conflict of interest.
- o Maintain financial integrity and must avoid making personal gain at the Company's expense by participating in or assisting activities which compete with the Company.

# Notice of Annual General Meeting

Notice is hereby given that Thirty Fourth Annual General Meeting of the Shareholders of the Company will be held on Saturday January 25, 2020 at 10:30 a.m. at 3rd Floor, PSX Auditorium, Pakistan Stock Exchange Building (Administration Block), Stock Exchange Road, Karachi to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting of the Company held on January 26, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2019 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year 2019-2020 and fix their remuneration. The present Auditors M/s Kreston Hyder Bhimji & Co. Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

**Muhammad Mubeen Alam**  
Company Secretary

Karachi: January 03, 2020

## NOTES :

### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 17-01-2020 to 25-01-2020 (both days inclusive) for attending and voting at Annual General Meeting. Physical Transfers/CDS Transactions IDS received in order in all respects at the close of the Business on 16-01-2020 at the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chamber, Hasrat Mohani Road, Karachi will be considered in time for attending the meeting.

### 2. Participation in the Annual General Meeting:

A member entitled to attend and vote at this meeting may appoint another member as his / her proxy who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member. Forms of Proxy to be valid must be properly filled in duly signed, stamped and witnessed by two persons with their names, addresses, CNIC numbers and signatures and must received at the Registered Office of the Company at Office No. 204, 2nd Floor, Clifton Centre, Block-5, Clifton, Karachi, at least 48 hours before the time of this meeting. Copies of valid CNIC or the passport of the member and the proxy shall be furnished with the Proxy Form. A Form of Proxy is annexed herewith. CDC Account Holders will further have to follow the guidelines mentioned in circular dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.

### 3. Submission of copy of CNIC (Mandatory):

The Securities and Exchange Commission of Pakistan (the SECP) vide their S.R.O. 779 (i) 2011 dated August 18, 2011 has directed the Company to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you in future. In order to comply with these regulatory requirements, you are requested to kindly send photocopy of your CNIC to your Participant/Investor Account Services or in case of Physical Shareholding, immediately to Company's Share Registrar.

The Company's Shareholders who are holding its Share in Physical Form are hereby informed and notified in their own interest who have not yet provided copy of their valid Computerized National Identity Card (CNIC)

mentioning their Folio Numbers are hereby reminded again through this Notice to send urgently valid copy of their CNIC as mentioned above to the Company or its Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi (Phone No. 021-32424826) in order to comply with the mandatory requirements of Securities and Exchange Commission of Pakistan (the Commission) issued vide SRO 83(1)/2012 dated July 05, 2012 and SRO 19(1) of 2014 dated January 10, 2014.

A List of such Shareholders along with their Folio numbers, Names, Address and total Company's shares held in Physical Form is available on the Company's Website [www.sangharsugarmills.com](http://www.sangharsugarmills.com) for reference who have not yet submitted the valid copy of their CNIC to the Company.

It is further informed that the Members of the Company were previously requested/reminded through Notices of Annual and Extra Ordinary General Meetings held in previous years which were appeared in their respective Annual Reports of the Company as well as published in the newspapers Business Recorder / The Nation and Khabrain of Karachi and Lahore editions on several dates. They are once again reminded that in case of non-receipt of the copy of their valid CNIC along-with Folio No., the Company would be unable to comply with the mandatory requirement of the Commission as mentioned above.

#### 4. Attendance at the Meeting:

A Member holding Physical Shares must bring his/her original Computerized National Identity Card (CNIC) and should mention his/her CNIC and Folio No. and sign on the attendance sheet while personally attending this Meeting. Also Member having deposited his/her shares into Central Depository Company of Pakistan Limited must bring his/her Participant's ID No. and Account/Sub-account no. along-with original CNIC and mention his/her CNIC and CDC Account No. and sign on the Attendance Sheet while personally attending this Meeting. Representatives of corporate Members should bring the usual documents required for such purpose as prescribed by the SECP.

#### 5. Change of Address:

Members are advised to promptly notify change in their postal address, if any, to the Company's Share Registrar. Members having shares in CDC accounts are required to have their address updated with respective participants.

#### 6. Video Conference Facility:

Members can also avail video conference facility. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Meeting.

If the Company receives consent from members in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the Meeting along with complete information necessary to enable them to access such facility.

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Sanghar Sugar Mills Limited, holder of \_\_\_\_\_ (number of shares) ordinary share(s) as per Registered Folio/CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

Signature of Member(s)

#### 7. Unclaimed Dividend:

Members are advised to immediately write us in detail for any outstanding / unclaimed cash dividend (if any) issued to you by the Company in past years. Please give complete details duly signed either to the Share Registrar or the Secretary of the Company.

**8. Dividend Payments through Electronic Mode:**

In accordance with the provisions and under section 242 of the Companies Act, 2017, shareholders are entitled to receive their dividends by way of direct credit to their bank account instead of receiving them through dividend warrants.

In this regard and in pursuance of the directives issued by the SECP vide SRO No. 421(I)/2018 dated April 02, 2018, the shareholders are required to provide relevant details of their bank accounts (i.e. title of account, complete bank account number (i.e. 24 digit IBAN), complete mailing address of the bank, name of the bank, folio / CDC account number, mobile number and email address) for payment of cash dividend through electronic mode. As such, the Company shall be bound to withhold the amount of dividend declared, in future by the Company, of those members who have not provided their bank details.

Therefore, to receive your future dividends directly in your bank account, please give us complete details and inform us in writing duly signed to the Share Registrar of the Company and in case Shares held in CDC then please inform concerned Participant / CDC Investor Account Services. Dividend Mandate form is annexed and also available on our Company's website.

**9. Placement of Financial Statements on Website:**

In accordance with the SECP notification No. 634(1)/2014 dated July 10, 2014, the audited Financial Statements and reports of the Company for the year ended September 30, 2019 are being placed on the Company's website for the information and review of the shareholders.

**10. Consent to receive Notices and Audited Financial Statements through email:**

In accordance with the SECP notification No. 787(I)/2014 dated September 08, 2014, Members of the Company who wish to receive the Audited Financial Statements and Reports of the Company through email are requested to provide a "Consent Form For E-mail", duly filled and signed in all respects, to the Company Secretary / Share Registrar. The Consent form is available on the Company's website and Form is also annexed herewith.

**11. Consent to receive Hard Copy of Audited Financial Statements:**

In accordance with the SECP notification No. 470(I) dated May 31, 2016 and in continuation of SECP notification No. 787(I)/2014 dated September 08, 2014, Members of the Company who wish to receive the Hard Copies of Audited Financial Statements and Reports of the Company instead of sending the same through CD / DVD / USB / email, are requested to provide a "Standard Request Form", duly filled and signed in all respects, to communicate the need of hard copies, to the Company Secretary / Share Registrar. The Standard Request Form is available on the Company's website and Form is also annexed herewith.

**12. Postal Ballot & Polling:**

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

**13. Deposit of Physical Shares in to CDC Account:**

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.

Therefore, 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 scrip less form, this will facilitate them in many ways, including save custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per the existing regulations of the authorities.

**9- ویب سائٹ پر مالیاتی دستاویزات کا اجراء**

حصص داران کی معلومات اور مطالعہ کیلئے، ایس ای سی پی کے نوٹیفیکیشن بحوالہ نمبر 634(1)/2014 مورخہ 10 جولائی 2014 کے مطابق کمپنی کی ڈٹ شدہ مالیاتی دستاویزات بابت مال سال 30 ستمبر 2019 کو کمپنی کی ویب سائٹ پر جاری کیا جا رہا ہے۔

**10- آڈٹ شدہ مالیاتی دستاویزات ونوٹس بذریعہ ای میل حاصل کرنے کیلئے اظہار رضامندی**

ایس ای سی پی کی جانب سے جاری کردہ نوٹیفیکیشن بحوالہ نمبر 787/2014 مورخہ 08 ستمبر 2014 اگر کمپنی کے ممبران کمپنی کی آڈٹ شدہ مالیاتی دستاویزات اور رپورٹس بذریعہ ای میل حاصل کرنے میں دلچسپی رکھتے ہوں تو انہیں چاہیے کہ "رضامندی فارم برائے ای میل" کو باقاعدہ پراور دستخط کرنے کے بعد کمپنی سیکرٹری / حصص رجسٹرار / متعلقہ شراکت دار / سی ڈی سی سرمایہ کار کے پاس جمع کروادیں۔ "رضامندی فارم برائے ای میل" کمپنی کی ویب سائٹ پر موجود ہے اور ان مالیاتی دستاویزات کے ساتھ منسلک بھی ہے۔

**11- آڈٹ شدہ مالیاتی دستاویزات کی ہارڈ نقول کرنے حاصل کرنے کیلئے اظہار رضامندی**

ایس ای سی پی کی جانب سے جاری کردہ نوٹیفیکیشن بحوالہ نمبر 470(1) مورخہ 31 نومبر 2016 اور نوٹیفیکیشن نمبر 787(1)/2014 کے تحت ایسے ممبران جو کمپنی کی مالیاتی دستاویزات اور رپورٹس سی ڈی وی ڈی / یو ایس بی یا ای میل کے بجائے ہارڈ نقول کی صورت میں حاصل کرنے کے خواہشمند ہوں تو انہیں چاہیے کہ "اسٹینڈرڈ درخواست فارم" برائے حصول ہارڈ نقول بابت کمپنی مالیاتی دستاویزات ونوٹس باقاعدہ طور پر اور دستخط کر کے کمپنی سیکرٹری / متعلقہ شراکت دار / سی ڈی سی سرمایہ کار کے اکاؤنٹ کے ذریعے جمع کروادیں۔ اسٹینڈرڈ درخواست فارم" کمپنی کی ویب سائٹ پر موجود ہے اور ان مالیاتی دستاویزات کے ساتھ منسلک بھی ہے۔

**12- بذریعہ ڈاک حق رائے دہی**

کمپنیز ایکٹ 2017 کے سیکشن 143 تا 145 اوکینیز (پوسٹل بیلٹ) ریگولیشنز 2018 کے تحت ممبران اپنے حق رائے دہی کے استعمال کیلئے بذریعہ ڈاک اپنا حق رائے دہی استعمال کرنے کیلئے بھی درخواست دے سکتے ہیں۔

**13- کاغذی حصص کا سی ڈی سی اکاؤنٹ میں جمع کروانا**

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت ہر لسٹڈ کمپنی کیلئے لازم ہے کہ بک انٹری کے ذریعے کسی مناسب طریق کار کے تحت اپنے تمام کاغذی حصص کو تبدیل کر لیں یہ تبدیلی کمیشن کی جانب سے جاری کئے جانے والے نوٹس اور اس ایکٹ کے جاری کئے جانے یعنی مورخہ 30 مئی 2017 کے بعد سے چار سال کے عرصے اندر اندر ہو جانی چاہیے۔

لہذا کاغذی صورت میں حاملین حصص سے گزارش کی جاتی ہے کہ کسی بھی بروکر کے پاس اپنے ذیلی اکاؤنٹ یا براہ راست سی ڈی سی میں اپنے سرمایہ اکاؤنٹ کھلوا لیں تاکہ اپنے کاغذی حصص کو تبدیل کروا سکیں۔ اس اقدام سے انہیں کئی فوائد حاصل ہو سکتے ہیں جیسا کہ حصص کی حفاظت اور خرید و فروخت میں آسانی جب بھی وہ چاہیں کیونکہ قوانین کے تحت کاغذی صورت میں حصص کی خرید و فروخت کی ممانعت ہے۔

## 6- ویڈیو کانفرنس کی سہولت

ممبران ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں، اگر اس سہولت سے فائدہ اٹھانا مقصود ہو تو اجلاس سے کم از کم 10 دن پہلے درج ذیل فارم کو باقاعدہ پر کرنے کے بعد کمپنی رجسٹرڈ شدہ پتے پر جمع کرادیں۔

اگر کسی بھی جغرافیائی محل وقوع پر رہائش پذیر حصص داران کے اوسطاً 10% ممبران کی جانب سے اجلاس سے کم از کم 10 دن قبل کمپنی کو ویڈیو کانفرنس کی سہولت کیلئے درخواست موصول ہوتی ہے تو کمپنی کی جانب سے ویڈیو کانفرنس کا بندوبست کیا جاسکتا ہے بشرطیکہ اس علاقے میں بھی یہ سہولت میسر ہو۔ اگر ویڈیو کانفرنس کی سہولت میسر کرنی ہو تو کمپنی کی جانب سے حصص داران کو اجلاس سے کم از کم 5 دن قبل اطلاع فراہم کر دی جائے گی اور انہیں مکمل معلومات فراہم کی جائیں گی کہ اس سہولت تک انکی رسائی کس طرح ممکن ہو سکتی ہے۔

میں / ہم \_\_\_\_\_ ساکنہ \_\_\_\_\_ بطور ممبر ساکنہ شوگر ملز لمیٹڈ، حامل  
عام حصص (تعداد حصص) بحوالہ رجسٹرڈ فولیو ای سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ بذریعہ ہذا بمقام  
\_\_\_\_\_ ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتا/چاہتی ہوں۔

(دستخط ممبر/ممبران)

## 7- غیر دعویٰ شدہ ڈیویڈنڈ

ممبران کو چاہیے کہ اگر ناضی میں اعلان کئے گئے کوئی بھی ڈیویڈنڈ انکے حق میں کمپنی پر واجب الادا ہیں تو فوری طور اس کی اطلاع تحریری طور کمپنی کو دیں۔ برائے مہربانی اس سلسلے میں دستخط شدہ مکمل معلومات کمپنی کے حصص رجسٹرار یا کمپنی سیکرٹری کے پاس جمع کروائیں۔

## 8- الیکٹرانک ذرائع سے ڈیویڈنڈ کی ادائیگی

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت حصص داران کو یہ حق حاصل ہے کہ ان کے ڈیویڈنڈ انہیں بذریعہ ڈیویڈنڈ وارنٹ دینے کے براہ راست ان کے بینک اکاؤنٹ میں جمع کروادئے جائیں۔

اس سلسلے میں ایس ای سی پی کی ہدایات بحوالہ ایس آر او نمبر 2018/421(1) بحریہ 2 اپریل 2018 حصص داران پر لازم ہے کہ اپنے بینک اکاؤنٹ (نانٹل، مکمل اکاؤنٹ نمبر-24 ہند سے والا مکمل IBAN-، مکمل پتہ، بینک کا نام، فولیو ای سی ڈی سی اکاؤنٹ نمبر، موبائل نمبر اور ای میل ایڈریس) برائے نقد ڈیویڈنڈ وصولی بذریعہ الیکٹرانک ذرائع فراہم کر دیں۔ بصورت دیگر، اگر ایسے ممبران اپنے بینک اکاؤنٹ کی معلومات فراہم نہیں کرتے، تو مستقبل میں کمپنی کی جانب سے دیئے جانے والے ڈیویڈنڈ کو روک لیا جائے گا۔

لہذا مستقبل میں آپ اپنے ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں حاصل کرنے کیلئے اپنے بینک اکاؤنٹ سے متعلق مکمل معلومات ہمیں فراہم کیجئے اور اس سلسلے میں باقاعدہ تحریری طور بمعہ قومی شناختی کارڈ نمبر 11 این ٹی این نمبر اپنے دستخطوں کے ساتھ معلومات کو کمپنی کے حصص رجسٹرار کے پاس اور سی ڈی سی کی صورت میں اپنے شراکت دار ای سی ڈی سی سرمایہ کار کے پاس جمع کروادیں۔ ڈیویڈنڈ مینڈیٹ فارم نوٹس ہذا کے ساتھ منسلک ہونے کے علاوہ ہماری ویب سائٹ پر بھی موجود ہے۔

پراکسی فارم کے ساتھ پراکسی کے کارآمد قومی شناختی کارڈ یا پاسپورٹ کی نقل منسلک کرنا بھی لازم ہے۔ پراکسی فارم کو اعلان ہذا کے ساتھ منسلک کر دیا گیا ہے۔ سی ڈی سی اکاؤنٹ کے حامل افراد پر لازم ہے کہ سرکلر نمبر 26 جنوری 2000 از ایس ای سی پی میں مذکور ہدایات پر بھی عمل کریں۔

### 3- قومی شناختی کارڈ جمع کرانا (لازم)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے بحوالہ ایس آر او (i) 779 مورخہ 18 اگست 2011 کمپنی کو یہ ہدایات دی گئیں ہیں کہ آپکے ڈیویڈنڈ وارنٹس پر آپکے قومی شناختی کارڈ کے نمبر کو بھی درج کیا جائے اور اگر ہمارے ریکارڈ میں آپ کا قومی شناختی کارڈ نمبر موجود نہیں ہے تو مستقبل میں آپ کا ڈیویڈنڈ وارنٹ جاری یا ارسال نہیں کیا جاسکے گا۔ ان قواعد پر عمل کرنے کے سلسلے میں آپ سے گزارش کی جاتی ہے کہ برائے مہربانی اپنے قومی شناختی کارڈ کی نقل اپنے شرکاتی سرمایہ کار اکاؤنٹ سروسز کو ارسال کر دیں اور اگر آپ دستی حصص کے حامل ہیں تو فوری طور پر شناختی کارڈ کی نقل کمپنی کے رجسٹرار کے پاس جمع کروادیں۔ کمپنی حصص کے ایسے مالکان جو کہ دستی طور پر حصص کے حامل ہیں کون ان کے بہترین مفاد میں بذریعہ ہذا اطلاع دی جاتی ہے کہ اگر انہوں اب تک اپنا قومی شناختی کارڈ جمع نہیں کروایا ہے تو وہ فوری طور پر اپنے قومی شناختی کارڈ کی نقل بمعہ فوٹیو نمبر کمپنی کو یا اس کے حصص رجسٹرار میسرز جمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی جیمبر، حسرت موہانی روڈ، کراچی فون نمبر (012-32424826) کو پہنچادیں تاکہ سیکیورٹیز اینڈ ایکسچینج کمیشن کی جانب سے اس لازمی شرط بحوالہ ایس آر او (i) 83/2012 مورخہ 05 جولائی 2012 اور ایس آر او (i) 19 بابت 2014 مورخہ 10 جنوری 2014 پر عمل کیا جاسکے۔

ایسے ممبران کی ایک فہرست بمعہ فوٹیو نمبر، نام، پتہ اور دستی طور پر کمپنی کے کل حصص کی تعداد جو کہ ان کے پاس ہے سمیت کمپنی کی ویب سائٹ [www.sangharsugarmills.com](http://www.sangharsugarmills.com) پر حوالے کیلئے موجود ہے جنہوں نے اب تک اپنے کارآمد قومی شناختی کارڈ کی نقل کمپنی کو فراہم نہیں کی ہے۔ تمام حصص داران کو ایک مرتبہ پھر بذریعہ ہذا یاد دہانی کروائی جاتی ہے کہ انہیں ماضی میں بھی سالانہ عام اجلاسوں کے نوٹس کے ذریعے، کمپنی کی اشاعت شدہ سالانہ رپورٹوں کے ذریعے اور اخبارات جیسا کہ بزنس ریکارڈر، دی نیشن اور خبریں کراچی اور لاہور کے ذریعے یہ کئی مرتبہ یاد دہانی کروائی جاتی رہی ہے کہ اگر انکی جانب سے کارآمد قومی شناختی کارڈ بمعہ فوٹیو نمبر کمپنی کو فراہم نہیں کئے جاتے تو کمپنی کمیشن کی جانب سے نافذ کی گئی مذکورہ بالا لازمی شرط پر عمل کرنے سے قاصر رہے گی۔

### 4- اجلاس میں شرکت

دستی حصص کا حامل کوئی ممبر اگر ذاتی طور پر اجلاس میں شرکت کرے تو لازم ہے کہ اپنا اصل کارآمد قومی شناختی کارڈ ہمراہ لے کر آئے اور حاضری کے رجسٹر میں اپنی حاضری بمعہ قومی شناختی کارڈ اور فوٹیو نمبر درج کرے۔ اس کے علاوہ ایسے ممبران جنہوں نے اپنے حصص سینٹرل ڈپازٹری کمپنی میں جمع کروادئے ہیں اور وہ اجلاس میں ذاتی طور پر شرکت کرنا چاہتے ہیں کو چاہیے کہ اپنے اصل قومی شناختی کارڈ کے علاوہ شرکاتی شناختی نمبر اور ذیلی اکاؤنٹ نمبر 11 اکاؤنٹ نمبر بھی ہمراہ لے کر آئیں اور حاضری کی شیٹ پر دستخط کرتے وقت اپنے قومی شناختی کارڈ اور سی ڈی سی اکاؤنٹ نمبر کو ضرور درج کریں۔ کارپوریٹ ممبران کے نمائندگان پر لازم ہے کہ اس موقع کی مناسبت سے ایس ای سی پی کی جانب سے لازم قرار دی گئی تمام دستاویزات ہمراہ لے کر آئیں۔

### 5- پتے کی تبدیلی

ممبران سے درخواست ہے کہ اگر انکے پتے کسی بھی قسم کو تبدیلی واقع ہوئی تو فوری طور پر اس تبدیلی سے کمپنی کے حصص رجسٹرار کو مطلع کریں۔ تاہم ایسے ممبران جن کے حصص سی ڈی سی میں ہیں کو چاہیے کہ متعلقہ شرکات دار کو بھی پتے کی تبدیلی سے مطلع کریں۔

## نوٹس برائے سالانہ عام اجلاس

بذریعہ ہذا یہ اطلاع دی جاتی ہے کہ کمپنی کے حصص داران کا چوبیسواں سالانہ عام اجلاس 25 جنوری 2020 بوقت صبح 10:30 بمقام تیسری منزل، پاکستان اسٹاک ایکسچینج آڈیٹوریم، پاکستان اسٹاک ایکسچینج بلڈنگ (ایڈمنسٹریشن بلاک)، اسٹاک ایکسچینج روڈ کراچی منعقد کیا جائے گا۔ اجلاس ہذا میں درج ذیل امور کو زیر بحث لایا جانا مقصود ہے:

### عمومی امور

- 1- کمپنی کے سالانہ عام اجلاس مؤرخہ 26 جنوری 2019 کی کاروائی کی شقوں کی توثیق کرنا۔
- 2- کمپنی کی آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 ستمبر 2019 بعد ڈائریکٹرز و آڈیٹرز رپورٹ کو وصول کرنا اور اس پر غور و خوض کرنا۔
- 3- مالی سال 2019-20 کیلئے آڈیٹروں کی تعیناتی کرنا اور انکے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز کریسٹن حیدر سنجی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات کو پیش کرنے کا ارادہ ظاہر کیا ہے۔
- 4- چیئرمین کی اجازت سے کسی بھی دیگر عام نوعیت کے مسئلے پر بحث کرنا۔

بحکم بورڈ  
محمد حسین عالم  
کمپنی سیکرٹری

کراچی: 03 جنوری 2020

### نوٹس:

#### 1- حصص منتقلی کھاتوں کی بندش

کمپنی کی حصص منتقلی کے کھاتے برائے سالانہ عام اجلاس میں شرکت اور رائے دہی کے ضمن میں مؤرخہ 17-01-2020 تا 25-01-2020 (بشمول ایام مذکورہ) بند رہیں گے۔ ایسی تمام دستی منتقلیاں / سی ڈی ایس منتقلیاں اور آئی ڈی ایس جو کہ ہر لحاظ مکمل ہوں اور کاروباری دن کے اختتام مؤرخہ 16-01-2020 تک کمپنی کے حصص رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیئرمین، حسرت موہانی روڈ، کراچی کو موصول ہو جائیں تو انہیں بروقت تصور کیا جائے گا اور انہیں اجلاس میں شرکت کیلئے زیر غور لایا جائے گا۔

#### 2- سالانہ عام اجلاس میں شرکت

کوئی ایسا ممبر جو کہ اجلاس میں شرکت اور رائے دہی کی اہلیت رکھتا ہو اپنی جگہ کسی اور ممبر کو شرکت اور رائے دہی کیلئے بطور پراکسی مقرر کر سکتا ہے اور بطور پراکسی مقرر کئے جانے والے فرد کو اصل ممبر کی طرح اجلاس میں شرکت کرنے، رائے دینے اور ووٹ ڈالنے کا حق حاصل ہوگا۔ پراکسی مقرر کئے جانے والے فارم کے قابل قبول ہونے کیلئے لازم ہے کہ ہر لحاظ سے پر شدہ اور مکمل فارم دستخط اور مہر کے ساتھ جمعہ دو گواہوں، ان کے نام، پتے، قومی شناختی کارڈ نمبر اور دستخطوں کے ساتھ کمپنی کے رجسٹرڈ شدہ پتے آفس نمبر 204، دوسری منزل، کلفٹن سینٹر، بلاک 5، کلفٹن کراچی پر اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔

## Chairman's Review

I am pleased to present this report to the shareholders of Sanghar Sugar Mills Limited and it gives me the immense pleasure to present the financial and other information for the year ended September 30, 2019 and to appraise them on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's Goals, Corporate Objectives and Strategy based on Strategic Planning which are in line with the Vision and Mission of the Company.

As required under Listed Companies (Code of Corporate Governance), an annual evaluation of the Board of the Company was carried out and found satisfactory results of every member. The purpose of this exercise is to ensure that the Board's overall performance and effectiveness is measured and bench marked against expectations in the context of objectives set for the Company.

The Board met the duties as required under the Companies Act, 2017 and the Code of Corporate Governance, applicable to the Company which include approval of significant policies, establishing a sound system of internal controls, approval of budgets and financial results, along with approval of significant investments. The Board is compliant with all the regulatory requirements and acted in accordance with applicable laws & best practices. The Audit Committee has continued to supervise the financial reporting processes and ensuring timely and accurate communication of information to all stakeholders.

The Board has created necessary policies which ensures that organization behaves in an equitable and legal manner towards staff, contractors, vendors and any other individuals working on its behalf.

The Board ensures that reasonable time is available for discussion on the agenda during Board Meetings. All written notices, including the agenda, supporting documents and other working papers of meetings were circulated with-in a reasonable time prior to the meetings. Further, the Board has a fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders.

Looking ahead, the Company aims to further enhance its competitive position by expending manufacturing capabilities, strengthening research and development by leveraging its expertise. The Board and management are focused on creating enduring value for all stakeholders through improved operational efficiencies, cost controls, portfolio diversification and leveraging string customer relationships.

I would like to place on record, my sincere appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah. And thanks to all the government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

Karachi: December 28, 2019

**Gul Muhammad**  
Chairman

## چیمبر میں جائزہ رپورٹ

میں انتہائی مسرت کے ساتھ ساگھڑ شوگر ملز لمیٹڈ کے حصص داران کی خدمت میں یہ رپورٹ پیش کر رہا ہوں اور اس کے ساتھ ساتھ 30 ستمبر 2019 کو ختم ہونے والے مالی سال کی بابت مالیاتی رپورٹ اور دیگر معلومات پیش کرنا بھی میرے لئے باعث مسرت ہے کہ ان کی روشنی میں بورڈ کی مجموعی کارکردگی اور کمپنی کے اہداف، کارپوریٹ مقاصد اور حکمت عملی پر مبنی منصوبہ بندی کی تکمیل کیلئے بورڈ کی جانب سے اٹھائے گئے اقدامات کو جانچا جاسکے۔ یہ اہداف اور مقاصد کمپنی کے وژن اور مشن کے عین مطابق ہیں۔

لسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے تحت کمپنی کے بورڈ کی سالانہ کارکردگی کا جائزہ لیا گیا اور ہر ممبر کی کارکردگی کو اطمینان بخش پایا گیا۔ اس پوری مشق کا بنیادی مقصد یہ ہوتا ہے کہ بورڈ کی مجموعی کارکردگی کا جائزہ لیا جائے اور دیکھا جائے کہ اپنے اہداف کے حصول میں بورڈ کی کارکردگی کس قدر مؤثر رہی اور آئندہ مالی سال کیلئے اس کارکردگی کو بنیاد بنا کر کمپنی کے مقاصد کے حصول کیلئے معیارات مقرر کئے جائیں۔

بورڈ کی جانب سے کمپنیز ایکٹ 2017 اور کوڈ آف کارپوریٹ گورننس، جن کا اطلاق کمپنی پر ہوتا ہے، کے تحت اپنے فرائض منصبی سرانجام دیئے جن میں اہم پالیسیوں کی منظوری دینا، اندرونی نظم و ضبط کے نظام کو مربوط کرنا، بجٹ، دیگر مالی معاملات اور اہم سرمایہ کاریوں کی منظوری دینا جیسے اہم امور شامل ہیں۔ بورڈ تمام قواعد کی مکمل پابندی کر رہا ہے اور بورڈ کی جانب سے کسی بھی مروجہ قوانین یا روایات سے روگردانی نہیں کی گئی۔ آڈٹ کمیٹی کی جانب سے مالیاتی دستاویزات کی تیاری کے طریقہ کار اور تمام شراکت داروں تک بروقت اور صحیح معلومات فراہم کرنے کو یقینی بنانے کی غرض سے مکمل رہنمائی فراہم کی گئی ہے۔

بورڈ کی جانب سے ایسی ضروری پالیسیاں مرتب کی گئی ہیں جن کی بنیاد پر اس بات کو یقینی بنایا جاسکے کہ اپنے ملازمین، شیکیداروں، فروخت کنندگان اور ایسے تمام افراد جو کہ کمپنی کی جانب سے خدمات سرانجام دے رہے ہیں سے ایسا سلوک روا رکھا جائے جو جائز اور قوانین کے عین مطابق ہو۔

بورڈ اس بات کو بھی یقینی بناتا ہے کہ بورڈ کے ایجنڈے میں شامل تمام امور پر بحث و تجویز کیلئے بورڈ کے تمام اجلاسوں کے دوران خاطر خواہ وقت فراہم کیا جائے۔ تمام شراکت داروں کو بورڈ کے اجلاسوں سے قبل بروقت تحریری نوٹس، بشمول ایجنڈا، دیگر ضروری دستاویزات اور اہم کاغذات فراہم کئے جاسکے تھے۔ یہ بات بھی بورڈ کو اہم ذمہ داریوں میں شامل ہے کہ کمپنی کی سمت اور اہم ذمہ داریوں کے سلسلے میں مناسب ہدایات جاری کرے۔ رہنمائی کی ان ذمہ داریوں میں یہ بھی شامل ہے کہ کمپنی کے کاروبار سے متعلق کسی بھی ممکنہ رسک کی نشاندہی کی جائے اور اس کے تدارک کے سلسلے میں ہدایات دی جائیں، بینجمنٹ انفارمیشن سٹم کو مربوط کیا جائے اور تمام شراکت داروں کو شفافیت کے ساتھ معلومات فراہم کی جائیں۔

مزید برآں، اپنے تجربات کو بروئے کار لاتے ہوئے کمپنی کی خواہش ہے کہ صنعت سازی کی صلاحیتوں اور تحقیقی میدان کو تقویت فراہم کرتے ہوئے میدان عمل میں اپنی مسابقتی حیثیت میں وسعت پیدا کی جائے۔ بورڈ اور انتظامیہ کی توجہ اس جانب مبذول ہے کہ تمام شراکت داروں کیلئے ایک مربوط ضابطہ اخلاق مرتب کیا جائے اور اس ضابطہ اخلاق کو مرتب کرنے کیلئے تمام افعال میں کارکردگی کو مؤثر بنایا جائے، پیداواری لاگت کو کنٹرول میں رکھا جائے، مصنوعات کے موثر امتزاج میں تنوع پیدا کیا جائے اور صارفین کے ساتھ اپنے رشتوں کو مربوط کیا جائے۔

میں اپنی جانب سے اس بات کو ریکارڈ کا حصہ بنانا چاہتا ہوں کہ تمام اعلیٰ افسران، دیگر افسران اور ملازمین کی جانب سے کمپنی کے معاملات کو خوش اسلوبی کے ساتھ چلانے کیلئے جس اخلاص، ایمانداری اور محنت شاقہ کا مظاہرہ کیا گیا ہے وہ قابل ستائش ہے اور امید کرتا ہوں کہ آئندہ بھی اللہ رب العزت کی رحمت کے سائے تلے تمام افراد کمپنی کی پیداواری صلاحیت میں اضافے کیلئے اسی جوش و جذبے کا مظاہرہ کرتے رہیں گے۔ اس کے علاوہ اس موقع پر میں تمام سرکاری عمال، بینکاروں اور غیر بینکاری مالیاتی اداروں، ترسیل کاروں اور حصص داران کا بھی تہہ دل سے شکریہ ادا کرنا چاہتا ہوں کہ کمپنی کی ترقی اور خوشحالی کیلئے ان کی حمایت اور تعاون ہمیشہ ہمارے شامل حال رہے۔

گل محمد

چیمبر میں

کراچی: 28 دسمبر 2019

# Directors' Report

The Directors of your Company are pleased to present Thirty Fourth Annual Report with the Audited Financial Statements of the Company for the year ended September 30, 2019.

## **ABOUT THE INDUSTRY:**

### **INDUSTRY OVERVIEW**

Pakistan is among the large sugarcane producer in the world. Like other cash crops, sugarcane is one of the most important cash crops of Pakistan and it is a main contributor for sugar production besides paper and board industry. Pakistan is ranked number nine in the world for sugar production. On the other hand, it is the 8th largest sugar consuming country in the world. Currently, there is more than one million hectares of land used for sugarcane cultivation which produces more than five million tons of refined sugar annually.

The sugar industry is the country's second largest agriculture-based industry after textiles. In addition to sugar, sugarcane is employed in the production of pharmaceutical ethanol, bagasse for paper and chip board manufacturing, and press mud used as a rich source of organic fertilizer for crop production. Sugarcane is typically grown on the high delta away from areas that flood along Pakistan's major rivers.

Sugarcane production is forecast at 64 million metric tons. The sugarcane production cycle swaps between 3 to 5 years. After three successive years of increases in sugar production, it is on a downward trajectory mainly due to a decrease in area followed by a significant acreage of ratoon crop (older crop). During 2018-19 sugarcane acreage decreased by 12 percent and in 2019-20 it is expected to decrease by five percent, mainly due to better prospects offered by crops such as cotton and corn.

After the textile industry, the sugar industry is the only industry which can be called a model for agro-based industries. Sugarcane is a labor-intensive crop that requires about 134 man-days/hectare. Sugarcane cultivation provides a partial and seasonal employment to 3.9 million people approximately, which is about 12.14% of the total agricultural labor force.

There are several sugar mills in the country, providing job opportunities to people and contributing billions of rupees to the government exchequer annually in the form of taxes. Though sugar industry in Pakistan has always remained under criticism mainly on the grounds of earning huge profits through cartelization. Though the socio-economic growth in the rural population of Sindh, Punjab and the Khyber Pakhtunkhwa is associated with the sugar industry. These sugar mills normally contact the farmers directly to understand their problems and facilitate them in solving the issues of availability of seeds, fertilizers and pesticides.

Given that sugarcane prices are fixed by the government and sugar prices are determined by market forces, which is exhibiting a declining trend, the same may result in a cost-price mismatch, whereby change in retail sugar prices may not correspond with the change in raw material costs including other overheads as well.

The last couple of years, the conflict between farmers and sugar millers over the issue of price is deepened. The farmers are insisting on higher price for sugarcane and the sugar mills are complains about ever increasing cost of production which affects the price of sugar in the open market.

The support prices for the sugarcane are fixed by the provincial governments from year to year and are usually different for Punjab and Sindh. Over the last 10 years, there has been an increase of 220% in the support prices of sugarcane whereas the sugar prices have increased by 100% during the same period. This gap of over 100% is affecting the sugar industry badly and some of the mills who did not sustain the loss are closed or at the verge of being closing down. Sugarcane is the main ingredient of sugar industry of Pakistan and hence the 80% of the total cost of production; along with overheads. High government taxes also contributes in enhancing the prices.

## **ABOUT YOUR COMPANY:**

### **PRINCIPAL ACTIVITIES**

The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh.

**OPERATING RESULTS & ITS REVIEW**

	<b>2018-2019</b>	<b>2017-2018</b>
Season started on	<b>21-11-2018</b>	30-11-2017
Season completed on	<b>28-02-2019</b>	19-04-2018
Duration of crushing days	<b>100</b>	142
Sugarcane crushed (Metric Tons)	<b>490,932</b>	712,124
Average daily crushing (Metric Tons)	<b>4,909.32</b>	5,014.96
Cane sugar produced (Metric Tons)	<b>52,799.25</b>	73,776
Sucrose recovery (%)	<b>10.75</b>	10.37

Sugarcane production / crushing activities was started on November 21, 2018 and crushing operations were continued till February 28, 2019. Plant remained operational for only 100 days due to inadequate sugarcane production. Company barely able to produce 52,799.25 M. Tons of sugar resulting in a decline of 28.43% in production as compared to last season. Sucrose recovery remained at 10.75% showing an increase of 0.38% as compared to last year of recovery of 10.37%.

**FINANCIAL RESULTS & ITS REVIEW**

The key financial figures of the Company for the year ended September 30, 2019 along with the comparatives for the corresponding year are summarized as under:

	<b>2019</b>	<b>2018</b>
	<b>(Rupees in '000)</b>	
(Loss) / Profit before taxation	<b>(148,608)</b>	24,868
Taxation	<b>49,753</b>	(5,442)
(Loss) / Profit after taxation	<b>(98,855)</b>	19,426
(Loss) / Earnings per share-basic and diluted (Rupees)	<b>(8.28)</b>	1.63

Despite the fact that your Management has managed to control manufacturing & administrative expenses despite phenomenal increase in inflation, the final results remained in negative due to the depreciation cost and financial cost.

Depreciation increases due to the impact of revaluation surplus of fixed assets and financial charges increases due to increase in KIBOR from 8.5% at the beginning of the year to 13.25% at the end of the financial year.

All our efforts of achieving higher recovery, selling sugar efficiently, keeping expenses at controllable level could not bear fruits of profits due to the facts mentioned above.

**COMMENTS ON AUDITOR'S REPORT**

The statutory auditors of the Company emphasizing the matter in their report regarding non-provision of Rs. 22 per maund for the season 2017-18, in this regard we would like to inform you and as explained above, your financials are prepared by taking sugar cane purchased at Rs. 160 per 40 k.g. in the light of the interim order passed by the Honourable High Court of Sindh with the consent of all the stakeholders, we hope that considering the continued depressed economic condition of the sugar industry, the final decision by the Courts is likely to be in line with the consent order.

**STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Board of Directors and the Company remain committed to the principles of good corporate management practice with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Company is fully compliant with the Code of Corporate Governance and as per the requirements of the listing regulations, following specific statements are being given hereunder:

- o The Financial Statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- o Proper books of accounts of the Company have been maintained.
- o Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

- o International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements and there is no departure there from.
- o The system of internal control is sound in design and has been effectively implemented and monitored.
- o There are no significant doubts upon the Company's ability to continue as going concern.
- o There has been no material departure from the best practices of the Corporate Governance as detailed in the Regulations.
- o The Key Operating and Financial Data for last ten years in summarized form are annexed.
- o There are no statutory over dues otherwise than those disclosed in the financial statements and statutory payments due on account of taxes duties, levies and charges are being made in the normal course of business.
- o An unfunded gratuity scheme is in operation for all permanent eligible employees and also the Leave Encashment Scheme for eligible employees to be paid at the time of retirement or leaving the Company. Provision are made annually to cover the obligation on the basis of actuarial valuation, related details of which are mentioned in the notes to the financial statements.
- o The Pattern of Shareholding is annexed.
- o In terms of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Companies shall ensure that all the directors on their boards have acquired the prescribed certification under Director Training Program. All the directors, except Chief Executive, have attended and completed directors' training course conducted by Institute of Cost & Management Accountant of Pakistan. The Chief Executive has the prescribed education and experience required for exemption under Regulations accordingly he is exempted from attending directors' training program.
- o The Board strives to continuously improve its and Board Committees' effectiveness. Board of Directors has developed a mechanism as required under the Code of Corporate Governance to undertake annual evaluation to assess Board's and its Committees' performance. The Board also reviews developments in corporate governance to ensure that the Company always remains aligned with best practices.
- o To the best of our knowledge, the Directors, Executives and their spouses and their minor children have not undertaken any trading of Company's shares during the year.
- o Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year is annexed with the Report.

#### **CORPORATE GOVERNANCE & ADHERENCE TO BEST PRACTICES OF CORPORATE GOVERNANCE**

The Company has a long history of adherence to high standards of ethical practices, and it continues to uphold these standards going forward. The Board defines a path of continuous improvement by constantly challenging existing processes and the Board has fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders.

The Corporate Governance structure of the Company is based on the Articles of Association as well as statutory, regulatory and other compliance requirements applicable to companies listed on the Pakistan Stock Exchange and the same is complemented by several internal procedures including a risk assessment and control system, as well as system of assurance on compliance with the applicable laws, regulations and the Company's Code of Conduct.

#### **NUMBER OF DIRECTORS**

The total numbers of Directors are seven as per the following:

- a) Male: Seven
- b) Female: Nil

**COMPOSITION OF THE BOARD**

The composition of Board is as follows:

**Independent Director**

Mr. Rahim Bux

**Other Non-Executive Directors**

Mr. Gul Muhammad

Mr. Mohammad Aslam

Mr. Qazi Shamsuddin

Mr. Shahid Aziz (N.I.T.)

**Executive Directors**

Haji Khuda Bux Rajar

Mr. Ghulam Hyder

**Female Director**

None

**BOARD COMMITTEES**

The Board has formed committees comprising of members given below:

**a) Audit Committee:**

<b>Name</b>	<b>Status</b>
Mr. Rahim Bux	Chairman
Mr. Mohammad Aslam	Member
Mr. Shahid Aziz	Member

**b) Human Resource and Remuneration Committee:**

<b>Name</b>	<b>Status</b>
Mr. Rahim Bux	Chairman
Mr. Mohammad Aslam	Member
Mr. Shahid Aziz	Member

**c) Risk Management Committee:**

<b>Name</b>	<b>Status</b>
Mr. Mohammad Aslam	Chairman
Mr. Ghulam Hyder	Member
Mr. Shahid Aziz	Member

**d) Corporate Social Responsibility Committee:**

<b>Name</b>	<b>Status</b>
Mr. Rahim Bux	Chairman
Mr. Mohammad Aslam	Member
Mr. Shahid Aziz	Member
S. Rehan Ahmad Hashmi	Member

**e) Information Technology & Steering Committee:**

<b>Name</b>	<b>Status</b>
Mr. Ghulam Hyder	Chairman
S. Rehan Ahmad Hashmi	Member
Mr. Sheraz Khan	Member

**ATTENDANCE OF BOARD OF DIRECTORS AND COMMITTEES****Attendance of Board of Directors in Board Meeting**

Four Board meetings were held during the year. Leave of absence was granted to the Director unable to attend the meeting. Attendance by each Director was as mentioned below:

	<b>Name of Directors</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1)	Mr. Ghulam Dastagir Rajar (Resigned on December 04, 2019)	Ex-Chairman	2
2)	Mr. Gul Muhammad (Appointed on December 04, 2019)	Chairman	—
3)	Haji Khuda Bux Rajar	Chief Executive	3
4)	Mr. Mohammad Aslam	Director	4
5)	Mr. Rahim Bux	Director	4
6)	Mr. Ghulam Hyder	Director	3
7)	Mr. Qazi Shamsuddin	Director	4
8)	Mr. Shahid Aziz	Director (N.I.T.)	4

**Attendance of Members in Meeting of Audit Committee**

Four meetings of Audit Committee were held during the year. Attendance by each Member was as mentioned below:

	<b>Name of Members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1)	Mr. Rahim Bux	Chairman	4
2)	Mr. Shahid Aziz	Member	4
3)	Mr. Mohammad Aslam	Member	4

**Attendance of Members in Meeting of Human Resource & Remuneration (H. R. & R.) Committee**

Two meetings of H. R. & R. Committee were held during the year. Attendance by each Member was as mentioned below:

	<b>Name of Members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1)	Mr. Rahim Bux	Chairman	2
2)	Mr. Muhammad Aslam	Member	2
3)	Mr. Shahid Aziz	Member	2

**Attendance of Members in Meeting of Information Technology Committee**

Two meetings of Information Technology Committee were held during the year. Attendance by each Member was as mentioned below:

	<b>Name of Members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1)	Mr. Ghulam Hyder	Chairman	2
2)	Syed Rehan Ahmad Hashmi	Member	2
3)	Mr. Sheraz Khan	Member	1
4)	Mr. Ebad Azhar	Member	1

Mr. Sheraz Khan was appointed on May 01, 2019 in place of Mr. Ebad Azhar

**Attendance of Members in Meeting of Corporate Social Responsibility (CSR) Committee**

Four meetings of CSR Committee were held during the year. Attendance by each Member was as mentioned below:

	<b>Name of Members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1)	Mr. Rahim Bux	Chairman	4
2)	Mr. Muhammad Aslam	Member	4
3)	Mr. Shahid Aziz	Member	4
4)	Syed Rehan Ahmad Hashmi	Member	4

**Attendance of Members in Meeting of Risk Management Committee**

Two meetings of Risk Management Committee were held during the year. Attendance by each Member was as mentioned below:

	<b>Name of Members</b>	<b>Status</b>	<b>No. of Meetings Attended</b>
1)	Mr. Muhammad Aslam	Chairman	2
2)	Mr. Ghulam Hyder	Member	1
3)	Mr. Shahid Aziz	Member	2

**BOARD EVALUATION**

Complying with the Code of Corporate Governance, the Board approved Self-Evaluation mechanism 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 purpose of the evaluation is to ensure that the Board's performance is measured with reference to overall corporate objectives, governance structure of the Company, statutory & regulatory compliance, effectiveness, collaboration and value addition. The Board has evaluated all the factors based on the inputs of the Directors made in the Board Meeting. All members of the Board participated in performance evaluation and provided their feedback.

**DIRECTORS TRAINING**

One Director of the Company has the prescribed education and experience. Therefore, he is exempted from attending Director's Training Program pursuant to the Code of Corporate Governance Regulations. All other Directors have already completed approved Directors' Training Program as specified in the Corporate Governance.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Directors confirm that the compliance with highest standard of Corporate Governance and comprehensive policies and procedures on internal financial controls has been approved by the Board and are in place and have been effectively implemented and monitored. The Board has established a system of internal control and formulated policies for ensuring efficient conduct of its business, safeguarding the Company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

**THRESHOLD FOR DETERMINING EXECUTIVE**

Pursuant to the requirement of Clause 5.6.1 (a) & (d) of the Listing Regulations (Rule Book) of the Pakistan Stock Exchange, the Board has set out a Threshold for determining an 'Executive' in respect of trading of Company's shares. The person whose annual basic salary exceeds Rs. 2.3 million during the year is treated as executive.

**RELATED PARTY TRANSACTIONS**

The Related party transactions were placed before the Board Audit Committee and approved by the Board. These transactions were in-line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a thorough and complete record of all such transactions.

**Remuneration of Chief Executive, Directors and Executives**

The aggregate amount charged during the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company are disclosed in Note No. 39 of the annexed Financial Statements. Synopsis of Policy for Directors' remuneration and meeting fee are annexed with the report.

**Other Transactions**

The Company in the normal course of business carried out transactions with Key Management Personnel (KMP) / related parties. The transactions reflect economic substance and are executed in the normal course of business and are disclosed in Note No. 40 of the annexed Financial Statements.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Name of Related parties with whom the Company has entered into transactions or had agreements and arrangements in place during the financial year along with the basis of relationship are also disclosed in respective notes to the financial statements. Contract or arrangements with related parties were in the ordinary course of business and were at arm's length basis.

**MATERIALITY APPROACH**

Determining materiality levels is subjective and varied between organizations. Authorizations for transactions and delegation of powers have been define clearly and carried out through formalized process in the Company. The Company has approved materiality policy, which is reviewed annually to check its relevance.

**HUMAN RESOURCE MANAGEMENT & SUCCESSION PLANNING**

Human resource planning and management is one of the most important considerations with the senior management. The Board has established a Committee which is involved in the selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in the human resource policies and procedures and their periodic review.

The Company is committed to build the better organizational culture that is shaped by empowered employees who demonstrate a deep belief in the Company's Vision and Values. H.R. Management Policy is integral part of the Company's business strategy. The Company fosters leadership, individual accountability and team work.

The Company believes in pro-active approach towards Succession Planning. The Company recruits employees, develops their knowledge, skills, abilities and prepares them for advancement and promotion into more challenging roles. Succession Planning ensures that employees are constantly developed to fill each needed role. The Company looks for people who exemplify continuous improvement when it is spotting Successors for future.

**CONFLICT OF INTEREST**

The management of Company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid, identify the existence and to disclose the existence of conflict of interest. No employee will perform any kind of work (directly or indirectly) for a third party without proper approval. Employees must notify their any actual or potential conflict of interest situation and obtain an advice or ruling as the case may be. The primary goal of Company is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. The Company has set the procedures to manage and monitor the conflict of interest.

Every director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director(s) do not participate in the discussion neither they vote on such matters. The transactions with all the related parties are made on arms length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company.

**IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT**

It is the responsibility of the Company to make the environment healthy and clean. Therefore, the Company has made serious efforts and are installing equipment to reduce the pollution and making a good impact of Company's business on Environment. The Company has installed collection units to retrieve oil / grease e.t.c. from the waste water and ash collectors are also installed at the chimneys to absorb the ash. Further, the feasibility of Effluent treatment plant and consideration of other environmental factors are in process and will be finalized. The first step of which is required the facilities to identify environmental gaps. This includes the consumption of fresh water and energy at the facility as well as effluent discharges, soil and ground water monitoring and emissions from vehicles, generators and boilers. The aim is to address the identified environmental gaps in the subsequent years.

Further, it is to inform you that the Company has finalized the Environmental Management Plan and has also conducted all environmental examination and is working hard to significantly reduce the consumption of water by doing following steps;

- o Increase in imbibition water Temperature at Mill House from 40 Centigrade to 55 Centigrade using condensate water in place of raw water.
- o Reactivation of cooling tower for vertical crystallizer by this we are re cycling water use for crystallizer cooling purposes. Intake of fresh water is minimized only to make up water loss due to evaporation.
- o Process chemicals are prepared with condensate water in place of raw water. o We are working on reducing, re cycle and re use of water.
- o The installation of Effluent Treatment Plant is in progress and more than 50% work has been completed and we are hopeful that it will be completed before the end of crushing season 2019-20.

**INVESTOR GRIEVANCE AND COMPLAINTS**

The Company allows full access to all shareholders including potential investors, to call for relevant information or details on Company's operations and their own shareholding. The required information is provided immediately or a query / grievance is resolved promptly in accordance with the regulatory guidelines.

**SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY**

Report of Sustainability and Corporate Social Responsibility is annexed

**RISK MANAGEMENT & STRATEGY**

The Company's overall risk management program focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control, and to monitor risks and adherence to limits. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for 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 Company considers the following material risk:

**Operational Risk**

To mitigate the operational risks, necessary strategies have been developed and substantial investments are continuously being made to ensure the reliability of operating plant. The Company has carried out necessary repairs & maintenance as required.

**Market Risk**

The Company is not materially exposed to the prices of raw material due to the fixation of prices by the Government. Strategies has been planned and implemented to overcome the huge cost of raw material. Further, the Company is not exposed to the risk of exchange rate fluctuation as at the year-end but the Company was exposed during the year to due to the export of sugar. The management has planned to use of financial instruments in future.

**Credit Risk**

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. The Company manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits and / or by providing adequate allowance for doubtful debts. Where considered necessary, advance payments are obtained from certain parties or by obtain advance payments from counter parties. The Company believes that it is not exposed to major concentration of credit risk.

**Liquidity Risk**

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. As at the year-end, the Company has available un-availed short term borrowing facilities and also has cash & bank balances. The management believes that the Company is not significantly exposed to the liquidity risk.

**CONTRIBUTION TO NATIONAL EXCHEQUER**

The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates and duties. The Company contributed to National Exchequer in the form income taxes, sales tax and other levies amounting to Rs. 425,841 thousand during the year as compared to Rs. 475,408 thousand during the last year.

**FUTURE PROSPECTS**

Your management see decrease in production of sugar due to low cultivation of sugarcane, this phenomenon will increase the cost of sugar produced. However, we also see higher selling prices of sugar. We expect that all the stakeholders will keep the cost of sugarcane in-line with the selling price of sugar.

**CAPITAL RESERVE**

Revaluation surplus on property, plant & equipment is presented in the statement of financial position as part of equity and in the statement of changes in equity as a capital reserve being the part of equity. This surplus is a capital reserve and is not available for distribution to shareholders of the Company in accordance with the Section 241 of the Companies Act, 2017.

**DIVIDEND & APPROPRIATION**

Due to the circumstances already discussed, the Board of Directors of the Company in its meeting does not recommend any dividend and or appropriation for the year ended September 30, 2019.

**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, 2020.

**SUBSEQUENT EVENT**

After the year end September 30, 2019, the Board of Directors meeting was held on December 04, 2019 in which the Board has accepted the resignation of Mr. Ghulam Dastagir Rajar as a Chairman of the Board of Directors and as the Director as well. Upon Resignation, the casual vacancy occurred, which was also filled by accepting the consent given by Mr. Gul Muhammad as Director and also elect him as the Chairman of the Board of Directors. The Role and Responsibilities have also been informed to him for being the Chairman of the Board of Directors and he has already been completed the Training program of Certified Director.

**ACKNOWLEDGEMENT**

Your Directors place on record their appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affair and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah.

The Directors would like to thank all the government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

For & on Behalf of the Board

**Gul Muhammad**  
Chairman

**Haji Khuda Bux Rajar**  
Chief Executive Officer

Karachi: December 28, 2019

## تقسیم منافع (ڈیویڈنڈ)

جیسا کہ حالات کا پہلے ہی ذکر کیا جا چکا ہے، بورڈ آف ڈائریکٹرز کی جانب سے مالی سال 30 ستمبر 2019 کیلئے کسی بھی منافع کی تقسیم کی سفارش نہیں کی گئی۔

## آڈیٹرز

موجودہ آڈیٹرز میسرز کریسٹن حیدر محبی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئینڈ منیجرز کے ہونے والے سالانہ عام اجلاس تک ریٹائر ہونے جارہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات پیش کرنے کی خواہش ظاہر کی ہے۔ کارپوریٹ گورننس کے قواعد کے تحت، آڈٹ کمیٹی کی جانب سے سفارش کے بعد بورڈ آف ڈائریکٹرز نے بھی انکی دوبارہ تعیناتی کی سفارش کر دی ہے کہ انہیں مالی سال 30 ستمبر 2020 کیلئے بطور کمپنی آڈیٹرز تعینات کر لیا جائے۔

## مابعد واقعات

مالی سال اختتامیہ 30 ستمبر 2019 کے بعد بورڈ کا اجلاس 4 دسمبر 2019 کو منعقد کیا گیا جس میں بورڈ نے جناب غلام دستگیر راجڑ سے بطور چیئر مین بورڈ آف ڈائریکٹرز اور بطور ڈائریکٹر ان کا استعفیٰ قبول کر لیا۔ ان کے استعفیٰ کے بعد اتفاقی طور پر ایک اسامی پیدا ہو گئی اور اس اسامی کو پر کرنے کیلئے جناب گل محمد کی پیشکش کو قبول کرتے ہوئے انہیں بطور ڈائریکٹر تعینات کیا گیا اور پھر انہیں بورڈ آف ڈائریکٹرز کا چیئر مین بھی تعینات کر لیا گیا۔ انہیں بطور چیئر مین بورڈ آف ڈائریکٹرز ان کی ذمہ داریوں اور ان کے کردار سے آگاہ کر دیا گیا ہے۔ ان کی جانب سے ڈائریکٹرز ٹیننگ پروگرام کے تحت سرٹیفکیٹ پہلے ہی حاصل کیا جا چکا ہے۔

## اظہار تشکر

آپ کی کمپنی کے ڈائریکٹرز تمام منتظمین، افسران، اسٹاف ممبران اور دیگر ملازمین کی جانب سے کمپنی کے معاملات کو مستعد انداز سے چلانے کیلئے انکے اخلاص، ایمانداری اور محنت کیلئے تہ دل سے ان کے مشکور ہیں۔ ڈائریکٹرز امید کرتے ہیں کہ مستقبل میں بھی میں ان کی جانب سے کمپنی پیداواریت میں اضافے کیلئے اسی جوش و جذبے کا مظاہرہ کیا جائے گا اور اللہ رب العزت کی رحمت ہمارے شامل حال رہے گی۔

نیز ڈائریکٹرز کمپنی کی بہبود اور ترقی کے ضمن میں تمام سرکاری عمال، بینکاروں اور غیر بینکاری مالیاتی اداروں، سپلائروں اور حصص داران کی جانب سے انکے تعاون اور حمایت کیلئے ان کے بھی بے حد مشکور ہیں۔

## منجانب بورڈ

حاجی خدا بخش راجڑ  
چیف ایگزیکٹو آفیسر

گل محمد  
چیئر مین

کراچی: 28 دسمبر 2019

مزید برآں، کمپنی کو سال کے آخر میں مشینری درآمد کرنے کے سلسلے میں زرمبادلہ کی شرح میں پیدا ہونے والے اتار چڑھاؤ کے رسک سامنا رہتا ہے۔ البتہ تجزیہ حساسیت سے بات سامنے آئی ہے کہ شرح مبادلہ میں اتار چڑھاؤ سے پیدا ہونے والے رسک سے کمپنی زیادہ متاثر نہیں ہو سکتی۔ انتظامیہ کی جانب سے مستقبل کے خطرات سے نمٹنے کیلئے فیاض انشرومنٹ مرتب کئے جا چکے ہیں۔

### قرضوں کا رسک

فروختگی سے متعلق وصولیوں کے حصول سے متعلق رسک کو کم از کم کرنے کی غرض سے انتظامیہ کی جانب سے قرضوں کا جائزہ لیا جاتا ہے جس میں خریداری مالی حیثیت، ماضی کے تجربات اور دیگر عناصر کو ملحوظ خاطر رکھا جاتا ہے۔ فروختگی کی وصولیوں سے متعلق رسک کو کم از کم سطح پر رکھنے کی غرض سے انتظامیہ کی جانب سے قرض پر مال فروخت کرنے کیلئے انفرادی خریداروں کیلئے ایک حد مقرر کی گئی ہے اور اس قسم کے رسک سے نمٹنے کیلئے پیشگی رقوم حاصل کی جاتی ہیں یا پھر لیٹر آف کریڈٹ کے ذریعے مال فروخت کیا جاتا ہے یا پھر ناقابل وصول قرضوں کیلئے ایک معقول پروویژن بنایا جاتا ہے۔ جہاں ضرورت محسوس کی جائے مخصوص پارٹیوں سے پیشگی رقوم حاصل کر لی جاتی ہیں یا پھر ضامن پارٹیوں سے پیشگی رقوم حاصل کی جاتی ہیں۔ کمپنی کے اندازوں کے مطابق کمپنی فی الوقت کمپنی کو بڑے پیمانے پر جمع شدہ قرضوں کے رسک کا کافی سامنا نہیں ہے۔

### لیکچو ڈیٹ ریٹس

لیکچو ڈیٹ ریٹس سے نمٹنے کیلئے کمپنی اپنے پاس خاطر خواہ نقد رقوم کا بندوبست کر کے رکھتی ہے اور اس بات کا بھی اہتمام کیا جاتا ہے ضرورت پڑنے پر قرض کے حصول کیلئے مناسب چینل دستیاب ہوں۔ سال کے اخیر میں کے پاس قلیل المیعاد قرضوں کے حصول کیلئے ایسی سہولیات دستیاب ہیں جن سے اب تک فائدہ نہیں اٹھایا گیا اور اس کے علاوہ کمپنی کے پاس نقد رقوم اور بینک بیلنس بھی موجود ہے۔ انتظامیہ کے اندازوں کے مطابق فی الوقت کمپنی کو لیکچو ڈیٹ ریٹس کا سامنا نہیں ہے۔

### قومی خزانے میں کمپنی کا حصہ

وطن عزیز کی ترقی میں اپنا حصہ ملانے کیلئے کمپنی کی جانب سے قومی خزانے میں ٹیکسوں، ریٹس اور ڈیویڈنڈ کی مددات میں رقوم جمع کرائی جاتی ہیں۔ زیر نظر مالی سال کے دوران کمپنی کی جانب سے ٹیکسوں، سیلز ٹیکس اور دیگر لیویز کی مددات میں 425,841 ہزار روپے قومی خزانے میں جمع کروائے گئے جبکہ گزشتہ سال اسی عرصے کے دوران انہی مددات میں کمپنی کی جانب سے 475,408 ہزار روپے قومی خزانے میں جمع کروائے گئے تھے۔

### مستقبل کا جائزہ

آپ کی کمپنی کی انتظامیہ کے خیال میں آئندہ چینی کی پیداوار میں کمی واقع ہوگی جس کی وجہ سے گنے کی کاشت میں ہونے والی کمی ہے۔ ان حالات کی وجہ سے چینی کی پیداواری لاگت میں بھی اضافہ ہوگا۔ تاہم یہ بھی دیکھا جاسکتا ہے کہ آئندہ چینی کی قیمت فروخت میں اضافہ ہوگا۔ ہم امید کرتے ہیں کہ تمام شرائط دار گنے کی قیمت کا تعین چینی کی قیمت فروخت کے تناسب سے ہی کریں گے۔

### کیپٹل ریزرو

پراپرٹی، پلانٹ و دیگر آلات کی قدر کی تجدید کے بعد ہونے والے اضافے کو مالیاتی پوزیشن کی دستاویز میں بطور ایکٹیوٹی اور ایکٹیوٹی میں ردوبدل کی دستاویز میں بطور کیپٹل ریزرو کے حصے بطور ظاہر کیا گیا ہے جسے ایکٹیوٹی کا حصہ بنا دیا گیا ہے۔ یہ اضافہ کیپٹل ریزرو ہے اس لئے ایکٹ 2017 کے سیکشن 241 کے تحت یہ اضافہ کمپنی کے حصص داران کے مابین تقسیم کیلئے دستیاب نہیں ہے۔

- ☆ مزید برآں، آپ کو مطلع کیا جاتا ہے کہ پانی کی جانب سے انوائزمنٹل مینجمنٹ پلان کو حتمی شکل دی جا چکی ہے اور اس سلسلے میں تمام ماحولیاتی جانچ پڑتال بھی کی جا چکی ہے۔ اب انتہائی ٹھوس اقدامات اٹھائے جا رہے ہیں کہ پانی کے مصارف میں خاطر خواہ کمی لائی جائے جس کیلئے درج ذیل اقدامات قابل ذکر ہیں؛
- ☆ مل ہاؤس میں ایمیشن و ایئر ٹیمپریچر کو 40 سینٹی گریڈ سے 55 سینٹی گریڈ تک بڑھانا اور اس سلسلے میں خام پانی کی کنڈنسیٹ پانی کو زیر استعمال لانا۔
- ☆ ورنیکل کرسٹلائزر کیلئے کولنگ ٹاور کی ری ایکٹیویشن کرنا تاکہ کرسٹلائزر کو کولنگ کیلئے پانی کی ری سائیکلنگ کی جا سکے۔ تازہ پانی کے استعمال کو کم از کم کیا جا سکے اور تازہ پانی کو صرف اس وقت زیر استعمال لایا جائے جب بخارات بن جانے کی وجہ سے پانی ضائع ہو جائے۔
- ☆ خام پانی کی جگہ پروسس کیمیکلز کو کنڈنسیٹ پانی میں تیار کیا جاتا ہے۔ ہم کوشش کر رہے ہیں کہ پانی کے استعمال کو کم از کم کیا جائے، ری سائیکل کیا جائے یا پانی کے دوبارہ استعمال کو ممکن بنایا جائے۔
- ☆ افلوئیٹ ٹریٹمنٹ پلانٹ ابھی تنصیب کے مراحل میں ہے اور انتظامیہ کی پوری کوشش ہے کہ مالی سال 2019-2020 کے درمیان اس آپریشنل کر دیا جائے۔

### سرمایہ کاروں کی شکایات اور مسائل

سرمایہ کاروں یا ممکنہ سرمایہ کاروں کو یہ مکمل سہولت فراہم کی جاتی ہے کہ وہ کمپنی کے کاروباری افعال سے متعلق معلومات اور اپنے حصص کے معاملات سے متعلق معاملات تک رسائی حاصل کر سکیں۔ اگر کسی بھی شخص کو معلومات درکار ہوں تو انھیں اس کا فوراً جواب مہیا کیا جاتا ہے اور شکایات کرنے کی صورت میں مروجہ قواعد کی روشنی میں فوری طور انکی شکایات کا ازالہ بھی کیا جاتا ہے۔

### استحکام اور کارپوریٹ معاشرتی ذمہ داری

استحکام اور کارپوریٹ معاشرتی ذمہ داری سے متعلق رپورٹ کو رپورٹ ہذا کے ساتھ منسلک کر دیا گیا ہے۔

### رسک مینجمنٹ اور حکمت عملی

کمپنی کی رسک مینجمنٹ حکمت عملی کی توجہ مکمل طور پر مالیاتی مارکیٹ کی بے یقینی اور اتار چڑھاؤ کی کیفیت پر مرکوز ہے اور اس حکمت عملی کا مظہر نظر یہی ہے کہ کمپنی کے کاروباری افعال سے پیدا ہونے والے نتائج سے منسلک رسک کو کم از کم سطح پر لایا جائے۔ کمپنی کی رسک مینجمنٹ پالیسی بنانے کا مقصد یہ ہے کہ کمپنی کو لاحق رسک کی نشاندہی کی جائے، ایسے رسک کا تجزیہ کیا جائے، رسک پر قابو پانے کیلئے مناسب تحدیدی اقدامات اٹھائے جائیں اور ان اقدامات پر مسلسل نظر رکھی جائے تاکہ ان کے مثبت اثرات مرتب ہوں۔ کمپنی رسک مینجمنٹ کے دائرہ کار کو مکمل طور پر مضبوط و مربوط بنانا اور اس پر کڑی نظر رکھنا مجموعی طور پر ڈی این ڈی آف ڈائریکٹرز کی ذمہ داری ہے۔ بورڈ اس بات کا بھی ذمہ دار ہے کہ کمپنی کی جانب سے رسک مینجمنٹ کی پالیسیوں کو مرتب کرے اور ان کی کڑی نگرانی کرے۔ کمپنی کے کاروباری افعال اور مارکیٹ میں آنے والی تبدیلیوں کے پیش نظر کمپنی کی رسک مینجمنٹ سے متعلق پالیسیوں اور نظام کی مستقل بنیادوں پر اصلاح کی جاتی ہے۔

کمپنی کی جانب سے درج ذیل امور کو رسک کے سلسلے میں اہم گردانہ جاتا ہے:

### کاروباری افعال سے متعلق رسک

کاروباری افعال سے متعلق رسک کو کم از کم سطح پر رکھنے کیلئے ضروری حکمت عملی مرتب کی گئی اور اس ضمن میں مستقل بنیادوں پر خاطر خواہ سرمایہ کاری بھی کی جاتی رہی ہے تاکہ پلانٹس کو بلا تعلق چلانے میں کسی قسم کی کوئی رکاوٹ پیدا نہ ہو۔ کمپنی ضرورت کے تحت گاہے بگاہے مرمت اور دیکھ بھال کے کام کرواتی رہتی ہے۔

### مارکیٹ رسک

کمپنی کو خام مال کی قیمت سے متعلق کسی خاطر خواہ رسک کا سامنا نہیں ہے کیونکہ خام مال یعنی گنے کی قیمت بذات خود حکومت کی جانب سے ہی، صحیحین کر دی جاتی ہے۔ البتہ خام مال کی بھاری قیمت کے اثرات سے نمٹنے کیلئے مناسب حکمت عملی کی منصوبہ بندی کرنے کے بعد ان پر عمل بھی شروع کر دیا گیا ہے۔

## انسانی وسائل کے بندوبست اور جانشینی سے متعلق منصوبہ بندی

انسانی وسائل کی منصوبہ بندی اور بندوبست کمپنی کی سینئر مینجمنٹ کے نزدیک انتہائی اہمیت کی حامل ہے۔ بورڈ کی جانب سے ایک کمیٹی تشکیل دی گئی ہے جس کے ذمے اہم انتظامی عہدوں کیلئے افراد کی تعیناتی، جانچ، مشاہرے کا تعین اور جانشینی منصوبہ بندی ہے۔ یہ کمیٹی انسانی وسائل سے متعلق پالیسیوں اور طریق کار میں اصلاحات سے متعلق سفارشات پیش کرنے اور وقتاً فوقتاً جائزہ رپورٹ پیش کرنے کی بھی ذمہ دار ہے۔

کمپنی ایک بہتر تنظیمی کلچر پر یقین رکھتی ہے جہاں تمام ملازمین با اختیار ہوں اور کمپنی کے وژن اور اس کی اقدار سے گہرا لگاؤ رکھتے ہوں۔ انسانی وسائل کے بندوبست سے متعلق حکمت عملی کمپنی کی کاروباری حکمت عملی کا جزو لاینفک ہے۔ کمپنی میں ایک ایسا کلچر موجود ہے جہاں لیڈرشپ کو پروان چڑھنے، خود احتسابی کی سوچ پیدا کرنے اور اجتماعی کوششیں کرنے کا جذبہ پیدا ہوتا ہے۔

کمپنی جانشینی کے ضمن میں ایک قدم آگے بڑھ کر اقدامات کرنے پر یقین رکھتی ہے۔ کمپنی ملازمین کو اس نیت سے منتخب کرتی ہے کہ ان کی تربیت کی جائے، انکی مہارتوں میں اضافہ کیا جائے، آگے بڑھنے کیلئے ان میں قابلیت پیدا کی جائے اور انھیں پہلے سے زیادہ بڑے چیلنج والی ذمہ داریاں سونپی جائیں۔ جانشینی کی پالیسی اس بات کو یقینی بناتی ہے کہ ملازمین مسلسل اپنی صلاحیتوں میں اضافہ کرتے رہیں اور ضرورت پڑنے پر ہمہ وقت ہر مشکل کردار ادا کرنے کیلئے تیار رہیں۔ کمپنی ایسے افراد کی ہمہ وقت تلاش میں رہتی ہے جو خود کو مہارت سازی کے عمل میں پیش پیش رکھتے ہیں تاکہ انھیں مستقبل میں زیادہ اہم ذمہ داریاں سونپی جاسکیں۔

### مفادات کا ککراؤ

کمپنی میں مفادات کے ککراؤ پر مبنی تنازعات اور مکمل تنازعات سے نمٹنے کیلئے ایک حقیقی اور جامع پالیسی موجود ہے، نیز اس قسم کے اقدامات کئے جاتے ہیں کہ تنازعات کو پیدا ہونے سے روکا جاسکے، ممکنہ تنازعات کی نشاندہی کی جاسکے اور ان کی وجوہات کو تعین کیا جائے۔ کوئی بھی ملازم (بلا واسطہ یا بالواسطہ) منظوری کے بغیر کسی تھرڈ پارٹی کیلئے اپنی خدمات فراہم نہیں کر سکتا۔ ملازمین پر لازم ہے کہ ایسے تمام حالات سے کمپنی کو آگاہ کرے جن کی بنیاد پر کمپنی کے ساتھ مفادات کا ککراؤ ہو یا پیدا ہو سکتا ہو اور اس سلسلے میں مشورہ یا رولنگ حاصل کرے۔ کمپنی کی یہ پالیسی ہے کہ فیصلے اس انداز سے کئے جائیں اور ہوتے ہوئے نظر بھی آئیں کہ ان میں معقولیت کا عنصر واضح ہو اور ان میں کسی قسم کا تعصب ناپایا جاتا ہو۔ کمپنی کی جانب سے تنازعات کی مانیٹرنگ کیلئے ایک باقاعدہ نظام نافذ العمل ہے۔ تمام ڈائریکٹروں پر لازم ہے کہ بورڈ کو لین دین کے اہم معاملات سے آگاہ رکھیں جن کی وجہ سے مفادات کا ککراؤ ہو سکتا ہو تاکہ اس سلسلے میں بورڈ کی منظوری حاصل کی جاسکے۔ مفادات کے حامل ڈائریکٹرز اس قسم کے بحث و مباحث میں حصہ نہیں لیتے نہ وہ اس سلسلے میں ووٹ دیتے ہیں۔ متعلقہ پارٹیوں کے ساتھ اس قسم کی لین دین کیلئے شفافیت کو ممکن بنانے کیلئے ہر ممکن اقدامات اٹھائے جاتے ہیں اور بورڈ سے منظوری حاصل کرنے کیلئے بورڈ کے سامنے مکمل تفصیلات رکھی جاتی ہیں۔ علاوہ ازیں متعلقہ پارٹیوں کے ساتھ لین دین کے تمام معاملات کی تفصیلات کو مالیاتی دستاویزات کے متعلقہ نوٹس میں بھی درج کر دیا جاتا ہے۔

### ماحولیات پر کمپنی کے کاروبار کا اثر

کمپنی کی یہ ذمہ داری ہے کہ ماحول کو صحت افزا اور صاف رکھے۔ لہذا کمپنی کی جانب سے ہر ممکن کوشش کی گئی ہے کہ ماحول کو صاف ستھرا رکھا جائے اور اس سلسلے میں اس قسم کی آلات نصب کئے گئے ہیں جن کی بدولت آلودگی کو کم کرنے میں مدد ملتی ہے تاکہ کمپنی کے کاروباری افعال سے ماحولیات متاثر نہ ہو۔ کمپنی کی جانب سے کلیکیشن اینڈ کیمپن کا قیام عمل میں لایا گیا جو خارج شدہ پانی سے تیل یا گریس کو علیحدہ کرنے کا کام کرتے ہیں اور چمبیوں پر رکھ کر جمع کرنے کے لیے آلے آلے نصب کئے گئے ہیں جن کی وجہ سے آلودگی کا باعث نہیں بنتی۔ نیز فضلے کیلئے ایک ٹریٹمنٹ پلانٹ اور ماحولیاتی آلودگی کو کم کرنے کیلئے دیگر پروگرام بھی زیر غور ہیں جنھیں جلد حتمی شکل دے دی جائے گی۔ اس جانب پہلا قدم تو یہ ہے کہ ماحولیاتی آلودگی کے سلسلے میں جہاں جہاں تلخ حاصل ہے اس کی نشاندہی کی جائے۔ اس سلسلے میں مل کے اندر تازہ پانی اور توانائی کے مصارف، فضلے کے اخراج، زمین اور زیر زمین پانی کی نگرانی اور گاڑیوں، جزیروں اور بوائمرز سے ہونے والے اخراج کی مانیٹرنگ شامل ہے۔ آئندہ برسوں میں ماحولیاتی مسائل سے نمٹنا بھی ان مقاصد میں شامل ہے۔

## معقول اندرونی مالیاتی کنٹرول

ڈائریکٹروں کی جانب سے اس بات کی تصدیق کی جاتی ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے کارپوریٹ گورننس کے ضوابط اور مالیاتی کنٹرول سے متعلق جامع پالیسیوں اور طریق کار کو مد رکھتے ہوئے اندرونی مالیاتی کنٹرول سے متعلق اعلیٰ ترین معیارات کی منظوری دی جا چکی ہے اور اس وقت کمپنی میں اندرونی مالیاتی کنٹرول کا ایک جامع اور موثر نظام نافذ العمل ہے۔ بورڈ کی جانب سے اندرونی کنٹرول کا ایک نظام قائم کیا گیا ہے اور ایسی پالیسیاں مرتب کی گئی ہیں جن کی بنیاد پر کاروباری افعام کو موثر انداز سے چلانے، کمپنی کے اثاثوں کی حفاظت کرنے، دھوکہ دہی اور غلطیوں کی نشاندہی اور ان سے بچنے، مجاہدی کے ریکارڈ کی تکمیل اور صحت کا کن بنانے اور مالیاتی معلومات کی بروقت تیاری اور فراہمی کو ممکن بنایا جاسکے۔

### ایگزیکٹو کے تعین کا معیار

لسٹنگ ریگولیشنز (رول بک) آف پاکستان اسٹاک ایکسچینج کی شق (a) 5.6.1 اور (d) کے تحت کمپنی کی جانب سے ایگزیکٹو کے تعین کیلئے نظر ثانی کے بعد ایک معیار مقرر کر دیا گیا ہے تاکہ حصص کی خرید و فروخت سے متعلق کسی بھی ابہام کو رفع کیا جاسکے۔ ہر وہ شخص جس کی سالانہ بنیادی تنخواہ دوران سال 2.3 ملین روپے سے تجاوز کر جائے گا ایگزیکٹو مانا جائے گا۔

### متعلقہ پارٹیوں سے لین دین

متعلقہ پارٹیوں سے لین دین کے معاملے میں درج ذیل معاملات کو بورڈ کی آڈٹ کمیٹی کے سامنے منظوری کیلئے پیش کیا گیا اور بورڈ سے باقاعدہ ان کی منظوری حاصل کی گئی۔ لین دین کے یہ معاملات انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) اوپینیز ایکٹ 2017 کے قواعد کے عین مطابق ہیں۔ کمپنی کی جانب سے اس قسم کے تمام معاملات کا باقاعدہ ریکارڈ رکھا جاتا ہے۔

### چیف ایگزیکٹو، ڈائریکٹروں اور ایگزیکٹو کے مشاہرے

زیر نظر مالی سال کے دوران کمپنی کے چیف ایگزیکٹو، ڈائریکٹروں اور ایگزیکٹو کے مشاہرے بشمول تمام سہولیات کے ضمن میں اوسطاً درج ذیل رقم کو مالیاتی دستاویز کے نوٹ نمبر 39 میں درج کیا جا چکا ہے۔ پالیسی برائے ڈائریکٹرز کے معاوضے اور میٹنگ فیس کا خلاصہ رپورٹ کے ساتھ منسلک ہے۔

### لین دین کے دیگر معاملات

کمپنی نے معمول کے کاروباری معاملات کے تحت اہم انتظامی اشخاص اور متعلقہ پارٹیوں سے لین دین کے درج ذیل معاملات کئے ہیں۔ ذیل میں پیش کئے جانے والے معاملات معاشی اہمیت کے حامل ہیں اور ان معاملات کو معمول کے کاروباری معاملات کے تحت کیا گیا جنہیں مالیاتی دستاویز کے نوٹ نمبر 40 میں درج کیا جا چکا ہے۔

اہم انتظامی شخصیات میں وہ افراد شامل ہیں جو کمپنی میں براہ راست یا بالواسطہ منصوبہ بندی کرنے، ہدایات دینے اور معاملات پر گرفت رکھنے کے عمل میں شریک ہیں۔

متعلقہ پارٹیوں جن کے ساتھ کمپنی کی جانب سے لین دین کے معاملات کئے گئے یا ان سے معاہدات کئے گئے یا جن کے ساتھ دوران سال کسی بھی قسم کا کوئی بندوبست کیا گیا ان کے نام بمعہ تعلق کی بنیاد کو بھی مالیاتی دستاویز کے متعلقہ نوٹس میں درج کیا جا چکا ہے۔ کمپنی کے ساتھ متعلقہ پارٹیوں کے لین دین کے معاملات معمول کی کاروباری روایات کے تحت شفافیت کے ساتھ کئے گئے۔

### معاملات کی اہمیت کا تعین

معاملات کی اہمیت کا تعین ایک غیر معروضی عمل ہے اور اس سلسلے میں ایک سے دوسرے ادارے کے مابین تفاوت پایا جاتا ہے۔ معاملات طے کرنے کی مجازیت اور انتقال اختیار کی واضح طور پر تعریف کر دی گئی ہے اور ان معاملات کیلئے کمپنی میں ایک واضح اور جامع نظام موجود ہے۔ کمپنی میں معاملات کی اہمیت کے تعین کیلئے ہر سال نظر ثانی کرنے کے بعد اس کی معقولیت کا تعین معروضی حالات کے تحت کیا جاتا ہے۔

## انفارمیشن ٹیکنالوجی کمیٹی کے ممبران کی اجلاسوں میں شرکت

انفارمیشن ٹیکنالوجی کمیٹی کے دوران سال دو اجلاس منعقد کئے گئے۔ ان اجلاسوں میں متعلقہ ممبران کی حاضری سے متعلق تفصیلات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب غلام حیدر	چئیر مین	2
2	سید ریحان احمد ہاشمی	ممبر	2
3	جناب شیراز خان	ممبر	1
4	جناب عبادا ظہر	ممبر	1

جناب شیراز خان کو جناب عبادا ظہر کی جگہ 1 مئی 2019ء تعینات کیا گیا۔

## کمیٹی برائے کارپوریٹ معاشرتی ذمہ داری کے اجلاسوں میں ممبران کی شرکت

زیر نظر مالی سال کے دوران کارپوریٹ معاشرتی ذمہ داری کمیٹی کے چار اجلاس منعقد کئے گئے۔ کمیٹی کے تمام ممبران کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب رحیم بخش	چئیر مین	4
2	جناب محمد اسلم	ممبر	4
3	جناب شاہد عزیز	ممبر	4
4	جناب ریحان احمد ہاشمی	ممبر	4

## کمیٹی برائے رسک مینجمنٹ کے اجلاسوں میں ممبران کی شرکت

زیر نظر مالی سال کے دوران رسک مینجمنٹ کمیٹی کے چار اجلاس منعقد کئے گئے۔ کمیٹی کے تمام ممبران کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب محمد اسلم	چئیر مین	2
2	جناب غلام حیدر	ممبر	1
3	جناب شاہد عزیز	ممبر	2

## بورڈ کی کارکردگی کی جانچ

کارپوریٹ گورننس کے ضوابط کے تحت بورڈ کی منظوری سے ایک خود احتسابی کا نظام عمل میں لایا گیا ہے تاکہ بورڈ اپنی کارکردگی کا جائزہ لے سکے۔ اس نظام کے تحت بورڈ، اس کے ڈائریکٹروں اور بورڈ کی کمیٹیوں کا بذریعہ مباحث، اور سوالات جائزہ لیا جانا مقصود ہے، ان مباحث اور سوالات کی توجہ بنیادی طور پر بورڈ کے دائرہ کار، مقاصد، افعال، ذمہ داریوں، کمپنی کی کارکردگی اور مانیٹرنگ کے نظام کی جانب ہوگی۔ جانچ کے اس نظام کا مقصد مجموعی کارپوریٹ مقاصد، کمپنی کے گورننس اسٹرکچر، قوانین اور ضوابط بابت پاسداری، کارکردگی، تعاون اور قدر میں اضافے جیسے امور کو مد نظر رکھتے ہوئے بورڈ کی کارکردگی کا جانچا جائے۔ بورڈ کے تمام ممبران کی جانب سے جانچ کے اس عمل میں حصہ لیا گیا اور ان سب نے اپنی اپنی رائے کا اظہار بھی کیا۔

## ڈائریکٹروں کی تربیت

کمپنی کے ایک ڈائریکٹر مطلوبہ اہلیت کے حامل ہیں اس لئے وہ کارپوریٹ گورننس کے ضوابط کے تحت تربیتی پروگرام میں شرکت سے مستثنیٰ ہیں۔ جہاں دیگر ڈائریکٹروں کا تعلق ہے وہ کارپوریٹ گورننس کے ضوابط کے تحت تربیتی پروگرام کی تکمیل پہلے ہی کر چکے ہیں۔

بورڈ کے اجلاسوں میں بورڈ آف ڈائریکٹرز کی حاضری

بورڈ کے اجلاسوں میں ڈائریکٹرز کی حاضری

زیر نظر مالی سال کے دوران بورڈ کے چار اجلاس منعقد کئے گئے۔ ان اجلاسوں میں شرکت نا کرنے والے ڈائریکٹروں رخصت دے دی گئی تھی۔ تمام ڈائریکٹروں کی فرداً فرداً حاضری ذیل میں پیش کی جا رہی ہے:

نمبر شمار	ڈائریکٹروں کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب غلام دستگیر راجڑ (4 دسمبر 2019 کو استعفی دے چکے ہیں)	سابقہ چیئرمین	2
2	جناب گل محمد (4 دسمبر 2019 کو تعینات کئے گئے)	چیئرمین	-
3	حاجی خدا بخش راجڑ	چیف ایگزیکٹو	3
4	جناب محمد اسلم	ڈائریکٹر	4
5	جناب رحیم بخش	ڈائریکٹر	4
6	جناب غلام حیدر	ڈائریکٹر	3
7	جناب قاضی شمس الدین	ڈائریکٹر	4
8	جناب شاہد عزیز	ڈائریکٹر (این آئی ٹی)	4

آڈٹ کمیٹی کے ممبران کی اجلاسوں میں حاضری

دوران سال آڈٹ کمیٹی کے چار اجلاس منعقد کئے گئے۔ تمام ممبران کی فرداً فرداً حاضری درج ذیل ہے:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب رحیم بخش	چیئرمین	4
2	جناب شاہد عزیز	ممبر	4
3	جناب محمد اسلم	ممبر	4

انسانی وسائل و ادائیگیوں سے متعلق کمیٹی کے ممبران کی اجلاسوں میں شرکت

انسانی وسائل و ادائیگیوں سے متعلق کمیٹی کی زیر نظر سال کے دوران دو اجلاس منعقد کئے گئے۔ ان اجلاسوں میں متعلقہ ممبران کی حاضری سے متعلق

معلومات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب رحیم بخش	چیئرمین	2
2	جناب محمد اسلم	ممبر	2
3	جناب شاہد عزیز	ممبر	2

## بورڈ کی کمیٹیاں

بورڈ کی جانب سے مندرج ذیل ممبران پر درج ذیل کمیٹیاں بنائیں گئی ہیں:

## الف) آڈٹ کمیٹی

عہدہ	نام
چیرمین	1- جناب رحیم بخش
ممبر	2- جناب محمد اسلم
ممبر	3- جناب شاہد عزیز

## ب) کمیٹی برائے انسانی وسائل و ادائیگیاں

عہدہ	نام
چیرمین	1- جناب رحیم بخش
ممبر	2- جناب محمد اسلم
ممبر	3- جناب شاہد عزیز

## ج) کمیٹی برائے رسک مینجمنٹ

عہدہ	نام
چیرمین	1- جناب محمد اسلم
ممبر	2- جناب غلام حیدر
ممبر	3- جناب شاہد عزیز

## د) کمیٹی برائے کارپوریٹ معاشرتی ذمہ داری

عہدہ	نام
چیرمین	1- جناب رحیم بخش
ممبر	2- جناب محمد اسلم
ممبر	3- جناب شاہد عزیز

## 4- جناب ریحان احمد ہاشمی

## ه) کمیٹی برائے انفارمیشن ٹیکنالوجی و اسٹیرنگ

عہدہ	نام
چیرمین	1- جناب غلام حیدر
ممبر	2- سید ریحان احمد ہاشمی
ممبر	3- جناب شیراز خان

### کارپوریٹ گورننس اور کارپوریٹ گورننس کے سنہرے اصولوں کی پاسداری

اعلیٰ اخلاقی اقدار کی پاسداری کمپنی کی طویل تاریخ کا حصہ ہے اور مستقبل میں بھی ان سنہرے اصولوں پر عمل پیرا رہنے کیلئے کمپنی پر عزم ہے۔ بورڈ کی جانب سے مستقل بنیادوں پر اس سلسلے میں رہنمائی فراہم کی جاتی ہے کہ موجودہ نظام میں ستم تلاش کئے جائیں اور بورڈ پر ہی اس بات کی بنیادی ذمہ داری عائد ہوتی ہے کہ کمپنی کی مناسب سمت میں رہنمائی کرے اور اس کی سرگرمیوں کی کڑی نگرانی کرے۔ ان ذمہ داریوں میں کمپنی کے رسک کی نشاندہی کرنا اور انہیں قابو میں رکھنا، مینجمنٹ انفارمیشن سسٹم کو مربوط بنانا اور حصص داران تک صحیح اور درست معلومات کی فراہمی کو ممکن بنانا شامل ہیں۔

کمپنی کا کارپوریٹ گورننس اسٹرکچر آریٹیکلز آف ایسوسی ایشن کی بنیاد پر استوار ہے۔ اس کے علاوہ اس اسٹرکچر کو استوار کرنے میں دیگر قواعد و ضوابط کا لحاظ بھی رکھا گیا ہے جن کا اطلاق پاکستان اسٹاک ایکچینج میں لسٹڈ کمپنیوں پر ہوتا ہے۔ اس نظام کو مزید مربوط بنانے کیلئے اندرونی نظام کا سہارا بھی لیا جاتا ہے جس میں رسک کی جانچ اور کنٹرول کا نظام، مروجہ قوانین کی پاسداری سے متعلق جانچ کا نظام اور کمپنی کا ضابطہ اخلاق شامل ہیں۔

### ڈائریکٹروں کی تعداد

ڈائریکٹروں کی کل تعداد سات (7) ہے جن کی تفصیلات درج ذیل ہیں:

- الف) حضرات : سات (7)  
ب) خواتین : کوئی نہیں

### بورڈ کا امتزاج

بورڈ کا امتزاج درج ذیل ہے:

غیر جانبدار ڈائریکٹر

1- جناب رحیم بخش

دیگر غیر انتظامی ڈائریکٹر

1- جناب گل محمد

2- جناب محمد اسلم

3- جناب قاضی شمس الدین

4- جناب شاہد عزیز (این آئی ٹی)

انتظامی ڈائریکٹر

1- حاجی خدا بخش راجڑ

2- جناب غلام حیدر

خواتین ڈائریکٹر

کوئی نہیں

- لسٹنگ قواعد کے عین مطابق کمپنی کی جانب سے کوڈ آف کارپوریٹ گورننس کی مکمل پاسداری کرتی ہے۔ اس سلسلے میں درج ذیل اہم بیانات پیش خدمت ہیں:
- ☆ مینجمنٹ کی جانب سے تیار شدہ مالیاتی دستاویزات کمپنی کے تمام امور، آپریشنز کے نتائج، ترسیل نقد رقوم اور حصص میں رد و بدل سے متعلق معاملات کی صحیح صحیح ترجمانی کرتی ہیں۔
  - ☆ کمپنی کی جانب سے متعلقہ ریکارڈ کو باقاعدہ قواعد کے مطابق کھاتوں میں درج کیا گیا ہے۔
  - ☆ تمام مالیاتی دستاویزات کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پر عمل کیا گیا ہے، نیز تمام مالیاتی تخمینے معقول اور قرین قیاس ہیں۔
  - ☆ مالیاتی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مستعمل بین الاقوامی محاسبی معیارات کی مکمل پاسداری کی گئی ہے اور اس سلسلے میں کسی قسم کی کوئی روگردانی نہیں کی گئی۔
  - ☆ اندرونی طور پر کنٹرول کا نظام انتہائی منظم اور جامع ہے اور اسے مؤثر انداز سے نافذ کیا گیا ہے اور اس پر مکمل نظر رکھی جاتی ہے۔
  - ☆ ایسی کوئی وجہ نظر نہیں آتی جس کی بنیاد پر کمپنی کو ختم کرنے سے متعلق کوئی سوال پیدا ہوتا ہو کہ کمپنی اپنا وجود برقرار رکھ پائے۔
  - ☆ کارپوریٹ گورننس کی بہترین پالیسیوں سے کوئی ایسا انحراف نہیں کیا گیا جو کہ قابل غور اور ذکر ہو۔
  - ☆ کمپنی کے مالیاتی نتائج سے متعلق گزشتہ دس کی اہم معلومات کا خلاصہ رپورٹ ہذا کے ساتھ منسلک ہے۔
  - ☆ قانوناً کمپنی کو کوئی قابل ذکر ادائیگیاں نہیں کرنا پڑیں ماسوائے ان ادائیگیوں کے جو کہ کاروبار میں معمول کا حصہ ہیں اور ماسوائے ان چند تنازعات کے جن کا ذکر مالیاتی دستاویزات کے اندر متعلقہ نوٹس میں کیا جا چکا ہے۔
  - ☆ تمام مستقل اور اہلیت کے حامل ملازمین کیلئے کمپنی میں ایک غیر فنڈ شدہ گریجویٹ اسکیم جاری ہے اور اس کے علاوہ اہلیت پر پورے اترنے والے ملازمین کیلئے لیونگسٹیمٹ اسکیم بھی موجود ہے جس کی ادائیگی ملازمین کو کمپنی سے ریٹائرمنٹ کے وقت کی جاتی ہے۔ تخمینے کی بنیاد پر ہر سال ذمہ داریوں سے نبرد آزما ہونے کی غرض سے پروویژن فراہم کیا جاتا ہے جس سے متعلق تمام تر معلومات کو رپورٹ ہذا کے نوٹس میں بیان کیا جا چکا ہے۔
  - ☆ کمپنی کی بابت ترتیب حصص داری کی جدول کو بھی سالانہ رپورٹ کا حصہ بنایا گیا ہے۔
  - ☆ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تمام کمپنیوں نے اس بات کو یقینی بنانا ہے کہ بورڈ میں شامل تمام ڈائریکٹرز ایکٹر ٹریڈنگ پروگرام کے تحت سرٹیفیکیشن حاصل کر چکے ہیں۔ چیف ایگزیکٹو کے علاوہ تمام ڈائریکٹرز انسٹیٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹس آف پاکستان کے منعقدہ کورس میں ڈائریکٹر ٹریڈنگ پروگرام کی تکمیل کر چکے ہیں۔ جہاں تک چیف ایگزیکٹو کا تعلق ہے انہیں اپنی تعلیمی قابلیت کی بنیاد پر قواعد کے مطابق اس تربیتی کورس سے استثناء حاصل ہے۔
  - ☆ بورڈ کی جانب سے ہمہ وقت یہ کوششیں جاری رہتی ہیں کہ بورڈ اپنی اور اپنی کمیٹیوں کی کارکردگی میں بہتری پیدا کرے۔ بورڈ کی جانب سے کوڈ آف کارپوریٹ گورننس کے قواعد کے مطابق ایک ایسا نظام مرتب کیا گیا ہے جس کے تحت بورڈ اور اس کی کمیٹیوں کی کارکردگی کا سالانہ بنیادوں پر جائزہ لیا جاتا ہے۔ اس کے علاوہ کارپوریٹ گورننس کے میدان میں ہونے والی نئی تحقیق سے بھی بورڈ خود کو آگاہ رکھتا ہے تاکہ کمپنی بہترین روایات کی پاسداری کرتی رہے۔
  - ☆ ہمارے بہترین علم کے مطابق کمپنی کے ڈائریکٹروں، چیف ایگزیکٹو اور ان کے ازواج اور نابالغ بچوں کی جانب سے دوران سال کمپنی کے حصص میں کسی قسم کی کوئی اور لین دین نہیں کی گئی۔
  - ☆ کارپوریٹ گورننس کے سنبھلے اصولوں کی پاسداری برائے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 سے متعلق ایک بیان بھی رپورٹ ہذا کے ساتھ منسلک ہے۔

عرصے کے مقابلے میں اس سال پیداوار میں 28.43 فیصد کمی واقع ہوئی ہے۔ اس سال گزشتہ سال کے مقابلے میں سکروز کی ریکوری کی شرح میں 0.38 فیصد کا اضافہ درج کیا گیا ہے، اس سال ریکوری کی شرح 10.75 فیصد رہی جبکہ گزشتہ سال ریکوری کی شرح 10.37 فیصد درج کی گئی تھی۔

## مالیاتی نتائج

کمپنی کے اہم ترین مالیاتی نتائج بابت مالی سال 30 ستمبر 2019 کا خلاصہ بمعہ تقابلی جائزہ بابت گزشتہ مالی سال ذیل میں پیش کیا جا رہا ہے:

2018	2019	
.....	.....	روپے ہزاروں میں
24,868	(148,608)	(نقصان) / منافع قبل از ٹیکس
(5,442)	49,753	ٹیکس
19,426	(98,855)	(نقصان) / منافع بعد از ٹیکس
1.63	(8.28)	(نقصان) / نفع فی حصص بنیادی و تھیلی

گوکہ آپ کی کمپنی کی انتظامیہ کی جانب سے مینوفیکچرنگ اور انتظامی امور کے اخراجات کو کامیابی کے ساتھ قابو میں رکھا گیا اور افراط زر میں ہوشربا اضافہ ہونے کے باوجود کمپنی کے حتمی مالیاتی نتائج منفی رہے جس کی وجہ لاگت برائے فرسودگی اور لاگت برائے تمویل ہے۔

لاگت برائے فرسودگی میں مستقل اثاثوں کی قدر میں جانچ کے ہونے والے اضافے کا عکس ہے اور لاگت برائے تمویل میں اس لئے اضافہ ہوا کہ مالی سال کے آغاز میں KIBOR کی شرح 8.5 فیصد تھی جو کہ سال کے آخر تک بڑھتے بڑھتے 13.25 فیصد تک جا پہنچی۔

لہذا ہماری جانب سے ریکوری کی شرح کو بلند ترین سطح پر رکھنے، چینی کی فروخت میں مستعدی سے کام لینے اور اخراجات کو قابو میں رکھنے کیلئے کی جانے والی تمام کوششیں بھی مندرجہ بالا وجوہات کی بنیاد پر کمپنی کے حتمی مالیاتی نتائج کو مثبت رکھنے میں بار آور ثابت نہ ہو سکیں۔

## آڈیٹروں کی رپورٹ پر اظہار رائے

کمپنی کے قانونی آڈیٹروں کی جانب سے اپنی رپورٹ میں 18-2017 کے سیزن کیلئے 22 روپے فی من کے پروویژن کی عدم موجودگی سے متعلق تاکید اذکر کیا ہے۔ اس سلسلے میں ہم آپ کے گوش گزار کرنا چاہتے ہیں کہ جیسا کہ اوپر ذکر کیا جا چکا ہے آپ کی مالیاتی دستاویزات کو گنے کی قیمت 160 روپے فی 40 کلوگرام کی بنیاد پر تیار کیا گیا ہے اور ایسا کرنے میں معزز عدالت عالیہ کے عبوری حکم کو مد نظر رکھا گیا ہے جس میں تمام شراکت داروں کی رضامندی شامل تھی۔ ہم امید کرتے ہیں کہ شوگر کی صنعت کے دیگر گوں حالات کو مد نظر رکھتے ہوئے معزز عدالت عالیہ کی جانب سے حتمی فیصلہ کنسٹیٹ آرڈر کے مطابق ہی آئے گا۔

## کارپوریٹ اور مالیاتی رپورٹنگ فرم ورک سے متعلق بیان

بورڈ آف ڈائریکٹرز اور کمپنی اس بارے میں پر عزم ہیں کہ کارپوریٹ گورننس کے سنبھلے اصولوں کی مکمل پاسداری کی جائے اور شفافیت اور حقیقی معلومات کی فراہمی کو ممکن بنایا جائے۔ بورڈ اور کمپنی اپنی ذمہ داریوں کا بخوبی احساس کرتے ہیں اور ان کی جانب سے کمپنی کے تمام آپریشنز کی نگرانی کی جاتی ہے اور کمپنی کا کردار کو مزید موثر بنانے کیلئے، معاملات کی صحت، جامعیت اور مالیاتی غیر مالیاتی دستاویزات کی تیاری میں شفافیت جیسے امور کی کڑی نگرانی کی جاتی ہے۔

اس بات کو مد نظر رکھتے ہوئے کہ گنے کی قیمت کا تعین حکومت کی جانب سے کیا جاتا ہے اور چینی کی قیمت کا تعلق مارکیٹ کی قوتیں کرتی ہیں، جس میں کہ گراؤٹ کاروجان پایا جاتا ہے، جس کی وجہ سے لاگت اور قیمت فروخت میں فرق پیدا ہو جاتا ہے جس کا لڑی نتیجہ یہ نکلتا ہے کہ چینی کی قیمت میں کمی جانے والی ردوبدل اس تناسب سے نہیں ہوتی جس تناسب سے خام کی لاگت اور دیگر پیداواری اخراجات میں فرق پڑتا ہے۔

گزشتہ چند سالوں کے دوران کسانوں اور مل مالکان کے درمیان قیمتوں کے اس فرق پر پیدا ہونے والا تنازعہ پہلے سے زیادہ پیچیدہ صورتحال اختیار کر چکا ہے۔ کسانوں کی جانب سے یہ مطالبہ کیا جاتا ہے کہ گنے کی قیمت میں اضافہ کیا جائے جبکہ شوگر مل مالکان کا شکوہ ہے کہ چینی کی پیداواری لاگت میں اضافہ ہی ہوتا جا رہا ہے جس کی وجہ سے اوپن مارکیٹ میں چینی کی قیمت پر منفی اثرات مرتب ہوتے ہیں۔

سال ہا سال سے گنے کی امدادی قیمت کا تعین صوبائی حکومتوں کی جانب سے کیا جا رہا ہے، پنجاب اور سندھ میں ان قیمتوں میں عموماً فرق پایا جاتا ہے۔ گزشتہ دس سالوں کے دوران گنے کی امدادی قیمت میں 220 فیصد اضافہ ہوا ہے جبکہ اسی عرصے کے دوران چینی کی قیمت فروخت میں محض 100 فیصد اضافہ کیا گیا ہے۔ قیمتوں کے تعین 100 فیصد سے زائد کا یہ فرق شوگر کی صنعت کو بری طرح متاثر کر رہا ہے اور چند ملیں جو اس نقصان کو برداشت نہیں کر پار ہی تھیں یا تو بند ہو چکی ہیں یا بند ہونے کے قریب ہیں۔ گنا پاکستان کی شوگر کی صنعت میں بنیادی خام مال ہے اس لئے پیداواری لاگت کا 80 فیصد علاوہ دیگر اخراجات اسی پر منحصر ہے۔ حکومت کی جانب سے ٹیکسوں کی بلند شرح بھی قیمتوں میں اضافے کا باعث بنتی ہے۔

### معلومات بات کمپنی

### بنیادی افعال کار

بنیادی طور پر کمپنی چینی اور اس کی ذیلی مصنوعات بنانے اور انہیں فروخت کرنے کے کاروبار سے منسلک ہے، چینی کی ذیلی مصنوعات میں گنے کا پھوک اور راب شامل ہیں۔ کمپنی کی جانب سے گنے کے پھوک کو جلا کر بجلی پیدا کرنے کا ایک پلانٹ بھی نصب کیا گیا ہے تاکہ اس پلانٹ سے بجلی پیدا کرنے کے بعد فاضل بجلی کو قومی گرڈ میں شامل کیا جاسکے۔ مینوفیکچرنگ کی یہ سہولت ساگھڑ سندھڑی روڈ، دیہہ کبوتر، ضلع ساگھڑ صوبہ سندھ میں واقع ہے۔

### کاروباری نتائج اور ان کا جائزہ

2017 - 2018	2018 - 2019	
30-11-2017	21-11-2018	آغاز برائے سیزن
19-04-2018	28-02-2019	اختتام برائے سیزن
142	100	گنے کی پسائی کا دورانیہ - دنوں میں
712,124	490,932	گنے کی پسائی کی مقدار - ملین ٹن میں
5,014.96	4,909.32	اوسط یومیہ پسائی (میٹرک ٹن میں)
73,776	52,799.25	چینی کی پیداوار - ملین ٹن میں
10.37	10.75	سکرور کی ریکوری - فیصد میں

ہماری کمپنی کی جانب سے پسائی کا آغاز 21 نومبر 2018 کو کیا گیا پسائی کا عمل 28 فروری 2019 تک جاری رہا۔ پلانٹ نے صرف 100 دنوں تک کام کیا جس کی وجہ پیداوار میں آنے والی کمی تھی۔ کمپنی بشکل 52,799.25 میٹرک ٹن چینی پیدا کر سکی اس طرح گزشتہ مالی سال کے اسی

## ڈائریکٹروں کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر انتہائی مسرت کے ساتھ کمپنی کی چونتیسویں سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 ستمبر 2019 آپ کی خدمت میں پیش کر رہے ہیں۔

صنعت کے احوال

صنعتی جائزہ

گنے کی کاشت میں پاکستان دنیا میں بڑی پیداوار کرنے والا ملک ہے۔ دیگر نقد آدو فصلوں کی طرح گنا بھی پاکستان کی اہم نقد آدو فصلوں میں شمار ہوتا ہے۔ شوگر کی صنعت میں گنے کی بنیادی حیثیت ہونے کے علاوہ گنا کا غذا اور بورڈ کی صنعت کیلئے بھی اہم خام مال ہے۔ چینی کی پیداوار میں پاکستان کا دنیا میں نواں نمبر ہے۔ جبکہ دوسری جانب چینی کے مصارف کے لحاظ سے پاکستان دنیا میں آٹھویں نمبر پر آتا ہے۔ حالیہ گنے کیلئے پاکستان میں ایک ملین ہیکٹر سے زائد اراضی زیر کاشت ہے جس کے باعث سالانہ پانچ ملین ٹن سے زائد خالص چینی پیدا کی جاتی ہے۔

ٹیکسٹائل کے بعد شوگر کی صنعت پاکستان میں زراعت پر چینی دوسری بڑی صنعت ہے۔ شوگر کے علاوہ گنے کو بطور خام مال فارماسیوٹیکل، اتھنول، بلیس برائے پیپر، چیپ بورڈ بنانے اور زرعی مقاصد کیلئے زمین مین دبانے کے بعد بطور کھاد بھی استعمال کیا جاتا ہے۔ گنے کی کاشت عموماً پاکستان کے ان اونچے ڈیلٹاؤں میں کی جاتی ہے جو پاکستان کے بڑے بڑے دریاؤں میں طغیانی آنے بعد سیلاب سے محفوظ رہتے ہیں۔

گنے کی فصل ایک اندازے کے مطابق 64 ملین میٹرک ٹن تک ہو سکتی ہے۔ گنے کی فصل 3 سے 5 سال کے عرصے میں تبدیل کی جاتی ہے۔ تین سال کیے بعد دیگرے گنے کی پیداوار میں اضافے کے بعد اس کی پیداوار میں کمی کا رجحان پایا جاتا ہے جس کی بنیادی وجہ پرانی فصل کے مقابلے میں زیر کاشت علاقے میں آنے والی کمی تھی۔ مالی سال 19-2018 کے دوران گنے کے زیر کاشت اراضی میں 12 فیصد کمی واقع ہوئی تھی مالی سال 20-2019 کے دوران اندازہ ہے کہ زیر کاشت اراضی میں 5 فیصد کمی واقع ہوگی جس کی وجہ انہیں اس اراضی پر کپاس اور کئی کی کاشت سے زیادہ اچھا منافع حاصل ہو سکتا ہے۔

ٹیکسٹائل کی صنعت کے بعد شوگر کی صنعت وہ واحد صنعت ہے جسے زراعت پر مبنی صنعت کیلئے ماڈل قرار دیا جاسکتا ہے۔ گنے کی کاشت لیبر کو مصروف رکھنے کا ایک بڑا ذریعہ جہاں 134 افرادی ہیکٹر ضرورت پیش آتی ہے۔ گنے کی کاشت کی وجہ سے جزوی طور پر کاشت کے موسم میں 3.9 ملین افراد کو روزگار فراہم کیا جاتا ہے جو کہ زراعت سے وابستہ کل لیبر فورس کا 12.14 فیصد بنتا ہے۔

ملک میں اس وقت بہت ساری شوگر ملیں کام کر رہی ہیں جو کہ نہ صرف عوام کو روزگار کے مواقع فراہم کر رہی ہیں بلکہ ٹیکسوں کی مد میں قومی خزانے میں اربوں روپے بھی جمع کروا رہی ہیں۔ گو شوگر کی صنعت کو پاکستان میں گروہ بندی کے ذریعے زیادہ منافع کمانے کے حوالے سے ہمیشہ تنقید کا نشانہ بنایا گیا ہے۔ گو کہ پاکستان صوبہ سندھ، پنجاب اور خیبر پختون واہ کے دیہی علاقوں میں معاشی اور معاشرتی زندگی شوگر کی صنعت سے وابستہ ہے۔ یہ شوگر ملیں کسان کے ساتھ براہ راست رابطہ کر کے ان سے ان کے مسائل دریافت کرتے ہیں اور ان کے مسائل کا حل پیش کرتی ہیں جن میں اعلیٰ معیار کے بیج، کھاد اور کیڑے مار دوائیوں کی فراہمی شامل ہے۔

# Report on Corporate Social Responsibility

Dear Members,

Being the Country's responsible corporate citizen, Sanghar Sugar Mills Limited gives back to society to help build a sustainable tomorrow. The Company is playing an active role in supporting sustainable community and social development of Pakistan and its people. The Company believes in the creation of shared economic and social value across the country. This following Report updates the stakeholders about the steps taken by the Company to ensure compliance:

## Education

The Company ensures that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes and also ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

To alleviate illiteracy in the rural areas of the Country, the Company has launched education program through Al-Qalam Welfare Trust School established in 2008 and is providing education facilities at the premises adjacent to the Mills' Employees' Colony by upgrading education facilities that are child, disability and gender sensitive and provide safe, non-violent, inclusive and effective learning environments for all by the qualified staff on concessional basis to the children of the factory employees and persons living nearby in rural areas.

The Education started from a single class room of Kindergarten with admission of 10 students. Now, in a days, grows upto class 8th having total strength of 250 students with beautiful infrastructure, neat and clean environment with availability of all basic facilities within covered premises viz large size ventilated class rooms, computer lab, laboratory, playground, tuck shop and uninterrupted power supply. Teacher's strength of school is one head mistress, twelve lady teachers & one Arabic teacher (Aa'lma). Main emphasis to run the school is to help poor people of the area, to encourage girl's education, to inspire students to internalize Islamic education in their social growth, attaining self-actualization. Education in remote areas is a big challenges specially those who are not able to afford the expenses of such a qualitative, modern education nearer to their door step. In addition to above, various events are being organized like Annual Sports Day, Parent's Day etc.

## Medical & Health Care

The Company is responsive to make efforts to minimize the accidental risks, have necessary medical facilities and continuously strive to improve greenery and maintain clean and safe environment around the Mills, better housekeeping, safeguarding the health of employees and application of the principles of safety in its operations, the consumers and public at large by following the rules and regulations in this regard. The Company is running dispensary through a qualified and experienced doctors for its employees and for persons living in adjoining areas.

The Management has conducted "Annual Free Eye Camp" for three days. The Camp was held on February 01, 2019 to February 03, 2019 on the premises of the Company. In free camp, checkup of over 1,200 Outpatients were conducted and operations of 505 patients were satisfactorily done including lenses replacements and fixation as per our past practice by the four doctors and ten technician. Before the launch of camp, an advertisement campaign was made through radio, cable, social media & pamphlets for the

information of needy persons. Free pick and drop arrangement was made for the patients and caring persons from the areas of Sanghar, Perumal and Mirpurkhas division. Free arrangements of accommodation and food was arranged for patients, care takers, doctors and their staff. The whole camp was financed by the Company and as well as by the Executives personally.

Further, the Company is contributing through donations to the "Kidney Dialysis Centre - Sanghar" as and when seems necessary.

In order to improve and extend Health Facilities for its employees, the Company has deliberated Ministry of Overseas Pakistanis & Human Resources Development, Workers Welfare Fund, Government of Pakistan, Islamabad, which has expressed its willingness to construct Fifty Beds Hospital by Workers Welfare Fund on the premises of the Company in Sanghar, if the Company is ready to donate (free of cost and any charge or mortgage) Five Acres Land and transfer its Title to Workers Welfare Fund, Ministry of Overseas Pakistanis & Human Resource Development, Government of Pakistan.

On November 23, 2016, the shareholders of the Company approved the Board of Directors proposal in the Extra Ordinary General Meeting that the donation (free of cost and any charge or mortgage) and Transfer 05 Acres Land, out of 320 Acres Land of the Company in Sanghar.

In order to implement the Agreements with the Ministry of Overseas Pakistanis & Human Resource Development, Workers Welfare Fund, Government of Pakistan, Islamabad, for the purpose of construction of Fifty Beds Hospital on the above said Land in the vicinity of the Company located in Sanghar, the formalities of transfer of Land and other documentation is in process till date.

### **Purified Drinking Water**

The Company has achieved universal and equitable access to safe and affordable drinking water for all, ensures supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity and strengthen the participation of local communities in improving water and sanitation management.

Therefore, the Company have made arrangement for the Reverse Osmosis Plant having capacity of 5000 Gallons per day for Mills and surrounding area residents to provide clean and purified drinking water. The installation of plant has been finalized and starts the supply of purified water since July 2019.

### **Community & Social Development**

The Company's efforts have primarily on improving the social conditions of the Communities and employees related to the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labour and forced labour etc.

To support the sugarcane growers of the area and provide better quality seeds and fertilizers to achieve improvement in quality of sugarcane and enhance its quantity and productivity in order to have regular, constant and better supply in future the major basic raw material for sugar mills.

The Company continuously is striving to improve greenery, maintaining clean environment around the mills and better house-keeping. The Company installed and maintained water filtration plant and tanks to purify the water used for drinking purpose.

### **Human Resource Management:**

There are policies and procedures which demonstrate the Human Resource department, a philosophy of fair and transparent appointments on the basis of merit and give objective of performance evaluation, which ultimately results in the increments, promotions, bonuses and cash awards. Being social responsible, the Company gives importance on providing an opportunity with dignity to people with special needs who are trained to serve the Company as a valuable human capital. We have appointed some special persons as part

of human resource. The Company treats all employees fairly and compensates them according to the industry practice. The Company provides the benefits such as perquisites, annual leaves, pick and drop, facility of mess, safe and healthy working conditions etc along-with group insurance, making payments to Employees Old Age Benefits Institution, Worker's Welfare Fund, Worker's Profit Participation Funds. The Company is committed to maintaining the principles of integrity and trust with respect to privacy of the employees of the Company.

The management of the Company encourages employment of workforce living in the rural areas in order to yield significant gain and uplift their living standard. Further, the management also appoint disabled persons as an employee and currently the workforce includes sixteen disabled persons and the disability includes employees having stammered, deaf & dumb, limp (accident), artificial foot, damage eye and polio cases.

The Company is in the process to strengthen our policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all level and ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life.

#### **Contribution towards Economy & Government:**

The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.

Pakistan is facing severe energy crises and efforts to increase power generation. This is resulting in load-shedding and power shutdowns in all sectors, whether industrial or residential. Considering the importance of energy, the Company has been heavily investing in power generation, which includes installation of equipment & machinery, with our manufacturing area for our in-house consumption and surplus energy are sold to Hyderabad Electric Supply Corporation, to overcome the crises of power generation to some extent.

#### **Expenditure Incurred:**

The expenditures incurred on Corporate Social Responsibility Activities are disclosed in notes to the financial information under the heading of "Other Operating Cost".

#### **CSR Plans:**

The Company is in the process of developing water and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, waste water treatment, recycling and reuse technologies, therefore, the Company has finalized arrangement / agreement for terms & conditions with Critical GREEN (SMC-Private) Limited, (the Technology Developer and Implementer of Constructed Wetlands Technology) for the treatment of waste-water, through Activated Sludge Process (Chemical + Biology) process at Mills to meet the SEQs requirements of Sindh Environmental Protection Agency. The project work are in progress and will be completed as per the schedule time.

Karachi  
December 28, 2019

**Rahim Bux**  
Chairman  
Corporate Social Responsibility Committee

## سرکاری و معاشی میدانوں میں کمپنی کا حصہ

کمپنی کی جانب سے قومی ترقی میں اپنا بھرپور حصہ ملایا جا رہا ہے اور اس ضمن میں کمپنی اپنی آمدن سے ٹیکسوں، ڈیویڈنڈ اور دیگر لیویز کی مد میں ادائیگیاں کر رہی ہے۔

پاکستان اس وقت شدید توانائی بحران سے گزر رہا ہے اور اس مسئلے سے نمٹنے کی کوششیں کی جا رہی ہیں۔ اس مسئلے کی وجہ سے تمام شعبوں کو لوڈ شیڈنگ اور پاورشٹ ڈاؤن کا سامنا ہے۔ خواہ گھریلو صارفین ہوں یا صنعتی صارفین سب ہی اس مسئلے سے دوچار ہیں۔ توانائی کی اہمیت کو مد نظر رکھتے ہوئے کمپنی کی جانب سے توانائی کے شعبے میں بھاری سرمایہ کاری کی گئی ہے جس میں مشینری اور آلات کی تنصیب شامل ہے جس سے ہمارے صنعت سازی کے عمل کو بھی توانائی کی فراہمی اندر سے ہی پوری ہو جاتی ہے اور فاضل توانائی حیدرآباد الیکٹرک سپلائی کارپوریشن کو بیچ دی جاتی ہے تاکہ جس حد تک ممکن ہو توانائی کے بحران سے نمٹا جاسکے۔

## اخراجات

کارپوریٹ معاشرتی ذمہ داری کی بابت اخراجات کو مالیاتی دستاویزات میں "دیگر کاروباری اخراجات" کے عنوان کے تحت نوٹس میں ظاہر کیا گیا ہے۔

## سی ایس آر منصوبے

کمپنی کی جانب سے پانی اور نکاسی آب سے متعلق ترقیاتی منصوبوں پر کام جاری ہے جس میں واٹر ہارویسٹنگ، ڈی سیلینیشن، واٹر اینیفیشن، ویسٹ واٹر ٹریٹمنٹ، ریسیکلنگ اینڈ ری یوز ٹیکنالوجیز وغیرہ شامل ہیں۔ لہذا کمپنی کی جانب سے کریٹیکل گرین (ایس ایم سی پرائیویٹ) لمیٹڈ (دی ٹیکنالوجی ڈیولپر اینڈ ایکٹو ایٹو آف کنسٹرکٹڈ واٹر لینڈ ٹیکنالوجی) کے ساتھ شرائط و ضوابط طے کرنے کیلئے معاہدہ طے پا چکا ہے جس کے تحت مل کے اندر ویسٹ واٹر کی بذریعہ ایکٹیو ایٹو سلج پروسس (کیمیکل + بائیولوجی) ٹریٹمنٹ کی جائے گی تاکہ سندھ انوائزمنٹل پروٹیکشن ایجنسی کے ضوابط کے مطابق عمل کیا جاسکے۔ پروجیکٹ سے متعلق تمام کام زیر تکمیل ہیں اور منصوبے کے مطابق انھیں مکمل کر لیا جائے گا۔

رحیم بخش

چیرمین

کارپوریٹ معاشرتی ذمہ داری کمیٹی

کراچی

28 دسمبر 2019

## کیونٹی اور معاشرتی ترقی

کمپنی کی توجہ بنیادی طور پر اس جانب مرکوز ہے کہ کمپنی سے متعلق کیونٹی اور ملازمین کے معاشرتی حالات میں بہتری لائی جائے اور اس ضمن میں کمپنی کی جانب سے حالات کار کو سازگار بنانے، پیشہ ورانہ امور میں حفاظت کو یقینی بنانے، معاشرتی معیارات قائم کرنے، کم از کم اجرت کا تعین کرنے اور بچوں سے مشقت لینے اور جبری مشقت کے خلاف مکمل عدم برداشت جیسے اقدامات اٹھائے جا رہے ہیں۔

علاقے میں گنے کی کاشت کرنے والے کسانوں کی امداد کیلئے اور مستقبل میں گنے کی اعلیٰ معیار کی فصل کے حصول کیلئے اور گنے کی وافر مقدار کو ممکن بنانے کیلئے کسانوں کو اعلیٰ معیار کے بیج فراہم کرنے کے ساتھ ساتھ اعلیٰ معیار کی کھاد بھی فراہم کی جا رہی ہے تاکہ مستقبل میں اس بات کو یقینی بنایا جائے کہ گنے کی اعلیٰ معیار اور وافر مقدار کو مستقل بنیادوں پر جاری رکھا جاسکے جو کہ شوگر ملز کیلئے ایک بنیادی خام مال ہے۔

کمپنی کی جانب سے مل کے اندر اور مل قرب جواریں ماحول کو صاف ستھرا اور سرسبز رکھنے کیلئے ہر ممکن اقدامات اٹھائے جا رہے ہیں تاکہ صحت افزاء ماحول پیدا کیا جاسکے۔ کمپنی کی جانب سے پینے کے صاف پانی کی فراہمی کیلئے ایک ٹینک تعمیر کرنے کے علاوہ فلٹر پلانٹ بھی نصب کیا گیا ہے۔

## بندوبست برائے انسانی وسائل

انسانی وسائل کو موثر طریقے سے بروئے کار لانے کیلئے ایسی پالیسیاں اور طریق کار وضع کئے گئے ہیں کہ تعیناتیوں میں شفافیت اور میرٹ کی جھلک نظر آئے۔ اس مقصد کیلئے خدمات کی جانچ پڑتال کا ایک جامع نظام روبرو عمل ہے جس کے نتیجے میں تنخواہوں میں اضافے، ترقیوں، بونس اور نقد انعامات وغیرہ کے فیصلے کئے جاتے ہیں۔ اپنی معاشرتی ذمہ داریوں کا احساس کرتے ہوئے کمپنی کی جانب سے ایسے افراد کو خصوصی تربیت دی جاتی ہے جو خصوصی تربیت کے بعد کمپنی کیلئے قیمتی اثاثہ ثابت ہوتے ہیں۔ کمپنی کی جانب سے چند خصوصی افراد کو بھی انسانی وسائل کا حصہ بنایا گیا ہے۔ کمپنی کی جانب سے تمام ملازمین کے ساتھ جائز سلوک روا رکھا جاتا ہے اور انھیں اجرت کی ادائیگی کے سلسلے میں صنعت کی روایات کی مکمل پاسداری کی جاتی ہے۔ کمپنی کی جانب سے بہت سی سہولیات فراہم کی جاتی ہیں جیسا کہ اضافی مراعات، سالانہ چھٹیاں، ٹرانسپورٹ، مطعم اور سازگار اور صاف اور ستھرے ماحول کار کے علاوہ گروپ انشورنس، اولڈ ایج پنشنس کی ادائیگیاں، ورکرز ویلفیئر فنڈ اور ورکرز پروفٹ پارٹیشنیشن فنڈ جیسی سہولیات بھی میسر ہیں۔ کمپنی ایمانداری اور بھروسے جیسے اصولوں پر یقین رکھتی ہے اور کمپنی کے تمام ملازمین کی نجی زندگی میں عدم مداخلت کو اہمیت کی نظر سے دیکھا جاتا ہے۔

کمپنی کی انتظامیہ کی جانب سے اس بات کو اہمیت دی جاتی ہے کہ دیہی علاقوں میں رہنے والے افراد کو روزگار کے زیادہ سے زیادہ مواقع فراہم کئے جائیں تاکہ ان لوگوں کے معیار زندگی میں بہتری لانے میں مدد مل سکے۔ مزید برآں، کمپنی انتظامیہ کی جانب سے خصوصی افراد کو روزگار فراہم کرنے پر بھی زور دیا جاتا ہے اور اس وقت کمپنی کے ملازمین میں خصوصی افراد کی تعداد سولہ (16) ہے۔ ان خصوصی افراد میں ہکلاہٹ، بہرہ پن، گونگ، (حادثات کے باعث) لنگڑاپن، مصنوعی ٹانگ، امراض چشم اور پولیو سے متاثرہ معذور یوں جیسی معذوریوں شامل ہیں۔

کمپنی اپنی پالیسیوں کو مزید وسعت دینے کے مراحل میں ہے اور اس بات کو یقینی بنایا جا رہا ہے کہ قانوناً ایسی پالیسیوں کے نفاذ کو ممکن بنایا جاسکے جن کے ذریعے جنسی تفاوت کو ختم کیا جائے اور ہر سطح پر خواتین کے موثر کردار کو ممکن بنایا جائے اور انھیں برابری کی بنیاد پر مواقع فراہم کئے جائیں اور وہ بھی اپنی صلاحیتوں کی بنیاد پر لیڈرشپ کا کردار ادا کر سکیں خواہ سیاسی، معاشی یا معاشرتی میدان ہی کیوں نہ ہو۔

## صحت اور طبی سہولیات

کمپنی کی جانب سے حادثات کو کم از کم کرنے کیلئے مؤثر اقدامات اٹھائے جاتے ہیں، ضروری طبی سہولیات فراہم کی جاتی ہیں اور ملز کے اندر اور قرب و جوار میں ماحول کو سرسبز اور صاف ستھرا رکھنے، ملازمین کی صحت کو یقینی بنانے، کمپنی کے افعال کو خطرات سے پاک رکھنے اور صارفین اور عوام الناس کی صحت اور حفاظت کو ممکن بنانے کی غرض سے تمام موجود قواعد و ضوابط کے عین مطابق کمپنی کی جانب سے اقدامات اٹھائے جاتے ہیں۔ کمپنی کی جانب سے قابل اور تجربہ کار طبی ماہرین کے زیر نگرانی کمپنی ملازمین اور قرب و جوار کے عوام کیلئے ایک ڈپنسری بھی چلائی جا رہی ہے۔

انتظامیہ کی جانب سے تین روزہ "سالانہ مفت کیمپ برائے امراض چشم" کا اہتمام کیا گیا۔ کیمپ مورخہ یکم فروری 2019 سے 3 فروری 2019 تک کمپنی کے احاطے میں منعقد کیا گیا۔ مفت کیمپ کے تحت 1200 سے زائد مریضوں کا معائنہ کیا گیا اور 505 مریضوں کے اطمینان بخش آپریشنز بھی کئے گئے جن میں لیزر بدلے اور فکس کئے گئے۔ ان آپریشنز میں چار ڈاکٹروں اور دس ٹیکنیشنوں نے حصہ لیا۔ کیمپ منعقد کرنے سے پہلے بذریعہ ریڈیو، کیبل، سوشل میڈیا اور پمفلٹ ضرورت مند افراد تک معلومات کو پہنچایا گیا۔ میر پور خاص ڈویژن، پیرویل اور ساگھڑ سے مریضوں اور ان کے تیمارداروں کو لانے اور لے جانے کیلئے مفت ٹرانسپورٹ کا اہتمام بھی کیا گیا تھا۔ اس کے علاوہ مریضوں، ان کے تیمارداروں، ڈاکٹروں اور ان کے اسٹاف کیلئے قیام اور طعام کو بندوبست بھی کیا گیا تھا۔ کیمپ کے تمام اخراجات کمپنی اور اس اعلیٰ افسران نے بذات خود برداشت کئے۔

مزید برآں، جب اور جہاں ضرورت کی بنیاد پر "کڈنی ڈیلاس سینٹر ساگھڑ" میں کیمپ لگانے کیلئے کمپنی کی جانب سے عطیات فراہم کئے جا رہے ہیں۔ اپنے ملازمین کیلئے صحت کی سہولیات میں اضافے اور توسیع کے سلسلے میں کمپنی کی جانب سے وزارت برائے سمندر پار پاکستانی اور ترقی برائے انسانی وسائل، ورکرز ویلفیئر فنڈ، حکومت پاکستان اسلام آباد سے بات چیت کی گئی ہے جن کی جانب سے اس بات پر آمادگی ظاہر کی گئی ہے کہ ورکرز ویلفیئر فنڈ کے ذریعے کمپنی کے احاطے کے اندر ساگھڑ میں پچاس بستروں پر مشتمل ایک ہسپتال بنایا جائے گا بشرطیکہ کمپنی کی جانب سے (کسی معاوضے یا رہن کے بغیر) پانچ ایکڑ زمین عطیہ کی جائے اور اس زمین کی ملکیت ورکرز ویلفیئر فنڈ، وزارت برائے سمندر پار پاکستانی اور ترقی برائے انسانی وسائل حکومت پاکستان کے نام کر دی جائے۔

کمپنی کی جانب سے 23 نومبر 2016 کو غیر معمولی اجلاس عام منعقد کیا گیا اور اس اجلاس کے دوران کمپنی کے حصص داران سے بورڈ آف ڈائریکٹرز کے اس فیصلے کی توثیق حاصل کر لی گئی ہے کہ کمپنی کی 320 زمین بمقام ساگھڑ میں سے پانچ ایکڑ اراضی (بلا معاوضہ و رہن) عطیہ کر دی جائے اور اس زمین کا انتقال بھی کر دیا جائے۔ وزارت برائے سمندر پار پاکستانیوں اور ترقی برائے انسانی وسائل، ورکرز ویلفیئر فنڈ، حکومت پاکستان اسلام آباد کے ساتھ پچاس بستروں پر مشتمل ہسپتال کی تعمیر کیلئے معاہدوں کے نفاذ کے سلسلے میں مزکورہ بالا زمین بمقام احاطہ کمپنی ساگھڑ کے انتقال کا عمل ابھی زیر کاروائی ہے اور کاغذات تیار کئے جا رہے ہیں۔

## پینے کا صاف پانی

کمپنی کی جانب سے پینے کے صاف پانی تک مناسب قیمت پر ہمہ وقت اور مناسب رسائی حاصل کر لی گئی ہے۔ کمپنی کی جانب سے اس بات کو یقینی بنایا جا رہا ہے کہ تمام افراد تک پینے کے صاف پانی کی فراہمی کو ممکن بنایا جائے اور پانی کی عدم فراہمی کی وجہ سے بیمار ہونے والے افراد کی تعداد میں کمی لائی جائے اور پانی کی فراہم اور نکاسی کیلئے مقامی کمیونٹی کی شراکت کے عمل کو مضبوط بنیادوں پر استوار کیا جائے۔

لہذا کمپنی کی جانب سے ریورس اوسموسس پلانٹ کا بندوبست کیا گیا ہے جس کے ذریعے یومیہ 5000 گیلن پانی کو صاف کیا جاسکے گا اور اس طرح پینے کا صاف پانی ملز اور قرب و جوار میں رہنے والے عوام کو فراہم کیا جاسکے گا۔ پلانٹ کی تنصیب کا کام مکمل کیا جا چکا ہے اور جولائی 2019 سے پلانٹ پانی کی فراہمی کا آغاز بھی کر چکا ہے۔

# کارپوریٹ معاشرتی ذمہ داری سے متعلق رپورٹ

بابت 30 ستمبر 2019

معزز ممبران،

وطن عزیز کا ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے ساگھر شوگر ملز لمیٹڈ کو معاشرے کے کل کو آج سے زیادہ مضبوط بنانے کیلئے اپنی ذمہ داریوں کا مکمل احساس ہے۔ مستقل بنیادوں پر پاکستان کے معاشرے اور افراد کی ترقی و فلاح و بہبود کی خاطر کمپنی اپنا بھرپور کردار ادا کر رہی ہے۔ کمپنی اس بات پر یقین رکھتی ہے کہ معاشرے میں شراکت کی بنیادوں پر معاشی اور معاشرتی اقدار استوار کرنے کیلئے اقدامات کئے جائیں۔ اس سلسلے میں کمپنی کی جانب سے اٹھائے گئے اقدامات کے بارے میں شراکت داروں تک معلومات بہم فراہم کرنے کیلئے درج ذیل رپورٹ پیش کی جا رہی ہے:

شعبہ تعلیم

کمپنی کی جانب سے اس بات کو یقینی بنایا جاتا ہے کہ تمام لڑکوں کے اور لڑکیوں کی مکمل فیس، مناسب اور معیاری بنیادی اور ثانوی تعلیم کا خیال رکھا جائے جو مؤثر نتائج پر مبنی ہو اور اس بات کو بھی یقینی بنایا جاتا ہے کہ بچوں کی معیاری نشوونما اور بنیادی تعلیم سے قبل کے تمام مراحل تک ہر لڑکے اور لڑکی کو رسائی حاصل ہوتا کہ وہ بنیادی تعلیم کے حصول کیلئے مکمل طور پر تیار ہوں۔

ملک کے دیہی علاقوں سے ناخواندگی کو دور کرنے کے سلسلے میں کمپنی کی جانب سے القلم و پینسل ٹرسٹ اسکول قائم شدہ 2008 کے تعاون سے ایک تعلیمی پروگرام کا آغاز کیا گیا ہے اور ملز کی ایمپلائز کالونی کے احاطے سے متصل تعلیمی سہولیات فراہم کی جا رہی ہیں اور یہ تمام سہولیات بچوں، ان کی معذوری اور ضمنی تفاوت کو مد نظر رکھتے ہوئے بہم پہنچائی جا رہی ہیں اور سہولیات کی فراہمی میں اس بات کا خیال رکھا جاتا ہے تشدد کا پہلو اس میں شامل نہ ہو اور قابل اساتذہ کی زیر نگرانی انتہائی مناسب فیس پر اعلیٰ تعلیمی سہولیات فراہم کی جائیں اور یہ سہولیات فیکٹری کے ملازمین کے علاوہ ان بچوں کو بھی فراہم کی جائیں جو فیکٹری کے قرب و جوار میں رہتے ہیں۔

تعلیم کا یہ عمل کنڈرگارٹن کے مرحلے میں ایک کمرے سے شروع کیا گیا جس میں بچوں کی کل تعداد محض دس (10) تھی۔ لیکن اب چند دنوں ہی کی بات ہے کہ یہ اسکول آٹھویں جماعت تک ترقی کر چکا ہے اور اس میں طلباء کی تعداد ڈھائی سو (250) تک پہنچ چکی ہے اور اب یہ اسکول خوبصورت عمارت، صاف ستھرے ماحول اور تمام بنیادی سہولیات پر مشتمل ہے۔ اسکول کی عمارت مکمل طور پر ڈھکی ہوئی ہے اور عمارت ہو ادارہ اور روشن درس گاہوں، کمپیوٹر لیبارٹری، کھیل کے میدان اور ٹک شاپ پر مشتمل ہے اور اسکول میں مستقل پاور سپلائی کا نظام بھی موجود ہے۔ اسکول کا اسٹاف ایک ہیڈ مسٹریس، بارہ خواتین اساتذہ، ایک عربی استانی (عالمہ) پر مشتمل ہے۔ اسکول کو قائم کرنے کا بنیادی مقصد علاقے کے غریب عوام کی مدد کرنا، لڑکیوں کی تعلیم کو بالخصوص فروغ دینا، بچوں کی تعلیم و تربیت میں اسلامی اقدار کو بروئے کار لانا اور بچوں میں یہ احساس پیدا کرنا ہے کہ وہ اپنی اہمیت کو پہچانیں۔ دور افتادہ علاقوں میں تعلیم کی فراہمی ایک بڑا مسئلہ ہے، بالخصوص ان لوگوں کیلئے جنہیں معیاری اور جدید تعلیم کی سہولیات ان کے گھروں کے پاس مہیا نہیں ہیں یا وہ ان سہولیات سے فائدہ اٹھانے کی سکت نہیں رکھتے۔ علاوہ ازیں، اسکول میں مختلف ایام منانے کا اہتمام بھی کیا جاتا ہے جیسا کہ سالانہ اسپورٹس ڈے اور پیرنٹس ڈے وغیرہ۔

# Synopsis of Policy for Corporate Social Responsibility

The following are the Synopsis of policy for Corporate Social Responsibility.

The objective is to promote the development of a framework for Corporate Social Responsibility (CSR) initiatives by the Sanghar Sugar Mills Limited (the Company).

## Strategy of Corporate Social Responsibility

The Company is socially responsible and committed to conduct its business ethically and with responsibility. The Company is conscious of the role to play as responsible corporate citizen in fulfilling the various needs of the society concerning health, safety, environment, employee relationship and social welfare of the society. The Company considers itself accountable to its stakeholders and has identified dimensions of performing the social responsibilities which are contribution to economy, environment and society. The management peruses the strategy by following strategic guidelines to be a good corporate citizen:

1. Encouraging employment of work force living in the rural areas in order to yield significant gain and uplift their living standard.
2. Continuously striving to improve greenery, protecting the environment, maintain a clean environment around the factory and better housekeeping.
3. Making arrangement for civic, health, safety of people, education and accommodation facilities to employees and people.
4. Support social causes and human rights.
5. Conducting business in a socially responsible and ethical manner and in compliance with the Law.
6. Behave responsibly and with sensitivity to local communities in the area in which we operate.
7. Engaging, learning from, respecting and supporting the communities and cultures within which we work.

## Sustainability & Corporate Social Responsibility

The Company acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generation to come. Sustainability Policy is considered to be essential for continuing of the business. The Company considers itself accountable to its stakeholders and informs them about the initiative and measures taken to ensure sustainability and has identified the following dimensions of performing social responsibilities which contributing to economy, environment, health, education and society.

1. To support the sugarcane growers of the area and provide better quality seeds and fertilizers to achieve improvement in quality of sugarcane and enhance its quantity and productivity in order to have regular, constant and better supply in future the major basic raw material for sugar mills.
2. To alleviate illiteracy in the rural areas of the Country, the Company has launched education program and is providing education facilities at the premises adjacent to the Mills' Employees' Colony by the qualified staff on concessional basis to the children of the factory employees and persons living nearby in rural areas.
3. To contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates and duties.
4. To improve foreign reserves of the Country by earning foreign currency through exports of sugar as and when allowed.

5. To follow consciously the needs of the Society concerning health, safety and environment for achieving the objective.
6. To make efforts to minimize the accidental risks, have necessary medical facilities and continuously strive to improve greenery and maintain clean and safe environment, better housekeeping, safeguarding the health of employees.
7. To make efforts on improving the social conditions of the Communities and employees related to the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labour and forced labour etc.
8. To encourage employment of workforce living in the rural areas in order to yield significant gain and uplift their living standard.
9. To treat all employees fairly and compensate them according to the industry practice. Provides the benefits such as perquisites, annual leaves, pick and drop, facility of mess, safe and healthy working conditions etc along-with group insurance, making payments to Employees Old Age Benefits Institution, Worker's Welfare Fund, Worker's Profit Participation Funds.
10. To maintain the principles of integrity and trust with respect to privacy of the employees of the Company.
11. To carry out activities at the time of natural calamity or engage in Disaster Management System.
12. To promote sustainability in collaboration with the industry associations.
13. To contribute to any fund setup by the Government, which may be recognized as CSR activity.
14. Monitor and review our CSR policies and procedures on a regular basis to ensure suitability and effectiveness.
15. Use continuous assessment to ensure our CSR activities meet identified performance objectives.

## Responsibilities

The responsibilities are as follows:

- o To review, agree and establish the Company's corporate strategy to ensure that corporate social responsibility is and remains an integral part of the strategy and its implementation in practice and that the social, environmental and economic activities are aligned
- o To ensure that there is recognition by all within the Company of the impact of its activities upon all stakeholders including shareholders, customers, suppliers, employees and the wider community and environment and that those activities are regulated such that, consistent with sustainable business and development, they are conducted in a socially responsible manner and have a positive impact on society
- o To develop and recommend for acceptance by the board policies on all key areas of CSR including the environment, health and safety, product testing and customer safety, standards of business conduct, ethics, employees and employee development, charitable activities and community initiatives
- o To develop and support the activities necessary to convert CSR policies into an effective plan for implementation across the Company to agree a Programme of specific CSR activities and focus for each financial year, supported by appropriate targets and key performance indicators
- o To monitor compliance with the CSR policies throughout the Company and review performance against agreed targets
- o In conjunction with management and other committees of the board including the Company Risk Committee, to identify material environmental, social and health and safety risk areas and to ensure that appropriate measures are taken to mitigate any such risks
- o To evaluate and oversee on an ongoing basis the quality and integrity of any reporting to external stakeholders concerning CSR matters and, specifically, to review and present to the board for final approval a CSR report for publication in the annual reports and accounts

- o To develop and encourage effective two-way communication concerning CSR issues within the business
- o Where appropriate, to consider the appointment of external advisors to advise and support the committee and the Company in respect of CSR initiatives and to be responsible for establishing the selection criteria, terms of reference and fees in respect of any such advisors
- o CSR Commitment Statement to be placed and agreed in each meeting of the Committee with respect to CSR definition, business value of CSR, vision and commitment (resources, time, personnel)
- o To determine the priority areas wherein the CSR projects are currently being managed (ongoing projects) and are planned to be initiated (upcoming projects)
- o To allocate resources and earmark specific resources (quantifiable), specific criteria, or a proportion of amount for selected CSR activities. The method of allocation of resources or identified criteria must be predetermined and endorsed by the Committee / Board
- o Hold orientation sessions for the Committee members and the Board to ensure that the members and the Board have adequate understanding and expertise of CSR for making informed decisions and incorporate CSR as part of Annual Board Evaluation
- o Specifying the organizational approach towards CSR
- o Incorporating the CSR approach into code of ethics of the Company
- o Setting targets for achievement of CSR objectives
- o Periodic monitoring and evaluation of CSR activities
- o Recognizing and documenting the shortfalls / failures
- o Incorporating improvement in future CSR policy / plans
- o To consider such other topics and issues in relation to CSR as may be stipulated by the board from time to time

# Synopsis of Policy for Directors' Remuneration & Meeting Fee

Following are the Synopsis of Policy for Directors' Remuneration and Meeting Fee of Sanghar Sugar Mills Limited (the Company)

## **Meeting Fee of Directors**

Non-Executive Directors do not have service agreements, but are engaged on the basis of a letter of appointment. All Directors are subject to re-election after three years at the General Meeting. It is the policy of the Board of Directors that Non-Executive Directors are not eligible to participate in any of the Company's remuneration, bonus, share option, long-term incentive or retirement benefit schemes.

The fees paid to Non-Executive Directors are determined by the Board of Directors, with recommendations provided by the Chairman and Chief Executive Officer. The fees of the Chairman are determined by the Remuneration Committee. Fee levels may be reviewed annually, with any adjustments effective from start of the financial year. Fees are reviewed by taking into account external advice on best practice and competitive levels. Time commitment and responsibility are also taken into account when reviewing fees.

Any non-executive director may waive the meeting fee from the Company, upon submission of waiver consent in writing.

The remuneration to be paid to any director except the Chief Executive and the working director for attending the meetings of the directors or a committee of directors shall not exceed the scale approved from time to time by the Board of Directors, as the case may be.

The remuneration of a director for performing extra services, including the holding of the office of the chairman, from time to time shall be determined by the Board of Directors.

Members representing management or others in any committee and the Executive Directors / Executives will not be entitle for the Meeting Fee.

## **Executive Directors Remuneration**

### **Basic Salary:**

Provide market competitive fixed remuneration that rewards to relevant skills, responsibilities and contribution.

Salaries are positioned within a market competitive range for companies of a similar size and complexity.

### **Benefits & Allowances:**

Appropriate covers of benefits are available. The Board may periodically change the benefits available for the office at which an Executive Director works.

### **Increment:**

It's a sole discretion of the Board of Directors to decide the Increment percentage annually for Executive Directors.

### **Gratuity & Leave Encashment:**

Provides basic retirement benefits which reflects local market practice and for the permanent employee of the Company as per policy.

### **Production Bonuses:**

Production Bonuses levels and the appropriateness of measures are reviewed annually. Production bonuses will be paid as per the policy of the Company and subject to the limit approved by the Board of Directors for the Executive Directors.

### **Others:**

All taxes and or with-holding taxes will applicable on the Remuneration and fee paid by the Company. These are subject to deduction of tax as per the applicable laws.

# Synopsis of Policy for Whistleblowing

Following are the synopsis of policy for Whistleblowing.

## Introduction

The Whistleblowing Policy gives legal protection to employee(s) or person(s) against being dismissed or penalized by their employers as a result of alone or jointly, provides to the Regulatory Authorities and to the Sanghar Sugar Mills Limited (the Company) with information regarding a contravention or indented contravention of the Laws and policies administered by the Regulatory Authorities and the Company.

It is fundamental to any employment contract that an employee will be loyal to his or her employer and will not disclose confidential information outside the organization. However, from time to time, a member of staff might discover information which he or she believes shows wrongdoing or malpractice within the organization. On such occasions, it must be made possible for the information to be disclosed without fear of reprisal.

## Policy Statement

Sanghar Sugar Mills Limited (the Company) is committed to the highest standards of honesty, openness and accountability. It aims to ensure that it operates in a responsible manner, taking into account standards set out. It recognizes that individual members of staff have an important role in helping to achieve this aim.

It is often members of the Company who are first to know if someone in the Company, or connected with it, appears to be acting illegally or improperly. They may feel apprehensive or anxious about raising their concerns, and their loyalty to the Company or to a colleague may prevent them from doing so. They might also be concerned that they will not be taken seriously or about any action against themselves that a disclosure might provoke. However, the Company encourages individuals who have knowledge, or reasonable suspicion, of wrongdoing to come forward. The Company takes all wrongdoing seriously and believes that any evidence suggesting such behavior should be investigated thoroughly.

The purpose of this procedure is to assist and enable all person(s) and or employee(s) of the Company to raise concerns or to disclose information which they believe, in good faith, may indicate malpractice.

## Scope of the Policy and Procedure

The policy and procedures are concerned with alleged malpractice, impropriety or wrongdoing in the Company, which it is in the Company's or Shareholder's interest to disclose. The purpose of this policy is to establish appropriate handling of the receipt, retention, and treatment of Whistleblowing matters that may involve; (however it is not an exhaustive list):

- o Breach of Company's Polices / Manuals (Accounting policies, Department Manuals, Money Laundering, Department Standard Operating Procedures or other policies / manuals);
- o Breach of Internal Controls, management override of controls or other auditing matters;
- o Noncompliance of various regulations and rules applicable on the Company (Companies Act, Income Tax Ordinance, Listing regulations, Rule Book of Pakistan Stock Exchange, Securities Act, Code of Corporate Governance and etc. and their related rules, notifications, directives or circulars etc.);
- o Non-compliance of Code of Conduct;
- o Fraud that is the use of deception with the intention of gaining an undue advantage, avoiding an obligation or causing loss to another party;
- o False representations of a matter of fact whether by words or by conduct to clients or other stakeholders or any other fraudulent activities;

- o Misappropriation of assets;
- o Misuse of confidential information or deliberate falsification of records;
- o Gross misconduct, gross incompetence, gross inefficiency or inadequate performance;
- o Willful omission to perform duty;
- o Illicit and corrupt practices;
- o Acts of omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;
- o Deliberate damage to or misuse of Company's property, plant & equipment and resources;
- o Taking or giving bribes or any illegal gratification or any other questionable activity;
- o Serious breach of confidence, including insider dealing in securities;
- o Financial malpractice or impropriety or fraud;
- o Dangers to health and safety or the environment;
- o Criminal activity;
- o Improper conduct or unethical behavior including any offence;
- o Miscarriage of justice; and
- o Attempts to conceal any of the above and others.

It can be difficult to decide whether a particular action falls within the procedures and it may be that, when concerns are investigated, it appears appropriate to address them through other more specific procedures. As part of its day to day conduct of business the Company takes decisions under established and reasonable procedures. It is not intended that this procedure will allow such decisions to be questioned unless on grounds of malpractice, impropriety or wrongdoing.

## Pattern of Share Holding

As at September 30, 2019

Number of Shareholders	Share Holding From	To	Total Shares Held
764	1	100	17,997
127	101	500	36,695
92	501	1000	61,368
78	1001	5000	184,739
44	5001	10000	292,420
4	10001	15000	48,000
2	15001	20000	36,500
4	20001	25000	93,500
4	25001	30000	108,440
1	30001	35000	32,000
2	40001	45000	85,750
1	45001	50000	47,900
3	95001	100000	289,140
1	240001	245000	241,487
1	265001	270000	267,740
1	360001	365000	360,179
1	400001	405000	403,100
1	465001	470000	466,732
1	485001	490000	486,390
1	495001	500000	496,000
1	520001	525000	522,600
2	570001	575000	1,145,722
1	655001	660000	659,250
1	670001	675000	674,750
1	855001	860000	858,000
1	910001	915000	913,000
1	975001	980000	979,000
1	1040001	1045000	1,043,116
1	1090001	1095000	1,094,485
<u>1,143</u>			<u>11,946,000</u>

\* Note: The slabs representing nil holding have been omitted.

### CATEGORIES OF SHAREHOLDERS

As at September 30, 2019

Category of Shareholders	Number of Shares Held	Percentage %
1 Directors, Chief Executive Officer, and their spouse and minor children	1,859,716	15.5677
2 Associated Companies, undertakings and related parties	—	—
3 Executives	25,290	0.2117
4 NIT & ICP	1,043,516	8.7353
5 Banks, DFIs, NBFIs, Mudarabas and Pension Fund	101,550	0.8501
6 Insurance Companies	267,840	2.2421
7 Joint Stock Companies	16,373	0.1371
8 Shareholders holding 5% or more	4,503,735	37.7008
9 General Public - Local	4,127,980	34.5553
<b>TOTAL</b>	<b>11,946,000</b>	<b>100.0000</b>

## Detail of Pattern of Share Holding

As per Requirement of Code of Corporate Governance  
As at September 30, 2019

Sr. #	Category Name	Number of shares held	Percentage %	Category wise Number of shareholders	Category wise shares held	Percentage %
1.	<b>Directors, Chief Executive and their spouse and minor children</b>			7	1,859,716	15.5677
	Haji Khuda Bux Rajar	241,487	2.0215			
	* Mr. Gul Mohammad	674,750	5.6483			
	Mr. Ghulam Hyder	360,179	3.0151			
	Mr. Rahim Bux	572,350	4.7911			
	Mr. Mohammad Aslam	3,300	0.0276			
	Mr. Qazi Shamsuddin	4,900	0.0410			
	Mrs. Khanzady W/o Haji Khuda Bux	2,750	0.0230			
2.	<b>Associated Companies, Undertaking and related parties</b>			—	—	—
3.	<b>Executives</b>			1	25,290	0.2117
4.	<b>NIT &amp; ICP</b>			2	1,043,516	8.7353
	* CDC - Trustee National Investment (Unit) Trust	1,043,116	8.7319			
	Investment Corporation of Pakistan	400	0.0033			
5.	<b>Banks, DFIS, NBFIS, Mudarabas and Pension Funds</b>			4	101,550	0.8501
6.	<b>Insurance Companies</b>			2	267,840	2.2421
7.	* <b>Shareholders holding 5% or more</b>			5	4,503,735	37.7008
8.	<b>Joint Stock Companies</b>			5	16,373	0.1371
9.	<b>General Public - Local</b>			1117	4,127,980	34.5553
	<b>Total</b>			<b>1,143</b>	<b>11,946,000</b>	<b>100.0000</b>

\* Shareholder's having 5% or more shares marked as ( \* ) are shown in their relevant categories. The name wise details of the remaining shareholder's having 5% or more given below:

Name of Shareholders	Number of shares held	Percentage %
Mr. Ali Ghulam	858,000	7.1823
Mr. Khuda Bux	913,000	7.6427
Mr. Abdul Jabbar	979,000	8.1952
Mr. Pir Baksh	1,094,485	9.1619
Mr. Ghulam Dastagir	659,250	5.5186
	<b>4,503,735</b>	<b>37.7008</b>

10. The Directors, Executives and their spouse and minor children have not undertaken any trading of Company's shares during the year from October 01, 2018 to September 30, 2019.

## Report of the Audit Committee

The Audit Committee (the Committee) comprises of Non-Executive Directors and the Chairman of the Committee is Independent Director as required under the Code of Corporate Governance. The governing charter of the Audit Committee addresses the requirement of the Code of Corporate Governance and includes the requirements of best practices. The Committee is accountable to the Board for the recommendation of appointment of external auditors, directing and monitoring the audit function, reviewing the adequacy and quality of the audit process and recommendation to the Board for approval of related party transactions. The Committee gives additional assurance to the Board for the accuracy of the financial information and also ensures that the Company has an effective internal control framework.

The Audit Committee has concluded its annual review of the conduct and operations of the Company during the financial year ended September 30, 2019 and reports that:

- o The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" (Compliance Statement) which has also been reviewed by the Statutory Auditors of the Company and issued a Review Report thereon.
- o The Committee has also reviewed the Compliance Statement and confirm that the requirements of the Regulations have been complied and the requirements are disclosed in the Compliance Statement.
- o The Committee has briefly reviewed the details, contents and the adequacy of the details and information reported in the Directors' Review on Condensed Interim Financial Information and the Directors' Report on Annual Financial Statements.
- o The Committee has reviewed the Condensed Interim Quarterly Financial Information and Annual Audited Financial Statements for the year 2018-19 and recommended to the Board for approval and focused on the followings:
  - Major judgmental areas
  - Significant adjustments resulting from the audit (if any)
  - Going concern assumptions
  - Changes in accounting policies and practices (if any)
  - Compliance with accounting policies and practices
  - Compliance with rules, regulations, statutory and regulatory requirements
  - All related party transactions
- o The Related Party Transactions made by the Company in the normal course of business has been reviewed by the Committee and recommended to the Board for approval.
- o Accounting estimates are based on reasonable and prudent judgments. Certain valuation reports like Revaluation Report of Property, plant & equipment and the Actuarial Valuation of retirement benefits conducted by the third party professionals have been examined and incorporated in the Financial Statements. Proper and adequate accounting records have been maintained by the Company.
- o The Company's system of internal controls are sound in design and has been continually evaluated for effectiveness and adequacy.
- o The Committee has ensured the achievement of operational, compliance, risk management, financial reporting, control objectives and safeguarding of the assets of the Company.
- o The Committee conducted meeting with Internal & External Auditors and discussed the matters as required by the regulations.
- o There were no complaints and or cases reported to the Committee during the year regarding accounting & internal controls, fraud and whistle blowing.
- o The Committee has reviewed the Internal Audit Reports made during the year.
- o The Committee has recommended the re-appointment of external auditors and their remuneration, the provision of any service permissible to be rendered to the Company by the external auditors in addition to the audit of financial statements for the ensuing year 2019-20.

Karachi  
December 28, 2019

**Rahim Bux**  
Chairman - Audit Committee

# Independent Auditor's Review Report to the Members of Sanghar 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 Sanghar Sugar Mills Limited (the Company) for the year ended September 30, 2019 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

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

CHARTERED ACCOUNTANTS

Place: Karachi

Date: 28th December 2019

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

**Name of the Company: Sanghar Sugar Mills Limited**

**Year Ending : September 30, 2019**

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

1. The total number of Directors are Seven as per the following:
  - a) Male - Seven
  - b) Female - Nil
2. The composition of Board is as follows:
  - a) Independent Director - One
  - b) Other Non-Executive Directors - Four
  - c) Executive Directors - Two
  - d) Female Director - None
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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board have formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors' Training program for the following:
 

**Name of Directors:**

  - Mr. Rahim Bux
  - Mr. Gul Muhammad
  - Mr. Ghulam Hyder
  - Mr. Mohammad Aslam
  - Mr. Qazi Shamsuddin
  - Mr. Shahid Aziz (N.I.T.)
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed committees comprising of members given below:
- a) Audit Committee:
 

Mr. Rahim Bux	Chairman
Mr. Mohammad Aslam	Member
Mr. Shahid Aziz	Member
  - b) Human Resource and Remuneration Committee:
 

Mr. Rahim Bux	Chairman
Mr. Mohammad Aslam	Member
Mr. Shahid Aziz	Member
  - c) Risk Management Committee:
 

Mr. Mohammad Aslam	Chairman
Mr. Ghulam Hyder	Member
Mr. Shahid Aziz	Member
  - d) Corporate Social Responsibility Committee:
 

Mr. Rahim Bux	Chairman
Mr. Mohammad Aslam	Member
Mr. Shahid Aziz	Member
Syed Rehan Ahmad Hashmi	Member
  - e) Information Technology & Steering Committee:
 

Mr. Ghulam Hyder	Chairman
Syed Rehan Ahmad Hashmi	Member
Mr. Sheraz Khan	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 of the committee were as per following:
- a) Audit Committee Four quarterly meetings
  - b) Human Resource and Remuneration Committee Half yearly meetings
  - c) Risk Management Committee Half yearly meetings
  - d) Corporate Social Responsibility Committee Four quarterly meetings
  - e) Information Technology & Steering Committee Half yearly meetings
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

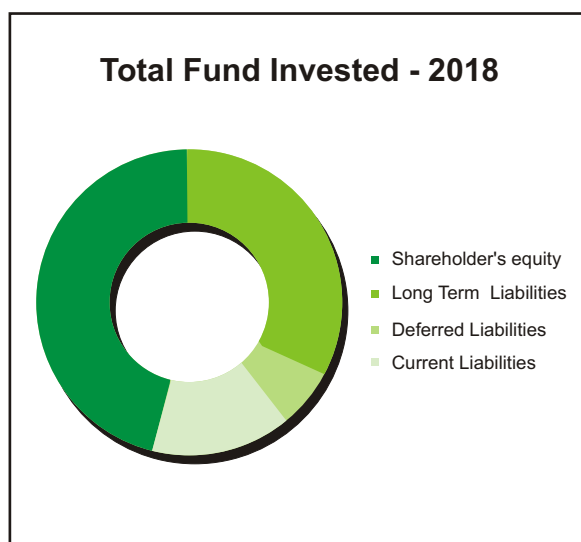
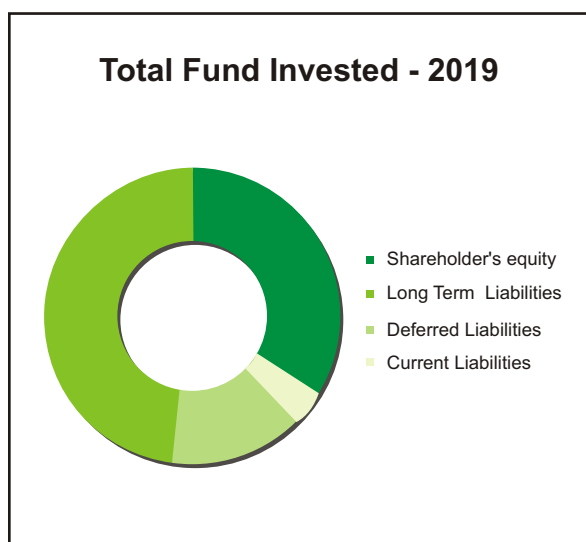
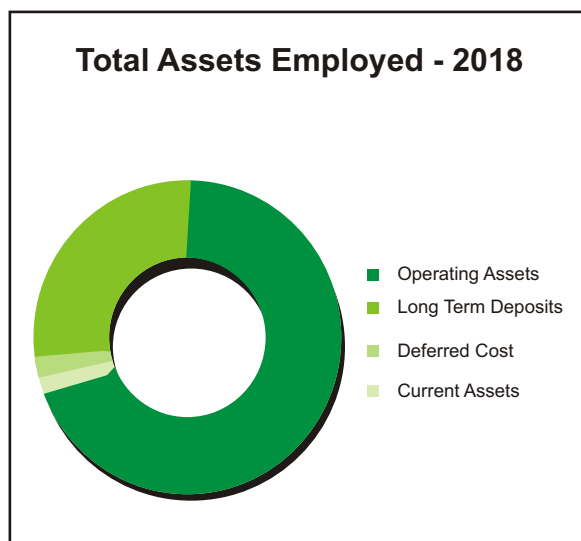
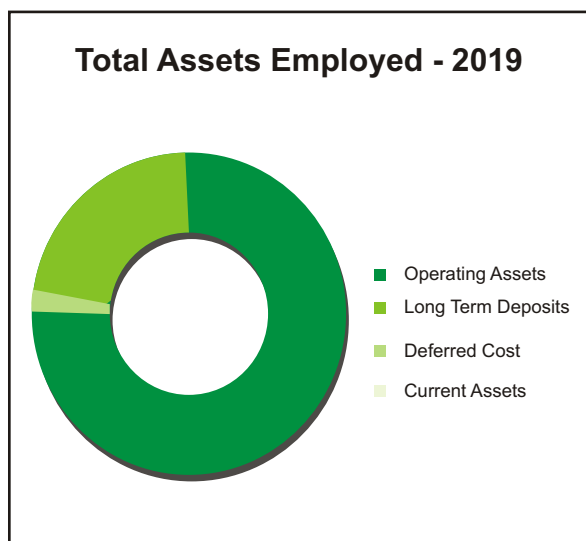
**Gul Muhammad**  
Chairman

Karachi: December 28, 2019

## KEY OPERATING & FINANCIAL HIGHLIGHTS

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>OPERATIONAL DATA</b>										
Duration of Season (Days)	100	142	133	117	137	151	121	109	117	114
Cane crushed (Tons)	490,932	712,124	625,237	563,617	630,317	738,209	542,289	483,352	491,205	484,452
Sucrose Recovery (%)	10.76	10.37	10.12	10.20	10.19	9.81	9.77	9.62	9.57	9.60
Sugar Made (Tons)	52,799.25	73,776	63,380	57,387.5	64,271	72,530	52,823	46,516	47,008	46,547
Molasses (Tons)	23,590	42,017	30,300	27,040	34,299	39,260	27,460	26,503	24,004	23,785
<b>All figures are in Rs in '000</b>										
<b>PROFIT OR LOSS RESULTS</b>										
Turnover - Net	2,770,439	3,405,535	2,583,232	2,832,657	2,869,164	3,196,951	2,771,454	3,005,261	1,498,297	2,679,922
Gross Profit / (Loss)	131,778	98,520	(70,660)	151,582	257,087	213,749	148,572	195,512	245,956	377,383
Operating Profit / (Loss)	24,059	146,802	(165,398)	59,919	170,905	135,446	94,580	95,814	159,342	308,572
(Loss) / Profit before taxation	(148,608)	24,868	(259,678)	11,060	89,783	36,091	14,271	(424)	64,345	213,047
(Loss) / Profit after taxation	(98,855)	19,426	(287,104)	13,953	57,400	8,732	6,901	(6,554)	37,759	134,431
<b>ASSETS EMPLOYED</b>										
Operating Assets	2,807,695	2,909,416	1,745,965	1,465,348	1,167,508	1,146,845	729,685	747,116	754,005	477,508
Long Term Deposits	17,323	18,823	20,961	15,467	10,966	9,478	45,300	36,369	36,396	2,223
Deferred Cost	—	8,771	17,543	28,885	33,373	—	—	—	—	—
Current Assets	815,755	1,131,843	1,302,916	915,207	688,656	670,133	461,593	935,108	1,471,518	240,366
Total Assets Employed	3,640,773	4,068,853	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578	1,718,593	2,261,919	720,097
<b>FINANCED BY</b>										
Shareholder's equity	1,223,854	1,330,699	569,165	863,437	860,635	798,148	501,566	490,172	496,725	351,675
Long Term Liabilities	145,670	250,863	345,291	262,532	103,640	23,174	75,242	64,908	85,089	23,159
Deferred Liabilities	519,916	603,790	603,790	295,067	325,349	320,838	210,011	217,741	217,014	145,489
Current Liabilities	1,751,333	1,883,501	1,883,501	1,003,871	610,879	684,296	449,759	945,772	1,463,091	199,774
Total Fund Invested	3,640,773	4,068,853	3,401,747	2,424,907	1,900,503	1,826,456	1,236,578	1,718,593	2,261,919	720,097

# Graphical Presentation of Financial Highlights



# Horizontal Analysis of Financial Statements

	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
	Rupees in 000					Variance in %				
<b>Financial Position</b>										
Total Non-Current Assets	2,825,018	2,937,010	1,784,469	1,509,700	1,211,847	(3.81)	64.59	18.20	24.58	4.80
Total Current Assets	815,755	1,131,843	1,302,916	915,207	688,656	(27.93)	(13.13)	42.36	32.90	2.76
<b>Total Assets</b>	<b>3,640,773</b>	<b>4,068,853</b>	<b>3,087,385</b>	<b>2,424,907</b>	<b>1,900,503</b>	<b>(10.52)</b>	<b>31.79</b>	<b>27.32</b>	<b>27.59</b>	<b>4.05</b>
Total Equity & Surplus on revaluation	1,223,854	1,330,699	569,165	863,437	860,635	(8.03)	133.80	(34.08)	0.33	7.83
Total Non-Current Liabilities	665,586	854,653	645,365	557,599	428,989	(22.12)	32.43	15.74	29.98	24.70
Total Current Liabilities	1,751,333	1,883,501	1,872,855	1,003,871	610,879	(7.02)	0.57	86.56	64.33	(10.73)
<b>Total Equity &amp; Liabilities</b>	<b>3,640,773</b>	<b>4,068,853</b>	<b>3,087,385</b>	<b>2,424,907</b>	<b>1,900,503</b>	<b>(10.52)</b>	<b>31.79</b>	<b>27.32</b>	<b>27.59</b>	<b>4.05</b>
<b>Profit or Loss</b>										
Sales	2,770,439	3,405,535	2,583,232	2,832,657	2,869,164	(18.65)	31.83	(8.81)	(1.27)	(10.25)
Cost of sales	(2,638,661)	(3,307,015)	(2,653,892)	(2,681,075)	(2,612,077)	(20.21)	24.61	(1.01)	2.64	(12.44)
<b>Gross Profit / (Loss)</b>	<b>131,778</b>	<b>98,520</b>	<b>(70,660)</b>	<b>151,582</b>	<b>257,087</b>	<b>(33.76)</b>	<b>(239.43)</b>	<b>(146.62)</b>	<b>(41.04)</b>	<b>20.28</b>
Profit from trading activities	—	3,553	—	2,179	—	(100.00)	100.00	(100.00)	100.00	(100.00)
Distribution cost	(12,698)	(41,879)	(796)	(522)	(769)	(69.68)	5,161.18	52.49	(32.12)	(85.56)
Administrative cost	(91,136)	(90,971)	(84,937)	(77,999)	(75,544)	0.18	7.10	8.89	3.25	18.13
Other operating cost	(6,364)	(7,812)	(11,622)	(22,168)	(9,950)	(18.54)	(32.78)	(47.57)	122.79	12.63
Other income	2,479	185,391	2,617	6,847	81	(98.66)	6,984.10	(61.78)	8,353.09	(78.85)
<b>Operating Profit / (Loss)</b>	<b>24,059</b>	<b>146,802</b>	<b>(165,398)</b>	<b>59,919</b>	<b>170,905</b>	<b>83.61</b>	<b>(188.76)</b>	<b>(376.04)</b>	<b>(64.94)</b>	<b>26.18</b>
Finance cost	(172,667)	(121,934)	(94,280)	(48,859)	(81,122)	41.61	29.33	92.96	(39.77)	(18.35)
<b>(Loss) / Profit before taxation</b>	<b>(148,608)</b>	<b>24,868</b>	<b>(259,678)</b>	<b>11,060</b>	<b>89,783</b>	<b>697.59</b>	<b>(109.58)</b>	<b>(2,447.90)</b>	<b>(87.68)</b>	<b>148.77</b>
Taxation	49,753	(5,442)	(27,426)	2,893	(32,383)	(1,014.25)	(80.16)	(1,048.01)	(108.93)	18.36
<b>(Loss) / Profit after taxation</b>	<b>(98,855)</b>	<b>19,426</b>	<b>(287,104)</b>	<b>13,953</b>	<b>57,400</b>	<b>608.88</b>	<b>(106.77)</b>	<b>(2,157.65)</b>	<b>(75.69)</b>	<b>557.35</b>

## Vertical Analysis of Financial Statements

	2019 Rupees in 000	2019 %	2018 Rupees in 000	2018 %	2017 Rupees in 000	2017 %	2016 Rupees in 000	2016 %	2015 Rupees in 000	2015 %
<b>Financial Position</b>										
Total Non-Current Assets	2,825,018	77.59	2,937,010	72.18	1,784,469	57.80	1,509,700	62.26	1,211,847	63.76
Total Current Assets	815,755	22.41	1,131,843	27.82	1,302,916	42.20	915,207	37.74	688,656	36.24
<b>Total Assets</b>	<b>3,640,773</b>	<b>100.00</b>	<b>4,068,853</b>	<b>100.00</b>	<b>3,087,385</b>	<b>100.00</b>	<b>2,424,907</b>	<b>100.00</b>	<b>1,900,503</b>	<b>100.00</b>
Total Equity & Surplus on revaluation	1,223,854	33.62	1,330,699	32.70	569,165	18.44	863,437	35.61	860,635	45.28
Total Non-Current Liabilities	665,586	18.28	854,653	21.00	645,365	20.90	557,599	22.99	428,989	22.57
Total Current Liabilities	1,751,333	48.10	1,883,501	46.29	1,872,855	60.66	1,003,871	41.40	610,879	32.14
<b>Total Equity &amp; Liabilities</b>	<b>3,640,773</b>	<b>100.00</b>	<b>4,068,853</b>	<b>100.00</b>	<b>3,087,385</b>	<b>100.00</b>	<b>2,424,907</b>	<b>100.00</b>	<b>1,900,503</b>	<b>100.00</b>
<b>Profit or Loss</b>										
Sales	2,770,439	100.00	3,405,535	100.00	2,583,232	100.00	2,832,657	100.00	2,869,164	100.00
Cost of sales	(2,638,661)	(95.24)	(3,307,015)	(97.11)	(2,653,892)	(102.74)	(2,681,075)	(94.65)	(2,612,077)	(91.04)
<b>Gross Profit</b>	<b>131,778</b>	<b>4.76</b>	<b>98,520</b>	<b>2.89</b>	<b>(70,660)</b>	<b>(2.74)</b>	<b>151,582</b>	<b>5.35</b>	<b>257,087</b>	<b>8.96</b>
Profit from trading activities	—	—	3,553	0.10	—	—	2,179	0.08	—	—
Distribution cost	(12,698)	(0.46)	(41,879)	(1.23)	(796)	(0.03)	(522)	(0.02)	(769)	(0.03)
Administrative cost	(91,136)	(3.29)	(90,971)	(2.67)	(84,937)	(3.29)	(77,999)	(2.75)	(75,544)	(2.63)
Other operating cost	(6,364)	(0.23)	(7,812)	(0.23)	(11,622)	(0.45)	(22,168)	(0.78)	(9,950)	(0.35)
Other income	2,479	0.09	185,391	5.44	2,617	0.10	6,847	0.24	81	0.00
<b>Operating Profit / (Loss)</b>	<b>24,059</b>	<b>0.87</b>	<b>146,802</b>	<b>4.31</b>	<b>(165,398)</b>	<b>(6.40)</b>	<b>59,919</b>	<b>2.12</b>	<b>170,905</b>	<b>5.96</b>
Finance cost	(172,667)	(6.23)	(121,934)	(3.58)	(94,280)	(3.65)	(48,859)	(1.72)	(81,122)	(2.83)
<b>(Loss) / Profit before taxation</b>	<b>(148,608)</b>	<b>(5.36)</b>	<b>24,868</b>	<b>0.73</b>	<b>(259,678)</b>	<b>(10.05)</b>	<b>11,060</b>	<b>0.39</b>	<b>89,783</b>	<b>3.13</b>
Taxation	49,753	1.80	(5,442)	(0.16)	(27,426)	(1.06)	2,893	0.10	(32,383)	(1.13)
<b>(Loss) / Profit after taxation</b>	<b>(98,855)</b>	<b>(3.57)</b>	<b>19,426</b>	<b>0.57</b>	<b>(287,104)</b>	<b>(11.11)</b>	<b>13,953</b>	<b>0.49</b>	<b>57,400</b>	<b>2.00</b>

# Stakeholder Engagement, Investor Relations & Financial Ratios

The Sanghar Sugar Mills Limited (the Company) recognizes and protects the rights of the various stakeholders (internal as well as external) established under relevant laws and regulations and has put in place relevant policies and codes for their protection. The Company maintains sound collaboration relationships with its stakeholders. Procedure for stakeholder's engagement includes communication, good harmony, compliance with laws and regulations and sugarcane growers focused approach which is the key factors for establishment of collaboration relationship with stakeholders. Summary of the rights of the various stakeholders has been discussed below:

## Shareholders

Access to shareholder records, enquiries concerning verification of transfer deeds, transfer of share certificates, change of address etc., are directed to the Shares Registrar. We have disclosed essential information to the shareholders and treated them equitably. Shareholders meeting along with timely and accurate reporting to our shareholders are the effective modes of engagements with our shareholders

## Regulators

The Company make compliance with laws, rules, regulations and guidelines as directed by the Regulators. Timely, appropriately and accurately disclosures of information, as required by law, are our high priority. We have submitting periodic reports, providing and gives information as and when required.

## Customers & Suppliers

The Company receive high-quality services and supplies from our suppliers and ensure that the product we give to our customers should be of high standards. We establish the confidentiality of customer information and redressal their complaints and concerns with honesty and trustworthy. We have maintain a good relationship with our customers and suppliers.

## Employees

As a good employer, the Company gives equal employment opportunity, gives performance based remuneration. Having Human Resource policies and procedures, the Company maintains effective communication between the management and the staff. To secure maximum cooperation o f the employees and to motivate them to give their best. Gives full attention to redressal of complaints & grievances.

## Community

The Company acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generations to come. Gives priority to the fair distribution of resources, opportunities and financial assistances. The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.

## Financial Reporting & Communication

Communication with the users of financial statements is give high priority. Annual, half yearly and quarterly reports are distributed to the shareholders and provided to other users with in the time specified by the Regulators and also makes it available on the Company's website for the easy access for the shareholders and potential shareholders. There is also an opportunity for individual shareholder to participate at the General Meetings to ensure high level of accountability. The Company notifies information to the Regulators from time to time. This help the shareholders remain connected with the Company. The notifications mainly include Financial Results, Board of Directors meetings, shareholders meetings etc.

**Media & Website**

The Company disseminates information through print, electronic, social and other web media. The Company is maintaining its website providing complete information about the Company, Investors Relations, Investors Informations, Governance, Policy & Procedures and contact details. This can be accessed through a link [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

**Public Information**

Financial analysts, stock brokers, interested investors and financial media desiring information about the Company and its product may contact the Chief Financial Officer and or the Company Secretary at Head Office, Karachi.

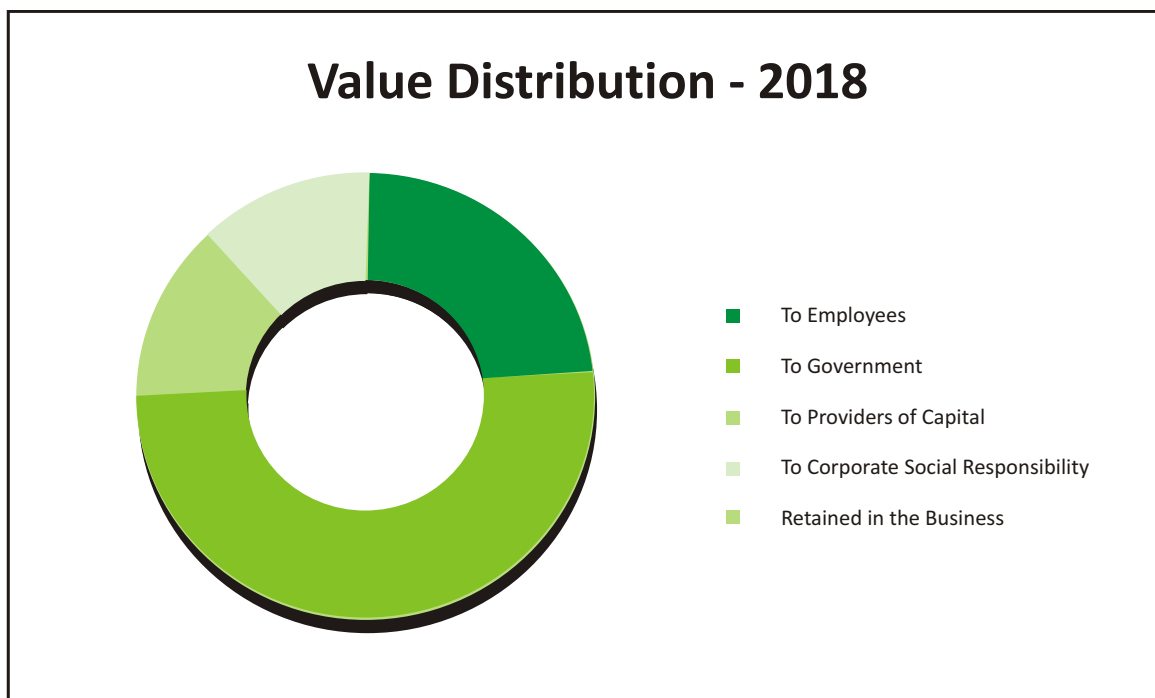
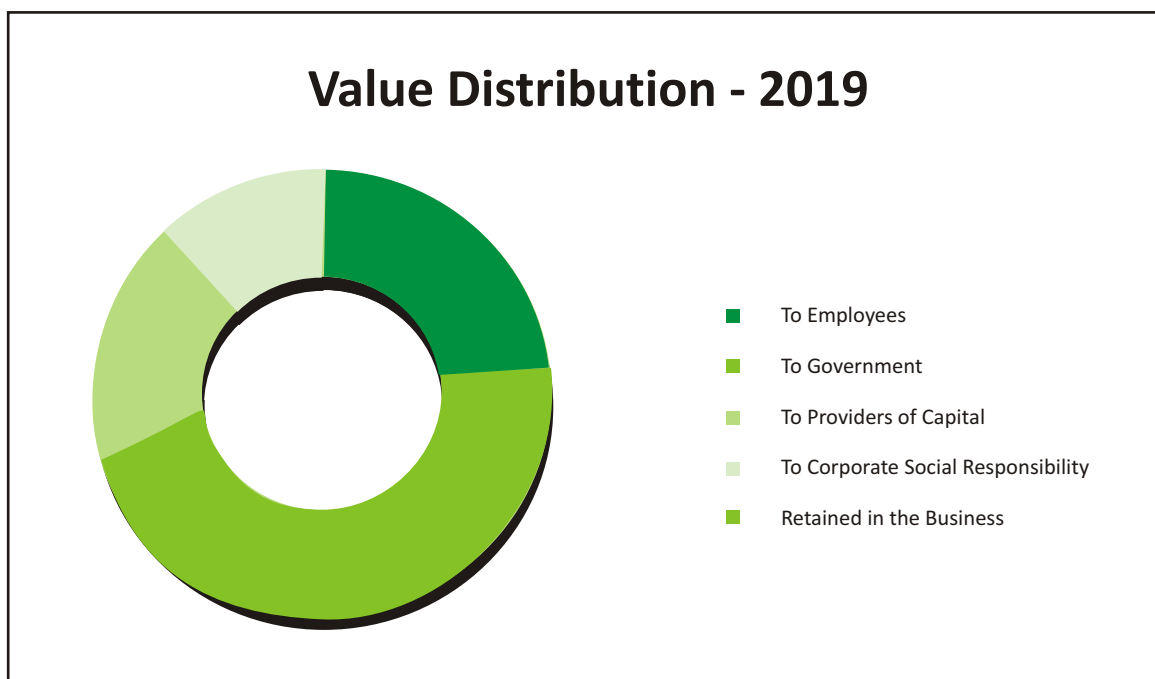
## Financial Ratios

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Profitability Ratios</b>										
Gross Profit Ratio (%)	4.76	2.89	(2.74)	5.35	8.96	6.69	5.36	6.51	16.42	14.08
Net Profit to Sales (%)	(3.57)	0.57	(11.11)	0.49	2.00	0.27	0.25	(0.22)	2.52	5.02
Return on Capital Employed (%)	1.97	11.03	(85.28)	12.82	37.87	36.52	36.52	42.17	47.43	85.86
<b>Turnover Ratios</b>										
Inventory Turnover Ratio	3.78	3.51	3.12	4.59	5.21	8.01	6.19	3.08	1.96	17.51
Fixed Assets Turnover Ratio	98.67	117.05	147.96	193.37	245.93	278.88	383.94	403.72	200.02	561.23
<b>Investor Information</b>										
Price Earning Ratio	(3.15)	15.36	(1.55)	36.39	5.31	34.89	39.47	(44.91)	3.39	1.23
Market Value per Share	26.05	24.98	37.35	42.50	41.74	25.50	22.89	24.70	10.71	13.84
Book Value per Share	102.45	111.39	54.02	46.68	37.78	31.04	29.70	27.62	27.43	25.57
(Loss) / Earning per Share	(8.28)	1.63	(24.03)	1.17	4.80	0.73	0.58	(0.55)	3.16	11.25
<b>Liquidity Ratios</b>										
Current Ratio	0.47	0.60	0.69	0.91	1.13	0.98	1.03	0.99	1.01	1.203
<b>Capital Structure Ratios</b>										
Debt Equity Ratio	0.86	1.05	3.10	1.11	0.53	0.69	1.05	2.06	3.12	1.05
Interest Cover Ratio	0.14	1.20	(1.75)	1.23	2.11	1.36	1.18	1.00	1.68	4.11

## Statement of Value Addition and its Distribution

Value Addition	..... 2019.....		..... 2018.....	
	(Rs. '000)	%	(Rs. '000)	%
Turnover Gross	3,533,707	99.930	4,207,749	95.780
Other Income	2,479	0.070	185,391	4.220
	<u>3,536,186</u>	<u>100.000</u>	<u>4,393,140</u>	<u>100.000</u>
Cane Procurement and related expenses	2,222,014	81.255	2,871,755	83.575
Other Expenses	512,594	18.745	564,398	16.425
	<u>2,734,608</u>	<u>100.000</u>	<u>3,436,153</u>	<u>100.000</u>
	<u>801,578</u>	<u>22.668</u>	<u>956,987</u>	<u>21.784</u>
<b>Value Distribution</b>				
<b>Distributed as follows</b>				
To Employees				
– Remuneration	228,475	28.503	223,022	23.305
– Worker's profit participation fund	—	—	1,336	0.140
	<u>228,475</u>		<u>224,358</u>	
To Government				
– Sales Tax / Further Tax & Others	386,562	48.225	421,359	44.030
– Income Tax	39,279	4.900	54,049	5.648
– Deferred Tax	(103,429)	(12.903)	5,442	0.569
– Cess & Fees	7,977	0.995	11,572	1.209
	<u>330,389</u>		<u>492,422</u>	
To Providers of Capital				
– Finance Cost	172,667	21.541	121,934	12.741
	<u>172,667</u>		<u>121,934</u>	
To Corporate Social Responsibility				
– Charity & Donations	2,321	0.290	3,026	0.316
	<u>2,321</u>		<u>3,026</u>	
Retained in the Business				
– Depreciation & Amortization	166,581	20.782	95,822	10.013
– (Loss) / Profit for the Year	(98,855)	(12.333)	19,426	2.030
	<u>67,726</u>		<u>115,248</u>	
	<u>801,578</u>	<u>100.000</u>	<u>956,988</u>	<u>100.000</u>

# Graphical Presentation of Value Distribution



# Independent Auditors' Report

## to the Members of Sanghar Sugar Mills Limited

### Report on the Audit of the Financial Statements

#### Opinion

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

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

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note 24.1.4 of the annexed financial statements, which describes the uncertainty related to the outcome of legal matters related to minimum sugar cane price and other matters. Our opinion is not qualified in respect of this matter.

#### Key Audit Matter

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

S.N.	Key audit matter	How the matter was addressed in our audit
1.	<p><b>Contingencies</b></p> <p>The Company is under litigations in respect of various matters related to sugar price fixation and other sugar industry matters and other miscellaneous claims in respect of the assets/payables of the Company as disclosed in note 24 of the annexed financial statements. These contingencies require management's judgments and estimates in relation to the interpretation of relevant laws, notifications and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the annexed financial statements. Accordingly these are considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee.</li> <li>● Review of the relevant information including case proceedings, related industry information and correspondences in respect of the ongoing litigations.</li> <li>● Obtaining confirmation from the legal counsel of the Company to evaluate the status of the pending litigations and view point of the Company's legal counsel thereon.</li> <li>● Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed.</li> <li>● Re-computing the amounts of obligations and recorded liabilities based on available underlying information and confronted parameters.</li> <li>● Assessing the appropriateness of the related disclosures made in the accompanying financial statements in light of IAS-37 "Provisions and Contingencies".</li> </ul>

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

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

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

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis

of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

CHARTERED ACCOUNTANTS

Place: Karachi

Date: 28th December 2019

## Statement of Financial Position

As at September 30, 2019

<b>ASSETS</b>	<b>Notes</b>	<b>September 30 2019 (Rupees in '000)</b>	<b>September 30 2018</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	2,807,695	2,909,416
Intangible asset	6	—	—
Long term deposits	7	17,323	18,823
Deferred cost	8	—	8,771
		<b>2,825,018</b>	<b>2,937,010</b>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	9	56,925	55,599
Stock-in-trade	10	604,943	790,044
Trade Debts	11	—	28,726
Loans and advances	12	34,336	38,841
Trade deposits & short term prepayments	13	11,051	12,413
Other receivables	14	47,080	160,994
Income tax refundable - net of provision		23,758	38,155
Cash and bank balances	15	37,662	7,071
		<b>815,755</b>	<b>1,131,843</b>
<b>TOTAL ASSETS</b>		<b>3,640,773</b>	<b>4,068,853</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 20,000,000 shares of Rs.10 each		<b>200,000</b>	200,000
Issued, subscribed and paid up capital	16	119,460	119,460
Unappropriated profit		67,276	111,367
Surplus on revaluation of property, plant & equipment	17	1,037,118	1,099,872
		<b>1,223,854</b>	<b>1,330,699</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	18	84,560	153,791
Liabilities against assets subject to finance lease	19	61,110	97,072
Deferred liabilities	20	519,916	603,790
		<b>665,586</b>	<b>854,653</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	781,975	688,073
Accrued finance cost	22	57,670	29,035
Short term borrowings	23	797,350	1,021,483
Unclaimed dividend		8,286	1,526
Dividend payable		—	12,418
Current portion of long term financing	18	69,272	87,936
Current portion of liabilities against assets subject to finance lease	19	36,780	43,030
		<b>1,751,333</b>	<b>1,883,501</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	24	—	—
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,640,773</b>	<b>4,068,853</b>

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Profit or Loss

For the year ended September 30, 2019

	Notes	September 30 2019 (Rupees in '000)	September 30 2018
Sales	25	2,770,439	3,405,535
Cost of sales	26	2,638,661	3,307,015
<b>Gross Profit</b>		<u>131,778</u>	<u>98,520</u>
<b>Profit from trading activities</b>	27	—	3,553
		<u>131,778</u>	<u>102,073</u>
Distribution cost	28	12,698	41,879
Administrative cost	29	91,136	90,971
Other operating cost	30	6,364	7,812
		<u>110,198</u>	<u>140,662</u>
<b>Operating Profit / (Loss)</b>		<u>21,580</u>	<u>(38,589)</u>
Other income	31	2,479	185,391
		<u>24,059</u>	<u>146,802</u>
Finance cost	32	172,667	121,934
<b>(Loss) / Profit before taxation</b>		<u>(148,608)</u>	<u>24,868</u>
Taxation	33	(49,753)	5,442
<b>(Loss) / Profit after taxation</b>		<u>(98,855)</u>	<u>19,426</u>
<b>(Loss) / Earning per share - Basic and diluted (Rupees)</b>	34	<u>(8.28)</u>	<u>1.63</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Comprehensive Income

For the year ended September 30, 2019

	Notes	September 30 2019 (Rupees in '000)	September 30 2018
(Loss) / Profit after taxation		(98,855)	19,426
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to statement of profit or loss</b>			
Remeasurement loss on actuarial valuation of staff defined benefit plan	20.3.4	(427)	(4,261)
Related deferred tax		124	1,150
		(303)	(3,111)
<b>Items that may be reclassified subsequently to statement of profit or loss</b>			
Surplus on revaluation of property, plant and equipment during the year	17	—	1,023,393
Related deferred tax	20.1	—	(290,549)
		—	732,844
<b>Total Comprehensive (Loss) / Profit for the year</b>		<b>(99,158)</b>	<b>749,159</b>

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Cash Flows

For the year ended September 30, 2019

	Notes	September 30 2019 (Rupees in '000)	September 30 2018
(Loss) / Profit before taxation		(148,608)	24,868
<b>Adjustment for non cash charges and other items:</b>			
Depreciation	5.1.2	157,810	87,031
Amortization	6	—	19
Amortization of deferred cost	8	8,771	8,772
Employees retirement benefits expense	20.3.3 & 20.4.3	15,023	12,523
Provision for slow moving items & obsolescence	9.1	950	750
Provision for doubtful grower's advance	30	953	—
Provision for market committee fee	20.2	4,909	7,121
Gain on sale of Property, plant & equipment	5.1.3 & 31	(1,399)	(464)
Finance cost	32	172,667	121,934
		<b>359,684</b>	<b>237,686</b>
		<b>211,076</b>	<b>262,554</b>
<b>Changes in Working capital</b>			
<b>(Increase) / Decrease in current assets</b>			
Stores, spare parts and loose tools		(2,276)	(192)
Stock - in - trade		185,101	305,488
Trade debts		28,726	(28,726)
Loans and advances		3,552	77,444
Trade deposits & Short term prepayments		1,362	(805)
Other receivables		113,914	(157,381)
		<b>330,379</b>	<b>195,828</b>
<b>Increase in current liabilities</b>			
Trade and other payables		93,902	309,474
		<b>635,357</b>	<b>767,856</b>
Employees retirement benefits paid during the year		(8,367)	(2,655)
Finance cost paid during the year		(144,032)	(139,406)
Decrease in long term deposits		1,500	2,138
Income tax paid during the year		(39,279)	(54,049)
		<b>(190,178)</b>	<b>(193,972)</b>
<b>Net cash inflow from operating activities</b>		<b>445,179</b>	<b>573,884</b>

	Note	September 30 2019 (Rupees in '000)	September 30 2018
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		2,474	605
Additions to property, plant and equipment		(57,164)	(227,249)
<b>Net cash outflow from investing activities</b>		<b>(54,690)</b>	<b>(226,644)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(87,895)	(71,274)
Proceeds from long term financing		—	16,578
Payments of liabilities against asset subject to finance lease		(42,212)	(33,077)
Decrease in dividend payable during the year		(5,658)	(43)
<b>Net cash outflow from financing activities</b>		<b>(135,765)</b>	<b>(87,816)</b>
<b>Net increase in cash and cash equivalents</b>		<b>254,724</b>	<b>259,424</b>
Cash and cash equivalents at beginning of the year		(1,014,412)	(1,273,836)
<b>Cash and cash equivalents at end of the year</b>	<b>35</b>	<b>(759,688)</b>	<b>(1,014,412)</b>

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Changes in Equity

For the year ended September 30, 2019

	Issued, Subscribed & Paid-up Capital	Unappropriated profit	Capital Reserve - Surplus on revaluation of property, plant & equipment	Total
	(Rs in '000)			
<b>Balance as at October 01, 2017</b> - as restated	119,460	74,487	375,218	569,165
Total Comprehensive income for the year ended September 30, 2018	—	16,315	732,844	749,159
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	20,565	(20,565)	—
Effect of change in tax rate directly credited to revaluation surplus	—	—	12,375	12,375
<b>Balance as at September 30, 2018</b>	<u>119,460</u>	<u>111,367</u>	<u>1,099,872</u>	<u>1,330,699</u>
<b>Balance as at October 01, 2018</b>	<b>119,460</b>	<b>111,367</b>	<b>1,099,872</b>	<b>1,330,699</b>
Total Comprehensive loss for the year ended September 30, 2019	—	(99,158)	—	(99,158)
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	55,067	(55,067)	—
Effect of change in tax rate directly credited to revaluation surplus	—	—	(7,687)	(7,687)
<b>Balance as at September 30, 2019</b>	<u>119,460</u>	<u>67,276</u>	<u>1,037,118</u>	<u>1,223,854</u>

The annexed notes 1 to 45 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

# Notes to the Financial Statements

For the year ended September 30, 2019

## 1 COMPANY AND ITS OPERATIONS

- 1.1** The Company is a public limited Company incorporated in 1986 in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Office No. 204, 2nd Floor, Clifton Centre, Block 5, Clifton, Karachi.
- 1.2** The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh. The total area of industry land / manufacturing facilities which includes the main factory is spread over 320.625 Acres.

## 2 BASIS OF PREPARATION

### 2.1 Statement of Compliance

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

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

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

### 2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for, employees retirement benefits that are based on actuarial valuation, items of property, plant and equipment carried at revalued amounts and stock in trade when valued at net realizable value.

### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.

## 2.4 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

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

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except that the Company has adopted the following accounting amendments of IFRSs which became effective for the current year

IFRS 2	Share-based Payments: Classification and Measurement of Share-based Payments Transactions (Amendments)
IFRS 9	Financial Instruments; This standard will supersede IAS 39 Financial Instruments: Recognition and Measurement upon its effective date
IFRS 15	Revenue from Contracts with Customers; This standard will supersede IAS 18, IAS 11, IFRIC 13, IFRIC 15 and SIC 31 upon its effective date
IAS 40	Investment Property: Clarification on transfers of property to or from Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration; Provides guidance on transactions where consideration against non-monetary prepaid asset / deferred income is denominated in foreign currency

Improvements to IFRSs issued by IASB in December 2016

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investments at fair value through profit or loss is an investment-by-investment choice

The adoption of the above standards, amendments and improvements to IFRS did not have any material effect on these financial statements, except for IFRS 15 and IFRS 9 as explained below:

#### **IFRS 15 - Revenue from Contracts with Customers**

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company generates its revenue from sale of goods. The Company's contracts with customers for the sale of goods generally include one performance obligation. The Company has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of IFRS 15 did not have an impact on the timing of revenue recognition and the amount of revenue recognised.

In general the contracts for the sale of goods do not provide customers with a right of return. Accordingly, the application of the constraint on variable consideration did not have any impact on the revenue recognised by the Company.

#### **IFRS 9 -Financial Instruments**

IFRS 9 'Financial Instruments' has replaced IAS 39 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting. The Company has applied IFRS 9 retrospectively, on 1 October 2018. During February 2019, the SECP modified the effective date for applicability of IFRS 9 in place of IAS 39 as reporting period/ year ending on or after 30 June 2019.

The Company's financial assets mainly includes long term deposits, trade debts, loans, trade deposits, other receivables, cash and bank balances held with commercial banks.

IFRS 9 retain but simplifies the measurement model and establishes the measurement categories of financial asset: amortised cost, fair value through other comprehensive income and fair value through the statement of profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. The Company continues measuring at fair value all the financial assets previously held at fair value under IAS 39. The measurement basis followed by the Company under IFRS 9 are as follows:

- Trade debts and other financial assets previously classified as loans and receivables are now measured at amortised cost.

The Classification and measurement of IFRS 9, as described above did not have a significant impact on the Company's financial statements.

Further, the adoption of IFRS 9 has changed the accounting for impairment losses for financial assets by replacing the incurred losses model approach with a forward looking expected credit loss (ECL) approach.

Expected Credit Loss (ECL) are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

Considering the nature of the financial assets, the Company has applied the standard's simplified approach and has calculated ECL based on life time ECL

The adoption of the ECL approach under IFRS 9 resulted in an immaterial impact on the Company's financial assets.

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

#### 2.4.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective.

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

		<b>Effective for the period</b>
IFRS 3	Definition of a Business (Amendments)	January 1, 2020
IFRS 3	Business Combinations: Previously held interests in a joint operation	January 1, 2019
IFRS 9	Prepayment Features with Negative Compensation (Amendments)	January 1, 2019
IFRS 10/IAS 28	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 11	Joint Arrangements: Previously held interests in a joint operation	January 1, 2019
IFRS 16	Leases	January 1, 2019
IAS 1 / IAS 8	Definition of Material (Amendments)	January 1, 2020
IAS 12	Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 1, 2019
IAS 19	Plan Amendment, Curtailment or Settlement (Amendments)	January 1, 2019
IAS 23	Borrowing Costs - Borrowing costs eligible for capitalization	January 1, 2019
IAS 28	Long-term Interests in Associates and Joint Ventures – (Amendments)	January 1, 2019
IFRIC 23	Uncertainty Over Income tax Treatment	January 1, 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application, except for IFRS 16 - 'Leases'. The management of the Company is currently evaluating the impact of this standard on the financial statements of the Company.

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

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

	<b>IASB Effective Date "Effective for the period beginning on or after</b>
IFRS 1 First Time Adoption of IFRS	January 1, 2004
IFRS 14 Regulatory Deferral Accounts	January 1, 2016
IFRS 17 Insurance Contracts	January 1, 2021

### 3 Critical accounting estimates, judgments and assumptions

The preparation of these financial statements in conformity with the approved accounting standards requires the management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under that circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcome that require material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and any future period affected.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the following paragraphs of these note.

In the process of applying the accounting policies, management has made the following estimates, judgments and assumptions which are significant to the financial statements:

– **Taxation :**

In making the estimates of the income tax liabilities, the management considers current income tax law and decisions of appellate authorities. Deferred tax estimate is made considering future applicable tax rate.

– **Employees Retirement Benefits:**

Certain actuarial assumptions have been adopted as disclosed in these financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future years might effect gains and losses in those years. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates.

– **Property, Plant and Equipment**

The management determines the estimated useful lives and related depreciation charge for its property, plant and equipment. The management reviews the value of assets for possible impairment on financial year end. Any change in the estimate in the future years might effect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

– **Stock in trade**

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

– **Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based

on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

- **Expected credit losses against trade debts, deposits, advances and other receivables**  
The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of doubtful debts and expected credit losses required there against periodically. While determining the losses, the Company considers financial health, market information, aging of receivables, credit worthiness, credit rating, past records and business relationship.
- **Slow Moving Stores and Obsolescence**  
In making estimates of quantum of slow moving items and obsolescence, the aging analysis, current condition of various items and expected use in future are considered.
- **Impairment against non financial assets**  
The Company reviews carrying amount of assets periodically to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the statement of profit or loss.

#### 4 SIGNIFICANT ACCOUNTING POLICIES

##### 4.1 Property, plant and equipment

###### 4.1.1 Operating Assets

###### Owned assets

###### Recognition & Measurement

An item of property, plant & equipment is recognised as an asset if and only if, the future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. These are subsequently stated at cost less accumulated depreciation and impairment, if any, except for free hold land, buildings and plant and machinery which are stated at revalued amounts.

###### Depreciation

Depreciation is charged, on a systematic basis over the economic useful life of the asset, on reducing balance method, which reflects the pattern in which the assets economic benefits are consumed by the Company, at the rates specified in respective note. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.

###### Revaluation Surplus - owned assets

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

###### Subsequent Cost

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

**Derecognition**

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

**4.1.2 Assets subject to finance lease**

These are accounted for by recording the assets at the lower of present value of minimum lease payments under the lease agreements and the fair value of assets acquired. Depreciation is charged to the statement of profit or loss using the same basis as for owned assets.

**4.1.3 Capital work-in-progress**

Capital work-in-progress is stated at cost accumulated up to the reporting date less impairment if any and represents expenditure incurred on property, plant and equipment in the course of construction / installation / implementation / development including borrowing cost on eligible assets. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets become available for use.

**4.2 Intangible Asset**

Computer software is stated at cost less accumulated amortization. Software costs are only capitalized when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortized, on a monthly proportionate basis applying the straight line method at the rate stated in respective note to these financial statements.

**4.3 Deferred Cost**

Deferred cost is the cost / expense incurred whose benefits are expected to be obtained beyond the period of one year. Deferred cost is being amortized over the estimated period of consuming benefits which are five years.

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

These are valued at cost calculated on a moving average basis less provision for obsolescence, and slow moving items, except for the items in transit, which are valued at costs accumulated up to the reporting date.

**4.5 Stock in trade**

Stock of sugar is valued at lower of the weighted average cost and net realizable value. By-products i.e. Molasses and Baggasse are valued at net realizable value (NRV). Cost in relation to work in process and finished goods consists of material cost, proportionate manufacturing overheads.

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

**4.6 Trade debts, loans, deposits and other receivable**

Trade debts, loans, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts, loans and other receivables. Bad debts are written off when considered irrecoverable.

**4.7 Trade and other payables**

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

#### **4.8 Employees Retirement benefits:**

##### **4.8.1 Defined benefit plan - Gratuity**

The Company operates an unfunded gratuity scheme for all employees eligible to the scheme with qualifying service period. Provision is made annually to cover the obligation on the basis of actuarial valuation carried out using Projected Unit Credit Method and is charged to the statement of profit or loss, related details of which are given in the respective note to the financial statements. Remeasurement gains or losses are recognized in full as and when arise and are charged to other comprehensive income.

##### **4.8.2 Defined benefit plan - Leave Encashment**

The Company provides for compensated absences for all eligible employees in the period in which these are earned in accordance with the terms of employment. Provision is made annually to cover the obligation on the basis of actuarial valuation carried out using Projected Unit Credit Method and is charged to statement of profit or loss, related details of which are given in the respective note to the financial statements. Remeasurement gains or losses are recognized in full as and when arise and are charged to other comprehensive income.

#### **4.9 Finance Lease**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee or meet other criteria defined in IAS 17. All other leases are classified as operating lease. Assets held under finance lease are recognized as items of property, plant & equipment of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as "Liabilities against asset subject to finance lease". Lease payments are apportioned between finance charges and reduction of the liabilities against assets subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to statement of profit or loss unless they are directly attributable to qualifying assets in which case they are capitalized in accordance with the company's general policy on borrowing cost.

#### **4.10 Taxation**

##### **4.10.1 Current**

The charge for current taxation is based on taxable income at the current rate of taxation (after taking into account applicable tax credits, rebates and exemptions available, if any) or minimum tax and alternate corporate tax under sections 113 & 113 (C) of the Income Tax Ordinance, 2001, respectively whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years.

##### **4.10.2 Deferred**

Deferred tax is recognized using the liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and their tax base and is recognized on the basis of the expected manner of the realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the reporting date. Deferred tax asset is recognized to the extent that it is probable that the future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax asset is reduced to the extent it is no longer probable that the related tax benefit will be realized.

##### **4.10.3 Sales tax and Federal Excise Duty (FED)**

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

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

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

#### **4.11 Ijarah Lease contracts**

Leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as Ijarah lease. Payments made under the Ijarah lease agreements are charged to statement of profit or loss.

#### **4.12 Revenue recognition**

Revenue from sale of goods is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.

Electric power supply is recognized when the supply of power is passed on through transmission lines.

Rental income is recorded on an accrual basis.

#### **4.13 Foreign currency transaction and translation**

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

#### **4.14 Provisions and contingencies**

Provisions are recognized when the Company has present legal or constructive obligation as a result of past event, and it is probable that outflow of economic benefits will be required to settle the obligation and reliable estimates can be made. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

#### **4.15 Borrowing cost**

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the respective qualifying assets. All other mark-up, interest, profit and other charges are charged to the statement of profit or loss.

#### **4.16 Financial Instruments**

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

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

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

##### **4.16.1 Subsequent measurement**

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

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

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

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

#### **4.16.2 Non-derivative financial assets**

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

#### **4.16.3 Financial liabilities**

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized 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 recognized in the profit or loss.

#### **4.17 Offsetting of financial assets and liabilities**

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

#### **4.18 Cash and cash equivalents**

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank balances net of short term borrowings.

#### **4.19 Dividend and appropriation to reserves**

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

#### **4.20 Impairment of assets**

##### **4.20.1 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:

- Other debt securities and bank balance for which credit risk (i.e. 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-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at 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 of 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.

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

#### 4.20.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companies of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss

		2019	2018
		(Rupees in '000)	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
	Operating fixed assets	<b>Note - 5.1</b> 2,804,240	2,894,416
	Capital work-in-progress	<b>Note - 5.2</b> 3,455	15,000
		<u>2,807,695</u>	<u>2,909,416</u>

## 5.1 Operating Fixed Assets

Net carrying value as at September 30, 2019	OWNED								LEASED	OWNED & LEASED	
	Free hold land	Factory Building on free hold land	Non-Factory Building on free hold land	Plant and Machinery	Furniture and Fittings	Vehicles	Computer Equipment & Appliances	Stores & Spares held for capital expenditure	Sub - Total	Plant and Machinery	Grand Total
Rupees in '000											
Opening Net Book Value (NBV)	115,000	229,938	56,063	2,287,998	1,389	14,091	2,533	4,605	2,711,617	182,799	2,894,416
Direct Additions at Cost	—	—	—	—	—	5,889	810	—	6,699	—	6,699
Transfer from leased to owned assets	—	—	—	24,440	—	—	—	—	24,440	(24,440)	—
Transfer from ijarah leased to owned	—	—	—	2,930	—	—	—	—	2,930	—	2,930
Transfer from Capital Work in Progress	—	—	—	59,080	—	—	—	—	59,080	—	59,080
Disposal at NBV	—	—	—	—	—	(1,075)	—	—	(1,075)	—	(1,075)
Depreciation charge for the year	—	(22,994)	(5,606)	(116,214)	(139)	(3,280)	(314)	(230)	(148,777)	(9,033)	(157,810)
<b>Closing Net Book Value</b>	<b>115,000</b>	<b>206,944</b>	<b>50,457</b>	<b>2,258,234</b>	<b>1,250</b>	<b>15,625</b>	<b>3,029</b>	<b>4,375</b>	<b>2,654,914</b>	<b>149,326</b>	<b>2,804,240</b>
<b>Gross carrying value as at September 30, 2019</b>											
Cost	7,043	155,669	12,365	1,470,411	6,669	37,026	13,240	5,867	1,708,289	161,908	1,870,197
Accumulated Depreciation - Cost	—	(39,748)	(9,944)	(381,796)	(5,419)	(21,400)	(10,211)	(1,492)	(470,010)	(12,582)	(482,591)
	7,043	115,921	2,421	1,088,615	1,250	15,625	3,029	4,375	1,238,280	149,326	1,387,606
Revaluation	107,957	177,127	83,380	1,352,160	—	—	—	—	1,720,624	—	1,720,624
Incremental Depreciation	—	(86,104)	(35,344)	(182,541)	—	—	—	—	(303,989)	—	(303,989)
	107,957	91,023	48,036	1,169,619	—	—	—	—	1,416,635	—	1,416,635
<b>Total Net Book Value</b>	<b>115,000</b>	<b>206,944</b>	<b>50,457</b>	<b>2,258,234</b>	<b>1,250</b>	<b>15,625</b>	<b>3,029</b>	<b>4,375</b>	<b>2,654,914</b>	<b>149,326</b>	<b>2,804,240</b>
Rupees in '000											
Opening Net Book Value (NBV)	93,500	103,162	51,446	764,753	1,367	15,033	2,471	4,847	1,036,579	26,961	1,063,540
Direct Additions at Cost	—	—	—	—	162	2,648	370	—	3,180	—	3,180
Surplus on Revaluation	21,500	18,473	9,762	973,658	—	—	—	—	1,023,393	—	1,023,393
Transfer from Capital Work in Progress	—	125,719	—	603,848	—	—	—	—	729,567	161,908	891,475
Disposal at NBV	—	—	—	—	—	(141)	—	—	(141)	—	(141)
Depreciation charge for the year	—	(17,416)	(5,145)	(54,261)	(140)	(3,449)	(308)	(242)	(80,961)	(6,070)	(87,031)
<b>Closing Net Book Value</b>	<b>115,000</b>	<b>229,938</b>	<b>56,063</b>	<b>2,287,998</b>	<b>1,389</b>	<b>14,091</b>	<b>2,533</b>	<b>4,605</b>	<b>2,711,617</b>	<b>182,799</b>	<b>2,894,416</b>
<b>Gross carrying value as at September 30, 2018</b>											
Cost	7,043	155,669	12,365	1,378,400	6,669	34,319	12,430	5,867	1,612,762	191,908	1,804,670
Accumulated Depreciation - Cost	—	(27,044)	(9,637)	(321,991)	(5,280)	(20,228)	(9,897)	(1,262)	(395,339)	(9,109)	(404,448)
	7,043	128,625	2,728	1,056,409	1,389	14,091	2,533	4,605	1,217,423	182,799	1,400,222
Revaluation	107,957	177,127	83,380	1,352,160	—	—	—	—	1,720,624	—	1,720,624
Accumulated Depreciation - Revaluation	—	(75,814)	(30,045)	(120,571)	—	—	—	—	(226,430)	—	(226,430)
	107,957	101,313	53,335	1,231,589	—	—	—	—	1,494,194	—	1,494,194
<b>Total Net Book Value</b>	<b>115,000</b>	<b>229,938</b>	<b>56,063</b>	<b>2,287,998</b>	<b>1,389</b>	<b>14,091</b>	<b>2,533</b>	<b>4,605</b>	<b>2,711,617</b>	<b>182,799</b>	<b>2,894,416</b>
<b>Depreciation rate % per annum</b>	—	10	10	5	10	20	10 & 20	5		5	

5.1.1 The Company's freehold land, building and plant and machinery were revalued on September 30, 2018, by independent professional valuator M/s Joseph Lobo (Pvt) Limited at fair market value. The resultant surplus on revaluation has been credited to the surplus on revaluation of property, plant & equipment.

5.1.2 Depreciation charge for the year has been allocated as under:

		2019	2018
		(Rupees in '000)	
Cost of Sales	Note 26	148,240	77,748
Administrative Cost	Note 29	9,570	9,283
		<u>157,810</u>	<u>87,031</u>

5.1.3 The following Property, plant and equipments were disposed during the year:

Particulars	Cost	Written Down Value	Sale Proceeds	Gain on Disposal	Mode of Disposal	Purchaser
.....Rupees in '000.....						
Suzuki High-Roof - CT 4676	634	124	400	276	Negotiation	Mr. Mubashar Qamar, Shah Latif Town, Karachi.
Toyota Corolla - AYP 622	1,685	378	1,335	957	Negotiation	Syed Zahid Rasheed, House No. 3, Plot 16-C, Street 12, DHA Ext Commercial, Phase 5, D.H.A., Karachi.
Suzuki Cultus - AVB 971	800	544	675	131	Negotiation	Mr. Ghulam Mustafa, New Housing, Society, Mirpur Road, Sanghar.
Motorcycle	64	28	64	35	Company Policy	Mr. Muhammad Iqbal, Cane Inspector (Employee), Sanghar.
<b>September 30, 2019</b>	<u>3,183</u>	<u>1,075</u>	<u>2,474</u>	<u>1,399</u>		
September 30, 2018	850	141	605	464		

## 5.2 Capital work-in-progress

	Cost at October 01	Capital expenditure incurred during the year	Transferred to operating fixed assets	Cost at September 30
..... Rupees in '000 .....				
Plant & Machinery - under erection				
Owned	15,000	47,535	(59,080)	3,455
<b>As at September 30, 2019</b>	<u>15,000</u>	<u>47,535</u>	<u>(59,080)</u>	<u>3,455</u>
Plant and Machinery - under erection				
Owned	401,386	169,539	(570,925)	—
Leased	Note19 161,908	—	(161,908)	—
Advances against Plant & Machinery	—	15,000	—	15,000
Civil works under construction	91,021	22,011	(113,032)	—
Borrowing cost related to plant and machinery & Civil Works	Note 5.2.1 23,489	17,519	(41,008)	—
Stores held for capitalization	4,602	—	(4,602)	—
<b>As at September 30, 2018</b>	<u>682,406</u>	<u>224,069</u>	<u>(891,475)</u>	<u>15,000</u>

5.2.1 Effective rate of interest for capitalization of borrowing cost is Nil (2018: 8.64% to 8.66%)

2019                      2018  
(Rupees in '000)

**6 INTANGIBLE ASSET****Computer Software****Net carrying value as at September 30**

Opening net book value (NBV)		—	19
Amortization charged during the year	Note 6.1 & 29	—	(19)
Closing Net Book Value		—	—
<b>Gross carrying value as at September 30</b>			
Cost		1,275	1,275
Accumulated Amortization		(1,275)	(1,275)
		—	—

6.1 The cost has been amortized using straight line method over a period of three years.

**7 LONG TERM DEPOSITS****Considered good:**

Finance lease deposits		15,995	17,495
Diminishing Musharka deposit	Note 7.1 & 18.4	792	792
Ijarah lease deposit	Note 7.2	—	2,930
Deposit being classified under property plant & equipment being matured	Note 13	—	(2,930)
		—	—
Other security deposits		536	536
		17,323	18,823

7.1 This represent deposit of Rs. 792 thousand (2018: 792 thousand) placed with shariah compliant financial institution against the Diminishing Musharakah.

7.2 This represent deposit of Rs. Nil (2018: Rs. 2,930 thousand) placed with shariah compliant financial institution.

**8 DEFERRED COST**

Balance at the beginning	Note 8.1	8,771	17,543
Amortization charged	Note 26	(8,771)	(8,772)
		—	8,771

8.1 Deferred costs represented the costs incurred in respect of obtaining an independent / dedicated feeder for evacuation of power from the Company's power generation unit to Grid Station. The benefit of these costs were expected to be obtained over the period of license; hence, the same had been amortized over the period of Power Purchase Agreement that is five years.

2019  
2018  
(Rupees in '000)

**9 STORES, SPARE PARTS AND LOOSE TOOLS**

Stores		<b>35,332</b>	32,638
Spare parts		<b>37,402</b>	37,734
Loose tools		<b>2,747</b>	2,833
		<b>75,481</b>	73,205
Provision for slow moving items and obsolescence	Note 9.1	<b>18,556</b>	17,606
		<b>56,925</b>	55,599

**9.1 Reconciliation of provision for slow moving and obsolete items**

Opening balance at the beginning		<b>17,606</b>	16,856
Charge for the year	Note 30	<b>950</b>	750
Closing balance at the end		<b>18,556</b>	17,606

**10 STOCK-IN-TRADE**

Sugar	Note 10.1 & 26	<b>602,086</b>	787,770
Sugar in process	Note 26	<b>1,268</b>	1,153
Molasses in process		<b>89</b>	221
Baggasse		<b>1,500</b>	900
		<b>604,943</b>	790,044

**10.1** The closing stock of sugar having carrying value of Rs. 595,619 thousand (2018: Rs. 781,637 thousand) has been pledged against cash finance obtained from Banking Companies.

2019  
2018  
(Rupees in '000)

**11 TRADE DEBTS**

Local Sales - Unsecured, Considered good under contracts		<b>—</b>	28,726
		<b>—</b>	28,726

		2019	2018
		(Rupees in '000)	
<b>12 LOANS AND ADVANCES</b>			
<b>Interest free</b>			
Loans to Employees - Other than CEO, Directors & Executives	Note 12.1	2,087	2,340
<b>Un-Secured</b>			
Advances to			
- Employees against salaries		506	158
- Contractors and suppliers		8,798	28,304
- Growers Considered good			
- non interest bearing	Note 12.2	22,945	8,039
Considered doubtful	Note 12.3	7,878	6,925
		30,823	14,964
Impairment allowance against doubtful growers advances		7,878	6,925
		22,945	8,039
		34,336	38,841

**12.1** Loans have been given to employees for the purchase of house hold equipments and housing assistance in accordance with the terms of the employments and are repayable in the different monthly installments. These are usually against their balances of retirement benefits.

**12.2** The Company makes advances to growers in form of cash payments and in shape of fertilizers / seeds, which are adjustable against the supplies of sugarcane during the following season.

**12.2.1** It includes an amount of Rs. 6,722 thousand (2018: Rs. 1,764 thousand) in respect of due from related parties. The maximum month end aggregate amount due from related parties during the year was Rs. 8,686 thousand (2018: Rs. 7,626 thousand).

**12.2.2** Aging analysis of due from related parties is as follows:

		2019	2018
		(Rupees in '000)	
Upto six months		—	264
Upto three months		6,722	1,500
		6,722	1,764
<b>12.3 Reconciliation of impairment allowance against doubtful growers advances</b>			
Opening balance		6,925	6,925
Charge for the year	Note 30	953	—
Closing balance		7,878	6,925

2019  
2018  
(Rupees in '000)

**13 TRADE DEPOSITS & SHORT TERM PREPAYMENTS****Trade Deposits**

Bank Guarantee Margin	Note 24.2	7,500	3,750
Lease deposit being adjustable within next twelve months	Note 7	—	2,930
Others		75	75
		<b>7,575</b>	<b>6,755</b>

**Short Term Prepayments**

Prepaid Insurance		1,292	1,738
Prepaid Rent		1,706	3,464
Labour Court - Hyderabad	Note 24.1.5	478	456
		<b>3,476</b>	<b>5,658</b>
		<b>11,051</b>	<b>12,413</b>

**14 OTHER RECEIVABLES****Considered Good**

Due from Federal & Provincial Government against subsidy	Note 14.1	47,080	157,381
Road Cess receivable	Note 14.2	—	3,613
		<b>47,080</b>	<b>160,994</b>

**Considered doubtful**

Inland freight subsidy receivable	Note 14.3	18,713	18,713
Further sales tax refundable	Note 14.4	8,558	8,558
		<b>27,271</b>	<b>27,271</b>
Impairment allowance against doubtful		<b>(27,271)</b>	<b>(27,271)</b>
		<b>47,080</b>	<b>160,994</b>

**14.1** This represents the subsidy on export of sugar receivable from the Federal & Provincial governments.

**14.2** This represents receivable of Mill & Growers share of Sugarcane (Development) Cess for the crushing season 2014-15. The Company has paid the Cess and as per the notification issued by the Agriculture, Supply & Prices Department, Government of Sindh, the Company has filed documentation in this respect in the relevant department for refund of the said Cess. During the year the Company has net-off the amount receivable against its corresponding liability, to be payable to growers. The outcome of the same is awaited.

**14.3** These were the receivable from the Government of Pakistan through Trade Development Authority of Pakistan. Total receivable in this respect amounted to Rs. 21,703 thousands; however an amount of Rs. 2,990 thousand relating to the export sales of year 2013-14, was not accounted for in the books as a matter of prudence. Further, due to uncertainties regarding the recoverability of the subsidy, and as a matter of prudence, an impairment allowance has been made against the amount of Inland Freight Subsidy already recorded.

- 14.4** This represent Further Sales Tax of one percent on sales to unregistered persons. The Company paid Further Tax in the monthly Sales Tax & Federal Excise Returns for the month of June 2013 amounting to Rs. 764 thousand and July 2013 amounting to Rs. 3,519 thousand on buyers behalf which aggregated to Rs. 4,283 thousand and not received by the buyers. In addition, an amount of Rs. 4,275 thousand on account of Further Tax at the rate of two percent on sales to unregistered persons was again been paid by the Company and not received from the buyers. Further, due to uncertainties regarding the recoverability, and as a matter of prudence, an impairment allowance has been made against the amount of Further Tax already recorded.

		2019 (Rupees in '000)	2018
<b>15</b>	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	204	210
	Cash at banks		
	In current accounts	38,532	7,935
	Impairment allowance against the dormant bank accounts	(1,074)	(1,074)
		<u>37,458</u>	<u>6,861</u>
		<u>37,662</u>	<u>7,071</u>

- 15.1** Cash at banks include Rs. 3,988 thousand (2018: Rs. 2,650 thousand) with shariah compliant financial institutions.

<b>16 ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>			2019 (Rupees in '000)	2018
2019	2018			
<b>10,860,000</b>	10,860,000	Ordinary shares of Rs.10 each allotted for consideration paid in cash	<b>108,600</b>	108,600
<b>1,086,000</b>	1,086,000	Ordinary shares of Rs.10 each allotted as bonus shares	<b>10,860</b>	10,860
<u><b>11,946,000</b></u>	<u>11,946,000</u>		<u><b>119,460</b></u>	<u>119,460</u>

<b>17 SURPLUS ON REVALUATION OF PROPERTY, PLANT &amp; EQUIPMENT</b>			
	Gross opening balance	1,494,194	498,972
	Revaluation Surplus recorded during the year	—	1,023,393
	Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	(55,067)	(20,565)
	Deferred Tax on Incremental Depreciation charged on surplus on revaluation of property, plant & equipment	(22,492)	(7,606)
		<u>(77,559)</u>	<u>(28,171)</u>
		<b>1,416,635</b>	1,494,194
	Related deferred Tax	(379,517)	(394,322)
	Revaluation surplus net of deferred tax	<u><b>1,037,118</b></u>	<u>1,099,872</u>

- 17.1** The Company carries its land, building and plant & machinery on revaluation model in accordance with IAS - 16 "Property, Plant & Equipment". An independent valuer carried out revaluation and issued report on October 01, 2018. Forced sale value has been determined by the valuer using New Replacement Value i.e., the estimated cost to replace an existing asset or with a substitute of like kind and equal utility using the current standards of materials and design and with no deduction for depreciation as follows:

	(Rupees in '000)		
	Discount Factor in %	Present Market Value	Forced Sale Value
Free hold Land	13%	115,000	100,000
Building (Factory & Non-Factory)	15%	286,000	243,000
Plant & Machinery	20%	2,288,000	1,830,000

- 17.2** The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the Company in accordance with the section 241 of the Companies Act 2017.

	2019	2018
	(Rupees in '000)	
<b>18 LONG TERM FINANCING</b>		
<b>Secured</b>		
<b>From Banking Company under mark-up arrangements</b>		
Demand Finance - I	Note 18.1 & 18.3	3,000
Demand Finance - II	Note 18.2 & 18.3	131,198
Diminishing Musharakah	Note 7.1 & 18.4	19,634
		<b>153,832</b>
Current portion shown under current liabilities		<b>(69,272)</b>
		<b>84,560</b>
		25,000
		193,198
		23,529
		241,727
		(87,936)
		153,791

- 18.1** This represents Demand Finance I obtained from MCB Bank Limited under mark-up arrangements and is repayable in 16 varying quarterly installments starting from December 2015 with a mark-up payments @ 3 months KIBOR + 2.5% chargeable and payable on quarterly basis.
- 18.2** This represents Demand Finance II obtained from MCB Bank Limited under mark-up arrangements and is repayable in 16 quarterly installments starting from November 2017 with a mark-up payments @ 3 months KIBOR + 2.5% chargeable and payable on quarterly basis.
- 18.3** The above loans are secured against the Personal Guarantees of all Sponsoring Directors. 1st Exclusive Charge over specific plant & Machinery. 1st Registered Exclusive charge over all Land & Building of the Company. Additionally secured against 1st pari passu charge over other plant & machinery of the Company
- 18.4** This represents Diminishing Musharakah arrangement from shariah compliant financial institution under profit arrangements and repayable in five years in quarterly installments with a profit payments @ 6 months KIBOR + 3%. This loan is secured against the title over specific machinery.

	2019	2018
	(Rupees in '000)	
<b>19 LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE</b>		
Balance at the beginning of the year	140,102	173,179
Repayments during the year	(42,212)	(33,077)
	97,890	140,102
Less: Current portion shown under current liabilities	36,780	43,030
Note 19.1	<u>61,110</u>	<u>97,072</u>

19.1 The amounts of future payments for the lease and the period of their maturity is as follows:

	Minimum Lease Payments (MLP)	Financial Charges	Present Value of MLP
	Rupees in 000		
	2019		
Rentals due within one year	48,350	11,570	36,780
Rentals due after one year but within five years	66,189	5,079	61,110
<b>Balance as at September 30, 2019</b>	<u>114,539</u>	<u>16,649</u>	<u>97,890</u>
	2018		
Rentals due within one year	55,620	12,590	43,030
Rentals due after one year but within five years	108,323	11,251	97,072
<b>Balance as at September 30, 2018</b>	<u>163,943</u>	<u>23,841</u>	<u>140,102</u>

19.1.1 The Company has entered into direct lease agreement for an amount of Rs. 52,908 thousand with a grace period of six months & Rs. 30,000 thousand with Orix Leasing Pakistan Limited. Lease rentals are payable in 48 months on monthly basis started from December 2017 and October 2017 respectively. The Company has option to purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit and intends to opt such option. Minimum lease payments have been discounted using rates linked with KIBOR ranging between 11.14 % to 17.26% (2018: 10.12% to 11.14%) being rates implicit in the lease.

19.1.2 The Company has entered into lease agreement, for an amount of Rs. 70,000 thousand and Rs.9,000 thousand with Sindh Leasing Company Limited. The Company has option to purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit. Minimum lease payments have been discounted using rates linked with 6 Months Kibor plus 4.25% ranging between 10.68 % to 18.32 % (2018: 10.40% to 12.29%) being rates implicit in the lease. Lease rentals are payable in 60 months in arrears on monthly basis.

		2019	2018
		(Rupees in '000)	
<b>20</b>	<b>DEFERRED LIABILITIES</b>		
	Deferred taxation	368,660	464,526
	Market committee fee	71,843	66,934
	Employees retirement benefits		
	- Defined benefit plan	76,563	68,733
	- Leave Encashment plan	2,850	3,597
		<u>519,916</u>	<u>603,790</u>
<b>20.1</b>	<b>Deferred taxation:</b>		
	Opening Balance	464,526	182,060
	Impact of change in tax rate on revaluation surplus	7,687	(12,375)
	Deferred tax on fresh revaluation taken to other comprehensive income	—	290,549
	Impact of deferred tax on actuarial loss	(124)	(1,150)
	(Reversed) / Charged during the year	(103,429)	5,442
	Closing balance	<u>368,660</u>	<u>464,526</u>
<b>20.1.1</b>	<b>Deferred tax (debit) / credit arising due to:</b>		
	Deferred tax credit arising due to:		
	- surplus on revaluation	379,517	394,322
	- accelerated depreciation	145,529	122,295
	- assets obtained under finance lease	14,916	11,528
		<u>539,962</u>	<u>528,145</u>
	Deferred tax debit arising due to:		
	- provisions / impairment	(51,254)	(43,075)
	- minimum tax, Lossess and tax credit carried forward	(120,048)	(20,544)
		<u>368,660</u>	<u>464,526</u>
<b>20.2</b>	<b>Market committee fee</b>		
	Opening Balance	66,934	59,813
	Charge during the year	4,909	7,121
	Closing balance	<u>71,843</u>	<u>66,934</u>

**20.2.1** The Company has filed a suit in the Honourable High Court of Sindh against the levy of market committee fee by the Government of Sindh on sugarcane purchases at the factory. The Sindh High Court has granted status quo. Full provision has been made as a matter of prudence.

### **20.3 Employees Retirement Benfits - Defined Benefits Plan**

The Company operates an unfunded gratuity scheme for its employees eligible to the benefit effective from July 01, 2003 and provision is made as per actuarial valuation of the scheme conducted as of September 30, 2019 by M/s Nauman Associates (Consulting Actuaries) under the "Projected Unit Credit" method. The significant actuarial assumptions used for actuarial valuation for the gratuity scheme are as follows:

	2019	2018
	(Rupees in '000)	
<b>20.3.1 Movement in the present value of the obligation</b>		
Present value of obligation at the beginning of the year	68,733	54,884
Charge for the year	8,403	7,639
Current service cost	6,352	3,807
Interest cost	14,755	11,446
Benefits paid during the year	(7,352)	(1,858)
Actuarial loss & experience adjustments	427	4,261
Present value of obligation at the end of the year	76,563	68,733
<b>20.3.2 Expense for the year charged to statement of Profit or Loss</b>		
Current service cost	8,403	7,639
Interest cost	6,352	3,807
	14,755	11,446
<b>20.3.3 Charge for the year has been allocated as under:</b>		
Cost of sales	11,066	8,585
Administrative cost	3,689	2,861
	14,755	11,446
<b>20.3.4 Total Remeasurements Chargeable in Other Comprehensive Income</b>		
Actuarial loss from changes in financial assumptions	332	336
Experience adjustments	95	3,925
	427	4,261
<b>20.3.5 Significant Actuarial Assumptions</b>		
Discount rate used for interest cost in P & L Charge	10.00%	7.25%
Discount rate used for year end obligation	12.50%	10.00%
Salary increased used for year end obligation	11.50%	9.00%
Retirement age	Age 60	Age 60
Mortality Rates	SLIC	SLIC
	2001-2005	2001-2005
	Setback	Setback
	1 year	1 year
<b>20.3.6 Year end Sensitivity Analysis (+ 100 bps) on Defined Benefit Obligation</b>	<b>2019</b>	<b>2018</b>
	(Rupees in '000)	
Discount Rate + 100 bps	72,415	62,190
Discount Rate - 100 bps	80,770	69,961
Salary Increase + 100 bps	80,868	70,050
Salary Increase - 100 bps	72,257	62,044

**20.3.7 Expected Benefit Payments for the next 10 years and beyond**

Year	(Rs. in '000)	Year	(Rs. in '000)
FY 2020	14,711	FY 2026	17,049
FY 2021	7,874	FY 2027	21,727
FY 2022	9,337	FY 2028	12,996
FY 2023	14,062	FY 2029	24,197
FY 2024	10,841	FY 2030	476,023
FY 2025	10,107		

The average duration of the defined benefit obligation is 5 years

**20.4 Employee Retirement Benefits - Leave Encashment plan:**

The Company operates an unfunded leave encashment scheme for its employees eligible to the benefit and provision is made as per actuarial valuation of the scheme conducted as of September 30, 2019 by M/s Nauman Associates (Consulting Actuaries) under the "Projected Unit Credit" method. The significant actuarial assumptions used for actuarial valuation for the leave encashment scheme are as follows:

	2019 (Rupees in '000)	2018	
<b>20.4.1 Movement in the present value of the obligation</b>			
Present value of obligation at the beginning of the year	3,597	3,317	
Charge for the year	832	855	
Current service cost	301	227	
Interest cost	1,133	1,082	
Benefits paid during the year	(1,015)	(797)	
Actuarial loss from changes in financial assumptions	13	14	
Experience adjustments	(878)	(19)	
<b>Present value of obligation at the end of the year</b>	<b>2,850</b>	<b>3,597</b>	
<b>20.4.2 Expense for the year charged to Statement of Profit or Loss</b>			
Current service cost	832	855	
Interest cost	301	227	
Actuarial loss from changes in financial assumptions	13	14	
Experience adjustments	(878)	(19)	
	<b>268</b>	<b>1,077</b>	
<b>20.4.3 Charge for the year has been allocated as under:</b>			
Cost of sales	Note 26.1	201	808
Administrative cost	Note 29.1	67	269
		<b>268</b>	<b>1,077</b>

	2019	2018
<b>20.4.4 Significant Actuarial Assumptions</b>		
Discount rate used for interest cost	10.00%	8.00%
Discount rate used for year end obligation	12.50%	10.00%
Salary increased used for year end obligation	11.50%	9.00%
Retirement age	Age 60	Age 60
Mortality Rates	SLIC 2001-2005	SLIC 2001-2005
	Setback 1 year	Setback 1 year
	<b>2019</b>	<b>2018</b>
	(Rupees in '000)	

**20.4.5 Year end Sensitivity Analysis (+ 100 bps) on Defined Benefit Obligation**

Discount Rate + 100 bps		2,723	3,270
Discount Rate - 100 bps		2,992	3,630
Salary Increase + 100 bps		2,996	3,635
Salary Increase - 100 bps		2,717	3,262
<b>21 TRADE AND OTHER PAYABLES</b>			
Creditors	Note 21.1 & 21.2	542,637	589,033
Accrued liabilities	Note 21.3	43,587	47,451
Advances from customers		165,096	260
Sales tax / Further Tax payable		21,596	42,955
Workers' Profit participation Fund	Note 21.4	—	1,336
Workers' Welfare Fund		1,324	1,831
Other liabilities	Note 21.5	7,735	5,207
		<b>781,975</b>	<b>688,073</b>

**21.1** This includes an amount of Rs. 5,973 thousand (2018: Rs. 2,852 thousand) due to related parties namely Mr. Ghulam Dastagir Rajar, Haji Khuda Bux Rajar, Gul Muhammad and Muhammad Hashim. The maximum aggregate gross amount due to related parties at any month end during the year was Rs. 21,032 thousand (2018: Rs. 9,355 thousand).

**21.2** This includes an amount of Rs. 157,579 thousand (2018: Rs. 157,579 thousand) in respect of the suit filed by the Company in the Honorable High Court of Sindh during the season 2013-14 against the cane purchase price of Rs. 172 per 40 kg as fixed by Government of Sindh which was dismissed by the Honorable High Court and the matter was taken up by the Company with the Honorable Supreme Court of Pakistan. In the due course of time, the Government of Sindh fixed the price of sugarcane for the season 2014-15 at Rs. 182 per 40 Kg in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honorable High Court of Sindh. The Honorable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kg for crushing season 2014-15 whereas Rs. 12 per 40 kg will be paid by the Government of Sindh. The Honorable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015 pending before the Honorable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and Rs. 172 will also be dependent upon the decision of Honorable Supreme Court of Pakistan. The Company as a matter of prudence has accounted for the said difference in the financial statements.

**21.3** This includes an amount of Rs. 12,465 thousand (2018: Rs. 11,176 thousand) in respect of the Constitutional Petition filed by the Company in the Honourable High Court of Sindh, Hyderabad Circuit against the increase in rates by Nara Canal Area Water Board through its notification dated 22.11.2010 had increased the water supply rates from Rs. 1 per gallon to Rs. 10 per gallon. The petition has been disposed off leaving the petitioner free to invoke arbitration proceedings in terms of agreement entered into between the petitioner and the respondent. Arbitration proceedings are pending thereat. The Company is confident that matter will be decided favorably; however as a matter of prudence has accounted for the said difference in the financial statements.

		2019	2018
		(Rupees in '000)	
<b>21.4 Workers Profit Participation Fund</b>			
Opening balance at the beginning of the year		1,336	—
Interest paid on funds utilized by the Company	Note 32	149	—
		<u>1,485</u>	<u>—</u>
Less: Payments made during the year		(1,485)	—
		<u>—</u>	<u>—</u>
Add: Allocation for the year		—	1,336
Closing balance at the end of the year		<u>—</u>	<u>1,336</u>
<b>21.5 Other liabilities</b>			
Income tax deducted at source		1,834	2,346
Cane field staff	Note 21.5.1	512	323
Others - Employees' social security & old age benefits, workers compensation & others		5,389	2,538
		<u>7,735</u>	<u>5,207</u>

**21.5.1** These represents amount received from cane field employees under Company's motor cycle policy.

## **22 ACCRUED FINANCE COST**

Accrued mark-up on long term financing		5,643	5,469
Accrued mark-up / Profit on short term borrowings		52,027	23,566
		<u>57,670</u>	<u>29,035</u>

**22.1** Accrued Markup / profit on short term borrowings includes Rs. 25,221 thousand (2018: Rs. 6,242 thousand) in respect of shariah compliant financial institutions.

## **23 SHORT TERM BORROWINGS -Secured**

Cash, Karobar & Salam Finance	Note 23.1 & 23.2	697,350	921,483
Running Finance	Note 23.1	100,000	100,000
		<u>797,350</u>	<u>1,021,483</u>

**23.1** The aggregate financing facilities obtained amounted to Rs. 1,580,000 thousand (2018: Rs. 1,675,000 thousand), out of which Rs. 782,650 thousand (2018: Rs. 653,517 thousand) were un-availed as at the year end. These are secured by pledge of sugar stocks under the supervision of approved muddadum and hypothecation over current assets of the Company, exclusive & pari passu hypothecation charge on Company's plant & machinery and 1st equitable mortgage charge over fixed assets of the Company. The financing facilities are collaterally secured by the personal guarantees of all the sponsor directors. The facilities carries markup at 3 & 6 months KIBOR as base rate plus 2% to 2.75% per annum (2018: 2% to 2.75%) chargeable and payable quarterly and biannually. The facility is renewable annually at the time of maturity.

**23.2** This includes Rs. 375,000 thousand (2018: Rs. 372,500 thousand) in respect of shariah compliant financial institutions.

## **24 CONTINGENCIES AND COMMITMENTS**

### **24.1 Contingencies:**

**24.1.1** The Company has filed a petition in the Honourable Supreme Court of Pakistan against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the vary jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed of the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. Proceedings are pending thereat. There are no financial implications related to this at the moment.

**24.1.2** The Company has filed a suit before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority (the Authority) Challenging the levy of marking fee under PSQCA Act-VI of 1996. The Authority has demanded a fee payment @ 0.1% of ex-factory price for the year 2008-2009 amounting to Rs. 1,915 thousands. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are in violation of the constitution. The Honourable High Court of Sindh has accepted the petition and termed that impugned notifications have been issued without lawful authority and suspended the operation of the impugned notifications. The constitutional petition filed before the Honourable High Court of Sindh has been allowed in favour of the Company. In the meantime the legal counsel of the Company has filed caveat in respect of an appeal to be filed by PSQCA against the judgment in the Honourable Supreme Court of Pakistan. No provision has been made in this respect, as the Company is confident that the same is not likely to be materialized.

**24.1.3** The Company's appeal in the Honourable Supreme Court against the Order of the Honourable Sindh High Court for levy of Quality Premium was accepted by the Honourable Supreme Court by assailing the Order of Honourable Sindh High Court. Furthermore Federal Government steering committee through its decision on 16-07-2007 held that the quality premium shall remain suspended till decision of Honourable Supreme Court or consensus on uniform formula to be developed by MINFAL.

During the preceding year, the appeal of the quality premium, has been decided by the Honourable Supreme Court of Pakistan against the Sugar Manufacturing Companies and the Legal Counsel of the Company is of the view that the Honourable Supreme Court has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998 – 1999) it appears that no liability arose as no legally binding notification under section 16(v) can be said to be in the field in the light of the decision of the Honourable Supreme Court. Accordingly, no liability arises for the past and for the year 1998 – 99 the recovery rate was below the threshold determined by the Government, hence, no provision is required to be made and further the Company has already paid price higher than the minimum notified price.

**24.1.4** During the preceding year, the Government of Sindh issued a notification no. 8(142)/S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the Honourable High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honourable Court after deliberations with all stakeholders announced the judgement fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Honourable Supreme Court of Pakistan which is pending. The differential amount aggregating to Rs. 391,668 thousand has not been accounted for since the purchase price has been agreed with the parties and outcome of the Honourable Supreme Court is not likely to be against the Company. Furthermore, the Company along with other sugar mills have also filed petition in the Honourable Supreme Court challenging the minimum price fixation mechanism, which is also pending before the Honourable Court.

**24.1.5** During the preceding year, the Company has filed an appeal in the Honourable Supreme Court of Pakistan against the order passed by the Honourable High Court of Sindh – Circuit Court Hyderabad in the matter of Constitutional Petition No. D - 334 of 2012 (Sanghar Sugar Mills Limited vs Sindh Labour Appellant Tribunal and Others) against the Company. The said appeal was filed against the Sindh Labour Appellate Tribunal for the decision made by the Appellate Tribunal (Hyderabad). The Honourable Supreme Court of Pakistan has suspended the operation of the impugned judgement and directed the Company to let the amount of salary on the basis of last drawn arrears of salary during season and salary of retention during off season and as per directions the Company has deposited an amount of Rs. 478 thousand (2018: 456 thousand) in the Labour Court of Hyderabad. The Case has challenged the decision of Labour Appellate Tribunal and the Honourable High Court of Sindh, wherein the chances of Company's success are higher.

**24.2 Guarantee:**

Rs. 30,000 thousand (2018: Rs. 15,000 thousand) guarantee issued by the Bank for six months period in favour of Engro Fertilizers Limited on behalf of the Company for the procurement of Fertilizers for onward supply to sugarcane growers. The guarantee is secured against the 25% cash margin and rest against the existing charge over current and fixed assets of the Company held as collateral. Also refer note no 13 of the financial statements.

**24.3 Commitments:**

**24.3.1** Capital commitments in respect of machinery for waste water treatment plant amounting to Rs.25,500 thousands and (2018: Rs. 25,300 thousands for Juice clarifier and prefiles).

**24.3.2** The Company has committed for donation of 5 acre of land through the Board of Directors' decision in their meeting held on October 29, 2016 recommended donation of 5 acre land out of total 320 acres Company's land at factory located at Sanghar to Workers Welfare Fund, Government of Pakistan, Islamabad, for the purpose of construction of Fifty Beds Hospital in the vicinity of factory premises of Sanghar Sugar Mills. This has already been approved by the shareholders of the Company in their Extra Ordinary General Meeting held on November 23, 2016. The carrying value of the land as on the year end date is Rs 110 thousand whereas its market value based on revaluation report of an independent professional valuator is Rs. 1,793 thousand determined on September 30, 2018. In order to implement the agreement, the formalities of transfer of Land and other documentation are in process till date.

**24.3.3** During the year, Ijarah lease has been matured, earlier the Company had entered into Ijarah Lease agreement, for the amount of Rs. 29,334 thousand with Al-Baraka Bank Pakistan Limited to acquired the Shredder Turbine for enhancing power generation capacity. The Company has exercised the option to purchase the assets on expiry of the lease term by payment of residual value by way of adjustment of security deposit. Ijarah Rentals were based on profit rates linked with KIBOR + 3% (2017: KIBOR + 3%). Ijarah lease rentals were payable in 20 quarterly installments started from March 2014.

The Company is committed for minimum Ijarah rental payments for each of the following period as follows and Ijarah Lease is arrangement with shariah compliant financial institution:

	2019	2018
	(Rupees in '000)	
Not more than one year	—	1,776
	—	1,776
	—	1,776

		2019	2018
		(Rupees in '000)	
<b>25</b>	<b>SALES</b>		
	Local Sales	2,951,835	3,455,534
	Export Sales	195,565	361,726
	Less: Brokerage and Commission	(979)	(825)
	Sales Tax / Further Tax	(375,982)	(410,900)
		<u>(376,961)</u>	<u>(411,725)</u>
		<u>2,770,439</u>	<u>3,405,535</u>
<b>26</b>	<b>COST OF SALES</b>		
	Sugar cane consumed (including cane procurement expenses)	2,222,014	2,871,755
	Salaries, wages and staff benefits Note 26.1	167,309	162,753
	Stores, spare parts & loose tools consumed	128,193	122,614
	Fuel, power & utilities	9,772	8,240
	Insurance	12,520	13,417
	Repairs and maintenance	10,420	5,995
	Vehicle running expenses	7,562	7,460
	Ijarah Lease Rentals Note 26.2	1,777	7,106
	Depreciation Note 5.1.2	148,240	77,748
	Amortization of deferred cost Note 8	8,771	8,772
	Other expenses	11,841	12,560
		<u>2,728,419</u>	<u>3,298,420</u>
	Sale of Electric Power Note 26.3	29,949	31,365
	<b>Sugar -in-process</b>		
	- Opening	1,153	650
	- Closing Note 10	(1,268)	(1,153)
		<u>(115)</u>	<u>(503)</u>
		<u>2,698,355</u>	<u>3,266,552</u>
	Sale of Molasses	240,980	265,528
	Inventory adjustment for molasses	(48)	84
		<u>240,932</u>	<u>265,612</u>
	Sale of Baggasse Note 26.4	3,846	—
	Inventory adjustment for bagasse	600	(3,071)
		<u>4,446</u>	<u>(3,071)</u>
	Cost of goods manufactured	<u>2,452,977</u>	<u>3,004,011</u>
	<b>Finished sugar</b>		
	- Opening stock	787,770	1,090,774
	- Closing stock Note 10	(602,086)	(787,770)
		<u>185,684</u>	<u>303,004</u>
		<u>2,638,661</u>	<u>3,307,015</u>

**26.1** Salaries, wages and benefits include Rs. 11,066 thousands (2018: Rs. 8,585 thousand) in respect of defined benefit plan and Rs. 201 thousand (2018: Rs. 808 thousand) in respect of leave encashment plan.

**26.2** Ijarah Lease rentals are paid in respect of arrangement with shariah compliant financial institution.

**26.3** These figures are net off sales tax of Rs. 5,091 thousands (2018: Rs. 5,332 thousand).

**26.4** These figures are net off sales tax of Rs. 654 thousand (2018: Rs. Nil).

		2019	2018
		(Rupees in '000)	
<b>27</b>	<b>PROFIT FROM TRADING ACTIVITIES</b>		
	Sales	111,532	93,596
	Less: Sales Tax	(2,187)	(4,378)
		109,345	89,218
	Less: Purchases & other expenses thereon	(109,345)	(85,665)
		—	3,553
<b>28</b>	<b>DISTRIBUTION COST</b>		
	Export charges including transportation	11,689	28,712
	Rent of godown, salaries & transportation charges	—	11,725
	Handling and Stacking	1,009	1,442
		12,698	41,879
<b>29</b>	<b>ADMINISTRATIVE COST</b>		
	Salaries, wages and staff benefits	61,166	60,269
	Rent, rates and taxes	2,038	1,121
	Communication	644	635
	Repairs and maintenance	1,469	1,951
	Utilities	955	1,340
	Entertainment	610	656
	Subscription	2,313	1,974
	Cartage	34	35
	Printing and stationery	1,115	1,337
	Insurance	4,173	4,472
	Legal and professional charges	1,320	3,088
	Conveyance and traveling	4,624	3,656
	Depreciation	9,570	9,283
	Amortization of intangible asset	—	19
	Others	1,105	1,135
		91,136	90,971
<b>29.1</b>	Salaries, wages and benefits include Rs. 3,689 thousands (2018: 2,861 thousand) in respect of defined benefit plan and Rs. 67 thousand (2018: 269 thousand) in respect of leave encashment plan.		
<b>30</b>	<b>OTHER OPERATING COST</b>		
	Auditors' remuneration	1,393	1,118
	Impairment allowance for balances of dormant bank accounts	—	1,074
	Corporate social responsibility costs	2,321	3,026
	Workers Profit Participation Fund	—	1,336
	Workers Welfare Fund	—	508
	Exchange Loss - net	747	—
	Provision for doubtful grower's advance	953	—
	Provision for slow moving and obsolete items	950	750
		6,364	7,812

		2019	2018
		(Rupees in '000)	
<b>30.1</b>	<b>Auditors' remuneration</b>		
	<b>Statutory Auditors - Kreston Hyder Bhimji and Co.</b>		
	Audit fee	1,000	875
	Half yearly review fee	103	90
	Code of corporate governance certification	80	70
	Certification of Free Float of Shares & reconciliation	107	—
	Sindh Sales Tax on Services	103	83
		<u>1,393</u>	<u>1,118</u>
<b>30.2</b>	Corporate social responsibility costs do not include any amount paid to any person or organization in which any director or their spouse had any interest.		
<b>31</b>	<b>OTHER INCOME</b>		
	<b>Income from non financial assets:</b>		
	Gain on sale of items of property, plant and equipment	Note 5.1.3	464
	Others - Rent & related receipts	127	129
		<u>1,526</u>	<u>593</u>
	<b>Income from others:</b>		
	Insurance Claim	—	637
	Subsidy on Export Sales	—	177,810
	Exchange Gain - net	—	6,324
	Liabilities written back	75	27
	Others	878	—
		<u>953</u>	<u>184,798</u>
		<u>2,479</u>	<u>185,391</u>
<b>32</b>	<b>FINANCE COST</b>		
	Mark-up on long term financing	Note 32.1	15,005
	Mark-up / profit on short-term borrowings	Note 32.2 & 32.3	95,967
	Financial charges on liabilities against asset subject to finance lease	14,843	9,571
	Bank charges	1,398	1,391
	Interest on workers' profit participation fund	Note 21.4	—
		<u>172,667</u>	<u>121,934</u>
<b>32.1</b>	It includes an amount of Rs. 2,698 thousand (2018: Rs. 2,221 thousand) in respect of financing under shariah compliant arrangements.		
<b>32.2</b>	It includes an amount of Rs. 56,049 thousand (2018: Rs. 45,140 thousand) in respect of financing under shariah compliant arrangements.		
<b>32.3</b>	This amount is net off of Rs. 9,809 thousand (2018: Rs. 5,648 thousand) in respect of grower finance to be recovered from growers.		
<b>33</b>	<b>TAXATION</b>		
	Current year	Note 33.1	—
	Prior years		—
	Deferred	Note 20.1	5,442
		<u>(49,753)</u>	<u>5,442</u>

- 33.1** Provision for current taxation represents the minimum tax on turnover tax under section 113 of Income Tax Ordinance, 2001 net of available tax credits, hence tax reconciliation of tax expense with accounting profit is not presented for the current year.

	2019	2018
<b>34 (LOSS) / EARNING PER SHARE - Basic and Diluted</b>		
(Loss) / Profit after taxation ( Rupees '000 )	<u>(98,855)</u>	<u>19,426</u>
Weighted average number of ordinary shares	<u>11,946,000</u>	<u>11,946,000</u>
(Loss) / Earning per share - (Rupees)	<u>(8.28)</u>	<u>1.63</u>

There is no dilutive effect on the basic earnings per share of the Company.

	2019	2018
	(Rupees in '000)	
<b>35 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalent comprise of the following items		
Cash and bank balances	<u>37,662</u>	7,071
Less: Short term borrowings	<u>(797,350)</u>	<u>(1,021,483)</u>
	<u>(759,688)</u>	<u>(1,014,412)</u>

### 36 FINANCIAL INSTRUMENTS

#### 36.1 FINANCIAL ASSETS AND LIABILITIES

Table below summarizes the maturity profile of the Company's financial assets and liabilities at the following reporting periods.

	2019							Total
	Interest / markup rate	Interest / Mark-up bearing			Non Interest / Mark-up bearing			
		Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
	(Rupees in '000)							
<b>Financial Assets</b>								
Deposits	—	—	—	7,575	17,323	24,898	24,898	24,898
Loans and advances	—	—	—	2,593	—	2,593	2,593	2,593
Cash and bank balances	—	—	—	37,662	—	37,662	37,662	37,662
<b>TOTAL</b>	—	—	—	<b>47,830</b>	<b>17,323</b>	<b>65,153</b>	<b>65,153</b>	<b>65,153</b>
<b>Financial Liabilities</b>								
Long Term Finance	3 M Kibor + 2% & 2.5%	69,272	84,560	153,832	—	—	—	153,832
Liabilities against assets subject to finance lease	10.68% to 18.32%	36,780	61,110	97,890	—	—	—	97,890
Trade & other payables		—	—	—	571,968	—	571,968	571,968
Accrued finance cost		—	—	—	57,670	—	57,670	57,670
Short-term borrowings	3 & 6 MKibor + 2% to 2.75%	797,350	—	797,350	—	—	—	797,350
<b>TOTAL</b>		<b>903,402</b>	<b>145,670</b>	<b>1,049,072</b>	<b>629,638</b>	<b>—</b>	<b>629,638</b>	<b>1,678,710</b>

	2018							Total
	Interest / Mark-up bearing			Non Interest / Mark-up bearing			Total	
	Interest / markup rate	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year		
(Rupees in '000)								
<b>Financial Assets</b>								
Deposits		—	—	—	6,755	18,823	25,578	<b>25,578</b>
Trade debts		—	—	—	28,726	—	28,726	<b>28,726</b>
Loans and advances		—	—	—	2,498	—	2,498	<b>2,498</b>
Cash and bank balances		—	—	—	7,071	—	7,071	<b>7,071</b>
<b>TOTAL</b>		—	—	—	<b>45,050</b>	<b>18,823</b>	<b>63,873</b>	<b>63,873</b>
<b>Financial Liabilities</b>								
Long Term Finance	3 M Kibor + 2% & 2.5%	87,936	153,791	241,727	—	—	—	<b>241,727</b>
Liabilities against assets subject to finance lease	10.12% to 12.29%	43,030	97,072	140,102	—	—	—	<b>140,102</b>
Trade & other payables		1,336	—	1,336	637,195	—	637,195	<b>638,531</b>
Accrued finance cost		—	—	—	29,035	—	29,035	<b>29,035</b>
Short-term borrowings	3 & 6 M Kibor + 2% to 2.75%	1,021,483	—	1,021,483	—	—	—	<b>1,021,483</b>
<b>TOTAL</b>		<b>1,153,785</b>	<b>250,863</b>	<b>1,404,648</b>	<b>666,230</b>	—	<b>666,230</b>	<b>2,070,878</b>

## 37 FINANCIAL RISKS MANAGEMENT

### 37.1 Financial Risk Management Objectives, Policies and Responsibilities

The Company's overall risk management programs focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control, and to monitor risks and adherence to limits.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for 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 Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risks, interest rate risks, credit risks, financial instruments and investment of excess liquidity. It is the Company's policy that no trading in derivatives for speculative purpose shall be undertaken.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

#### 37.1.1 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The company is subject to following market risks;

##### 37.1.1.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign exchange. During the year the Company has exposure to foreign currency risk, however as at year end the Company is not exposed to foreign currency risk.

**37.1.1.2 Interest / Mark-up rate risk**

Interest / mark-up rate risk is the risk that value or future cash flows of the financial instruments will fluctuate because of changes in market interest / mark-up rates. The Company has mainly long term finance, liabilities against asset subject to finance lease, short term borrowings and workers' profit participation fund which are based at varying rates.

At the reporting date, the interest rate profile of the Company's significant interest / mark-up bearing financial instruments are as follows:

	2019	2018	2019	2018
	Effective interest / markup rate (in percent)		Carrying amount (Rupees in '000)	
<b>Financial liabilities</b>				
<b>Variable rate instruments</b>				
Long Term Finance	3 M Kibor + 2% & 2.5%	3 M Kibor + 2% 2.5%	153,832	241,727
Finance lease obligation	10.68% to 18.32%	10.12% to 12.29%	97,890	140,102
Short term borrowings	3 & 6 M Kibor + 2% to 2.75%	3 & 6 M Kibor + 2% to 2.75%	797,350	1,021,483
Workers Profit Participation Fund	12.5%	12.5%	—	1,336
			<u>1,049,072</u>	<u>1,404,648</u>
<b>Off statement of financial position items</b>				
Ijarah Rentals	6 M Kibor + 3%	6 M Kibor + 3%	—	1,776

**Sensitivity analysis****Fair value sensitivity analysis for fixed rate instruments**

The Company does not account for any fixed rate instruments at fair value through statement of profit or loss.

**Cash flow sensitivity analysis for variable rate instruments.**

A change of 100 basis points in interest / mark-up rates at the reporting date would have decreased / (increased) profit before tax for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2018.

	..... 2019 .....		..... 2018 .....	
	(Rupees in '000 ) Profit and loss 100 bp		(Rupees in '000 ) Profit and loss 100 bp	
<b>Financial liabilities</b>	(increase)	decrease	(increase)	decrease
Cash flow sensitivity on statement of financial position	<u>(10,491)</u>	<u>10,49</u>	<u>(14,046)</u>	<u>14,046</u>
Cash flow sensitivity - off statement of financial position	<u>—</u>	<u>—</u>	<u>(18)</u>	<u>18</u>

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

### 37.1.1.3 Other Price Risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to 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. The Company does not have financial instruments dependent on such market prices.

### 37.1.2 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. 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 contracts and credit terms are approved by the Chief Executive Officer and Executive Director. The Company manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits and / or by providing adequate allowance for doubtful debts. Where considered necessary, advance payments are obtained from certain parties or by obtain advance payments from counter parties.

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. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2019	2018
	(Rupees in '000)	
Deposits	24,898	25,578
Trade debts	—	28,726
Loans and advances	2,593	2,498
Bank balances	37,458	6,861
	<u>64,949</u>	<u>63,663</u>

#### a) Deposits

Deposits are due from leasing companies, ijarah deposits, margin deposits placed with commercial banks and others. Major amount of the deposits are from leasing companies which have good credit ratings from the rating agencies and also the lease deposits are secured against the leased asset. The other deposit are placed against the utility facilities like electricity & water with Government entities. The Company believes that it is not exposed to significant credit risk in this respect.

#### b) Trade Debts

These represents balances due from registered buyers against sale of sugar. All the balances of trade debts have been received and realized. The Company believe that it is not exposed to significant credit risk in this respect.

#### c) Loans and Advances

These represent balances due from employees that are mostly against their balances of retirement benefits. Advances given to growers in cash or through fertilizer / seeds are recovered through the adjustments in cane supplies payments in the ensuing season. Impairment allowance has been made against the growers loan became past due and non recoverable. The Company actively pursues for the recovery and based on past experience the

Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary other than already made in these financial statements.

**d) Balances with Bank**

The Company limits its exposure to credit risk by maintaining bank balances only with counter-parties that have stable credit rating. Management actively monitors credit ratings of the counter parties and given their high credit ratings, management does not expect that the counter party will fail to meet their obligations.

The bank balances along with the short term credit ratings are tabulated below:

Credit Ratings	2019	2018
	(Rupees in '000)	
A1+	—	3,121
A1	—	2,585
A-1+	36,418	1,155
A-1	1,039	—
A-3	1	—
	<u>37,458</u>	<u>6,861</u>

**37.1.2.1 Financial assets that are either past due or impaired**

The credit quality of financial assets that are either past due or impaired can be assessed by reference to historical information and external ratings or to historical information about counter party default rates as disclosed in respective notes. Management believes that there are no financial asset that are either past due or impaired.

**37.1.3 Liquidity Risk**

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities. The maturity profile of the Company's financial assets and liabilities as at the reporting date with respect to period lags is given in Note 36.1.

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. As at September 30, 2019, the Company has available un-availed short term borrowing facilities of Rs. 782,650 thousands (2018: Rs. 653,517 thousands) and also has cash & bank balances of Rs. 37,662 thousands (2018: Rs. 7,071 thousands). Based on the above, the management believes that the Company is not significantly exposed to the liquidity risk.

**37.2 CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings less cash and bank balances. The Company's strategy was to maintain leveraged gearing. The gearing ratio as at balance sheet date is as follows:

	2019	2018
	(Rupees in '000)	
Total financing and borrowings including finance lease	1,049,072	1,403,312
Less: Cash and bank balances	(37,662)	(7,071)
Net debt	<u>1,011,410</u>	<u>1,396,241</u>
Total Equity	<u>1,223,854</u>	<u>1,330,699</u>
Total capital employed	<u><u>2,235,264</u></u>	<u><u>2,726,940</u></u>
<b>Gearing Ratio</b>	<u><u>45.25%</u></u>	<u><u>51.20%</u></u>

### 38 FAIR VALUES / MEASUREMENT

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & cash equivalent and short term deposits, trade & other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer. The Fair Values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property. Recent valuation was carried on September 30, 2018 and following factors were considered:

Land and Building	The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.
Plant and Machinery	Factors taken into consideration in order to assess the present value of the machinery include Make, Model, Quality, Operational Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc.

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

The aggregate amount charged during the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company were as follows:

	Chief Executive		Directors		Executives		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
(Rupees in '000)								
Non executive Directors' meeting fee - 1 Director (2018: 1 Director)	—	—	240	240	—	—	240	240
Managerial remuneration - Basic	4,149	3,850	1,692	1,475	4,302	3,755	10,143	9,080
Perquisite (Bonuses, House Rent & Others)	4,936	4,806	2,055	2,280	5,638	6,184	12,629	13,270
Reimbursable expenses	1,779	1,082	—	—	843	924	2,622	2,006
	<b>10,864</b>	<b>9,738</b>	<b>3,747</b>	<b>3,755</b>	<b>10,783</b>	<b>10,863</b>	<b>25,394</b>	<b>24,356</b>
Number of persons	1	1	1	1	3	3	5	5

The Chief Executive and Executives as stated above are provided with the Company maintained cars and telephone facilities.

All non-executive directors except one director, waived their directors' fee, which was approved in the Board of Directors meeting.

### 40 RELATED PARTY TRANSACTIONS

The Company in the normal course of business carried out transactions with related parties as detailed below:

Name of Related Party	Relationship with Company	Nature of Transaction	2019	2018
(Rupees in '000)				
Mr. Ghulam Dastagir Rajar	Relative	Cane purchased	35,487	18,781
.....Do.....	.....Do.....	Advance against cane purchase	16,715	17,898
Mr. Gul Mohammad	Chairman	Cane purchased	3,990	5,543
.....Do.....	.....Do.....	Advance against cane purchase	7,715	1,107
Mr. Muhammad Hashim	General Manager	Cane purchased	3,416	4,770
.....Do.....	.....Do.....	Advance against cane purchase	268	1,915
Mr. Gul Mohammad	Chairman	Payment of Unpaid / Unclaimed Dividend	1,535	—
Haji Khuda Bux Rajar	Chief Executive	Payment of Unpaid / Unclaimed Dividend	549	—
Mr. Rahim Bux	Director	Payment of Unpaid / Unclaimed Dividend	275	—
Mr. Ghulam Hyder	Director	Payment of Unpaid / Unclaimed Dividend	189	—
Mr. Ghulam Dastagir Rajar	Relative	Payment of Unpaid / Unclaimed Dividend	1,500	—

Transactions, as applicable in relation to Directors of the Company and Key Management Personnel (KMP) have been disclosed in note # 39. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Outstanding balances of related parties as of the statement of financial position and maximum month end aggregate balance during the year are disclosed in the respective notes to the financial statements. The advances to related parties against supply of cane were disbursed for the crushing season 2018-19 (2018: 2017-18) out of which significant amount had already been adjusted against cane supplied during the crushing season whereas remaining amount has been adjusted subsequent to the year-end against the cane supplied for the current crushing season 2019-20 (2018: 2018-19).

#### 41 ENTITY - WIDE INFORMATION

41.1 The Company constitutes of a single reportable segment, the principal class of product is Sugar and by products are Molasses and Baggasse. The Company is also engaged in the sale of electric power generated in excess of in-house consumption which does not constitute reportable segment, as same do not meet thresh-hold criteria.

#### 41.2 Information about geographical areas

The Company does not hold non-current assets in any foreign country. There is no revenues from external customers for attribution to foreign countries in these financial statements. The Company is also not dependant on any single customer. The analysis of sugar sales, by products and sales of trading activities are as follows:

	2019	2018
	(Rupees in '000)	
Sales - net		
Sugar (Local & Export)	2,770,439	3,405,535
Molasses	240,980	265,528
Baggasse	3,846	—
Electric Power	29,949	31,365
Trading Activities	109,345	89,218
	<u>3,154,559</u>	<u>3,791,646</u>

#### 42 CAPACITY AND PRODUCTION

	2019		2018	
	Quantity M. Tons	No. of days	Quantity M. Tons	No. of days
Crushing capacity	8,500	Per day	8,500	Per day
Capacity based on actual working days	850,000	100	1,207,000	142
Actual crushing	490,932	100	712,124	142
Sucrose recovery ( in %)	10.755		10.372	
Sugar production from cane	52,799.25		73,776	

42.1 Main reason for under utilization of production capacity is lesser availability of sugarcane during the season.

	2019	2018
	(In Numbers)	
<b>43 NUMBER OF EMPLOYEES</b>		
Total number of Permanent & Contract employees as at the year end	<u>394</u>	<u>405</u>
Average number of Permanent & Contract employees during the year	<u>400</u>	<u>389</u>

Comparative number of employees has been re-arranged and or re-grouped due to elimination of seasonal employees to facilitate better comparison and presentation.

**44 DATE OF AUTHORIZATION FOR ISSUE**

These financial statements were authorized for issue on December 28, 2019 by the Board of Directors of the Company.

**45 GENERAL**

Figures have been rounded off to nearest thousand of rupees.

Chief Executive

Director

Chief Financial Officer

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# Sanghar Sugar Mills Limited

## Consent to receive Notices and Audited Financial Statements through email

In accordance with the notification 787(I)/2014 dated September 08, 2014 issued by the Securities & Exchange Commission of Pakistan; shareholders are entitled to receive the Notices and Audited Financial Statements through email. Therefore, to receive current and future notices and audited financial statements directly through email, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case shares held in CDC then please inform concerned Participant / CDC investor Account Services.

### SHARE HOLDER'S SECTION

The Company Secretary,  
Sanghar Sugar Mills Limited,  
Office No. 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444

The Share Registrar,  
Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road,  
Karachi  
Phone: 021 32424826  
Fax: 021 32424835

I hereby wish to communicate my desire to receive notices and audited financial statements through email as detailed below:

Name of shareholder : \_\_\_\_\_  
Folio number/CDC Account No. : \_\_\_\_\_  
Contact number of shareholder : \_\_\_\_\_  
Contact Address of shareholder : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
NTN (in case of corporate entity) : \_\_\_\_\_

Note: Email Id should be belongs to the Shareholder and for joint account holder, email Id should be the principal shareholder and or the name appearing first in the list of shareholders.

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature & date  
(Affix stamp for corporate entity)

CNIC / NTN No. \_\_\_\_\_  
(Copy attached)



## اظہار رضامندی برائے وصولی نوٹس و آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ نوٹیفیکیشن 2014 (1) 787 مجریہ 8 ستمبر 2014 کے مطابق حصص داران کو یہ حق حاصل ہے کہ تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات انھیں بذریعہ ای میل ارسال کی جائیں۔ لہذا موجودہ اور مستقبل کے نوٹس اور آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل موصول کرنے کیلئے آپ ہمیں اپنی مکمل معلومات فراہم کیجئے، اپنے دستخط اور قومی شناختی کارڈ / این ٹی این نمبر کے ساتھ اپنی درخواست حصص رجسٹرار یا کمپنی اور بصورت سی ڈی سی اپنے متعلقہ شراکت دار / سی ڈی سی سرمایہ کار / اکاؤنٹ سروسز کے پاس جمع کروائیں۔

### شعبہ حصص داران

حصص رجسٹرار  
حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
کراچی چیمبرز، حسرت موہانی روڈ، کراچی۔  
فون نمبر: 021 32424826  
فیکس نمبر: 021 32424835

کمپنی سیکریٹری  
ساگھڑ شوگر ملز لمیٹڈ  
آفس نمبر 204، سیکنڈ فلور، کانٹیننٹ سینٹر  
بلاک 5، کانٹیننٹ، کراچی۔  
فون نمبر: 021 35371441 to 43 (تین لائنیں)  
فیکس نمبر: 021 32424835

میں بذریعہ ہذا خواہش ظاہر کرتا ہوں کہ مستقبل میں مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل ارسال کی جائیں جس کی تفصیلات

حامل حصص کا نام : \_\_\_\_\_  
 فوینومبر / سی ڈی سی نمبر : \_\_\_\_\_  
 حامل حصص کا رابطہ نمبر : \_\_\_\_\_  
 حامل حصص کا رابطہ کا پتہ : \_\_\_\_\_  
 ای میل آئی ڈی : \_\_\_\_\_  
 قومی شناختی کارڈ نمبر : \_\_\_\_\_  
 این ٹی این نمبر (بصورت کارپوریٹ) : \_\_\_\_\_

نوٹ: ای میل حامل حصص کی ہونی چاہئے اور مشترکہ اکاؤنٹ کی صورت میں اس حامل حصص کی ای میل فراہم کی جائے جس کا تناسب حصص سب سے زیادہ ہو اور جس کا نام حصص داران کی فہرست میں سرفہرست ہو۔  
 میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مزکورہ بالا معلومات بالکل صحیح اور درست ہیں اور اگر مستقبل میں ان میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص

(بصورت کارپوریٹ ادارہ یہاں مہر چسپاں کریں)

قومی شناختی کارڈ / این ٹی این نمبر

(نقل منسلک ہے)



# Sanghar Sugar Mills Limited

## Dividend Payments through Electronic Mode

In accordance with the provisions and under section 242 of the Companies Act, 2017, shareholders are entitled to receive their dividends by way of direct credit to their bank account instead of receiving them through dividend warrants.

Therefore, to receive your future dividends directly in your bank account, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case Shares held in CDC then please inform concerned Participant / CDC investor Account Services.

### SHARE HOLDER'S SECTION

The Company Secretary,  
Sanghar Sugar Mills Limited,  
Office No. 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444

The Share Registrar,  
Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road,  
Karachi  
Phone: 021 32424826  
Fax: 021 32424835

I hereby wish to communicate my desire to receive my future dividends directly in my bank account as detailed below:

Name of shareholder : \_\_\_\_\_  
Folio number : \_\_\_\_\_  
Contact number of shareholder : \_\_\_\_\_  
Name of Bank : \_\_\_\_\_  
Bank Branch & mailing address : \_\_\_\_\_  
Bank Account No. (Full) : \_\_\_\_\_  
Title of Account : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
NTN (in case of corporate entity) : \_\_\_\_\_

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature

CNIC / NTN No. \_\_\_\_\_  
(Copy attached)

## ادائیگی ڈیویڈنڈ بذریعہ الیکٹرانک ذرائع

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت حصص داران کو یہ حق حاصل ہے کہ وہ اپنے ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں کریڈٹ کروالیں بجائے اس کے کہ انھیں یہ ڈیویڈنڈ بذریعہ ڈیویڈنڈ وارنٹ ادا کئے جائیں۔  
لہذا اگر آپ اپنے ڈیویڈنڈ براہ راست اپنے اکاؤنٹ میں وصول کرنا چاہتے ہیں تو آپ سے گزارش ہمیں اپنی مکمل معلومات فراہم کریں اور ہمیں تحریری طور اس بات سے آگاہ کیجئے۔ بعد دستخط اور قومی شناختی کارڈ / این ٹی این کی نقل اپنی درخواست حصص رجسٹرار یا کمپنی کے پاس جمع کروائیں اور بصورت سی ڈی سی حصص اپنے متعلقہ شراکت دار / سی ڈی سی سرمایہ کار اکاؤنٹ سروسز کو درخواست دیں۔

### شعبہ حصص داران

حصص رجسٹرار  
حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
کراچی چیمبرز، حسرت موہانی روڈ، کراچی۔  
فون نمبر: 021 32424826  
فیکس نمبر: 021 32424835

کمپنی سیکریٹری  
ساگھڑ شوگر ملز لمیٹڈ  
آفس نمبر 204، سیکنڈ فلور، کانٹین سینٹر  
بلاک 5، کانٹین، کراچی۔  
فون نمبر: 021 35371441 to 43 (تین لائنیں)  
فیکس نمبر: 021 32424835

میں بذریعہ ہدایہ خواہش ظاہر کرتا ہوں کہ مستقبل میں میرے ڈیویڈنڈ براہ راست میرے بینک اکاؤنٹ میں منتقل کر دیئے جائیں جس کی تفصیلات درج ذیل ہیں:

_____	:	حاصل حصص کا نام
_____	:	فون نمبر
_____	:	حاصل حصص کا رابطہ نمبر
_____	:	بینک کا نام
_____	:	بینک کی برانچ و پتہ
_____	:	بینک اکاؤنٹ نمبر (مکمل)
_____	:	عنوان برائے اکاؤنٹ
_____	:	قومی شناختی کارڈ نمبر
_____	:	این ٹی این نمبر (بصورت کارپوریٹ)

میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور اگر مستقبل میں ان میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص

\_\_\_\_\_

قومی شناختی کارڈ / این ٹی این نمبر  
(نقل منسلک ہے)

\_\_\_\_\_



# Sanghar Sugar Mills Limited

## Consent to receive Hard Copies of Notices and Audited Financial Statements

In accordance with the notification 470(I) dated May 31, 2016 and in continuation of notification no. 787(I)/2014 dated September 08, 2014 issued by the Securities & Exchange Commission of Pakistan; shareholders are entitled to receive the Hard Copies of Notices and Audited Financial Statements rather through email. Therefore, to receive Hard Copies of current and future notices and audited financial statements, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case shares held in CDC then please inform concerned Participant / CDC investor Account Services.

### SHARE HOLDER'S SECTION

#### SHARE HOLDER'S SECTION

The Company Secretary,  
Sanghar Sugar Mills Limited,  
Office No. 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444

The Share Registrar,  
Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road,  
Karachi  
Phone: 021 32424826  
Fax: 021 32424835

I hereby wish to communicate my desire to receive notices and audited financial statements through mail as detailed below:

Name of shareholder : \_\_\_\_\_  
Folio number/CDC Account No. : \_\_\_\_\_  
Contact number of shareholder : \_\_\_\_\_  
Contact Address of shareholder : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
NTN (in case of corporate entity) : \_\_\_\_\_

It is stated that the above particulars given by me are correct to the best of my knowledge and I would like to opt the option of receiving the hard copies of notices and audited financial statements of the Company and I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature & date  
(Affix stamp for corporate entity)

CNIC / NTN No. \_\_\_\_\_  
(Copy attached)



## اظہار رضامندی برائے وصولی نوٹس و آڈٹ شدہ مالیاتی دستاویزات بذریعہ کاغذی دستاویزات

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ نوٹیفکیشن (I) 470 مجریہ 31 مئی 2016 اور نوٹیفکیشن نمبر (I) 787/2014 مجریہ 8 ستمبر 2014 کے مطابق حصص داران کو یہ حق حاصل ہے کہ تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات انہیں بجائے امی میل کے کاغذی صورت ارسال کی جائیں۔ لہذا موجودہ اور مستقبل کے نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں موصول کرنے کیلئے آپ ہمیں اپنی مکمل معلومات فراہم کیجئے، اپنے دستخط اور قومی شناختی کارڈ/این ٹی این نمبر کے ساتھ اپنی درخواست حصص رجسٹرار یا کمپنی اور بصورت سی ڈی سی اپنے متعلقہ شراکت دار/سی ڈی سی سرمایہ کارا کا ڈائنٹ سرورسز کے پاس جمع کروائیں۔

### شعبہ حصص داران

حصص رجسٹرار  
حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
کراچی چیمبرز، حسرت موہانی روڈ، کراچی۔  
فون نمبر: 021 32424826  
فیکس نمبر: 021 32424835

کمپنی سیکریٹری  
ساگھڑ شوگر ملز لمیٹڈ  
آفس نمبر 204، سیکنڈ فلور، کانٹینن سینٹر  
بلاک 5، کانٹینن، کراچی۔  
فون نمبر: 021 35371441 to 43 (تین لائنیں)  
فیکس نمبر: 021 32424835

میں بذریعہ ہذا یہ خواہش ظاہر کرتا ہوں کہ مستقبل میں مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں ارسال کی جائیں جس کی تفصیلات درج ذیل ہیں:

حاصل حصص کا نام \_\_\_\_\_ :  
 فوئیو نمبر/سی ڈی سی نمبر \_\_\_\_\_ :  
 حاصل حصص کا رابطہ نمبر \_\_\_\_\_ :  
 حاصل حصص کا رابطہ کا پتہ \_\_\_\_\_ :  
 قومی شناختی کارڈ نمبر \_\_\_\_\_ :  
 این ٹی این نمبر (بصورت کارپوریٹ) \_\_\_\_\_ :

میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور یہ کہ میں چاہتا ہوں کہ مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں ارسال کی جائیں۔ اگر مستقبل میں مذکورہ بالا معلومات میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص

(بصورت کارپوریٹ ادارہ یہاں مہر چسپاں کریں)

قومی شناختی کارڈ/این ٹی این نمبر \_\_\_\_\_

(نقل منسلک ہے)



# Sanghar Sugar Mills Limited

## PROXY FORM

I/We..... W / S / D of .....

being a member of Sanghar Sugar Mills Limited, holding ..... Shares of the Company, hereby appoint Mr. / Mrs. .... W / S / D of .....

CNIC No ..... Folio No ..... CDC Participant's ID. / Sub Account No ..... holding ..... Shares of the Company, or failing him / her, appoint Mr. / Mrs. .... W/S/D of .....

CNIC No ..... Folio No ..... CDC Participant's ID. / Sub Account No ..... holding ..... Shares of the Company, as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday January 25, 2020 at 10:30 a.m. at 3rd Floor, PSX Auditorium, Pakistan Stock Exchange Building (Administration Block), Stock Exchange Road, Karachi and at any adjournment thereof.

<b>Folio No.</b>	<b>C.D.C. I. D. / Sub Account No.</b>	<b>Signature Over Revenue Stamp</b>

Signed this .....day of..... 2020 in the presence of:

**Witness 1**

**Witness 2**

Signature : .....

Signature : .....

Name : .....

Name : .....

CNIC No.: .....

CNIC No.: .....

Address : .....

Address : .....

**NOTES:**

- 1) Proxy should be member of the Company and should produce his/her CNIC at the time of meeting for identification.
- 2) Signature of the member must agree with the specimen signature registered with the Company.
- 3) CDC Account holder or Sub Accountant holder should enclose valid copy of his/her CNIC/ Passport with Proxy Form. Representatives of the Corporate members should bring the necessary documents as usually required for such purpose.
- 4) Proxy Form dully filled-in and signed must be deposited with the Company Secretary at Company's Registered Office No. 204, Second Floor, Clifton Centre, Block-5, Clifton, Karachi not later than 48 hours before the time fixed for holding this meeting.
- 5) If the member is a corporate entity its common seal should be affixed to the proxy.
- 6) If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

## پراکسی فارم

میں اہم \_\_\_\_\_ زوجہ/بن/بنت \_\_\_\_\_ بطور ممبر سانگھڑ شوگر ملز لمیٹڈ، حامل

\_\_\_\_\_ حصص برائے کمپنی بذریعہ ہذا جناب / محترمہ \_\_\_\_\_

زوجہ/بن/بنت \_\_\_\_\_ حامل فولیو نمبر \_\_\_\_\_ سی ڈی سی شراکت دار شناختی نمبر/ذیلی

اکاؤنٹ نمبر \_\_\_\_\_ حامل \_\_\_\_\_ حصص کمپنی ہذا کو مقرر کرتا ہوں ہوں کہ میری عدم موجودگی میں کمپنی کے سالانہ

اجلاس عام جو کہ مورخہ 25 جنوری 2020 کو بوقت صبح 10:30 بجے بمقام تیسری منزل، پاکستان اسٹاک ایکسچینج آڈینوریم، پاکستان اسٹاک ایکسچینج بلڈنگ

(ایڈمنسٹریشن بلاک)، اسٹاک ایکسچینج روڈ، کراچی منعقد کیا جا رہا ہے یا اس اجلاس کے مؤخر ہونے کی صورت میں اس کی جگہ دوسرے اجلاس میں شرکت کرے

اور میری/ہماری جانب سے حق رائے دہی بھی استعمال کرے۔

فولیو نمبر	سی ڈی سی شناختی نمبر/ذیلی ایکاؤنٹ نمبر	ریونیو کی مہر اور اس پر دستخط
_____	_____	_____

دستخط شدہ بتاریخ \_\_\_\_\_ بروز \_\_\_\_\_ 2020 درج ذیل افراد کی موجودگی میں

گواہ نمبر 1 \_\_\_\_\_ گواہ نمبر 2 \_\_\_\_\_

دستخط \_\_\_\_\_ دستخط \_\_\_\_\_

نام \_\_\_\_\_ نام \_\_\_\_\_

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

پتہ \_\_\_\_\_ پتہ \_\_\_\_\_

ہدایات:

- 1- پراکسی کا کمپنی ممبر ہونا لازمی ہے اور اجلاس میں شرکت کے وقت اپنی شناخت ظاہر کرنے کیلئے اپنا قومی شناختی کارڈ لازماً ظاہر کریں۔
- 2- ممبر کے دستخط، نمونہ دستخط شدہ/اندراج شدہ دستخط سے مماثلت ضروری ہے۔
- 3- سی ڈی سی ایکاؤنٹ ہولڈر یا سب ایکاؤنٹ ہولڈر کو پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- 4- باقاعدہ پراور دستخط شدہ پراکسی فارم کمپنی کے سیکرٹری بمقام رجسٹرڈ شدہ دفتر نمبر 204، دوسری منزل، کلفٹن سینٹر، بلاک 5، کراچی کے پاس اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرنا ضروری ہے۔
- 5- اگر ممبر کوئی کارپوریٹ ادارہ ہو تو اس کی عام مہر بھی پراکسی فارم پر ثبت ہونا لازم ہے۔
- 6- اگر ممبر ایک سے زائد پراکسی نامزد کرے اور اس مقصد کیلئے کمپنی کے پاس ایک سے زائد پراکسی فارم جمع کروائے تو ایسے تمام پراکسی فارم مسترد کر دیئے جائیں گے۔



**REGISTERED / HEAD OFFICE:**

Office # 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi Pakistan.

Phone: 021 35371441 to 43 (3 lines)

Fax: 021 35371444

E-mail: [info@sangharsugarmills.com](mailto:info@sangharsugarmills.com)

Website: [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

**MANUFACTURING FACILITIES:**

13th Km, Sanghar – Sindhri Road, Deh Kehore,  
District Sanghar, Sindh

Phone : (0345) 3737001 – 8222911