



Shakarganj  
Limited



ANNUAL REPORT

2018



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# 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











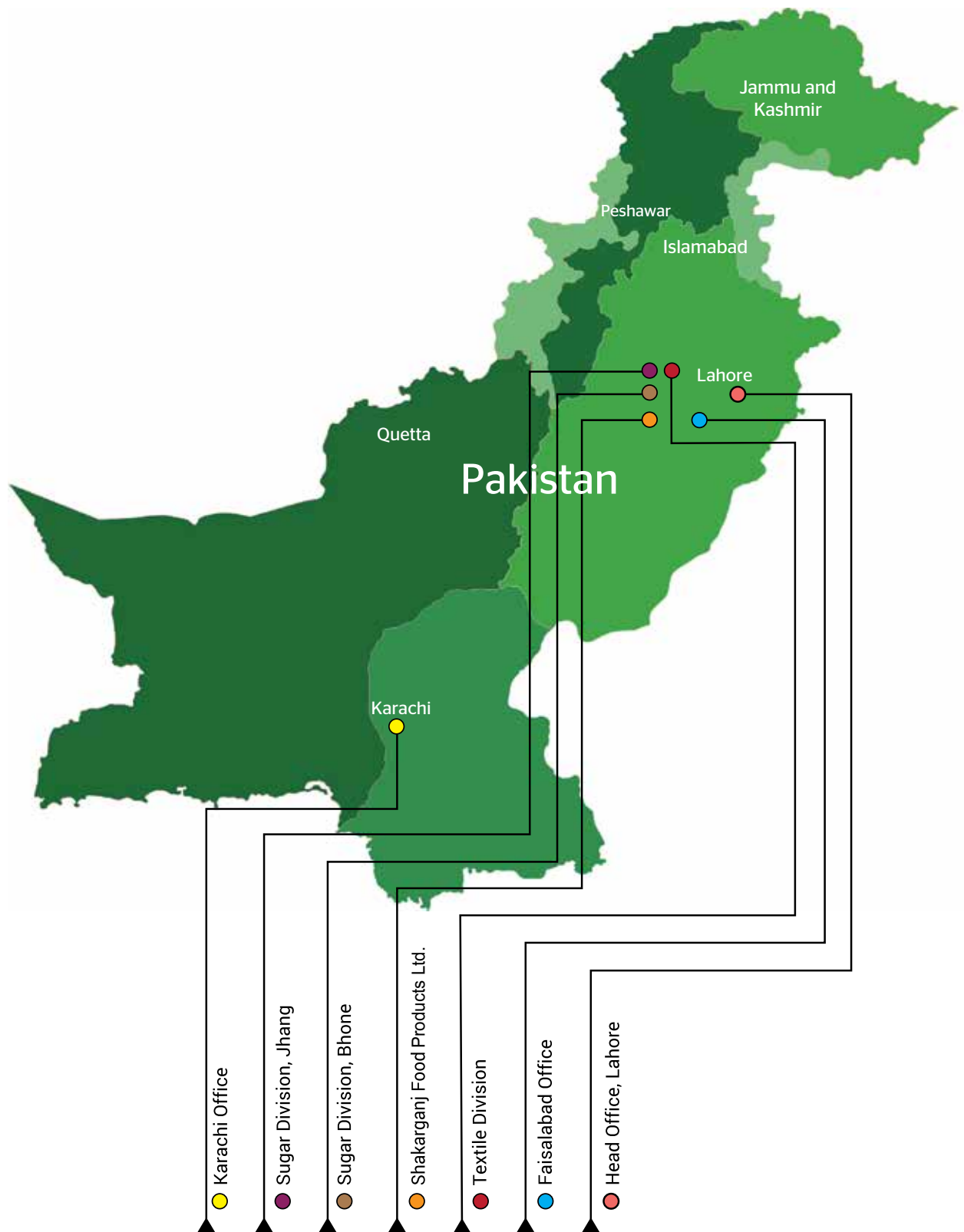


# Quality Policy

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.

# Geographical Presence



# 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

**Company Secretary**  
Asif Ali

**Human Resource & Remuneration Committee**  
Chairman  
Muhammad Anwar

**Audit Committee**  
Chairman  
Khalid Bashir

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

Member  
Anjum Muhammad Saleem  
Khalid Bashir



# 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](mailto:info@shakarganj.com.pk)

## Works

### Principal Facility

Management House  
Toba Road, Jhang, Pakistan  
Tel: (047) 763 1001 - 05  
Fax: (047) 763 1011  
E-mail: [info@shakarganj.com.pk](mailto: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](http://www.shakarganj.com.pk)  
Note: This Report is available on Shakarganj website.

## 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](mailto:info@corptec.com.pk)

## Products

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

## 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

12<sup>th</sup> 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

## 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

## 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](mailto:info@corptec.com.pk)

## Annual General Meeting

The 51<sup>st</sup> Annual General Meeting of Shakarganj Limited will be held on Monday, 28 January 2019 at 10:00 a.m. at Liberty Castle, 79-D-1, Main Boulevard Gulberg III, Lahore.

# 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.

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 notes 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 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 (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 33/s and doubled cotton yarn ranging from 8 to 40 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.



# 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.

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.

## 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

# Organizational Chart





# 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 July 2018 for the fiscal year 2018. 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  
Chairman

03 January 2019

# Director's Report

Dear Shakarganj Shareholder:

The Directors of your Company, in compliance with Section 227 of the Companies Act, 2017, are pleased to submit their report together with the audited financial statements of the Company for the year ended 30 September 2018.

Shakarganj Limited ("the Company") was incorporated in Pakistan and is listed on the Pakistan Stock Exchange. It is principally engaged in the manufacture, purchase, and sale of sugar, biofuel, building materials, yarn (textile). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone.

## State of the Company's affairs and Overview of its Business

### Financial Results

The financial results of the Company are summarised below:

	2018 (Rupees in thousand)	2017
Sales - net	7,404,243	11,360,157
Gross profit	542,613	655,815
Profit from operations	92,871	324,500
Share of profit from equity accounted investment	265,754	195,344
Profit before taxation	158,161	350,012
Taxation	(172,169)	(139,193)
(Loss) / profit for the year	(14,008)	210,819
(Loss) / earnings per share - basic and diluted	(Rupees) (0.11)	1.80

### Overview of the Company's Business

Depressed sugar selling prices and high procurement rates of sugarcane as fixed by the Government of Punjab delayed the start of our crushing campaign. In view of the overall sugar scenario in Pakistan, and anticipated surplus sugar production in the country, sugar millers were reluctant to commence the crushing season as without meaningful steps on part of the Federal and Provincial governments, it would be almost impossible to manufacture sugar in a profitable manner. Shakarganj, for the first time in its history, started its crushing in the last week of December 2017 upon being compelled to do so by the Government.

Our biofuel business performed very well and improved prices brought attractive margins and provided the Company with an opportunity to double its exports. An increase of more than 70% has been recorded in biofuel exports during last two years. Despite heavy losses in the sugar segment due to the enormous mismatch between the support price of sugarcane and the overall sugar selling price, the Company earned a gross profit of Rs. 542.61 million compared to a gross profit of Rs. 655.82 million in the corresponding year last year. Sugar Division recorded operational losses of Rs. 492.17 million due to increased cost of production on account of higher sugarcane price and increased fixed overheads cost per unit due to low capacity utilization. Due to aforesaid factors, after tax loss for the

year under review was Rs. 14.01 million as compared to profit after tax of Rs. 210.82 million in the last year.

The Sugar Division crushed 669,064 MT of sugarcane to produce 61,634 MT of sugar, at a recovery rate of 9.20 percent. There was an overall decrease of more than 50% in sugarcane crushing and production compared to the previous fiscal year with 144,460 MT of sugar produced from 1,543,849 MT of sugarcane at a recovery rate of 9.36 percent. The lower recovery is attributable to lower capacity utilisation.

During the year under review, the performance of the Biofuel Division remained excellent with production at 56.73 million litres (FY17: 41.62 million litres). Biofuel production increased by more than 35 percent when compared to the last year mainly on account of better average selling prices. The increased production was matched by significantly higher export sales. Subsequent to a reduction by FESCO in the purchase rate of electricity from our biopower business, operations at this division were suspended in 2016 and there was no biopower generation in the year under review as well.

Due to non-availability of surplus bagasse, and depressed selling prices, the Building Material Division could not start its operations in the year under review, however, during the last year, surplus bagasse was available and the Company was able to produce 1,578

cubic metres of particle board. This is expected to continue in the coming season with the expected low level of crushing and availability of sugarcane.

Yarn production at our Textile Division increased to 3.45 million kg from 3.43 million kg in the previous year. The increase in production was mainly attributable to better availability of electricity and decreased levels of load shedding. Improvements in average selling prices, along with higher margins made positive contributions to the bottom line of this division.

### Financial Overview:

The Company undertook significant operational & financial measures in the current year as has been the practice for the past several years to improve its productivity and financial results, in order to generate liquidity for financing of operations and repayment of borrowings. As a result of these efforts, during the year under review, the Company was able to earn an overall gross profit of Rs. 542.61 million compared to gross profit of Rs. 655.82 million in the previous year. Despite the many challenges in the sugar operations, your Company has achieved operational profits of Rs. 92.87 million, and with the associated company contributing Rs. 265.75 million, profit before tax was Rs. 158.16 million. However, due to taxation provision of Rs. 172.17 million, there was an after tax loss of Rs. 14.01 million. Despite the difficult situation at the core business segment, and continued liquidity pressures, the Company kept improving its performance and is hopeful for better results in future. There have been significant improvements in biofuel prices coupled with lower molasses prices resulting from a large sugarcane crop, we hope that your Company would continue to run the biofuel business profitable to make up for the losses in the sugar operations.

The Company is making continuous efforts to overcome the liquidity problems through negotiations with its existing as well as potential lenders. As of 30 September 2018, the Company has fully settled its over-due redeemable term finance certificates, repaid preference shares along with accrued mark-up and repaid restructured/rescheduled long term borrowings. As of this date, old long term loans of Rs. 195 million, and a new loan of Rs. 250 million were due to the National Bank of Pakistan repayable in instalments ending in December 2020 and July 2021 respectively. A new borrowing amounting to Rs. 95 million was also obtained from First Credit and Investment Bank which was repayable in instalments ending in June 2021. The Company is confident that based on its plan, it will continue to have support from the lenders and also be able to get sufficient working capital funding from its lenders.

### Principal Risks and Uncertainties Facing

Following are the principal risks and uncertainties are currently facing by the Company:

- Surplus sugar production. government intervention not allowing market forces to work
- Higher purchase price of sugarcane as compared to sugar sale price
- Heavy taxation, sales tax rates finished product
- Lack of irrigation water, reducing the yield of crop & low capacity utilizations
- Vulnerable to political interests
- Being an agro based industry, inherent risks of natural calamities conditions
- Export is not allowed timely which badly affects the Company and sugar prices
- Increasing cost of production and labor
- Overall inflationary increase in operational expenses
- Environmental concerns and sugar free products
- Further Rupee devaluation will be resulting in escalation in cost
- Increase in finance cost due to additional debt & enhancement rates by banks

### Adequacy of Internal Control

The system of internal control of the Company is sound in design and has been effectively implemented and monitored. The Board of Directors is aware of its responsibility with respect to internal controls environment and accordingly has established an efficient system of internal financial controls, for ensuring effective and efficient conduct of operations, safeguarding of Company assets, compliance with applicable laws and regulations and reliable financial reporting. The outsourced independent internal audit function is in operation and such function regularly appraises and monitors the implementation of financial controls. Audit Committee of the Board, reviews the effectiveness of the internal control framework and financial statements regularly on quarterly basis.

### 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.



## Corporate Social Responsibility

We actively seek opportunities to contribute to the communities in which we operate and to improve the environments that sustain us all. Our areas of primary focus are education, health and safety, energy conservation, waste reduction, and community building. During the year Shakarganj contributed around Rs 5.36 million toward these activities. As a responsible member of the corporate community, Shakarganj always contributes substantially towards the national economy on account of taxes and other government levies. Company's contribution toward federal, provincial and local taxes was in excess of Rs. 747 million during the year under review.

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.

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. 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 18,068 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.

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.

## 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 seven hundred and twenty one members of Team Shakarganj have participated in a structured program 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. 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. 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.

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 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. We have also 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.

## Board of Directors & its Committees

The Board of Directors consists of eight members including seven male members and one female member as per the following composition: During the year, six (6) meetings of the Board of Directors, four (4) meetings of the Audit Committee and one (1) meeting of Human Resource and Remuneration Committee were held and the attendance of each director is also given.

Category	Names of Director	Meeting Attended
Independent Directors	Mr. Sheikh Asim Rafiq Mr. Khawaja Jalaluddin	6 6
Non-Executive Directors	Ms. Hajerah Ahsan Saleem Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Muhammad Arshad	6 6 6 6
Executive Directors	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem (Deputy Chief Executive Officer)	6 6

The Board has formed committees comprising of members given below:

Name of Committee	Names of Members and Chairman	Meeting Attended
Audit Committee	Mr. Khalid Bashir (Chairman) Ms. Hajerah Ahsan Saleem (Non-executive Director) Mr. Sheikh Asim Rafiq (Independent Director) Mr. Khawaja Jalaluddin (Independent Director)	4 4 4 4
Human Resource and Remuneration Committee	Mr. Muhammad Anwar (Chairman) Mr. Khalid Bashir (Non-executive Director) Mr. Anjum Muhammad Saleem (CEO)	1 1 1

No casual vacancy occurred during the year under review on the Board.

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

## Non executive and Independent Director's Remuneration

The Board of Directors has approved a 'Directors' Remuneration Policy', the salient features of the approved policy are as follows:

- No Director shall determine his/her own remuneration.
- Meeting fee of a Director other than regular paid Chief Executive, Sponsors and or family Directors and full time working Director(s), shall be amounting to Rs. 20,000 (twenty thousand rupees only) per meeting or as time to time determined by the Board for attending the Board and its Committee meetings.
- Any tax obligation against such payment applicable for the time being or as per amendment subsequent to the approval shall be borne by the Company.
- Directors shall also be entitled for all reasonable expenses including travelling, stay and other expenses incurred by them for attending meetings.

## 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.

## 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:

Name of Director/ Spouses / Executive	Purchase	Sale
Mr. Khawaja Jalaluddin	245,900	745,000

## Financial Statements

As required under the accounting and reporting standards as applicable in Pakistan and as per the requirements of Companies Act, 2017 (XIX of 2017), the management is aware of its responsibility for the preparation and fair presentation of the financial statements for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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 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 Listed Companies (Code of Corporate Governance) Regulations 2017.

## Dividend and Carried Forward

Keeping in view accumulated losses, adverse current ratio, the Directors have not recommended the payment of any dividend for the year ended 30 September 2018. Moreover, no amount is being carried forward to the general reserve or any other reserve funds account.

## Subsequent Events

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.

## Default in Payments, Debt or Loan

The Company recognizes its responsibility of timely repayments of due amount and adhering to the best practices prevails in the industry it is stated that no default in payment of any loan or debts was occurred during the year under review.

## Change in Nature of Business

No change has been occurred during the financial year relating to the nature of the business of the Company.

## Related Party Transactions

All related party transactions are approved by the Board after review and recommendation of Audit Committee. The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

## Future Outlook

Better production as well as improvements in margins and foreign exchange rates, biofuel business is expected to contribute significantly in fiscal year 2019. As the future outlook of our distilleries operation depends on continuous availability of good quality molasses, the Management is trying to add sufficient quantity of molasses at reasonable cost to create enough margins for healthy bottom line and we would try our level best to achieve better results in this segment.

As discussed in the previous annual review, outlook for the sugar business is dependent on timely and suitable decisions on part of the Federal and Provincial governments barring which it will be very difficult for the sugar industry to become profitable in the coming season. This may adversely affect the results of the sugar business as well as overall results of your Company. While the sugarcane crop is expected to be smaller compared the previous year's crop, it is still more than sufficient for Pakistan's domestic requirement and in the absence of a reasonable export policy by the government, the market is expected to remain in a glut like situation with the price of sugar consistently declining. While the Pakistan Sugar Mills Association (PSMA) has held several meetings with Government Representatives to apprise them of the situation of the industry as well as the problems faced

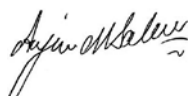
by growers in the absence of a coherent and industry friendly export policy. Our current production targets have been set with the recently announced export policy in mind as unrestricted exports with a subsidy from the Punjab Government will enable sugar mills to run their operations without making huge losses.

The Textile Division performance is expected to improve in view of the margins available. The Company remains committed to its best efforts to keep the operational profitability as achieved in the last year, going on, and to improve further its overall liquidity scenario as well. All these factors as discussed above will also impact the Company's overall financial results and the management will make all efforts to achieve better results in all segments, especially in the biofuel business where margins are higher. The management remains committed to further improving operational profitability the liquidity position of the company to achieve profitable results in fiscal year 2019.

## 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

03 January 2019



# Financial Highlights

		2018	2017	2016	2015	2014	2013	2012
<b>Profitability &amp; Ratios Area:</b>								
Net Sales	(Rs 000)	7,404,243	11,360,157	4,373,219	6,578,986	11,356,340	13,507,225	14,762,318
Cost of Sales	(Rs 000)	6,861,630	10,704,342	4,668,941	6,647,610	11,402,233	12,512,771	13,044,568
Gross Profit / (loss)	(Rs 000)	542,613	655,815	(295,722)	(68,624)	(45,893)	994,454	1,717,750
Operating Profit/(Loss)	(Rs 000)	92,871	324,500	(140,704)	(183,146)	(378,875)	568,825	1,033,342
Profit/(Loss) Before Tax	(Rs 000)	158,161	350,012	(31,663)	(42,652)	(584,585)	329,362	442,453
Profit/(Loss) After Tax	(Rs 000)	(14,008)	210,819	(17,893)	(142,756)	(638,809)	267,012	498,476
Earnings/(Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	858,121	1,054,322	733,985	829,395	71,650	1,109,582	1,457,764
Gross Profit Ratio	(%)	7.33	5.77	(6.76)	(1.04)	(0.40)	7.36	11.64
Net Profit to Sales	(%)	(0.19)	1.86	(0.41)	(2.17)	(5.63)	1.98	3.38
EBITDA Margin to Sales (net)	(%)	0.12	0.09	0.17	0.13	0.01	0.08	0.10
Operating Leverage Ratio	(%)	0.89	1.53	0.68	4.19	8.38	4.06	2.91
Return on Capital Employed	(%)	4.08	7.66	(2.60)	(3.52)	(6.45)	35.10	83.82
<b>Liquidity Ratios Area:</b>								
Current Assets	(Rs 000)	1,485,414	1,599,932	814,003	2,767,463	1,501,818	1,414,570	2,519,539
Current Liabilities	(Rs 000)	4,052,096	3,962,002	4,567,308	7,972,985	6,669,301	6,611,816	7,569,321
Net Current Assets / (Liabilities)	(Rs 000)	(2,566,682)	(2,362,070)	(3,753,305)	(5,205,522)	(5,167,483)	(5,197,246)	(5,049,782)
Property, Plant and Equipment	(Rs 000)	10,825,661	8,487,270	8,987,560	9,599,483	10,254,043	6,252,667	6,401,019
Total Assets	(Rs 000)	14,307,132	11,270,752	10,839,796	13,328,591	12,411,426	8,815,303	9,739,337
Current Ratio	(Times)	0.37	0.40	0.18	0.35	0.23	0.21	0.33
Quick / Acid Test Ratio	(Times)	0.09	0.10	0.08	0.23	0.13	0.11	0.08
Cash to Current Liabilities	(%)	0.70	0.13	0.41	19.17	1.42	1.52	0.92
Cash Flow from Operations to Sales	(%)	4.07	(10.87)	13.70	20.99	4.82	21.40	11.04
<b>Activity / Turnover Ratios Area:</b>								
Inventory Turnover Ratio	(Times)	6.04	13.42	7.14	9.05	18.73	9.88	8.45
No. of days in Inventory	(Days)	60.41	27.21	51.09	40.32	19.48	36.94	43.20
Debtor Turnover Ratio	(Times)	71.49	125.62	200.06	189.45	205.53	85.83	40.18
No. of Days in Receivables / Average Collection Period	(Days)	5.11	2.91	1.82	1.93	1.78	4.25	9.08
Total Assets Turnover Ratio	(Times)	0.52	1.01	0.40	0.49	0.91	1.53	1.52
Fixed Assets Turnover Ratio	(Times)	0.68	1.34	0.49	0.69	1.11	2.16	2.31
<b>Investment / Market Ratios Area:</b>								
Earning / (Loss) Per Share	(Rupees)	(0.11)	1.80	(0.16)	(1.89)	(9.19)	3.84	7.17
Dividend Yield Ratio	(%)	-	1.38	-	-	-	-	-
Dividend Payout Ratio	(%)	-	69.44	-	-	-	-	-
Dividend Cover Ratio	Times	-	1.44	-	-	-	-	-
Cash Dividend per Share	(Rupees)	-	1.25	-	-	-	-	-
Market Value Per Share at the Year End	(Rupees)	55.00	90.75	26.62	17.71	15.75	19.50	12.85
- Highest during the Year	(Rupees)	90.44	132.25	29.65	20.60	24.95	27.96	15.15
- Lowest during the Year	(Rupees)	54.15	22.50	10.75	12.30	13.31	10.55	4.05
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	69.46	49.09	45.14	64.60	66.78	31.17	24.33
<b>Capital Structure Ratios Area:</b>								
Shareholders' Equity	(Rs 000)	1,857,468	1,416,858	(19,900)	(711,810)	(654,867)	25,422	(590,320)
Share Capital	(Rs 000)	1,250,000	1,250,000	1,100,000	695,238	695,238	695,238	695,238
Financial Leverage Ratio	Times	1.50	1.55	(80.80)	(5.08)	(4.93)	130.17	(8.38)
Weighted Average Cost of Debt	(%)	7.84	7.63	8.10	9.93	10.56	10.38	12.86
Long Term Debt : Equity Ratio	:	0.29	0.37	(32.10)	(1.45)	(2.07)	84.01	(4.08)
Interest Cover Ratio	(Times)	1.79	3.06	0.83	0.82	(0.78)	1.75	1.61

# Production Data

Season	Duration Season (Days)	Cane Crushed (MT)	Raw Sugar Processed (MT)	Sugar Produced (MT)	Recovery (Percent)
2017-18	105	669,064		61,634	9.20
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)
2.17	31,025	56,728,278		76,107	
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				

# Statement of Compliance

## With Listed Companies (Code of Corporate Governance) Regulations, 2017 (“The Regulations”)

Name of Company : SHAKARGANJ LIMITED  
Year Ended : 30 September 2018

The company has complied with the requirements of the regulations in the following manner:

1. The total number of directors is eight as per the following:
  - a. Male : Seven
  - b. Female : One
2. The composition of the board is as follows:

Category	Names
<b>Independent Directors</b>	Mr. Shaikh Asim Rafiq Mr. Khawaja Jalaluddin
<b>Non-Executive Directors</b>	Ms. Hajerah Ahsan Saleem Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Muhammad Arshad
<b>Executive Directors</b>	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem (Deputy Chief Executive Officer)

3. The directors have confirmed that none of them is serving as a director on more than five listed Companies including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on material relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the act and these regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Five members of the Board have requisite education and experience on the Board(s) of listed companies and are exempt from Directors’ Training Program for which approval would be obtained within time allowed in these regulations. Three directors have already completed training course as required.
10. There was no new appointment of the Chief Financial Officer, Head of Internal Audit and Company Secretary during the year.
11. CEO and CFO duly endorsed the financial statements before approval of the board.
12. The Board has formed committees comprising of members given below



Name of Committee	Names of Members and Chairman
Audit Committee	Mr. Khalid Bashir (Chairman) Ms. Hajerah Ahsan Saleem (Non-executive Director) Mr. Sheikh Asim Rafiq (Independent Director) Mr. Khawaja Jalaluddin (Independent Director)
Human Resource and Remuneration Committee	Mr. Muhammad Anwar (Chairman) Mr. Khalid Bashir (Non-executive Director) Mr. Anjum Muhammad Saleem (CEO)

13. The term of the aforesaid committee have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings along with other details are as follows:

#### Audit Committee and its Meetings

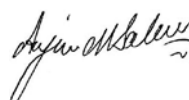
Name of committee member	Designation	Number of meetings held	Meeting attended
Mr. Khalid Bashir	Chairman	4	4
Ms. Hajerah Ahsan Saleem	Non-executive Director	4	4
Mr. Sheikh Asim Rafiq	Independent Director	4	4
Mr. Khawaja Jalaluddin	Independent Director	4	4

#### Human Resource and Remuneration Committee and its Meeting

Name of committee member	Designation	Number of meetings held	Meeting attended
Mr. Muhammad Anwar	Chairman	1	1
Mr. Khalid Bashir	Non-executive Director	1	1
Mr. Anjum Muhammad Saleem	CEO	1	1

15. 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.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they 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 of its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
17. 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.
18. We confirm that all other requirements of the regulations have been complied with.

By Order of the Board



Anjum Muhammad Saleem  
Chief Executive Officer



Ali Altaf Saleem  
Director

03 January 2019



**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
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# Review Report To The Members

## On Statement Of Compliance With

### Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Shakarganj Limited for the year ended 30 September 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 requirements contained in the Regulations as applicable to the Company for the year ended 30 September 2018.

Lahore  
03 January 2019

*KPMG Taseer Hadi & Co.*

**KPMG Taseer Hadi & Co.**  
Chartered Accountants  
(Kamran Iqbal Yousafi)

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.



**Shakarganj Limited**

**Financial Statements**  
For The Year Ended 30 September 2018



**KPMG Taseer Hadi & Co.**  
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# INDEPENDENT AUDITOR'S REPORT

To the members of Shakarganj Limited

## Report on the Audit of the Financial Statements

We have audited the annexed financial statements of **Shakarganj Limited** ("the Company"), which comprise the statement of financial position as at 30 September 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 September 2018 and of the loss, the comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

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



Following are the Key audit matter(s):

S.No.	Key audit matter(s)	How the matter was addressed in our audit
1.	<p><b>Sales</b></p> <p>Refer to notes 3.18 and 24 to these financial statements</p> <p>The Company recognized net revenue of Rs. 7,404million from sale of goods to domestic as well as export customers during the year ended 30 September 2018.</p> <p>We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls;</li> <li>• assessing the appropriateness of the Company's accounting policy for recording of sales and compliance of the policy with accounting and reporting standards as applicable in Pakistan;</li> <li>• comparing a sample of sale transactions recorded during the year with sales orders, sales invoices, delivery challans, bill of lading and other relevant underlying documents;</li> <li>• comparing a sample of sale transactions recorded near the year end with the sales orders, sales invoices, delivery challans, bill of lading and other relevant underlying documentation to assess whether the sale was recorded in the appropriate accounting period;</li> <li>• inspecting on a sample basis, credit notes issued in near and subsequent to year end to evaluate whether the adjustments to sales had been accurately recorded in the appropriate accounting period ; and</li> <li>• scanning, on a sample basis, for any manual journal entries relating to sales recorded during and near the year end which were considered to be material or met other specific criteria for inspecting underlying documentation.</li> </ul>
2..	<p><b>Revaluation of property, plant and equipment</b></p> <p>Refer notes 3.3, 6 and 13 to these financial statements.</p> <p>The Company follows the revaluation model for subsequent measurement of land, building and plant and machinery.</p> <p>Latest revaluation was carried out on 27 September 2018. The valuation was performed by an external valuer engaged by the Company.</p> <p>We identified the revaluation of the Company's property, plant and equipment as a key audit matter because the valuation involves a significant degree of judgment and estimation.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• evaluating the information provided by the Company to the external professional valuer by inspecting the relevant underlying documentation;</li> <li>• involving property valuation expert engaged by us to assist in evaluating the appropriateness of valuation methodology and assessing the reasonableness of key estimates and assumptions adopted in valuation by the external valuer engaged by the Company; and</li> <li>• assessing the completeness, appropriateness and adequacy of the disclosures in Company's financial statements with regard to the revaluation performed.</li> </ul>

### **Information other than these Financial Statements and Auditor's Report thereon**

Management is responsible for the other information. Other information comprises the information included in the annual report for the year ended 30 September 2018, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- proper books of account have been kept by the Company as required by the Companies Act, 2017(XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- Zakat deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that ordinance.

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

Lahore  
03 January 2019

*KPMG Taseer Hadi & Co.*  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

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# BALANCE SHEET

As at 30 September 2018

		2018	2017 (Restated)	2016 (Restated)
	Note	(Rupees in thousand)		
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized capital 150,000,000 (2017: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000	1,500,000
50,000,000 (2017: 50,000,000) preference shares of Rs. 10 each		500,000	500,000	500,000
		2,000,000	2,000,000	2,000,000
Issued, subscribed and paid up capital 125,000,000 (2017: 125,000,000) ordinary shares of Rs 10 each	5	1,250,000	1,250,000	1,100,000
Equity portion of director loan - net of tax		-	47,055	57,205
Reserves		2,196,442	1,726,474	906,114
Accumulated losses		(1,588,974)	(1,606,671)	(2,083,219)
Surplus on revaluation of property, plant and equipment - net of tax	6	6,825,404	4,719,906	4,985,321
		8,682,872	6,136,764	4,965,421
Non-current liabilities				
Long term finances	7	442,703	405,767	491,213
Deferred taxation	8	1,129,461	766,219	815,854
		1,572,164	1,171,986	1,307,067
Current liabilities				
Current portion of long term liabilities		97,703	123,707	147,543
Short term borrowings	9	2,243,284	1,661,160	969,199
Trade and other payables	10	1,663,125	2,059,100	3,230,484
Unclaimed dividend		2,273	1,519	1,537
Accrued finance cost	11	45,711	116,516	218,545
		4,052,096	3,962,002	4,567,308
Contingencies and commitments				
	12			
		14,307,132	11,270,752	10,839,796

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

  
Chief Executive



		2018	2017 (Restated)	2016 (Restated)
	Note	(Rupees in thousand)		
ASSETS				
Non-current assets				
Property, plant and equipment	13	10,825,661	8,487,270	8,987,560
Intangible assets	14	-	-	685
Biological assets	15	11,558	11,840	7,734
Investments - related parties	16	1,938,565	1,084,476	954,356
Employees' retirement benefits	17	11,948	50,703	38,927
Long term loans, advances and deposits	18	33,986	36,531	36,531
		12,821,718	9,670,820	10,025,793
Current assets				
Biological assets	15	19,717	14,811	13,718
Stores, spare parts and loose tools	19	65,756	61,342	70,879
Stock-in-trade	20	1,028,311	1,115,847	347,650
Trade debts	21	39,431	167,717	13,154
Loans, advances, deposits, prepayments and other receivables	22	303,928	234,960	349,962
Cash and bank balances	23	28,271	5,255	18,640
		1,485,414	1,599,932	814,003
		14,307,132	11,270,752	10,839,796

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

  
Director

  
Chief Financial Officer

# PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
Sales - net	24	7,404,243	11,360,157
Cost of sales	25	(6,861,630)	(10,704,342)
<b>Gross profit</b>		542,613	655,815
Administrative expenses	26	(275,136)	(282,315)
Distribution and selling costs	27	(216,785)	(161,084)
Other expenses	28	(49,225)	(30,500)
Other income	29	91,404	142,584
<b>Profit from operations</b>		92,871	324,500
Finance cost	30	(200,464)	(169,832)
Share of profit from equity accounted investment	16.11	265,754	195,344
<b>Profit before taxation</b>		158,161	350,012
Taxation			
- Company		(93,570)	(72,227)
- Equity accounted investment		(78,599)	(66,966)
	31	(172,169)	(139,193)
<b>(Loss) / profit for the year</b>		(14,008)	210,819
<b>(Loss) / Earnings per share - basic and diluted</b>	Rupees 32	(0.11)	1.80

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2018

	2018 (Rupees in thousand)	2017
(Loss) / Profit for the year	(14,008)	210,819
Other comprehensive income for the year		
<i>Items that are or may be reclassified to profit or loss account:</i>		
Fair value (loss) / gain on 'Available for sale' investment	(14,700)	5,792
Share of other comprehensive income / (loss) of associate	-	(4,050)
<i>Items that will never be reclassified to profit or loss account:</i>		
Revaluation surplus on property, plant and equipment	2,721,104	-
Related deferred tax liability on revaluation surplus on property, plant and equipment	(392,032)	-
Share of other comprehensive income of equity accounted investment	484,668	-
	2,813,740	-
Remeasurement (loss) / gain on employee retirement benefits	(43,376)	6,110
<b>Total comprehensive income for the year</b>	<b>2,741,656</b>	<b>218,671</b>

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# CASH FLOW STATEMENT

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>Cash flows from operating activities</b>			
Cash generated from / (used in) operations	33	301,390	(1,235,041)
Finance cost paid		(252,602)	(246,398)
Taxes paid		(93,234)	(90,934)
WPPF paid		(45)	(421)
Employees' retirement benefits paid		(18,229)	(16,955)
<b>Net cash used in operating activities</b>		(62,720)	(1,589,749)
<b>Cash flows from investing activities</b>			
Fixed capital expenditure		(108,635)	(59,846)
Proceeds from sale of property, plant and equipment		10,898	93,505
Dividends received		585	9,590
Income from bank deposits received		259	88
Investment made		(196,966)	-
<b>Net cash (used in) / generated from investing activities</b>		(293,859)	43,337
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital - right issue		-	968,618
Repayment of long term finances		(47,033)	(127,534)
Short term borrowings - net		582,124	691,961
Dividend paid		(155,496)	(18)
<b>Net cash generated from financing activities</b>		379,595	1,533,027
<b>Net Increase / (decrease) in cash and cash equivalents</b>		23,016	(13,385)
<b>Cash and cash equivalents at beginning of the year</b>		5,255	18,640
<b>Cash and cash equivalents at end of the year</b>	23	28,271	5,255

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

  
Chief Executive

  
Director

  
Chief Financial Officer

# STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2018

For the year ended 30 September 2018												
	CAPITAL RESERVES				REVENUE RESERVES							
	SHARE CAPITAL	SHARE PREMIUM	SHARE IN CAPITAL RESERVES OF EQUITY ACCOUNTED INVESTMENT	FAIR VALUE RESERVE	DIFFERENCE OF CAPITAL UNDER SCHEME OF ARRANGEMENT OF MERGER	SURPLUS ON REVALUATION ON PROPERTY, PLANT AND MACHINERY	EQUITY PORTION OF DIRECTOR LOAN - NET OF TAX	GENERAL	DIVIDEND EQUALIZATION	EQUITY INVESTMENT MARKET VALUE EQUALIZATION	ACCUMULATED LOSSES	Total
----- (RUPEES IN THOUSAND) -----												
BALANCE AS AT 01 OCTOBER 2016, AS PREVIOUSLY REPORTED	1100000	237755	(10638)	6761	155930	-	57205	410606	22700	83000	(2,034,861)	28458
EFFECT OF RESTATEMENT - NOTE 31	-	-	-	-	-	4985321	-	-	-	-	(48,358)	4936963
BALANCE AS AT 01 OCTOBER 2016 - RESTATED	1100000	237755	(10638)	6761	155930	4985321	57205	410606	22700	83000	(2,083,219)	4965421
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017												
PROFIT FOR THE YEAR	-	-	-	-	-	-	-	-	-	-	210819	210819
OTHER COMPREHENSIVE INCOME FOR THE YEAR:												
FAIR VALUE GAIN ON AVAILABLE FOR SALE INVESTMENTS	-	-	-	5792	-	-	-	-	-	-	6110	5792
REMEASUREMENT GAIN ON EMPLOYEE RETIREMENT BENEFITS	-	-	-	-	-	-	-	-	-	-	-	6110
SHARE OF OTHER COMPREHENSIVE LOSS OF EQUITY ACCOUNTED INVESTMENT	-	-	(4050)	-	-	-	-	-	-	-	-	(4050)
	-	-	(4050)	5792	-	-	-	-	-	-	216929	218671
SURPLUS TRANSFERRED TO ACCUMULATED LOSSES ON ACCOUNT OF:												
- DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX	-	-	-	-	-	(5738)	-	-	-	-	5738	-
- INCREMENTAL DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED TAX - RESTATED	-	-	-	-	-	(243731)	-	-	-	-	243731	(15946)
- OTHER REVALUATION ADJUSTMENT	-	-	-	-	-	(265415)	-	-	-	-	249469	(15946)
	-	-	(4050)	5792	-	(265415)	-	-	-	-	466398	202725
TRANSACTIONS WITH OWNERS OF THE COMPANY, RECOGNIZED DIRECTLY IN EQUITY												
PROCEEDS FROM RIGHT SHARES	150000	825000	-	-	-	-	-	-	-	-	-	975000
INCREMENTAL COST ON THE ISSUANCE OF RIGHT SHARES	-	(6382)	-	-	-	-	(10150)	-	-	-	10150	(6382)
EQUITY PORTION OF LOAN FROM DIRECTOR - NET OF TAX	-	-	-	-	-	-	(10150)	-	-	-	-	-
	150000	818618	-	-	-	-	(10150)	-	-	-	10150	968618
BALANCE AS ON 30 SEPTEMBER 2017 - RESTATED	1250000	1056373	(14688)	12553	155930	4719906	47055	410606	22700	83000	(1606671)	6136764
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018												
LOSS FOR THE YEAR	-	-	-	-	-	-	-	-	-	-	(14008)	(14008)
OTHER COMPREHENSIVE INCOME FOR THE YEAR:												
FAIR VALUE LOSS ON AVAILABLE FOR SALE INVESTMENTS	-	-	-	(14700)	-	-	-	-	-	-	-	(14700)
REVALUATION SURPLUS ON PROPERTY, PLANT AND EQUIPMENT	-	-	-	-	-	2721104	-	-	-	-	-	2721104
RELATED DEFERRED TAX LIABILITY ON REVALUATION SURPLUS	-	-	-	-	-	(392032)	-	-	-	-	(43376)	(392032)
REMEASUREMENT GAIN ON EMPLOYEE RETIREMENT BENEFITS	-	-	-	-	-	-	-	-	-	-	(43376)	(43376)
SHARE OF OTHER COMPREHENSIVE INCOME OF EQUITY ACCOUNTED INVESTMENT	-	-	484668	-	-	-	-	-	-	-	-	484668
	-	-	484668	(14700)	-	2329072	-	-	-	-	(57384)	2741656
SURPLUS TRANSFERRED TO ACCUMULATED LOSSES ON ACCOUNT OF:												
- INCREMENTAL DEPRECIATION ON PROPERTY, PLANT AND EQUIPMENT - NET OF DEFERRED TAX - RESTATED	-	-	-	-	-	(223574)	-	-	-	-	223574	-
	-	-	-	-	-	(223574)	-	-	-	-	-	-
TRANSACTIONS WITH OWNERS OF THE COMPANY, RECOGNIZED DIRECTLY IN EQUITY												
CASH DIVIDEND @ RS. 1.25 PER ORDINARY SHARE FOR YEAR ENDED 30 SEPTEMBER 2017	-	-	-	-	-	-	(47055)	-	-	-	(156250)	(156250)
EQUITY PORTION OF LOAN FROM DIRECTOR - NET OF TAX	-	-	-	-	-	-	(47055)	-	-	-	(148493)	(195548)
	-	-	-	-	-	-	(47055)	-	-	-	-	-
BALANCE AS ON 30 SEPTEMBER 2018	1250000	1056373	469980	(2147)	155930	6825404	-	410606	22700	83000	(1588974)	8682872

THE ANNEXED NOTES 1 TO 44 FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

  
Chief Executive

  
Director

  
Chief Financial Officer



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 1. REPORTING ENTITY INFORMATION

- 1.1 Shakarganj Limited ("the Company") was 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). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone. The registered office of the Company is situated at E-floor, IT tower, 73-E/1, Hali Road, Gulberg-III, Lahore.

Business Unit	Location
- Jhang Unit	Toba tek singh road, Jhang -35200 Pakistan.
- Bhone Unit	57 km Jhang - Sargodha road, Bhone -35200 Pakistan.

## 1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events:

- The accounting policy for revaluation surplus on property plant and machinery changed during the year. Consequently, the amount of revaluation surplus on property, plant and machinery reported outside the equity in the prior years has been reclassified to equity. Furthermore revaluation of property plant and machinery was carried out during the year which resulted in surplus of Rs. 2,721.1 million.
- Due to the first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified.
- Devaluation of Pak Rupees against US dollars positively impacted the Company's export.
- For a detailed discussion about Company's performance please refer to the directors report accompanied in the annual report of the Company for the year ended 30 September 2018.

## 2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

### 2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value as referred to in note 3.3, the measurement of certain items of property, plant and equipment as referred to in note 13 at revalued amounts and recognition of certain staff retirement and other long term benefits as referred to in note 17 at present value.

In these financial statements, except for the amounts reflected in the cash flow statement, all transaction have been accounted for on accrual basis.

## 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees ("Rs."), which is the Company's functional and presentation currency. All financial information has been rounded to the nearest thousand rupees, except when otherwise indicated.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as disclosed in note 3.1.

### 3.1 Changes in accounting policy

Up to 30 September 2017, revaluation surplus on property, plant and machinery was being measured under the repealed Companies Ordinance, 1984. The surplus arising on the revaluation is credited to the surplus on revaluation of property, plant and machinery. With effect from 01 January 2018, Companies Act, 2017 has become applicable and section 235 of the repealed Companies Ordinance, 1984 relating to treatment of surplus arising on revaluation of property, plant and machinery has not been carried forward in the Companies Act, 2017. Accordingly the management has changed the accounting policy to bring accounting of revaluation surplus on property, plant and machinery in accordance with IAS 16 "Property, plant and equipment". The effect of this change in accounting policy, which is applied with retrospective effect, has resulted in change in restatement of opening retained earnings and transfer of revaluation surplus on property, plant and machinery to equity which was previously being presented outside the equity.

The new Act specified certain additional disclosures to be included in the financial statements. Accordingly, the Company has presented the required disclosures in these financial statements and restated certain comparatives. The change in the reported amounts of statement of profit or loss and other comprehensive income or the amounts presented in the statement of financial position due to these re-presentations are explained below:

#### 01 October 2016

	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
	----- (Rupees in thousand) -----		
<b>Total assets</b>	10,839,796	-	10,839,796
Trade and other payables(current)	3,230,484	-	3,230,484
Deferred tax liabilities	810,042	5,812	815,854
Others	1,828,037	-	1,828,037
<b>Total liabilities</b>	5,868,563	5,812	5,874,375

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 01 October 2016

	Impact of change in accounting policy		
	As previously reported	Adjustments	As restated
	----- (Rupees in thousand) -----		
Accumulated losses	(2,034,861)	(48,358)	(2,083,219)
Revaluation Surplus	-	4,985,321	4,985,321
Others	2,063,319	-	2,063,319
<b>Total equity</b>	<b>28,458</b>	<b>4,936,963</b>	<b>4,965,421</b>
Revaluation Surplus	4,942,775	(4,942,775)	-
<b>Total equity and liabilities</b>	<b>10,839,796</b>	<b>-</b>	<b>10,839,796</b>

## 30 September 2017

<b>Total assets</b>	11,270,752	-	11,270,752
Trade and other payables(current)	2,059,100	-	2,059,100
Deferred tax liabilities	760,843	5,376	766,219
Others	2,308,669	-	2,308,669
<b>Total liabilities</b>	<b>5,128,612</b>	<b>5,376</b>	<b>5,133,988</b>
Accumulated losses	(1,560,360)	(46,311)	(1,606,671)
Revaluation Surplus	-	4,719,906	4,719,906
Others	3,023,529	-	3,023,529
<b>Total equity</b>	<b>1,463,169</b>	<b>4,673,595</b>	<b>6,136,764</b>
Revaluation Surplus	4,678,971	(4,678,971)	-
<b>Total equity and liabilities</b>	<b>11,270,752</b>	<b>-</b>	<b>11,270,752</b>

## Profit or loss and OCI

### For the year ended 30 September 2017

Administrative expenses	(275,136)	-	(275,136)
Income tax expense	(99,458)	-	(99,458)
Others	377,477	-	377,477
<b>Profit</b>	<b>2,883</b>	<b>-</b>	<b>2,883</b>
<b>Total comprehensive income</b>	<b>2,883</b>	<b>-</b>	<b>2,883</b>

All other significant accounting policies have been applied consistently to all periods presented in these financial statements except that pursuant to the requirements of IAS 7 "Statement of cash flows", a disclosure of reconciliation of movements of liabilities to cash flows arising from financing activities has been given in note 35 to the financial statements. This change does not have any impact on the figures reported in these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 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. Under / Over paid amount of current tax is recorded as tax refundable / payable due from / to the Government.

### Deferred

Deferred tax is accounted for using the Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Profit and Loss, 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.

## 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 on freehold land, 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 3.16.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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 13.1 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 2018 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 Statement of Financial Position 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 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 14.

The Company assesses at each Statement of Financial Position 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 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 Statement of Profit and Loss. 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 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 Statement of Profit and Loss.

Investments intended to be held for less than twelve months from the Statement of Financial Position 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 Statement of Financial Position 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 Statement of Financial Position 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 Statement of Profit and Loss, is removed from equity and recognized in the Statement of Profit and Loss. Impairment losses recognized in the Statement of Profit and Loss on equity instruments are not reversed through the Statement of Profit and Loss.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## Investments in associates and joint ventures

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. Joint ventures, whereby the jointly controlling parties, known as the 'joint venturers', have rights to the net assets of the arrangement.

Investments in associates / joint ventures 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 / joint ventures post acquisition profits or losses is recognized in the Statement of Profit and Loss 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 / joint ventures 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 / joint ventures are eliminated to the extent of the Company's interest in the associate.

Associates / joint ventures, which the Company intends to dispose off within twelve months of the Statement of Financial Position 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 Statement of Profit and Loss.

At each Statement of Financial Position date, the Company reviews the carrying amounts of its investments in associates / joint ventures 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.

## **3.7 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 Statement of Financial Position 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.

## **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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon up to the Statement of Financial Position 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 Statement of Profit and Loss 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 Statement of Profit and Loss. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the Statement of Profit and Loss.

## 3.13 Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial Position 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 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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.

## 3.15 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 Statement of Financial Position 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 Statement of Profit and Loss. 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.

## 3.16 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 Statement of Profit and Loss in the period in which they are incurred.

## 3.17 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
- 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.

## 3.18 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

- 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.

## 3.19 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.

## 3.20 Employees' retirement benefits

### 3.20.1 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 2018. The main features of defined benefit schemes are mentioned in note 17.

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 Statement of Profit and Loss. 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.

### 3.20.2 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 Statement of Profit and Loss.

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

## 3.21 New Companies Act, 2017 and new and revised approved accounting standards, interpretations and amendments thereto:

The following International Financial Reporting Standards ("IFRS") as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2018:



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

- Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2 clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 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. The amendments are not likely to have an impact on Company's financial statements.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 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. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 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. The amendments are not likely to have an impact on the Company's financial statements.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 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. The application of interpretation is not likely to have an impact on Company's financial statements.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 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 application of interpretation is not likely to have an impact on Company's financial statements.
- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- IFRS 9 'Financial Instruments' and amendment - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 19 'Employee Benefits' - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a Company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements

Annual Improvements to IFRS Standards 2015-2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a Company increases its interest in a joint operation that meets the definition of a business. A Company remeasures its previously held interest in a joint operation when it obtains control of the business. A Company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a Company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

The above amendments are effective from annual period beginning on or after 01 January 2019 and are not likely to have an impact on Company's financial statements.

## 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	3.7
Write down of stock in trade to their net realizable value	3.9
Provision for doubtful debts	3.12
Employees' retirement benefits	3.20

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 year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

## 5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018 (Number of shares)	2017	Ordinary share capital	2018 (Rupees in thousand)	2017
79,021,000	79,021,000	Ordinary shares of Rs. 10 each fully paid in cash	790,210	790,210
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	125,000,000		1,250,000	1,250,000

	2018 (Number of shares)	2017
<b>5.1 Reconciliation of number of shares</b>		
At 01 October	125,000,000	110,000,000
Right issue during the year	-	15,000,000
At 30 September	125,000,000	125,000,000

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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

	2018 (Number of shares)	2017
Crescent Steel and Allied Products Limited	27,409,075	27,409,075
Crescent Cotton Mills Limited	1,669,193	1,899,693
The Crescent Textile Mills Limited	9,019,690	9,019,690
CS Capital (Private) Limited	7,602,272	7,602,272
Roomi Fabrics Limited	11,984,754	12,464,754
	57,684,984	58,395,484

## 6. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - NET OF TAX

6.1 The latest valuation of land, buildings and plant and machinery was carried out by independent valuers Tristar International Consulting (Pvt.) Limited and Evaluation Focus Consulting (Pvt.) Limited on 27 September 2018. 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 2014 valuation of land, building and plant and machinery was carried out by Danish Enterprises and Saleem Engineers (Private) Limited and on 30 September 2012 valuation of land and buildings was carried out by and Empire Enterprises (Pvt.) Limited.

	Note	2018 (Rupees in thousand)	2017
<b>7. LONG TERM FINANCES</b>			
Long term loans - secured			
Interest bearing			
- NBP Restructured	7.1	195,406	273,569
- NBP Medium Term	7.2	250,000	-
- First Credit Investment Bank	7.3	95,000	-
		540,406	273,569
- Interest bearing			
- Interest free	7.4	-	76,460
		540,406	350,029
Redeemable capital			
Loan from director - interest free	7.4	-	179,445
		540,406	529,474
Less: transferred to current maturity			
- Long term loans - secured		(97,703)	(123,707)
		442,703	405,767

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

- 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** This represents a medium term loan from National Bank of Pakistan having an aggregate amount of Rs. 300 million out of which Rs. 250 million were disbursed till 30 September 2018. Term of the loan is three years including one year of grace period and the principal repayment to take place in equal quarterly installments of Rs. 31.25 million each starting from October 2019. Markup is payable quarterly at a rate of three month KIBOR + 3%. This loan is secured against 1st Joint Pari Passu charge of PKR 400 million over present and future fixed assets of the Company, personal guarantees by Mr. Anjum Muhammad Saleem (CEO) and Mr. Ali Altaf Saleem (Director of the Company). The security shall also be secured through pledge of such number of shares of Crescent Steel and Allied Products Limited with 40% margin which are equivalent to Rs 300 million.
- 7.3** This represents a medium term finance facility from First Credit Investment Bank Limited aggregating to Rs. 100 million out of which Rs. 95 million were disbursed till 30 September 2018. The term of the loan is three years including eighteen months of grace period and the principal repayments to take place in equal quarterly installments of Rs. 15.84 million each starting from March 2020. Markup is payable quarterly at a rate of three months KIBOR + 3.5%. The loan is secured against pledge of shares from KSE 100 index acceptable to FCIBL at market value with 35% margin, personal guarantees of Mr. Anjum Muhammad Saleem (CEO) and Mr. Ali Altaf Saleem (Director of the Company) and ranking hypothecation charge over present and future assets of the Company with 25% margin excluding land and building.
- 7.4** These loans were early repaid in full during the year on 22 June 2018 and 29 June 2018 respectively.

	2018 (Rupees in thousand)	2017 (Restated)
<b>8. DEFERRED TAXATION</b>		
Accelerated tax depreciation	(325,852)	(372,270)
Revaluation surplus on property, plant and equipment	(1,094,070)	(860,509)
Unused tax losses	451,102	579,388
Undistributed reserves of associates	(160,641)	(99,328)
Equity portion of director loan	-	(13,500)
	(1,129,461)	(766,219)

- 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. 1,779.36 million (2017: Rs. 1,195.24 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. 334.85 million (2017: Rs. 280.54 million) would not be available for carry forward against future tax liabilities subsequent to years 2018 through 2023. Business losses amounting to Rs. 781.29 million, Rs. 51.77 million, Rs. 669.22 million and Rs. 391.00 million will expire in tax year 2020, 2021, 2022 and 2023 respectively.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 8.2 Movement in deferred tax balance is as follows:

	2018				
	Opening	Reversal from / (charge to)			Closing
		Profit and loss	Interest free loan from Director	Equity/ Revaluation surplus	
Deferred taxation	----- (Rupees in thousand) -----				
<b><u>Taxable temporary difference</u></b>					
Accelerated tax depreciation allowances	(372,270)	46,418	-	-	(325,852)
Surplus on revaluation of property, plant and equipment	(860,509)	158,471	-	(392,032)	(1,094,070)
Unused tax losses	579,388	(128,286)	-	-	451,102
Undistributed reserves of associate	(99,328)	(61,313)	-	-	(160,641)
Equity portion of director loan	(13,500)	2,160	11,340	-	-
	(766,219)	17,450	11,340	(392,032)	(1,129,461)
	2017				
	Opening	Reversal from / (charge to)			Closing
		Profit and loss	Interest free loan from Director	Equity/ Revaluation surplus	
<b><u>Taxable temporary difference</u></b>					
Accelerated tax depreciation allowances	(383,444)	11,174	-	-	(372,270)
Surplus on revaluation of property, plant and equipment	(913,965)	69,838	-	(16,382)	(860,509)
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)
	(815,854)	66,017	-	(16,382)	(766,219)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>9. SHORT TERM BORROWINGS</b>			
<i>Secured:</i>			
- Cash / Running finance	9.2	394,200	395,420
- Export refinance	9.3	1,474,800	843,396
<i>Unsecured:</i>			
- Short term interest free financing	9.4	374,284	422,344
		2,243,284	1,661,160
<b>9.1 Types of short term borrowings</b>			
Interest / mark-up based financing		1,769,000	1,138,816
Islamic mode of financing		100,000	100,000
Interest free financing		374,284	422,344
		2,243,284	1,661,160

## 9.2 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 8.11% per annum to 9.86% per annum (2017: 8.07% to 8.13%) on the outstanding balance or part thereof. Expiry date of this facility is 31 December 2018.

It is secured against stock of sugar located at Bhone premises of the Company and first joint pari passu 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.

## 9.3 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. 1,775 million (2017: Rs. 875 million). These finances were available at a mark-up ranging from 3.00% to 9.86% (2017: 8.07% to 8.35%) on the outstanding balance or part thereof. Foreign currency borrowings were available at mark-up rates based on LIBOR ranging from 4.86% to 5.72% (2017: 3.43% to 4.86%). Expiry date of the finances obtained from Bank Islami Pakistan Limited is 28 February 2019 for MCB Bank Limited 31 December 2018, for National Bank of Pakistan Dollar loan is 31 December 2018 and that of National Bank FAPC is 30 May 2019.

The aggregate export finance is secured against lien on export contracts, pledge of stock-in-trade, registered hypothecation charge on property, plant and equipment and current and fixed assets of the Company, first Joint Pari Passu charge over fixed assets of the Company, personal guarantees of CEO and Director and pledge of 55 million shares of Shakarganj Foods and Products Limited at a price of Rs. 10/share.

## 9.4 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 2018

	Note	2018 (Rupees in thousand)	2017
<b>10. TRADE AND OTHER PAYABLES</b>			
Trade creditors		688,998	879,003
Advances for sale of property, plant and equipment		12,000	12,000
Advances from customers	10.1	156,793	272,747
Security deposits	10.2	2,128	2,233
Associated undertakings	10.3	15,905	23,227
Accrued liabilities		186,210	135,321
Payable to Government authorities			
- Sales tax		81,795	175,772
- Withholding tax payable		17,662	41,276
- Duty on manufacturing of Spirit (bio fuel)	10.4	438,546	440,529
Workers' Profit Participation Fund	10.5	8,144	8,189
Payable to Provident Fund Trust		1,666	2,184
Payable to pension and gratuity fund		18,210	22,228
Others	10.6	35,068	44,391
		1,663,125	2,059,100

**10.1** These include advance from Shakarganj Food Products Limited ("SFPL"), an associated Company, amounting to Rs. Nil (2017: Rs. 0.15 million).

**10.2** These are interest free and refundable on completion of contracts.

**10.3** These are interest free and represent payable against purchase of goods / expenses incurred by associated companies on behalf of the Company:

	2018 (Rupees in thousand)	2017
Crescent Steel and Allied Products Limited	5,209	4,045
Shakarganj Food Product Limited	10,696	-
Shakarganj Energy (Private) Limited	-	19,182
	15,905	23,227

**10.4** This represent excise duty levied on manufacturing of spirit (bio fuel) by Government of Punjab, recorded in last year. There has been no change in this case in current year.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>10.5 Workers' profit participation fund</b>			
Balance as at 01 October		8,189	470
Allocation for the year	28	-	8,140
Less: Amount paid to workers during the year on behalf of the fund		45	421
Balance as at 30 September		8,144	8,189

**10.6** Included in other liabilities are provisions aggregating to Rs. 3.12 million (2017: 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	2018 (Rupees in thousand)	2017
<b>11. ACCRUED FINANCE COST</b>			
Accrued mark-up on:			
- Long term finances		16,541	86,136
- Liabilities against assets subject to finance leases		-	1,957
- Short term borrowings	11.1	29,170	28,423
	11.2	45,711	116,516

**11.1** This includes interest of Rs. 0.327 million (2017: Rs. Nil) on unpaid balance of Workers' Profit Participation Fund.

**11.2** This includes Rs. Nil (2017: Rs. 91.15 million) which is overdue for payment as at reporting date. However the related principal has been settled.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

- (i) Bank guarantee of Rs. 9.55 million (2017: 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 (2017: 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. The management expects a favorable outcome in respect of this case and hence no provision has been incorporated in these financial statements.
- (iv) A case is pending against the Company is 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.

### 12.2 Commitments

The Company has the following commitments in respect of:

- (i) Contracts for acquisition of intangible (computer software) amounting to Rs. 20 million (2017: Rs. 20 million).
- (ii) Contracts for other than capital expenditures Rs. 4.45 million (2017: Rs. 1.20 million).

	Note	2018 (Rupees in thousand)	2017
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	13.1	10,706,426	8,386,457
Capital work-in-progress	13.2	119,235	100,813
		10,825,661	8,487,270

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 13.1 Operating fixed assets

	2018								(Rupees in thousand)		
	Cost/ re-valued amount 01 October 2017	Additions / (deletions)	Elimination of gross carrying value against accumulated depreciation	Revaluation Surplus	Cost/ re-valued amount 30 September 2018	Accumulated depreciation as at 01 October 2017	Depre- ciation charge/ (deletions) for the year	Elimination of accumulated depreciation against gross carrying value	Accumulated depreciation as at 30 September 2018	Book value as at 30 September 2018	Rate of depreci- ation %
Owned assets											
Freehold land	1,921,879	-	-	739,271	2,661,150	-	-	-	-	2,661,150	-
Buildings	1,037,550	-	(266,912)	305,847	1,076,485	204,403	62,509	(266,912)	-	1,076,485	75
Plant and machinery	7,091,717	49,126 (4,631)	(1,926,817)	1,689,952	6,899,348	1,506,732	421,256 (1,171)	(1,926,817)	-	6,899,348	75-30
Tools and equipment	52,441	19 (1,351)	-	-	51,109	48,811	1,462 (1,258)	-	49,015	2,094	20-40
Water, electric and weighbridge equipment	276,484	2,098 (2,568)	-	-	276,014	254,845	4,685 (2,223)	-	257,307	18,707	20-40
Furniture and fixtures	47,875	1,132 (75)	-	-	48,932	43,219	1,027 (59)	-	44,187	4,745	20
Office equipment	60,085	70 (553)	-	-	59,602	60,046	67 (551)	-	59,562	40	40
Vehicles	124,264	37,812 (9,435)	-	-	152,641	108,522	8,250 (7,488)	-	109,284	43,357	20
Laboratory equipment	23,106	-	-	-	23,106	22,744	148	-	22,892	214	40
Arms and ammunition	575	-	-	-	575	479	19	-	498	77	20
Library books	10,983	-	-	-	10,983	10,701	73	-	10,774	209	20-30
2018	10,646,959	90,256 (18,613)	(2,193,729)	2,735,070	11,259,945	2,260,502	499,496 (12,750)	(2,193,729)	553,519	10,706,426	

	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 depreci- ation %		
<b>Owned assets</b>										
Freehold land	1,928,679	-	1,921,879	-	-	-	1,921,879	-		
Buildings	1,064,261	(6,800)	1,037,550	153,540	67,976 (17,113)	204,403	833,147	75		
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		
<b>2017</b>	<b>10,698,193</b>	<b>5,441 (56,675)</b>	<b>10,646,959</b>	<b>1,757,041</b>	<b>534,478 (31,017)</b>	<b>2,260,502</b>	<b>8,386,457</b>			



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

**13.1.1** Particulars of immoveable fixed assets (i.e. land and building) in the name of the Company are as follows:

Particulars	Location	Total Area
Free hold land (Farms)	Land of Chak Rasool Pur	103.65 Kanals
	Land of Mouza Billi Nualan Par	284.80 Kanals
	Land of Mouza Chandia Nasheb	437 Kanals
	Land of Mouza Turbat Haji Shah	17.45 Kanals
	Land of Mouza Doka Baloucha	639.25 Kanals
	Land At Moza Khai Kalan	495.16 Acers
	Land of Mouza Kot Esa Shah (2)	1262 Kanals
	Land of Mouza Kot Khan	2926.2 Kanals
Free hold land (Bhone)	Land of Chund Bharwana	1 Kanal
	Land of Adda Massan	1 Kanal
	Land of Moza Wadhi The, Shahpur Rd.	1 Kanal
	Land of Moza Nehang	1 Kanal
	Land of Wijnhalka (Muhammad Wala)	1 Kanal
	Land of Moza Walla (Tirkhana Wala)	8.35 Kanals
	Land of Adda Shekhan	1 Kanal
	Land of Moza Dholka Adda Akrian Wala	1.05 Kanals
	Factory land bhone	1419.74 Kanals
Free hold land (Jhang)	Land at Kot Sahai Singh	52.2 Kanals
	Land at Lalazar (Plot no. 25)	1 Kanal
	Land at Moza Suleman Adda Sher Abad	1 Kanal
	Land at Adda Haveli Bahadur Shah	1 Kanal
	Land at Chak 338 Adda Nia Lahore	1 Kanal
	Land at Chak 426 Adda Pul Adda Jhang	1 Kanal
	Land at Chak 428 Adda Pul Adda Jhang	1 Kanal
	Land at Chak 316 Talwandi Smaundri Rd.	15.8 Kanals
	Land at Moza Sangra Adda Kot Shakir	1 Kanal
	Land at Adda Daal More	1 Kanal
	Land at Islam Wala Adda Pul Gagan	1 Kanal
	Land at Adda Kot Bahadar	1 Kanal
	Land at Dari Gondal Maharaja Road	1 Kanal
	Land at Chak 1/3L Ahmad Pur Sial	1 Kanal
	Land at Moza Kalachi Adda Sachi Sarkar	1 Kanal
	Land at Moza Bhag Jhang	1 Kanal
	Land at Chak 214 Adda Gojra More Jhang	1 Kanal
	Land at Moza Gilmala Jhang Rd.	1 Kanal
	Land at Malluana More Jhang Bhakkar Rd	1 Kanal
	Land at Chak 457 Kot Lakhana Gojra Rd	1 Kanal
	Land at Roran Wali Jhang Toba Rd	1 Kanal
	Land at Ballo Shahabal (Adda Chabeel)	1 Kanal
	Land at Jhang Shumail (Pacca Wala)	12 Marlas
	Land at chak 462 jb, jhang	753 Kanal & 19 marlas
	Jhang Unit (factory land)	1289.25 Kanals

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

### 13.1.2 Disposal of property, plant and equipment

		(Rupees in thousand)				
Particulars of assets	Sold to	Cost / Carrying value	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
<b>Freehold land</b>						
Transformer 3000 Kva (Bio Power)	Outside parties					
Transformer 3000 Kva (Bio Power)	Basit Engineering. Lahore	1,544	390	1,154	1,500	Negotiation
Transformer 3000 Kva (Bio Power)	Basit Engineering. Lahore	1,544	390	1,154	1,500	Negotiation
Transformer 3000 Kva (Bio Power)	Basit Engineering. Lahore	1,543	391	1,152	1,500	Negotiation
<b>Vechiles</b>						
Car Toyota Xli Jg-12-9	Mr. Muhammad Shahid Afghan (Grade EIII)	1,488	1,072	416	365	Company policy
Car Suzuki Cultus Jg-12-35	Mr.Muhammad Aamir (Grade MI)	1,013	754	259	253	Company policy
Suzuki Cultus Car Jg-12-50	Mr. Syed Ali Haider (Grade MI)	1,013	754	259	253	Company policy
Toyota Land Cruiser Jeep Model 1985	Mr. Haider Ali Nanga	964	736	228	575	Negotiation
Car Suzuki Cultus LED 9890	Mr. Muhammad Anees Abeer (Grade EIII)	960	733	227	218	Company policy
Car Cultus Leb-4910 (Lease back)	Mr.Imran Haider (Grade EIII)	656	585	71	154	Company policy
Suzuki Mehran JG-12-44	Mr. Asad Ali (Grade MIII)	617	456	161	155	Company policy
Suzuki Mehran JG-12-222	Mr. Javed Ahmad (Grade MIII)	617	456	161	155	Company policy
Messy Tractors (Lease back)	Khushi Brothers	417	378	39	940	Negotiation
Suzuki Jeep Potohar JGC 6589	Mr. Mazhar Abbas	174	146	28	375	Negotiation
Motor Cycle Jgl-4805	Muhammad Siddique (Mill Worker)	63	50	13	24	Company policy
Motor Cycle Jgl-505	Mr.Javed Iqbal (Mill Worker)	63	51	12	16	Company policy
Motor Cycle Jgl-8510	Muhammad Asif (Mill Worker)	49	36	13	49	Company policy
Motor Cycle Yamaha Dhoom 70CC	Naseem Ahmad	48	46	2	13	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Saleem	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Ghulam Ghous	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Ghulam Qadir Aziz	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Saqlain	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Sarwar	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Aleem Zia	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Zafar Hayat	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Saqlain Khan	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Maqbool Elahi	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Mushtaq Ahmad	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Akram	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Zaman Khan	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Syed Babar Hussain Shah	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Saqlain Mehdi	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Abid Ali Shah	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Hafiz Iftikhar Ahmed	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muzaffar Iqbal	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Nasir Abbas	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Ramzan	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Sarfaraz	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Ikhtiar Ahmad	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Binyamin	48	46	2	34	Company policy
Motor Cycle Yamaha Dhoom 70CC	Tahir Atta Akmal	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Nazar Abbas	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Muhammad Mubashir	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Fazal Ur Rahman	48	46	2	12	Company policy
Motor Cycle Yamaha Dhoom 70CC	Mill workers	43	39	4	12	Company policy
<b>Tools and Equipment</b>						
Inter-Row Cultivator	Mr. Shamshad Bharwana	143	137	6	100	Negotiation
Agriculture Equipments (Misc)	Mr. Shamshad Bharwana	140	131	9	48	Negotiation
Chiesel Plough	Mr. Shamshad Bharwana	104	100	4	85	Negotiation
Chiesel Plough	Bank of Punjab	104	100	4	-	Negotiation
Chiesel Plough	Bank of Punjab	50	49	1	60	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	22	Negotiation
Paired Row Ridger	Mr. Islam Haider	39	36	3	26	Negotiation
Paired Row Ridger	Mr. Shamshad Bharwana	38	35	3		Negotiation
Inter-Row Cultivator	Mr. Shamshad Bharwana	36	34	2	-	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	32	2	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	23	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	26	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	26	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Chisel Plough 3 Tines	Mr. Islam Haider	34	31	3	22	Negotiation
Mobile phone	Bank of Punjab	11	6	5	-	Negotiation

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

Particulars of assets	Sold to	(Rupees in thousand)				
		Cost / Carrying value	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
Office Equipment						
Laptop Computer	Mr. Javed Hassan (Card No.472)	41	39	2	20	Negotiation
Mobile Phone	Mr. Attiq (Card 13710).	1	1	-	1	Negotiation
Photocopy Machines	Local Contractor	65	65	-	15	Negotiation
Photocopy Machines	Local Contractor	110	110	-	-	Negotiation
Computers	Local Contractor	96	96	-	-	Negotiation
Computers	Local Contractor	240	240	-	30	Negotiation
Furniture & fixture						
Furniture & Fixture	Mr. Nisar Ahmad Alvi (Ex CFO)	10	8	2	6	Company policy
Furniture & Fixture	Malik Manzoor Hussain (Grade EII)	50	40	10	17	Company policy
Furniture & Fixture	Mr Mukhtar Hussain (Officer O1)	8	6	2	2	Company policy
Furniture & Fixture	Mr. Bedar Bakht (Officer O1)	8	4	4	2	Company policy
Water, Electric & Weigh-Bridge Equipments						
Fiat Engine 480	Local Grower	606	360	246	170	Negotiation
Weigh bridge	Muhammad Deen Yarike	489	462	27	400	Negotiation
Weigh bridge	Chawaye wala	493	464	29	400	Negotiation
Weigh bridge	Mangowal	491	474	17	300	Negotiation
Weigh bridge	Anayat Pur	489	463	26	400	Negotiation
		18,613	12,750	5,863	10,898	

**13.1.3** The carrying amount of freehold land, buildings and plant and machinery would have been Rs. 223.66 million (2017: Rs. 223.66 million), Rs. 233.55 million (2017: Rs. 252.48 million) and Rs. 2,155.04 million (2017: Rs. 2,329.77 million) respectively, had there been no revaluation.

**13.1.4** 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.

**13.1.5** The latest valuation of Company's assets has been carried as at 28 September 2018. Category wise gross amounts of property, plant and equipment subject to revaluation and their related forced sale values are given below:

	Note	Gross revalued amount (Rupees in thousand)	Forced sales value
		2018 (Rupees in thousand)	2017
Freehold land		2,661,150	2,261,977
Building and roads on freehold land		1,076,485	913,071
Plant and machinery		6,899,348	5,862,327
		499,496	534,478

**13.1.6** The depreciation charge has been allocated as follows:

	Note	2018 (Rupees in thousand)	2017
Cost of sales	25	480,730	517,843
Administrative expenses	26	18,766	16,635
		499,496	534,478

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>13.2 Capital work-in-progress</b>			
Civil works		5,112	3,208
Plant and machinery	13.2.1	87,357	68,833
		92,469	72,041
Advances given for capital work in progress	13.2.2	26,766	28,772
		119,235	100,813

**13.2.1** This relates to advance for consultancy services specifically for energy conservation given to IPRO and advance given to Industrial Enterprises amounting to Rs 26.77 million (2017: 35.85 million).

	Note	2018 (Rupees in thousand)	2017
<b>13.2.2 Advances</b>			
Considered good:			
- Plant and machinery	13.2.3	47,120	13,288
- Vehicle		-	15,484
		47,120	28,772
Considered doubtful:			
- Plant and machinery		1,310	21,664
- Intangibles		15,274	15,274
		16,584	36,938
		63,704	65,710
Less: Provision against doubtful advances		(16,584)	(16,584)
Less: Impairment charged	13.2.4	(20,354)	(20,354)
		26,766	28,772

**13.2.3** These advances include interest free amount due from an associated Company amounting to Rs. Nil (2017: Rs. 0.29 million) in the normal course of business.

**13.2.4** 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:

	2018 (Rupees in thousand)	2017
Advance to date	217,817	217,817
Machinery received	(169,315)	(169,315)
	48,502	48,502
Advance written off	(28,148)	(28,148)
Impairment charged	(20,354)	(20,354)
	-	-

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 14. INTANGIBLE ASSETS

	2018				(Rupees in thousand)			
	Cost as at 01 October 2017	Additions/ (transfers/ deletions)	Cost as at 30 September 2018	Accumulated amortization 01 October 2017	Amortization/ impairment charge for the year	Accumulated amortization 30 September 2018	Book value as at 30 September 2018	Rate of amortization %
Computer software - acquired	2,000	-	2,000	2,000	-	2,000	-	20
NEPRA license fee	1,007	-	1,007	1,007	-	1,007	-	37.50
	3,007	-	3,007	3,007	-	3,007	-	

	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 charge for the year	Accumulated amortization 30 September 2017	Book value as at 30 September 2017	Rate of amortization %
Computer software - acquired	2,000	-	2,000	2,000	-	2,000	-	20
NEPRA license fee	1,007	-	1,007	322	685	1,007	-	37.50
	3,007	-	3,007	2,322	685	3,007	-	

	Note	2018 (Rupees in thousand)	2017
<b>15. BIOLOGICAL ASSETS</b>			
<i>Sugarcane</i>			
Mature	15.1	12,769	10,044
Immature	15.2	-	3,498
		12,769	13,542
Rice - mature		6,665	4,484
Others - mature		283	283
Livestock - mature	15.3	11,558	8,342
		31,275	26,651
<b>Non - current</b>			
- livestock		11,558	8,342
- sugarcane - immature		-	3,498
		11,558	11,840
<b>Current - crops</b>		19,717	14,811
	15.4	31,275	26,651

**15.1** The value of mature sugarcane crops is based on estimated average yield of 561 (2017: 538.25) maunds per acre on cultivated area of 141 (2017: 139) acres. The value of rice crops is based on the estimated yield of 35 (2017: 35) maunds per acre on cultivated area of 132 (2017: 106) acres.

**15.2** 20 (2017: 16.5) 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.

**15.3** Livestock comprises 147 cows / heifers and 3 lambs (2017: 135 cows/heifers and 2 lambs).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>15.4 Movement during the year</b>			
<b><u>Livestock</u></b>			
As at 01 October		8,342	7,734
Increase due to purchase / cost incurred		202	
Gain / (loss) arising from changes in fair value less estimated point of sale costs	29	3,979	1,319
Decrease due to sale / deceased livestock		(965)	(711)
As at 30 September		11,558	8,342
<b><u>Crops</u></b>			
As at 01 October		18,309	13,718
Increase due to purchases/costs incurred		29,809	25,567
Decrease due to harvest / sales		(38,917)	(24,591)
Fair value loss related to sales during the year		9,108	(976)
Fair value adjustment of agricultural assets	29	1,408	4,591
As at 30 September		19,717	18,309
		31,275	26,651

**15.5** The fair value measurements for livestock and crops have been categorised as level 2 and level 3 respectively as referred in note 40.3.

	Note	2018 (Rupees in thousand)	2017
<b>16. INVESTMENTS - RELATED PARTIES</b>			
In equity instruments of Shakarganj Foods Product Limited ("SFPL")	16.1	1,924,791	1,056,002
Available for sale	16.2	13,774	28,474
		1,938,565	1,084,476



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>16.1 In equity instruments of SFPL</b>			
<b>Unquoted</b>			
<i>Shakarganj Food Products Limited</i> 87,785,643 (2017: 74,654,596) fully paid ordinary shares of Rs. 10 each			
Equity held: 52.39% (2017: 49.24%)	16.1	1,924,791	1,056,002
<b>16.1.1 In equity instruments of SFPL</b>			
Cost		393,818	393,818
Brought forward amounts of post acquisition reserves		662,184	537,856
Further acquisition due to right shares		196,966	-
		1,252,968	931,674
Share of movement in reserves during the year		484,668	(4,050)
<i>Share of profit for the year</i>			
- before taxation		265,754	195,344
- provision for taxation	31	(78,599)	(66,966)
		187,155	128,378
Balance as on 30 September	16.1	1,924,791	1,056,002

**16.1.2** 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.

	2018	2017
Percentage interest held	52.39%	49.24%

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	2018 (Rupees in thousand)	2017
Non-current assets	4,879,041	2,645,709
Current assets	3,475,686	2,208,544
Non-current liabilities	(1,694,572)	(557,365)
Current liabilities	(3,122,209)	(2,297,007)
<b>Net assets (100%)</b>	<b>3,537,946</b>	<b>1,999,881</b>
Company's share of net assets	1,853,530	984,741
Excess of purchase consideration over net assets	71,261	71,261
<b>Carrying amount of interest in associate</b>	<b>1,924,791</b>	<b>1,056,002</b>
Revenue	15,775,889	12,416,404
Profit from operations	356,024	260,705
Other comprehensive income	926,322	(8,224)
Total comprehensive income (100%)	1,282,346	252,481
<b>Company's share of total comprehensive income</b>	<b>671,821</b>	<b>124,328</b>

The financial year end of SFPL is also 30 September and above figures (adjusted with the top up effect of revaluation surplus) are based on audited financial statements as of the same period.

- 16.1.3** Investments with face value of Rs. 550.00 million (2017: Rs. 575.55 million) are pledged as security against short term borrowings as referred to in note 9.
- 16.1.4** Investment in SFPL is treated as joint venture in these financial statements instead of an investment in subsidiary due to joint control over SFPL as a result of the shareholders' agreement dated 12 April 2008.

	2018 (Rupees in thousand)	2017
<b>16.2 Available for sale</b>		
<u>Associated / related companies</u>		
<u>Quoted - related party</u>		
<i>Crescent Steel and Allied Products Limited:</i> 180,000 (2017: 180,000) fully paid ordinary shares of Rs. 10 each Equity held: 0.23% (2017: 0.23%) Market value - Rs. 13.70 million (2017: Rs. 28.47 million)	15,921	15,921
<u>Unquoted - associated Company</u>		
<i>Crescent Standard Telecommunications Limited:</i> 300,000 (2017: 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 2018

	Note	2018 (Rupees in thousand)	2017
<b>Others</b>			
<b><u>Unquoted</u></b>			
<i>Crescent Group Services (Private) Limited:</i> 220,000 (2017: 220,000) fully paid ordinary shares of Rs 10 each		2,200	2,200
<i>Innovative Investment Bank Limited:</i> 51,351 (2017: 51,351) fully paid ordinary shares of Rs 10 each		-	-
		21,121	21,121
Add: Cumulative fair value reserve	16.2.1	(2,147)	12,553
Less: Cumulative impairment losses recognized	16.2.2	(5,200)	(5,200)
Fair value (loss) / gain		(7,347)	7,353
		13,774	28,474
<b>16.2.1 Cumulative fair value reserve</b>			
As at 01 October		12,553	6,761
Disposal of shares		-	-
Fair value adjustment during the year		(14,700)	5,792
As at 30 September		(2,147)	12,553
<b>16.2.2 Cumulative impairment losses recognized</b>			
As at 01 October		5,200	5,200
Reversal during the year		-	-
As at 30 September		5,200	5,200
<b>16.3</b>	The Company complied with the requirements of section 199 of the Companies Act, 2017 for investment made in SFPL during the year. However, requirements of the repealed Companies Ordinance, 1984 were duly complied with for investments made before the promulgation of the Companies Act, 2017.		
	Note	2018 (Rupees in thousand)	2017
<b>17. EMPLOYEES' RETIREMENT BENEFITS</b>			
Pension fund	17.1	9,677	42,957
Gratuity fund	17.2	2,271	7,746
		11,948	50,703
<i>Statement of Profit and Loss charge for:</i>			
Pension Benefits	17.1	9,779	7,811
Gratuity Benefits	17.2	3,829	3,478
		13,608	11,289

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	2018 (Rupees in thousand)	2017
<b>17.1 Pension fund</b>		
The amounts recognized in the Statement of Financial Position are determined as follows:		
Present value of defined benefit obligations	(381,034)	(381,159)
Fair value of plan assets	390,711	424,116
Asset as at 30 September	9,677	42,957
The movement in the defined benefit obligation over the year is as follows:		
Present value of defined benefit obligations as at 01 October	381,159	357,078
Current service cost	14,557	11,226
Interest cost	37,048	34,463
Benefits paid during the year	(24,045)	(24,897)
Remeasurement losses / (gains)	(27,685)	3,289
Present value of defined benefit obligations as at 30 September	381,034	381,159
The movement in the fair value of plan assets for the year is as follows:		
Fair value as at 01 October	424,116	385,457
Expected return on plan assets	41,826	37,878
Contributions during the year	12,335	11,534
Benefits paid during the year	(24,045)	(24,897)
Remeasurement gains	(63,521)	14,144
Fair value as at 30 September	390,711	424,116
The amounts recognized in the Statement of Profit and Loss are as follows:		
Current service cost	14,557	11,226
Interest cost	37,048	34,463
Expected return on plan assets	(41,826)	(37,878)
Total, included in salaries and wages	9,779	7,811
The amounts recognized were included in the Statement of Profit and Loss as follows:		
Cost of sales	3,472	3,431
Administrative expenses	5,794	3,371
Selling expenses	315	315
Other expenses	198	694
Total, included in salaries and wages	9,779	7,811

The actual (loss) / return on plan assets was (Rs. 21.69 million) (2017: Rs. 52.02 million)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	2018	2017
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	10 years
Expected mortality rate:	SLIC (2001-05) mortality table	
Expected withdrawal and early retirement rate:	Based on for industry/country experience	

	2018 (Rupees in thousand)	2017
Plan assets are comprised as follows:		
Equity Instruments	83,219	120,876
Cash and cash equivalent	381,684	360,804
Others - net	(74,192)	(57,564)
	390,711	424,116

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

	2017-18	2016-17	2015-16	2014-15	2013-14
	(Rupees in thousand)				
<b>As at 30 September</b>					
Present value of defined benefit obligations	(381,034)	(381,159)	(357,078)	(354,879)	(320,228)
Fair value of plan assets	390,711	424,116	385,457	361,987	311,642
Surplus / (deficit)	9,677	42,957	28,379	7,108	(8,586)
Experience adjustment due to:					
(Gain) / losses on plan liabilities	(27,685)	3,289	(22,282)	1,593	21,589
Gains on plan assets	(63,521)	14,144	119	19,255	3,855

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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. 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.

	2018 (Rupees in thousand)	2017
<b>17.2 Gratuity fund</b>		
The amounts recognized in the Statement of Financial Position are determined as follows:		
Present value of defined benefit obligations	(64,184)	(58,034)
Fair value of plan assets	66,455	65,780
Asset as at 30 September	2,271	7,746
The movement in the defined benefit obligation over the year is as follows:		
Present value of defined benefit obligations as at 01 October	58,034	48,717
Current service cost	4,899	4,804
Interest cost	5,737	4,429
Benefits paid during the year	(1,318)	(8,846)
Remeasurement losses / (gains)	(3,168)	8,930
Present value of defined benefit obligations as at 30 September	64,184	58,034
The movement in the fair value of plan assets for the year is as follows:		
Fair value as at 01 October	65,780	59,265
Expected return on plan assets	6,807	5,755
Contributions during the year	5,894	5,421
Benefits paid during the year	(1,318)	(8,846)
Remeasurement gains / (losses)	(10,708)	4,185
Fair value as at 30 September	66,455	65,780



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	2018 (Rupees in thousand)	2017
The amounts recognized in the profit and loss account are as follows:		
Current service cost	4,899	4,804
Interest cost	5,737	4,429
Expected return on plan assets	(6,807)	(5,755)
Total included in salaries and wages	3,829	3,478
The amounts recognized were included in the Statement of Profit and Loss as follows:		
Cost of sales	2,006	2,009
Administrative expenses	1,742	1,187
Other expenses	81	282
Total, included in salaries and wages	3,829	3,478

The actual return on plan assets was (Rs. 3.90 million) (2017: Rs. 9.94 million).

	2018	2017
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:

	2018 (Rupees in thousand)	2017
Equity instruments	18,736	20,717
Cash and cash equivalent	64,130	59,928
Others - net	(16,411)	(14,865)
	66,455	65,780

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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

	2017-18	2016-17	2015-16	2014-15	2013-14
	(Rupees in thousand)				
<b>As at 30 September</b>					
Present value of defined benefit obligations	(64,184)	(58,034)	(48,717)	(47,496)	(48,924)
Fair value of plan assets	66,455	65,780	59,265	52,514	48,223
Surplus/(deficit)	2,271	7,746	10,548	5,018	(701)
Experience adjustment due to:					
(Gain) / losses on plan liabilities	(3,168)	8,930	(5,843)	(2,453)	3,913
(Losses) / gains on plan assets	(10,708)	4,185	(1,512)	1,918	313

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%	59,147	70,001
Salary increase	1%	70,001	59,061

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	2018 (Rupees in thousand)	2017
<b>18. LONG TERM LOANS, ADVANCES AND DEPOSITS</b>			
<i>Security deposits:</i>			
Considered good		33,986	36,531
Considered doubtful		265	265
		34,251	36,796
Advance to Creek Marina (Private) Limited - considered doubtful	18.1	38,557	38,557
		72,808	75,353
Less: Provision against doubtful receivables		(38,822)	(38,822)
		33,986	36,531

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

- 18.1** 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 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.

	2018 (Rupees in thousand)	2017
<b>19. STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores	40,887	39,756
Spare parts	28,435	25,118
Loose tools	1,044	1,078
	70,366	65,952
Less: Provision for obsolete items	(4,610)	(4,610)
	65,756	61,342
<b>20. STOCK-IN-TRADE</b>		
Raw materials	29,820	338,471
Work-in-process	7,958	12,540
Finished goods	990,533	767,761
Provision for slow moving items	-	(2,925)
	990,533	764,836
	1,028,311	1,115,847

- 20.1** Raw materials and finished goods amounting to Rs. 1,020.29 million (2017: Rs. 999.29 million) are pledged with lenders as security against short term borrowings as referred to in note 9.

- 20.2** The amount charged to Statement of Profit and Loss on account of write down of finished goods to net realizable value amounts to Rs. 28.80 million (2017: Rs. 26.92 million).

	Note	2018 (Rupees in thousand)	2017
<b>21. TRADE DEBTS</b>			
<i>Considered good:</i>			
- Unsecured	21.1	39,431	167,717
<i>Considered doubtful:</i>			
- Unsecured		11,476	11,476
		50,907	179,193
Less: Provision for doubtful debts	21.3	(11,476)	(11,476)
		39,431	167,717
<b>21.1 Trade debts include the following amounts due from the following related parties:</b>			
Shakarganj Foods product limited - Associate		5,340	-

- 21.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 6.57 million.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>21.2 Aging of related party balances</b>			
Considered good			
Less than one month		5,340	-
One to three months		-	-
		5,340	-
<b>21.3 Provision for doubtful balances</b>			
Balance as at 01 October		11,476	6,696
Provision for the year		-	4,780
Balance as at 30 September		11,476	11,476
<b>22. LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances - considered good			
- to employees		7,344	9,677
- to suppliers and contractors		211,923	96,399
- to sugarcane growers		3,875	10,601
		223,142	116,677
Advances - considered doubtful:			
- to employees		628	628
- to suppliers and contractors		9,409	9,409
- to sugarcane growers		4,705	5,146
		14,742	15,183
Due from related parties - unsecured and considered good	22.1	6,049	16,346
		6,049	16,346
Receivable from Government			
- Income tax		18,269	47,395
- Export rebate		41,737	41,737
Prepayments		5,883	3,638
Receivable from provident fund		-	-
Margins against bank guarantees		2,180	2,180
Others:			
- considered good		6,668	6,988
- considered doubtful		2,448	2,448
		321,118	252,592
Less: Provision against doubtful receivables	22.2	(17,190)	(17,632)
		303,928	234,960

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 22.1 Due from related parties - unsecured and considered good

	Note	2018 (Rupees in thousand)	2017
Shakarganj Food Products Limited		-	11,387
Crescent Steel & Allied Product Limited	22.1.1	3,147	1,591
Shakarganj Energy Private Limited	22.1.2	1,840	-
Crescent Hadeed (Private) Limited	22.1.3	1,062	3,368
		6,049	16,346

**22.1.1** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 3.15 million.

**22.1.2** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 36.09 million.

**22.1.3** Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 4.01 million.

	Note	2018 (Rupees in thousand)	2017
<b>22.2 Aging of related party balances</b>			
One to three months		2,627	3,197
Three to six months		367	4,568
Six to twelve months		1,377	6,732
More than twelve months		1,678	1,849
		6,049	16,346

**22.2.1** These are interest free in the normal course of business.

## 22.3 Provision against doubtful receivables

As at 01 October		17,632	12,013
Provision during the year	26	-	6,611
Recovered/Written off		(442)	(992)
As at 30 September		17,190	17,632

## 23. CASH AND BANK BALANCES

<i>At banks on:</i>			
- Saving accounts	23.1	610	542
- Current accounts	23.2	26,552	4,190
		27,162	4,732
In hand		1,109	523
		28,271	5,255

**23.1** These carry mark-up at the rates ranging from 4.50% per annum to 8.25% per annum (2017: 3.75% per annum to 3.80% per annum).

These deposits include Rs. 0.58 million (2017: Rs. 0.23 million) under Shariah compliant arrangements, which carries profit rate ranging from 1.90% per annum to 5.00% per annum (2017: 1.97% to 3.75% per annum).

**23.2** These include balances amounting Rs. 5.46 million (2017: Rs. 1.19 million) which have been maintained under shariah based arrangements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 24. SALES - NET

	Sugar		Bio Fuel		Building Materials		Textile		Farms		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Gross sales</b>														
- Local	3,449,904	8,585,210	125,858	72,175	5,414	15,480	893,551	794,079	31,133	14,218	1,592	3,693	4,507,452	9,484,855
- Export	27,062	300,088	2,741,271	1,826,817	-	-	-	-	-	-	-	-	2,768,333	2,126,905
- By-products	253,128	621,049	22,566	16,690	-	-	9,675	8,711	-	-	-	-	285,369	646,450
- Inter-segment	661,695	915,118	248,376	153,913	-	-	-	-	8,693	10,373	-	1,648	-	-
	4,391,789	10,421,465	3,138,071	2,069,595	5,414	15,480	903,226	802,790	39,826	24,591	1,592	5,341	7,561,154	12,258,210
Less:														
Commission to selling agents	12,420	9,230	-	-	384	914	1,813	1,783	-	-	-	-	14,617	11,927
Sales tax and Federal Excise Duty	118,185	870,108	23,322	13,509	787	2,502	-	7	-	-	-	-	142,294	886,126
	130,605	879,338	23,322	13,509	1,171	3,416	1,813	1,790	-	-	-	-	156,911	898,053
<b>Net sales</b>	<b>4,261,184</b>	<b>9,542,127</b>	<b>3,114,749</b>	<b>2,056,086</b>	<b>4,243</b>	<b>12,064</b>	<b>901,413</b>	<b>801,000</b>	<b>39,826</b>	<b>24,591</b>	<b>1,592</b>	<b>5,341</b>	<b>7,404,243</b>	<b>11,360,157</b>

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

## 25. COST OF SALES

Note	Sugar		Bio Fuel		Building Materials		Textile		Farms		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Inter-segment	255,394	159,664	661,631	909,390	31	5,728	-	-	1,675	6,270	33	-	-	-
Raw materials consumed	3,034,695	7,039,682	1,552,919	869,500	-	-	622,686	544,603	676	509	1,248	2,478	5,212,224	8,456,772
	3,290,089	7,199,346	2,214,550	1,778,890	31	5,728	622,686	544,603	2,351	6,779	1,281	2,478	5,212,224	8,456,772
Salaries, wages and														
Other benefits	281,068	279,930	47,595	41,372	5,504	5,381	86,774	83,483	4,808	3,665	255	312	426,004	414,143
Stores, spare parts and loose tools consumed	93,508	115,041	9,037	4,191	396	588	17,795	15,129	5,824	3,722	-	2	126,560	138,673
Duty on manufacturing of bio fuel	-	-	-	519,829	-	-	-	-	-	-	-	-	-	519,829
Dyes and chemicals	25,087	51,430	25,708	15,382	-	4,828	-	-	-	-	-	-	50,795	71,640
Packing material consumed	35,665	59,197	-	-	-	-	11,769	10,345	-	-	52	240	47,486	69,782
Fuel and power	401,152	693,613	69	74	-	-	123,710	127,294	3,283	3,166	-	-	528,214	824,147
Repairs and maintenance	41,171	25,349	959	1,844	389	464	192	258	1,839	2,072	-	-	44,550	29,987
Insurance	4,570	4,423	1,946	2,100	71	74	1,223	1,506	63	90	-	-	7,873	8,193
Vehicle running and maintenance	6,233	4,828	-	-	-	10	-	-	-	-	-	-	6,233	4,838
Travelling and conveyance	1,560	1,059	319	276	-	3	590	500	-	-	-	-	2,469	1,838
Printing and stationery	258	182	82	54	-	1	-	-	-	-	-	-	340	237
Rent, rates and taxes	1,280	1,287	-	-	-	-	309	289	174	386	-	-	1,763	1,962
Land preparation and irrigation expense	-	-	-	-	-	-	-	-	9,429	7,069	-	-	9,429	7,069
Sugarcane research and development	1,643	1,480	-	-	-	-	-	-	-	-	-	-	1,643	1,480
Depreciation on property, plant and equipment	328,478	353,250	127,006	137,330	3,565	3,854	20,514	22,338	1,167	1,071	-	-	480,730	517,843
Amortization on intangibles	-	30	-	-	-	-	-	-	-	-	-	-	-	30
Impairment on intangibles	-	655	-	-	-	-	-	-	-	-	-	-	-	655
Other expenses	11,787	29,020	10,085	10,033	31	641	628	594	463	217	51	40	23,025	40,545
	4,523,549	8,820,120	2,550,762	2,511,375	9,987	21,572	886,170	806,339	29,401	28,237	1,639	3,072	7,082,744	11,019,663
Opening work-in-process	6,239	8,417	-	-	-	-	6,301	4,072	-	-	-	-	12,540	12,489
Less:	(2,108)	(6,239)	-	-	-	-	(5,850)	(6,301)	-	-	-	-	(7,958)	(12,540)
	4,131	2,178	-	-	-	-	451	(2,229)	-	-	-	-	4,582	(51)
<b>Cost of goods produced</b>	<b>4,527,680</b>	<b>8,822,298</b>	<b>2,550,762</b>	<b>2,511,375</b>	<b>9,987</b>	<b>21,572</b>	<b>886,621</b>	<b>804,110</b>	<b>29,401</b>	<b>28,237</b>	<b>1,639</b>	<b>3,072</b>	<b>7,087,326</b>	<b>11,019,612</b>
Finished goods purchased for resale	-	160,650	-	-	-	-	-	-	-	-	-	-	-	160,650
Opening stock of finished goods	476,568	187,111	270,056	285	6,275	-	4,214	11,520	7,716	-	8	-	764,837	198,916
Less:	(400,157)	(476,568)	(565,113)	(270,055)	-	(6,275)	(24,867)	(4,215)	-	(7,716)	(396)	(7)	(990,533)	(764,836)
	76,411	(289,457)	(295,057)	(269,770)	6,275	(6,275)	(20,653)	7,305	7,716	(7,716)	(388)	(7)	(225,696)	(565,920)
	4,604,091	8,693,491	2,255,705	2,241,605	16,262	15,297	865,968	811,415	37,117	20,521	1,251	3,065	6,861,630	10,704,342

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



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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

	Note	2018 (Rupees in thousand)	2017
Pension fund		3,472	3,431
Gratuity fund		2,006	2,009
Provident fund		3,162	5,074
		8,640	10,514

## 26. Administrative expenses

Salaries, wages and other benefits	26.1	193,201	194,813
Repairs and maintenance		5,912	6,885
Insurance		3,923	3,105
Vehicle running and maintenance		8,665	6,376
Travelling and conveyance		2,310	3,343
Printing and stationery		2,184	1,353
Electricity and gas		2,051	2,260
Telephone, postage and telegram		3,507	3,645
Legal and professional charges	26.2	15,590	10,461
IT Consultancy and advisory services		-	4,514
Rent, rates and taxes		5,835	4,939
Staff training and development		55	133
Entertainment		2,918	3,434
Subscriptions		7,483	6,152
Advertisements		207	488
Registered office expenses		833	948
<i>Provision for doubtful:</i>			
- Short term loans, advances, deposits and receivables	22.2	-	6,611
- Trade debtors	21.3	-	4,780
Depreciation on property, plant and equipment	13.1.6	18,766	16,635
Others		1,696	1,440
		275,136	282,315

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

Pension fund		5,794	3,371
Gratuity fund		1,742	1,187
Provident fund		7,631	3,554
		15,167	8,112

## 26.2 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 2018

	Note	2018 (Rupees in thousand)	2017
<b>27. DISTRIBUTION AND SELLING COSTS</b>			
Freight and forwarding		204,075	143,827
Loading and unloading charges		4,625	6,647
Salaries, wages and other benefits	27.1	4,021	4,266
Insurance		2,202	2,260
Handling and distribution		1,333	3,634
Sales promotion expenses		529	450
		216,785	161,084
<b>27.1</b> Salaries, wages and other benefits include following in respect of retirement benefits:			
Pension fund		315	315
Provident fund		151	156
		466	471
<b>28. OTHER EXPENSES</b>			
Workers' Profit Participation Fund		-	8,140
Donations		-	100
Net exchange loss		27,722	7,260
Social action programme expenses including salaries	28.1	5,359	5,664
Waste water drainage		13,738	7,717
Others		2,406	1,619
		49,225	30,500
<b>28.1</b> Social action programme salaries expenses include following in respect of retirement benefits:			
		2018 (Rupees in thousand)	2017
Pension fund		198	208
Gratuity fund		81	86
Provident fund		83	98
		362	392

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>29. OTHER INCOME</b>			
<i><u>Income from financial assets</u></i>			
Dividend income	29.1	585	9,230
Return on bank deposits		259	88
		844	9,318
<i><u>Income from non-financial assets</u></i>			
Scrap sales		15,096	12,577
Profit on sale of:			
- Property, plant and equipment	13.1.2	5,035	67,847
- Store items		478	89
Liabilities no longer payable written back	29.2	33,961	7,244
Fair value adjustment of agricultural assets	15.4	1,699	5,910
Rental income		18,052	19,737
Sale of mud		9,817	15,131
Others		6,422	4,731
		90,560	133,266
		91,404	142,584
<b>29.1 Dividend income is received from the following:</b>			
<i>Related party:</i>			
Crescent Steel and Allied Products Limited		585	540
<i>Others:</i>			
Safeway Mutual Fund		-	5,571
Asian Stocks Fund		-	3,119
		-	8,690
		585	9,230

**29.2** This includes Rs. 10.13 million (2017: Rs. Nil) written off for charges no longer payable to Crescent Software for consultancy services as the contract was not renewed.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>30. FINANCE COST</b>			
<i>Interest and mark-up on:</i>			
- Long term finances		22,240	21,890
- Short term borrowings		113,974	88,610
- Due to gratuity and pension funds - related party		29,637	33,556
Notional finance cost	7.4	9,558	6,138
Bank charges, commission and excise duty		8,750	5,670
Unwinding of loan from director		9,917	12,582
Others		6,388	1,386
		200,464	169,832
<b>31. TAXATION</b>			
Current			
- for the year		81,992	137,808
- prior year - super tax		29,028	-
- Deferred		(17,450)	(65,581)
		93,570	72,227
Associates	16.1	78,599	66,966
	31.1	172,169	139,193

## 31.1 Tax charge reconciliation

There is no relationship between tax expense and accounting loss as the provision for current taxation is based on turnover tax therefore no numerical reconciliation has been presented.

**31.2** 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.

**31.3** In view of the available income tax losses, the provision for current taxation represents tax under 'Final Tax Regime', minimum tax on turnover under section 113 and super tax under section 4B 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 2018 are estimated approximately at Rs. 5,915.42 million (2017: Rs. 5,915.42 million).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

- 31.4** The provision for current tax represents tax under 'Final Tax Regime' ("FTR") and tax on minimum turnover u/s 113, of Income Tax Ordinance, 2001. Minimum tax is available for set off for five years against any normal tax liabilities arising in future years. As per management's assessment, the provision for tax made in the financial statements is sufficient. A comparison of last three years' of income tax provisions with tax assessment is presented below:

Tax Years	Tax provision as per financial statements	Tax as per assessment / return
2015	27,119	25,127
2016	51,647	48,564
2017	137,808	114,793
	<b>2018</b>	2017 Restated

## 32. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

### i-Profit attributable to ordinary share holders:

(Loss) / profit for the year	<i>Rupees</i>	(14,008,000)	210,819,000
------------------------------	---------------	--------------	-------------

### ii-Weighted-average number of ordinary shares:

Weighted average number of shares	<i>Number</i>	125,000,000	117,113,835
(Loss) / earnings per share	<i>Rupees</i>	(0.11)	1.80

- 32.1** 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 2018

	2018 (Rupees in thousand)	2017
<b>33. CASH GENERATED FROM OPERATING ACTIVITIES</b>		
Profit before taxation	158,161	350,012
<i>Adjustment for depreciation/amortization of:</i>		
- property, plant and equipment	499,496	534,478
- intangible assets	-	30
Impairment of intangibles	-	655
Liabilities no longer payable written back	(33,961)	(7,244)
Gain on sale of property, plant and equipment	(5,035)	(67,847)
Interest from bank deposits	(259)	(88)
<i>Provision for doubtful:</i>		
- Short term loans, advances, deposits and receivables	-	6,611
- Trade debtors	-	4,780
Provision for Workers Profit Participation Fund (WPPF)	-	8,140
Provision for employees' retirement benefits	13,608	11,289
Dividend income	(585)	(9,230)
Gain on revaluation of property plant and equipment	(13,966)	-
Net (income) / loss on biological assets	(4,422)	(5,199)
Gain on sale of 'Available for sale' investments	-	-
Share of profit from associates	(265,754)	(195,344)
Finance cost	200,464	169,832
	389,586	450,863
Profit before working capital changes	547,747	800,875
<i>Effect on cash flow due to working capital changes:</i>		
Decrease in stores spare parts and loose tools	(4,414)	9,537
(Increase) / decrease in stock in trade	87,536	(760,481)
(Increase) / decrease in biological assets - net	(202)	(7,716)
(Increase) / decrease in trade debts	128,286	(159,343)
(Increase) in loans, advances, prepayments and other receivables	(95,549)	(53,471)
(Decrease) / increase in trade and other payables	(362,014)	(1,064,442)
	(246,357)	(2,035,916)
Cash generated from / (used in) operating activities	301,390	(1,235,041)

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 34. 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	
	2018	2017	2018	2017	2018	2017	2018	2017
	----- (Rupees in thousand) -----							
Managerial remuneration	8,400	6,200	6,000	4,672	-	-	54,626	49,934
Contribution to retirement benefits	2,968	2,190	2,120	327	-	-	8,282	11,533
House rent	3,780	2,790	2,400	1,868	-	-	17,211	16,614
Utilities	840	620	600	467	-	-	4,103	3,953
Medical	-	-	480	374	-	-	3,324	2,768
Others	-	-	-	-	-	-	1,920	1,780
Reimbursable expenses	-	-	-	-	-	-	-	-
Fees	-	-	-	-	840	920	-	-
	15,988	11,800	11,600	7,708	840	920	89,466	86,582
Number of persons	1	1	1	1	1	6	22	21

34.1 The chief executive officer, directors and some executives are provided with Company maintained cars, travel facilities and club membership.

34.2 The Company has contributed Rs. 3.29 million (2017: 3.28 million) and Rs. 7.03 million (2017: 7.31 million) in gratuity and pension fund respectively for key management personnel.

## 35. Reconciliation of movement of liabilities to cash flows arising from financing activities

	2018					
	Issued, subscribed and paid-up capital	Unclaimed Dividend	Long term financing	Short term borrowing	Accrued markup	Total
	----- (Rupees in thousand) -----					
As at 1 October 2017	1,250,000	1,519	529,474	1,661,160	116,516	3,558,669
Changes from financing cash flows						
Dividend paid	-	(155,496)	-	-	-	(155,496)
Financial charges paid	-	-	-	-	(252,602)	(252,602)
Loans availed during the year	-	-	345,000	900,000	-	1,245,000
Repayment of director loan	-	-	(240,000)	-	-	(240,000)
Net movement in short term borrowing	-	-	-	(317,876)	-	(317,876)
Repayment	-	-	(164,180)	-	-	(164,180)
Total changes from financing cash flows	-	(155,496)	(59,180)	582,124	(252,602)	114,846
Other changes						
Change in borrowings	-	-	-	-	-	-
Dividend declared	-	156,250	-	-	-	156,250
Interest expense	-	-	70,112	-	181,797	251,909
Total liability related other changes	-	156,250	70,112	-	181,797	408,159
As at 30 September 2018	1,250,000	2,273	540,406	2,243,284	45,711	4,081,674



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 36. PROVIDENT FUND RELATED DISCLOSURE

The Company operates a provident fund through an independent trust for its employees as explained in note 3.20.2.

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

	Un-audited 2018 (Rupees in thousand)	Audited 2017
Size of the fund	216,278	281,766
Cost of investment made	60,844	60,844
Fair value of investments	120,867	179,353
Percentage of investments made	56%	64%
The breakup of investments is as follows:		
<u>Available for sale</u>		
Ordinary shares - listed companies	119,810	178,195
Mutual funds	1,057	1,158
	120,867	179,353

The fund has made investment in ordinary shares of the Company which is in line with the requirements section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

## 37. NUMBER OF EMPLOYEES

The Company has employed following number of persons:

	2018 (Number of persons)	2017
- As at 30 September	1,238	1,248
- Average number of employees	1,326	1,231

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 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 22 and trade and other payables note 10 and remuneration of directors and key management personnel are disclosed in note 34. Other significant transactions with related parties are as follows:

Name of Party	Relationship	Basis of Relationship	2018 (Rupees in thousand)	2017
<b>Crescent Steel &amp; Allied Products Limited</b>	Related Party	Associate due to shareholding by CSAPL in SL of 21.93% (2017: 21.93%)		
Purchase of goods			582	82
Sale of goods			-	
Salary expense and other common			3,561	2,734
Dividend income			585	540
<b>Shakarganj Energy (Private) Limited</b>	Related Party	Associate due to CSAPL		
Sale of bagasse & water			253,128	621,049
Purchase of electricity, steam & bagasse			278,419	755,844
Purchase of Material			-	197
Common expenses			9,112	8,103
<b>Shakarganj Engineering (Division of CSAPL)</b>	Related Party	Associate due to CSAPL		
Purchase of goods			140	-
<b>Crescent Hadeed (Private) Limited associated undertaking of CSAPL</b>	Related Party	Associate due to CSAPL and Common Directorship		
Rendering of services			1,289	1,439
Purchase of Material			-	63
<b>Premier Insurance Limited</b>	Related Party	Common directorship		
Insurance expenses			12,147	6,909
<b>Shakarganj Food Products Limited</b>	Related Party	Common CEO - 52.39% (2017: 49.24%) of shareholding in associate.		
Sale of goods			247,262	191,846
Salary expense and other common			2,034	1,554
<b>Post employment benefit plans</b>	Related Party	Provident Fund, Pension Fund, Gratuity Fund		
Expense charged in respect of retirement benefit plans			23,513	20,171
Transactions with gratuity and pension fund account				
- Funds received			789,620	762,337
- Funds repaid			789,620	762,337
- Markup expense			29,637	33,556

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

		2018	2017
<b>39. CAPACITY AND PRODUCTION</b>			
<b><u>Sugar</u></b>			
<b>Jhang</b>			
Rated crushing capacity	MT / day	10,000	10,000
On the basis of 105 days (2017: 145 days)	MT	1,050,000	1,450,000
Actual cane crushed	MT	316,103	838,456
<b>Bhone</b>			
Rated crushing capacity	MT / day	6,000	6,000
On the basis of 100 days (2017: 138 days)	MT	600,000	828,000
Actual cane crushed	MT	352,961	705,393
The low crushing was due to unfavorable sugar prices low quality sugarcane.			
<b><u>Bio Fuel</u></b>			
<b>Jhang</b>			
Rated production capacity	Litres / day	150,000	150,000
On the basis of average number of 226 days (2017: 175 days)			
Working	Liters	33,900,000	26,250,000
Actual production	Liters	31,733,594	24,691,358
<b>Bhone</b>			
Rated production capacity	Litres / day	200,000	200,000
On the basis of average number of 126 days (2017: 98 days) working	Liters	25,150,000	19,500,000
Actual production	Liters	24,994,684	16,929,875
The actual production is 96% of the worked capacity which is within normal working standards.			
<b><u>Building Materials</u></b>			
On the basis of 5 years average (2017: 5 years) working	Cubic meter	6,163	6,163
Actual production	Cubic meter	-	1,578
No production for building material is due to unavailability of surplus bagasse and consumer demand.			
<b><u>Textile</u></b>			
Capacity (converted in 20s counts)	Kg	6,777,987	6,796,556
Actual production (converted in 20s counts)	Kg	6,360,950	6,155,317
The actual production is 94% of the capacity which is within normal working standards.			

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 40. BUSINESS SEGMENTS INFORMATION

(Rupees in thousand)																
Note	Sugar		Bio Fuel		Building Materials		Textile		Farms		Others		Elimination		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue																
- External	3,599,489	8,627,009	2,866,373	1,902,173	4,243	12,064	901,413	801,000	31,133	14,218	1,592	3,693	-	-	7,404,243	11,360,157
- Intersegment	661,695	915,118	248,376	153,913	-	-	-	-	8,693	10,373	-	1,648	(918,764)	(1,081,052)	-	-
	4,261,184	9,542,127	3,114,749	2,056,086	4,243	12,064	901,413	801,000	39,826	24,591	1,592	5,341	(918,764)	(1,081,052)	7,404,243	11,360,157
Segment expenses																
Cost of sales																
- Intersegment	255,394	159,664	661,631	909,390	31	5,728	-	-	1,675	6,270	33	-	(918,764)	(1,081,052)	-	-
- External	4,348,697	8,533,827	1,594,074	1,332,215	16,231	9,569	865,968	811,415	35,442	14,251	1,218	3,065	-	-	6,861,630	10,704,342
	4,604,091	8,693,491	2,255,705	2,241,605	16,262	15,297	865,968	811,415	37,117	20,521	1,251	3,065	(918,764)	(1,081,052)	6,861,630	10,704,342
Gross profit / (loss)	(342,907)	848,636	859,044	(185,519)	(12,019)	(3,233)	35,445	(10,415)	2,709	4,070	341	2,276	-	-	542,613	655,815
- Administrative expenses	140,496	209,705	102,697	45,186	140	265	30,338	25,932	1,413	1,110	52	117	-	-	275,136	282,315
- Distribution and selling costs	8,763	15,128	206,701	144,286	4	6	1,316	1,664	-	-	1	-	-	-	216,785	161,084
	149,259	224,833	309,398	189,472	144	271	31,654	27,596	1,413	1,110	53	117	-	-	491,921	443,399
Segment results	(492,166)	623,803	549,646	(374,991)	(12,163)	(3,504)	3,791	(38,011)	1,296	2,960	288	2,159	-	-	50,692	212,416
Other operating expenses															(49,225)	(30,500)
Operating (loss) / profit															1,467	181,916
Finance costs															(200,464)	(169,832)
Other income															91,404	142,584
Taxation															(93,570)	(72,227)
Share of income from associates - net of tax															187,555	128,378
(Loss)/ Profit for the year															(14,008)	210,819
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	6,786,558	6,054,924	2,865,990	2,512,461	68,049	53,804	392,638	321,324	694,905	700,635	395	8	-	-	10,808,535	9,643,156
Unallocated assets															3,498,597	1,627,596
															14,307,132	11,270,752
All non-current assets of the Company as at the reporting date are located in Pakistan.																
40.4 Segment liabilities	3,312,916	2,866,436	1,698,395	1,853,758	38,695	21,812	109,370	97,641	14,570	17,703	600	179	-	-	5,174,546	4,857,529
Unallocated liabilities															449,714	276,459
															5,624,260	5,133,988
40.5 Capital expenditure	62,123	43,623	-	-	-	-	-	40	-	591	-	-	-	-	62,123	44,254
Unallocated															46,512	15,592
															108,635	59,846
40.6 Depreciation on property, plant and equipment	328,478	353,250	127,006	137,330	3,565	3,854	20,514	22,338	1,167	1,071	-	-	-	-	480,730	517,843
Unallocated															18,766	16,635
															499,496	534,478
40.7 Impairment on intangible assets	-	685	-	-	-	-	-	-	-	-	-	-	-	-	-	685
40.8 Secondary reporting format																
Segment revenue from external customers by geographical areas is as follows:																
Export sales - Europe	22,196	4,482	905	838,705	-	-	-	-	-	-	-	-	-	-	23,101	843,187
Export sales - Asia	4,867	295,606	2,740,365	988,112	-	-	-	-	-	-	-	-	-	-	2,745,232	1,283,718
Local sales	3,572,426	8,326,921	125,103	75,356	4,243	12,064	901,413	801,000	31,133	14,218	1,592	3,693	-	-	4,635,910	9,233,252
	3,599,489	8,627,009	2,866,373	1,902,173	4,243	12,064	901,413	801,000	31,133	14,218	1,592	3,693	-	-	7,404,243	11,360,157

All export sales during the year are secured against letter of credit.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 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 2018

	Note	2018 (USD)	2017
<b><u>Financial liabilities</u></b>			
Export refinance	9.3	-	2,588,349
Trade and other payables	10	-	988,699
Trade debts	21	-	1,432,700

The following significant exchange rates were applied during the year:

	2018 (USD)	2017
<b><u>Rupees per USD</u></b>		
Average rate	114.88	105.10
Reporting date rate	124.30	105.45

At 30 September 2018, 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 (Rupees in thousand)	Effect on equity
<b>2018</b>	10% -10%	- -	- -
2017	10% -10%	(22,612) 22,612	(22,612) 22,612

## **(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 2018

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 PSX-100 index:

	Impact on other components of equity	
	2018	2017
	(Rupees in thousand)	
Pakistan Stock Exchange	1,370	2,847

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 Statement of Financial Position date, the interest rate profile of the Company's interest bearing financial instruments was:

	2018	2017
	(Rupees in thousand)	
- <b>Financial assets</b>		
<b><u>Fixed rate instruments</u></b>		
Bank balances - deposit accounts	610	542
- <b>Financial liabilities</b>		
<b><u>Variable rate instruments</u></b>		
Long term financing	540,406	273,569
Short term financing	1,869,000	1,238,816
	2,409,406	1,512,385

## 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 2018

## Cash flow sensitivity analysis for variable rate instruments

At 30 September 2018, if interest rates on both short term and long borrowings had been 1% higher/lower with all other variables held constant, post-tax profit / (loss) for the year would have been Rs. 16.87 million (2017: Rs. 10.59 million) higher/lower, mainly as a result of higher interest expense on KIBOR based borrowings.

## 41.1.2 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 Statement of Financial Position date was:

	2018 (Rupees in thousand)	2017
Long term loans, advances and deposits	33,986	36,531
Trade debts	39,431	167,717
Loans, advances, prepayments and other receivables	25,317	38,267
Bank balances	27,162	4,732
	125,896	247,247

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:

	2018 (Rupees in thousand)	2017
Up to 30 days	5,020	160,028
30 to 60 days	208	1,922
60 to 180 days	21,939	3,270
180 to 365 days	3,656	2,263
More than 365 days	8,608	234
	39,431	167,717

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 received 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 2018

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	2018 (Rupees in thousand)	2017
Allied Bank Limited	A1+	AA+	PACRA	52	2
Askari Bank Limited	A1+	AA+	PACRA	561	227
Bank Alfalah Limited	A1+	AA+	PACRA	613	277
Bank Islami Pakistan Limited	A1	A+	PACRA	1,269	673
Dubai Islamic Bank	A-1	AA-	JCR-VIS	152	9
Habib Bank Limited	A-1+	AAA	JCR-VIS	1,584	2,298
MCB Bank Limited	A1+	AAA	PACRA	2,308	390
Meezan Bank Limited	A-1+	A-1+	JCR-VIS	4,007	501
National Bank of Pakistan	A1+	AAA	PACRA	16,532	280
Standard Chartered	A1+	AAA	PACRA	29	29
The Bank of Punjab	A1+	AA	PACRA	43	43
United Bank Limited	A-1+	AAA	JCR-VIS	12	3
				27,162	4,732

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 Statement of Financial Position 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 2018

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position 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
<b>At 30 September 2018</b>				
Floating rate long term debt	97,703	250,662	192,041	-
Variable rate short term borrowings	1,869,000	-	-	-
Trade and other payables	958,057	-	-	-
Accrued finance cost	45,711	-	-	-
	2,970,471	250,662	192,041	-

	(Rupees in thousand)			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
<b>At 30 September 2017</b>				
Floating rate long term debt	97,703	78,162	97,704	-
Variable rate short term borrowings	470,268	-	-	-
Trade and other payables	1,286,424	-	-	-
Accrued finance cost	218,545	-	-	-
	2,072,940	78,162	97,704	-

## 41.2 Financial instruments by categories

Long term loans, advances and deposits  
Trade debts  
Loans, advances, prepayments and other receivables  
Cash and bank balances

Loans and receivables	
2018	2017
(Rupees in thousand)	
33,986	36,531
39,431	167,717
25,317	38,267
28,271	5,255
Available for sale	
2018	2017
(Rupees in thousand)	
13,774	28,474

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Financial liabilities at amortized cost	
	2018	2017
	(Rupees in thousand)	
Long term finances	540,406	529,474
Short term borrowings - secured	2,243,284	1,661,160
Trade and other payables	958,057	1,118,354
Accrued finance cost	45,711	116,516

**41.2.1** 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 2018

		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
Note		----- Rupees in thousands -----								
2018										
<u>Financial assets - measured at fair value</u>										
Available for sale	16	13,774	-	-	-	13,774	13,774	-	-	13,774
Biological assets		-	31,275	-	-	31,275	-	11,558	19,717	31,275
		13,774	31,275	-	-	45,049	13,774	11,558	19,717	45,049
<u>Financial assets - not measured at fair value</u>										
Long term deposits	18	-	33,986	-	-	33,986	-	-	-	-
Trade debts	21	-	39,431	-	-	39,431	-	-	-	-
Loans , Advances, deposits, prepayments and other receivables	22	-	25,317	-	-	25,317	-	-	-	-
Cash and Bank balances	23	-	-	28,271	-	28,271	-	-	-	-
		-	98,734	28,271	-	127,005	-	-	-	-
<u>Financial liabilities - measured at fair value</u>										
		-	-	-	-	-	-	-	-	-
<u>Financial liabilities - not measured at fair value</u>										
Long term loans	7 & 9	-	-	-	540,406	540,406	-	540,406	-	540,406
Short term borrowings	9	-	-	-	2,243,284	2,243,284	-	2,243,284	-	2,243,284
Trade and other payables	10	-	-	-	958,057	958,057	-	-	-	-
Accrued finance cost	11	-	-	-	45,711	45,711	-	-	-	-
		-	-	-	3,787,458	3,787,458	-	2,783,690	-	2,783,690

		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
Note		----- Rupees in thousands -----								
2017										
<u>Financial assets - measured at fair value</u>										
Available for sale	16	28,474	-	-	-	28,474	28,474	-	-	28,474
Biological assets	15	-	26,651	-	-	26,651	-	8,342	18,309	26,651
		28,474	26,651	-	-	55,125	28,474	8,342	18,309	55,125
<u>Financial assets - not measured at fair value</u>										
Long term deposits	18	-	36,531	-	-	36,531	-	-	-	-
Trade debts	21	-	167,717	-	-	167,717	-	-	-	-
Loans, Advances, deposits, prepayments and other receivables	22	-	38,267	-	-	38,267	-	-	-	-
Cash and Bank balances	23	-	-	5,255	-	5,255	-	-	-	-
		-	242,515	5,255	-	247,770	-	-	-	-
<u>Financial liabilities - measured at fair value</u>										
		-	-	-	-	-	-	-	-	-
<u>Financial liabilities - not measured at fair value</u>										
Long term loans	7 & 9	-	-	-	529,474	529,474	-	529,474	-	529,474
Short term borrowings	9	-	-	-	1,661,160	1,661,160	-	1,661,160	-	1,661,160
Trade and other payables	10	-	-	-	1,118,354	1,118,354	-	-	-	-
Accrued finance cost	11	-	-	-	116,516	116,516	-	-	-	-
		-	-	-	3,425,504	3,425,504	-	2,190,634	-	2,190,634

## For the year ended 30 September 2018

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".

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# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

	Note	2018 (Rupees in thousand)	2017
<b>42.3 Source of other income</b>			
Profit on sale of 'Available for Sale' investments		-	-
Profit on the sale of right allotment letters		-	-
Dividend on equity investment		585	9,230
Return on bank deposits		259	88
Scrap sales		15,096	12,577
Liabilities no longer payable written back		33,961	7,244
Profit on sale of:			
- Property, plant and equipment		5,035	67,847
- Store items		478	89
Fair value adjustment of agricultural assets		1,699	5,910
Rental income		18,052	19,737
Export rebate		-	-
Present value adjustment on initial recognition of interest free loan		-	-
Sale of mud		9,817	15,131
Other		6,422	4,731
	29	91,404	142,584
<b>42.4 Exchange loss</b>			
Loss on actual currency	28	27,722	7,260
<b>42.5 Revenue (external) from different business</b>			
Sugar		3,599,489	8,627,009
Bio Fuel		2,866,373	1,902,173
Building Material		4,243	12,064
Textile		901,413	801,000
Farm		31,133	14,218
Other		1,592	3,693
	40	7,404,243	11,360,157



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

## 42.6 Relationship with banks

### Name

Askari Bank Limited  
Bank Alfalah 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  
National Bank of Pakistan  
United Bank Limited  
The Bank of Punjab

Relationship	
Non Islamic window operations	With Islamic window operations
✓	✓
✓	✓
✓	✓
✓	✓
-	✓
-	✓
-	✓
✓	-
✓	-
✓	-
✓	-
✓	-

**42.6.1** 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.

	2018 (Rupees in thousand)	2017
Total debt	2,783,690	2,190,634
Total equity	8,682,872	6,136,764
Total debt and equity	11,466,562	8,327,398
Gearing ratio	24%	26%

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2018

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.

## 43. DATE OF AUTHORIZATION OF ISSUE

These financial statements were authorized for issue on 03 January 2019 by the board of directors of the Company.

## 44. 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.

  
Chief Executive

  
Director

  
Chief Financial Officer

# PATTERN OF SHAREHOLDING

Form - 34

**THE COMPANIES ACT, 2017**  
**THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018**  
**[Section 227(2)(f)]**

**Part-I**

**1.1** Name of The Company      **Shakarganj Limited**

**Part-II**

**2.1** Pattern of Holding of the Shares held by the Shareholders as at : 30 September 2018

<b>2.2</b>	<b>No. of Shareholders</b>	<b>From</b>	<b>Shareholding To</b>	<b>Total shares held</b>
	457	1	100	13,674
	366	101	500	119,090
	268	501	1,000	212,388
	390	1,001	5,000	865,227
	81	5,001	10,000	570,231
	27	10,001	15,000	326,685
	16	15,001	20,000	287,022
	15	20,001	25,000	343,304
	10	25,001	30,000	274,462
	4	30,001	35,000	131,869
	4	35,001	40,000	154,756
	5	40,001	45,000	206,196
	5	45,001	50,000	231,549
	3	50,001	55,000	155,839
	4	55,001	60,000	225,812
	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
	3	85,001	90,000	262,959
	2	95,001	100,000	195,146
	1	100,001	105,000	100,872
	1	105,001	110,000	108,806
	1	110,001	115,000	113,636
	2	115,001	120,000	234,797
	2	120,001	125,000	244,861
	1	130,001	135,000	133,178
	1	140,001	145,000	142,017
	1	160,001	165,000	164,772
	2	185,001	190,000	379,501
	1	195,001	200,000	198,863
	1	220,001	225,000	223,140

No. of Shareholders	From	Shareholding	To	Total shares held
1	250,001		255,000	252,552
1	255,001		260,000	257,349
1	260,001		265,000	263,636
2	295,001		300,000	597,727
1	320,001		325,000	320,454
1	345,001		350,000	347,899
1	655,001		660,000	657,754
1	740,001		745,000	743,980
1	770,001		775,000	772,727
1	785,001		790,000	788,611
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	1,665,001		1,670,000	1,668,463
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	5,960,001		5,965,000	5,960,845
1	7,050,001		7,055,000	7,051,136
1	7,060,001		7,065,000	7,060,137
1	7,600,001		7,605,000	7,602,272
1	9,015,001		9,020,000	9,019,690
1	11,980,001		11,985,000	11,984,754
1	17,765,001		17,770,000	17,767,840
1	27,405,001		27,410,000	27,409,075
<b>1,717</b>				<b>125,000,000</b>

2.3	Categories of Shareholder	Share held	Percentage
2.3.1	Directors, Chief Executive Officer, and their spouse and minor children.	6,578,965	5.26
2.3.2	Associated Companies, undertakings and related parties.	60,084,869	48.07
2.3.3	NIT and ICP	7,060,137	5.65
2.3.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	920,915	0.74
2.3.5	Insurance Companies	5,008	0
2.3.6	Modarabas and Mutual Funds	453	0
2.3.7	Shareholders holding 10%	45,176,915	36.14
2.3.8	General Public		
	a. Local	23,754,052	19
	b. Foreign	-	-
2.3.9	Others (Companies)	26,595,601	21.28

# NOTICE OF 51<sup>ST</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 51<sup>st</sup> Annual General Meeting of shareholders of Shakarganj Limited (the "Company") will be held on Monday, 28 January 2019 at 10:00 a.m., at Liberty Castle, 79-D-1, Main Boulevard Gulberg III, Lahore to transact the following Ordinary Business:

1. To receive, consider and adopt the Chairman's Review Report, Reports of Directors and Auditors together with Audited Annual Financial Statements of the Company for the year ended 30 September 2018.
2. To appoint Company's auditors and to fix their remuneration. The members are hereby notified that the Audit Committee and the Board of directors have recommended the name of retiring auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants for re-appointment as auditors of the Company.

By Order of the Board

Lahore: 03 January 2019

**Asif Ali**  
Company Secretary

## NOTES:

### 1. Book Closure:

The Share Transfer Books of the Company will remain closed from 21 January 2019 to 28 January 2019 (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 19 January 2019, 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:

Shareholders who have not yet provided their CNICs are advised to provide the attested copies of their CNICs directly to our Independent 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](http://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
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#### 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 hereinabove 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 2018 along with Auditors and Directors Reports thereon on its website: [www.shakarganj.com.pk](http://www.shakarganj.com.pk)

اپنے مادی حصص حاصل نہیں کر سکے تھے، اگر کوئی ہوں، سے التماس ہے کہ ہمارے شیئر رجسٹرار میسرز کارپ ٹیک ایسوسی ایشن (پرائیویٹ) لمیٹڈ، 503-E، جوہڑا ڈن لاہور سے اپنے ان کلیم ڈیویڈنڈ، اگر کوئی ہوں، کے بارے دریافت حاصل کرنے کے لئے رابطہ کریں۔

#### 10۔ وڈیو کانفرنس سہولت

کمپنیز ایکٹ 2017 کی پروویژن کی پیروی میں، کمپنی کے کل پیڈ اپ شیئر کیسٹل کے کم از کم 10% کے مالک اس شہر میں سکونت کمپنی سے اجلاس میں شرکت کے لئے وڈیو لنک کی سہولت مہیا کرنے کا مطالبہ کر سکتے ہیں۔ وڈیو لنک سہولت کا مطالبہ مذکورہ بالا پتہ پر شیئر رجسٹرار کے ذریعے سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم پر اجلاس کی تاریخ سے کم از کم 7 یوم قبل وصول کیا جائے گا۔

#### 11۔ مالی حسابات کی پلیسمنٹ

کمپنی 30 ستمبر 2018ء مختتمہ سال کیلئے تصدیق شدہ سالانہ مالی حسابات معائنہ پر آڈیٹران اور ڈائریکٹران کی رپورٹس اپنی ویب سائٹ [www.shakarganj.com.pk](http://www.shakarganj.com.pk) پر رکھ چکی ہے۔

ہیں۔ حصص داران جو مذکورہ بالا دستاویزات کی ہارڈ کاپیاں وصول کرنا چاہتے ہوں کمپنی سیکرٹری شیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب معیاری درخواست فارم ارسال کریں اور کمپنی حصص داران کو مطالبہ پر مذکورہ بالا دستاویزات ایسی طلب کے ایک ہفتہ کے اندر مفت مہیا کرے گی۔ حصص داران جو سالانہ رپورٹ بشمول اجلاس کے نوٹسز بذریعہ ای میل بھی وصول کرنا چاہتے ہوں سے درخواست ہے کہ سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ : [www.shakarganj.com.pk](http://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 کنوٹی

یکم جولائی 2017ء سے موثر فنانس ایکٹ 2017ء کی پروویژن کی پیروی میں ڈیویڈنڈ ادا کیے جانے سے انکم ٹیکس کی کنوٹی حسب ذیل کے مطابق فاکٹرز اور نان فاکٹرز کی بنیاد پر کی جائیگی۔

فیکٹر	حصص داران کی نوعیت	کنوٹی کی شرح
1.	انکم ٹیکس ریٹرن کے فاکٹرز	15.0%
2.	انکم ٹیکس ریٹرن کے نان فاکٹرز	20.0%

انکم ٹیکس فیڈرل بورڈ آف ریونیو ویب سائٹ پر چھاپا ایکٹیو ٹیکس سکرینر فہرست کی بنیاد پر منہا کیا جائے گا۔

انکم ٹیکس کی کنوٹی سے رعایت حاصل کرنے کے خواہشمند ممبران یا کم شرح پر کنوٹی کے اہل سے درخواست ہے کہ کارآمد ٹیکس سرٹیفکیٹ یا ضروری دستاویزی ثبوت جو بھی صورت ہو جمع کرائیں۔

حصص داران جو فاکٹرز اور نان فاکٹرز کے ذریعے مشترکہ شیئر ہولڈنگ کے مالک ہوں سے الگ الگ سلوک کیا جائے گا اور ایسی خاص حالت میں ہر ایک اکاؤنٹ ہولڈر سے یا تو فاکٹرز یا نان فاکٹرز سلوک کیا جائے گا اور ان کے شیئر ہولڈنگ کے مطابق ٹیکس منہا کیا جائے گا۔ اگر شیئر قابل تحقیق ہوا تو ہر اکاؤنٹ ہولڈر حصص کے مساوی تناسب کا مالک تصور ہوگا اور اس کے مطابق کنوٹی کی جائے گی۔ اس لئے اعلیٰ شرح پر ٹیکس کی کنوٹی سے بچنے کیلئے مشترکہ اکاؤنٹ ہولڈرز سے درخواست ہے کہ اپنے شیئر ہولڈنگ کی حسب ذیل تفصیلات کمپنی کے شیئر رجسٹرار AGM کی تاریخ تک مہیا کریں۔

فیکٹری ڈیویڈنڈ	نام شیئر ہولڈر	کمپنی اور کوئی شناختی کارڈ	شیئر ہولڈنگ	کل حصص	پہلا، بھائی، اکاؤنٹ نمبر
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#### 9۔ ان کلیم ڈیویڈنڈ اور بونس شیئرز

حصص داران کے ان کلیم ڈیویڈنڈ، جو کسی وجہ سے اپنے ڈیویڈنڈ یا بونس شیئر ڈیکلیم نہیں کر سکے یا

## اطلاع 51 واں سالانہ اجلاس عام

بذریعہ نوٹس بذمہ مطلع کیا جاتا ہے کہ شریعت لیٹڈ (کمپنی) کے حصص داران کا 51 واں سالانہ اجلاس عام برقی کیسل D-1-79 بین بیوارڈ بکسر گس 111، لاہور پر بروز پیر 28 جنوری 2019ء کو صبح 10:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عام امور:

- 1۔ 30 ستمبر 2018ء کو مختتم سال کیلئے کمپنی کے سالانہ نتیجہ شدہ مالی حسابات معائنہ پر ڈائریکٹرز اور ڈیپوٹری رپورٹس، چیئر مین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظور کرنا۔
- 2۔ کمپنی کے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ ارکان کو نوٹس بذمہ مطلع کیا جاتا ہے کہ آڈٹ کمپنی اور بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹر میسرز کے پی ایم جی، تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹرز کی حیثیت سے دوبارہ مقرر کرنے کی سفارش کی ہے۔

بحکم بورڈ

آصف علی

مورخہ: 3 جنوری 2019ء

### کمپنی سیکرٹری

نوٹ:

- 1۔ کمپنی کی حصص منتقلی سن 21 جنوری 2019ء تا 28 جنوری 2019ء (شامل ہر دو ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار دفتر میسرز کارپ لیگ ایسوسی ایشن (پرائیویٹ) لیٹڈ E-503 جوہر ٹاؤن لاہور پر 19 جنوری 2019ء کو کاروبار کے اختتام تک موصول مستقبل میں ٹرانسفرز کو نقد منافع مختصر اور سالانہ اجلاس عام میں شرکت کے استحقاق کیلئے برداشت تصور ہوگی۔
- 2۔ اجلاس بذمہ شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے دیگر ممبر کو بطور پراکسی مقرر کر سکتا ہے۔ پراکسی لازماً کمپنی کا ممبر ہونا چاہئے۔
- 3۔ پراکسی تقرری کے آلات اور مختار نامہ یا دیگر تصدیقی جس کے تحت یہ دستخط شدہ ہے یا مختار نامہ کی نوٹریل مصدقہ کاپی کمپنی کے رجسٹرار دفتر پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرائی جانی چاہئے۔
- 4۔ ممبران جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لیٹڈ (سی ڈی سی) میں جمع کرا چکے ہوں کو مزید برآں سیکرٹری اینڈ ایگزیکٹو کمیشن پاکستان (SECP) کی ویب گائیڈ لائنز کی پیروی کرنا ہوگی۔

### A۔ اجلاس میں شرکت کیلئے:

- a۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکرٹریز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، ان کو اجلاس میں شرکت کے وقت اپنے اصل کیپٹورائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھانا ہی شناخت ثابت کرنا ہوگی۔

b۔ بصورت کارپوریٹ انٹیلی بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ معائنہ کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہوئے (اگر پہلے مہیا نہیں کئے گئے)۔

### B۔ پراکسی تقرری کیلئے:

- a۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا شخص جن کی سیکرٹریز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن تفصیلات قواعد کے مطابق اپ لوڈ ہیں، ان کو بالائے لکھ کر شرکت کے مطابق پراکسی فارم جمع کرنا ہوگا۔
- b۔ پراکسی فارم، دو افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہوں گے، کے گواہی شدہ ہونے چاہئیں۔
- c۔ تنظیمات انٹرنل اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ جمع کرنا ہوگی۔
- d۔ پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔
- e۔ کارپوریٹ انٹیلی بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ معائنہ کے نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرنا ہوئے (اگر پہلے مہیا نہیں کئے گئے)۔

### 5. CNIC کی نقول جمع کرنا

شیئر ہولڈرز جنہوں نے ابھی تک اپنے CNICs مہیا نہیں کئے، انہیں اس سے کہہ اپنے CNICs کی مصدقہ نقول (اگر پہلے مہیا نہیں کئے گئے) براہ راست ہمارے اغزی چینڈ شیئر رجسٹرار کو مزید کسی تاخیر کے بغیر درج ذیل پتہ پر مہیا کریں۔

### 6. نقد منافع منقسمہ کی ادائیگی بذریعہ الیکٹرونک طریقہ

کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پرویز کے مطابق تفریقی کمپنیوں کیلئے ضروری ہے کہ کوئی منافع منقسمہ قابل ادا نقد صورت میں فقط الیکٹرونک موڈ کے ذریعے براہ راست مستحق حصص داران کی طرف سے منسوب بینک اکاؤنٹ میں کیا جائیگا۔ اس کے مطابق مادی حصص کے مالک حصص داران سے درخواست ہے درج بالا پتہ پر کمپنی کے شیئر رجسٹرار کو سالانہ رپورٹ میں مہیا شدہ اور کمپنی کی ویب سائٹ پر بھی دستیاب ای ڈیویڈنڈ فارم پر الیکٹرونک ڈیویڈنڈ مینڈیٹ فراہم کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، یہ معلومات اپ ڈیٹنگ اور کمپنی کو ہر سال کرنے کیلئے سی ڈی ایس پارٹنیشن کو مہیا کی جانی چاہئیں۔

### 7۔ مالی حسابات کی ترسیل بذریعہ سی ڈی وی ڈی ایو ایس بی

سیکرٹری اینڈ ایگزیکٹو کمیشن آف پاکستان کے نوٹیفیکیشن SRO 470(I)/2016 مورخہ 31 مئی 2016ء کی پیروی میں شریعت لیٹڈ کے حصص داران نے 31 جنوری 2017ء کو منعقدہ کمپنی کے 49 ویں AGM میں سالانہ رپورٹس بشمول نظر ثانی شدہ سالانہ حسابات سالانہ اجلاس عام کے نوٹس اور کمپنی کی دیگر معلومات ہارڈ کاپوں میں ترسیل کی بجائے سی ڈی وی ڈی ایو ایس بی کے ذریعے ترسیل کیلئے اپنی رضامندی کی منظوری دے چکے



## مستقبل کا نقطہ نظر

بہتر پیدوار، مارجن اور غیر ملکی کرنسی کی شرحوں میں بہتری کی بدولت، ہائیڈرو پاور سے توقع ہے کہ مالی سال 2019 میں نمایاں طور پر حصہ شامل کرے گا۔ جیسا کہ ہمارا نقطہ نظر آپریشن کے مستقبل کا نقطہ نظر اچھے معیار کے مولا سس کی مسلسل دستیابی پر منحصر ہے، انتظامیہ صحت مند سب سے اچھی لائن کے لئے کافی مارجن پیدا کرنے کے لئے موزوں قیمت پر مولا سس کی مقدار میں کافی اضافہ کرنے کی کوشش کر رہی ہے اور ہم اس شعبہ میں بہتر نتائج حاصل کرنے کے لئے اپنی سطح پر پوری کوشش کریں گے۔

جیسا کہ پچھلے سالانہ جائزہ میں بیان کیا گیا، شوگر کاروبار کا نقطہ نظر وفاقی اور صوبائی حکومتوں کی جانب سے بروقت اور مناسب فیصلے پر منحصر ہے جس میں اگر پابندیاں عائد ہوتی ہیں تو آنے والے موسم میں چینی کی صنعت کو منافع بخش بنانا مشکل ہوگا۔ یہ چینی کے کاروبار کے ساتھ ساتھ آپ کی کمپنی کے مجموعی نتائج پر منفی اثر انداز ہو سکتا ہے۔ اگرچہ پچھلے سال کی فصل کے مقابلے میں گنے کی فصل کم ہونے کی توقع کی جاتی ہے، یہ اب بھی پاکستان کی مقامی ضروریات کے لئے کافی ہے زائد ہے اور حکومت کی طرف سے ایک مناسب برآمد پالیسی کی غیر موجودگی میں، مارکیٹ کی حیثیت موجودہ صورت حال کی طرح ہی رہے گی اور چینی کی قیمت میں مسلسل کمی آئے گی۔ جبکہ پاکستان شوگر ملز ایسوسی ایشن (پی ایس ایم اے) نے حکومتی نمائندوں کے ساتھ کئی ملاقاتیں کی ہیں جس میں اس صنعت کی صورت حال کے ساتھ ساتھ کسانوں کو صنعت دوستانہ برآمد پالیسی کی غیر موجودگی میں پیش آنے والے مسائل کی طرف اشارہ کیا گیا ہے۔ ہمارے موجودہ پیدوار کی اہداف کو حال ہی میں اعلان کردہ برآمد پالیسی کے ساتھ مقرر کیا گیا ہے کیونکہ حکومت پنجاب سے سسڈی کے ساتھ لامحدود برآمدات شوگر ملز کو اپنے آپریٹرز بڑے نقصانات کے بغیر چلانے کے قابل بنائیں گی۔

ٹیکسٹائل ڈویژن کی کارکردگی دستیاب مارجن کے مد نظر بہتر ہونے کی توقع ہے۔ کمپنی گزشتہ سال میں حاصل منافع کو جاری اور مجموعی لیکویڈیٹی حالت کو مزید بہتر بنا کر آپریٹنگ منافع بخش رکھنے کے لئے اپنی پوری کوششیں کر رہی ہے۔ مندرجہ بالا زیر بحث یہ تمام عناصر کمپنی کے مجموعی مالی نتائج پر بھی اثر پڑے گا اور انتظامیہ تمام شعبوں خاص طور پر ہائیڈرو پاور کاروبار جہاں مارجن زیادہ ہیں میں بہتر نتائج حاصل کرنے کے لئے تمام کوششیں کرے گی۔ انتظامیہ نے مالیاتی سال 2019 میں منافع بخش نتائج حاصل کرنے کے لئے کمپنی کی لیکویڈیٹی حیثیت کو آپریٹنگ منافع بخش بنا کر مزید بہتر بنانے کا وعدہ کیا ہے۔

## اظہار تشکر

ڈائریکٹر کمپنی کے عملے اور کارکنوں کی کمپنی کے لئے لگن اور جان فاری کو سراہتے ہیں۔ ڈائریکٹر محض داران، بینکوں اور شریک تمام جماعتوں کی مسلسل دلچسپی 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۔

منہاج پور

Ali Akram

علی الطاف سلیم

ڈائریکٹر

Asim Malik

انجم محمد سلیم

چیف ایگزیکٹو آفیسر

لاہور: 03 جنوری 2019ء

## نمونہ حصص داری اور حصص کی تجارت

نمونہ حصص داری اور اضافی معلومات اس رپورٹ سے منسلک ہیں۔ ڈائریکٹرز، ایگزیکٹو اور ان کے ذریعہ اور چھوٹے بچوں کی طرف سے مندرجہ ذیل تجارت / منتقلی کے سوائے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے جس کی تفصیلات حسب ذیل ہیں:

نام ڈائریکٹر / ایگزیکٹو	خرید	فروخت
جناب خواجہ جلال الدین	245,900	745,000

## مالیاتی حسابات

پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ معیارات کے تحت درکار اکھنڈز ایکٹ 2017 کی ضروریات (XIX of 2017) کے مطابق، انتظامیہ ایسے داخلی کنٹرول کے لئے مالی حسابات کی تیاری اور مصفاہ پر پرنشیشن کی اپنی ذمہ داری سے آگاہ ہے کیونکہ انتظامیہ کا تعین مالی حسابات کی تیاری کو مستحکم کرنے کے لئے ضروری ہے جس میں مواد غلطی سے پاک ہو، چاہے دھوکہ دی یا غلطی کی وجہ سے ہو۔

چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر نے مالیاتی حسابات اپنے دستخطوں کے ساتھ باقاعدہ توثیق شدہ بورڈ آف ڈائریکٹرز کے غور و خوض اور منظوری کے لئے پیش کئے ہیں اور بورڈ غور و خوض اور منظوری کے بعد مالی حسابات جاری اور تسلی کرنے کے لئے دیکھا کرنے کا مجاز ہے۔ کمپنی کے مالیاتی حسابات کمپنی کے آڈیٹرز، KPMG، ٹاخمیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی طرف سے اہلیت کے بغیر باقاعدہ نظر ثانی شدہ اور منظور شدہ ہیں اور ان کی رپورٹ مالیاتی حسابات کے ہمراہ منسلک ہے۔

ڈائریکٹرز چیف ایگزیکٹو کے جائزہ اور اس سالانہ رپورٹ کے مواد کی تصدیق کرتے ہیں اور وہ کمپنیز ایکٹ 2017ء کی دفعہ 227 کی شرائط اور مندرجہ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے منسلک 2017 کے مطابق ڈائریکٹرز رپورٹ کا لازمی حصہ بنے گا۔

## ڈیویڈنڈ اور کیریڈر فارورڈ

مجموعی نقصانات، حقیقی موجودہ حساب کو مد نظر رکھتے ہوئے، ڈائریکٹرز نے 30 ستمبر 2018 کو ختم ہونے والے سال کے لئے کسی بھی ڈیویڈنڈ کی ادائیگی کی سفارش نہیں کی ہے۔ اس کے علاوہ، کوئی بھی رقم عام ریزرو یا کسی بھی دیگر ریزرو فنڈز کا ڈنٹ میں آئے نہیں سمجھی جاتی ہے۔

## بعد کے واقعات

مالی سال جس سے یہ پبلش شیٹ متعلقہ ہے کے اختتام اور ڈائریکٹرز رپورٹ کی تاریخ کے درمیان کمپنی کی مالی حالت پر اثر انداز ہونے والی کوئی مادی تبدیلیاں وقوع پذیر اور وعدے نہیں کئے گئے ہیں۔

## ادائیگیوں، ڈیٹ یا قرض میں تاخیر

کمپنی واجب رقم کی بروقت ادائیگی کی اپنی ذمہ داری کو تسلیم کرتی ہے اور صنعت میں کامیابی حاصل کرنے والے بہترین طریقوں کی قیاس کی جاتی ہے یہ بیان کیا گیا ہے کہ زیر جائزہ سال کے دوران کسی بھی قرض یا ڈیٹ کی ادائیگی میں کوئی تاخیر نہیں ہوئی۔

## کاروبار کی نوعیت میں تبدیلی

کمپنی کے کاروبار کی نوعیت سے متعلق مالی سال کے دوران کوئی تبدیلی نہیں ہوئی ہے۔

## متعلقہ پارٹی کے معاملات

آڈٹ کمپنی کے جائزہ اور سفارش کے بعد تمام متعلقہ پارٹی لین دین کو بورڈ کی طرف سے منظور کیا گیا ہے۔ کمپنی نے اس سالانہ رپورٹ سے منسلک اپنے مالی حسابات میں متعلقہ پارٹی معاملات کے بارے میں تفصیلی اکٹشافات کئے ہیں۔ اس طرح کا اکٹشاف کمپنیز ایکٹ 2017 کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی ضروریات کے مطابق ہے۔

بورڈ نے حسب ذیل ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں:

نام کمیٹی	نام ارکان اور چیئرمین	تعداد حاضری
آڈٹ کمیٹی	جناب خالد بشیر (چیئرمین)	4
	محترمہ باجرہ احسان سلیم (ٹان ایگزیکٹو ڈائریکٹر)	4
	جناب شیخ عاصم رفیق (آزاد ڈائریکٹر)	4
	جناب خواجہ جلال الدین (آزاد ڈائریکٹر)	4
ہیومن ریسورس اینڈ ریمنٹیشن کمیٹی	جناب محمد انور (چیئرمین)	1
	جناب خالد بشیر (ٹان ایگزیکٹو ڈائریکٹر)	1
	جناب انجم محمد سلیم (سی ای او)	1

زیر جائزہ سال کے دوران بورڈ پر کوئی عارضی آسامی خالی نہیں ہوئی۔

بورڈ آف ڈائریکٹرز کی طرف سے حد کے مطابق جائزہ لیا گیا، کمیٹی کے تمام ممبروں کے سربراہ "ایگزیکٹو" تصور کئے جائیں گے۔

ٹان ایگزیکٹو اور آزاد ڈائریکٹرز کا مشاہرہ

بورڈ آف ڈائریکٹرز نے ایک "ڈائریکٹرز ریمنٹیشن پالیسی" کی منظوری دی ہے، منظور شدہ پالیسی کی اہم خصوصیات حسب ذیل ہیں:

✓ کوئی ڈائریکٹر اپنا خود کا مشاہرہ متعین نہیں کرے گا۔

✓ باقاعدہ پیڈ چیف ایگزیکٹو، سپرنٹنڈنٹ اور یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ بورڈ اور اس کی کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹر

مینگ فیس کی رقم 20,000 روپے (بیس ہزار روپے صرف) یا بورڈ کی طرف سے وقفہ فقا متعین کردہ کے مطابق ہوگی۔

✓ موجودہ یا منظور کی جتنی تریم کے مطابق قابل اطلاق ایسی ادائیگی کے عوض کوئی واجب فیس کمیٹی کو برداشت کرنا ہوگا۔

✓ ڈائریکٹر ڈاجلاسوں میں شرکت کے لئے سفری، قیام اور دیگر اخراجات کے بشمول تمام مناسب اخراجات لینے کے بھی اہل ہوں گے۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی کارکردگی کی تشخیص

انسانی وسائل اور ریمنٹیشن کمیٹی نے انفرادی بورڈ یا کمیٹی ارکان کی طرف سے جو بھی صورت ہو خود تشخیصی کے قائم شدہ میکانزم پر مبنی بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کی

کارکردگی کا جائزہ لیا ہے۔ مندرجہ بالا میکانزم بورڈ کی طرف سے انسانی وسائل اور ریمنٹیشن کمیٹی کی سفارش پر منظور کیا گیا۔

سی ای او کی کارکردگی کی تشخیص

سال کے دوران بورڈ کی انسانی وسائل اور ریمنٹیشن کمیٹی نے تشخیصی نظام پر مبنی 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

✓ پبلک منجمنٹ

✓ بزنس پراسیس / 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۔



جاتی ہے اور ہم شدید چوٹ اور حادثے کے اوقات کو صفر درجہ تک کم کرنے کے لئے مسلسل کوشاں رہتے ہیں۔ شکر گنج ٹیم کے تقریباً سات سو اکیس اراکین نے پاکستان ہلال احمر سوسائٹی۔ پنجاب کے تعاون سے ابتدائی طبی امداد میں پیشہ ورانہ تربیت اور شعلہ گشت حاصل کرنے کے لئے منظم پروگرام میں حصہ لیا ہے۔ ممکنہ حادثات سے غصنے کے لئے حفاظتی اقدامات اور ٹریننگ اور بروقت رد عمل کے طریقہ کار نے شدید زخم اور حادثات کو کم سے کم کیا۔

ماحولیاتی تحفظ کے معاملات کو ہمیشہ منافع کے خدشات سے زیادہ ترجیح دی جاتی ہے۔ شکر گنج اپنی تمام مصنوعات کو قابل تجدید فصلوں اور خام مال سے پیدا کرتی ہے اور ہمارے ماحول کو نقصان پہنچانے کی لاگت میں منافع بنانے میں یقین نہیں رکھتی ہے۔ ہم فعال طور پر اپنی کمیونٹی میں اور قومی سطح پر ماحولیاتی تحفظ کی سرگرمیوں کو فائدہ اور معاونت دیتے ہیں۔ بجلی کی بچت اور صفر ضیاع کا مقصد ہماری اہم ماحول دوست پالیسیاں ہیں۔ ہماری پروڈکشن لائنوں میں بجلی کی باقی مصنوعات کے استعمال نے فوسل لیوٹر کے استعمال اور فضلہ کو ضائع کرنے کے مسائل کو نمایاں طور پر کم کر دیا ہے۔ ہمارے پیداواری عمل میں ڈسٹری سچٹ واش قطعی ویسٹ مصنوعات ہے۔ اب اسے حیاتیاتی طریقہ سے بطور ایندھن یا نیوگیس تیار کی جاتی ہے اور پانی آچاشی کے لئے استعمال کیا جاتا ہے۔ اس کے علاوہ ہم زمین کے حیاتیاتی کیڑوں کے کنٹرول، نامیاتی زراعت کی تکنیک، اور تمام قدرتی غذائی اجزاء کی واپسی اور فروغ دینے کی حوصلہ افزائی کرتے ہیں۔ ہم فطرت، پاکستان کے لئے ورلڈ وائڈ فنڈ کی سرگرمیوں کی بھرپور مدد کرتے ہیں، والٹر مینجمنٹ کیلئے باقاعدہ تربیتی اور تعلیمی پروگرام چلاتے ہیں اور ہر سال دو بار شجرکاری مہم میں شرکت کرتے ہیں۔ HSE کا ہمارا نقطہ نظر ہمارے مشن زیر واپجندہ میں ظاہر ہوتا ہے جو صفر حادثات اور کام سے متعلق کمیوں کو نشانہ بناتا ہے۔ مشن زیر واپجندہ کو مؤثر طریقے سے نافذ کرنے کے لئے، ہم اپنے لوگوں کو اپنے حصہ کاردار ادا کرنے کے لئے با اختیار بناتے اور حوصلہ افزائی کرتے ہیں۔ ہم سب کو اپنے کام کی جگہوں کو محفوظ رکھنے میں اپنے حصہ کاردار ادا کرنا چاہئے۔ سب سے زیادہ مؤثر طریقوں میں سے ایک جو ہم کر سکتے ہیں اپنے ارد گرد کے خطرات کے بارے میں آگاہ رہنا اور ان سے غصنے کے لئے کارروائی کرنا ہے۔ لہذا ہم اپنے تمام لوگوں کی فعال طور پر ان کے کام کے ماحول کا باقاعدگی سے جائزہ لینے اور کسی بھی شہتی خطرات کی اطلاع دینے کے لئے سرگرمی کی حوصلہ افزائی کرتے ہیں۔

شکر گنج ماحولیات، آلودگی کی روک تھام، اور قابل اطلاق قانونی اور دیگر ضروریات کی تعمیل کی طرح، اپنے ملازمین کو ان کے فرائض انجام دینے کے لئے ایک صحت مند اور محفوظ کام کی جگہ فراہم کرنے کے لئے عزم ہے۔ ہم اپنے ملازمین کی جسمانی اور ذہنی صحت کی حفاظت، پیشہ ورانہ صحت کی خدمات کے سکوپ اور کوریج کو بڑھانے اور مسلسل اپنے پیشہ ورانہ صحت کے انتظام کے نظام کو بہتر بنانے کے لئے بے عزم رہتے ہیں۔ شکر گنج میں، ہمارے ملازمین کے لئے باقاعدگی سے صحت کی دیکھ بھال کی جاتی ہے۔ اس کے علاوہ، ہم بہتر صحت کے انتظام اور بیماری کی روک تھام کے لئے ملازمین کی صحت کا ریکارڈ رکھتے ہیں۔ ہم ایک وقف صحت کے معاون نظام پر بھی گہری توجہ دیتے ہیں اور اپنے ملازمین کی صحت اور حفاظت کو یقینی بنانے کے لئے خصوصی بیماری کی جانچ فراہم کرتے ہیں۔ ہم نے شکر گنج میں واقعات اور حادثات کے لئے جامع ایمرجنسی پلان بھی جاری کیا ہے اور کبھی کے لئے حفاظتی انتظام اور خطرے کی روک تھام کا نظام قائم کیا ہے۔ ہم منصوبہ کو بہتر بنانے، ملازمین کی روک تھام اور خود کی مدد ہمارے شعور کو بڑھانے اور ہنگامی صورتحال کو سنبھالنے کے لئے ٹیم کی صلاحیت کو بہتر بنانے کے لئے باقاعدگی سے ایمرجنسی مشق منظم کرتے ہیں۔

## بورڈ آف ڈائریکٹرز اور اسکی کمیٹیاں

حسب ذیل تشکیل کے مطابق، بورڈ آف ڈائریکٹرز آٹھ اراکان پر مشتمل ہے جس میں سات مرد اراکان اور ایک خاتون رکن شامل ہے۔ سال کے دوران بورڈ آف ڈائریکٹرز کے چھ (6) اجلاس، آڈٹ کمیٹی کے چار (4) اجلاس اور ایمرجنسی ریسپانس اینڈ ریمڈیشن کمیٹی کا (1) اجلاس منعقد ہوا اور ہر ایک ڈائریکٹر کی حاضری بھی دی گئی ہے۔

کمیٹی	نام ڈائریکٹر	تعداد حاضری
آزاد ڈائریکٹرز	جناب شیخ عاصم رفیق جناب خواجہ جمال الدین	6 6
ٹان ایگزیکٹو ڈائریکٹرز	محترمہ باجروہ احسان سلیم جناب خالد بشیر جناب محمد انور جناب محمد ارشد	6 6 6 6
ایگزیکٹو ڈائریکٹرز	جناب انجم محمد سلیم (چیف ایگزیکٹو آفیسر) جناب علی الطاف سلیم (ڈپٹی چیف ایگزیکٹو آفیسر)	6 6



## کافی داخلی کنٹرول

کمپنی کے داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے مؤثر طریقے سے لاگو اور نگرانی کی جاتی ہے۔ بورڈ آف ڈائریکٹرز داخلی کنٹرول کے ماحول کی بابت اپنی ذمہ داریوں سے آگاہ ہے اور اس کے مطابق آپریشنز کے مؤثر اور مؤثرگی کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین و ضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کیلئے داخلی مالیاتی کنٹرولز کا مؤثر نظام قائم کیا ہے۔ آڈٹ سروس آزاد داخلی آڈٹ فنکشن کام کر رہا ہے اور ایسا فنکشن مالیاتی کنٹرولز کے اطلاق کی باقاعدگی سے تشخیص اور نگرانی کرتا ہے۔ بورڈ کی آڈٹ کمیٹی، سرمایہ بنیاد پر باقاعدگی سے داخلی کنٹرول فریم ورک اور مالیاتی حسابات کی مؤثرگی کا جائزہ لیتی ہے۔

## آڈیٹرز

آڈیٹرز KPMG ٹاچر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور اگلے سال کے لئے کمپنی کے آڈیٹر کے طور پر دوبارہ تقرری کے اہل ہیں۔ بورڈ نے، آڈٹ کمیٹی کی سفارش پر، اگلے سال انشا جلاس عام میں ارکان کے غور کے لئے KPMG ٹاچر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

## کارپوریٹ سماجی ذمہ داری

ہم کیونٹیز جس میں کاروبار کرتے ہیں میں فعال طور پر حصہ لینے اور ماحول کو بہتر بنانے کے مواقع تلاش کرتے ہیں۔ بنیادی توجہ کے ہمارے شعبے تعلیم، صحت اور حفاظت، توانائی کی بچت، فضلہ کی کمی اور کیونٹیز کی تعمیر ہیں۔ سال کے دوران شکر گنج نے ان سرگرمیوں میں 5.36 ملین روپے کا حصہ شامل کیا۔ کارپوریٹ کمیونٹی کا ایک ذمہ دار کن ہونے کی حیثیت سے، شکر گنج نے ہمیشہ سیکسز اور دیگر حکومتی لیویز کی مد میں قومی معیشت میں کافی حصہ شامل کیا ہے۔ کمپنی کا وفاقی، صوبائی اور ملکی سیکسز کا حصہ زبردہ سال کے دوران 747 ملین روپے سے زائد تھا۔

شکر گنج میں، کارپوریٹ سماجی ذمہ داری (سی ایس آر) ایک بنیادی اسٹریٹجک منجمنٹ چلاتی ہے جو ہمارے کاروبار، ماحول اور سٹیزن شپ کو اس انداز سے قائم کرتی ہے جو ہمارے ورژن کو مدد دیتی ہے اور ہماری اقدار کو برقرار رکھتی ہے۔ ہمارا مقصد کیونٹیز جس میں ہم کاروبار کرتے ہیں میں ایک مثبت کردار ادا کرنا ہے۔

ہماری کمیونٹی انوالمونٹ پالیسی ہمارے اخلاقی رویہ کے بنیادی عناصر میں سے ایک ہے۔ ہمارا مشن کہ مقصد ڈیور کرنے کیلئے مقامی کیونٹیز کے ساتھ طویل مدتی تعلقات تعمیر کرنے میں مصروف ہمارے پروگرامز، منصوبے جو براہ راست مقامی ضروریات کو پورا کرتے ہیں میں وقت اور ذرائع کی سرمایہ کاری کے ذریعے مضبوط، محفوظ، صحت مند اور تعلیم یافتہ کیونٹیز کا قیام ہیں۔ ہمارا سوشل ایکشن پروگرام (شکر گنج فاؤنڈیشن کے تحت) "Sukh Char Programme" عنوان کے تحت ہماری وسیع کمیونٹی میں سماجی خدمات کی ورائٹی مہیا کرتا ہے۔ ان خدمات میں تعلیم، صحت کی حفاظت، انون کی ترقی اور ہمارے ثقافتی ورثہ کی حفاظت شامل ہیں۔

ہمارے تعلیمی پروگرام میں ہم لاہور یونیورسٹی آف منجمنٹ سائنسز اور نیشنل ٹیکنیکل یونیورسٹی میں اپنا حصہ شامل کرنے کے ذریعے اعلیٰ تعلیم کے لئے فعال مدد فراہم کر رہے ہیں۔ ہمارا سکول کو اپنانے کا اقدام 35 مقامی گرلز اور بوائز سکولوں کو مدد فراہم کرتا ہے جس میں جہاں ضرورت ہو پینے کا صاف پانی، ٹیوشن سلیمنٹ، یونیفارمز، بنیادی ڈھانچہ کی بحالی اور اضافی سہولیات کی تعمیر شامل ہیں۔ شکر گنج سٹیوٹنز فاؤنڈیشن کے ایجوکیشن پروگرام کو بھی مدد فراہم کرتی ہے۔ تعلیم کو بنیادی تعاون فراہم کرنے کے مقصد کے ساتھ ایک پبلک سروسز کے طور پر شکر گنج کے پریسز میں نیچرز ٹریڈنگ انیشیٹیو قائم کیا گیا ہے۔

شکر گنج سکول کے بچوں کو خصوصی مراعات بھی دیتا ہے جس میں سکول کے امتحانات میں اعلیٰ نمبرز حاصل کرنے والوں کو اسکالرشپس اور انعامات، سکول کے بچوں کے لئے کھیلوں کے مقابلے اور سکول کے بچوں اور اساتذہ کیلئے انٹر سکول خوشنظمی کے مقابلے شامل ہیں۔ ہمارے ہیلتھ کیئر کے اقدامات ہماری وسیع کمیونٹی کے دروازے پر بنیادی طبی سہولیات فراہم کرتے ہیں۔ ماہر ڈاکٹروں، پی ایس ایمز، نیکل سٹاف کی تحن ٹیموں اور موبائل ڈسپنسریوں نے سال کے دوران 18,068 سے زائد مریضوں کا علاج کیا اور ہم ہر سال اس تعداد کو بڑھانے کا مقصد رکھتے ہیں۔ اس پروگرام کے ذریعے ڈائیکٹائٹک سہولیات، حفاظتی علاج اور مفت ادویات فراہم کی گئی ہیں۔

ہم اسکول آف آرٹ اینڈ کینی گرافی میں سٹرکچرل ٹریڈنگ پروگرام میں فنکارانہ مہارتوں کو بہتر بنانے میں مقامی ذہانت کو مدد فراہم کرتے ہیں۔ سکول میں شکر گنج کے زیر انتظام ان فنکاروں کے کام کی نمائش اور ثقافتی ورثہ کی ترقی کیلئے ایک ڈسپلے سنٹر بھی قائم کیا گیا ہے۔

## صحت، حفاظت اور ماحول

جیسا کہ ہم ہمیشہ مثالی کارپوریٹ شہری بننے کا ارادہ رکھتے ہیں، صحت، حفاظت، اور ماحولیاتی خدشات ہمیشہ ہمارے اہم فوکل پوائنٹس ہیں۔ ہم اپنے ملازمین، مہمکداروں اور زائرین کے لئے صحت مند، محفوظ اور صاف حالات فراہم کرنے کے لئے مصروف عمل ہیں۔ ایک اچھا کام کرنے والا ماحول فراہم کرنے میں حفاظت سے زیادہ کسی اور کو اعلیٰ ترجیح نہیں دی

میں فیکٹوری کی طرف سے کسی کے نتیجے میں، اس ڈویژن کے آپریٹرز 2016 میں مؤخر رہے اور زبرد جانزدہ سال میں بھی بائو پاور سے کوئی پیداوار نہیں ہوئی۔ اضافی بیگاس کی عدم دستیابی اور فروخت کی کم قیمتوں کی وجہ سے ملڈگ میٹریل ڈویژن زبرد جانزدہ سال میں اپنے آپریٹرز کا آغا نہیں کر سکا تھا، تاہم، گزشتہ سال کے دوران، اضافی بیگاس دستیاب تھا اور کمپنی 1,578 مکعب میٹر پارٹیکل بورڈ بنانے کے قابل تھی۔ یہ صورت حال گئے کی متوقع کم سطح کی کرشنگ اور دستیابی کے ساتھ آئندہ سیزن میں بھی جاری رہنے کی توقع ہے۔

ہمارے ٹیکسٹائل ڈویژن میں یارن کی پیداوار 3.45 ملین کلوگرام ہوئی جو کہ گزشتہ سال میں 3.43 ملین کلوگرام تھی۔ پیداوار میں اضافہ بنیادی طور پر بجلی کی بہتر دستیابی اور لوڈ شیڈنگ کی کمی سے منسوب ہے۔ اوسط فروخت قیمتوں میں بہتری کے ساتھ ساتھ زیادہ مارجنز نے اس ڈویژن کی چھ لائن میں مثبت حصہ شامل کیا۔

### مالیاتی جائزہ:

کمپنی نے موجودہ سال میں نمایاں آپریٹنگ اور مالیاتی اقدامات اٹھائے جیسا کہ اپنی پیداوار اور مالیاتی نتائج کو بہتر بنانے، آپریٹنگ کی فنانسنگ اور قرضوں کی واپس ادائیگی کیلئے لیکویڈیٹی پیدا کرنے کیلئے گزشتہ کئی سالوں سے عمل کیا جا رہا ہے۔ ان کوششوں کے نتیجے میں، زبرد جانزدہ سال کے دوران، کمپنی گزشتہ سال 655.82 ملین روپے مجموعی منافع کمانے کے مقابلے 542.61 ملین روپے مجموعی منافع کمانے کے قابل ہوئی۔ شوگر آپریٹرز میں بہت سی مشکلات کے باوجود، آپ کی کمپنی نے 92.87 ملین روپے کا آپریٹنگ منافع اور کمپنی کے ساتھ ملشد 265.75 ملین روپے کا حصہ اور ٹیکس سے قبل منافع 158.16 ملین روپے حاصل کیا۔ تاہم 172.17 ملین روپے ٹیکس پروویژن کی بدولت، ٹیکس کے بعد نقصان 14.01 ملین روپے ہوا۔ بنیادی کاروبار کے شعبہ میں مشکل حالات اور جاری لیکویڈیٹی دباؤ کے باوجود، کمپنی نے اپنی کارکردگی کو بہتر بنانا جاری رکھا اور مستقبل میں بھی بہتر نتائج کیلئے پُر امید ہے۔ گئے کی بھرپور فصل کے نتیجے میں موالاس کی کم قیمتوں کے ساتھ بائیو فیول قیمتیں نمایاں طور پر بہتر ہوئیں، ہمیں امید ہے کہ آپ کی کمپنی شوگر آپریٹرز میں نقصانات کو پورا کرنے کیلئے بائیو فیول کاروبار کو منافع بخش طور پر چلانے میں جاری رکھے گی۔

کمپنی موجودہ اور ممکنہ قرض دہندگان کے ساتھ گفت و شنید کے ذریعے لیکویڈیٹی مسائل پر قابو پانے کیلئے مسلسل کوششیں کر رہی ہے۔ 30 ستمبر 2018 کے مطابق، کمپنی نے اپنے ذمہ واجب الادا ریٹیم ایبل فرم فنانس سرٹیفیکیشن، حاصل مارک اپ کے ساتھ پرنٹرس شیڈز کی دوبارہ ادائیگی اور ری پیڈری سٹرکچرری شیڈ وڈ ٹول مدت قرضوں کو مکمل طور پر طے کر لیا ہے۔ اس تاریخ کے مطابق، پرانے ٹول مدت قرض 195 ملین روپے اور 250 ملین روپے کا نیا قرض جو فیصل بینک آف پاکستان کو بانترتیب دسمبر 2020 اور جولائی 2021 تک ختم میں اقساط کی صورت واجب قابل ادا ہے۔ نئی قرض کی رقم 95 ملین روپے بھی فرسٹ کریڈٹ اور انویسٹمنٹ بینک سے حاصل کی گئی جو جون 2021 تک ختم میں اقساط کی صورت واپس قابل ادا ہے۔ کمپنی کو اپنے منصوبہ کی بنیاد پر یقین ہے کہ اسے قرض دہندگان سے یہ مدد ملتی رہے گی اور اپنے قرض دہندگان سے کافی ورکنگ کیپٹل فنڈنگ حاصل کرنے کے قابل بھی رہے گی۔

### اصل خطرات اور غیر یقینی صورتحال کا مقابلہ

کمپنی کو درپیش اصل خطرات اور غیر یقینی صورتحال حسب ذیل ہیں۔

- ✓ اضافی شوگر پیداوار، حکومتی مداخلت، مارکیٹ قوتوں کو کام کرنے کی اجازت نہیں دے رہی۔
- ✓ چینی کی قیمت فروخت کے مقابلے گئے کی زیادہ قیمت خرید۔
- ✓ ہماری میکسز، سیکز ٹیکس ریش نے پیداوار کو ختم کر دیا۔
- ✓ آجپاشی پانی کی کمی، فصل کی فی ایکڑ پیداوار میں کمی اور کم صلاحیتی استعمالات۔
- ✓ نقصان دہ سیاسی دلچسپیاں
- ✓ زراعت پر مبنی صنعت، قدرتی آفات کے حالات کے اصل خطرات۔
- ✓ برآمدات کی بروقت اجازت نہیں جس نے کمپنی اور چینی کی قیمتوں کو بڑی طرح متاثر کیا۔
- ✓ پیداوار اور لیبر کی لاگت میں اضافہ۔
- ✓ آپریٹنگ اخراجات میں مجموعی افرار میں اضافہ۔
- ✓ ماحولیاتی تعلقات اور شوگر فری مصنوعات۔
- ✓ روپے کی قدر میں مزید کمی لاگت میں اضافہ پر متوجہ ہوگی۔
- ✓ بینکوں کی طرف سے اضافی قرضہ اور زیادہ ریش کی وجہ سے مالی لاگت میں اضافہ



## ڈائریکٹرز کی رپورٹ

### محترم شہر گنج سرمایہ کاران:

آپ کی کمپنی کے ڈائریکٹرز کمیٹی ریکارڈ 2017 کی دفعہ 227 کی تعمیل میں 30 ستمبر 2018 کو ختم ہونے والے سال کے لئے اپنی رپورٹ مع کمپنی کے نظر ثانی شدہ مالیاتی حسابات بخوشی پیش کر رہے ہیں۔

شہر گنج لمیٹڈ ("کمپنی") پاکستان میں قائم ہوئی اور پاکستان سٹاک ایکسچینج پر مندرج ہے۔ یہ بنیادی طور پر چینی، ہائیڈرو پاور، تعمیراتی میٹریل، یارن (ٹیکسٹائل) کی تیاری، خریداری اور فروخت کے کاروبار میں مشغول ہے۔ کمپنی کی اصل مینوفیکچرنگ سہولیات، جھنگ اور سیٹلائٹ مینوفیکچرنگ سہولیات بھون میں واقع ہیں۔

### کمپنی کے معاملات اور اسکے کاروبار کا جائزہ

#### مالیاتی نتائج:

کمپنی کے مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

#### روپے ہزاروں میں

2017	2018	
11,360,157	7,404,243	فروخت - خالص
655,815	542,613	مجموعی منافع
324,500	92,871	آپریٹنگ سے منافع
195,344	265,754	ایکویٹی سے منافع کا حصہ بلحاظ سرمایہ کاری
350,012	158,161	قبل از ٹیکس منافع / نقصان
(139,193)	(172,169)	ٹیکسیشن
210,819	(14,008)	بعد از ٹیکس منافع / نقصان
1.80	(0.11)	منافع / نقصان فی شیئر - بنیادی اور معتدل (روپے)

### کمپنی کے کاروبار کا جائزہ

کمپنی کی کم قیمت فروخت اور حکومت پنجاب کی طرف سے مقرر کردہ گئے کی خرید کی زیادہ شرح کی بدولت ہماری کرشمک ہم کے آغاز میں تاخیر ہوئی۔ پاکستان میں مجموعی چینی کے معیار نامور ملک میں چینی کی توقع اضافی پیداوار کے مد نظر، شوگر ملز وفاقی اور صوبائی حکومتوں کے حصہ پر با معنی اقدامات کے بغیر کرشمک ییزن شروع کرنے سے ہنگامہ داری تھیں، منافع بخش انداز میں چینی بنا تا تقریباً ناممکن ہوگا۔ اپنی تاریخ میں پہلی بار شہر گنج نے حکومت کی طرف سے مجبور کئے جانے پر دسمبر 2017 کے آخری ہفتہ میں اپنی کرشمک کا آغاز کیا۔

ہمارے ہائیڈرو پاور ہارنے اچھی کارکردگی کا مظاہرہ کیا اور بہتر قیمتوں کی بدولت متاثرین منافع ہوا اور کمپنی کو اسکی درآمدات کو گنا کرنے کا موقع فراہم کیا۔ گزشتہ دو سالوں کے دوران 70% سے زیادہ کا اضافہ ہائیڈرو پاور برآمدات میں درج کیا گیا۔ گئے کی امدادی قیمت اور چینی کی مجموعی فروخت قیمت کے درمیان بہت زیادہ اختلاف کے باعث چینی کے شعبہ میں ہماری نقصانات کے باوجود کمپنی نے گزشتہ سال میں 655.82 ملین روپے مجموعی منافع کے مقابلے رواں سال 542.61 ملین روپے منافع کمایا۔ شوگر ڈویژن نے کم کمپنی استحالات کی وجہ سے مقررہ فی اکائی اور ہیڈرز زیادہ اخراجات اور گئے کی اعلیٰ قیمت کے لحاظ سے پیداوار کے زیادہ اخراجات کی بدولت 492.17 ملین روپے کے آپریٹنگ نقصانات درج کئے۔ مذکورہ بالا عناصر کی بدولت، زیر جائزہ سال کا ٹیکس کے بعد نقصان 14.01 ملین روپے ہوا جبکہ گزشتہ سال میں 210.82 ملین روپے ٹیکس کے بعد منافع ہوا تھا۔

شوگر ڈویژن نے 9.20 فیصد کی ریکوری شرح پر 61,634 میٹرک ٹن چینی بنانے کے لئے 669,064 میٹرک ٹن گنا کرش کیا۔ گئے کی کرشمک اور پیداوار میں 50% سے زیادہ کی مجموعی کمی ہوئی جبکہ گزشتہ سال 9.36 فیصد کی ریکوری شرح پر 1,543,849 میٹرک ٹن گئے کی کرشمک سے 144,460 میٹرک ٹن چینی حاصل کی گئی۔

زیر جائزہ سال کے دوران، ہائیڈرو پاور ڈویژن کی کارکردگی 56.73 ملین لٹرز (FY 17 : 41.62 لٹرز) پیداوار کے ساتھ شاندار رہی۔ ہائیڈرو پاور ڈویژن گزشتہ سال کے مقابلے بہتر اور فروخت قیمتوں کے لحاظ سے 35 فیصد تک زیادہ ہوئی۔ پیداوار میں اضافہ برآمد فروخت میں نمایاں اضافہ کے موافق تھا۔ ہمارے ہائیڈرو پاور کاروبار سے بجلی کی شرح خرید

- 6۔ مؤثر مالی نگرانی کی فراہمی: بورڈ یقینی بناتا ہے کہ بجٹ سالانہ اسٹریٹجک منصوبہ میں قائم ترجیحات کی عکاسی کرتا ہے اور یہاں کاؤنٹس کے آؤٹ یا آزاد آزمائشی پر قابو پانے والے قواعد و ضوابط پر عمل کرتا ہے اور آزاد آزمائشی کی رپورٹ اور منجمنٹ لیٹر میں تمام غلطیاں پر غور کرتا ہے۔
- 7۔ ایک ذمہ دار آجر کا کردار ادا کرنا: بورڈ نے ضروری پالیسیاں تشکیل دی ہیں جو اس بات کو یقینی بناتی ہیں کہ تنظیم عملے، حکیمداروں، وینڈرز اور اس کی جانب سے کام کرنے والے کسی دوسرے فرد کی طرف مناسب اور قانونی طریقے کا سلوک روادار کرتی ہے۔
- 8۔ بورڈ اور عملہ کے درمیان تعلقات: بورڈ اور انتظامی عملے کے کردار اور ذمہ داریوں کی واضح طور پر وضاحت، فہم، باہمی اعتماد کا ماحول اور بورڈ اور انتظامیہ کے درمیان احترام موجود ہے۔
- 9۔ تنظیم کے بارے میں عوامی تصور: بورڈ کے اراکان کیونٹی میں تنظیم کے مثبت تصور کو فروغ دیتے ہیں۔
- 10۔ سی ای او کی کارکردگی کا جائزہ: بورڈ منصفانہ اور منظم طریقے سے سی ای او کی کارکردگی کی تشخیص کرتا ہے اور اس بات کو یقینی بناتا ہے کہ سی ای او کی محنت اور کمپنی کی کارکردگی، حصص داران کے مفادات اور کمپنی کی طویل مدتی کامیابی سے موزوں طور پر منسلک ہے۔
- 11۔ بورڈ کی ساخت اور محرکات: بورڈ کا ساخت اور ساخت بورڈ کے طریقہ کار کو کنٹرول کرنے کے لئے کافی ہے اور اراکین بورڈ کے کام میں فعال طور پر مصروف ہیں۔ بورڈ اپنی ذمہ داریوں 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 اسٹریٹجک 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 قابل تعریف ہیں جو کمپنی کے موجودہ مالیاتی نتائج اور کارکردگی کی حقیقی عکاسی کرتے ہیں۔

محمد انور

محمد انور

چیئرمین

03 جنوری 2019ء

## چیرمین کی جائزہ رپورٹ

مجھے شکر گنج لمیٹڈ کے حصص داروں کو بورڈ کی مجموعی کارکردگی 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 اور منطقی انتظامات کا معاون مضبوط گورننس فریم ورک لاگو 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۔ آڈٹ کمیٹی نے خاص طور پر کاروبار سے منسلک خطرات کے انتظام اور کنٹرول پر توجہ مرکوز رکھی ہے۔ ساتھ ہی ساتھ، انسانی وسائل اور ریمیزیشن کمیٹی نے اس بات کو یقینی بنایا 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، حصص داروں کے مفادات 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 لگی ان کی 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 2018 کے لئے جولائی 2018 میں لیا گیا تھا۔ بورڈ کی مجموعی طور پر موثرگی اطمینان بخش تھی۔ شعبے 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- **اسٹریٹجک منصوبہ بندی میں مصروفیت:** بورڈ حصص داروں کو بخوبی سمجھتا ہے جن کو تنظیم خدمات فراہم کرتی ہے یعنی اپنے حصص داران، کسانوں، صارفین، ملازمین، وینڈرز، معاشرہ)۔ بورڈ کا اسٹریٹجک نقطہ نظر ہے کہ اگلے تین سے پانچ سالوں میں تنظیم کو کس طرح تیار رہنا چاہئے اور اس کی ترقی کو ٹریک کرنے کے لئے اہم اشاروں کی نشاندہی کی ہے۔
- 3- **پالیسیوں کی تشکیل:** بورڈ نے ایسی پالیسیاں تشکیل 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 نگرانی:** بورڈ تنظیم کی موجودہ کاروباری سرگرمیوں بشمول ہر ایک اہم سرگرمی کی مضبوطی اور کمزوری کے بارے میں بخوبی واقف ہے اور سرگرمی/شعبہ دار کارکردگی کی نگرانی 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 بنیاد پر مناسب سست اور نگرانی فراہم کرتا ہے۔

# FORM OF PROXY

I/We \_\_\_\_\_, being member(s) of Shakarganj Limited and holder of \_\_\_\_\_ Shares as per Folio No. \_\_\_\_\_/CDC Participation ID # \_\_\_\_\_ and Sub Account # \_\_\_\_\_/CDC Investor Account ID # \_\_\_\_\_ do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ having Folio No. \_\_\_\_\_ CDC Participation ID # \_\_\_\_\_ and Sub Account # \_\_\_\_\_/CDC Investor Account ID # \_\_\_\_\_ 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 Monday, 28 January 2019 at 10:00 am, at Liberty Castle, 79-D-1, Main Boulevard, Gulberg-III, Lahore and at any adjournment thereof.

As witness my / our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

1. Name \_\_\_\_\_  
C.N.I.C \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

2. Name \_\_\_\_\_  
C.N.I.C \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_

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 Share Registrar Office of the Company, CorpTec Associates (Private) Limited, 503-E, Johar Town, Lahore, 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# 1 dated January 26, 2000 of the Securities and Exchange Commission of Pakistan for appointing Proxies:
  - i) In case of individuals, the account holder or sub-account holder whose securities 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 CNIC numbers shall be mentioned on the form.
  - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
  - v) In case of 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.

## مختار نامہ

میں اہم \_\_\_\_\_ کا \_\_\_\_\_  
 بحیثیت رکن شریعہ لمیٹڈ اور عامل عام حصص، بمطابق شیئر رجسٹر فوئیو نمبر \_\_\_\_\_ اور ایسی ڈی سی  
 پارٹیسپنٹ (شرکت) آئی ڈی نمبر \_\_\_\_\_ اور سب کاؤنٹ (ذیلی کھاتہ) نمبر \_\_\_\_\_  
 محترم / محترمہ \_\_\_\_\_ کو اپنے اہمارے ایما پر \_\_\_\_\_ مورخہ 28 جنوری 2019ء بروز جمعہ  
 بمقام لبرٹی کیسل، 79-D-1، مین بلیوارڈ گلبرگ-III، لاہور صبح 10:00 بجے \_\_\_\_\_ منعقد ہونے والے کمپنی کے سالانہ اجلاس عام  
 میں حق رائے دہی استعمال کرنے یا کسی بھی التوا کی صورت اپنا ہمارا بطور مفاد (پرائیسی) مقرر کرنا ہوں کرتے ہیں۔

آج بروز \_\_\_\_\_ بتاریخ \_\_\_\_\_، 2019ء کو دستخط کئے گئے۔  
 گواہان:

پانچ روپے مالیت کے رسیدی ٹکٹ پر دستخط

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

1- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپنی رازداری شافی کارڈ یا سپورٹ نمبر: \_\_\_\_\_

2- دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

پتہ: \_\_\_\_\_

کمپنی رازداری شافی کارڈ یا سپورٹ نمبر: \_\_\_\_\_

نوٹ:

- 1- ایک نمبر (رکن) اجلاس میں شرکت اور ووٹ دینے کا ہمارا اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
- 2- ایک نمبر (رکن) اجلاس میں شرکت نہیں کر سکتا، اس فارم کو مکمل کر کے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی سیکریٹری شریعہ لمیٹڈ لاہور کے پتے پر ارسال کرے۔
- 3- سی ڈی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج چابیات پر عمل کرنا ہوگا:
  - (الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایسا وہ جس کی تکلیف دہی گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ  
 نوڈ ہوں انہیں کمپنی کی جانب سے دی گئی چابیات کی رجسٹریشن میں پرائیسی فارم جمع کرنا ہوگا۔
  - (ب) حق رائے دہی بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپنی رازداری شافی کارڈ نمبرز فارم پر درج ہوں۔
  - (ج) تنظیماتی امور (مستقل ہونے والے فرد) کمپنی رازداری شافی کارڈ یا سپورٹ کی تصدیق کی ضرورت نہیں بلکہ کرنی ہوگی جسے نائب حق رائے دہی کے حوالہ پیش کرے گا۔
  - (د) اجلاس کے وقت نائب کو اپنا اصل کمپنی رازداری شافی کارڈ یا اصل سپورٹ پیش کرنا ہوگا۔
  - (و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت نمبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد مع نامزد کردہ شخص (کارپوریٹ) کے نمونہ دستخط یا درج ذیل (اگر پہلے فراہم نہ کئے گئے  
 ہوں) پرائیسی فارم (عبارت سے) کے حوالہ پیش 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 ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

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 ہذا سرٹیفیکیٹ ("سرٹیفیکیٹ") کا/کے شیئر ہولڈر (ہولڈرز) ہونے کے ہائے کفایت کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی ذیل میں دیے گئے  
ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کفایت کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/کرتے  
ہیں۔

میں سمجھتا ہوں کہ سرٹیفیکیٹ کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاس عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا پینز ایکٹ، 2017ء کی  
دفعات کے تحت ذکر کیا گیا ہے۔

- 1۔ شیئر ہولڈر (ہولڈرز) کا نام
- 2۔ والد/شوہر کا نام
- 3۔ سی این آئی سی
- 4۔ این ٹی این
- 5۔ پارٹنر/سی ایف آئی ڈی/فولیو نمبر
- 6۔ ای میل ایڈریس
- 7۔ فون نمبر:
- 8۔ میٹل ایڈریس:

دستخط

(کارپوریٹ شیئر ہولڈرز کی صورت میں،  
مجاز دستخط کنندہ لازمی دستخط کرے)

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 September 30, \_\_\_\_ 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**

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

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

ممبر کا نام: .....

سی این آئی سی نمبر/ پاسپورٹ نمبر .....

فولیو/ سی ڈی سی پارٹیشن آئی ڈی/ سب ا/c نوٹسٹر a/c .....

رجسٹرڈ ایڈریس: .....

میں/ ہم آپ سے درخواست کرتا ہوں/ کرتے ہیں کہ مجھے/ ہمیں شکر گنج لمیٹڈ کے 30 ستمبر ..... کو ختم ہونے والے سال کی سالانہ رپورٹ کی ہارڈ کاپی، سی ڈی/ ڈی ڈی/ یو 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 دوں گا/ دیں گے۔

تاریخ: .....

.....  
ممبر کے دستخط

**نوٹ:** یہ معیاری درخواست فارم کمپنی میگزینری یا کمپنی کے انڈیپنڈنٹ سینئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

**کمپنی میگزینری**

شکر گنج لمیٹڈ

E فلور، آئی ٹی ٹاور، E-73/ع، عالی روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

**چیف ایگزیکٹو**

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

انڈیپنڈنٹ سینئر رجسٹرار آف شکر گنج لمیٹڈ

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 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/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

# ای۔ڈیویڈنڈ فارم (الیکٹرانک طریقے سے ڈیویڈنڈ کی ادائیگی)

دی کمپنی سیکرٹری/شیئر رجسٹرار،

میں / ہم..... حامل سی این آئی سی نمبر..... فو لیو نمبر..... کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر ہونے کی حیثیت سے بیان کرتا ہوں کہ لسٹڈ کمپنیوں کی طرف سے ڈیویڈنڈ کی ادائیگیوں سے متعلق کمپنیز ایکٹ، 2017ء کے سیکشن 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 اوپر بیان کردہ معلومات میں کوئی تبدیلی ہوئی تو جیسے ہی یہ تبدیلی ہوگی میں نظر ثانی شدہ ای۔ڈیویڈنڈ فارم کے ذریعے کمپنی اور متعلقہ شیئر رجسٹرار کو فوری طور پر اس کی اطلاع دوں گا۔

ٹائٹل آف بینک اکاؤنٹ	
بینک اکاؤنٹ نمبر	
آئی بی اے این نمبر	
بینک کا نام	
برانچ کا نام اور ایڈریس	
شیئر ہولڈر کا سیل نمبر	
شیئر ہولڈر کا لینڈ لائن نمبر	
شیئر ہولڈر کا ای میل	

سی ڈی سی شیئر ہولڈنگ کی صورت میں، میں بذریعہ ہذا یہ وعدہ بھی کرتا ہوں کہ متعلقہ پارٹیسپنٹ کے ذریعے سنٹرل ڈیپازٹری سسٹم میں اپنے بینک اکاؤنٹ کی مذکورہ بالا معلومات کو اپ ڈیٹ کروں گا۔

تاریخ.....

ممبر کے دستخط

نوٹ: یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

چیف ایگزیکٹو

میسرز کارپٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
انڈیپنڈنٹ شیئر رجسٹرار آف شکر گنج لمیٹڈ  
E-503، جوہر ٹاؤن، لاہور  
ای میل: info@corpetc.com.pk

کمپنی سیکرٹری

شکر گنج لمیٹڈ  
E فلور، آئی ٹی ٹاور، 73/E-1، حالی 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, Hall Road, Lahore  
Email: [asifmalik@shakarganj.com.pk](mailto:asifmalik@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](mailto:info@corptec.com.pk)



# ای۔ فارم برائے ویڈیو کانفرنس سہولت

دی کمپنی سیکرٹری/شیئر رجسٹرار،

..... سے تعلق رکھنے والا/ والے، میں/ ہم، ..... حامل ..... عام حصص فلیو نمبر (نمبرز) ..... / سی ڈی سی پارٹنر شپ  
ID نمبر ..... اور سب اکاؤنٹ نمبر ..... سی ڈی سی انویسٹر اکاؤنٹ ID نمبر ..... کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے  
..... کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام کے لئے ..... میں ویڈیو کانفرنس سہولت کی درخواست کرتا ہوں / کرتے ہیں۔

تاریخ: .....

ممبر کے دستخط

**نوٹ:** یہ معیاری درخواست فارم کمپنی سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل سچے پریسیجا جاسکتا ہے۔

**کمپنی سیکرٹری**

شکرج لمیٹڈ

E فلور، آئی ٹی ٹاور، 1-E/73، حالی روڈ، لاہور

ای میل: asif.malik@shakarganj.com.pk

**چیف ایگزیکٹو**

میسرز کارپ لیگ ایسوسی ایشن (پرائیویٹ) لمیٹڈ

انڈیپنڈنٹ شیئر رجسٹرار آف شکرج لمیٹڈ

E-503، جوہڑا کن، لاہور

ای میل: info@corpetc.com.pk



**Shakarganj Limited**

Executive Floor, IT Tower, 73 E 1  
Hali Road, Gulberg III, Lahore, Pakistan  
Telephone: (042) 111 111 765  
Fax: (042) 3578 3811