



SAKRAND

32nd **ANNUAL REPORT**

For the year ended 30th September, 2020

Sakrand Sugar Mills Limited



SAKRAND SUGAR MILLS LIMITED

32nd ANNUAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2020

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COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Jamil Akberi	Chairman/Director
Mr. Dinshaw H. Anklesaria	Chief Executive/Director
Mr. Amad Uddin	Director (Resigned)
Mr. Abdul Naeem Quraishi	Director
Mr. Neville Mehta	Director
Mrs. Fatma Gulamali	Director
Dr. Jamshed H. Anklesaria	Director

AUDIT COMMITTEE

Mr. Abdul Naeem Quraishi	Chairman
Mr. Jamil Akberi	Member
Mr. Neville Mehta	Member

HR COMMITTEE

Mr. Neville Mehta	Chairman
Mr. Jamil Akberi	Member
Mr. Amad Uddin	Member (Resigned)

CHIEF FINANCIAL OFFICER

Mr. Mirza Muhammad Usman Ghanni

COMPANY SECRETARY

Mr. Ali Mahmood Khan

BANKERS

Allied Bank Limited
Bank Al Habib Limited
Bank Alfalah Limited
Habib Bank Limited
Meezan Bank Limited
MCB Bank Limited
National Bank Of Pakistan
Soneri Bank Limited
Sindh Bank Limited
Summit Bank Limited
United Bank Limited
Al-Baraka Bank Pakistan Limited

AUDITORS

UHY Hassan Naeem & Co.
Chartered Accountants

LEGAL ADVISOR

Mr. Abdul Naeem Quraishi

REGISTRAR

M/s JWAFFS Registrar Services (Pvt.) Ltd.
407-408, Al Ameera Centre
Shahrah-e-Iraq, Saddar
Karachi-74400

REGISTERED OFFICE

41-K, Block-6, P.E.C.H.S., Karachi
Phone. 0092-21-35303291-2
www.sakrandsugar.com

FACTORY ADDRESS

Deh Tharo Unar, Taluka Sakrand
District Shaheed Benazir Abad, Sindh.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the shareholders of **SAKRAND SUGAR MILLS LIMITED** will be held on **Monday, April 26, 2021 at 09:30 a.m.** in **Beach Luxury Hotel**, Moulvi Tamizuddin Khan Road, Karachi. If any restriction will be imposed by the Government on corporate meetings/social gathering due to Covid-19 pandemic, then the Annual General Meeting will be held through video conference facility.

The 32nd Annual General Meeting will be held to transact the following business.

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on January 28, 2020.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2020 together with the Directors' report and the Auditors' report thereon.
3. To appoint auditors for the year ending September 30, 2021 and fix their remuneration. The present Auditors M/s UHY Hassan Naeem & Co. Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.
4. Any other matter by the permission of the chair.

By order of the Board



Ali Mahmood Khan
Company Secretary

Karachi

Dated: April 05, 2021

NOTES:

1. The Shares Transfer Book of the Company will remain closed from April 19, 2021 to April 26, 2021 (both day inclusive).
2. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
3. Due to current COVID-19 situation in the country, participation in the 32nd Annual General Meeting proceedings are also arranged through video conference facility. Shareholders who are willing to participate in the meeting through video conference facility are requested to share following information at **accounts@sakrandsugar.com** for their confirmation and proxy's verification at least 48 hours before the time of the meeting.

Name of Shareholder	CNIC No.	Folio No.	Cell. No.	Email address



Video conference link details and login credentials will be shared with those Shareholders whose email containing all the particulars will be received at least 48 hours before the time of the meeting.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited (CDC) will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan (SECP).

A. For Attending the Meeting

- i. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- ii. In case of corporate entity, the Board's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- i. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- ii. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- v. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. Notice to Shareholders who have not provided CNIC:

In terms of the directive of the Securities and Exchange Commission of Pakistan (SECP) the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person, except in the case of minor(s) and corporate shareholders, are required to be mentioned in the annual return filed by the Company with the SECP. Therefore, the shareholders who have not yet provided copies of their CNIC's are advised to provide at earliest the attested copies of their CNIC's (if not already provided) directly to our Independent Share Registrar, **M/s JWAFS Registrar Services (Pvt.) Ltd.**, 407-408, Al Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi.

6. Unclaimed/Unpaid Dividend and Share Certificates:

Shareholders who could not collect their dividend / physical shares are advised to contact Share Registrar to enquire and collect their unclaimed dividend/shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such unclaimed dividend and shares for a period of 3 years or more from the date it is due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend, and in case of shares, shall be delivered to Securities and Exchange Commission of Pakistan (SECP).

7. Transmission of Financial Statements & Notices through email:

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O.787(I)/2014 dated September 8, 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are requested to send their consent and e-mail addresses for receiving Audited Financial Statements and Notices through e-mail. In order to avail this facility, members are requested to send their consent and e-mail addresses at accounts@sakrandsugar.com .

8. Members are requested to notify any change in their addresses and their contact numbers immediately to our Share Registrar **M/s JWAFFS Registrar Services (Pvt.) Ltd.** (407-408, Al Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi).
9. Kindly quote your folio number in all correspondences with the Company.



اطلاع برائے سالانہ اجلاسِ عام

مطلع کیا جاتا ہے کہ سکرینڈ شوگر بزری یہڈ کے حصص یا فٹکان کا ہیسوں سالانہ اجلاسِ عام بروز پیر 26 اپریل 2021 کی صبح 9:30 بجے چھ لگڑی ہوں مولوی تیمور الدین خان روڈ کراچی میں منعقد ہوگا۔ اگر وباً مرض Covid-19 کی وجہ سے کارپوریٹ میٹنگ اور سماجی اجتماعات پر حکومت کی طرف سے کوئی پابندی عائد کردی گئی تو ویڈیو کانفرنس کی سہولت کے ذریعہ سالانہ اجلاسِ عام کا انعقاد کیا جائے گا۔

ہیسوں سالانہ اجلاس میں درج ذیل امور طے پائیں گے۔

عمومی امور

- 1 28 جنوری 2020 کو منعقد ہونے والے سالانہ اجلاسِ عام کی کاروائی کی توثیق۔
- 2 30 ستمبر 2020 کو اختتام پذیر ہونے والے سال کے لئے کمپنی کے آٹھ شدہ حسابات بعہدہ ایئر کیٹرز اور آڈیٹر زر پورٹ کی وصولی، تجزیہ اور منظوری۔
- 3 30 ستمبر 2021 کو ختم ہونے والے سال کے لئے آڈیٹر زکار تقریروں اور ان کے معاوضے کا تعین۔ موجودہ آڈیٹر زمیسر زیو۔ انج۔ وائے حسن نعیم یہڈ کو، چارڑا کامنٹس، ریٹائر ہور ہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات پیش کرنے کا ارادہ ظاہر کیا ہے۔
- 4 چیئرمین کی اجازت سے دیگر امور کی انجام دہی۔

جگہم یورڈ

علیٰ محمود خان

کمپنی سیکریٹری

کراچی

05 اپریل 2021

نوٹ:

- 1 کمپنی کی حصص متعلقی کی کتب 19 اپریل 2021 سے 26 اپریل 2021 تک پندرہ ہیں گی (بیشمول دونوں ایام)۔
- 2 نائب کی تقریری کی دستاویز، مختار نامہ، یا اس کی تصدیق شدہ کا پی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس یا شیئر رجسٹر آفس کے دفتر میں موصول ہو جانی چاہیے۔
- 3 ملک میں موجودہ Covid-19 کی صورت حال کی وجہ سے 32 ویں سالانہ جزئی اجلاس کی کاروائی میں ویڈیو کانفرنس سہولت کے ذریعے بھی شرکت کا اہتمام کیا گیا ہے۔ وہ شیئر ہولڈر زر جو ویڈیو کانفرنس کی سہولت کے ذریعے میٹنگ میں شریک ہونے کے خواہاں ہیں ان سے گزارش ہے کہ وہ میٹنگ کے وقت سے کم از کم 48 گھنٹے پہلے accounts@sakrandsugar.com پر مندرجہ ذیل معلومات شیئر کریں۔

شیئر ہولڈر کا نام	شناختی کارڈ نمبر	فون نمبر	موبائل نمبر	ای میل ایڈریس

ویڈیو کا نفرنس کے لئے کی تفصیلات اور لگ ان کی معلومات ان شیئر ہولڈر کے ساتھ شیر کی جائیں گی جن کی ای میل بعد تمام تفصیلات، مینگ کے وقت سے کم از کم 48 گھنٹے پہلے ہمیں موصول ہوگی۔

4۔ ارکین جنہوں نے اپنے حصہ سی ڈی اکاؤنٹ میں جمع کروار کے ہیں، سیکورٹیز ایڈا یکچھ کیشن آف پاکستان کی جاری کردہ ہدایات پر عمل کریں۔

(الف) برائے شرکت اجلاس

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی سیکورٹیز اور جسٹریشن تفصیلات سی ڈی سی ضوابط کے مطابق اپ لوڈ (فرائم) کی گئی ہوں، اجلاس میں شرکت کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ ہمراہ لا کیں، جس کے مطابق یوقت اجلاس اپنی شناخت کرنا ہوگی۔
- (ii) کارپوریٹ ہستی کی صورت میں، بورڈ آف ڈائیریکٹرز کی قرارداد یا پاک اف ائرنی مع نامزد فرد کے دستخط کا نمونہ بوقت مینگ کمپنی کو پیش کرنا ہوگی۔

(ب) پرائی کی تقری کے لیے

- (i) افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر جن کی سیکورٹیز اور جسٹریشن تفصیلات سی ڈی سی ضوابط کے مطابق اپ لوڈ (فرائم) کی گئی ہوں، کو اپنے پرائی فارم کمپنی ضوابط کے تحت جمع کروانے ہوں گے۔
- (ii) پرائی فارم پر دو گواہان کے دستخط ہوں گے، جن کے نام، پیٹہ اور شناختی کارڈ نمبر فارم میں ظاہر کئے گئے ہوں۔
- (iii) پرائی کوچیتھ حصہ یافتہ کے قومی شناختی کارڈ اور پاسپورٹ کی مصدقہ نقول پر پرائی فارم کے ہمراہ پیش کرنا ہوگی۔
- (iv) پرائی کو اجلاس کے موقع پر اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔
- (v) کارپوریٹ ہستی کی صورت میں، بورڈ آف ڈائیریکٹرز کی قرارداد یا پاک اف ائرنی مع نامزد فرد کے دستخط کا نمونہ پرائی فارم کے ہمراہ کمپنی کو پیش کرنا ہوگی۔

5۔ ان حصہ یافتہ گان کے لیے نوٹس جنہوں نے اپنا قومی شناختی کارڈ مہیا نہیں کیا:

سیکورٹیز ایڈا یکچھ کیشن آف پاکستان کے اعلامیہ کے مطابق رجسٹرڈ حصہ یافتہ گان کے اعلانیہ کے مطابق رجسٹرڈ حصہ یافتہ گان کے جمع کروانا لازمی قرار پایا ہے، چنانچہ ان حصہ یافتہ گان کو جنہوں نے اپنے قومی شناختی کارڈ کی نقول فرائم نہیں کیں انہیں منع کیا جاتا ہے کہ مصدقہ شناختی کارڈ کی نقول بنا کی تائیر کے درج ذیل پیٹہ پر شیر رجسٹر اکو جمع کروائیں:

M/s. JWAFS Registrar Services (Pvt.) Ltd.

407-408, Al Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi.



6- غیروصول شدہ منافع منقسمہ:

ایسے حصے یا فنگان جو کسی بھی وجہ سے تاحال منافع منقسمہ وصول نہیں کر سکے ہیں انہیں مشورہ دیا جاتا ہے کہ اپنے غیروصول شدہ منافع منقسمہ اگر کوئی ہوں تو اس کی وصولیاں کے لئے ہمارے شیرزرجسٹر اسے رابطہ کریں کمپنیزا یکٹ 2017 کی دفعہ 244 کی قبیل کے مطابق، تمام مطلوب طریقہ کار کی تکمیل کے بعد تمام منافع منقسمہ جو تین سال یا اس سے زائد مدت سے واجب الاد ہوں اور تاحال غیر وصول ہوں تو وہ وفاقی حکومت کو منتقل کر دیے جائیں گے۔

7- ای میل کے ذریعے آڈٹ شدہ حسابات اور نوٹس کی تربیل:

سیکورٹیز اینڈ اپیچنگ کمیشن آف پاکستان (ایس ای سی پی) نے اپنے نوٹیفیکیشن 2014/ (I) 787 2014 کے ذریعے کمپنیوں کو ای میل کے ذریعے اپنے ممبروں کو سالانہ جعل میٹنگ کے نوٹس اور آڈٹ شدہ حسابات پہنچنے کی اجازت دی ہے۔ اسی مناسبت سے، ممبروں سے درخواست کی جاتی ہے کہ وہ ای میل کے ذریعے نوٹس اور آڈٹ شدہ حسابات وصول کرنے کے لئے اپنی رضامندی اور اپنا ای میل ایڈر لیں مدرجہ ذیل ای میل ایڈر لیں پر پہنچیں۔

accounts@sakrandsugar.com

8- ممبران سے گزارش ہے کہ اپنے پتے اور ابتدی نمبروں میں کسی بھی قسم کی تبدیلی کی فوری اطلاع شیرزرجسٹر اکاؤنٹریجڈ میل پتے پر صحیح کروائیں،

M/s. JWAFS Registrar Services (Pvt.) Ltd.

407-408, Al Ameera Centre, Shahrah-e-Iraq, Saddar, Karachi.

9- برائے مہربانی کمپنی کے ساتھ تمام مراسلات میں اپنے فولیونیکر کا حوالہ دیں۔



VISION & MISSION STATEMENT

VISION

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

MISSION

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



DIRECTORS' REPORT

We are pleased to welcome you to the 32nd Annual General Meeting of the Company and present the financial and operating results along with audited financial statements for the year ended September 30, 2020 together with the auditors' report thereon.

SEASON START

The Company commenced its crushing season of 2019-20 on November 15, 2019. For the season, the Government of Sindh has fixed the sugarcane price at Rs.192/- per 40 Kg. However, shortage of crop resulted in much higher cost of cane, resultantly buying at very higher rate.

FINANCIAL RESULTS

The comparative financial results are as follows:

	2020	2019	Increase/ (Decrease)
..... Rupees in '000'			
Sales	1,966,828	3,387,534	(1,420,707)
Cost of sales	(2,425,503)	(2,877,233)	(451,730)
Gross (Loss)/Profit	(458,675)	510,301	(968,976)
(Loss)/Profit before taxation	(741,936)	223,350	(965,286)
Net (Loss)/Profit after tax	(599,246)	156,649	(755,895)
(Loss)/Earning per share (Rupees)	(13.43)	3.51	(16.94)

OPERATING RESULTS

	2020	2019	Increase/ (Decrease)
Sugarcane crushed	MT 312,129	335,136	(23,007)
Sugar produced	MT 30,123	36,865	(6,742)
Sugar recovery	% 9.677	11.00	(1.32)
Molasses	MT 22,040	19,435	2,605
Molasses recovery	% 6.484	5.078	1.406

AUDITORS' REPORT

Although the auditors of the Company have highlighted the issue of going concern but the management anticipated better results in future which will not only cover up current year losses but also profitability.

FUTURE OUTLOOK

During the year under review the mill crushed 312,129 MT of sugarcane producing 30,123 MT of sugar, as compared to corresponding year's crushing of 335,136 MT of sugarcane and 36,865 MT of sugar. Further, the recovery of sugar also fell to 9.677% as compared to 11.00% in the corresponding year.

The overall crop condition in the mills area remained poor, both in terms of yield as well as quality of sugarcane. Lesser water supply, unusual stormy rains contributed to inferior quality of sugarcane.

Further, the shortage of sugarcane in lower Sindh triggered a panic buying in central Sindh to upper Sindh by mills of lower Sindh, resulting in exorbitant purchase rates of sugarcane. The government fixed the sugarcane price at rupees 192 per Mounds plus quality premium. However, all mills ended up paying exorbitantly higher rates thus shooting the cost of per kg sugar above the selling price.

The high cost, lower recovery and various technical faults resulted in loss to the Company for the year. The management is committed to take stringent measures both in terms of financial management, technical improvements and supply chain so as to ensure much better profitable results in the coming season and pray to Almighty Allah for success in our future operations.

CORPORATE SOCIAL RESPONSIBILITY AND HEALTH SAFETY ENVIRONMENT

Sakrand Sugar Mills Limited (SSML) has always believed and has contributed towards betterment of the society.

SSML is committed towards health and safety of its employees, practically reducing potential hazards. All workforce are required to adhere to safety rules and regulations issued as per Health Safety Guidelines. All applicable regulations with regards to Health Safety and Environment are being followed with zero tolerance on negligence.

The Company provides medical facilities to its employees and availed medical coverage from Jubilee Health Insurance. Medical cards have been provided to executives and employees in order to facilitate them to avail medical facilities as and when required from the authorized hospitals. The Company also arranges medical camps on regular intervals and medical facilities are provided to the labourers and villagers free of cost.

SSML is also planning to increase the literacy rate in the surrounding areas and encourages farmers and employees to seek basic and advance level of education.

The Company is also not negligent on its duties towards conserving nature and environment. Go green activities are conducted throughout the year in which Company plants trees in the surrounding areas. SSML has also taken substantial steps in reducing pollution and pollutant affluent especially in the water waste.

The Company also takes pride in providing the employees with cleaner and better living conditions. Stress is emphasized on the employees also for partaking their share of duties in making the environment cleaner and greener.



LABOUR MANAGEMENT RELATIONS

The management / labour relations remained cordial and helpful. I take this opportunity to thank and appreciate the spirit of understanding, goodwill and co-operation shown by the staff/workers and hope that the same will continue in future.

I thank the executives, officers and all the staff members of the Company and wish to place on record my appreciation for the devotion, sense of responsibility and loyalty.

AUDITORS

The external auditors "M/s UHY Hassan Naeem & Co." Chartered Accountants retire and being eligible offer their services for the year 2020-2021.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

- 1 The financial statements, prepared by the Company, present fairly its state of affairs, the result of its operation, cash flows and changes in equity.
- 2 Proper books of accounts of the Company have been maintained.
- 3 Appropriate accounting policies have been consistently applied in preparation of the financial statements, changes if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgment.
- 4 There is no doubt on the going concern of the Company.
- 5 International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and departure there from if any, has been adequately disclosed.
- 6 The Company operates a funded Provident Fund Scheme for its permanent employees.
- 7 The system of internal control is sound in design and has been effectively implemented and monitored.
- 8 Key operating and financial data for last six years in summarized form is annexed.
- 9 There has been no material departure from the best practices of Corporate Governance except those mentioned in the preamble of the statement.
- 10 The total number of directors are 7 as per the following,
 - a. Male: 6
 - b. Female: 1
- 11 The composition of the Board is as follows:

i. Independent directors	-
ii. Non-executive directors	5
iii. Executive directors	2

- 12 During the year, six meetings of the Board of Directors were held as detailed below.

Name of Director	<u>Number of meetings attended</u>
BOD	
Mr. Dinshaw H. Anklesaria	-
Mr. Jamil Akberi	6
Mr. Abdul Naeem Quraishi	6
Mr. Neville Mehta	6
Mrs. Fatma Gulamali	6
Dr. Jamshed H. Anklesaria	6
Mr. Amad Uddin	6

- 13 The Board has formed Audit Committee comprising of members given below.

Mr. Abdul Naeem Quraishi - Chairman
Mr. Jamil Akberi - Member
Mr. Neville Mehta - Member

Name of Members	<u>Number of meetings attended</u>
Audit Committee	
Mr. Jamil Akberi	4
Mr. Abdul Naeem Quraishi	4
Mr. Neville Mehta	4

- 14 The Board has formed HR Committee comprising of members given below.

Mr. Neville Mehta - Chairman
Mr. Jamil Akberi - Member
Mr. Amad Uddin - Member

Name of Members	<u>Number of meetings attended</u>
HRCommittee	
Mr. Neville Mehta	1
Mr. Jamil Akberi	1
Mr. Amad Uddin	1

- 15 The board has not arranged any training program for the Directors of the Company during the year.
16 No dividend has been announced during the year.



PATTERN OF SHARE HOLDING

The pattern of share holding and additional information regarding pattern of shareholding as on September 30, 2020 is annexed.

CONCLUSION

At the end, let us pray to Almighty ALLAH to guide us in our pursuits of national development and for the betterment of your organization – Ameen.

Thank you all,

for SAKRAND SUGAR MILLS LIMITED

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director

Karachi: March 31, 2021



ڈائریکٹرز کی رپورٹ

ہم آپ کو کمپنی کے یتیسویں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں، ساتھ ہی پیش خدمت ہیں 30 ستمبر 2020 کے مالیاتی اور کارکردگی کے نتائج اور آڈٹ شدہ مالیاتی گوشوارے بمحض آڈیٹر زر پورٹ۔

سیزن کا آغاز

کمپنی نے 2019-2020 میں کریگ کیا اس سیزن کے لیے حکومت سندھ نے گنے کی قیمت خرید 192 روپے فی 40 کلو مقرر کی تھی، لیکن گنے کی قلت، گنے کی قیمت خرید میں بدرجہ اضافہ کا سبب بنتی ہے۔

مالیاتی نتائج

تفصیلی مالیاتی نتائج درج ذیل ہیں۔

	2020	2019	Increase/ (Decrease)
	..... Rupees in '000'		
Sales	1,966,828	3,387,534	(1,420,707)
Cost of sales	(2,425,503)	(2,877,233)	(451,730)
Gross (Loss)/Profit	(458,675)	510,301	(968,976)
(Loss)/Profit before taxation	(741,936)	223,350	(965,286)
Net (Loss)/Profit after tax	(599,246)	156,649	(755,895)
(Loss)/Earning per share (Rupees)	(13.43)	3.51	(16.94)

آپرینگ نتائج

	2020	2019	Increase/ (Decrease)
Sugarcane crushed	MT 312,129	335,136	(23,007)
Sugar produced	MT 30,123	36,865	(6,742)
Sugar recovery	% 9.677	11.00	(1.32)
Molasses	MT 22,040	19,435	2,605
Molasses recovery	% 6.484	5.078	1.406

آڈیٹر زر پورٹ

اگرچہ کمپنی کے آڈیٹر نے سالانہ اکاؤنٹس میں "گونگ کنسرن" پر اپنے خدشات کا اظہار کیا ہے، لیکن انتظامیہ مستقبل میں بہتر نتائج کے لیے پرمایہ ہے جس سے صرف موجودہ سال کے لفڑیات کو پورا کیا جاسکے گا بلکہ مستقبل میں بھی منافع بخش نتائج برآمد ہوں گے۔

مستقبل کا جائزہ

زیر غور سال کے درمیان کمپنی نے 312,129 میٹر کٹن گنا کرش کر کے 30,123 میٹر کٹن چینی کی پیداوار کی جبکہ گزشتہ سال میں کمپنی نے 335,136 میٹر کٹن گنا کرش کر کے 36,865 میٹر کٹن چینی کی پیداوار کی تھی۔ مزید یہ کہ اس سال چینی کی اوسط ریکوری بھی گزشتہ سال سے نسبتاً کم رہی۔ اس سال چینی کی اوسط ریکوری 9.667 فیصد ریکوری جبکہ گزشتہ سال چینی کی اوسط ریکوری 11.00 فیصد تھی۔

فیضری کے گرد دونوں میں گئے کی فصل کی حالت کو اٹی اور ریکوری دونوں ہی لحاظ سے خراب رہی۔ پانی کی قلت اور غیر متوقع طوفانی باڑیں بھی خراب کو اٹی کی وجہ نی۔

مزید یہ کہ زیریں سندھ میں گئے کی قلت نے زیریں سندھ کی شوگر ملزکو مجبور کیا کہ وہ اضافی قیمت میں وسطی سندھ اور بالائی سندھ سے گنا خریدیں جس کی وجہ سے گئے کی اوسط قیمت خرید میں بھی بدراجہ اضافہ ہوا۔ گورنمنٹ نے گئے کی ازم کی قیمت خرید۔ 192 روپے فنی 40 کلوگرام (علاوه کو اٹی پر یکیم) مقرر کی تھی، جبکہ تمام شوگر ملزکے اور پیان کردار و جوہات کے پیش نظر اضافی قیمت دے کر گنا خریدا۔ جس کی وجہ سے گئے کی اوسط قیمت خرید گورنمنٹ کی مقرر کردہ قیمت خرید سے بہت زیادہ رہی۔

گئے کی اضافی قیمت خرید، کم اوسط ریکوری اور مختلف ٹیکنیکل فالٹ کی وجہ سے کمپنی کو زیر غور سال میں نقصان کا سامنا کرنا پڑا۔ مگر کمپنی میجنت کے حوصلے بھی بلند ہیں اور کمپنی میجنت مالیاتی ٹیکنیکل، سپلائی چینی اور دیگر شعید جات میں اہم فیصلے اور اقدامات کر رہی ہے تاکہ آنے والے وقتوں میں کمپنی کے زیادہ مالیاتی مفاوا اور ترقی کو یقینی بنایا جاسکے اور ہم اللہ رب العزت سے کمپنی کے لیے ایک کامیاب اور شاندار مستقبل کی دعا کرتے ہیں، آمین۔

کار پوریٹ سماجی ذمہ داری اور کمپنی کے کاروبار کے ماحول پر اثرات

سکرینڈ شوگر ملزک یہند معاشرے کی فلاں و بہیوں پر پورا یقین رکھتی اور بھرپور حصہ لیتی ہے۔

کمپنی ملاز میں کی صحت اور حفاظت پر خصوصی توجہ دیتی ہے۔ خاص طور پر کام کے دوران ہونے والے مکمل حادثات کو روکنے کے لئے تمام اقدامات بروئے کار لائے جاتے ہیں۔ تمام ملاز میں پر حفاظتی قوانین کی پاسداری لازم ہے اور اس میں ذرا سی بھی کوتاہی برداشت نہیں کی جاتی۔ کمپنی اپنے ملاز میں کو میڈیا یکل کی سہولیات بھی مہیا کرتی ہے اور اس امر کے لئے کمپنی نے جو ملی ہیئت انشورس کمپنی کی خدمات حاصل کی ہوئی ہیں۔ اس کے ساتھ ساتھ کمپنی و تفاؤق ملاز میں اور گرد و نواح کے گاؤں والوں کے لئے مفت میڈیا یکل کیپ کا اہتمام کرتی رہتی ہے۔ تعلیم کی اہمیت کو منظر رکھتے ہوئے کمپنی اپنے ملاز میں اور گرد و نواح کے افراد کو بنیادی اور ایڈیشنل تعلیم کے حصول کا درس دیتی ہے اور اس مقصد کے حصول کے لئے ان کی ہر ممکن مدد کرتی ہے۔

کمپنی ماحول کی بہتری کے لئے کئے جانے والے اقدامات اور ان کی اہمیت سے غافل نہیں ہے۔ یہی وجہ ہے کہ کمپنی خود اس طرح کے تمام اقدامات کا خیر مقدم کرتی اور اس بھرپور حصہ لیتی ہے۔ ماحول کی حفاظت اور خوبصورتی کو برقرار رکھنے کے لئے وقاً فو قما شجر کاری کی مہم کا اہتمام کیا جاتا ہے۔ ماحولیاتی آسودگی کو کم کرنے کے لئے بھی کمپنی نے ضروری اقدامات کئے ہیں۔

یہ بات کمپنی کے لئے باعث فخر ہے کہ کمپنی اپنے ملاز میں کو بہتر ماحول اور طرز رہائش مہیا کرنے میں کامیاب رہی ہے اور ملاز میں کو بھی اس بات کی بھرپور تاکید کرتی ہے کہ وہ اپنے ماحول کو بہتر بنانے میں کلیدی کردار ادا کریں۔



لیبر اور انتظامیہ کے تعلقات

انتظامیہ اور لیبر کے مابین تعلقات خوشنگوار اور باہمی تعاون کی نھیں میں سازگار ہیں، میں تمام تر تعاون، تفہیم کی اس نصیحت، خلوص اور اچھی ساکھ کے حامل تمام تر ملازم میں اور کام کرنے والوں کا شکر یاد کرنا پچاہتا ہوں اور امید کرتا ہوں کہ مستقبل میں بھی ہم سب اسی روئیے کا برداشت کریں گے۔

میں شکر گزار ہوں تمام ایگزیکٹو، افسران اور تمام اسٹاف ارکین کا، ان کی تمام تر وفاداری، احسان ذمے داری اور کام سے بھر پور گاؤپر خراج تحسین پیش کرتے ہوئے اسے ریکارڈ کا حصہ بناتا ہوں۔

آڈیٹریز

آڈیٹریز "میسرز یو۔ ائچ۔ وائے۔ حسن فیض ایمنڈ کو، چارٹرڈ اکاؤنٹنٹ" ریٹائر ہو رہے ہیں۔ اور اس کے ساتھ ہی امیت کی بدولت آئندہ مالی سال کے لئے بحیثیت بیرونی آڈیٹر اپنی خدمات پیش کرنے کا ظہار کر رہے ہیں۔

کار پوریٹ اور مالیاتی رپورٹنگ کے صابط (فریم ورک)

- ۱۔ کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، کمپنی کے شفاف معاملات کو ظاہر کرتے ہیں، ایکو ٹی میں تبدیلی، کیش (فناہ) کا بہاؤ اور آپریشن ایک شفاف طور سے چل رہے ہیں۔
- ۲۔ کمپنی کی جانب سے حساب کتاب کا مناسب انتظام ہے اور کاؤنٹس کے تمام کھاتے کمپنی احسن طریقے سے تشکیل دیتی ہے۔
- ۳۔ مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹس کے طریقے کا راستے جاتے ہیں، مالیاتی تفصیلات کی تیاری مناسب اور داشتمانہ فیصلوں پر مبنی ہوتی ہے۔
- ۴۔ کمپنی کے پاس اپنے آپریشنز کو جاری رکھنے کے لئے مناسب انتظام موجود ہے، اور اس بات میں کوئی شک نہیں ہے کہ مستقبل میں بھی ایسا ہی رہے گا۔
- ۵۔ کمپنی نے اپنے مستقل ملازمین کے لئے پروایڈنٹ فنڈ جاری کیا ہوا ہے۔
- ۶۔ مالیاتی گوشوارے کی تیاری میں پاکستان میں لا گو ہونے والے بین الاقوامی فناہی رپورٹنگ اور اکاؤنٹنگ کے معیارات کی مکمل پیروی کی گئی ہے۔
- ۷۔ کمپنی میں اندر وہی کنٹرول کے نظام کو موثر طریقے سے لا گو کیا گیا ہے اور اس کی مسلسل مگرائی کی جاتی ہے۔
- ۸۔ کلیدی کارکرداری اور مالیاتی معلومات گذشتہ 6 سال کے ضمیمے میں مہیا کی گئی ہیں۔
- ۹۔ تمام قابل اطلاق کار پوریٹ گورننس کے بہترین اصولوں پر عمل کیا جا رہا ہے اور کسی بھی اصول کی عدم تعیین نہیں کی گئی۔ مجزاں و فعات کے جن کا ذکر کار پوریٹ گورننس کی رپورٹ میں کیا گیا ہے۔

۱۰۔ کمپنی کے ڈائریکٹرز کی کل تعداد درج ذیل ہے۔

6	مرد حضرات
1	خاتون

۱۱۔	بوروڈ کی تشکیل درج ذیل ہے۔
-	انڈیپینڈینٹ ڈائریکٹر
5	نان ایگزیکٹو ڈائریکٹر
2	ایگزیکٹو ڈائریکٹر



۱۲۔ سال رواں کے دوران یورڈ آف ڈائریکٹریز کے اجلاس منعقد ہوئے جن کی تفصیل درج ذیل ہے۔

اجلاسوں میں شرکت کی تعداد

بورڈ آف ڈائریکٹریز

ڈائریکٹریز کے اسامے گرامی

-	جتاب ڈنٹاٹچ انکسیر یا
۲	جتاب جیل اکبری
۲	جتاب عبدالغیم قریشی
۲	جتاب نیول مہتا
۲	محترمہ فاطمہ غلام علی
۲	جتاب جشید ایچ انکسیر یا
۲	جتاب عمال الدین

۱۳۔ بورڈ نے ایک آٹھ کمیٹی بھی تشکیل دی ہوئی ہے جس کی تفصیل درج ذیل ہے۔

جناب عبدالغیم قریشی۔ چیئرمین

جناب جیل اکبری۔ ممبر

جناب نیول مہتا۔ ممبر

ممبرز کے اسامے گرامی

آٹھ کمیٹی

۳	جتاب جیل اکبری
۳	جتاب عبدالغیم قریشی
۳	جتاب نیول مہتا

۱۴۔ بورڈ نے ایک ”ائچ۔ آر“ کمیٹی بھی تشکیل دی ہوئی ہے جس کی تفصیل درج ذیل ہے۔

جناب نیول مہتا

جناب جیل اکبری

جناب عمال الدین

ممبرز کے اسامے گرامی

ائچ آر کمیٹی

۱	جتاب نیول مہتا
۱	جناب جیل اکبری
۱	جناب عمال الدین



۱۵۔

بورڈ نے اس سال کی ڈائریکٹریٹر بیتی پروگرام کا اہتمام نہیں کیا۔

۱۶۔

اس سال کی ڈیوڈنڈ کی سفارش نہیں کی گئی۔

حصہ داری کا خاکہ

30 ستمبر 2020ء کے حصہ داری کا خاکہ، شیئر ہولڈنگ کی تفصیلات کے خصیمہ میں درج ہے۔

نتیجہ

آخر میں اللہ رب العزت کے حضور دعا گوہوں کو وہ ہمیں توفیق دے کہ ہم تو می ترقی میں اپنا حصہ ملائیں اور اپنی کمپنی کی بہتری کے لئے کام کر سکیں۔ آمین

بشكريہ

برائے سکرینڈ شوگر مازلمیڈ

D.H.Ansar...

ڈنشا ایچ انکلسیر یا

چیف ایگزیکیوٹو

کراچی: 31 مارچ 2021

م
جمیل اکبری

ڈائریکٹر



CHAIRMAN'S REVIEW

On Board's overall Performance u/s 192 of the Companies Act, 2017

I am pleased to present this report to the shareholders of Sakrand Sugar Mills Limited (the Company). It highlighted the overall performance of the Board and its efforts and determination in achieving the aims and objective of the Company.

As you all are quite aware that due to Covid-19, the year 2020 was proved to be a very difficult year for the whole world, especially for business sectors. Covid-19 effected each and every sector of life, social as well as economical. In Pakistan, due to lockdown and other precautionary measures taken against Covid-19, all industries including sugar industry faced economic recession. Due to lockdown and no social events, there was an overall decline in sugar consumption. On the other hand, there was a decline in sugarcane production in the season, which resulted in exorbitant purchase rates of sugarcane. The government fixed the sugarcane price at rupees 192 per Mounds plus quality premium. However, all mills ended up paying exorbitantly higher rates thus shooting the cost of per kg sugar above the selling price. These issue badly affected the profitability of the Company as well as overall profitability of the sugar industry. However, even in these difficult days, the Company committed to implement strong governance framework supportive of an effective and prudent management of business matters.

The committees of the Board, continued to work with a great measure of diligence and proficiency during the year. The Audit Committee had focused in particular on the management and control of risks associated with the business. Similarly, the Human Resource and Remuneration Committee has ensured that the HR policies regarding performance management, HR recruitment, compensation and benefits are compatible with market, and are properly aligned not only with the Company's performance and shareholders' interests but also with the long-term planning of the Company.

The Board as a whole has reviewed the Annual Report and Financial Statements, and confirmed that in its view the report and financial statements, taken as a whole, are fair and understandable.

The Board has the strategic vision of how the organisation should be evolving in the future and has identified key indicators for tracking its progress, taking into consideration the interests of its stakeholders. The overall effectiveness of the Board was assessed as satisfactory and areas that required improvement were duly considered and suitable action plans were framed.

The Board has established policies that cover all essential areas of board responsibility and operations of the Company. The Board is knowledgeable about the organisation's current business activities including strengths and weaknesses of each major activity, and has stressed on the fact for future planning and diversification of the business segments.

The Board members are familiar with the current vision, mission, and core values and found them appropriate for the organisation. The Board has created necessary policies which ensure that the organisation behaves in an equitable and legal manner towards stakeholders.



The composition of the Board is adequately sized to govern the Board procedures and the members are actively engaged in the work of the Board. The Board places great emphasis on meeting the requirements of Code of Corporate Governance and to equip all the Directors with the Directors' Training Program at the earliest. Directors fully participated and contributed in the decision making process of the Board and also carried out its annual self-evaluation.

In my opinion, I believe that the strategic direction of the Company for the future is clear and beneficial. Further, I would like to acknowledge the honest efforts and commitment of my fellow directors, key executives and overall staff towards the betterment and growth of the organisation.

Jamil Akberi
Chairman

Karachi: March 31, 2021



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 For the Year ended September 30, 2020

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

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

a. Male:	6
b. Female:	1
2. The composition of the Board is as follows:

i. Independent directors	-
ii. Non-executive directors	5
iii. Executive directors	2
iv. Female director	1
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 the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. This year the Board could not arrange Directors' Training Program. The Board has although noted the requirements for compliance in the coming year at the earliest possible.
10. The Board has approved appointment of Company Secretary, including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. No new appointment of Chief Financial Officer and Head of Internal Audit was made during the year.
11. Chief Financial Officer and two Directors 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. Abdul Naeem Quraishi - Chairman
Mr. Jamil Akberi
Mr. Neville Mehta

b. HR and Remuneration Committee

Mr. Neville Mehta - Chairman
Mr. Jamil Akberi
Mr. Amad Uddin

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:

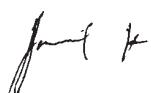
a. Audit Committee	04
b. HR and Remuneration Committee	01

15. The Board has set up an effective internal audit function.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the 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 Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and

18. We confirm that all requirements of regulations 3, 7, 8, 32, 33 and 36 of the Regulations have been complied with.



Jamil Akberi
Chairman

Karachi: March 31, 2021



INDEPENDENT AUDITORS' REVIEW REPORT TO MEMBERS OF SAKRAND SUGAR MILLS LIMITED

Review report on the statement of compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred to as 'the Regulations'), prepared by the Board of Directors of Sakrand Sugar Mills Limited (the Company) for the year ended 30 September 2020 in accordance with the requirements of the Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

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.

Following instances of non-compliance with the regulations were observed which are not stated in the Statement of Compliance:

- Auditors were not invited in any meeting of the audit committee.

Based on our review, except for the matters stated above nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2020.

Further, we highlight below instances of non-compliances with the requirements of Regulations reflected in the paragraph reference where it stated in the compliance report.

- Paragraph 2, no independent director exist in the company
- Paragraph 10, no head of internal audit exist in the company
- Paragraph 12, the audit committee and HR remuneration committee was not headed by independent director.

Umer Hassan Naqvi

Chartered Accountants

Place: Karachi

Date: March 31, 2021

**PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2020**

NUMBER OF SHAREHOLDERS	FROM	SHARE HOLDING	TO	TOTAL SHARES HELD
437	1	-	100	26,649
656	101	-	500	243,920
410	501	-	1000	369,636
616	1001	-	5000	1,658,523
186	5001	-	10000	1,494,482
66	10001	-	15000	835,496
33	15001	-	20000	586,770
26	20001	-	25000	608,500
13	25001	-	30000	372,500
10	30001	-	35000	335,500
18	35001	-	40000	700,760
2	40001	-	45000	85,500
12	45001	-	50000	587,840
7	50001	-	55000	372,359
5	55001	-	60000	290,000
5	60001	-	65000	313,244
3	65001	-	70000	204,200
3	70001	-	75000	221,500
1	75001	-	80000	76,800
6	95001	-	100000	596,645
2	100001	-	105000	203,000
1	105001	-	110000	109,980
2	120001	-	125000	246,500
1	125001	-	130000	127,500
1	145001	-	150000	150,000
2	155001	-	160000	313,000
1	170001	-	175000	175,000
1	180001	-	185000	185,000
1	185001	-	190000	190,000
1	195001	-	200000	198,000
1	200001	-	205000	202,000
1	205001	-	210000	207,092
1	240001	-	245000	245,000
1	275001	-	280000	276,300
1	295001	-	300000	300,000
1	315001	-	320000	316,500
1	410001	-	415000	412,270
1	420001	-	425000	424,700
1	465001	-	470000	468,820
1	595001	-	600000	600,000
1	680001	-	685000	681,400
1	715001	-	720000	715,600
1	795001	-	800000	800,000
2	1000001	-	1005000	2,004,108
1	1545001	-	1550000	1,545,826
1	1555001	-	1560000	1,559,960
1	1795001	-	1800000	1,800,000
1	2060001	-	2065000	2,063,000
1	2760001	-	2765000	2,761,742
1	4195001	-	4200000	4,200,000
1	11150001	-	11155000	11,152,878
<u>2,550</u>				<u>44,616,000</u>



**PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2020**

S.No.	Category	No. of Shareholders	Total Shares Held	Percentage %
1	INDIVIDUAL	2,505	40,080,280	89.83
2	FINANCIAL INSITUTION	15	2,303,160	5.16
3	INSURANCE COMPANY	2	227,592	0.51
4	INVESTMENT COMPANY	3	136,310	0.31
5	JOINT STOCK COMPANY	21	978,966	2.19
6	MODARABA COMPANY	1	198,000	0.44
7	LEASING COMPANY	1	40	0.00
8	CO-OPERATIVE SOCIETIES	1	10,252	0.02
9	MUTUAL FUND	1	681,400	1.53
		<u>2,550</u>	<u>44,616,000</u>	<u>100.00</u>

**PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2020
AS PER REQUIREMENTS OF
THE CODE OF CORPORATE GOVERNANCE**

Category	Number of shares held	Category wise No. of shareholders	Category wise shares held	Percentage %
JOINT STOCK COMPANIES		21	978,966	2.19
INVESTMENT COMPANIES		3	136,310	0.31
DIRECTORS CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		9	17,418,878	39.04
JAMSHED HOSHANG ANKLESARIA	1,000			
JAMIL AKBARI	500			
DINSHAW H. ANKLESARIA	11,152,878			
AMAD UDDIN	1,000			
FATMA GHULAM ALI	800,000			
JAMIL AKBARI	1,000,500			
ABDUL NAEEM QURAISHI	600,000			
NAVIELLE MEHTA	2,063,000			
ROXANNE MEHTA	1,800,000			
BANKS, DFIS, NBFIS, INSURANCE COMPANIES, MODARABA & MUTUAL FUNDS		20	3,410,192	7.64
CO-OPERATIVE SOCIETIES		1	10,252	0.02
INDIVIDUALS		2,496	22,661,402	50.79
		2,550	44,616,000	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

Name of Shareholder	No. of Shares held	Percentage
MR. DINSHAW H. ANKLESARIA	11,152,878	25.00
MUHAMMAD FAROOQ	4,200,500	9.41
YASIR GUL	2,761,742	6.19
	18,115,120	40.60



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAKRAND SUGAR MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statement of **Sakrand Sugar Mills Limited** (the Company), which comprise the statement of financial position as at **September 30, 2020** and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flow 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, 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, 2020 and of the loss and other 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.

Material Uncertainty Related to Going Concern

We draw attention to note 1.1 in the financial statements, which indicates that the Company incurred a net loss of Rs.599.2 million during the year ended September 30, 2020 and, as of date, the company's current liabilities exceeds its total assets by 1,007.6 million. As stated in note 1.1, these events or conditions, along with other matters as set forth in note 1.1, indicate that a material uncertainty exists that may cast a significant doubt on the company's ability to continue as a going concern. Our Opinion is not modified in respect of this matter.

Key Audit Matters:

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



Following are the Key Audit Matters:

Key Audit Matter	How our audit addressed the key audit matter
Trade Debts <p>As disclosed in note 11 of the accompanying financial statements, the company has trade debts amounting to Rs 363.91 million.</p> <p>We considered the recoverability of trade debts as a key audit matter due to judgement and materiality of trade debts related to the overall statement of financial position of the company.</p>	<p>Our audit procedure to verify trade debts included the following:</p> <p>We sought external confirmation for the amount that remained outstanding during the year and compare replies to the request</p> <p>Where responses to external confirmation were not received we have checked that subsequent to year end company received amount due from debtors.</p> <p>Obtain an understanding of the company's process for assessing provision against trade debts</p> <p>Evaluated the appropriateness of the company's methodology for assessing provision against trade debts</p> <p>Assessed the relevant disclosures made in the financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.</p>
Contingencies <p>The company is under litigations in respect of various matters including industry wide matters as disclosed in note 25 of the accompanying financial statements.</p> <p>We have considered it to be a key audit matter due to the reason because it involves management's judgement for recognition and measurement of provisions that may be required against such contingencies.</p>	<p>Our audit procedures include the following:</p> <p>We have assessed the management's process to identify new possible litigations and changes in existing obligations by examining minutes of Board meetings.</p> <p>We have obtained confirmation from the legal counsel of the company and evaluate the status of pending litigations by considering the opinion of company's legal counsel.</p>



Information other than financial statements and Auditor's report thereon:

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

Our opinion on the financial statement 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 requirement of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and 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 and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980(XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Imran Iqbal.

Umy Hasan Naem & Co.

Karachi
Date: March 31, 2021



STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
		..... Rupees in '000'	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	3,193,721	3,250,459
Intangible asset	6	2,206	3,293
Long-term loans	7	745	745
Long-term deposits	8	2,098	2,098
		<u>3,198,770</u>	<u>3,256,595</u>
Current Assets			
Stores, spares and loose tools	9	99,277	61,579
Stock-in-trade	10	79,304	49,192
Trade debts	11	356,733	845,561
Loans and advances	12	45,664	27,498
Prepayments and other receivables	13	45,018	46,410
Tax refund	14	8,017	8,017
Cash and bank balances	15	28,337	4,478
		<u>662,350</u>	<u>1,042,735</u>
Total Assets		<u>3,861,120</u>	<u>4,299,330</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized share capital			
60,000,000 ordinary shares of Rs. 10 each		<u>600,000</u>	<u>600,000</u>
Share capital			
Issued, subscribed and paid-up capital	16	446,160	446,160
Revenue reserves			
Accumulated loss		(958,473)	(387,383)
Capital reserves			
Surplus on revaluation of property, plant and equipment-net of deferred tax	17	1,687,975	1,768,672
Directors'/Sponsors' subordinated loan	18	<u>92,767</u>	<u>92,767</u>
		<u>1,268,428</u>	<u>1,920,216</u>
Non-Current Liabilities			
Deferred taxation	19	311,246	417,538
Long term financing - secured	20	538,352	763,849
Deferred liabilities	21	73,112	79,001
		<u>922,710</u>	<u>1,260,388</u>
Current Liabilities			
Trade and other payables	22	1,079,788	837,179
Unclaimed dividend		6,198	6,427
Unpaid dividend		72	204
Accrued mark-up	23	155,114	41,154
Current maturity of long-term financing	20	378,636	205,319
Taxation - net	24	50,174	28,442
		<u>1,669,982</u>	<u>1,118,726</u>
Contingencies & Commitments	25		
Total Equity and Liabilities		<u>3,861,120</u>	<u>4,299,330</u>

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

Mirza Muhammad Usman Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
		..... Rupees in '000'	
Sales - net	26	1,966,828	3,387,534
Cost of sales	27	(2,425,503)	(2,877,233)
Gross (loss) / profit		(458,675)	510,301
Operating expenses			
Administrative expenses	28	(115,749)	(105,943)
Selling and distribution cost	29	(5,492) (121,241)	(5,764) (111,707)
Operating (loss) / profit		(579,916)	398,594
Finance cost	30	(162,112)	(158,967)
Other charges	31	-	(16,564)
Defualt surcharge and penalty	32	-	(150)
Other income	33	92	437
		(162,020)	(175,244)
(Loss) / profit before taxation		(741,936)	223,350
Taxation-net	34	142,690	(66,701)
(Loss) / profit after taxation		(599,246)	156,649
(Loss)/Earning per share - Basic and diluted	35	(13.43)	3.51

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



Mirza Muhammad Usman Ghani
Chief Financial Officer



Dinshaw H. Anklesaria
Chief Executive



Jamil Akberi
Director



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
		..... Rupees in '000'	
(Loss) / Profit after taxation		(599,246)	156,649
Other comprehensive income for the year - net of tax	21.2	9,074	1,356
Total comprehensive (loss) / income for the year		(590,173)	158,005

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

Mirza Muhammad Usman Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019		
		..... Rupees in '000'		
A. CASH FLOW FROM OPERATING ACTIVITIES					
Cash generated from operations	36	144,241	375,261		
Taxes paid		(3,486)	(1,325)		
Finance cost paid		(46,377)	(142,502)		
Net cash generated from operating activities		<u>94,378</u>	<u>231,434</u>		
B. CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(16,202)	(232,089)		
Capital work-in-progress		-	11,250		
Short term investment		-	30,000		
Long term loans		-	(422)		
Net cash used in investing activities		<u>(16,202)</u>	<u>(191,260)</u>		
C. CASH FLOWS FROM FINANCING ACTIVITIES					
Long term financing - secured		(53,955)	(79,455)		
Dividend paid		(362)	(2,680)		
Net cash used in financing activities		<u>(54,317)</u>	<u>(82,135)</u>		
Net increase/(decrease) in cash and cash equivalents		23,859	(41,961)		
Cash and cash equivalents at the beginning of the year		4,478	46,440		
Cash and cash equivalents at the end of the year		<u>28,337</u>	<u>4,478</u>		

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



Mirza Muhammad Usman Ghani
Chief Financial Officer



Dinshaw H. Anklesaria
Chief Executive



Jamil Akberi
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Share capital	Capital reserve	Revenue reserve	Directors'/ Sponsors' subordinated loan	Total
	Issued, subscribed and paid-up capital	Surplus on revaluation of property, plant and equipment	Un-appropriated profit/ Accumulated loss		
..... Rupees in '000'					
Balance as at October 01, 2018	446,160	1,789,432	(566,148)	92,767	1,762,211
Profit after taxation	-	-	156,649	-	156,649
Other comprehensive income for the year	-	-	1,356	-	1,356
Total comprehensive income for the year	-	-	158,005	-	158,005
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	(20,760)	20,760	-	-
Balance as at September 30, 2019	446,160	1,768,672	(387,383)	92,767	1,920,216
Balance as at October 01, 2019	446,160	1,768,672	(387,383)	92,767	1,920,216
Loss after taxation	-	-	(599,246)	-	(599,246)
Other comprehensive income for the year	-	-	9,074	-	9,074
Total comprehensive loss for the year	-	-	(590,173)	-	(590,173)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	(19,083)	19,083	-	-
Adjusted due to change in estimates of deferred tax reversals		(61,614)			(61,614)
Balance as at September 30, 2020	446,160	1,687,975	(958,473)	92,767	1,268,428

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

Mirza Muhammad Usman Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. STATUS AND NATURE OF BUSINESS

Sakrand Sugar Mills Limited was incorporated in Pakistan as a public limited company under the Companies Ordinance, 1984 [Repealed with the enactment of Companies Act, 2017], on March 02, 1989 and its shares are quoted on Pakistan Stock Exchange. The principal business of the Company is to manufacture and sell white sugar. The registered office of the Company is situated in 41-K, Block-6, P.E.C.H.S, Karachi while the Company's mill is situated at Deh Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh, Pakistan, having an area of 102.18 acres.

1.1 GOING CONCERN ASSUMPTION

The financial statements of the company for the year ended 30th September 2020 reflect net loss after taxation amounting to Rs. 599.2 million (2019: net profit of Rs.156.6 million) and its current liabilities exceeds its current assets by 1,007.6 million. Further during the year the company defaulted in repayment of its schedule loan repayments. These conditions indicate the existence of material uncertainty which may cast a significant doubt about the company's ability to continue as a going concern, therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

However the financial statements are prepared by the management on going concern assumption on the basis of following factors:

- a) The Company earned profit in all of previous three years i.e. year ended September 2017, 2018 and 2019 and the management believe that the loss is temporary and occurred due to shortage of sugar cane during the year. As a result, the sugar cane prices are significantly higher than the prices of sugar cane fixed by the government.
- b) The Company has successfully completed crushing season for 2020-2021 till the date of issuance of financial statement of 2020 and the major cash flow requirements for operations are already met.
- c) The Company has already approached its banker for restructuring of its loans and believe that the loan will be restructured and the short term liabilities will be converted into long term liabilities.
- d) The Company has prepared financial projections for upcoming years and based on these projections management believe that future years will be profitable subject to availability of sugar cane.
- e) The management is working on further processing of composite fertilizer (By Product) and believe that the sale of processed fertilizer will result in increase in profits.
- f) The management is working on improvement of production cycles that will results in reduction in cost of production in future.



1.2 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

The Covid-19 pandemic caused significant and unprecedented curtailment in economic and social activities since March 2020. This situation posed a range of business and financial challenges to the business globally and across various sectors of the economy in Pakistan.

Despite the challenging operating environment, the company has been able to continue its operations by implementing strict measures at its offices to combat and reduce the spread virus as the health and well-being of the staff is of paramount importance to Company.

The Company expects that like other sectors of the economy, the sugar and allied products are also to be under pressure. However, the business and financial strategies, the operational decision are designed to move the Company from strength to strength, and to ensure operations in a sustainable way during crisis. The management has assessed the accounting implications of these developments on the financial statements, including but not limited to expected credit losses under 'IFRS 09-Financial instruments', the impairment of tangible assets under 'IAS 36 - Impairment of assets'.

The Company carried out an assessment including financial and non financial consideration such as liquidity and funding concerns, disruption of supply chain, logistics, fluctuating demand, workforce management and employee health issues.

According to management's assessment, there are no material implications of COVID-19 that require specific disclosure in the financial statements.

2 SUMMARY OF SIGNIFICANT EVENTS AND TRANSACTION IN THE CURRENT PERIOD

There were no significant events or transaction in the current period.

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 applicable in Pakistan comprise of:

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

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

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention except for the following material items in the statement of financial position:

- a) Inventories are carried at lower of cost or net realisable value;
- b) Financial assets/ liabilities are carried in accordance with the requirements of IFRS-09 "Financial Instruments".



- c) Freehold land, factory and non-factory building on freehold land, plant and machinery are stated at revalued amounts. and;
- d) Staff retirement benefit plan which is carried at present value of defined benefit obligation net of fair value of plan assets as prescribed in IAS-19 " Employee Benefits"

2.3 Significant accounting judgments, assumption and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain accounting estimates. It also requires management to exercise its judgements in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

- a) Determining the residual values and useful life of property, plant and equipment,
- b) Impairment / adjustment of inventories to their net realizable values,
- c) Accounting for staff retirement benefits,
- d) Recognition of tax and deferred tax,
- e) Impairment of financial and non-financial assets,
- f) Contingencies and Commitments.

3 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

3.1 Standards, Interpretations and ammendments to aprove accounting and reporting standards that are not yet effective

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

Standards/ amendments/ interpretations	Effective date (accounting periods beginning on or after)
IFRS 10 Sale or contibution of Assets between an investor and & IAS 28 its associate or Joint venture (Amendment)	Not yet finalized
IAS 1 Classification of liabilities as current or non current (Amendments)	January 01, 2022
IAS 16 Proceeds before intended use (Amendments)	January 01, 2022
IAS 37 Onerous contracts-cost of fulfiling a contract (Amendments)	January 01, 2022



Standards/ amendments/ interpretations	Effective date (accounting periods beginning on or after)
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Improvements to Accounting standards Issued by IASB (2015-2017 cycle)

IFRS 09	Financial instruments - Fees in the '10 percent' test for derecognition of financial liabilities	January 01, 2022
IAS 41	Agriculture - Taxation in fair value measurements	January 01, 2022

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

The IASB also issued the Conceptual framework for Financial reporting (The conceptual framework) in March 2018 which is effective from annual periods beginning on or after January 2020 for preparation 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 requirement in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

3.2 Following standards have been issued by IASB which are yet to be notified by the Securities & Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan

- IFRS 1	First time adoption of IFRSs	January 01, 2024
- IFRS 17	Insurance Contracts	January 01, 2023

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies have been applied consistently to the periods presented in these financial statements.

4.1 Property, plant & equipment

a) Tangible asset and Depreciation

Fixed assets are stated at revalued amount less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, factory and non-factory building on freehold land and plant & machinery that are recorded at revalued amount less any accumulated depreciation. Cost comprises purchase price, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction, erection and installation.

Subsequent costs are included in the asset's carrying amounts or are recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged to statement of profit or loss by applying the reducing balance method except for plant & machinery on which units of production method has been applied so, as to write down the assets over their estimated useful lives at the rates specified in note 5 to these financial statements. The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

Freehold land, factory and non factory building on freehold land and plant & machinery are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amounts do not differ materially from their fair values.

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

Depreciation on additions is charged from the Quarter in which the assets become available for use, while no depreciation is charged in the Quarter of disposal.

Normal repairs and maintenance are charged to the statement of profit or loss during the period in which they are incurred.

The gain or loss arising on disposal or retirement of an item of property, plant & equipment is determined as the difference between the sale proceeds and the carrying amounts of the asset and is recognised as other income in the statement of profit or loss. In case of the sale or retirement of a revalued property, the attributable revaluation surplus remaining in the surplus on revaluation is transferred to other comprehensive income.

b) Right to Use Asset

The Company accounts for assets acquired under finance lease by recording the asset and the related liability. The amounts are determined on the basis of discounted value of total minimum lease payments and residual value of the assets at the end of the lease period to be paid by the Company.

Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding amounts.



Depreciation on fixed assets held under finance lease is charged in a manner consistent with that for depreciable assets which are owned by the Company.

c) Intangible asset and amortisation

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortisation and any identified impairment loss.

Amortisation is charged to the statement of profit or loss on the written down basis so as to write off the cost of an asset over its estimated useful life. Amortisation on additions is charged from the month in which an asset is acquired or capitalised while no amortisation is charged for the month in which the asset is disposed off. Amortisation is being charged at the rate disclosed in note 6 to the financial statements.

4.2 Stores, spares and loose tools

These are valued at lower of cost or net realisable value except for items in transit, which are valued at cost comprising invoice value and related expenses incurred thereon upto date of the statement of financial position. Cost is calculated on Weighted average basis. Obsolete and used stores, spares and loose tools are recorded at nil value.

4.3 Stock-in-trade

The basis of valuation has been specified against each:

Finished goods	Lower of cost or net realisable value
Sugar-in-process	Cost of raw material consumed and proportionate manufacturing expenses
Molasses-in-process	Net realisable value
Bagasse	Net realisable value
Compost fertiliser	Net realisable value

Provision for obsolete and slow moving stock are made as and when required. Net realisable value signifies the estimated selling price in the ordinary course of business less estimated cost of completion and estimated cost necessary to be included in order to make the sale.

4.4 Trade debts

Trade debts are carried at original invoice amount being the fair value, less an allowance for uncollectible amounts, if any. The company applies IFRS 9 simplified approach to measure the expected credit losses (ECL) which uses the life time expected loss allowance for trade debts.

4.5 Capital work-in-progress

Capital work-in-progress, if any, is stated at cost less impairment losses, if any, and represents expenditure on fixed assets in the course of construction and installation and advances for capital expenditure. Transfers are made to the relevant category of tangible / intangible assets as and when the assets are available for intended use.



4.6 Provisions

Provisions are recognised when Company has a present, legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each date of statement of financial position and adjusted to reflect the current best estimate.

4.7 Impairment

The carrying amounts of the assets are reviewed at each date of statement of financial position to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognised in the statement of profit or loss.

4.8 Taxation

Income tax expense comprises of current and deferred tax.

a) Current

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the period for such years.

b) Deferred

Deferred tax is recognised using the statement of financial position liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

After the provision for taxation has been made partially under the normal basis and partially under the final tax regime, therefore the deferred tax liability has been recognised on a proportionate basis in accordance with TR 27 issued by the Institute of Chartered Accountants of Pakistan.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the statement of financial position date.



4.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the statement of financial position. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

4.10 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds received.

4.11 Subordinated loan from directors

The Company has adopted Technical Release - 32 (Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan. In accordance with TR- 32, directors' interest free, unsecured loans that are repayable at the discretion of the Company have been accounted for in equity and presented separately as "Directors' / Sponsors subordinated loan".

4.12 Post retirement benefits

a) Defined contribution plan - provident fund

The Company operates a provident fund scheme for its permanent employees. Obligation for contributions to the fund are recognised as an expense in the statement of profit or loss when they are due. The trust has been established and its approval has been obtained from the Commissioner of Income Tax. Monthly contributions are made at the rate of 8.33% of basic salary both by the Company and its employees to the Fund as per the Company's policy.

b) Defined benefit plan - staff gratuity

The Company operates an unfunded gratuity scheme for all of its eligible employees who have completed the minimum qualification period of service. The contribution to the scheme are made in accordance with actuarial valuation using "Projected Unit Credit Method".

4.13 Trade and other payables

Liabilities for trade and other amounts payable are carried 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.

4.14 Loans, advances and deposits

These are stated at cost less estimates made for any doubtful receivables based on a review of all outstanding amounts at the date of statement of financial position. Balances considered bad and irrecoverable are written off when identified.



4.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset under construction are capitalised and added to the project cost until such time the asset is substantially ready for their intended use, i.e., when they are capable of commercial production. All other borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

4.16 Contingencies

Contingencies are disclosed when the company has possible obligation that arises from past event and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of entity, or a present obligation that arises from past event but is not recognised because it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation or, when amount of obligation cannot be measured with sufficient reliability.

4.17 Foreign currency transactions

Foreign currency transactions are translated into the functional currency, using the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into the functional currency using the exchange rate prevailing on the date of the statement of financial position. Exchange differences arising from the settlement of such transactions, and from the translation of monetary items at the end of the year exchange rates, are charged to the statement of profit or loss.

4.18 Finance lease obligations

Finance lease obligations are accounted for at the net present value of minimum payments under the lease arrangements.

Finance charges under lease arrangements are allocated to periods during the lease term so as to produce a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

4.19 Financial instruments

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.20 Financial assets

a) Initial recognition and measurement

Financial assets are classified at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVPL).



The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. With the exception of trade receivables, the company initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are SPPI on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The company's business model for arranging financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flow will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date the company commits to purchase or sell the asset.

b) Subsequent measurement

For purposes of subsequent measurement, the company classifies its financial assets in to following categories:

- Financial assets at amortised cost (debt instrument)
- Financial assets designated at fair value through other comprehensive income (FVCOI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVPL)

c) Financial assets at amortised cost (debt instruments)

The company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cashflows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gain and losses are recognised in profit and loss when asset is derecognised, modified or impaired.

d) Financial assets designated at FVOCI (equity instruments)

Upon initial recognition , the company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 financial instruments : Presentation and are not held for trading. The Classification is determined on an instrument-by-instrument basis.



Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

e) Financial assets at FVPL

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are required for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss

This category also includes derivative instruments and listed equity instruments which the company had not irrevocably elected to classify at FVOCI. Dividend on listed equity investments are also recognised as other income in profit or loss when the right of payment has been established. The company has not designated any financial asset as at FVPL.

f) Derecognition

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the company's statement of financial position) when:

- the rights to receive Cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risk and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

4.21 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at FVPL, Loans and borrowings, trade payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All Financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction cost.



Subsequent measurement

a) Financial Liabilities at FVPL

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on abilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recogniton at fair value through profit or loss are designated at the initial recognition , only if the criteria in IFRS 09 are satisfied. The company has not designated any financial liability as FVPL.

b) Financial Liabilities at amortised cost

After initial recognition, borrowing and payables are subsequently measured at amortised cost using EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Borrowings are classified as current liabilities unless the company has unconditonal right to defer the settlement of the liability for at least twelve months after the reporting date. Exchange gains and losses arising in respect of borrowings in foreign currency are added to the carrying amount of borrowing.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When 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 or modification is treated as the derecogniton of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4.22 Impairment

4.22.1 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECL) for all the debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cashflows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cashflows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL is recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from defualt events that are possible within next 12- months (a 12- month ECL). for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of default (a life time ECL).



For financial assets other than trade debts, the company applies general approach in calculating ECL. It is based on the difference between contractual cashflow due in accordance with the contract and all the cashflows that the company expect to receive discounted at the approximation of the original effective interest rate. The expected cashflows will include cashflows from sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade debts the company applies a simplified approach where applicable in calculating ECL. therefore the company doesnot track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date. The company has established a provision matrix for large portfolio customer having similar characteristics and default rates based on the credit rating of customers from which the receivables are due that is based on the company's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic enviornment.

The company considers a financial asset in default when contractual paymnets are 90 days over due. However in certain cases, the company may also consider a financial asset to be in default when contractual payments are 90 days past due. However in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking in to account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

4.22.2 Impairment of non financial assets

The carrying amounts of the company's non financial assets are reviewed annually to determine whether there is any indication of impairment. If any such indication exist the asset's recoverable amount is estimated and impairment losses are recognised in the profit or loss. The recoverable is the higher of an asset's fair value less cost to disposals and value is use.

4.23 Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable net of discounts and applicable taxes. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management with the goods and the amount of revenue can be measured reliably on the following basis:

- Local sales are recognised when goods are lifted by the customer.
- Export sales are recognised when the goods are on board the shipping vessel.



- Dividend income is recognised when the right to receive the dividend is established.
- Interest income is recognised using effective interest method on an accrual basis.
- Government grants relating to export subsidy are recognised when there is a reasonable assurance that the Company will comply with the conditions attached to it and the grant will be received.

4.24 Dividends

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised as a liability in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

4.25 Related party transactions

Related party comprises of major shareholders, associated companies with common directorship, directors of the Company, key management personal and their close family members. The Company continues to have a policy whereby transactions with related parties are entered into at commercial terms, approved policy and at rates agreed under a contract / agreement / arrangement.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company considers its Chief Executive Officer, Chief Financial Officer, Directors, Company Secretary and departmental heads to be its key management personnel.

The followings are the related parties of the Company:

Name of related party	Basis of relationship	(%) of shareholding
Dinshaw Real Estate Development Corporation (Private) Limited	Common directorship	-
Pak Armoring (Private) Limited	Common directorship	-
Indus Corporation (Private) Limited	Common directorship	-
Mr. Dinshaw H. Anklesaria	Key management personnel	-
Mr. Jamil Akberi	Key management personnel	-
Mrs Fatima Ghulamali	Key management personnel	-
Mr. Abdul Naeem Quraishi	Key management personnel	-
Mr. Neville Mehta	Key management personnel	-
Mr. Jamshed Hoshang Anklesaria	Key management personnel	-
Mr. Amad Uddin	Key management personnel	-
Mr. Rana Nazeer	Key management personnel	-
Mr. Muhammad Haroon Arain	Key management personnel	-



4.26 Off-setting of financial assets and liabilities

Financial assets and financial liabilities are only off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognised amounts and the Company intends to either settle on net basis or to realise the asset and settle the liability simultaneously.

4.27 Earning per share

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

4.28 Unclaimed dividend

The company recognised unclaimed dividend which was declared and remained unclaimed that date it was due and payable. The dividend declared and remained unpaid from the date it was due and payable is recognised as unpaid dividend.

	Note	2020	2019
		..... Rupees in '000'	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,193,721	3,178,175
Capital work-in-progress	5.3	-	72,284
		<u>3,193,721</u>	<u>3,250,459</u>



5.1 Operating Fixed Assets

PARTICULAR	Cost/revalued amount				Accumulated depreciation			
	As at Oct 01, 2019	Additions/ (Deletions)	As at Sept 30, 2020	RATE %	As at Oct 01, 2019	For the year	As at Sept 30, 2019	Book Value As At September 30, 2020
(Rupees in '000)								
Freehold land	510,900	-	510,900	-	-	-	-	510,900
Factory building	370,174	-	370,174	5	47,737	15,822	63,559	306,615
Non-factory building	330,736	-	330,736	5	146,747	9,028	155,775	174,961
Plant and machinery	2,859,715	85,966	2,945,681	UoP	733,410	40,954	774,363	2,171,318
Office equipment & others	21,501	571	22,073	10	9,828	1,163	10,992	11,081
Furniture and fixtures	9,189	6	9,194	10	6,547	255	6,802	2,393
Vehicles	67,453	-	67,453	20	47,437	3,713	51,150	16,303
Tents and Tarpaulins	2,321	-	2,321	33	2,238	24	2,262	59
Tools and tackles	4,343	-	4,343	33	4,212	38	4,250	93
	4,176,330	86,543	4,262,874		998,155	70,997	1,069,153	3,193,721

PARTICULAR	Cost/revalued amount				Accumulated depreciation			
	As at Oct 01, 2018	Additions/ (Deletions)	As at Sept 30, 2019	RATE %	As at Oct 01, 2018	For the year	As at Sept 30, 2019	Book Value As At September 30, 2019
(Rupees in '000)								
Freehold land	510,900	-	510,900	-	-	-	-	510,900
Factory building	366,115	4,058	370,174	5	31,129	16,608	47,737	322,437
Non-factory building	330,736	-	330,736	5	137,252	9,494	146,747	183,989
Plant and machinery	2,639,684	220,031	2,859,715	UoP	695,542	37,868	733,410	2,126,305
Office equipment & others	15,803	5,698	21,501	10	8,941	887	9,828	11,673
Furniture and fixtures	8,959	229	9,189	10	6,267	281	6,547	2,642
Vehicles	65,382	2,071	67,453	20	42,921	4,518	47,437	20,015
Tents and tarpaulins	2,321	-	2,321	33	2,204	34	2,238	83
Tools and tackles	4,343	-	4,343	33	4,158	54	4,212	131
	3,944,243	232,087	4,176,330		928,414	69,744	998,155	3,178,175



Note	2020	2019
	..... Rupees in '000'	

5.2 Depreciation for the year has been allocated as follows :-

Cost of sales	27.1	56,814	54,530
Administrative expenses	28	14,183	15,214
		<u>70,997</u>	<u>69,744</u>

5.3 Capital work-in-progress

Balance as at 01 october	72,284	83,534
Capital expenditure incurred during the year	-	208,781
Transferred to plant and machinery & Store during the year	<u>(72,284)</u>	<u>(220,031)</u>
Balance as at 30 september	<u>-</u>	<u>72,284</u>

5.4 Had there been no revaluation, the figures of the revalued assets would have been as follows:

Particulars	2020			2019
	Cost	Accumulated depreciation	Written down value	Written down value
..... Rupees in '000'				
Free hold land	7,602	-	7,602	7,602
On freehold land				
Factory building	102,973	71,414	31,559	33,187
Non-factory building	20,272	19,087	1,184	1,245
Plant & machinery	<u>1,551,383</u>	<u>805,609</u>	<u>745,774</u>	<u>697,045</u>
	<u>1,682,230</u>	<u>896,111</u>	<u>786,119</u>	<u>739,079</u>

2020	2019
..... Rupees in '000'	

6 INTANGIBLE ASSET

Computer software	2,206	3,293
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	Note	2020 Rupees in '000'	2019 Rupees in '000'
6.1 Net carrying amount			
Opening net book value		3,293	4,915
Addition during the year		-	-
Amortisation charged		(1,087)	(1,622)
Closing net book value		<u>2,206</u>	<u>3,293</u>
Amortisation rate (%)		<u>33%</u>	<u>33%</u>

6.2 The entire amortisation has been allocated to 'Administrative expenses'.

7 LONG TERM LOANS

Secured - considered good

Vehicle loans to employees	7.1	941	888
Less: Current portion of long term loans shown under current assets		(196)	(143)
		<u>745</u>	<u>745</u>

7.1 These are interest free loans given to employees for the purchase of vehicles other than directors and executives of the Company. The loan is recoverable in 60 to 84 instalments from the date of disbursement and is secured by registration of vehicles in the name of the Company.

8 LONG TERM DEPOSITS

Unsecured - interest free			
Rent		818	818
Utilities		1,273	1,273
Others		7	7
		<u>2,098</u>	<u>2,098</u>

9 STORES, SPARES AND LOOSE TOOLS

Stores		24,540	15,222
Spares		70,960	44,014
Loose tools		3,777	2,343
		<u>99,277</u>	<u>61,579</u>



	Note	2020 Rupees in '000'	2019
10 STOCK IN TRADE			
Finished goods - Sugar		-	21
Sugar in process		5,891	3,887
Compost fertilizer in process		73,414	44,239
Bagasse		-	1,045
		<u>79,304</u>	<u>49,192</u>
11 TRADE DEBTS			
Gross Receivable		363,911	845,561
Provision for Expected Credit Losses	11.2	(7,178)	-
		<u>356,733</u>	<u>845,561</u>
11.1 Aging analysis of trade debts:			
less than one year		-	845,561
Above one year		363,911	-
		<u>363,911</u>	<u>845,561</u>
11.2 Movement of allowance of expected credit losses of trade receivable			
Balance as at 1st October 2019		-	-
Impairment charge for the year		7,178	-
Amounts written off		-	-
Balance as at 30th September 2020		<u>7,178</u>	<u>-</u>
12 LOANS AND ADVANCES			
Current portion of vehicle loans	7	196	143
Unsecured considered good			
Loan/Advance to growers		5,774	5,774
Advance to suppliers and contractors		35,275	16,737
Advance against expenses		3,066	2,654
Advance against salaries		1,353	2,190
		<u>45,467</u>	<u>27,355</u>
		<u>45,664</u>	<u>27,498</u>
Considered Doubtful			
Loan to growers		9,506	9,506
Advance to supplier, contractors & others		17,473	17,473
Less: Provision for doubtful advances		26,979	26,979
		<u>(26,979)</u>	<u>(26,979)</u>
		<u>45,664</u>	<u>27,498</u>



Note	2020 Rupees in '000'	2019 Rupees in '000'
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13 PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	620	1,113
Government subsidy receivable on export of sugar	13.1	36,624
Sales tax	13.2	6,465
Other receivables	1,309	2,208
	<u><u>45,018</u></u>	<u><u>46,410</u></u>

13.1 This represents export subsidy on export of sugar as announced by the federal and provincial governments of Pakistan.

13.2 This represents the amount of sales tax paid by the Company in the year ended 2001 against the demand raised by the collectorate of sales tax. The Company had adjusted further sales tax paid earlier by it on its sales against the output tax on its subsequent sales following the judgment of High Court of Sindh on the issue declaring further tax charge as unlawful. The Company's suit for the recovery of the same is pending in the High Court of Sindh.

Note	2020 Rupees in '000'	2019 Rupees in '000'
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14 TAXATION REFUNDABLE

Sales tax refundable	8,017	8,017
	<u><u>8,017</u></u>	<u><u>8,017</u></u>

15 CASH AND BANK BALANCES

Cash in hand	205	359
Cash at banks:		
in current accounts	28,123	4,109
in saving accounts	10	10
	<u>28,133</u>	<u>4,119</u>
	<u><u>28,337</u></u>	<u><u>4,478</u></u>



16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020	2019		2020	2019
Number of shares in '000'			..... Rupees in '000'	
16,900,000	16,900,000	Fully paid ordinary shares of Rs.10 each issued for cash	169,000	169,000
5,408,000	5,408,000	Fully paid ordinary shares of Rs.10 each issued as bonus shares	54,080	54,080
22,308,000	22,308,000	Fully paid ordinary shares of Rs.10 each issued as bonus shares	223,080	223,080
<u>44,616,000</u>	<u>44,616,000</u>		<u>446,160</u>	<u>446,160</u>

17 SURPLUS ON REVALUATION OF FIXED ASSETS

Surplus on revaluation:

As at October 01

Transferred to retained earnings in respect of incremental depreciation charged during the year relevant deferred tax

As at September 30

Related deferred tax:

As at October 01

Adjustments due to change in estimate

Reversal on incremental depreciation charged during the year

As at September 30

2020	2019
..... Rupees in '000'	

2,404,306	2,433,546
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(19,083)	(20,760)
(7,795)	(8,480)
(26,878)	(29,240)
<u>2,377,429</u>	<u>2,404,306</u>

635,634	644,114
61,614	-
(7,795)	(8,480)
<u>689,454</u>	<u>635,634</u>
<u>1,687,975</u>	<u>1,768,672</u>

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

18 DIRECTORS' / SPONSORS' SUBORDINATED LOANS

These represent unsecured, interest free loan which are repayable at the discretion of the Company. These loans are also subordinated to syndicated long-term financing facility (SLTFF). The Company's agreement with the syndicate stipulates that the financing availed by the Company are to be extinguished in full before any payment is made against the subordinated loans as disclosed in note 20.2.



2020 2019
..... Rupees in '000'

19 DEFERRED TAXATION

Deferred Tax arises due to following elements:

Deferred tax liability arises due to :

Accelerated depreciation	145,254	136,024
Surplus on revaluation of property, plant & equipment	689,454	635,635
Impairment loss on trade debts	(2,082)	-
Amortisation of long-term financing	-	15,757
	<u>832,627</u>	<u>787,415</u>

Deferred tax asset arises due to :

Loans & advances	7,824	7,824
Provision for staff gratuity	4,829	6,537
Carried forward tax losses, minimum taxes and tax credits	508,728	355,516
	<u>521,381</u>	<u>369,877</u>
Deferred tax liability	<u>311,246</u>	<u>417,538</u>

20 LONG TERM FINANCING - SECURED

PARTICULARS	NBP DF	SMBL SLTFF	September 2020	September 2019
..... Rupees in '000'				
Opening balance	23,500	945,667	969,167	1,046,846
Unwinding of charges	-	1,776	1,776	1,776
	<u>23,500</u>	<u>947,443</u>	<u>970,943</u>	<u>1,048,622</u>
Repaid during the year	(8,500)	(45,455)	(53,955)	(79,455)
	<u>15,000</u>	<u>901,988</u>	<u>916,988</u>	<u>969,167</u>
Overdue installments	(15,000)	(181,818)	(196,818)	-
Current portion	-	(181,818)	(181,818)	(205,319)
Closing liability as at September 30	<u>-</u>	<u>538,352</u>	<u>538,352</u>	<u>763,849</u>



20.1 National Bank of Pakistan-DF

This represents long-term finance facility obtained by the Company from a commercial bank. This facility was created by conversion of short-term running finance facility as a result of restructuring agreement reached between the Bank and the Company dated June 12, 2017. This facility carries mark-up at the rate of 3 months KIBOR + 2.5% p.a. The principal amount and mark-up thereon is repayable in 11 quarterly equal installments effective from the date of agreement. This facility is secured by way of first pari passu hypothecation charge over plant & machinery, first equitable mortgage over land and buildings thereon and personal guarantees of all the directors of the Company.

20.2 Syndicated long term finance facility (SLTFF)

This represent long-term finance facility obtained by the Company from syndicate of Summit Bank Limited and Sindh Bank Limited (the Banks) for working capital purpose amounting to Rs. 1,000 million. This carries mark-up at the rate of 3 months KIBOR plus 3% (2019: KIBOR plus 3%) per annum payable quarterly. The principal amount is repayable in 22 equal quarterly installments after 18 months grace period.

This facility is secured by way of pari passu hypothecation charge over all present and future fixed assets of the Company, first pari passu charge over immovable property, lien on current assets and personal guarantees of all sponsors / directors of the Company along with subordinated loan agreements.

	Note	2020	2019
		..... Rupees in '000'	
21 DEFERRED LIABILITIES			
Quality premium	21.1	56,461	56,461
Gratuity	21.2	16,651	22,540
		<u>73,112</u>	<u>79,001</u>

21.1 Subsequent to the verdict issued by the Honorable Supreme Court of Pakistan (SCP) dated March 03, 2018 relating to quality premium, the Company based on advice from its legal advisor has taken the position that since no valid notification for quality premium under section 16(v) of the Sugar Factories Control Act, 1950 could have been issued by the Provincial Government, no liability for the payment of quality premium has arisen between the crushing season 1998-1999 till the date of the decree. The Company has also considered additional payments made to the cane grower over and above minimum support price fixed by the Provincial Government which are considered to be inclusive of quality premium. However, as a matter of prudence, the Company carries full provision in respect of quality premium payable pertaining to years 2003 and 2004 in these financial statements.

21.2 Staff gratuity

Contributions to the fund are made based on actuarial recommendations. The last actuarial valuation was carried out as at September 30, 2020 using the Projected Unit Credit Method.



2020 2019
..... Rupees in '000'

Principal assumptions

Discount rate	9.75 % p.a	12.50% p.a
Expected rate of eligible salary increase in future year-long term	9.75 % p.a	12.50% p.a

Changes in defined benefit liabilities are:

Opening defined benefit obligation	22,540	20,350
Expense for the year / current service cost	723	1,511
Interest cost	2,797	2,035
Actuarial Gains	(9,074)	(1,356)
Benefit payable to ex-employees	(335)	-
Closing defined benefit obligation	16,651	22,540

Liability for gratuity arose in the following manner:

Opening net liability	22,540	20,350
Expense for the year	3,519	3,546
Benefit payable	(335)	-
Other comprehensive expense	(9,074)	(1,356)
Closing net liability	16,651	22,540

22 TRADE AND OTHER PAYABLES

Trade payables

Sugar cane and others	142,213	171,828
Accrued expenses	62,290	31,852

Other payables

Advance from customers	380,434	355,507
Sales Tax and Excise duty payable	396,807	185,842
Payable to FBR in respect of dividend distribution	4,747	4,747
Payable to central zakat fund in respect of dividend distribution	757	757
Workers' welfare fund	15,232	15,232
Workers' profit participation fund	37,318	37,318
Others	39,990	34,096
	875,285	633,499
	1,079,788	837,179



2020 2019
..... Rupees in '000'

23 ACCRUED MARK UP

National Bank of Pakistan - Demand finance	2,375	1,205
Sindh & Summit	<u>152,739</u>	<u>39,950</u>
	<u><u>155,114</u></u>	<u><u>41,154</u></u>

24 TAXATION - NET

Advance tax	(94,719)	(91,233)
Less: Provision for taxation	<u>144,892</u>	<u>119,676</u>
	<u><u>50,174</u></u>	<u><u>28,442</u></u>

25 CONTINGENCIES AND COMMITMENTS

Contingencies

- 25.1** The Company filed Constitution Petition (CP) No. D-2123/2011 against Commissioner Inland Revenue in the Sindh High Court challenging the validity and legality of section 3A of the Federal Excise Act, 2005 and SRO 655(1)/2007 dated July 29, 2007 which, in a judgment dated February 22, 2013 was decided in favor of the Company. Aggrieved by the judgment of the Sindh High Court, the Commissioner Inland Revenue constituted Civil Petition for Leave to Appeal (CPLA) No. 750 of 2013 in the Honorable Supreme Court of Pakistan which is currently pending. The management and the legal advisors of the Company are confident that the matter will eventually be decided in favour of the Company and the judgment passed by Sindh High Court in this respect will be upheld.
- 25.2** Appeals were instituted by the Company before Appellate Tribunal, Karachi, against Order-in-Original No. 26 of 2006 dated September 30, 2006 and Order-in-Original No. 62 of 2006 dated September 30, 2006 passed by Additional Collector (Customs, Central Excise and Sales Tax) Hyderabad, whereby a demand of further tax of Rs. 5.917 million was established. The Appellate Tribunal decided the case in favour of the Company in orders dated April 04, 2008, however, being aggrieved by the decisions, Civil Appeals No. 938 of 2011 and 939 of 2011 were filed in Sindh High Court which were dismissed and as a result CPLA No. 85 of 2009 and CPLA No. 86 of 2009 were instituted before Honorable Supreme Court of Pakistan by the department. These CPLAs were subsequently disposed off in a judgment dated February 06, 2012 and remanded back to Sindh High Court which is currently pending adjudication. The management and the legal advisors of the Company are confident about the favorable outcome of the above matters, therefore, no provisions in this respect are made in these financial statements.



- 25.3 The Company along with other sugar mills (Petitioners) has filed Constitution Petition (CP) No. 230 of 2014 challenging certain provisions of prevailing sugar sectors regulatory regime which is currently pending before the Honorable High Court of Sindh. The Petitioners have challenged the said provision being contradictory with Constitution of the Islamic Republic of Pakistan. At this juncture, it is not possible to assess and estimate the financial impact of the case in question.
- 25.4 No provision on account of the above referred pending cases has been made in these financial statements as the management of the Company is of the view that these matters will eventually be settled in favour of the Company.
- 25.5 Contingencies in respect of quality premium has been disclosed in note 23.1 to the financial statements.

Commitments

- 25.6 There is no capital commitment existed at the year end.

	2020	2019
	..... Rupees in '000'	
26 SALES - NET		
Sugar	2,052,788	2,345,933
Molasses	217,797	128,930
Bagasse	4,100	-
Compost fertilizer	-	1,195,774
	<hr/>	<hr/>
	2,274,685	3,670,637
Less: Sales tax	(307,857)	(283,103)
	<hr/>	<hr/>
	1,966,828	3,387,534



	Note	2020 Rupees in '000'	2019 Rupees in '000'
27 COST OF SALES			
Sugarcane consumed		2,166,025	2,078,131
Manufacturing expenses	27.1	289,589	329,639
		<hr/>	<hr/>
Sugar in process			
Opening		3,887	2,729
Closing		(5,891)	(3,887)
		<hr/>	<hr/>
Finished goods			
Opening		21	117,758
Closing		-	(21)
		<hr/>	<hr/>
Molasses		21	117,737
Opening		-	418
Closing		-	-
		<hr/>	<hr/>
Baggase			
Opening		1,045	6,108
Closing		-	(1,045)
		<hr/>	<hr/>
Compost fertilizer in process		1,045	5,064
Opening		44,239	391,642
Closing		(73,414)	(44,239)
		<hr/>	<hr/>
		(29,174)	347,403
		<hr/>	<hr/>
		2,425,503	2,877,233
		<hr/>	<hr/>
27.1 Manufacturing expenses			
Salaries, wages and other benefits	27.1.1	92,368	106,267
Stores and spares consumed		51,395	100,564
Fuel and power		30,495	32,469
Repairs and maintenance		46,387	24,229
Vehicle maintenance		1,803	2,655
Insurance		4,223	4,603
Depreciation	5.2	56,814	54,530
Bagasse, mud, ash handling and others		6,106	4,322
		<hr/>	<hr/>
		289,589	329,639
		<hr/>	<hr/>

27.1.1 This includes Rs. 2.288 (2019: Rs. 3.546) million in respect of staff gratuity and Rs. 1.822 (2019: Rs. 1.821) million in respect of contribution to staff provident fund.



Note	2020	2019
	..... Rupees in '000'	

28 ADMINISTRATIVE EXPENSES

Salaries and other benefits	28.1	61,090	59,186
Rent, rates and taxes		5,706	5,401
Insurance		2,740	3,130
Water, gas and electricity		1,082	1,924
Printing and stationery		1,650	1,666
Postage, telephone, telegrams and telex		832	747
Vehicle maintenance		4,085	2,817
Repairs and maintenance		2,600	535
Traveling and conveyance		265	587
Fee and subscription		1,295	1,345
Legal and professional		2,926	3,501
Auditors' remuneration	28.2	1,206	1,142
Loss allowance for expected credit loss		7,178	-
Entertainment		1,867	1,803
Computer maintenance		4,546	2,673
Charity and donation	28.3	73	-
Depreciation	5.2	14,183	15,214
Amortisation		1,087	1,622
Advertisement		77	135
Newspaper, books and periodicals		5	16
Others		1,255	2,499
		<u>115,749</u>	<u>105,943</u>

- 28.1 This includes Rs. 1.232 million in respect of staff gratuity and Rs. 0.602 (2019: 0.521) million in respect of contribution to staff provident fund.

Note	2020	2019
	..... Rupees in '000'	

28.2 Auditors' remuneration comprises :

Statutory audit fees	760	700
Half yearly review	339	297
Other certifications	-	50
Out of pocket expenses	107	95
	<u>1,206</u>	<u>1,142</u>

- 28.3 No donation were made to any donee in which any director or his spouse had any interest at any time during the year.

29 SELLING AND DISTRIBUTION COST

Loading, stacking & sampling charges	5,402	5,742
Sampling charges	90	22
	<u>5,492</u>	<u>5,764</u>



	Note	2020 Rupees in '000'	2019
30 FINANCE COST			
Mark-up on long term financing		161,896	158,810
Bank charges		216	157
		162,112	158,967
31 OTHER CHARGES			
Sindh workers' welfare fund		-	4,801
Sindh workers' profit participation fund		-	11,763
		-	16,564
32 DEFAULT SURCHARGE AND PENALTY			
Sales tax default surcharge and penalty		-	150
33 OTHER INCOME			
Profit on short-term investment/TDR		92	420
Other		-	17
		92	437
34 TAXATION			
Current		25,217	27,084
Deferred		(167,907)	39,617
		(142,690)	66,701
34.1 The company computes tax based on generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available which can be analysed as follows:			
		Tax Assessed	Provision for taxation
Tax year 2020 (Accounting Year Oct 2018-Sept 2019)		41,845	27,084
Tax year 2019 (Accounting Year Oct 2017- Sept 2018)		56,893	54,521
Tax year 2018 (Accounting Year Oct 2016-Sept 2017)		35,695	38,071
34.2 Relationship Between profit and tax expense			
Accounting Profit		(741,936)	223,350
Tax rate		29%	29%
Theoretical tax expense		(215,161)	64,772
Adjustment due to expiry of tax losses		72,471	1,929
Actual Expense		(142,690)	66,701



34.3 Income tax assessments of the Company have been completed up to the tax year 2020 (accounting year ended September 30, 2019) which are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001.

2020	2019
..... Rupees in '000'	

35 EARNING PER SHARE - BASIC AND DILUTED

Profit/(Loss) for the year	<u>(599,246)</u>	<u>156,649</u>
Weighted average number of ordinary shares	<u>44,616</u>	<u>44,616</u>
Earning/(Loss) per share (in Rupees)	<u>(13.43)</u>	<u>3.51</u>

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

36 CASH GENERATED FROM OPERATIONS

(Loss)/Profit before taxation	(741,936)	223,350
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Adjustments for non cash charges and other items :

Depreciation	70,997	69,743
Amortization	1,087	1,622
Finance cost	162,112	158,967
Sindh workers welfare fund	-	4,801
Sindh workers profit participant fund	-	11,763
Provision for gratuity	9,074	3,546
	243,270	250,443

Working capital changes

Change in current assets

Stores, spares and loose tools	(37,698)	(19,506)
Stock in trade	(30,112)	469,463
Trade debts	488,828	(845,467)
Loans and advances	(16,222)	(8,622)
Prepayments and other receivables	1,393	103,981
	406,188	(300,151)

Change in current liabilities

Trade and other payables	236,719	201,619
Cash generated from operations	<u>144,241</u>	<u>375,261</u>



2020 2019
..... Rupees in '000'

37 PLANT CAPACITY AND PRODUCTION

Installed Production Capacity-Metric ton	86,400	86,400
Duration of Season-Days	116	113
Actual Production-Metric ton	30,123	36,865
Actual Crushing-Days	97	74
% of capacity attained	35%	43%

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. market risk, credit risk and liquidity risk. The risk is managed through monitoring and controlling activities which are primarily set up to be performed based on limits established by the management. The Board of Directors supervises the overall risk management approach within the Company.

38.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market variables such as interest rates, foreign exchange rates and equity prices.

38.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. As of September 30, 2020, the Company is exposed to such risk mainly in respect of long-term financing.

Management of the Company estimates that 1% increase in the market interest rate, with all other factors remaining constant, would decrease the Company's profit by Rs.9.17 million (2019: Rs. 9.62 million) and a 1% decrease would result in an increase in the Company's profit by the same amount. However, in practice, the actual results may differ from the sensitive analysis. This analysis is prepared assuming that all other variables held constant and the amount of net liabilities outstanding as at the date of statement of financial position.



38.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of the changes in foreign exchange rates. The Company is not exposed to foreign currency risk as at September 30, 2020 due to neither of the assets or liabilities are dominated in foreign currencies.

38.1.3 Equity risk

Equity risk is the risk of volatility in share prices resulting from their dependence on market sentiments, speculative activities, supply and demand for shares and liquidity in the market. As of September 30, 2020, the Company is not exposed to equity price risk.

38.2 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the creditworthiness of counterparties.

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. The maximum exposure to credit risk at the reporting date is:

	2020	2019
	..... Rupees in '000'	
Long-term deposits	2,098	2,098
Trade debts	356,733	845,561
Prepayments and other receivables	36,624	36,624
	<hr/> <u>395,455</u>	<hr/> <u>884,283</u>

Quality of financial assets

The credit quality of financial assets that are neither past nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rates as follows:



Name of banks	Ratings			2020	2019
	Short-term	Long-term	Agency	..... Rupees in '000'	
National Bank of Pakistan	A-1+	AAA	PACRA	623	646
Allied Bank Limited	A-1+	AAA	PACRA	671	672
Askari Bank Limited	A-1+	AA+	PACRA	4	5
Habib Bank Limited	A-1+	AAA	VIS	240	109
Sindh Bank Limited	A-1	A+	VIS	142	150
Summit Bank Limited	A-3	BBB-	VIS	198	334
United Bank Limited	A-1+	AAA	VIS	861	224
MCB Bank Limited	A-1+	AAA	PACRA	74	74
Soneri Bank Limited	A-1+	AA-	PACRA	5,082	28
Meezan Bank Limited	A-1+	AA+	VIS	51	1
Al-Baraka Bank Limited	A-1+	A+	PACRA	8	1,000
Bank Alfalah Limited	A1+	AA+	VIS	88	24
Bank Al Habib Limited	A-1+	AA+	PACRA	20,091	852
				<u>28,133</u>	<u>4,119</u>

38.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company attempts to follow effective cash management and planning policy to ensure the availability of funds through committed credit facilities. The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than one year	1 to 5 Years	Total
-----Rupees in '000'-----				
Long term financing - secured	-	-	538,352	538,352
Deferred liabilities	-	-	73,112	73,112
Trade and other payables	454,861	244,493	380,434	1,079,788
Current maturity of Long Term Financing	-	378,636	-	378,636
Unclaimed dividend	6,198	-	-	6,198
Unpaid dividend	72	-	-	72
Taxation - net	-	50,174	-	50,174
Accrued mark-up	-	155,114	-	155,114
September 30, 2020	461,131	828,417	991,898	2,281,445
-----Rupees in '000'-----				
Long term financing - secured	-	-	763,849	763,849
Deferred liabilities	-	-	79,001	79,001
Trade and other payables	243,897	237,777	355,507	837,181
Current maturity of Long Term Financing	-	205,319	-	205,319
Unclaimed dividend	6,427	-	-	6,427
Unpaid dividend	204	-	-	204
Taxation - net	-	28,442	-	28,442
Accrued mark-up	-	41,155	-	41,155
September 30, 2019	250,528	512,693	1,198,357	1,961,579



Effective interest/mark-up rates for the financial liabilities are mentioned in the respective notes to the financial statements.

38.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short-term in nature or repriced periodically.

38.5 Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view of maintaining an appropriate mix between various sources of finance to minimise risk. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business, sustain future development of the business and maximise shareholders value. The Company monitors capital using a debt equity ratio as follows:

	2020 Rupees in '000	2019 Rupees in '000
Long term financing - secured	538,352	763,849
Current maturity of long-term financing	378,636	205,319
Total debt	916,988	969,168
Total equity	<u>1,268,428</u>	<u>1,920,216</u>
Total debt and equity	<u>2,185,416</u>	<u>2,889,384</u>
 Gearing ratio	 <u>42%</u>	 <u>34%</u>



39 REMUNERATION OF THE CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the year for remuneration, including all benefits to the executives of the Company are as follows:

	2020			2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	Rupees in '000'					
Remuneration	-	10,274	7,171	-	6,733	11,069
Perquisites						
Conveyance	-	313	250	-	307	1,034
Medical	-	-	-	-	711	318
Bonus	-	-	-	-	-	133
Leave encashment	-	-	-	-	-	156
Company's contribution to PF	-	286	79	-	250	136
Others	-	-	24		90	73
	-	10,873	7,524	-	8,090	12,919
Number of person(s)		1	1	2	1	5

- 39.1 No remuneration has been paid by the Company to its chief executive officer or non-executive directors during the year.

40 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are as under:

	2020		2019	
	Rupees in '000'			
Directors and sponsors				
Remuneration paid		10,873		8,090



41 INVESTMENTS MADE BY THE PROVIDENT FUND

The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

42 OPERATING SEGMENTS

These financial statements have been prepared on the basis of single reportable segment.

- 42.1 All sales of the Company comprises of sugar and its other By-products.
- 42.2 All non-current assets of the Company as at September 30, 2020 are located in Pakistan.

43 NUMBER OF EMPLOYEES

The total permanent number of employees as at year end and average number of employees during the year are as follows:

	2020	2019
Total number of employees as at reporting date	196	198
Total number of factory employees as at reporting date	182	190
Average number of employees during the year	199	196
Average number of factory employees during the year	193	185

44 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation.

45 AUTHORISATION FOR ISSUE

These financial statements were approved on March 31, 2021 by the board of directors of the Company.

46 GENERAL

Figures in these financial statements have been rounded off to the nearest thousand rupees, unless otherwise stated.

Mirza Muhammad Usman Ghani
Chief Financial Officer

Dinshaw H. Anklesaria
Chief Executive

Jamil Akberi
Director



SIX YEARS' REVIEW AT A GLANCE

FINANCIAL RESULTS	2020	2019	2018	2017	2016	2015
.....(Rs. in 000).....						
Sales	1,966,828	3,387,534	1,821,745	2,347,921	1,528,012	2,613,738
Gross (loss) / profit	(458,675)	510,301	503,547	4,524	(175,109)	(2,756)
Operating profit/(loss)	(579,916)	398,594	400,543	(77,309)	(436,155)	(150,892)
Profit/ (loss) before taxation	(741,936)	223,350	388,077	223,947	(458,799)	(190,579)
Profit/(loss) after taxation	(599,246)	156,649	268,232	197,260	(226,544)	(228,161)
Accumulated loss for the year	(958,473)	(387,383)	(566,148)	(824,289)	(1,045,626)	(881,714)
OPERATING RESULTS	2020	2019	2018	2017	2016	2015
Sugarcane crushed	(tonnes)	312,129	335,136	367,222	459,573	296,274
Sugar recovery	(%)	9.677	11	10.80	9.22	10.09
Sugar produced	(tonnes)	30,123	36,865	39,660	42,320	29,925
Molasses recovery	(%)	6.48	5.08	5.50	4.25	4.16
Molasses produced	(tonnes)	22,040	19,435	26,047	19,530	12,354
Operating period	(days)	116	113	148	121	99
ASSETS EMPLOYED	2020	2019	2018	2017	2016	2015
				(Restated)	(Restated)	
.....(Rs. in 000).....						
Fixed capital expenditure	3,195,928	3,253,753	3,104,279	2,936,016	2,347,815	2,468,870
Long term loans and deposits	2,842	2,842	2,421	1,970	1,589	1,750
Investments	-	-	-	178,590	158,715	141,520
Current assets	662,350	1,042,735	814,545	512,992	103,997	276,037
Total assets employed	3,861,120	4,299,330	3,940,672	3,629,568	2,612,116	2,888,177
FINANCED BY	2020	2019	2018	2017	2016	2015
				(Restated)	(Restated)	
.....(Rs. in 000).....						
Shareholders' equity	(512,313)	58,777	(119,988)	(378,129)	(822,544)	(658,634)
Revaluation on fixed assets	1,687,975	1,768,672	1,789,432	1,811,584	1,339,697	1,402,329
Subordinate loan from directors	92,767	92,767	92,767	92,767	65,767	65,767
Long term liabilities	538,352	763,849	921,937	676,407	234,163	245,563
Deferred liabilities	384,358	496,540	454,732	391,118	260,409	1,003,672
Current liabilities	1,669,982	1,118,726	801,792	1,035,821	1,534,624	829,480
Total funds invested	3,861,120	4,299,330	3,940,672	3,629,568	2,612,116	2,888,177
Break-up value per share	(Rupees)	(11.48)	1.32	(2.69)	(8.48)	(29.52)
Earnings/(Loss) per share	(Rupees)	(13.43)	3.51	6.01	5.94	(10.16)



FORM OF PROXY

The Company Secretary
SAKRAND SUGAR MILLS LIMITED
41-K, Block 6, P.E.C.H.S.
Karachi-75000

I / We _____

of _____

being a Member(s) of Sakrand Sugar Mills Limited and holder of _____

Ordinary Shares, as per Register Folio No._____

and / or CDC Participant's I.D. Numbers _____

and Account / Sub-Account No._____

hereby appoint _____

who is also a Member of the Company as my / our Proxy to vote for me / us and on my / our behalf at the 32nd Annual General Meeting of the Company to be held on April 26, 2021 and at any adjournment thereof.

Signed _____ day of 2021.

**RUPEES FIVE
REVENUE STAMP**

(Signature should agree with
the specimen signature
registered with the Company)

1. Witness Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

2. Witness Signature: _____

Name: _____

Address: _____

CNIC/Passport No. _____

NOTE :

1. This form of proxy duly completed and signed, must be deposited at Company's Registered Office not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to instrument.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/ sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.

پرائیسی فارم

کمپنی سیکریٹری
سکرینڈ شو گر ملٹی میڈیا
K-41، بلاک 6، پی- ای- سی- ایچ- ایس
کراچی- 75000

میں / ہم

ساکن

بھائیت ممبر سکرینڈ شو گر ملٹی میڈیا

عام شیرز جن کے شیرز جسٹر نولو نمبر اور / سی ڈی سی پار ٹیسٹ نس آئی ڈی نمبر

اور ڈی ڈی اکاؤنٹ نمبر بذریعہ ہذا

ساکن

جو کہ کمپنی کا ممبر بھی ہے، کو بطور اپنے پرائیسی مقرر کرتا / کرتی ہوں تاکہ وہ 26 اپریل 2021ء کو منعقد کیتے جانے والے کمپنی کے 32 ویں سالانہ اجلاس عام میں میری / ہماری جگہ ووٹ دے سکیں۔

دستخط

مورخہ

ممبر کے دستخط

گواہان:

مبلغ پانچ روپے
کے ڈاک ٹکٹ

دستخط:

نام: _____
پیشہ: _____
کمپیوٹر ایزو قوی شناختی کارڈ نمبر: _____

دستخط:

نام: _____
پیشہ: _____
کمپیوٹر ایزو قوی شناختی کارڈ نمبر: _____

- نوٹ: 1 سی ڈی سی شیرز بولڈر اور ان کے پرائیسی لازمی طور پر اس پرائیسی فارم کے ساتھ اپنے کمپیوٹر ایزو قوی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منکر کریں۔
2 موثر اعلیٰ ہونے کے لیے پرائیسی اجلاس کے وقتِ انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفیس میں لازماً وصول ہو جائیں۔ پرائیسی کارڈ کا کوئی کام ہونا ضروری ہے۔

REGISTERED OFFICE
41-K, Block 6, P.E.C.H.S., Karachi.
www.sakrandsugar.com

FACTORY
Deh Tharo Unar, Taluka Sakrand,
District Shaheed Benazirabad, Sindh.