



Shakarganj Limited

REACHES GOLD

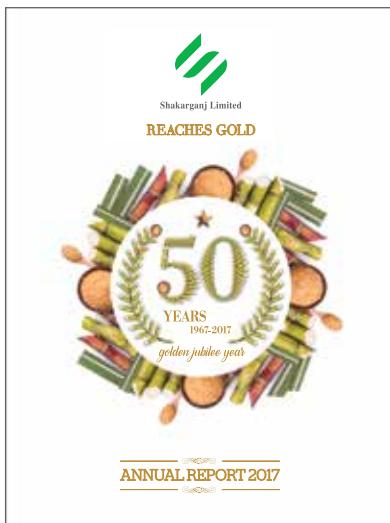


ANNUAL REPORT 2017





FROM HERITAGE



REACHES GOLD

Having completed the first fifty years of impact, Shakarganj, through its commitment to innovation and vision of its management, is on track for the next fifty years of excellence. 2017 marked a significant moment in our history, and with each milestone recorded in the last five decades, we are reminded of our core values that have underpinned our relentless efforts to drive growth and progress.

Fifty & Forward >>>>>>>>>>>>>>



>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>>> TO NEW HORIZONS



ACHIEVING OPERATIONAL EXCELLENCE





Vision, Mission & Core Values

To gain and maintain leadership in our relevant sectors by producing the best quality products at the lowest possible cost

To give the best returns to our shareholders by optimal allocation of resources to the products and markets we compete in

To provide the best value products and services to our customers through investment in technology, human resources, operational systems, and processes

To provide the best working environment to our employees and provide them opportunities to enhance their skills

To work with our farmers, suppliers, and distributors as partners in developing their expertise and profitability

To pursue environment friendly policies, and effectively and efficiently use all energy resources aiming for zero waste and a clean healthy environment

To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

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MANAGEMENT

SHAKARGANJ



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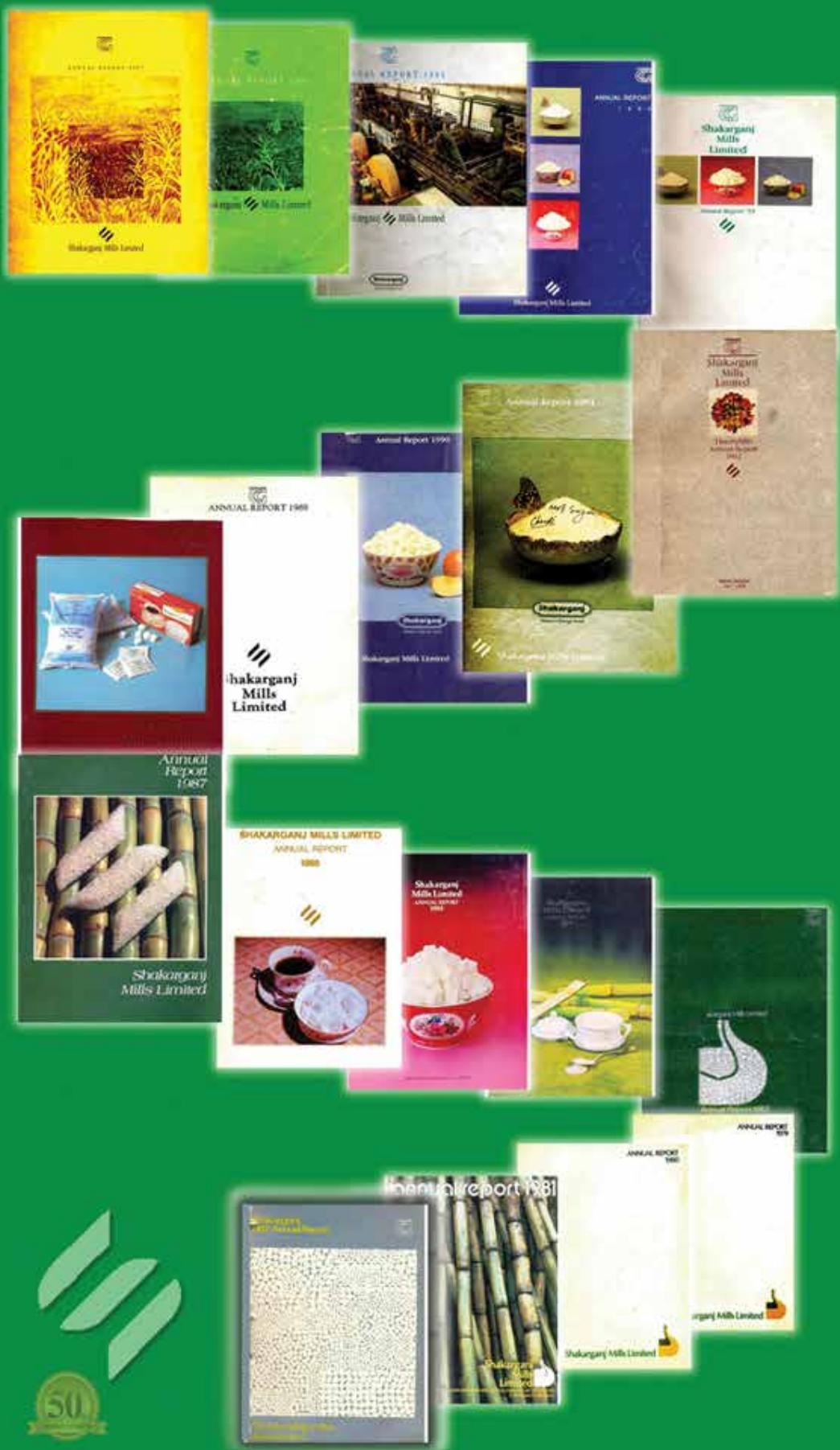
Quality Policy

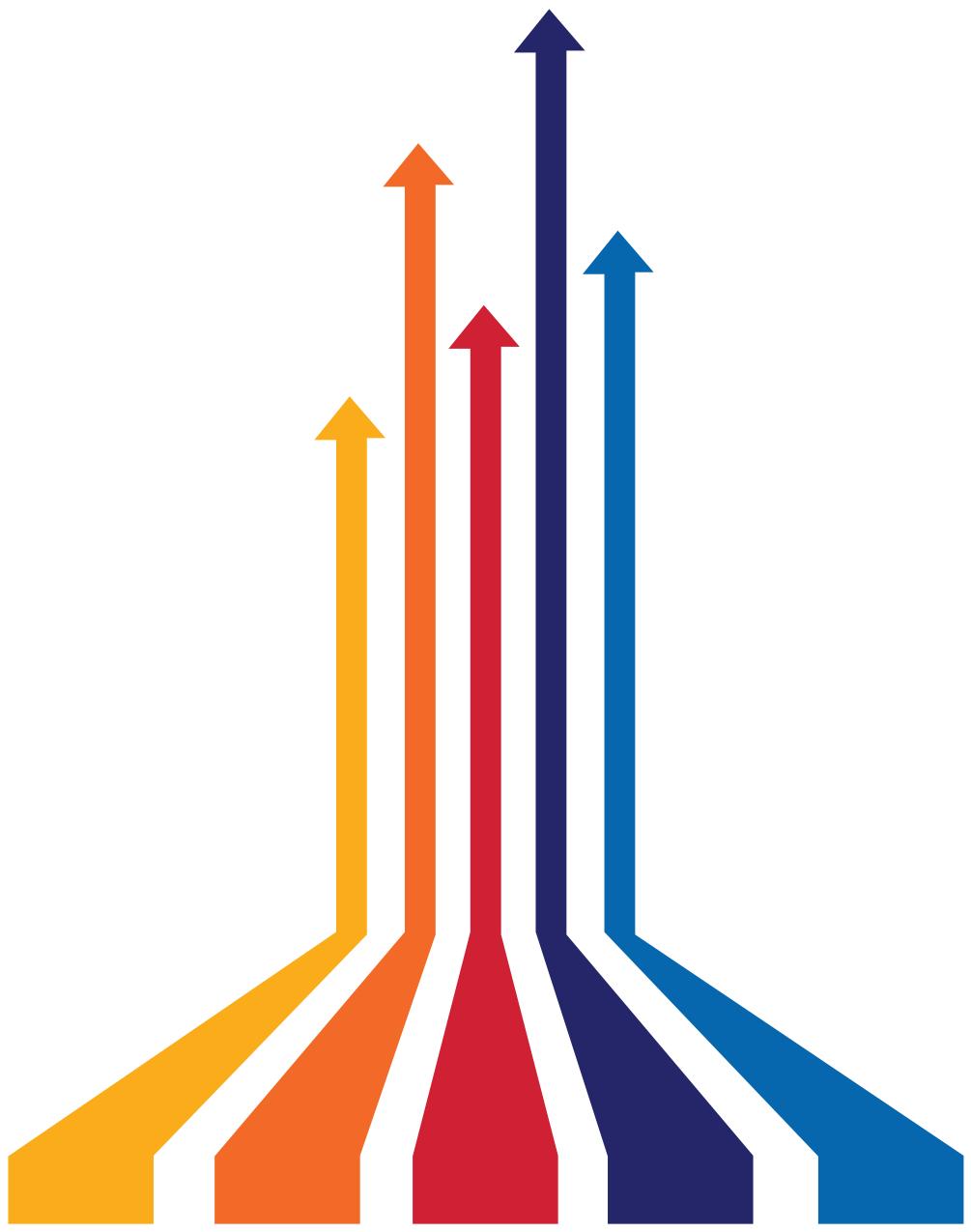
Our quality policy, stemming from our vision, is to maintain industry leadership and customer satisfaction through production of high quality sugar, biofuel, yarn, and other allied products at lowest cost, using environment friendly technology in safe working conditions.

We run our businesses with integrity and professionalism, and believe in continual improvements and a fair deal for our investors, customers, suppliers and above all our employees.

Five Decades of Our Corporate Financial Reporting







FIFTY AND FORWARD



1967
**Pride in the
Past**



2017
**Confidence in
the Future**

There were only a handful of Sugar Mills in Pakistan when Shakarganj was incorporated on 20 September 1967. As a result of diligent efforts of its dedicated and talented workforce, Shakarganj has over the years made significant achievements in the sugar and allied products sector, and diversified its businesses both horizontally and vertically. Most notably, starting from one small sugar factory with a crushing capacity of merely 1,500 TCD (Tons of Cane per Day), Shakarganj now, with the Grace of Allah Almighty, has two sugar factories with a combined crushing capacity of 20,000 TCD extendable to 30,000 TCD. In addition, Shakarganj also has Six Biofuel Plants, One Particle Board Plant, One Textile Spinning Mill, Three Agriculture Farms, One Organic Fertilizer Plant, as well as a Joint Venture Food Grade Carbon Dioxide Plant (CO₂). Shakarganj also holds a majority position in its associated company, Shakarganj Food Products Limited, which in just 10 years has become an industry leader in production of dairy products (with the brand name "Good Milk") and fruit products. Moreover, Shakarganj is now a major national exporter of biofuel and the winner of the national best export awards 11 times in the last two decades. Shakarganj established the first Private Sector Research Facility, the Shakarganj Sugar Research Institute (SSRI) in 1983. This unique initiative is constantly working on development of high quality sugarcane varieties.

We at Shakarganj invite all stakeholders to celebrate with us our 50th anniversary as we look back at a half century of excellence. With the Grace of Allah Almighty, we have a bright future ahead especially in biofuel business, with the global slogan of "Cleaner Fuel for Cleaner Environment". We look forward to your support as we continue our journey into the 21st Century>>>

Thanks for 50 years of support.

The best years are still ahead of us!

Our Year 2017 in Numbers



ڈیوپلٹ کے میدان پر
اکشن پرہیں۔

SHAKARGANI

Our Governing Principles

As a responsible corporate citizen, Shakarganj aims to act in a socially responsible manner at all times. We conduct our business in a responsible manner and expect the same from others. We insist that all transactions be open, transparent, and within the legal framework culminating in responsible financial reporting.



Purpose and value of business

Shakarganj Limited is a sugar and sugar co-products, food, and textiles manufacturing company with annual sales exceeding Rs. 11 billion and employing over 1,200 people.

Shakarganj is one of the largest sugar and co-products manufacturer in Pakistan producing a wide range of products. With an increasingly strong emphasis on research and technology, we transform natural raw materials into white crystalline sugar for general consumption, specialty sugars for the food, beverage, and pharmaceutical industries, retail package sugars, alternate energy resources, building materials, as well as other inputs for value-added textiles.

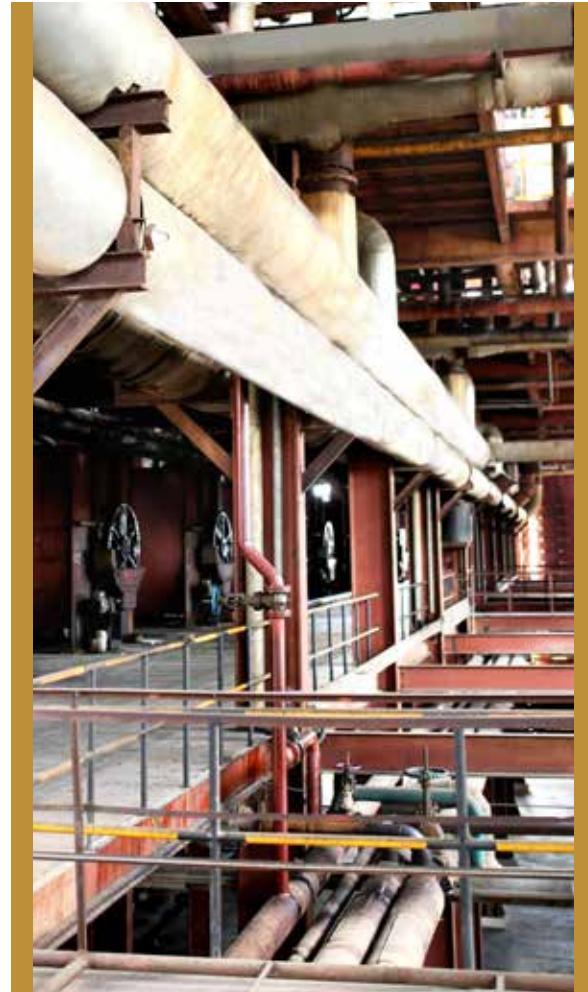
Our emphasis is to concentrate our energies and expertise on segments of the market where we can establish a leading position. As a company, we are always searching for better, more efficient, and more profitable ways to manufacture our products, and ways to employ our technology and knowledge base in other related sectors.

As a responsible corporate citizen, we aim to act in a socially responsible manner at all times. In a decentralised organization structure, our business divisions devise procedures appropriate to and compliant with the local laws, culture, and operating conditions which at all times comply with the following governing principles:

Employees

Our employees are our most crucial resource and therefore we abide by the following principles:

- Equal Opportunities - We are committed to offering equal opportunities to all people in their recruitment, training and career development, having regard for their particular aptitudes and abilities. Full and fair consideration is given to applicants with disabilities and every effort is made to provide an opportunity for retraining any person becoming disabled whilst employed by Shakarganj.
- Health and safety - We consider health and safety to be as important as any other function of the company and its business objectives. Top tier management of each business division is directly responsible for health and safety in our locations of operations. We seek to provide a safe and healthy workplace, and system of work in line with all local laws and regulations, to protect all



our employees, visitors, and the public where they come into contact with foreseeable work hazards. Our employees are required to adopt a proactive attitude towards this end. A Health and Safety Committee continues to develop awareness of work hazards and safety amongst all employees. The committee also manages and measures health and safety performance on a continuous basis.

- Harassment and discrimination - We do not tolerate mental, physical or sexual harassment in the workplace. We do not allow any form of discrimination on basis of sex, race, creed, language, religion, or colour. We expect our employees to report any incident of harassment or discrimination to the appropriate human resource department which shall conduct an independent inquiry into all such reports and take strict action in the light of the results of the inquiry.
- Human rights - Managers are required to take account of the core International Labour Organization conventions and to strive to observe the United Nations Declaration on Human Rights, by respecting the rights of our employees. They are required to observe the following in particular:
 - Universal respect for an observance of human rights and fundamental freedoms for all without any discrimination.
 - We remunerate fairly with respect to skills, performance, our peers, and local conditions.



- We brief our employees and their representatives on all relevant matters on regular basis

Ethical Business Practices

- Competition - We are committed to free and fair competition and will compete strongly but honestly complying with all relevant laws.
- Bribery - Shakarganj does not condone the offering or receiving of bribes or other such facilitating payments or gifts to any person or entity for the purpose of obtaining or retaining business for Shakarganj or influencing political decisions.

- Political donations - financial donations are not permitted to any political party or for furthering any political cause.
- Confidentiality and accuracy of information - the confidentiality of information received in the course of business will be respected and never be used for personal gain. False information will not be given in the course of any commercial negotiation or transaction.
- Conflict of interest - any personal interest, which may prejudice or which may reasonably be deemed to be prejudice, by others, the impartiality of employees must be formally declared to senior management. This includes, but is not limited to, owning shares



in business partners, trading in company shares and personal or family involvement in commercial transactions with the company.

- Business gifts and hospitality - gifts other than items of very small intrinsic value are not accepted. Employees who receive hospitality must not allow themselves to reach a position where they may be deemed to have been influenced in making a business decision as a consequence. Giving and receiving of reasonable business products, marketing materials and entertainment are permitted.
- Food safety standards - Shakarganj recognises that quality and safety of our products used in food as

a primary product or an ingredient, is essential for our customers. High priority is placed on all aspects of food safety. Food safety systems are regularly reviewed to ensure their effectiveness. Economic considerations are never put before food safety.

Role of the Board of Directors

The business and management of the Company are the responsibility of the whole Board of Directors. There is a formal schedule of matters reserved for board decision. These include approval of annual and interim results, the company's strategic plans, annual budget, larger capital expenditure and investment proposals and overall system of internal control and risk management.

The directors have a legal responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of its profit and loss for that period. In preparation of these statements the directors are required to;

- Select suitable accounting policies and then apply them consistently.
- Make estimates and judgments that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue its business.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the company. They have the general responsibility for taking steps to safeguard the assets of the company. The system at Shakarganj is based upon written procedures, policies, guidelines, an organogram that provides an appropriate division of responsibility, a programme of internal audit, manning of all key functions by qualified personnel and constant training.

Other specific responsibilities are delegated to board committees which operate within clearly defined terms of reference and report regularly to the board.

Within the overall guiding principles set out above the key objectives of the board are;



- The agreement of strategy.
- The agreement of detailed set of objectives and policies that facilitate the achievement of strategy.
- Monitoring the performance of executive management in delivery of objectives and strategy.
- Monitoring and safeguarding the financial position of the Company to ensure that objectives and strategy can be delivered.
- Approval of all capital expenditure, other expenditure which is not part of the defined objectives or strategic plan.
- Approving corporate transactions - this includes any potential acquisition or disposal.
- Delegating clear levels of authority to the executive management team. This is represented by the defined system of internal controls which is reviewed by the audit committee.
- Providing appropriate framework of support and remuneration structures to encourage and enable executive management to deliver the objectives and strategy of the Company.
- Monitoring the risks being entered into by the Company and ensuring all of these are properly evaluated.

Remuneration of the Board of Directors and its Chairman

All the elected members of the Board of Directors of the Company are non-executive except one member. The Chief Executive Officer and the Deputy Chief Executive Officer are paid fixed salaries as determined by the Board; performance of the CEO is evaluated against approved criteria by the Human Resource and Remuneration Committee and recommended to the Board for approval. All the other directors are paid Director's fee for attending board meetings which is also fixed as per applicable laws and regulations.

Board Committees

The Board has constituted the following committees:

- Audit Committee
- Human Resource and Remuneration Committee

Through its committees, the Board provides proactive oversight in some of the key areas of business and the performance of the CEO. The Board regularly reviews the respective charters of these committees.

Audit Committee

The Audit Committee operates under a charter approved by the Board. The governing charter of the Audit Committee addresses the requirement of the Code of Corporate Governance and includes the

requirements of best practices. The Committee is accountable to the Board for the recommendation of appointment of external auditors, directing and monitoring the audit function and reviewing the adequacy and quality of the audit process. The CEO and the CFO are responsible for the accuracy of financial information for inclusion in the annual report; the Committee provides the Board with additional assurance. The Committee also ensures that the Company has an effective internal control framework. These controls include safeguarding of assets, maintaining of proper accounting records complying with legislation and ensuring the reliability of financial information.

Human Resource and Remuneration Committee (HR & RC)

The HR & R Committee reviews the human resource architecture of the Company and addresses the requirements of the Code of Corporate Governance. The committee has been constituted to address and improve the crucial area of human resource development. Its aim is to assist the Board and guide the management in the formulation of the market driven Human Resource policies regarding performance management, Human Resource staffing, compensation and benefits. The expanded role of the Committee is to review CEO performance and to recommend CEO compensation for the approval of the Board. Further,

the selection, evaluation and compensation of CEO, Deputy CEO, CFO, Company Secretary and Head of Internal Audit is also reviewed and recommended to the Board by the Committee. It is also responsible for consideration and approval of CEO recommendations on selections, evaluation and compensation for key management positions that report directly to CEO.

Management Structure

The Company has six business segments including two geographically separate business segments, two Sugar Divisions, two Biofuel Divisions, a Power Division, a Building Materials Division, a Textile Division, a Farms Division and a Business Division dedicated to Other Projects where currently our Organic Fertilizer i.e. Shakarganj Tiger Compost is produced. Respective divisional heads of each business unit are accountable for the performance and the bottom line of their respective divisions. The accounting for these units is done separately in an arm's length manner to arrive at the true profit before tax for each unit. The business unit heads as defined in the management structure with clear responsibility and authority matrix have direct reporting lines to the Chief Executive Officer. Limits of authority at all levels are clearly defined in our control manual. The Internal Audit function is responsible to monitor compliance with the procedure manuals.



The Company's management structure and detail of associated companies is given separately in this annual report.

Code of Conduct

The board of directors has adopted a code of conduct for its members, executive management and staff members, specifying the business standards and ethical considerations in conducting its business. The code includes:

- Corporate governance
- Relationship with employees, customers and regulators
- Confidentiality of information
- Trading in company shares
- Environmental responsibilities

Responsibility to stakeholders

- Shakarganj is committed to operate with the primary responsibility of increasing shareholder value. However the principal responsibility to all stakeholders is never underrated.
- Shareholders - the company places significant importance on communications with shareholders. We will communicate our achievements and prospects to our shareholders in a timely manner. Apart from the annual general meeting the company communicates with its shareholders by way of the annual report and accounts, the half yearly and quarterly financial statements and at www.shakarganj.com.pk, the company's website. Significant matters requiring shareholders' approval are brought to extraordinary general meetings of shareholders. The company secretariat has a designated officer to deal with all queries of shareholders.
- Customers - we seek to be honest and fair in our relationships with our customers. We always endeavor to provide the standards of products and services that have been agreed whilst at the same time offering value for money. At all times we take all reasonable steps to ensure the safety and quality of goods and services that we produce.
- Suppliers - we will carry out our business honestly, ethically and with respect for the rights and interests of our suppliers. We will settle our bills promptly as

they fall due. We will cooperate with our suppliers to improve quality and efficiency. We seek to develop relationship with suppliers consistent with these basic principles especially with respect to human rights and conditions of employment.

- Farmers - To seek mutually beneficial relationships with our Farmers who form the backbone of our agricultural economy we continuously investing on research and development and maintain a numbers of agricultural farms and seeing and believing sites for the benefits of our farmer community to transfer efficient, environment friendly and economically rewarding technology of sugarcane as the farmers are the mainstay of our supply chain management strategy. Through our research facility SSRI, Shakarganj also providing better quality and yield oriented varieties of sugarcane resulting in increased productivity in sugarcane yield per acre. To maintain and further strengthen the relationship, the Company always gives priority to the farmers.
- The wider community- we recognize our responsibilities as a member of the communities in which we operate. We strongly believe in contributing to the well being of wider Shakarganj community. We emphasize our efforts in community service on education, adult literacy, healthcare, environmental issues and protection of local culture and heritage.

These business principles apply to all our employees and are the minimum standard for their behavior.

The operating business divisions may have additional standards. Failure to comply with our principles may lead to disciplinary action. Shakarganj encourages open culture in all its dealings between employees and people with whom it comes in contact with. We believe effective communication is essential for dealing with any malpractice and wrongdoing. We will make all efforts to protect the confidentiality of any person including our employees, raising any concern.

"We strongly believe in contributing to the well-being of the wider Shakarganj community"



Stakeholder Engagement Approach

Our primary purpose is to run our business efficiently and profitably to enhance value for shareholders keeping in view our responsibility to all stakeholders which are:



OUR SHAREHOLDERS

To help grow shareholders investments and provide them with stable and attractive returns

OUR CUSTOMERS

To win and maintain customers by developing and providing products that offer value in terms of price and quality.

OUR PEOPLE

To respect and protect all rights of our employees with safe and healthy working conditions along with competitive terms of service

OUR FARMERS

To seek mutually beneficial relationships with our Farmers who form the backbone of our agricultural economy

OUR SOCIETY

To conduct business as a responsible member of society, keeping in view our position as the largest employer in our local area



Mechanism for Providing Information and Recommendation to the Board

Information regarding any matter of concern or recommendation is put forward by the CEO to the respective committees of the board.

FORMAL REPORTING LINE

The prevailing operational structure of the Company consists of various divisions, each of which is headed by a Head of Division (HOD). The Heads of Divisions are responsible for the performance of the respective division / department, and Board Committees have access to HODs for any information they require pertaining to their respective division. Further information regarding any matter of concern or recommendation is also put forward by the CEO to the respective committees of the Board.

EMPLOYEES

Our employees are encouraged to express their views and forward their suggestions to the management and the Board. We have established several forums for them through which they can give their feedback and ideas for betterment of our business and the Company. For our employees, suggestion boxes have been installed across our locations and we also have a virtual suggestion box on our dashboard. These suggestion boxes act as a direct line to the senior management. Through this, employees can give their suggestions, grievances and concerns or raise any matter related to the Company, which is reviewed and monitored directly by the CEO. In case the matter is of a significant nature, the same is addressed in the meetings of the Management Committee, Board of Directors, or the relevant Board Committee. The Company also has a Whistle Blowing Policy to enable employees to raise serious concerns to the management regarding the business or Company without fear of repercussions. An open house session with the CEO is also held annually with employees, through which they are provided with the opportunity to have a one-on-one meeting with the CEO and express their concerns and suggestions directly to him. These meetings are aimed at capturing free and first-hand suggestions that are useful in refining operations and in improving work environment.

SHAREHOLDERS

Every year the Annual General Meeting of shareholders is called in accordance with the requirements of the Companies Act, 2017 which is also attended by Chief Executive Officer, Deputy Chief Executive Officer, Chief

Financial Officer, and Company Secretary. The interactive session between the Company's management and shareholders allows the shareholders to ask questions on financial, economic, social, and any other issues and also to provide any recommendations. The CEO responds to all such queries and takes necessary actions accordingly. Moreover, the Company has provided contact details of all relevant personnel who can be contacted for resolution of general and specific queries on its website: www.shakarganj.com.pk in the Shareholders' Information area and we have printed the same in our Annual Report sent to the shareholders.

MANAGING CONFLICT OF INTEREST

The Company, in compliance with the Code of Corporate Governance, annually circulates and obtains a signed copy of the Code of Conduct applicable to all its employees and directors, which also relates to matters relating to conflict of interest. Further, the directors are annually reminded of the insider trading circular issued by the Securities & Exchange Commission of Pakistan to avoid dealing in shares while they are in possession of "insider information". As per the provisions of the Companies Act, 2017, each director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director(s) do not participate in the discussion nor do they vote on such matters. The transactions with all related parties are made on arms-length basis and complete details are provided to the board members for their approval. Further all transactions with related parties are fully disclosed in the annual financial statements of the Company.





Corporate Strategy

As part of our regular strategy review in 2017, Shakarganj has further adjusted and refined its corporate strategy to successfully meet the new challenges that have arisen in recent years.

However, our long-term targets and our core targets do not require any radical change.



We continue to believe that the agricultural sector will retain its importance as a pillar of our economy and government policies will be targeted towards increasing the efficiencies and outputs in this sector. Our strategic focus is geared towards channeling farmers' interest towards sugarcane as a major cash crop in our local area so as to secure our supply base while at the same time increasing development in our community.

Our overall objectives are to strengthen our position in Pakistan's Sugar & Allied Products industries, and further grow as a leading Sugar supplier for the domestic market, especially the retail sector, and to maintain our position as the top exporter of Biofuel.

Our long-term vision remains "To be the leader in every business we do, by delivering sustainable value to all stakeholders"

Based on this vision, we are steering the Company with a medium-term strategy focused on the following priorities:

- Improving returns and delivering growth
- Delivering growth and development especially in the export sector
- Capital management and liquidity

The operational objectives of our strategy, which are based on four perspectives, are a balanced product offering, strong corporate structure, technological leadership, skills adequacy, and a leading position in the market segments relevant to us, as well as agility, customer focus and community care.

To advance our objective, we plan to pursue the following business strategies:

- Maintain our leading position in Biofuel Exports, High Quality Sugar Manufacturing (especially for retail markets), and in Sugarcane Research
- Strengthen our culture of high performance and continue to assess ourselves with fairness

Enhancing the value of the entity on a long-term basis means sustainable, lasting success.

To enable our people to act on the vision and strategy, we close in on integrated set of objectives and measures, agreed by all business units. These objectives describe the long-term drivers of success for our business. Our managers are all part of the strategy mapping process ensuring that everyone -individuals and teams- understands the long- term goal of the Company and that departmental and individual goals remain aligned and clear.



Our operational strategy is centered on:

- Enhancing shareholders' value by delivering growth and consistent returns
- Moderate risk exposure and strong, regularly monitored controls
- Observing the law and all rules and regulations in letter and spirit
- Growing responsibly through business acquisitions and organic growth in Biofuel, Energy, and Food
- Leveraging cost and quality leadership to enhance customers' value maintaining international standards of quality, safety and health
- Leveraging the information system for maximum and efficient business intelligence
- Identifying, retaining, developing and leveraging quality human talent
- Fostering our values
- Enhanced employee engagement
- An educated and skilled Pakistan.
- Working with the communities where we operate with a focus managing the impacts of our operations as well to invest in education, emergency and quality affordable healthcare and a safe, clean and healthy environment that promotes the development of public spaces.

Our business strategy concentrates on the profitability of business segments and associated businesses. Going forward we will keep on working towards increasing efficiencies and reducing costs for our Sugar and Biofuel businesses and work towards harvesting gains on strategic investments in our Textile business. In the current international landscape with emergence of Pakistan as a major Sugar Exporting Country, we will refocus on capital and operational expenses to enhance our efficiencies to meet international demands.

We are focusing on identifying processes for improvement across all areas, strengthen supply chain management, expand supplier- base and improve risk and capital management.

Our market strategy calls for us to accelerate our business development by leveraging our shift towards the export markets sector with the objective to ensure sustainable growth by capturing different markets internationally beyond the traditional destinations for our products.

We plan to remain at the cutting edge of technology by upgrading our plants and carrying out regular process innovations. Our strategic direction is geared to achieve capacity enhancements, diversify revenue streams and to deliver value to our customers through product development, manufacturing excellence and supply chain management. We have invested and will continue investing in energy saving equipment and remain committed to reducing and sustainably managing waste.

Our Information Technology strategy is tightly aligned with business goals, and is designed to continuously enhance enterprise value of Shakarganj, reform administrative procedures and develop operations. We continue to leverage our investment in enterprise resource planning systems for business intelligence to support and enable calculated decision making.

The Human Resource strategy is designed to contribute to our durability by providing our people

The Social Investment and Corporate Social Responsibility strategy integrates our business, environmental and citizenship activities to create shared value. We take pride in supporting our community and are committed to continue our strategic and targeted contributions to the education and health sectors. By effectively engaging community partners we enhance employee engagement, reinforce our values and regularly measure the impact of our social investments. Our strategic focus is in the following areas:



with good jobs and working environments that make optimal use of their skills and realise the potential of both individual employees and teams. Our strategy focuses on developing Programmes to supplement Shakarganj's policies in a manner that strengthens the Company's Human Capital, develops a Corporate Culture, improves working environments and delivers on upholding our values. The strategy focuses on acquiring the right people and encouraging lifelong learning among our employees, promoting an interactive environment, improving succession readiness for future leadership, and, fostering a culture of innovation and accountability where people are listened to and assessed with fairness.

- An educated and skilled Pakistan
- Essential medical services
- Affordable and quality healthcare
- Safety
- Local arts

Over the long-term, our strategy is to be forward-looking, grow responsibly, generate a competitive return on capital, and meet our financial and stakeholder obligations. We remain committed to being a world leader in safety and environmental stewardship, improving our quality, cost competitiveness and customer service, and to attracting, developing and retaining a diverse workforce with the talent and skills needed for our long-term success.



Shakarganj Sugar Research Institute Annual Review 2016-17

Board of Governors

Mr. Altaf M. Saleem (Chairman)

Mr. Anjum Muhammad Saleem (Member)

Mr. Ali Altaf Saleem (Member)

Mr. Muhammad Awais Qureshi (Member)

Mr. Muhammad Pervez Akhtar (Member)

Dr. Arshad Ali Chattha (Member)

Dr. Shahid Afghan (Member)

Mr. Manzoor Hussain Malik (Member)

Principal functions

1. Sugarcane breeding to evolve high yielding, early maturing varieties having tolerance against biotic and abiotic stresses.
2. To investigate the agronomic problems of sugarcane production.
3. Research and development on utilisation of biomass from sugar industry effluents and its use for sustainable agriculture.
4. To study soils in sugarcane producing areas and to relate these to crop management.
5. Development of genetic engineering and tissue
6. To publish and disseminate information on all aspects of sugarcane production.
7. To conduct educational courses in various aspects of sugarcane growing for cane development staff and growers.
8. To collaborate and exchange information and material with Research Organisations in Pakistan and abroad.



- culture techniques for establishment of elite clones.
6. To study and monitor the pests and diseases of sugarcane as appropriate control measures.
7. To conduct research on germination of sugarcane sets, sucrose production, translocation, storage and environmental influences on these processes.
8. To advise on the use of fertilizers and other
9. To improve technology of sugarcane production inside the sugar factories by improving process and milling efficiency.

Shakarganj Limited funds advanced research in sugarcane technology through the Shakarganj Sugar Research Institute (SSRI). This institute is the first private sector initiative in Pakistan, established on 13 July 1983.



The main objective of the institute is to develop new sugarcane varieties capable of producing sugar and other products of economic importance at lower cost than is possible from existing commercial varieties. Development of new varieties by the Institute, along with adoption of best management practices by farmers has increased crop productivity in the catchment area of Shakarganj by almost 10 percent crop.

We have successfully bred a number of proprietary sugarcane varieties that not only increase the yield for our farmers, but also improve the sugar recovery of the crop. At the same time the institute provides farmers with low cost, efficient, and environment friendly biocontrol systems for elimination of pests from the sugarcane crop. All research results and benefits are open and available to the stakeholders without cost as a national service.

This report summarises the research and development activities that are conducted at the Shakarganj Sugar Research Institute, with an emphasis on main goals that have been achieved.

1. Sugarcane Selection Breeding

i. Import of cane fuzz

A population of 59 clones was selected from SSRI Jhang and Sugar Research Institute Faisalabad. The stuff was sent to Sugarcane Research Institute (SRI) Sri Lanka, as parental lines for flowering/crossing purposes under Punjab Agricultural Research Board funded this collaborative project which resulted in SSRI getting true seed (fuzz) of 194 bi-parental cross combinations of the parental lines.

Further, 56 crosses of cane fuzz were received free of cost from Agriculture Research Services - United States Department of Agriculture (ARS-USDA), Canal Point (CP) under Biological Material Transfer Agreement (BMTA). A brief description of cane fuzz is given in Table 1.

Table-1 Details of import of cane fuzz from different sources at Shakarganj Sugar Research Institute, Jhang

Sr. No.	Source of cane fuzz	No. of Crosses	Weight (gm)	Original seedlings
1	Canal Point (BMT-Agreement) ARS USDA, USA	56	268	40,200
2	Sri Lanka - PARB Project SRI	194	2,632	31,600
Total		250	2,900	71,800

ii. Landmark achievement

Ten new sugarcane varieties are in the pipeline that show promising results in not only higher yield per acre for the farmer and better sugar recovery for the mills but also show signs of resistance against biotic and abiotic stresses. Sugarcane Germplasm National Uniform Varietal Yield Trials (NUVYT) and also under different selection stages is given in Table 2. Periodic sugar recovery percent cane of promising sugarcane varieties is given in Figure 1.

Table 2 Germplasm under different selection stages at SSRI

Description	2011-12	2012-13	2013-14	2014-15	2016-17
NUVYT	02	03	05	05	06
Final	06	09	14	21	10
Semi-final	13	140	43	24	06
Advance	427	322	87	98	28
Progenitors	1518	2981	513	500	52
Original Seedlings	50,852	35,187	20,888	30,653	71,800

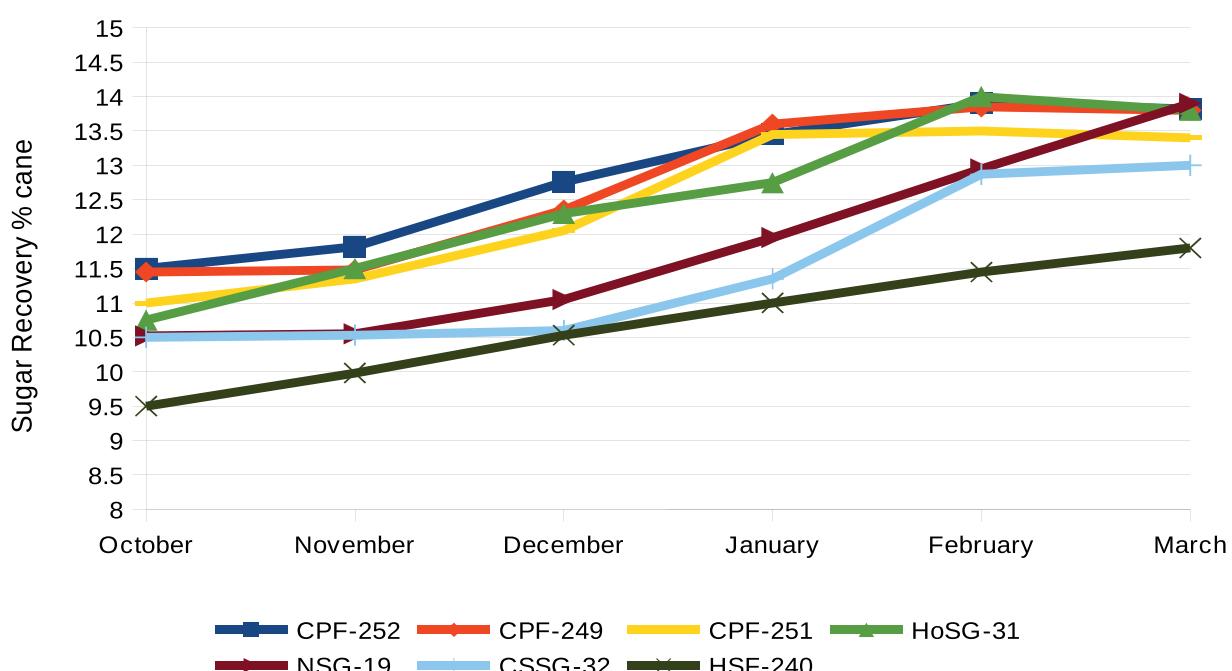


Fig. 1. Sugar recovery (%) cane of promising clones (pooled means)



2. Agronomic Trials

The objective of this programme is to provide technical guidance on production technology, biometric traits of varieties, integrated pest management, and judicious use of fertilizer and irrigation water. The agronomic trials conducted on promising clones comprised of seed rate, row spacing, fertilizer application, weed control, and post-harvest losses. Shakarganj cane growers benefit through enhancement of productivity with adaptation of recommendations formulated from agronomic studies.

3. Cane Development for Commercial and Recent Varieties

Fourteen recent varieties were approved by the SSRI Selection Committee for commercial cultivation on the basis of potential sugarcane yield and sugar recovery. Nomenclature of the varieties is given in Table 3. Twelve promising varieties of sugarcane selected for Shakarganj are given in Table 3.

Table 3 List of Promising Cane Varieties for Commercial Cultivation

Sr. No.	Clone	Sr. No.	Clone
1.	CPSG-2525	7	CSSG-2453
2.	CSSG-3481	8	CPSG-2730
3.	CSSG-2402	9	SLSG-1283
4.	CPSG-2415	10	CPSG-2718
5.	CSSG-239	11	CPSG-25
6.	CPSG-2923	12	NSG-19

4. Sugarcane Pathology

The Sugarcane Pathology Laboratory was established in 1992. It is equipped with modern apparatus such as Laminar Air Flow, Growth Incubator, and Enzyme Linked ImmunoSorbent Assay (ELISA). Screening of varieties is

performed annually with natural and artificial inoculations for different selection stages against various diseases of fungi, bacteria, virus and phytoplasma.

For the first time in Pakistan, SSRI has commenced screening of varieties against Sugarcane Mosaic Virus (SCMV) using Enzyme Linked ImmunoSorbent Assay (ELISA), which will help develop resistant varieties against SCMV through regular screening. Additionally, using traditional technologies, a nursery of different selection stages of promising clones has been screened against Red Rot, Rust, Pokkah Boeng, and Smut.

It is encouraging that we have 383 clones that show combined resistance out of 520 crosses. Studies on interaction of different races of Red Rot pathogen, Genotypes, and Environment are in progress. Research work on isolation of antagonistic fungus (*Metarrhizium anisopliae*) is also in progress. This will prove to be useful for biocontrol of sugarcane termites. In addition to that isolation, identification and mass multiplication of *Trichoderma viridae* and *Trichoderma harzianum* is also ongoing for biocontrol of the sugarcane red rot disease. Details of combined resistance against diseases of crosses are given in Table 4.

Table 4 Cross wise resistance against Rust, Pokkah Boeng, Smut and Mosaic

Sr. No.	Origin	No. of Cross	Resistance to					Combined
			Rust	P. Boeng	Smut	Mosaic		
1.	S2013 CPSG, Canal Point USDA, USA)	60	46	53	49	51	46	
2.	S2013 NSG, SASAEX, Durban, South Africa	48	39	41	29	38	29	
3.	S2012 SLSG, Sri Lanka	100	81	68	73	79	68	
4.	S2013 SLSG, Sri Lanka	293	261	248	230	257	230	
5.	S2013 ThSG, Thatta	19	14	13	10	14	10	
Grand total		520	441	423	391	439	383	

5. Sugarcane Tissue Culture

The Sugarcane Tissue Culture Laboratory was established in 2001 for rapid multiplication of disease free and true to type seed of new sugarcane varieties. Development is in progress on seed production at commercial scale. Details of sugarcane tissue culture plantation at SSRI farm are given in Table 5.

Table 5 Detail of Sugarcane Cropped Area at Tissue Culture Farm

Total (acre)	September Sowing 2016 (acre)	Spring Sowing 2016 (acre)	Present cropped (acre)	Fallow (acre)
17	06	05	11	06

Future Plan:

Sale of tissue culture seed from September 2017 to February 2018 from 11 acres
Sugarcane Plantation during Autumn 2017 on fallow 6 acres



6. Biocontrol of Sugarcane Pest Insects

Biocontrol Laboratories were established in 1995 for control of major infesting pest insects of sugarcane crop. Biocontrol of pest insects has proven worthwhile as a sustainable, efficient, low cost, and environmental friendly method. *Trichogramma chilonis*, an egg parasite, and *Chrysoperla carnea* is reared as nymph predator at the lab. Annually, an area of 5 thousand acres of sugarcane crop is covered with biocontrol agents.

7. Soil and Water Analysis Services

The Soil and Water testing laboratory at SSRI was established in 1990 for balanced application of fertilizer and irrigation water. The services are given free of cost to the over 6,000 growers of Shakarganj. The services are beneficial to the farmers who can take appropriate measures once they are given the present soil fertility fertility status and water fitness status.

8. Organic Sugar Project

During 2016-2017, over 10,000 acres have been planted with the crop. 45 New sugarcane growers registered under the project and the trend of growing organic sugarcane is quickly increasing and another 25 growers are in the process of converting their fields to organic eligibility. A number of consignments of organic sugar have also been exported to various countries.

9. BONSUCRO Membership for Better Production Standard

Shakarganj Limited is member of Bonsucro since 2013 with the membership code of PAK0001. Shakarganj and Bonsucro have completed three teleconferences as technical support to fill its calculator, chain of custody, and revised production standard. The last event was a requirement to get Bonsucro certification which was organised by the Shakarganj Information Technology department.

10. The Library of SSRI

The library of the institute was established in 1990 and is computerised with the Dewey Decimal Classification with online access for readers. Addition of new books, manuals, proceedings, research journals, and audio-visual aids crossed 6,200 at the SSRI library of SSRI on 30 June 2017. Data of books, proceedings, audios, and videos are given below. For preservation and archive purposes, 75 Audio Cassettes, 116 Video Cassettes, 40 Compact Discs, and 36 DVDs from the library are now made available on the library server, further simplifying access for readers. Status of Library Materials is given in Table 6.

Table 6 Status of Books etc. at the library of SSRI

Sr. No.	Description	Books/Journals/audio/videos
1.	Agriculture	61
2.	Sugar	787
3.	Management	1464
4.	Administration	16
5.	Labor	06
6.	Electrical	20
7.	Electronic	31
8.	Finance	90
9.	Accounts	35
10.	Computer	137
11.	Distillery, Biofuels & Alcohol	33
12.	Chemistry	17
13.	Chemical	66
14.	Marketing	158
15.	Production	137
16.	Boiler	51
17.	Buying	02
18.	Import	15
19.	Export	17
20.	Proceedings	153
21.	Audios (Soft copy Available in USB)	75
22.	Videos (Soft copy Available in DVDs)	116
23.	DVDs	30
24.	CDs	40
25.	Miscellaneous books	2649
	Total Record	6206

11. Pakistan Sugar Journal (PSJ)

Publication of the Pakistan Sugar Journal (PSJ) started in 1985 on a quarterly basis and over 500 research papers have thus far been published, covering various aspects of sugarcane agriculture such as sugarcane agronomy, pathology, entomology, breeding, processing, milling, and environment. PSJ is an open access journal with an international panel of referees, and is cited by Commonwealth Agriculture and Biology International (CABI) United Kingdom.

12. Internship of Agriculture Graduates at SSRI

Seventeen agriculture graduates were facilitated for internship programme/training from the University of Sargodha and University of Agriculture Faisalabad at SSRI as given in Table 7.

Table 7 internees with subject and university

Sr. No.	Name	Subject	University Name
1.	Waqar Ahmad	Plant Pathology	University of Sargodha
2.	Asim Shahzad	Plant Pathology	University of Sargodha
3.	Nadeem Ahmad	Plant Pathology	University of Sargodha
4.	Basharat Hussnain	Plant Pathology	University of Sargodha
5.	Ali Nawaz	Plant Pathology	University of Sargodha
6.	Lubna Ashraf	Soil Science	University of Sargodha
7.	Samar Abbas	Soil Science	University of Sargodha
8.	Abdul Majeed Khan	Soil Science	University of Sargodha
9.	Shahid Zafar	Soil Science	University of Sargodha
10.	Shahid Ali	Soil Science	University of Sargodha
11.	Sadaf Zahra	Soil Science	University of Faisalabad
12.	Muhammad Ilyas	Entomology	University of Sargodha
13.	Sadaf Zahra	Agronomy	University of Agriculture, Faisalabad
14.	Rizwan Saleem	Agronomy	University of Agriculture, Faisalabad
15.	M. Azhar Javed	Agronomy	University of Agriculture, Faisalabad
16.	Usman Anwer	Agronomy	University of Agriculture, Faisalabad
17.	Zaheer Abbas Shah	Agronomy	University of Agriculture, Faisalabad

13. Shakarganj Botanic Garden

The Botanic Garden at SSRI has been furnished with flora of 428 species. It comprises of trees, shrubs, herbs, climbers, cactus and gymnosperms. Future prospects of this botanic project are participation in exhibitions and to develop collaboration with national and international botanic organizations for exchange of expertise, materials and literature. The status of flora at the Botanic Garden is given in Table 8.

Table 8 Details on the status of flora species at Shakarganj Botanic Garden

Flora	Species (2005-06)	Species (2006-07)	Species (2007-08)	Species (2008-09)
Trees (Angiosperms)	115	135	145	153
Shrubs	45	54	58	62
Herbs	112	112	115	115
Climbers	21	21	21	21
Cactus	25	31	35	70
Gymnosperms	07	07	07	07
Total	326	360	381	428

14. Shakarganj Tiger Compost

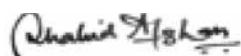
Production of organic fertilizer as Shakarganj Tiger Compost from byproducts of the Sugar and Biofuel manufacturing processes has been developed on a commercial scale. Over 100,000 bags of 30 kg have been sold to the sugarcane farmers with promising results. The fertilizer is rich in organic matter, with macro and micro nutrients, and has resulted in increased production and profitability for the farmers. In order to promote the use of this product, Shakarganj provides generous subsidies on about 50,000 bags every year.

15. Research projects at National and International levels

SSRI has established collaboration with international organisations, on improvement of sugarcane plant, material transfer agreements specifically import of true seed (fuzz), exchange visits and training of scientists. The collaborating institutes comprised Agriculture Research Service (ARS) United States Department of Agriculture (USDA), Commonwealth Scientific and Industrial Research Organisation (CSIRO), Australia, Mauritius Sugar Industry Research Institute (MSIRI), and Sugarcane Research Institute (SRI), Sri Lanka.

16. Publications of Books and Research Papers

Four books and one training manual on sugarcane production technology were published on multifarious aspects of sugarcane and agriculture at SSRI. Over 120 research papers have been published as a result of research and development work at SSRI in peer reviewed and impact factor international Journals. One SSRI scientist has had the honour of presenting research papers at the International Society of Sugarcane Technologists (ISSCT) Congress in Brazil in 2013 and also in Thailand in 2016.



Dr. Shahid Afghan
Director Research

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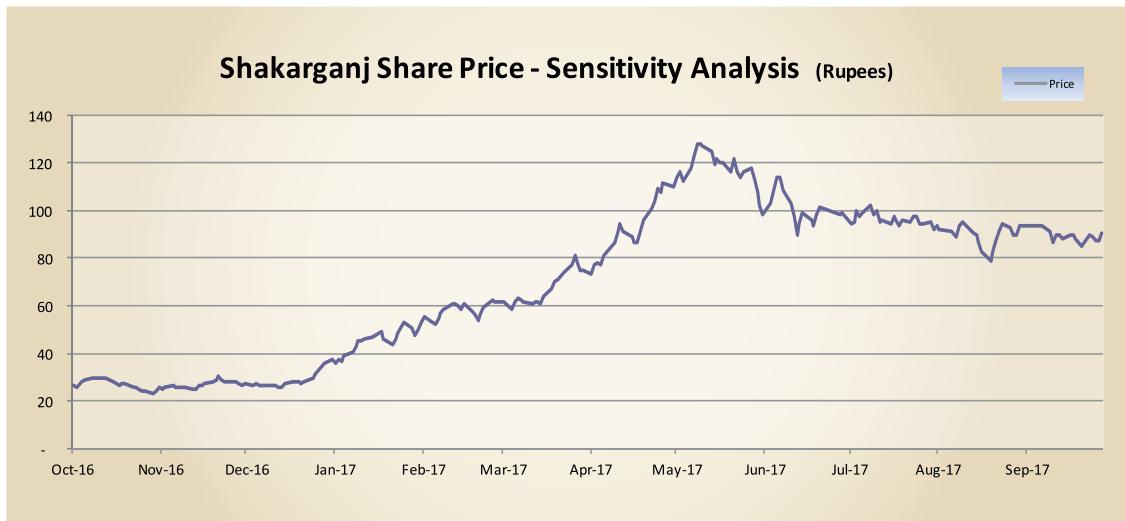
PR-10

GENERATOR MONITORING & CONTROL CABINET

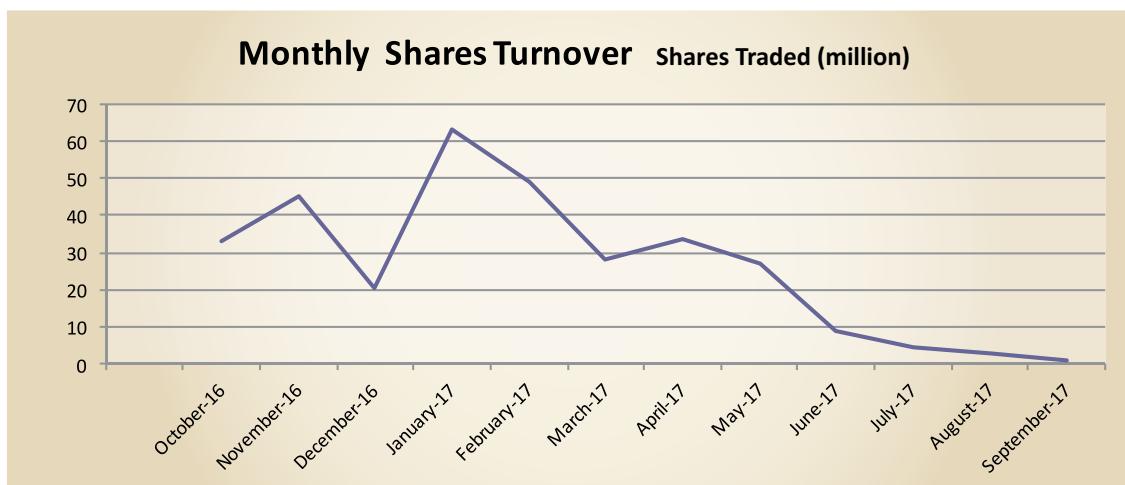
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Share Price Sensitivity Analysis



At the start of Fiscal Year 2017, the share price of Shakarganj (PSX Symbol: SML) was Rs. 26.62. The price fell to a low of Rs. 22.50 on news of excess sugar stocks in the country and uncertainty regarding the health of the Company. However, after healthy growth in the first two quarters, the share price peaked at Rs. 132.25 during May 2017, an increase of 396%. Currently prevailing political uncertainty as well as unpredictable export policies of the government are hindering share price growth.



Note:

Share price and turnover figures are based on PSX data.

Awards & Accolades

There are a large number of Awards, Accolades, and Certifications accredited to Shakarganj during the previous five decades, the summary of such accreditations, memberships and certifications is presented below on the occasion of our Golden Jubilee:

Category of Award & Accolade	Year	Description	Remarks
Asian CSR Award Intel - AIM Award	2009	Asian CSR Awards	

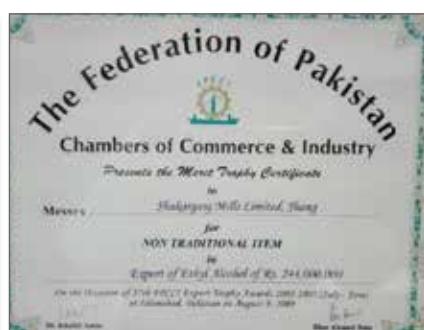
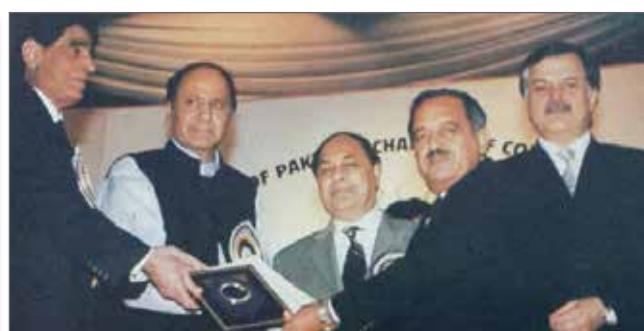
Shakarganj became the first Pakistani company to be honored with the Intel - AIM Corporate Responsibility Award at the Asian Forum on Corporate Social Responsibility held in Singapore. The Award is jointly presented by Intel and the Asian Institute of Management to one organization or individual every year to recognize successful integration of responsible behavior into their way of doing business, and demonstrating impact through sustainable CSR actions. In the year, there were 170 nominations for the Asian CSR Awards from 15 countries, including major multinationals and top national corporations. Shakarganj was chosen from among 25 nominees for the Intel - AIM Award by a panel of internationally recognized judges.

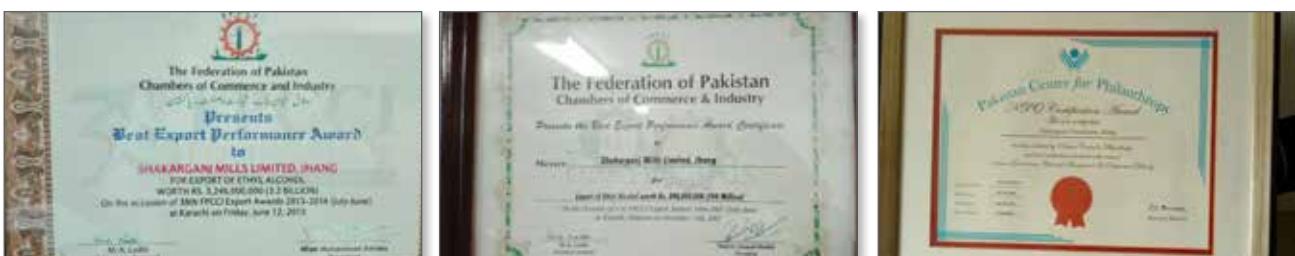
Category of Award & Accolade	Year	Description	Remarks
Best Corporate Report Awards	2001 2003 2004 2005 2008	Best Presented Annual Report Award Annual Best Corporate Report Award Annual Best Corporate Report Award Annual Best Corporate Report Award Annual Best Corporate Report Award	Shakarganj Annual Report was declared one the best in the year by a joint committee of the Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Cost and Management Accountants (ICMA).
FPCCI Export Trophy Awards	1999 2003 2004 2005 2007 2008 2009 2011 2012 2013 2014	Merit Certificate Merit Trophy Award Merit Trophy Award Best Export Performance Award Best Export Performance Award Best Export Performance Award Special Merit Export Award Best Export Performance Award Best Export Performance Award Best Export Performance Award Best Export Performance Award	This Award is presented by the Federation of Pakistan Chambers of Commerce and Industry to the Company with the highest exports in its category.
Top Company Award - Stock Exchange	1988	Top Company Award	This Award was given by the Stock Exchange as recognition of exceptional performance.
Best Taxpayer - FBR	2009 2005	Best Taxpayer Award Best Taxpayer Award	The substantial contribution by Shakarganj to the national exchequer was recognized by the Federal Board of Revenue many times, and Shakarganj was awarded the Federal Board of Revenue Award for being the 'Largest Taxpayer' in its industrial sector.
Pakistan Ethanol Manufacturers Association (Affiliated with FPCCI)	2014	Membership Certificate	Pakistan
Trade Marks Registry -	2011	Trade Marks Registry	Government Of Pakistan has awarded Trade Mark Registry to Shakarganj

Awards & Accolades

Category of Award & Accolade	Year	Description	Remarks
Corporate Membership Certificate - WWF		Corporate Membership Certificate	World Wide Fund for Nature - Pakistan (WWF - Pakistan) awarded membership to Shakarganj.
The Institute of Engineers Pakistan, Karachi	1992	International Association for Exchange of Students for technical experience	Exchange of Students for technical experience.
Environmental Technology Programme for Industry		Environmental Award	Environmental Award was given by the Environmental Technology Programme for Industry at National Level.
Annual Environmental Excellence Award (United Nation)	2008	Certificate Of Appreciation	This year Shakarganj received the Annual Excellence Award from the National Forum for Environment and Health and United Nation's Environment Programme.
UN Global Compact Pakistan Local Network	2009	Responsible Business Award	In Recognition of the Company's best practices In embracing the Principles of Global Compact.
Pakistan Center For Philanthropy	2006	Certification	Certification
Pakistan Society of Sugar Technologists	2007	Gold Medal	A Scientist of the Shakarganj Sugar Research
Standards and Certifications			
Quality Management Standard (Jhang) Quality Management Standard (Bhonge) Food Safety System Certification (Jhang) Food Safety System Certification (Bhonge) Environment Management System (Jhang) Laboratory Accreditation (Jhang) Laboratory Accreditation (Bhonge) Halal Certification (Jhang) Halal Certification (Bhonge) Organic Certification Social Accountability	1997 2014 2013 2013 2011 2007 2014 2015 2015 2004 2005	ISO 9001:2008 ISO 9001:2008 FSSC 22000:2010 FSSC 22000:2010 ISO 14001:2004 ISO 17025:2005 ISO 17025:2005 PS: 3733 -2013 PS: 3733 -2013 Organic Certification SA 8000-2000	TUV Austria TUV Austria TUV Austria TUV Austria TUV Austria PNAC (Pakistan National Accreditation Council) PNAC SGS SGS Control Union, Netherlands Moody International
Pakistan Sugar Mills Association (PSMA)	1983-1984 1986-1987 1992-1994 1980-1982 1990-1992	Chairman (Centre) Chairman (Punjab Zone)	Mian Altaf M. Saleem of Shakarganj Limited was remained chairman of Pakistan Sugar Mills Association (PSMA) who plays a pivotal role in promoting the development and attaining efficiency in the best interest of sugar mills and sugar allied industries.
World Wide Fund for Nature-Pakistan (WWF Pakistan)	1990-2000 2003-2006	Member, Board of Governors and Vice President President	Mian Altaf M. Saleem of Shakarganj Limited was remained member, governor, president and vice president of World Wide Fund for Nature - Pakistan (WWF - Pakistan) which was formed in 1970 to meet and counter the growing conservation and environmental issues in Pakistan. WWF - Pakistan is a proud member of WWF International Network.
All Pakistan Textile Mills Association	2002-2003	Chairman	Anjum Muhammad Saleem of Shakarganj Limited was remained the Chairman of All Pakistan Textile Mills Association (APTMA) which is a Textile industry association in Pakistan. APTMA represents over 400 textile mills in Pakistan.

Awards & Accolades





Our History (1967 to 2017)

1967-1994

1967

Incorporation as a Public Limited Company
Erection of First Sugar Factory with crushing Capacity 1,500 Tons of Cane per Day (TCD)

1972

Start of operations

1979

Listed on Stock Exchanges

1982

Crushing Capacity increased to 4,000 TCD

1983

Establishment of Shakarganj Sugar Research Institute (SSRI)

1984

Start of sugarcane breeding facility under control shed

1985

First Issue of the Pakistan Sugar Journal under the patronage of SSRI
Erection of First Biofuel Plant with a capacity of 40,000 Litres per Day

1988

Won Top Company Award on Exceptional Performance - Karachi Stock Exchange.

1990

Establishment of Shakarganj Sugar Research Institute Library
Establishment of Particle Board Plant with the brand name Kane Wood

1992

Crushing Capacity increased to 12,000 TCD
Establishment Sugar Cane Pathology Laboratory

1993

Establishment of Co-Generation Division

1995-2003

1995

Establishment of Bio Control of Insect Pest Laboratory

1996

Initiation of Biological Control of Borers Complex

1997

SSRI Hosted Engineering and Energy Workshop on Factory Design by International Society of Sugar Cane Technologists (ISSCT)

1999

Approval of Sugarcane Variety "SPSG-26"
Establishment of Bio Compost Plant
Establishment of Bio Technology Project
Establishment of SML Nestle Molasses Feed Project

2000

First Workshop Organized on Research & Development
Establishment of Teachers Training and Resource Center (TARC)

2001

Sponsored Jhang Art Gallery
Establishment of Tissue Culture Laboratory
Start of Shakarganj Social Action Programme
Best Presented Annual Report Award

2002

Expansion in Biofuel Production Plant to 80,000 Litres per Day
Start of Shakarganj Scholarship Programme
Starting of School Adopted Programme
Started 26 Adult Literacy Centres

2003

Won Best Corporate Report Award
Amalgamation with Crescent Ujala Limited
Adopted 33 Government Girls/Boys Schools
Starting of Adult Female Literacy Programme
Starting of Mobile and Stationed Free Dispensaries
Expansion in Biofuel Production Plant to 120,000 Litres per Day

2004-2008

2004

Expansion in Biofuel Production Plant to 160,000 Litres per Day
Establishment of Shakarganj Farms Division
Won Best Corporate Report Award
Establishment of Shakarganj Foundation
Establishment of Shakarganj Dairies
Start of Schools Nutritional Programme
Inaugurated Cut Flower Project
Approval of Sugarcane Variety "SPSG-394"
Establishment of Botanical Garden

2005

Erection of Second Sugar Factory with a crushing capacity of 8,000 TCD
Erection of First Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day
Won Best Corporate Report Award

2006

Approval of Sugarcane Varieties 'NSG-311' and "NSG-555"
Nematology Lab Established
Organic Sugar Project certified by Control Union International Netherlands

2007

Blood Grouping & Hepatitis Vaccination

2008

Effluent Treatment Plant
Establishment of Bio Power House with a capacity of 8 megawatts per Day
Commencement of power supply to the national grid
Establishment of Second Molecular Sieve Dehydration Plant with a capacity of 100,000 Litres per Day
Won Best Corporate Report Award
Plantation of Artificial Limbs Programme
Animal Vaccination Programme

2009-2017

2009

Won Intel - AIM Corporate Responsibility Award on excellent corporate social responsibility projects under Asia's foremost CSR Awards Programme in Singapore

2010

Start of Flood Relief Programme
Sugarcane Plant Improvement Project funded by Punjab Agri. Res. Board (PARB)

2013

Bonsucro Membership for Better Sugarcane Initiative
Establishment of Tiger Compost Plant
USAID Adult Female Literacy Project

2016

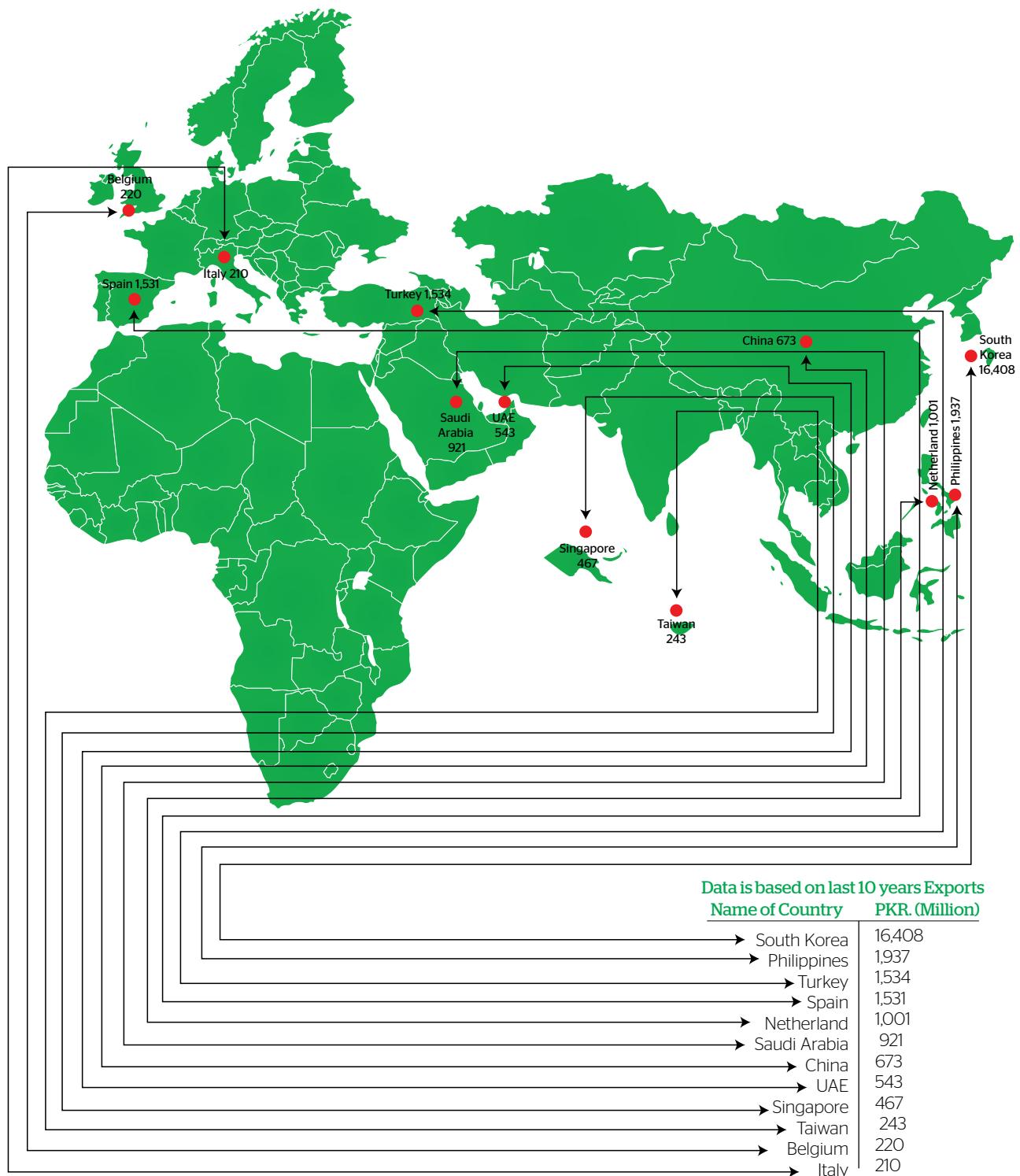
Establishment of Joint Venture Food Grade Carbon Dioxide (CO₂) Plant with a capacity of 50 MT per day

2017

Outstanding performance by Sugar Division
Shakarganj emerges stronger from Financial Challenges and announced dividend
Celebrating Golden Jubilee

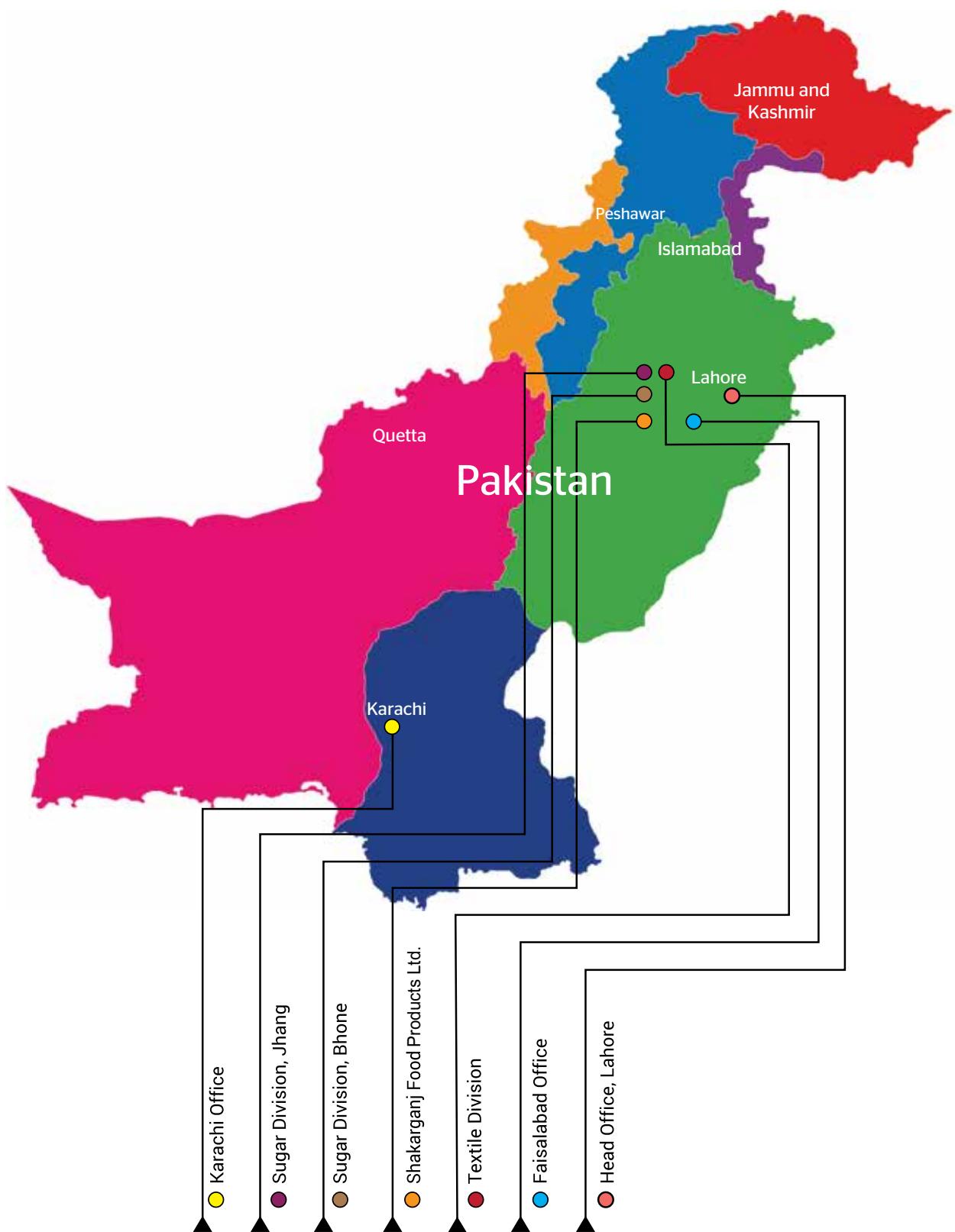
Geographical Presence

Biofuel Exports by Shakarganj & its Global Presence



During last 10 years Shakarganj Exports were over PKR 26 billion to 20 countries including Europe and Asia, contributing billions to national exchequer as well as foreign reserves.

Geographical Presence



Geographical Presence

Pakistan Sugar Industry

Punjab

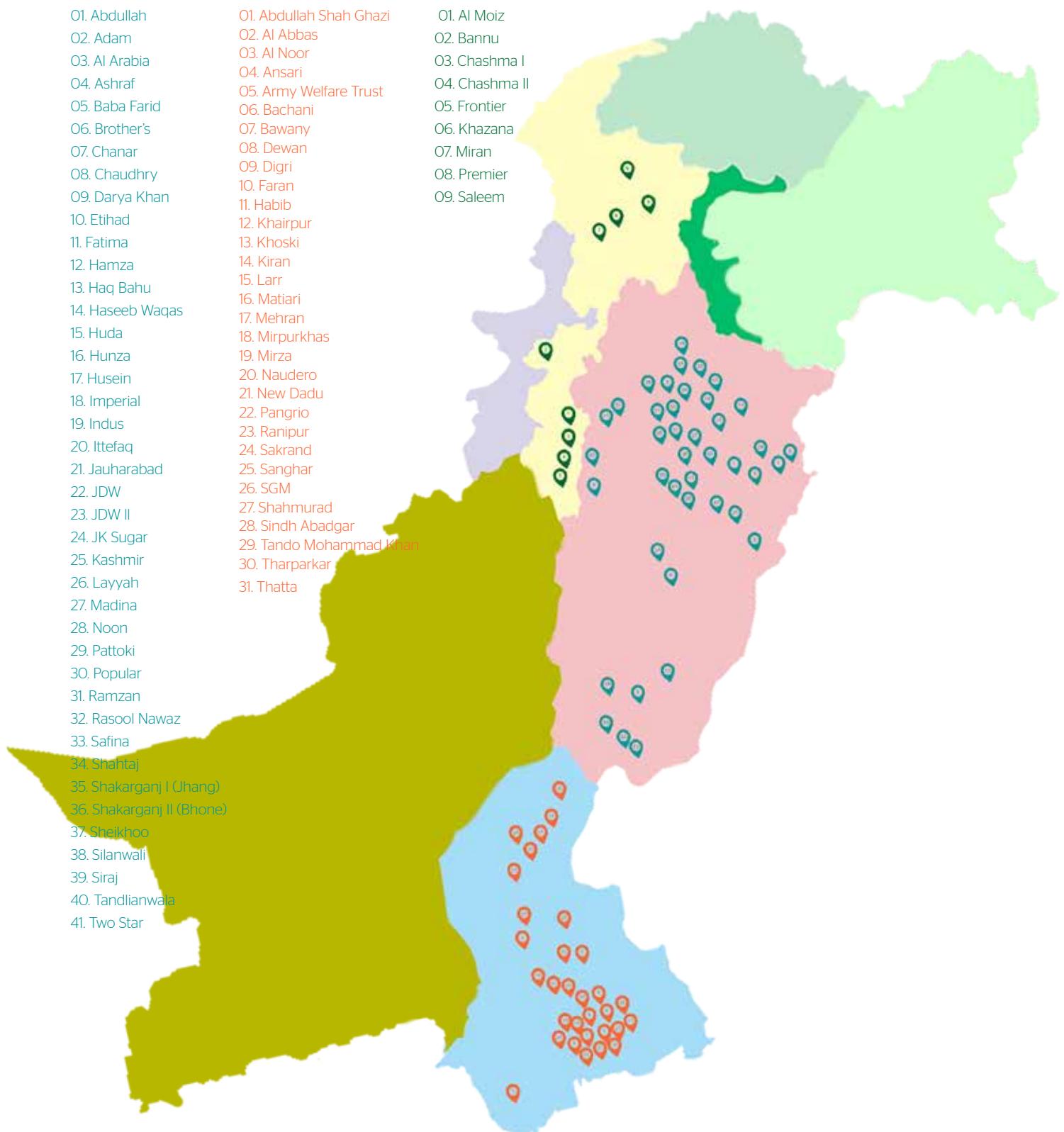
Sindh

KPK

- 01. Abdullah
- 02. Adam
- 03. Al Arabia
- 04. Ashraf
- 05. Baba Farid
- 06. Brother's
- 07. Chanar
- 08. Chaudhry
- 09. Darya Khan
- 10. Etihad
- 11. Fatima
- 12. Hamza
- 13. Haq Bahu
- 14. Haseeb Waqas
- 15. Huda
- 16. Hunza
- 17. Husein
- 18. Imperial
- 19. Indus
- 20. Ittefaq
- 21. Jauharabad
- 22. JDW
- 23. JDW II
- 24. JK Sugar
- 25. Kashmir
- 26. Layyah
- 27. Madina
- 28. Noon
- 29. Pattoki
- 30. Popular
- 31. Ramzan
- 32. Rasool Nawaz
- 33. Safina
- 34. Shahtaj
- 35. Shakarganj I (Jhang)
- 36. Shakarganj II (Bhong)
- 37. Sheikhoo
- 38. Silanwalli
- 39. Siraj
- 40. Tandlianwala
- 41. Two Star

- 01. Abdullah Shah Ghazi
- 02. Al Abbas
- 03. Al Noor
- 04. Ansari
- 05. Army Welfare Trust
- 06. Bachani
- 07. Bawany
- 08. Dewan
- 09. Digri
- 10. Faran
- 11. Habib
- 12. Khairpur
- 13. Khoski
- 14. Kiran
- 15. Larr
- 16. Matiari
- 17. Mehran
- 18. Mirpurkhas
- 19. Mirza
- 20. Naudero
- 21. New Dadu
- 22. Pangrio
- 23. Ranipur
- 24. Sakrand
- 25. Sanghar
- 26. SGM
- 27. Shahmurad
- 28. Sindh Abadgar
- 29. Tando Mohammad Khan
- 30. Tharparkar
- 31. Thatta

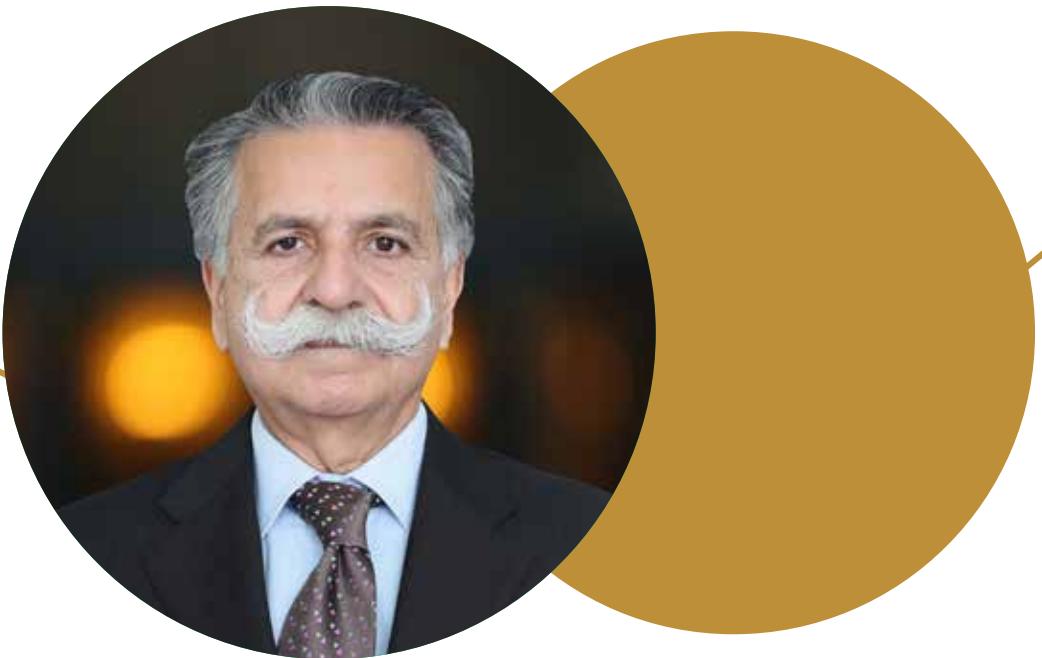
- 01. Al Moiz
- 02. Bannu
- 03. Chashma I
- 04. Chashma II
- 05. Frontier
- 06. Khazana
- 07. Miran
- 08. Premier
- 09. Saleem



2017 at a Glance

- The Company's Profit After Tax (PAT) the year stood at Rs. 210.8 million.
 - The Company's Earning per Share EPS for the year stood at Rs. 1.80 respectively.
 - Based on the excellent performance, the Board has recommended final cash dividend of 12.5% (i.e. Rs. 1.25 per share).
 - Sales revenue and gross profit of the Company were up more than 159% and 321% respectively compared to last year.
 - The Break-up value per share, inclusive of revaluation reserve, increased to Rs. 4914 as compared to Rs. 4519 per share as at 30 September 2016.
 - The Company's Share of Profits from Associates amounted to Rs. 195.34 million.
 - Shakarganj produced 144,460 MT of sugar, 33,297 MT of Biofuel, 1,578 cubic meters of Particle Board and 75,559 bags of yarn.
-
- Board of Directors, Audit Committee & Human Resource & Remuneration Committee meetings held during the year were as follows:

Board of Directors	Audit Committee	Human Resource & Remuneration Committee
05 December 2016 171st BOD meeting		
06 January 2017 172nd BOD meeting	06 January 2017 61st AC meeting	06 January 2017 5th HR&RC meeting
31 January 2017 173rd BOD meeting	31 January 2017 62nd AC meeting	
30 May 2017 174th BOD meeting	30 May 2017 63rd AC meeting	
09 June 2017 175th BOD meeting		09 June 2017 6th HR&RC meeting
26 July 2017 176th BOD meeting	26 July 2017 64th AC meeting	
30 August 2017 177th BOD meeting		



Mian Altaf M. Saleem

(A Name behind the Success Story of the Shakarganj)

Mian Altaf M. Saleem joined Shakarganj in 1973, during the establishment of our first sugar factory. First working under the able guidance of our first Chief Executive Officer, Haji Muhammad Shafi, and later succeeding him as CEO in November 1978, Mian Altaf M. Saleem oversaw the transformation of Shakarganj from a minor player in the sugar industry to a major industrial conglomerate, one of the top companies in the stock exchange, and a household name in Pakistan.

Mian Altaf M. Saleem led Shakarganj for over 21 years, during which the Company expanded into the production of Biofuels, Building Materials, and Textiles as well as becoming one of the first Sugar Mills to supply power to the national grid through co-generation. During this period, Mian Altaf M. Saleem also served in several key positions outside of Shakarganj, including three terms as Chairman of the Pakistan Sugar Mills Association and as Honorary Consul General of Canada.

Mian Altaf M. Saleem retired as Chief Executive Officer when invited to lead the Privatisation programme of the Government of Pakistan in 1999. As the Federal Minister for Privatisation, Mian Altaf M. Saleem was a member of the Federal Government's Economic Management Team and served on important cabinet committees such as the Economic Coordination Committee, and Cabinet Committees on Housing, Investment, Privatization and Revenue. He also chaired the Joint Ministerial Commissions with Azerbaijan, Kazakhstan, and Tunisia.

As in the Private Sector, Mian Altaf M. Saleem excelled in Government service and upon completion of his term as Federal Minister for Privatization in 2002, he was nominated by the Federal Government to Chair the Boards of Directors of the Sui Northern Gas Pipelines Limited (SNGPL) and the Pakistan Industrial Credit and Investment Corporation (PICIC).

Mian Altaf M. Saleem has made extensive contributions to the promotion of education in Pakistan and is a founder Governor of the National Management Foundation, the sponsoring body of the Lahore University of Management Sciences. Mian Altaf M. Saleem also serves as Trustee and Secretary of the Crescent Educational Trust, the governing body of the Crescent School, which is the most well reputed non profit educational institution in Lahore. In previous years, Mian Altaf M. Saleem has also served on the Boards of Governors of the Indus Valley School of Art and Architecture, the National School of Public Policy, and the Sandal College. He also served as Chairman of LEAD Pakistan, which is an independent policy think tank that focuses on policy research, public policy engagement, and leadership development in the public, private and not-for-profit sectors.

Provision of affordable healthcare to all segments of society is one of Mian Altaf M. Saleem's strong personal convictions and an area where he is especially active. Mian Altaf M. Saleem has served as Chairman of the Pakistan Red Crescent Society - Punjab in the past and continues to serve on the Board of Trustees of Mian Muhammad Trust, ranked the Best Trust Hospital in Faisalabad, and the Businessmen Hospital Trust which runs the Shalamar Institute of Health Sciences.

Mian Altaf M. Saleem takes a keen interest Nature Conservation and has in the past served as President of the World Wide Fund for Nature - Pakistan as well as a Trustee of WWF International, Switzerland.

In recognition of his wide array of philanthropic efforts, the Federal Government once again invited Mian Altaf M. Saleem to serve as Federal Minister in 2005, this time in the capacity of Chairman of the Earthquake Reconstruction and Rehabilitation Authority (ERRA), the government body established in 2005 to undertake relief and rebuilding efforts after the biggest natural

disaster in Pakistan's history. The performance of ERRA under Chairmanship of Mian Altaf M. Saleem received widespread appreciation internationally for the pace, quality, and transparency of the reconstruction and rehabilitation work. In 2006, the President of Pakistan conferred the Sitara-i-Eisaar on Mian Altaf M. Saleem in recognition of his selfless and outstanding humanitarian services.

While serving as Chairman of ERRA, Mian Altaf M. Saleem also accepted the additional responsibility of Chairman of the National Vocational and Technical Education Commission (NAVTEC). This Federal Minister level position required leading this newly established governmental body to accomplish the tasks of easing, regulating, and providing policy direction for skills development in Pakistan.

The Shakarganj family continues to benefit from the wisdom and experience of Mian Altaf M. Saleem by virtue of his position as the Chairman of the Board of Governors of the Shakarganj Sugar Research Institute where his valuable advice is always relevant and beneficial not only to the Company but also to the community as a whole.

Similarly, our wider community continues to reap the benefits of Mian Altaf M. Saleem's generous philanthropic efforts as the founding Chairman of the Shakarganj Foundation where his personal contributions and those of his vast and extensive networks are pivotal in bringing positive changes to thousands of families in the Jhang district in general, and in our geographic area in particular.

On the eve of its Golden Jubilee, Shakarganj pays a special tribute and many thanks to the personality behind its success, Mian Altaf M. Saleem and recognises him as a role model for all the times to come.

Company Information



Board Of Directors

From Left to Right

1. Chairman (Non-Executive)
2. Chief Executive Officer
In alphabetic order:
 - 3. Executive Director
 - 4. Non-Executive Director
 - 5. Non-Executive Director
 - 6. Non-Executive Director (Independent)
 - 7. Non-Executive Director
 - 8. Non-Executive Director (Independent)

Muhammad Anwar
Anjum Muhammad Saleem

Ali Altaf Saleem
Hajerah Ahsan Saleem
Khalid Bashir
Khawaja Jalaluddin
Muhammad Arshad
Sheikh Asim Rafiq

Chief Financial Officer
Muhammad Asif

Audit Committee
Chairman
Khalid Bashir

Member
Hajerah Ahsan Saleem
Khawaja Jalaluddin (Independent)
Sheikh Asim Rafiq (Independent)

Company Secretary
Asif Ali

Human Resource & Remuneration Committee
Chairman
Muhammad Anwar

Member
Anjum Muhammad Saleem
Khalid Bashir



The Founding Member

Mian Mazhar Karim

(12 July 1935 - 12 September 2013)

The Founding Member

Mian Mazhar Karim was one of the founding members of the Crescent Group & his tenure as chairman at Shakarganj Limited spanned more than three decades.

His visionary leadership during this time, marked by changing paradigms and financial challenges, is widely recognised as laying the groundwork for the Crescent Group and the Company's success. The Board, the Management, and all others acknowledge his tremendous contributions to the Crescent Group, to the Company, and to the economy of Pakistan.

Throughout his sixty years of affiliation with the Crescent Group he was deeply involved with Crescent Group activities, as a Senior Director, a Strong Financial Supporter, an Effective Executive Volunteer, and a Committed Guardian who never hesitated to accept the obligations of multiple board memberships and chairmanships.

All those who knew Mian Mazhar Karim, remark on his personal integrity, his business acumen, and his unwavering determination. He was known for his considerable personal charm and wit, and great sensitivity to others. Mian Mazhar Karim held many senior positions including Chairman of the Pakistan Jute Mills Association, Senior Trustee of the Crescent Foundation, Trustee of the Crescent Educational Trust, and Senior Director of The Crescent Textile Mills Limited. He also served as Chairman of the Board of Directors of Crescent Steel & Allied Products Limited. He also served as a Director/Trustee of numerous other companies and foundations.

Mian Mazhar Karim will serve as a role model for coming generations and will always be fondly remembered and sadly missed.



Management Committees

Executive Committee

Anjum Muhammad Saleem

Chairman

Ali Altaf Saleem

Muhammad Pervez Akhtar

This committee devises long term policies and visions for the Company with the sole objective for providing the best returns to shareholders by optimum allocation of existing resources. The Committee is also responsible for review of Company's operation on ongoing basis, establishing and ensuring adequacy of internal controls and monitoring compliance of key policies.

Business Strategy Committee

Anjum Muhammad Saleem

Chairman

Ali Altaf Saleem

Muhammad Pervez Akhtar

Muhammad Asif

Manzoor Hussain Malik

This Committee is responsible for formulation of business strategy, review of risks and their mitigation plan. Further, the Committee is also responsible for staying abreast of developments and trends in the Industry to assist the Board in planning for future capital intensive investments and growth of the Company.

System and Technology Committee

Muhammad Pervez Akhtar

Chairman

Muhammad Asif

Ibrahim Ahmad Cheema

This committee is responsible for devising the I.T. Strategy within the organization to keep all information systems of the Company updated in a fast changing environment.

Shareholders' Information

Stock Exchange Listing

Shakarganj Limited is a listed company and its shares are traded on the Pakistan Stock Exchange. Daily quotes on the Company's stock can be obtained from leading newspapers. Shakarganj is listed under 'Sugar & Allied Industries'

Public Information

Financial analysts, Stock brokers, interested investors and financial media desiring information about "Shakarganj" should contact Mr. Asif Ali at the Company's Office, Jhang. Tel: (047) 763 1001 - 05 Fax: (047) 763 1011 E-mail: info@shakarganj.com.pk

Shareholders' Information

Inquiries concerning lost stock certificates, dividend payment, change of address, verification of transfer deeds and share transfers should be directed to CorpTec Associates (Pvt) Limited, Share Registrar of the Company at Lahore. Tel: (042) 3517 0336 - 7 Fax: (042) 3517 0338 E-mail: info@corptec.com.pk

Products

- Sugar
- Biofuel
- Bio Power
- Building Materials
- Yarn
- Tiger Compost

Legal Advisor

Hassan & Hassan Advocates, Lahore

Auditors

KPMG Taseer Hadi & Co. Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

Management House
Toba Road, Jhang, Pakistan
Tel: (047) 763 1001 - 05
Fax: (047) 763 1011
E-mail: info@shakarganj.com.pk

Satellite Facility

Management House
63 km, Jhang Sargodha Road
Bhone, Pakistan
Tel: (048) 688 9211 - 13
Fax: (047) 763 1011

Website

www.shakarganj.com.pk
Note: This Report is available on Shakarganj website.

Registered and Principal Office

Executive Floor, IT Tower, 73 E 1
Hali Road, Gulberg III, Lahore, Pakistan
UAN: (042) 111 111 765
Tel: (042) 3578 3801-06
Fax: (042) 3578 3811

Karachi Office

12th Floor, Sidco Avenue Centre,
264 R.A. Lines, Karachi, Pakistan
Tel: (021) 3568 8149
Fax: (021) 3568 0476

Faisalabad Office

Nishatabad, New Lahore Road,
Faisalabad, Pakistan
Tel: (041) 875 2810
Fax: (041) 875 2811

Share Registrar

CorpTec Associates (Pvt) Limited
503-E, Johar Town
Lahore
Tel: (042) 3517 0336 - 7
Fax: (042) 3517 0338
E-mail: info@corptec.com.pk

Annual General Meeting

The 50th Annual General Meeting of Shakarganj Limited will be held on Friday, 26 January 2018 at 11:00 a.m. at Qasr-e-Noor, 9-E-2, Main Boulevard, Gulberg III, Lahore

Video Presentation by CEO

Video presentation by CEO of the Company has been placed on the Company's Website.

The Management



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Deputy Chief Executive Officer



Muhammad Pervez Akhtar
Sr. Executive Vice President



Muhammad Saifullah
Executive Vice President
(Bhone)



Asif Ali
Company Secretary



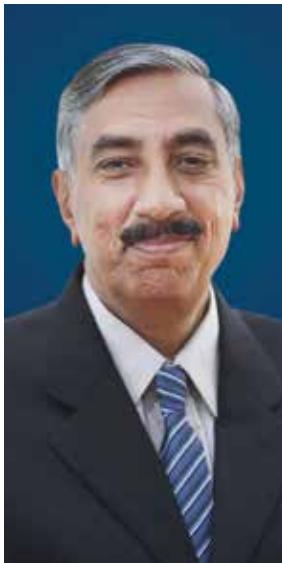
Muhammad Asif
Chief Financial Officer



Javed Alam
Sr. Vice President Operations



Ibrahim Ahmad Cheema
Chief Information Officer



Manzoor Hussain Malik
Vice President Agriculture
(Bhone)



Waqar Ahmed
Vice President (Operations)
(Bhone)



Sadaqat Hussain
General Manger Finance



Khalid Hussain Pasha
General Manger Accounts &
Treasury



Shahid Hussain
Controller General



Muhammad Hussain Malik
General Manger
(Administration/HR)



Akhtar Habib
General Manager Marketing



Tariq Mehmood
General Manager (Textile)

Shakarganj Business Model

CAPITALS ENGAGED

FINANCIAL CAPITAL

Debt and equity financing
Asset base

MANUFACTURED CAPITAL

Two Sugar Factories
Six Biofuel Plants
Power Generation Unit
Particle Board Plant
Textile Spinning Mill
Bio Compost Unit
Agricultural Farms
Research Facility
Strategic Investments
Head Office and Corporate Facilities

INTELLECTUAL CAPITAL

Tacit knowledge and knowledge sharing
Systems and processes
Company culture
Brand value and reputation

HUMAN CAPITAL

Strong leadership
Highly skilled staff
Motivated and engaged employees
Service providers

SOCIAL AND RELATIONSHIP CAPITAL

Supply Chain
Community engagement and trust
Collaborative partnerships
Strong customer and industry partnership
Positive employee relations
Engagement with government and regulators
Farmers
Rural Community

NATURAL CAPITAL

Energy and fuel through conventional and renewable resources
Energy efficiency
Water
Energy efficient equipment
Own source generation

BUSINESS CONTEXT

EXTERNAL VARIABLES IMPACTING VALUE

- Volatility of USD: PKR exchange rate
- Environment impacts of yields of sugarcane
- Ground pollution
- Political instability

INTERNAL VARIABLES IMPACTING VALUE

- Policies and governance
- Working capital

OUR PRODUCTS AND OUTPUTS



SUGAR



BIOFUEL



YARN

OUR PROFIT BLUEPRINT

REVENUES

Sales of:

- Sugar
- Biofuel
- Yarn
- Organic Fertilizer
- Particle Board
- Agricultural products

Exchange rate impacts

OUR MATERIAL RISKS

- Increase in raw material costs
- Disruptions in planned infrastructure projects



ORGANIC FERTILIZER



PARTICLE BOARD



AGRICULTURAL PRODUCTS

COSTS

- Procurement of raw materials, consumables, machinery, spares and parts
- Purchase and maintenance of equipment and facilities
- Investments in management and employees
- Costs of financial capital
- Taxation
- Supplier and support services costs
- Regulatory and compliance costs

IMPACTS AND OUTCOMES

FINANCIAL CAPITAL

1. Access to capital through market confidence and a strong balance sheet.

MANUFACTURED CAPITAL

1. Generating long term returns through investments in plant, machinery and equipment to maintain and enhance capacity and quality of output.

INTELLECTUAL CAPITAL

1. Investments in innovative systems and resources; ensuring effective resource allocation ie. placing the right people in the right roles

by leveraging management systems and corporate culture

HUMAN CAPITAL

1. Generating value through skilled, motivated and well cared for employees and service providers; ensuring fair labor practices.
2. Providing a safe working environment and conducive human resource management and compensation policies.
3. Investing in targeted training and development for technical and management personnel.

SOCIAL AND RELATIONSHIP CAPITAL

1. Maintaining positive and productive relationships with employees, suppliers, rural community, shareholders and other stakeholders.
2. Creating value for the communities we operate in through investments in job security, education, health and the environment.

NATURAL CAPITAL

1. Consumption of energy and fuel for production and distribution of products.
2. Reliable captive generation through renewable resources

Company Profile and Group Structure

Shakarganj Limited was incorporated in Pakistan in 1967 as a Public Limited Company and is listed on the Pakistan Stock Exchange. Shakarganj is a leading manufacturer of food products, biofuel, building materials, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, textiles, biofuel, and building materials. Our registered office is in Lahore with regional offices in Faisalabad and Karachi. Shakarganj Limited, through its strategic shareholding in Shakarganj Food Products Limited, is also active in production of dairy and fruit products.

commercial grades sugar as well as soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Our combined crushing capacity is of 20,000 Tons of Cane per Day (TCD) which is extendable to 32,000 TCD.

Biofuel Business:

We have six distillation plants of which three are located at our Jhang facility and the remaining three are located at our Bhone where various grades of biofuel are produced. Our products include Rectified Ethanol



Shakarganj Food Products Limited (SFPL) operates independently of Shakarganj Limited and a brief profile of SFPL is available after this document. Details regarding the shareholding structure and composition of assets and share of profits are available in note 17 to the attached audited financial statements.

Sugar Business:

We have two manufacturing facilities, which are both located in District Jhang. We produce different types of sugar comprising pharmaceutical, beverage and

(REN) for industrial and food grades, Anhydrous Ethanol for fuel grade, and Extra Neutral Alcohol (ENA) for pharmaceutical and perfume grades. The combined capacity of our distilleries is 350,000 litres per day.

Bio Power Business:

We have a biogas based power generation facility located at Jhang. This facility consists of an Effluent Treatment Plant (ETP) and a Power Generation Facility. ETP operations involve biological treatment of distillery waste to produce methane, which then undergoes

a biological de-sulphurisation process that removes sulphur from it. This gas can then either be utilised as fuel in our boilers, or more efficiently utilised to generate electricity in our biogas based generators which have a capacity 8 Megawatts.

Building Materials Business:

Our Building Materials Division is located at our Jhang facility, with a capability to produce 12 x 4 foot sheets of particle board with varying thickness. Our daily production capacity is 30 cubic metres.

Textile Business:

Located at our Jhang facility, this cotton spinning unit produces carded cotton yarn ranging from 10/s to 30/s and doubled cotton yarn ranging from 8 to 15 TPI. The installed capacity is 15,360 spindles for cotton spinning and 2,304 spindles for doubling.

Farming & Allied Business:

This comprises different parcels of land mainly located in Jhang District near our manufacturing facilities. Total area under cultivation is 1,285 acres which is our owned land. The main crops include sugarcane, wheat, gram, maize, fodder and seasonal vegetables. A dairy farm located at Jhang has been developed, with a herd of 150 milking and fattening cattle. A small herd of rams and bucks for fattening purpose has also been developed. Shakarganj has also launched a new product in the area of non chemicals fertilizers under the brand name of "Shakarganj Tiger Compost". The product as organic fertilizer has been developed using aerobic decomposition process with addition of standardised microbial culture in filter cake. The compost is a rich source of organic matter, with macro and micro nutrients to help improve soil and it is very useful for better growth, yield and quality of all field crops in general and specifically for sugarcane. This is at its initial stage and would grow up in the farmer's community with the practical exposures.

Business Vision and Strategy:

Shakarganj's vision is to create the country's leading renewable ingredients business. We aim to achieve this by building a consistent portfolio of distinctive, profitable, high-value solutions in products and services for our customers. Shakarganj is committed to providing long-term value for our shareholders. Our strategy is to build a stronger value added business with a low-cost commodity base.

We focus on five key business objectives to deliver consistent growth.

- Serve our Customers:

Delivering excellent customer service is at the core of everything we do. Our aim is to be the partner of choice in our customers' processes and to help them develop more successful consumer products.

- Operate Efficiently and Safely:

We aim to be the lowest-cost and most efficient producer in all our markets. Through our expertise in high-volume process management, our focus is on technical and manufacturing excellence and the efficient use of services such as logistics and utilities. We are continually working to improve operational efficiency and strive to ensure safe and healthy conditions for everyone at our sites.

- Invest in Long Term Assets and Partnerships:

We continually evaluate investment opportunities that would add strategic value by enabling us to enter new markets or add products, technologies and knowledge more efficiently than we could originally. We also aim to grow our business by forming joint ventures and partnerships to enhance the capabilities of our existing product portfolio. Using alliances and joint ventures can be an efficient way to lower our cost of investing in new areas and markets, and will help secure access to new and complementary technology and expertise.

- Invest in Technology and People:

We are investing in our research and development capabilities to help us in developing innovative solutions that meet our customers' product challenges. We are also complementing our own capabilities through business and technology partnerships, and university collaborations. To develop talent, improve leadership and help our employees succeed, we operate various Programmes designed to ensure the right skills at all levels to grow our business.

- Grow the Contribution from Value Added Products:

We are committed to grow the contribution from our value added products. Value added products utilise technology and intellectual property enabling us to obtain a price premium along with sustainable and/or higher margins.



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FOOD PRODUCTS LIMITED

SFPL comprises of two divisions - Dairy & Juice. The Dairy division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Juice Division produces fruit pulps, concentrates and purees for sale in both the Pakistan and International market. Our aim is to supply premium quality food products to our customers and become one of the leading food companies in Pakistan.

DAIRY DIVISION

Shakarganj entered into the dairy business in 2006 with the introduction of its brand "**good milk**". Since then it has expanded with a diverse product portfolio in both the dairy and beverage category including UHT white milk, flavoured milk as well as a wide range of juices and nectars. The company has been able to leverage the Shakarganj name in the farming community to establish its milk collection network thereby developing a strong, sustainable and shared value based supply chain for the business function. The company sells its products throughout the country via a nationwide distribution network.





DAIRY PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art laboratory and testing facility at the plant run by a team of technically skilled and experienced staff.
- Research facility for new product development.
- International and domestic quality certifications: HACCP, PSQCA, PFA and HALAL.

MILK PROCUREMENT NETWORK

- Well established network of milk collection centers at prime locations in Pakistan.
- Collection centres run by highly skilled and experienced staff members.
- Quality procurement ensured by well-equipped laboratory and advanced testing facility.
- Advisory services provided by technical team to facilitate higher yield and enhanced milk quality to support the farming community.





shakarganj®

PORTRFOOL DIVERSIFICATION

Cold Chain
Products

Organic
Foods

Branded
Commodities

JUICE DIVISION

Shakarganj has significant capabilities regarding the production of fruit pulps and purees. It is one of the leading manufacturers in Pakistan and has a significant volume of exports to Europe, the Middle East, Africa and Far East. Our manufacturing and processing facility is located in the heart of the agricultural and fruit producing region of Pakistan; giving our customers an advantage in terms of product freshness, continuity of fruit supply and reduced 'time to market'.

- Plant is located at Chiniot.
- Two processing lines for production of juice concentrates, puree and pulps.
- Product storage facilities consist of both, a refrigerated and frozen setup.
- Technically skilled and experienced manpower.
- Well-equipped laboratory and testing facilities ensure effective quality assurance according to international standards.
- International quality certifications: ISO 9000 and HACCP.



Board of Directors (Profile)

Muhammad Anwar, 76

Joined Board : 1984

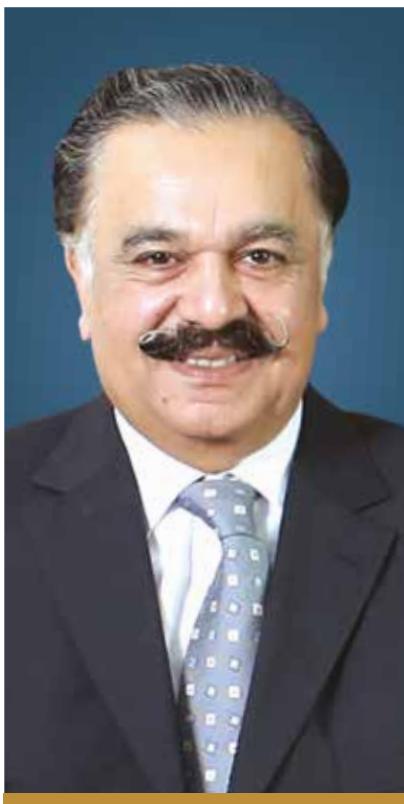


Chairman
(Non Executive Director)

Other engagements:
Shams Textile Mills Limited
(Chairman)
The Crescent Textile Mills Limited
(Chief Executive Officer)

Anjum Muhammad Saleem, 59

Joined Board : 2015



Chief Executive Officer

Other engagements:
Shakarganj Food Products
Limited (Chief Executive Officer)
The Crescent Textile Mills Limited
(Director)

Ali Altaf Saleem, 37

Joined Board : 2010



Deputy Chief Executive Officer
(Executive Director)

Other engagements:
Solution de Energy (Private)
Limited (Director)

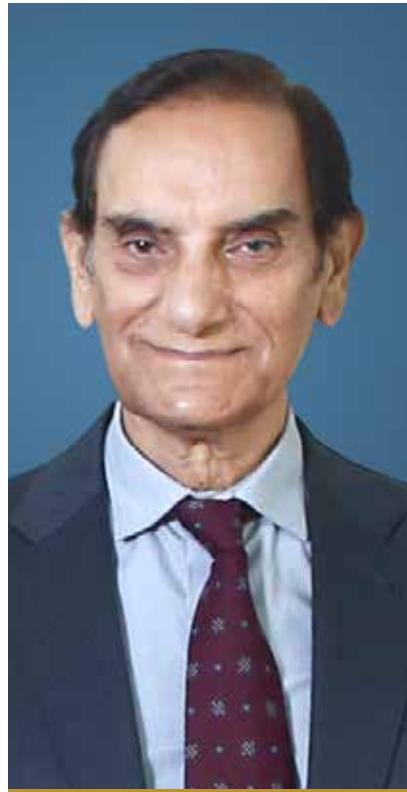
Hajerah Ahsan Saleem, 31
Joined Board : 2016



Director
(Non Executive)

Other engagements:
CS Capital (Private) Limited
(Chief Executive Officer)
Crescent Hadeed (Private)
Limited (Director)

Khalid Bashir, 74
Joined Board : 1969



Director
(Non Executive)

Other engagements:
Suraj Cotton Mills
Limited (Chairman)
Shams Textile Mills Limited (Chief
Executive Officer)
The Crescent Textile Mills Limited
(Director)
Premier Insurance Limited
(Director)

Khawaja Jalaluddin, 50
Joined Board : 2017



Director
(Non Executive. Independent)

Other engagements:
Roomi Fabrics Limited (Chief
Executive Officer)
Roomi Enterprises (Private) Limited
(Chief Executive Officer)
Arif Habib Corporation Limited
(Director)
Masood Spinning Mills Limited
(Director)

Board of Directors (Profile)

Muhammad Arshad, 77
Joined Board :1996



Director
(Non Executive)

Other engagements:
Crescent Cotton Mills Limited -
(Chief Executive Officer)

Sheikh Asim Rafiq, 39
Joined Board :2014



Director
(Non Executive Independent)
Nominee Director (National
Investment Trust Limited)

Other engagements:
National Investment Trust Limited
(Head of Internal Audit)

Board and its Committees' Meetings

Attendance in Meetings

Name of Directors	Board		Audit Committee		Human Resource and Remuneration Committee		
	Note	Required	Attended	Required	Attended	Required	Attended
NON - EXECUTIVE DIRECTORS							
Hajerah Ahsan Saleem		7	7	4	4	-	-
Khalid Bashir		7	7	4	4	2	2
Khawaja Jalaluddin	1	3	3	1	1	-	-
Muhammad Anwar	2	7	7	3	3	2	2
Muhammad Arshad		7	6	-	-	-	-
Shaikh Asim Rafiq		7	7	4	4	-	-
EXECUTIVE DIRECTORS							
Ali Altaf Saleem		7	7	-	-	-	-
Anjum Muhammad Saleem	3	7	7	-	-	2	2

Notes:

- 1 - Khawaja Jalaluddin elected by shareholders from 01 June 2017
- 2 - Muhammad Anwar retired from Audit Committee on 31 May 2017

Meeting Held Outside Pakistan

During the year under review, none of the Board Meetings were held outside from Pakistan.



Board of Directors and its Committees

The Board

The Company has a unitary board structure consisting of seven directors of which two are independent. The Deputy Chief Executive Officer is the only executive director on the Board. Shakarganj gives due consideration to the qualifications and expertise of individuals when deciding on the Board's composition to ensure a vast range of expertise and experience is represented on the Board in the best interest of stakeholders and the Company. The Board has formulated policies which it reviews on periodic basis including risk management, procurement of fixed assets, goods and services, investments, borrowings, donations, charitable giving and contributions, whistle blowing, delegation of financial authority, transactions with related parties and transfer pricing, provision for slow moving stores and spares and impairment of assets, and Board charter. These policies are implemented and monitored through delegation of duties to two standing committees of the Board i.e. the Audit Committee, and the Human Resource and Remuneration Committee.

Committees Of The Board

Audit Committee

The Audit Committee comprises of four members who are all Non-Executive Directors including an Independent Director. The terms of reference of the Audit Committee include the following:

- To provide the Board of Directors ("the Board") with an independent and objective evaluation of the operations, policies, procedures and controls implemented within the Company.
- To provide supplemental assistance and resources to the internal audit department of the Company in order for them to provide the management and the Board of the Company with an independent, objective evaluation of their operations, policies, procedures and controls.
- To provide the Board with an oversight of the internal audit department in the Company to assure that an effective internal audit function is in place

system wide, which includes a risk based annual and long-range audit plan, a reporting mechanism and a quality control plan.

- To provide assistance to the Board in fulfilling their oversight responsibility relating to integrity of the financial statements and financial reporting.
- To review and evaluate procedures established to comply with laws and regulations and to monitor compliance thereof.
- To assess the Company's risk management process including risk related to Financial Statements and Financial Reporting.
- Frequency of meetings: at least once in every quarter to approve periodic accounts.

Human Resource And Remuneration Committee

The Human Resource and Remuneration Committee comprises of three members of which two members are non-executive directors including the chairman. The Committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to assist the Board and guide the management in the formulation of the market driven HR policies regarding performance management, HR staffing, compensation and benefits, that are compliant with the laws and regulations. The terms of reference of the Committee includes the following:

- Recommending human resource management policies to the Board.
- Recommending to the Board the selection, evaluation, compensation (including retirement benefits) of the CEO, CFO, Company Secretary and Head of Internal Audit.
- Ensure a proper system of succession planning for top management is in place and the adequacy of the same in the rest of the organisation.
- Review the organisational structure and recommend changes, if any, to increase the effectiveness and efficiency of reporting lines and the division of authority and responsibility.
- Review the effectiveness of the recruitment and recommend changes, if any.
- Guide management in development/revision of all employees benefits, policies and rewards.
- Oversee employee development by monitoring HR aspects of organisational learning and development.
- Ensure that the performance management system is achieving its objectives of fairly rewarding employees' performance and is in line with company objectives.
- Frequency of meetings: at least once each fiscal year.





Report of The Audit Committee

The Audit Committee (the Committee) comprises only of Non-Executive Directors. Details of the Directors are set out in the Board of Directors section of this report. The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Internal Auditors and the External Auditors attend Audit Committee meetings by invitation. The Committee meets with the Internal Auditors and the External Auditors with and without the presence of CEO and CFO.

The Audit Committee has concluded its annual review of the conduct and operations of the Company during the financial year ended 30 September 2017, and reports that:

- Four meetings of the Audit Committee were held during the financial year ended 30 September 2017 which were presided by the Chairman, Audit Committee.
- The Audit Committee reviewed the quarterly and annual financial statements of the Company and recommended them for approval of the Board.
- The Board has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed by the auditors of the Company.
- Understanding and compliance with Company Code of Business Practice and Ethics has been affirmed by the members of the Board, the Management and employees of the Company, individually. Equitable treatment of shareholders has also been ensured.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Financial Reporting Standards were followed in preparation of financial statements of the Company for the financial year ended 30 September 2017, which present fairly the state of affairs, results of operations, cash flows and change in equity of the Company and its subsidiaries.
- The CEO and the CFO have reviewed the financial statements of the company along with Directors' Report. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.
- Accounting estimates are based on reasonable and prudent judgment.
- Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with Management processes and adequate for shareholder needs.
- The Audit Committee has reviewed and recommended for inclusion on notes to financial statements all related party transactions.
- No cases of complaints regarding accounting, internal controls, audit matters or Whistle Blowing events were received by the Committee.

- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy.
- The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.
- The Audit Committee ensured that their statutory obligations and requirements of best practices of governance have been met through a tool-kit developed by the management.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.
- The Audit Committee reviews the findings of the internal audits completed during the year, taking appropriate action or bringing the matters to the Board's attention where required.
- The effectiveness of the internal auditor is reviewed and discussed by the Audit Committee on an annual basis. Based on the Committee's review of the performance of the internal auditor, the Committee has recommended to the Board for the appointment of Riaz Ahmed and Co, Chartered Accountants for the financial year 2017-18.
- Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulation.

Internal Audit

- The Board has effectively monitored the internal control framework through an outsourced Internal Audit function via Riaz Ahmed and Co., Chartered Accountants on full time basis, who are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- Internal auditor independently reviews the risks and control processes operated by management. The Internal Auditor has carried out its duties under the charter approved by the Committee. It carries out independent audits in accordance with an internal audit plan which is approved with the Audit Committee before the start of the financial year.
- The internal audit plan provides a high degree of financial and business segment wise coverage and devotes significant effort to the review of the risk management framework surrounding the major business risks.
- Internal audit reports include recommendations to improve internal controls together with agreed management action plans to resolve the issues raised. Internal audit follows up the implementation of recommendations and reports progress to senior management and the Audit Committee.

External Audit

- The statutory Auditors of the Company, KPMG Taseer Hadi and Co., Chartered Accountants, have completed their Audit engagement of Financial Statements and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended 30 September 2017.
- The Auditors have been allowed direct access to the Audit Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured.
- The Audit Committee has reviewed and discussed Audit observations with the external auditors for year ended 30 September 2017.
- The performance, cost and independence of the external auditor is reviewed annually by the Committee. Based on the Committee's review of the performance of external auditor, the Committee has recommended to the Board that a resolution to reappoint KPMG Taseer Hadi and Co, Chartered Accountants, for the year 2017-18 be proposed at the forthcoming Annual General Meeting.

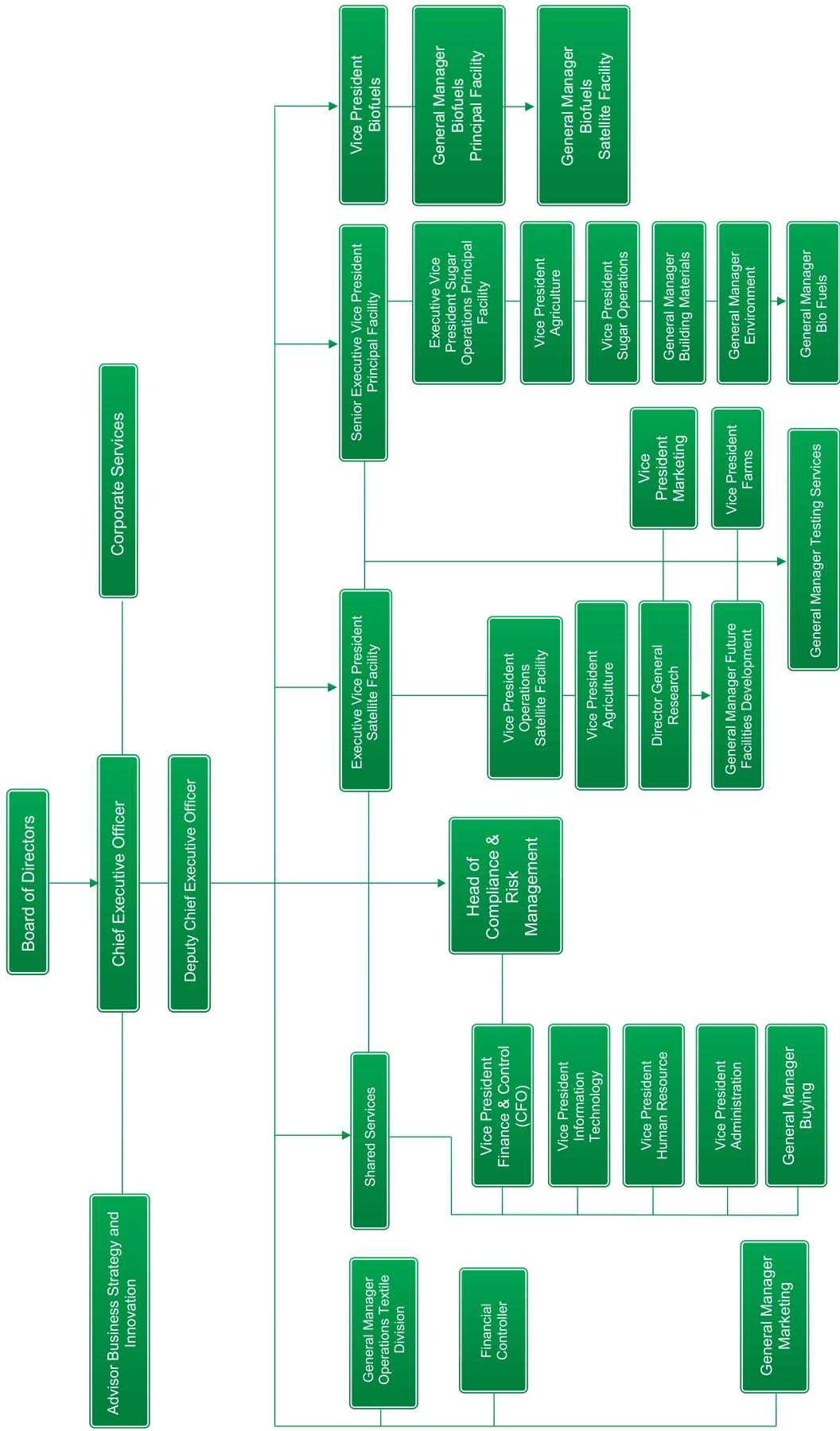
By order of the Audit Committee



Chairman, Audit Committee

13 December 2017

Organizational Chart





Proceedings of the Last AGM & EOGM

Proceedings Of The Last Annual General Meeting Held On 31 January 2017

The last Annual General Meeting (AGM) of Shakarganj Limited (the "Company") was held on 31 January 2017 at Lahore. The meeting was attended by 181 shareholders who held 67.28% shares in person and by proxies.

The following business was transacted at the AGM:

1. Consideration and adoption of the directors' and auditors' reports and audited financial statements for the year ended 30 September 2016.
2. Appointment of Auditors

Special Business:

1. Transmission of the annual accounts through CD or DVD or USB
2. Electronic voting
3. Increase in authorised capital of the Company

A detailed presentation was given to the members on each business. The members participated in the proceedings and all their questions were responded to their satisfaction. The members appreciated the efforts of the management for improved performance. The members also approved transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to the members for

future years commencing from the year ending on 30 September 2017 through CD or DVD or USB instead of transmitting the same in shape of hard copies, alteration in the Articles of Association by inserting a new Article 47A which will give the members option to be part of the decision making in the general meeting through electronic means and increase in authorised Capital of the Company from PKR 2,000 million divided into 150,000,000 ordinary shares of Rs. 10 each and 50,000,000 preference shares of Rs. 10 each to PKR 2,500 million divided into 200,000,000 ordinary shares of Rs. 10 each and 50,000,000 preference shares of Rs. 10 each.

After due deliberations and necessary discussions, all the businesses were approved and the ordinary and special resolutions were unanimously passed.

Proceedings Of The Last Eogm Held On 31 May 2017

The last extraordinary general meeting (EOGM) of the Company was held at Lahore on 31 May 2017 for the purpose of election of the directors. Nine persons had offered themselves for the election of directors, however, two candidates withdrew their consent for election of the directorship. Therefore, the remaining seven candidates were declared elected unopposed as directors of the Company for the next term of three years commencing from 01 June 2017.

Note: All the decisions required to be implemented in the above meetings have been implemented.



Review Report by the Chairman

It gives me immense pleasure to present this report to the shareholders of Shakarganj Limited pertaining to the overall performance of the Board and the effectiveness of its role in attaining the Company's aims and objectives.

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

During the year, the Board committees continued to work with a great measure of proficiency. The Audit Committee has focused in particular on the management and control of risks associated with the business. At the same time, the Human Resource and Remuneration Committee has ensured that the HR policies regarding performance management, HR staffing, compensation and benefits are market driven, and are properly aligned not only with the company's performance and shareholders' interests but also with the long-term success of the company.

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

The Board carries out a review of its effectiveness and performance each year after the closure of the fiscal year, on a self-assessment basis. The last such review was carried out in October 2017 for the fiscal year 2017. The overall effectiveness of the Board was assessed as satisfactory and areas that required improvement were duly considered and suitable action plans were framed.

The overall assessment was based on an evaluation of the following integral components:

- 1. Vision, Mission, and Core Values:** The Board members are familiar with the current vision, mission, and core values and found them appropriate for the organisation.
- 2. Engagement in strategic planning:** The Board has a clear understanding of the stakeholders whom the organisation is meant to serve i.e. its shareholders, farmers, customers, employees, vendors, and the community. The Board has the strategic vision of how the organisation should be evolving over the next three to five years and has identified key indicators for tracking its progress.
- 3. Formulation of policies:** The Board has established policies that cover all essential areas of board responsibility and operations of the company.



4. **Monitor the organisation's business activities:** The Board is knowledgeable about the organisation's current business activities including strengths and weaknesses of each major activity, and has an effective process for tracking performance activity-wise as well as area-wise.
 5. **Adequacy of financial resources management:** The Board is knowledgeable about key aspects relating to managing the financial resources of the Company and provides appropriate direction and oversight on a timely basis.
 6. **Provide effective fiscal oversight:** The Board ensures that the budget reflects the priorities established in the annual strategic plan and it complies with regulations governing the audit or independent examination of accounts and considers all recommendations made in the independent auditors' report.
 7. **Act as a responsible employer:** The Board has created necessary policies which ensure that the organisation behaves in an equitable and legal manner towards staff, contractors, vendors, and any other individual working on its behalf.
 8. **Relationship between Board and Staff:** Roles and Responsibilities of Board and management staff are clearly defined and understood and climate of mutual trust and respect exists between Board and management.
 9. **Organisation's Public Image:** Board members promote a positive image of the organisation in the community.
 10. **Review of CEO performance:** The Board assesses the performance of the Chief Executive Officer in a fair and systematic manner and ensures that CEO's pay is properly aligned with the Company's performance, shareholders' interests and the long-term success of the company.
 11. **Board Structure and Dynamics:** Size and composition of the Board is adequate to govern the Board procedures and the members are actively engaged in the work of the Board. The Board meets frequently enough to adequately discharge its responsibilities.
- On an overall basis, I believe that the strategic direction of the Company for the next three years is clear and appropriate. Further, the processes adopted in developing and reviewing the overall corporate strategy and achievement of Company's objectives are commendable which are truly reflected by the current financial results and performance of the Company.
- Muhammad Anwar*
- Muhammad Anwar
Chairman
- 13 December 2017



Director's Report

Dear Shakarganj Investor:

The directors of your Company are pleased to submit their report together with the audited financial statements of the Company for the year ended 30 September 2017:

Financial Results

The financial results of the Company are summarised below:

	2017 (Rupees in thousand)	2016
Profit / loss before taxation	350,012	(31,663)
Taxation	(139,193)	13,770
Profit / loss after taxation	210,819	(17,893)
Profit / loss per share - basic and diluted (Rupees)	1.80	Restated (0.16)

The Board of Directors in their meeting held on 13 December 2017 have proposed a final cash dividend for the year ended 30 September 2017 of Rs 1.25 per share (i.e. 12.50%) (2016: Nil), amounting to Rs.156.250 million (2016: Nil) which will be approved by the members at the Annual General Meeting to be held on 26 January 2018. The financial statements do not include the effect of the above proposal which will be accounted for in the period in which it is approved by the members.

Statement on corporate and financial reporting framework

1. These financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements. Accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure therefrom, if any has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts regarding the
9. Outstanding statutory duties, taxes, charges and levies, if any have been fully disclosed in the financial statements.
10. All related party transactions are approved by the Board after review and recommendation of Audit Committee.
11. The significant plans and decisions particularly corporate restructuring of the Company along with future prospects and risks & uncertainties have been outlined in the Chief Executive's Review. The detailed information is also available in financial statements.



- Company's ability to continue as a going concern as it has adequate resources and operating capabilities to continue in operation for the foreseeable future as has been explained in the Chief Executive's Review and financial statements.
7. The significant deviations from last year in operating results have been explained in detail together with the reason thereof in the Chief Executive's Review which has been endorsed by the Directors.
 8. Key operating and financial data for the last six years in summarised form is annexed herewith.
 12. Directors of the Company having 15 years of experience on the board of a listed company are exempt from the requirements of directors training Programme. All the board members except three directors qualify for exemption under this provision of the Code. The three remaining directors have completed the Directors Training Programme (DTP) prior to 30 September 2017 and obtained the requisite certification.
 13. Total number of regular employees at the end of the year was 1,248.



14. Following is the value of investments of funds based on their respective un-audited accounts for the year ended 30 September 2017:

Gratuity Fund	Rupees	26.19 million
Pension Fund	Rupees	121.80 million
Provident Fund	Rupees	179.35 million

Principal Risks and Uncertainties Facing

A separate report is available regarding the principal risks and uncertainties facing the Company in this annual report.

Adequacy of Internal Control

The system of internal control of the Company is sound in design and has been effectively implemented and monitored.

Auditors

The auditors KPMG Taseer Hadi & Co, Chartered Accountants, will retire and are eligible for re-appointment as auditors of the Company for the next year. The Board, on recommendation of the Audit Committee, has recommended the re-appointment of KPMG Taseer Hadi & Co, Chartered Accountants as auditors for consideration of members at the forthcoming Annual General Meeting.

Meetings of the Board of Directors and its Committees

During the year, seven (7) meetings of the Board of Directors, four (4) meetings of the Audit Committee and two (2) meetings of Human Resource and Remuneration Committee were held and the attendance of each Director is annexed herewith.

Pattern of Shareholding and Shares Traded

The pattern of shareholding and additional information thereof is attached with this report. No trade in the shares of the Company was carried out by the directors, executives and their spouses and minor children except the following trade/transfer and subscription of right shares:

Name of Director/ Spouses / Executive	Right shares subscribed	Sale / Purchase/ Gift
Mr. Ali Altaf Saleem	35,727	
Mr. Anjum Muhammad Saleem	636,818	
Mr. Khalid Bashir	9,150	(25,000)
Mr. Khawaja Jalaluddin	12,477	400,000
Mr. Muhammad Anwar	14,503	
Mr. Muhammad Arshad	30,881	
Ms. Hajarah Ahsan Saleem	818	20,000
Mr. Altaf M. Saleem	846,136	
Mrs. Abida Anwar	8,103	
Mrs. Fizza Ali Saleem	409	1,000
Mrs. Saira Anjum Saleem	19,772	
Mrs. Tanveer Khalid Bashir	30,306	

As per threshold reviewed by the Board of Directors, the heads of all departments of the Company shall be considered as "executives".

Directors

The election of Directors was held on 31 May 2017 and a seven member Board excluding the Chief Executive Officer was elected unopposed whose term of office will expire on 31 May 2020. The names of newly elected directors are:

Mr. Muhammad Anwar
 Mr. Ali Altaf Saleem
 Ms. Hajarah Ahsan Saleem
 Mr. Khalid Bashir
 Mr. Khawaja Jalaluddin
 Mr. Muhammad Arshad
 Mr. Sheikh Asim Rafiq

Subsequent to the Election of Directors, the Board in its 175th meeting held on 09 June 2017 unanimously re-appointed Mr. Anjum Muhammad Saleem as Chief Executive Officer for a period of three years till 31 May 2020. During the year ended 30 September 2017, the Board of Directors revised the remuneration of Mr. Anjum Muhammad Saleem, Chief Executive Officer from PKR 658,750 to PKR 1,085,000 per month effective from 01 June 2017 with other allowances and benefits as per Company policy.

Corporate Social Responsibility

Corporate social responsibility and impact of the Company's business on the environments has been fully covered in separate contents to this annual report.

Performance Evaluation of Board of Directors and its Committees

Human Resource and Remuneration Committee has assessed the performance of Board of Directors and its Committees based on the established mechanism of self-assessment by the individual Board or Committee members as the case may be. The above mechanism was approved by the Board on the recommendation of Human Resource and Remuneration Committee.

CEO's Performance Evaluation

During the year, the Human Resource and Remuneration Committee of the Board evaluated the performance of the CEO in line with the established performance based evaluation system. The evaluation was reviewed against the following criteria:

- Leadership
- Policy and Strategy
- People Management
- Business Processes/Excellence
- Governance and Compliance
- Financial Performance
- Impact on Society

Subsequently, on the recommendation of the Committee, the evaluation was approved by the Board after their review.

Financial Statements

As required under clause 5.19.14(a) of PSX Rule Book, the Chief Executive Officer and Chief Financial Officer

presented the financial statements, duly endorsed under their respective signatures, for consideration and approval of the Board of Directors and the Board, after consideration and approval, authorised the signing of financial statements for issuance and circulation. The financial statements of the Company have been duly audited and approved without qualification by the auditors of the Company, KPMG Taseer Hadi & Co, Chartered Accountants and their report is attached with the financial statements.

The directors endorse the contents of Chief Executive's Review as well as the contents of this annual report and those shall form an integral part of the Directors' Report in terms of section 227 of the Companies Act, 2017 and the requirements of the Code of Corporate Governance under the Pakistan Stock Exchange (PSX) Rule Book.

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this Balance Sheet relates and the date of the Directors' Report.

Acknowledgment

The Directors wish to express their appreciation to the staff & workers of the Company for their dedication and devotion to the Company. The Directors feel pleasure in expressing appreciation for the continued interest and support of the shareholders, bankers and all other parties involved and hope that the same spirit will prevail in the future as well.

By Order of the Board



Anjum Muhammad Saleem
Chief Executive Officer



Ali Altaf Saleem
Director

13 December 2017







Chief Executive's Review

I take pleasure in presenting the 2017 Annual Report along with audited annual accounts of your Company. Moving into fiscal year 2018, your Company marks its 50th year and in spite of a challenging environment, we are confident that with the commitment and dedication of our people, and continued patronage of our partners and investors, the Company will continue to deliver value in terms of returns and growth, as well as development for our community. This report also provides an overview of our fifty year journey.

The Way So Far - Fifty Years of Excellence from September 1967 to September 2017

Shakarganj was incorporated in September 1967 as a public limited company and listed on the Karachi Stock Exchange in June 1979. During this fifty year journey your Company has evolved from one small sugar factory with a crushing capacity of just 1,500 Tons of Cane per Day (TCD) into one of Pakistan's first diversified sugar conglomerate comprising of 2 Sugar Factories with a combined crushing capacity of 20,000 TCD, Six Biofuel Plants with a distillation capacity of 350,000 litres per day, in addition to Particle Board operations and a 15,360 spindle Textile Spinning unit.

The Company also operates Pakistan's first Private Sector Sugar Research Facility focusing on improving yields, managing crop cycles, and promotion of bio-compost as organic fertilizer. The Company has also diversified into the foods and Fast Moving Consumer

Goods (FMCG) segments through its strategic majority shareholding in the Shakarganj Food Products Limited.

As your Company has grown in size, our focus has always remained on efficiency which now allows the Company to produce large quantities of bagasse which surplus the fuel requirements of the Sugar operations. In order to maximise returns, the Company established a Building Materials Division where a Particle Board manufacturing plant was installed to convert this surplus bagasse into chipboard and other building materials. Today we are capable of producing 30 cubic feet of particle board per day.

In 2003-2004 Crescent Ujala Limited, a neighbouring Textile Spinning Mill, was acquired and merged with Shakarganj Limited through an amalgamation scheme. This diversification has allowed us to focus on sectors other than our traditional Sugar and Allied Products sector. Today we make various counts of single yarn on our 15,360 spindles while also operating our doubling plant (TFO) consisting of 2,304 spindles.

In 2004, The Company's Farms Division was set up as an independent business unit. This unit serves multiple purposes. Primarily it is used as the incubator for our research operations and showcases good farming practices to our family of sugarcane growers. At the same time, with the adoption of modern and scientific agriculture practices it is expected to contribute positively towards our bottom line in the future. This

unit would also be our primary source of value added raw materials such as organically grown sugarcane. Currently this division has around 1,200 acres of land under cultivation.

In line with our diversification strategy, Shakarganj Limited holds a strategic investment in Shakarganj Food Products Limited (SFPL) a leading Food Products company with a diversified product suite consisting of various dairy and fruit products.

Some well known brands of Shakarganj Food Products Limited are:

- Good Milk,
- Oolala Flavoured Milk
- Anytime Fruit Juices
- Chaika Tea Whitener

These products have been well received in the market and in recent years, the Company's share of profit from SFPL has contributed significantly toward the Company's bottom line profitability.

Shakarganj strives to be a responsible corporate citizen and remains committed to the highest standards in the way we conduct our business every day. Shakarganj Foundation and the "Sukh Char" programmes are the mainstays of our contribution back to the communities from which we source our raw materials and generate our revenues. Detailed report on Corporate Social Responsibility is attached in this annual report.

One major problem affecting distillery operations in Pakistan is that of distillery waste and its disposal in an environmentally friendly manner. At your Company, such waste is treated in a specially designed Effluent Treatment Plant which breaks down this liquid waste into biological fertilizer which we supply free of cost to our sugarcane farmers under the name "Aab e Zarkhez". At our own farms we continuously demonstrate the viability of this biological fertilizer as a replacement for traditional fertilizers for improving soil fertility as well as increasing crop yields.

As a byproduct, our environmentally friendly Effluent Treatment process produces biogas which can easily be used as an alternative to natural gas in boilers. Your Company has made additional investments that allow us to use this gas more efficiently in an environment friendly manner. In January 2008, Shakarganj installed the first power co-generation plant at Jhang which is capable of producing up to 8 Megawatts of electricity from biogas. Shakarganj also has the distinction of being the first private sector power supplier to the

national grid, and prior to utilising power for expanded operations, the Company had surplus electricity generation from sugar operations which was sold to WAPDA.

Our continued commitment to investment in manufacturing technology, the skills, dedication and commitment of our people, our commitment to delivering sustainable value and, our investment in research and development has enabled us to ride out difficult times and address the challenges we faced over the last decade.

We are poised to take full advantage of the inherent strength of our operations and our people, our scale, our reputation for quality, our well invested assets and, the skills and professionalism of our people.

Financial & Business Overview - Fiscal Year 2017

In the year that Shakarganj celebrates its 50th anniversary, our overall financial and operating performance has improved substantially, by the Grace of Allah Almighty. This is the fruit of the efforts and commitment of our people. We have been able to register profits much higher than the previous year, and in line with budgeted targets.

During the year under review, your Company earned an overall profit before tax of Rs. 350.01 million as compared to a loss before tax of Rs. 31.66 million in the previous year. Both the Company's Sugar Division and the Biofuel division reported outstanding operating and financial performance.

Sugarcane crushing improved by more than 240% during the year under review, and as sugar prices maintained an upward trend during the crushing season, your Company sold a majority of total production during that time at healthy margins. This allowed the Sugar Division to post a historically high operational profit of Rs. 646.60 million. However, soon after the crushing season, a declining trend in sugar selling prices set in which continues to prevail. The crushing season this year started two weeks earlier compared to the last season, and while sucrose recovery was low in the early days this was compensated by higher selling prices for sugar.

Our Biofuel operations also improved during the year as prices of petroleum products re-settled, bringing stability to biofuel prices. The Company's export of biofuel was significantly improved and increase was over 280% as to previous year.

The Company earned an overall gross profit of Rs. 655.82 million which is a remarkable improvement over the gross loss of Rs. 295.72 million in the previous year. Despite all challenges, your Company achieved a historically high level of operational profit, and with the associated company contributing Rs. 195.34 million, our after tax profit was Rs. 210.82 million.

While this is significantly lower than the interim profit for the half year ended 31 March 2017, this is primarily due to the prudent measure of provisioning for excise duty at the rate of Rs. 2 per litre imposed on manufacture of ethanol by the Punjab Government. This was previously reported under contingencies and commitments as per note to the financial statements 13.1 (v) of Company's annual financial statements for fiscal year 2016. The Company is confident of its position regarding the legality of this duty and hopes to reverse this position.

During previous few years, the price of biofuel was depressed in line with declining oil prices. However, we expect healthy margins in the coming season due to stable biofuel prices along with falling prices of the raw material i.e. molasses. We look forward to your Company capturing the momentum in the biofuel business in the coming year as it did in the sugar business in the previous year.

Review of Operations

Shakarganj is a leading manufacturer of renewable food products, ingredients and textiles. All our products are made from renewable crops and byproducts. We transform renewable agriculture crops such as sugarcane and cotton, into value added products for customers in the sugar, food, beverage, pharmaceutical, fuel and power, cosmetics, building and textile industries. Some of our ingredients from renewable sources often replace synthetic and petrochemical alternatives.

This operating review provides a broader perspective of our business to enable you to make an informed judgment about our performance and prospects. It contains updated sections included in our previous reports as well as new information.

Sugar Business -

Refined sugar at Shakarganj is primarily produced from sugarcane. Our product range includes crystalline white sugar of coarse and fine grains, pharmaceutical and beverage grade sugars, and specialty products



like brown, caster and icing sugars. We are also the pioneers in introducing hygienically packed sugar for sale in retail markets. These products are used for providing natural sweetness, texture and flavour across a full range of foods and drinks.

In the season under review, due to an abundant sugarcane crop, our crushing campaign was started early, on 14 November 2016, and the production of sugar was much higher compared to previous years. The Sugar Division crushed 1,543,849 MT (FY16: 450,804 MT) of sugarcane to produce 144,460 MT (FY16: 45,707 MT) of sugar at an average recovery



rate of 9.36 percent (FY16: 10.16 percent) resulting in a 216 percent increase in sugar production. During the season, the management of the Company sold the sugar on a regular basis resulting in a significant increase in the gross profitability of this business. Being the part of sugar business, our agricultural farms are also performing well and contributing toward the Company core business.

The overall scenario of sugar business in Pakistan is that for the first time in history, sugar production in the country exceeded 7 million MT of sugar in the season under review, far greater than the national demand of

around 5 million MT, while the forecast for next season's production is at a record 8 million MT. As the country prepares to harvest a new crop with an expectation of even better yields for the farmers, unpredictable and impractical policies of the government pertaining to sugar exports are certain to not only create difficulties for sugar mills in the shape of a sugar glut in the market but also difficulties for farmers as mills will find it increasingly difficult to pay them for sugarcane supplies.

While the government provided a subsidy on sugar exports in 2015-16, the same is required once again as



sugar exports were not allowed in time for Pakistani exporters to catch attractive prices in the international markets and if current low levels of market prices prevail, it will be impossible for the sugar glut situation in Pakistan to improve.

Although the sugarcane crop in the country is expected to increase, a rapid decrease in sugar prices caused by the glut situation has created difficult operating conditions for all sugar manufacturers including Shakarganj. There a great degree of uncertainty in the market and stability can only arise once a comprehensive Export Policy for sugar is announced by the Federal Government so surplus stocks can be sold internationally, rationalising local price levels in line with domestic supply and demand.

Biofuel and Alternative Energy Business -

At Shakarganj, Biofuel or ethanol is primarily produced from molasses, which is a co-product of the sugar manufacturing process. Molasses is then used as the raw material for fermentation for biofuel production. Biofuel or ethanol is a form of alcohol, which can be used in the manufacture of vinegar, in cosmetics and pharmaceutical products, in vast range of industrial products including paint and varnishes. Another major use of ethanol is as an alternative energy source.

Globally, for the past several of years, ethanol has been the lowest cost motor fuel and octane source which is environmentally more friendly when compared to fossil fuels. No other fuel available today can match

the ability of ethanol to improve overall environmental quality compared to gasoline. From its biodegradable nature to reductions in greenhouse gas emissions and tailpipe pollution, ethanol provides a tool to address environmental concerns without requiring an entirely new way for goods and people to get from one place to another.

With the global improvements in ethanol production technologies, increased awareness of the need for renewable alternatives to oil that seek to level the playing field for renewable fuels in a market nearly monopolised by petroleum. Mirroring the rise in production use of ethanol also soared, driven by both the demand for the renewable fuel and the economic value of ethanol as a blending component in gasoline. Today, in top ethanol rich countries, over 90 percent of all gasoline sold is blended with ethanol. As it can be blended with gasoline for use as fuel, the Government of Pakistan has allowed blending of ethanol with gasoline thus bringing bright prospects for this business in view of high cost of fuel in the country. Shakarganj produces a complete range of biofuel grades for these usages.

In order to produce biofuel to its plant capabilities, Shakarganj not only relies on its own molasses production but also sources molasses from other sugar mills. During the period under review, there was a very high demand of molasses within the country and internationally, and resultantly its availability and cost was affected and varied in line with cost of petroleum products on the national as well as international fronts.

In our Biofuel division, the production increased to 41.62 million litres (FY16: 10.20 million litres). During the year under review, the performance of this division was much better and the trend was improving in terms of production and profitability. Biofuel export is a world of opportunity and at Shakarganj almost 96 percent of biofuel produced is exported, making a positive contribution towards country's foreign exchange earnings. At present, international biofuel market is improving from recent overall decline of petroleum

process. At Shakarganj innovative fuel conservation measures coupled with economies of scale result in production of surplus bagasse. We process this surplus with binding agents and high pressure compression to produce sheets of Particle Board. These sheets are commonly used as an alternative to wood in the furniture and building industry.

Due to low crushing in last year, the production of this division was affected significantly due to non availability



products and there is stiff competition due to excessive supply at lower prices by leading biofuel producing countries. Subsequent to a reduction by FESCO in the purchase rate of electricity from our biopower division, operations at this division were suspended in 2016 and there was no bio power generation in the year under review.

Building Materials Business -

Bagasse is a natural byproduct of sugar manufacturing. This consists of residual pulp and fibrous material of sugarcane after extraction of juice. This material is primarily used as a fuel source in the factory boilers for steam and power generation used in the manufacturing

of surplus bagasse, however, during the year under review with the improved scenario of crushing, surplus bagasse was available and our Company was able to produce 1,578 cubic metres of particle board compared to no production last year. The plant could not attain its full capacity due to non-availability of sufficient bagasse. This is expected to change in the coming season with the expected increase in sugarcane availability.

Textile Business -

Cotton is an indigenous agriculture crop in Pakistan. The cotton plant produces a number of flowers, which upon maturity yield cotton fibre, which is separated from the seed, cleansed and ginned to produce staple

cotton. This is then further processed in spinning mills to produce spun cotton yarn. The yarn is sold to knitting and weaving mills to produce fabric. At Crescent Ujala, our Textile Spinning Division, production was 3.4 million kilograms of spun yarn, as compared to 3.3 million kilograms in previous year. As the cotton crop was lower than what was expected for the year, cotton prices rose significantly and we also procured at relatively higher prices in the current year compared to previous year. Yarn prices, however, did not increase correspondingly and resulted in a shrinking of margins for our spinning business. However, extensive measures were taken to keep other operating costs well under control.

Other Business-

Under this business, the results of our organic fertilizer division are shown. Press mud, a byproduct of the sugar manufacturing process, is processed and marketed as an organic fertilizer with the brand name of Shakarganj Tiger Compost (STC). This product is registered and licensed by the Company and is a rich source of organic matter with macro and micro-nutrients. STC is available in 30 kg packing. The production of STC during fiscal year 2014 to 2016 was about 170,000 bags and these were sold to Shakarganj growers on subsidized prices. However, during the year under review, the production was 8,085 bags (FY16: 5,908 bags). Due to declined crushing in couple of previous years, the production could not be optimized however, we are hopeful for improvement in future.

Research and Development-

As the sugarcane consumption increased, the need for high quality raw material and improved yields at farm level became critical for a sustainable supply chain. Realizing that it is a critical factor for sustainable growth, Shakarganj has made substantial investment in research and development. Transfer of efficient, environmentally friendly and economically rewarding technology for sugarcane agriculture is the mainstay of our supply chain management strategy. Shakarganj Sugar Research Institute (SSRI) was established by the Company in 1983. This is a unique private sector initiative in Pakistan working on development of high quality sugarcane varieties. SSRI has introduced a number of new varieties of sugarcane in the country developed by its pioneering scientists. Shakarganj funds advanced research in sugarcane technology through SSRI and we have successfully bred a number of proprietary sugarcane varieties, which increase the yield for our farmers and improve sugar content of the produce.

Now, SSRI is on the threshold to complete its 34th year in 2017 and has made several landmark achievements during this time. The most significant achievements have been development of new high yielding, high sugar and disease resistant sugarcane varieties, release of bio-control agents for low cost, efficient and environment friendly pest control, provision of tissue culture sugarcane seed free of diseases and true to type, soil and water advisory services for correct soil health and balanced application at right time, regular publication of open access international research journal, facilitation of Ph.D level research scholars on regular basis, establishment of digital library rich with books and research journals on sugar industry, publications of books and research papers at international level. SSRI research and development work has attracted acknowledgement and acclaim from national and international counterparts and cast ripples in research arena. All research results and benefits are open and available to the growers and other stakeholders without cost as a national service. This annual report includes a separate detailed report on the activities of the SSRI to encompass the detailed research work activities.

Corporate Governance-

Good governance for us is not an exercise to comply with regulatory requirements. We aim to go beyond what is required of us in rules and regulations. Corporate governance is a constant review and evaluation of all aspects of our operations, our strategy and the way we conduct our business.

Management Committees-

The Executive Committee devises long-term policies and visions for the Company with the sole object of giving the best returns to shareholders through optimal allocation of resources.

The Business Strategy Committee is responsible for keeping pace with the developments and trends in the industry which helps the Company in planning for future investments and growth.

The Human Resources Committee has been constituted to address and improve the area of Human Resource Development. The main aim of the committee is to guide the management in formulating an overall strategic plan for HR and to provide the best working environment.

The Information Technology Committee keeps all information systems of the Company updated in a fast changing environment.

The Investment Committee helps to maintain a balanced portfolio of investments to maximise returns while keeping risk at a desirable low level.

Future Outlook-

Outlook for our Sugar business is expected to include challenges that sugar industry as a whole may face in the coming season which may affect the result of the sugar business as well as overall results of your Company. Due to anticipations of a better sugarcane crop, the price of sugar is consistently declining in the local market forcing many sugar factories to delay the start up of their operations for sugar crushing season 2017-18. Constant efforts are being made at the Pakistan Sugar Mills Association (PSMA) level to apprise Government officials about the difficulties faced by the industry and the impact on sugarcane growers if a comprehensive and practical sugar export policy is not formulated.

During crushing season 2016-2017, in the first week of February 2017, the domestic national average price of sugar was above Rs. 60 per kg higher while it has been on a constant decline since June 2017. This is due to the estimated 2 million metric ton surplus available in the country which is depressing local price levels. Only when this surplus quantity is exported out of the country will local price levels stabilise at feasible levels.

A glimpse into the future of the biofuel business highlights the value that can be unlocked by blending ethanol with gasoline. Keeping in view the ever increasing concern for the environment, a bright future for ethanol as biofuel is on the horizon. At Shakarganj, the future outlook of the biofuel operations is encouraging as international prices are stable and any devaluation of the Rupee will bring a windfall to the Company. The management is constantly striving to procure bulk quantities of molasses at reasonable costs to create healthy profit margins for our bottom line.

The Pakistani Textile industry is expected to face stiff competition due to the global reduction in cotton production and increased demand for raw materials, both natural and man-made. The cotton crop will also be lower compared to the previous year which will result in higher raw material prices, however, we expect a rise in yarn prices to meet these additional costs. In

Pakistan the demand of cotton increased due to higher demand of coarse counts of yarn.

The liquidity generated by right issue of your Company and liquidation of stocks in a timely fashion was not only used for financing of operations but also to expedite the retirement of borrowing. We expect that the additional financing will also be available for operations. As explained in our last annual report, the Company has been in a tight liquidity position since 2009. During the period under review, the Company has successfully renewed its working capital lines for financing of its operations in fiscal year 2017. Negotiations with the Company lenders were successfully finalized as fully explained in note 1.2 to the attached financial statements. Also subsequent to the year end, your Company has successfully negotiated and obtained new working capital line of Rs. 900 million from the National Bank of Pakistan. The Company has also raised equity finance of Rs. 975 million through right issue to meet working capital requirements. Your Company remains committed to its best efforts to keep the operational profitability ongoing and to further improve its liquidity scenario to make strides toward profitable outcome in fiscal year 2018.

General -

The Directors are always a source of guidance and support for the management and we appreciate their commitment to your Company's progress and prosperity. The Directors would also like to express their appreciation for the dedicated efforts, loyalty and hard work of the workers, staff and members of the management team. Our sugarcane farmers are the backbone of our industry and we thank them for their continued support. Thanks for 50 years of support from everyone, and Insha Allah the best years are still ahead of us!

By Order of the Board



Anjum Muhammad Saleem
Chief Executive

13 December 2017

SWOT Analysis

Strengths



- The Company works closely with large number of sugarcane growers
- Management has a long-term experience and helped the Company to diversify both horizontally and vertically
- Company forayed into related businesses including sugar, biofuel, power generation & textile sectors to minimize risks
- It has the largest range of specialty sugars in Pakistan including white crystal, brown sugar, icing sugar & sugar cubes etc.
- Having alternate sources of generating power
- With Company's global reach in biofuel and sugar distribution, it has presence in Europe and Asian Pacific regions
- Company's reputation and brand image as well as meeting all international standards
- The Company has no outstanding long term loans

Weaknesses



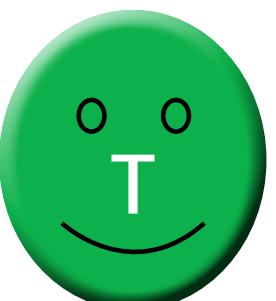
- High taxes on biofuel by provincial government resulting in limited profitability
- Weather conditions, irrigation scenario for sugarcane growth and quality
- Sugar recovery percentage may be a concern
- Not announcing dividends for couple of years reduces investors' confidence. However, announced 12.5% dividend in 2017
- Volatility in sugarcane prices
- Tight liquidity sometimes hamper sugarcane / molasses procurements

Opportunities



- Pioneer and one of the largest manufacturer of refined sugar and biofuel in Pakistan
- Growth in consumption and population will drive the demand for sugar and biofuel
- Increasing geographical presence due to exports of biofuel, sugar
- Untapped geographical regions and tie-ups with hotels, Airline, restaurants etc
- Area under cultivation of sugarcane is increasing & will enhance capacity utilizations
- Better varieties of sugar cane are being introduced with better recovery & may reduce the cost of production
- By-products of sugar including biofuel, particle board and power are also a good opportunity for sugar Industry
- Packed sugar, brown sugar, sachet and organic sugar are areas of interest in the future
- Integrated business model help to earn higher margins and to mitigates the risk of a downturn in the sugar business
- Good R&D capabilities-successfully introduced various technologies & sugarcane varieties
- Huge potential to increase the productivity of cane and sugar recovery rate by improving technology
- Blending in of biofuel in petroleum by Government which provides an alternative market to producers
- Plants located in rich sugarcane belt in Punjab

Threats



- Surplus sugar production government intervention not allowing market forces to work
- Increasing sugarcane prices having ceilings by the government is a major threat for sugar industry
- Lack of irrigation water, reducing the yield of crop
- Import of sugar may also a major threat
- Vulnerable to political interests
- Being an agro based industry , inherent risks of the vagaries of monsoon and other natural calamities
- Higher purchase price of sugarcane as compared to sugar sale price and heavy taxations
- Export is not allowed timely which badly affect the Company and sugar prices
- Increasing cost of production and labor
- Environmental concerns and sugar free products

Risk and Opportunity Report

The inherent risks and uncertainties in running a business directly affect the success of businesses. The management of Shakarganj has identified its exposure to these potential risks. The success of Shakarganj in operations depends upon our ability to mitigate these risks. The business environments in which the Company is operating are complex and challenging and are therefore exposed to number of external and internal risks that may present threats to its success and profitability. Every business decision taken is based on weighing the associated risks against rewarding opportunities. We take measured risks as we strive to seize business opportunities that are compatible with our long-term vision. Operational risk identification, management and reporting are achieved via a bottom-up approach. Risks are then managed strategically in a top-down approach emanating from the Board. Our plan is to implement a single risk management, reporting and governance framework into all the relevant departments, divisions and services within the Company such that the Company risk function will be centralized into a foundational, Company-wide process, and embedded into the day-to-day management of each of the Company's businesses and functions and into each manager's responsibility. The new framework will increase accountability of operations and management of the risks at all levels, and are making it easier to consolidate and analyse risk-related data at a Company level.

As a part of our policy to produce forward looking statements, we are outlining the risks which may affect our businesses. This exercise also helps the management focus on a strategy to mitigate risk factors.

Major Business Risks and Their Mitigation Strategies

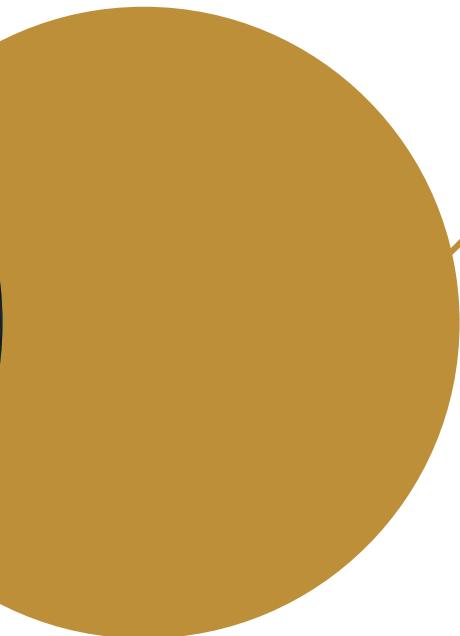
RISK DESCRIPTION	MITIGATING STRATEGIES / ACTIONS IN PLACE
FLUCTUATION IN SUPPLY AND PRICE OF RAW MATERIAL	
All our finished products are made from renewable agricultural products. These raw materials are subject to fluctuation in availability and pricing due to harvest and weather conditions, crop diseases, yields, alternative crops and by product values. We may not be able to pass on to our customers the full impact of any undue increases or our operations may suffer due to inadequate supplies.	As the sugarcane consumption increased, the need for high quality raw material and improved yields at farm level became critical for a sustainable supply chain. Realizing that it is a critical factor for sustainable growth, Shakarganj made substantial investment in research and development. Transfer of efficient, environmentally friendly and economically rewarding technology for sugarcane agriculture is the mainstay of our supply chain management strategy and the Shakarganj established its own research institute for working on development of high quality sugarcane varieties. Also the Company does not speculate or trade in its raw materials requirement and aims to use its purchasing power and long term relationships with growers, suppliers to acquire raw materials and safeguard their constant delivery at the best conditions and with the minimum time-lag between receiving an order and procurement of raw material. The supplier base is constantly increased to ensure uninterrupted procurement and reduction in lead-times.

RISK DESCRIPTION	MITIGATING STRATEGIES / ACTIONS IN PLACE
DEPENDENCE ON SUPPLIERS / CUSTOMERS	
Risk of not identifying alternate suppliers for key raw materials may hamper business operations for our business divisions. Also, dependence on few customers especially in Sugar & Biofuel Divisions may lead to business interruptions and financial loss.	Company actively strives to search for competitive suppliers for all its raw materials in both local and international markets. The Company constantly seeks to increase its customer base at national and international level and product offering to maintain and grow its revenues.
CURRENCY RISK	
Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers.	Currency risk exposure is currently restricted to the amounts receivable from / payable to the foreign entities / customers and short term borrowings with banks. The company, where considered necessary, uses money market borrowing contracts against receivables exposed to foreign currency risks.
INTEREST RATE RISK	
As the Company has no significant interest-bearing assets, the Company's income is substantially independent of changes in market interest rates. The Company's interest rate risk arises from both long-term and short term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.	The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.
CREDIT RISK	
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and other customers, including outstanding receivables and committed transactions.	Due to the Company's long standing business relationships with the customers and the counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored and major sales to customers are settled in cash.

RISK DESCRIPTION	MITIGATING STRATEGIES / ACTIONS IN PLACE
SAFETY AND SECURITY OF ASSET	
There is a risk that operational assets of the Company may be lost, damaged or made redundant due to theft, fire or any other unforeseen events that will adversely affect the operations of the Company.	The Company has designed and implemented high quality standards for safety and security of all the operational assets and compliance with such standards is strictly ensured and monitored. Apart from safety and security policies and procedures, the Company has fully insured all the assets of the Company to safeguard them from any unforeseen adverse event and to reduce the resulting financial and operational loss to minimum level.
FAILUARE TO PROVIDE SAFE WORKING ENVIRONMENTS	
Health and safety of our employees, contractors, suppliers and the communities we operate in are of primary importance to us. Our failure to provide a healthy and safe working environment may result in third party liabilities, interruption in operations, fines and penalties and damage to reputation.	Our business operations are run in compliance with international Quality, Health, Safety and Environmental standards. Moreover, we consistently do efforts to minimize our environmental impact by energy conservation and other measures with community partners.
COST AND AVAILABILITY OF FUNDS	
Exhaustion in the steady availability of funds and rise in interest rates may adversely affect liquidity and overall financial conditions.	Company keeps assessing its financial (funded and non-funded) requirement against its ability to borrow. Where our financing requirements exceed our ability to borrow, we seek to secure alternate avenues of raising finance including from shareholders, for business and operational need. The significant portion of working capital requirements of the Company is arranged through short term financing. To successfully mitigate these risks, the Company has secured sufficient financing facilities to meet these requirements.
INTERNAL CONTROLS	
Without effective internal controls the company may be exposed to financial irregularities and losses. This covers the areas ranging from safeguarding the assets to accuracy and reliability of its records and financial reporting	A robust internal control system is in place that is continuously monitored by the Company's Internal Audit Function and through other monitoring procedures. The process of monitoring internal controls is an ongoing process with the objective to further strengthen the controls and bring improvements in the system. The controls in place also cover areas ranging from safeguarding of assets, compliance with laws and regulations and accuracy and reliability of records and financial reporting.

RISK DESCRIPTION	MITIGATING STRATEGIES / ACTIONS IN PLACE
REGULATORY COMPLIANCE	
Non-compliance with laws and regulation may result in penalties, reputational damage and business interruptions.	We strictly monitor our compliance with laws and regulations and all the changes in regulatory environment are dealt with proactively. Apart from external compliance we put emphasis on compliance with our 'Code of Conduct' and 'Governing Principles' which are in line with best practices.
POWER AND GAS OUTAGE	
Power and gas shortage may adversely impact the continuity of operations.	Smooth operations of the Company may get affected; in particular, of the Textile Division which relies primarily on WAPDA to meet its power requirements. The Company has made arrangements to provide alternative power source to ensure that operations are carried out uninterrupted and as planned.
INCREASE IN COMPETITION THROUGH LEVERAGING OF TECHNOLOGICAL CHANGES	
Competitors may be able to identify and implement a major technological step, resulting in product substitution, improvement in their production efficiencies and lower costs. The Company's inability to implement similar steps may make it uncompetitive.	Through corporate agility and strong market sensing, the Company remains abreast with information on product changes, demand and any technological advancements in current manufacturing processes to ensure that the Company at least matches but ideally, exceeds the quality and service performance of competitors. The Company continuously adds to its product and service offering along with constant expansion efforts to meet growing capacity demands and specific product needs.
EMPLOYEE RECRUITMENT AND RETENTION	
Failure to attract and retain the right people may adversely affect the achievement of the Company's growth plans.	A strong emphasis is placed on the Company's human resource and its skill set. We operate the best talent management and human resource instruments to attract, retain, motivate, educate and nurture personnel and staff.
MARKET INTERVENTION FROM THE GOVERNMENT	
The Government of Pakistan and the Provincial Government often intervene in the market both on demand and supply side by minimum support price mechanism for raw materials and subsidized sales of manufactured products. This disturbs and distorts the market equilibrium. The distortion may result in eroding the economic margins of the Company to the extent that it suffers bottom line losses.	The Company diversified its business into various divisions and also mitigate such risks through proper planning and market forecast. The Association of Sugar Manufacturers also engages in a continuous dialogue with Governments to sort out the issues facing the Sugar sector. The company firmly believes that Government interventions in market are short lived and ultimately the market forces work freely.





People

Human Resource Development

A major priority for the business is to capture value through development of exceptional people, processes, and technology. Our ability to attract and retain highly skilled and committed people is fundamental to our success. Our company-wide talent management system identifies, develops, and sustains the flow of talent to ensure we have the right people in the right job at the right time. We endeavour to have suitable career development plans and opportunities in place for our employees.

We expect to see exceptional performances by motivating, developing, and rewarding our leadership team to create a culture of continuous improvement. We are working hard to infuse specific leadership skills into the business, adding an edge to the considerable know-how that our people already have. As we build up our capacities, we are also working hard to build capability. One key area of focus has been the pursuit of manufacturing excellence. We recognise that building a winning culture, characterised by leadership, manufacturing excellence and accountability, and rewarding people for success is a foundation stone of our business development and expansion.

Extensive in-house training and development programmes are the major tools used for development of our winning team. Ever-growing library and subscription to all relevant professional and technical

journals ensures that knowledge-base is updated regularly. In this regard, online access to library information is the recent development by Shakarganj management for further updating of knowledge-base.

We regularly offer external opportunities at our cost to the employees for career development and attendance at short and long courses and seminars at various institutions of excellence within and outside Pakistan.

Compensation plans at Shakarganj take account of the financial needs and economic well being of our employees on a longer term basis. All employees not covered in mandatory social security benefits are provided family health insurance cover by the Company. Attractive benefits include provident fund and company funded gratuity and pension plans.

Communication and Engagement

We strive to develop an open and effective environment of communication for our employees where they are given an opportunity to express their ideas, which are heard, valued and respected. The communications team has continued to build on a number of well-developed communications mechanisms including the Communications desk which engage people and other initiatives that help create a culture of office rituals and helps build effective relationships among colleagues. One of the key areas of focus for us continued to be internal communications. During the course of the

upcoming year, we plan to put into place a number of initiatives including an annual CEO / Deputy CEO's Briefing Session where different teams will present on their key work areas. An electronic Economic Bulletin previously shared only with senior management is now circulated on a monthly basis and has been well received by staff. We hold an annual Open House with the CEO / Deputy CEO where anyone can meet the CEO / Deputy CEO on a one on one basis to share

victimization for whistle blowing. The whistle blowing framework covers the following:

- Incorrect financial reporting;
- Unlawful activity;
- Activities that are not in line with Company's policies, including the Code of Conduct; or
- Activities, which otherwise amount to serious improper conduct.



ideas and/or concerns. The Open House with the CEO is one of the key drivers of process improvements at Shakarganj. Our whistle blowing policy and suggestion box to the CEO encourages employees to express their views and raise valid concerns regarding the Company without fear of repercussions.

Whistle Blowing Policy

Shakarganj is committed to high standards of ethical, moral and legal business conduct. In line with this commitment, and our commitment to open communication, a whistle blowing policy is in place to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or

Voice of Employees: Employees Satisfaction Survey

Our annual Employee Satisfaction Survey (ESS) is key for us in determining what matters to our people and, to the business. It provides us with the intelligence essential to our strategy of building better, happy, more productive workplaces. In 2017, our overall employee satisfaction index was values and culture, with particularly positive results on quality of management, policies, governance and ethics. As with every survey in the past major areas of concern included compensation and work environment. We expect our scores in the area of work environment to change significantly on account of recent and ongoing workspace upgradation. We have also initiated a salary survey as our last review was in

late 2015. A focus group has also been planned and will be conducted closer to the annual strategy review sessions in Q4 2018.

Diversity and Inclusion

We are committed to providing equality of opportunity and creating a rewarding workplace for all employees. Increasing female representation, especially in management level roles, is an ongoing priority. We are developing work practices to accommodate a diverse workforce such as flexible work schedules at our Head Office and we are pleased to see these are being adopted by our people. We go beyond abilities, age, ethnicity, gender and religion to create an environment that welcomes all forms of diversity including geographical diversity. Over the last year 30.7% of new entrants represent rural communities and 76.1% of our total workforce is from rural Pakistan. We provide equal opportunity in recruitment, career development, promotion, training and reward for all employees. We actively recruit, career development, promotion, training and reward for all employees. We actively monitor representation of women in management positions, and have talent-development processes to support us in delivering more diverse representation.

Training, Development and Sustainability

In an ever changing and fast paced corporate world, training and development is an indispensable function. At Shakarganj, we believe that training is not a cost, but an investment. We have established effective development opportunities for our employees that ensure that our Company is a desirable place to work. We provide our employees extensive opportunities for learning on the job and focus on off the job in trainings to manage technical and general management skill gaps and, to reinforce our values. External trainings are planned for our people in relation to their job requirement, career development and succession planning. Our approach on talent multipliers rests on four core principles: to lead, coach, drive and inspire. These principles define how we reach our individual and collective potential.

Our talent strategy focuses on critical assignment planning, manager accountability for coaching and mentoring, and a variety of innovative approaches to individual and team learning. We also work to ensure successful leadership transitions, develop the next generation of leaders and grow emerging and diverse talent.

Developing Employees from Trainee to Manager

We harness employee strengths, interests and passions to create greater value for the organization. Our hallmark is to systematically link organizational performance and individual development goals in the search for learning opportunities and better ways to work. We support development at all levels – starting from career training through to further development of top management. The aim is to encourage employees in shaping the future direction of their careers by enabling them to gain relevant experience and knowledge. We also have regular career conversations as they serve as a reminder of the organization's commitment to employee learning, which in turn strengthens employee commitment.

Succession Planning

Talent management and succession planning is carried out annually. Through succession planning, we identify capable individuals and develop them through training, job rotation or through educational activities for them to succeed in decision-making positions at various grades and levels within the organization. A performance development and retention plan is designed for selected candidates. This enables us to identify potential successors and ensures that they are appropriately developed so that they have the skills and experience necessary to step up and fill a key role within the Company when the time arises.

Rewards and Benefits

We provide employees with a complete package of total rewards, which go beyond competitive pay to include: support for employees' health and financial security, scholarships for the children of employees and for employees, opportunities to grow, recognition for employees' contributions, and a good working environment.

Our compensation and benefits philosophy is to provide competitive rewards to attract and retain the best talent and foster a sense of ownership in the company. Compensation as part of our total rewards package is an important element that should motivate and inspire employees to strive towards excellence. We believe in rewarding for performance, so when our employees contribute, they gain. We want all of our employees to be inspired by the difference they make and the recognition they receive for great results.

In addition to basic remuneration, we offer variable - performance based incentives to employees depending on the performance, with which each employee contributes to the Company's success and the performance of the business. Each year, the management shares the company profits, which influences the amount of the variable remuneration - the basis for this is the business unit's key financial results.

As a Company located across Pakistan - every location is different yet each location provides for variable health

automate HR operations, effectively manage employee data and support HR processes, such as performance management, benefits administration and employee lifecycle management. This in turn will save time, cost and resources and will bring greater visibility to both HR and unit heads about their human capital universe.

Five Values as Basis for Corporate Culture

Our values support our vision, shape our culture and reflect what the Company values. They are the essence of the Company's identity, principles and beliefs. They



coverage; our manufacturing facilities are equipped with designated fitness centres, provide adequate time off, retirement savings and more.

Human Resource Information System

We have acquired a Human Capital Management System and have implemented a few core HR modules of the system. Focused on an E-environment and pushing HR roles to managers the system will enable us to instil value for and a culture of HR actions,

guide the perspective of the organization as well as its actions. Our five values: Integrity, Ownership, Customer Focus, Continuous Improvement and Community Care, define who we are, how we work, what we believe in and what we stand for. These values transform our Company's mission and vision into reality, they are our corporate culture and drive our people's behaviour as well as its relationship with its customers, suppliers and shareholders.



Health, Safety and Environment

Health, Safety, and Environment-

As we always aim to be an exemplary corporate citizen, health, safety, and environmental concerns are always among our key focal points. We are committed to providing healthy, safe, and clean conditions for our employees, contractors and visitors. In providing a good working environment there is no higher priority than safety and we target continuous improvement to reduce recordable injury and accident times to zero.

Nearly six hundred and fifty members of Team Shakarganj have participated in a structured Programme to obtain professional training and certification in first aid in collaboration with Pakistan Red Crescent Society - Punjab. Preventive action and training and timely response procedures to deal with potential accidents have resulted in minimising recordable injuries and accidents.

Environmental protection issues are always considered on a higher priority than profit concerns. Shakarganj produces all its products from renewable crops and raw materials and does not believe in making profits at the cost of damage to our environment. We proactively

fund and support environmental protection activities in our communities in particular and on national level generally. Energy conservation and aiming for 'zero' waste are our key environment friendly policies. Using sugar by-products in our production lines substantially reduces use of fossil fuels and waste disposal problems. Distillery spent-wash is the ultimate waste product in our production process. This is now biologically treated to produce bio-gas as fuel, and water which is safe to use for irrigation. In addition to this we encourage and promote biological pest control, organic farming techniques, and return of all natural nutrients to the soil that are brought with supply of sugarcane to the mills. We strongly support the activities of Worldwide Fund for Nature - Pakistan, run regular training and education programmes for water management and participate in tree plantation campaigns twice every year.

Safety is not an Act, it is a Habit

Our approach to HSE is apparent in our Mission Zero Agenda that targets zero accidents and work-related illnesses. To effectively implement the mission zero agenda, we empower and encourage our people to play their part.



Raising Awareness and Engaging our People

We all have a part to play in keeping our workplaces safe. One of the most effective ways we can do this is by being aware of the risks around us and taking action to address these. That's why we actively encourage all our people to regularly assess their working environments and report any identified risks - as they arise.

Enhancing Well-being

A key priority of our agenda is the prevention of work-related illness. While there is clear evidence that employment can have a positive effect on personal well-being, poor health in the workplace can present significant safety risks. We offer a range of services to help enhance the health of our employees. These include medical checkups for employees in certain roles and healthcare benefits for staff - as well as targeted communication campaigns aimed at tackling lifestyle-related issues.

Cultural Change Through Communication

We believe communication is critical to creating the conditions to meet our objectives on Safety at the workplace. We have one-on-one HSE orientations for all new starters and an HSE briefing for all new visitors. One of the key aims of this exercise is to encourage a culture of care and safe practices.

Our Policy:

Shakarganj is committed to providing a healthy and safe workplace for all personnel performing their duties on its behalf, in a manner that protects the environment, prevention of pollution, and compliance of applicable legal and other requirements.

We achieve this by:

- Developing and implementing management structures and standard procedures at all our workplaces



- Creating EHS awareness amongst all employees through comprehensive Programme of training & education
- Making top management, managers, supervisors, and lead technicians accountable for EHS management effort towards elimination of causes that might lead to harm people, environment and assets
- Recognising that EHS is everyone's direct responsibility
- Monitoring, evaluating and continually improving our EHS performance through the operational standards, training, assessments and audits
- Working and maintaining 3R strategy (Reduce, Reuse, and Recycle) in all our operations

Safety Orientation

Health and Safety orientation training is a fundamental component of our organisation's health and safety management system. In this process we introduce new, inexperienced, transferred and/or returning employees to a safe and healthy workplace. During employee orientation training they are provided with necessary safety information about their jobs and tasks, as well as given specific details about workplace hazards and provided with an opportunity to learn about the

organisation. We realise the importance of safety in production for enterprise development and society, and always implement the approach of "Safety First", focus on prevention and comprehensive governance. We also build a safety management system which matching the characteristics of our major business and ensuring safe production is under and in control.

Tool Box Talk

We are conducting Tool Box Talk as a core Programme. Tool Box Talk is a self risk assessment process carried out and discussed by each work group prior to starting any activity. By doing so, the actual hazards around them are discussed with the workers and their feedback is received and assessed in return, leading to a safer work environment.

Safety Committee

A safety committee is constituted for implementing and monitoring of effective safety Programme at the workplace. Typical duties of the safety committee include; workplace self-inspection, accident investigation and development of safe work practices.

Safety Training

Training is an indispensable part of our organisation's safety and health Programme to protect employees from injuries and illness. In order to continuously

enhance safety awareness and skill of staff at all levels, we provide more targeted safety education and training for managers, officers and workers. More than 1,750 employees have thus far participated in safety and first aid trainings, organized by Shakarganj in collaboration with Rescue 1122 and Civil Defense.

Occupational Health

We remain committed to protecting the physical and mental health of our employees, extending the scope and coverage of occupational health services, and constantly improving our occupational health management system. At Shakarganj, health checks are organised on a regular basis for our employees. In addition, we keep health records of employees for

better health management and disease prevention. We also pay close attention to a dedicated health support system and provide special disease checks to ensure the health and safety of our employees.

Emergency Management Plan

We have released the comprehensive Emergency Plan for incidents and accidents at Shakarganj, and have established a safety management and risk prevention system for the Company. We organise regular emergency drills to improve the Plan, enhance awareness of prevention and self-help of the employees and improve the team's ability to handle emergencies.

Schedule of Mock Exercises 2017

Sr.#	Date	Days	Department	Detail of Activity
1.	February 28, 2017	Tuesday	Quality Assurance	Toxic Chemical Fumes Release
2.	March 4, 2017	Saturday	Cube Plant	Electric Shock (Medical Emergency)
3.	April 18, 2017	Tuesday	Management House	Earthquake Evacuation
4.	May 10, 2017	Wednesday	Board Plant	Fire due to trimming and metal friction in Dust Tank
5.	July 7, 2017	Friday	Special Sugar Research Institute	Medical Emergency due to non compliance of PPEs
6.	July 27, 2017	Thursday	Biofuel	Fire due to Hot Job (Welding, Cutting & Grinding)
7.	August 12, 2017	Saturday	Boiler House	Feed Water line / joint burst (Medical Emergency)
8.	September 19, 2017	Tuesday	Mill House	Failure of Turbine Rotor and uncontrol of its RPM
9.	October 25, 2017	Wednesday	Production House	Evaporator Cell Collapsed / Confined Space
10.	November 7, 2017	Tuesday	Bio Power	Bio Gas Release
11.	December 21, 2017	Thursday	Bagasse Yard	Fire due to back Furnace Pressure in Boiler during cleaning

H.O.D (E.H.S)

Senior Executive Vice President



Information Capital

Information technology initiatives-

Leveraging information capital across all areas of our operations is an ongoing management driven initiative at Shakarganj. We have developed in house systems, integrated with Oracle Financials, for supply chain management, fleet and human capital management. We understand that timely and actionable information to internal stakeholders provides critical decision support and are actively working towards getting the right information to action owners on time. Effective and error free dealings with thousands of suppliers of raw materials can only be conducted in a fair manner with the help of strong IT systems.

Our production facilities and our offices in different locations are connected through dedicated communication channels. Similarly our field offices located in more than thirty locations are linked with the central facilities by a wide area network.

Presently the IT system is custom designed for the company on Oracle and Linux platform. This has now been upgraded to an integrated ERP solution. In order to support the rapidly growing Shakarganj business

operations, the company has deployed high-end server machines with Fiber Optic supported LAN and WAN solutions. One impressive feature of the WAN connectivity is a direct Radio Link of approximately 64 km between two SML sugar units which is considered to be the 1st successful Radio Link in Central Punjab, for such a long distance.

This change in the infrastructure has helped the company meet its integration and consolidation needs for its geographically spread out business units. With the introduction of the Paperless environment and new technologies supported by modern gadgets with closely netted Shakarganj business processes have actually brought cultural change in the Company.

In our drive towards adopting best corporate practices together with technology leverage for all business units and the group as a whole, we have acquired the world's leading Enterprise System which is in its implementation process. We hope that this system would help the company in establishing accurate and speedier strategic controls. This would certainly improve the decision-making process, ensuring better returns for shareholders.



SML IT Strategy

Our IT department has a well-refined strategic plan which serves as a guide for IT strategic initiatives over the next three to five years. Shakarganj operational agility is heavily dependent on IT operations inputs and how we employ them. Our IT department is a critical resource which continuously works towards affecting improvements in the Company's business processes.

SML IT Vision

Information Technology Services will be recognised as a high performance team providing technology excellence that advances productivity and vigilance in alignment with the mission and goals of Shakarganj's.

SML IT Mission

- Information Technology Services provide secure, reliable and integrated technology solutions in

alignment with production and administrative goals, while delivering excellence in customer services. In support of this mission, we will:

- Partner with the SML core team to understand the information technology needs of business, departments and users.
- Provide leadership and planning for the effective and strategic use of emerging technologies.
- Demonstrate technical and operational excellence through a commitment to professionalism and continuous improvement through innovation & collaboration.

Evaluation of IT Infrastructure

IT infrastructure in SML today is an outgrowth of 50 years of evolution in computing platforms. SML is always a leader to adopt each of the next stage in

major five stages in this evolution, each representing a different configuration of computing power and infrastructure elements. The five eras are general-purpose mainframe and minicomputer computing, personal computers, client/server networks, enterprise computing, and cloud and mobile computing.

In 1983 SML introduced computerisation of Accounting in collaboration with Lahore based technology partner Systems Limited. This initiative made SML one of very few companies with such advanced technology, and the only company in the sugar industry.

Later on, SML established its own Stage-1 infrastructure and implemented mainframe computing system of IBM (International Business Machines) AS/400 that was considered world leading system at the time. IBM AS/400 mainframe computing was first introduced in 1988 and SML adopted this technology in 1992. This system computerised Accounting, Finance, Inventory, Procurement, and Sales.

Subsequently, Stage-2 era of Personal Computing began, and once again Shakarganj took the initiative to upgrade its IBM Dumb Terminals to IBM Personal Computers in 1996, which not only expedited computerisation of historical records but also enabled users to multitask and access productivity tools such as word processors and spreadsheets, excel.

In Stage-3 era of Client/Server network, SML installed state-of-the art Optical Fiber network in 1998 and once again took the lead in technological advances.

In 2003, a major overhaul of IT Infrastructure was initiated, and SML migrated its systems from AS/400 to Oracle which is considered the number one database system in the world. This was a major milestone in our commitment to retain our leadership position as first adopters of advanced technologies.

In 2006, a game changing decision was taken to implement ERP (Enterprise Resource Planning) which was necessary to cater to our rapidly growing business and geographically expanding units. All the SML units were interlinked on high speed Optical Fiber infrastructure in partnership with Pakistan's leading communication service provider PTCL and we selected Oracle E-Business Suite r12, the world's leading ERP solution at that time.

In 2009, once again Shakarganj took the revolutionary



step of fully embracing Cloud and Mobile Computing Technology which were embedded in our existing systems. Our BI (Business Intelligence) integration further enhanced the productivity of our systems. The salient features of our Business Intelligence are dashboards, real-time information access, paperless environment, service oriented applications, and mobile access. Through this channel all information is securely available 'Anytime, Anyplace & on any device'.



Keeping in line with our reputation as the early adopters of revolutionary new technology, Shakarganj IT Team is busy implementing our latest initiative consisting of the SMAC (Social, Mobile, Analytics, and Cloud) model of technology. Social media has provided businesses with new ways to reach and interact with customers, while mobile technologies have changed the way people communicate, shop and work. Analytics allow businesses to understand how, when and where

people consume certain goods and services and cloud computing provides a new way to access technology and the data a business needs to quickly respond to changing markets and solve business problems. While each of the four technologies can impact a business individually, their convergence is proving to be a disruptive force that is creating entirely new business models for Industry and service providers.

MUFTI ZEESHAN ABDUL AZIZ

Graduate - Jamia Dar Ul Uloom Karachi, Pakistan
Shariah Advisor – Shakarganj Limited

المفتى ذيshan عبد العزيز

خريج الجامعة دار العلوم كراتشي
المشير الشرعي - شكرگنج لميٹ

نحمدہ و نصلی علی رسولہ الکریم ﷺ

CERTIFICATE ON SHARIAH COMPLIANCE REVIEW

It is hereby certified that M/s Shakarganj Limited is a Shariah Compliant Company as on 30 September 2017 and the business activities for the year then ended, as per the relevant information & financials provided to me and to the best of my knowledge and belief.

I have reviewed the Company's financial affairs on the basis of Shariah principles and have performed tests as per the criteria mentioned in KSE Meezan Index (KMI) that are required for a company to be a "Shariah Compliant Entity", and accordingly the financial affairs of the Company as reflected in the Financial Statements for the year ended 30 September 2017, were screened and filtered in the following parameters and found them to be satisfactory.

Shariah Screening Criteria and their Results

1. Business Of The Investee Company

Core business of the company is Halal and in line with the guidelines of Shariah.

2. Debt To Total Assets

Debt to Asset ratio is less than 37%. Debt, in this case, is classified as any interest bearing debts.

3. Non-Compliant Investments To Total Assets

The ratio of non-compliant investments to total assets is less than 33%. Investment in any non-compliant security was included for the calculation of this ratio.

4. Non-Compliant Income To Total Revenue - Purification Of Non-Compliant Income

The ratio of non-compliant income to total revenue is less than 5%. Total revenue includes gross revenue plus any other income earned by the company.

5. Illiquid Assets To Total Assets

The ratio of illiquid assets to total assets is at least 25%. Illiquid asset, here, is defined as any asset that Shariah permits to be traded at value other than the par.

6. Net Liquid Assets To Share Price

The market price per share is greater than the net liquid assets per share calculated as: (Total Assets - Illiquid Assets - Total Liabilities) divided by number of shares.

Based on the abovementioned criteria I found the Company as Shariah Compliant, according to the financial statements of the company for the year ended 30 September 2017. Therefore I hereby certify that the company SHAKARGANJ LIMITED is Shariah Compliant for Capital Investment & Dividend Gains.

والله تعالى أعلم بالصواب

Mufti Zeeshan Abdul Aziz
Shariah Advisor
Shakarganj Limited

13 December 2017



Mufti Zeeshan Abdul Aziz

Shariah Advisor

Mufti Zeeshan Abdul Aziz is a recognized Shariah Scholar and researcher having strong comprehension of all aspects of Islamic Law and a specialized in Islamic Jurisprudence and Islamic Finance, graduated from Jamia Dar Ul Uloom Karachi, Pakistan, having **Takhassus Fil Ifta** (Specialization in Islamic Jurisprudence) done, **majoring in Islamic Banking & Finance and Halal Foods**.

He is serving as the Shariah Advisor of **Shakarganj Limited**, looking after its financial statements, policies, documents, Shariah screening, investments, reviewing & approval of Investments and it's all Shariah related aspects.

He has been associated with as Shariah Advisor with several Islamic Financial Institution and Halal Certification bodies within Pakistan and abroad. Mufti Zeeshan is also the Member Shariah Board of Sindh Bank-Islamic Banking Division, Shariah Advisor of Jubilee General & Life Insurance and Atlas Insurance Limited for their Window Takaful Operations and "Shariah Review Bureau Bahrain", NIT-Islamic Funds since its commencement and looking after its policies, trust deeds, offering documents, manuals, investments, Shariah screening, reviewing & approval of Investments of Islamic funds and it's all Shariah related aspects. He has been frequently debating and speaking on Shariah & technical aspects related to Islamic Finance nationally and internationally as well.

Mufti Zeeshan is also the member of Technical Committee on Halal Foods and Cosmetics Standards, PSQCA (Pakistan Standards & Quality Control Authority). He is been associated with various Halal Certification bodies of several countries and has performed Halal Certification audits of different foods, beverages, cosmetics and pharmaceutical industries in different parts of the world. He has also been speaking in various conferences/ seminars on Halal in different parts of world including Middle East, Far East and South Asia.



Corporate Social Responsibility

CSR At Shakarganj - A Snapshot

There is never any compromise at Shakarganj on being anything less than an exemplary corporate citizen. We are committed to following the highest social standards in every way we conduct our business. At Shakarganj, Corporate Social Responsibility (CSR) is a strategic management driven initiative that incorporates our business, environmental, and citizenship activities in a manner that supports our vision and upholds our values. We aim to play a positive role in the communities in which we operate. Our community involvement policy is one of the core components underpinning our ethical behavior. Our programmes involve building long term relationships with local communities to deliver our shared objective: establishing strong, safe, healthy and educated communities by investing time and resources into projects that directly address local needs.

Our Social Action Programme (under Shakarganj Foundation) delivers a variety of social services in our extended community under the banner of "Sukh Char Programme". These services include education, healthcare, promotion of arts, and protection of our cultural heritage.

In our education programme we have been providing proactive support to higher education through our contribution to the Lahore University of Management Sciences and the National Textile University. Our school adoption initiative provides support to 35 local girls' and boys' schools that includes provision of clean drinking water, nutrition supplements, uniforms, maintenance of infrastructure and building additional facilities where required. Shakarganj also provides support to education programme of The Citizens Foundation. To provide backbone support to the education initiative a purpose built teachers training institute was established at Shakarganj premises as a public service. So far 1,427 teachers have successfully completed training at this facility.

Shakarganj funded special incentives for school children include recognition of high achievers in school exams with scholarships and awards, sports competitions for school children, and inter-school handwriting competitions for school children and teachers.

The Company has so far established 130 adult literacy centers in its vicinity, of which 122 are for females, which has produced very encouraging results. Overall 3,250

participants, including 3,000 women, have thus far been trained under this programme.

Our Healthcare initiative delivers primary medical facilities at the doorsteps of our extended community. Three teams of qualified doctors, paramedical staff, and mobile dispensaries served over 42,000 patients during the year and we aim to increase this number every year. Diagnostic facilities, preventive treatment, and free medicines are provided through this programme.

For efficient delivery of our "Sukh Char Programme" a chain of community centers have been built in 18 locations. These centers, known as Kissan Markaz, serve as hub of activities for the social action programme in each sub-community. 10 more centers are planned to be built in the coming year.

In addition to delivering the "Sukh Char Programme" at doorsteps, the Kissan Markaz also serves as a first contact point for our farmers and each fully staffed Markaz helps in transfer of farming technology and facilitating supplies to Shakarganj.

We provide support to promising local talent in improving their artistic skills in a structured training programme at the School of Art and Calligraphy. A display centre exhibiting the works of these artists and promotion of cultural heritage is also maintained by Shakarganj at the School.

Detailed Report - Social Action Programme:

Shakarganj Social Action Programme (SAP) delivers a variety of social services in our extended community including education, healthcare, promotion of arts and protection of our cultural heritage.

Initially an informal School was established by Shakarganj for providing basic education to the wives and daughters of its workers. Over the years, Shakarganj services extended to include among its folds poor and deserving women from the surrounding villages of Jhang. SAP is working in two thematic areas which are Education and Health Care.





Education Programme

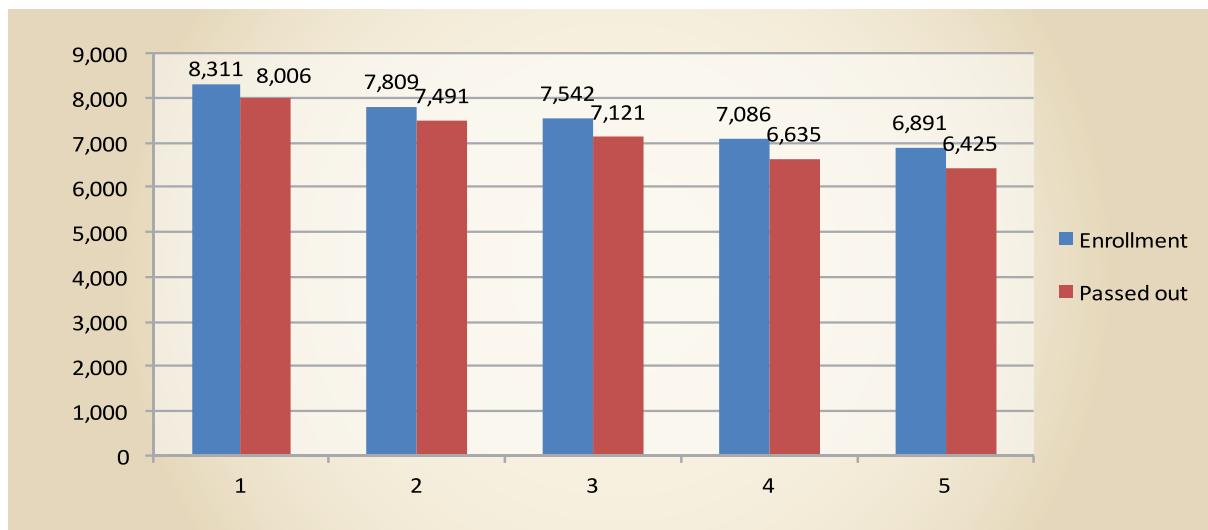
Adoption of Schools

Shakarganj adopted 35 Government Schools (8 Primary Schools and 27 Elementary Schools) in 2003 under its Education Programme to provide missing facilities and improve basic infrastructure in these schools. Our services include:

1. Provision of uniforms
2. Provision of missing Classrooms
3. First Aid Boxes
4. White washing
5. Tree Plantation
6. Annual prize distribution
7. Minor civil work and repairs
8. Personal Computer (Five schools in the first phase)
9. Monthly Cleanliness Allowance (Rs. 800 to Elementary and Rs. 600 to Primary School)

More than 8,000 students are benefited in these adopted schools this year:

Year wise Enrollment & Passed out Analysis					
Year	Enrollment	Fail	Drop out	Passed out	Success %age
2017	8,311	298	7	8,006	96%
2016	7,809	306	12	7,491	96%
2015	7,542	398	23	7,121	94%
2014	7,086	408	43	6,635	94%
2013	6,891	411	55	6,425	93%



Furniture Distribution

With the kind efforts of Mian Altaf M. Saleem, Crescent Education Trust Lahore generously donated furniture to Shakarganj Education Programme for use in its adopted schools.

More than 3,100 students benefited from this activity.

Schools	Number of Schools	Wooden Desk / Chairs	Students Benefited
Primary Schools	11	738	1,106
Elementary Schools	10	1,207	1,700
High Schools	1	130	350
Total	22	2,075	3,156



Nutritional Programme

The Nutritional Programme of Shakarganj Social Action Programme (Fresh Fruit and Milk) provides all enrolled students in two of our Government Girls Primary Schools with a variety of free fresh fruits and Oolala Flavored Milk throughout the school day. It is an effective and creative way of introducing fresh fruits and milk as healthy intake options. This is how we are trying to make up nutritional deficiency of students. More than 200 students in these schools benefit from this activity which started in 2004.

Shakarganj Food Products Limited generously donates Oolala Flavored Milk especially produced for School going children, keeping in view the importance of milk as an essential part of a child's daily diet plan. Oolala Flavored Milk is being provided in Mango, Ice cream, Banana, Baadam Zaffran, Strawberry and Chocolate Milk flavor in 200 ml tetra packing to the students on alternate days to grow and glow.

Government Girls Primary School Campus

A Government Girls Primary School was set up in one room in the Shakarganj Workers' Colony in 1981. Shakarganj provides education materials and support to this School and our Nutritional Programme was also initiated in this school to make up nutritional deficiency in students. Recently Shakarganj has provided a new building for this school.

Adult Female Literacy Programme

We started this activity in 2003 to help spread basic literacy skills in the community. Each batch consists of 25 students ranging in age from 15 years to 50 years and is taught using materials of the Jugnoo Sabaq. Thus far, more than 3,250 students in 130 batches of 25 students each (8 batches for men and 122 batches for female) have successfully completed this Programme at our Adult Literacy Centers.

USAID Funded Project

Pakistan has one of the lowest literacy rates in the world, and the lowest among countries of comparative resources and socio-economic conditions. According to the Ministry of Education, Government of Pakistan the overall literacy rate in the country is 46 per cent, with female literacy of 26 per cent only. Independent sources and educational experts, however, are skeptical and place the overall literacy rate at 26 per cent and female literacy rate at 12 per cent, contending that the higher figures also include those people who can hardly write anything beyond their signature.

According to the 2017 census, Jhang District has a population of 2.74 million of which 2.14 million live in rural areas (Census 2017). Almost 70% of the population is involved in agriculture and adult literacy rate for those over 15 years of age 47%.

With the assistance of United States Agency for International Development (USAID) under its Small Grants and Ambassador's Fund Programme, Shakarganj Foundation received a significant boost in its endeavors to eradicate illiteracy in rural, and less privileged areas of District Jhang. Under the same spirit, Shakarganj Foundation carried out "Adult Female Literacy Programme" in 5 Union Councils of Jhang that had never before been focused under any Literacy Programme. The total population of these 5 Union Councils is more than 90,000 consisting of over 13,000 households. With a female population of over 43,000 these Union Councils had a literacy rate even lower than the District average of 47%. Some facts and figures about these Union Councils are shown in the following table.

Sr. No	Name of UCs	Population				Literate Women	Target Group (Illiterate Women)
		Total	Male	Female	Women Age (15-49 years)		
1.	Bagh	13,867	7,211	6,656	2,995	838 (28%)	2,157
2.	Ashaba	21,655	11,261	10,394	4,677	982 (21%)	3,695
3.	Pakkey Wala	21,663	11,265	10,398	4,679	842 (18%)	3,837
4.	Shahbal	11,000	5,720	5,280	2,376	451 (19%)	1,925
5.	Jhang City (suburbs)	22,000	11,440	10,560	4,752	1,663 (35%)	3,089
		90,185	46,897	43,288	19,479		14,703

The total target population for the proposed "Adult Female Literacy Programme" was 14,703 women from the 5 Union Councils. Shakarganj Foundation reached out to 3,750 women from the target group through USAID funding. The remaining almost 11,000 women remain on our list of priorities and we intend to extend our reach to them in coming years.

Meetings were held with the teachers and principals of our adopted schools, notable persons, and women of the targeted Union Councils, to help the Foundation assess community education needs. As a result, we identified 200 centres from 15 villages in the 5 Union Councils. Availability of teachers in these Union Councils was also assessed and found to be satisfactory.

Shakarganj Foundation & USAID, under its Small Grants and Ambassador's Fund Programme, established 150 adult literacy centers to educate the 3,750 female learners identified in 5 Union Councils over the course of one year.

Shakarganj Sponsored TCF School

Shakarganj provided land and funds for the construction of two elementary schools through The Citizens Foundation (TCF) schools system. A total number of 236 students are currently enrolled in these schools, located in close proximity of our factory sites in Jhang and Bhone. The combined project cost of these schools exceeds Rs. 11 million. A third school is being constructed and will be completed before the end of the year. Shakarganj plans to construct five more TCF schools in future.

Campus	Students		Staff		
	Male	Female	Faculty	Non Faculty	Total
SML Jhang	103	92	9	5	209
SML Bhone	100	74	9	5	188
Total	203	166	18	10	397



School of Calligraphy and Art (Jhang Art Gallery)

Shakarganj established a School of Calligraphy and Art in 2002 under the ambit of our previously sponsored Jhang Art Gallery to promote the following objectives.

- Support promising local talent
- Promote cultural heritage
- Empower women in the community
- Contribute towards Poverty Alleviation
- Contribute towards Skill Development
- Enhance the creative talent and skill of artists
- Initiate talent hunt for prospective artists
- Help preserve and transfer the heritage of art, craft and calligraphy by displaying the work of artists through periodical exhibitions / seminars / workshops
- Facilitate young artists to raise the standard of their work to perfection and excellence
- Prepare art learners to gain basic skills required for further studies of professional / technical training / education
- Generate public interest and awareness
- Attract young people to healthy pursuits

Short Courses

Female Matriculate students are offered training various subjects including Cutting, Stitching, Embroidery, Flower Bouquet Making, Candle Work, Mirror Work, and Adda Work. A three month Dress and Fashion Designing course is also offered to small batches 15 female students at a time. This is one of our most

popular Programmes as it offers skills which are in high demand and allow successful students to supplement their incomes.

A three month Fine Arts and Calligraphy course is also offered each summer for batches of up to 15 female students. The course covers skills in Fine Arts, Painting, Pottery, Ceramics work, Glass Work and Tile Work, Sculpture and Calligraphy

The Art and Craft prepared by students are displayed at annual exhibition held at District Council Jhang every year, where students being awarded with prizes and certificates. On several occasions, these works have also been exhibited at Province level exhibitions Gaddafi Stadium Lahore.

The data of School of Calligraphy and Art (Jhang Art Gallery) is as under

27 batch of each course have been completed where 723 students have been passed

Year	Dress Designing	Fine Arts
2017	55	22
2016	66	20
2015	58	13
2014	16	4
2013	62	16

Annual Exhibitions

Jhang art gallery actively part in arranging exhibitions for encouragement of our students and for greater visibility of our mission. Our Annual Arts and Crafts Exhibition, now in its 8th year is highly sought after and is widely attended.

Scholarships

To encourage brilliant students, Shakarganj has been awarding scholarships to Position holders in the field of Education since 2002.

- Matriculate Position Holders
- FSc Position Holders
- Shakarganj Foundation provide financial assistance to widows of ex-employees for the education of their children

Shakarganj Training and Resource Centre (TARC)

To provide backbone support to the education initiative, the Shakarganj Teachers Training and Resource

Centre (TARC) was set up and operates within the Mills' premises. Teachers are trained with a focus on more efficiently teaching the arts and sciences as well as management and leadership skills to improve the administrative structure of these schools.

• Teachers Trained	1,427
• Workshops Conducted	649
• Batches Completed	66
• Schools from where Teachers Participated	1,053
• Students benefited through this Programme	51,416

Health Care

Mobile Free Dispensaries

We started this Programme in 2003 to extend medical facilities to rural areas. We have two Mobile Free Dispensaries each consisting of a qualified Doctor along with Paramedical Staff and an ambulance. The three medical teams visit our 6 Kissan Markaz community centres twice each week to treat patients.

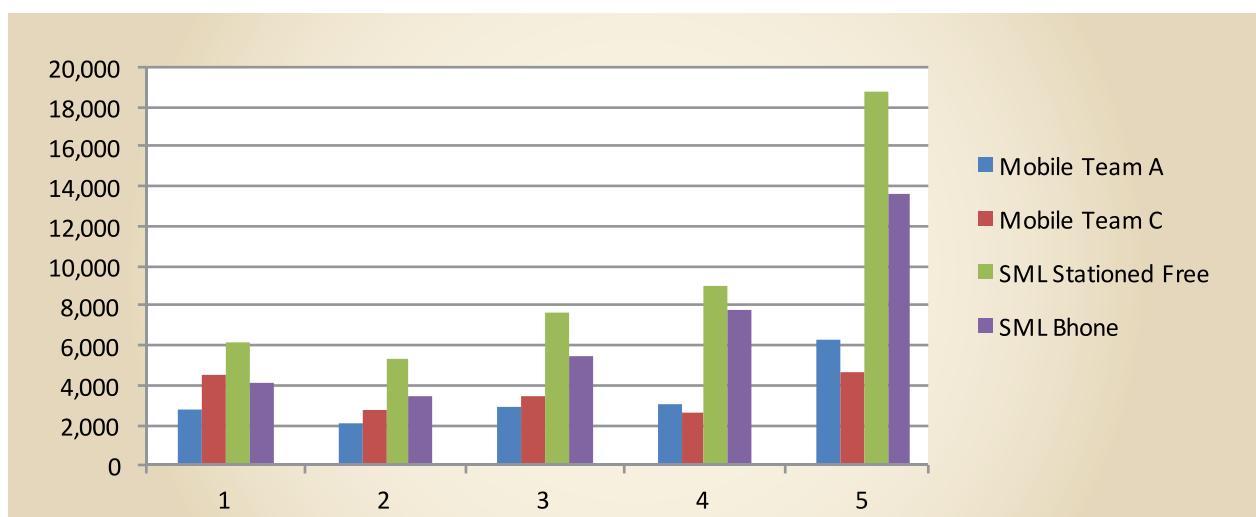




Stationed Free Dispensaries

The Foundation has also established 2 permanent Free Dispensaries equipped with medical equipment and Para Medical Staff at Shakarganj Jhang and Shakarganj Bhone to provide free basic medical facilities to deserving people. These dispensaries treat patients, carry out medical checkups, and provide medicines free of cost to people of the community.

Team Name	Patients Treated					
	2017	2016	2015	2014	2013	To-date
Mobile Team A	2,981	2,024	3,102	3,242	6,272	154,979
Mobile Team C	4,466	2,653	3,498	2,525	4,605	104,047
SML Stationed Free	6,186	5,106	7,755	8,870	18,693	52,655
SML Bhone	4,127	3,524	5,207	7,862	13,744	155,706
Total	17,760	15,323	19,562	22,499	43,314	467,387



Flood Medical Relief Camps

To help victims of the devastating floods in Balochistan and Sindh in 2007, Shakarganj provided flood relief by setting up sugar distribution camps.

There was heavy flood in river Chenab & Jhelum in District Jhang in 2010 which affected certain areas and thousands of people were affected by flood. They were forced to leave their homes and settled at secured places. Our 3 Mobile Free Dispensaries visited flood affected areas and treated 13,737 patients free of cost.

Screening and Vaccination Programme over 6,000 students, teachers and non-teaching staff have been tested and vaccinated against hepatitis B and C. Furthermore, more than 6,500 people have received blood-group testing and been issued blood-group identification cards.

Animal Vaccination

This Programme was started on 29 March 2008. Till date more than 35,000 farm animals in different areas of Jhang have been vaccinated against Black Quarter (BQ), which is a deadly disease affecting livestock.



Plantation of Artificial Limbs

This Programme was started on 26 February 2008 with the courtesy of The International Committee of the Red Cross (ICRC) in Azad Jammu & Kashmir. The Programme is aimed at providing artificial limbs free of cost to physically challenged persons of Jhang District. This Programme is personally funded by the Chairman of Shakarganj Foundation Mian Altaf M. Saleem.

Till date 248 patients have been provided artificial upper and lower limbs free of cost.

Blood Grouping, Screening & Vaccination

Under the auspices of the Shakarganj Blood Grouping

Annual Sports

The Annual Shakarganj Sports Competition is held in February / March every year in the Shakarganj Colony. During this three day event, male and female students from schools and colleges throughout the Province of Punjab participate in various Outdoor and Gymkhana sports. Prizes and Certificates are awarded to successful participants for their encouragement.

**Changing lives, strengthening
communities for 50 years**

Production Data

Season	Duration Season (Days)	Cane Crushed (MT)	Raw Sugar Processed (MT)	Sugar Produced (MT)	Recovery (Percent)
2016-17	145	1,543,849		144,460	9.36
2015-16	97	450,804		45,707	10.16
2014-15	129	615,394		59,905	9.73
2013-14	140	1,259,272		112,271	8.92
2012-13	135	1,409,811		133,753	9.49
2011-12	164	1,957,358		173,620	8.87
2010-11	136	1,567,361		141,549	9.01
2009-10	109	913,272		78,540	8.62
2008-09	110	784,056		71,600	9.13
2007-08	174	2,254,712		177,092	7.85
2006-07	155	1,587,929		128,170	8.04
2005-06	170	1,288,548	92,968.40	178,934	6.97
2004-05	160	1,324,510	67,930.40	177,679	8.63
2003-04	159	1,614,539		136,813	8.48
2002-03	196	1,675,370		127,060	7.58
2001-02	195	1,704,812		128,000	7.53
2000-01	161	1,054,992	27,811.59	105,550	7.50
1999-00	144	524,377		39,965	7.63
1998-99	157	1,350,119		101,479	7.51
1997-98	163	1,434,389		112,430	7.85
1996-97	176	1,036,955		79,740	7.69
1995-96	151	763,316		60,285	7.92
1994-95	157	1,057,036		86,075	8.11
1993-94	196	1,203,371		88,117	7.34
1992-93	161	691,839		54,055	7.85
1991-92	174	746,506		63,986	8.57
1990-91	204	866,552		65,537	7.56
1989-90	187	708,632		57,912	8.17
1988-89	170	446,325		36,367	7.70
1987-88	193	698,605		55,726	7.98
1986-87	149	333,601		27,899	8.36
1985-86	113	237,602		20,625	8.66
1984-85	168	441,718		39,523	8.96
1983-84	173	427,169		35,501	8.31
1982-83	173	361,291		29,440	8.16
1981-82	207	466,040		39,474	8.47
1980-81	187	287,723		25,562	8.89
1979-80	112	61,207		5,619	8.95
1978-79	114	107,106		9,267	8.80
1977-78	177	319,960		27,620	8.61
1976-77	166	308,987		26,086	8.45
1975-76	157	246,394		18,865	7.61
1974-75	107	104,069		8,253	8.30
1973-74	101	87,825		5,477	6.28

Process Losses (Percent)	Process Molasses (MT)	Biofuel (Litres)	Building Materials (m³)	Yarn (Bags)	Bio Power (MWh)
2.12	68,086	41,621,230	1,578	75,559	
2.06	19,295	10,201,684		72,776	
2.15	27,270	46,134,870		95,719	10,702
2.07	55,817	76,377,765	6,096	112,846	12,857
2.16	61,450	63,372,339	6,894	146,466	22,865
2.20	93,575	93,796,731	8,789	149,872	27,779
2.02	70,505	68,860,824	5,920	86,209	21,826
2.05	40,901	22,669,768	3,562	149,878	27,292
1.95	33,070	33,319,694	1,643	148,426	23,542
2.17	117,742	66,490,739	6,540	149,788	17,714
2.30	79,340	35,093,676	1,834	135,935	
2.54	71,008	27,625,611	1,477	133,580	
2.17	66,190	33,245,964	3,584	119,106	
2.41	81,953	35,408,000	5,141	119,922	
2.36	84,277	26,233,000	1,668	109,096	
2.42	91,890	15,800,156	5,670	96,326	
2.31	53,601	10,469,000	1,571	82,063	
2.20	24,243	4,967,000	497	96,999	
2.23	61,756	5,324,756	1,922	103,555	
2.38	73,477	6,350,000	2,784	85,259	
2.50	54,711	6,015,000		98,406	
2.65	39,397	2,573,700	2,118	83,542	
2.77	53,172	5,460,000	5,299	73,938	
2.65	60,150	5,250,076	4,335	50,880	
2.68	35,980	4,887,020	1,663	115,488	
2.53	37,710	4,525,900	3,360	117,902	
2.59	47,135	3,422,204	643	113,341	
2.31	33,180	3,030,217		97,388	
2.44	22,410				
2.61	38,740	308,494			
2.24	15,060	1,855,809			
2.29	11,470	20,239			
2.38	22,580				
2.40	21,860				
2.44	16,255				
2.48	21,255				
2.42	13,373				
2.25	2,358				
2.27	4,147				
2.44	14,103				
2.67	15,228				
2.68	11,424				
2.75	4,182				
3.57	4,726				

Vertical Analysis

	2017	%	2016	%	2015	%
Operating Results						
Net sales	11,360,157	100.0	4,373,219	100.0	6,578,986	100.0
Cost of sales	(10,704,342)	(94.2)	(4,668,941)	(106.8)	(6,647,610)	(101.0)
Gross profit	655,815	5.8	(295,722)	(6.8)	(68,624)	(1.0)
Administrative expenses	(282,315)	(2.5)	(222,983)	(5.1)	(258,743)	(3.9)
Distribution and selling expenses	(161,084)	(1.4)	(55,965)	(1.3)	(174,258)	(2.6)
Other operating expenses	(30,500)	(0.3)	(26,551)	(0.6)	(44,034)	(0.7)
Other operating income	142,584	1.3	460,517	10.5	362,513	5.5
Profit from operations	324,500	2.9	(140,704)	(3.2)	(183,146)	(2.8)
Finance costs	(169,832)	(1.5)	(182,754)	(4.2)	(238,124)	(3.6)
Share of Loss from associates	195,344	1.7	291,795	6.7	378,618	5.8
Profit / (loss) before taxation	350,012	3.1	(31,663)	(0.7)	(42,652)	(0.6)
Taxation Company	(72,227)	(0.6)	19,028	0.4	(46,594)	(0.7)
Taxation Associates	(66,966)	(0.6)	(5,258)	(0.1)	(53,510)	(0.8)
Loss from discontinued operations	-	-	-	-	-	-
Net profit / (loss) after taxation	210,819	1.9	(17,893)	(0.4)	(142,756)	(2.2)
Balance Sheet						
Non-Current Assets						
Property, plant and equipment	8,487,270	75.3	8,987,560	82.9	9,599,483	72.0
Intangible assets	-	-	685	0.0	775	0.0
Biological assets	11,840	0.1	7,734	0.1	9,954	0.1
Investments - related parties	1,084,476	9.6	954,356	8.8	901,845	6.8
Employee's retirement benefits	50,703	0.4	38,927	0.4	12,126	0.1
Long term loans, advances, deposits and prepayments	36,531	0.3	36,531	0.3	36,945	0.3
Deferred taxation	-	-	-	-	-	-
Total Non-Current Assets	9,670,820	85.8	10,025,793	92.5	10,561,128	79.2
Current Assets						
Biological assets	14,811	0.1	13,718	0.1	20,668	0.2
Stores, spares and loose tools	61,342	0.5	70,879	0.7	83,516	0.6
Stock-in-trade	1,115,847	9.9	347,650	3.2	804,951	6.0
Trade debts	167,717	1.5	13,154	0.1	30,564	0.2
Investments	-	-	-	-	-	-
Loan, advances, deposits and prepayments and other receivables	234,960	2.1	349,962	3.2	299,308	2.2
Cash and bank balances	5,255	0.0	18,640	0.2	1,528,456	11.5
Non-current assets held for sale	-	-	-	-	-	-
Total Current Assets	1,599,932	14.2	814,003	7.5	2,767,463	20.8
Total assets	11,270,752	100.0	10,839,796	100.0	13,328,591	100.0
Share capital and reserves						
Paid up capital	1,250,000	11.1	1,100,000	10.1	695,238	5.2
Equity portion of director loan - net of tax	47,055	0.4	57,205	0.5	-	-
Reserves	1,726,474	15.3	906,114	8.4	896,940	6.7
Accumulated (loss) / profit	(1,560,360)	(13.8)	(2,034,861)	(18.8)	(2,303,988)	(17.3)
Share holders' equity	1,463,169	13.0	28,458	0.3	(71,810)	(5.3)
Surplus on revaluation of property, plant and equipment	4,678,971	41.5	4,942,775	45.6	5,203,063	39.0
Non-Current Liabilities						
Long term finance	405,767	3.6	491,213	4.5	-	-
Deferred taxation	760,843	6.8	810,042	7.5	864,353	6.5
Long term advances	-	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-
Employees' retirement benefits	-	-	-	-	-	-
Deferred Income	-	-	-	-	-	-
Total Non-Current Liabilities	1,166,610	10.4	1,301,255	12.0	864,353	6.5
Current Liabilities						
Current portion of long term liabilities	123,707	1.1	147,543	1.4	1,034,356	7.8
Short term borrowings - secured	1,661,160	14.7	969,199	8.9	2,584,737	19.4
Trade and other payables	2,060,619	18.3	3,232,021	29.8	3,737,147	28.0
Accrued finance cost	116,516	1.0	218,545	2.0	616,745	4.6
Liabilities directly associated with non current assets classified as held for sale	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-
Total Current Liabilities	3,962,002	35.2	4,567,308	42.1	7,972,985	59.8
Total Liabilities	11,270,752	100.0	10,839,796	100.0	13,328,591	100.0

2014							
	%		%		%		%
11,356,340	100.0	13,507,225	100.0	14,762,318	100.0	13,354,705	100.0
(11,402,233)	(100.4)	(12,512,771)	(92.6)	(13,044,568)	(88.4)	(12,061,782)	(90.3)
(45,893)	(0.4)	994,454	.74	1,717,750	116	1,292,923	.97
(323,831)	(2.9)	(298,792)	(2.2)	(352,995)	(2.4)	(298,151)	(2.2)
(313,341)	(2.8)	(330,387)	(2.4)	(337,108)	(2.3)	(245,043)	(1.8)
(47,356)	(0.4)	(117,835)	(0.9)	(94,933)	(0.6)	(171,725)	(1.3)
351,546	3.1	321,385	2.4	100,628	0.7	263,163	2.0
(378,875)	(3.3)	568,825	4.2	1,033,342	70	841,167	6.3
(328,328)	(2.9)	(438,130)	(3.2)	(729,469)	(4.9)	(945,255)	(7.1)
122,618	1.1	198,667	1.5	138,580	0.9	55,893	0.4
(584,585)	(5.1)	329,362	2.4	442,453	30	(48,195)	(0.4)
(16,794)	(0.1)	(29,525)	(0.2)	64,140	0.4	(132,572)	(1.0)
(37,430)	(0.3)	(32,825)	(0.2)	(8,117)	(0.1)	(25,737)	(0.2)
						124,981	0.9
(638,809)	(5.6)	267,012	2.0	498,476	3.4	(81,523)	(0.6)
10,254,043	826	6,252,667	70.9	6,401,019	65.7	5,241,210	65.7
865	0.0	955	0.0	1,045	0.0	1,137	0.0
13,654	0.1	13,975	0.2	8,895	0.1	11,140	0.1
603,687	4.9	1,081,722	12.3	750,895	7.7	618,052	7.7
		13,091	0.1	17,975	0.2	1,045	0.0
37,359	0.3	38,323	0.4	39,969	0.4	45,068	0.6
10,909,608	87.9	7,400,733	84.0	7,219,798	74.1	5,917,652	74.1
29,477	0.2	32,600	0.4	37,395	0.4	21,493	0.3
100,287	0.8	115,086	1.3	129,862	1.3	106,393	1.3
479,944	3.9	522,007	5.9	1,765,735	18.1	1,085,822	13.6
38,888	0.3	71,619	0.8	243,138	2.5	491,646	6.2
295,721	2.4	248,607	2.8	119,041	1.2	69,545	0.9
462,509	3.7	324,282	3.7	154,767	16	170,545	2.1
94,992	0.8	100,369	1.1	69,601	0.7	119,169	1.5
1,501,818	12.1	1,414,570	16.0	2,519,539	25.9	2,064,613	25.9
12,411,426	100.0	8,815,303	100.0	9,739,337	100.0	7,982,265	100.0
695,238	5.6	695,238	7.9	695,238	7.1	695,238	8.7
1,109,735	8.9	1,187,887	13.5	970,230	10.0	892,985	11.2
(2,459,840)	(19.8)	(1,857,703)	(21.1)	(2,255,788)	(23.2)	(2,767,168)	(34.7)
(654,867)	(5.3)	25,422	0.3	(590,320)	(6.1)	(1,178,945)	(14.8)
5,297,880	42.7	2,141,914	24.3	2,281,579	23.4	1,416,678	17.7
		26,003	0.3	459,964	4.7	363,205	4.6
1,089,825	8.8	-	-	-	-	-	-
		10,148	0.1	18,793	0.2	24,837	0.3
9,287	0.1	-	-	-	-	501	0.0
1,099,112	8.9	36,151	0.4	478,757	4.9	388,543	4.9
1,364,594	11.0	2,117,610	24.0	1,959,402	20.1	2,460,408	30.8
1,861,493	15.0	1,155,480	13.1	2,507,350	25.7	2,541,813	31.8
2,836,493	22.9	2,422,533	27.5	1,979,617	20.3	1,225,169	15.3
606,721	4.9	916,193	10.4	1,122,448	11.5	1,087,629	13.6
				504	0.0	40,970	0.5
6,669,301	53.7	6,611,816	75.0	7,569,321	77.7	7,355,989	92.2
12,411,426	100.0	8,815,303	100.0	9,739,337	100.0	7,982,265	100.0

Horizontal Analysis

	2017	Variance vs Last Year Increase / (Decrease) %	2016	Variance vs Last Year Increase / (Decrease) %	2015	Variance vs Last Year Increase / (Decrease) %
Operating Results						
Net sales	11,360,157	159.8	4,373,219	(33.5)	6,578,986	(42.1)
Cost of sales	(10,704,342)	129.3	(4,668,941)	(29.8)	(6,647,610)	(41.7)
Gross profit	655,815	(321.8)	(295,722)	330.9	(68,624)	49.5
Administrative expenses	(282,315)	26.6	(222,983)	(13.8)	(258,743)	(20.1)
Distribution and selling expenses	(161,084)	187.8	(55,965)	(67.9)	(174,258)	(44.4)
Other operating expenses	(30,500)	14.9	(26,551)	(39.7)	(44,034)	(7.0)
Other operating income	142,584	(69.0)	460,517	27.0	362,513	31
Profit from operations	324,500	(330.6)	(140,704)	(23.2)	(183,146)	(51.7)
Finance costs	(169,832)	(71)	(182,754)	(23.3)	(238,124)	(27.5)
Share of Loss from associates	195,344	(33.1)	291,795	(22.9)	378,618	208.8
Profit / (loss) before taxation	350,012	(1,205.4)	(31,663)	(25.8)	(42,652)	(92.7)
Taxation Company	(72,227)	(479.6)	19,028	(140.8)	(46,594)	177.4
Taxation Associates	(66,966)	1,173.6	(5,258)	(90.2)	(53,510)	43.0
Loss from discontinued operations	-	-	-	-	-	-
Net profit / (loss) after taxation	210,819	(1,278.2)	(17,893)	(87.5)	(142,756)	(77.7)
Balance Sheet						
Non-Current Assets						
Property, plant and equipment	8,487,270	(5.6)	8,987,560	(6.4)	9,599,483	(6.4)
Intangible assets	-	(100.0)	685	(11.6)	775	(10.4)
Biological assets	11,840	53.1	7,734	(22.3)	9,954	(27.1)
Investments - related parties	1,084,476	13.6	954,356	5.8	901,845	49.4
Employee's retirement benefits	50,703	30.3	38,927	22.0	12,126	100.0
Long term loans, advances, deposits and prepayments	36,531	-	36,531	(1.1)	36,945	(1.1)
Deferred taxation	-	-	-	-	-	-
Total Non-Current Assets	9,670,820	(3.5)	10,025,793	(5.1)	10,561,128	(3.2)
Current Assets						
Biological assets	14,811	80	13,718	(33.6)	20,668	(29.9)
Stores, spares and loose tools	61,342	(13.5)	70,879	(15.1)	83,516	(16.7)
Stock-in-trade	1,115,847	221.0	347,650	(56.8)	804,951	67.7
Trade debts	167,717	1,175.0	13,154	(57.0)	30,564	(21.4)
Investments	-	-	-	-	-	(100.0)
Loan, advances, deposits and prepayments and other receivables	234,960	(32.9)	349,962	16.9	299,308	(35.3)
Cash and bank balances	5,255	(71.8)	18,640	(98.8)	1,528,456	1,509.0
Non-current assets held for sale	-	-	-	-	-	-
Total Current Assets	1,599,932	96.6	814,003	(70.6)	2,767,463	84.3
Total assets	11,270,752	40	10,839,796	(18.7)	13,328,591	74
Share capital and reserves						
Paid up capital	1,250,000	13.6	1,100,000	58.2	695,238	-
Equity portion of director loan - net of tax	47,055	(17.7)	57,205	100.0	-	-
Reserves	1,726,474	90.5	906,114	1.0	896,940	(19.2)
Accumulated (loss) / profit	(1,560,360)	(23.3)	(2,034,861)	(11.7)	(2,303,988)	(6.3)
Share holders' equity	1,463,169	5,041.5	28,458	(104.0)	(711,810)	8.7
Surplus on revaluation of property, plant and equipment	4,678,971	(5.3)	4,942,775	(5.0)	5,203,063	(1.8)
Non-Current Liabilities						
Long term finance	405,767	(174)	491,213	100.0	-	-
Deferred taxation	760,843	(6.1)	810,042	(6.3)	864,353	(20.7)
Long term advances	-	-	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-
Employees' retirement benefits	-	-	-	-	-	(100.0)
Deferred Income	-	-	-	-	-	-
Total Non-Current Liabilities	1,166,610	(10.3)	1,301,255	505	864,353	(21.4)
Current Liabilities						
Current portion of long term liabilities	123,707	(16.2)	147,543	(85.7)	1,034,356	(24.2)
Short term borrowings - secured	1,661,160	71.4	969,199	(62.5)	2,584,737	38.9
Trade and other payables	2,060,619	(36.2)	3,232,021	(13.5)	3,737,147	31.8
Accrued finance cost	116,516	(46.7)	218,545	(64.6)	616,745	1.7
Liabilities directly associated with non current assets classified as held for sale	-	-	-	-	-	-
Provision for taxation	-	-	-	-	-	-
Total Current Liabilities	3,962,002	(13.3)	4,567,308	(42.7)	7,972,985	19.5
Total Liabilities	11,270,752	40	10,839,796	(18.7)	13,328,591	74

2014	Variance vs Last Year Increase / (Decrease) %	2013	Variance vs Last Year Increase / (Decrease) %	2012	Variance vs Last Year Increase / (Decrease) %	2011	Variance vs Last Year Increase / (Decrease) %	2010
11,356,340	(15.9)	13,507,225	(8.5)	14,762,318	10.5	13,354,705	71.3	7,794,204
(11,402,233)	(8.9)	(12,512,771)	(4.1)	(13,044,568)	8.1	(12,061,782)	70.3	(7,081,788)
(45,893)	(104.6)	994,454	(42.1)	1,717,750	32.9	1,292,923	81.5	712,416
(323,831)	8.4	(298,792)	(15.4)	(352,995)	18.4	(298,151)	40.4	(212,348)
(313,341)	(5.2)	(330,387)	(2.0)	(337,108)	37.6	(245,043)	163.2	(93,100)
(47,356)	(59.8)	(117,835)	24.1	(94,933)	(44.7)	(171,725)	1.4	(169,367)
351,546	94	321,385	2194	100,628	(61.8)	263,163	163.2	100,001
(378,875)	(166.6)	568,825	(45.0)	1,033,342	22.8	841,167	149.2	337,602
(328,328)	(251)	(438,130)	(39.9)	(729,469)	(22.8)	(945,255)	(4.6)	(991,063)
122,618	(38.3)	198,667	43.4	138,580	147.9	55,893	(351.4)	(22,229)
(584,585)	(2775)	329,362	(25.6)	442,453	(1,018.0)	(48,195)	(92.9)	(675,690)
(16,794)	(43.1)	(29,525)	(146.0)	64,140	(148.4)	(132,572)	137.3	(55,860)
(37,430)	14.0	(32,825)	304.4	(8,117)	(68.5)	(25,737)	25.0	(20,587)
(638,809)	(339.2)	267,012	(46.4)	498,476	(100.0)	124,981	(198.0)	(127,590)
					(71.5)	(81,523)	(90.7)	(879,727)
10,254,043	64.0	6,252,667	(2.3)	6,401,019	22.1	5,241,210	17.2	4,471,988
865	(9.4)	955	(8.6)	1,045	(81)	1,137	(90)	1,249
13,654	(2.3)	13,975	57.1	8,895	(20.2)	11,140	31.4	8,479
603,687	(44.2)	1,081,722	44.1	750,895	21.5	618,052	48.7	415,682
	(100.0)	13,091	(27.2)	17,975	1,620.1	1,045	(66.2)	3,092
37,359	(2.5)	38,323	(4.1)	39,969	(11.3)	45,068	(10.1)	50,107
10,909,608	47.4	7,400,733	2.5	7,219,798	22.0	5,917,652	19.5	4,950,597
29,477	(9.6)	32,600	(12.8)	37,395	74.0	21,493	41.9	15,143
100,287	(12.9)	115,086	(11.4)	129,862	22.1	106,393	16.6	91,246
479,944	(8.1)	522,007	(70.4)	1,765,735	62.6	1,085,822	722.7	131,989
38,888	(45.7)	71,619	(70.5)	243,138	(50.5)	491,646	3,292.1	14,494
295,721	19.0	248,607	108.8	119,041	71.2	69,545	(51.7)	143,976
462,509	42.6	324,282	109.5	154,767	(9.3)	170,545	(24.9)	227,087
94,992	(5.4)	100,369	44.2	69,601	(41.6)	119,169	255.6	33,514
							(100.0)	2,663,840
1,501,818	6.2	1,414,570	(43.9)	2,519,539	22.0	2,064,613	(37.8)	3,321,289
12,411,426	40.8	8,815,303	(9.5)	9,739,337	22.0	7,982,265	(3.5)	8,271,886
695,238	-	695,238	-	695,238	-	695,238	-	695,238
1,109,735	(6.6)	1,187,887	22.4	970,230	8.7	892,985	(7.9)	969,241
(2,459,840)	32.4	(1,857,703)	(17.6)	(2,255,788)	(18.5)	(2,767,168)	(3.6)	(2,870,871)
(654,867)	(2,676.0)	25,422	(104.3)	(590,320)	(49.9)	(1,178,945)	(2.3)	(1,206,392)
5,297,880	147.3	2,141,914	(6.1)	2,281,579	61.1	1,416,678	(16.6)	1,699,425
	(100.0)	26,003	(94.3)	459,964	26.6	363,205	(68.1)	1,137,926
1,089,825	100.0	-	-	-	-	-	-	-
	(100.0)	10,148	(46.0)	18,793	(24.3)	24,837	(57.6)	58,577
9,287	1000	-	-	-	(100.0)	501	(96.0)	12,577
		-	-	-	-	-	(100.0)	2,307
1,099,112	2,940.3	36,151	(92.4)	478,757	23.2	388,543	(67.9)	1,211,387
1,364,594	(35.6)	2,117,610	8.1	1,959,402	(20.4)	2,460,408	37.3	1,791,441
1,861,493	61.1	1,155,480	(53.9)	2,507,350	(1.4)	2,541,813	(10.7)	2,845,639
2,836,493	171	2,422,533	22.4	1,979,617	61.6	1,225,169	9.6	1,117,523
606,721	(33.8)	916,193	(18.4)	1,122,448	3.2	1,087,629	33.8	812,863
			(100.0)	504	(98.8)	40,970	100.0	-
6,669,301	0.9	6,611,816	(12.6)	7,569,321	2.9	7,355,989	12.0	6,567,466
12,411,426	40.8	8,815,303	(9.5)	9,739,337	22.0	7,982,265	(3.5)	8,271,886

DuPont Analysis

During the year, the Company has crushed 1.54 million tonnes (2016: 0.45 million tonnes) of sugarcane and produced sugar of 144,460 tonnes (2016: 45,707 tonnes) at average recovery of 9.36% (2016: 10.16%). Further 41.62 million litres (2016: 10.20 million litres) of Biofuel was produced during the year. Higher asset turnover ratio due to better capacity utilization, lower equity multiplier due to lower portion of asset financing attributed to debt and higher net profit margin evident from gross profit and net profit for the year due to increase in sales, all resulted in 3.8% return on equity as compared to -0.4% in 2016.

Financial Statements Data	(Rs. in Thousand)	
	2017	2016
Sales	11,360,157	4,373,219
EBIT	519,844	151,091
Interest Expense (Non-operating)	169,832	182,754
Tax Expense	(139,193)	13,770
Net Income (Income for Primary EPS)	210,819	(17,893)
Assets	11,270,752	10,839,796
Equity	6,142,140	4,971,233
Three-Step DuPont Model:		
Net Profit Margin (Net Income ÷ Sales)	1.9%	(0.4%)
Asset Turnover (Sales ÷ Average Assets)	1.03	0.36
Equity Multiplier (Average Assets ÷ Average Equity)	1.99	2.55
Return on Equity	3.8%	(-0.4%)
Five-Step DuPont Model:		
Pre-Interest Pretax Margin (EBIT ÷ Sales)	4.6%	3.5%
Asset Turnover (Sales ÷ Average Assets)	1.03	0.36
Interest Burden [(EBIT - Interest Expense) ÷ EBIT]	67.3%	(21.0%)
Tax Efficiency [1 - (Tax Expense ÷ (EBIT - Interest Expense))]	60.2%	56.5%
Equity Multiplier (Average Assets ÷ Average Equity)	1.99	2.55
Return on Equity	3.8%	(0.4%)

Shakarganj Corporate Reporting Calendar

The Fiscal Year of the Company starts on 01 October and ends on 30 September.

Financial Results will be announced as per the following tentative schedule:

-  01 1st Quarter ending 31 December 2017
Last week of January 2018
-  02 2nd Quarter and Half-Year ending 31 March 2018
Last week of May 2018
-  03 3rd Quarter & Nine Months ending 30 June 2018
Last week of July 2018
-  04 Financial Year ending 30 September 2018
Second week of December 2018
-  05 Annual General Meeting
January 2019

* Results schedule is tentative and the Company reserves the right to modify

Key Operating and Financial Data

FOR THE CURRENT AND PAST SIX FINANCIAL YEARS

(Rs. in Thousand)

	2017	2016	2015	2014	2013	2012	2011
A- SUMMARY OF PROFIT AND LOSS ACCOUNT							
Sales - net	11,360,157	4,373,219	6,578,986	11,356,340	13,507,225	14,762,318	13,354,705
Cost of sales	(10,704,342)	(4,668,941)	(6,647,610)	(11,402,233)	(12,512,771)	(13,044,568)	(12,061,782)
Gross profit	655,815	(295,722)	(68,624)	(45,893)	994,454	1,717,750	1,292,923
Administrative expenses	(282,315)	(222,983)	(258,743)	(323,831)	(298,792)	(352,995)	(298,151)
Distribution and selling costs	(161,084)	(55,965)	(174,258)	(313,341)	(330,387)	(337,108)	(245,043)
Other expenses	(30,500)	(26,551)	(44,034)	(47,356)	(117,835)	(94,933)	(171,725)
Other income	142,584	460,517	362,513	351,546	321,385	100,628	263,163
Profit / (loss) from operations	324,500	(140,704)	(183,146)	(378,875)	568,825	1,033,342	841,167
Finance cost	(169,832)	(182,754)	(238,124)	(328,328)	(438,130)	(729,469)	(945,255)
Share of profit from associate	195,344	291,795	378,618	122,618	198,667	138,580	55,893
Profit / (loss) before taxation	350,012	(31,663)	(42,652)	(584,585)	329,362	442,453	(48,195)
Taxation							
- Company	(72,227)	19,028	(46,594)	(16,794)	(29,525)	64,140	(132,572)
- Associate	(66,966)	(5,258)	(53,510)	(37,430)	(32,825)	(8,117)	(25,737)
Profit / (loss) for the year from continuing operations	210,819	(17,893)	(142,756)	(638,809)	267,012	498,476	(206,504)
Profit / (loss) for the year from discontinued operations	-	-	-	-	-	-	124,981
Profit / (loss) for the year	210,819	(17,893)	(142,756)	(638,809)	267,012	498,476	(81,523)
Earnings per share from continuing operation	1.80	(0.16)	-1.89	-9.19	3.84	7.17	(2.97)
Earnings per share from discontinued operation	-	-	-	-	-	-	1.80
B- SUMMARY OF BALANCE SHEET							
Non-current assets							
Property, plant and equipment	8,487,270	8,987,560	9,599,483	10,254,043	6,252,667	6,401,019	5,241,210
Intangible assets	-	685	775	865	955	1,045	1,137
Biological assets	11,840	7,734	9,954	13,654	13,975	8,895	11,140
Investments - related parties	1,084,476	954,356	901,845	603,687	1,081,722	750,895	618,052
Employees' retirement benefits	50,703	38,927	12,126	-	13,091	17,975	1,045
Long term loans, advances and deposits	36,531	36,531	36,945	37,359	38,323	39,969	45,068
Current assets							
Biological assets	14,811	13,718	20,668	29,477	32,600	37,395	21,493
Stores, spare parts and loose tools	61,342	70,879	83,516	100,287	115,086	129,862	106,393
Stock-in-trade	1,115,847	347,650	804,951	479,944	522,007	1,765,735	1,085,822
Trade debts	167,717	13,154	30,564	38,888	71,619	243,138	491,646
Investments	-	-	-	295,721	248,607	119,041	69,545
Loans, advances, deposits,							

(Rs. in Thousand)

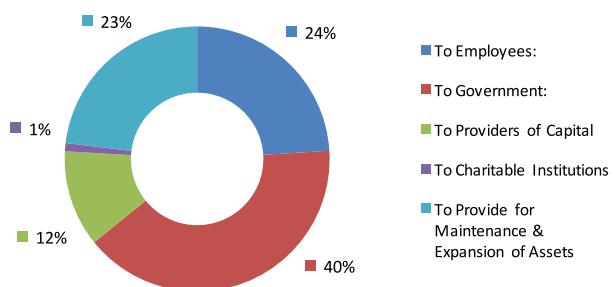
	2017	2016	2015	2014	2013	2012	2011
prepayments and other receivables	234,960	349,962	299,308	462,509	324,282	154,767	170,545
Cash and bank balances	5,255	18,640	1,528,456	94,992	100,369	69,601	119,169
Non-current assets held for sale	-	-	-	-	-	-	-
Shareholders' equity	1,463,169	28,458	(711,810)	(654,867)	25,422	(590,320)	(1,178,945)
Surplus on revaluation of property, plant and equipment - net of tax	4,678,971	4,942,775	5,203,063	5,297,880	2,141,914	2,281,579	1,416,678
Non-current liabilities							
Long term finances	405,767	491,213	-	-	26,003	459,964	363,205
Liabilities against assets subject to finance lease	-	-	-	-	10,148	18,793	24,837
Employees' retirement benefits	-	-	-	9,287	-	-	501
Deferred taxation / Income	760,843	810,042	864,353	1,089,825	-	-	-
Current liabilities							
Current portion of long term liabilities	123,707	147,543	1,034,356	1,364,594	2,117,610	1,959,402	2,460,408
Short term borrowings	1,661,160	969,199	2,584,737	1,861,493	1,155,480	2,507,350	2,541,813
Trade and other payables	2,060,619	3,232,021	3,737,147	2,836,493	2,422,533	1,979,617	1,225,169
Accrued finance cost	116,516	218,545	616,745	606,721	916,193	1,122,448	1,087,629
Provision for taxation	-	-	-	-	-	504	40,970
C- SUMMARY OF CASH FLOW STATEMENT							
Cash and cash equivalents at the beginning of the year	18,640	1,528,456	94,992	100,369	69,601	119,169	33,514
Net cash generated from/(used in) operating activities	(1,589,749)	211,854	1,071,615	(203,576)	2,211,423	715,044	(1,079,975)
Net cash (used in)/inflows from investing activities	43,337	417,687	394,002	685,854	(173,891)	(319,857)	1,608,954
Net cash (used in)/inflow from financing activities	1,533,027	(2,139,357)	(32,153)	(487,655)	(2,006,764)	(444,755)	(443,324)
Net (decrease)/increase in cash and cash equivalents	(13,385)	(1,509,816)	1,433,464	(5,377)	30,768	(49,568)	85,655
Cash and cash equivalents at the end of the year	5,255	18,640	1,528,456	94,992	100,369	69,601	119,169
D- Other Data							
Depreciation and amortization	534,508	582,894	633,923	327,907	342,636	285,842	299,689
Taxes, duties and other levies	1,274,656	582,420	642,558	940,570	1,006,905	1,136,818	826,310
Capital expenditure	59,846	3,546	3,903	77,335	312,692	426,094	152,157
No. of ordinary shares (no. of shares in millions)	125	110	70	70	70	70	70

Statement of Value Added

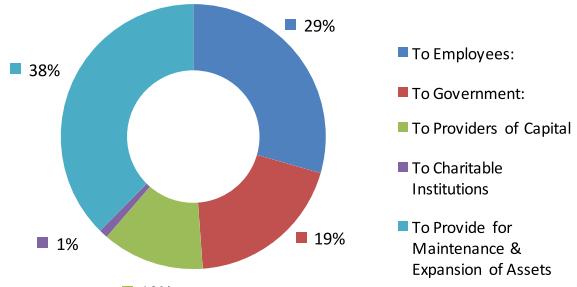
Wealth Generated	(Rupees in Million)			
	2017	%AGE	2016	%AGE
Sales Revenue (Gross)	12,246		4,671	
Other Receipts	143		461	
Less: Materials & Services	12,389		5,132	
	(9,835)		(3,668)	
Value Added	2,554	100	1,463	100
Wealth Distributed		%AGE		%AGE
To Employees:				
Salaries, Benefits and Other Costs	613	24	431	29
To Government:				
Income Tax, Sales Tax and Other Taxes	1025	40	284	19
To Providers of Capital:				
Dividend to Shareholders *	156	6	-	-
Mark up/interest expenses on borrowed funds	170	7	183	12
	1,964	77	898	61
To Society:				
Donation towards education, health and environments	0.10	1	0.13	1
To Provide for Maintenance & Expansion of Assets				
Depreciation / Amortization	534	21	583	39
Profit retained / (loss sustained)	55	1	(18)	(1)
	589	22	565	38
	2,554	100	1,463	100

* This includes final dividend recommended by the Board of Directors subsequent to the year end.

Wealth Distribution 2017



Wealth Distribution 2016



Cash Flow Statement - Direct Method

For the year ended 30 September 2017

	2017	2016
	--- (Rupees in thousand) ---	
Cash flows from operating activities		
Cash received from customer	10658,366	4,725,604
Cash paid to supplier / service rendered	(10,532,550)	(3,523,612)
Cash paid to employees	(632,267)	(390,503)
Payment of indirect taxes	(729,011)	(212,334)
Finance cost paid	(246,398)	(285,346)
Income Taxes paid	(90,934)	(88,314)
Employees' retirement benefits paid	(16,955)	(13,641)
Net cash (used in) / generated from operating activities	(1,589,749)	211,854
Cash flows from investing activities		
Fixed capital expenditure	(59,846)	(3,546)
Proceeds from sale of property, plant and equipment	93,505	66,519
Dividends received	9,590	11,070
Income from bank deposits received	88	14,039
Proceeds from sale of investment	-	329,605
Net cash generated from investing activities	43,337	417,687
Cash flows from financing activities		
Proceeds from issue of share capital - right issue	968,618	404,762
Loan from director	-	240,000
Repayment of long term finances	(127,534)	(669,650)
Short term borrowings - net	691,961	(2,114,469)
Dividend paid	(18)	-
Net cash generated from/ (used in) financing activities	1,533,027	(2,139,357)
Net decrease in cash and cash equivalents	(13,385)	(1,509,816)
Cash and cash equivalents at beginning of the year	18,640	1,528,456
Cash and cash equivalents at end of the year	5,255	18,640

Progress Through Quarters

Rupees in thousand

	Q1	Q2	Q3	Q4	FY2017
Sales - net	2,579,892	6,156,931	1,525,161	1,098,173	11,360,157
Cost of sales	(2,441,027)	(5,061,097)	(1,523,756)	(1,678,462)	(10,704,342)
Gross profit / (loss)	138,865	1,095,834	1,405	(580,289)	655,815
Administrative expenses	(59,374)	(78,081)	(64,752)	(80,108)	(282,315)
Distribution and selling costs	(6,118)	(27,274)	(57,906)	(69,786)	(161,084)
Other expenses	(15,404)	(54,987)	4,363	35,528	(30,500)
Other income	36,923	69,080	23,216	13,365	142,584
Profit / (loss) from operations	94,892	1,004,572	(93,674)	(681,290)	324,500
Finance cost	(35,000)	(46,060)	(45,490)	(43,282)	(169,832)
Share of profit from associate	72,086	60,081	34,451	28,726	195,344
Profit / (loss) before taxation	131,978	1,018,593	(104,713)	(695,846)	350,012
Taxation	(29,918)	(65,821)	(14,955)	(28,499)	(139,193)
Profit / (loss) after tax	102,060	952,772	(119,668)	(724,345)	210,819
Cash flows from operating activities	(606,614)	(844,526)	(790,910)	(1,589,749)	(1,589,749)
Cash flows from investing activities	21,182	58,952	62,658	43,337	43,337
Cash flows from financing activities	715,267	786,598	762,922	1,533,027	1,533,027
Balance Sheet Footings	11,714,758	12,640,617	11,619,286	11,270,752	11,270,752
Equity	219,754	1,231,245	1,170,019	1,463,169	1,463,169
Surplus on revaluation of property, plant and equipment	4,858,610	4,817,441	4,756,638	4,678,971	4,678,971
Non-current liabilities	1,264,391	1,226,976	1,190,701	1,166,610	1,166,610
Current liabilities	5,372,003	5,364,955	4,501,928	3,962,002	3,962,002
Non-current assets	9,939,067	9,882,579	9,757,813	9,670,820	9,670,820
Current assets	1,775,691	2,758,038	1,861,473	1,599,932	1,599,932
Earnings / (loss) per share	0.93	8.66	(1.09)	(6.18)	1.80

Due to seasonal nature of sugar segment lower operating profits are usually expected in the last quarter than the first nine months however, after a steady first quarter, sales picked up movement and was at peak in second quarter and due to better production in Sugar Division, after tax profit was Rs 952.77 million. As explained in detail in the chief executive review, Sugar Division reported outstanding operating and financial performance.

The Company's export of Biofuel was significantly improved and increase was over 280% as to previous year. During the season, sugar selling prices maintained their upward trend and allowed us to sell a large proportion of our total production at healthy margins in the first half, allowing the Sugar Division to achieve historically high level of operational profit in this segment. However, soon after the crushing season, declining trend in sugar selling prices was consistently prevails in the market which affect second half results. In the last quarter, as a result of the court order, provision of provincial excise duty at the rate of Rs. 2 per litre has been accounted for at the year end. This was previously reported under contingencies and commitments having total impact of Rs. 519.829 million. Inspite of the impact of this heavy provision, the Company reported Rs. 210.819 million after tax profit for the year.

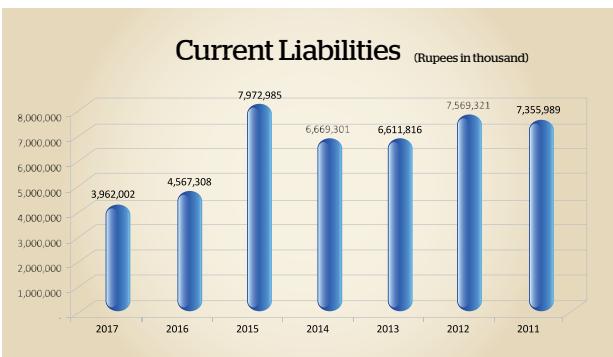
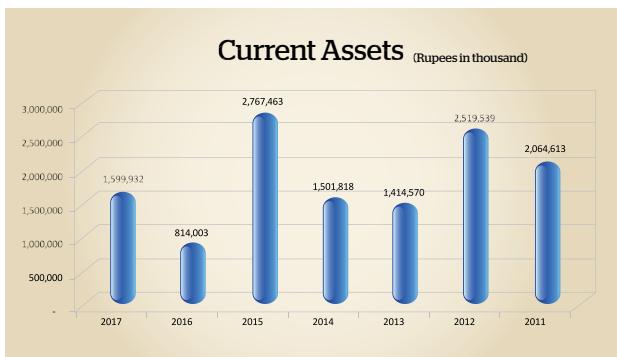
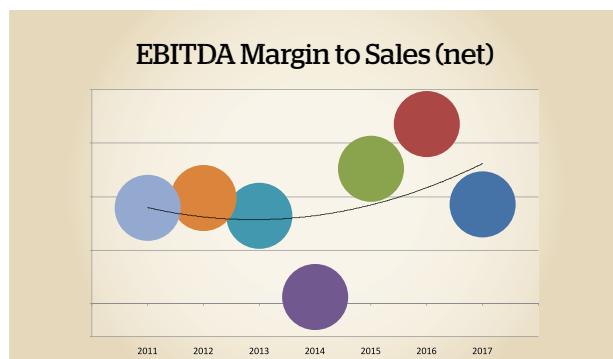
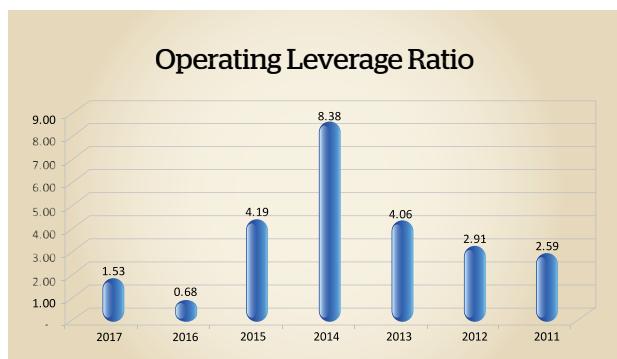
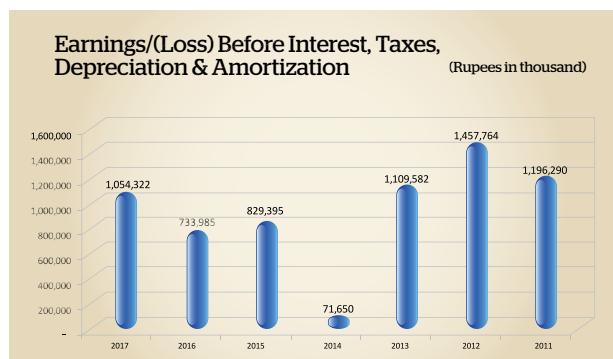
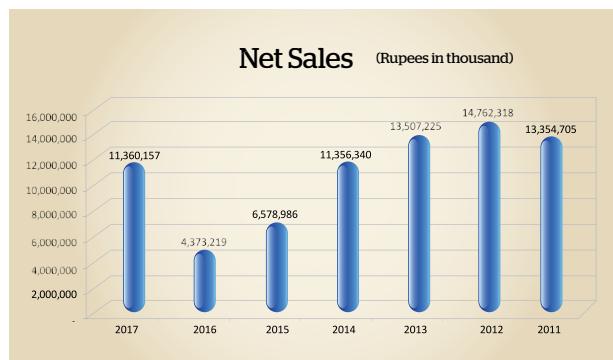
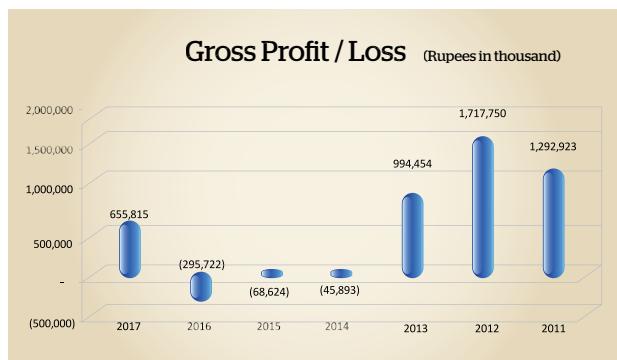
Note: Earnings / (loss) per share has been calculated on the basis of shares outstanding as at the balance sheet date.

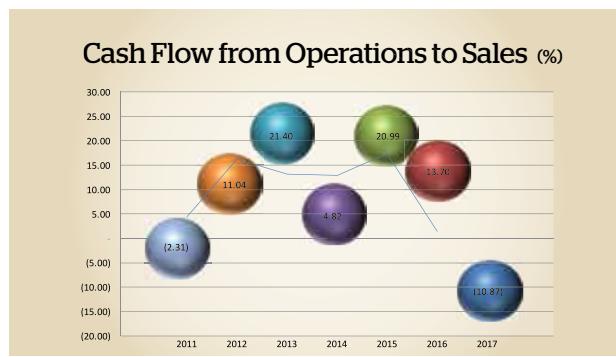
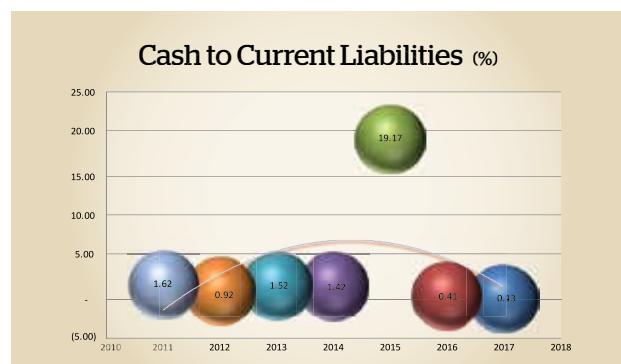
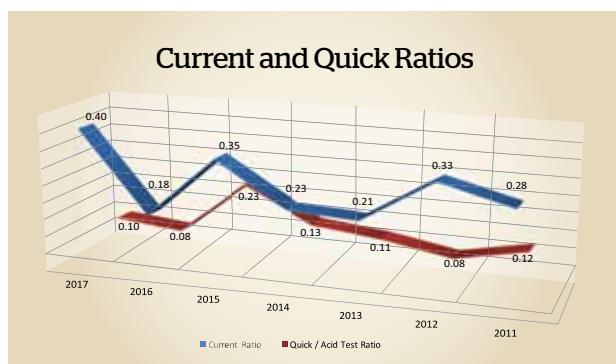
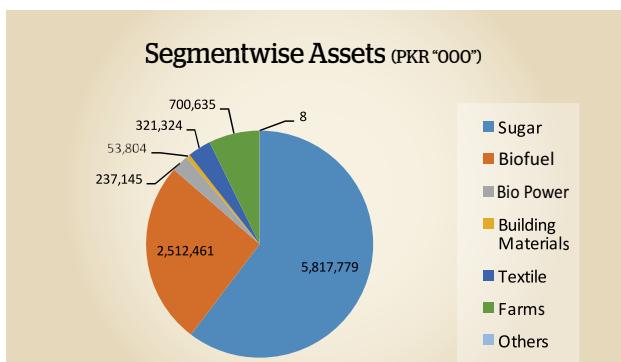
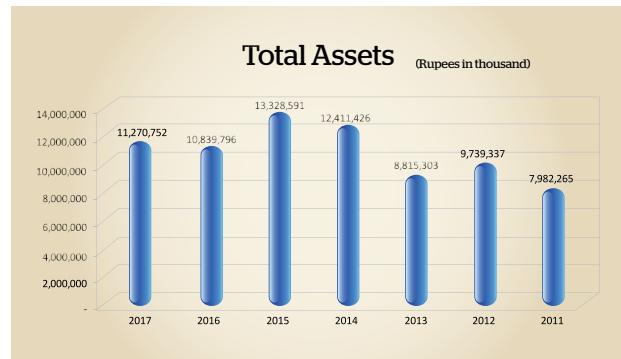
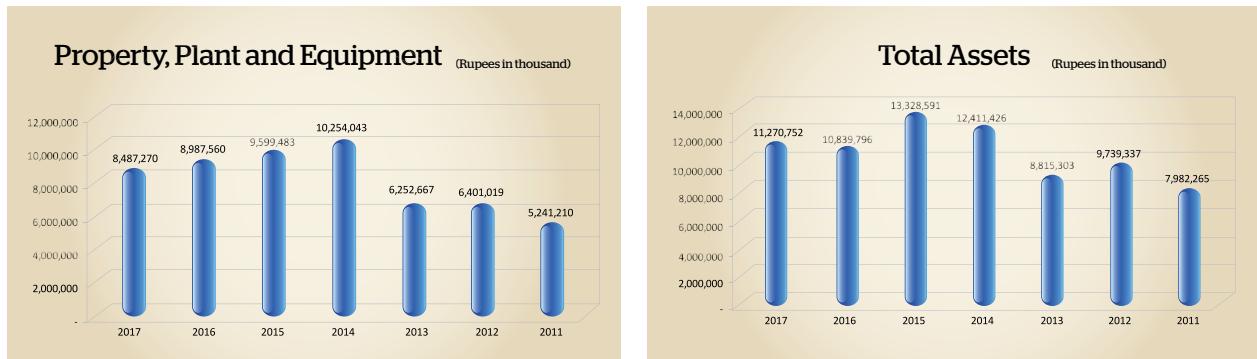
Financial Highlights (Ratios)

		2017	2016	2015	2014	2013	2012	2011
Profitability & Ratios Area:								
Net Sales	(Rs 000)	11,360,157	4,373,219	6,578,986	11,356,340	13,507,225	14,762,318	13,354,705
Cost of Sales	(Rs 000)	10,704,342	4,668,941	6,647,610	11,402,233	12,512,771	13,044,568	12,061,782
Gross Profit / (loss)	(Rs 000)	655,815	(295,722)	(68,624)	(45,893)	994,454	1,717,750	1,292,923
Operating Profit/(Loss)	(Rs 000)	324,500	(140,704)	(183,146)	(378,875)	568,825	1,033,342	841,167
Profit/(Loss) Before Tax	(Rs 000)	350,012	(31,663)	(42,652)	(584,585)	329,362	442,453	(48,195)
Profit/(Loss) After Tax	(Rs 000)	210,819	(17,893)	(142,756)	(638,809)	267,012	498,476	(81,523)
Earnings/(Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	1,054,322	733,985	829,395	71,650	1,109,582	1,457,764	1,196,290
Gross Profit Ratio	(%)	5.77	(6.76)	(1.04)	(0.40)	7.36	11.64	9.68
Net Profit to Sales	(%)	1.86	(0.41)	(2.17)	(5.63)	1.98	3.38	(0.61)
EBITDA Margin to Sales (net)	(%)	0.09	0.17	0.13	0.01	0.08	0.10	0.09
Operating Leverage Ratio	(%)	1.53	0.68	4.19	8.38	4.06	2.91	2.59
Return on Equity	(%)	28.27	(5.24)	(20.89)	(202.98)	94.53	56.35	(6.84)
Return on Capital Employed	(%)	7.66	(2.60)	(3.52)	(6.45)	35.10	83.82	(117.93)
Liquidity & Ratios Area:								
Current Assets	(Rs 000)	1,599,932	814,003	2,767,463	1,501,818	1,414,570	2,519,539	2,064,613
Current Liabilities	(Rs 000)	3,962,002	4,567,308	7,972,985	6,669,301	6,611,816	7,569,321	7,355,989
Net Current Assets / (Liabilities)	(Rs 000)	(2,362,070)	(3,753,305)	(5,205,522)	(5,167,483)	(5,197,246)	(5,049,782)	(5,291,376)
Property, Plant and Equipment	(Rs 000)	8,487,270	8,987,560	9,599,483	10,254,043	6,252,667	6,401,019	5,241,210
Total Assets	(Rs 000)	11,270,752	10,839,796	13,328,591	12,411,426	8,815,303	9,739,337	7,982,265
Current Ratio	(Times)	0.40	0.18	0.35	0.23	0.21	0.33	0.28
Quick / Acid Test Ratio	(Times)	0.10	0.08	0.23	0.13	0.11	0.08	0.12
Cash to Current Liabilities	(%)	0.13	0.41	19.17	1.42	1.52	0.92	1.62
Cash Flow from Operations to Sales	(%)	(10.87)	13.70	20.99	4.82	21.40	11.04	(2.31)
Activity / Turnover Ratios Area:								
Inventory Turnover Ratio	(Times)	13.42	7.14	9.05	18.73	9.88	8.45	17.04
No. of Days in Inventory	(Days)	27.21	51.09	40.32	19.48	36.94	43.20	21.42
Debtor Turnover Ratio	(Times)	125.62	200.06	189.45	205.53	85.83	40.18	52.77
No. of Days in Receivables / Average Collection Period	(Days)	2.91	1.82	1.93	1.78	4.25	9.08	6.92
Creditor Turnover Ratio	(Times)	3.20	0.80	1.46	3.56	4.27	7.15	9.56
No. of Days in Payables / Average Payment Period	(Days)	114.22	456.59	249.15	102.56	85.50	51.02	38.20
Total Assets Turnover Ratio	(Times)	1.01	0.40	0.49	0.91	1.53	1.52	1.67
Fixed Assets Turnover Ratio	(Times)	1.34	0.49	0.69	1.11	2.16	2.31	2.55
Operating Cycle	Days	(84.11)	(403.68)	(206.90)	(81.30)	(44.31)	1.26	(9.86)
Investment / Market Ratios Area:								
Earning / (Loss) Per Share	(Rupees)	1.80	(0.16)	(1.89)	(9.19)	3.84	7.17	(1.17)
Price Earning Ratio	(Times)	50.42	(166.38)	(9.37)	(1.71)	5.08	1.80	(4.19)
Dividend Yield Ratio	(%)	1.38	-	-	-	-	-	-
Dividend Payout Ratio	(%)	69.44	-	-	-	-	-	-
Dividend Cover Ratio	Times	1.44	-	-	-	-	-	-
Cash Dividend per Share	(Rupees)	1.25	-	-	-	-	-	-
Stock Dividend per Share	(%)	-	-	-	-	-	-	-
Market Value Per Share at the Year End	(Rupees)	90.75	26.62	17.71	15.75	19.50	12.85	4.90
- Highest during the Year	(Rupees)	132.25	29.65	20.60	24.95	27.96	15.15	7.88
- Lowest during the Year	(Rupees)	22.50	10.75	12.30	13.31	10.55	4.05	3.75
Breakup Value Per Share without Surplus	(Rupees)	11.71	0.26	(10.24)	(9.42)	0.37	(8.49)	(16.96)
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	49.14	45.19	64.60	66.78	31.17	24.33	342
Capital Structure & Ratios Area:								
Shareholders' Equity	(Rs 000)	1,463,169	28,458	(711,810)	(654,867)	25,422	(590,320)	(1,178,945)
Share Capital	(Rs 000)	1,250,000	1,100,000	695,238	695,238	695,238	695,238	695,238
Financial Leverage Ratio	Times	1.50	56.50	(5.08)	(4.93)	130.17	(8.38)	(4.57)
Weighted Average Cost of Debt	(%)	7.63	8.10	9.93	10.56	10.38	12.86	13.94
Long Term Debt : Equity Ratio	:	0.36	22.45	(1.45)	(2.07)	84.01	(4.08)	(2.37)
Interest Cover Ratio	(Times)	3.06	0.83	0.82	(0.78)	1.75	1.61	0.95

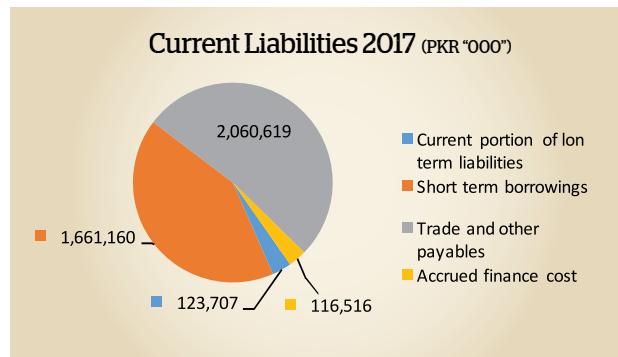
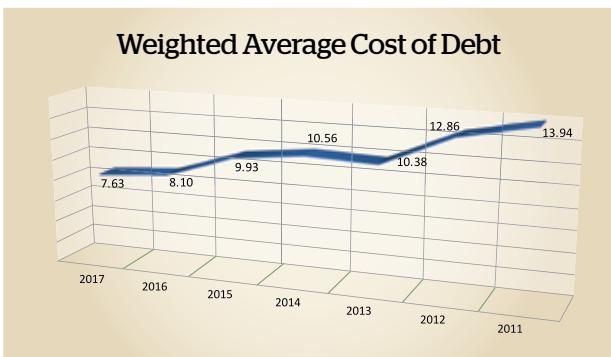
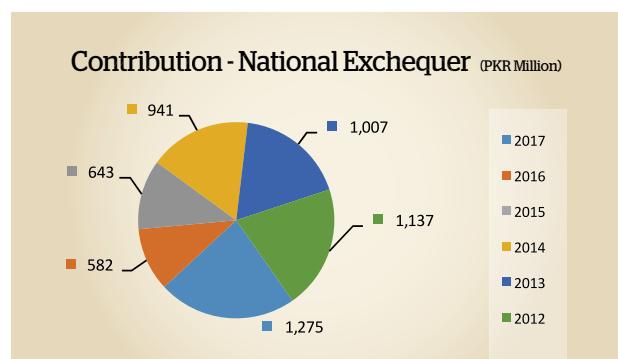
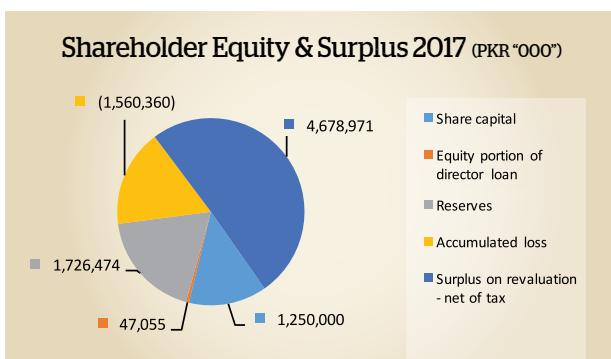
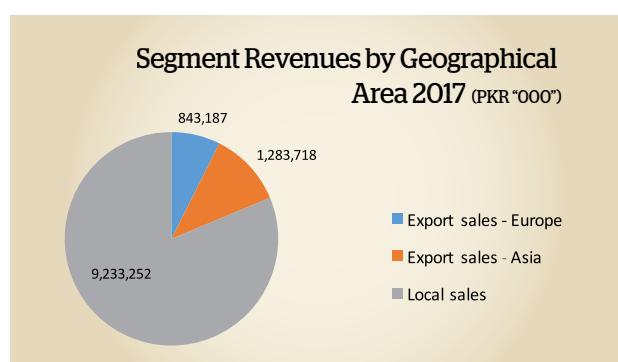
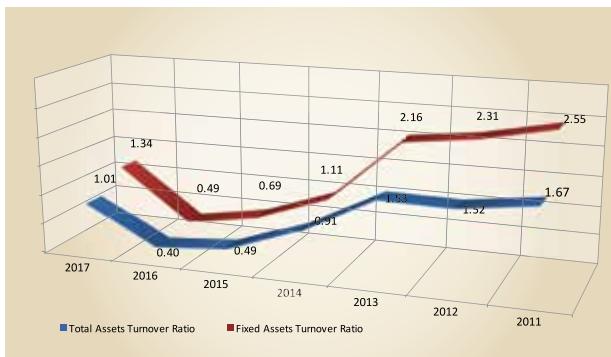
Note: Declaration of final cash dividend subsequent to the year end 30 September 2017 has been considered for above analysis.

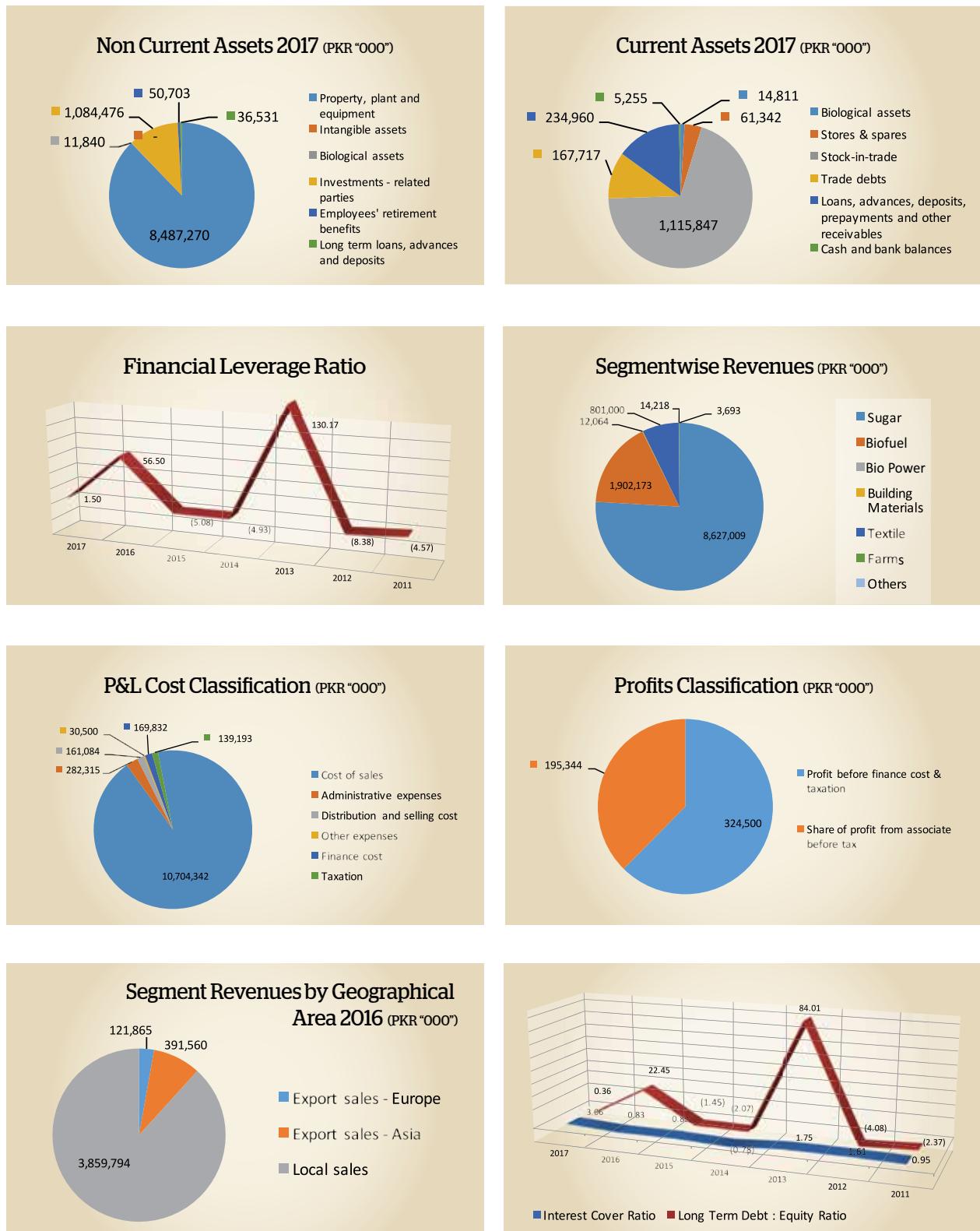
Graphic Presentation





Graphic Presentation





Statement Of Compliance With Code Of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the "Code") contained in Regulation No. 5.19.24 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

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

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

Category	Names
Independent Director	Mr. Shaikh Asim Rafiq Mr. Khawaja Jalaluddin
Non-Executive Directors	Ms. Hajarah Ahsan Saleem Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Muhammad Arshad
Executive Directors	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem

The independent director(s) meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed Companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred on the board during the year ended 30 September 2017. Election of directors was held on 31 May 2017 and seven directors were elected for a period of 3 years.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they

were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer (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, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The directors were apprised about the applicable laws and their duties and responsibilities to effectively manage the affairs of the Company for and on behalf of the Company. The directors of the Company having 15 years of experience on the board of a listed company are exempt from the requirements of directors training Programme. Three directors have already completed training course as required. All other board members

- qualify for exemption under the above provision of the Code.
10. There was no new appointment of the Chief Financial Officer, Head of Internal Audit and Company Secretary during the year.
 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 shareholding.
 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 four members, of whom two are non-executive directors and two are independent directors. The Chairman of the committee is a non-executive director.
 16. The meetings of the audit committee were held four times during the year ended 30 September 2017 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, two of whom are non-executive directors and one member is executive director. The Chairman of the committee is a non-executive director.
 18. The Board has outsourced the internal audit function to Riaz Ahmad and Company, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are 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 Programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and the stock exchange.
 22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
 23. The Company has complied with the requirements relating to the maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names from the said list.
 24. We confirm that all other material principles enshrined in the Code have been complied with including that the Board has developed criteria for annual evaluation of its own performance and last such assessment against the developed criteria has been done by the Board of Directors on 13 December 2017.

By order of the Board



Anjum Muhammad Saleem
Chief Executive Officer



13 December 2017

Ali Altaf Saleem
Director



KPMG Taseer Hadi & Co.
Chartered Accountants
2nd Floor,
Servis House
2-Main Gulberg Jail Road,
Lahore Pakistan

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Internet www.kpmg.com.pk

Review Report To The Members On Statement Of Compliance With Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Shakarganj Limited** ("the Company") for the year ended 30 September 2017 to comply with the requirements of Listing Regulation no. 5.19 of the Rule Book of Pakistan Stock Exchange Limited where the Company is listed.

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

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Director'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.

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

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

KPMG Taseer Hadi & Co.

Lahore
13 December 2017

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan
and a member firm of the KPMG network of independent member
firms affiliated with KPMG International Cooperative
("KPMG International"), a Swiss entity.



Financial Statements

For The Year Ended 30 September 2017



Shakarganj Limited



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Lahore Pakistan

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Shakarganj Limited** ("the Company") as at 30 September 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the 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;
 - (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 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KTH Taseer Hadi & Co.

Lahore
13 December 2017

KPMG Taseer Hadi & Co.
Chartered Accountants
(Bilal Ali)

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

BALANCE SHEET

As at 30 September 2017

	Note	2017 (Rupees in thousand)	2016
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
150,000,000 (2016: 150,000,000)			
ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (2016: 50,000,000)			
preference shares of Rs. 10 each		500,000	500,000
		2,000,000	2,000,000
Issued, subscribed and paid up capital			
125,000,000 (2016: 110,000,000)			
ordinary shares of Rs 10 each	5	1,250,000	1,100,000
Equity portion of director loan - net of tax		47,055	57,205
Reserves		1,726,474	906,114
Accumulated loss		(1,560,360)	(2,034,861)
		1,463,169	28,458
Surplus on revaluation of property, plant and equipment - net of tax	6	4,678,971	4,942,775
Non-current liabilities			
Long term finances	7	405,767	491,213
Deferred taxation	8	760,843	810,042
		1,166,610	1,301,255
Current liabilities			
Current portion of long term liabilities	9	123,707	147,543
Short term borrowings	10	1,661,160	969,199
Trade and other payables	11	2,060,619	3,232,021
Accrued finance cost	12	116,516	218,545
		3,962,002	4,567,308
Contingencies and commitments	13		
		11,270,752	10,839,796

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



Jayanta Bhattacharya
Chief Executive

	Note	2017 (Rupees in thousand)	2016
ASSETS			
Non-current assets			
Property, plant and equipment	14	8,487,270	8,987,560
Intangible assets	15	-	685
Biological assets	16	11,840	7,734
Investments - related parties	17	1,084,476	954,356
Employees' retirement benefits	18	50,703	38,927
Long term loans, advances and deposits	19	36,531	36,531
		9,670,820	10,025,793
Current assets			
Biological assets	16	14,811	13,718
Stores, spare parts and loose tools	20	61,342	70,879
Stock-in-trade	21	1,115,847	347,650
Trade debts	22	167,717	13,154
Loans, advances, deposits, prepayments and other receivables	23	234,960	349,962
Cash and bank balances	24	5,255	18,640
		1,599,932	814,003
		11,270,752	10,839,796



Chairman



Chief Financial Officer

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
Sales - net	25	11,360,157	4,373,219
Cost of sales	26	(10,704,342)	(4,668,941)
Gross profit / (loss)		655,815	(295,722)
Administrative expenses	27	(282,315)	(222,983)
Distribution and selling costs	28	(161,084)	(55,965)
Other expenses	29	(30,500)	(26,551)
Other income	30	142,584	460,517
Profit / (loss) from operations		324,500	(140,704)
Finance cost	31	(169,832)	(182,754)
Share of profit from associates	17.11	195,344	291,795
Profit / (loss) before taxation		350,012	(31,663)
Taxation			
- Company		(72,227)	19,028
- Associates		(66,966)	(5,258)
	32	(139,193)	13,770
Profit / (loss) for the year		210,819	(17,893)
Earnings / (loss) per share - basic and diluted	Rupees 33	1.80	(0.16)

Restated

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



Chief Executive



Chairman



Chief Financial Officer

STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2017

	2017 (Rupees in thousand)	2016
Profit / (loss) for the year	210,819	(17,893)
Other comprehensive income for the year		
<i><u>Items that are or may be reclassified to profit or loss account:</u></i>		
Fair value gain on 'Available for sale' investments	5,792	7,738
Loss realised on disposal of 'Available for sale' investments transferred to profit and loss	-	15,270
Share of other comprehensive loss of associates	(4,050)	(8,307)
<i><u>Items that will never be reclassified to profit or loss account:</u></i>		
Remeasurement gain on employee retirement benefits	6,110	26,732
Total comprehensive income for the year	218,671	23,540

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



Jayesh Patel
Chief Executive



Rakesh Anand
Chairman



S. K. Chaturvedi
Chief Financial Officer

CASH FLOW STATEMENT

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
Cash flows from operating activities			
Cash (used in) / generated from operations	34	(1,235,041)	599,183
Finance cost paid		(246,398)	(285,346)
Taxes paid		(90,934)	(88,314)
WPPF paid		(421)	(28)
Employees' retirement benefits paid		(16,955)	(13,641)
Net cash (used in) / generated from operating activities		(1,589,749)	211,854
Cash flows from investing activities			
Fixed capital expenditure		(59,846)	(3,546)
Proceeds from sale of property, plant and equipment		93,505	66,519
Dividends received		9,590	11,070
Income from bank deposits received		88	14,039
Proceeds from sale of investment		-	329,605
Net cash generated from investing activities		43,337	417,687
Cash flows from financing activities			
Proceeds from issue of share capital - right issue		968,618	404,762
Loan from director		-	240,000
Repayment of long term finances		(127,534)	(669,650)
Short term borrowings - net		691,961	(2,114,469)
Dividend paid		(18)	-
Net cash generated from/ (used in) financing activities		1,533,027	(2,139,357)
Net decrease in cash and cash equivalents		(13,385)	(1,509,816)
Cash and cash equivalents at beginning of the year		18,640	1,528,456
Cash and cash equivalents at end of the year	24	5,255	18,640

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



Chief Executive



Chairman



Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2017

		CAPITAL RESERVES			REVENUE RESERVES					
	Share capital	Share premium	Share in capital reserves of associates	Fair value reserve	Difference of capital under scheme of arrangement or merger	Equity portion of director loan - net of tax	Dividend equalization	Equity investment market value equalization	Accumulated loss	Total
Balance as at 01 October 2015	695,238	243,282	(2,331)	(16,247)	155,930	-	410,606	22,700	83,000	(2,303,988) (71,810)
Total comprehensive income for the year ended 30 September 2016										
Loss for the year										
Other comprehensive income for the year:										
Fair value gain on Available for sale investments				7,738	-	-	-	-		
Remeasurement gain on employee retirement benefits				15,270	-	-	-	-	26,732	77,382
Loss realised on disposal of Available for sale investments transferred to profit and loss account			(8,307)	-	-	-	-	-	-	15,270
Share of other comprehensive loss of associates										(8,307)
Surplus transferred to accumulated losses on account of disposals of land, incremental depreciation on property, plant and equipment - net of deferred tax										
Total comprehensive income for the year ended 30 September 2016										
Transactions with owners of the Company, recognized directly in equity										
Proceeds from right shares	404,762	(5,527)	-	-	-	-	-	-	-	404,762
Incremental cost on the issuance of right shares										(5,527)
Equity portion of loan from director - net of tax										57,205
Balance as on 30 September 2016	110,000	237,755	(10,638)	6,761	155,930	57,205	410,606	22,700	83,000	(2,034,861) 28,458
Total comprehensive income for the year ended 30 September 2017										
Profit for the year										
Other comprehensive income for the year:										
Fair value gain on Available for sale investments				5,792	-	-	-	-	-	
Remeasurement gain on employee retirement benefits				1,405	-	-	-	-	-	
Share of other comprehensive loss of associate										(4,050)
Surplus transferred to accumulated losses on account of disposals of property, plant and equipment - net of tax, incremental depreciation on property, plant and equipment - net of deferred tax										
Total comprehensive income for the year ended 30 September 2017										
Transactions with owners of the Company, recognized directly in equity										
Proceeds from right shares	150,000	825,000 (6,382)	-	-	-	-	-	-	-	975,000 (6,382)
Incremental cost on the issuance of right shares										
Equity portion of loan from director - net of tax										10,150
Balance as on 30 September 2017	1,250,000	10,56,373	(14,688)	12,553	155,930	47,055	410,606	22,700	83,000	(1,560,360) 1,463,169

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


Chairman

Chief Executive Officer

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

1. THE COMPANY AND ITS OPERATIONS

1.1 The Company is incorporated in Pakistan and is listed on Pakistan Stock Exchange. It is principally engaged in manufacture, purchase and sale of sugar, bio fuel, building materials, yarn (textile) and engaged in generation and sale of electricity (bio power). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. During the year, the Company has changed its registered office and is now situated at E-floor, IT tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

1.2 Going concern assumption

The Company undertook significant operational measures in the current year to improve its productivity and generate liquidity from operations. During the year, the Company has crushed 1.54 million tonnes (2016: 0.45 million tonnes) of sugarcane and produced sugar of 144,460 tonnes (2016: 45,707 tonnes) at average recovery of 9.36% (2016: 10.16%). Further 41.62 million liters (2016: 10.20 million liters) of bio fuel was produced during the year. The Company had faced liquidity crunch for the last few years mainly due to under utilization of available capacity. The liquidity crunch also constrained the Company to timely meet its obligations towards creditors and lenders of finance. However as of 30 September 2017, the Company has fully settled its over-due redeemable term finance certificates, repaid preference shares along with accrued markup and repaid restructured/rescheduled long term finances amounting to Rs. 1,391 million and as of this date long term loan of only Rs. 350 million is due to National Bank of Pakistan that is repayable in quarterly installments ending in December 2020.

The Company had faced difficulty in arranging working capital finance to meet operational liquidity from providers of finance. During the year working capital lines of only Rs. 1,400 million were available for utilization. Subsequent to the crushing season, the Company has raised equity finance of Rs. 975 million through right issue which has primarily been utilized to settle overdue trade and other payables. Subsequent to the reporting date, the Company is again in negotiations with its lenders for working capital finance for operational liquidity.

During the year, the Company has earned profit after tax of Rs. 210.82 million. Although as at the reporting date the current liabilities of the Company have exceeded its current assets by Rs. 2,362.07 million (2016: Rs. 3,753.31 million), the management is confident that with the support of lenders, the Company will be able to increase capacity utilization and generate sufficient cashflows in the crushing season 2017-2018.

2. BASIS OF PREPARATION AND 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 (IFRSs) issued by the International Accounting Standards Board as are notified under the provisions of the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives issued under the repealed Companies Ordinance, 1984 shall prevail.

On 30 May 2017 the Companies Act, 2017 was enacted which replaced and repealed the Companies Ordinance, 1984 ("the repealed Ordinance"). However the Securities and Exchange Commission of Pakistan, in continuation to its circular 17 dated 20 July 2017 and press release of the same date, vide its circular 23 dated 04 October 2017 has clarified that the companies whose financial year closes on or before 31 December 2017 shall prepare their financial statements in accordance with the provisions of the repealed Ordinance.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in preparation of financial statements are set out below.

3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for the measurement of certain items of property, plant and equipment as referred to in note 14 at revalued amounts, measurement of biological assets and certain financial instruments at fair value and recognition of certain employee retirement benefits as referred to in note 18 at present value.

3.2 Taxation

Current

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits 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.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the proportion of income that is subject to final tax regime are also considered in accordance with the treatment prescribed by the Institute of Chartered Accountants of Pakistan. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

3.3 Property, plant and equipment

Property, plant and equipment except freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and identified impairment loss. Freehold land is stated at revalued amount carried out by independent valuers by reference to its current market price less any identified impairment loss. Buildings and plant and machinery are stated at revalued amount carried out by independent valuers by reference to its current market price less accumulated depreciation and identified impairment loss. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the buildings and plant and machinery, and the net amount is restated to the revalued amount of the buildings and plant and machinery. Property, plant and equipment acquired under finance lease are capitalized at the lease's commencement at the lower of the present value of minimum lease payments under the lease arrangements and the fair value of the leased asset. Costs in relation to certain property, plant and equipment includes borrowing costs referred to in note 3.2.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to surplus on revaluation of property, plant and equipment. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the profit and loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

Depreciation on all property, plant and equipment, except land is charged to profit on the reducing balance method so as to write off the cost of an asset over its estimated useful life at the annual rates given in note 14.1 after taking into account the impact of their residual values, if considered significant.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at 30 September 2017 has not required any adjustment as its impact is considered insignificant.

Depreciation on additions to property, plant and equipment is charged from the month in which the asset is acquired or capitalized, while no depreciation is charged for the month in which the asset is disposed off.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

Capital work-in-progress is stated at cost less identified impairment loss, if any. It consists of all expenditures and advances connected with specific assets incurred and made during installations and construction period. These are transferred to relevant property, plant and equipment as and when assets are available for use.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.4 Intangible assets

Intangible assets represent the cost of computer software and licenses acquired and are stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to income on the straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the month in which an asset is acquired or capitalized while no amortization is charged for the month in which the asset is disposed off. Amortization is being charged at annual rates as specified in note 15.

The Company assesses at each balance sheet date whether there is any indication that intangible assets may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amounts. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment is recognized in income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

3.5 Biological assets

Biological assets comprise of standing crops and livestock. These are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognized in the profit and loss account. The fair value of standing crops is based on the support price fixed by the Government and other factors such as estimated crop yield and area under cultivation. The fair value of livestock is estimated on the basis of market prices of livestock of similar age, breed and genetic merit. Point-of-sale costs include all costs that are necessary to sell the assets, excluding costs necessary to get the assets to the market.

3.6 Leases

The Company is the lessee:

Finance leases

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are initially recognized at lower of present value of minimum lease payments under the lease arrangements and the fair value of assets. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss.

Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to profit and loss account over the lease term.

The related rental obligations, net of finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non-current depending upon the timing of the payment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss account on a straight-line basis over the lease term.

3.7 Investments

Held to maturity

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost and at subsequent reporting dates measured at amortized cost using the effective yield method.

Available for sale

Investments, including investments in associated undertakings where the Company does not have significant influence, that are intended to be held for an indefinite period or may be sold in response to a need for liquidity, are classified as available for sale. Investments classified as available for sale are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair value, unless fair value cannot be reliably measured. Unrealized gains and losses arising from changes in the fair value are included in comprehensive income in the period in which they arise and accumulated in fair value reserve. At the time of disposal, the accumulated surplus or deficit in the fair value reserve is re-classified to profit and loss account.

Investments intended to be held for less than twelve months from the balance sheet date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

Held for trading

Investments that are acquired principally for the purpose of generating a profit from short term fluctuations in price are classified as trading investments and included in current assets. These are initially measured at cost and at subsequent reporting dates, these investments are remeasured at fair value. Realized and unrealized gains and losses arising from changes in fair value are included in net profit or loss for the period in which they arise.

The fair value of publicly traded securities is based on market prices quoted on the stock exchange at the balance sheet date. The investments for which a quoted market price is not available, are measured at cost as it is not practical to apply any other valuation methodology.

All purchases and sales of investments are recognized on the trade date which is the date that the Company commits to purchase or sell the investment. Transaction costs are charged to profit and loss.

At each balance sheet date, the Company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense. In respect of 'available for sale' financial assets, cumulative impairment loss less any impairment loss on that financial asset previously recognized in profit and loss account, is removed from equity and recognized in the profit and loss account. Impairment losses

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Investments in associates

Associates are the entities over which the Company has significant influence but not control, generally represented by a shareholding of between 20% and 50% of the voting right. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the company's share of the profit or loss of the associate after the date of acquisition. The company's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Company's share of its associates post acquisition profits or losses is recognized in the profit and loss account and its share in post acquisition movements in the other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in associates equals or exceeds its interest in the associate including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates. Gain on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate.

Associates, which the Company intends to dispose off within twelve months of the balance sheet date are not accounted for under the equity method and are shown under non-current assets held for sale at the lower of carrying and fair value.

Dilution gains and losses arising in investments in associates are recognized in the profit and loss account.

At each balance sheet date, the Company reviews the carrying amounts of its investments in associates to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated using the discounted cash flow methodology, in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense.

3.8 Stores, spare parts and loose tools

Usable stores, spare parts and loose tools are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon up-to the balance sheet date. Provision is made in the financial statements for obsolete and slow moving stores and spares based on management's estimate as a result of changes in usage pattern and physical form.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

3.9 Stock-in-trade

Stock of raw materials, work-in-process and finished goods, except for those in transit are valued principally at the lower of weighted average cost and net realizable value. Cost of work-in-process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads. Cost of own produced molasses, a by product, is determined on the basis of monthly average cost of molasses purchased from third parties. Cost of stillage, a by product of the Effluent Treatment Plant, used in the generation of electricity by the Power division is valued at Nil as it does not have any market value.

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon up to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock in trade based on management's estimate.

3.10 Financial assets and liabilities

Financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognized when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liability when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

Financial assets include available for sale investments, trade debts, loans, advances, deposits and other receivables and cash and bank balances.

Financial liabilities include long term finances, short term borrowings, accrued finance cost and trade and other payables.

3.11 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

3.12 Trade debts

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is an objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtors, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered as indicators that the trade debt is impaired. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

3.14 Non-current assets held for sale

Non-current assets are classified as assets held for sale and stated at the lower of carrying amount and fair value less costs to sell if their carrying value is to be recovered principally through a sale transaction within one year of the date of balance sheet rather than through continuing use.

3.15 Borrowings

Borrowings are recorded at the proceeds received. In subsequent periods, borrowings are stated at amortized cost using the effective yield method. Preference shares, which are redeemable on a specific date at the option of the holder, are classified as liabilities. The dividend on these preference shares is recognized in the profit and loss account as finance cost. Preference shares are classified as equity to the extent there is conclusive evidence that these will not result in an outflow of another financial asset or exchange of financial assets or liabilities under conditions that are potentially unfavorable to the company.

Finance costs are accounted for on an accrual basis and are included in accrued finance cost to the extent of the amount remaining unpaid.

3.16 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if amount is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable, will result in an outflow of resources embodying economic benefits, to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at year end and adjusted to reflect the current best estimate.

3.17 Deferred income

Deferred income represents excess of sale proceeds in relation to the carrying amount of the asset acquired under sale and lease back arrangement. Deferred income is amortized on a straight line basis over the period of lease term.

3.18 Derivative financial instruments

These are initially recorded at cost on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company designates certain derivatives as cash flow hedges.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The Company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flow of hedged items.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in the profit and loss account within 'other operating income/expenses'.

Amounts accumulated in equity are recycled in the profit and loss account in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognized in the profit and loss account within 'finance costs'. The gain or loss relating to the ineffective portion is recognized in the profit and loss account within 'other operating income/expenses'.

3.19 Foreign currency transactions and translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

Transactions and balances

All monetary assets and liabilities in foreign currencies are translated into Pak Rupees using the exchange rate at the balance sheet date. Exchange gains and losses resulting from the settlement of such transactions and from the translations at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account. Non-monetary assets and liabilities denominated in foreign currency that are measured in terms of historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Figures are rounded to nearest thousand.

3.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in profit and loss account in the period in which they are incurred.

3.21 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

3.22 Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods sold, net of discounts and sales tax. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred, or to be incurred, can be measured reliably and there is no continuing management involvement with the goods.

- Revenue from sale of goods is recognized when the significant risk and rewards of ownership of the goods are transferred to the buyer.
- Revenue from sale of electricity is recognized on transmission of electricity.
- Dividend income and entitlement of bonus shares on equity investments are recognized as income when the right of receipt is established.
- Return on deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

3.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company that makes strategic decisions.

3.24 Dividends and appropriations to general reserve

Dividends and appropriations to general reserves are recognized in the financial statements in the period in which these are approved.

3.25 Employees' retirement benefits

3.25.1 Defined benefit plans

The main feature of the schemes operated by the Company for its employees of sugar and allied divisions are as follows:

All permanent employees who are in the management cadre of the company participate in an approved funded defined benefit pension plan. In addition, there is an approved funded defined benefit gratuity scheme for all permanent employees, who are in the management cadre of the company subject to a minimum qualifying period of service according to the terms of employment. Monthly contributions are made to these funds on the basis of actuarial recommendation at the rate of 20% per annum of basic salary for pension and 8.33% per annum of basic salary for gratuity. Actuarial valuation using projected unit credit method for the schemes was carried out as at 30 September 2017. The main features of defined benefit schemes are mentioned in note 18.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

Actuarial gains and losses rising from experience adjustments and changes in actuarial assumptions are charged to equity through other comprehensive income in the year in which they arise. Past service costs are recognized immediately in the profit and loss account. When actuarial valuation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

3.25.2 Defined contribution plan

There is an approved defined contribution provident fund for all employees. Equal monthly contributions are made by the employer and the employee to the fund in accordance with the fund rules. Interest is payable to the fund on the balances utilized @ 7.8% per annum, which is charged to profit and loss account.

Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these schemes.

3.26 Standards, interpretations and amendments to published approved International Financial Reporting Standards that are not yet effective

3.26.1 The Companies Act, 2017 applicable for financial year beginning on or after 01 July 2017 requires certain additional disclosures and Section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising out of revaluation of assets has not been carried forward in the Companies Act, 2017. This would require change in accounting policy relating to surplus on revaluation of fixed assets to bring it in line with the requirements of IAS 16 - Property, plant and equipment. This would have resulted in reclassification of surplus on revaluation of land, building and plant and machinery - net of tax to equity by restating the corresponding figures which would result in increase in equity by Rs. 5,203.06 million, Rs. 4,942.78 million and Rs. 4,678.97 million as at 30 September 2015, 30 September 2016 and 30 September 2017 respectively.

3.26.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2017:

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 01 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences.

Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 01 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 01 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 01 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

Annual improvements to IFRS standards 2014-2016 cycle (amendments are effective for annual periods beginning on or after 01 January 2017). The new cycle of improvements contain amendments to the following standards:

- Amendments to IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 01 January 2017) clarify that the requirements of IFRS 12 apply to an entity's interests that are classified as held for sale or discontinued operations in accordance with IFRS 5 - 'Non-current Assets Held for Sale and Discontinued Operations'.
- Amendments to IAS 28 'Investments in Associates and Joint Ventures' (effective for annual periods beginning on or after 01 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 01 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 01 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.

The above amendments are not considered to have an impact on these financial statements, except for the application of certain additional disclosures and treatment of surplus on revaluation of fixed assets as required by Companies Act, 2017.

NOTES TO THE FINANCIAL STATEMENTS

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

	Note
Provision for taxation	3.2
Residual values and useful lives of depreciable assets	3.3
Provision for stores, spare parts and loose tools	3.8
Write down of stock in trade to their net realizable value	3.9
Provision for doubtful debts	3.12
Employees' retirement benefits	3.25

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. 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 revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	2017 (Number of shares)	2016 (Number of shares)	Ordinary share capital	2017 (Rupees in thousand)	2016 (Rupees in thousand)
	79,021,000	64,021,000	Ordinary shares of Rs. 10 each fully paid in cash	790,210	640,210
	33,131,816	33,131,816	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	331,318	331,318
	12,847,184	12,847,184	Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	128,472	128,472
	125,000,000	110,000,000		1,250,000	1,100,000

	Note	2017 (Number of shares)	2016 (Number of shares)
5.1 Reconciliation of number of shares			
At 01 October		110,000,000	69,523,796
Right issue during the year	5.3	15,000,000	40,476,204
At 30 September		125,000,000	110,000,000

5.2 Ordinary shares of the Company held by associated undertakings as at year end are as follows:

	2017 (Number of shares)	2016 (Number of shares)
Crescent Steel and Allied Products Limited	27,409,075	24,119,987
Crescent Cotton Mills Limited	1,899,693	3,534,293
The Crescent Textile Mills Limited	9,019,690	8,587,328
CS Capital (Private) Limited	7,602,272	6,690,000
Roomi Fabrics Limited	12,464,754	-
	58,395,484	42,931,608

5.3 During the year, the Company issued 15,000,000 ordinary shares as right shares in the ratio of 0.1364 share for every 1 share held at a price of Rs. 65 per share (including premium of Rs. 55 per share).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	2017 (Rupees in thousand)	2016
6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX		
Revaluation surplus as at 01 October	5,850,928	6,192,079
Surplus transferred to accumulated losses on account of:		
- disposal of property, plant and equipment - net of deferred tax	(5,738)	(4,892)
- incremental depreciation charged during the year	(241,684)	(255,396)
- net of deferred tax		
Related deferred tax liability		
- disposal of property, plant and equipment	(63)	-
- incremental depreciation charged during the year	(69,339)	(80,863)
	(316,824)	(341,151)
Revaluation surplus as at 30 September	5,534,104	5,850,928
Less: deferred tax liability on revaluation surplus as at 01 October	908,153	989,016
Reduction in deferred tax liability due to:		
- disposal of property, plant and equipment	(63)	-
- incremental depreciation charged during the year	(69,339)	(80,863)
	(69,402)	(80,863)
Proration rate adjustment	16,382	-
Deferred tax liability on revaluation surplus as at 30 September	855,133	908,153
Revaluation surplus as at 30 September - net	4,678,971	4,942,775

- 6.1** The latest valuation of land, buildings and plant and machinery was carried out by an independent valuer, Danish Enterprises and Saleem Engineers (Pvt.) Limited on 30 September 2014. The valuation was determined by reference to current market value of the similar properties / assets. The most significant input into this valuation approach is price per acre for land, price per square foot for buildings and present operational condition and age of plant and machinery respectively.

Previously on 30 September 2012, valuation of land and buildings was carried out by M/s Empire Enterprises (Pvt.) Limited that resulted in increase in revaluation surplus of land by Rs. 345.40 million and increase in revaluation of buildings by Rs. 714 million.

- 6.2** This revaluation surplus on land and buildings shall be utilized only in accordance with the provisions of applicable laws. For the reasons explained in note 3.26.1, the revaluation surplus on land, plant and machinery and buildings will be reclassified as part of equity for financial year ending after 31 December 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
7. LONG TERM FINANCES			
Long term loans - secured			
- Term finance certificates (non-voting) - secured	7.1	273,569	312,650
- Interest free	7.2	76,460	101,043
		350,029	413,693
Redeemable capital			
- Term finance certificates (non-voting) - secured	7.3	-	58,200
Loan from director - interest free	7.4	179,445	166,863
		529,474	638,756
Less: transferred to current maturity			
- Long term loans - secured		(123,707)	(89,343)
- Redeemable capital - term finance certificates (non-voting) - secured		-	(58,200)
		(123,707)	(147,543)
		405,767	491,213

7.1 This represents a restructured loan from National Bank of Pakistan having an aggregate amount of Rs. 312.5 million. The term of the loan is 5 years (inclusive of 1 year grace period) and the principal repayment to take place in 16 equal-quarterly installments of Rs 19.54 million. Mark-up is payable quarterly at a rate of monthly KIBOR + 100 bps per annum. This loan is secured against first pari passu charge over entire present and future fixed assets of the Company, first exclusive charge over specific machinery and personal guarantees of the directors of the Company.

7.2 The frozen markup restructured to an interest free loan was recognized at amortized cost using discount rate of 7.49%. The resulting change has been recognized in the profit and loss account.

	Note	2017 (Rupees in thousand)	2016
Interest free loan		101,043	122,883
Present value adjusted on initial recognition of loan	30	-	(21,170)
Notional finance cost	31	6,138	5,474
Payment made during the year		(30,721)	(6,144)
		76,460	101,043

7.3 The term finance certificates (TFCs) were issued to finance the acquisition and establishment of the sugar plant at Dargai Shah (disposed off as a part of restructuring process) as well as the Company's existing business operations and for other purposes permitted by the Memorandum and Articles of Association. These have been fully repaid during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

- 7.4** This represents unsecured interest free loan obtained from executive director of the Company and is repayable in lump sum after five years.

Note	2017 (Rupees in thousand)	2016
Balance as on 30 September	166,863	-
Loan obtained during the year	-	240,000
Equity portion of loan obtained - Present value adjustment	-	(73,137)
Finance cost recognized on unwinding of loan from director	31	12,582
	7.4.1	179,445
		166,863

- 7.4.1** This loan has been recognized at amortised cost using discount rate of 7.54%. The resulting change has been charged to equity (net of tax).

8. DEFERRED TAXATION	2017 (Rupees in thousand)	2016
Accelerated tax depreciation	(372,270)	(383,444)
Revaluation surplus on property, plant and equipment	(855,133)	(908,153)
Unused tax losses	579,388	565,151
Undistributed reserves of associates	(99,328)	(67,232)
Equity portion of director loan	(13,500)	(16,364)
	(760,843)	(810,042)

- 8.1** Deferred tax asset on tax losses available for carry forward are recognized to the extent that the realization of related tax benefits through future taxable profits is probable. The Company has not recognized deferred tax assets of Rs. 1,195.24 million (2016: Rs. 1,602.16 million) in respect of tax losses, as sufficient tax profits may not be available to set these off in the foreseeable future. Minimum tax paid u/s 113 aggregating to Rs. 280.54 million (2016: Rs. 262.63 million) would not be available for carry forward against future tax liabilities subsequent to years 2018 through 2023. Business losses amounting to Rs. 390.49 million, Rs. 781.29 million, Rs. 51.77 million, Rs. 669.22 million and Rs. 391.00 million will expire in tax year 2019, 2020, 2021, 2022 and 2023 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

8.2 Movement in deferred tax balance is as follows:

	2017				
	Opening	Reversal from / (charge to)			
		Profit and loss	Equity/ Revaluation surplus	Closing	
----- (Rupees in thousand) -----					
Deferred taxation					
<i>Taxable temporary difference</i>					
Accelerated tax depreciation allowances	(383,444)	11,174	-	(372,270)	
Surplus on revaluation of property, plant and equipment	(908,153)	69,402	(16,382)	(855,133)	
Unused tax losses	565,151	14,237	-	579,388	
Undistributed reserves of associate	(67,232)	(32,096)	-	(99,328)	
Equity portion of director loan	(16,364)	2,864	-	(13,500)	
	(810,042)	65,581	(16,382)	(760,843)	

	2016				
	Opening	Reversal from / (charge to)			
		Profit and loss	Equity/ Revaluation surplus	Closing	
----- (Rupees in thousand) -----					
Deferred taxation					
<i>Taxable temporary difference</i>					
Accelerated tax depreciation allowances	(387,102)	3,658	-	(383,444)	
Surplus on revaluation of property, plant and equipment	(989,016)	80,863	-	(908,153)	
Unused tax losses	511,765	53,386	-	565,151	
Undistributed reserves of associate	-	(67,232)	-	(67,232)	
Equity portion of director loan	-	(16,364)	-	(16,364)	
	(864,353)	70,675	(16,364)	(810,042)	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
9. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term finances	7	123,707	147,543
10. SHORT TERM BORROWINGS			
<i>Secured:</i>			
- Cash / Running finance	10.2	395,420	139,053
- Export refinance	10.3	843,396	331,215
<i>Unsecured:</i>			
- Short term interest free financing	10.4	422,344	498,931
		1,661,160	969,199
10.1 Types of short term borrowings			
Interest / mark-up based financing		1,138,816	370,268
Islamic mode of financing		100,000	100,000
Interest free financing		422,344	498,931
		1,661,160	969,199
10.2 Cash / Running finances			
The Company has arranged this short term finance facility from MCB Bank Limited to meet working capital requirements to the extent of Rs. 1,000 million. This finance was available at a mark-up ranging from 8.07% to 8.13% (2016: 8.10% to 8.36%) on the outstanding balance or part thereof. Expiry date of this facility is 30 November 2017.			
It is secured against stock of sugar located at Bhone premises of the Company and ranking charge of Rs. 1,000 million over all fixed assets of the Company. However, exposure exceeding Rs. 525 million will be additionally secured by lien over LC's (sight) of minimum "B" rated banks, value equivalent to the utilized facility.			
10.3 Export refinance			
The Company has arranged facilities for short term finances to meet working capital requirements from various bank under mark-up arrangements to the extent of Rs. 875 million (2016: Rs. 875 million). These finances were available at a mark-up ranging from 8.07% to 8.35% (2016: 8.05% to 9.25%) on the outstanding balance or part thereof. Foreign currency borrowings were available at mark-up rates based on LIBOR ranging from 3.43% to 4.86% (2016: 3.43% to 3.94%). Expiry date of the finances obtained from Bank Islami Pakistan Limited is 30 September 2017, for MCB Bank Limited 30 November 2017 and that of National Bank of Pakistan is 31 December 2017.			
The aggregate export finance is secured against lien on export contracts, pledge of stock-in-trade and registered hypothecation charge on property, plant and equipment and current assets of the Company.			
10.4 Short term interest free financing			
It represents unsecured short term interest free financing provided by a sugar agent for financing the operations of the Company.			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
11. TRADE AND OTHER PAYABLES			
Trade creditors		879,003	1,033,362
Advances for sale of property, plant and equipment		12,000	12,000
Advances from customers	11.1	272,747	1,759,496
Security deposits	11.2	2,233	2,198
Associated undertakings	11.3	23,227	2,669
Accrued liabilities		135,321	175,250
Payable to Government authorities			
- Sales tax		175,772	133,285
- Withholding tax payable		41,276	50,148
- Duty on manufacturing of Spirit (bio fuel)	11.4	440,529	-
Unclaimed dividend		1,519	1,537
Workers' profit participation fund	11.5	8,189	470
Payable to provident fund		2,184	-
Payable to pension and gratuity fund		22,228	24,670
Others	11.6	44,391	36,936
		2,060,619	3,232,021

- 11.1** These include advance from Shakarganj Food Products Limited (SFPL), an associated company, amounting to Rs. 0.15 million (2016: Rs. Nil).
- 11.2** These are interest free and refundable on completion of contracts.
- 11.3** These are interest free and represent payable against purchase of goods / expenses incurred by associated companies on behalf of the Company:

	2017 (Rupees in thousand)	2016
Crescent Steel and Allied Products Limited	4,045	2,669
Shakarganj Energy (Private) Limited	19,182	-
	23,227	2,669

- 11.4** This represents excise duty levied on manufacturing of spirit (bio fuel) by Government of Punjab, recorded during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
11.5 Workers' profit participation fund			
Balance as at 01 October		470	498
Allocation for the year	29	8,140	-
Less: Amount paid to workers during the year on behalf of the fund		421	28
Balance as at 30 September		8,189	470

- 11.6** Included in other liabilities are provisions aggregating to Rs. 3.12 million (2016: Rs 3.12 million) in respect of probable loss from pending litigation of the Company against Sales Tax Authorities and the Excise Department.

The above provisions have been made as per the management's best estimate against various demands raised by the Sales Tax Authorities and the Excise Department, which are being contested by the Company at various forums.

	Note	2017 (Rupees in thousand)	2016
12. ACCRUED FINANCE COST			
Accrued mark-up on:			
- Long term finances		86,136	173,258
- Liabilities against assets subject to finance leases		1,957	1,957
- Short term borrowings		28,423	43,330
	12.1	116,516	218,545

- 12.1** This includes Rs. 91.15 million (2016: Rs. 212.16 million) which is overdue for payment as at reporting date. However the related principle has been settled.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

- (i) Bank guarantee of Rs. 9.55 million (2016: Rs. 9.55 million) in favour of Sui Northern Gas Pipelines Limited against performance of contracts.
- (ii) The Company has issued post dated cheques in favour of the Collector of Customs against custom duty clearance in respect of import of plant and machinery amounting to Rs. 14.02 million (2016: Rs. 14.02 million).
- (iii) The Sindh High Court (the Court) in the case of 'Kasim Textile' in its order of 07 May 2013 has held that benefit of carry forward of minimum tax under section 113 of the Income Tax Ordinance, 2001 is only available if tax payable in a tax year is less than minimum tax paid. If in a tax year, a Company has assessed losses on which no tax is payable, the Company forgoes the right to carry forward minimum tax paid in that year. In the light of this order, the Company is not entitled to carry forward minimum tax paid in the tax year 2013 to 2018 of Rs. 291.77 million as a result of assessed tax losses in these years and adjust it against normal tax liability. Also, in the case of refunds claimed in any year, those would also be adjusted accordingly. However, the management is of the view that the verdict has been challenged in the Supreme Court and that they are waiting for the final outcome.
- (iv) A case is pending against the Company by the Environmental Protection Agency, Punjab (EPA) as a result of wastes and emissions generated during operational conditions of the principle manufacturing facility in Jhang. The Company has filed an appeal before the EPA and is confident of a favourable outcome.

13.2 Commitments

The Company has the following commitments in respect of:

- (i) Contracts for acquisition of intangible (computer software) amounting to Rs. 20 million (2016: Rs. 20 million).
- (ii) Contracts for other than capital expenditures Rs. 1.20 million (2016: Rs. 1.90 million).

	Note	2017 (Rupees in thousand)	2016
14. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	14.1	8,386,457	8,941,152
Capital work-in-progress	14.2	100,813	46,408
		8,487,270	8,987,560

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

14.1 Operating assets

	2017						(Rupees in thousand)	
	Cost/ re-valued amount 01 October 2016	Additions / (deletions)	Cost/ re-valued amount 30 September 2017	Accumulated depreciation as at 01 October 2016	Depre- ciation charge/ (deletions) for the year	Accumulated depreciation as at 30 September 2017	Book value as at 30 September 2017	Rate of deprec- iation %
Owned assets								
Freehold land	1928,679	- (6,800)	1921,879	-	-	-	1,921,879	-
Buildings and roads on freehold land	1,064,261	- (26,711)	1,037,550	153,540	67,976 (17,113)	204,403	833,147	7.5
Plant and machinery	7,094,429	3,833 (6,545)	7,091,717	1,054,658	453,124 (1,050)	1,506,732	5,584,985	75.30
Tools and equipment	50,981	1,460	52,441	48,018	793	48,811	3,630	20.40
Water, electric and weighbridge equipment	276,560	- (76)	276,484	249,457	5,460 (72)	254,845	21,639	20.40
Furniture and fixtures	47,840	148 (113)	47,875	42,134	1,153 (68)	43,219	4,656	20
Office equipment	60,574	- (489)	60,085	59,320	1,181 (455)	60,046	39	40
Vehicles	140,205	- (15,941)	124,264	116,333	4,448 (12,259)	108,522	15,742	20
Laboratory equipment	23,106	-	23,106	22,497	247	22,744	362	40
Arms and ammunition	575	-	575	456	23	479	96	10
Library books	10,983	-	10,983	10,628	73	10,701	282	30
2017	10,698,193	5,441 (56,675)	10,646,959	1,757,041	534,478 (31,017)	2,260,502	8,386,457	

	2016						(Rupees in thousand)	
	Cost/ re-valued amount 01 October 2015	Additions / (deletions)	Cost/ re-valued amount 30 September 2016	Accumulated depreciation as at 01 October 2015	Depre- ciation charge/ (deletions) for the year	Accumulated depreciation as at 30 September 2016	Book value as at 30 September 2016	Rate of deprec- iation %
Owned assets								
Freehold land	1,955,004	- (26,325)	1,928,679	-	-	-	1,928,679	-
Buildings and roads on freehold land	1,062,568	1,693	1,064,261	79,724	73,816	153,540	910,721	7.5
Plant and machinery	7,086,055	8,374	7,094,429	564,833	489,825	1,054,658	6,039,771	75.30
Tools and equipment	52,832	2 (1,853)	50,981	48,351	1,145 (1,478)	48,018	2,963	20.40
Water, electric and weighbridge equipment	277,021	209 (670)	276,560	243,138	6,885 (566)	249,457	27,103	20.40
Furniture and fixtures	48,027	136 (323)	47,840	40,973	1,419 (258)	42,134	5,706	20
Office equipment	60,568	220 (214)	60,574	57,569	1,196 (165)	59,320	1,254	40
Vehicles	159,186	- (18,981)	140,205	122,300	7,267 (13,234)	116,333	23,872	20
Laboratory equipment	23,106	-	23,106	22,086	411	22,497	609	40
Arms and ammunition	575	-	575	427	29	456	119	10
Library books	10,983	-	10,983	10,537	91	10,628	355	30
2016	10,735,925	10,634 (48,366)	10,698,193	1,189,938	582,804 (15,701)	1,757,041	8,941,152	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

14.1.1 Disposal of property, plant and equipment

Particulars of assets	Sold to	(Rupees in thousand)				
		Cost / Carrying value	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
Freehold land	Outside parties					
	Malik Manzoor Hussain Shamshad Bharwana	4,800 2,000	- -	4,800 2,000	5,760 6,202	Negotiation Negotiation
Buildings and roads on freehold land	Outside parties					
	Shamshad Bharwana Bank of Punjab	809 25,902	514 16,599	295 9,303	295 65,650	Negotiation Negotiation
Plant and machinery	Outside parties					
	Malik Imran Machinery	6,545	1,050	5,495	6,970	Auction
Vehicles	Outside parties					
	Muhammad Hasnain Muhammad Maqsood Meher Iqbal Ali Husnain Waris Nisar Ahmad Alvi Ali Husnain Waris	1,445 943 1,620 879 915 879	1,114 653 1,093 786 812 786	331 290 527 93 103 93	1,000 240 1,351 1,015 900 1,015	Auction Auction Negotiation Negotiation Negotiation Negotiation
Other assets having book value below Rs. 50,000	Employees					
	Muhammad Riaz ul Hassan Muhammad Muzammil Riaz Samra Ashraf Saleem Akhtar Mumtaz Hussain Mr. Muhammad Aslam Mr. Zahoor Ahmad Mr. Muneer Ahmad	1,013 960 960 960 539 879 879 600	683 638 638 638 401 788 788 538	330 322 322 322 138 91 91 62	238 240 240 240 135 220 220 175	Company Policy -do- -do- -do- -do- -do- -do- -do-
Other assets having book value below Rs. 50,000		3,148	2,498	650	1,399	Company Policy
		56,675	31,017	25,658	93,505	

- 14.1.2** The Company bases its valuation of operating assets suspect to impairment upon valuation performed by an independent valuation expert.
- 14.1.3** The carrying amount of freehold land, buildings and plant and machinery would have been Rs. 223.66 million (2016: Rs. 224.55 million), Rs. 252.48 million (2016: Rs. 283.37 million) and Rs. 2,329.77 million (2016: Rs. 2,520.33 million) respectively, had there been no revaluation.
- 14.1.4** The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with the corresponding effect on the depreciation charge and impairment.

Note	2017 (Rupees in thousand)		2016
14.1.5 The depreciation charge has been allocated as follows:			
Cost of sales	26	517,843	561,142
Administrative expenses	27	16,635	21,662
		534,478	582,804

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
14.2 Capital work-in-progress			
Civil works		3,208	2,446
Plant and machinery	14.2.1	68,833	30,734
Advances given for capital work in progress	14.2.2	72,041 28,772	33,180 13,228
		100,813	46,408

14.2.1 It includes parts of machinery in transit amounting to Rs. 35.85 million (2016: Rs. Nil).

	Note	2017 (Rupees in thousand)	2016
14.2.2 Advances			
Considered good:			
- Plant and machinery	14.2.3	13,288	13,228
- Vehicle		15,484	-
		28,772	13,228
Considered doubtful:			
- Plant and machinery		21,664	21,664
- Intangibles		15,274	15,274
		36,938	36,938
		65,710	50,166
Less: Provision against doubtful advances		(16,584)	(16,584)
Less: Impairment charged	14.2.4	(20,354)	(20,354)
		28,772	13,228

14.2.3 These advances include interest free amount due from an associated company amounting to Rs. 0.29 million (2016: Rs. 0.23 million) in the normal course of business.

14.2.4 Advances included an amount given to Mian Muhammad Sugar Mill Limited in pursuance to a purchase arrangement whereby the Company was to get a beneficial interest in the machinery installed at the premises. In prior years, the management re-evaluated the status of this arrangement and decided to discontinue with it. Appropriate legal proceedings were initiated in this regard and consequently the remaining advance was fully impaired. The movement to date is as follows:

	2017 (Rupees in thousand)	2016
Advance to date		
Machinery received	217,817 (169,315)	217,817 (169,315)
Advance written off		
Impairment charged	48,502 (28,148) (20,354)	48,502 (28,148) (20,354)
	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

15. INTANGIBLE ASSETS

	2017						(Rupees in thousand)	
	Cost as at 01 October 2016	Additions/ (transfers/ deletions)	Cost as at 30 September 2017	Accumulated amortization 01 October 2016	Amortization/ impairment charge for the year	Accumulated amortization 30 September 2017	Book value as at 30 September 2017	Rate of amorti- zation %
Computer software - acquired NEPRA license fee	2,000 1,007	- -	2,000 1,007	2,000 322	- 685	2,000 1,007	- -	20 3.750
	3,007	-	3,007	2,322	685	3,007	-	

	2016						(Rupees in thousand)	
	Cost as at 01 October 2015	Additions/ (transfers/ deletions)	Cost as at 30 September 2016	Accumulated amortization 01 October 2015	Amorti- zation charge for the year	Accumulated amortization 30 September 2016	Book value as at 30 September 2016	Rate of amorti- zation %
Computer software - acquired NEPRA license fee	2,000 1,007	- -	2,000 1,007	1,940 292	60 30	2,000 322	- 685	20 3.750
	3,007	-	3,007	2,232	90	2,322	685	

15.1 The amortization and impairment charge for the year has been allocated to cost of sales as referred to in note 26.

	Note	2017		2016	
		(Rupees in thousand)		(Rupees in thousand)	
16. BIOLOGICAL ASSETS					
Sugarcane					
Mature		16.1		10,044	11,306
Immature		16.2		3,498	-
Rice - mature				13,542	11,306
Others - mature				4,484	408
Livestock - mature		16.3		283	2,004
				8,342	7,734
				26,651	21,452
Non - current					
- livestock				8,342	7,734
- sugarcane - immature				3,498	-
Current - crops					
		16.4		11,840	7,734
				14,811	13,718
				26,651	21,452

16.1 The value of mature sugarcane crops is based on estimated average yield of 538.25 (2016: 571) maunds per acre on cultivated area of 139 (2016: 138) acres. The value of rice crops is based on the estimated yield of 35 (2016: 30) maunds per acre on cultivated area of 106 (2016: 16) acres.

16.2 16.5 (2016: Nil) acres relates to the sugarcane cultivation which is valued at cost incurred to date being considered its fair value and is considered to be immature for the reason that it will take more than a year for harvesting.

16.3 Livestock comprises 135 cows / heifers and 2 lambs (2016: 116 cows/heifers and 4 lambs).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
16.4 Movement during the year			
<i>Livestock</i>			
As at 01 October		7,734	9,431
Gain / (loss) arising from changes in fair value			-
less estimated point of sale costs	30	1,319	(308)
Decrease due to sale / deceased livestock		(711)	(1,389)
As at 30 September		8,342	7,734
<i>Crops</i>			
As at 01 October		13,718	21,191
Increase due to purchases/costs incurred		25,567	26,449
Decrease due to harvest / sales		(24,591)	(14,552)
Fair value loss related to sales during the year		(976)	(11,896)
Fair value adjustment of agricultural assets	30	4,591	(7,474)
As at 30 September		18,309	13,718
		26,651	21,452

- 16.5** The fair value measurements for livestock and crops have been categorised as level 2 and level 3 respectively as referred in note 41.3.

	Note	2017 (Rupees in thousand)	2016
17. INVESTMENTS - RELATED PARTIES			
In equity instruments of associate	17.1	1,056,002	931,674
Available for sale	17.2	28,474	22,682
		1,084,476	954,356

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
17.1 In equity instruments of associates			
Unquoted			
<i>Shakarganj Food Products Limited</i>			
74,654,596 (2016: 74,654,596) fully paid ordinary shares of Rs. 10 each			
Equity held: 49.24% (2016: 49.24%)	17.1.1	1,056,002	931,674
17.1.1 In equity instruments of associate			
Cost		393,818	393,818
Brought forward amounts of post acquisition reserves		537,856	259,626
		931,674	653,444
Share of movement in reserves during the year		(4,050)	(8,307)
<i>Share of profit for the year</i>			
- before taxation		195,344	291,795
- provision for taxation	32	(66,966)	(5,258)
		128,378	286,537
Balance as on 30 September	17.1	1,056,002	931,674

17.1.2 Shakarganj Foods Products Limited ("SFPL") is a public unlisted Company incorporated in Pakistan and is principally engaged in the business of manufacturing, processing and sale of food products. The activities of SFPL are largely independent of the Company. The following table summarizes the financial information of SFPL as included in its own financial statements and the Company's share in the results. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in its associate.

	2017	2016
Percentage interest held	49.24%	49.24%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	2017 (Rupees in thousand)	2016
Non-current assets	2,645,709	2,412,211
Current assets	2,208,544	2,224,746
Non-current liabilities	(557,365)	(742,680)
Current liabilities	(2,297,007)	(2,146,891)
Net assets (100%)	1,999,881	1,747,386
Company's share of net assets	984,741	860,413
Excess of purchase consideration over net assets	71,261	71,261
Carrying amount of interest in associate	1,056,002	931,674
Revenue	12,416,404	10,106,352
Profit from operations	260,705	581,883
Other comprehensive income	(8,224)	(16,870)
Total comprehensive income (100%)	252,481	565,013
Company's share of total comprehensive income	124,328	278,230

The financial year end of SFPL is 30 September and above figures are based on audited financial statements as of the same period.

- 17.1.3** Investments with face value of Rs. 575.55 million (2016: Rs. 575.55 million) are pledged as security against short term borrowings as referred to in note 10.

	2017 (Rupees in thousand)	2016
17.2 Available for sale		
<u>Associated / related companies</u>		
<u>Quoted - related party</u>		
Crescent Steel and Allied Products Limited: 180,000 (2016: 180,000) fully paid ordinary shares of Rs. 10 each Equity held: 0.23% (2016: 0.23%) Market value - Rs. 28.47 million (2016: Rs. 22.7 million)	15,921	15,921
<u>Unquoted - associated company</u>		
Crescent Standard Telecommunications Limited: 300,000 (2016: 300,000) fully paid ordinary shares of Rs 10 each	3,000	3,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
<i>Others</i>			
<i>Unquoted</i>			
<i>Crescent Group Services (Private) Limited:</i> 220,000 (2016: 220,000) fully paid ordinary shares of Rs 10 each		2,200	2,200
<i>Innovative Investment Bank Limited:</i> 51,351 (2016: 51,351) fully paid ordinary shares of Rs 10 each		-	-
		21,121	21,121
Add: Cumulative fair value reserve	17.2.1	12,553	6,761
Less: Cumulative impairment losses recognized	17.2.2	(5,200)	(5,200)
Fair value gain		7,353	1,561
		28,474	22,682
17.2.1 Cumulative fair value reserve			
As at 01 October		6,761	(16,247)
Disposal of shares		-	15,270
Fair value adjustment during the year		5,792	7,738
As at 30 September		12,553	6,761
17.2.2 Cumulative impairment losses recognized			
As at 01 October		5,200	5,200
Reversal during the year		-	-
As at 30 September		5,200	5,200
18. EMPLOYEES' RETIREMENT BENEFITS			
Pension fund	18.1	42,957	28,379
Gratuity fund	18.2	7,746	10,548
		50,703	38,927
<i>Profit and Loss account charge for:</i>			
Pension Benefits	18.1	7,811	10,479
Gratuity Benefits	18.2	3,478	3,093
		11,289	13,572

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	2017 (Rupees in thousand)	2016
18.1 Pension fund		
The amounts recognized in the balance sheet are determined as follows:		
Present value of defined benefit obligations	(381,159)	(357,078)
Fair value of plan assets	424,116	385,457
Asset as at 30 September	42,957	28,379
The movement in the defined benefit obligation over the year is as follows:		
Present value of defined benefit obligations as at 01 October	357,078	354,879
Current service cost	11,226	11,686
Interest cost	34,463	35,226
Benefits paid during the year	(24,897)	(22,431)
Remeasurement losses / (gains)	3,289	(22,282)
Present value of defined benefit obligations as at 30 September	381,159	357,078
The movement in the fair value of plan assets for the year is as follows:		
Fair value as at 01 October	385,457	361,987
Expected return on plan assets	37,878	36,433
Contributions during the year	11,534	9,349
Benefits paid during the year	(24,897)	(22,431)
Remeasurement gains	14,144	119
Fair value as at 30 September	424,116	385,457
The amounts recognized in the profit and loss account are as follows:		
Current service cost	11,226	11,686
Interest cost	34,463	35,226
Expected return on plan assets	(37,878)	(36,433)
Total, included in salaries and wages	7,811	10,479
The amounts recognized were included in the profit and loss account as follows:		
Cost of sales	3,431	2,700
Administrative expenses	3,371	6,203
Selling expenses	315	136
Other expenses	694	1,440
Total, included in salaries and wages	7,811	10,479

The actual return on plan assets was Rs. 52.02 million (2016: Rs. 36.55 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	2017	2016
The principal actuarial assumptions used were as follows:		
Discount rate	10.00%	10.00%
Expected return on plan assets	10.00%	10.00%
Future salary increases	9.00%	9.00%
Average expected remaining working life time of employees	10 years	9 years
Expected mortality rate:	SLIC (2001-05) mortality table	
Expected withdrawal and early retirement rate:	Based on for industry/country experience	
	2017 (Rupees in thousand)	2016
Plan assets are comprised as follows:		
Equity Instruments	120,876	52,957
Cash and cash equivalent	360,804	370,538
Others - net	(57,564)	(38,038)
	424,116	385,457

Fair value of plan assets include ordinary shares of the Company whose fair values as at 30 September 2017 are Rs. 83.18 million (2016: Rs. 66.61 million).

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of pension fund is as follows:

	2016-17	2015-16	2014-15	2013-14	2012-13
As at 30 September					
Present value of defined benefit obligations	(381,159)	(357,078)	(354,879)	(320,228)	(273,937)
Fair value of plan assets	424,116	385,457	361,987	311,642	284,825
Surplus / (deficit)	42,957	28,379	7,108	(8,586)	10,888
Experience adjustment due to:					
(Gain) / losses on plan liabilities	3,289	(22,282)	1,593	21,589	4,014
Gains on plan assets	14,144	119	19,255	3,855	1,704

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Present value of defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
Discount rate	1%	344,359	425,663
Salary increase	1%	396,949	367,322

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognized within the statement of financial position.

	2017 (Rupees in thousand)	2016
18.2 Gratuity fund		
The amounts recognized in the balance sheet are determined as follows:		
Present value of defined benefit obligations	(58,034)	(48,717)
Fair value of plan assets	65,780	59,265
Asset as at 30 September	7,746	10,548
The movement in the defined benefit obligation over the year is as follows:		
Present value of defined benefit obligations as at 01 October	48,717	47,496
Current service cost	4,804	3,827
Interest cost	4,429	4,789
Benefits paid during the year	(8,846)	(1,552)
Remeasurement losses / (gains)	8,930	(5,843)
Present value of defined benefit obligations as at 30 September	58,034	48,717
The movement in the fair value of plan assets for the year is as follows:		
Fair value as at 01 October	59,265	52,514
Expected return on plan assets	5,755	5,523
Contributions during the year	5,421	4,292
Benefits paid during the year	(8,846)	(1,552)
Remeasurement gains / (losses)	4,185	(1,512)
Fair value as at 30 September	65,780	59,265

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	2017 (Rupees in thousand)	2016
The amounts recognized in the profit and loss account are as follows:		
Current service cost	4,804	3,827
Interest cost	4,429	4,789
Expected return on plan assets	(5,755)	(5,523)
Total included in salaries and wages	3,478	3,093

The amounts recognized were included in the profit and loss account as follows:

	2017	2016
Cost of sales	2,009	1,754
Administrative expenses	1,187	1,259
Other expenses	282	80
Total, included in salaries and wages	3,478	3,093

The actual return on plan assets was Rs. 9.94 million (2016: Rs. 4.01 million).

	2017	2016
The principal actuarial assumptions used were as follows:		
Discount rate	10.00%	10.00%
Expected return on plan assets	10.00%	10.00%
Future salary increases	9.00%	9.00%
Average expected remaining working life time of employees	9 years	9 years
Expected mortality rate:	SLIC (2001-05) mortality table	
Expected withdrawal and early retirement rate:	Based on for industry/ country experience	
Plan assets are comprised as follows:		

	2017 (Rupees in thousand)	2016
Equity instruments	20,717	15,458
Cash and cash equivalent	59,928	58,200
Others - net	(14,865)	(14,393)
	65,780	59,265

Fair value of plan assets include ordinary shares of the Company whose fair values as at 30 September 2017 are Rs. 9.79 million (2016: Rs 2.53 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of gratuity fund is as follows:

	2016-17	2015-16	2014-15	2013-14	2012-13
	(Rupees in thousand)				
As at 30 September					
Present value of defined benefit obligations	(58,034)	(48,717)	(47,496)	(48,924)	(48,450)
Fair value of plan assets	65,780	59,265	52,514	48,223	50,653
Surplus/(deficit)	7,746	10,548	5,018	(701)	2,203
Experience adjustment due to:					
(Gain) / losses on plan liabilities	8,930	(5,843)	(2,453)	3,913	8,345
(Losses) / gains on plan assets	4,185	(1,512)	1,918	313	2,063

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Present value of defined benefit obligation		
	Change in assumptions	Increase in assumption	Decrease in assumption
Discount rate	1%	53,415	63,384
Salary increase	1%	63,384	53,336

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognized within the statement of financial position.

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
19. LONG TERM LOANS, ADVANCES AND DEPOSITS			
Security deposits:			
Considered good		36,531	36,531
Considered doubtful		265	265
		36,796	36,796
Advance to Creek Marina (Private) Limited - considered doubtful	19.1	38,557	38,557
Less: Provision against doubtful receivables		75,353 (38,822)	75,353 (38,822)
		36,531	36,531

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

- 19.1** This represents payment for two apartments in the Creek Marina Projects pursuant to a settlement agreement entered into by the Company and the former Crescent Standard Investment Bank Limited (CSIBL) in year 2006. The construction work at the site has been halted since year 2011 due to differences between Defence Housing Authority and the developer. The resumption of construction work is still uncertain in near future. Consequently, based on prudence principal the Company provided the above advance in full.

	2017 (Rupees in thousand)	2016
20. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	39,756	43,296
Spare parts	25,118	30,859
Loose tools	1,078	1,334
	65,952	75,489
Less: Provision for obsolete items	(4,610)	(4,610)
	61,342	70,879

	2017 (Rupees in thousand)	2016
21. STOCK-IN-TRADE		
Raw materials	338,471	136,245
Work-in-process	12,540	12,489
Finished goods	767,761	198,916
Provision for slow moving items	(2,925)	-
	764,836	198,916
	1,115,847	347,650

- 21.1** Raw materials and finished goods amounting to Rs. 999.29 million (2016: Rs. 240.54 million) are pledged with lenders as security against short term borrowings as referred to in note 10.
- 21.2** The amount charged to profit and loss account on account of write down of finished goods to net realizable value amounts to Rs. 26.92 (2016: Rs. Nil).

	Note	2017 (Rupees in thousand)	2016
22. TRADE DEBTS			
<i>Considered good:</i>			
- Unsecured	22.1	167,717	13,154
<i>Considered doubtful:</i>			
- Unsecured	22.2	11,476	6,696
Less: Provision for doubtful debts		179,193	19,850
		(11,476)	(6,696)
	167,717	13,154	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

- 22.1** These include receivable from Shakarganj Food Products Limited (SFPL), an associated company, amounting to Rs. Nil (2016: Rs. 5.85 million).

	Note	2017 (Rupees in thousand)	2016
22.2 Provision for doubtful balances			
Balance as at 01 October		6,696	6,696
Provision for the year		4,780	-
Balance as at 30 September		11,476	6,696
23. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - considered good			
- to employees		9,677	12,297
- to suppliers and contractors	23.1	96,399	39,035
- to sugarcane growers		10,601	13,158
		116,677	64,490
Advances - considered doubtful:			
- to employees		628	628
- to suppliers and contractors		9,409	8,700
- to sugarcane growers		5,146	237
		15,183	9,565
Due from related parties - unsecured and considered good	23.2	16,346	22,843
		16,346	22,843
Due from related parties -unsecured considered doubtful:		80	80
		80	80
Current portion of long term loan receivable from			
Sui Northern Gas Pipelines Limited	23.1	-	414
Receivable from Government			
- Income tax		47,395	208,897
- Export rebate		41,737	47,716
Prepayments		3,638	2,934
Receivable from provident fund		-	2
Margins against bank guarantees		2,180	2,180
Others:			
- considered good		6,988	486
- considered doubtful		2,368	2,368
		252,592	361,975
Less: Provision against doubtful receivables	23.3	(17,632)	(12,013)
		234,960	349,962

- 23.1** These relate to normal business of the Company and are interest free.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

23.2 Due from related parties - unsecured and considered good

	Note	2017 (Rupees in thousand)	2016
Shakarganj Food Products Limited		11,387	968
Shakarganj Energy (Private) Limited		-	18,745
Crescent Steel & Allied Product Limited		1,591	443
Crescent Hadeed (Private) Limited		3,368	2,687
	23.2.1	16,346	22,843

23.2.1 These are interest free in the normal course of business and are due by not more than six months.

	Note	2017 (Rupees in thousand)	2016
23.3 Provision against doubtful receivables			
As at 01 October		12,013	13,148
Provision during the year	27	6,611	1,384
Written off against provision		(992)	(2,519)
As at 30 September		17,632	12,013

24. CASH AND BANK BALANCES

At banks on:

- Saving accounts			
- Pak rupees	24.1	542	132
- Foreign currency		-	74
		542	206
- Current accounts	24.2	4,190	17,674
		4,732	17,880
In hand		523	260
In transit		-	500
		5,255	18,640

24.1 These carry mark-up at the rates ranging from 3.75% to 3.80% per annum (2016: 3.50% to 4.10% per annum).

These deposits include Rs. 0.23 million (2016: Rs. 0.06 million) under Shariah compliant arrangements, which carries profit rate ranging from 1.97% to 3.75% per annum (2016: 2.22% to 3.50% per annum).

24.2 These include balances amounting Rs. 1.19 million (2016: Rs. 0.53 million) which have been maintained under shariah based arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

25. SALES - NET

	(Rupees in thousand)															
	Sugar 2017 2016		Bio Fuel 2017 2016		Bio Power 2017 2016		Building Materials 2017 2016		Textile 2017 2016		Farms 2017 2016		Others 2017 2016		Total 2017 2016	
Gross sales																
- Local	8,585,210	3,074,915	7,217	35,721	-	-	15,480	-	794,079	746,097	14,218	19,927	3,693	2,264	9,484,855	3,878,924
- Export	300,088	37,555	1,826,817	475,870	-	-	-	-	-	-	-	-	-	-	212,6905	513,425
- By-products	621,049	273,395	16,690	-	-	-	-	-	8,711	8,088	-	-	-	-	646,450	281,483
- Inter-segment	915,118	230,361	153,913	28,305	-	-	-	-	-	-	10,373	9,297	1,648	2,714	-	-
	10,421,465	3,616,226	2,069,595	539,896	-	-	15,480	-	802,790	754,185	24,591	29,224	5,341	4,978	12,258,210	4,673,832
Less:																
Commission to selling agents	9,230	1,252	-	-	-	-	-	-	-	-	-	-	-	-	11,927	2,576
Sales tax and Federal Excise Duty	87,0108	276,705	13,509	5,564	-	-	914	2,502	-	1,783	1,324	-	-	-	886,126	298,037
	879,338	277,957	13,509	5,564	-	-	3,416	-	1,790	17,092	-	-	-	-	898,053	300,613
Net sales	9,542,127	3,338,269	2,056,086	534,332	-	-	12,064	-	801,000	737,093	24,591	29,224	5,341	4,978	11,360,157	4,373,219

25.1 Inter-segment sales have been eliminated from total figures.

26. COST OF SALES

	(Rupees in thousand)																
Note	Sugar 2017 2016		Bio Fuel 2017 2016		Bio Power 2017 2016		Building Materials 2017 2016		Textile 2017 2016		Farms 2017 2016		Others 2017 2016		Total 2017 2016		
Inter-segment																	
Raw materials consumed	159,664	43,860	909,390	224,101	-	-	5,728	2	-	544,603	487,637	6,270	2,714	2,478	1,545	8,456,772	2,785,601
	7,039,682	213,587	869,500	164,211	-	-	-	-	-	-	-	-	-	-	-	-	
	7,199,346	217,5447	1,778,890	388,312	-	-	5,728	2	544,603	487,637	6,779	3,335	2,478	1,545	8,456,772	2,785,601	
Salaries, wages and other benefits	277,634	177,490	41,372	23,837	2,296	1705	5,381	902	83,483	70,710	3,665	4,292	312	288	414,143	279,224	
Stores, spare parts and loose tools consumed	115,039	55,181	4,191	2,069	2	127	588	-	15,129	14,795	3,722	1,018	2	-	138,673	73,190	
Duty on manufacturing of bio fuel	51,430	19,914	519,829	-	-	-	-	-	-	-	-	-	-	-	519,829	-	
Dyes and chemicals	59,197	20,156	15,382	4,576	-	-	4,828	-	-	-	-	-	-	-	71,640	24,490	
Packing material consumed	693,613	299,471	74	8	-	-	-	-	10,345	10,143	-	-	-	-	69,782	30,483	
Fuel and power	2,518	9574	1844	1,028	160	1481	464	66	127,294	122,098	3,166	3,881	2072	641	824,147	425,472	
Repairs and maintenance	4,118	4,798	2,100	1,644	305	326	74	1506	1,566	90	48	-	-	-	29,987	13,040	
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,193	8,448	
Vehicle running and maintenance	4,828	3,419	-	-	-	-	10	-	-	-	-	-	-	-	4,838	3,419	
Travelling and conveyance	1,059	545	276	93	-	-	3	-	500	569	-	-	-	-	1838	1,207	
Printing and stationery	182	171	54	31	-	-	1	-	-	-	-	-	-	-	237	202	
Rent, rates and taxes	1,287	11,820	-	-	-	-	-	-	289	289	386	798	-	-	1,962	12,907	
Land preparation and irrigation expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,069	4,769	
Sugarcane research and development	1,480	813	-	-	-	-	-	-	-	-	-	-	-	-	1,480	813	
Depreciation on property, plant and equipment	334,022	362,240	137,330	148,036	19,228	20,787	3,854	4,166	22,338	24,735	1,071	1,178	-	-	517,843	561,142	
Amortization on intangibles	-	60	-	-	30	30	-	-	-	-	-	-	-	-	30	90	
Impairment on intangibles	-	-	-	-	655	-	-	-	-	-	-	-	-	-	655	-	
Other expenses	28,902	13,828	10,033	5,361	118	123	641	13	594	714	217	91	40	4	40,545	20,134	
	8,797,326	3,154,927	2,511,375	574,995	22,794	24,593	21,572	5,149	806,339	733,572	28,237	20,051	3,072	2,021	11,109,663	4,244,631	
Opening work-in-process	8,417	2,182	-	-	-	-	-	-	4,072	4,238	-	-	-	-	12,489	6,420	
Less: Closing work-in-process	(6,239)	(8,417)	-	-	-	-	-	-	(6,301)	(4,072)	-	-	-	-	(12,540)	(12,489)	
	2,178	(6,235)	-	-	-	-	-	-	(2,229)	166	-	-	-	-	(51)	(6,069)	
Cost of goods produced	8,799,504	3,148,692	2,511,375	574,995	22,794	24,593	21,572	5,149	804,110	733,738	28,237	20,051	3,072	2,021	11,109,612	4,238,562	
Finished goods purchased for resale	160,650	124,867	-	-	-	-	-	-	-	-	-	-	-	-	160,650	124,867	
Opening stock of finished goods	187,111	464,903	285	6,920	-	-	-	-	11,520	31,629	-	-	-	-	976	198,916	
Less: Closing stock of finished goods	(476,568)	(187,111)	(270,055)	(285)	-	-	(6,275)	-	(4,215)	(11,520)	(7,716)	-	(7)	-	(764,836)	(198,916)	
	(289,457)	277,792	(269,770)	6,635	-	-	(6,275)	-	7,305	20,109	(7,716)	-	(7)	976	(565,920)	305,512	
	8,670,697	3,551,351	2,241,605	581,630	22,794	24,593	15,297	5,149	811,415	753,847	20,251	20,051	3,065	2,997	10,704,342	4,668,941	

26.1 Inter-segment purchases have been eliminated from total figures.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

26.2 Salaries, wages and other benefits and sugarcane research and development include following in respect of retirement benefits:

	Note	2017 (Rupees in thousand)	2016
Pension fund		3,431	2,700
Gratuity fund		2,009	1,754
Provident fund		5,074	3,953
		10,514	8,407

27. Administrative expenses

Salaries, wages and other benefits	27.1	194,813	149,210
Repairs and maintenance		6,885	3,919
Insurance		3,105	2,725
Vehicle running and maintenance		6,376	5,255
Travelling and conveyance		3,343	2,204
Printing and stationery		1,353	1,256
Electricity and gas		2,260	2,846
Telephone, postage and telegram		3,645	4,039
Legal and professional charges	27.2	10,461	9,350
IT Consultancy and advisory services		4,514	4,502
Rent, rates and taxes		4,939	4,273
Staff training and development		133	121
Entertainment		3,434	2,752
Subscriptions		6,152	6,145
Advertisements		488	225
Registered office expenses		948	773
<i>Provision for doubtful:</i>			
- Short term loans, advances, deposits and receivables	23.3	6,611	1,384
- Trade debtors	22.2	4,780	-
Depreciation on property, plant and equipment	14.15	16,635	21,662
Others		1,440	342
		282,315	222,983

27.1 Salaries, wages and other benefits include following in respect of retirement benefits:

Pension fund		3,371	6,203
Gratuity fund		1,187	1,259
Provident fund		3,554	2,578
		8,112	10,040

27.2 Professional services

The charges for professional services include the following in respect of auditors' services for:

- Statutory audit		1,350	1,350
- Half yearly review		550	550
- Certification charges		180	180
- Out of pocket expenses		275	275
		2,355	2,355

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
28. DISTRIBUTION AND SELLING COSTS			
Salaries, wages and other benefits	281	4,266	2,782
Freight and forwarding		143,827	46,934
Handling and distribution		3,634	1,488
Loading and unloading charges		6,647	2,419
Sales promotion expenses		450	341
Insurance		2,260	1,995
Others		-	6
		161,084	55,965
28.1 Salaries, wages and other benefits include following in respect of retirement benefits:			
Pension fund		315	136
Provident fund		156	93
		471	229
29. OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund	11.5	8,140	-
Donations		100	127
Net exchange loss		7,260	6,564
Social action programme expenses including salaries	29.2	5,664	3,577
Waste water drainage		7,717	5,555
Fair value adjustment of agricultural assets		-	7,782
Others		1,619	2,946
		30,500	26,551
29.1 None of the Directors of the Company or their spouse have any interest in donees.			
29.2 Social action programme salaries expenses include following in respect of retirement benefits:			
		2017 (Rupees in thousand)	2016
Pension fund		208	185
Gratuity fund		86	81
Provident fund		98	49
		392	315

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
30. OTHER INCOME			
<i>Income from financial assets</i>			
Profit on sale of 'Available for Sale' investments		-	80,878
Profit on the sale of right allotment letters		-	31,682
Dividend income	30.1	9,230	9,336
Return on bank deposits		88	14,039
		9,318	135,935
<i>Income from non-financial assets</i>			
Scrap sales		12,577	13,542
<i>Profit on sale of:</i>			
- Property, plant and equipment	14.1.1	67,847	33,854
- Store items		89	262
Liabilities no longer payable written back	30.2	7,244	226,735
Fair value adjustment of agricultural assets	16.4	5,910	-
Rental income		19,737	11,913
Export rebate		-	8,580
Present value adjustment on initial recognition of interest free loan	7.2	-	21,170
Sale of mud		15,131	7,374
Others		4,731	1,152
		133,266	324,582
		142,584	460,517
30.1 Dividend income is received from the following:			
<i>Related party:</i>			
Crescent Steel and Allied Products Limited		540	9336
<i>Others:</i>			
Safeway Mutual Fund		5,571	-
Asian Stocks Fund		3,119	-
	30.1.1	8,690	-
		9,230	9,336

- 30.1.1** This represents proportionate share of the Company in the WWF liability of the mutual funds with-held at the time of disposal of these units on 16 September 2013. During the year, the said liability of funds was waived off by the authorities. Management Company of that funds distributed the said benefits to Company based on number of units held as of 16 September 2013.
- 30.2** This includes Rs. Nil (2016: Rs. 159.78 million) waived off by National Bank of Pakistan as part of the restructuring arrangement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
31. FINANCE COST			
Interest and mark-up on:			
- Long term finances	31.1	21,890	39,227
- Short term borrowings	31.1	88,610	82,913
- Due to gratuity and pension funds - related party		33,556	50,801
Notional finance cost	7.2	6,138	5,474
Bank charges, commission and excise duty		5,670	3,115
Unwinding of loan from director	7.4	12,582	-
Others		1,386	1,224
		169,832	182,754

31.1 This includes penalties aggregating to Rs. Nil (2016: Rs. 1.04 million) levied by financial institutions due to delayed payments.

	Note	2017 (Rupees in thousand)	2016
32. TAXATION			
For the year			
- Current		137,808	51,647
- Deferred		(65,581)	(70,675)
		72,227	(19,028)
Associates	17.1.1	66,966	5,258
	32.1	139,193	(13,770)

	2017 %	2016 %
32.1 Tax charge reconciliation		
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate	30.00	31.00
Tax effect for income under presumptive tax regime	46.19	(12.16)
Effect of tax credit	(0.15)	2.71
Tax effect of amounts that are not deductible for tax purposes	(37.12)	(396.82)
Impact of tax related to associates	2.39	286.83
Impact of exempt income	(1.54)	131.93
	9.77	12.49
Average effective tax rate charged to profit and loss account	39.77	43.49

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

- 32.2** The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instance where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.
- 32.3** In view of the available income tax losses, the provision for current taxation represents tax under 'Final Tax Regime' and minimum tax on turnover under section 113 of the Income Tax Ordinance, 2001. Minimum tax under section 113 is available for set off for five years against normal tax liability arising in future years whereas tax under 'Final Tax Regime' is not available for set off against normal tax liabilities.

For the purposes of current taxation, the tax losses available for carry forward as at 30 September 2017 are estimated approximately at Rs. 5,915.42 million (2016: Rs. 7,224.38 million).

- 32.4** The Finance Act, 2017 introduced a tax under section 5A of the Income Tax Ordinance, 2001 on every public company other than a scheduled bank or Modarba, that derives profits for tax year and does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash or bonus shares.

As explained in note 45 to the financial statements, the Board of Directors in their meeting held on 13 December 2017 has recommended a final cash dividend of Rs. 1.25 per share (2016: Rs. Nil) for the year ended 30 September 2017 which complies with the above stated requirements. Accordingly, no provision for tax in this respect has been made in these financial statements.

		2017	2016 Restated
33. EARNINGS PER SHARE - BASIC AND DILUTED			
i-Profit attributable to ordinary share holders:			
Profit / (loss) for the year	Rupees	210,819,000	(17,893,000)
ii-Weighted-average number of ordinary shares:			
Weighted average number of shares	Number	117,113,835	114,286,185
Earnings / (loss) per share	Rupees	1.80	(0.16)

- 33.1** No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	2017 (Rupees in thousand)	2016
34. CASH GENERATED FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	350,012	(31,663)
<i>Adjustment for depreciation/amortization of:</i>		
- property, plant and equipment	534,478	582,804
- intangible assets	30	90
Impairment of intangibles	655	-
Liabilities no longer payable written back	(7,244)	(226,735)
Gain on sale of property, plant and equipment	(67,847)	(33,854)
Interest from bank deposits	(88)	(14,039)
<i>Provision for doubtful:</i>		
- Short term loans, advances, deposits and receivables	6,611	1,384
- Trade debtors	4,780	-
Provision for Workers Profit Participation Fund (WPPF)	8,140	-
Provision for employees' retirement benefits	11,289	13,572
Dividend income	(9,230)	(9,336)
Net (income) / loss on biological assets	(5,199)	1,604
Gain on sale of 'Available for sale' investments	-	(80,878)
Present value adjustment on initial recognition of interest free loan	-	(21,170)
Share of profit from associates	(195,344)	(291,795)
Finance cost	169,832	182,754
	450,863	104,401
Profit before working capital changes	800,875	72,738
<i>Effect on cash flow due to working capital changes:</i>		
Decrease in stores spare parts and loose tools	9,537	12,637
(Increase) / decrease in stock in trade	(760,481)	457,301
(Increase) / decrease in biological assets - net	(7,716)	7,473
(Increase) / decrease in trade debts	(159,343)	17,410
(Increase) in loans, advances, prepayments and other receivables	(53,471)	(16,219)
(Decrease) / increase in trade and other payables	(1,064,442)	47,843
	(2,035,916)	526,445
Cash (used in) / generated from operating activities	(1,235,041)	599,183

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive officer, executive directors, non-executive directors and executives of the Company is as follows:

	Chief Executive Officer		Executive Directors		Non-Executive Directors		Executives	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)							
Managerial remuneration	6,200	5,100	4,672	4,008	-	-	63,536	39,289
Contribution to retirement benefits	2,190	1,802	327	281	-	-	14,130	8,728
House rent	2,790	2,295	1,868	1,603	-	-	22,401	15,691
Utilities	620	510	467	401	-	-	5,214	3,698
Medical	-	-	374	321	-	-	3,943	2,607
Others	-	-	-	-	-	-	2,570	2,211
Reimbursable expenses	-	-	-	-	-	-	-	-
Fees	-	-	-	-	920	660	-	-
	11,800	9,707	7,708	6,614	920	660	111,794	72,224
Number of persons	1	1	1	1	6	6	39	27

- 35.1** The chief executive officer, directors and some executives are provided with company maintained cars, travel facilities and club membership.
- 35.2** The Company has contributed Rs. 3.38 million (2016: 2.32 million) and Rs. 8.92 million (2016: 5.49 million) in gratuity and pension fund respectively for key management personnel.

36. PROVIDENT FUND RELATED DISCLOSURE

The Company operates a provident fund through an independent trust for its employees as explained in note 3.25.2.

The following is based on information provided by the provident fund trust;

	Un-audited 2017 (Rupees in thousand)	Audited 2016
Size of the fund	278,861	171,531
Cost of investment made	60,836	66,260
Fair value of investments	179,353	72,612
Percentage of investments made	64%	42%
The breakup of investments is as follows:		
<i>Available for sale</i>		
Ordinary shares - listed companies	178,195	71,550
Mutual funds	1,158	1,062
	179,353	72,612

The fund has made investment in ordinary shares of the Company which is not in line with the requirements of section 227 of the repealed Companies Ordinance, 1984 (Section 218 of the Companies Act 2017) and the rules formulated for this purpose.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

37. NUMBER OF EMPLOYEES

The Company has employed following number of persons:

	2017 (Number of persons)	2016
- As at 30 September	1,248	1,213
- Average number of employees	<u>1,231</u>	<u>1,299</u>

38. RELATED PARTY DISCLOSURES

The related parties comprise subsidiaries, associated undertakings, other related group companies, directors of the Company, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under loans, advances, deposits, prepayments and other receivables note 23 and trade and other payables note 11 and remuneration of directors and key management personnel are disclosed in note 35. Other significant transactions with related parties are as follows:

Relationship with the company	Nature of transactions	2017 (Rupees in thousand)	2016 (Rupees in thousand)
i. Related parties			
Crescent Steel & Allied Products Limited (CSAPL)	Purchase of goods	82	19,650
	Salary expense and other common expenses	2,734	3,264
	Dividend income	540	9,336
Shakarganj Energy (Private) Limited -associated undertaking of CSAPL	Purchase of electricity, steam and bagasse	755,844	164,850
	Sale of bagasse & water	621,049	286,813
	Sale of material	-	3,973
	Purchase of material	197	-
	Rent paid against use of boiler	-	5,000
	Advances received for bagasse	-	70,000
	Common expenses	8,103	8,679
Crescent Hadeed (Private) Limited associated undertaking of CSAPL	Rendering of services	1,439	2,577
	Sale of material	-	1,643
	Purchase of Material	63	-
Crescent Cotton Mills Limited	Purchase of Yarn	-	4,353
Premier Insurance Limited	Insurance expenses	6,909	5,389
ii. Associated undertakings			
Shakarganj Food Products Limited	Sale of goods	191,846	160,411
	Salary expense and other common expenses	1,554	4,078
iii. Post employment benefit plans	Expense charged in respect of retirement benefit plans	20,171	20,245
	Transactions with pension and gratuity fund account		
	- Funds received	762,337	747,436
	- Funds paid	762,337	747,436
	- Markup expense	33,556	50,801
iv. Key management personnel	Loan received from director	-	240,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

		2017	2016
39. CAPACITY AND PRODUCTION			
<i>Sugar</i>			
Jhang			
Rated crushing capacity	MT / day	10,000	10,000
On the basis of 145 days (2016: 97 days)	MT	1,450,000	970,000
Actual cane crushed	MT	838,456	269,018
Bhong			
Rated crushing capacity	MT / day	6,000	6,000
On the basis of 138 days (2016: 86 days)	MT	828,000	516,000
Actual cane crushed	MT	705,393	181,786
The low crushing was due to working capital constraints.			
<i>Bio Fuel</i>			
Jhang			
Rated production capacity	Litres / day	150,000	150,000
On the basis of average number of 175 days (2016: 53 days) working	Liters	26,250,000	8,000,000
Actual production	Liters	24,691,358	7,192,675
Bhong			
Rated production capacity	Litres / day	200,000	200,000
On the basis of average number of 98 days (2016: 21 days) working	Liters	19,500,000	4,150,000
Actual production	Liters	16,929,875	3,001,263
Low plant operational days were due to working capital constraints.			
<i>Building Materials</i>			
On the basis of 5 years average (2016: 5 years) working	Cubic meter	6,163	6,163
Actual production	Cubic meter	1,578	-
Low plant operational days was due to unavailability of surplus bagasse and consumer demand.			
<i>Textile</i>			
Capacity (converted in 20s counts)	Kg	6,796,556	6,586,511
Actual production (converted in 20s counts)	Kg	6,155,317	5,836,313
The actual production was 91% of the capacity.			
<i>Power</i>			
Plant was not operated due to unavailability of surplus raw material.			

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

40. BUSINESS SEGMENTS INFORMATION

		(Rupees in thousand)																	
	Note	Sugar 2017	Sugar 2016	Bio Fuel 2017	Bio Fuel 2016	Bio Power 2017	Bio Power 2016	Building Materials 2017	Building Materials 2016	Textile 2017	Textile 2016	Farms 2017	Farms 2016	Others 2017	Others 2016	Elimination 2017	Elimination 2016	Total 2017	Total 2016
Revenue																			
- External	25	8,627,009 9,151,18	3,107,908 230,361	1,902,173 153,913	506,027 28,305	-	-	12,064	-	801,000	737,093	14,218 10,373	19,927 9,297	3,693 1,648	2,264 2,714	(1,081,052) (270,677)	-	11,360,157 11,360,157	4,373,219 -
- Intersegment	25	9,542,127	3,338,269	2,056,086	534,332	-	-	12,064	-	801,000	737,093	24,591	29,224	5,341	4,978	(1,081,052) (270,677)	-	11,360,157 11,360,157	4,373,219 -
Segment expenses																			
Cost of sales																			
- Intersegment	26	159,664 8,511,033	43,860 3,507,491	909,390 1,332,215	224,101 357,529	22,794	24,593	5,728 9,569	2 5,147	811,415	753,847	6,270 14,251	2,714 17,337	3,065	2,997	(1,081,052) (270,677)	-	10,704,342 10,704,342	4,668,941 4,668,941
- External	26	8,670,697	3,551,351	2,241,605	581,630	22,794	24,593	15,297	5,149	811,415	753,847	20,521	20,051	3,065	2,997	(1,081,052) (270,677)	-	10,704,342 10,704,342	4,668,941 4,668,941
Gross profit / (loss)		871,430	(213,082)	(185,519)	(47,298)	(22,794)	(24,593)	(3,233)	(5,149)	(10,415)	(16,754)	4,070	9,173	2,276	1,981	-	-	655,815 655,815	(295,722) (295,722)
- Administrative expenses	27	209,705	170,674	45,186	27,318	-	-	265	-	25,932	23,573	11,110	11,164	117	254	-	-	282,315 161,084	222,983 55,965
- Distribution and selling costs	28	15,128	7,666	144,286	46,810	-	-	6	-	1,664	1,489	-	-	-	-	-	-	443,399 212,416	278,948 (574,670)
Segment results		646,597	(391,422)	(374,991)	(121,426)	(22,794)	(24,593)	(3,504)	(5,149)	(38,011)	(41,816)	2,960	8,009	2,159	1,727	-	-	(30,500) 181,916	(26,551) (601,221)
Other operating expenses																			
Operating profit / (loss)																			
Finance costs																			
Other income																			
Taxation																			
Share of income from associates - net of tax																			
Profit / (Loss) for the year																			
40.1 Inter-segment sales and purchases																			
Inter - segment sales and purchases have been eliminated from total figures.																			
40.2 Basis of inter-segment pricing																			
All inter-segment transfers are made at cost.																			
40.3 Segment assets		5,817,779	5,841,191	2,512,461	1,977,339	2,371,45	2,576,08	53,804	51,682	321,324	348,636	700,635	685,223	8	2,838	-	-	9,643,156 1,627,596	9,164,517 167,5279
Unallocated assets																		11,270,752 11,270,752	10,839,796 10,839,796
All non-current assets of the Company as at the reporting date are located in Pakistan.																			
40.4 Segment liabilities		2,841,265	4,010,295	1,853,758	1,315,885	2,5171	28,235	21,812	33,820	97,641	133,072	17,703	17,090	179	1,070	-	-	4,857,529 271,083	5,539,467 329,096
Unallocated liabilities																		512,8612 512,8612	5,868,563 5,868,563
40.5 Capital expenditure		43,623	628	-	6,493	-	-	-	-	40	1,318	591	51	-	-	-	-	44,254 15,592	8,490 2,144
Unallocated																		59,846 59,846	10,634 10,634
40.6 Depreciation on property, plant and equipment		334,022	362,240	137,330	148,036	19,228	20,787	3,854	4,166	22,338	24,735	1,071	1,178	-	-	-	-	517,843 16,635	561,142 21,662
Unallocated																		534,478 534,478	582,804 582,804
40.7 Impairment on intangible assets		-	60	-	-	685	30	-	-	-	-	-	-	-	-	-	-	685 685	90 90
40.8 Secondary reporting format																			
Segment revenue from external customers by geographical areas is as follows:																			
Export sales - Europe		4,482	-	838,705	12,1865	-	-	-	-	-	-	-	-	-	-	-	-	843,187	121,865
Export sales - Asia		295,606	37,555	988,112	354,005	-	-	12,064	-	801,000	737,093	14,218	19,927	3,693	2,264	-	-	1,283,718	391,560
Local sales		8,326,921	3,070,353	75,356	30,157	-	-	12,064	-	801,000	737,093	14,218	19,927	3,693	2,264	-	-	9,233,252	3,859,794
		8,627,009	3,107,908	1,902,173	506,027	-	-	12,064	-	801,000	737,093	14,218	19,927	3,693	2,264	-	-	11,360,157	4,373,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

41. FINANCIAL RISK MANAGEMENT

41.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The Company's Board of Directors ("the board") has overall responsibility for establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Audit committee is assisted in its oversight role by internal audit department. Internal audit department undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's exposure to financial risk, the way these risks affect the financial position and performance and the manner in which such risks are managed is as follows:

41.1.1 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures with acceptable parameters, while optimizing return.

(i) Currency risk

Currency risk is the risk that value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. The company, where considered necessary, uses money market borrowing contracts against receivables exposed to foreign currency risks.

The Company is exposed to currency risk arising only with respect to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities and short term borrowings with banks. The Company's exposure to currency risk is as follows:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (USD)	2016
<i>Financial liabilities</i>			
Export refinance	10.3	2,588,349	2,204,889
Trade and other payables	11	988,699	648,699
Trade debts	22	1,432,700	-

The following significant exchange rates were applied during the year:

	2017 (USD)	2016
<i>Rupees per USD</i>		
Average rate	105.10	104.58
Reporting date rate	105.45	104.75

At 30 September 2017, if the Rupee had weakened/strengthened by 10% against the US dollar with all other variables held constant, post-tax profit for the year would have been lower / higher as under, mainly as a result of foreign exchange gains/losses on translation of US dollar-denominated short term borrowings, trade receivables and payables.

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax and equity. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in Exchange rate %	Effect on profit before tax	Effect on equity
(Rupees in thousand)			
2017			
	10%	(22,612)	(22,612)
	-10%	22,612	22,612
2016			
	10%	(29,891)	(29,891)
	-10%	29,891	29,891

(ii) Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified as available for sale. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

The Company's investments in equity of other entities that are publicly traded are listed on Pakistan Stock Exchange.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The summary below explains the impact of increase of the PSX-100 index on equity. The analysis is based on the assumption that the PSX-100 index had increased/decreased by 10% with all other variables held constant and all the company's equity instruments moved according to the historical correlation with the PSX100 index:

	Impact on other components of equity	
	2017	2016
	(Rupees in thousand)	
Pakistan Stock Exchange	2,847	2,268

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as available for sale.

(iii) Cash flow and fair value interest rate risk

As the Company has no significant interest-bearing assets, the Company's income is substantially independent of changes in market interest rates.

The Company's interest rate risk arises from both long-term and short term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments was:

	2017	2016
	(Rupees in thousand)	
- Financial assets		
<i>Fixed rate instruments</i>		
Bank balances - deposit accounts	542	206
- Financial liabilities		
<i>Variable rate instruments</i>		
Long term financing	273,569	370,850
Short term financing	1,238,816	470,268
	1,512,385	841,118

Fair value sensitivity for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the carrying value of any of company's assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

Cash flow sensitivity analysis for variable rate instruments

At 30 September 2017, if interest rates on both short term and long term borrowings had been 1% higher/lower with all other variables held constant, post-tax profit / (loss) for the year would have been Rs. 10.59 million (2016: Rs. 5.80 million) higher/lower, mainly as a result of higher interest expense on KIBOR based borrowings.

411.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to wholesale and other customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted. If customers are independently rated, these ratings are used. If there is no independent rating, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored and major sales to customers are settled in cash.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the balance sheet date was:

	2017 (Rupees in thousand)	2016 (Rupees in thousand)
Long term loans, advances and deposits	36,531	36,531
Trade debts	167,717	13,154
Loans, advances, prepayments and other receivables	38,267	41,298
Bank balances	4,732	17,880
	247,247	108,863

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a large number of counter parties. The Company does not hold any collateral or any other credit enhancement instruments in relation to trade receivables. The aging of trade receivables is as follows:

	2017 (Rupees in thousand)	2016 (Rupees in thousand)
Up to 30 days	160,028	-
30 to 60 days	1,922	-
60 to 180 days	3,270	5,953
180 to 365 days	2,263	6,139
More than 365 days	234	1,062
	167,717	13,154

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it will not receive the amount due from the particular customer. The provision is written off by the Company when it expects that it cannot recover the balance due. Any subsequent repayments in relation to amount written off, are credited to income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Banks	Rating Short term	Long term	Rating Agency	2017 (Rupees in thousand)	2016
Askari Bank Limited	A1+	AA+	PACRA	227	727
Allied Bank Limited	A1+	AA+	PACRA	2	1
Bank Alfalah Limited	A1+	AA+	PACRA	277	230
Bank Islami Pakistan Limited	A1	A+	PACRA	673	91
The Bank of Punjab	A1+	AA	PACRA	43	90
Habib Bank Limited	A1+	AAA	JCR-VIS	2,298	6,338
MCB Bank Limited	A1+	AAA	PACRA	390	2,602
National Bank of Pakistan	A1+	AAA	PACRA	280	7,665
Standard Chartered	A1+	AAA	PACRA	29	131
United Bank Limited	A1+	AAA	JCR-VIS	3	2
Meezan Bank Limited	A1+	A-1+	JCR-VIS	501	-
Dubai Islamic Bank	A-1	AA-	JCR-VIS	9	3
				4,732	17,880

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 counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

41.1.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the Company's businesses, the finance department maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the company's undrawn borrowing facilities (note 10) and cash and cash equivalents (note 24) on the basis of expected cash flow. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities; monitoring balance sheet liquidity ratios against internal and external regulatory requirements; and maintaining debt financing plans. The Company has been facing liquidity crunch for the last few years as a result of which it was unable to timely meet its financial obligations. However, the Company through continuous support from its lenders has been able to obtain working capital lines to manage its liquidity requirements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	(Rupees in thousand)			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 September 2017				
Floating rate long term debt	97,703	78,162	97,704	-
Variable rate short term borrowings	1,238,816	-	-	-
Trade and other payables	1,119,873	-	-	-
Accrued finance cost	116,516	-	-	-
	2,572,908	78,162	97,704	-
At 30 September 2016				
Floating rate long term debt	116,822	78,162	175,866	-
Variable rate short term borrowings	470,268	-	-	-
Trade and other payables	1,286,424	-	-	-
Accrued finance cost	218,545	-	-	-
	2,092,059	78,162	175,866	-
Loans and receivables				
	2017	2016		
	(Rupees in thousand)			
Long term loans, advances and deposits	36,531	36,531		
Trade debts	167,717	13,154		
Advances, deposits, prepayments and other receivables	38,267	41,298		
Cash and bank balances	5,255	18,640		
Available for sale				
	2017	2016		
	(Rupees in thousand)			
Investments - available for sale	28,474	22,682		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Financial liabilities at amortized cost	
	2017 (Rupees in thousand)	2016
Long term finances	529,474	638,756
Short term borrowings - secured	1,661,160	969,199
Trade and other payables	1,119,873	1,286,424
Accrued finance cost	116,516	218,545

41.3 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset either directly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

Note	Carrying amount					Fair value												
	Available for sale	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total									
	Rupees in thousands																	
2017																		
<i><u>Financial assets - measured at fair value</u></i>																		
Available for sale Biological assets	17	28,474	-	-	28,474	28,474	-	-	28,474 26,651									
			26,651	-	26,651		8,342	18,309	26,651									
		28,474	26,651	-	55,125	28,474	8,342	18,309	55,125									
<i><u>Financial assets - not measured at fair value</u></i>																		
Long term deposits	19	-	36,531	-	36,531	-	-	-	-									
Trade debts	22	-	167,717	-	167,717	-	-	-	-									
Advances, deposits, prepayments and other receivables	23	-	38,267	-	38,267	-	-	-	-									
Cash and Bank balances	24	-	-	5,255	5,255	-	-	-	-									
		-	242,515	5,255	-	247,770	-	-	-									
<i><u>Financial liabilities - measured at fair value</u></i>																		
<i><u>Financial liabilities - not measured at fair value</u></i>																		
Long term loans	7 & 9	-	-	-	529,474	529,474	-	529,474	529,474									
Short term borrowings	10	-	-	-	1,661,160	1,661,160	-	1,661,160	1,661,160									
Trade and other payables	11	-	-	-	1,119,873	1,119,873	-	-	-									
Accrued mark-up	12	-	-	-	116,516	116,516	-	-	-									
		-	-	-	3,427,023	3,427,023	-	2,190,634	2,190,634									
2016																		
<i><u>Financial assets - measured at fair value</u></i>																		
Available for sale Biological assets	17	22,682	-	-	22,682	22,682	-	-	22,682									
	16	-	21,452	-	21,452		7,734	13,718	21,452									
		22,682	21,452	-	44,134	22,682	7,734	13,718	44,134									
<i><u>Financial assets - not measured at fair value</u></i>																		
Long term deposits	19	-	36,531	-	36,531	-	-	-	-									
Trade debts	22	-	13,154	-	13,154	-	-	-	-									
Advances, deposits, prepayments and other receivables	23	-	41,298	-	41,298	-	-	-	-									
Cash and Bank balances	24	-	-	18,640	18,640	-	-	-	-									
		-	90,983	18,640	-	109,623	-	-	-									
<i><u>Financial liabilities - measured at fair value</u></i>																		
<i><u>Financial liabilities - not measured at fair value</u></i>																		
Long term loans	7 & 9	-	-	-	638,756	638,756	-	638,756	638,756									
Short term borrowings	10	-	-	-	969,199	969,199	-	969,199	969,199									
Trade and other payables	11	-	-	-	1,286,424	1,286,424	-	-	-									
Accrued mark-up	12	-	-	-	218,545	218,545	-	-	-									
		-	-	-	3,112,924	3,112,924	-	1,607,955	1,607,955									

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

42. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

Following information has been disclosed with reference to circular No. 29 of 2016 dated 05 September 2016 issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index".

42.1	Assets and liabilities	Note	Carried under							
			Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements				
			2017	2016	Rupees in thousand					
Assets										
Loans and advances - interest free										
Advances to employees	23		-	9,677	-	12,297				
Advances to suppliers			-	96,399	-	39,035				
Advances to sugar cane growers			-	10,601	-	13,158				
Margins against bank guarantees		180	180	2,000	180	2,000				
Other advance - interest free										
Advances for capital work in progress	14.2.2		-	28,772	-	13,228				
Due from related parties	23		-	16,346	-	22,843				
Deposits- interest free										
Long term security deposits	19		-	36,531	-	36,531				
Bank balances										
	24.2		3,312	1,420	17,290	590				
Liabilities										
Loans and advances										
Long term finances	7		350,029	-	471,893	-				
Loan from Director - interest free	7		-	179,445	-	166,863				
Short term borrowings	10		1,138,816	522,344	370,268	598,931				
Advances from customers - interest free	11.1		-	272,747	-	1,759,496				
Advances for sale of property, plant and equipment - interest free	11		-	12,000	-	12,000				
Associated undertakings - interest free	11.3		-	23,227	-	2,669				
Deposits - interest free										
Security deposits	11.2		-	2,233	-	2,198				
Income										
Profit on deposits with banks	30		-	88	-	14,039				
Other comprehensive income										
Unrealized gain on investment	17.2.1		5,792	-	7,738	-				
42.2 Dividend income earned from										
		30.1			2017 (Rupees in thousand)	2016				
Crescent Steel and Allied Products Limited				540		9,336				
Safeway Mutual Fund				5,571		-				
Asian Stocks Fund				3,119		-				
				9,230		9,336				

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

	Note	2017 (Rupees in thousand)	2016
42.3 Source of other income			
Profit on sale of 'Available for Sale' investments		-	80,878
Profit on the sale of right allotment letters		-	31,682
Dividend on equity investment		9,230	9,336
Return on bank deposits		88	14,039
Scrap sales		12,577	13,542
Liabilities no longer payable written back		7,244	226,735
Profit on sale of:			
- Property, plant and equipment		67,847	33,854
- Store items		89	262
Fair value adjustment of agricultural assets		5,910	-
Rental income		19,737	11,913
Export rebate		-	8,580
Present value adjustment on initial recognition of interest free loan		-	21,170
Sale of mud		15,131	7,374
Other		4,731	1,152
	30	142,584	460,517
42.4 Exchange loss			
Loss on actual currency	29	7,260	6,564
42.5 Revenue (external) from different business			
Sugar		8,627,009	3,107,908
Bio Fuel		1,902,173	506,027
Building Material		12,064	-
Textile		801,000	737,093
Farm		14,218	19,927
Other		3,693	2,264
	40	11,360,157	4,373,219

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

Name	Relationship	
	Non Islamic window operations	With Islamic window operations
Askari Bank Limited	✓	✓
Bank Al Falah Limited	✓	✓
Habib Bank Limited	✓	✓
MCB Bank Limited	✓	✓
Bank Islami Pakistan Limited	-	✓
Dubai Islamic Bank Pakistan Limited	-	✓
Meezan Bank Limited	-	✓
Allied Bank Limited	✓	-
Standard Chartered Bank (Pakistan) Limited	✓	-
Silk Bank Limited	✓	-
Faysal Bank Limited	✓	-
National Bank of Pakistan	✓	-
United Bank Limited	✓	-
The Bank of Punjab	✓	-

43. CAPITAL RISK MANAGEMENT

The board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The board of directors monitors the return on capital employed, which the Company defines as operating income divided by total capital employed. The board of directors also monitors the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and;
- (ii) to provide an adequate return to shareholders.

The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of total debt to equity. Total debt represents the total current and non-current borrowings of the Company.

	2017 (Rupees in thousand)	2016 (Rupees in thousand)
Total debt	2,190,634	1,607,955
Total equity	1,463,169	28,458
Total debt and equity	3,653,803	1,636,413
Gearing ratio	60%	98%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

For working capital requirements and capital expenditure, the Company primarily relies on substantial short term borrowings.

44. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on 13 December 2017 by the board of directors of the Company.

45. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors in their meeting held on 13 December 2017 have proposed a final cash dividend for the year ended 30 September 2017 of Rs. 1.25 per share (2016: Nil), amounting to Rs. 156.250 million (2016: Nil) for approval of the members at the annual general meeting to be held on 26 January 2018. These financial statements do not reflect this dividend.

46. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework however, no significant re-arrangements have been made.



Jayanta Mallick
Chief Executive

— Arun Kumar —
Chairman



Md. Jahanur Rahim
Chief Financial Officer

PATTERN OF SHAREHOLDING

The Companies Act 2017

Form - 34

1. Incorporation Number **0002546**
2. Name of The Company **Shakarganj Limited**
3. Pattern of Holding of the Shares held by the Shareholders as at : 30 September 2017

No. of Shareholders	From	Shareholding	To	Total shares held
452	1		100	14,126
472	101		500	159,557
347	501		1,000	279,456
482	1,001		5,000	1,089,691
98	5,001		10,000	685,305
35	10,001		15,000	427,077
17	15,001		20,000	308,699
16	20,001		25,000	364,009
14	25,001		30,000	389,128
6	30,001		35,000	200,322
4	35,001		40,000	155,800
6	40,001		45,000	251,319
7	45,001		50,000	327,708
5	50,001		55,000	263,962
5	55,001		60,000	282,196
1	60,001		65,000	61,779
3	65,001		70,000	200,120
8	70,001		75,000	587,105
1	75,001		80,000	76,252
3	80,001		85,000	249,266
4	85,001		90,000	352,959
1	95,001		100,000	95,146
1	100,001		105,000	100,872
2	105,001		110,000	216,682
1	110,001		115,000	113,636
2	115,001		120,000	234,797
1	120,001		125,000	120,861
1	130,001		135,000	133,178
1	135,001		140,000	135,500
1	140,001		145,000	142,017
2	145,001		150,000	297,839
1	160,001		165,000	164,772
1	185,001		190,000	189,501

No. of Shareholders	From	Shareholding	To	Total shares held
2	190,001	195,000		389,000
1	195,001	200,000		198,863
3	205,001	210,000		623,100
1	220,001	225,000		223,140
2	250,001	255,000		507,520
1	255,001	260,000		257,349
1	260,001	265,000		261,363
1	295,001	300,000		297,727
1	320,001	325,000		320,454
1	395,001	400,000		397,727
1	425,001	430,000		429,000
1	460,001	465,000		462,032
1	490,001	495,000		492,500
2	500,001	505,000		1,008,722
1	645,001	650,000		648,899
1	655,001	660,000		657,754
1	740,001	745,000		743,980
1	765,001	770,000		766,111
1	770,001	775,000		772,727
1	815,001	820,000		820,000
1	915,001	920,000		916,582
1	1,130,001	1,135,000		1,132,600
1	1,375,001	1,380,000		1,375,427
1	1,895,001	1,900,000		1,899,693
1	2,035,001	2,040,000		2,035,590
1	5,090,001	5,095,000		5,090,908
1	5,305,001	5,310,000		5,306,818
1	7,050,001	7,055,000		7,051,136
1	7,575,001	7,580,000		7,578,837
1	7,600,001	7,605,000		7,602,272
1	8,620,001	8,625,000		8,621,963
1	12,460,001	12,465,000		12,464,754
1	17,565,001	17,570,000		17,565,740
1	27,405,001	27,410,000		27,409,075
<hr/> 2,040 <hr/>				125,000,000 <hr/>

Categories of Shareholder	Physical	CDC	Total	%age
Directors, Chief Executive Officer, Their Spouses and Minor Children				
Chief Executive				
Mr. Anjum Muhammad Saleem	-	5,306,818	5,306,818	4.25
Directors				
Mr. Khawaja Jalaluddin	-	503,977	503,977	0.40
Miss Hajarah Ahsan Saleem	-	26,818	26,818	0.02
Mr. Ali Altaf Saleem	-	297,727	297,727	0.24
Mr. Khalid Bashir	-	76,252	76,252	0.06
Mr. Muhammad Anwar	-	120,861	120,861	0.10
Mr. Muhammad Arshad	-	257,349	257,349	0.21
Director's Spouses and Their Minor Children				
Begum Tarveer Khalid Bashir	-	252,552	252,552	0.20
Mrs. Fizza Ali Saleem	-	3,409	3,409	0.00
Mrs. Saira Anjum Saleem	-	164,772	164,772	0.13
Mst. Abida Anwar	-	67,530	67,530	0.05
	-	7,078,065	7,078,065	5.66
Executives				
	-	7,051,136	7,051,136	5.64
Associated Companies, Undertakings & Related Parties				
Crescent Cotton Mills Limited	-	1,899,693	1,899,693	1.52
Crescent Steel and Allied Products Limited	-	27,409,075	27,409,075	21.93
CS Capital (Pvt) Limited	-	7,602,272	7,602,272	6.08
Roomi Fabrics Limited	-	12,464,754	12,464,754	9.97
The Crescent Textile Mills Limited	-	9,019,690	9,019,690	7.22
Trustee - SML Employees Gratuity Fund	-	107,876	107,876	0.09
Trustee - SML Employees Pension Fund	-	916,582	916,582	0.73
Trustee - SML Employees Provident Fund	-	1,375,427	1,375,427	1.10
	-	60,795,369	60,795,369	48.64
Mutual Funds (Name Wise Detail)				
CDC - Trustee National Investment (Unit) Trust	-	7,578,837	7,578,837	6.06
	-	7,578,837	7,578,837	6.06
Banks, NBFCs, DFIs, Takaful, Pension Funds				
	102,812	777,763	880,575	0.70
Modarabas				
	453	-	453	0.00
Insurance Companies				
	8	5,000	5,008	0.00
Other Companies, Corporate Bodies, Trust etc.				
	4,716	21,918,949	21,923,665	17.54
General Public				
	795,888	18,891,004	19,686,892	15.75
	903,877	124,096,123	125,000,000	100.00
Shareholders More Than 5.00%				
Crescent Steel and Allied Products Limited			27,409,075	21.93
Masood Fabrics Limited			17,565,740	14.05
Roomi Fabrics Limited			12,464,754	9.97
The Crescent Textile Mills Limited			8,621,963	6.90
CS Capital (Pvt) Limited			7,602,272	6.08
CDC - Trustee National Investment (Unit) Trust			7,578,837	6.06
Altaf Muhammad Saleem			7,051,136	5.64

NOTICE OF 50TH ANNUAL GENERAL MEETING

Notice is hereby given that the 50th Annual General Meeting of shareholders of Shakarganj Limited (the "Company") will be held on Friday, 26 January 2018 at 11:00 a.m. at Qasr-e-Noor, 9-E-2, Main Boulevard, Gulberg-III, Lahore to transact the following Ordinary Business:

Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements for the year ended 30 September 2017.
2. To approve the payment of final cash dividend of Rs. 1.25 per share (i.e., @12.5%) for the year ended 30 September 2017 as recommended by the Board of Directors.
3. To appoint Company's auditors and to fix their remuneration.

By Order of the Board

Lahore: 13 December 2017

Asif Ali

Company Secretary

NOTES:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 19 January 2018 to 26 January 2018 (both days inclusive). Transfers received in order at the office of our Share Registrar, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 18 January 2018, will be treated in time for the entitlement of final cash dividend to the transferees and to attend the annual general meeting (AGM).

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A Proxy must be a member of the Company.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

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

B. For Appointing Proxies

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

5. Submission of CNIC copies for Dividend Payment:

As has already been notified to the shareholders from time to time, the directive of the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O. 831(I)/2012 dated 05 July 2012 requires that the dividend warrants should bear the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders. CNIC number of the shareholders is, therefore, mandatory for the issuance of dividend warrants and in the absence of such information, payment of dividend may be withheld which will be released upon submission of a valid copy of the CNIC. Shareholders who have not yet provided their CNICs are, therefore, once again advised to provide the attested copies of their CNICs directly to our Share Registrar at the address given herein above.

6. Payment of Cash Dividend through Electronic Mode

The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account of designated by the entitled shareholders. Accordingly, the shareholders holding physical shares are requested to provide the Company's Share Registrar at the address given herein above, electronic dividend mandate on E-Dividend Form provided in the annual report and also available on website of the Company. In the case of shares held in CDC, the same information should be provided to the CDS participants for updating and forwarding to the Company.

7. Circulations of Annual Reports through CD/DVD/USB

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Shakarganj Limited in 49th AGM of the Company held on 31 January 2017 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.shakarganj.com.pk

8. Deduction of Income Tax from Dividend at Revised Rates

Pursuant to the provisions of Finance Act, 2017 effective 01 July 2017, the deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No	Nature of Shareholders	Rate of deduction
1	Filers of Income Tax Return	15.0%
2	Non- Filers of Income Tax Return	20.0%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder

9. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar M/s CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore, to collect/enquire about their unclaimed dividend or pending shares, if any.

10. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given herein above at least 7 days prior to the date of the meeting on the Standard Form provided in the annual report and also available on the company's website.

11. Placement of Financial Statements

The Company has placed the Audited Annual Financial Statements for the year ended 30 September 2017 along with Auditors and Directors Reports thereon on its website: www.shakarganj.com.pk

کیا جائے گا۔ اگر کمپنی قابل تحقیق ہوا تو ہر اکاؤنٹ ہو لد ر حصہ کے مساوی تابع کا مالک تصور ہو گا اور اس کے مطابق کوئی کی جائے گی۔ اس لئے اعلیٰ شرح پر ٹکس کی کوئی کی سے بچنے کیلئے مشترکہ اکاؤنٹ ہو لد ر سے درخواست ہے کہ اپنے شیر ہو لد نگ کی حسب ذیل تفصیلات کمپنی کے شیر ہجڑا کو AGM کی تاریخ تک مہیا کریں۔

فولہ ایڈیشن کا نمبر	نام شہر ہجڑا	کمپنی ایڈیشن کا نمبر	شیر ہو لد نگ	کل حصہ	پہلی اجاتی شیر
9	ان کلیم ڈیویڈنڈ اور بونس شیرز				

حصہ داران کے ان کلیم ڈیویڈنڈز، جو کسی وجہ سے اپنے ڈیویڈنڈ یا بونس شیرز کلیم نہیں کر سکے یا اپنے مادی حصہ حاصل نہیں کر سکے تھے، اگر کوئی ہوں، سے اتماس ہے کہ ہمارے شیر ہجڑا میسر ز کارپ یک ایسوی ایٹس (پرائیوریت) لمبیڈ، E-503، جو ہر تا ان لاہور سے اپنے ان کلیم ڈیویڈنڈ، اگر کوئی ہوں، کے بارے دریافت حاصل کرنے کے لئے رابطہ کریں۔

کمپنیز ایکٹ 2017 کی دفعہ 244 کی تعییں میں راجح طریقہ کا مکمل کرنے کے بعد تمام ایسے ڈیویڈنڈ اور مقرہہ تاریخ سے 3 سال یا زیادہ عرصہ کے لئے شیرز آؤٹ شینڈنگ اور واجب الادا ان کلیم ڈیویڈنڈ کی صورت میں فیڈرل حکومت کے کریٹ میں جمع اور حصہ کی صورت میں SECP کو ترسیل کر دیئے جائیں گے۔

10- ڈیویکنفرنس سہولت

کمپنیز ایکٹ 2017ء کی پروپریٹریز کی پیروی میں، کمپنی کے کل پیدا پ شیر کیپیٹل کے کم از کم 10% کے مالک اس شہر میں سکونتی حصہ داران کمپنی سے اجلاس میں شرکت کے لئے ڈیویڈنڈ کی سہولت مہیا کرنے کا مطالبہ کر سکتے ہیں۔ ڈیویکن فرنس سہولت کا مطالبہ مذکورہ بالا پتہ پر شیر ہجڑا کے ذریعے سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی دیوبھی دستیابی پر مبنی حصہ داران کو مطالبہ پر مذکورہ بالا دستاویزیات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصہ داران جو سالانہ رپورٹ پیشوں اجلاس کے نویں بذریعہ ایسی میں بھی وصول کرنا چاہتے ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی دیوبھی دستیابی www.shakarganj.com.pk پر بھی دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

2017ء مورخہ کیم اگست 2017ء SECP نے 31 اکتوبر 2017ء تک ڈیویڈنڈ وارنڈ کے ذریعے نقد منافع منقسمہ ادا کرنے کی ایک بار کی رعایت کی اجازت دی ہے۔ اس کے مطابق مادی حصہ کے مالک حصہ داران سے درخواست ہے درج بالا پتہ پر کمپنی کے شیر ہجڑا کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی دیوبھی دستیاب ای ڈیویڈنڈ فارم پر الیکٹریک ڈیویڈنڈ میں دیہت فراہم کریں۔ سی ڈی اسی میں حصہ رکھنے کی صورت میں، یہ معلومات اپ ڈینگ اور کمپنی کو اسال کرنے کیلئے سی ڈی اسی پاٹسپنٹس کو مہیا کی جانی چاہیں۔

7- مالی حسابات کی ترسیل بدربیعہ سی ڈی / ڈی وی ڈی / یو ایس بی
سیکورٹیز ایڈ ایچیجن کیشن آف پاکستان کے نویں نیشن 470(I)/2016 کی پیروی میں شکرخ نمیڈن کے حصہ داران نے 31 جون 2016ء کو منعقدہ کمپنی کے 49 دیس میں سالانہ رپورٹ پیشوں نظر خانی شدہ سالانہ حبابات، سالانہ اجلاس عام کے نویں اور کمپنی کی دیگر معلومات ہارڈ کاپیوں میں ترسیل کی جائے سی ڈی وی ڈی / یو ایس بی کے ذریعے ترسیل کیلئے اپنی رضامندی کی منظوری دے چکے ہیں۔ حصہ داران جو مذکورہ بالا دستاویزات کی ملکہ کاپیاں وصول کرنا چاہتے ہوں پیش کیکر شیر ہجڑا کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی دیوبھی دستیابی پر مبنی حصہ داران کو مطالبہ پر مذکورہ بالا دستاویزیات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصہ داران جو سالانہ رپورٹ پیشوں اجلاس کے نویں بذریعہ ایسی میں بھی وصول کرنا چاہتے ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی دیوبھی دستیابی www.shakarganj.com.pk پر بھی دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

8- ڈیویڈنڈ سے نظر ثانی شدہ شرح پر انکم

ٹیکس کی کٹوتی

کیم جولائی 2017ء سے موثر فانس ایکٹ 2017ء کی پروپریٹریز کی پیروی میں ڈیویڈنڈ ادا نکیوں سے اکم ٹکس کی کٹوتی حصہ ذیل کے مطابق فاٹکر ز اور نان فاٹکر ز کی بنیاد پر کی جائیگی۔

نمبر نان	ٹکوتی کی شرح
-1	اکم ٹکس ریٹن کے فاٹکر
-2	اکم ٹکس ریٹن کے نان فاٹکر

اکم ٹکس فیڈرل بورڈ آف ریونو دیوبھی دستیابی پر چسپاں ایکٹوں کیکس پیئر ز فہرست کی بنیاد پر منہما کیا جائے گا۔

اکم ٹکس کی کٹوتی سے رعایت حاصل کرنے کے خواہشمند مہر ان یا کم شرح پر کٹوتی کے اہل سے درخواست ہے کہ کار آمد ٹکس ٹھنڈکیٹ یا ضروری دستاویزی شوت جو بھی صورت ہو جمع کرائیں۔

11- مالی حسابات کی پیسمنٹ

کمپنی 30 ستمبر 2017ء مختتمہ سال کیلئے تقعیج شدہ سالانہ مالی حسابات میں ان پر آٹھیزان اور ڈائریکٹر ان کی روپوں اپنی دیوبھی دستیابی www.shakarganj.com.pk پر رکھ چکی ہے۔

حصہ داران جو فاٹکر ز اور نان فاٹکر ز کے ذریعے مشترکہ شیر ہو لد نگ کے مالک ہوں سے الگ الگ سلوک کیا جائے گا اور ایسی خاص حالت میں ہر ایک اکاؤنٹ ہو لد ر سے یا تو فاٹکر ز یا نان فاٹکر ز کیا جائے گا اور ان کے شیر ہو لد نگ کے مطابق ٹکس منہما

اطلاع 50 وال سالانہ اجلاسِ عام

کو اجلاس میں شرکت کے وقت اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔
 b)۔ بصورت کارپوریٹ ایئٹی بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ معناد مزدہ کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہو گے (اگر پہلے مہینہ میں کئے گئے)۔

B-پراکسی تقری کیلئے:

- a)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، کو بالا رکیوائزمنٹ کے مطابق پر اکسی فارم جمع کرنا ہوگا۔
- b)۔ پر اکسی فارم، دو افراد جن کے نام، پتے اور CNIC نمبر فارم پر مذکور ہو گے، کے گواہی شدہ ہونے چاہیں۔
- c)۔ بینیشل اوزر اور پر اکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول پر اکسی فارم کے ہمراہ جمع کرنا ہوگی۔
- d)۔ پر اکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔
- e)۔ کارپوریٹ ایئٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ معناد دستخط، کمپنی کو پر اکسی فارم کے ہمراہ جمع کرنا ہو گے۔ (اگر پہلے مہینہ میں کئے گئے)۔

5. منافع منقسمہ کی ادائیگی کیلئے CNIC کی نقول جمع کروانا

جیسا کہ وقت فتح حصص داران کو مطلع کیا گیا کہ سکیورٹیز ایئڈ ایکچیچن کیمیشن آف پاکستان کی ہدایات مشمول 2012 (1) (1) SRO.831 مورخ 5 جولائی 2012ء میں مطلوب ہے کہ ڈی یو یڈ نڈ وارٹس پر کمپیوٹرائزڈ قومی شناختی کارڈ نمبر زا آف رجسٹریشن ہولڈر یا با اختیار شخص سوائے بصورت مائنزر اور کارپوریٹ ارکان درج ہونے چاہیں۔ لہذا مستقبل کے ڈی یو یڈ نڈ وارٹس کے اجزاء کیلئے شیئر ہولڈر زکار CNIC نمبر لازمی ہے اور ایسی معلومات کی شرائط میں روکی جائی ہے اس لئے شیئر ہولڈر زکنبوں نے ابھی نمکورہ بالا ہدایات کی شرائط میں روکی جائی ہے اس لئے شیئر ہولڈر زکنبوں نے ابھی تک اپنے CNICs مہیا نہیں کئے ایک بار دوبارہ الم tatsäch ہے کہ اپنے CNICs کی مصدقہ نقول (اگر پہلے مہینہ میں کئے گئے) برداشت ہمارے انہی پینڈنٹ شیئر زر جسٹر اکمز یہ کسی تاخیر کے بغیر درج ذیل پتہ پر مہیا کریں۔

6. نقد منافع منقسمہ کی ادائیگی بذریعہ الیکترونک

طریقہ

SECP نے بذریعہ نوٹس نمبر 2008/SM/CDC/2008 (4) (4) مورخ 8 اپریل 2013ء نقد منافع منقسمہ کی ادائیگی کے طریقہ کو مزید موثر بنانے کیلئے پہلے ہی اس ڈی یو یڈ میکانزم متعارف کروایا ہے۔ کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پروپریٹیز کے مطابق فہرستی کمپنیوں کیلئے ضروری ہے کہ کوئی منافع منقسمہ قابل ادا نقد منقسمہ میں فقط الیکٹرونک مودہ کے ذریعے برداشت مستحق حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائیگا۔ اس کے بعد، بروے سرکرنر نمبر 18 آف

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ شکر گنج لمبینڈ (کمپنی) کے حصص داران کا 50 وال سالانہ اجلاس عام قصر نو-2-E-9 میں بلیوارڈ، گلبرگ 3، لاہور پر بروز جمعہ 26 جنوری 2018ء کو صبح 11:00 بجے درج ذیل امور کی انجام دی کیلئے منعقد ہو گا۔

عام امور:

- 1- 30 ستمبر 2017ء کو مختتمہ سال کیلئے کمپنی کے سالانہ تتفق شدہ مالی حسابات معدہ ان پر ڈائریکٹرز اور آڈیٹریز کی رپورٹ، جیئر میں کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظور کرنا۔
- 2- 30 ستمبر 2017ء مختتمہ سال کیلئے نقد منافع منقسمہ 1.25 روپے فی شیئر (یعنی بشرط 12.5%) ادا گئی کی منظوری دینا۔
- 3- کمپنی کے آڈیٹریز کا تقری را ان کے صلہ خدمت کا تعین کرنا۔

لہور
مورخہ: 13 دسمبر 2017ء

کمپنی سیکرٹری

نوٹ:

- 1- کمپنی کی حصص منتقلی کتابیں 19 جنوری 2018ء تا 26 جنوری 2018ء (شمول ہر دو ایام) بندر ہیں گی۔ کمپنی کے شیئر جسٹر ارڈفتر میسرز کارپ ٹیک ایسوی ایس (پرائیویٹ) لمبینڈ E-503 جوہر تاؤن لاہور پر 18 جنوری 2018ء کو کاروبار کے اختتام تک موصولہ منتقلیاں ٹرانسفریز کو نقد منافع منقسمہ اور سالانہ اجلاس عام میں شرکت کے اتحاقاً کیلئے برقرار ہوں گی۔

2- اجلاس ہذا میں شرکت اور روٹ دینے کا اہل ممبر اجلاس میں شرکت اور روٹ دینے کیلئے دیگر ممبر کو بطور پر اکسی مقرر کر سکتا ہے۔ پر اکسی لازماً کمپنی کا ممبر ہونا چاہیے۔

3- پر اکسی تقری کے آلات اور مختار نامہ یا دیگر احتاری جس کے تحت یہ دستخط شدہ ہے یا مختار نامہ کی نوٹریلی مصدقہ کا پی کمپنی کے رجسٹرڈ دفتر پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرائی جانی چاہیے۔

4- ممبران جو اپنے حصص منٹرل ڈیپاڑٹری کمپنی پاکستان لمبینڈ (سی ڈی سی) میں جمع کرے چکے ہوں کو مزید برآ سکیورٹیز ایڈ ایکچیچن کمشن پاکستان (SECP) کی دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔

A-اجلاس میں شرکت کیلئے :

- 1- بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/ یا شخص جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور انکی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں،

6۔ موثر مالی گمراہی کی فراہمی: بورڈ یقینی بناتا ہے کہ جب سالانہ اسٹریچج منصوبہ میں قائم تر ہیجات کی عکاسی کرتا ہے اور یا کامنیس کے آٹھ یا آزاد آزمائش پر قابو پانے والے قواعد و ضوابط پر عمل کرتا ہے اور آزاد آڈیٹر کی رپورٹ اور مینجنمنٹ لیٹر میں تمام سفارشات پر غور کرتا ہے۔

7۔ ایک ذمہ دار آجر کا کردار ادا کرنا: بورڈ نے ضروری پالیسیاں تشكیل دی ہیں جو اس بات کو یقینی بناتی ہیں کہ تنظیم عملے، ٹھیکیداروں، وینڈرز اور اس کی جانب سے کام کرنے والے کسی دوسرے فرد کی طرف مناسب اور قانونی طریقے کا سلوک رواح کھتی ہے۔

8۔ بورڈ اور عملہ کے درمیان تعلقات: بورڈ اور انتظامی عملے کے کردار اور ذمہ دار یوں کی واضح طور پر وضاحت، فہم، باہمی اعتماد کا ماحول اور بورڈ اور انتظامیہ کے درمیان احترام موجود ہے۔

9۔ تنظیم کے بارے عوامی تصور: بورڈ کے ارکان کی یونیٹی میں تنظیم کے ثابت تصور کو فروغ دیتے ہیں۔

10۔ سی ای کا کارکردگی کا جائزہ: بورڈ منصونہ اور منظم طریقے سے سی ای کا کارکردگی کی تشخیص کرتا ہے اور اس بات کو یقینی بناتا ہے کہ تی ای اور تجوہ کمپنی کی کارکردگی، حصہ داران کے مفادات اور کمپنی کی طویل مدتی کامیابی سے موزوں طور منسلک ہے۔

11۔ بورڈ کی ساخت اور متحرکات: بورڈ کا سائز اور ساخت بورڈ کے طریقہ کارکوئٹرول کرنے کے لئے کافی ہے اور ارکین بورڈ کے کام میں فعال طور پر مصروف ہیں۔ بورڈ اپنی ذمہ دار یوں کی ادائیگی کے لئے کافی ضروریات کو پورا کرتا ہے۔

مجموعی طور پر، میں یقین کرتا ہوں کہ اگلے تین سالوں کے لئے کمپنی کی اسٹریچج سمت واضح اور مناسب ہے۔ اس کے علاوہ، مجموعی طور پر کارپوریٹ حکمت عملی کی ترقی اور جائزہ اور کمپنی کے مقاصد کے حصول میں اختیار کردہ طریقے قبل تعریف ہیں جو کمپنی کے موجودہ مالیاتی نتائج اور کارکردگی کی حقیقی عکاسی کرتے ہیں۔

محمد انور

چیری میں

13 دسمبر 2017ء

چیئر مین کی جائزہ رپورٹ

مجھے شکر گنج لیڈر کے حصہ داروں کو بورڈ کی مجموعی کا کردگی اور کمپنی کے مقاصد کے حصول میں ان کے کردار کی موثرگی سے متعلق یہ رپورٹ پیش کرنے میں بہت خوشی ہو رہی ہے۔

شکر گنج نے کاروباری معاملات کا ایک موثر اوقات انتظامات کا معاون مضبوط گورننس فریم ورک لائگو کیا ہے جو کمپنی کی طویل مدتی کامیابی حاصل کرنے میں اہم کردار ادا کرتا ہے۔

سال کے دوران بورڈ کمیٹیوں نے بڑی صلاحیت کے ساتھ کام جاری رکھا۔ آٹھ کمیٹی نے خاص طور پر کاروبار سے منسلک خطرات کے انتظام اور کنٹرول پر توجہ مرکوز رکھی ہے۔ ساتھ ہی، انسانی وسائل اور پیغماں کمیٹی نے اس بات کو لیجنی بنا لیا ہے کہ کارکردگی کے انتظامات، ایچ آر عملے، معاوضہ اور فوائد کے بارے میں ایچ آر کی پالیسیاں مارکیٹ کے مقابلہ کی ہیں اور کمپنی کی کارکردگی، حصہ داروں کے مقادلات اور کمپنی کی طویل مدتی کامیابی سے موزوں طور پر منسلک ہیں۔

بورڈ نے مجموعی طور پر سالانہ رپورٹ اور مالی حسابات کا جائزہ لیا ہے، اور اس بات کی تصدیق کرتے ہوئے خوش ہے کہ مجموعی طور پر لگنے والے جائزہ رپورٹ اور مالی حسابات، منصفانہ، متوازن اور قابل فہم ہیں۔

بورڈ خود تشخیصی کی بنیاد پر، مالی سال کے اختتام کے بعد ہر سال اپنی موثرگی اور کارکردگی کا جائزہ لیتا ہے۔ اس طرح کا گذشتہ جائزہ مالی سال 2017 کے لئے اکتوبر 2017 میں لیا گیا تھا۔ بورڈ کی مجموعی طور پر موثرگی اطمینان بخش تھی۔ شعبہ جن میں، بہتری کی ضرورت ہے ان پر مناسب طریقے سے غور و خوض کیا گیا ہے اور موزوں کارروائی کے منصوبے تیار کئے گئے ہیں۔

مجموعی تشخیص مندرجہ ذیل لازمی اجزاء کی تشخیص پر مبنی تھی:

1۔ **نقطہ نظر، مشن اور اقدار:** بورڈ کے اراکین موجودہ نقطہ نظر، مشن اور اقدار سے واقف ہیں اور تنظیم کے لئے انہیں موزوں پاتے ہیں۔

2۔ **اسٹریجیک منصوبہ بندی میں مصروفیت:** بورڈ حصہ داروں کو بخوبی سمجھتا ہے جن کو تنظیم خدمات فراہم کرتی ہے یعنی اپنے حصہ داران، کسانوں، صارفین، ملاز میں، ویدیورز، معاشرہ۔ بورڈ کا اسٹریجیک نقطہ نظر ہے کہ اگلے تین سے پانچ سالوں میں تنظیم کو کس طرح تیار ہونا چاہئے اور اس کی ترقی کو ٹریک کرنے کے لئے اہم اشاروں کی شاندی کی ہے۔

3۔ **پالیسیوں کی تشكیل:** بورڈ نے ایسی پالیسیاں تشكیل دی ہیں جو بورڈ کی ذمہ داری اور کمپنی کے آپریشنز کے تمام ضروری شعبوں کا احاطہ کرتی ہیں۔

4۔ **تنظیم کی کاروباری سرگرمیوں کی گفارانی:** بورڈ تنظیم کی موجودہ کاروباری سرگرمیوں بیشمول ہر ایک اہم سرگرمی کی مضبوطی اور کمزوری کے بارے بخوبی واقف ہے اور سرگرمی / شبہ وار کارکردگی کی گفارانی کے لئے ایک موثر طریقہ کار رکھتا ہے۔

5۔ **مالی وسائل کے انتظام کی مہارت:** بورڈ کمپنی کے مالی وسائل کے انتظامات سے متعلق اہم پہلوؤں کے بارے میں جانتا ہے اور بروقت بیانوں پر مناسب سمت اور گفارانی فراہم کرتا ہے۔

ڈاٹریکٹر چیف ایگریکٹو کے جائزہ اور اس سالانہ پورٹ کے مواد کی تصدیق کرتے ہیں اور وکیٹریا یکٹ 2017ء کی دفعہ 227 کی شرائط اور پاکستان سٹاک آنچنٹ (PSX) روں بک کے تحت کوڈ آف کارپوریٹ گورننس کے ضروریات میں ڈاٹریکٹر ڈرپورٹ کا لازمی حصہ بنے گا۔
مالی سال جس سے یہ پیش شیٹ متعلقہ ہے کے اختتام اور ڈاٹریکٹر ڈرپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں وقوع پذیر اور وعدے نہیں کئے گئے ہیں۔

اظہار تشکر

ڈاٹریکٹر کمپنی کے عملاء اور کارکنوں کی کمپنی کے لئے لگن اور جان شاری کو سراہتے ہیں۔ ڈاٹریکٹر حصہ داران، بینکوں اور شریک تام بجاعتوں کی مسلسل تجھی اور حمایت کی تعریف کا اظہار کرنے میں خوشی محسوس کرتے ہیں اور امید رکھتے ہیں کہ مستقبل میں بھی یہی جذبہ غالب رہے گا۔

منجانب یورڈ

Alyas Haleem
علی الطاف سعیم
ڈاٹریکٹر

Ayman Haleem
اعمّان محمد سعیم
چیف ایگریکٹو آفیسر

لاہور: 13 دسمبر 2017ء

ڈائریکٹر کے انتخاب کے بعد بورڈ نے 09 جون 2017ء کو منعقدہ اپنے 17 ویں اجلاس میں 31 مئی 2020ء تک میں سالوں کی مدت کے لئے جناب احمد محمد سلیم کو منعقدہ طور پر دوبارہ چیف ایگزیکٹو آفیسر مقرر کیا۔ 30 ستمبر 2017ء کو ختم ہونے والے سال کے دوران بورڈ آف ڈائریکٹر نے 17 مئی جون 2017ء سے موثر جناب احمد محمد سلیم، چیف ایگزیکٹو آفیسر کے صلہ خدمت 658,750 پاکستانی روپے سے 1,085,000 مکمل طور پر مکمل طور پر احاطہ کیا گیا ہے۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داری اور ماحول پر کمپنی کے کاروبار کے اثرات کا اس سالانہ رپورٹ کے الگ مواد میں کامل طور پر احاطہ کیا گیا ہے۔

بورڈ آف ڈائریکٹر اور اسکی کمیٹیوں کی کارکردگی کی تشخیص

انسانی وسائل اور ریمزیشن کمیٹی نے انفرادی بورڈ یا کمیٹی ارکان کی طرف سے جو کبھی صورت ہو خود تشخیص کے قائم شدہ میکانزم پر مبنی بورڈ آف ڈائریکٹر اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لیا ہے۔ مندرجہ بالا میکانیزم بورڈ کی طرف سے انسانی وسائل اور ریمزیشن کمیٹی کی سفارش پر منظور کیا گیا۔

سی ای او کی کارکردگی کی تشخیص

سال کے دوران بورڈ کی انسانی وسائل اور ریمزیشن کمیٹی نے تشخیصی نظام پر بنی قائم شدہ کارکردگی کے مطابق سی ای او کی کارکردگی کا تعین کیا۔ مندرجہ ذیل معیار پر تشخیصی جائزہ لیا گیا:

☆ قیادت

☆ پالیسی اور حکمت عملی

☆ پلک میجنٹ

☆ برنس پر اسیس / مہارت

☆ گورننس اور تعمیل

☆ مالیاتی کارکردگی

☆ معاشرہ پر اثرات

اس کے بعد، کمیٹی کی سفارش پر جائزہ کے بعد بورڈ کی طرف سے تشخیص کی منظوری دی گئی۔

مالیاتی حسابات

PSX روپیہ کی شق(a) 19.14.5 کے تحت درکار، چیف ایگزیکٹو آفیسر اور چیف فائینیشل آفیسر نے مالیاتی حسابات اپنے ساتھ تو ہیں شدہ بورڈ آف ڈائریکٹر کے غور و خوض اور منظوری کے لئے پیش کئے ہیں اور بورڈ غور و خوض اور منظوری کے بعد مالی حسابات جاری اور تسلیم کرنے کے لئے دستخط کرنے کا مجاز ہے۔ کمپنی کے مالیاتی حسابات کمپنی کے آڈیٹر، KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی طرف سے الیت کے بغیر باقاعدہ نظر ثانی شدہ اور منظور شدہ ہیں اور ان کی رپورٹ مالیاتی حسابات کے ہمراہ سنلک ہے۔

فروخت/خرید/گفت	راتٹ شیئرز سمسکر ائپڈ	نام ڈائریکٹر ازوج/ا گیز کیلو
	35,727	علی الطاف سلیم
	636,818	احمد محمد سلیم
(25,000)	9,150	خالد بشیر
400,000	12,477	خواجہ جلال الدین
	14,503	محمد انور
	30,881	محمد ارشد
20,000	818	محترمہ ہاجرہ احسان سلیم
	846,136	الطاف ایم سلیم
	8,103	محترمہ عابدہ انور
1,000	409	محترمہ فضیلہ علی سلیم
	19,772	محترمہ سارہ احمد سلیم
	30,306	محترمہ تنور خالد بشیر

بورڈ آف ڈائریکٹرز کے تتمی جائزہ کے مطابق کپنی کے تمام مکملوں کے سربراہ "ا گیز کیلوز" تصور ہو گے۔

ڈائریکٹر

ڈائریکٹر کا انتخاب 31 مئی 2017 کو منعقد ہوا تھا اور چیف ایگزیکیوٹیو فائسر کے علاوہ سات ممبر بورڈ بلا مقابلہ منتخب ہوا جن کے دفتر کی مدت 31 مئی 2020 کو ختم ہو گی۔ نئے

منتخب ڈائریکٹر کے نام مندرجہ ذیل ہیں:

جناب محمد انور

جناب علی الطاف سلیم

محترمہ ہاجرہ احسان سلیم

جناب خالد بشیر

جناب خواجہ جلال الدین

جناب محمد ارشد

جناب شعیب عاصم رفیق

11۔ اہم منصوبے اور فیصلے خاص طور پر کمپنی کی کارپوریٹ ری سٹرکچر گ معہ مستقبل کے امکانات اور خطرات اور غیر یقینی کو چیف ایگریکٹو کے جائزہ میں نمایاں کیا گیا ہے۔ تفصیلی معلومات مالی حسابات میں بھی دستیاب ہیں۔

12۔ کمپنی کے ڈائریکٹرز فہرست کمپنی کے بورڈ پر 15 سالوں کا تجربہ رکھتے ہیں اور ڈائریکٹرز نیٹ ورکنگ پروگرام کی ذروریات سے شعبی ہیں۔ بورڈ کے تمام اراکان سوائے تین ڈائریکٹرز کے ضابط اخلاق کی اس پروپریٹیز کے تحت استثناء کے اہل ہیں۔ باقی تین ڈائریکٹرز نے بھی ضروریات کے مطابق سٹیکیشن حاصل کرنے کے لئے 30 نومبر 2017 کو نیٹ ورک کورس کمل کر لیا ہے۔

13۔ سال کے اختتام پر مستقل ملازمین کی کل تعداد 1,248 تھی۔

14۔ 30 نومبر 2017ء کو ختم ہونے والے سال کے لئے متعلقہ غیر نظر ثانی شدہ حسابات کی بنیاد پر فنڈر کی سرمایہ کاری کی قدر حسب ذیل ہے:

گریجوئٹی فنڈ	روپے 26.19 ملین
پیشن فنڈ	روپے 121.80 ملین
پراؤینٹ فنڈ	روپے 179.35 ملین

اصل خطرات اور غیر یقینی صورتحال کا مقابلہ

کمپنی کو درپیش اصل خطرات اور غیر یقینی صورتحال کے بارے میں ایک علیحدہ رپورٹ اس سالانہ رپورٹ میں دستیاب ہے۔

کافی داخلی کنٹرول

کمپنی کے داخلی کنٹرول کا نظام ڈیڑائیں میں مستحکم ہے اور اسے مؤثر طریقے سے لا گا اور گمراہی کی جاتی ہے۔

آڈیٹر

آڈیٹر KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور اگلے سال کے لئے کمپنی کے آڈیٹر کے طور پر دوبارہ تقری کے اہل ہیں۔ بورڈ نے، آڈٹ کمیٹی کی سفارش پر، اگلے سالانہ اجلاس عام میں اراکان کے غور کے لئے KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹر زد و بارہ تقری کی سفارش کی ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے سات (7) اجلاس، آڈٹ کمیٹی کے چار (4) اجلاس اور ہیمن ریوس اینڈ ریزیشن کمیٹی کے دو (2) اجلاس منعقد ہوئے تھے اور ہر ایک ڈائریکٹر کی حاضری مسلک ہے۔

نمونہ حصہ داری اور حصہ کی تجارت

نمونہ حصہ داری اور اضافی معلومات اس رپورٹ سے مسلک ہیں۔ ڈائریکٹرز، ایگریکٹو اور ان کے زوج اور چھوٹے بچوں کی طرف سے مندرجہ ذیل تجارت / منتقلی کے سوائے کمپنی کے حصہ میں کوئی تجارت نہیں کی گئی ہے اور رائٹ حصہ کی تفصیلات حسب ذیل ہیں:

ڈائریکٹر کی رپورٹ

محترم شکر گنج سرمایہ کاران:

آپ کی کمپنی کے ڈائریکٹر 30 ستمبر 2017ء کو ختم ہونے والے سال کے لئے اپنی رپورٹ معاہدہ کمپنی کے نظر ثانی شدہ مالیاتی حسابات بخوبی پیش کر رہے ہیں۔

مالیاتی تباہ:

کمپنی کے مالیاتی تباہ کا خلاصہ جسے ذیل ہے:

روپے ہزاروں میں

2016	2017	تفصیل
(31,663)	350,012	قبل از ایکس منافع / نقصان
13,770	(139,193)	فیکسیشن
(17,893)	210,819	بعد از ایکس منافع / نقصان
(روپے) 0.16	(روپے) 1.80	منافع / نقصان فی شیئر - بنیادی اور معتدل

13 دسمبر 2017ء کو منعقد ہونے والے اجلاس میں بورڈ آف ڈائریکٹر نے 30 ستمبر 2017ء کو ختم ہونے والے سال کے لئے ہمی نقد منافع منقسمہ 1.25 روپے فی شیئر (یعنی 12.50 فیصد) (Nil: 2016 میلین Nil: 2016)، کی رقم 156.250 میلین (Nil: 2016) تجویز کیا ہے جو 26 جنوری 2018 کو منعقد ہونے والے سالانہ اجلاس عام میں اراکین کی طرف سے منظور کیا جائے گا۔ مالی حسابات میں مندرجہ بالا تجویز کا ارشاد نہیں ہے جس مدت کے لئے شمار کیا جائے گا، جس کی ارکان نے منظوری دی ہے۔

کار پوریت اور مالیاتی رپورٹنگ فریم ورک کا بیان:

- 1- کمپنی کی انتظامی کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپ شیئرز کے تباہ، نقدی کا بہاؤ اور ایکوئی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو نسل کے ساتھ لا گو کیا گیا ہے اور اکاؤنٹنگ کے تجھیں جات مناسب اور داشمندانہ فیصلوں پر ہی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لا گوین الاقوامی مالیاتی رپورٹنگ کے معیارات کی ضروریات کی پیروی کی گئی ہے۔
- 5- اندر وی فلش رو کا نظام جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اس پر موثر طریقے سے عملدرآمد اور انگریزی کی جاتی ہے۔
- 6- کمپنی کے لوگوں کی نسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوہ و مشہات نہیں ہیں کیونکہ یہ مستقبل کے لئے آپریشن میں چاری رکھنے کے لئے کافی وسائل اور آپریانگ صلاحیتیں رکھتی ہے جیسا کہ چیف ایگزیکٹو کے جائزہ اور مالیاتی حسابات میں وضاحت کی گئی ہے۔
- 7- گزشتہ سال سے آپریانگ تباہ میں اہم انحرافات کی چیف ایگزیکٹو کے جائزے میں دی گئی وجوہات کے ساتھ تفصیلی وضاحت کی گئی ہے جسے ڈائریکٹروں کی طرف سے منظور کیا گیا ہے۔
- 8- گزشتہ چھ سال کا کلیدی آپریانگ اور مالیاتی اعداد و شمار کا خلاصہ ملک ہے۔
- 9- بقا یا قانونی ڈیوٹیز، ٹیکس، چار جزا اور لیویز، اگر کوئی ہوں کو مکمل طور پر مالی حسابات میں انکشاف کیا گیا ہے۔
- 10- تمام متعلق پارٹیوں کے ساتھ لین دین کی آڑ کمیٹی کے جائزہ اور سفارشات کے بعد ڈائریکٹر کی طرف سے منظوری دی گئی ہے۔

مستقبل کا نقطہ نظر

شوگر کار و بار کے نقطہ نظر کو بعض چیلنجوں کا سامنا پیش آنے کی توقع ہے جو چینی کی صنعت کو آنے والے موسم میں سامنا ہو سکتا ہے، جو چینی کے کار و بار کے نتیجہ اور آپ کی کمپنی کے مجموعی نتائج کو بھی متاثر کر سکتے ہیں۔ بہتر متوقع گئے کی فصل کی وجہ سے، مقامی مارکیٹ میں چینی کی قیمت مسلسل کی ہو رہی ہے جس وجہ سے بہت سی شوگر کمپنیاں شوگر کرنگی ہیں 2017-2018 کے لئے اپنے آپریشنز شروع کرنے میں تاخیر کرنے پر مجبور ہیں۔ حکومتی اداروں کو ایک جامع اور عملی شوگر برآمد پالیسی بنانے کی وجہ سے گئے کے کاشنکاروں پر اثرات اور صنعت کو درپیش مشکلات بارے آگاہی کے لئے پاکستان شوگر بلڈر ایسوی ایشن (پی ایس ای) کی سطح پر مسلسل کوششیں کی جا رہی ہیں۔

کرشمگ ہیزن 2016-2017 کے دوران، فروری 2017ء کے پہلے ہفتے میں، چینی کی مقامی اوسط قیمت 60 روپے فی کلوگرام سے زیادہ تھی جب کہ یہ جون 2017ء سے مسلسل کی طرف آرہی ہے۔ یہ ملک میں دستیاب انداز 2 لاکھ میٹر ٹن سر پلس کی وجہ سے ہے جو مقامی قیمت کی سطحوں کو کم کر رہا ہے۔ صرف جب یہ سر پلس مقدار ملک سے باہر برآمد ہو جاتی ہے تو مقامی قیمت کی سطحیں ممکنہ سطحوں پر متحمہ ہو گی۔

بائیو فیول کے کار و بار کے مستقبل میں ایک جھلک قد رکونمایاں کرتی ہے جو پڑوں کے ساتھ امتحانوں کو ملا کر کھوی جاسکتی ہے۔ ماحول کے لئے ہمیشہ سے بڑھتی ہوئی تشویش کو دیکھتے ہوئے، بائیو فیول کے طور پر امتحانوں کے لئے ایک روش مستقبل ہے۔ شکر گنج میں، بائیو فیول آپریشنز کے مستقبل کے نقطہ نظر کو بنیان الاقوامی قیمتیوں میں متحمہ ہونے کی حوصلہ افزائی کی جا رہی ہے اور روپیہ کی کوتی تخصیص سے کمپنی کو بہت زیادہ منافع حاصل ہونے کا موقع ملے گا۔ انتظامیہ ہماری چلی لائن کے لئے صحمند منافع پیدا کرنے کے لئے مناسب قیمتیوں پر مولا سس کی کافی مقدار خریدنے کے لئے مسلسل کوشش کر رہی ہے۔

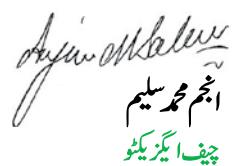
پاکستانی بینک امنڈسٹری کو تجارت کی پاس کی ایجاد اور معاشری اور قدرتی اور ہاتھ کی بنی دونوں، خام مال کی طلب میں اضافہ کی وجہ سے سخت مقابلہ متوقع ہے۔ کپاس کی فصل گزشتہ سال سے بھی کم ہو گئی جو خام مال کی اعلیٰ قیمتیوں کا نتیجہ ہو گا، تاہم، ہم ان اضافی اخراجات کے پورا ہونے کے لئے یاران کی قیمتیوں میں اضافہ ہونے کی امید کرتے ہیں۔ پاکستان میں کپاس کی طلب کو رس کا ہوتا ہے یاران کی اعلیٰ طلب کی وجہ سے بڑھ گئی ہے۔

آپ کی کمپنی کی رائٹ ایشوس سے پیدا ہونے والی لیکو یڈیٹیٹ اور بروڈکت فیشن میں اسکس کی لیکو یڈیٹ نہ صرف آپریشنز کی فانگ بلکہ قرض کی ادائیگی کے لئے بھی استعمال کی گئی تھی۔ ہم امید کرتے ہیں کہ آپریشن کے اضافی فانگ بھی دستیاب ہو گی۔ جیسا کہ ہماری گزشتہ سالانہ رپورٹ میں وضاحت کی گئی ہے، کمپنی 2009 سے عدم استحکام کی حیثیت میں ہے۔ زیر جائزہ مدت کے دوران کمپنی نے مالی سال 2017 میں اپنے آپریشنوں کی مالی امداد کے لئے کامیابی سے پیورنگ کیپٹل لائزنس کی تجدید حاصل کی ہے۔ کمپنی کے قرض دہنگان کے ساتھ بات چیت کامیابی سے ہوتی ہو گئی جس کی مکمل تشریح مسئلکہ مالی حسابات کے نوٹ 1.2 میں بیان کی گئی ہے۔ سال کے اختتام کے بعد بھی، آپ کی کمپنی نے کامیابی سے بات چیت طے کی ہے اور نیشنل بینک آف پاکستان سے 900 ملین روپے کی نئی ورنگ کیپٹل لائن حاصل کی ہے۔ کمپنی نے ورنگ کیپٹل ضروریات کو پورا کرنے کے لئے رائٹ اجراء کے ذریعے 975 ملین روپے کا ایکوئی فناں بھی اکٹھا کیا ہے۔ آپ کی کمپنی آپریشن منافع یابی چاری رکھنے اور مالی سال 2018 میں آٹھ کم کو منافع بخش بنانے کے لئے اپنے لیکو یڈیٹ منظراً مدد کو مزید بہتر بنانے کے لئے اپنی بہترین کوششوں کے لئے پُر عزم ہے۔

جزل

ڈائریکٹر ہمیشہ انتظامیہ کے لئے رہنمائی اور تعاون کا ایک ذریعہ ہیں اور ہم آپ کی کمپنی کی ترقی اور خوشحالی کے لئے ان کے عزم کو سراہتے ہیں۔ ڈائریکٹر زکار کنوں، عملے اور انتظامی ٹیم کے ارکان کی بھرپور کوششوں، وفاداری اور رخت محنت کو بھی سراہتے ہیں۔ ہمارے گئے کے کاشنکاران ہماری صنعت کی ریڑھ کی ہڈی ہیں اور ہم ان کی مسلسل حمایت کا شکر یہ ادا کرتے ہیں۔ ہر ایک کے تعاون کے 50 سالوں کی حمایت کے شکر گزار ہیں اور انشاء اللہ ہمارے لئے ابھی آگے بہترین سال منتظر ہیں!

منجانب بورڈ


 Ejaz ul Haq
 انجم محمد سعید
 چیف ایگزیکٹو

13 دسمبر 2017ء

برانڈ نام سے ایک نامیاتی کھاد فروخت کی جاتی ہے۔ یہ پراؤ کٹ کمپنی کی رجسٹرڈ اور لائسنس یافتہ اور میکرو اور ماٹریکل و غذائی اجزاء کے ساتھ و فرنیا میاتی مواد کا ذریعہ ہے۔ ایس ٹی سی 30 کلوگرام پیکنگ میں مستیاب ہے۔ مالی سال 2014 تا 2016 ایس ٹی سی کی پیداوار تقریباً 170,000 بیگ تھی اور یہ سیسیڈ ائر قیتوں پر شکرگنخ کے کسانوں کو فروخت کئے گئے تھے۔ تاہم، زیر جائزہ سال کے دوران، پیداوار 8,085 بیگ (FY16: 5,908 بیگ) تھی۔ گزشتہ جزوں سالوں میں کرشمگ میں کمی کی بدولت، پیداوار کو بہتر نہیں بنایا جاسکتا تاہم، ہم مستقبل میں بہتری کے لئے پُرمیں ہیں۔

تحقیق و ترقی

جبیسا کے گنے کی کھپت میں اضافہ ہوا، فارم کی سطح پر اعلیٰ معیار کے خام مال اور بہتر پیداوار کی ضرورت ایک پائیدار سپلائی چین کے لئے اہم بن گئی ہے۔ یہ خیال کرتے ہوئے کہ پائیدار ترقی کے لئے یہ ایک اہم عنصر ہے، شکرگنخ نے تحقیق اور ترقی میں کافی سرمایہ کاری کی ہے۔ گئے کی زراعت کے لئے موثر، ماحول دوست اور اقتصادی رویارو ٹکنیکیں ایک مفت نجی ہماری سپلائی چین میں جنمٹ حکومت عملی کا بنیادی ذریعہ ہے۔ شکرگنخ شوگر ریسرچ انسٹی ٹیوٹ (ایس ٹی سی آر آئی) 1983 میں کمپنی کی طرف سے قائم کیا گیا تھا۔ یہ پاکستان میں ایک منفرد نجی سیکٹر کا پہلا ادارہ ہے جو اعلیٰ معیار کے گنے کی اقسام کی ترقی پر کام کر رہا ہے۔ ایس ٹی سی آر آئی نے اپنے اہم سائنسی ماہرین کی طرف سے تیار ملک میں گئے کی ایک نئی قسم متعارف کرائی ہے۔ شکرگنخ نے ایس ٹی سی آر آئی کے ذریعے گنے کی عینکاں اور یہ میں اعلیٰ درجے کی تحقیق کے لئے فنڈ زفراہم کئے ہیں اور ہم نے کامیابی سے کمی ملکیتی گنے کی اقسام پیدا کی ہیں، جو ہمارے کسانوں کی پیداوار میں اضافہ اور پیداوار کے شوگر کے اجزاء کو بہتر بناتے ہیں۔

اب، ایس ٹی سی آر آئی 2017 میں 34 سال کی مدت کمل کر رہا ہے اور اس دورانی میں کئی تاریخی کامیابیاں حاصل کی گئی ہیں۔ سب سے زیادہ اہم، نئی اعلیٰ پیداوار، اعلیٰ چینی اور پیاری کے خلاف مزاحم گنے کی اقسام کی ترقی، کم لاگت کے لئے بائیونٹرول ایجینٹس کا اجراء، موثر اور ماحول دوست کیڑے مار پرے، پیاریوں سے پاک ٹشکلچر اور اصل قسم گئے کے بیچ کی فراہمی، درست وقت پر موزوں مٹی کی صحت اور متوازن ایمیکسشن کے لئے مشی اور پانی کی مشاورتی خدمات، باقاعدگی سے پی ایچ ڈی کی سطح پر تحقیق کے ماہرین کی سہولت، عام رسمائی کے بین الاقوامی ریسرچ جوئی کی باقاعدہ اشاعت، شوگر انڈسٹری پر کتابوں اور تحقیق جرزلز سے لیس ڈیجیٹل لائبریری کا قیام، بین الاقوامی سطح پر کتابوں اور تحقیقاتی اخبارات کی اشاعت ہے۔ ایس ٹی سی آر آئی تحقیقاتی اور ترقیاتی میدان میں قوی اور بین الاقوامی ہم منصوبوں اور کاست رپلو سے اعتراف اور حوصلہ افزائی حاصل کی ہے۔ تمام ریسرچ کے نتائج اور فوائد قومی خدمت کے طور پر مفت کسانوں اور دیگر حصص داران کے لئے عام اور مستیاب ہیں۔ اس سالانہ رپورٹ میں تحقیقاتی کام کی تفصیلی سرگرمیاں شامل کرنے کے لئے SSRI کی سرگرمیوں پر ایک علیحدہ تفصیلی رپورٹ شامل ہے۔

کارپوریٹ گرنس

ہمارے نزدیک اچھی گورننس صرف قواعد و ضوابط کی تعییل کرنا نہیں ہے۔ ہمارا مقصد قواعد و ضوابط میں ہمیں کیا ضروری ہے اس سے آگے جانے کا ہے۔ کارپوریٹ گورننس ہمارے آپریشنز، ہماری حکومت عملی اور طریقہ جس سے ہم اپنے کاروبار کا سلسہ جاری رکھتے ہیں کے تمام پہلوؤں کا مستقبل جائزہ اور تشخیص ہے۔

انتظامی کمیٹیاں

ایگزیکوٹیو سائل کے زیادہ سے زیادہ تھقیض کے ذریعے حصہ داران کو بہتر منافع دینے کے واحد مقصد کے ساتھ کمپنی کے لئے طویل مدت پالیسیاں اور نظریات فراہم کرتی ہے۔

برنس سٹریٹچ کمیٹی صنعت میں ترقی اور رحمانات کے ساتھ رفتار کو برقرار رکھنے کی ذمہ دار ہے جو کمپنی کی مستقبل میں سرمایہ کاری اور ترقی کی منصوبہ بندی میں مدد کرتی ہے۔

انسانی وسائل کی ترقی کے شعبہ کے مسائل کو حل کرنے اور بہتر بنانے کے لئے ہموم ریسورسز کمیٹی قائم کی گئی ہے۔ کمیٹی کا بنیادی مقصد ایچ آر کے لئے جمیع اسٹریچ ڈیمنصوبہ تیار کرنے اور بہترین کام کا ماحول فراہم کرنے میں انتظامی کی رہنمائی کرنا ہے۔

انفار میشن عینکاں اور ٹیکنالوجی کمیٹی تیزی سے بد لئے والے ماحول میں کمپنی کے تمام معلوماتی نظام کو برقرار رکھتی ہے۔

سرمایہ کاری کمیٹی مطلوبہ کم سطح پر خطرات کو مد نظر رکھتے ہوئے سرمایہ کاری اور زیادہ سے زیادہ منافع کی متوازن پورٹ فویوکو برقرار رکھنے میں مدد کرتی ہے۔

آلودگی میں کمی کے لئے اس کی بائیوڈی گریڈ اسپل فطرت سے، اسٹھانول نے اشیاء اور لوگوں کو ایک جگہ سے دوسرا جگہ لے جانے کے لئے ایک نئے طریقہ کی ضرورت کے بغیر ماحولیاتی خدشات کو حل کرنے کا ایک ذریعہ فراہم کرتا ہے۔

اسٹھانول پروڈکشن ہائکٹا لوجیز میں عالی اصلاحات کے ساتھ، تیل کے معروف مقابل کی ضرورت کے بارے آگاہی میں اضافہ ہوا جو مارکیٹ میں پیڑو لیم کے تقریباً متوازنی معروف ایندھن کا کردار ادا کرنے کی سطح کی تلاش ہے۔ اسٹھانول کے پیداواری استعمال میں اضافے کا اندازہ، قابل تجہید ایندھن کی طلب اور پیڑو لیم میں مرکب اجزاء کے طور پر اسٹھانول کی اقتصادی قدر میں اضافے نے حوصلہ افزائی کی ہے۔ آج، سب سے زیادہ اسٹھانول رچ ممالک میں، 90 فیصد سے زائد فوخت کی جانے والی تمام گیسولائن پیڑو لیم اسٹھانول کے ساتھ مرکب ہے۔ چونکہ یہ ایندھن کے طور پر استعمال کے لئے پیڑو لیم کے ساتھ ملایا جا سکتا ہے، حکومت پاکستان نے ملک میں فول کی عالی لაگت کے زیر نظر اس کا رو بار کے لئے روشن امکانات لانے کے لئے پیڑو لیم کے ساتھ اسٹھانول ملانے کی اجازت دی ہے۔ شکر گنگ ان استعمالات کے لئے بائیو فیول گریڈ کی ایک مکمل رش پیدا کرتا ہے۔

اپنے پلانٹ کی صلاحیتوں سے بائیو فیول پیدا کرنے کے لئے، شکر گنگ اپنے پیدا کردہ مولاکس کے علاوہ دیگر شوگر ملوں سے مولاکس کی خریداری پر بھی انحصار کرتا ہے۔ فی الحال ملکی اور بین الاقوامی مولاکس کی بہت زیادہ طلب کی وجہ سے اس کی دستیابی اور قیمت متناہر ہوئی اور پیڑو لیم مصنوعات کی لاجت کے مطابق قومی اور بین الاقوامی سطح پر مختلف بھی ہیں۔

ہمارے بائیو فیول ڈویژن میں، پیداوار 41.62 ملین لیٹر (ماليٰ سال 16: 20.20 ملین لیٹر) زیادہ ہوئی۔ زیر جائزہ سال کے دوران، اس ڈویژن کی کارکردگی بہتر تھی اور پیداوار اور منافع کے لحاظ سے یہ بجا ہوا۔ بائیو فیول برآمد کا عالی موقع ہے اور شکر گنگ میں پیدا ہونے والے بائیو فیول کا تقریباً 96 فیصد برآمد کیا جاتا ہے جو ملک کے لئے غیر ملکی زر مبادلہ کی آمدنی میں اضافہ کرنے میں ثابت کردار ادا کرتا ہے۔ فی الحال، بین الاقوامی بائیو فیول مارکیٹ میں حالیہ جمیع پیڑو لیم مصنوعات میں کمی کی وجہ سے، بہتر آئی ہے اور بائیو فیول پیدا کرنے والے معروف ممالک کی طرف سے کم قیتوں پر اضافی فراہمی کی وجہ سے سخت مقابلہ ہے۔ بائیو پاور کے مقابلہ تو انہی کاروبار میں خام مال کی عدم دستیابی اور پاور جزیشن کو دوبارہ شروع کرنے میں ملوث بھاری مرمت اور سماں کی وجہ سے مالی سال 2016 میں کوئی بائیو پاور جزیشن نہیں ہوئی تھی۔

عمارتی میٹریل کا کاروبار

بیگاس چینی مینینڈ پیچر گنگ کی ایک قدرتی بائی پراؤ کٹ کے بعد گنے کے بقاياً گودا اور ریشمی مواد پر مشتمل ہوتا ہے۔ یہ مواد بنیادی طور پر مینینڈ پیچر گنگ کے عمل میں استعمال ہونے والی بھاپ اور بھل کی پیداوار کے لئے فیبری بوائلر میں ایندھن کے طور پر استعمال کیا جاتا ہے۔ شکر گنگ میں اضافی بیگاس کی پیداوار میں سکیل رزلٹ کی میثت کے ساتھ ملا کر نئے فیول پیدا کرنے کے اقدامات کے جاتے ہیں۔ ہم اس سرپلس کو باسٹنگ ایجنٹس کے ساتھ ملا کر اور ہائی پریش کپریشن کے ذریعہ پارٹیل بورڈ شیش بنانے کا پرائیس کرتے ہیں۔ یہ شیش عام طور پر فریچر اور عمارت کی صنعت میں لکڑی کے مقابل کے طور پر استعمال ہوتی ہیں۔

گزر ٹیکنالوجی سال کم کرشنگ کی وجہ سے، اس ڈویژن کی پیداوار اضافی بیگاس کی عدم دستیابی کی وجہ سے نمایاں طور پر متناہر ہوئی، تاہم، کرشنگ کے بہتر منظر نامہ کے ساتھ زیر جائزہ سال کے دوران، اضافی بیگاس دستیاب تھا اور ہماری کمپنی گزر ٹیکنالوجی سال کی صفر پیداوار کے مقابلے 1,578 مکعب میٹر پارٹیل بورڈ بنانے کے قابل تھی۔ پلانٹ کافی بیگاس کی عدم دستیابی کی وجہ سے اپنی مکمل صلاحیت استعمال نہیں کر سکا۔ گنے کی دستیابی میں موقع اضافے کے ساتھ آئندہ سیزین میں تبدیلی آنے کی توقع ہے۔

ٹیکنالوجی کا کاروبار

کپاس پاکستان میں ایک مقامی زرعی فصل ہے۔ کپاس کے پودوں پر کئی پھول پیدا ہوتے ہیں، جو چینی کے بعد کپاس فائز پیدا کرتے ہیں، سٹپل کپاس حاصل کرنے کے لئے جس کی بیج سے علیحدگی، صفائی اور جنگ کی جاتی ہے۔ اس کے بعد سپن کاٹن یا رن بنانے کے لئے سپنگ ملوں میں مزید پرائیس کیا جاتا ہے۔ یارن کپڑا بنانے کے لئے سپنگ اور دیوینگ ملوں کو فروخت کیا جاتا ہے۔ کریسنٹ اجala میں، ہمارے سپنگ ڈویژن کی سپن یا رن پیداوار گزر ٹیکنالوجی سال میں 3.3 لاکھ کلوگرام کے مقابلے 3.4 لاکھ کلوگرام تھی۔ کپاس کی فصل سال کی توقع سے کم تھی لہذا کپاس کی قیمتیں نمایاں طور پر بڑھ گئیں اور ہم نے گزر ٹیکنالوجی سال کے مقابلے رواں سال میں نسبتاً زیادہ قیتوں پر کپاس خریدی تھی۔ یارن کی قیمتیں میں اضافہ کپاس کی قیتوں کے تناسب سے نہیں ہوا، جس کی وجہ سے ہمارے سپنگ کاروبار سے منافع کم ہو گیا۔ تاہم دیگر آپریٹنگ اخراجات کو اچھے کہنے کے تحت رکھنے کے لئے کافی اقدامات کے گئے تھے۔

دیگر کاروبار

اس کاروبار کے تحت، نامیٰ کھاد ڈویژن کے نتائج ظاہر کئے گئے ہیں۔ شوگر مینینڈ پیچر گنگ عمل کی ایک بائی پراؤ کٹ، پریس مڈ پریس کی اور شکر گنگ نائیک کپوزٹ (STC) کے

آپریشنز کا جائزہ

شکر گنچ مشہور خوارک کی مصنوعات، اجزاء اور ٹیکٹائل کی ایک معروف صنعت کار ہے۔ ہماری تمام مصنوعات مشہور فصلوں اور بائی پراؤ کث سے بنائی جاتی ہیں۔ ہم معروف زرعی فصلوں، جیسا کہ گنے اور کپاس کو صارفین کے لئے چینی، خوارک، بشروبات، دوا سازی، ایندھن اور بجلی، کامپیکس، عمارت سازی اور ٹیکٹائل انڈسٹریز میں ویجا یڈ مصنوعات میں تبدیل کرتے ہیں۔ معروف ذرائع سے ہمارے اجزاء میں سے کچھ اکثر مصنوعی اور پیٹریکسیکل تبادل کی جگہ لے لیتے ہیں۔

یہ آپریشنگ جائزہ آپ کو ہماری کار کرداری اور فروغ کے امکانات بارے واضح فصلہ کرنے کے قابل بنانے کے لئے ہمارے کاروبار کا وسیع نقطہ نظر فراہم کرتا ہے۔ اس رپورٹ میں ہماری گزشتہ روپڑوں کے ساتھ ساتھ تھی معلومات کے تازہ ترین سیکشن شامل ہیں۔

شوگر کا روپار

شکر گنچ میں ریفارٹ چینی بنیادی طور پر گنے سے تیار کی جاتی ہے۔ ہماری مصنوعات کی ریٹچ کو رس اور فائٹن گریز کی کر سلاں سنفید چینی فارم اسیویکل اور یورتن گریڈ شوگر ز اور خاص طور پر براون، کیسٹر اور آئنگ شوگر پر مشتمل ہے۔ ہم ریٹل مارکیٹ میں فروخت کے لئے حفاظانِ صحت کے مطابق پیک شدہ چینی متعارف کروانے میں بھی اولین ہیں۔ یہ مصنوعات کھانے کی اشیاء اور مشروبات کی مکمل ریٹخ میں قدرتی مٹھاں، بناوت اور ذائقہ فراہم کرنے کے لئے استعمال ہوتی ہیں۔

زیر جائزہ موسم میں، بہتر گنے کی فصل کے باعث، کریٹ ہم 14 نومبر 2016 کو کافی جلد شروع کی تھی اور چینی کی پیداوار گزشتہ سال کے مقابلے بہت زیادہ تھی۔ شوگر ڈویژن نے 9.36 فیصد (مالیتی سال 16:16) کی اوسط وصولی کی شرح پر 144,460 میٹرک ٹن (مالیتی سال 16:16: 45,707 میٹرک ٹن) شوگر پیدا کرنے کے لئے 1,543,849 میٹرک ٹن (مالیتی سال 16:450,804 میٹرک ٹن) گنا کریٹ کیا جس کے نتیجے چینی کی پیداوار میں 216 فیصد اضافہ ہوا۔ موسم کے دوران چینی کی انتظامیہ نے باقاعدہ بنیاد پر چینی فروخت کی جس کے نتیجے میں اس کاروبار کے مجموعی منافع میں نمایاں اضافہ ہوا۔ چینی کے کاروبار کا حصہ ہونے کے طور پر زرعی فارم بھی کار کرداری اور چینی کے بنیادی کاروبار میں اپنا حصہ شامل کر رہا ہے۔

پاکستان میں چینی کے کاروبار کا مجموعی منظہ نامہ ملک میں چینی کی پیداوار کی تاریخ میں پہلی بار زیر جائزہ موسم میں 7 لاکھ میٹرک ٹن سے زائد چینی کی پیداوار، تقریباً 5 لاکھ میٹرک ٹن کی قوی طلب سے کہیں زیادہ ہے، جبکہ لگے سال کی پیداوار کے لئے چینی کی پیداوار 8 لاکھ میٹرک ٹن ریکارڈ کی پیش گوئی ہے۔ جیسا کہ ملک میں کسانوں کے لئے بہتر پیداوار کی تو گفات کے ساتھ نئی فصل کاٹنے کی تیاری ہے، چینی کی برآمدات سے مختلفہ حکومت کی ناقابل اعتماد اور غیر قانونی پالیسیاں نصرت مارکیٹ میں وافر چینی کی صورت میں شوگر ملوں کے لئے مشکلات پیدا کرنا بلکہ کسانوں کے لئے بھی مشکلات پیدا کرنا تلقین بناتی ہیں کیونکہ گنے کی فراہمی کے لئے انہیں ادائیگی کے لئے ملوں کی مشکلات میں بھی اضافہ ہو گا۔

جنہیہ حکومت نے گزشتہ سال 2015-2016 میں چینی کی برآمد پر برآمد سہی دی تھی اور اسی طرح کی چینی برآمد سہی سٹھ کی دوبارہ ضرورت ہے۔ کیونکہ پاکستانی برآمد کنندگان کو یہیں الاقوامی مارکیٹوں میں پُرکشش قیمتوں پر چینی فروخت کرنے کے لئے بروقت چینی برآمد کرنے کی اجازت نہیں دی گئی تھی اور اگر مارکیٹ کی قیمتوں کی موجودہ کم سٹھ کے برقرار رہی، تو پاکستان میں چینی کی وافر صورت حال کا بہتر ہونا ممکن ہو جائے گا۔

اگرچہ ملک میں گنے کی فصل میں اضافی کی تو قع کی جارہی ہے لیکن چینی کی قیمتوں میں تیزی سے کی نے شکر گنچ سمیت تمام شوگر تیار کنندگان کے لئے مشکل آپریشنگ حالات پیدا کر دیئے ہیں۔ مارکیٹ میں بہت زیادہ بے تینی پائی جاتی ہے اور استحکام صرف اس صورت پیدا ہو سکتا ہے کہ وفاقی حکومت کی طرف سے چینی کے لئے ایک جامع برآمد پالیسی کا اعلان کیا جائے تاکہ وافر اسٹاک بین الاقوامی سٹھ پر فروخت، مقامی رسرو طلب کے مطابق مقامی قیمت کی سطحیں مقرر کی جاسکیں۔

بائیو ایندھن اور تبادل تو انائی کا کاروبار

شکر گنچ میں، بائیو ایندھن یا استھانوں بنیادی طور پر مولاں س سے تیار کیا جاتا ہے، جو چینی کی میونوپیکٹریک پروسیمنگ کی ایک مصنوعات ہے۔ مولاں بائیو فیول پیداوار کی فرمائیشن کے لئے خام مال کے طور پر استعمال کیا جاتا ہے۔ بائیو فیول یا استھانوں الکھل کی ایک شکل ہے، جو سرک کی تیاری، کامپیکس اور دوا سازی کی مصنوعات، پیٹ اور وائز سمیت انڈسٹری میں مصنوعات کی وسیع ریٹخ میں استعمال کیا جاسکتا ہے۔ استھانوں کا ایک اور اہم استعمال تو انائی ذرائع کا تبادل ہے۔

گزشتہ چند برسوں کے دوران عالمی سٹھ پر، استھانوں سب سے کم قیمت مورٹ فیول اور آکٹین ذریعہ رہا ہے جو فوسل فیول کے مقابلے زیادہ ماحول دوستانہ ہے۔ فی الحال بڑے پیمانے پر کوئی ایندھن دستیاب نہیں ہے جو اس سے پوری طرح ماحولیاتی معیار کو بہتر بنانے کے لئے استھانوں کی صلاحیت کا مقابلہ کر سکے۔ گرین ہاؤس گیس کے اخراج اور ٹیل پاپ

شکرگنج آیک ذمہ دار کارپوریٹ شہری بننے کی کوشش کرتی ہے اور ہم اپنے روزمرہ کے کاروبار کو اس طبقہ سے چلاتے ہیں کہ اس میں اعلیٰ ترین معیاروں پر عزم برقرار رہتا ہے۔ شکرگنج فاؤنڈیشن اور "Sukh Char" پروگرام معاشرے کو اہم ترین والپی ہیں، جسے ہم اپنے خام ماں کا ذریعہ بناتے ہیں اور اپنی آمدی پیدا کرتے ہیں۔ کارپوریٹ سوشنل ذمہ داری پر تفصیلی روپورث اس سالانہ روپورث میں منسلک ہے۔

پاکستان میں کشیدگی کے آپریشن کو متاثر کرنے کا ایک بڑا مسئلہ ماحول دوستانہ انداز میں ڈھلنی ویسٹ اور اس کے ضیاع کا ہے۔ آپ کی کمپنی میں، اس طرح کے فعلہ کو خاص طور سے ڈیزاں کردہ ایفلوئنٹ ٹریپنٹ پلانٹ میں ٹریٹ کیا جاتا ہے جس میں یہ مالک فعلہ حیاتی کھاد میں توڑا جاتا ہے جسے ہم اپنے گنے کے کسانوں کو "آب زرخیز" کے نام سے مفت مہیا کرتے ہیں۔ اپنے فارموں میں ہم مٹی کی زرخیزی کو ہتھ بنانے کے ساتھ ساتھ فعل کی پیداوار کو بڑھانے کے لئے روایتی کھادوں کے تبادل کے طور پر اس حیاتی کی کھاد کی دستیابی کا مسلسل مظاہرہ کرتے ہیں۔

بانی پراؤکٹ کے طور پر، ہمارا ماحول دوست ایفلوئنٹ ٹریپنٹ عمل باجیگیس پیدا کرتا ہے جو آسانی سے بوائیل میں قدرتی گیس کے تبادل کے طور پر استعمال کیا جاسکتا ہے۔ آپ کی کمپنی نے اضافی سرمایہ کاری کی ہے جو ہمیں اس گیس کو ماحول دوست طریقہ میں زیادہ موثر طریقہ سے استعمال کرنے کی اجازت دیتی ہے۔ جنوری 2008ء میں، شکرگنج نے جھنگ میں پہلا پاورکو جزیش پلانٹ نصب کیا ہے جو باجیگیس سے 8 میگاوات بجلی پیدا کرنے کے قابل ہے۔ شکرگنج کو پیش گروہ میں پہلا نئی شعبہ کا پاورسپلائز ہونے کا بھی امتیاز حاصل ہے، اور وسیع پیمانے پر آپریشن کے لئے پاورکا استعمال کرنے سے پہلے، کمپنی شوگر آپریشن سے اضافی بجلی کی پیداوار رکھتی ہے جو واپڈا کوفروخت کی جاتی ہے۔ میونیچر نگ ٹیکنالوجی میں سرمایہ کاری کے لئے ہمارا مسلسل عزم، ہمارے لوگوں کی مہارت، لگن اور عزم، پائیارہ قد رفرہم کرنے کے لئے ہمارا عزم اور تحقیق و ترقی میں ہماری سرمایہ کاری نے ہمیں گذشتہ ہائیوں میں ہمیں درپیش مشکلات سے نجٹے اور مشکل ادوار پر قابو پانے کے قابل ہیا ہے۔

ہم اپنے آپریشنوں کی فطری طاقت اور معیار کے لئے اپنے عوام، اپنے پیانے، اپنی ساکھ، ہمارے اپنے سرمایہ کاری اثناؤں اور اپنے عوام کی مہارت اور پیشہ ور انہ مہارت کا کامل فائدہ اٹھانا چاہتے ہیں۔

مالیاتی اور کاروباری جائزہ - مالی سال 2017

سال جس میں شکرگنج نے اپنی 50 ویں سالگرہ کا جشن منایا، اللہ تعالیٰ کے فضل و کرم سے ہماری مجموعی طور پر مالیاتی اور آپرینٹنگ کا رکرداری بہتر ہوئی۔ یہ ہمارے عوام کی کوششوں اور عزم کا ثمرہ ہے۔ ہم گذشتہ سال سے بہت زیادہ اور بہت اہداف کے مطابق منافع درج کرنے کے قابل ہوئے ہیں۔

نیز جائزہ سال کے دوران، آپ کی کمپنی نے گذشتہ سال میں 31.66 ملین روپے قل ایکیں نقصان کے مقابلے ملے مجموعی طور پر 350.01 ملین روپے قل ایکیں منافع کمایا ہے۔ کمپنی کے شوگرڈویٹن اور بائیو فیول ڈویٹن دونوں نے آٹھ سینینگ آپرینٹنگ اور مالی کا رکرداری درج کی ہے۔

نیز جائزہ سال کے دوران گنے کی کرشنگ 240% سے زیادہ بہتر ہوئی اور شوگر کی قیتوں میں کرشنگ سیزن کے دوران بڑھنے کا رجحان برقرار رہا، آپ کی کمپنی نے اس مدت کے دوران صحبت مند منافع پر کل پیداوار کا بڑا حصہ فروخت کیا۔ اس نے شوگرڈویٹن کو 646.60 ملین روپے کا تاریخی سب سے زیادہ آپریشنل منافع درج کرنے کے قابل ہنایا ہے۔ تاہم، کرشنگ سیزن کے فرما بعد، شوگر کی فروخت کی قیتوں میں کمی کا رجحان قائم ہوا جو بھی تک غالب ہے۔ اس سال کرشنگ سیزن گذشتہ سیزن کے مقابلے دو ہفتے قبل شروع ہوا، اور جب کہ سکروں ریکورڈ شروع کے ایام میں کم تھی یہ شوگر کی فروخت کی اعلیٰ قیتوں کا معاوضہ تھا۔ سال کے دوران ہمارے بائیو فیول آپریشنز بھی بہتر ہوئے، کیونکہ پیڑیوں میں صنعت کی قیتوں کو دوبارہ طے کرنے نے بائیو فیول کی قیتوں میں استحکام پیدا کیا ہے۔

کمپنی نے گذشتہ سال میں 295.72 ملین روپے کے مجموعی نقصان کے مقابلے 655.82 ملین روپے کا مجموعی منافع کمایا جو قابل ذکر بہتری ہے۔ تمام چیلنجوں کے باوجودہ، آپ کی کمپنی نے تاریخی طور پر اعلیٰ سطحی آپریشنل منافع حاصل کیا ہے، اور شریک کمپنی کے 195.34 ملین روپے کی شراکت کے تعاون سے، بعد ازاں 210.82 ملین روپے تھا۔ جبکہ یہ 31 مارچ 2017 کو ختمہ نصف سال کے لئے عبوری منافع سے نمایاں طور پر کم ہے، یہ بنیادی طور پر حکومت پنجاب کی طرف سے استھانوں کی تیاری پر عائد 2 روپے فی لیٹر کی شرح پر ایکسا نئو ڈیوٹی کی پروڈین کے چھاط اقدام کی وجہ سے ہے۔ اس سے قبل یہ مالیتی سال 2016 کے لئے کمپنی کے سالانہ مالیاتی حسابات کے مالی حسابات(v) 13.1 کے مطابق مستقبل کے امکانات اور عزم ام کے تحت روپورث میں بیان کیا گیا تھا۔ اس صورت حال کے عکس کمپنی اپنی اس ڈیوٹی اور امیدوں کی قانونی حیثیت کے سلسلہ میں صورت حال پر اعتماد کرتی ہے۔

گذشتہ چند سالوں کے دوران، مجموعی طور پر پیڑیوں میں صنعت کی قیتوں میں کمی کی وجہ سے بائیو فیول کی قیمت میں بھی کمی واقع ہوئی۔ تاہم، ہم خام مال یعنی مولا سس کی قیتوں میں کمی کے ساتھ ساتھ متحکم بائیو فیول قیتوں کی وجہ سے آنے والے سیزن میں صحبت مند منافع کی امید کرتے ہیں۔

آپ کی کمپنی کے مستقبل کو دیکھتے ہوئے اہم آنے والے سال میں بائیو فیول کا رکارڈر میں رفتار کپڑر ہے یہ جیسا کہ یہ گذشتہ سال شوگر کے کاروبار میں ہوا۔

چیف ایگریکٹو کی جائزہ رپورٹ

میں آپ کی کمپنی کے نظر ثانی شدہ سالانہ حسابات کے ہمراہ سالانہ رپورٹ 2017 پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔ مالی سال 2018 میں داخل ہوتے ہوئے، آپ کی کمپنی چینیج نگ ماہول کے باوجود اپنے 50 سالوں کی نشاندہی کرتی ہے، ہم پر اعتماد ہیں کہ ہمارے عوام کے عزم اور لگن اور اپنے پارٹر ز اور سرمایہ کاران کی مسلسل سرپرستی کے ساتھ، کمپنی منافع اور نمو، اور اپنی کمپنی کی ترقی کی شرائط میں قدر فراہم کرنا جباری رکھے گی۔ یہ رپورٹ ہمارے پچاس سالہ سفر کا جائزہ بھی فراہم کرتی ہے۔

ٹولیل راستہ۔ ستمبر 1967 سے ستمبر 2017 تک مہارت کے پچاس سال

شکر گنج ستمبر 1967 میں ایک پیک لمیڈنگ کمپنی کے طور پر قائم ہوئی اور جون 1979 میں کراچی اسٹاک ایکٹنگ میں درج ہوئی۔ اس پچاس سالہ سفر کے دوران آپ کی کمپنی صرف فی دن 1,500 ٹن گئے کی کرشنگ صلاحیت کے ساتھ ایک چھوٹی سی شوگر فیکٹری سے پاکستان کی پہلی متنوع شوگر کمپنی بر مشتملہ 2 شوگر فیکٹریوں معد 20,000 ٹن سی ڈی، چھ بائیو فیول پلائیں معد 350,000 اسٹریز یومیہ کی کشیدگی صلاحیت، علاوہ پارٹیل بورڈ آپریشنز اور 15,360 سینٹل یئکٹائل یونٹ کے ساتھ شامل ہوئی۔

کمپنی پاکستان کی پہلی بھی سیکٹر شوگر ریسرچ سہولت بھی چلاتی ہے جس میں پیداوار بڑھانے، کراپ سائکل کا انتظام، اور نامیاتی کھاد کے طور پر بائیک مپوسٹ کو فروغ دینے پر توجہ مرکوز رکھتی ہے۔ کمپنی شکر گنج فوڈ پراؤ کٹ لمیڈنگ میں اپنی اسٹریٹچ گل اکثریتی شیئر ہولڈنگ کے ذریعے غذہ اور فاسٹ مودوگ کنزی یور گلڈز (ایف ایم ہی جی) میں بھی امتیاز حاصل کیا ہے۔

جیسا کہ آپ کی کمپنی کے سائز میں اضافہ ہوا ہے، ہماری توجہ ہیشہ کار کر دگی پر رہتی ہے، جس سے اب کمپنی کو بڑی تعداد میں بیگاں بیدا کرنے کی اجازت ملی ہے جو شوگر آپریشنز کے ایندھن کی ضروریات کا سر پاس ہے۔ ریٹریز کو زیادہ سے زیادہ کرنے کے لئے، کمپنی نے ایک عمارت سازی ڈویژن قائم کیا جہاں اس کے اضافی بیگاں کو چپ بورڈ اور دیگر تعمیراتی مواد میں تبدیل کرنے کے لئے ایک پارٹیل بورڈ میڈیونٹیچنگ پلانت نصب کیا گیا ہے۔ آج ہم فی دن 30 مکعب فٹ پارٹیل بورڈ پیدا کرنے کے قابل ہیں۔

2003-2004 میں یئکٹائل سپنگ مل کے ہم سایہ کریںٹ اجلا لمیڈنگ خریدی اور انضمام اسکیم کے تحت شکر گنج لمیڈنگ میں شامل کر لی گئی۔ اس متنوع نے ہمیں اپنے روایتی شوگر اور الائیڈ مصنوعات کے شعبے کے علاوہ دیگر شعبوں پر توجہ مرکوز کرنے کی اجازت دی ہے۔ آج ہم اپنے 15,360 اسٹریز پر واحد یاران کی مختلف اقسام تیار کرتے ہیں جبکہ ہمارا ڈبلنگ پلانت (TFO) 2,304 سینٹل ہے۔

2004 میں، کمپنی کا فارم ڈویژن ایک آزاد کار و باری یونٹ کے طور پر قائم کیا گیا۔ یہ یونٹ ایک سے زیادہ مقاصد پر کام کرتا ہے۔ بنیادی طور پر یہ ہمارے ریسرچ آپریشن کے لئے انکو ہیر کے طور پر استعمال کیا جاتا ہے اور گئے کے کاشکاروں کے خامدان کے لئے اچھی زراعت کے طریقوں کو ظاہر کرتا ہے۔ اس وقت، جدید اور سائنسی زراعت کے طریقوں کو اپنانے کے ساتھ یہ موقع کی جاتی ہے کہ مستقبل میں ہماری چلی لائن میں ثابت طور پر شرکت داری کرے گا۔ یہ یونٹ دیگر ایڈ خام مواد جیسے کہ گئے کی حیاتیانی اگلی کا بنیادی ذریعہ بھی بن جائے گا۔ فی الحال یہ ڈویژن تقریباً 11,200 ایکڑ رقبہ زیر کا شت رکھتا ہے۔

ہماری متنوع حکمت عملی کے مطابق، شکر گنج لمیڈنگ مختلف ڈری اور فروٹ مصنوعات پر مشتمل متنوع پراؤ کٹ کے ساتھ ایک معروف فوڈ پراؤ کٹس کمپنی شکر گنج فوڈ پراؤ کٹس لمیڈنگ (ایف ایل) میں سرمایہ کاری رکھتا ہے۔

شکر گنج فوڈ پراؤ کٹس لمیڈنگ کے چند معروف برائٹرز ہیں:

گد ملک

اولادہ فلیورڈ ملک

اینی ٹائم فروٹ جوس

چائے کمالی و انشر

مارکیٹ میں ان مصنوعات کو بہت پذیرائی حاصل ہے اور حالیہ رسولوں میں، SFPL سے کمپنی کے منافع کے حصے کے حصے نے کمپنی کی چلی لائن کی منافع یا بی میں اہم حصہ شامل کیا ہے۔

DEFINITION AND GLOSSARY OF TERMS

DEFINITIONS

Profitability Ratios

Profitability Ratios are used to assess the Company's ability to generate profits in relation to its sales, assets and equity.

Liquidity Ratios

Liquidity ratios are used to determine the Company's ability to meet its short-term financial obligations.

Activity / Turnover Ratios

Activity / Turnover ratios evaluate the operational efficiency of the Company to convert inventory & receivables into cash against time taken to pay creditors, measured in terms of revenue and cost of sales.

Investment / Market Ratios

Investment ratios measure the capability of the Company to earn an adequate return for its shareholders. Market Ratios evaluate the current market price of a share versus an indicator of the company's ability to generate profits.

Capital Structure Ratios

Capital Structure ratios provide an indication of the long term solvency of the Company and its cost of debt, in relation to equity and profits.

LIST OF ABBREVIATIONS

AGM	Annual General Meeting	KG	Kilogram
CCG	Code of Corporate Governance	KIBOR	Karachi Interbank Offered Rate
CD	Compact Disc	LC	Letter of Credit
CDC	Central Depository Company of Pakistan	LIBOR	London Interbank Offered Rate
CEO	Chief Executive Officer	MT	Metric Ton
CFO	Chief Financial Officer	NBFI	Non Bank Financial Institution
CNIC	Computerized National Identity Card	NBP	National Bank of Pakistan
CO2	Carbon Dioxide	NEPRA	National Electric Power Regulatory Authority
CPEC	China Pakistan Economic Corridor	PACRA	Pakistan Credit Rating Agency
CSAPL	Crescent Steel and Allied Products Limited	Ph. D	Doctor of Philosophy
DFI	Development Finance Institution	PPTFC	Privately Placed Term Finance Certificate
DVD	Digital Versatile Disc	PSMA	Pakistan Sugar Mills Association
EOGM	Extra Ordinary General Meeting	PSX	Pakistan Stock Exchange
E & T	Excise and Taxation	SECP	Securities and Exchange Commission of Pakistan
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation	SFPL	Shakarganj Food Products Limited
EPA	Environment Protection Agency	SML	Shakarganj Limited
ETP	Effluent Treatment Plant	SSRI	Shakarganj Sugar Research Institute
FY	Fiscal Year	STC	Shakarganj Tiger Compost
HIA	Head of Internal Audit	TCD	Tons of Cane per Day
HR	Human Resources	TFC	Term Finance Certificate
IAS	International Accounting Standards	TFO	Two for One doubling
ICA	Intra Court Appeal	TPI	Twist per inch
ICAP	Institute of Chartered Accountants of Pakistan	USB	Universal Serial Bus
IFAC	International Federation of Accountants	USD	United States Dollar
IFRIC	International Financial Reporting Interpretations Committee	WAPDA	Water and Power Development Authority
IFRS	International Financial Reporting Standards	WPPF	Workers' Profit Participation Fund
		WWF	Workers' Welfare Fund

FORM OF PROXY

I/We _____ S/o, D/o, W/o _____ of _____
(full address) a member(s) of
Shakarganj Limited and holder of _____ shares as per Registered
Folio No. _____ and/or CDC Participant I.D. No. _____ and Sub Account No. _____
do hereby appoint _____ of _____ (full address)

as my/our proxy to attend, speak and vote for me/us and on my/our behalf at the Annual General Meeting of Shakarganj Limited scheduled to be held on Friday, 26 January 2018 at 11:00 a.m. at the Qasr-e-Noor, 9-E-2, Main Boulevard Gulberg-III, Lahore and at any adjournment thereof.

As witness my / our hand this _____ day of _____ 2018.

Member _____
Witness _____
Address _____
Dated _____

Please affix here
Revenue Stamp of
Rs. 5/-

Notes:

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a proxy.
2. The instrument appointing a Proxy, together with the Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited at the Registered office, not less than 48 hours before the time of holding the Meeting.
3. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular No.1 dated 26 January 2000 of the Securities & Exchange Commission of Pakistan for appointing proxies.
 - i. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
 - ii. The proxy form shall be witnessed by two persons whose names, addresses and NIC numbers shall be mentioned on the form.
 - iii. Attested copies of NIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv. The proxy shall produce his original NIC or original passport at the time of the meeting.
 - v. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the proxy holder shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.

محترنامہ

کا اکے

میں اہم

بھیتیت رکن شکر گنج لمبیڈ اور حامل عام حصہ، بمقابلہ شیر رجسٹر فلینمبر اور ایسی ڈی جی اسی پارٹیپیٹ (شرکت) آئی ڈی نمبر اور سب اکاؤنٹ (ڈیلی کھاتہ) نمبر مورخ 26 جنوری 2018ء برداشت محترم ا محترمہ کو اپنے اہماں ایماء پر منعقد ہونے والے کمپنی کے سالانہ جلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی اتواء کی صورت اپنا اہماں ابلور مقار (پر اسکی) مقرر کرتا ہوں ا کرتے ہیں۔

آج بروز ہتھیار 2018ء کو دستخط کئے گئے۔

گواہان:

- 1 دستخط:

نام:

پتہ

کپیوٹر انڈو شاخی کارڈیاپا سپورٹ نمبر:

- 2 دستخط:

نام:

پتہ

کپیوٹر انڈو شاخی کارڈیاپا سپورٹ نمبر:

نوٹ:

1- ایک نمبر (رکن) جو جلاس میں شرکت اور ووٹ دینے کا مجاز ہوا، اپنی چارچک کی لوپڑنے نسب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔

2- ایک نمبر (رکن) جو جلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد جلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی یکری شکر گنج لمبیڈ لاہور کے چیپر اسال کر دے۔

3- یہ شیر رجسٹر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر کمی عمل کرنا ہوگا۔

(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایادہ جس کی کپیوٹر انڈو شاخی کارڈیاپا سپورٹ اسکی فارم تھیں تو اور ان کی رجسٹریشن کی تفصیلات تو اعد و ضوابط کے مطابق اپ لوڑ ہوں اجیس کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پر اسکی فارم تھیں کرنا ہوگا۔

(ب) مختارنامے پر بطور گواہان دو افراد کے دستخط ہونے چاہیں اور ان کے نام، پیچے اور کپیوٹر انڈو شاخی کارڈیاپا سپورٹ پر درج ہوں۔

(ج) مخفیش اور ز (مستخفیہ ہونے والے فرد) کپیوٹر انڈو شاخی کارڈیاپا سپورٹ کی مصدق لفظی بھی شکل کرنی ہوگی جسے نائب مختارنامے کے ہمراہ پیش کرے گا۔

(د) جلاس کے وقت نائب اور اصل کپیوٹر انڈو شاخی کارڈیاپا سپورٹ پیش کرنا ہوگا۔

(و) کارپوریٹ ادارہ ہونے کی صورت میں بھیتیت نمبر (رکن)، بورڈ آف ڈائریکٹری قرارداد ایمن نامزد کردہ شخص / اداری کے نمونہ دستخط پا دار اداری (اگر پہلے فرائم نہ کئے گئے ہوں) پر اسکی فارم (مختارنامے) کے ہمراہ کمپنی میں صحیح کرنا ہوگا۔

CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

M/s CorpTec Associates (Private) Limited
503-E Johar Town, Lahore
Email: info@corpTec.com.pk

SUBJECT: CONSENT FORM FOR ELECTRONIC TRANSMISSION OF ANNUAL REPORT AND NOTICE OF AGM

Dear Sirs,

I/we, being the shareholder(s) of Shakarganj Limited ("Company"), do hereby consent and authorize the Company for electronic transmission of the Audited Annual Financial Statements of the Company along with Notice of Annual General Meeting via the Email provided herein below and further undertake to promptly notify the Company of any change in my Email address.

I understand that the transmission of Annual Audited Financial Statements of the Company along with Notice of Annual General Meeting via the Email shall meet the requirements as mentioned under the provisions of Companies Act, 2017.

1. Name of Shareholder(s): _____

2. Fathers / Husband Name: _____

3. CNIC: _____

4. NTN: _____

5. Participant ID / Folio No: _____

6. E-mail address: _____

7. Telephone: _____

8. Mailing address: _____

Date: _____

Signature:
(In case of corporate shareholders,
the authorized signatory must sign)

سالانہ رپورٹ اور اے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

میسرز کارپ ٹیکس ایسوی ایمس (پرائیویٹ) لیمیٹڈ

E-503، جوہر ٹاؤن، لاہور

ای میل info@corptec.com.pk

عنوان: سالانہ رپورٹ اور اے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جناب عالی:

میں / ہم بذریعہ نہاد شکر کج لیمیٹڈ ("کمپنی") کا / کے شیئر ہولڈر (ہولڈر) ہونے کے ناطے کمپنی کے آڈٹ شدہ مالیاتی ایٹھیٹیشن بمع سالانہ اجلاس عام کے نوٹس کی، ذیل میں دیئے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں / دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں / کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی ایٹھیٹیشن بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہو گی جن کا پیشہ ایکٹ، 2017ء کی دفعات کے تحت ذکر کیا گیا ہے۔

- 1- شیئر ہولڈر (ہولڈر) کا نام
- 2- والد / شوہر کا نام
- 3- کی این آئی سی
- 4- این ٹی این
- 5- پارٹنپنٹ آئی ڈی / فویونبر
- 6- ای میل ایڈریس
- 7- فون نمبر:
- 8- میلنگ ایڈریس:

و سخن

(کارپوریٹ شیئر ہولڈر کی صورت میں،
محاذ و سخن کرنے والے لازمی و سخن کرنے)

..... تاریخ:

STANDARD REQUEST FORM FOR HARD COPIES OF ANNUAL AUDITED ACCOUNTS

1. Name of member: _____

2. CNIC No/Passport No: _____

3. Folio/CDC Participant ID/ Sub a/c/Investor a/c: _____

4. Registered Address: _____

I/We hereby request you to provide me/us a hard copy of the Annual Report of Shakarganj Limited for the year ended 30 September ____ at my above mentioned registered address instead of CD/DVD/USB. I undertake to intimate any change in the above information through revised Standard Request Form.

Date:

Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

Shakarganj Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,

M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

معیاری درخواست فارم برائے سالانہ آڈٹ شدہ حسابات کی ہارڈ کاپیز

مبر کا نام:

سی این آئی سی نمبر / پاسپورٹ نمبر

فولیو / اسی ڈی سی پارٹیسپنٹ آئی ڈی / اسی / اسی / انویٹر a/c

رجسٹرڈ آئی دی رس:

میں / ہم آپ سے درخواست کرتا ہوں / کرتے ہیں کہ مجھے / ہمیں شکر گنچ لمبیٹ کے 30 ستمبر کو ختم ہونے والے سال کی سالانہ رپورٹ کی ہارڈ کاپی، سی ڈی / ڈی وی ڈی / یا ایس بی کے بجائے میرے مذکورہ بالا رجسٹرڈ پتے پر فراہم کی جائے۔ میں وعدہ کرتا ہوں کہ میں مذکورہ بالا معلومات میں کسی تبدیلی کی اطلاع نظر ثانی شدہ معیاری درخواست فارم کے ذریعے دون گا / دیں گے۔

تاریخ:

مبر کے دلخیط

نوٹ: یہ معیاری درخواست فارم کمپنی یا کمپنی کے اندیپنڈنٹ شیئر رجسٹر ا، کسی کے بھی درج ذیل پتے پر بھیجا جا سکتا ہے۔

کمپنی سیکرٹری

شکر گنچ لمبیٹ

E فلور، آئی ٹی ناؤن، 1-73، حالی روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکیوٹو

میسر ز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمبیٹ

اندیپنڈنٹ شیئر رجسٹر آف شکر گنچ لمبیٹ

E-503، جوہر ٹاؤن، لاہور

ای میل: info@corpetc.com.pk

اگر کوئی ممبر مستقبل کے تمام سالانہ آڈٹ شدہ حسابات کی ہارڈ کاپیوں کی وصولی کو ترجیح دیتا ہے تو اس ترجیح کے بارے میں کمپنی کو تحریری طور پر مطلع کیا جائے۔

E-DIVIDEND FORM (DIVIDEND PAYMENT THROUGH ELECTRONIC MODE)

The Company Secretary/Share Registrar,

I/We, _____, holding CNIC No. _____, being the registered shareholder of the company under folio no. _____, state that pursuant to the relevant provisions of Section 242 of the Companies Act, 2017 pertaining to dividend payments by listed companies, the below mentioned information relating to my Bank Account for receipt of current and future cash dividends through electronic mode directly into my bank account are true and correct and I will intimate the changes, if any in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur through revised E-Dividend Form.

Title of Bank Account	
Bank Account Number	
IBAN Number	
Bank's Name	
Branch Name and Address	
Cell Number of Shareholder	
Landline number of Shareholder	
Email of Shareholder	

In case of CDC shareholding, I hereby also undertake that I shall update the above information of my bank account in the Central Depository System through respective participant.

Date:

Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

Shakargan Limited
E-Floor, IT Tower, 73/E1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,

M/s CorpTec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corpTec.com.pk

ای-ڈیویڈنڈ فارم (الیکٹرانک طریقے سے ڈیویڈنڈ کی ادائیگی)

دی کپنی سیکرٹری /شیررجسٹر،

میں اہم حال تی این آئی سی نمبر نویونبر کے تحت کپنی کے رجڑہ شیر ہولڈر ہونے کی حیثیت سے بیان کرتا ہوں کہ لسٹ ڈیویڈنڈ کپنیوں کی طرف سے ڈیویڈنڈ کی ادائیگیوں سے متعلق کپنیز ایکٹ، 2017ء کے سیشن 242 کی متعلقہ دفعات کی رو سے موجودہ اور مستقبل کے کیش ڈیویڈنڈز کی الیکٹرانک طریقے سے براہ راست میرے بینک اکاؤنٹ میں وصولی کے لئے ذیل میں دی جانے والی معلومات صحیح اور درست ہیں۔ اگر اور پر بیان کردہ معلومات میں کوئی تبدیلی ہوئی تو جیسے ہی یہ تبدیلی ہو گی میں نظر ثانی شدہ ای۔ ڈیویڈنڈ فارم کے ذریعے کپنی اور متعلقہ شیررجسٹر اکاؤنٹ کو فوری طور پر اس کی اطلاع دوں گا۔

ٹائل آف بینک اکاؤنٹ
بینک اکاؤنٹ نمبر
آئی بی اے این نمبر
بینک کا نام
براچ کا نام اور ایڈریس
شیر ہولڈر کا سیل نمبر
شیر ہولڈر کا لینڈ لائن نمبر
شیر ہولڈر کا ای میل

سی ڈی آئی شیر ہولڈنگ کی صورت میں، میں بذریعہ ہذا یہ وعدہ بھی کرتا ہوں کہ متعلقہ پارٹیپنٹ کے ذریعے سٹرل ڈیپاٹری سسٹم میں اپنے بینک اکاؤنٹ کی مذکورہ بالا معلومات کو اپ ڈیٹ کروں گا۔

تاریخ.....

ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کپنی سیکرٹری یا کپنی کے انڈپینڈنٹ شیررجسٹر ارکسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

چیف ایگزیکیوٹو

میسرز کارپ ٹیک ایسوئی ایٹس (پرائیویٹ) لمینٹ

انڈپینڈنٹ شیررجسٹر ارکسی شکر گنج لمینٹ

E-503، جوہر ٹاؤن، لاہور

ای میل: info@corpetc.com.pk

کپنی سیکرٹری

شکر گنج لمینٹ

E فلوو، آئی ٹی ناو، 1-E/73، حامل روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

FORM FOR VIDEO CONFERENCE FACILITY

The Company Secretary/Share Registrar,

I/we, _____, of _____, being the registered shareholder(s) of the company under Folio No(s). _____ / CDC Participant ID No. _____ and Sub Account No. _____ CDC Investor Account ID No., and holder of _____ Ordinary Shares, hereby request for video conference facility at _____ for the Annual General Meeting of the Company to be held on _____.

Date:

Member's Signature:

Note:

This Standard Request Form may be sent at either of the following addresses of the Company Secretary or Independent Share Registrar of the Company:

Company Secretary

Shakargan Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,

M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

اے۔ فارم برائے ویڈیو کانفرنس سہولت

دی کمپنی سکرٹری/شیر رجسٹر،

..... تعلق رکھنے والا/والے، میں/ہم حامل عام حصہ نویونمبر (نمبرز) اسی ڈی اسی پارٹیپنٹ
..... اور سب اکاؤنٹ نمبر سی ڈی اسی انویٹر اکاؤنٹ ID نمبر کے تحت کمپنی کے رجسٹرڈ شیر ہوئڈر (ہوئڈر) کی حیثیت سے
..... کو منعقد ہونے والے کمپنی کے سالانہ جلاس عام کے لئے میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں/کرتے ہیں۔

تاریخ:

ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سکرٹری یا کمپنی کے انڈپینڈنٹ شیر رجسٹر، کسی کے بھی درج ذیل پتے پر بھجا جاسکتا ہے۔

کمپنی سکرٹری

شکر گنج لیٹڈ

E فور، آئی ٹی ٹاور، 1-E/73، حامل روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکیوٹو

میسرز کارپ ٹیک ایسوی ایمس (پرائیویٹ) لیٹڈ

انڈپینڈنٹ شیر رجسٹر آف شکر گنج لیٹڈ

E 503، جوہر ٹاؤن، لاہور

ای میل: info@corpetc.com.pk

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- 💻 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

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@jamapunji_pk

*Mobile apps are also available for download for android and ios devices



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