



SAKRAND

**31st
ANNUAL
REPORT**

For the year ended 30th September, 2019

Sakrand Sugar Mills Limited



SAKRAND SUGAR MILLS LIMITED

31st ANNUAL REPORT FOR THE YEAR ENDED SEPTEMBER 30, 2019

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COMPANY PROFILE

BOARD OF DIRECTORS

Mr. Jamil Akberi
Mr. Dinshaw H. Anklesaria

Chairman/Director
Chief Executive/Director

Mr. Amad Uddin
Mr. Abdul Naeem Quraishi
Mr. Neville Mehta
Mrs. Fatma Gulamali
Dr. Jamshed H. Anklesaria

Director
Director
Director
Director
Director

AUDIT COMMITTEE

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

Chairman
Member
Member

HR COMMITTEE

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

Chairman
Member
Member

CHIEF FINANCIAL OFFICER

Mr. Amad Uddin

COMPANY SECRETARY

Mr. Farhan Ulhassan

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 31st Annual General Meeting of the shareholders of **SAKRAND SUGAR MILLS LIMITED** will be held on Tuesday, January 28, 2020 at 09:30 a.m. in Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on April 19, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2019 together with the Directors' report and the Auditors' report thereon.
3. To appoint auditors for the year ending September 30, 2020 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

Farhan Ulhassan

Company Secretary

Karachi

Dated: January 8, 2020

NOTES:

1. The Shares Transfer Book of the Company will remain closed from January 21, 2020 to January 28, 2020 (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. 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.

4. 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.

5. 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).

6. Kindly quote your folio number in all correspondences with the Company.



اطلاع برائے سالانہ اجلاسِ عام

مطلع کیا جاتا ہے کہ سکرینڈ شوگر مولیمیٹڈ کے حصص یافتہ گان کا اکتسیواں سالانہ اجلاسِ عام بروز منگل 28 جنوری 2020 بوقت صبح 09:30 بجے، مقام نیچ لگڑھری ہوٹل، مولوی تمیز الدین خان روڈ، کراچی میں منعقد ہو گا، جس میں درج ذیل امور طے پائیں گے۔

عمومی امور

- 1۔ 19 اپریل 2019 کو منعقد ہونے والے سالانہ اجلاسِ عام کی کاروائی کی توثیق۔
- 2۔ 30 ستمبر 2019 کو اختتام پزیر ہونے والے سال کے لیے، کمپنی کے آڈیٹ شدہ حسابات یعنی آڈیٹر کی شریک اور آڈیٹر پورٹ کی وصولی، تجزیہ اور منتظری۔
- 3۔ 30 ستمبر 2020 کو ختم ہونے والے سال کے لیے آڈیٹر کا تقریرواران کے معاوضہ کا تعین۔ موجودہ آڈیٹر میسرز یو۔ ایچ۔ وائے۔ حسن نجم اینڈ کو، چارٹرڈ اکاؤنٹنینٹ، ریٹائرہور ہے ہیں اور انہوں نے اپنی الیت 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۔

بجکم بورڈ

فرحان الحسن

کمپنی سکریٹری

کراچی

8 جنوری 2020ء

نوٹس:

- 1۔ کمپنی کی حصص منتقلی کی کتب 21 جنوری 2020 سے 28 جنوری 2020 تک بند رہیں گی (بشوول دونوں ایام)۔
- 2۔ نائب کی تقرری کی دستاویز، مختار نامہ، یا اس کی تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹر آفس یا شینر رجسٹر آفس کے دفتر میں موصول ہو جانی چاہیے۔
- 3۔ اراکین جنہوں نے اپنے حصص سی ڈی سی اکاؤنٹ میں جمع کروار کئے ہیں، سیکورٹیز اینڈ اکچن کمیشن آف پاکستان کی جاری کردہ ہدایات پر عمل کریں۔

(الف) برائے شرکت اجلاس

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

(ب) پرائیسی کی تقریری کے لیے

- (i) افراد کی صورت میں اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز جن کی سیکورٹیز اور جسٹریشن تفصیلات سی ڈی سی ضوابط کے مطابق اپ لوڈ (فراہم) کی گئی ہوں، کو اپنے پرائیسی فارم کمپنی ضوابط کے تحت جمع کروانے ہوں گے۔
- (ii) پرائیسی فارم پر دو گواہان کے دستخط ہوں گے، جن کے نام، پتہ اور شناختی کارڈ نمبر فارم میں ظاہر کرنے گئے ہوں۔
- (iii) پرائیسی کو حقیقی حصہ یافتہ کے قومی شناختی کارڈ اور پاسپورٹ کی مصدقہ نقول پرائیسی فارم کے ہمراہ پیش کرنا ہوں گی۔
- (iv) پرائیسی کو اجلاس کے موقع پر اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگی۔
- (v) کارپوریٹ ہستی کی صورت میں، یورڈ آف ڈائیریکٹرز کی قرارداد یا پاور آف اثار نی مع نامزد فرد کے دستخط کا نمونہ پرائیسی فارم کے ہمراہ کمپنی کو پیش کرنا ہوگی۔

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

سیکورٹیز اینڈ ایچیچیک میشن آف پاکستان کے اعلامیہ کے مطابق رجسٹرڈ حصہ یافتہ گان اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا مجاز شخص کا مساوائے نا بالغان اور کارپوریٹ حصہ یافتہ گان کے جمع کروانا لازمی قرار پایا ہے، چنانچہ حصہ یافتہ گان کو جنہوں نے اپنے قومی شناختی کارڈ کی نقول فراہم نہیں کیں انہیں متنبہ کیا جاتا ہے کہ مصدقہ شناختی کارڈ کی نقول یا کسی تاخیر کے درج ذیل پتہ پر شیئر جسٹر اکوجع کروا کیں:

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

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

5. غیر وصول شدہ منافع منقسمہ:

ایسے حصہ یافتہ گان جو کسی وجہ سے تاحال منافع منقسمہ وصول نہیں کر سکے ہیں انہیں مشورہ دیا جاتا ہے کہ اپنے غیر وصول شدہ منافع منقسمہ اگر کوئی ہوں تو اس کی وصولیابی کے لئے ہمارے شیئر جسٹر اس سے رابطہ کریں کمینیز ایکٹ 2017 کی دفعہ 244 کی تقلیل کے مطابق، تمام مطلوبہ طریقہ کارکی تکمیل کے بعد تمام منافع منقسمہ جو تین سال یا اس سے زائد مدت سے واجب الادھوں اور تاحال غیر وصول ہوں تو وہ وفاقی حکومت کو منتقل کر دیے جائیں گے۔

6. برائے مہربانی کمپنی کے ساتھ تمام مراسلات میں اپنے فولیونسیر 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 31st Annual General Meeting of the Company and present the financial and operating results along with audited financial statements for the year ended September 30, 2019 together with the auditors' report thereon.

SEASON START

The Company commenced its crushing season of 2018-19 on December 03, 2018. For the season, the Government of Sindh has fixed the sugarcane price at Rs.182 per 40 Kg. However, shortage of crop resulted in much higher cost of cane.

RE-ORGANISATION

The re-organisation of the Company yielded good results, with the Company performing excellently in terms of milling operations and obtaining high sucrose recovery and earning a consistent gross margin.

FINANCIAL RESULTS

The comparative financial results are as follows:

	2019	2018	Increase/ (Decrease)	% age
..... Rupees in '000'				
Sales	3,387,534	1,821,745	1,565,789	86%
Cost of sales	(2,877,233)	(1,318,198)	1,559,035	118%
Gross Profit	510,301	503,547	6,754	1%
Profit before taxation	223,350	388,077	(164,727)	-42%
Net Profit after tax	156,649	268,232	(111,583)	-42%
Earning per share	3.51	6.01	(2.50)	-42%

OPERATING RESULTS

	2019	2018	Increase/ (Decrease)	% age
Sugarcane crushed	MT	335,136	367,222	(32,086)
Sugar produced	MT	36,865	39,660	(2,795)
Sugar recovery	%	11.00	10.80	0.20
Molasses produced	MT	19,435	26,047	(6,612)
Molasses recovery	%	5.08	5.50	(0.42)

AUDITORS' REPORT

The auditors of the Company have expressed a clean opinion on the financial statements. All previous qualifications have been properly cleared by concentrated and hectic efforts of management.

FUTURE OUTLOOK

The Company's balance sheet now shows a healthy position. All short term loans have been repaid as well as grower's liabilities have been reduced as on reporting date and subsequent to the reporting date. The core financial issues have been addressed and working capital requirements fulfilled. A comprehensive internal control system has been implemented.

After a decade of operating in strict financial position and continuous losses, the Company has now steered its way out of hot waters and expects steady growth in the coming years and stable dividend stream to its shareholders.

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.

It gives us immense pleasure to announce that we have successfully produced Organic Compost fertilizer with minimal chemicals, thus giving boost to our Go-Green policy. It is free from any harmful chemical and is prepared from 99% organic materials.

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 2019-2020.

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 The Company maintains Provident Fund account for its employees. The value of investment of the fund as on June 30, 2019 is Rs. 61.257 million.
- 6 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.
- 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 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
iv. Female director	1

12 During the year, five 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	2
Mr. Jamil Akberi	5
Mr. Abdul Naeem Quraishi	5
Mr. Neville Mehta	5
Mrs. Fatma Gulamali	3
Dr. Jamshed H. Anklesaria	4
Mr. Amad Uddin	5

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

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

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

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

- i. Mr. Neville Mehta - Chairman
- ii. Mr. Jamil Akberi - Member
- iii. 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, 2019 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**

Amad Uddin
Executive Director

Jamil Akberi
Director

Abdul Naeem Qureshi
Director

Karachi: January 06, 2020



ڈائریکٹرز کی رپورٹ

ہم آپ کو کمپنی کے اکتسیوں سالانہ اجلاس عام میں خوش آمدید کہتے ہیں ساتھ ہی پیش خدمت ہیں 30 ستمبر 2019ء کے مالیاتی اور کارکردگی کے نتائج اور آڈیٹ شدہ مالیاتی گوشوارے بحث آڈیٹر زرپورٹ۔

سیزن کا آغاز

کمپنی نے 19-2018 میں کرشنگ سیزن کا آغاز 03 دسمبر 2018ء میں کیا۔ اس سیزن کے لئے حکومت سنده نے گنے کی قیمت خرید 182 روپے فی 40 کلو متر کی تھی۔ لیکن گنے کی قلت، گنے کی قیمت خرید میں بدرجہ اضافہ کا سبب نی۔

تشکیل نو

کمپنی کی تشکیل نو کے عمدہ نتائج برآمد ہوئے۔ کمپنی کے تمام آپریشنز میڈیمگ سے ادا ہو رہے ہیں جس سے سکروز کی ریکوری اور کمپنی کے مجموعی فائدہ (Gross profit) میں خاطر خواہ اضافہ ہوا ہے۔

مالیاتی نتائج

تفصیلی مالیاتی نتائج درج ذیل ہیں۔

	2019	2018	Increase/ (Decrease)	% age
..... Rupees in '000'				
Sales	3,387,534	1,821,745	1,565,789	86%
Cost of sales	(2,877,233)	(1,318,198)	1,559,035	118%
Gross Profit	510,301	503,547	6,754	1%
Profit before taxation	223,350	388,077	(164,727)	-42%
Net Profit after tax	156,649	268,232	(111,583)	-42%
Earning per share	3.51	6.01	(2.50)	-42%

آپرینگ نتائج

	2019	2018	Increase/ (Decrease)	% age
Sugarcane crushed	MT 335,136	367,222	(32,086)	-9%
Sugar produced	MT 36,865	39,660	(2,795)	-7%
Sugar recovery	% 11.00	10.80	0.20	2%
Molasses produced	MT 19,435	26,047	(6,612)	-25%
Molasses recovery	% 5.08	5.50	(0.42)	-8%

آڈیٹر پورٹ

کمپنی کے آڈیٹر نے سالانہ کا دو میں پر اپنی غیر مشروط رائے کا اظہار کیا ہے۔
کمپنی کی انتظامیہ کی انٹھ کاوشوں کی بدولت تمام پرانے اعتراضات دور کر دیئے گئے ہیں۔

مستقبل کا جائزہ

کمپنی کی تینیں شیٹ اب ایک مستحکم پوزیشن بیان کر رہی ہے۔ تمام قیل مدتی قرضہ جات ادا کر دیئے گئے ہیں اس کے ساتھ ساتھ کسانوں کے بقایات میں بھی مالیاتی سال کے اختتام اور اس کے بعد بھی مسلسل کی واقع ہوئی ہے۔

کار پوریٹ سماجی ذمہ داری اور کمپنی کے کاروبار کے ماحول پر اثرات
سکرین شوگر ملزیں معاشرے کی فلاں و بہاؤ پر پرا یقین رکھتی اور بھر پور حصہ لیتی ہے۔

کمپنی ملاز میں کی صحبت اور حفاظت پر خصوصی توجہ دیتی ہے۔ خاص طور پر کام کے دوران ہونے والے مکملہ حادثات کو روکنے کے لئے تمام اقدامات برائے 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 کومیڈی یکل کی سہولیات بھی مہیا کرتی ہے اور اس امر کے لئے کمپنی نے جو بلی ہمیتھے ان شورنس کمپنی کی خدمات حاصل کی ہوئی ہیں۔ اس کے ساتھ ساتھ کمپنی وقاً تو قماز میں اور گرد و نواح کے گاؤں والوں کے لئے مفت میڈی یکل کمپ کا اہتمام کرتی ہے۔ تعلیم کی اہمیت کو منظر رکھتے ہوئے کمپنی اپنے ملاز میں اور گرد و نواح کے افراد کو نیا دی اور ایڈو انس 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۔ یہ ہی وجہ ہے کہ کمپنی خود اس طرح کے تمام اقدامات کا خیر مقدم کرتی اور اس بھر پور حصہ لیتی ہے۔ ماحول کی حفاظت اور خوبصورتی کو برقرار رکھنے کے لئے وفا و فتا شجر کاری کی ہم کا اہتمام کیا جاتا ہے۔ ماحولیاتی آلوگی کو مکر نے کے لئے بھی کمپنی نے ضروری اقدامات کئے ہیں۔ ہمیں یہ بتاتے ہوئے بہت خوشی ہو رہی ہے کہ کمپنی نامیاتی کھاد بنانے میں کامیاب ہو گئی ہے جس سے کمپنی کی ماحول دوست پالیسی کو تقویت ملی ہے۔ یہ کھاد صڑکیمیکل سے پاک ہے اور 99% نیصد نامیاتی اجزاء سے تیار کی گئی ہے۔

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 بھر پورتاکید 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 فضاء میں سازگار ہیں، میں تمام تر تعاون، تفہیم کی اس فضاء، خلوص اور اچھی ساکھ کے حامل تمام تر ملاز میں اور کام کرنے والوں کا شکر یہ ادا کرنا چاہتا ہوں اور امید کرنا ہوں کہ مستقبل میں بھی ہم سب اسی روئیے کا برداز کریں گے۔

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

آڈیٹریز

آڈیٹریز "میسرز یو۔ ایچ۔ وائے۔ حسن فیعیم ایئڈ کو، چارڑڈا کاؤنٹیٹ"، ریٹائر ہور ہے ہیں۔ اور اس کے ساتھ ہی الیت کی بدولت آئندہ مالی سال کے لے بیشیت پیروںی آڈیٹریز اپنی خدمات پیش کرنے کا ظہار کر رہے ہیں۔

کارپوریٹ اور مالیاتی رپورٹنگ کے ضابطہ (فریم ورک)

۱۔ کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، کمپنی کے شفاف معاملات کو ظاہر کرتے ہیں، ایکوٹی میں تیدیلی، کیش (فناں) 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 داشمندہ فیصلوں پر ہوتی ہے۔

۴۔ کمپنی کے پاس اپنے آپریشنز کو جاری رکھنے کے لئے مناسب انتظام موجود ہے، اور اس بات میں کوئی مشکل نہیں ہے کہ مستقل میں بھی ایسا ہی رہے گا۔

۵۔ کمپنی نے اپنے مستقل ملازمین کے لئے پر اویڈنٹ فنڈ جاری کیا ہوا ہے، اس سرمایہ کاری کی لاغت 30 جون 2019ء کے مطابق 61.257 ملین روپے ہے۔

۶۔ مالیاتی گوشوارے کی تیاری میں پاکستان میں لاگو ہونے والے میں الاقوامی فناں، رپورٹنگ اور اکاؤنٹنگ کے معیارات کی مکمل پیروی کی گئی ہے۔

۷۔ کمپنی میں اندر و فنی کنٹرول کے نظام کو موثر طریقے سے لاگو کیا گیا ہے اور اس کی مسلسل نگرانی کی جاتی ہے۔

۸۔ کلیدی کارکردگی اور مالیاتی معلومات گذشتہ 6 سال کے خصیصے میں مبہما کی گئی ہیں۔

۹۔ تمام قابل اطلاق کارپوریٹ گورننس کے بہترین اصولوں پر عمل کیا جا رہا ہے اور کسی بھی اصول کی عدم تکمیل نہیں کی گئی۔ بجز ان دفعات کے جن کا ذکر کارپوریٹ گورننس کی رپورٹ میں کیا گیا ہے۔

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

۶ - مرد حضرات

1 - خاتون

۱۱۔ یورڈ کی تشکیل درج ذیل ہے۔

- انڈیپینڈینٹ ڈائریکٹر

5 - نان ایگریکٹیو ڈائریکٹر

2 - ایگریکٹیو ڈائریکٹر

1 - خاتون ڈائریکٹر



۱۲۔ سال روائی کے دوران بورڈ آف ڈائریکٹرز کے ۵ اجلاس منعقد ہوئے جن کی تفصیل درج ذیل ہے۔

اجلاسوں میں شرکت کی تعداد

بورڈ آف ڈائریکٹرز

ڈائریکٹرز کے اسامی گرامی

۲	جناب ڈنٹا ٹچ انکسیر یا
۵	جناب جبیل اکبری
۵	جناب عبدالغیم قریشی
۵	جناب نیول مہتا
۳	محترمہ فاطمہ غلام علی
۲	جناب جشیدا ٹچ انکسیر یا
۵	جناب عمال الدین

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

جناب عبدالغیم قریشی - چیئرمین

جناب جبیل اکبری - ممبر

جناب نیول مہتا - ممبر

میز کے اسامی گرامی

آٹھ کمیٹی

۲	جناب عبدالغیم قریشی
۲	جناب جبیل اکبری
۲	جناب نیول مہتا

بورڈ نے ایک "اتچ آر" کمیٹی بھی تشکیل دی ہوئی ہے جس کی تفصیل درج ذیل ہے۔

جناب نیول مہتا - چیئرمین

جناب جبیل اکبری - ممبر

جناب عمال الدین - ممبر

میز کے اسامی گرامی

اتچ آر کمیٹی

۱	جناب نیول مہتا
۱	جناب جبیل اکبری
۱	جناب عمال الدین



۱۵۔

بورڈ نے اس سال کسی ڈائریکٹر زمینی پروگرام کا اہتمام نہیں کیا۔

۱۶۔

اس سال کسی ڈیوڈنمنڈ کی سفارش نہیں کی گئی۔

حصص داری کا خاکہ

30 ستمبر 2019ء کے حصص داری کا خاکہ، شیر ہولڈنگ کی تفصیلات کے ضمیمه میں درج ہے۔

نتیجہ

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

بشكريہ

براۓ سکرند شوگر ملز لمیڈ

A. Naseem Bawany
عبد النعیم برانی
ڈائریکٹر

جیل اکبری
ڈائریکٹر

عہاد الدین
ا یگریکٹر ڈائریکٹر

کراچی: 06 جنوری 2020ء



CHAIRMAN'S REVIEW

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

With utmost pleasure I present this report to the shareholders of Sakrand Sugar Mills Limited (the Company) pertaining to the overall performance of the Board and the effectiveness of its role in attaining the Company's aims and objectives.

Sakrand Sugar Mills Limited has implemented a strong governance framework supportive of an effective and prudent management of business matters which is regarded as instrumental in achieving long-term success of the Company.

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 is pleased to confirm that in its view the report and financial statements, taken as a whole, are fair, balanced, 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.

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, January 06, 2020



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

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

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

a. Male:	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 directors	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

Amad Uddin
Director

Abdul Naeem Qureshi
Director

Karachi: January 06, 2020



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 2019 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.
- During the year, the head of internal audit has resigned and the position was vacant at the year end.



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 2019.

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 9, no program for directors training; and
- Paragraph 12, the audit committee and HR remuneration committee was not headed by independent director.

Umer Hassan Naqvi

Chartered Accountants

Place: Karachi

Date: January 06, 2020



**PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2019**

NUMBER OF SHAREHOLDERS	FROM	SHARE HOLDING	TO	TOTAL SHARES HELD
399	1	-	100	25,251
650	101	-	500	246,115
379	501	-	1000	338,284
485	1001	-	5000	1,274,136
161	5001	-	10000	1,248,052
58	10001	-	15000	735,886
28	15001	-	20000	513,270
14	20001	-	25000	330,500
14	25001	-	30000	390,500
9	30001	-	35000	299,000
11	35001	-	40000	425,760
6	40001	-	45000	254,500
7	45001	-	50000	337,840
3	50001	-	55000	154,669
5	55001	-	60000	297,000
2	60001	-	65000	124,516
2	65001	-	70000	137,200
3	70001	-	75000	221,500
2	75001	-	80000	153,800
2	80001	-	85000	167,000
1	85001	-	90000	87,000
1	90001	-	95000	92,500
4	95001	-	100000	400,000
2	100001	-	105000	205,000
2	105001	-	110000	219,480
1	110001	-	115000	115,000
1	120001	-	125000	121,500
1	140001	-	145000	142,000
1	145001	-	150000	150,000
1	155001	-	160000	157,500
1	180001	-	185000	185,000
1	195001	-	200000	198,000
1	205001	-	210000	207,092
1	275001	-	280000	276,300
1	340001	-	345000	340,500
2	410001	-	415000	826,770
1	420001	-	425000	424,700
1	465001	-	470000	468,820
1	530001	-	535000	534,500
1	595001	-	600000	600,000
1	680001	-	685000	681,400
1	715001	-	720000	715,600
1	795001	-	800000	800,000
1	1000001	-	1005000	2,004,108
1	1545001	-	1550000	1,545,826
1	1555001	-	1560000	1,559,960
1	1795001	-	1800000	1,800,000
1	1905001	-	1910000	1,905,045
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>2,278</u>			<u>44,616,000</u>	

**PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2019**

S.No.	Category	No. of Shareholders	Total Shares Held	Percentage %
1	INDIVIDUAL	2,238	40,218,153	90.14
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	16	841,093	1.89
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	681400	1.53
		<u>2,278</u>	<u>44,616,000</u>	<u>100.00</u>

**PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2019
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		16	841,093	1.89
INVESTMENT COMPANIES		3	136,310	0.31
DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDREN		8	19,322,923	43.31
JAMSHED HOSHANG ANKLESARIA	1,000			
DINSHAW H. ANKLESARIA	11,152,878			
AMAD UDDIN	1,905,045			
FATMA GULAMALI	800,000			
JAMIL AKBARI	1,001,000			
ABDUL NAEEM QURAISHI	600,000			
NEVILLE 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		2,230	20,895,230	46.83
		2,278	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**, which comprise the statement of financial position as at **September 30, 2019** 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, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flow 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, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2019 and of the loss for the year then ended; and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those 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 is the key audit matter:

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 845 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 the 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 26 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 judgment 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 assess 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 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 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 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 and for such internal control as management determines is necessary to enables 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.

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;
- 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 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.

Other Matter

Last year's financial statements were audited by another auditor, who issued a qualified opinion issued on 11th April 2019.

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

Umer Hassan Naem

Karachi

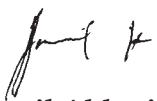
Date: January 06, 2020



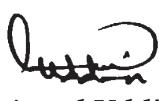
STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2019

	Note	2019	2018
		Rupees in '000'	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	3,250,459	3,099,364
Intangible asset	6	3,293	4,915
Long-term loans	7	745	323
Long-term deposits	8	2,098	2,098
		<u>3,256,595</u>	<u>3,106,700</u>
Current Assets			
Stores, spares and loose tools	9	61,579	42,073
Stock-in-trade	10	49,192	518,655
Trade debts	11	845,561	94
Loans and advances	12	27,498	18,874
Prepayments and other receivables	13	46,410	150,391
Short-term investment	14	-	30,000
Tax refundable	15	8,017	27,446
Cash and bank balances	16	4,478	46,439
		<u>1,042,735</u>	<u>833,972</u>
Total Assets		<u>4,299,330</u>	<u>3,940,672</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	17	446,160	446,160
Revenue reserves			
Accumulated loss		(387,383)	(566,148)
Capital reserves			
Surplus on revaluation of property, plant and equipment-net of deferred tax	18	1,768,672	1,789,432
Directors'/Sponsors' subordinated loan	19	92,767	92,767
		<u>1,920,216</u>	<u>1,762,211</u>
Non-Current Liabilities			
Deferred taxation	20	417,538	377,921
Long term financing - secured	21	763,849	921,937
Deferred liabilities	22	79,001	76,811
		<u>1,260,388</u>	<u>1,376,669</u>
Current Liabilities			
Trade and other payables	23	837,179	618,993
Unclaimed dividend		6,427	7,852
Unpaid dividend		204	1,459
Accrued mark-up	24	41,155	26,466
Current maturity of long-term financing		205,319	124,909
Taxation - net	25	28,442	22,113
		<u>1,118,726</u>	<u>801,792</u>
Contingencies & Commitments	26		
Total Equity and Liabilities		<u>4,299,330</u>	<u>3,940,672</u>

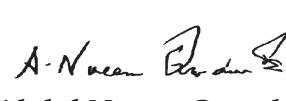
The annexed notes from 1 to 48 form an integral part of these financial statements



Jamil Akberi
Director



Amad Uddin
Chief Financial Officer



Abdul Naeem Qureshi
Director



STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	2019 Rupees in '000'	2018
Sales - net	27	3,387,534	1,821,745
Cost of sales	28	(2,877,233)	(1,318,198)
Gross profit		<u>510,301</u>	<u>503,547</u>
Operating expenses			
Administrative expenses	29	(105,943)	(97,510)
Selling and distribution cost	30	(5,764) (111,707)	(5,494) (103,004)
Operating profit		<u>398,594</u>	<u>400,543</u>
Finance cost	31	(158,967)	(106,201)
Other charges	32	(16,564)	(33,324)
Defualt surcharge and penalty	33	(150)	(12,292)
Loss on loan amortisation	34	-	(4,189)
Other income	35	437 (175,244)	143,540 (12,466)
Profit before taxation		<u>223,350</u>	<u>388,077</u>
Taxation	36	(66,701)	(119,845)
Profit after taxation		<u>156,649</u>	<u>268,232</u>
Earning per share - basic and diluted	37	<u>3.51</u>	<u>6.01</u>

The annexed notes from 1 to 48 form an integral part of these financial statements


Jamil Akberi
 Director


Amad Uddin
 Chief Financial Officer

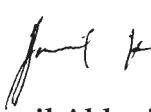

Abdul Naeem Qureshi
 Director



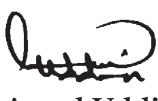
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2019

	2019	2018
	..... Rupees in '000'	
Profit after taxation	156,649	268,232
 Other comprehensive income for the year		
Items that will not be reclassified to profit or loss:		
Actuarial gain during the year	1,356	-
Other comprehensive income for the year - net of tax	1,356	-
 Total Comprehensive Income for the year	158,005	268,232

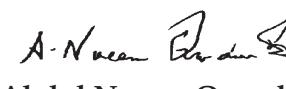
The annexed notes from 1 to 48 form an integral part of these financial statements



Jamil Akberi
Director



Amad Uddin
Chief Financial Officer



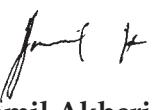
Abdul Naeem Qureshi
Director

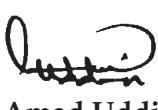


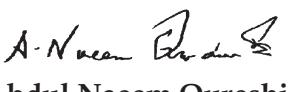
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Note	2019 Rupees in '000'	2018 Rupees in '000'
A. CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(utilized in) operations	38	375,261	(286,418)
Zakat paid		-	(4,360)
Taxes paid		(1,325)	(40,501)
Finance cost paid		<u>(142,502)</u>	(72,701)
Net cash generated from/(used in) operating activities		<u>231,434</u>	(403,980)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(232,089)	(142,468)
Addition to intangible asset		-	(7,336)
Capital work-in-progress		11,250	(83,534)
Short term investment		30,000	56,000
Proceed from encashement of DSCs		-	174,400
Long term deposits		-	(471)
Long term loans		(422)	21
Net cash used in investing activities		<u>(191,260)</u>	(3,388)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing - secured		(79,455)	329,836
Dividend paid		(2,680)	(17,804)
Net cash generated from/(used in) financing activities		<u>(82,135)</u>	<u>312,032</u>
Net decrease in cash and cash equivalents		<u>(41,961)</u>	<u>(95,336)</u>
Cash and cash equivalents at the beginning of the year		46,439	141,775
Cash and cash equivalents at the end of the year	16	<u><u>4,478</u></u>	<u><u>46,439</u></u>

The annexed notes from 1 to 48 form an integral part of these financial statements


Jamil Akberi
Director


Amad Uddin
Chief Financial Officer


Abdul Naeem Qureshi
Director



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2019

	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, 2017	446,160	1,811,584	(824,289)	92,767	1,526,222
Profit after taxation	-	-	268,232	-	268,232
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	268,232	-	268,232
Transaction with owners recorded directly in equity-distributions					
Interim dividend at 20% (i.e Rs 2 per share) for the interim year ended March 31, 2018	-	-	(32,243)	-	(32,243)
Transferred from revaluation surplus on property, plant and equipment on account of incremental depreciation - net of tax	-	(22,152)	22,152	-	-
Balance as at September 30, 2018	446,160	1,789,432	(566,148)	92,767	1,762,211
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

The annexed notes from 1 to 48 form an integral part of these financial statements



Jamil Akberi
Director



Amad Uddin
Chief Financial Officer



Abdul Naeem Qureshi
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2019

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.

1.1 Summary of significant transaction and event that have affected the Company's financial position and performance during the year.

During the year the Company made a sale of compost fertilizer (by-product) amounting to Rs. 1,195.74 million which is significant to the total sale of the Company.

2 STATEMENT OF COMPLIANCE

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

- International Financial Reporting Standard (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.

2.1 Basis of measurement

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".



2.2 Significant accounting judgements, assumptions and estimates

The preparation of financial statements in conformity with the approved accounting standard requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic 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 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 lives of property, plant and equipment (Note 5);
- b) Impairment/ adjustment of inventories to their net realizable value (Note 10);
- c) Accounting for staff retirement benefits (Note 22.2);
- d) Recognition of taxation and deferred tax (Note 20 and 25); and
- e) Contingencies and commitments (Note 26).

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

3.1 Standards, amendments and interpretations to accounting and reporting standards that became effective during the year

The following standards, amendments and interpretations to accounting and reporting standards that became effective for the first time and relevant to the Company:

IFRS 9- Financial Instruments; and
IFRS-15 Revenue from contracts with customers.

3.2 IFRS 9- Financial Instruments

IFRS 9 replaces IAS 39 bringing together aspects of the accounting for financial instruments classification, measurement and impairment.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognised in unappropriated profit as of October 1 , 2018 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's financial statements are described below:

Classification and measurement

The Company initially measures a financial asset at its fair value plus, in case of a financial asset not at fair value through profit or loss, transaction costs.



Under IFRS 9, financial instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

At transition date to IFRS 9, the Company had financial asset measured at amortized cost, the new classification and measurement of the Company's financial assets are as follows:

Debt instrument at amortised cost for the financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet SPPI criterion.

The accounting for the Company's financial liabilities remains largely the same as it was under IAS 39. Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL) approach. IFRS 9 requires the Company to record an allowance for ECL for all financial assets other than debts instruments classified as FVPL and equity instruments classified as FVOCI.

3.3 IFRS- 15 Revenue from contracts with customers

IFRS 15 revenue from contract with customers superseeds IAS 11 'Construction Contracts', IAS 18 'Revenue' and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts which are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all relevant facts and circumstances when applying steps of the model to contracts with their customers.

The Company is engaged in sale of goods. The Company has assessed that significant performance obligations in contracts with customers for sale of goods is based on transfer of control of related goods and is discharged at that point of time. The Company's transfer of goods take place upon delivery of goods to customers.

The adoption of IFRS 15 does not have any significant impact on these financial statements of the Company. However related changes to the accounting policies have been made in these financial statements.

3.4 Standards, amendments and interpretations to accounting and reporting standards that became effective during the year but are not relevant

The Company has adopted the following amendments, improvements to accounting standards and interpretations of IFRSs which became effective for the current year:

IFRS 2- Share Based Payments- Classification and Measurement of share -based payments transactions- (Amendments);

IFRS-04 Insurance contracts: Applying IFRS 9 Financial Instruments with IFRS 04 Insurance contracts- (Amendments);

IAS 40- Investment Property: Transfer of Investment Property (Amendments); and

IFRIC 22- Foreign Currency Transactions and Advance Consideration.

The adoption of the above amendments, improvements and interpretations of IFRSs did not have any effect on the financial statements of the Company.

3.5 Standards, amendmenst and interpretations to accounting and reporting standards that are not yet effective

The following standards, interpretations and amendments to published accounting standards would be effective from the dates mentioned below against the respective standards or amendments:

Standards/ amendments/ interpretations	Effective date (accounting periods beginning on or after)
IFRS 3 Definition of a Business	January 01, 2020
IFRS 3 Business combinations; previously held interests in a joint operation	January 01, 2019
IFRS 9 Prepayment features with Negative compensation	January 01, 2019
IAS 19 Employee Benefits (Amendments)	January 01, 2019
IAS 28 Investment in Associates and Joint Ventures (Amendments)	January 01, 2019
IFRS 16 Leases	January 01, 2019
IAS 23 Borrowing costs- Borrowing cost eligible for capitalization	January 01, 2019
IAS 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity	January 01, 2019
IFRIC 23 Uncertainty over Income Tax	January 01, 2019

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019.

To help prepares of financial statements to develop consistency accounting policies and to assist parties to understand and interpret standards, the IASB has issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018, which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements.



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

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

Standards

- IFRS 1 First Time Adoption of International Financial Reporting Framework;
- IFRS 14 Regulatory Deferral Accounts; and
- IFRS 17 Insurance Contracts.

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

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant & equipment

a) Owned

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) Assets acquired under finance lease

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.

4.2 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 quarter in which an asset is acquired or capitalised while no amortisation is charged for the quarter in which the asset is disposed off. Amortisation is being charged at the rate disclosed in note 6 to the financial statements.



4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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.

4.8 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.



4.9 Taxation

Income tax expense comprises of current and deferred tax.

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.

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.

4.10 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.

4.11 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.



4.12 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".

4.13 Post retirement benefits

4.13.1 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. A 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.

4.13.2 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".

4.14 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.

4.15 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.

4.16 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.

4.17 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.



4.18 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.

4.19 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.

4.20 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.

4.21 Financial assets

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.



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 (FVOCI) with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss (FVPL).

a) 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; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at 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.

b) 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.



c) 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.

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.

4.22 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at FVPL, loan 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 the case of loans and borrowings and payables, net of directly attributable transaction costs.



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 liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at FVPL.

b) Financial liabilities at amortised cost

After initial recognition, borrowings and payables are subsequently measured at amortized 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 an unconditional 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 the borrowing.

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 the existing liability are substantially modified, such an exchange or modification is treated as the derecognition of original liability and the recognition of new liability. The difference in the respective carrying amounts is recognised in profit or loss.

4.23 Impairment

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. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to 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 default events that are possible within the 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 loss expected over the remaining life of the exposure, irrespective of the timing of the default (a life time ECL)

For financial assets other than trade debts , the Company applies general approach in calculating ECL. It is based on difference between the contractual cash flows due in accordance with the contract and all cashflows that the Company expect to receive discounted at the approximation of the original effective interest rate. The Expected cashflows will include cash flows 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 the changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customer having similar characteristics and default rates based on the credit rating of custoers 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 economic environment.

The Company considers a financial asset 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 cinsideration any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

4.24 Revenue recognition

Revenue is recognised when control of the asset is transferred to the customer. Revenue is measured at fair value of the consideration received or receivable and is recognised 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.

4.25 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 Fatma Gulamali	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	2019		2018		
		..... Rupees in '000'			
5 PROPERTY, PLANT AND EQUIPMENT						
Operating fixed assets	5.1	3,178,175		3,015,830		
Capital work-in-progress	5.3	72,284		83,534		
		<u>3,250,459</u>		<u>3,099,364</u>		



5.1 Operating Fixed Assets

	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

	Cost/revalued amount				Accumulated depreciation			
	As at Oct 01, 2017	Additions/ (Deletions)	As at Sept 30, 2018	RATE %	As at Oct 01, 2017	For the year	As at Sept 30, 2018	Book Value As At September 30, 2018
(Rupees in '000)								
Freehold land	510,900	-	510,900	-	-	-	-	510,900
Factory building	366,115	-	366,115	5	13,730	17,399	31,129	334,986
Non-factory building	330,736	-	330,736	5	127,203	10,049	137,252	193,484
Plant and machinery	2,509,893	129,791	2,639,684	UoP	666,517	29,025	695,542	1,944,142
Office equipment & others	13,461	2,342	15,803	10	8,272	669	8,941	6,862
Furniture and fixtures	8,350	609	8,959	10	6,024	243	6,267	2,692
Vehicles	55,656	9,726	65,382	20	37,783	5,138	42,921	22,461
Tents and Tarpaulins	2,321	-	2,321	33	2,153	51	2,204	117
Tools and tackles	4,343	-	4,343	33	4,078	80	4,158	185
	3,801,775	142,468	3,944,243		865,760	62,654	928,414	3,015,830



2019 2018
..... Rupees in '000'

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

Cost of sales	28.1	54,530	46,504
Administrative expenses	29	15,214	16,150
		<u>69,744</u>	<u>62,654</u>

5.3 Capital work-in-progress

Balance as at October 01	83,534	-
Capital expenditure incurred during the year	208,781	213,325
Transferred to plant and machinery during the year	<u>(220,031)</u>	<u>(129,791)</u>
Balance as at September 30	<u>72,284</u>	<u>83,534</u>

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

Particulars	2019			2018
	Cost	Accumulated depreciation	Written down value	Written down value
	..... Rupees in '000'			
Free hold land	7,602	-	7,602	7,602
Factory building	102,973	69,786	33,187	30,811
Non-factory building	20,272	19,026	1,245	1,310
Plant & machinery	<u>1,465,417</u>	<u>768,372</u>	<u>697,045</u>	<u>509,997</u>
	<u>1,596,264</u>	<u>857,184</u>	<u>739,079</u>	<u>549,720</u>

2019 2018
..... Rupees in '000'

6 INTANGIBLE ASSET

Computer software	3,293	4,915



	Note	2019 Rupees in '000'	2018
6.1 Net carrying amount			
Opening net book value		4,915	-
Addition during the year		-	7,336
Amortisation charged		(1,622)	(2,421)
Closing net book value		<u>3,293</u>	<u>4,915</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	888	437
Less: Current portion of long term loans shown under current assets		(143)	(114)
		<u>745</u>	<u>323</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 installments 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

Utilities	1,273	1,273	
Rent	818	818	
Others	7	7	
	<u>2,098</u>	<u>2,098</u>	

9 STORES, SPARES AND LOOSE TOOLS

Stores	15,222	10,400	
Spares	44,014	30,072	
Loose tools	2,343	1,601	
	<u>61,579</u>	<u>42,073</u>	

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Note 2019 2018
..... Rupees in '000'

10 STOCK IN TRADE

Finished goods	21	117,758
Sugar in process	3,887	2,729
Molasses	-	418
Compost fertilizer	44,239	391,642
Bagasse	1,045	6,108
	<u><u>49,192</u></u>	<u><u>518,655</u></u>

11 TRADE DEBTS

Considered good-Unsecured	845,561	94
Provision for doubtful debts	-	-
11.1	<u><u>845,561</u></u>	<u><u>94</u></u>

11.1 Ageing analysis of trade debts

less than one year	845,561	94
Above one year	-	-
	<u><u>845,561</u></u>	<u><u>94</u></u>

11.2 All the amount in trade debtors are outstanding for less then 1 year and the Company is expected to receive all the amount due, therefore no loss allowance is recognized as per IFRS-9.

Note 2019 2018
..... Rupees in '000'

12 LOANS AND ADVANCES

Current portion of long term loans	7	143	114
Unsecured considered good			
Loan to growers	5,774	5,783	
Advance to suppliers and contractors	16,737	10,161	
Advance against expenses	2,654	1,097	
Advance against salaries	2,190	1,720	
	<u><u>27,355</u></u>	<u><u>18,760</u></u>	
	<u><u>27,498</u></u>	<u><u>18,874</u></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)	26,978	
	<u><u>(26,979)</u></u>	<u><u>(26,978)</u></u>	
	<u><u>27,498</u></u>	<u><u>18,874</u></u>	



Note	2019 Rupees in '000'	2018 Rupees in '000'
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13 PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	1,113	1,089
Government subsidy receivable on export of sugar	13.1	36,624
Sales tax	13.2	6,465
Other receivables	2,208	11,897
	<u><u>46,410</u></u>	<u><u>150,391</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	2019 Rupees in '000'	2018 Rupees in '000'
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14 SHORT TERM INVESTMENT

Term deposit receipt	-	30,000
	<u><u>-</u></u>	<u><u>30,000</u></u>

15 TAXATION REFUNDABLE

Income tax refundable	-	19,429
Sales tax refundable	8,017	8,017
	<u><u>8,017</u></u>	<u><u>27,446</u></u>

16 CASH AND BANK BALANCES

Cash in hand	359	77
Cash at banks:		
in current accounts	4,109	46,352
in saving accounts	10	10
	<u><u>4,119</u></u>	<u><u>46,362</u></u>
	<u><u>4,478</u></u>	<u><u>46,439</u></u>

17. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2019	2018		2019	2018
		Number of shares in '000'	..... Rupees in '000'	
16,900	16,900	Fully paid ordinary shares of Rs. 10 each issued for cash	169,000	169,000
5,408	5,408	Fully paid ordinary shares of Rs. 10 each issued as bonus shares	54,080	54,080
22,308	22,308	Fully paid ordinary shares of Rs. 10 each issued as right shares	223,080	223,080
44,616	44,616		446,160	446,160

18 SURPLUS ON REVALUATION OF FIXED ASSETS

Surplus on revaluation:

As at October 01

2019
..... Rupees in '000'

Note

2018
..... Rupees in '000'

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

As at September 30

(29,240)	(31,200)
2,404,306	2,433,546

Related deferred tax on revaluation surplus

18.1

644,114

As at September 30

1,789,432

1,768,672

18.1 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.

19 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 21.2.



2019 **2018**
..... Rupees in '000'

20 DEFERRED TAXATION

Deferred Tax arises due to following elements:

Deferred tax liability arises due to :

Accelerated depreciation	136,024	115,966
Surplus on revaluation of property, plant & equipment	635,634	644,114
Amortisation of long-term financing	<u>15,757</u>	<u>3,090</u>
	<u>787,415</u>	<u>763,170</u>

Deferred tax asset arises due to :

Loans & advances	7,824	7,824
Provision for staff gratuity	6,537	5,901
Carried forward tax losses, minimum taxes and tax credits	<u>355,516</u>	<u>371,524</u>
	<u>(369,877)</u>	<u>(385,249)</u>
Deferred tax liability	<u>417,538</u>	<u>377,921</u>

21. LONG TERM FINANCING - SECURED

PARTICULARS	NBP DF	SMBL SLTFF	September	September
			2019	2018
..... Rupees in '000'				
Opening balance	57,500	989,346	1,046,846	700,154
Obtained during the year	-	-	-	570,000
Unwinding of charges	-	1,776	1,776	1,776
Amortization	-	-	-	7,248
	<u>57,500</u>	<u>991,121</u>	<u>1,048,622</u>	<u>1,279,178</u>
Repaid during the year	(34,000)	(45,455)	(79,455)	(80,514)
Settled through encashment of DSCs	-	-	-	(159,649)
Loss on early settlement of loan	-	-	-	7,831
	<u>23,500</u>	<u>945,667</u>	<u>969,167</u>	<u>1,046,845</u>
Current portion	(23,500)	(181,818)	(205,319)	(124,909)
Closing liability as at September 30	<u>-</u>	<u>763,849</u>	<u>763,849</u>	<u>921,937</u>
	21.1		21.2	



21.1 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.

21.2 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% (2018: 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.

		2019	2018
	Note	..... Rupees in '000'	
22 DEFERRED LIABILITIES			
Quality premium	22.1	56,461	56,461
Gratuity	22.2	<u>22,540</u>	<u>20,350</u>
		<u>79,001</u>	<u>76,811</u>

22.1 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.

22.2 Staff gratuity

Contributions to the fund are made based on actuarial recommendations. The last actuarial valuation was carried out as at September 30, 2019 using the Projected Unit Credit Method.



2019 2018
..... Rupees in '000'

Principal assumptions

Discount rate	12.50% p.a	8.00% p.a
Expected rate of eligible salary increase in future year-long term	12.50% p.a	8.00% p.a

Changes in defined benefit liabilities are:

Opening defined benefit obligation	20,350	19,609
Expense for the year / current service cost	1,511	741
Interest cost	2,035	-
Actuarial Gains	(1,356)	-
Benefit paid by the Company	-	-
Closing defined benefit obligation	<u><u>22,540</u></u>	<u><u>20,350</u></u>

Liability for gratuity arose in the following manner:

Opening net liability	20,350	19,609
Expense for the year	3,546	741
Other comprehensive expense	(1,356)	-
Closing net liability	<u><u>22,540</u></u>	<u><u>20,350</u></u>

2019 2018
..... Rupees in '000'

23 TRADE AND OTHER PAYABLES

Trade payables

Sugar cane and others	171,828	203,234
Accrued expenses	31,852	31,500

Other payables

Advance from customers	355,507	332,228
Sales tax and excise duty payable	185,842	358
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	10,430
Workers' profit participation fund	37,318	25,555
Others	34,096	10,184
	<u><u>633,499</u></u>	<u><u>384,259</u></u>
	<u><u>837,179</u></u>	<u><u>618,993</u></u>

	2019	2018
	..... Rupees in '000'	
24 ACCRUED MARK UP		
National Bank of Pakistan - Demand finance	1,205	1,437
Syndicate Long Term Finance	<u>39,950</u>	<u>25,029</u>
	<u><u>41,155</u></u>	<u><u>26,466</u></u>
25 TAXATION - NET	<u><u>28,442</u></u>	<u><u>22,113</u></u>

26 CONTINGENCIES AND COMMITMENTS

Contingencies

- 26.1** 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.
- 26.2** 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.
- 26.3** 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.



- 26.4 The Government of Sindh (GOS) during the year issued notification no. 18(142)/S.O (EXT) 2017 fixing the minimum price of sugarcane at the rate of Rs.182 per 40 kgs for the crushing season 2017-2018. The Company along with other Sugar Mills (the Petitioners) has filed a Constitution Petition (CP) in High Court of Sindh (the Court) challenging the said notification. The Court in its judgment fixes the minimum price of sugarcane at the rate of Rs.160 per 40 for crushing season 2017-2018 and the balance of Rs. 22 per 40 kg to be decided by the Honorable Supreme Court of Pakistan which is currently pending. The management of the Company believes that the matter will ultimately be decided in favour of the Company, therefore, no provision in respect of rate differential amounting Rs. 88.365 million has been made in these financial statements.
- 26.5 The deputy commission Inland Revenue has selected the audit for the tax year 2014 and passed an order dated 1 February 2019 creating demand of Rs 259.430. The Company has filed appeal before commissioner Inland Revenue Appeals and the management is confident that appeal will be decided in favour of the Company. Therefore no provision is made against such disallowance.
- 26.6 The Sindh Growers Alliance has filed constitutional petition for implementation of notification dated 2 may 2019 pertaining to minimum purchase price of sugar cane for 2018-2019 crushing season. The management in confident that the Company has good case and no provision is required against the same.
- 26.7 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.
- 26.8 Contingencies in respect of quality premium has been disclosed in note 22.1 to the financial statements.

Commitments

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

	2019	2018
	..... Rupees in '000'	
27 SALES - NET		
Sugar - Local	2,345,933	1,596,832
Sugar - Export	-	245,209
Molasses	128,930	150,989
Compost fertilizer	1,195,774	-
	<hr/>	<hr/>
	3,670,637	1,993,030
Less: Sales tax	(283,103)	(171,285)
	<hr/>	<hr/>
	3,387,534	1,821,745



2019 2018
Note Rupees in '000'

28 COST OF SALES

Sugarcane consumed		2,078,131	1,582,495
Manufacturing expenses	28.1	<u>329,639</u>	<u>250,984</u>
		<u>2,407,770</u>	<u>1,833,479</u>
Sugar in process			
Opening		2,729	3,374
Closing		(3,887)	(2,729)
		(1,158)	645
Finished goods			
Opening		117,758	-
Closing		(21)	(117,758)
		117,737	(117,758)
Molasses			
Opening		418	-
Closing		-	(418)
		418	(418)
Baggase			
Opening		6,108	-
Closing		(1,045)	(6,108)
		5,063	(6,108)
Compost fertilizer			
Opening		391,642	-
Closing		(44,239)	(391,642)
		347,403	(391,642)
		<u>2,877,233</u>	<u>1,318,198</u>

28.1 Manufacturing expenses

Salaries, wages and other benefits	28.1.1	106,267	103,245
Stores and spares consumed		100,564	47,334
Fuel and power		32,469	25,927
Repairs and maintenance		24,229	14,360
Vehicle maintenance		2,655	2,535
Insurance		4,603	5,570
Depreciation	5.2	54,530	46,504
Bagasse, mud, ash handling and others		<u>4,322</u>	<u>5,509</u>
		<u>329,639</u>	<u>250,984</u>

28.1.1 This includes Rs. 3.546 (2018: Rs. 0.621) million in respect of staff gratuity and Rs. 1.821 (2018: Rs. 1.516) million in respect of contribution to staff provident fund.



Note **2019** **2018**
..... Rupees in '000'

29 ADMINISTRATIVE EXPENSES

Salaries and other benefits	29.1	59,186	52,836
Rent, rates and taxes		5,401	4,856
Insurance		3,130	1,674
Water, gas and electricity		1,924	2,069
Printing and stationery		1,666	1,742
Postage, telephone, telegrams and telex		747	745
Vehicle maintenance		2,817	2,164
Repairs and maintenance		535	800
Traveling and conveyance		587	938
Fee and subscription		1,345	1,817
Legal and professional		3,501	2,613
Auditors' remuneration	29.2	1,142	1,274
Entertainment		1,803	1,577
Computer maintenance		2,673	1,115
Charity and donation		-	3
Depreciation	5.2	15,214	16,150
Amortisation		1,622	2,421
Advertisement		135	58
Newspaper, books and periodicals		16	16
Others		2,499	2,643
		105,943	97,510

29.1 This includes Rs. 0.521 (2018: Rs. 0.37) million in respect of contribution to staff provident fund.

2019 **2018**
..... Rupees in '000'

29.2 Auditors' remuneration comprises of :

Statutory audit fees	700	700
Half yearly review	297	220
Other certifications	50	284
Out of pocket expenses	95	70
	1,142	1,274

30 SELLING AND DISTRIBUTION COST

Loading, stacking and sampling	5,764	3,512
Export related expenses	-	1,982
	5,764	5,494

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	Note	2019 Rupees in '000'	2018
31 FINANCE COST			
Mark-up on long term financing		158,810	98,793
Bank charges		157	160
Interest expense		-	7,248
		<u>158,967</u>	<u>106,201</u>
32 OTHER CHARGES			
Sindh workers' welfare fund		4,801	6,046
Sindh workers' profit participation fund		11,763	14,813
Loss on early settlement of long-term financing		-	7,831
Zakat		-	4,360
Other charges		-	274
		<u>16,564</u>	<u>33,324</u>
33 DEFAULT SURCHARGE AND PENALTY			
Default surcharge and penalty	33.1	<u>150</u>	<u>12,292</u>
33.1	This represents penalties along with default surcharge imposed by Federal Board of Revenue (FBR) and Securities and Exchange Company of Pakistan (SECP).		
34 LOSS ON LOAN AMORTIZATION			
Amortisation of investment in DSC's		-	14,590
Loss on early settlement of DSC's		-	(18,779)
		<u>-</u>	<u>(4,189)</u>
35 OTHER INCOME			
Profit on short-term investment		420	4,365
Cash subsidy from government on export of sugar		-	130,940
Exchange gain		-	7,944
Other		17	291
		<u>437</u>	<u>143,540</u>



2019 2018
..... Rupees in '000'

36 TAXATION

Current	27,084	56,972
Deferred	39,617	62,873
	<u>66,701</u>	<u>119,845</u>

36.1 Relationship Between profit and tax expense

Accounting Profit	223,350	388,077
Tax rate	29%	29%
	<u>64,772</u>	<u>112,542</u>
Adjustment for previous losses	1,929,518	7,303,421
Actual Expense	<u>1,994,290</u>	<u>7,415,963</u>

- 36.2 Income tax assessments of the Company have been completed up to the tax year 2019 (accounting year ended September 30, 2018) which are deemed to have been assessed under section 120 of the Income Tax Ordinance, 2001.

37 EARNING PER SHARE - BASIC AND DILUTED

Profit for the year - (Rupees in '000)	156,649	268,232
Weighted average number of ordinary shares (in '000)	<u>44,616</u>	<u>44,616</u>
Earning per share - (Rupees)	<u>3.51</u>	<u>6.01</u>

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



2019 2018
..... Rupees in '000'

38 CASH GENERATED FROM OPERATIONS

Profit before taxation	223,350	388,077
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Adjustments for non-cash charges and other items :

Depreciation	69,744	62,654
Amortization	1,622	2,421
Finance cost	158,967	97,175
Interest expense-imputed	-	7,248
Loss on early settlement of loan	-	7,831
Amortisation of investment in DSC's	-	(14,590)
Loss on early settlement of DSC's	-	18,779
Sindh workers welfare fund	4,801	6,046
Sindh workers profit participant fund	11,763	14,813
Export subsidy	-	(130,940)
Provision for gratuity	3,546	1,053
	250,443	72,490

Working capital changes

Change in current assets

Stores, spares and loose tools	(19,506)	(13,583)
Stock in trade	469,463	(515,281)
Trade debts	(845,467)	160,193
Loans and advances	(8,622)	21,928
Prepayments and other receivables	103,981	(4,610)
	(300,151)	(351,352)

Change in current liabilities

Trade and other payables	201,619	(395,633)
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Cash generated from / (utilized in) operations	<u>375,261</u>	<u>(286,418)</u>
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2019 2018
..... Rupees in '000'

39 PLANT CAPACITY AND PRODUCTION

Installed Production Capacity-Metric ton	86,400	86,400
Duration of Season-Days	113	148
Actual Production-Metric ton	36,865	39,660
Actual Crushing-Days	74	122
% of capacity attained	43%	46%

40 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.

40.1 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.

40.1.1 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, 2019, the Company is exposed to such risk mainly in respect of short-term investments and 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.9.62 million (2018: Rs. 10.62 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.



40.1.2 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, 2019 due to neither of the assets or liabilities are dominated in foreign currencies.

40.1.3 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, 2019, the Company is not exposed to equity price risk.

40.2 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:

	2019	2018
	..... Rupees in '000'	
Long-term deposits	2,098	2,098
Trade debts	845,561	94
Prepayments and other receivables	36,624	130,940
Short-term investment	-	30,000
	<hr/> <u>884,283</u>	<hr/> <u>163,132</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			2019	2018
	Short-term	Long-term	Agency	..... Rupees in '000'	
National Bank of Pakistan	A-1+	AAA	PACRA	646	1,391
Allied Bank Limited	A-1+	AAA	PACRA	672	672
Askari Bank Limited	A-1+	AA+	PACRA	5	4
Habib Bank Limited	A-1+	AAA	VIS	109	1,933
Sindh Bank Limited	A-1	A+	VIS	150	151
Summit Bank Limited	A-3	BBB-	VIS	334	10,625
United Bank Limited	A-1+	AAA	VIS	224	12,680
MCB Bank Limited	A-1+	AAA	PACRA	74	131
Soneri Bank Limited	A-1+	AA-	PACRA	28	12,025
Meezan Bank Limited	A-1+	AA+	VIS	1	4,167
Al-Baraka Bank Limited	A-1+	A+	PACRA	1,000	-
Bank Alfalah Limited	A1+	AA+	VIS	24	-
Bank Al Habib Limited	A-1+	AA+	PACRA	852	2,583
				<u>4,119</u>	<u>46,362</u>

40.3 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	-	-	763,849	763,849
Deferred liabilities	-	-	79,001	79,001
Trade and other payables	243,897	237,777	-	481,673
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	<u>250,528</u>	<u>512,693</u>	<u>842,850</u>	<u>1,606,071</u>
-----Rupees in '000'-----				
Long term financing - secured	-	-	921,937	921,937
Deferred liabilities	-	-	76,811	76,811
Trade and other payables	41,847	244,918	-	286,765
Current maturity of long-term financing	-	124,909	-	124,909
Unclaimed dividend	7,852	-	-	7,852
Unpaid dividend	1,459	-	-	1,459
Taxation - net	-	22,113	-	22,113
Accrued mark-up	-	26,466	-	26,466
September 30, 2018	<u>51,158</u>	<u>418,406</u>	<u>998,748</u>	<u>1,468,312</u>



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

40.4 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.

40.5 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:

	2019 Rupees in '000'	2018 Rupees in '000'
Long term financing - secured	763,849	921,937
Current maturity of long-term financing	205,319	124,909
Total debt	969,168	1,046,846
Total equity	1,920,216	1,762,211
Total debt and equity	2,889,384	2,809,057
 Gearing ratio	 34%	 37%



2019 2018
..... Rupees in '000'

40.6 Financial Instruments by category

40.6.1 Financial Asset as per statement of financial position

at amortised cost

Trade debts	845,561	94
Loans and advances	27,498	18,874
Prepayments and other receivables	46,410	150,391
Cash and bank balances	4,478	46,439
	923,947	215,798

40.6.2 Financial liabilities as per statement of financial position

at amortised cost

Trade and other payables	837,179	618,993
Unclaimed dividend	6,427	7,852
Unpaid dividend	204	1,459
Current maturity of long-term financing	205,319	124,909
Accrued markup	41,155	26,466
	1,090,285	779,679

41 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:

	2019			2018		
	Chief executive	Directors	Executives	Chief executive	Directors	Executives
..... Rupees in '000'						
Remuneration	-	6,733	11,069	-	5,665	9,556
Perquisites						
Conveyance	-	307	1,034	-	258	621
Medical	-	711	318	-	83	328
Bonus	-	-	133	-	-	1,286
Leave encashment	-	-	156	-	-	-
Company's contribution to PF	-	250	136	-	142	65
Others	-	90	73	-	31	60
	-	8,090	12,919	-	6,179	11,916
Number of person(s)	1	1	5	1	1	6

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

42 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties, other than those disclosed elsewhere in the financial statements are as under:

	2019	2018
	..... Rupees in '000'	
Directors and sponsors		
Remuneration paid	8,090	6,179

43. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on latest un-audited financial statements of the fund.

	Note	2019	2018
		..... Rupees in '000'	
Size of the fund - Total assets		61,257	74,643
Cost of the investment made		61,100	72,097
Fair value of investments	43.1	61,257	72,643
Percentage of investments made		100%	97%

43.1 The break-up of fair value of investments is:

Investment in mutual funds	304	35,546
Saving Account	60,952	37,097
	<hr/> <hr/> 61,257	<hr/> <hr/> 72,643

44 OPERATING SEGMENTS

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

44.1 All sales of the Company comprises of sugar and its other By-products.

44.2 All non-current assets of the Company as at September 30, 2019 are located in Pakistan.



45 NUMBER OF EMPLOYEES

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

	2019	2018
Total number of employees as at reporting date	198	199
Total number of factory employees as at reporting date	190	188
Average number of employees during the year	196	196
Average number of factory employees during the year	185	185

46 CORRESPONDING FIGURES

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

47 AUTHORISATION FOR ISSUE

These financial statements were approved on January 06, 2020 by the board of directors of the Company.

48 GENERAL

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

Jamil Akberi
Director

Amad Uddin
Chief Financial Officer

Abdul Naeem Qureshi
Director



SIX YEARS' REVIEW AT A GLANCE

FINANCIAL RESULTS	2019	2018	2017	2016	2015	2014
..... (Rs. in 000)						
Sales	3,387,534	1,821,745	2,347,921	1,528,012	2,613,738	3,486,661
Gross profit / (loss)	510,301	503,547	4,524	(175,109)	(2,756)	(203,702)
Operating profit/(loss)	398,594	400,543	(77,309)	(436,155)	(150,892)	(348,242)
Profit/ (loss) before taxation	223,350	388,077	223,947	(458,799)	(190,579)	(424,328)
Profit/(loss) after taxation	156,649	268,232	197,260	(226,544)	(228,161)	(186,426)
Accumulated loss	(387,383)	(566,148)	(824,289)	(1,045,626)	(881,714)	(718,799)
OPERATING RESULTS	2019	2018	2017	2016	2015	2014
Sugarcane crushed	(tonnes)	335,136	367,222	459,573	296,274	441,621
Sugar recovery	(%)	11.00	10.80	9.22	10.09	10.21
Sugar produced	(tonnes)	36,865	39,660	42,320	29,925	45,100
Molasses recovery	(%)	5.08	5.50	4.25	4.16	4.24
Molasses produced	(tonnes)	19,435	26,047	19,530	12,354	18,700
Operating period	(days)	113	148	121	99	98
ASSETS EMPLOYED	2019	2018	2017	2016	2015	2014
			(Restated)	(Restated)		
..... (Rs. in 000)						
Fixed capital expenditure	3,253,753	3,104,279	2,936,016	2,347,815	2,468,870	2,592,051
Long term loans and deposits	2,843	2,421	1,970	1,589	1,750	1,900
Investments	-	-	178,590	158,715	141,520	126,188
Current assets	1,042,735	814,545	512,992	103,997	276,037	541,704
Total assets employed	4,299,331	3,940,672	3,629,568	2,612,116	2,888,177	3,261,843
FINANCED BY	2019	2018	2017	2016	2015	2014
			(Restated)	(Restated)		
..... (Rs. in 000)						
Shareholders' equity	58,777	(119,988)	(378,129)	(822,544)	(658,634)	(495,719)
Revaluation on fixed assets	1,768,672	1,789,432	1,811,584	1,339,697	1,402,329	1,467,993
Subordinate loan from directors	92,767	92,767	92,767	65,767	65,767	45,998
Long term liabilities	718,394	921,937	676,407	234,163	245,563	283,318
Deferred liabilities	496,540	454,732	391,118	260,409	1,003,672	396,462
Current liabilities	1,164,181	782,363	1,035,821	1,534,624	829,480	1,563,791
Total funds invested	4,299,331	3,940,672	3,629,568	2,612,116	2,888,177	3,261,843
Break-up value per share	(Rupees)	1.32	(2.69)	(8.48)	(36.87)	(29.52)
Earnings per share	(Rupees)	3.51	6.01	5.94	(10.16)	(10.23)

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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 31st Annual General Meeting of the Company to be held on January 28, 2020 and at any adjournment thereof.

Signed _____ day of 2020.

**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 نولیو نمبر اور / سی ڈی سی پار ٹیسٹننس آئی ڈی نمبر

اور ڈی ٹی اکاؤنٹ نمبر بذریعہ ہذا

ساکن

جو کہ کمپنی کا ممبر بھی ہے، کو بطور اپنے پرائیسی مقرر کرتا / کرتی ہوں تاکہ وہ 28 جنوری 2020ء کو منعقد کیتے جانے والے کمپنی کے 31 دیں سالانہ اجلاسِ عام میں میری / ہماری جگہ ووٹ دے سکیں۔

دستخط

مورخہ

ممبر کے دستخط

گواہان:

ملحق 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 کمپنی کا کوئی کارکن ہو نا 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.