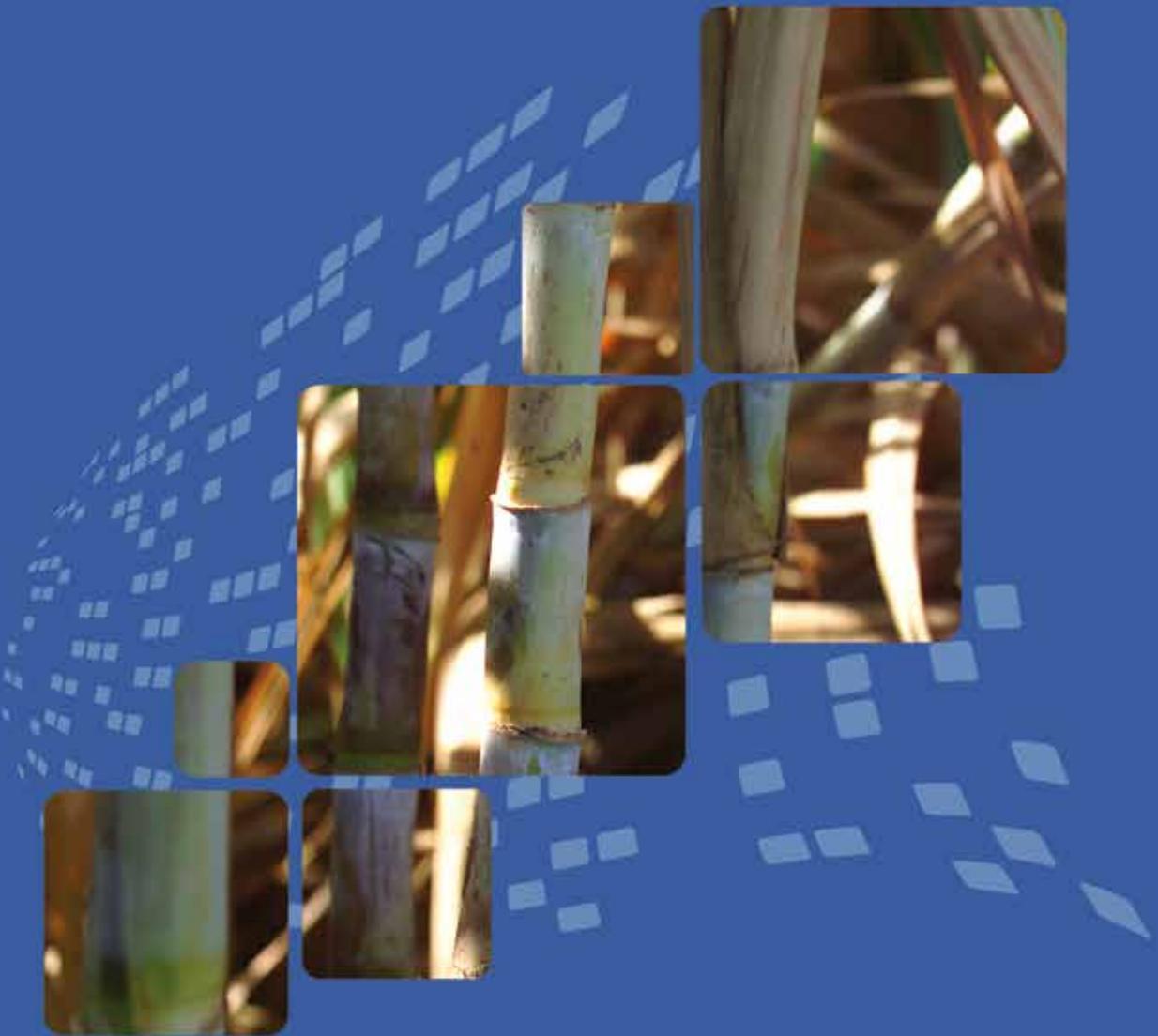




Shahataj Sugar Mills Limited



Annual Report 2015

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Company Information

Board of Directors

Mr. Mahmood Nawaz	Chairman
Mr. Muneer Nawaz	Chief Executive
Mr. Cyrus R. Cowasjee	Independent Director
Mr. M. Naem	
Mr. Ijaz Ahmad	
Mrs. Samia Shahnawaz Idris	
Mr. Rashed Amjad Khalid	
Mr. Toqueer Nawaz	
Mr. Attaullah A. Rasheed	(S.L.I.C.)
Mr. Aamir Amin	(N.I.T.)

Company Secretary

Mr. Jamil Ahmad Butt

Chief Financial Officer

Mr. Waqar Ahmad, ACA

Audit Committee

Mr. M. Naem	Chairman
Mr. Rashed Amjad Khalid	Member
Mr. Toqueer Nawaz	Member

Human Resource & Remuneration Committee

Mr. Rashed Amjad Khalid	Chairman
Mr. Muneer Nawaz	Member
Mr. Attaullah A. Rasheed	Member

Head Office

72/C-1, M. M. Alam Road,
Gulberg III, Lahore - 54660.

Phone	:	(042) 3571 0482 - 84
Fax	:	(042) 3571 1904
Website	:	www.shahtajsugar.com
E-mail	:	mail@shahtajsugar.com

Registered Office

19, Dockyard Road,
West Wharf, Karachi - 74000.

Phone	:	(021) 3231 3934 - 38
Fax	:	(021) 3231 0623
E-mail	:	jamilbutt@shahtaj.com

Production Facility

Mandi Bahauddin - 50400.

Phone	:	(0546) 501 147 - 48
	:	(0546) 508 047 - 48
Fax	:	(0546) 501 768
E-mail	:	mills@shahtajsugar.com

Auditors

Ernst & Young Ford Rhodes Sidat Hyder,
Chartered Accountants,
4th Floor, PACE Mall Building,
96-B-1, Gulberg-II, M.M Alam Road,
Lahore 54000.

Legal Advisor

Mr. Ras Tariq Chowdhary,
30 - Mall Mansion,
The Mall, Lahore.

Share Registrar

Evolution Factor (Private) Limited,
Suite No. 407 - 408,
4th Floor, Al - Ameera Centre,
Shahrah - e - Iraq, Saddar, Karachi.

Bankers

United Bank Limited
Habib Bank Limited
MCB Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
JS Bank Limited

Vision, Mission and Corporate Strategy



Vision

To succeed and grow to the utmost satisfaction of the customers, employees and shareholders.

Mission

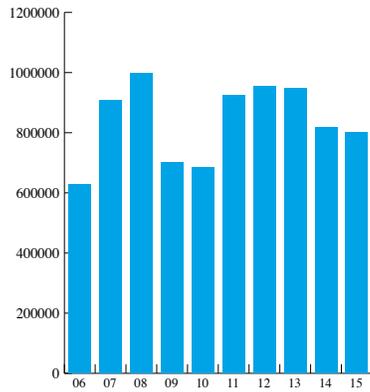
To strive for still higher levels of efficiency, productivity, cost effectiveness, profitability, customer satisfaction, congenial employees relations, profit sharing with shareholders and hence gaining further strength to continue to succeed and grow.

Corporate Strategy

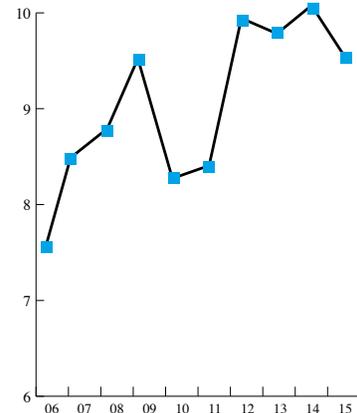
To maximize effective utilization of men, material and machines, by encouraging, supporting and rewarding the employees, eliminating any waste, reducing costs aiming and establishing **Shahtaj Sugar Mills Limited** as the most trusted, efficient and successful name among all stakeholders and customers.

Ten Years Production Review

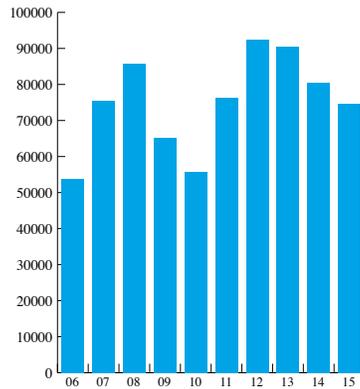
Sugarcane Crushed (M. Tons)



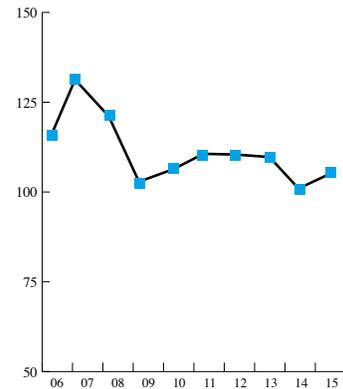
Sugarcane Recovery (Percentage)



Sugar Produced (M. Tons)



Duration (Days)



2006

- 627,054 M. Tons Sugarcane Crushed
- 7.46% Recovery
- 53,681 M. Tons Production*
- 120 Duration (Days)

2007

- 907,789 M. Tons Sugarcane Crushed
- 8.31% Recovery
- 75,404 M. Tons Production
- 144 Duration (Days)

2008

- 997,899 M. Tons Sugarcane Crushed
- 8.58% Recovery
- 85,651 M. Tons Production
- 130 Duration (Days)

2009

- 700,063 M. Tons Sugarcane Crushed
- 9.30% Recovery
- 65,089 M. Tons Production
- 103 Duration (Days)

2010

- 685,129 M. Tons Sugarcane Crushed
- 8.13% Recovery
- 55,680 M. Tons Production
- 108 Duration (Days)

2011

- 925,506 M. Tons Sugarcane Crushed
- 8.23% Recovery
- 76,196 M. Tons Production
- 114 Duration (Days)

2012

- 953,573 M. Tons Sugarcane Crushed
- 9.69% Recovery
- 92,441 M. Tons Production
- 114 Duration (Days)

2013

- 946,416 M. Tons Sugarcane Crushed
- 9.57% Recovery
- 90,555 M. Tons Production
- 113 Duration (Days)

2014

- 817,752 M. Tons Sugarcane Crushed
- 9.84% Recovery
- 80,434 M. Tons Production
- 100 Duration (Days)

2015

- 800,969 M. Tons Sugarcane Crushed
- 9.32% Recovery
- 74,654 M. Tons Production
- 107 Duration (Days)

2006* Includes 6,904 M. Tons sugar from raw sugar processing.

Notice of Meeting

Notice is hereby given to all the shareholders of SHAHTAJ SUGAR MILLS LIMITED that the 50th Annual General Meeting of the Company will be held on Thursday 28 January 2016 at 11.00 A.M. at Beach Luxury Hotel, M.T. Khan Road, Karachi.

Ordinary Business

1. To confirm the minutes of 49th Annual General Meeting held on 29 January 2015.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 September 2015 together with Auditors' and Directors' Reports thereon.
3. To appoint Auditors of the Company for the year 2015-16 and to fix their remuneration. The present Auditors M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, being eligible, have offered themselves for reappointment.
4. To transact any other ordinary business with the permission of the Chair.

Special Business

1. To consider and if thought fit, to pass with or without modification(s), the following resolutions as special resolutions for alteration of the object clause III of the Memorandum of Association of the Company:

RESOLVED THAT pursuant to the provisions of section 21 and other applicable provisions of the Companies Ordinance, 1984 and subject to the confirmation of the Securities and Exchange Commission of Pakistan (SECP), the following new sub-clause No.4A be and is hereby inserted after existing sub-clause 4 of the object clause III of the Memorandum of Association of the Company

"4A) To develop, design, construct, build, own, operate, maintain and acquire power generation facilities and thermal, coal, Gas, Solar, Wind, Bagasse, Biomass energy projects and to carry on the business of electricity generation, transmission, sale and distribution and to do all and everything necessary, suitable, proper, incidental or conducive to the accomplishment of this object and to do every other act or thing incidental to or arising out of or connected with this object, subject to permission from NEPRA / other regulatory authorities."

RESOLVED FURTHER THAT a petition be filed with the SECP under Section 21 of the Companies Ordinance, 1984 seeking confirmation of the above alteration in the Memorandum of Association and the Chief Executive Officer and the Company Secretary be and are hereby jointly and severally authorized to undertake all such actions and to

do all such things for and on behalf of the Company including all requisite legal and corporate formalities for effectuating the alteration of the Memorandum of Association.

STATEMENT OF MATERIAL FACTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984.

Alteration of Memorandum of Association

The Board of Directors of the Company has decided to set up a Co-Generation power plant using bagasse as the main fuel during cane-crushing season as well as during off-season. The electricity generated will be used by the Company and surplus will be supplied to the National Grid in terms of Government policy. Accordingly, the Board of Directors have approved and recommended alteration in the Object Clause III of the Memorandum of Association of the Company to include therein the provision of electricity generation and its sale and distribution. The proposed amendments will enlarge the scope of object clause by allowing the Company to carry on the business not being the business specified in the existing objects of the Memorandum of Association.

The Directors have no direct or indirect interest in the above said special business.

By Order of the Board



(Jamil Ahmad Butt)
Company Secretary

Karachi:
30 December 2015

NOTES:

1. The Share transfer books of the company will remain closed from Friday 22 January 2016 to Friday 29 January 2016 (both days inclusive).
2. A member entitled to attend and vote at this meeting may appoint another member as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Company's Registered Office not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
3. Holders of Accounts and Sub-Accounts for Company's Shares in Central Depository Company of Pakistan Limited, who wish to attend this Annual General Meeting, may do so by identifying themselves through original CNIC / Passport and providing a copy thereof.

Directors' Report to the Members

The Directors of your Company are pleased to present the Annual Report and Audited Financial Statements for the year ended 30 September 2015.

OPERATIONAL PERFORMANCE

Your Mills commenced production on 29 November 2014 and continued till 15 March 2015. Summary with regard to performance of the Mills for the year under reference as compared with last year is as under:

		Production Data	
		2015	2014
Start of Season		29.11.2014	27.11.2013
End of Season		15.03.2015	06.03.2014
Duration	Days	107	100
Sugarcane crushed	M. Tons	800,969	817,752
Production:			
Sugar	M. Tons	74,654	80,434
Molasses	M. Tons	38,622	39,840
Recovery:			
Sugar	%	9.32	9.84
Molasses	%	4.82	4.87

We have already informed our shareholders through half yearly as well as quarterly financial reports that production of sugar and molasses in this year is less as compared with that of last year, which has been due to lesser availability of sugarcane. However, recovery percentage has declined. Procurement of sugarcane from outside areas remained at about 44% as compared with corresponding period when it was 56%. The overall cost of sugarcane procurement was higher by about Rs. 158/- per M. Tons at Rs. 4,631/- per M. Tons as compared with Rs. 4,473/- per M. Tons in the last year.

Because of countrywide huge carryover sugar stock and bumper production of sugar during the year, sale rates were depressed. International sugar market also remained sluggish throughout the year.

FINANCIAL RESULTS

The Company sales net of taxes were Rs. 3.860 billion during the year under review against Rs. 4.412 billion in the last year. Net loss after tax provision for the year is Rs. 91.479 million against previous year's net profit of Rs. 36.140 million.

APPROPRIATIONS	(Rupees in thousand)
Total comprehensive loss for the year	(92,766)
Un-appropriated profit brought forward	56,233
	(36,533)
Final Dividend @ Rs. 2/- per share for the year 2014	(24,022)
Transfer to general reserve	(10,000)
Un-appropriated loss carried forward	(70,555)
Loss per share - basic (Rupees per share)	(7.62)

We are sorry to report a loss in the Company's operations, this has been primarily due to low sugar prices, low recovery and the high cost of sugarcane procurement as fixed by the Government of Punjab.

DIVIDEND

Keeping in view the loss suffered by the Company during the year, the Directors have recommended omission of dividend for the year ended 30 September 2015.

OUTSTANDING STATUTORY PAYMENTS

All outstanding payments are normal and of routine nature.

CODE OF CORPORATE GOVERNANCE

The Securities & Exchange Commission of Pakistan has established the Code of Corporate Governance for listed companies. We support this code as well as CCG 2012 which is being enforced in our Company as required by the listing regulations of the Karachi and Lahore Stock Exchanges.

The Board of Directors in its meeting held on 25 October 2002, has set forth its Code of Ethics and Business Practices, and also adopted a Vision and Mission Statement. The Board of Directors consists of a Chairman, Chief Executive Officer, one Executive Director, six Non-Executive Directors and one Independent Director. All the Directors take keen interest in the Company's affairs.

Directors' Report to the Members

During the year under review four Board of Directors' meetings were held. Attendance of these meetings is as follows:

Name of Director	Meetings Attended
Mr. Mahmood Nawaz	4
Mr. Muneer Nawaz	4
Mr. M. Naeem	4
Mr. Ijaz Ahmad	0
Mr. Cyrus R. Cowasjee	1
Mrs. Samia Shahnawaz Idris	0
Mr. Aamir Amin	3
Mr. Rashed Amjad Khalid	1
Mr. Toqueer Nawaz	3
Mr. Attaullah A. Rasheed	3

Leave of absence was granted to the Directors, who could not attend the Board meetings.

In compliance with the Listing Regulations of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited, the Board of Directors hereby declare that:

- The financial statements for the year ended 30 September 2015 present fairly its state of affairs, the results of its operations, cash flow and changes in equity;
- Proper books of accounts have been maintained;
- International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Pakistan, have been followed in preparation of financial statements. Appropriate accounting policies have been consistently applied in preparation of financial statement for the year ended 30 September 2015 and accounting estimates are based on reasonable and prudent judgment;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There is no doubt about the Company's ability to continue as a going concern;
- There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the listing regulations;

- The values of Provident Fund investment and Provisions of Retirement Benefits as at 30 September 2015 are Rs. (thousand) 157,467 and Rs. (thousand) 27,613 respectively.

BOARD AUDIT COMMITTEE

The Committee comprises of three members including the Chairman of the Committee. All its members are Non-Executive Directors. The Committee regularly meets as per requirements of the Code.

The Audit Committee met four times during the year under reference. These meetings were held prior to the approval of interim results of the Company by the Board of Directors before and after completion of external audit. Attendance by each Director was as follows:

Name of Director	Meetings Attended
Mr. M. Naeem	3
Mr. Rashed Amjad Khalid	2
Mr. Toqueer Nawaz	3

Leave of absence was granted to the Directors, who could not attend the Audit Committee meetings.

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

A Human Resource and Remuneration Committee has been in existence since the enforcement of the Revised Code of Corporate Governance, which comprises of three Directors. During the year one meeting of the Human Resource and Remuneration Committee was held. Attendance of each Director was as follows:

Name of Director	Meetings Attended
Mr. Rashed Amjad Khalid	0
Mr. Muneer Nawaz	1
Mr. Attaullah A. Rasheed	1

SIX YEARS REVIEW AT A GLANCE

The six years review at a glance is annexed.

PATTERN OF SHAREHOLDINGS

The pattern of shareholdings as on 30 September 2015 is annexed.

Directors' Report to the Members

TRADING OF SHARES

During the year under review, no shares of the Company were traded by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, their Spouses and Minor Children.

CORPORATE SOCIAL RESPONSIBILITIES

Disclosure as required by the Corporate Social Responsibility General Order, 2009 is annexed and form integral part of this report.

PROSPECTS FOR THE YEAR 2015-2016

Your mill has started crushing on 30 November 2015 and till 8:00 a.m. on 30 December 2015 have crushed 225,844 M. Tons sugarcane with an average recovery of 9.60%. By the grace of ALLAH, sugarcane recovery and production is better than last year. It is too early to assess the end results of the season at this stage, however, indications are encouraging as sugar price is slightly better than last year, availability of sugarcane would be the same as last year but the recovery is better. Keeping in view better recovery, it would be expected that the production would be more than last year INSHA ALLAH. The Punjab Government has not increased the price of sugarcane and it is again fixed this year at Rs. 180/- per 40 kg.

It is our earnest desire to generate electricity for the national grid under the Government's co-generation policy for sugar mills. We plan to install two turbines of 16 MW each to generate electricity from bagasse for our own use and to sell the surplus electricity to the national grid. Electricity would be generated by burning bio-mass in our high pressure boiler. We are in negotiations with the banks for the financing and our target is to generate electricity during the season 2016-2017. The turbines would be of Chinese origin for which, the financial arrangements are being conducted.

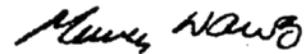
AUDITORS

M/s. Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants, External Auditors of the Company, being eligible have conveyed their willingness to be appointed for the ensuing year. The Board of Directors, on recommendations of the Audit Committee, proposes the appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, for the year ending 30 September 2016.

ACKNOWLEDGMENT

Your Directors place on record their appreciations of the diligence and devotion of duty of the Officers, Members of Staff and Workers of all categories.

FOR AND ON BEHALF OF THE BOARD



Karachi:
30 December 2015

MUNEER NAWAZ
Chief Executive

Six Years Review at a Glance

Y e a r	2015	2014	2013	2012	2011	2010
Production data						
Season started	29.11.2014	27.11.2013	30.11.2012	24.11.2011	29.11.2010	20.11.2009
Season closed	15.03.2015	06.03.2014	22.03.2013	16.03.2012	22.03.2011	07.03.2010
Days worked	107	100	113	114	114	108
Cane crushed (M. Tons)	800,969	817,752	946,416	953,573	925,506	685,129
Sugar produced:						
Sugar (M. Tons)	74,654	80,434	90,555	92,441	76,196	55,680
Molasses (M. Tons)	38,622	39,840	45,374	47,484	45,719	33,450
Recovery:						
Sugar %	9.32	9.84	9.57	9.69	8.23	8.13
Molasses %	4.82	4.87	4.79	4.98	4.94	4.88
(R u p e e s i n t h o u s a n d)						
Income						
Sales	3,860,292	4,411,837	4,649,244	5,119,499	4,459,414	3,654,162
Others	15,427	44,384	15,961	34,065	52,321	28,401
	3,875,719	4,456,221	4,665,205	5,153,564	4,511,735	3,682,563
Expenditure						
Cost of sales	3,741,001	4,148,757	4,493,005	4,569,928	3,828,790	3,561,729
Distribution cost and administrative expenses	184,299	173,757	159,129	157,129	131,405	113,262
Finance cost	98,671	90,988	55,181	54,980	82,932	61,056
Other operating expenses	4,185	6,022	3,574	29,774	48,888	9,916
Share of profit in associates - net	(8,292)	(8,732)	(12,492)	(10,113)	(36,791)	(18,621)
	4,019,864	4,410,792	4,698,397	4,801,698	4,055,224	3,727,342
(Loss) / Profit before taxation	(144,145)	45,429	(33,192)	351,866	456,511	(44,779)
Taxation	52,666	(9,289)	32,380	(141,401)	(97,764)	(24,480)
(Loss) / Profit after taxation	(91,479)	36,140	(812)	210,465	358,747	(69,259)
Paid up capital						
	120,111	120,111	120,111	120,111	120,111	120,111
Capital reserve - Share premium	27,534	27,534	27,534	27,534	27,534	27,534
General reserves and						
Un-appropriated profits	855,445	972,233	936,753	1,020,145	959,385	599,954
Shareholders equity	1,003,090	1,119,878	1,084,398	1,167,790	1,107,030	747,599
Break up value per share in Rupees						
	83.51	93.24	90.28	97.23	92.17	62.24
(Loss) / Earnings per share -						
Basic (Rupees)	(7.62)	3.01	(0.07)	17.52	29.87	(5.77)
Dividend - Cash (%)	—	20	—	70	125	—

Pattern of Shareholding

as at 30 September 2015

Number of Share Holders	Share holding		Total Shares Held
	From	To	
396	1	100	7,377
102	101	500	27,685
33	501	1000	23,134
40	1001	5000	87,712
15	5001	10000	110,492
6	10001	15000	72,548
1	15001	20000	20,000
2	20001	25000	45,456
2	25001	30000	56,000
1	30001	35000	30,030
1	35001	40000	37,000
1	40001	45000	42,800
1	50001	55000	52,500
3	55001	60000	168,451
1	70001	75000	73,294
1	75001	80000	78,800
1	100001	105000	101,000
1	110001	115000	111,000
1	115001	120000	117,807
1	130001	135000	133,505
2	135001	140000	271,507
1	150001	155000	153,033
1	165001	170000	166,546
1	175001	180000	176,276
1	180001	185000	180,457
1	210001	215000	213,589
1	220001	225000	223,399
1	225001	230000	229,147
1	250001	255000	250,749
1	260001	265000	263,304
1	265001	270000	266,185
1	275001	280000	277,552
1	285001	290000	285,646
1	315001	320000	315,105
1	335001	340000	337,015
1	405001	410000	408,539
1	525001	530000	529,456
1	530001	535000	531,800
1	600001	605000	601,351
1	605001	610000	606,889
1	755001	760000	756,984
1	800001	805000	801,695
1	805001	810000	808,033
1	855001	860000	858,306
1	1100001	1105000	1,101,942
636			12,011,096

Pattern of Shareholding

as at 30 September 2015

	Shares Held	Percentage
i. Associated Companies, Undertaking and Related Parties		
Shezan Services (Private) Limited (CDC)	285,646	2.38%
ii- Modarba and Mutual Funds		
MCFSL - Trustee JS Growth Fund (CDC)	1,101,942	9.17%
iii- Directors, their Spouses and Minor Children		
1. Mr. Mahmood Nawaz	808,033	
Mr. Mahmood Nawaz (CDC)	52,500	
Mrs. Bushra Nawaz (Wife)	266,185	
Mrs. Bushra Nawaz (Wife) (CDC)	13,000	
2. Mr. Muneer Nawaz	1,459,657	
Mrs. Abida Muneer Nawaz (Wife)	529,456	
3. Mr. M. Naeem	176,276	
Mrs. Amtul Bari Naeem (Wife)	606,889	
Mrs. Amtul Bari Naeem (Wife) (CDC)	3,500	
4. Mrs. Samia Shahnawaz Idris (CDC)	337,015	
5. Mr. Ijaz Ahmad (CDC)	20,919	
6. Mr. Cyrus R. Cowasjee (CDC)	263,304	
7. Mr. Rashed Amjad Khalid	223,399	
Mr. Rashed Amjad Khalid (CDC)	8,000	
8. Mr. Toqueer Nawaz	315,105	
Mr. Toqueer Nawaz (CDC)	42,800	
	5,126,038	42.68%
iv- Executives		
1. Mr. Jamil Ahmad Butt	1,261	
2. Ms. Samina Arshad (CDC)	6,459	
3. Mr. Ramnath Nayyar (CDC)	500	
	8,220	0.07%
v- Public Sector Companies and Corporations		
State Life Insurance Corporation of Pakistan (CDC)	756,984	
Pakistan Reinsurance Company Limited (CDC)	397	
National Bank of Pakistan Trustee Wing (CDC)	801,695	
Investment Corporation of Pakistan	100	
	1,559,176	12.98%

Pattern of Shareholding

as at 30 September 2015

	Shares Held	Percentage
vi- Investment, Insurance Companies & NIT		
National Bank of Pakistan (CDC)	451	
National Bank of Pakistan (CDC)	408,539	
The Bank of Punjab (CDC)	166,546	
Sarfraz Mahmood (Private) Limited (CDC)	44	
Amin Tai Securities (Private) Limited (CDC)	531,800	
Eleven Star Securities (Private) Limited (CDC)	101,000	
MSNMANIAR Financial (Private) Limited (CDC)	158	
Karachi Stock Exchange Limited (CDC)	50	
EFU General Insurance Company Limited (CDC)	78,800	
Golden Arrow Selected Stock Fund Limited (CDC)	24,537	
Trustee - National Bank of Pakistan Emp - Benevolent Fund (CDC)	2,572	
Trustee - National Bank of Pakistan Emp - Pension Fund (CDC)	73,294	
Time Securities (Private) Limited (CDC)	1,500	
	1,389,291	11.57%
vii- General Public		
a. Local	1,445,824	
b. Local (CDC)	1,094,959	
c. Foreign	-	
	2,540,783	21.15%
	12,011,096	100.00%
viii- Share Holders Holding 5% or more voting rights		
Mr. Muneer Nawaz	1,459,657	12.15%
MCFSL - Trustee JS Growth Fund (CDC)	1,101,942	9.17%
Mr. Mahmood Nawaz	860,533	7.16%
National Bank of Pakistan Trustee Wing (CDC)	801,695	6.67%
State Life Insurance Corporation of Pakistan (CDC)	756,984	6.30%
Mrs. Amtul Bari Naem	610,389	5.08%

Corporate Social Responsibilities

CORPORATE PHILANTHROPY

In recognition of its social responsibility towards mankind Company is regularly contributing reasonably to the various organizations and associations who have complete servicing infrastructure.

ENERGY CONSERVATION

Operation of sugar mill is based on self power generation. Main criteria of energy conservation is steam consumption percent cane crushed which in case of our Mills is 45-46% at peak load days, this is termed as a very efficient energy conservation system.

In our continued quest, all possible measures like intensive vapor pleading, recycling of utilities, installation of various speed drives at centrifuges and cane carrier etc., in order to conserve energy are undertaken. Concerned technical personals are regularly encouraged to participate in the seminars on energy conservation.

ENVIRONMENTAL PROTECTION MEASURES

Being conscious to this social responsibility our Mills has undertaken following measures:

- Used water is recycled for irrigation purposes within and outside the Mills lands;
- Tree plantation at Mills land to better the surrounding environment;
- Imported state of art oil skimmer has been installed to skim oil from effluent water;
- In-house environment conservation committee to keep constant watch on the Mills operations has been formed;
- We, in collaboration with “Program for Industrial Sustainable Development (PISD)”, a world fame NGO who in collaboration with the Dutch Government is providing the assistance for sustainable conservation of the environment;

COMMUNITY INVESTMENT & WELFARE SPENDING FOR PRIVILEGED CLASS

The Company is running a High School of excellent standard in the Mills premises for employees’ children. Talented students of the adjoining areas of the Mills are also allowed admission in the said school. For growers of the area of our Mills has provided a spacious place for “Kisan Hall” being maintained by local market committee. In addition to this entire up keep and maintenance cost of adjoining Mosque is born by the Mills.

CONSUMER PROTECTION MEASURES

We produce good quality sugar which qualifies multinational as well as “PSQCA” standards. Management is always very keen on implementation and execution of rules and regulation for quality maintenance. Alhamd-O-Lillah the sugar produced by our Mills is considered best quality product in the market.

EMPLOYMENT OF SPECIAL PERSONS

To ensure regular welfare and rehabilitation of special persons to support their families as per the requirement of “Employment & Rehabilitation Ordinance 1981” the Company has established a policy of hiring the disabled.

INDUSTRIAL RELATIONS

We are maintaining very cordial and harmonious industrial relations at our Mills. CBA elections are held in time without any hurdle. Very cordial relationship exists between Management and the Employees of the all categories.

Some of the non-cash benefits available to the employees are described below:

- Five workers are sent to perform Hajj every year on Company’s expense;
- Attractive retirement benefits are allowed at the age of superannuation;
- Talented children of employees are paid scholarship;

Corporate Social Responsibilities

- Hygienic and clean drinking water plants have been installed at the residential colony as well as in the Mills premises;
- Fair price shop is being maintained where various items are provided at subsidized rates;
- For healthy activities well maintained tennis, basket ball, badminton courts and football and cricket grounds have been arranged for the employees of the Mills.

OCCUPATIONAL SAFETY & HEALTH

To ensure responsibility and health effective environment at the Mills a permanent safety committee is in operation. God forbid, in case any accident occurs the circumstances leading to such situation are thoroughly investigated, responsibilities are fixed and necessary improvements in the system are incorporated. Safety material is provided to the employees exposed to health and safety hazards.

BUSINESS ETHICS & ANTI CORRUPTION MEASURES

Statement of Ethics and Business Practices is circulated among all employees of the Company for compliance. There is zero tolerance towards corruption in the Mills. The Company has developed comprehensive system of check and balance. Sugarcane growers of the areas of our Mills are totally satisfied with the honesty of our employees, weightment of the sugarcane and payments thereof.

NATIONAL CAUSE DONATIONS

The Company as a policy assists the distressed communities by regularly donating to the welfare institutions like, Shaukat Khanum Cancer Hospital, Aziz Jehan Begum Trust for the Blinds, Sahare for Life Trust, Jinnah Hospital Lahore, Sindh Institute of Urology & Transplantation (SIUT), Lahore General Hospital, Marie Adelaide Leprosy Centre, Fatimid Foundation, Abdul Sattar Edhi Foundation, SOS Children Village, The Layton Rahmatulla Benevolent Trust, Ansar Burney Trust International etc. etc.

CONTRIBUTION TO NATIONAL EXCHEQUER

The management has always showed its responsibility by paying all government taxes in time without any delay. For the year ended 30 September 2015 we made our humble contribution to the National Exchequer as follows:

Description	(Rupees in thousand)
Income Tax	97,998/-
Sales Tax & Federal Excise	323,205/-

RURAL DEVELOPMENT PROGRAM

Sugar mills are located in the rural areas, therefore our all activities such as procurement of entire raw material i.e. sugarcane, spending of road cess contributions on communication networks, payments to transporters, wages to the employees etc. are directly related to the rural development.

The Company is playing pivotal role for this cause since its inception. We provide RCC pipes for culverts, anti-rodent chemicals and furrow making with ridders costing million of rupees annually free of cost. Modern and scientific agricultural practices and machinery viz. Ridders, Deep Plougher & Chisels are introduced free of cost to the sugarcane growers. Often reasonable expenses are incurred on roads to facilitate the growers to bring their product to the mills and purchasing centers.

Statement of Compliance

with the best Practices of the Code of Corporate Governance

This statement is being presented by the Board of Directors (“the Board”) of Shahtaj Sugar Mills Limited (“the Company”) to comply with the Code of Corporate Governance (“the Code”) contained in the listing regulations of Karachi and Lahore Stock Exchanges 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 Code in the following manner:

1. The Company encourages representation of Independent Non-Executive Directors on its Board of Director. At present the Board includes:

Category	Names
Independent Director	Mr. Cyrus R. Cowasjee
Executive Directors	Mr. Muneer Nawaz Mr. Ijaz Ahmad
Non-Executive Directors	Mr. Mahmood Nawaz Mr. M. Naeem Mrs. Samia Shahnawaz Idris Mr. Rashed Amjad Khalid Mr. Toqueer Nawaz Mr. Attaullah A. Rasheed Mr. Aamir Amin

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed companies, including this Company.
3. All the Resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to banking company, DFI or an NBFI, or being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Board has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with the 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.

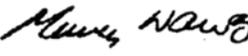
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration of terms and conditions of employment of the CEO, other Executive and Non-Executive Directors have been taken by the Board / Shareholders.
8. The meetings of the Board were presided over by the Chairman 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 Directors are conversant with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. Five (5) Directors of the Company have minimum 14 years of education and 15 years of experience on the Board of a listed Company and therefore are exempted from Director’s training program. During the year one Director has been sponsored by the Company to formally undertake the Director’s training program conducted by Institute of Code of Corporate Governance of Pakistan.
10. The Board has approved appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment as determined by the Code. Further, the Board has approved hiring of Head of Internal Audit in compliance with the requirement of the Code.
11. The Directors’ report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholdings.

Statement of Compliance

with the best Practices of the Code of Corporate Governance

14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two and the Chairman of the Committee are Non-Executive Directors.
16. The meetings of the Audit Committees were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. 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 and Remuneration Committee. It comprises of three members of whom two and the Chairman of the Committee are Non-Executive Directors.
18. The Board has setup and effective internal audit function with suitably qualified and experienced staff conversant with the policies and procedures of the Company.
19. The statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of 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 and 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 the Company’s securities, was determined and intimated to Directors, Executives and Stock Exchanges.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the Code have been complied.

Karachi:
30 December 2015


Chief Executive


Director

Review Report to the Members

on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) for the year ended 30 September 2015 prepared by the Board of Directors of Shahtaj Sugar Mills Limited (the Company) to comply with the Listing Regulation No. 35 of the Karachi Stock Exchange Limited and Lahore 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 reflects the status of the Company's compliance with the provisions of the Code and report if it does not. 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's 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.

Further, the Listing Regulations of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited requires the Company to place before the Board of Directors for their consideration and approval of 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 does not appropriately reflect the status of the Company's compliance, in all material respects, with the best practices contained in the Code, for the year ended 30 September 2015.

Lahore:
30 December 2015

Emre Yong Farid Akmal Sialkot Hy

**Chartered Accountants
Engagement Partner
Mohammed Junaid**

Independent Auditors' Report to the Members

We have audited the annexed balance sheet of Shahtaj Sugar Mills Limited (the Company) as at 30 September 2015 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 purposes 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 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 a 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 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 Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for changes as stated in note 2.3 of these financial statements, with which we concur;
 - 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 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 30 September 2015 and of the loss, its comprehensive loss, 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 the Ordinance.

Lahore:
30 December 2015

Ernie Yang Farid Ahmed Sialkot Hg

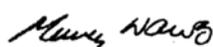
**Chartered Accountants
Engagement Partner
Mohammed Junaid**

Balance Sheet

as at 30 September 2015

	Note	2015 (Rupees in thousand)	2014
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	681,683	736,255
Investment in associate	6	98,366	92,949
Loans and advances	7	2,947	2,074
Deposits	8	1,140	840
Deferred taxation	9	88,513	–
		872,649	832,118
CURRENT ASSETS			
Stores, spares and loose tools	10	111,531	116,635
Stock in trade	11	570,463	185,812
Trade debts	12	25,926	84,029
Loans and advances	13	62,205	54,126
Income tax recoverable		166,997	69,287
Deposits, prepayments and other receivables	14	3,601	2,820
Cash and bank balances	15	13,203	92,064
		953,926	604,773
TOTAL ASSETS		1,826,575	1,436,891
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	16	120,111	120,111
Capital reserve - share premium	17	27,534	27,534
General reserve and unappropriated profits	18	855,445	972,233
TOTAL EQUITY		1,003,090	1,119,878
NON CURRENT LIABILITIES			
Long term borrowing	19	75,000	125,000
Deferred taxation	9	–	2,685
Retirement benefits obligation	20	27,613	23,739
		102,613	151,424
CURRENT LIABILITIES			
Current maturity of long term borrowing	19	50,000	50,000
Trade and other payables	21	68,579	110,555
Short term borrowings	22	547,402	–
Accrued interest on borrowings		16,775	4,556
Provision for taxation		38,116	478
		720,872	165,589
TOTAL LIABILITIES		823,485	317,013
CONTINGENCIES AND COMMITMENTS	23		
TOTAL EQUITY AND LIABILITIES		1,826,575	1,436,891

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive

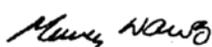

Director

Profit and Loss Account

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
Sales - net	24	3,860,292	4,411,837
Cost of sales	25	(3,741,001)	(4,148,757)
Gross profit		119,291	263,080
Distribution cost	26	(8,772)	(8,454)
Administrative expenses	27	(175,527)	(165,303)
Other operating expenses	28	(4,185)	(6,022)
Other income	29	15,427	44,384
		(173,057)	(135,395)
Operating (loss) / profit		(53,766)	127,685
Finance cost	30	(98,671)	(90,988)
Share of profit of associate - net		8,292	8,732
(Loss) / profit before taxation		(144,145)	45,429
Taxation	31	52,666	(9,289)
(Loss) / profit for the year		(91,479)	36,140
(Loss) / earnings per share - basic and diluted (Rupees per share)	32	(7.62)	3.01

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive

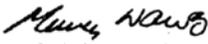

Director

Statement of Comprehensive Income

for the year ended 30 September 2015

	2015 (Rupees in thousand)	2014
(Loss) / profit for the year	(91,479)	36,140
Other comprehensive income for the year		
Other comprehensive income not to be re-classified to profit and loss in subsequent periods (net of deferred tax)		
Remeasurement loss on defined benefit plan	(1,287)	(660)
Total comprehensive (loss) / income for the year	(92,766)	35,480

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive

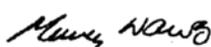

Director

Cash Flow Statement

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
CASH FLOW FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		(144,145)	45,429
Non-cash adjustment to reconcile (loss) / profit before tax to net cash flows:			
Depreciation of property, plant and equipment	5.1.1	74,626	72,708
Interest / mark-up		97,103	89,505
Profit on bank deposits	29	(3,024)	(4,399)
Share of profit of associate		(8,292)	(8,732)
Gain on disposal of property, plant and equipment	5.3	(617)	(7,510)
Provision for gratuity and retirement benefits	28	4,128	3,302
		163,924	144,874
Operating profit before working capital changes		19,779	190,303
Working capital adjustments:			
(Increase) / Decrease in current assets:			
Stores, spares and loose tools		5,104	(27,018)
Stock in trade		(384,651)	76,087
Trade debts		58,103	(31,695)
Loans and advances		(7,879)	(173)
Deposits, prepayments and other receivables		(781)	5,756
		(330,104)	22,957
(Decrease) / Increase in current liabilities			
Trade and other payables		(42,020)	30,680
Cash (used in) / generated from operations		(352,345)	243,940
Income tax paid		(97,998)	(94,628)
Interest / mark-up paid		(84,884)	(89,639)
Profit on bank deposits		3,024	4,399
Retirement benefits paid		(2,147)	(1,804)
Net cash (used in) / generated from operating activities		(534,350)	62,268
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(20,991)	(101,699)
Sale proceeds from disposal of property, plant and equipment	5.3	1,554	7,869
Loans and advances		(1,073)	346
Dividend received		2,875	4,600
Deposits		(300)	3
Net cash used in investing activities		(17,935)	(88,881)
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid		(23,978)	–
Short term borrowings		547,402	–
Long term borrowing		(50,000)	(25,000)
Net cash generated from / (used in) financing activities		473,424	(25,000)
Net decrease in cash and cash equivalents		(78,861)	(51,613)
Cash and cash equivalents at the beginning of the year		92,064	143,677
Cash and cash equivalents at the end of the year	15	13,203	92,064

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive

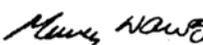

Director

Statement of Changes in Equity

for the year ended 30 September 2015

	Share capital	Capital reserve	Revenue reserve		Total
		Share premium	General reserve	Un-appropriated (losses) / profits	
(Rupees in thousand)					
Balance as at 01 October 2013	120,111	27,534	916,000	20,753	1,084,398
Profit for the year	–	–	–	36,140	36,140
Other comprehensive loss	–	–	–	(660)	(660)
Total comprehensive income for the year	–	–	–	35,480	35,480
Balance as at 30 September 2014	120,111	27,534	916,000	56,233	1,119,878
Transfer to general reserve	–	–	10,000	(10,000)	–
Final dividend @ Rs. 2/- per share for the year 2014	–	–	–	(24,022)	(24,022)
Loss for the year	–	–	–	(91,479)	(91,479)
Other comprehensive loss	–	–	–	(1,287)	(1,287)
Total comprehensive loss for the year	–	–	–	(92,766)	(92,766)
Balance as at 30 September 2015	120,111	27,534	926,000	(70,555)	1,003,090

The annexed notes from 1 to 41 form an integral part of these financial statements.


Chief Executive


Director

Notes to the Financial Statements

for the year ended 30 September 2015

1. THE COMPANY AND ITS OPERATIONS

Shahtaj Sugar Mills Limited (the Company) was incorporated in Pakistan on 27 March 1965 as a Public Limited Company initially under the Companies Act 1913, and then under the Companies Ordinance 1984. Its registered office is situated at 19, Dockyard Road, West Wharf, Karachi. The Company is listed on Karachi and Lahore Stock Exchanges and is engaged in the manufacture and sale of sugar whereas molasses and bagasse are its significant by-products.

2. 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 Standard Board as are notified under Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.1 Basis of measurement

These financial statements have been prepared under the historical cost convention except staff retirement benefits, loans and advances and investment in associate. Staff retirement benefits and loans and advances are accounted for on the basis of present value whereas the investment in associate has been accounted using equity method.

2.2 Presentation Currency

These financial statements are presented in Pak Rupee, which is the Company's functional currency. Figures have been rounded off to nearest of thousand of Rupees, unless otherwise stated.

2.3 New and amended standards and interpretations

The Company has adopted the following accounting standard and the amendments and interpretation of IFRS which became effective for the current year:

IAS 19	–	Employee Benefits - (Amendment) - Defined Benefit Plans: Employee Contributions
IAS 32	–	Financial Instruments: Presentation - (Amendments) - Offsetting Financial Assets and Financial Liabilities
IAS 36	–	Impairment of Assets - (Amendment) - Recoverable Amount Disclosures for Non-Financial Assets
IAS 39	–	Financial Instruments: Recognition and Measurement - (Amendment) - Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	–	Levies

Improvements to Accounting Standards Issued by the IASB

IFRS 2	–	Share based Payment - Definitions of vesting conditions
IFRS 3	–	Business Combinations - Accounting for contingent consideration in a business combination
IFRS 3	–	Business Combinations - Scope exceptions for joint ventures
IFRS 8	–	Operating Segments - Aggregation of operating segments
IFRS 8	–	Operating Segments - Reconciliation of the total of the reportable segments' assets to the entity's assets
IFRS 13	–	Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
IAS 16	–	Property, Plant and Equipment - Revaluation method - proportionate restatement of accumulated depreciation
IAS 38	–	Intangible Assets - Revaluation method - proportionate restatement of accumulated amortization
IAS 24	–	Related Party Disclosures - Key management personnel
IAS 40	–	Investment Property - Interrelationship between IFRS 3 and IAS 40 (ancillary services)

Notes to the Financial Statements

for the year ended 30 September 2015

The adoption of the above significant amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

2.4 Standards and interpretations issued but not yet effective for the current financial year

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

Standard or interpretation		Effective date (Annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements	01 January 2015
IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities (Amendment)	01 January 2015
IFRS 10	Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)	01 January 2016
IFRS 10	Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	01 January 2016
IFRS 11	Joint Arrangements	01 January 2015
IFRS 11	Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)	01 January 2016
IFRS 12	Disclosure of Interests in Other Entities	01 January 2015
IFRS 13	Fair Value Measurement	01 January 2015
IAS 1	Presentation of Financial Statements - Disclosure Initiative (Amendment)	01 January 2016
IAS 16	Property, Plant and Equipment - Clarification of Acceptable Method of Depreciation (Amendment)	01 January 2016
IAS 38	Intangible Assets - Clarification of Acceptable Method of Amortization (Amendment)	01 January 2016
IAS 41	Agriculture - Bearer Plants (Amendment)	01 January 2016
IAS 27	Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)	01 January 2016

The Company expects that the adoption of the above revisions, amendments and interpretations of the standards will not materially affect the Company's financial statements in the period of initial application, except for IFRS 10 for which the Company is in process of evaluating the impact.

Notes to the Financial Statements

for the year ended 30 September 2015

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the Securities and Exchange Commission of Pakistan for the purpose of applicability in Pakistan:

Standard or interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 9 Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 Regulatory Deferral Accounts	01 January 2016
IFRS 15 Revenue from Contracts with Customers	01 January 2018

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These estimates and underlying assumptions are reviewed on an on going basis. Revision to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

3.1 Useful lives, pattern of economic benefits and impairments

Estimates with respect to depreciable lives and pattern of flow of economic benefits are based on the analysis of the management of the Company based on similar transactions in the past. Further, the Company reviews the value of the asset for possible impairments on an annual basis. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on the depreciation charge and impairment.

3.2 Staff retirement benefits

The cost of retirement benefits is determined using actuarial valuations (Projected Unit Credit Actuarial Cost Method). The actuarial valuations involve making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to long term nature of these plans, such estimates are subject to significant uncertainty.

3.3 Trade debts and receivables

Judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provision required. Such estimates are based on past history of customers, market intelligence, credit rating, prevalent financial condition and operating circumstances of customers.

3.4 Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against which such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Other areas where estimates and judgment involved are disclosed in respective notes to the financial statements.

Notes to the Financial Statements

for the year ended 30 September 2015

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are consistent with those of previous financial year except as mentioned in note 2.3

4.1 Property, plant and equipment

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses except for free hold land which is stated at cost.

Depreciation is charged to profit and loss account applying the reducing balance method at the rates specified in Note 5.1, which are considered appropriate to write off the cost of the assets over their useful economic lives.

Depreciation on additions is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

Normal repairs and maintenance costs are charged to profit and loss account for the year. Major renewals and improvements are capitalized.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying value and are included in the profit and loss account for the year.

Capital work in progress

These are stated at cost less impairment. It consists of expenditures incurred and advances paid in respect of fixed assets in the course of their construction and installation. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

4.2 Impairment

At each balance sheet date, the carrying amount of assets is reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense in the profit and loss account.

4.3 Investments

Investments in associates

Investments in associates are accounted using the equity method to comply with the requirements of IAS 28 "Investments in Associates".

Under the equity method, the investment in the associate is carried in the balance sheet at cost plus post acquisition changes in the investor's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

The income statement reflects the share of the results of operations of the associate. Where there has been a change recognized directly in the equity of the associate, the Company recognizes its shares of any changes and discloses this, when applicable, in the statement of changes in equity.

4.4 Stores, spares and loose tools

These are valued at lower of cost, which is calculated according to moving average method, and net realizable value. Such items are held for capital expenditure and also repair and maintenance. Provision is made for slow moving or obsolete store items.

Stores in transit are valued at invoice value including other charges, if any, incurred thereon.

Notes to the Financial Statements

for the year ended 30 September 2015

4.5 Stock in trade

These are valued at lower of cost and net realizable value.

Cost incurred in bringing each product to its present location and condition is accounted for as follows:

Finished goods	-	Manufacturing cost comprising prime cost and an appropriate portion of production overheads
Sugar in process	-	Manufacturing cost comprising prime cost and factory overheads
Molasses	-	at net realizable value
Bagasse	-	at net realizable value
Raw material	-	at cost
Stocks at fair price shop	-	at subsidized selling prices

Net realizable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred for its sale.

4.6 Trade debts and other receivables

These are recognized and carried at original invoice amount on transaction's date less provision for any uncollectable amount. Other receivables are recognized and carried at cost.

An estimate for doubtful debts is made when collection of full amount is no longer probable. Bad debts are written off as and when identified.

4.7 Loan and advances

Loans and advances are recognized and carried at present value as at the year end, which is calculated using the average borrowing cost of Company. Loss on initial recognition being the difference between present value and carrying value is charged to profit and loss.

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at the book value which approximates their fair value.

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and cash at banks on current, saving and deposit accounts.

4.9 Financial instruments

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. While a financial liability or part of financial liability is derecognized from the balance sheet, when, and only, when it is extinguished, i.e. when the obligation specified in the contract is discharged, canceled or expired.

Financial assets are investment in associate, long-term loans and advances, long term deposits, trade debts, short-term loans and advances, others receivables, cash and bank balances. These are stated at their nominal value as reduced by the appropriate allowances for estimated irrecoverable amount.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities are long term loan and short term finances utilized under mark-up arrangements, obligation under lease finance, trade and other payables. Mark-up bearing finances are received at the gross proceeds received. Other liabilities are stated at their nominal value.

Notes to the Financial Statements

for the year ended 30 September 2015

4.10 Offsetting of financial assets and financial liabilities

A financial asset and financial liability is 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.

4.11 Taxes

Current

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits and exemptions available, if any or minimum taxation at the rate of one percent of the turnover whichever is higher. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Advance tax asset or liability for the current and prior periods is measured at the amount expected to be recovered or paid to Federal Board of Revenue. The tax rates and tax laws used to compute the tax expense are those that are enacted or substantively enacted by the balance sheet date.

Deferred

Deferred tax is provided in full using the balance sheet method on all temporary differences arising at the balance sheet date, between the tax basis of the assets and liabilities and their carrying amounts for financial reporting purpose.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

The carrying amount of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

The tax rates enacted or substantively enacted at the balance sheet date are used to determine deferred tax.

Sales tax / excise duty

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

- Where the sales tax / FED incurred on a purchase of assets or services is not recoverable from the taxation authority.
- Receivables and payables that are stated with the amount of sales tax / FED included.

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

4.12 Borrowings

Loans and borrowings are recorded at the proceeds received. Financial charges are accounted for on an accrual basis and included in accrued interest on borrowings.

All mark-up, interest and other charges on long term and short term borrowings are charged to income in the period in which they are incurred.

Notes to the Financial Statements

for the year ended 30 September 2015

4.13 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 future for goods and services received whether billed or not to the Company.

4.14 Foreign currency translation

Transactions in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating those prevailing at the balance sheet date. Profit or loss arising on translation is recognized in the profit and loss account currently.

4.15 Provisions

A provision is recognized in the balance sheet when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation of which reliable estimate can be made. The expense relating to provision is presented in profit and loss net of any reimbursements. The management expects that time value of money is not material and no discounting of provision is made by the Company.

4.16 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Specific recognition criteria are as follows:

Sale of goods

Revenue is recognized upon dispatch of goods to customers.

Interest

Income from bank deposits and loans and advances is recognized on accrual basis.

Dividend

Income is recognized when the right to receive payment is established.

4.17 Staff retirement benefits

Provident fund

The Company operates a defined contributory approved provident fund scheme constituted in 1969 under the West Pakistan (Standing Orders) Ordinance, 1968 for those employees who have opted for it. The Company and the employees both make equal monthly contributions to the fund at the rate of 10% of the basic salary.

Gratuity scheme

The Company maintains an unfunded and unapproved gratuity scheme since 1969, for those eligible employees who have not joined the provident fund scheme. This represents the incremental portion of the basic salaries of those eligible employees for the relevant periods. No actuarial valuation has been carried out as management considers that adequate provision has been made in the accounts to cover the liability.

Further, in management's opinion the recorded liability will not be significantly different from the liability to be determined by actuary in view of number of the employees and their respective period of employment left with the Company and their entitlement to the benefit.

Notes to the Financial Statements

for the year ended 30 September 2015

Other retirement benefit scheme

The Company also maintains an unfunded and unapproved retirement benefit fund under which retirement benefits are payable on cessation of employment, subject to minimum qualifying period of service. The allocations are made to the fund in accordance with the actuary's recommendations based on the actuarial valuation of the fund.

Actuarial gains and losses are recognized in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements, and net interest income (expense). All other changes in the net defined benefit asset / (liability) are recognized in other comprehensive income with no subsequent recycling to profit and loss.

The scheme covers all eligible permanent and seasonal employees.

The future contribution rates of these schemes include allowance for deficit and surplus. Projected unit credit method based on the following significant assumption has been used for actuarial valuation.

The defined benefit liability comprises the present value of the defined benefit obligation less past service cost not yet recognized.

4.18 Compensated absences

The Company accounts for the compensated absences on the basis of un-availed earned leave balance of each employee at the end of the year.

4.19 Dividend distribution and appropriation

Dividend distribution and appropriation to reserves are recognized as liability in the financial statements in the period in which these are approved.

	Note	2015 (Rupees in thousand)	2014
5. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment	5.1	658,871	719,583
Capital work in progress	5.2	22,812	16,672
		681,683	736,255

Notes to the Financial Statements

for the year ended 30 September 2015

5.1 Operating property, plant and equipment

	C O S T				D E P R E C I A T I O N			B O O K V A L U E		
	As at 01 Oct. 2014	Additions	Disposals	As at 30 Sept. 2015	Accumulated as at 01 Oct. 2014	Disposals	Charge for the year	Accumulated as at 30 Sept. 2015	As at 30 Sept. 2015	Depreciation Rate
					(R u p e e s i n t h o u s a n d)					
Land - free hold	747	-	-	747	-	-	-	-	747	-
Buildings and roads on freehold land	67,957	-	-	67,957	55,681	-	897	56,578	11,379	5 - 10
Plant and machinery	1,427,101	9,660	(1,414)	1,435,347	754,812	(1,289)	67,864	821,387	613,960	10 - 50
Tube wells	2,987	-	-	2,987	851	-	214	1,065	1,922	10
Electrical installations	26,823	-	-	26,823	19,957	-	687	20,644	6,179	10
Motor vehicles and bicycles	61,213	4,174	(1,963)	63,424	42,803	(1,151)	3,624	45,276	18,148	20
Furniture and fittings	11,662	16	(14)	11,664	6,781	(14)	637	7,404	4,260	10 - 25
Office equipment	8,591	1,001	-	9,592	6,929	-	664	7,593	1,999	10 - 30
Ammunition	219	-	-	219	146	-	15	161	58	20
Telephone exchange	1,209	-	-	1,209	966	-	24	990	219	10
	1,608,509	14,851	(3,391)	1,619,969	888,926	(2,454)	74,626	961,098	658,871	
					2014					
					(R u p e e s i n t h o u s a n d)					
Land - free hold	747	-	-	747	-	-	-	-	747	-
Buildings and roads on freehold land	67,641	316	-	67,957	54,710	-	971	55,681	12,276	5 - 10
Plant and machinery	926,688	502,687	(2,274)	1,427,101	692,014	(2,253)	65,051	754,812	672,289	10 - 50
Tube wells	2,987	-	-	2,987	614	-	237	851	2,136	10
Electrical installations	26,823	-	-	26,823	19,194	-	763	19,957	6,866	10
Motor vehicles and bicycles	61,009	1,522	(1,318)	61,213	39,480	(1,130)	4,453	42,803	18,410	20
Furniture and fittings	10,038	1,669	(45)	11,662	6,185	(37)	633	6,781	4,881	10 - 25
Office equipment	8,395	737	(541)	8,591	6,783	(413)	559	6,929	1,662	10 - 30
Ammunition	219	-	-	219	128	-	18	146	73	20
Telephone exchange	1,197	89	(77)	1,209	1,006	(63)	23	966	243	10
	1,105,744	507,020	(4,255)	1,608,509	820,114	(3,896)	72,708	888,926	719,583	

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
5.1.1 The depreciation charge for the year has been allocated as follows:			
Cost of sales	25	70,467	68,177
Administrative expenses	27	4,159	4,531
		74,626	72,708

5.2 Capital work in progress

	Cost		
	Civil works and buildings	Plant, machinery and others	Total
(Rupees in thousand)			
Balance as at 1 October 2014	1,089	15,583	16,672
Additions during the year	1,802	13,998	15,800
Transferred to property, plant and equipment	(1,030)	(8,630)	(9,660)
Balance as at 30 September 2015	1,861	20,951	22,812
Balance as at 1 October 2013	23,413	398,580	421,993
Additions during the year	6,403	91,278	97,681
Transferred to property, plant and equipment	(28,727)	(474,275)	(503,002)
Balance as at 30 September 2014	1,089	15,583	16,672

5.3 Disposal of property, plant and equipment

Description	Cost	Acc. Dep.	Book value	Sale proceeds	Gain / (loss)	Particulars of purchaser	Mode of disposal
(Rupees in thousand)							
Honda Civic	1,963	1,151	812	900	88	Mr. Muhammad Asghar, Employee	Company Policy
Panel vcb incoming H.T. For T. Generator	959	844	115	22	(93)	Mr. Muhammad Basit Ghori	Negotiation
Other assets with book value less than Rs. (thousand) 50.	469	459	10	632	622	Various parties	Negotiation
	3,391	2,454	937	1,554	617		

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
6. INVESTMENT - ASSOCIATE			
Associates- Equity Method			
Shahtaj Textile Limited	6.1	98,366	92,949

6.1 This represents 1,150,000 (2014: 1,150,000) ordinary shares of Rs. 10/- each representing 11.9048% (2014: 11.9048%).

6.1.1 Although the Company holds only 11.9048 % of the voting powers in Shahtaj Textile Limited. The Company holds significant influence by virtue of the common Directors on the Board of Directors of Shahtaj Textile Limited.

Shahtaj Textile Limited is a public limited company that is listed on Karachi and Lahore Stock Exchanges. The fair value of investment as at 30 September 2015 is Rs. (thousand) 119,796 (2014: Rs. (thousand) 176,920).

6.1.2 The reporting date of Shahtaj Textile Limited is 30 June 2015 in line with industry practice. The share in net assets of Shahtaj Textile Limited has been determined on the basis of un-audited financial statements for the quarters ended 30 September 2014 and 30 September 2015 and audited annual financial statements for the year ended 30 June 2015 as follows:

	2015 (Rupees in thousand)	2014
Total assets as at 30 September	1,638,882	1,629,342
Total liabilities as at 30 September	(812,607)	(848,574)
Net turnover for the year	3,140,415	3,846,321
Total comprehensive income for the year - after incremental depreciation	69,657	73,346
6.1.2.1 Summarized financial information of investment in associate:		
Share of the associate's statement of financial position		
Current assets	92,533	97,467
Non-current assets	102,572	96,503
Current liabilities	(66,884)	(68,963)
Non-current liabilities	(29,855)	(32,058)
Equity	98,366	92,949
Share of associate's revenue and profit		
Revenue	373,860	457,897
Profit	8,292	8,732

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
7 LOANS AND ADVANCES			
Car and motorcycle loans to staff - unsecured, considered good			
- Outstanding for period exceeding three years		586	411
- Outstanding for period less than three years		4,162	3,264
	7.1	4,748	3,675
Current maturity		(1,801)	(1,601)
		2,947	2,074

7.1 This comprises of interest free loans to employees for purchase of vehicles, repayable in 50 and 60 equal monthly instalments. Fair value of long term loans represents the net present value of all future cash flows discounted at 9% per annum (2014: 11.3% per annum) being the estimated borrowing cost of the Company. No loan has been granted to Chief Executive, Directors and Executives of the Company during the year (2014: Rs. Nil).

8 DEPOSITS

This consists of unsecured, non-interest bearing long term deposits paid to utility companies and other government agencies.

	Note	2015 (Rupees in thousand)	2014
9 DEFERRED TAXATION			
This comprises:			
Deferred tax liabilities on taxable temporary differences			
Accelerated tax depreciation		(88,231)	(98,726)
Leave encashment		(3,358)	-
Investment in associate		(8,687)	(8,145)
		(100,276)	(106,871)
Deferred tax assets on deductible temporary differences			
Retirement benefit obligation	9.1	8,836	7,834
Carry forward tax losses and credits		179,953	96,352
		188,789	104,186
		88,513	(2,685)

9.1 Deferred tax amounting to Rs. (thousand) 606 (2014: Rs. (thousand) 325) on re-measurement of defined benefit plan is recognized in other comprehensive income.

	2015 (Rupees in thousand)	2014
10 STORES, SPARES AND LOOSE TOOLS		
Stores	16,861	20,067
Spares	91,679	95,487
Loose tools	1,232	1,081
Goods in transit	1,759	-
	111,531	116,635

Notes to the Financial Statements

for the year ended 30 September 2015

		2015 (Rupees in thousand)	2014 (Rupees in thousand)
11 STOCK IN TRADE			
Sugar refined		552,873	161,810
Sugar in process		2,556	2,242
Molasses in process		25	29
Bagasse		14,700	21,315
		570,154	185,396
Insecticide		22	36
Stock at fair price shop		287	380
		309	416
		570,463	185,812
12 TRADE DEBTS			
Unsecured - considered good			
Related parties	12.1	5,675	-
Others		20,251	84,029
		25,926	84,029

12.1 Maximum aggregate debit balance of Shezan International Limited (related party), at the end of any month, during the year was Rs. (thousand) 68,262 (2014: Rs. (thousand) 33,132).

		2015 (Rupees in thousand)	2014 (Rupees in thousand)
13 LOANS AND ADVANCES			
Advances - considered good - Unsecured			
- To employees	13.1	2,999	1,183
- To contractors		3,124	2,346
- To suppliers		7,285	2,276
		13,408	5,805
Fertilizer loans to growers - Unsecured, considered good	13.2	46,996	46,720
Current maturity of long term advances	7	1,801	1,601
		62,205	54,126

13.1 Advance granted to Directors, Chief Executive and Executives of the Company during the year was Rs. (thousand) Nil (2014: Rs. Nil).

13.2 This comprises of fertilizer loans to cane growers for September 2015 cultivation. As per the terms of agreement no interest will be charged on loans adjusted / paid off during the season. Interest at the rate of 10% (2014: 10%) per annum will be charged on unpaid loans.

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
14 DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Letters of credit		915	214
Prepayments		2,686	2,606
		3,601	2,820
15 CASH AND BANK BALANCES			
Cash at banks			
- Current accounts		12,140	14,216
- PLS Saving accounts	15.1	1,063	77,848
		13,203	92,064

15.1 Rates of profit on PLS saving accounts ranges from 6.10% to 6.49% (2014: 6.10% to 7.5%) per annum.

		2015 (Rupees in thousand)	2014
16 SHARE CAPITAL			
Authorized			
15,000,000 (2014: 15,000,000) ordinary shares of Rs. 10/- each		150,000	150,000
Issued, subscribed and paid up			
4,560,156 (2014: 4,560,156) ordinary shares of Rs. 10/- each fully paid in cash		45,602	45,602
150,000 (2014: 150,000) ordinary shares of Rs.10/- each issued to PICIC in conversion of loan		1,500	1,500
7,300,940 (2014: 7,300,940) ordinary shares of Rs.10/- each issued as fully paid bonus shares		73,009	73,009
		120,111	120,111

16.1 Number of ordinary shares held by M/s Shezan Services (Private) Limited, an associated undertaking, are 285,646 (2.38%) (2014: 285,646 (2.38%).

17 CAPITAL RESERVE - SHARE PREMIUM

This reserve can be utilized by the Company, only for the purposes specified in section 83 (2) of the Companies Ordinance, 1984.

		2015 (Rupees in thousand)	2014
18 GENERAL RESERVE AND UNAPPROPRIATED PROFITS			
General reserve			
- At the beginning of the year		916,000	916,000
- Transferred from unappropriated profits		10,000	-
		926,000	916,000
Unappropriated (losses) / profits		(70,555)	56,233
		855,445	972,233

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
19 LONG TERM BORROWING			
Long term borrowing	19.1	125,000	175,000
Current maturity		(50,000)	(50,000)
		75,000	125,000

19.1 This represents long term loan obtained for purchase and installation of high pressure boiler and ancillary machine from a commercial bank, repayable in 8 equal half yearly installments commencing after grace period of one year. Markup is chargeable at a rate of 6 months KIBOR plus 1% per annum payable bi-annually. The facility is secured against first exclusive charge over entire plant and machinery with 25% margin limited to Rs. 267 million.

	Note	2015 (Rupees in thousand)	2014
20 RETIREMENT BENEFITS OBLIGATION			
Staff retirement benefits	20.1	27,104	23,218
Gratuity	20.2	509	521
		27,613	23,739
20.1 The amounts recognised in the balance sheet are as follows:			
Present value of defined benefit obligation		27,104	23,218
20.1.1 Changes in net liability			
Obligation as at 01 October		23,218	20,669
Charge to profit and loss account		4,091	3,244
Other comprehensive loss		1,893	985
Benefits paid		(2,098)	(1,680)
Net liability at the year end		27,104	23,218
20.1.2 Movement in present value of defined benefit obligation			
Present value of defined benefit obligation as at 01 October		23,218	20,669
Current service cost		1,098	964
Interest Cost		2,993	2,280
Benefits paid		(2,098)	(1,680)
Experience adjustment		1,893	985
Present value of defined benefit obligation as at 30 September		27,104	23,218
20.1.3 Charge to profit and loss account			
Current service cost		1,098	964
Interest cost on defined benefit obligation		2,993	2,280
Expense for the year		4,091	3,244
20.1.4 Remeasurements recognized in other comprehensive income expense during the year			
Experience adjustment		1,893	985

Notes to the Financial Statements

for the year ended 30 September 2015

		2015 (Percentage per annum)	2014 (Percentage per annum)
20.1.5 Significant actuarial assumptions			
Valuation discount rate		9.25%	13.5%
Salary increase		8.25%	13.5%
	Note	2015	2014
		(Rupees in thousand)	
20.1.6 Year End Sensitivity Analysis (± 100 bps) on Defined Benefit Obligation			
Discount Rate + 100 bps		(744)	(1,508)
Discount Rate - 100 bps		844	609
Salary Increase + 100 bps		844	609
Salary Increase - 100 bps		(757)	(1,525)
20.2 The amounts recognized in the balance sheet are as follows:			
Net liability at the beginning of the year		521	587
Charge to profit and loss account		37	58
Benefits paid		(49)	(124)
Net liability at the year end		509	521
21 TRADE AND OTHER PAYABLES			
Creditors		39,021	66,950
Provision for leave encashment	21.1	10,495	10,192
Accrued expenses		3,262	3,231
Unclaimed dividend		1,432	1,388
Sales tax / special excise duty payable		13,620	26,074
Workers' Profit Participation Fund	21.2	-	1,971
Workers' Welfare Fund		749	749
		68,579	110,555
21.1 Provision for leave encashment			
Balance at the beginning of the year		10,192	8,496
Add: Allocation for the year		1,048	2,634
Less: Amount paid during the year		(745)	(938)
Balance at the end of the year		10,495	10,192
21.2 Workers' Profit Participation Fund			
Balance at the beginning of the year		1,971	-
Add: Allocation for the year		-	1,971
		1,971	1,971
Add: Interest on fund utilized in Company's business		58	-
		2,029	1,971
Less: Amount paid to the Fund's Trust		(2,029)	-
Balance at the end of the year		-	1,971

Notes to the Financial Statements

for the year ended 30 September 2015

22 SHORT TERM BORROWINGS

The aggregate facilities of short term borrowings available from commercial banks is Rs. (thousand) 2,820,000 (2014: Rs. (thousand) 2,270,000). These facilities are secured against pledge over stock and hypothecation over stores and spares.

The rates of mark-up range between 1 month / 3 month KIBOR + 0.75% to 1 month / 3 month KIBOR + 1.15% (2014: 1 month / 3 month KIBOR + 0.75% to 1 month / 3 month KIBOR + 1.50%) per annum.

The unutilized facility for letters of credit and guarantees at year end amounts to Rs. (thousand) 48,667 (2014: Rs. (thousand) 50,061).

23 CONTINGENCIES AND COMMITMENTS

Contingencies

- i) A penalty amounting to Rs. (thousand) 19,471, has been imposed by Cane Commissioner for late payments of road cess for the crushing season 1997-98 and 1998-99. Against that, the Company filed an appeal before Secretary Food, who has remanded back the case to Cane Commissioner to re-examine it. The Company, based on legal advice, expects favourable outcome.
- ii) Provision for cane quality premium payable to growers aggregating to Rs. (thousand) 19,817, related to different yearly notifications issued by the Government of Punjab (GoP) for fixation of cane support price and quality premium above 'benchmark average recovery', made during the financial year 1981-82 to 1994-95 were written-back. The Company, based on legal advice, expects favourable outcome.

Commitments

- i) The Company's commitments on 30 September 2015 for capital expenditure amounts to Rs. (thousand) 2,620 (2014: Rs. (thousand) 16,672) in the normal course of business.
- ii) The Company's commitments for letters of credit as at 30 September 2015 amounts to Rs. (thousand) 2,333 (2014: Rs. (thousand) 939).

	2015 (Rupees in thousand)	2014
24 SALES - NET		
Sugar	3,786,139	4,292,533
Molasses	295,595	379,102
Bagasse	103,424	119,313
Press Mud	5,767	5,642
	4,190,925	4,796,590
Less:		
Brokers' commission on sugar	7,428	9,878
Sales Tax / Federal Excise Duty	318,731	370,920
Withholding tax on sales	4,474	3,955
	330,633	384,753
	3,860,292	4,411,837

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
25 COST OF SALES			
Cost of sugarcane procurement		3,709,537	3,658,941
Process materials		39,788	38,409
Depreciation	5.1.1	70,467	68,177
Fuel and power		25,435	28,832
Stores and spares consumed		51,541	58,774
Repairs and maintenance		9,850	12,125
Salaries, wages and other benefits	25.1	159,623	146,465
Company's contribution to provident fund		1,826	1,747
Rent, rates and taxes		1,090	956
Insurance		6,030	3,691
Conveyance and travelling		7,954	9,588
Other expenses		6,083	6,776
		4,089,224	4,034,481
Add: Opening stock of sugar and by-products in process		2,271	1,714
Less: Closing stock of sugar and by-products in process		(2,581)	(2,271)
Cost of sugar manufactured		4,088,914	4,033,924
Packing materials consumed		36,535	38,327
Cost of sugar bagged		4,125,449	4,072,251
Add: Opening stock of sugar and by-products		183,125	259,631
Less: Closing stock of sugar and by-products		(567,573)	(183,125)
		3,741,001	4,148,757

25.1 Salaries and benefits includes Rs. (thousand) 565 (2014: Rs. (thousand) 848) in respect of leave encashment.

	Note	2015 (Rupees in thousand)	2014 (Rupees in thousand)
26 DISTRIBUTION COST			
Salaries, wages and other benefits	26.1	2,830	2,528
Company's contribution to provident fund		32	29
Insurance		2,814	2,286
Sugar bag handling		3,075	3,585
Other expenses		21	26
		8,772	8,454

26.1 Salaries and benefits include Rs. (thousand) 2 (2014: Rs. (thousand) 15) in respect of leave encashment.

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
27 ADMINISTRATIVE EXPENSES			
Salaries, wages and other benefits	27.1	138,841	125,402
Company's contribution to provident fund		2,185	1,894
Directors' fees		675	1,100
Conveyance and travelling		5,826	7,073
Repairs and maintenance		4,320	3,657
Stationery and printing		2,321	2,359
Postage and telephone		1,450	1,449
Legal and professional charges		2,894	3,115
Insurance		1,088	1,220
Utilities		2,248	1,927
Rent, rates and taxes		2,855	2,596
Cost audit fee		93	88
Auditors' remuneration	27.2	1,930	1,850
Donations	27.3	603	2,668
Depreciation	5.1.1	4,159	4,531
Other expenses		4,039	4,374
		175,527	165,303

27.1 Salaries and benefits include Rs. (thousand) 481 (2014: Rs. (thousand) 1,771) in respect of leave encashment.

	2015 (Rupees in thousand)	2014
27.2 Auditors' remuneration		
Audit fee	1,000	1,000
Certification and review	600	525
Provident Fund and Workers' Profit Participation Fund-Audit fee	125	110
Expenses reimbursed	205	215
	1,930	1,850

27.3 Donations

Donations are given to various charitable organizations in which the Company's Directors and their Spouses have no interest.

	2015 (Rupees in thousand)	2014
28 OTHER OPERATING EXPENSES		
Gratuity and retirement benefits	4,128	3,302
Workers' profit participation fund	–	1,971
Loss on initial recognition of financial assets at fair value	57	–
Worker Welfare Fund	–	749
	4,185	6,022

Notes to the Financial Statements

for the year ended 30 September 2015

	Note	2015 (Rupees in thousand)	2014
29 OTHER INCOME			
Income from financial assets			
Profit on bank deposits		3,024	4,399
Reversal of loss initially recognized on financial assets		–	51
Mark-up on fertilizer loan to growers		448	2,346
		3,472	6,796
Income from non-financial assets			
Sale of scrap		11,277	10,256
Agricultural income - sale of trees		57	–
Gain on disposal of property, plant and equipment	5.3	617	7,510
Miscellaneous income		4	19,822
		11,955	37,588
		15,427	44,384
30 FINANCE COST			
Interest, mark-up and charges on			
- Short term borrowings		81,621	73,741
- Workers' Profit Participation Fund		58	–
		81,679	73,741
Bank commission and other charges		1,568	1,483
Markup on long term borrowing		15,424	15,764
		98,671	90,988
31 TAXATION			
Current taxation			
- for the year		37,926	460
- for prior years		–	(3,936)
		37,926	(3,476)
Deferred taxation			
- Relating to (reversal) / origination of temporary differences		(90,673)	13,061
- Due to reduction in tax rates		81	(296)
		(90,592)	12,765
		(52,666)	9,289

31.1 Numerical reconciliation

The provision for current income tax is based on minimum taxation under section 113 of the Income Tax Ordinance, 2001. Accordingly, numerical reconciliation between average effective tax rate and applicable tax rate is not reported for the year.

	2015	2014
32. EARNINGS PER SHARE - Basic and diluted		
(Loss) / Profit after taxation attributable to ordinary shareholders - (Rs. in thousand)	(91,479)	36,140
Weighted average number of ordinary shares at the end of year.	12,011,096	12,011,096
(Loss) / Earnings per share - Basic (Rupees per share)	(7.62)	3.01

Notes to the Financial Statements

for the year ended 30 September 2015

32.1 No diluted earnings per share has been disclosed as the Company has not issued an instrument which would have an impact on earning per share, when exercised.

33 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE DIRECTOR AND EXECUTIVES

The aggregate amount charged in the accounts for the year as remunerations, including certain benefits to the Chief Executive, Executive Director and Executives of the Company is as follows:

	Chief Executive		Executive Director		Executives	
	2015	2014	2015	2014	2015	2014
(Rupees in thousand)						
Managerial remuneration	12,816	9,618	7,061	6,310	18,653	16,594
Contribution to retirement benefits	480	360	271	241	717	640
Housing	2,400	1,800	1,152	1,032	1,537	1,366
Utilities	4,200	2,400	481	481	2,683	2,683
Medical and insurance	234	286	355	433	994	1,041
	20,130	14,464	9,320	8,497	24,584	22,324
Total numbers	1	1	1	1	4	4

33.1 Fees paid to Non-Executive Directors during the year for attending board meetings amounts to Rs. (thousand) 475 (2014: Rs. (thousand) 875).

33.2 Fees paid to Non-Executive Directors during the year for attending audit committee meetings amounts to Rs. (thousand) 175 (2014: Rs. (thousand) 175).

33.3 Fees paid to Non-Executive Directors during the year for attending human resource and remuneration committee meetings amounts to Rs. (thousand) 25 (2014: Rs. (thousand) 50).

33.4 The Chief Executive, Directors and some Executives are also provided with the Company maintained vehicles.

34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

34.1 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. Capital includes ordinary share capital and reserves.

In order to maintain the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with industry norms, the Company monitors its capital on the basis of gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings as shown in the balance sheet less cash and cash equivalent. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt (as defined above).

The Company finances its operations through equity, long term loan, short term borrowings and managing working capital.

Notes to the Financial Statements

for the year ended 30 September 2015

	2015	2014
	(Rupees in thousand)	
Gearing Ratio		
Long term loan	125,000	175,000
Short term borrowings	547,402	–
Less: Cash and bank balances	(13,203)	(92,064)
Net Debt	659,199	82,936
Capital	1,003,090	1,119,878
Capital and net debt	1,662,289	1,202,814
Gearing ratio	40%	7%

34.2 Financial risk factors

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk, interest rate risk and equity price risk. The management reviews and agrees policies for managing each of these risks which are summarized below:

34.2.1 Credit risk

Credit risk is the risk which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposure, limiting transactions with specific counter parties and continually assessing the creditworthiness of counter parties. The Company does not believe it is exposed to major concentration of credit risk, however to manage any possible exposure the Company applies approved credit limits to its customers.

The management monitors and limits the Company's exposure to credit risk through monitoring of client's credit exposure review and conservative estimates of provisions for doubtful receivables.

The Company is exposed to credit risk on long-term deposits, trade debts, advances, deposits, other receivables and bank balances. The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is:

	Carrying Values	
	2015	2014
	(Rupees in thousand)	
Loans and advances	54,743	51,578
Deposits	1,140	840
Trade debts – unsecured	25,926	84,029
Deposits and other receivables	915	214
Cash and bank balances	13,203	92,064

The credit quality of financial assets can be assessed by reference to external credit ratings or the historical information about counter party defaults.

34.2.1.1 Loans and advances

The summary of the maturity profile of the Company's loans and advances as at 30 September 2015 based on contractual undiscounted payment dates are as follows:

Notes to the Financial Statements

for the year ended 30 September 2015

	Carrying Values	
	2015	2014
	(Rupees in thousand)	
Up to one year	51,796	49,504
Greater than one year but less than two years	1,397	994
Greater than two years but less than three years	964	669
Greater than three years but less than four years	498	374
Greater than four years but less than five years	88	37
	54,743	51,578

	2015	2014
	(Rupees in thousand)	
34.2.1.2 Trade Debt		
Neither past due nor impaired	–	–
Past due but not impaired	2,288	–
1- 30 days	23,638	84,029
	25,926	84,029

As at 30 September 2015, the Company had 3 customers (2014: 1 customer) that owed more than Rs. (thousand) 24,496 (2014: Rs. (thousand) 83,143) and accounted for approximately 94% (2014: 99%) of all receivables owed.

34.2.1.3 Cash at Bank

	Agency	Rating		2015	2014
		Short term	Long term	(Rupees in thousand)	
United Bank Limited	JCR-VIS	A-1+	AA+	4,449	(408)
MCB Bank Limited	PACRA	A1+	AAA	–	3,080
Habib Bank Limited	JCR-VIS	A-1+	AAA	8,041	83,726
National Bank of Pakistan	PACRA	A1+	AAA	53	(222)
JS Bank Limited	PACRA	A1+	A+	229	–
Faysal Bank Limited	PACRA	A1+	AA	60	–
Bank Al-Habib Limited	PACRA	A1+	AA+	371	230
Bank Alfalah Limited	PACRA	A1+	AA	–	5,658
				13,203	92,064

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

34.2.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its commitments associated with financial liabilities when they fall due. Liquidity requirements are monitored regularly and management ensures that sufficient liquid funds are available.

Notes to the Financial Statements

for the year ended 30 September 2015

Financial liabilities are analyzed below, with regard to their remaining contractual maturities.

	Maturity upto one year	Maturity after one year	Total
(Rupees in thousand)			
Loan term loan	50,000	75,000	125,000
Short term borrowings	547,402	–	547,402
Trade and other payables	54,210	–	54,210
Interest accrued on borrowings	16,775	–	16,775
	668,387	75,000	743,387

34.2.3 Market Risk

34.2.3.1 Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to import of some stores and spare parts or plant and machinery. The Company does not view hedging as financially viable considering the materiality of transactions.

Sensitivity analysis

The company is not exposed to foreign currency risk because it does not have foreign currency exposure at the year end.

34.2.3.2 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rate will affect the value of financial instruments. The Company is exposed to interest rate risk for short term and long term borrowings obtained from the financial institutions.

Sensitivity analysis

If interest rates, at the year end, fluctuated by 100 basis points, higher/lower, loss for the year would have been Rs. (thousand) 6,713 (2014: profit for the year end would have been Rs. (thousand) 972) higher/lower. This analysis is prepared assuming that all other variables held constant and the amount of liabilities outstanding at the balance sheet dates were outstanding for the whole year.

34.2.3.3 Equity price risk

Equity price risk arises from the investments through profit and loss. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. At the balance sheet date Company is not exposed to any equity price risk.

34.2.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged or a liability can be settled between knowledgeable willing parties in an arm's length transactions.

The carrying value of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

Notes to the Financial Statements

for the year ended 30 September 2015

	Investment in associate		Loans and receivables	
	2015	2014	2015	2014
(Rupees in thousand)				
34.2.5 Classification of financial instruments				
ASSETS AS PER BALANCE SHEET				
NON CURRENT ASSETS				
Loans and advances			2,947	2,074
Deposits			1,140	840
Investment in associate	98,366	92,949		
CURRENT ASSETS				
Trade debts			25,926	84,029
Loans and advances			51,796	49,504
Deposits and other receivables			915	214
Cash and bank balances			13,203	92,064
	98,366	92,949	95,927	228,725
			Financial liabilities at amortized cost	
			2015	2014
			(Rupees in thousand)	
LIABILITIES AS PER BALANCE SHEET				
NON CURRENT LIABILITIES				
Long term borrowing			75,000	125,000
CURRENT LIABILITIES				
Current portion of long term borrowing			50,000	50,000
Accrued interest			16,775	4,556
Short term borrowings			547,402	–
Trade and other payables			54,210	81,761
			743,387	261,317

35. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, local associates, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings, other than remuneration and benefits to key personnel under the terms of their employment are as follows.

	2015					
	M/s. Shahtaj Textile Limited	M/s. Shezan International Limited	M/s. Shahnawaz (Private) Limited	M/s. Information System Associates Limited	M/s. Shezan Services (Private) Limited	Staff Provident Fund
(Rupees in thousand)						
Dividend received	2,875	–	–	–	–	–
Utilities paid	–	–	268	–	–	–
Purchases and services received	270	275	870	912	–	–
Dividend paid	–	–	–	–	571	–
Sales	–	790,275	–	–	–	–
Staff provident fund	–	–	–	–	–	4,043
	3,145	790,550	1,138	912	571	4,043

Notes to the Financial Statements

for the year ended 30 September 2015

2014						
M/s. Shahtaj Textile Limited	M/s. Shezan International Limited	M/s. Shahnawaz (Private) Limited	M/s. Information System Associates Limited	M/s. Shezan Services (Private) Limited	Staff Provident Fund	
(Rupees in thousand)						
Dividend received	4,600	–	–	–	–	–
Utilities paid	–	–	267	–	–	–
Purchases and services received	360	592	380	1,157	–	–
Dividend paid	–	–	–	–	–	–
Sales	–	732,127	–	–	–	–
Staff provident fund	–	–	–	–	–	3,670
	4,960	732,719	647	1,157	–	3,670

All transactions with the related parties and associated undertakings are entered into arm's length determined in accordance with comparable uncontrolled price method except for transactions with M/s Shahnawaz (Private) Limited, where an additional discount of 40% is received on service charges and 15% on spare parts in connection with the repairs of motor vehicles, due to group policy. The effect of this policy on the balance sheet and profit and loss account is considered to be immaterial.

No buying or selling commission has been paid to any associated undertaking.

	2015	2014
	(Rupees in thousand)	
36. PROVIDENT FUND		
Size of the fund	168,544	161,070
Percentage of investments made	93.4%	94%
Fair value of investments	157,467	150,849
Cost of investments made	95,834	102,919

36.1 Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	2015		2014	
	Investments (Rs '000)	Investment as % of size of the fund	Investments (Rs '000)	Investment as % of size of the fund
Term deposit receipts and call deposits				
Innovative Housing Finance Limited	3,078	2%	3,078	2%
Defence Saving Certificates	153,660	91%	146,650	91%
Listed securities and mutual fund units				
UBL Liquidity Plus Fund	729	0.4%	1,121	1%
	157,467	93.4%	150,849	94%

36.2 Investments out of provident fund have been made in accordance with the provisions of the section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

36.3 The above information is based on audited financial statements of the provident fund.

Notes to the Financial Statements

for the year ended 30 September 2015

	2015	2014
	(Number of employees)	
37 NUMBER OF EMPLOYEES		
Number of permanent employees are as follows:		
Total employees at year end	428	377
Average number of employees	507	458

38 CAPACITY AND PRODUCTION

	Rated Capacity		Actual Production	
	M. Tons	Days	M. Tons	Days
2015	122,400	160	74,654	107
2014	122,400	160	80,434	100

38.1 Shortfall in production is due to shortage of raw material supply and reduction in sugar recovery percentage.

39 DATE FOR AUTHORIZATION FOR ISSUE

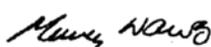
These financial statements were authorized for issue by the Board of Directors on 30 December 2015.

40 EVENTS AFTER THE BALANCE SHEET

The Board of Directors have proposed a final dividend for the year ended 30 September 2015 of Rs. Nil per share (2014: Rs.2/- per share), amounting to Rs. (thousand) Nil (2014: Rs. (thousand) 24,022) along with the transfer to general reserve amounting to Rs. (thousand) Nil (2014: Rs. (thousand) 10,000) at their meeting held on 30 December 2015 for approval of the members at the Annual General Meeting to be held on 28 January 2016.

41 GENERAL

Corresponding figures have been rearranged / reclassified, wherever necessary, for better and fair presentation. However, no significant rearrangement / reclassification has been made in the financial statements.


Chief Executive


Director



Form of Proxy

50th Annual General Meeting of Shahtaj Sugar Mills Limited

Please Quote Folio Number: _____

Shares held: _____

I/ We _____ of _____
 in the district of _____ being a member of SHAHTAJ SUGAR MILLS LIMITED
 hereby appoint _____ of _____
 as my / our proxy to vote for me / us and on my / our behalf at the 50th Annual General Meeting of the Company to be held
 on 28 January 2016 and at any adjournment thereof.

As witnessed given under my / our hand(s) this _____ day of _____ 2016.

Witness Signature _____

Name _____

CNIC No. _____

Applicable
Revenue Stamp

Member's Signature

Notes:

1. This form of Proxy must be deposited duly completed, at the Company's Registered Office not less than 48 hours before the meeting.
2. A Proxy of individual member must be a member of the Company.
3. In case of corporates the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted along with proxy form to the Company.
4. Signature should agree with the specimen signature registered with the Company.
5. For CDC account holders / corporate in addition to the above following requirements have to be met.
 - i) Attested copy of CNIC or the passport of the beneficial owner shall be provided with proxy form.
 - ii) Proxy shall produce his / her original CNIC or original passport at the time of meeting.

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پراکسی فارم شاہ تاج شوگر ملز لمیٹیڈ کا پچاسواں سالانہ اجلاس عام

فولیو نمبر: _____

تعداد حصص: _____

میں مسٹی / مسماة _____ ساکن _____
 ضلع _____ بحیثیت ممبر شاہ تاج شوگر ملز لمیٹیڈ، مسٹی / مسماة _____ ساکن _____ کو
 بطور مختار (پراکسی) مقرر کرتا ہوں تاکہ وہ میری جگہ میری طرف سے کمپنی کے اجلاس عام جو بتاریخ 28 جنوری 2016ء بروز جمعرات منعقد ہو رہا ہے میں اور اس کے کسی ملتوی شدہ اجلاس میں ووٹ ڈالے۔

مطلوبہ ریونینٹ
 چسپاں کریں

دستخط گواہ: _____

نام: _____

قومی شناختی کارڈ نمبر: _____

ممبر کے دستخط

تاریخ: _____

نوٹ:

- ۱- یہ پراکسی فارم مکمل پُر شدہ کمپنی کے رجسٹرڈ آفس میں میننگ سے 48 گھنٹے قبل جمع کرایا جانا لازمی ہے۔
- ۲- ضروری ہے کہ پراکسی جس کو دی جائے وہ بھی کمپنی کا ممبر ہو۔
- ۳- کارپوریٹس ممبران کے لئے پراکسی فارم کے ساتھ پراکسی کے حق میں بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی بمع نمونہ کے دستخط کا جمع کروایا جانا ضروری ہے۔
- ۴- دستخط کمپنی کے پاس پہلے سے محفوظ دستخطی نمونہ کے مطابق ہونے ضروری ہیں۔
- ۵- CDC میں اکاؤنٹ رکھنے والے کارپوریٹس ممبران کے لئے مندرجہ بالا کے علاوہ درج ذیل شرائط کو پورا کرنا بھی ضروری ہے:
 - ۱- پراکسی جس کے حق میں ہو اس کا شناختی کارڈ یا پاسپورٹ کی ایک تصدیق شدہ نقل پراکسی کے ساتھ لگائی جائے۔
 - ب- پراکسی اجلاس میں شریک ہوتے وقت اصل شناختی کارڈ / پاسپورٹ پیش کرے۔

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-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes



Jama Punji is an Investor
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*Mobile apps are also available for download for android and ios devices



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