

2017 Annual Report



سانگھڑ شوگر ملز لمیٹیڈ
Sanghar Sugar Mills Limited

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Company Information

BOARD OF DIRECTORS

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

BOARD COMMITTEES

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

INFORMATION TECHNOLOGY & STEERING COMMITTEE

Mr. Ghulam Hyder	(Chairman)
Syed Rehan Ahmed Hashmi	
Mr. Muhammad Ahmed	

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

RISK MANAGEMENT COMMITTEE

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

COMPANY SECRETARY

Mr. Muhammad Mubeen Alam

CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

STATUTORY AUDITOR

Kreston Hyder Bhimji & Co.
Chartered Accountants

SHARE REGISTRAR

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

LEGAL ADVISOR

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

BANKERS

Islamic

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

Conventional

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

REGISTERED / HEAD OFFICE

C-27, Plot No. F-24, Block - 9, Clifton,
Karachi - 75600

Phone: 021 35371441 to 43 (3 lines)

Fax: 021 35371444

Website: www.sangharsugarmills.com

E-mail: info@sangharsugarmills.com

MANUFACTURING FACILITIES

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

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

VISION STATEMENT

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

MISSION STATEMENT

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

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

CORPORATE OBJECTIVES

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

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

parties and refrain from acting in any manner which might discredit the Company.

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

CORPORATE STRATEGY

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

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

STRATEGIC PLANNING

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

Code of Conduct

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

THE COMPANY

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

AS DIRECTORS

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

AS EXECUTIVES AND MANAGERS

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

AS EMPLOYEES AND WORKERS

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

Notice of Annual General Meeting

Notice is hereby given that Thirty Second Annual General Meeting of the Shareholders of the Company will be held on Saturday January 27, 2018 at 10:30 a.m. at Haji Abdullah Haroon Muslim Gymkhana - Old Lobby (Muslim Gymkhana), Near Shaheen Complex, Aiwan-e-Saddar Road, Saddar Town, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Extra Ordinary General Meeting of the Company held on October 31, 2017.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2017 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year 2017-2018 and fix their remuneration. The present Auditors M/s Kreston Hyder Bhimji & Co. Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

Muhammad Mubeen Alam
Company Secretary

Karachi: January 04, 2018

NOTES :

1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 19-01-2018 to 27-01-2018 (both days inclusive) for attending and voting at Annual General Meeting. Physical Transfers/CDS Transactions IDS received in order in all respects at the close of the Business on 18-01-2018 at the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chamber, Hasrat Mohani Road, Karachi will be considered in time for attending the meeting.

2. Participation in the Annual General Meeting:

A member entitled to attend and vote at this meeting may appoint another member as proxy to attend and vote on his/her behalf. Forms of Proxy to be valid must be properly filled in/executed and received at the Registered Office of the Company at C-27, Plot No. F-24, Block-9, Clifton, Karachi-75600, at least 48 hours before the time of this meeting. A Form of Proxy is annexed herewith. CDC Account Holders will further have to follow the guidelines mentioned in circular dated January 26, 2000 issued by SECP.

3. Submission of copy of CNIC (Mandatory):

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

The Company's Shareholders who are holding its Share in Physical Form are hereby informed and notified in their own interest who have not yet provided copy of their valid Computerized National Identity Card (CNIC) mentioning their Folio Numbers are hereby reminded again through this Notice to send urgently valid copy of their CNIC as mentioned above to the Company or its Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi (Phone No. 021-32424826) in order to comply with the mandatory requirements of Securities and Exchange Commission of Pakistan (the Commission) issued vide SRO 83(1)/2012 dated July 05, 2012 and SRO 19(1) of 2014 dated January 10, 2014.

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

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

4. Attendance at the Meeting:

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

5. Change of Address:

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

6. Video Conference Facility:

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

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

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

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

Signature of Member(s)

7. Unclaimed Dividend:

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

8. Dividend Payments through Electronic Mode:

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

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

9. Placement of Financial Statements on Website:

In accordance with the SECP notification No. 634(1)/2014 dated July 10, 2014, the audited Financial Statements and reports of the Company for the year ended September 30, 2017 are being placed on the company's website for the information and review of the shareholders.

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

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

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

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

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

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

11۔ آڈٹ شدہ مالیاتی رپورٹ کی نقول حاصل کرنے کیلئے اظہار رضامندی

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

6۔ ویڈیو کانفرنس کی سہولت

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

اگر کسی بھی جغرافیائی محل وقوع پر رہائش پذیر حصص داران کے اوسطاً 10% ممبران کی جانب سے اجلاس سے کم از کم 10 دن قبل کمپنی کو ویڈیو کانفرنس کی سہولت کیلئے درخواست موصول ہوتی ہے تو کمپنی کی جانب سے ویڈیو کانفرنس کا بندوبست کیا جاسکتا ہے بشرطیکہ اس علاقے میں بھی یہ سہولت میسر ہو۔

اگر ویڈیو کانفرنس کی سہولت میسر کرنی ہو تو کمپنی کی جانب سے حصص داران کو اجلاس سے کم از کم 5 دن قبل اطلاع فراہم کر دی جائے گی اور انہیں مکمل معلومات فراہم کی جائیں گی کہ اس سہولت تک انکی رسائی کس طرح ممکن ہو سکتی ہے۔

میں / ہم _____ ساکنہ _____ بطور ممبر ساکنہ شریکر ملز لمیٹڈ، حامل

عام _____ حصص (تعداد حصص) بحوالہ رجسٹرڈ فلیو / سی ڈی سی اکاؤنٹ نمبر _____ بذریعہ ہذا بمقام

_____ ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتا ہوں۔

(دستخط ممبر / ممبران)

7۔ غیر دعویٰ شدہ ڈیویڈنڈ

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

8۔ الیکٹرانک ذرائع سے ڈیویڈنڈ کی ادائیگی

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

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

9۔ ویب سائٹ پر مالیاتی دستاویزات کا اجراء

حصص داران کی معلومات اور مطالعہ کیلئے، ایس ای سی پی کے نوٹیفیکیشن بحوالہ نمبر 634(1)/2014 مؤرخہ 10 جولائی 2014 کے مطابق کمپنی کی ڈٹ شدہ مالیاتی دستاویزات بابت مال سال 30 ستمبر 2017 کو کمپنی کی ویب سائٹ پر جاری کیا جا رہا ہے۔

3۔ قومی شناختی کارڈ جمع کرانا (لازم)

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

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

4۔ اجلاس میں شرکت

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

5۔ پتے کی تبدیلی

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

نوٹس برائے سالانہ عام اجلاس

بذریعہ ہذا یہ اطلاع دی جاتی ہے کہ کمپنی کے حصص داران کا تیسواں سالانہ عام اجلاس 27 جنوری 2018 بوقت صبح 10:30 بجے، بمقام حاجی عبداللہ بارون مسلم جناح، پرانی لاہی (مسلم جناح) نزد شاہین کمپلیکس، ایوان صدر روڈ، صدر ٹاؤن کراچی میں منعقد کیا جائے گا۔ اجلاس ہذا میں درج ذیل امور کو زیر بحث لایا جانا مقصود ہے:

عمومی امور

- 1- کمپنی کے غیر معمولی عام اجلاس مؤرخہ 31 اکتوبر 2017 کی کاروائی کی شقوں کی توثیق کرنا۔
- 2- کمپنی کی آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 ستمبر 2017 بعدہ ڈائریکٹرز آڈیٹرز رپورٹ کو وصول کرنا اور اس پر غور و خوض کرنا اور اس کے حق میں ووٹ دینا۔
- 3- مالی سال 2017-18 کیلئے آڈیٹروں کی تعیناتی کرنا اور ان کے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹرز میسرز کریسٹن حیدر بھٹمی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات کو پیش خواہش ظاہر کی ہے۔
- 4- چیئرمین کی اجازت سے کسی بھی دیگر عام نوعیت کے مسئلے پر بحث کرنا۔

بحکم بورڈ

محمد مبین عالم
کمپنی سیکرٹری

کراچی: 04 جنوری 2018

نوٹس:

1- حصص منتقلی کھاتوں کی بندش

کمپنی کی حصص منتقلی کے کھاتے برائے سالانہ عام اجلاس میں شرکت اور رائے دی کے ضمن میں مؤرخہ 19-01-2018 سے 27-01-2018 تک (بشمول ان دونوں دنوں کے) بند رہیں گے۔ ایسی تمام دستی منتقلیاں / سی ڈی ایس منتقلیاں اور آئی ڈی ایس جو کہ ہر لحاظ مکمل ہوں اور کاروباری دن کے اختتام مؤرخہ 18-01-2018 تک کمپنی کے حصص رجسٹرار میسرز حمید حمید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیئرمین، حسرت موہانی روڈ، کراچی کو موصول ہو جائیں تو انہیں بروقت تصدیق کیا جائے گا اور انہیں اجلاس میں شرکت کیلئے زیر غور لایا جائے گا۔

2- سالانہ عام اجلاس میں شرکت

کوئی ایسا ممبر جو کہ اجلاس میں شرکت اور رائے دی کی اہلیت رکھتا ہو اپنی جگہ کسی اور ممبر کو شرکت اور رائے دی کیلئے بطور پراکسی مقرر کر سکتا ہے۔ پراکسی مقرر کئے جانے والے فارم کے قابل قبول ہونے کیلئے لازم ہے کہ ہر لحاظ سے پرشدہ اور مکمل فارم کمپنی کے رجسٹرڈ شدہ پتے C-27، پلاٹ نمبر F-24، بلاک 9، کلفٹن کراچی پر اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔ پراکسی فارم کو اعلان ہذا کے ساتھ منسلک کر دیا گیا ہے۔ سی ڈی سی اکاؤنٹ کے حامل افراد پر لازم ہے کہ سرکلر مؤرخہ 26 جنوری 2000 از ایس ای سی پی میں مذکور ہدایات پر بھی عمل کریں۔

Chairman's Review

It gives me the immense pleasure to present the financial and other information for the year ended September 30, 2017 and to appraise them on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's Goals, Corporate Objectives and Strategy based on Strategic Planning which are in line with the Vision and Mission of the Company.

During the year under review, your Company manages to keep the prices of cane at manageable level as compared to the adjoining mills and able to achieve the production target set by the management. However, price of sugar was depressed despite the permission of export by the Federal Government and due to the low selling price of sugar, the results of our Company and majority of the sugar mills in Sindh are adverse.

The capacity expansion work is in progress and your management is working as planned and makes it possible to start the trial run in current season 2017-18.

I would like to inform you that the Board's overall performance and effectiveness has been assessed as satisfactory. Your Board also held annual review and discussions of its performance both individually and collectively. Through the own evaluation, the performance of the Board found satisfactory and identified areas of improvement in line with best practices and bringing further improvement in its own performance.

Being the chairman of the Board, I had set the agenda of the Board meetings held during the year and ensured that reasonable time were available for discussion of the same. All written notices, including the agenda, supporting documents and other working papers of meetings were circulated with-in a reasonable time prior to the meetings. Further, I had ensured that the Board plays an effective role in fulfilling its responsibilities and will do in future for better and improved governance.

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

Ghulam Dastagir Rajar
Chairman

Karachi: December 30, 2017

جائزہ از چیمبر مین

انتہائی مسرت کے ساتھ آپکی خدمت میں کمپنی سے متعلق مالیاتی و دیگر معلومات بابت مالی سال 30 ستمبر 2017 پیش کی جارہی ہیں، نیز بورڈ کی مجموعی کارکردگی اور کمپنی کے اہداف کے حصول، کاروباری مقاصد اور کمپنی کے وژن اور مشن کے مطابق طے کی جانے والی حکمت عملی کے ضمن میں بورڈ کی جانب سے ادا کئے جانے والے کردار کی روشنی میں بھی ان معلومات کو جانچنا مقصود ہے۔

زیر نظر سال کے دوران آپکی کمپنی نا صرف دیگر متصل ملوں کے مقابلے میں گئے کی قیمت کو قابل برداشت حد تک رکھنے میں کامیاب رہی بلکہ انتظامیہ کی جانب سے پیداوار کیلئے مقرر شدہ ہدف کے حصول کو بھی ممکن بنایا گیا۔ تاہم وفاقی حکومت کی جانب سے چینی کو برآمد کئے جانے کی اجازت ملنے کے باوجود چینی کے نرخ میں مندی کا رجحان پایا گیا۔ چینی کے نرخ میں مندی کے رجحان کی وجہ سے اکثر دیگر شوگر ملوں کے ساتھ ساتھ ہماری کمپنی کو منفی نتائج کا سامنا کرنا پڑا۔

پیداوار میں توسیع کے منصوبے پر کام جاری ہے اور انتظامیہ پہلے سے طے شدہ منصوبے کے تحت صحیح سمت میں کام کر رہی ہے تاکہ اس بات کو یقینی بنایا جائے کہ پیداوار میں توسیع منصوبے کی آزمائش 2017-18 کے حالیہ ییزن کے دوران ہی کر لی جائے۔

یہ بات بھی آپکے علم میں لانا ضروری سمجھتا ہوں کہ بورڈ کی مجموعی کارکردگی کو مؤثر اور اطمینان بخش پایا گیا۔ آپکے بورڈ کی جانب سے از خود بھی سالانہ جائزے اور مباحث میں اپنی کارکردگی کا انفرادی اور مجموعی جائزہ لیا گیا۔ بورڈ کی جانب سے از خود جائزے کے دوران بورڈ کی مجموعی کارکردگی کو اطمینان بخش قرار دیئے جانے کے ساتھ ساتھ ان مقامات کی نشاندہی بھی کی گئی جہاں اصلاح کی ضرورت ہے تاکہ کارپوریٹ کے سنبھلے اصولوں کی پاسداری کرتے ہوئے بورڈ اپنی کارکردگی میں مزید نکھار پیدا کر سکے۔

بورڈ کے چیمبر مین ہونے کے نا طے میری جانب سے دوران سال بورڈ کے اجلاسوں کیلئے ایجنڈے بھی مرتب کئے گئے تھے اور اس بات کو یقینی بنانے کی بھی پوری کوشش کی گئی تھی کہ ان ایجنڈوں پر بحث و تجویز کیلئے خاطر خواہ وقت بھی دستیاب ہو۔ ان اجلاسوں کے انعقاد سے ماقبل معقول وقت کے اندر اندر ان اجلاسوں سے متعلق دستاویزات، ورکنگ پیپرز اور ایجنڈوں کو باقاعدہ تحریری طور پر متعلقہ افراد کو مہیا کر دیا گیا تھا۔ مزید برآں، میری جانب سے اس بات کو ممکن بنانے پر بھرپور توجہ دی گئی ہے کہ بورڈ اپنی ذمہ داریوں سے نبرد آزما ہونے کیلئے مؤثر کردار ادا کرے اور اس بات کی قوی امید ہے کہ مستقبل میں بورڈ کی جانب سے بہتر اور زیادہ مؤثر کارکردگی کا مظاہرہ کیا جائے گا۔

میں تمام منتظمین، افسران، اسٹاف ممبران اور دیگر ملازمین کی جانب سے کمپنی کے معاملات کو مستعد انداز سے چلانے کیلئے انکے اخلاص، ایمانداری اور محنت کیلئے تہہ دل سے ان کا مشکور ہوں۔ میں امید کرتا ہوں کہ مستقبل میں بھی میں ان کی جانب سے کمپنی پیداواریت میں اضافے کیلئے اسی جوش و جذبے کا مظاہرہ کیا جائے گا اور اللہ رب العزت کی رحمت ہمارے شامل حال رہے گی۔ نیز میں کمپنی کی بہبود اور ترقی کے ضمن میں تمام سرکاری عمال، بینکاروں اور غیر بینکاری مالیاتی اداروں، سپلائروں اور حصص داران کی جانب سے انکے تعاون اور حمایت کیلئے ان کا بے حد مشکور ہوں۔

غلام دستگیر راجڑ

چیمبر مین

کراچی: 30 دسمبر 2017

Directors' Report

The Directors of your Company are pleased to present Thirty Second Annual Report with the Audited Financial Statements of the Company for the year ended September 30, 2017.

ABOUT THE INDUSTRY:

Industry Overview

Pakistan's Economy, during the Fiscal Year (FY) 2016-17, witnessed the highest Gross Domestic Product (GDP) Growth in the last few years. The GDP during FY 2016-17 was 5.28% as compared to 4.51% in the FY 2015-16.

The Government support on output prices largely protected sugarcane growers from the impact of subdued commodity prices in the international market. The provincial governments of Sindh and Punjab announced indicative sugarcane price at Rs. 182 and Rs. 180 per 40 kg respectively, which led the domestic market price of sugar higher than the average in the global market.

Policy challenge pertained to gradual build-up of sugar stocks over the years. Specifically, the attractive support prices for sugarcane crop increased their production to levels that exceeded even their domestic consumption. Although the government offered high rebate on the export of surplus stocks, this was not sufficient to boost exports due to wide margin between domestic and international prices.

The sugarcane production in the country has reached historical high of 73.6 million ton during the year 2016-17 as compared to 67.5 million ton in the year 2015-16, showing 12.4 percent increase. This year, sugarcane has portrayed a very promising picture not only in production domain but also area-wise cultivation which increased to 1,217,000 hectares as compared to last year's area of 1,131,000 hectares, showing an increase of 7.6 percent. Its production accounted for 3.4 percent in agriculture's value addition and 0.7 percent in overall Gross Domestic Product (GDP). The country's total sugar production stood at 7.049 million tons as compared to last year which was at 5.11 million tons. Encouragingly, this growth stemmed from better productivity. More importantly, market price of sugarcane crop largely remained in favour of growers, which shored up their margins as well.

The increase in sugar production was mainly due to availability of increased sugarcane crop which resulted in glut like situation of sugar stock in Country. Therefore, due to availability of surplus stock, the price of sugar was depressed and the mills could not offload their large carryover stock in the market in the expectation that the domestic prices will raise. The export of sugar was not viable due to depressed prices in the international market as well.

Further, the Government still charge sales tax at fixed value i.e. Rs. 60 per kg for the purpose of levying sales tax. This tax is payable at the rate of 8% for registered buyers and 10% for the unregistered buyers.

ABOUT YOUR COMPANY:

Principal Activity

The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired equipment to sell surplus electric power transmission to National Grid.

Operating Results

A brief summary of operating results of the Company for the year ended September 30, 2017 along with the comparatives for the corresponding year is given below:

		2016-2017	2015-2016
Season started on		04-11-2016	05-11-2015
Season completed on		16-03-2017	29-02-2016
Duration of crushing	Days	133	117
Sugarcane crushed	M-Tons	625,237	563,617
Sugar Produced	M-Tons	63,380	57,387.5
Sucrose recovery	%	10.12	10.20

Review of Operation

Our Company started crushing almost on the same date as compared with the corresponding season. The Company was able to operate 133 days crushing at the average rate of 4,701 Metric Tons of sugarcane per day as compared with the average of 4,817 Metric Tons per day crushing during corresponding season, due to break in crushing of cane for few days. This, along-with other factors causes decrease in recovery rate as compared to corresponding period

The Sindh Government had notified the price of sugarcane at Rs. 182 per maund for the season 2016-17, due to unnecessary competition and desired to decrease the manufacturing cost, millers indulge in price war resulting in increase in cost of sugar cane which pushed up the cost of production.

Financial Results

The key financial figures of the Company for the year ended September 30, 2017 along with the comparatives for the corresponding year are summarized as under:

	2017 (Rupees in '000)	2016
(Loss) / Profit before taxation	(259,678)	11,060
Taxation	(27,426)	(2,893)
(Loss) / Profit after taxation	<u>(287,104)</u>	<u>13,953</u>
(Loss) / Earnings per share-basic and diluted (Rupees)	<u>(24.03)</u>	<u>1.17</u>

Review of Financial Results

During the year under review, production is increased by almost 10.44% and sales quantity is decreased by 13.33% as compared with last year therefore leaving a surplus stock to carryover for the next year.

On the other hand cost of production increased due to increase in the cost of sugarcane, the sugarcane crushed increased by 10.93% as compared to previous year but the cost of cane increased by 16.12% as compared to last year. Better production and sale of molasses and Bagasse, even the sale of electricity could not give much input to the cost of production.

Due to the depressed selling prices in the local market as well as in an international market, the results of your Company as well as the mills in Sindh are negative.

Statement on Corporate and Financial Reporting Framework

In compliance with the Code of Corporate Governance, the Board of Directors hereby confirms that:

- The Financial Statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements and there is no departure there from
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of the Corporate Governance as detailed in the Listing Regulations of the Pakistan Stock Exchange.
- The Key Operating and Financial Data for last ten years in summarized form are annexed.
- There are no statutory over dues otherwise than those disclosed in the financial statements and statutory payments due on account of taxes duties, levies and charges are being made in the normal course of business.

- x. An unfunded gratuity scheme is in operation for all permanent eligible employees. Provision are made annually to cover the obligation on the basis of actuarial valuation, related details of which are mentioned in the Notes to the Financial Statements.
- xi. The Pattern of Shareholding is annexed.
- xii. To the best of our knowledge, the Directors, Executives and their spouses and their minor children have not undertaken any trading of Company's shares during the year.
- xiii. A Statement of Compliance with the Code of Corporate Governance for the year is annexed with the Report.

Attendance of Board of Directors in Board Meeting

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

Name of Directors	Status	No. of Meeting Attended
1) Mr. Ghulam Dastagir Rajar	Chairman	4
2) Haji Khuda Bux Rajar	Chief Executive	5
3) Mr. Mohammad Aslam	Director	5
4) Mr. Rahim Bux	Director	5
5) Mr. Ghulam Hyder	Director	5
6) Mr. Qazi Shamsuddin	Director	3
7) Mr. Shahid Aziz	Director (N.I.T)	5

Attendance of Members in Meeting of Audit Committee

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

Name of Members	Status	No. of Meetings Attended
1) Mr. Rahim Bux	Chairman	5
2) Mr. Shahid Aziz	Member	5
3) Mr. Mohammad Aslam	Member	5

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

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

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

Attendance of Members in Meeting of Information Technology & Steering Committee

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

Name of Members	Status	No. of Meetings Attended
1) Mr. Ghulam Hyder	Chairman	2
2) Syed Rehan Ahmad Hashmi	Member	2
3) Mr. Muhammad Ahmed	Member	2

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

There are no meetings of CSR Committee was held during the year due to the reason that the CSR Committee constituted on July 28, 2017 with the approval of the Board.

Board Evaluation

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

Directors Training

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

Adequacy of Internal Financial Controls

Directors confirm that the compliance with highest standard of Corporate Governance and comprehensive policies and procedures on internal financial controls has been approved by the Board and are in place and have been effectively implemented and monitored.

Threshold for determining Executive

Pursuant to the requirement of Clause xvi (i) of the Code of Corporate Governance, the Board has revised and set out a Threshold for determining an 'Executive' in respect of trading of Company's shares. The person whose annual basic salary exceeds Rupees 2.3 million during the year commencing from October 01, 2016 and onwards as deemed necessary, is treated as executive.

Related Party Transactions

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

i) Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Director		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees '000)							
Meeting fee - Director	--	--	120	85	--	--	120	85
Managerial remuneration	5,383	5,262	2,163	1,867	5,999	7,048	13,545	14,177
Allowances & others benefits	3,074	3,047	827	827	5,882	4,004	9,783	7,878
	8,457	8,309	2,990	2,694	11,881	11,052	23,328	22,055
Number of persons	1	1	1	1	3	3	5	5

The Chief Executive and Executives as stated above are provided with the Company maintained cars and telephone facilities. All non-executive directors except one director waived their directors' fee, which was approved in the Board of Directors meeting.

ii) Other Transactions

The Company in the normal course of business carried out transactions with Key Management Personnel (KMP) / related parties as detailed below. The transactions reflect economic substance and are executed in the normal course of business.

Relationship with Company	Nature of Transaction	2017 (Rupees in '000)	2016
KMP and their relatives	Purchase of sugarcane	51,996	39,857
KMP and their relatives	Advances disbursed against cane supplies	26,535	22,914

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

Materiality Approach

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

Human Resource Management & Succession Planning

The Company is committed to build the better organizational culture that is shaped by empowered employees who demonstrate a deep belief in the Company's Vision and Values. H.R. Management Policy is integral part of the Company's business strategy. The Company fosters leadership, individual accountability and team work. The Company believes in pro-active approach towards Succession Planning. The Company recruits employees, develops their knowledge, skills, abilities and prepares them for advancement and promotion into more challenging roles. Succession Planning ensures that employees are constantly developed to fill each needed role. The Company looks for people who exemplify continuous improvement when it is spotting Successors for future.

Conflict of Interest

The management of Company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid, identify the existence and to disclose the existence of conflict of interest. The primary goal of Company is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. The Company has set the procedures to manage and monitor the conflict of interest.

Impact of Company's business on Environment

It is the responsibility of the Company to make the environment healthy and clean. Therefore, the Company has made serious efforts and installed equipment to reduce the pollution and making a good impact of Company's business on Environment. The Company has installed collection units to retrieve oil / grease e.t.c. from the waste water and ash collectors are also installed at the chimneys to absorb the ash. Further, the feasibility of Effluent treatment plant and consideration of other environmental factors are in process and will be finalized.

Investor Grievance and Complaints

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

Sustainability and Corporate Social Responsibility

Report of Sustainability and Corporate Social Responsibility is annexed

Risk Management & Strategy

The Company's overall risk management program focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control, and to monitor risks and adherence to limits. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company considers the following material risk:

i) Operational Risk

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

ii) Market Risk

The Company is not materially exposed to the prices of raw material due to the fixation of prices by the Government. Strategies has been planned and implemented to overcome the huge cost of raw material. Further, the Company is exposed to the risk of exchange rate fluctuation as at the year-end due to the import of machinery. As per the sensitivity analysis made as at the year end, the result of changes in exchange rate is not material. The management has planned to use of financial instruments in future.

iii) Credit Risk

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. The Company manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits and / or by providing adequate allowance for doubtful debts. Where considered necessary, advance payments are obtained from certain parties or by obtain advance payments from counter parties. The Company believes that it is not exposed to major concentration of credit risk.

iv) Liquidity Risk

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

Contribution to National Exchequer

The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates and duties. The Company contributed to National Exchequer in the form income taxes, sales tax and other levies amounting to Rs. 314,404 thousand during the year as compared to Rs. 222,234 thousand during the last year.

Future Prospects

Crushing season 2017-18 is started little bit late as compared to our previous practice. The expected increase in availability of sugarcane and in turn production of sugar may results in surplus stock at the end of season. The approval of export by Economic Coordination Committee and announcement of subsidy by the Federal Government and the Provincial Government may offset the impact of surplus sugar stock in the country. However the Company feels that the announced minimum sugarcane support price at Rs. 182 per 40 kilogram of cane may leads to high production cost. Considering the prevailing low selling price of sugar, your management is expecting another difficult year for your Company as well as for sugar industry.

As reported earlier, the capacity expansion work is in progress and your management is working hard to make the trial run during the current season 2017-18.

Dividend

Due to the circumstances already discussed, the Board of Directors of the Company in its meeting does not recommend any dividend for the year ended September 30, 2017.

Appropriation

Final Dividend for the year ended September 30, 2016 Paisa Sixty only (Rs. 0.60) per share i.e 6 % declared by Board of Directors and subsequently approved during the year in Annual General Meeting. An amount of Rs. 7,168 thousand was appropriated during the year against the dividend paid to shareholders of the Company. The appropriation is disclosed in the statement of Changes in Equity.

Re-constituted Board of Directors After Election

The Shareholders of the Company in the Extra Ordinary General Meeting of the Company held on October 31, 2017 elected the Seven Directors for the tenure of three years commencing from November 04, 2017, namely (1) Mr. Ghulam Dastagir Rajar (2) Haji Khuda Bux Rajar (3) Mr. Mohammad Aslam (4) Mr. Ghulam Hyder (5) Mr. Rahim Bux (6) Mr. Qazi Shamsuddin and (7) Mr. Shahid Aziz (Representing N.I.T).

The Board in this meeting re-elected Mr. Ghulam Dastagir Rajar as the Chairman of the Board. The Board also re-appointed Haji Khuda Bux Rajar as the Chief Executive of the Company and re-appointed Mr. Ghulam Hyder as Working Director for next three years effective from November 04, 2017 as authorized by the Articles of Association of the Company on the remuneration, terms and conditions, as approved by the Board. Accordingly, the re-constituted Board of Directors from November 04, 2017 has the following composition:

Names of Directors	Status	Category
1) Mr. Ghulam Dastagir Rajar	Chairman	Non-Executive Director
2) Haji Khuda Bux Rajar	Chief Executive	Executive Director
3) Mr. Ghulam Hyder	Director	Executive Director
4) Mr. Rahim Bux	Director	Independent Director
5) Mr. Mohammad Aslam	Director	Non-Executive Director
6) Mr. Qazi Shamsuddin	Director	Non-Executive Director
7) Mr. Shahid Aziz	Director (N.I.T)	Non-Executive Director

Re-constituted Audit Committee

The Board after election of Directors has re-constituted the Audit Committee effective from November 04, 2017 for the tenure of three years in order to comply with the provisions of the Code of Corporate Governance. Accordingly, the Board appointed three members of the Audit Committee having the following composition:-

Name of Members	Status	Category
1) Mr. Rahim Bux	Chairman	Independent Director
2) Mr. Muhammad Aslam	Member	Non-Executive Director
3) Mr. Shahid Aziz	Member	Non-Executive Director having financial skill & experience

Re-constituted Human Resource & Remuneration Committee

The Board after election of Directors has reconstituted the Human Resource & Remuneration (H.R. & R.) Committee effective from November 04, 2017 for the tenure of three years in order to comply with the provisions of the Code of Corporate Governance. Accordingly, the Board appointed three members of the H.R. & R. Committee having the following composition:-

Name of Members	Status	Category
1) Mr. Rahim Bux	Chairman	Independent Director
2) Mr. Muhammad Aslam	Member	Non-Executive Director
3) Mr. Shahid Aziz	Member	Non-Executive Director

Re-constituted Information Technology & Steering Committee

The Board after election of Directors has re-constituted the Information Technology & Steering (IT & S) Committee effective from November 04, 2017 for the tenure of three years in order to comply with the provisions of the Code of Corporate Governance. Accordingly, the Board appointed three members of the IT & S Committee having the following composition:-

Name of Members	Status	Category
1) Mr. Ghulam Hyder	Chairman	Executive Director
2) Syed Rehan Ahmad Hashmi	Member	Chief Financial Officer
3) Mr. Muhammad Ahmad	Member	Manager Management Information System

Re-constituted Corporate Social Responsibility Committee

The Board after election of Directors has re-constituted the Corporate Social Responsibility (CSR) Committee effective from November 04, 2017 for the tenure of three years in order to comply with the provisions of the Code of Corporate Governance. Accordingly, the Board appointed four members of the CSR Committee having the following composition:-

Name of Members	Status	Category
1) Mr. Rahim Bux	Chairman	Independent Director
2) Mr. Muhammad Aslam	Member	Non-Executive Director
3) Mr. Shahid Aziz	Member	Non-Executive Director
4) Syed Rehan Ahmad Hashmi	Member	Chief Financial Officer Representing Management

Constitution of Risk Management (RM) Committee

The Board after election of Directors has constituted the Risk Management (RM) Committee effective from November 04, 2017 for the tenure of three years in order to comply with the provisions of the Code of Corporate Governance. Accordingly, the Board appointed three members of the RM Committee having the following composition:-

Name of Members	Status	Category
1) Mr. Muhammad Aslam	Chairman	Non-Executive Director
2) Mr. Shahid Aziz	Member	Non-Executive Director
3) Mr. Ghulam Hyder	Member	Executive Director

Auditors

The present Auditors M/s. Kreston Hyder Bhimji & Co. Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2018.

Acknowledgement

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

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

For and on behalf of the Board of Directors

Ghulam Dastagir Rajar
Chairman

Haji Khuda Bux Rajar
Chief Executive Officer

Karachi: December 30, 2017

رسک مینجمنٹ کمیٹی کی تشکیل

بورڈ نے ڈائریکٹروں کے انتخابات کے بعد کارپوریٹ گورننس کے قواعد کے تحت آئندہ تین برس کیلئے رسک مینجمنٹ کمیٹی کی تشکیل بھی کر دی ہے جس کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ لہذا اب بورڈ کی جانب سے تعینات کی جانے والی تین رکنی رسک مینجمنٹ کمیٹی کی تشکیل درج ذیل ہوگی:

نمبر شمار	ممبران کے نام	عہدہ	قسم
1	جناب محمد اسلم	چیرمین	غیر انتظامی ڈائریکٹر
2	جناب شاہد عزیز	ممبر	غیر انتظامی ڈائریکٹر
3	جناب غلام حیدر	ممبر	انتظامی ڈائریکٹر

آڈیٹرز

موجودہ آڈیٹرز میسرز کریمسن حیدر بھیجی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئندہ منعقد کئے جانے والے سالانہ عام اجلاس تک ریٹائر ہونے جا رہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات پیش کرنے کی خواہش ظاہر کی ہے۔ کارپوریٹ گورننس کے قواعد کے تحت، آڈٹ کمیٹی کی جانب سے سفارش کے بعد بورڈ آف ڈائریکٹرز نے بھی اکی دوبارہ تعیناتی کی سفارش کر دی ہے کہ انہیں مالی سال 30 ستمبر 2018 کیلئے بطور کمپنی آڈیٹرز تعینات کر لیا جائے۔

اظہار تشکر

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

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

منجانب بورڈ

حاجی خدا بخش راجڑ

چیف ایگزیکٹو آفیسر

غلام دستگیر راجڑ

چیرمین

کراچی: 30 دسمبر 2017

انسانی وسائل اور ادائیگیوں کی کمیٹی بعد از تشکیل نو

بورڈ نے ڈائریکٹروں کے انتخابات کے بعد کارپوریٹ گورننس کے قواعد کے تحت آئندہ تین برس کیلئے انسانی وسائل و ادائیگیوں کی کمیٹی کی بھی تشکیل نو کر دی ہے جس کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ لہذا اب بورڈ کی جانب سے تعینات کی جانے والی تین رکنی انسانی وسائل و ادائیگیوں کی کمیٹی کی تشکیل درج ذیل ہوگی:

نمبر شمار	ممبران کے نام	عہدہ	قسم
1	جناب رحیم بخش	چیرمین	آزاد ڈائریکٹر
2	جناب محمد اسلم	ممبر	غیر انتظامی ڈائریکٹر
3	جناب شاہد عزیز	ممبر	غیر انتظامی ڈائریکٹر

انفارمیشن ٹیکنالوجی و اسٹیرنگ کمیٹی بعد از تشکیل نو

بورڈ نے ڈائریکٹروں کے انتخابات کے بعد کارپوریٹ گورننس کے قواعد کے تحت آئندہ تین برس کیلئے انفارمیشن ٹیکنالوجی و اسٹیرنگ کمیٹی کی بھی تشکیل نو کر دی ہے جس کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ لہذا اب بورڈ کی جانب سے تعینات کی جانے والی تین رکنی انفارمیشن ٹیکنالوجی و اسٹیرنگ کمیٹی کی تشکیل درج ذیل ہوگی:

نمبر شمار	ممبران کے نام	عہدہ	قسم
1	جناب غلام حیدر	چیرمین	ایگزیکٹو ڈائریکٹر
2	سید رحمان احمد ہاشمی	ممبر	چیف فنانشل آفیسر
3	جناب محمد احمد	ممبر	مینیجر مینجمنٹ انفارمیشن سسٹم

کارپوریٹ معاشرتی ذمہ داری کمیٹی بعد از تشکیل نو

بورڈ نے ڈائریکٹروں کے انتخابات کے بعد کارپوریٹ گورننس کے قواعد کے تحت آئندہ تین برس کیلئے کارپوریٹ معاشرتی ذمہ داری کمیٹی کی بھی تشکیل نو کر دی ہے جس کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ لہذا اب بورڈ کی جانب سے تعینات کی جانے والی چار رکنی کارپوریٹ معاشرتی ذمہ داری کمیٹی کی تشکیل درج ذیل ہوگی:

نمبر شمار	ممبران کے نام	عہدہ	قسم
1	جناب رحیم بخش	چیرمین	آزاد ڈائریکٹر
2	جناب محمد اسلم	ممبر	غیر انتظامی ڈائریکٹر
3	جناب شاہد عزیز	ممبر	غیر انتظامی ڈائریکٹر
4	سید رحمان احمد ہاشمی	ممبر	چیف فنانشل آفیسر - نمائندہ از انتظامیہ

انتخابات کے بعد بورڈ کی تنظیم نو

کمپنی کے حصص داران نے غیر معمولی عام اجلاس مورخہ 31 اکتوبر 2017 کے دوران آئندہ تین سال کیلئے سات ڈائریکٹروں کا انتخاب کیا جس کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ منتخب شدہ ڈائریکٹروں میں (1) جناب غلام دنگیر راجڑ (2) حاجی خدا بخش راجڑ (3) جناب محمد اسلم (4) جناب غلام حیدر (5) جناب رحیم بخش (6) جناب قاضی شمس الدین اور (7) جناب شاہد عزیز (نمائندہ برائے این آئی ٹی) شامل ہیں۔

بورڈ نے اپنے اجلاس کے دوران جناب غلام دنگیر راجڑ کو ایک مرتبہ پھر بطور چئیر مین بورڈ منتخب کر لیا ہے۔ بورڈ نے اپنے اجلاس کے دوران جناب حاجی خدا بخش راجڑ کو بھی ایک مرتبہ پھر کمپنی کے چیف ایگزیکٹو کے بطور منتخب کر لیا ہے۔ اسی طرح جناب غلام حیدر کو بطور ورکنگ ڈائریکٹر منتخب کیا گیا ہے۔ یہ تمام انتخابات آئندہ تین برس کیلئے ہیں جن کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ ان تمام تعیناتیوں کو کمپنی کے آرٹیکلز آف ایسوسی ایشن کے تحت عمل میں لایا گیا ہے اور اس سلسلے میں بورڈ کی باقاعدہ منظوری کے ساتھ مشاہرے اور دیگر شرائط کو بھی طے کیا جا چکا ہے۔ لہذا اب انتخابات کے بعد بورڈ کی تشکیل نو درج ذیل ہوگی:

نمبر شمار	ڈائریکٹروں کے نام	عہدہ	قسم
1	جناب غلام دنگیر راجڑ	چئیر مین	غیر انتظامی ڈائریکٹر
2	حاجی خدا بخش راجڑ	چیف ایگزیکٹو	انتظامی ڈائریکٹر
3	جناب غلام حیدر	ڈائریکٹر	انتظامی ڈائریکٹر
4	جناب رحیم بخش	ڈائریکٹر	آزاد ڈائریکٹر
5	جناب محمد اسلم	ڈائریکٹر	غیر انتظامی ڈائریکٹر
6	جناب قاضی شمس الدین	ڈائریکٹر	غیر انتظامی ڈائریکٹر
7	جناب شاہد عزیز	ڈائریکٹر (این آئی ٹی)	غیر انتظامی ڈائریکٹر

آڈٹ کمیٹی بعد از تشکیل نو

بورڈ نے ڈائریکٹروں کے انتخابات کے بعد کارپوریٹ گورننس کے قواعد کے تحت آئندہ تین برس کیلئے آڈٹ کمیٹی کی بھی تشکیل نو کر دی ہے جس کی مدت 04 نومبر 2017 سے شروع ہو چکی ہے۔ لہذا اب بورڈ کی جانب سے تعینات کی جانے والی تین رکنی آڈٹ کمیٹی کی تشکیل درج ذیل ہوگی:

نمبر شمار	ممبران کے نام	عہدہ	قسم
1	جناب رحیم بخش	چئیر مین	آزاد ڈائریکٹر
2	جناب محمد اسلم	ممبر	غیر انتظامی ڈائریکٹر
3	جناب شاہد عزیز	ممبر	غیر انتظامی ڈائریکٹر جو کہ مالیاتی معاملات میں مہارت اور تجربے کے حامل ہیں۔

4۔ لیکو ڈیٹا رسک

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

قومی خزانے میں کمپنی کا حصہ

وطن عزیز کی ترقی میں اپنا حصہ ملانے کیلئے کمپنی کی جانب سے قومی خزانے میں ٹیکسوں، ریٹس اور ڈیوٹیز کی مددات میں رقوم جمع کرائی جاتی ہیں۔ زیر نظر مالی سال کے دوران کمپنی کی جانب سے ٹیکسوں، سیلز ٹیکس اور دیگر لیویز کی مدد میں 314,404 ہزار روپے قومی خزانے میں جمع کروائے گئے جبکہ گزشتہ سال اسی عرصے کے دوران انہی مددات میں کمپنی کی جانب سے 222,234 ہزار روپے قومی خزانے میں جمع کروائے گئے تھے۔

مستقبل کا جائزہ

اپنے معمول کے برخلاف، مالی سال 2017-18 کیلئے پائی کا آغاز کچھ تاخیر کے ساتھ کیا گیا۔ امید کی جاتی ہے کہ رواں سیزن کے دوران بھی خام مال کی پیداوار اور دستیابی میں خاطر خواہ اضافہ ہوگا اس کے نتیجے میں چینی کی پیداوار بھی وافر مقدار میں ہوگی اور سیزن کے آخر تک ملوں میں چینی کا اسٹاک طلب سے زائد ہوگا۔ اکنامک کوآرڈینیشن کمیٹی کی جانب سے اضافی چینی کے اسٹاک کو برآمد کئے جانے کی منظوری اور اس سلسلے میں وفاقی اور صوبائی حکومتوں کی جانب سے امدادی قیمتوں کے اعلان سے ملک میں طلب سے زائد چینی کے اسٹاک کے مسئلے سے نمٹنے میں مدد مل سکتی ہے۔ البتہ کمپنی سمجھتی ہے کہ حکومت کی جانب سے کاٹھنکاروں کو سہارا دینے کیلئے گئے فی من قیمت 182 روپے مقرر کئے جانے کی وجہ سے کمپنی کی پیداواری لاگت بڑھے گی۔ موجودہ چینی کے قیمت میں مندی کے رجحان کو دیکھتے ہوئے آپ کی انتظامیہ، آپ کی کمپنی کے ساتھ ساتھ چینی کی صنعت کے لئے ایک اور مشکل سال توقع کر رہی ہے۔

جیسا کہ پہلے یہ ذکر کیا جا چکا ہے کہ کمپنی کی جانب سے پیداوار میں توسیع کا منصوبہ زیر تکمیل ہے اور انتظامیہ کی بھرپور کوشش ہے کہ رواں سیزن یعنی مالی سال 2017-18 کے دوران ہی آزمائشی پیداوار کا آغاز بھی کر دیا جائے۔

تقسیم منافع (ڈیویڈنڈ)

جیسا کہ حالات کا پہلے ہی ذکر کیا جا چکا ہے، بورڈ آف ڈائریکٹرز کی جانب سے مالی سال 30 ستمبر 2017 کیلئے کسی بھی منافع کی تقسیم کی سفارش نہیں کی گئی۔

تخصیص

بورڈ آف ڈائریکٹرز کی جانب سے برائے مالی سال 30 ستمبر 2016 ساٹھ پیسہ (0.60) فی حصص کی سفارش کی گئی تھی جو کہ چھ فیصد (6%) بنتا ہے اور اس سلسلے میں عام سالانہ اجلاس میں منظوری بھی حاصل کر لی گئی تھی۔ دوران سال منافع کی تقسیم کے سلسلے میں حصص داران کو دئے جانے کی غرض سے 7,168 ہزار روپے کی رقوم مختص کی گئیں۔ رپورٹ ہذا میں ایکویٹی میں ردوبدل کی دستاویز میں ان رقوم کی تخصیص کا ذکر کیا گیا ہے۔

استحکام اور کارپوریٹ معاشرتی ذمہ داری

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

رиск مینجمنٹ اور حکمت عملی

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

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

1- کاروباری افعال سے متعلق رиск

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

2- مارکیٹ رиск

کمپنی کو خام مال کی قیمت سے متعلق کسی خاطر خواہ رиск کا سامنا نہیں ہے کیونکہ خام مال یعنی گنے کی قیمت بذات خود حکومت کی جانب سے ہی، متعین کر دی جاتی ہے۔ البتہ خام مال کی بھاری قیمت کے اثرات سے نمٹنے کیلئے مناسب حکمت عملی کی منصوبہ بندی کرنے کے بعد ان پر عمل بھی شروع کر دیا گیا ہے۔ مزید برآں، کمپنی کو سال کے آخر میں مشینری درآمد کرنے کے سلسلے میں زرمبادلہ کی شرح میں پیدا ہونے والے اتار چڑھاؤ کے رиск سامنا رہتا ہے۔ البتہ تجزیہ حساسیت سے بات سامنے آئی ہے کہ شرح مبادلہ میں اتار چڑھاؤ سے پیدا ہونے والے رиск سے کمپنی زیادہ متاثر نہیں ہو سکتی۔ انتظامیہ کی جانب سے مستقبل کے خطرات سے نمٹنے کیلئے فنانشل انسٹرومنٹ مرتب کئے جائینگے۔

3- کریڈٹ رиск

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

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

مالی معاملات کی اہمیت کا تعین

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

انسانی وسائل کے بندوبست اور جانشینی سے متعلق منصوبہ بندی

کمپنی ایک بہتر تنظیمی کلچر پر یقین رکھتی ہے جہاں تمام ملازمین با اختیار ہوں اور کمپنی کے وژن اور اس کی اقدار سے گہرا لگاؤ رکھتے ہوں۔ انسانی وسائل کے بندوبست سے متعلق حکمت عملی کمپنی کی کاروباری حکمت عملی کا جزو لا ینفک ہے۔ کمپنی میں ایک ایسا کلچر موجود ہے جہاں لیڈرشپ کو پروان چڑھنے، خود اعتمادی کی سوچ پیدا کرنے اور اجتماعی کوششیں کرنے کا جذبہ پیدا ہوتا ہے۔ کمپنی جانشینی کے ضمن میں ایک قدم آگے بڑھ کر اقدامات کرنے پر یقین رکھتی ہے۔ کمپنی ملازمین کو اس نیت سے منتخب کرتی ہے کہ ان کی تربیت کی جائے، انکی مہارتوں میں اضافہ کیا جائے، آگے بڑھنے کیلئے ان میں قابلیت پیدا کی جائے اور انھیں پہلے سے زیادہ بڑے چیلنج والی ذمہ داریاں سونپی جائیں۔ جانشینی کی پالیسی اس بات کو یقینی بناتی ہے کہ ملازمین مسلسل اپنی صلاحیتوں میں اضافہ کرتے رہیں اور ضرورت پڑنے پر ہمہ وقت ہر مشکل کردار ادا کرنے کیلئے تیار رہیں۔ کمپنی ایسے افراد کی ہمہ وقت تلاش میں رہتی ہے جو خود کو مہارت سازی کے عمل میں پیش پیش رکھتے ہیں تاکہ انھیں مستقبل میں زیادہ اہم ذمہ داریاں سونپی جاسکیں۔

تنازعات

کمپنی میں تنازعات اور ممکنہ تنازعات سے نمٹنے کیلئے ایک حقیقی اور جامع پالیسی موجود ہے، نیز اس قسم کے اقدامات کئے جاتے ہیں کہ تنازعات کو پیدا ہونے سے روکا جاسکے، ممکنہ تنازعات کی نشاندہی کی جاسکے اور ان کی وجوہات کا تعین کیا جائے۔ کمپنی کی یہ پالیسی ہے کہ فیصلے اس انداز سے کئے جائیں اور ہوتے ہوئے نظر بھی آئیں کہ ان میں معقولیت کا عنصر واضح ہو اور ان میں کسی قسم کا تعصب ناپایا جاتا ہو تاکہ تنازعات سر ہی نا اٹھاسکیں۔ کمپنی کجیاب سے تنازعات کی مانیٹرنگ کیلئے ایک باقاعدہ نظام نافذ العمل ہے۔

ماحولیات پر کمپنی کے کاروبار کا اثر

کمپنی کی یہ ذمہ داری ہے کہ ماحول کو صحت افزاء اور صاف رکھے۔ لہذا کمپنی کی جانب سے ہر ممکن کوشش کی گئی ہے کہ ماحول کو صاف ستھرا رکھا جائے اور اس سلسلے میں اس قسم کی آلات نصب کئے گئے ہیں جن کی بدولت آلودگی کو کم کرنے میں مدد ملتی ہے تاکہ کمپنی کے کاروباری افعال سے ماحولیات متاثر نہ ہو۔ کمپنی کی جانب سے کلینشن یونٹس کا قیام عمل میں لایا گیا جو خارج شدہ پانی سے تیل یا گریس کو علیحدہ کرنے کا کام کرتے ہیں اور چمینیوں پر رکھ کر جمع کرنے کے ایسے آلات نصب کئے گئے ہیں جن کی وجہ سے آلودگی کا باعث نہیں بنتی۔ نیز فیصلے کیلئے ایک ٹرینٹ پلانٹ اور ماحولیاتی آلودگی کو کم کرنے کیلئے دیگر پروگرام بھی زیر غور ہیں جنھیں جلد حتمی شکل دے دی جائے گی۔

سرمایہ کاروں کی شکایات اور مسائل

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

ایگزیکٹیو کے تعین کا معیار

کارپوریٹ گورننس کی دفعہ xvi(i) کے تحت کمپنی کی جانب سے ایگزیکٹیو کے تعین کیلئے نظر ثانی کے بعد ایک معیار مقرر کر دیا گیا ہے تاکہ حصص کی خرید و فروخت سے متعلق کسی بھی ابہام کو رفع کیا جاسکے۔ ہر وہ شخص جس کی سالانہ بنیادی تنخواہ یکم اکتوبر 2016 سے 2.3 ملین سے تجاوز کر جائے اُس کو ایگزیکٹیو مانا جائے گا۔

متعلقہ پارٹیوں سے لین دین

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

1- چیف ایگزیکٹیو، ڈائریکٹروں اور ایگزیکٹیو کے مشاہرے

زیر نظر مالی سال کے دوران کمپنی کے چیف ایگزیکٹیو، ڈائریکٹروں اور ایگزیکٹیو کے مشاہرے بشمول تمام سہولیات کے ضمن میں اوسطاً درج ذیل رقوم کا حساب لگا یا گیا ہے:

کل میزان		ایگزیکٹیو		ڈائریکٹر		چیف ایگزیکٹیو	
2016	2017	2016	2017	2016	2017	2016	2017
روپے ہزاروں میں							
85	120	-	-	85	120	-	-
14,177	13,545	7,048	5,999	1,867	2,163	5,262	5,383
7,878	9,783	4,004	5,882	827	827	3,047	3,074
22,055	23,328	11,052	11,881	2,694	2,990	8,309	8,457
5	5	3	3	1	1	1	1

مینگ فیس - ڈائریکٹر

انتظامی ادائیگیاں

الائونس و دیگر فوائد

افراد کی تعداد

جیسا کہ ذکر کیا جا چکا ہے، چیف ایگزیکٹیو اور ایگزیکٹیو کو کمپنی کے خرچے پر گاڑی اور ٹیلی فون کی سہولیات مہیا کی جاتی ہیں۔ تمام غیر انتظامی ڈائریکٹروں نے اپنی ڈائریکٹرفیس چھوڑ دی ہے۔ بجز ایک ڈائریکٹر کے جس کی بورڈ آف ڈائریکٹرز سے باقاعدہ منظوری بھی حاصل کی گئی ہے۔

2- لین دین کے دیگر معاملات

کمپنی نے معمول کے کاروباری معاملات کے تحت اہم انتظامی اشخاص اور متعلقہ پارٹیوں سے لین دین کے درج ذیل معاملات کئے ہیں۔ ذیل میں پیش کئے جانے والے معاملات معاشی اہمیت کے حامل ہیں اور ان معاملات کو معمول کے کاروباری معاملات کے تحت کیا گیا۔

2016	2017	معاملات کی نوعیت	کمپنی سے تعلق
روپے ہزاروں میں			
39,857	51,996	گنے کی خریداری	اہم انتظامی شخصیات اور ان کے رشتہ دار
22,914	26,535	گنے کی خریداری کے ضمن میں دی گئی پیشگی رقوم	اہم انتظامی شخصیات اور ان کے رشتہ دار

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

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

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

انفارمیشن ٹیکنالوجی اور اسٹیرنگ کمیٹی کے ممبران کی اجلاسوں میں شرکت

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

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب غلام حیدر	چیرمین	2
2	سید رحمان احمد ہاشمی	ممبر	2
3	جناب محمد احمد	ممبر	2

کارپوریٹ معاشرتی ذمہ داری کے ممبران کی اجلاسوں میں شرکت

زیر نظر مالی سال کے دوران کارپوریٹ معاشرتی ذمہ داری کمیٹی کا کوئی اجلاس منعقد نہیں کیا گیا جس کی وجہ یہ ہے کہ بورڈ کی منظوری سے 28 جولائی 2017 کارپوریٹ معاشرتی ذمہ داری کی ایک کمیٹی تشکیل دی گئی۔

بورڈ کی کارکردگی کی جانچ

کارپوریٹ گورننس کے ضوابط کے تحت بورڈ کی منظوری سے ایک خود احتسابی کا نظام عمل میں لایا گیا ہے تاکہ بورڈ اپنی کارکردگی کا جائزہ لے سکے۔ اس نظام کے تحت بورڈ، اس کے ڈائریکٹروں اور بورڈ کی کمیٹیوں کا پیرا پیرا مباحثہ، اور سوالات جائزہ لیا جاتا ہے، ان مباحثہ اور سوالات کی توجہ بنیادی طور پر بورڈ کے دائرہ کار، مقاصد، افعال، ذمہ داریوں، کمپنی کی کارکردگی اور مانیٹرنگ کے نظام کی جانب ہوگی۔ بورڈ کے اجلاس میں ڈائریکٹروں کی جانب سے کی جانے والی تمام کوششوں کے ضمن میں اہم نکات پر بر لحاظ سے غور کیا جاتا ہے۔

ڈائریکٹروں کی تربیت

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

معقول اندرونی مالیاتی کنٹرول

ڈائریکٹروں کی جانب سے اس بات کی تصدیق کی جاتی ہے کہ بورڈ آف ڈائریکٹرز کی جانب سے کارپوریٹ گورننس کے ضوابط اور مالیاتی کنٹرول سے متعلق جامع پالیسیوں اور طریق کار کو مد نظر رکھتے ہوئے اندرونی مالیاتی کنٹرول سے متعلق اعلیٰ ترین معیارات کی منظوری دی جا چکی ہے اور اس وقت کمپنی میں اندرونی مالیاتی کنٹرول کا ایک جامع اور موثر نظام نافذ العمل ہے۔

- 8- کمپنی کے مالیاتی نتائج سے متعلق گزشتہ دس کی اہم معلومات کا خلاصہ رپورٹ ہذا کے ساتھ منسلک ہے۔
- 9- کمپنی کو کوئی قابل ذکر قانونی ادیلیگیاں نہیں کرنا پڑیں ماسوائے ان ادیلیگیوں کے جو کہ کاروبار میں معمول کا حصہ ہیں اور ماسوائے ان چند تنازعات کے جن کا ذکر مالیاتی و ستاویزات کے اندر متعلقہ نوٹس میں کیا جا چکا ہے۔
- 10- تمام مستقل اور اہلیت کے حامل ملازمین کیلئے کمپنی میں ایک غیر فنانڈ شدہ گریجویٹ اسکیم جاری ہے۔ تحفے کی بنیاد پر ہر سال ذمہ داریوں سے ہر د آرمہو نے کی غرض سے پروویڈن فراہم کیا جاتا ہے جس سے متعلق تمام تر معلومات کو رپورٹ ہذا کے نوٹس میں بیان کیا جا چکا ہے۔
- 11- کمپنی کی بابت ترتیب حصص داری کی جدول کو بھی رپورٹ ہذا کے ساتھ منسلک ہے۔
- 12- ہمارے بہترین معلومات کے مطابق کمپنی کے ڈائریکٹروں، چیف ایگزیکٹو اور ان کے ازواج اور نابالغ بچوں کی جانب سے دوران سال کمپنی کے حصص میں کسی قسم کی کوئی لین دین نہیں کیا گیا ہے۔
- 13- کارپوریٹ گورننس کے اصولوں کی پاسداری سے متعلق ایک بیان بھی رپورٹ ہذا کے ساتھ منسلک ہے۔

بورڈ کے اجلاسوں میں بورڈ آف ڈائریکٹرز کی حاضری

زیر نظر مالی سال کے دوران بورڈ کے پانچ اجلاس منعقد کئے گئے۔ ان اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹروں کو درخواست پر رخصت دے دی گئی تھی۔ تمام ڈائریکٹروں کی فرد افراد حاضری ذیل میں پیش کی جارہی ہے:

نمبر شمار	ڈائریکٹروں کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب غلام دستگیر	چیرمین	4
2	حاجی خدا بخش راجر	چیف ایگزیکٹو	5
3	جناب محمد اسلم	ڈائریکٹر	5
4	جناب رحیم بخش	ڈائریکٹر	5
5	جناب غلام حیدر	ڈائریکٹر	5
6	جناب قاضی شمس الدین	ڈائریکٹر	3
7	جناب شاہد عزیز	ڈائریکٹر (این آئی ٹی)	5

آڈٹ کمیٹی کے ممبران کی اجلاسوں میں حاضری

زیر نظر مالی سال کے دوران کمیٹی کے پانچ اجلاس منعقد ہوئے۔ تمام ممبران کی فرد افراد حاضری ذیل میں پیش کی جارہی ہے:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری
1	جناب رحیم بخش	چیرمین	5
2	جناب شاہد عزیز	ممبر	5
3	جناب محمد اسلم	ممبر	5

مالیاتی نتائج

کمپنی کے اہم ترین مالیاتی نتائج بابت مالی سال 30 ستمبر 2017 کا خلاصہ بعد تقابلی جائزہ گزشتہ مالی سال ذیل میں پیش کیا جا رہا ہے:

2016	2017	
روپے ہزاروں میں		
11,060	(259,678)	(نقصان) / منافع قبل از ٹیکس
(2,893)	(27,426)	ٹیکس
13,953	(287,104)	(نقصان) / منافع بعد از ٹیکس
1.17	(24.03)	(نقصان) / نفع فی حصص بنیادی و تحلیل

مالیات نتائج کا جائزہ

زیر نظر سال کے دوران گزشتہ مالی سال کے مقابلے میں پیداوار میں تقریباً 10.44% کا اضافہ ہوا اور فروخت کی جانے والی مقدار میں 13.33% کی کمی واقع ہوئی اور اس طرح کمپنی کے پاس اگلے سال کیلئے بھی فاضل اسٹاک بچ چکا ہے۔

دوسری جانب گنے کی قیمت میں اضافے کے باعث چینی کی پیداواری لاگت میں بھی اضافہ ہوا۔ گوکہ گزشتہ سال کے مقابلے میں اس سال گنے کی پسائی 10.93% زائد رہی لیکن پیداواری لاگت میں گزشتہ مالی سال کے مقابلے میں اس سال 16.12% کا اضافہ ہوا۔ پیداوار میں اضافے اور راب اور پھوک کی فروخت بلکہ بجلی فروخت سے بھی پیداواری لاگت میں کمپنی کو کوئی خاطر خواہ سہارا نہ مل سکا۔

مقامی اور عالمی منڈی میں چینی کی قیمت میں مندی کے رجحان کی وجہ سے آپکی کمپنی بلکہ صوبہ سندھ کی دیگر ملوں کے مالیاتی نتائج منفی رہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فرم ورک سے متعلق بیان

کارپوریٹ گورننس کی تعمیل کے مطابق بورڈ آف ڈائریکٹرز اس بات کی تصدیق کرتے ہیں کہ:

- 1۔ منجمنت کی جانب سے تیار شدہ مالیاتی دستاویزات کمپنی کے تمام امور، آپریشنز کے نتائج، ترسیل نقد رقوم اور حصص میں رد و بدل سے متعلق معاملات کی صحیح تصحیح ترجمانی کرتی ہیں۔
- 2۔ کمپنی کی جانب سے متعلقہ ریکارڈ کو باقاعدہ قواعد کے مطابق کھاتوں میں درج کیا گیا ہے۔
- 3۔ تمام تر مالیاتی دستاویزات کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پر عمل کیا گیا ہے، نیز تمام تر مالیاتی تخمینے معقول اور قرین قیاس ہیں۔
- 4۔ مالیاتی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مستعمل بین الاقوامی محاسبی معیارات کی مکمل پاسداری کی گئی ہے اور اس سلسلے میں کسی قسم کی کوئی روگردانی نہیں کی گئی۔
- 5۔ اندرونی طور پر کنٹرول کا نظام انتہائی منظم اور جامع ہے اور اسے مؤثر انداز سے نافذ کیا گیا ہے اور اس پر مکمل نظر رکھی جاتی ہے۔
- 6۔ ایسی کوئی وجہ نظر نہیں آتی جس کی بنیاد پر کمپنی کو ختم کرنے سے متعلق کوئی سوال پیدا ہوتا ہو کہ کمپنی اپنا وجود برقرار رکھ پائے۔
- 7۔ پاکستان اسٹاک ایکسچینج کے لسٹنگ قواعد میں مقرر کارپوریٹ گورننس کی بہترین پالیسیوں سے کوئی ایسا انحراف نہیں کیا گیا جو کہ قابل غور ہو۔

حکومت کی جانب سے اس تمام صورتحال کے باوجود سیلز ٹیکس ایک متعین قیمت کی بنیاد پر ہی لیا جاتا ہے یعنی 60 روپے فی کلو، ٹیکس کی شرح رجسٹرڈ شدہ خریداروں کیلئے 8% جبکہ غیر رجسٹرڈ شدہ خریداروں کیلئے 10% مقرر کی گئی ہے۔

معلومات بات کمپنی

بنیادی افعال کار

بنیادی طور پر کمپنی چینی بنانے اور اسے فروخت کرنے کے کاروبار سے منسلک ہے اور، چینی کی ذیلی مصنوعات کے فروخت میں گنے کا پھوک اور راب شامل ہیں۔ کمپنی کی جانب سے گنے کے پھوک کو جلا کر بجلی پیدا کرنے کا ایک پلانٹ بھی نصب کیا گیا ہے تاکہ اس پلانٹ سے بجلی پیدا کرنے کے بعد فاضل بجلی کو قومی گرڈ میں شامل کیا جاسکے۔

کاروباری نتائج

کمپنی کے کاروباری افعال سے متعلق نتائج بابت مالی سال 30 ستمبر 2017 کا خلاصہ بعد تقابلی جائزہ بابت گزشتہ مالی سال ذیل میں پیش کیا جا رہا ہے:

2015 - 2016	2016 - 2017	
05-11-2015	04-11-2016	آغاز برائے سیزن
29-02-2016	16-03-2017	اختتام برائے سیزن
117	133	گنے کی پسائی کا دورانیہ - دنوں میں
563,617	625,237	گنے کی پسائی کی مقدار - میٹرک ٹن میں
57,387.5	63,380	چینی کی پیداوار - میٹرک ٹن میں
10.20	10.12	سکروز کی ریکوری - فیصد میں

کاروباری افعال کا جائزہ

ہماری کمپنی کی جانب سے پسائی کا آغاز کم و بیش اسی تاریخ کو کیا گیا جیسا کہ گزشتہ سال کیا گیا تھا۔ کمپنی کی جانب سے پسائی کا عمل 133 دنوں تک جاری رہا اور پسائی کے اس عمل کے تحت اوسطاً 4,701 میٹرک ٹن گنا پومیہ پیسا گیا جبکہ گزشتہ سال اسی عرصے کے دوران 4,817 میٹرک ٹن گنا پومیہ پیسا گیا تھا، گنے کی پسائی میں آنے والے اس فرق کی اصل وجہ چند دنوں کیلئے پسائی کے عمل میں پیدا ہونے والا تعطل تھا۔ جزوی طور پر ایک اس وجہ اور چند دیگر وجوہات کی بناء پر گزشتہ سال اسی عرصے کے مقابلے میں امسال ریکوری کی شرح میں کچھ کمی واقع ہوئی ہے۔

حکومت سندھ کی جانب سے فی من گنے کی قیمت 182 روپے برائے مالی سال 2016-17 مقرر کی گئی تھی۔ غیر ضروری مسابقت اور پیداواری لاگت کو کم از کم سطح پر لانے کی خواہش نے قیمتوں کی ایک جنگ کا ماحول پیدا کر دیا جس کی وجہ سے چینی کی پیداواری لاگت میں بھی مجموعی طور پر اضافہ ہو گیا۔

ڈائریکٹروں کی رپورٹ

آپ کی کمپنی کے ڈائریکٹر انتہائی مسرت کے ساتھ کمپنی کی تیسویں سالانہ رپورٹ ہمہ آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 ستمبر 2017 آپ کی خدمت میں پیش کر رہے ہیں۔

صنعت کے احوال

صنعتی جائزہ

گزشتہ چند سالوں کے مقابلے میں مالی سال 2016-17 کے دوران پاکستان کی معیشت میں خام قومی پیداوار میں اضافے کی بلند ترین سطح ریکارڈ کی گئی ہے۔ مالی سال 2016-17 کے دوران خام قومی پیداوار 5.28% رہی جبکہ مالی سال 2015-16 کے دوران خام قومی پیداوار 4.51% ریکارڈ کی گئی تھی۔

حکومت کی جانب سے فصل کی پیداوار پر کاشتکاروں کو دیئے جانے والے نرخ مقرر کئے گئے تھے جس کا مقصد کاشتکاروں کو عالمی منڈی میں چینی کی قیمت میں مندی کے اثرات سے محفوظ رکھنا تھا۔ حکومت سندھ اور حکومت پنجاب کی جانب سے اس سلسلے میں مقرر کئے جانے والے نرخ بالترتیب 182 اور 180 روپے فی من تھے جس کی وجہ سے مقامی سطح پر چینی کی قیمت عالمی سطح پر پائی جانے والی چینی کی اوہ طاقت سے بھی زیادہ ہو گئی۔

گزشتہ سالوں کے دوران چینی کے جمع شدہ اشاک سے نمٹنے کا مسئلہ اپنی جگہ جوں کا توں موجود رہا۔ اس کی وجہ بالخصوص یہ رہی کہ حکومت کی جانب سے فی من گنے کی قیمت مقرر کئے جانے کے بعد کاشتکاروں کو اس جانب رغبت ہوئی اور ان کی جانب سے گنے کی پیداوار مقامی طلب سے بھی زیادہ کر دی گئی۔ گوکہ حکومت کی جانب سے چینی کے فاضل اشاک کو برآمد کرنے کی منظوری کے ساتھ برآمد کنندگان کو امدادی قیمت بھی دی گئی لیکن چینی کی مقامی قیمت اور عالمی منڈی میں چینی کی قیمتوں میں پایا جانے والا فرق اتنا بڑا تھا کہ اس اضافی قیمت کی بنیاد پر چینی کی برآمدات کو خاطر خواہ سہارا نابل سکا۔

دوران مالی سال 2016-17 ہمارے ملک میں گنے کی پیداوار 73.6 ملین ٹن کی ریکارڈ حد تک جا پہنچی جبکہ گزشتہ مالی سال یعنی 2015-16 کے دوران گنے کی یہی پیداوار 67.5 ملین ٹن تھی جس کا مطلب یہ ہوا کہ اس سال گنے کی پیداوار میں 12.4% کا اضافہ ریکارڈ کیا گیا ہے۔ اس سال گنے کی پیداوار میں ناصرف پیداوار کے لحاظ سے ہوش ربا اضافہ ہوا بلکہ رقبے کے لحاظ سے بھی گنا بہت زیادہ کاشت کیا گیا، گنے کی کاشت کیلئے اس سال 1,217,000 ہیکٹر اراضی کو استعمال کیا گیا جبکہ گزشتہ مالی سال یعنی 2015-16 کے دوران گنے کی زیر کاشت اراضی کا رقبہ 1,131,000 ہیکٹر تھا، اس طرح گنے کی زیر کاشت اراضی میں اس سال 7.6% کا اضافہ ریکارڈ کیا گیا۔ گنے کی پیداوار اس سال زرعی پیداوار کا 3.4% رہی جبکہ خام قومی آمدن میں گنے کی پیداوار کا کل حصہ 0.7% ریکارڈ کیا گیا ہے۔ مجموعی طور پر پورے ملک میں چینی کی پیداوار 7.049 ملین ٹن رہی جبکہ گزشتہ مالی سال کے دوران چینی کی پیداوار 5.11 ملین ٹن تھی۔ یہ بات حوصلہ افزا تھی کہ چینی کی پیداوار میں اس اضافے کا سہرا گنے کی فصل کی بہتر پیداوار کو جاتا ہے۔ مزید برآں، گنے کی مارکیٹ میں قیمت کاشتکاروں کے حق میں رہی جس کی وجہ سے اس سال کاشتکاروں کے منافع میں اضافہ ہوا۔

چینی کی پیداوار میں اضافے کی بنیادی وجہ یہی تھی کہ چینی کی پیداوار کیلئے وافر مقدار میں بطور خام مال گنا دستیاب رہا جس کی وجہ ملک میں چینی کا اشاک طلب سے زائد رہا جس کا لازماً نتیجہ یہ نکلا کہ ملک میں طلب سے زائد چینی موجود ہونے کی وجہ سے چینی کے نرخ مندی کا شکار رہے اور اس امید کے برخلاف مقامی مارکیٹ میں چینی کے نرخ میں اضافہ ہوگا، چینی کی ملیں پہلے سے موجود اشاک کو مارکیٹ میں نالا سکے۔ دوسری جانب عالمی منڈی میں بھی چینی کے نرخ مندی کا شکار تھے جس کی وجہ چینی کو برآمد کئے جانے سے حاصل ہونے والے فوائد بھی معدوم رہے۔

Report on Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of Sanghar Sugar Mills' Vision, Mission and Code of Conduct. The Sanghar Sugar Mills Limited (the Company) acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generations to come. Sustainability Policy is considered to be essential for continuing of the business. The Company considers itself accountable to its stakeholders and informs them about the initiative and measures taken to ensure sustainability and has identified the dimensions of performing social responsibilities which contributing to economy, environment, health, education and society.

The Company has taken various steps that demonstrate its resolve towards the community at large. During the year the Board of Directors has approved the Policy of Corporate Social Responsibility and formed a separate committee to oversight the activities of CSR and report to the Board on quarterly and annual basis. There are four members of the CSR Committee, three of them are from non-executive directors and one member from the management. Following are the members of the CSR Committee:

Name of Members	Status
1. Mr. Rahim Bux	Chairman
2. Mr. Muhammad Aslam	Member
3. Mr. Shahid Aziz	Member
4. Syed Rehan Ahmad Hashmi	Member - Representing Management

Responsibilities

The Board of the Directors has assigned responsibilities to the committee and some core responsibilities are as follows:

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

- o CSR Commitment Statement to be placed and agreed in each meeting of the Committee with respect to CSR definition, business value of CSR, vision and commitment (resources, time, personnel).
- o To determine the priority areas wherein the CSR projects are currently being managed (ongoing projects) and are planned to be initiated (upcoming projects).
- o To allocate resources and earmark specific resources (quantifiable), specific criteria, or a proportion of amount for selected CSR activities. The method of allocation of resources or identified criteria must be predetermined and endorsed by the Committee / Board.
- o Hold orientation sessions for the Committee members and the Board to ensure that the members and the Board have adequate understanding and expertise of CSR for making informed decisions and incorporate CSR as part of Annual Board Evaluation.
- o Specifying the organizational approach towards CSR.
- o Periodic monitoring and evaluation of CSR activities.
- o Recognizing and documenting the shortfalls / failures.
- o Incorporating improvement in future CSR policy / plans.
- o To consider such other topics and issues in relation to CSR as may be stipulated by the Board from time to time.

Key Areas

As a socially responsible entity, the Company has identified the following key areas that positively impact our society:

- o Employment
- o Health & Safety
- o Education
- o Environment
- o Economy

The Report

The following Report updates the stakeholders about the steps taken by the Company to ensure compliance:

- o To support the sugarcane growers of the area and provide better quality seeds and fertilizers to achieve improvement in quality of sugarcane and enhance its quantity and productivity in order to have regular, constant and better supply in future the major basic raw material for sugar mills.
- o To alleviate illiteracy in the rural areas of the Country, the Company has launched education program through Al-Qalam Welfare Trust School established in 2008 and is providing education facilities at the premises adjacent to the Mills' Employees' Colony by the qualified staff on concessional basis to the children of the factory employees and persons living nearby in rural areas. The Education started from a single class room of Kindergarten with admission of 10 students. Now, in a days, grows upto class 8th having total strength of 230 students (Boys: 150 and Girls: 80) with beautiful infrastructure, neat and clean environment with availability of all basic facilities within covered premises viz large size ventilated class rooms, computer lab, laboratory, playground, tuck shop and uninterrupted power supply. Teacher's strength of school is one head mistress, fourteenth lady teachers & one Arabic teacher (Aa'lma). Main emphasis to run the school is to help poor people of the area, to encourage girl's education, to inspire students to internalize Islamic education in their social growth, attaining self-actualization. Education in remote areas is a big challenges specially those who are not able to afford the expenses of such a qualitative, modern education nearer to their door step. In addition to above, various events are being organized like Annual Sports Day, Parent's Day etc.
- o The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.
- o To follow consciously the needs of the Society concerning health, safety and environment for achieving the objective. The Company is responsive to make efforts to minimize the accidental risks, have necessary medical facilities and continuously strive to improve greenery and maintain clean and safe environment around the Mills, better housekeeping, safeguarding the health of employees and application of the principles of safety in its operations, the consumers and public at large by following the rules and regulations in this regard. The Company is running dispensary through a qualified and experienced doctors for its employees and for persons living in adjoining areas.

During the year, two days Free Eye Camp has been organized on the premises of the Company on February 01, 2017 & February 02, 2017. In this free camp, checkup of total 1,099 Outpatients was conducted and operations of 289 patients were done satisfactorily. Before the launch of camp, an advertisement's campaign was made through radio, cable, social media & pamphlets for the information of needy persons. Free pick and drop arrangement was made for the patients and caring persons from the areas of Sanghar & Perumal. Free arrangements of accommodation and food were made for patients, care takers, doctors and their staff. Free medicines, medical checkup, operations were conducted. The whole Eye Camp was financed by our Executives personally and expenses incurred on Eye Camp amounting to Rs. 1,000 thousand.

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

On November 23, 2016, the shareholders of the Company approved the Board of Directors proposal in the Extra Ordinary General Meeting that the donation (free of cost and any charge or mortgage) and Transfer 05 Acres Land valuing Rs. 2.5 million, out of 320 Acres Land of the Company in Sanghar.

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

- o The Company's efforts have primarily on improving the social conditions of the Communities and employees related to the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labour and forced labour etc.
- o The Company continuously is striving to improve greenery, maintaining clean environment around the mills and better house-keeping. The Company installed and maintained water filtration plant and tanks to purify the water used for drinking purpose.
- o To encourage employment of workforce living in the rural areas in order to yield significant gain and uplift their living standard.
- o There are policies and procedures which demonstrate the Human Resource department, a philosophy of fair and transparent appointments on the basis of merit and give objective of performance evaluation, which ultimately results in the increments, promotions, bonuses and cash awards. Being social responsible, the Company gives importance on providing an opportunity with dignity to people with special needs who are trained to serve the Company as a valuable human capital. We have appointed some special persons as part of human resource. The Company treats all employees fairly and compensates them according to the industry practice. The Company provides the benefits such as perquisites, annual leaves, pick and drop, facility of mess, safe and healthy working conditions etc along-with group insurance, making payments to Employees Old Age Benefits Institution, Worker's Welfare Fund, Worker's Profit Participation Funds. The Company is committed to maintaining the principles of integrity and trust with respect to privacy of the employees of the Company.
- o Pakistan is facing severe energy crises and efforts to increase power generation. This is resulting in load-shedding and power shutdowns in all sectors, whether industrial or residential. Considering the importance of energy, the Company has been heavily investing in power generation, which includes installation of equipment & machinery, with our manufacturing area for our in-house consumption and surplus energy are sold to Hyderabad Electric Supply Corporation, to overcome the crises of power generation to some extent.

سنگھڑ شوگر ملز کے احاطے میں مذکورہ بالا پچاس بستر پر مشتمل ہسپتال کی تعمیر کی غرض سے پانچ ایکڑ زمین کو (کسی بھی قیمت یا رہن کے بغیر) ورکرز ویلفیئر فنڈ، وزارت سمندر پاس پاکستانی و ترقی برائے انسانی وسائل حکومت پاکستان کے نام منتقل کئے جانے کے سلسلے میں کاروباری کا عمل تاحال زیر تہمیل ہے۔

☆ کمپنی کی کوششیں بنیادی طور پر اس سمت میں ہیں کہ کمپنی سے متعلق ملازمین اور کمیونٹی کے سماجی حالات میں بہتری پیدا کی جائے اور اس مقصد کیلئے مناسب حالات کار، پیشہ ورانہ سیفٹی، سماجی اخلاقی اقدار کا تعین، کم از کم اجرت کا تعین اور بچوں سے یا جبری مشقت کے خلاف عدم برداشت جیسے اقدامات اٹھائے جائیں۔

☆ کمپنی مستقل بنیادوں پر کوشش کرتی رہتی ہے کہ مل کے ارد گرد علاقے کو سرسبز و شاداب اور صاف ستھرا رکھا جائے اور صفائی ستھرائی سے متعلق مناسب سہولیات فراہم کی جائیں۔ کمپنی کی جانب سے ایک فلٹر پلانٹ اور وائٹننگ کا بندوبست کیا گیا ہے تاکہ پینے کیلئے صاف پانی کی فراہمی کو ممکن بنایا جاسکے اور کمپنی کی جانب سے اس سسٹم کی مسلسل دیکھ بھال بھی کی جاتی ہے۔

☆ دیہی علاقوں میں آباد افرادی قوت کی ملازمت کیلئے حوصلہ افزائی کی جاتی ہے تاکہ انھیں اس سے زیادہ سے زیادہ فوائد حاصل ہوں اور ان کے معیار زندگی میں بھی بہتری پیدا کی جاسکے۔

☆ انسانی وسائل سے متعلق شعبے کی جانب سے ایسی پالیسیاں اور طریق کار وضع کئے اور اپنائے جاتے ہیں جن سے ظاہر ہو کہ ملازمت کیلئے انتخاب اہلیت کی بنیاد پر اور شفاف انداز سے کیا جاتا ہے، کام کو جتنے کیلئے یا مقصد اہداف مقرر کئے جاتے ہیں اور انہی اہداف کے حصول کی روشنی میں بعد ازاں تنخواہوں میں اضافے، ترقی، بونس اور نقد انعامات وغیرہ کا فیصلہ بھی کیا جاتا ہے۔ ایک ذمہ دار کارپوریٹ معاشرتی شہری ہونے کے ناطے کمپنی کی جانب سے خصوصی افراد کو باعزت انداز سے ملازمت کے مواقع فراہم کئے جاتے ہیں اور انھیں اس انداز سے تربیت دی جاتی ہے کہ وہ کمپنی کیلئے ایک قیمتی اثاثہ ثابت ہوں۔ ہماری جانب سے چند خصوصی افراد کو اہم ذمہ داریاں سونپی گئی ہیں۔ کمپنی کی جانب سے تمام افراد سے بلا امتیاز سلوک روا رکھا جاتا ہے اور انھیں انکے کام کی اجرت رائج الوقت معیار کے مطابق ادا کی جاتی ہے۔ کمپنی کی جانب سے سالانہ چھٹیوں، آمدورفت کی سہولیات، مطعم، کام کے دوران محفوظ ماحول، گروپ انشورنس، ایمپلائز اولڈ ایج پنشن پلانٹ اور ورکرز ویلفیئر فنڈ اور ورکرز پرافٹ پارٹیشنیشن فنڈ جیسی اہم سہولیات بھی فراہم کی جاتی ہیں۔ کمپنی اپنے ملازمین کی فنی زندگی میں عدم مداخلت کے اصول پر بھی یقین رکھتی ہے اور بخنی کے ساتھ اس اصول پر عمل پیرا ہے۔

☆ پاکستان اس وقت توانائی کی پیداوار کے سلسلے میں ایک شدید بحران کا شکار ہے۔ اس کا لازماً نتیجہ ہے کہ ہر سیکٹر میں خواہ وہ گھریلو صارفین ہوں یا صنعتی شعبہ کو متواتر لوڈ شیڈنگ کی صورت حال کا سامنا کرنا پڑ رہا ہے۔ توانائی کی پیداوار کی اہمیت کو مد نظر رکھتے ہوئے کمپنی کی جانب سے اس شعبے میں خاطر خواہ سرمایہ کاری کی جا رہی ہے۔ اس سلسلے میں آلات اور مشینری کی تنصیبات کی جا رہی ہے جس سے حاصل ہونے والی بجلی اولاً تو کمپنی اپنے صنعتی عمل میں استعمال کرتی ہے اور اضافی بجلی کو حیدرآباد انیکسٹرک سپلائی کارپوریشن کو فروخت کر دیا جاتا ہے تاکہ لوڈ شیڈنگ کے عفریت پر کسی حد تک قابو پانے میں مدد مل سکے۔

دس طلباء کے داخلے سے ہوا لیکن اب یہ ایک مکمل ادارہ بن چکا جہاں آٹھویں جماعت تک 230 طلباء زیر تعلیم ہیں (150 لڑکے اور 80 لڑکیاں)۔ اب اس اسکول میں بہترین عمارتی ڈھانچہ، صاف ستھرا ماحول، روشنی اور ہوا کے انتظام کے ساتھ بڑی بڑی درگاہیں، کمپیوٹر لیبارٹری، لیبارٹری، کھیل کا میدان، تنگ شاپ اور بلا تھقل بجلی کی فراہمی جیسی اہم اور بنیادی سہولیات کو ہم فراہم کیا جا رہا ہے۔ اسکول کے اساتذہ میں ایک ہیڈ مسٹر، چودہ خواتین اساتذہ، ایک عربی کی معلمہ (عالمہ) شامل ہیں۔ اسکول چلانے کا بنیادی مقصد علاقے کے غریب عوام کو تعلیم سہولیات فراہم کرنا ہے اور اس کے علاوہ لڑکیوں کی تعلیم کی حوصلہ افزائی کرنا، طلباء کو اس بات پر آمادہ کرنا کہ اسلامی تعلیمات کو اپنی سماجی زندگی کا حصہ بنائیں اور اپنا مقام پہنچائیں۔ ان دور افتادہ علاقوں میں تعلیمی سہولیات کی فراہمی بذات خود ایک بڑا مسئلہ ہے بالخصوص ان علاقوں میں جہاں لوگ اس قسم کی جدید اور معیاری سہولیات کو اپنی کم قوت خرید کی وجہ سے برداشت ہی نہیں کر سکتے۔ مذکورہ بالا تعلیمی سرگرمیوں کے علاوہ چند سرگرمیوں کا انعقاد بھی کیا جاتا ہے جیسا کہ سالانہ کھیلوں کا دن اور والدین کا دن وغیرہ۔

☆ کمپنی ٹیکسوں، ریٹس اور دیگر لیویز کی مددات میں قومی خزانے میں اپنا حصہ ملا کر قومی ترقی میں اپنا کردار ادا کر رہی ہے۔

☆ معاشرے کی صحت، حفاظت اور ماحولیات سے متعلق ضروریات کو مد نظر رکھتے ہوئے مقاصد کے حصول کی کوشش کی جاتی ہے۔ کمپنی کی جانب سے حادثات کو کم از کم سطح پر رکھنے، ضروری طبی سہولیات فراہم کرنے اور مل کے ارگرد کے علاقے کو سرسبز و شاداب رکھنے کیلئے بھی مسلسل کوشش کی جاتی ہیں۔ ملازمین کی صحت اور افعال کار میں سیفٹی کے معیارات پر عمل کرنے اور بالعموم صارفین اور عوام الناس کی فلاح و بہبود کیلئے بھی اقدامات اٹھائے جاتے ہیں۔ کمپنی کی جانب سے ماہر ڈاکٹروں کی زیر نگرانی کمپنی کے ملازمین اور گرد و نواح کے عوام کیلئے ایک معیاری ڈسپنسری بھی چلائی جا رہی ہے۔

زیر نظر مالی سال کے دوران کمپنی کے احاطے کے اندر یکم اور دوم فروری 2017 کو دو دن کا ایک مفت طبی کیمپ برائے امراض چشم لگایا گیا۔ اس کیمپ کے دوران باہر سے آنے والے تقریباً 1,099 مریضوں نے فائدہ اٹھایا اور 289 مریضوں کے کامیاب آپریشنز بھی کئے گئے۔ کیمپ لگائے جانے سے پہلے ریڈیو، کیبل، سوشل میڈیا اور پمفلٹ کے ذریعے ایک اشتہاری مہم بھی چلائی گئی تاکہ ضرورت مند افراد کو کیمپ سے متعلق مناسب آگاہی ہو سکے۔ ساگھڑ اور پیرمل کے علاقے کے لوگوں کو اس کیمپ کیلئے آمد و رفت کے سلسلے میں مفت سہولیات بھی فراہم کی گئیں تھیں۔ ڈاکٹروں، ان کے اسٹاف اور مریضوں اور ان کے تیمار داروں کیلئے مفت رہائش اور کھانے پینے کا بندوبست بھی کیا گیا تھا۔ مریضوں کا طبی معائنہ مفت کیا گیا اور انہیں، مفت ادویات کے ساتھ ساتھ مفت آپریشن کی سہولیات بھی فراہم کی گئیں۔ پورے کیمپ کے تمام اخراجات ہمارے ایگزیکٹو ذکی جانب سے ذاتی طور پر برداشت کئے گئے تھے اور آئی کیمپ کے اخراجات بھی انہی کی جانب سے ادا کئے گئے جو 1,000 ہزار روپے کے لگ بھگ تھے۔

☆ اپنے ملازمین کیلئے صحت کی سہولیات میں ترقی اور اضافے کی غرض سے کمپنی نے وزارت سمندر پار پاکستانی و ترقی انسانی وسائل، ورکرز ویلفیئر فنڈ، اسلام آباد سے رابطہ کیا ہے اور انکی جانب سے آمادگی کا اظہار کیا گیا ہے کہ وہ ورکرز ویلفیئر فنڈ سے ساگھڑ شوگر ملز کے احاطے میں پچاس بستر پر مشتمل ایک ہسپتال بنا کر دینے کو تیار ہیں اگر کمپنی کی جانب سے پانچ ایکڑ زمین وقف کی جائے (کسی بھی قیمت یا رہن کے بغیر) اور اس زمین کو ورکرز ویلفیئر فنڈ، وزارت سمندر پاس پاکستانی و ترقی برائے انسانی وسائل حکومت پاکستان کے نام منتقل بھی کر دیا جائے۔

غیر معمولی اجلاس عام مؤرخہ 23 نومبر 2016 کے دوران کمپنی کے حصص داران نے بورڈ آف ڈائریکٹرز کی اس تجویز کی منظوری دے دی کہ ساگھڑ شوگر ملز کی ملکیت میں موجود 1320 ایکڑ زمین میں سے پانچ ایکڑ زمین وقف کی جائے (کسی بھی قیمت یا رہن کے بغیر) جس کی مالیت 2.5 ملین روپے بنتی ہے۔

☆ کارپوریٹ معاشرتی ذمہ داری کے ممبران کیلئے تعارفی پروگرام مرتب کروانا اور اس بات کو یقینی بنانا کہ ممبران اور بورڈ کارپوریٹ معاشرتی ذمہ داری کی سرگرمیوں سے خاطر خواہ آگاہی رکھتے ہیں تاکہ اس سلسلے میں ٹھوس فیصلے کریں اور اس کے ساتھ ساتھ کارپوریٹ معاشرتی ذمہ داری کو بورڈ کی سالانہ چانچ کا حصہ بھی بنایا جاسکے۔

☆ کارپوریٹ معاشرتی ذمہ داری کے ضمن میں ادارے کی سوچ کو واضح کرنا۔

☆ کارپوریٹ معاشرتی ذمہ داری پر مبنی سرگرمیوں کی نگرانی کرنا اور ان کی جانچ پڑتال کرنا۔

☆ ان سرگرمیوں کے سلسلے میں اگر کوئی کمی یا کوتاہی رہ جائے تو ان کی نشاندہی کرنا اور ان کا ریکارڈ رکھنا۔

☆ مستقبل میں کارپوریٹ معاشرتی ذمہ داری کی پالیسیوں اور منصوبہ بندی میں اصلاحات پیدا کرنا۔

☆ اس کے علاوہ گاہے بگاہے کارپوریٹ معاشرتی ذمہ داری کے ضمن میں ایسے مسائل کو زیر غور لانا جن کی نشاندہی بورڈ کی جانب سے کی جاتی رہے۔

اہم امور

ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے کمپنی کی جانب سے ان درج ذیل اہم امور کی نشاندہی کی گئی ہے جو مثبت انداز سے ہمارے معاشرے پر اثر انداز ہوتے ہیں:

☆ ملازمت کے مواقع

☆ صحت و حفاظت

☆ تعلیم کا فروغ

☆ ماحولیات کی حفاظت

☆ معاشی ترقی

رپورٹ

ذیل میں پیش کی جانے والی رپورٹ کمپنی کے تمام شراکت داروں کو ان اقدامات سے آگاہی میں معاون ثابت ہوگی جو کہ کمپنی کی جانب سے پالیسیوں کی پاسداری کے سلسلے میں اٹھائے گئے ہیں:

☆ علاقے میں گنے کے کاشتکاروں کی مدد کرنا اور انہیں بہتر معیار کے بیج اور کھاد فراہم کرنا تاکہ بہتر معیار کے گنے کی پیداوار کو ممکن بنایا جاسکے اور پیداوار کے ساتھ گنے کے معیار میں بھی اضافہ ہوتا کہ مستقبل میں گنے کی بلا قطل سپلائی کو ممکن بنایا جاسکے جو کہ شہرملوں کے پیداواری عمل ایک بنیادی خام مال کی حیثیت رکھتا ہے۔

☆ وطن عزیز کے دیہی علاقوں میں جہالت کو دور کرنے کیلئے کمپنی کی جانب سے القلم ویلفیئر ٹرسٹ اسکول قائم شدہ 2008 کے توسط سے ایک تعلیمی پروگرام شروع کیا گیا ہے اور اس کے علاوہ ملازمین کے بچوں کو کالونی سے متصل علاقے میں مل کے ملازمین اور گرد و نواح کے لوگوں کو رعایتی فیس کے ساتھ تعلیم حاصل کرنے کے مواقع فراہم کئے جا رہے ہیں جہاں ماہر اساتذہ کی زیر نگرانی تعلیمی عمل جاری ہے۔ تعلیمی عمل کا آغاز ایک کمرے میں کنٹرول روم میں

استحکام و ترقی سے تعلق ہوا اور انہیں اس انداز سے رو بہ عمل کیا جائے کہ ان سے کارپوریٹ معاشرتی ذمہ داری احساس مکمل طور پر اجاگر ہوتا ہو اور پورا معاشرہ اس کے مثبت اثرات کے شمرات کو محسوس کرے۔

☆ کارپوریٹ معاشرتی ذمہ داری کے سلسلے میں پالیسیاں بنانا اور انہیں بورڈ سے منظور کروانا اور اس بات کو یقینی بنانا کہ کارپوریٹ معاشرتی ذمہ داری کی پالیسیوں میں ماحولیات، صحت، عامہ اور حفاظت، مصنوعات کی جانچ، کاروبار چلانے کے معیارات، اخلاقیات، ملازمین اور انکی ترقی، فلاح و بہبود کے کاموں اور معاشرے کیلئے اٹھائے جانے والے اقدامات کی بھرپور نمائندگی ہوتی ہو۔

☆ اس قسم کے اقدامات اٹھانا کہ کارپوریٹ معاشرتی ذمہ داری کی پالیسیوں کو مؤثر انداز سے منصوبہ بندی کی شکل میں ڈھالا جاسکے تاکہ ان کا نفاذ ممکن ہو اور کارپوریٹ معاشرتی ذمہ داری کے تحت کسی پروگرام پر اتفاق پیدا کرنا اور ہر مالی سال کے دوران اس بات پر توجہ دینا کہ اس سلسلے میں اہداف اور کارکردگی کے معیارات مقرر کئے جائیں۔

☆ کارپوریٹ معاشرتی ذمہ داری سے متعلق تمام پالیسیوں پر کڑی نظر رکھنا اور ان پر نظر ثانی کرنا کہ اس سلسلے میں مقرر شدہ اہداف کو کس حد تک حاصل کیا گیا۔

☆ انتظامیہ اور بورڈ کی دیگر کمیٹیوں کے ممبران سے رابطے میں رہتے ہوئے ماحولیات، معاشرتی بہبود، صحت اور حفاظت اور رسک سے متعلق ایسے امور کی نشاندہی کرنا جو کہ توجہ طلب ہوں اور اس بات کو یقینی بنانا کہ ایسے اقدامات اٹھائے جائیں کہ اس قسم کے رسک کو کم کرنے میں مدد مل سکے۔

☆ کمپنی کے بیرونی شراکت داروں کو کارپوریٹ معاشرتی ذمہ داری سے متعلق جو بھی رپورٹنگ کی جارہی ہے اس رپورٹنگ کی جانچ پڑتال کرنا کہ اس میں معیار اور دیانتداری کو ملحوظ خاطر رکھا گیا ہو بالخصوص سالانہ رپورٹس کی اشاعت کے وقت ان میں کارپوریٹ معاشرتی ذمہ داری سے متعلق رپورٹ کو شائع کروانے کے سلسلے میں بورڈ کے سامنے رپورٹ کو پیش کرنا اور اسے بورڈ سے منظور کروانا۔

☆ کاروبار کے دائرے کے اندر اندر کارپوریٹ معاشرتی ذمہ داری سے متعلق مسائل کو اجاگر کرنے کی غرض سے مؤثر مواصلاتی نظام مرتب کرنا۔

☆ اگر ضرورت محسوس ہو تو کارپوریٹ معاشرتی ذمہ داری کمیٹی کے اقدامات کو مؤثر انداز سے عملی جامہ پہنانے کی غرض سے بیرونی مشیروں کو تعینات کرنا اور اس سلسلے میں انتخاب کا معیار، انتخاب کی شرائط اور مشیروں کے مشاہرے مقرر کرنے میں معاونت کرنا۔

☆ کارپوریٹ معاشرتی ذمہ داری کمیٹی کے ہر اجلاس میں کمنٹس اسٹیمنٹ کو پیش کرنا اور اس پر اتفاق رائے حاصل کرنا تاکہ کارپوریٹ معاشرتی ذمہ داری کی تعریف اور کاروباری سرگرمیوں میں اقدار، وژن اور عزائم کے اعتبار سے کارپوریٹ معاشرتی ذمہ داری کے مقام کا تعین کیا جاسکے۔ (درکار وسائل، وقت اور افرادی قوت کا تعین کرنا)

☆ کارپوریٹ معاشرتی ذمہ داری کے پروجیکٹس جہاں جاری ہوں ان میں ترجیحی مقامات کی نشاندہی کرنا اور آئندہ آنے والے پروجیکٹس کیلئے منصوبہ بندی اور عملی اقدامات کرنا۔

☆ کارپوریٹ معاشرتی ذمہ داری کی سرگرمیوں کے سلسلے میں درکار وسائل کی نشاندہی کرنا، اس سلسلے میں وسائل کا قطعی تعین کرنا (مقداری)، قطعی طور پر طریق کار وضع کرنا اور کارپوریٹ معاشرتی ذمہ داری کی سرگرمیوں کیلئے درکار رقم کا تعین کرنا۔ جس طریق کار پر کارپوریٹ معاشرتی ذمہ داری کے سلسلے میں وسائل کو مختص کیا جانا مقصود ہو یا جس معیار کے تحت سرگرمیوں کا چلانا مقصود ہو انہیں باقاعدہ بورڈ / کمیٹی سے منظور کروانا۔

رپورٹ بابت استحکام، کارپوریٹ معاشرتی ذمہ داری

کارپوریٹ معاشرتی ذمہ داری ساکنٹر شوگر ملز کے وژن، مشن اور ضابطہ اخلاقیات کا جزو لا ینفک ہے۔ ساکنٹر شوگر ملز لمیٹڈ (کمپنی) اپنی معاشرتی اور اخلاقی ذمہ داریوں کو تسلیم کرتی ہے تاکہ اس کا روبرو ہر کو ایسے محفوظ انداز سے چلایا جائے کہ اسے آنے والی نسلوں کیلئے محفوظ کیا جاسکے۔ کاروبار چلانے میں استحکام کی پالیسی ایک بنیادی جزو کی حیثیت رکھتی ہے۔ کمپنی اپنے احساس ذمہ داری کو محسوس کرتے ہوئے اس بات کو اپنا فرض سمجھتی ہے کہ استحکام سے متعلق اٹھائے جانے والے تمام اقدامات کے سلسلے میں اپنے شراکت داروں کو مکمل طور پر آگاہ رکھے اور انہیں اس بات سے آگاہی فراہم کرے کہ کمپنی کی جانب سے قومی معیشت، ماحولیات، صحت عامہ، فروغ تعلیم اور معاشرتی فلاح و بہبود کی خاطر کارپوریٹ معاشرتی ذمہ داری نبھانے کے سلسلے میں کن سمتوں کا تعین کیا گیا ہے۔

کمپنی کی جانب سے ایسے کئی اقدامات اٹھائے گئے ہیں جن سے ظاہر ہوتا ہے کہ کمپنی پورے معاشرے کی فلاح و بہبود کیلئے پرعزم ہے۔ زیر نظر دورانے کے دوران بورڈ آف ڈائریکٹرز کی جانب سے کارپوریٹ معاشرتی ذمہ داری کی پالیسی کی منظوری دی گئی اور کارپوریٹ معاشرتی ذمہ داریوں کی ادائیگی کی نگرانی کرنے کیلئے باقاعدہ ایک علیحدہ کمیٹی کا قیام بھی عمل میں لایا گیا ہے جو کہ سہ ماہی اور سالانہ بنیادوں پر بورڈ کو اس سلسلے میں اپنی رپورٹ پیش کرنے کے پابند ہو گئے۔ کارپوریٹ معاشرتی کمیٹی چار ممبران پر مشتمل ہے جن میں سے تین ممبران غیر انتظامی ڈائریکٹرز ہیں اور ایک ممبر کو انتظامیہ سے لیا گیا ہے۔ کارپوریٹ معاشرتی ذمہ داری کمیٹی کے ممبران درج ذیل ہیں:

ممبران کے نام	عہدہ
1- جناب رحیم بخش	چیرمین
2- جناب محمد اسلم	ممبر
3- جناب شاہد عزیز	ممبر
4- سید رحمان احمد ہاشمی	ممبر (نمائندہ از انتظامیہ)

ذمہ داریاں

بورڈ کی جانب سے اس کمیٹی کے ممبران کے ذمے کچھ ذمہ داریاں لگائیں گئی ہیں جن میں سے چند ذمہ داریاں انتہائی اہمیت کی حامل ہیں۔ ان ذمہ داریوں کا احوال ذیل میں پیش کیا جا رہا ہے:

☆ کمپنی کی کارپوریٹ حکمت عملی کو تشکیل دینے اور اس سے اتفاق کرنے میں ایک ایسا کردار ادا کرنا کہ کارپوریٹ معاشرتی ذمہ داری ہر لحاظ سے کمپنی کی حکمت عملی کا جزو لا ینفک رہے اور اس پالیسی کو عملی جامہ پہنانے میں مددگار ثابت ہوں اور اس بات کو یقینی بنائیں کہ انکی جانب سے ان پالیسیوں میں معاشرتی فلاح و بہبود، ماحولیات اور قومی معیشت کی ترقی کا پورا پورا لحاظ رکھا گیا ہو۔

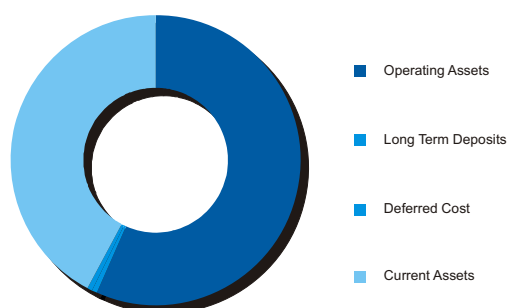
☆ اس بات کو یقینی بنانا کہ کمپنی کی سطح پر تمام افراد کے مابین اس سلسلے میں اتفاق رائے پیدا کیا جائے، اس بات کو یقینی بنانا کہ تمام شراکت دار بشمول حصص داران، صارفین، سپلائرز، ملازمین اور مجموعی طور پر پورا معاشرہ اس سے نفع اٹھائے اور یہ کہ اس سلسلے میں مرتب کی جانے والی سرگرمیوں کا کاروبار کے

Key Operating & Financial Highlights

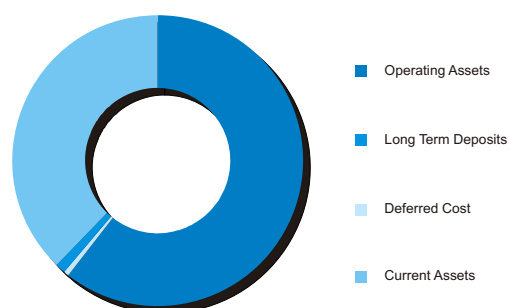
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
OPERATIONAL DATA										
Duration of Season (Days)	133	117	137	151	121	109	117	114	132	182
Cane crushed (Tons)	625,237	563,617	630,317	738,209	542,289	483,352	491,205	484,452	597,111	853,592
Sucrose Recovery (%)	10.12	10.20	10.19	9.81	9.77	9.62	9.57	9.60	9.58	9.50
Sugar Made (Tons)	63,380	57,387.5	64,271	72,530	52,823	46,516	47,008	46,547	57,308	87,026
Molasses (Tons)	30,300	27,040	34,299	39,260	27,460	26,503	24,004	23,785	30,279	49,360
All figures are in Rs in '000										
PROFIT & LOSS RESULTS										
Turnover - Net	2,583,232	2,832,657	2,869,164	3,196,951	2,771,454	3,005,261	1,498,297	2,679,922	1,679,489	1,861,248
Gross (Loss) / Profit	(70,660)	151,582	257,087	213,749	148,572	195,512	245,956	377,383	225,504	233,621
Operating (Loss) / Profit	(165,398)	59,919	170,905	135,446	94,580	95,814	159,342	308,572	162,815	171,328
(Loss) / Profit before taxation	(259,678)	11,060	89,783	36,091	14,271	(424)	64,345	213,047	115,257	134,232
(Loss) / Profit after taxation	(287,104)	13,953	57,400	8,732	6,901	(6,554)	37,759	134,431	66,912	98,603
ASSETS EMPLOYED										
Operating Assets	1,745,965	1,465,348	1,167,508	1,146,845	729,685	747,116	754,005	477,508	494,031	516,797
Long Term Deposits	20,961	15,467	10,966	9,478	45,300	36,369	36,396	2,223	2,223	2,223
Deferred Cost	17,543	28,885	33,373	--	--	--	--	--	--	--
Current Assets	1,302,916	915,207	688,656	670,133	461,593	935,108	1,471,518	240,366	277,084	119,007
Total Assets Employed	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578	1,718,593	2,261,919	720,097	773,338	638,027
FINANCED BY										
Shareholder's equity	193,947	467,266	451,265	370,861	354,765	329,931	327,682	305,462	179,574	106,967
Surplus on Revaluation	375,218	396,171	409,370	427,287	146,801	160,241	169,043	46,213	49,624	55,319
Long Term Liabilities	345,291	262,532	103,640	23,174	75,242	64,908	85,089	23,159	75,812	210,646
Deferred Liabilities	296,757	295,067	325,349	320,838	210,011	217,741	217,014	145,489	150,054	145,697
Current Liabilities	1,876,172	1,003,871	610,879	684,296	449,759	945,772	1,463,091	199,774	318,274	119,398
Total Fund Invested	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578	1,718,593	2,261,919	720,097	773,338	638,027

Graphical Presentation of Financial Highlights

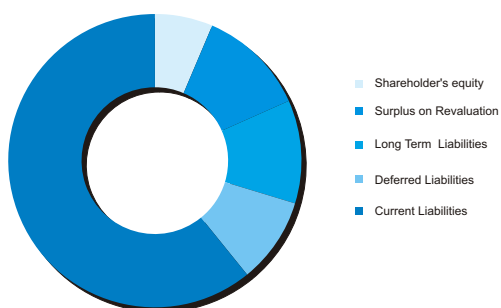
Total Assets Employed - 2017



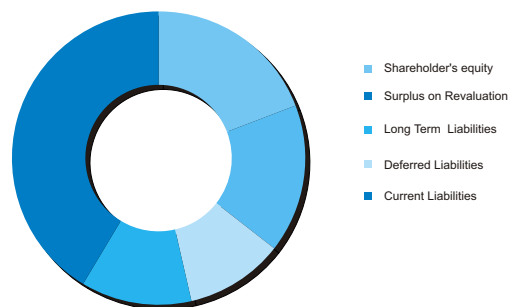
Total Assets Employed - 2016



Total Fund Invested - 2017



Total Fund Invested - 2016



Horizontal Analysis of Financial Statements

	2017	2016	2015	2014	2013	2017	2016	2015	2014	2013
	Rupees in 000					Variance in %				
Balance Sheet										
Total Non-Current Assets	1,784,469	1,509,700	1,211,847	1,156,323	774,985	18.20	24.58	4.80	49.21	(1.08)
Total Current Assets	1,302,916	915,207	688,656	670,133	461,593	42.36	32.90	2.76	45.18	(50.64)
Total Assets	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578	27.32	27.59	4.05	47.70	(28.05)
Total Equity & Surplus on revaluation	569,165	863,437	860,635	798,148	501,566	(34.08)	0.33	7.83	59.13	2.32
Total Non-Current Liabilities	642,048	557,599	428,989	344,012	285,253	15.15	29.98	24.70	20.60	0.92
Total Current Liabilities	1,876,172	1,003,871	610,879	684,296	449,759	86.89	64.33	(10.73)	52.15	(52.45)
Total Equity & Liabilities	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578	27.32	27.59	4.05	47.70	(28.05)
Profit & Loss Account										
Sales	2,583,232	2,832,657	2,869,164	3,196,951	2,771,454	(8.81)	(1.27)	(10.25)	15.35	(7.78)
Cost of sales	(2,653,892)	(2,681,075)	(2,612,077)	(2,983,202)	(2,622,882)	(1.01)	2.64	(12.44)	13.74	(6.65)
Gross (Loss) / Profit	(70,660)	151,582	257,087	213,749	148,572	(146.62)	(41.04)	20.28	43.87	(24.01)
Profit from trading activities	--	2,179	--	(577)	--	(100.00)	100.00	(100.00)	100.00	--
Distribution cost	(796)	(522)	(769)	(5,326)	(6,934)	52.49	(32.12)	(85.56)	(23.19)	(27.60)
Administrative expenses	(84,937)	(77,999)	(75,544)	(63,949)	(61,481)	8.89	3.25	18.13	4.01	(31.78)
Other operating expenses	(11,622)	(22,168)	(9,950)	(8,834)	(20,378)	(47.57)	122.79	12.63	(56.65)	240.54
Other income	2,617	6,847	81	383	34,801	(61.78)	8,353.09	(78.85)	(98.90)	841.08
Operating (Loss) / Profit	(165,398)	59,919	170,905	135,446	94,580	(376.04)	(64.94)	26.18	43.21	1.12
Finance cost	(94,280)	(48,859)	(81,122)	(99,355)	(80,309)	92.96	(39.77)	(18.35)	23.72	(14.52)
(Loss) / Profit before taxation	(259,678)	11,060	89,783	36,091	14,271	(2,447.90)	(87.68)	148.77	152.90	(3,465.80)
Taxation	(27,426)	2,893	(32,383)	(27,359)	(7,370)	(1,048.01)	(108.93)	18.36	271.22	20.23
(Loss) / Profit after taxation	(287,104)	13,953	57,400	8,732	6,901	(2,157.65)	(75.69)	557.35	26.53	(205.29)

Vertical Analysis of Financial Statements

	2017 Rupees in 000	2017 %	2016 Rupees in 000	2016 %	2015 Rupees in 000	2015 %	2014 Rupees in 000	2014 %	2013 Rupees in 000	2013 %
Balance Sheet										
Total Non-Current Assets	1,784,469	57.80	1,509,700	62.26	1,211,847	63.76	1,156,323	63.31	774,985	62.67
Total Current Assets	1,302,916	42.20	915,207	37.74	688,656	36.24	670,133	36.69	461,593	37.33
Total Assets	3,087,385	100.00	2,424,907	100.00	1,900,503	100.00	1,826,456	100.00	1,236,578	100.00
Total Equity & Surplus on revaluation	569,165	18.44	863,437	35.61	860,635	45.28	798,148	43.70	501,566	40.56
Total Non-Current Liabilities	642,048	20.80	557,599	22.99	428,989	22.57	344,012	18.83	285,253	23.07
Total Current Liabilities	1,876,172	60.77	1,003,871	41.40	610,879	32.14	684,296	37.47	449,759	36.37
Total Equity & Liabilities	3,087,385	100.00	2,424,907	100.00	1,900,503	100.00	1,826,456	100.00	1,236,578	100.00
Profit & Loss Account										
Sales	2,583,232	100.00	2,832,657	100.00	2,869,164	100.00	3,196,951	100.00	2,771,454	100.00
Cost of sales	(2,653,892)	(102.74)	(2,681,075)	(94.65)	(2,612,077)	(91.04)	(2,983,202)	(93.31)	(2,622,882)	(94.64)
Gross (Loss) / Profit	(70,660)	(2.74)	151,582	5.35	257,087	8.96	213,749	6.69	148,572	5.36
Profit from trading activities	--	--	2,179	0.08	--	--	(577)	(0.02)	--	--
Distribution cost	(796)	(0.03)	(522)	(0.02)	(769)	(0.03)	(5,326)	(0.17)	(6,934)	(0.25)
Administrative expenses	(84,937)	(3.29)	(77,999)	(2.75)	(75,544)	(2.63)	(63,949)	(2.00)	(61,481)	(2.22)
Other operating expenses	(11,622)	(0.45)	(22,168)	(0.78)	(9,950)	(0.35)	(8,834)	(0.28)	(20,378)	(0.74)
Other income	2,617	0.10	6,847	0.24	81	0.00	383	0.01	34,801	1.26
Operating (Loss) / Profit	(165,398)	(6.40)	59,919	2.12	170,905	5.96	135,446	4.24	94,580	3.41
Finance cost	(94,280)	(3.65)	(48,859)	(1.72)	(81,122)	(2.83)	(99,355)	(3.11)	(80,309)	(2.90)
(Loss) / Profit before taxation	(259,678)	(10.05)	11,060	0.39	89,783	3.13	36,091	1.13	14,271	0.51
Taxation	(27,426)	(1.06)	2,893	0.10	(32,383)	(1.13)	(27,359)	(0.86)	(7,370)	(0.27)
(Loss) / Profit after taxation	(287,104)	(11.11)	13,953	0.49	57,400	2.00	8,732	0.27	6,901	0.25

Stakeholder Engagement, Investor Relations & Financial Ratios

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

Shareholders

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

Regulators

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

Customers & Suppliers

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

Employees

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

Community

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

Financial Reporting & Communication

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

Media & Website

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

Public Information

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

Financial Ratios

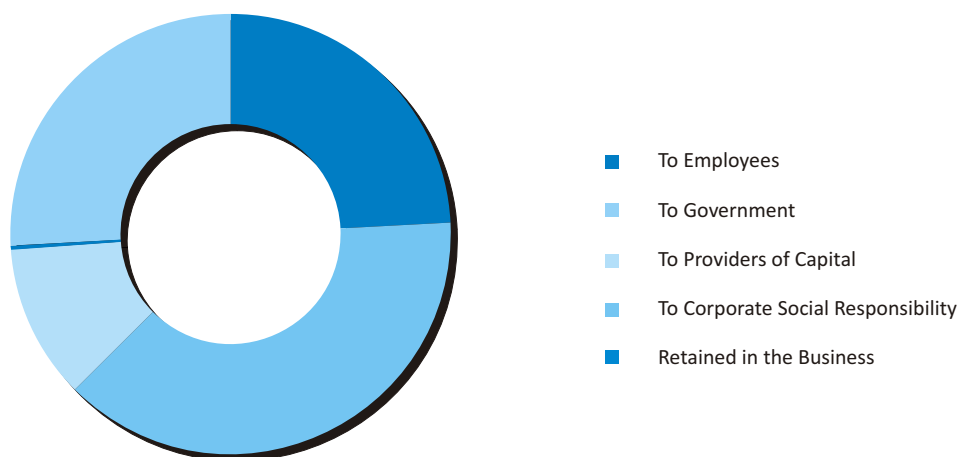
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Profitability Ratios											
Gross Profit Ratio (%)	(2.74)	5.35	8.96	6.69	5.36	6.51	16.42	14.08	13.43	12.55	6.72
Net Profit to Sales (%)	(11.11)	0.49	2.00	0.27	0.25	(0.22)	2.52	5.02	6.86	7.21	(1.16)
Return on Capital Employed (%)	(85.28)	12.82	37.87	36.52	36.52	42.17	47.43	85.86	77.37	41.48	19.49
Turnover Ratios											
Inventory Turnover Ratio	3.12	4.59	5.21	8.01	6.19	3.08	1.96	17.51	11.72	26.36	18.41
Fixed Assets Turnover Ratio	147.96	193.37	245.93	278.88	383.94	403.72	200.02	561.23	339.96	360.15	203.30
Investor Information											
Price Earning Ratio	(1.55)	36.39	5.31	34.89	39.47	(44.91)	3.39	1.23	2.81	2.96	(5.14)
Market Value per Share	37.35	42.50	41.74	25.50	22.89	24.70	10.71	13.84	15.75	24.45	8.50
Book Value per Share	16.24	39.11	37.78	31.04	29.70	27.62	27.43	25.57	15.03	8.95	0.23
(Loss) / Earning per Share	(24.03)	1.17	4.80	0.73	0.58	(0.55)	3.16	11.25	5.60	8.25	(1.65)
Liquidity Ratios											
Current Ratio	0.69	0.91	1.13	0.98	1.03	0.99	1.01	1.203	0.871	0.997	0.75
Capital Structure Ratios											
Debt Equity Ratio	3.10	1.11	0.53	0.69	1.05	2.06	3.12	1.05	1.97	2.30	1.60
Interest Cover Ratio	(1.75)	1.23	2.11	1.36	1.18	1.00	1.68	4.11	4.14	6.30	0.67

Statement of Value Addition and its Distribution

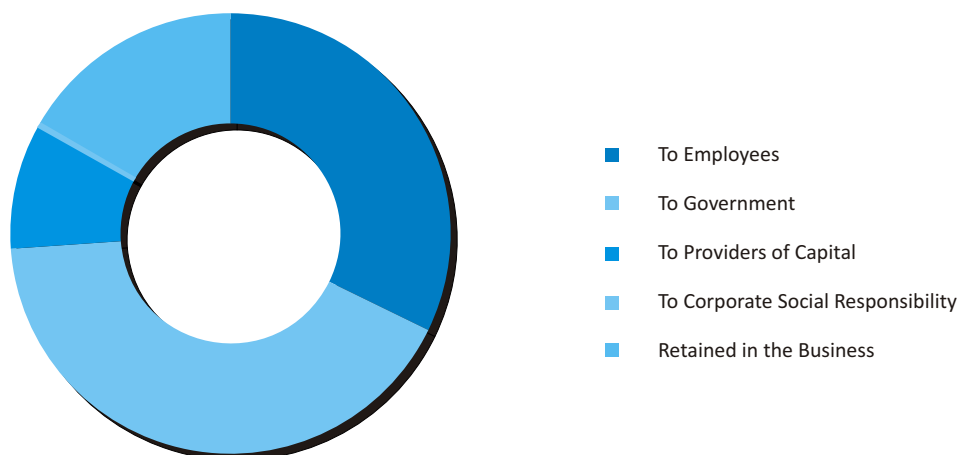
 2017.....	 2016.....	
Value Addition	(Rs. '000)	%	(Rs. '000)	%
Turnover Gross	3,203,416	99.918	3,366,123	99.797
Other Income	2,617	0.082	6,847	0.203
	3,206,033	100.000	3,372,970	100.000
Cane Procurement and related expenses	3,109,983	110.614	2,678,277	94.357
Other Expenses	(298,431)	(10.614)	160,187	5.643
	2,811,552	100.000	2,838,464	100.000
	394,481	12.304	534,506	15.847
Value Distribution				
Distributed as follows				
To Employees				
– Remuneration	197,374	50.034	171,898	32.160
– Worker's profit participation fund	—	—	594	0.111
	197,374		172,492	
To Government				
– Sales Tax / Further Tax	293,446	74.388	227,103	42.488
– Income Tax	19,704	4.995	19,102	3.574
– Deferred Tax	(8,906)	(2.258)	(33,040)	(6.181)
– Cess & Fees	10,160	2.576	9,159	1.714
	314,404		222,324	
To Providers of Capital				
– Finance Cost	94,280	23.900	48,859	9.141
	94,280		48,859	
To Corporate Social Responsibility				
– Charity & Donations	1,147	0.291	1,200	0.225
	1,147		1,200	
Retained in the Business				
– Depreciation & Amortization	74,380	18.855	75,678	14.158
– (Loss) / Profit for the Year	(287,104)	(72.780)	13,953	2.610
	(212,724)		89,631	
	394,481	100.000	534,506	100.000

Graphical Presentation of Value Distribution

Value Distribution - 2017



Value Distribution - 2016



Review Report to the Members on Statement of Compliance with Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the code") prepared by the Board of Directors of **Sanghar Sugar Mills Limited** ("the Company") for the year ended September 30, 2017 to comply with the requirement of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirement of the Code. 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 Code.

As part of our audit of 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended September 30, 2017.

KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS
Engagement Partner: Fahad Ali Shaikh

Karachi: December 30, 2017

Statement of Compliance with the Code of Corporate Governance

Name of Company: **SANGHAR SUGAR MILLS LIMITED**

Year ended: **September 30, 2017**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent, non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes:

Category	Name
(i) Independent Director	1. Mr. Rahim Bux
(ii) Executive Directors	1. Haji Khuda Bux Rajar 2. Mr. Ghulam Hyder
(iii) Non-Executive Directors	1. Mr. Ghulam Dastagir Rajar 2. Mr. Mohammad Aslam 3. Mr. Qazi Shamsuddin 4. Mr. Shahid Aziz

The Independent Director meets the criteria of independence under Clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. The directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs. None of the directors of the Company is a member of the stock exchange.
4. No casual vacancy occurred on the Board during the year.
5. The Company has prepared a "Code of Conduct & Ethics" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive, other executive and non-executive directors, have been taken by the Board.
8. All 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board is well aware of their duties and responsibilities as outlined by corporate laws and listing regulations. One Director of the Company - Haji Khuda Bux Rajar has the prescribed education and experience required for exemption under clause 5.19.7 of PSX Rules accordingly he is exempted from attending director's training program pursuant to the clause (xi) of the CCG. All other Directors have already completed approved Directors' Training Program as specified in the CCG.

10. During the year, the Board has approved appointment of Company Secretary including his remuneration and terms and conditions of employment. No new appointment of Chief Financial Officer and the Head of Internal Audit has been made during the year. The remuneration, terms and conditions of the employment of Chief Financial Officer, Company Secretary and Head of Internal Audit and any changes thereto has been approved by the Board.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The Financial Statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, Chief Executive and Executives do not hold any interest in the shares of the Company other than that disclosed in the Pattern of Shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed the Audit Committee. It comprises three members all of whom are Non-Executive Directors including an Independent Director, who is its Chairman.
16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource & Remuneration Committee. It comprises three members of whom two are Non-Executive Directors and one is Independent Director, who is its Chairman.
18. The Board has set up an effective internal audit function in the Company managed by experience persons who are conversant with the policies and procedures of the Company and the industry's best practices. They are involved in the internal audit functions on a full time basis. The head of internal audit department functionally reports to the Board's Audit Committee.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of Institute of Chartered Accountants of Pakistan (the ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
22. The related party transactions have been placed before the Audit Committee and have been approved by the Board of Directors.
23. Material/price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange Limited.
24. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
25. We confirm that all other material principles enshrined in the CCG have been complied with.

Ghulam Dastagir Rajar
Chairman

Karachi: December 30, 2017

Haji Khuda Bux Rajar
Chief Executive Officer

Auditor's Report to the Members

We have audited the annexed balance sheet of SANGHAR SUGAR MILLS LIMITED (the Company) as at September 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the repealed Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the repealed Companies Ordinance 1984, 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, 2017 and of loss, total comprehensive loss, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Karachi: December 30, 2017

KRESTON HYDER BHIMJI & CO.
Chartered Accountants
Engagement Partner: Fahad Ali Shaikh

Balance Sheet

As at September 30, 2017

		September 30 2017 (Rupees in '000)	September 30 2016
ASSETS	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,745,946	1,464,904
Intangible asset	6	19	444
Long term deposits	7	20,961	15,467
Deferred cost	8	17,543	28,885
		1,784,469	1,509,700
CURRENT ASSETS			
Stores, spare parts and loose tools	9	56,157	49,675
Stock-in-trade	10	1,095,532	606,067
Loans and advances	11	116,285	104,960
Trade deposits & short term prepayments	12	11,608	14,740
Other receivables	13	3,613	12,171
Sales tax refundable		—	3,606
Income tax refundable - net of provision		—	733
Cash and bank balances	14	19,721	123,255
		1,302,916	915,207
TOTAL ASSETS		3,087,385	2,424,907
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid up capital	15	119,460	119,460
Unappropriated profit		74,487	347,806
		193,947	467,266
Surplus on revaluation of property, plant & equipment	16	375,218	396,171
NON CURRENT LIABILITIES			
Long term financing	17	209,422	182,414
Liabilities against assets subject to finance lease	18	135,869	80,118
Deferred liabilities	19	296,757	295,067
		642,048	557,599
CURRENT LIABILITIES			
Trade and other payables	20	395,903	289,415
Accrued finance cost	21	46,507	20,302
Short term borrowings	22	1,293,557	644,680
Current portion of long term financing	17	87,000	22,000
Current portion of liabilities against assets subject to finance lease	18	37,310	27,474
Provision for income tax - net		15,895	—
		1,876,172	1,003,871
CONTINGENCIES AND COMMITMENTS	23	—	—
TOTAL EQUITY AND LIABILITIES		3,087,385	2,424,907

The annexed notes from 1 to 44 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer

Profit and Loss Account

For the year ended September 30, 2017

	Notes	September 30 2017 (Rupees in '000)	September 30 2016
Sales	24	2,583,232	2,832,657
Cost of sales	25	2,653,892	2,681,075
Gross (Loss) / Profit		(70,660)	151,582
Profit from trading activities	26	—	2,179
Distribution cost	27	796	522
Administrative expenses	28	84,937	77,999
Other operating expenses	29	11,622	22,168
		97,355	100,689
Operating (Loss) / Profit		(168,015)	53,072
Other income	30	2,617	6,847
		(165,398)	59,919
Finance cost	31	94,280	48,859
(Loss) / Profit before taxation		(259,678)	11,060
Taxation	32	27,426	(2,893)
(Loss) / Profit after taxation		(287,104)	13,953
(Loss) / Earnings per share - Basic and diluted (Rupees)	33	(24.03)	1.17

The annexed notes from 1 to 44 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer

Statement of Comprehensive Income

For the year ended September 30, 2017

	September 30 2017 (Rupees in '000)	September 30 2016
(Loss) / Profit after taxation	(287,104)	13,953
Other Comprehensive Income		
Items that will not be reclassified to profit & loss		
Remeasurement gain on employees retirement benefits plan	—	4,701
Impact of tax	—	(1,457)
Other Comprehensive Income	—	3,244
Total Comprehensive Income for the year	<u>(287,104)</u>	<u>17,197</u>

The annexed notes from 1 to 44 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer

Cash Flow Statement

For the year ended September 30, 2017

		September 30 2017	September 30 2016
	Notes	(Rupees in '000)	
(Loss) / Profit before taxation		(259,678)	11,060
Adjustment for non cash charges and other items:			
Depreciation	5.1.2	62,613	65,625
Amortization	6	425	425
Amortization of deferred cost	8	11,342	9,628
Employees retirement benefits expense	19.3.3	9,425	11,796
Provision for slow moving items & obsolescence	9.1	945	286
Impairment allowance for inland freight subsidy	13.1	—	18,713
Impairment allowance for further sales tax refundable	13.3	8,558	—
Provision for market committee fee	19.2	6,253	5,636
Gain on sale of property, plant & equipment	5.1.3	(583)	(793)
Finance cost	31	94,280	48,859
		193,258	160,175
		(66,420)	171,235
Changes in Working capital			
(Increase) / Decrease in current assets			
Stores, spare parts and loose tools		(7,427)	(7,635)
Stock - in - trade		(489,465)	(45,123)
Trade debts		—	11,635
Loans and advances		(11,325)	(80,357)
Trade deposits & Short term prepayments		3,132	(13,728)
Sales Tax refundable		3,606	(3,606)
Other receivables		—	(4,275)
		(501,479)	(143,089)
Increase in current liabilities			
Trade and other payables		106,488	47,050
		(461,411)	75,196
Employees retirement benefits paid during the year	19.3.1	(5,082)	(1,933)
Finance cost paid during the year		(68,074)	(42,313)
Deferred cost incurred during the year	8	—	(5,140)
Increase in long term deposits		(5,494)	(4,501)
Dividend paid during the year		(7,168)	(23,892)
Income tax paid during the year		(19,704)	(19,102)
		(105,522)	(96,881)
Net cash outflows from operating activities		(566,933)	(21,685)

	Notes	September 30 2017 (Rupees in '000)	September 30 2016
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment	5.1.3	683	1,083
Additions to property, plant and equipment	5.1 & 5.2	(343,756)	(364,180)
Net cash outflow from investing activities		(343,073)	(363,097)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing	17	(25,500)	(22,000)
Proceeds from long term financing	17	117,508	138,414
Payments of liabilities against asset subject to finance lease	18	(26,321)	(15,502)
Proceeds from liabilities against asset subject to finance lease	18	91,908	70,000
Net cash inflow from financing activities		157,595	170,912
Net decrease in cash and cash equivalents		(752,411)	(213,870)
Cash and cash equivalents at beginning of the year		(521,425)	(307,555)
Cash and cash equivalents at end of the year	34	(1,273,836)	(521,425)

The annexed notes from 1 to 44 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer

Statement of Changes in Equity

For the year ended September 30, 2017

Particulars	Share Capital	Unappropriated profit	Total
	(Rs in '000)	
Balance as at October 01, 2015	119,460	331,805	451,265
Transactions with Owners			
Final Dividend for the year ended September 30, 2015 @ Rs. 2 per share	—	(23,892)	(23,892)
Total Comprehensive income for the year ended September 30, 2016	—	17,197	17,197
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	22,696	22,696
Balance as at September 30, 2016	<u>119,460</u>	<u>347,806</u>	<u>467,266</u>
Balance as at October 01, 2016	119,460	347,806	467,266
Transactions with Owners			
Final Dividend for the year ended September 30, 2016 @ Rs. 0.6 per share	—	(7,168)	(7,168)
Total Comprehensive loss for the year ended September 30, 2017	—	(287,104)	(287,104)
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	20,953	20,953
Balance as at September 30, 2017	<u>119,460</u>	<u>74,487</u>	<u>193,947</u>

The annexed notes from 1 to 44 form an integral part of these financial statements

Chief Executive

Director

Chief Financial Officer

Notes to the Financial Statements

For the year ended September 30, 2017

1 COMPANY AND ITS OPERATIONS

The Company is a public limited Company incorporated in 1986 in Pakistan under the repealed Companies Ordinance, 1984. Its shares are quoted on Pakistan Stock Exchange Limited. The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power. The registered office of the Company is situated at C-27, Plot No. F-24, Block - 9, Clifton, Karachi and its manufacturing facilities are located in district Sanghar, Sindh.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Repealed Companies Ordinance, 1984, provisions of and directives issued under the Repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Repealed Companies Ordinance, 1984 shall prevail.

The Companies Act, 2017 (the Act) has been promulgated during the year and the Companies Ordinance 1984 has been repealed. The Act introduces new disclosure and presentation requirements; however the Securities and Exchange Commission of Pakistan (SECP) vide its Circular no. 23 / 2017 dated 4th October 2017 has notified its decision that Companies whose financial year ends on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the Repealed Companies Ordinance 1984. Accordingly these financial statements have been prepared in accordance with the provisions of the Repealed Companies Ordinance 1984.

2.2 Accounting Convention

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

2.3 Functional and presentation currency

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

2.4 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

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

The following Standards, interpretations and amendments to published approved accounting standards became effective during the year.

IAS-1	Presentation of Financial Statements: Disclosure Initiative (Amendment)
IAS-16	Property, Plant and Equipment and IAS 38 - Intangible Assets: Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
IAS-16	Property, Plant and Equipment and IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS-27	Separate Financial Statements: Equity Method in Separate Financial Statements (Amendment)
IAS-28	Investment in associates and Joint Ventures
IFRS-10	Consolidated Financial Statements
IFRS-11	Joint Arrangements: Accounting for Acquisition of Interest in Joint Operation (Amendment)

These Standards, interpretations and amendments as also communicated in the preceding year, either are irrelevant or do not have significant impact on Company's financial statements except for some additional disclosures. In addition to above, certain new cycle of improvements are applicable in current year, are either considered not to be relevant or are not expected to have significant impact to the Company's financial statements and hence have not been specified.

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

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

		Effective dates as determined by relevant IFRS
IAS-7	Statement of Cash Flows - Amendment	January 1, 2017
IAS-12	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses (Amendments)	January 1, 2017
IAS-40	Investment Property: Transfers of Investment Property (Amendments)	January 1, 2018
IFRS-2	Classification and Measurement of Share based Payments Transactions	January 1, 2018
IFRS-4	Insurance Contracts: Applying IFRS 6 Financial Instruments with IFRS 4 Insurance contracts – (Amendments)	January 1, 2018
IFRS-7	Financial Instruments: Disclosures – Disclosure Initiative (Amendments)	January 1, 2017
IFRS-10	Consolidated Financial Statements and IAS -28 Investments in Associates and Joint Ventures: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalized
IFRS-12	Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements: Investment Entities: Applying the Consolidation Exception (Amendment)(Amendments)	January 1, 2018
IFRIC-22	Foreign Currency Translations and Advance Consideration	January 1, 2018
IFRIC-23	Uncertainty over Income Tax Treatments	January 1, 2019

These standards, interpretations and the amendments are either not relevant to or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures, if applicable in certain circumstances.

In addition to above, certain new cycle of improvements will apply prospectively for period beginning on or after 01, October 2017, are either considered not to be relevant or are not expected to have significant impact to the Company's financial statements and hence have not been specified.

Moreover, changes have been made in respect of the disclosure and presentation of the financial statements through promulgation of Companies Act, 2017 (the Act). Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has also not been carried forward in the Companies Act, 2017 to bring it in line with the requirements of IAS 16 – Property, plant and equipment. However, the applicability of the Act in relation to the preparation of these financial statements has been deferred by SECP as stated in note 2.1 above and effect of same is yet to be assessed.

Standards, interpretations and amendments to published approved accounting standards that are not yet adopted by SECP.

	Effective for the period beginning on or after
IFRS – 1 First Time Adoption of IFRS	
IFRS – 9 Financial Instruments : Classification and Measurement	January 1, 2018
IFRS -14 Regulatory Deferral Accounts	January 1, 2016
IFRS – 15 Revenue from Contracts with Customers	January 1, 2018
IFRS – 16 Leases	January 1, 2019
IFRS – 17 Insurance Contracts	January 1, 2021

3 Critical accounting estimates, judgments and assumptions

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

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

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

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

— **Taxation :**

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

— **Defined Benefit Plan**

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

— **Property, Plant and Equipment**

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

— **Stock in trade**

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

— **Contingencies**

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence / non-occurrence of the uncertain future event(s).

— **Impairment allowance against trade debts, deposits, advances and other receivables**

The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of doubtful debts and impairment allowance required there against on periodically. While determining allowance, the Company considers financial health, market information, ageing of receivables, credit worthiness, credit rating, past records and business relationship.

— **Slow Moving and Stores Obsolescence**

In making estimates of quantum of slow moving items and obsolescence, the aging analysis, current condition of various items component of realization and expected use in future are considered.

— **Impairment**

The Company reviews carrying amount of assets periodically to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the profit and loss account.

4 SIGNIFICANT ACCOUNTING POILICIES

4.1 Property, plant and equipment

4.1.1 Operating Assets

Owned assets

Recognition & Measurement

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

Depreciation

Depreciation is charged, on a systematic basis over the economic useful life of the asset, on reducing balance method, which reflects the pattern in which the assets economic benefits are consumed by the Company, at the rates specified in respective note. Depreciation on additions is charged from the

month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.

Revaluation Surplus - owned assets

The Surplus on revaluation of Property, Plant and Equipment is recognized in accordance with section 235 of the repealed Companies Ordinance, 1984. The surplus on revaluation of Property, Plant and Equipment to the extent of incremental depreciation net of deferred tax thereon charged on the related assets is transferred to statement of changes in equity under unappropriated profit. In case of disposal of revalued Property, Plant and Equipment, any revaluation surplus is directly transferred to retained earning through statement of changes in equity.

Subsequent Cost

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

Derecognition

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

4.1.2 Assets subject to finance lease

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

4.1.3 Capital work-in-progress

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

4.2 Intangible Asset

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

4.3 Deferred Cost

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

4.4 Stores, spare parts and loose tools

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

4.5 Stock in trade

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

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

4.6 Trade debts

Trade debts are carried at original invoice amount less impairment allowance, if any. Impairment allowance for doubtful debts is based on management's assessment of customers and their credit worthiness. Bad debts are written off when there is no realistic prospect of recovery.

4.7 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.8 Employees Retirement benefits:

4.8.1 Defined benefit plan

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

4.9 Finance Lease

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

4.10 Taxation

4.10.1 Current

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

4.10.2 Deferred

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

4.10.3 Sales tax and Federal Excise Duty (FED)

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

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

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

4.11 Ijarah Lease contracts

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

4.12 Revenue recognition

Revenue is recognized to the extent that it is probable that the future economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to customers.

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

Rental income is recorded on an accrual basis.

4.13 Foreign currency transaction and translation

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

4.14 Provisions and contingencies

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

4.15 Borrowing cost

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

4.16 Financial Instruments

Financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss, if any, on derecognition of financial assets and financial liabilities is included in the profit and loss account currently.

4.17 Offsetting of financial assets and liabilities

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

4.18 Cash and cash equivalents

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

4.19 Dividend and appropriation to reserves

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

4.20 Impairment**Financial assets**

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicated that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company considers evidence of impairment for receivable and other financial assets at specific asset level. Impairment losses are recognized as expense in profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

Non-Financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount of such assets is estimated. Recoverable amount is higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognized as expense in the profit and loss account for the amount by which asset's carrying amount exceeds its recoverable amount.

4.21 Employee compensated absences

The Company provides for compensated absences for all eligible employees in the period in which these are earned in accordance with the terms of employment.

		2017	2016
		(Rupees in '000)	
5	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	Note - 5.1	1,063,540
			1,120,570
	Capital work-in-progress	Note - 5.2	682,406
			344,334
			<u>1,745,946</u>
			<u>1,464,904</u>

5.1 Operating Fixed Assets

Net carrying value as at September 30, 2017	OWNED									LEASED	OWNED & LEASED
	Free hold land	Factory Building on free hold land	Non-Factory Building on free hold land	Plant and Machinery	Furniture and Fittings	Vehicles	Computer Equipment & Appliances	Stores & Spares held for capital expenditure	Sub - Total	Plant and Machinery	Grand Total
..... Rupees in'000											
Opening Net Book Value (NBV)	93,500	111,821	57,162	771,263	1,519	15,452	2,645	5,102	1,058,466	62,104	1,120,570
Direct Additions at Cost	—	—	—	—	—	2,928	168	—	3,096	—	3,096
Transfer from Leased Assets	—	—	—	32,459	—	—	—	—	32,459	(32,459)	—
Transfer from Capital Work in Progress	—	2,588	—	—	—	—	—	—	2,588	—	2,588
Disposal at NBV	—	—	—	—	—	(100)	—	—	(100)	—	(100)
Depreciation charge for the year	—	(11,247)	(5,716)	(38,969)	(152)	(3,248)	(342)	(255)	(59,929)	(2,684)	(62,613)
Closing Net Book Value	93,500	103,162	51,446	764,753	1,367	15,033	2,471	4,847	1,036,579	26,961	1,063,540
Gross carrying value as at September 30, 2017											
Cost	7,043	29,950	12,365	774,552	6,507	32,521	12,060	5,867	880,865	30,000	910,865
Accumulated Depreciation - Cost	—	(19,009)	(9,296)	(281,716)	(5,140)	(17,488)	(9,589)	(1,020)	(343,258)	(3,039)	(346,297)
	7,043	10,941	3,069	492,836	1,367	15,033	2,471	4,847	537,607	26,961	564,568
Revaluation	86,457	158,654	73,618	378,502	—	—	—	—	697,231	—	697,231
Accumulated Depreciation - Revaluation	—	(66,433)	(25,241)	(106,585)	—	—	—	—	(198,259)	—	(198,259)
	86,457	92,221	48,377	271,917	—	—	—	—	498,972	—	498,972
Total Net Book Value	93,500	103,162	51,446	764,753	1,367	15,033	2,471	4,847	1,036,579	26,961	1,063,540
Net carrying value as at September 30, 2016	OWNED									LEASED	OWNED & LEASED
	Free hold land	Factory Building on free hold land	Non-Factory Building on free hold land	Plant and Machinery	Furniture and Fittings	Vehicles	Computer Equipment & Appliances	Stores & Spares held for capital expenditure	Sub - Total	Plant and Machinery	Grand Total
..... Rupees in'000											
Opening Net Book Value (NBV)	93,500	124,245	63,513	799,370	1,651	8,438	2,816	5,371	1,098,904	65,373	1,164,277
Direct Additions at Cost	—	—	—	—	37	9,657	190	—	9,884	—	9,884
Transfer from Capital Work in Progress	—	—	—	12,324	—	—	—	—	12,324	—	12,324
Disposal at NBV	—	—	—	—	—	(290)	—	—	(290)	—	(290)
Depreciation charge for the year	—	(12,424)	(6,351)	(40,431)	(169)	(2,353)	(360)	(269)	(62,356)	(3,269)	(65,625)
Closing Net Book Value	93,500	111,821	57,162	771,263	1,519	15,452	2,645	5,102	1,058,466	62,104	1,120,570
Gross carrying value as at September 30, 2016											
Cost	7,043	27,362	12,365	742,093	6,507	30,437	11,892	5,867	843,566	70,000	913,566
Accumulated Depreciation - Cost	—	(18,009)	(8,955)	(257,058)	(4,988)	(14,985)	(9,246)	(765)	(314,005)	(7,896)	(321,901)
	7,043	9,353	3,410	485,035	1,519	15,452	2,645	5,102	529,561	62,104	591,665
Revaluation	86,457	158,654	73,618	378,502	—	—	—	—	697,231	—	697,231
Accumulated Depreciation - Revaluation	—	(56,186)	(19,866)	(92,274)	—	—	—	—	(168,326)	—	(168,326)
	86,457	102,468	53,752	286,228	—	—	—	—	528,905	—	528,905
Total Net Book Value	93,500	111,821	57,162	771,263	1,519	15,452	2,645	5,102	1,058,466	62,104	1,120,570
Depreciation rate % per annum	—	10	10	5	10	20	10 & 20	5		5	

5.1.1 The Company's freehold land, building and plant and machinery were revalued on September 30, 2014, by independent professional valuator M/s Oceanic Surveyors (Pvt) Limited at fair market value. The resultant surplus on revaluation has been credited to the surplus on revaluation of property, plant & equipment.

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

		2017 (Rupees in '000)	2016
Cost of Sales	Note 25	52,900	56,124
Administrative Expenses	Note 28	9,713	9,501
		<u>62,613</u>	<u>65,625</u>

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

Particulars	Cost	Written Down Value	Sale Proceeds	Gain on Sale	Mode of Sale	Purchaser
.....Rupees in '000.....						
Vehicles						
Car - APG 380	705	85	515	430	Negotiation	Mr. Muzaffar Ali Odho - Goth M Pur Odho, Tapal Ghar, Garhi Khairo, Jaccobabad.
Motorcycles having net book value less than Rs. 50,000	139	15	168	153	Company Policy	Employees
September 30, 2017	<u>844</u>	<u>100</u>	<u>683</u>	<u>583</u>		
September 30, 2016	1,150	290	1,083	793		

5.2 Capital work-in-progress

	Cost at October 01	Capital expenditure incurred during the year	Transferred to operating fixed assets	Cost at September 30
..... Rupees in '000				
..... 2017				
Plant and Machinery - under erection				
Owned	213,230	188,156	—	401,386
Leased Note 18	70,000	91,908	—	161,908
	58,720	34,889	2,588	91,021
Civil works under construction				
Borrowing cost related to plant & machinery Note 5.2.1	2,384	21,105	—	23,489
	—	4,602	—	4,602
Stores held for capitalization				
As at September 30, 2017 Note 5.2.2	<u>344,334</u>	<u>340,660</u>	<u>2,588</u>	<u>682,406</u>
..... 2016				
As at September 30, 2016	2,362	354,296	12,324	344,334

- 5.2.1** Effective rate of interest for capitalization of borrowing cost is 8.47% to 8.70% (2016: 8.51% to 10.30%)
- 5.2.2** The capacity expansion work of installing additional plant & machinery commenced in last year is now at finalization stage. Once the plant & machinery is put in use the cost of same will be capitalized.

		2017	2016
		(Rupees in '000)	
6	INTANGIBLE ASSET		
	Computer Software		
	Net carrying value as at September 30		
	Opening net book value (NBV)	444	869
	Amortization charged during the year	(425)	(425)
	Closing Net Book Value	19	444
	Gross carrying value as at September 30		
	Cost	1,275	1,275
	Accumulated Amortization	(1,256)	(831)
		19	444

- 6.1** The cost is being amortized using straight line method over a period of three years.

7 LONG TERM DEPOSITS

Considered good:

Finance lease deposits		17,495	18,000
Deposit being adjustable within next twelve months classified under current assets	Note 12	—	(6,000)
		17,495	12,000
Ijarah lease deposit	Note 7.1	2,930	2,930
Other security deposits		536	536
		20,961	15,467

- 7.1** This represent deposit of Rs. 2,930 thousand (2016: Rs. 2,930 thousand) placed with shariah compliant financial institution.

8 DEFERRED COST

Balance at the beginning of the year	Note 8.1	28,885	33,373
Incurred during the year		—	5,140
Amortization charged during the year		(11,342)	(9,628)
		17,543	28,885

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

		2017 (Rupees in '000)	2016
9	STORES, SPARE PARTS AND LOOSE TOOLS		
	Stores	26,107	26,853
	Spare parts	38,858	36,193
	Loose tools	2,877	2,540
	Stores In transit	5,171	—
		<u>73,013</u>	<u>65,586</u>
	Provision for slow moving items and obsolescence	Note 9.1 16,856	15,911
		<u>56,157</u>	<u>49,675</u>
9.1	Reconciliation of provision for slow moving and obsolete items		
	Opening balance at the beginning	15,911	15,625
	Charge for the year	Note 29 945	286
	Closing balance at the end	<u>16,856</u>	<u>15,911</u>
10	STOCK-IN-TRADE		
	Sugar	Note 10.1 & 25 1,090,774	599,509
	Sugar in process	Note 25 650	1,609
	Molasses in process	137	179
	Baggasse	3,971	4,770
		<u>1,095,532</u>	<u>606,067</u>

- 10.1** The closing stock of sugar having carrying value of Rs. 1,294,146 thousand (2016: Nil) has been determined at its net realizable value of Rs. 1,090,774 thousand (2016: Nil). The closing stock of sugar having carrying value of Rs. 1,116,925 thousands having net realizable value of Rs. 941,403 thousand (2016: Carrying Value of Rs. 350,383 thousand) has been pledged against cash finance obtained from Banking Companies.

		2017 (Rupees in '000)	2016
11 LOANS AND ADVANCES			
Interest free			
Secured			
Loans to Employees - Other than CEO, Directors & Executives	Note 11.1	1,310	1,262
Un-Secured			
Advances to			
- Employees against salaries		49	96
- Contractors and suppliers		33,027	12,533
- Growers Considered good			
- non interest bearing	Note 11.2	3,330	36,406
- interest bearing	Note 11.3	78,569	54,663
Considered doubtful		6,925	6,925
		88,824	97,994
Impairment allowance against doubtful growers advances		6,925	6,925
		81,899	91,069
		116,285	104,960

11.1 Loans have been given to employees for the purchase of house hold equipments and housing assistance in accordance with the terms of the employments and are repayable in the different monthly installments and are non-interest / mark-up bearing. These are secured against their balances of retirement benefits.

11.2 The Company makes advances to growers which comprises of cash payments and also in shape of fertilizers / seeds, as an advance which is adjustable against the supplies of sugarcane during the following season.

11.2.1 It includes an amount of Rs. 15 thousand (2016: Rs. 2,341 thousand) in respect of due from related parties. The maximum month aggregate amount due from related parties during the year was Rs. 13,474 thousand (2016: Rs. 7,554 thousand).

11.2.2 Aging analysis of due from related parties is as follows:

Upto five months	—	500
Upto three months	15	1,841
	15	2,341

11.3 The company makes advance to growers in cash through obtaining grower loan from the commercial bank. The interest paid to the bank has been charged to the respective growers. Therefore, this includes interest charged to growers during the year amounting to Rs. 5,443 thousand (2016: Rs. 2,474 thousand) at the rate of interest ranging from 8.09% to 8.21% (2016: 8.36%).

		2017 (Rupees in '000)	2016
12	TRADE DEPOSITS & SHORT TERM PREPAYMENTS		
	Trade Deposits		
Bank Guarantee Margin	Note 23.2	6,250	6,250
Letter of Credit Margin	Note 12.1	2,589	—
Lease deposit being adjustable within next twelve months	Note 7	—	6,000
		8,839	12,250
	Short Term Prepayments		
Prepaid Insurance		1,494	1,135
Prepaid Rent		1,200	1,280
Others		75	75
		2,769	2,490
		11,608	14,740
12.1	This represents margin of Rs. 2,589 thousand (2016: Nil) placed with shariah compliant financial institution.		
13	OTHER RECEIVABLES		
Inland freight subsidy receivable	Note 13.1	—	—
Due from deceased executive	Note 13.2	—	—
Further sales tax refundable	Note 13.3	—	8,558
Road Cess	Note 13.4	3,613	3,613
		3,613	12,171
13.1	Inland Freight Subsidy receivable		
Due from Trade Development Authority of Pakistan		18,713	18,713
Impairment allowance there against		(18,713)	(18,713)
		—	—
	These were the receivable from the Government of Pakistan through Trade Development Authority of Pakistan. Total receivable in this respect amounted to Rs. 21,703 thousands; however an amount of Rs. 2,990 thousand relating to the export sales of year 2013-14, has not been accounted for in the books as a matter of prudence. Further, due to uncertainties regarding the recoverability of the subsidy, and as a matter of prudence, an impairment allowance has been made against the amount of Inland Freight Subsidy already recorded.		
13.2	Due from deceased executive:		
Due from deceased executive		12,996	12,996
Impairment allowance there against		(12,996)	(12,996)
		—	—
13.3	This represent Further Sales Tax of one percent on sales to unregistered persons. The Company paid Further Tax in the monthly Sales Tax & Federal Excise Returns for the month of June 2013 amounting to Rs. 764 thousand and July 2013 amounting to Rs. 3,519 thousand on buyers behalf which aggregated to Rs. 4,283 thousand and not received by the buyers. In addition, an amount of Rs. 4,275 thousand on account of Further Tax at the rate of two percent on sales to unregistered persons has again been paid by the Company and not received by the buyers. Further, due to uncertainties regarding the recoverability, and as a matter of prudence, an impairment allowance has been made against the amount of Further Tax already recorded.		

- 13.4** This represents receivable of Mill & Growers share of Sugarcane (Development) Cess for the crushing season 2014-15. The Company has paid the Cess and as per the notification issued by the Agriculture, Supply & Prices Department, Government of Sindh, the Company has filed documentation in this respect in the relevant department for refund of the said Cess. The outcome of the same is awaited.

		2017 (Rupees in '000)	2016
14	CASH AND BANK BALANCES		
	Cash in hand	608	364
	Cash at banks		
	- current accounts	Note 14.1 19,113	122,891
		<u>19,721</u>	<u>123,255</u>
14.1	Cash at banks includes Rs. 5,189 thousand (2016: Rs.43,451 thousand) with shariah compliant financial institutions.		
15	ISSUED, SUBSCRIBED AND PAID UP CAPITAL	2017 (Rupees in '000)	2016
	2017	2016	
	10,860,000	10,860,000	Ordinary shares of Rs.10 each allotted for consideration fully paid in cash
	1,086,000	1,086,000	Ordinary shares of Rs.10 each allotted as bonus shares
	<u>11,946,000</u>	<u>11,946,000</u>	
		108,600	108,600
		10,860	10,860
		<u>119,460</u>	<u>119,460</u>
16	SURPLUS ON REVALUATION OF PROPERTY, PLANT & EQUIPMENT		
	Gross opening balance	528,905	561,327
	Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	(20,953)	(22,696)
	Deferred Tax on Incremental Depreciation charged on surplus on revaluation of property, plant & equipment	(8,980)	(9,726)
		<u>(29,933)</u>	<u>(32,422)</u>
		498,972	528,905
	Related deferred Tax	(123,754)	(132,734)
	Revaluation surplus net of deferred tax	<u>375,218</u>	<u>396,171</u>
17	LONG TERM FINANCING		
	Secured		
	From Banking Company under mark-up arrangements		
	Demand Finance - I	Note 17.1 & 17.3 47,000	66,000
	Demand Finance - II	Note 17.2 & 17.3 241,500	138,414
	Diminishing Musharakah	Note 17.4 7,922	—
		<u>296,422</u>	<u>204,414</u>
	Current portion shown under current liabilities	(87,000)	(22,000)
		<u>209,422</u>	<u>182,414</u>

- 17.1** This represents Demand Finance I obtained from MCB Bank Limited under mark-up arrangements and is repayable in 16 varying quarterly installments starting from December 2015 with a mark-up payments @ 3 months KIBOR + 2.5% chargeable and payable on quarterly basis.
- 17.2** This represents Demand Finance II obtained from MCB Bank Limited under mark-up arrangements and is repayable in 16 quarterly installments starting from November 2017 with a mark-up payments @ 3 months KIBOR + 2.5% (2016: 3 months KIBOR + 2.5%) chargeable and payable on quarterly basis.
- 17.3** The above loans are secured against the Personal Guarantees of all Sponsoring Directors. 1st Exclusive Charge over specific plant & Machinery. 1st Registered Exclusive charge over all Land & Building of the Company. Additionally secured against 1st paripassu charge over other plant & machinery of the Company
- 17.4** This represents Diminishing Musharakah arrangement from shariah compliant financial institution under profit arrangements and repayable in five years in equal quarterly installments, after full disbursement with a profit payments @ 6 months KIBOR + 3%. This facility is availed through sight Letter of Credit and aggregate amount of facility is Rs. 24,500 thousand, in which Rs. 16,578 thousand remain unavailed as at the year end. This loan is secured against the title over specific machinery.

		2017	2016
		(Rupees in '000)	
18	LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE		
	Balance at the beginning of the year	107,592	53,094
	Lease obtained during the year	91,908	70,000
	Repayments during the year	(26,321)	(15,502)
		173,179	107,592
	Less: Current portion shown under current liabilities	37,310	27,474
		135,869	80,118

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

	Minimum Lease Payments (MLP)	Financial Charges	Present Value of MLP
	Rupees in 000		
	2017		
Rentals due within one year	51,344	14,034	37,310
Rentals due after one year but within five years	158,322	22,453	135,869
Balance as at September 30, 2017	209,666	36,487	173,179
	2016		
Rentals due within one year	34,183	6,709	27,474
Rentals due after one year but within five years	94,309	14,191	80,118
Balance as at September 30, 2016	128,492	20,900	107,592

18.1.1 The Company has entered into direct lease agreement for an amount of Rs. 52,908 thousand with a grace period of six months & Rs. 30,000 thousand with Orix Leasing Pakistan Limited. Lease rentals are payable in 48 months on monthly basis starting from December 2017 and October 2017 respectively. Earlier, the Company entered into sale & lease back agreement, for an amount of Rs. 30,000 thousand with Orix Leasing Pakistan Limited. The Company has option to purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit and intends to opt such option. Minimum lease payments have been discounted using rates linked with KIBOR ranging between 10.12% to 10.41% (2016: 11.07% to 12.04%) being rates implicit in the lease. Lease rentals are payable in 48 months on monthly basis starting from October 2015.

18.1.2 The Company has entered into lease agreement, for an amount of Rs. 9,000 thousand with the same terms & conditions, as earlier lease with Sindh Leasing Company Limited. Earlier, entered into an agreement of Rs. 70,000 thousands with Sindh Leasing Company Limited. The Company has option to purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit. Minimum lease payments have been discounted using rates linked with 6 Months Kibor plus 4.25% ranging between 10.38% to 10.41% (2016: Nil) being rates implicit in the lease. Lease rentals are payable in 60 months in arrears on monthly basis.

		2017	2016	
		(Rupees in '000)		
19	DEFERRED LIABILITIES			
	Deferred taxation	Note 19.1	182,060	190,966
	Market committee fee	Note 19.2 & 23.1.1	59,813	53,560
	Employees retirement benefits			
	- Defined benefit plan	Note 19.3	54,884	50,541
			<u>296,757</u>	<u>295,067</u>
19.1	Deferred taxation:			
	Opening Balance		190,966	232,046
	Impact of change in tax rate on revaluation surplus		—	(9,497)
	Impact of deferred tax on actuarial gain		—	1,457
	Reversal during the year	Note 32	(8,906)	(33,040)
	Closing balance		<u>182,060</u>	<u>190,966</u>
19.1.1	Deferred tax (debit) / credit arising due to:			
	Deferred tax credit arising due to:			
	- surplus on revaluation		123,754	132,734
	- accelerated depreciation		116,307	110,124
	- assets obtained under finance lease		4,707	7,354
			<u>244,768</u>	<u>250,212</u>
	Deferred tax debit arising due to:			
	- provisions / impairment		(45,442)	(41,980)
	- minimum tax carried forward		(17,266)	(17,266)
			<u>182,060</u>	<u>190,966</u>
19.2	Market committee fee			
	Opening Balance		53,560	47,924
	Charge during the year		6,253	5,636
	Closing balance		<u>59,813</u>	<u>53,560</u>

19.3 Defined Benefits Plan:

The Company operates an unfunded gratuity scheme for its employees eligible to the benefit effective from July 01, 2003 and provision is made as per actuarial valuation of the scheme conducted as of September 30, 2016 by M/s Nauman Associates (Consulting Actuaries) under the "Projected Unit Credit" method. This valuation also included estimated liability for the year ended September 30, 2017, hence no fresh revaluation is carried out. The significant actuarial assumptions used for actuarial valuation for the gratuity scheme are as follows:

	2017 (Rupees in '000)	2016
19.3.1 Movement in the present value of the obligation		
Present value of obligation at the beginning of the year	50,541	45,379
Charge for the year		
Current service cost	6,220	5,800
Interest cost	3,205	5,996
	9,425	11,796
Benefits paid during the year	(5,082)	(1,933)
Actuarial gain & experience adjustments Note 19.3.4	—	(4,701)
Present value of obligation at the end of the year	54,884	50,541
19.3.2 Expense for the year charged to Profit & Loss Account		
Current service cost	6,220	5,800
Interest cost	3,205	5,996
	9,425	11,796
19.3.3 Charge for the year has been allocated as under:		
Cost of sales Note 25.1	7,069	8,847
Administrative expenses Note 28.1	2,356	2,949
	9,425	11,796
19.3.4 Actuarial gain & experience adjustments		
Actuarial gains from changes in financial assumptions	—	563
Experience adjustments	—	4,138
	—	4,701
19.3.5 Significant Actuarial Assumptions		
Discount rate used for interest cost	13.50%	13.50%
Discount rate used for year end obligation	7.25%	7.25%
Salary increased used for year end obligation	6.25%	6.25%
Retirement age	Age 60	Age 60
Mortality Rates	SLIC	SLIC
	2001-2005	2001-2005
	Setback	Setback
	1 year	1 year
19.3.6 Year end Sensitivity Analysis (\pm 100 bps) on Defined Benefit Obligation		
Discount Rate + 100 bps	51,629	47,711
Discount Rate - 100 bps	58,143	53,732
Salary Increase + 100 bps	58,208	53,799
Salary Increase - 100 bps	51,492	47,599

		2017	2016
		(Rupees in '000)	
20	TRADE AND OTHER PAYABLES		
Creditors	Note 20.1	268,439	241,922
Accrued liabilities		37,863	25,818
Advances from customers		36,894	—
Sales tax / further tax payable		32,154	—
Workers' Profit participation Fund	Note 20.2	—	594
Workers' Welfare Fund		3,381	3,381
Unclaimed dividend		13,987	13,736
Other liabilities	Note 20.3	3,185	3,964
		<u>395,903</u>	<u>289,415</u>
20.1	This includes an amount of Rs. 432 thousand (2016 (Rs. 413 thousand) due to related parties.		
20.1.1	The maximum aggregate amount due to related parties at any month end during the year was Rs.15,086 thousand (2016: Rs. 13,135 thousand).		
20.2	Workers' Profit Participation Fund		
Opening balance at the beginning of the year		594	4,822
Interest paid on funds utilized by the Company	Note 20.2.1	32	287
		<u>626</u>	<u>5,109</u>
Less: Payments made during the year		<u>(626)</u>	<u>(5,109)</u>
		—	—
Add: Allocation for the year	Note 29	—	594
Closing balance at the end of the year		<u>—</u>	<u>594</u>
20.2.1	The effective rate of interest applied during the year was 12.5% (2016: 12.5%).		
20.3	Other liabilities		
Sales tax withheld		—	27
Income tax deducted at source		1,516	2,279
Cane field staff	Note 20.3.1	116	214
Others - Employees' social security & old age benefits, workers compensation & others		1,553	1,444
		<u>3,185</u>	<u>3,964</u>
20.3.1	These represents amount received from cane field employees under Company's motor cycle policy.		
21	ACCRUED FINANCE COST		
Accrued financial charges on liabilities against asset subject to finance lease		—	317
Accrued mark-up on long term financing		6,390	2,720
Accrued mark-up / Profit on short term borrowings	Note 21.1	40,117	17,265
		<u>46,507</u>	<u>20,302</u>
21.1	Accrued Markup / profit on short term borrowings includes Rs. 21,920 thousand (2016: Rs. 8,809 thousand) in respect of shariah compliant financial institution.		

		2017	2016
		(Rupees in '000)	
22	SHORT TERM BORROWINGS -Secured		
	Cash Finance / Karobar Finance	Note 22.1 & 22.2	1,193,557
	Running Finance	Note 22.1	100,000
			<u>1,293,557</u>
			<u>569,680</u>
22.1	The aggregate financing facilities obtained amounted to Rs.1,875,000 thousand (2016: Rs.1,725,000 thousand), out of which Rs.581,443 thousand (2016: Rs.1,080,320 thousand) were un-availed as at the year end. These are secured by pledge of sugar stocks under the supervision of approved muccadum and hypothecation over current assets of the Company, exclusive & pari passu hypothecation charge on Company's plant & machinery and 1st equitable mortgage charge over fixed assets of the Company. The financing facilities are collaterally secured by the personal guarantees of all the sponsor directors. The facilities carries markup at 3 & 6 months KIBOR as base rate plus 2% to 2.75% per annum (2016: 2% & 2.75%) chargeable and payable quarterly. The facility is renewable annually at the time of maturity.		
22.2	Cash Finance / Karobar Finance includes Rs. 550,000 thousand (2016: Rs. 200,000 thousand) in respect of shariah compliant financial institution.		
23	CONTINGENCIES AND COMMITMENTS		
23.1	Contingencies:		
23.1.1	The Company has filed a suit in the Honourable High Court of Sindh against the levy of market committee fee by the Government of Sindh on sugarcane purchases at the factory. The Sindh High Court has granted status quo. Full provision of Rs. 59,813 thousands has been made as a matter of prudence, which includes Rs. 6,253 thousands for the current crushing season 2016-2017.		
23.1.2	The Company has filed a petition in the Honourable Supreme Court of Pakistan against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the vary jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. Proceedings are pending thereat. There are no financial implications related to this at the moment.		
23.1.3	The Company has filed a suit before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority (the Authority) Challenging the levy of marking fee under PSQCA Act-VI of 1996. The Authority has demanded a fee payment @ 0.1% of ex-factory price for the year 2008-2009 amounting to Rs. 1,915 thousands. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are in violation of the constitution. The Honourable High Court of Sindh has accepted the petition and termed that impugned notifications have been issued without lawful authority and suspended the operation of the impugned notifications. The constitutional petition filed before the Honourable High Court of Sindh has been allowed in favour of the Company. In the meantime the legal counsel of the Company has filed caveat in respect of an appeal to be filed by PSQCA against the judgment in the Honourable Supreme Court of Pakistan. No provision has been made in this respect, as the Company is confident that the same is not likely to be materialized.		
23.1.4	The matter of quality premium continues to be pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. The Company purchased sugar cane at market rate, which was higher than minimum support price fixed by the government during the period from 2004-2017. The resultant aggregate excess payment on account of various subsidies born by Company was higher than that absorbed the quality premium for the said years of Rs. 891,922 thousand. It also holds the view that uniform formula being developed by MINFAL for mills and cane growers would be applicable prospectively. In view of above, the Company has not recorded any obligation.		

- 23.1.5** The Company filed a suit before the Honorable High Court of Sindh during the season 2013-14 against the cane purchase price of Rs. 172 per 40 kg as fixed by Government of Sindh which was dismissed by the Honorable High Court and the matter was taken up by the Company with the Honorable Supreme Court of Pakistan. In the due course of time, the Government of Sindh fixed the price of sugarcane for the season 2014-15 at Rs. 182 per 40 Kg in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honorable High Court of Sindh. The Honorable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kg for crushing season 2014-15 whereas Rs. 12 per 40 kg will be paid by the Government of Sindh. The Honorable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015 pending before the Honorable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent upon the decision of Honorable Supreme Court of Pakistan. The Company as a matter of prudence has accounted for the said difference of Rs. 10 in the financial statements aggregating to Rs. 157,579 thousand.
- 23.1.6** Nara Canal Area Water Board through its notification dated 22.11.2010 had increased the water supply rates from Rs. 1 per gallon to Rs. 10 per gallon. The Company filed a Constitutional Petition in the Honourable High Court of Sindh, Hyderabad Circuit against the said increase in rates. The petition has been disposed off leaving the petitioner free to invoke arbitration proceedings in terms of agreement entered into between the petitioner and the respondent. Arbitration proceedings are pending thereat. The Company is the confident that matter will be decided favorably; however as a matter of prudence has accounted for the said difference of Rs. 9 in the financial statements aggregating to Rs. 9,688 thousand.
- 23.2 Guarantee:**
Rs.25,000 thousand (2016: Rs.25,000 thousand) guarantee issued by the Bank for six months period in favour of Engro Fertilizers Limited on behalf of the Company for the procurement of Fertilizers for onward supply to sugarcane growers. The guarantee is secured against the 25% cash margin and rest against the existing charge over current and fixed assets of the Company held as collateral. Also refer note no 12 of the financial statements.
- 23.3 Commitments:**
- 23.3.1** Capital commitments in respect of plant and machinery & civil works for expansion project amounted to Rs. 54,486 thousand (2016: Rs. 74,000 thousand).
- 23.3.2** The Company is committed for donation of 5 acre of land through the Board of Directors in their meeting held on October 29, 2016 recommended donation of 5 acre land out of total 320 acres Company's land at factory located at Sanghar to Workers Welfare Fund, Government of Pakistan, Islamabad, for the purpose of construction of Fifty Beds Hospital in the vicinity of factory premises of Sanghar Sugar Mills. This has already been approved by the shareholders of the Company in their Extra Ordinary General Meeting held on November 23, 2016. The carrying value of the land as on the balance sheet date is Rs 1,461 thousand whereas its fair value based on revaluation report of an independent professional valuator dated October 20, 2016 is Rs. 2,500 thousand. In order to implement the Agreements, the formalities of transfer of Land and other documentation are in process till date.
- 23.3.3** The Company has entered into Ijarah Lease agreement, for the amount of Rs. 29,334 thousands with Al-Baraka Bank Pakistan Limited to acquire of Shredder Turbine for enhancing power generation capacity. The Company has option to purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit. Ijarah Rentals are based on profit rates linked with KIBOR aggregating 10.12% to 10.36% (2016: 10.36% to 11.07%). Ijarah lease rentals are payable in 20 quarterly installments starting from March 2014.

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

	2017	2016
	(Rupees in '000)	
Not more than one year	8,880	7,134
More than one year but not more than two years	1,776	8,917
	10,656	16,051

		2017 (Rupees in '000)	2016
24 SALES			
Local Sales		2,880,081	3,065,115
Less: Brokerage and Commission		(797)	(1,454)
Sales Tax / Further Tax		(296,052)	(231,004)
		(296,849)	(232,458)
		<u>2,583,232</u>	<u>2,832,657</u>
25 COST OF SALES			
Sugar cane consumed (including cane procurement expenses)		3,109,983	2,678,277
Salaries, wages and staff benefits	Note 25.1	140,446	120,831
Stores, spare parts & loose tools consumed		96,463	89,585
Fuel, power & utilities		10,342	6,382
Insurance		11,296	7,377
Repairs and maintenance		5,615	5,571
Vehicle running expenses		7,499	7,747
Ijarah Lease Rentals	Note 25.2	7,111	6,664
Depreciation	Note 5.1.2	52,900	56,124
Amortization of deferred cost	Note 8.1	11,342	9,628
Other expenses		11,090	9,221
		<u>3,464,087</u>	<u>2,997,407</u>
Sale of Electric Power	Note 25.3	42,086	35,946
Sugar -in-process			
– Opening		1,609	510
– Closing	Note 10	(650)	(1,609)
		959	(1,099)
		<u>3,422,960</u>	<u>2,960,362</u>
Sale of Molasses	Note 25.4	260,550	219,931
Inventory adjustment		(42)	(47)
		260,508	219,884
Sale of Baggasse	Note 25.5	18,093	15,332
Inventory adjustment		(798)	1,924
		17,295	17,256
Cost of goods manufactured		<u>3,145,157</u>	<u>2,723,222</u>
Finished sugar			
– Opening stock		599,509	557,362
– Closing stock	Note 10	(1,090,774)	(599,509)
		(491,265)	(42,147)
		<u>2,653,892</u>	<u>2,681,075</u>
25.1	Salaries, wages and benefits include Rs.7,069 thousands (2016: 8,847 thousands) in respect of defined benefit plan.		
25.2	Ijarah Lease rentals are paid in respect of arrangement with shariah compliant financial institution.		
25.3	These figures are net off sales tax of Rs. 7,155 thousands (2016: Rs. 6,111 thousands).		
25.4	These figures are net off sales tax of Rs. 295 thousands (2016: Nil).		
25.5	These figures are net off sales tax of Rs. 3,076 thousands (2016: Rs. 2,606 thousands).		

		2017	2016	
		(Rupees in '000)		
26	PROFIT FROM TRADING ACTIVITIES			
	Sales	—	27,193	
	Less: Sales Tax	—	(1,295)	
		—	25,898	
	Less: Purchases & other expenses thereon	—	23,719	
		—	2,179	
27	DISTRIBUTION COST			
	Handling and stacking	796	522	
28	ADMINISTRATIVE EXPENSES			
	Salaries, wages and staff benefits	Note 28.1	56,928	51,067
	Rent, rates and taxes		1,077	1,059
	Communication		591	744
	Repairs and maintenance		1,232	418
	Utilities		1,169	598
	Entertainment		584	623
	Subscription		2,830	3,531
	Cartage		19	27
	Printing and stationery		1,196	942
	Insurance		3,765	2,459
	Legal and professional charges		693	1,407
	Conveyance and traveling		3,367	3,681
	Depreciation	Note 5.1.2	9,713	9,501
	Amortization of intangible asset	Note 6	425	425
	Others		1,348	1,517
			84,937	77,999
28.1	Salaries, wages and benefits include Rs. 2,356 thousands (2016: 2,949 thousands) in respect of defined benefit plan.			
29	OTHER OPERATING EXPENSES			
	Auditors' remuneration	Note 29.1	972	1,149
	Impairment allowance for further sales tax refundable	Note 13.3	8,558	—
	Impairment allowance for inland freight subsidy	Note 13.1	—	18,713
	Corporate social responsibility costs	Note 29.2	1,147	1,200
	Workers Profit Participation Fund	Note 20.2	—	594
	Workers Welfare Fund		—	226
	Provision for slow moving and obsolete items	Note 9.1	945	286
			11,622	22,168

		2017 (Rupees in '000)	2016
29.1 Auditors' remuneration			
Statutory Auditors - Kreston Hyder Bhimji and Co.			
Audit fee		775	675
Half yearly review fee		70	55
Code of corporate governance certification		55	40
Sindh Sales Tax on Services		72	62
		972	832
Cost Auditors - Siddiqi and Co.			
Audit fee		—	280
Out of pocket expenses		—	15
Sindh Sales Tax on Services		—	22
		—	317
		972	1,149
29.2	Corporate social responsibility costs do not include any amount paid to any person or organization in which any director or their spouse had any interest.		
30 OTHER INCOME			
Income from non financial assets:			
Gain on sale of items of property, plant and equipment	Note 5.1.3	583	793
Others - Rent & related receipts		138	65
		721	858
Income from others:			
Insurance Claim		1,380	5,202
Liabilities written back		516	787
		1,896	5,989
		2,617	6,847
31 FINANCE COST			
Mark-up on long term financing		4,744	6,878
Mark-up / profit on short-term borrowings	Note 31.1 & 31.2	85,805	36,802
Financial charges on liabilities against asset subject to finance lease		2,703	4,095
Bank charges		996	797
Interest on workers' profit participation fund	Note 20.2	32	287
		94,280	48,859
31.1	Finance cost includes Rs. 34,289 thousand (2016: Rs. 18,712 thousand) in respect of financing under shariah compliant arrangements.		
31.2	This amount is net off of Rs. 5,443 thousand (2016: Rs. 2,474 thousand) in respect of grower finance to be recovered from growers.		

		2017 (Rupees in '000)	2016
32 TAXATION			
Current year		36,332	30,147
Deferred	Note 19.1	(8,906)	(33,040)
		<u>27,426</u>	<u>(2,893)</u>
32.1	Provision for current taxation represents the minimum tax being the turnover tax under section 113 of Income Tax Ordinance, 2001 net of available tax credits, hence tax reconciliation of tax expense with accounting profit is not presented for the current year.		
33 (LOSS) / EARNING PER SHARE - Basic and Diluted		2017	2016
(Loss) / Profit after taxation (Rupees '000)		<u>(287,104)</u>	<u>13,953</u>
Number of ordinary shares		<u>11,946,000</u>	<u>11,946,000</u>
(Loss) / Earnings per share - (Rupees)		<u>(24.03)</u>	<u>1.17</u>
There is no dilutive effect on the basic earnings per share of the Company.			
		2017	2016
		(Rupees in '000)	
34 CASH AND CASH EQUIVALENTS			
Cash and cash equivalent comprise of the following items			
Cash and bank balances		19,721	123,255
Less: Short term borrowings		<u>(1,293,557)</u>	<u>(644,680)</u>
		<u>(1,273,836)</u>	<u>(521,425)</u>
35 FINANCIAL INSTRUMENTS			
35.1 FINANCIAL ASSETS AND LIABILITIES			

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

		2017					
		Interest / Mark-up bearing			Non Interest / Mark-up bearing		
Interest / markup rate		Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total
		(Rupees in '000)					
Financial Assets							
Deposits		—	—	—	8,839	20,961	29,800
Loans and advances		—	—	—	1,359	—	1,359
Cash and bank balances		—	—	—	19,721	—	19,721
TOTAL		—	—	—	29,919	20,961	50,880
Financial Liabilities							
Long Term Finance	3 M Kibor + 2% & 2.5%	87,000	209,422	296,422	—	—	296,422
Liabilities against assets subject to finance lease	10.12% to 10.41%	37,310	135,869	173,179	—	—	173,179
Trade & other payables	12.50%	—	—	—	359,009	—	359,009
Accrued finance cost		—	—	—	46,507	—	46,507
Short-term borrowings	3 & 6 M Kibor + 2% to 2.75%	1,293,557	—	1,293,557	—	—	1,293,557
TOTAL		1,417,867	345,291	1,763,158	405,516	—	2,168,674

2016							
	Interest / Mark-up bearing			Non Interest / Mark-up bearing			
Interest / markup rate	Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	Total 2016
	(Rupees in '000)						
Financial Assets							
Deposits	—	—	—	12,250	15,467	27,717	27,717
Loans and advances	—	—	—	1,358	—	1,358	1,358
Cash and bank balances	—	—	—	123,255	—	123,255	123,255
T O T A L 2016	—	—	—	136,863	15,467	152,330	152,330
Financial Liabilities							
Long Term Finance 3 M Kibor + 2% & 2.5%	22,000	182,414	204,414	—	—	—	204,414
Liabilities against assets subject to finance lease 11.07% to 12.04%	27,474	80,118	107,592	—	—	—	107,592
Trade & other payables 12.50%	594	—	594	288,821	—	288,821	289,415
Accrued mark-up	—	—	—	20,302	—	20,302	20,302
Short-term borrowings 3 & 6 M Kibor + 2% to 2.75%	644,680	—	644,680	—	—	—	644,680
T O T A L 2016	694,748	262,532	957,280	309,123	—	309,123	1,266,403

36 FINANCIAL RISKS MANAGEMENT

36.1 Financial Risk Management Objectives, Policies and Responsibilities

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

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

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

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

- Market risk
- Credit risk
- Liquidity risk

36.1.1 Market Risk

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

36.1.1.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign exchange. The Company is exposed to foreign currency risk arising from foreign exchange fluctuations due to the following financial liability / commitment:

Foreign currency commitment outstanding as at the year end is as follows:

	2017	2016
Import letter of credit - Euro (in '000)	163	—
The exchange rate as at the reporting date - Rupees per Euro:	125.7	—

Cash flow sensitivity analysis for foreign currency

A change of 5% in exchange rate at the reporting date would have decreased / (increased) liability by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2017 (Rupees in '000)		2016 (Rupees in '000)	
Financial liabilities	increase	decrease	increase	decrease
Cash flow sensitivity - on balance sheet	(1,025)	1,025	—	—

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

36.1.1.2 Interest / Mark-up rate risk

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

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

	2017 Effective interest / markup rate (in percent)	2016	2017 Carrying amount (Rupees in '000)	2016
Financial liabilities				
Variable rate instruments				
On Balance Sheet				
Long Term Finance	3 M Kibor + 2% & 2.5%	3 M Kibor + 2.5%	296,422	204,414
Finance lease obligation	10.12% to 10.41%	11.07% to 12.04%	173,179	107,592
Short term borrowings	3 & 6 M Kibor + 2% to 2.75%	3 & 6 M Kibor + 2% to 2.75%	1,293,557	644,680
Workers Profit Participation Fund	12.5%	12.5%	—	594
			1,763,158	957,280
Off Balance Sheet				
Ijarah Rentals	10.12% to 10.36%	11.36% to 11.07%	10,656	16,051

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

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

Cash flow sensitivity analysis for variable rate instruments.

A change of 100 basis points in interest / mark-up rates at the reporting date would have decreased / (increased) profit before tax for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

 2017 2016	
	(Rupees in '000)		(Rupees in '000)	
Financial liabilities	Profit and loss 100 bp increase	decrease	Profit and loss 100 bp increase	decrease
Cash flow sensitivity - on balance sheet	<u>(17,632)</u>	<u>17,632</u>	<u>(9,573)</u>	<u>9,573</u>
Cash flow sensitivity - off balance sheet	<u>(107)</u>	<u>107</u>	<u>(161)</u>	<u>161</u>

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

36.1.1.3 Other Price Risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have financial instruments dependent on such market prices.

36.1.2 Credit Risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the Chief Executive Officer and Executive Directors. The Company manages credit risk inter alia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits and / or by providing adequate allowance for doubtful debts. Where considered necessary, advance payments are obtained from certain parties or by obtain advance payments from counter parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

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

	2017 (Rupees in '000)	2016
Deposits	29,800	27,717
Loans and advances	1,359	1,358
Bank balances	19,113	122,891
	<u>50,272</u>	<u>151,966</u>

a) Deposits

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

b) Loans and Advances

These represent balances due from employees that are mostly secured against their balances of retirement benefits. Advances given to growers in cash or through fertilizer / seeds are recovered through the adjustments in cane supplies payments in the ensuing season. Impairment allowance has been made against the growers loan and became past due and non recoverable. The Company actively pursues for the recovery and based on past experience the Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary.

c) Balances with Bank

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

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

Credit Rating	2017 (Rupees in '000)	2016
A1+	11,606	68,541
A1	3,919	101
A-1+	3,587	54,249
A-1	1	1
	<u>19,113</u>	<u>122,891</u>

36.1.2.1 Financial assets that are either past due or impaired

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

36.1.3 Liquidity Risk

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities. The maturity profile of the Company's financial assets and liabilities as at the balance sheet date with respect to period lags is given in Note 35.

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. As at September 30, 2017, the Company has available un-availed short term borrowing facilities of Rs. 581,443 thousands (2016: Rs. 1,080,320 thousands) and also has cash & bank balances of Rs. 19,721 thousands (2016: 123,255 thousands). Based on the above, the management believes that the Company is not significantly exposed to the liquidity risk.

36.2 CAPITAL RISK MANAGEMENT

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

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

	2017 (Rupees in '000)	2016
Total financing and borrowings including finance lease	1,763,158	956,686
Less: Cash and bank balances	(19,721)	(123,255)
Net debt	1,743,437	833,431
Total Equity	193,947	467,266
Total capital employed	1,937,384	1,300,697
Gearing Ratio	89.99%	64.08%

37 FAIR VALUES / MEASUREMENT

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

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

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

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

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

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

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer. The Fair Values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property. Recent valuation was carried on September 30, 2014 and following factors were considered:

Land and Building The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.

Plant and Machinery Factors taken into consideration in order to assess the present value of the machinery include Make, Model, Quality, Operational Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc.

38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in '000)							
Non executive Directors' meeting fee - 1 Director (2016: 1 Director)	—	—	120	85	—	—	120	85
Managerial remuneration	5,383	5,262	2,163	1,867	5,999	7,048	13,545	14,177
Allowances & others benefits	3,074	3,047	827	827	5,882	4,004	9,783	7,878
	8,457	8,309	2,990	2,694	11,881	11,052	23,328	22,055
Number of persons	1	1	1	1	3	3	5	5

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

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

39 RELATED PARTY TRANSACTIONS

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

Relationship with Company	Nature of Transaction	2017 (Rupees in '000)	2016
Key Management Personnel and their relatives	Purchase of sugarcane	51,996	39,857
Key Management Personnel and their relatives	Advances disbursed against cane supplies	26,535	22,914

Transactions, as applicable in relation to Directors of the Company and Key Management Personnel (KMP) have been disclosed in note # 38. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Outstanding balances of related parties as of the balance sheet and maximum month end aggregate balance during the year are disclosed in the respective notes to the financial statements. The advances to related parties against supply of cane were disbursed for the crushing season 2016-17 and 2017-18 (2016: 2015-16 and 2016-17) out of which significant amount had already been adjusted against cane supplied during the crushing season 2016-17 (2016: 2015-16) whereas remaining amount has been adjusted subsequent to the year-end against the cane supplied for the current crushing season 2017-18 (2016: 2016-17).

40 ENTITY - WIDE INFORMATION

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

40.2 Information about geographical areas

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

	2017 (Rupees in '000)	2016
Local Sales - net		
Sugar	2,583,232	2,832,657
Molasses	260,550	219,931
Baggasse	18,093	15,332
Electric Power	42,086	35,946
Trading Activities	—	27,193
	<u>2,903,961</u>	<u>3,131,059</u>

41 CAPACITY AND PRODUCTION

	2017		2016	
	Quantity M. Tons	No. of days	Quantity M. Tons	No. of days
Crushing capacity	6,000	Per day	6,000	Per day
Capacity based on actual working days	798,000	133	702,000	117
Actual crushing	625,237	133	563,617	117
Sucrose recovery (in %)	10.12		10.20	
Sugar production from cane	63,380		57,387.5	

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

41.2 The Company is in process of installation of plant & machinery which is at finalization stage, as disclosed in note 5.2.2. This addition of plant & machinery will increase crushing capacity of the Company, which is yet to be assessed once plant becomes operational.

42 NUMBER OF EMPLOYEES

The number of employees as at year end was 525 (2016: 548) and average number of employees during the year was 735 (2016: 762) included seasonal employees.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on December 30, 2017 by the Board of Directors of the Company.

44 GENERAL

Figures have been rounded off to nearest thousand of rupees.

Chief Executive

Director

Chief Financial Officer

Pattern of Share Holding

As at September 30, 2017

Number of Shareholders	From	Share Holding To	Total Shares Held
912	1	100	21,162
134	101	500	40,035
89	501	1000	58,832
77	1001	5000	176,070
38	5001	10000	235,420
4	10001	15000	48,500
2	15001	20000	36,500
4	20001	25000	96,500
3	25001	30000	79,940
1	35001	40000	38,500
3	40001	45000	130,650
1	55001	60000	55,750
1	60001	65000	62,700
3	95001	100000	289,140
1	240001	245000	241,487
1	265001	270000	267,740
1	360001	365000	360,179
1	400001	405000	403,100
1	410001	415000	410,982
1	485001	490000	486,390
1	495001	500000	496,000
1	520001	525000	522,600
2	570001	575000	1,145,722
1	655001	660000	659,250
1	670001	675000	674,750
1	855001	860000	858,000
1	910001	915000	913,000
1	975001	980000	979,000
1	1060001	1065000	1,063,616
1	1090001	1095000	1,094,485
1,289			11,946,000

* There is no shareholding in the slab not mentioned above.

Category of Shareholders	Number of Shares Held	Percentage %
1 Directors, Chief Executive Officer, and their spouse and minor children	1,844,216	15.4379
2 Associated Companies, undertakings and related parties	—	—
3 Executives	25,290	0.2117
4 NIT & ICP	1,064,016	8.9069
5 Banks, DFIs, NBFIs, Mudarabas and Pension Fund	101,550	0.8501
6 Insurance Companies	267,840	2.2421
7 Joint Stock Companies	28,928	0.2422
8 Shareholders holding 5% or more	4,519,235	37.8305
9 General Public - Local	4,094,925	34.2787
TOTAL	11,946,000	100.0000

Detail of Pattern of Share Holding

As per Requirement of Code of Corporate Governance

As at September 30, 2017

Category Name	Number of shares held	Percentage %	Category wise Number of shareholders	Category wise shares held	Percentage %
Directors, Chief Executive and their spouse and minor children			7	1,844,216	15.4379
Haji Khuda Bux Rajar	241,487	2.0215			
* Mr. Ghulam Dastagir Rajar	659,250	5.5186			
Mr. Ghulam Hyder	360,179	3.0151			
Mr. Rahim Bux	572,350	4.7911			
Mr. Mohammad Aslam	3,300	0.0276			
Mr. Qazi Shamsuddin	4,900	0.0410			
Mrs. Khanzady W/o Haji Khuda Bux	2,750	0.0230			
Associated Companies, Undertaking and related parties			—	—	—
Executives			1	25,290	0.2117
NIT & ICP			2	1,064,016	8.9069
* CDC - Trustee National Investment (Unit) Trust	1,063,616	8.9035			
Investment Corporation of Pakistan	400	0.0033			
Banks, DFIS, NBFIS, Mudarabas and Pension Funds			4	101,550	0.8501
Insurance Companies			2	267,840	2.2421
Joint Stock Companies			9	28,928	0.2422
* Shareholders holding 5% or more			5	4,519,235	37.8305
General Public - Local			1259	4,094,925	34.2787
Total			1,289	11,946,000	100.000

* Shareholders having 5% or more shares marked as (*) are shown in their relevant categories. The name wise details of the remaining shareholders having 5% or more given below

Name of Shareholders	Number of shares held	Percentage %
Mr. Ali Ghulam	858,000	7.1823
Mr. Khuda Bux	913,000	7.6427
Mr. Abdul Jabbar	979,000	8.1952
Mr. Pir Baksh	1,094,485	9.1619
Mr. Gul Mohammad	674,750	5.6483
	4,519,235	37.8305

Information under clause (xvi) (I) of the Code of Corporate Governance








The Directors, Executives and their spouse and their minor children have not undertaken any trading of Company's shares during the year ended September 30, 2017










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Sanghar Sugar Mills Limited

PROXY FORM

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

being a member of Sanghar Sugar Mills Limited, holding Shares of the Company,

hereby appoint Mr. / Mrs. W / S / D of

CNIC No Folio No CDC Participant's ID. /

Sub Account No holding

Shares of the Company, as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday January 27, 2018 at 10:30 a.m. at Haji Abdullah Haroon Muslim Gymkhana - Old Lobby (Muslim Gymkhana), Near Shaheen Complex, Aiwan-e-Saddar Road, Saddar Town, Karachi and at any adjournment thereof.

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

Signed thisday of..... 2018 in the presence of:

Witness 1

Signature :

Name :

CNIC No.:

Address :

Witness 2

Signature :

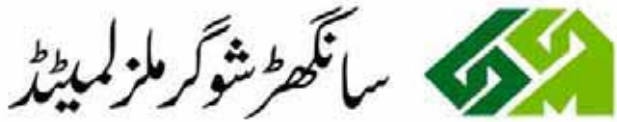
Name :

CNIC No.:

Address :

NOTES:

1. Proxy should be member of the Company and should produce his/her CNIC at the time of meeting for identification.
2. Signature of the member must agree with the specimen signature registered with the Company.
3. CDC Account holder or Sub Accountant holder should enclose valid copy of his/her CNIC/ Passport with Proxy Form. Representatives of the Corporate members should bring the necessary documents as usually required for such purpose.
4. Proxy Form dully filled-in and signed must be deposited with the Company Secretary at Company's Registered Office C-27, Plot No. No F-24, Block-9, Clifton, Karachi not later than 48 hours before the time fixed for holding this meeting.
5. If the member is a corporate entity its common seal should be affixed to the proxy.
6. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.



سانگھڑ شوگر ملز لمیٹڈ

پراکسی فارم

میں / ہم ----- از -----
 ڈسٹرکٹ ----- حامل قومی شناختی کارڈ نمبر ----- بطور نمبر سانگھڑ
 شوگر ملز لمیٹڈ بذریعہ ہذا جناب / مسماٹ ----- حامل قومی شناختی کارڈ نمبر ----- حامل
 فوئیو نمبر ----- حامل سی ڈی سی شرکتی شناختی نمبر ----- ذیلی اکاؤنٹ نمبر ----- حامل
 ----- حصص کو اپنی / ہماری غیر موجودگی میں اپنا / ہمارا وکیل مقرر کرتا ہوں / کرتے ہیں تاکہ وہ میری / ہماری جانب سے کمپنی کے عام
 سالانہ اجلاس بروز ہفتہ مؤرخہ 27 جنوری 2018 بوقت صبح 10:30 بجے بہ مقام حاجی عبداللہ مسلم جمخانہ - اولڈ الابی (مسلم جمخانہ) نزد شاہین کمپلیکس، ایوان صدر، صدر
 ٹاؤن کراچی یا بصورت کسی ممکنہ تبدیلی کے بعد اس اجلاس میں شرکت کر سکے۔

فوئیو نمبر	سی ڈی سی شرکتی نمبر / ذیلی اکاؤنٹ نمبر	دستخط ریونیو اسٹیپ

دستخط شدہ بروز ----- بتاریخ ----- موجودگی:

گواہ نمبر 1	گواہ نمبر 2
دستخط -----	دستخط -----
نام -----	نام -----
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر -----	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر -----
پتہ -----	پتہ -----

نوٹس

- 1- پراکسی کیلئے لازم ہے کہ وہ کمپنی کا ممبر ہو اور اجلاس میں شرکت کے وقت اپنی شناخت ثابت کرنے کیلئے اپنا قومی شناختی کارڈ ظاہر کرے۔
- 2- دستخط کا ان نمونہ دستخطوں کے مطابق ہونا لازم ہے جو کہ کمپنی کے پاس ریکارڈ میں محفوظ ہیں۔
- 3- حاملین سی ڈی سی اکاؤنٹ اور ذیلی اکاؤنٹ کو چاہئے کہ پراکسی فارم کے ساتھ اپنے کارآمد قومی شناختی کارڈ / پاسپورٹ کی نقل بھی منسلک کریں۔ کارپوریٹ کی نمائندگی کرنے والے ممبران کیلئے لازم ہے کہ وہ تمام دستاویزات اپنے ہمراہ لے کر آئیں جن کی اس موقع پر ضرورت پیش آتی ہے۔
- 4- باقاعدہ پر شدہ اور دستخط شدہ پراکسی فارم کمپنی سیکرٹری کے پاس کمپنی کے رجسٹرڈ دفتر بمقام C-27، پلاٹ نمبر 24-F، بلاک 9، کلفٹن، کراچی کو اجلاس شروع ہونے سے کم از کم 48 گھنٹے پہلے موصول ہو جانا لازم ہے۔
- 5- اگر کوئی ممبر کسی کارپوریٹ ادارے کی نمائندگی کر رہا ہو تو لازم ہے کہ پراکسی فارم پر ادارے کی عمومی مہر ثبت شدہ ہو۔
- 6- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرے اور ایک ممبر کی جانب سے ایک سے زائد پراکسی فارم کمپنی میں جمع کروائے جائیں تو ایسے تمام پراکسی فارم نامکارہ کروئے جائیں گے۔

Dividend Payments through Electronic Mode

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

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

SHARE HOLDER'S SECTION

The Company Secretary,
Sanghar Sugar Mills Limited,
C-27, Plot No. F-24, Block - 9,
Karachi
Clifton, Karachi 75600,
Phone: 021 35371441 to 43 (3 lines)
Fax: 021 35371444

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

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

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

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

Shareholder's Signature

CNIC / NTN No. _____
(copy attached)

منافع کی بذریعہ الیکٹرونک ادائیگی

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت شیئرز ہولڈرز ڈیویڈنڈ وارنٹس وصول کرنے کی بجائے اپنے منافع کو براہ راست اپنے بینک اکاؤنٹ میں کریڈٹ کروا سکتے ہیں۔

لہذا مستقبل میں اپنے منافع کو بینک اکاؤنٹ میں وصول کرنے کیلئے برائے مہربانی ہمیں مکمل تفصیل کیساتھ باقاعدہ اپنے دستخط شدہ NTN/CNIC کے نقول کے ہمراہ کمپنی کے شیئرز رجسٹرار کو ارسال کریں اور CDC میں شیئرز رکھنے کی صورت میں متعلقہ پارٹنر/پارٹنر/انوسٹر اکاؤنٹ سرورسز کو مطلع کریں۔

رجسٹرڈ آفس:

C-27، پلاٹ نمبر-24، بلاک-9، کانٹن، کراچی-75600۔

فون: 021-35371441-43 (3 لائن) فیکس: 021-35371444۔

شیئرز رجسٹرار:

حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

کراچی چیمبر، حسرت موہانی روڈ، کراچی

فون: 021-32424826، فیکس: 021-32424835

فارم

میں اپنی خواہش کا اظہار کرتا ہوں کہ مستقبل میں اپنے منافع کو براہ راست اپنے بینک اکاؤنٹ میں حسب ذیل تفصیلات کے مطابق وصول کروں:

_____	:	شیئرز ہولڈر کا نام
_____	:	فولیو نمبر
_____	:	شیئرز ہولڈر کا رابطہ نمبر
_____	:	بینک برانچ اور مراسلت کا پتہ
_____	:	بینک اکاؤنٹ نمبر (تفصیلی)
_____	:	CNIC نمبر
_____	:	NTN نمبر

(کارپوریٹ ادارہ کی صورت میں)

بیان کیا جاتا ہے کہ مندرجہ بالا فراہم کردہ کوائف میری مکمل معلومات کے مطابق درست ہیں اور اگر مستقبل میں ان کوائف کے حوالے سے کوئی تبدیلی ہو تو میں کمپنی کو اس کے بارے میں مطلع کرنے کا پابند ہوں۔

_____ شیئرز ہولڈر کے دستخط:

_____ CNIC نمبر / NTN نمبر

(نقل منسلک)

REGISTERED / HEAD OFFICE:

C-27, Plot No. F-24, Block-9, Clifton, Karachi-75600

Phone: 021-35371441 to 43 (three lines)

Fax: 021-35371444

Email: info@sangharsugarmills.com

Website: www.sangharsugarmills.com

MANUFACTURING FACILITIES:

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

Phone : (0345) 3737001 – 8222911