ANNUAL REPORT 2019

Shakarganj Limited

Company That BELIEVES in you!

Contents

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

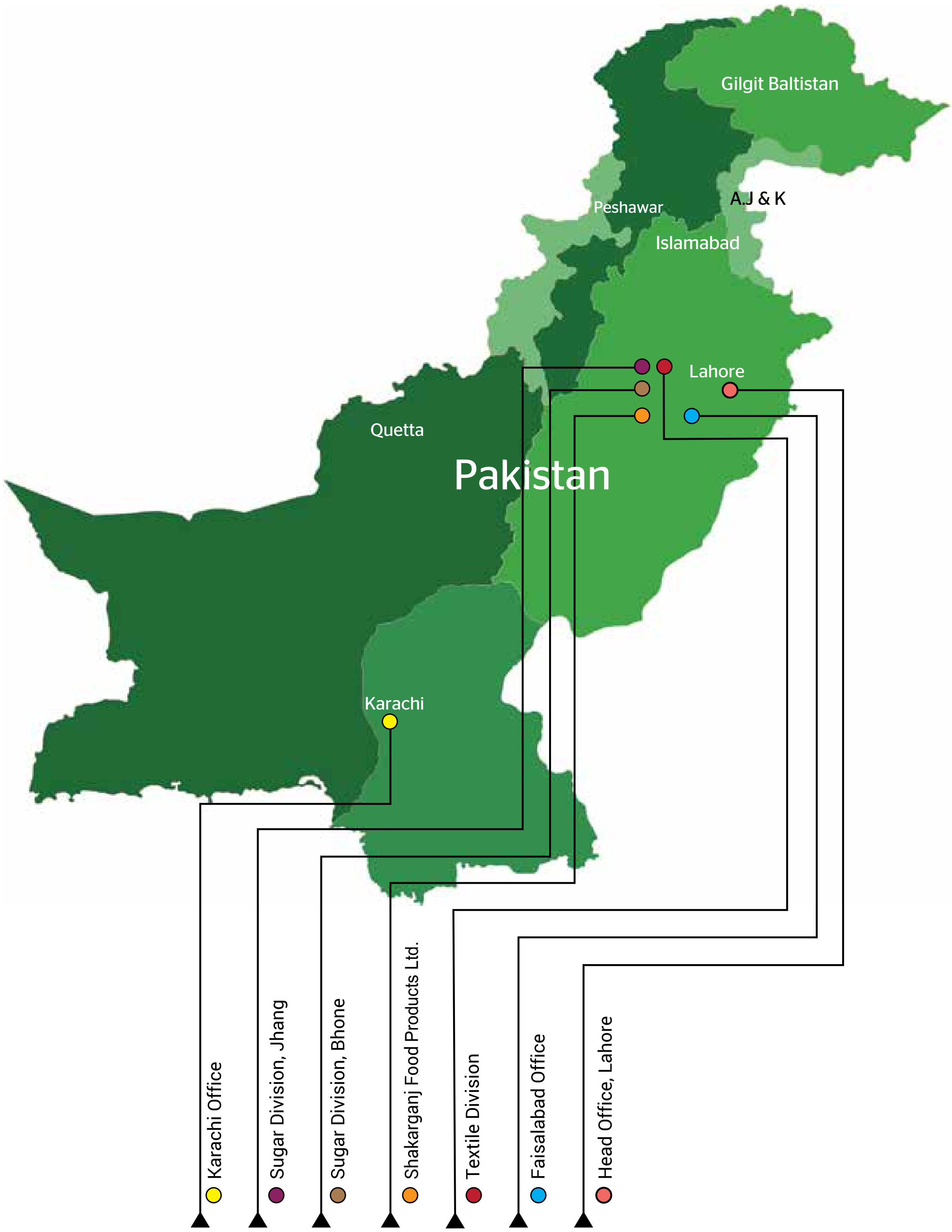
To be a socially responsible corporate citizen supporting education, health, environment, and socio economic development of its community

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)	Muhammad Anwar
2.	Chief Executive Officer	Anjum Muhammad Saleem
	In alphabetic order:	
3.	Executive Director	Ali Altaf Saleem
4.	Non-Executive Director	Hajerah Ahsan Saleem
5.	Non-Executive Director	Khalid Bashir
6.	Non-Executive Director (Independent)	Khawaja Jalaluddin
7.	Non-Executive Director	Muhammad Arshad
8.	Non-Executive Director (Independent)	Sheikh Asim Rafiq

Chief Financial Officer
Muhammad Asif

Company Secretary
Asif Ali

Audit Committee
Chairman
Khalid Bashir

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

Human Resource & Remuneration Committee
Chairman
Muhammad Anwar

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

Shareholders' Information

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

Products

- Sugar
- Biofuel
- Yarn
- Tiger Compost

Legal Advisor

Saad Rasool Law Associates
Hassan & Hassan Advocates

Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Bankers

MCB Bank Limited
National Bank of Pakistan
Bank Islami Pakistan Limited

Works

Principal Facility

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

Satellite Facility

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

Website

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

Registered and Principal Office

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

Karachi Office

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

Faisalabad Office

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

Share Registrar

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

Annual General Meeting

The 52nd Annual General Meeting of Shakarganj Limited will be held on Monday, 27 January 2020- 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, as well as textiles. We transform renewable crops such as sugarcane and cotton into value added products including refined sugar, biofuel, textiles etc. 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.

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 facility 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.

Textile Business:

This cotton spinning unit produces carded cotton and PC yarn ranging from 10/s to 33/s and doubled cotton yarn ranging from 8 to 40 TPI. The installed capacity is 24,960 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 166 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.

shakarganj®
FOOD PRODUCTS LIMITED

SFPL comprises of three divisions – Dairy, Juice and Pulp & Concentrates. The Dairy and Juice division uses Tetra Pak packages to deliver UHT dairy and beverage products to the local market. The Pulp & Concentrate 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 & JUICE 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 & JUICE PLANT

- Processing and packaging plant located at Jaranwala.
- Machinery from internationally renowned companies such as Tetra Pak.
- Well-equipped, state of the art of 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 HILAL

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

PULP & CONCENTRATE 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: Food Safety System Certification 22000 and HACCP.

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

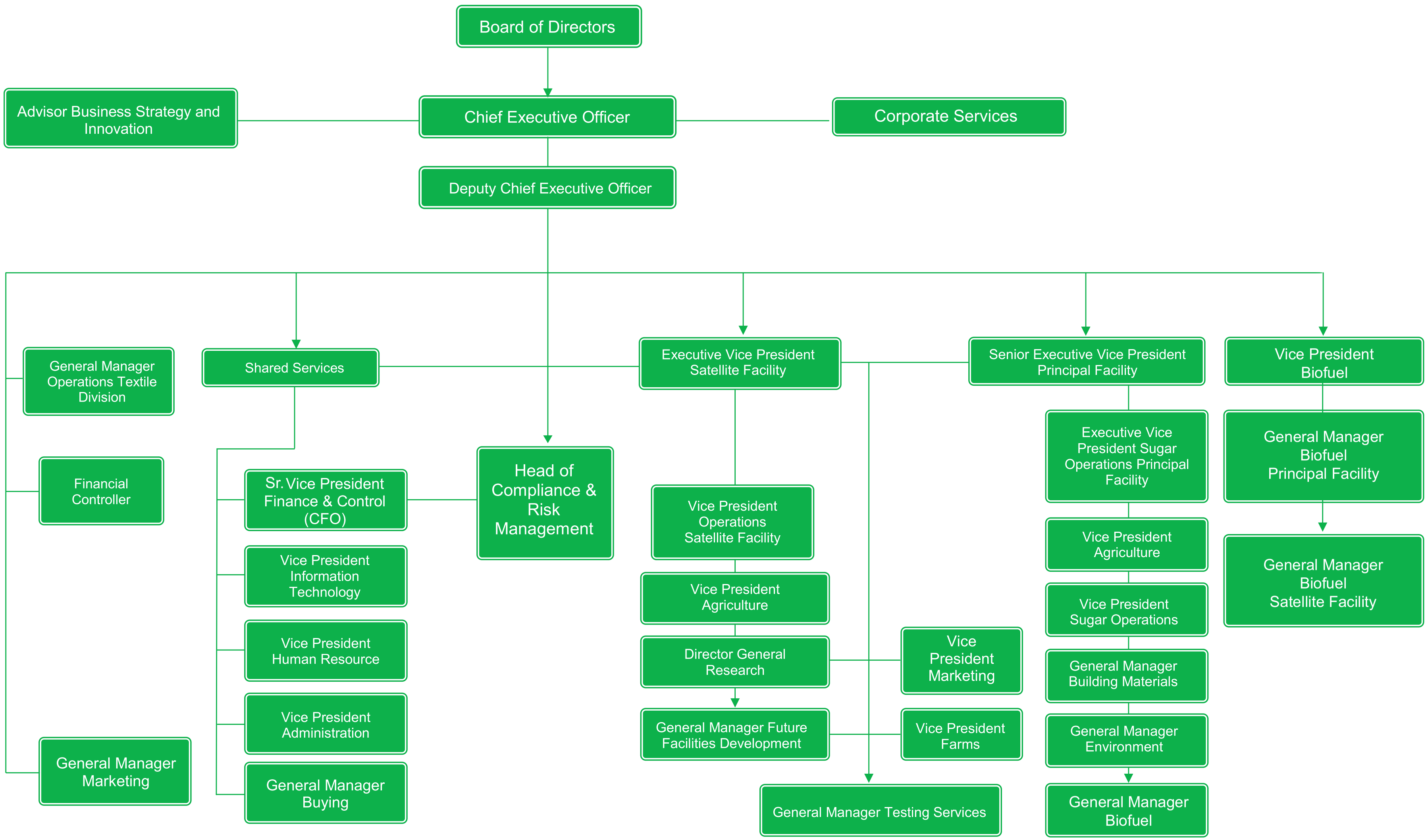
This Committee is responsible for formulation of business strategy, review of risks and their mitigation plan. Further, the Committee is also responsible for staying abreast of developments and trends in the Industry to assist the Board in planning for future capital intensive investments and growth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

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 2019 for the fiscal year 2019. 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 organization.
2. **Engagement in strategic planning:** The Board has a clear understanding of the stakeholders whom the organization is meant to serve i.e. its shareholders, farmers, customers, employees, vendors, and the community. The Board has the strategic vision of how the organization 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. **Monitoring the organization's business activities:** The Board is knowledgeable about the organization'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 organization 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. **Organization's Public Image:** Board members promote a positive image of the organization 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 despite of the tough macroeconomic situation. 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

27 December 2019

Director's Report

Dear Shakarganj Shareholder:

The Directors of Shakarganj Limited ("the Company") have the pleasure in submitting their report together with audited financial statements of the Company for the year ended 30 September 2019.

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

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, yarn (textile). The Company has its principal manufacturing facilities at Jhang and satellite manufacturing facilities at Bhone.

Financial Results

The financial results of the Company are summarised below:		2019	2018
		(Rupees in thousand)	
Sales – net		6,251,907	7,404,243
Gross (loss) / profit		(145,595)	357,150
(Loss) / profit from operations		(448,715)	92,871
Share of (loss)/profit from equity accounted investment		(23,540)	265,754
(Loss) / profit before taxation		(803,289)	158,161
Taxation		51,756	(172,169)
Loss for the year		(751,533)	(14,008)
Loss per share - basic and diluted	(Rupees)	(6.01)	(0.11)

Overview of the Company's Business

This year we could not start our crushing campaign timely again due to declined selling prices of sugar and high rates of sugarcane fixed by the Government. Shakarganj started its crushing campaign on 30 December 2018 which ended on 22 March 2019 resulting a very short season. At the start up, sugar mills were reluctant to start crushing season and none of the sugar mills in Punjab could start crushing till the mid of December 2018. Unpredictable and impractical policies of the government pertaining to sugar exports had created problems both for millers and growers. However, price of sugar was subsequently improved but due to low per acre yield of sugarcane, the season ended up early with low capacity utilization, however, sugar recovery was improved which reduced the loss marginally in our sugar business.

In view of low level of crushing, our biofuel business performance suffered due to restricted availability of molasses and the price of molasses jumped up quickly rendering biofuel business no more viable. The price increased almost by hundred percent due to which biofuel operations were abandoned most of the time during the year under review. Despite of biofuel business scenario as well as heavy losses sustained in the sugar segment, still the Company restricted a gross loss of Rs. 145.60 million compared to a gross profit of Rs. 357.15 million in the last year. Sugar Division recorded operational losses of Rs. 548.62 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. 751.53 million as compared to after tax loss of Rs. 14.00 million in the last year.

The Sugar Division crushed 484,762 MT of sugarcane to produce 49,016 MT of sugar, at a recovery rate of 10.13 percent. There was an overall decrease of more than 28% in sugarcane crushing and 20% in sugar production compared to the previous fiscal year with 61,634 MT of sugar produced from 669,064 MT of sugarcane at a recovery rate of 9.20 percent. The higher recovery is attributable to crushing of quality sugarcane which reduced the loss marginally in our sugar business.

During the year under review, the performance of the Biofuel Division remained depressed with production at 15.16 million litres (FY18: 56.73 million litres). Biofuel production decreased by more than 73 percent when compared to the last year mainly on account of higher prices of molasses.

Yarn production at our Textile Division increased to 4.67 million kg from 3.45 million kg in the previous year. The increase in production was attributable to better availability of electricity and decreased levels of load shedding as well as increase in production capacity with BMR of 20 Ring Frame.

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. In challenging business environments heavy losses were expected but due to management efforts these were controlled wherever possible to minimize the bottom line figures. The Company is making continuous efforts to overcome the liquidity problems through negotiations with its existing as well as potential lenders. As of this date, old long term loans of Rs. 117.24 million, and another loan of Rs. 200 million were due to the National Bank of Pakistan repayable in installments ending in December 2020 and July 2021 respectively. Borrowing amounting to Rs. 67.5 million was also obtained from First Credit and Investment Bank which was repayable in installments ending in June 2021. For financing of Company's business working capital lines are available from the National Bank of Pakistan totaling to Rs. 1,700 million. Other working capital lines are available from MCB Bank Limited amounting to Rs. 1,200 million and from Bank Islami Pakistan Limited amounting to Rs. 100 million. 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 currently faced 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 on finished products
- 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 sugar prices
- Increasing cost of production and labour
- Overall inflationary increase in operational expenses
- Environmental concerns and sugar free products
- Further Rupee devaluation will be resulting in cost escalation
- 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's assets, compliance with applicable laws and regulations and has a reliable financial reporting system. 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 have not offered themselves for reappointment in compliance with the requirement of clause (xxxvii) of the code of corporate governance regarding rotation of auditors. We place our sincere thanks & appreciation for their services. The Audit Committee of the Board has recommended the appointment of Riaz Ahmad & Co, Chartered Accountants as auditors for the year ending 30 September 2020 for shareholders' consideration 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. 5.51 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. 647.31 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.

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 22,781 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 eighty two 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 biogas 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, five (5) 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	5 3
Non-Executive Directors	Ms. Hajerah Ahsan Saleem Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Muhammad Arshad	4 5 5 1
Executive Directors	Mr. Anjum Muhammad Saleem (Chief Executive Officer) Mr. Ali Altaf Saleem (Deputy Chief Executive Officer)	4 5

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 3 4 2
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 reported / carried out by the directors, executives and their spouses and minor children.

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 2019. 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

In fiscal year 2020, we expect comparatively better production with the improvements in margins and foreign exchange rates, biofuel business is expected to contribute significantly. 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.

Outlook for the sugar business is dependent on timely and suitable decisions on the 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. Heavy taxation, increase in sugarcane prices and price war may adversely affect the results of the sugar business as well as overall results of your Company. 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 expected. The management remains committed for improving operational profitability and the liquidity position of the Company to achieve profitable results in fiscal year 2020.

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

27 December 2019

Financial Highlights

		2019	2018	2017	2016	2015	2014	2013
Profitability & Ratios Area:								
Net Sales	(Rs 000)	6,251,907	7,404,243	11,360,157	4,373,219	6,578,986	11,356,340	13,507,225
Cost of Sales	(Rs 000)	6,397,502	7,047,093	10,704,342	4,668,941	6,647,610	11,402,233	12,512,771
Gross Profit / (loss)	(Rs 000)	(145,595)	357,150	655,815	(295,722)	(68,624)	(45,893)	994,454
Operating Profit/(Loss)	(Rs 000)	(448,715)	92,871	324,500	(140,704)	(183,146)	(378,875)	568,825
Profit/(Loss) Before Tax	(Rs 000)	(803,289)	158,161	350,012	(31,663)	(42,652)	(584,585)	329,362
Profit/(Loss) After Tax	(Rs 000)	(751,533)	(14,008)	210,819	(17,893)	(142,756)	(638,809)	267,012
Earnings/(Loss) Before Interest, Taxes, Depreciation & Amortization (EBITDA)	(Rs 000)	143,350	858,121	1,054,322	733,985	829,395	71,650	1,109,582
Gross Profit Ratio	(%)	(2.33)	4.82	5.77	(6.76)	(1.04)	(0.40)	7.36
Net Profit to Sales	(%)	(12.02)	(0.19)	1.86	(0.41)	(2.17)	(5.63)	1.98
EBITDA Margin to Sales (net)	(%)	0.02	0.12	0.09	0.17	0.13	0.01	0.08
Operating Leverage Ratio	(%)	14.89	0.89	1.53	0.68	4.19	8.38	4.06
Return on Capital Employed	(%)	(4.86)	4.08	7.66	(2.60)	(3.52)	(6.45)	35.10
Liquidity Ratios Area:								
Current Assets	(Rs 000)	992,065	1,485,414	1,599,932	814,003	2,767,463	1,501,818	1,414,570
Current Liabilities	(Rs 000)	4,170,356	4,052,096	3,962,002	4,567,308	7,972,985	6,669,301	6,611,816
Net Current Assets / (Liabilities)	(Rs 000)	(3,178,291)	(2,566,682)	(2,362,070)	(3,753,305)	(5,205,522)	(5,167,483)	(5,197,246)
Property, Plant and Equipment	(Rs 000)	10,253,780	10,825,661	8,487,270	8,987,560	9,599,483	10,254,043	6,252,667
Total Assets	(Rs 000)	13,350,983	14,307,132	11,270,752	10,839,796	13,328,591	12,411,426	8,815,303
Current Ratio	(Times)	0.24	0.37	0.40	0.18	0.35	0.23	0.21
Quick / Acid Test Ratio	(Times)	0.08	0.09	0.10	0.08	0.23	0.13	0.11
Cash to Current Liabilities	(%)	2.01	0.70	0.13	0.41	19.17	1.42	1.52
Cash Flow from Operations to Sales	(%)	17.49	4.07	(10.87)	13.70	20.99	4.82	21.40
Activity / Turnover Ratios Area:								
Inventory Turnover Ratio	(Times)	7.38	6.21	13.42	7.14	9.05	18.73	9.88
No. of days in Inventory	(Days)	49.48	58.82	27.21	51.09	40.32	19.48	36.94
Debtor Turnover Ratio	(Times)	167.82	71.49	125.62	200.06	189.45	205.53	85.83
No. of Days in Receivables / Average Collection Period	(Days)	2.17	5.11	2.91	1.82	1.93	1.78	4.25
Total Assets Turnover Ratio	(Times)	0.47	0.52	1.01	0.40	0.49	0.91	1.53
Fixed Assets Turnover Ratio	(Times)	0.61	0.68	1.34	0.49	0.69	1.11	2.16
Investment / Market Ratios Area:								
Earnings / (Loss) Per Share	(Rupees)	(6.01)	(0.11)	1.80	(0.16)	(1.89)	(9.19)	3.84
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)	34.10	55.00	90.75	26.62	17.71	15.75	19.50
- Highest during the Year	(Rupees)	76.48	90.44	132.25	29.65	20.60	24.95	27.96
- Lowest during the Year	(Rupees)	26.25	54.15	22.50	10.75	12.30	13.31	10.55
Breakup Value Per Share Including Surplus on Revaluation of Fixed Assets	(Rupees)	62.88	69.46	49.09	45.14	64.60	66.78	31.17
Capital Structure Ratios Area:								
Shareholders' Equity	(Rs 000)	1,502,940	1,857,468	1,416,858	(19,900)	(711,810)	(654,867)	25,422
Share Capital	(Rs 000)	1,250,000	1,250,000	1,250,000	1,100,000	695,238	695,238	695,238
Financial Leverage Ratio	Times	1.46	1.50	1.55	(80.80)	(5.08)	(4.93)	130.17
Weighted Average Cost of Debt	(%)	12.39	7.84	7.63	8.10	9.93	10.56	10.38
Long Term Debt : Equity Ratio	:	0.26	0.29	0.37	(32.10)	(1.45)	(2.07)	84.01
Interest Cover Ratio	(Times)	(1.43)	1.79	3.06	0.83	0.82	(0.78)	1.75

Production Data

Season	Duration Season (Days)	Cane Crushed (MT)	Raw Sugar Processed (MT)	Sugar Produced (MT)	Recovery (Percent)
2018-19	83	484,762		49,016	10.13
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)
2.22	22,458	15,164,206		102,978	
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, 2019

Name of Company : SHAKARGANJ LIMITED
Year Ended : 30 September 2019

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
Independent Directors	Mr. Shaikh Asim Rafiq Mr. Khawaja Jalaluddin
Non-Executive Directors	Ms. Hajerah Ahsan Saleem Mr. Khalid Bashir Mr. Muhammad Anwar Mr. Muhammad Arshad
Executive Directors	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 seven listed Companies including this Company.

4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. 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. Chief financial officer and chief executive officer 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 reference of the aforesaid committee have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) were as per following:

    a. Audit Committee Quarterly

    b. HR&R Committee Yearly

15. The Board has set up an effective outsourced internal audit function 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 and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Company secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations have been complied with.

On behalf of the Board

Anjum Muhammad Saleem
Chief Executive Officer

Ali Altaf Saleem
Director

27 December 2019

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman -1, Jail Road
Lahore - 54000 - Pakistan
Lahore Pakistan

Telephone + 92 (42) 111-KPMGTH (576484)
Fax + 92 (42) 37429907
Internet www.kpmg.com.pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Shakarganj Limited.

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019.

We have reviewed the enclosed Statement or Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Shakarganj Limited for the year ended 30 September 2019 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 2019.

KPMG Taseer Hadi & Co.

Lahore
04 January 2020

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

Shakarganj Limited

Financial Statements
For The Year Ended 30 September 2019

KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman -1, Jail Road
Lahore - 54000 - Pakistan
Lahore Pakistan

Telephone + 92 (42) 111-KPMGTH (576484)
Fax + 92 (42) 37429927
Internet www.kpmg.com.pk

INDEPENDENT AUDITOR'S REPORT

To the members of Shakarganj Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Shakarganj Limited ("the Company"), which comprise the statement of financial position as at 30 September 2019, 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 2019 and of the loss, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with 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 matters.

S.No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue recognition** Refer to note 3.1.1, 3.18 and 24 to the financial statements. The Company recognized net revenue of Rs. 6.25 billion from the sale of goods to domestic as well as export customers during the year ended 30 September 2019. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicator of the Company and gives rise to a risk that revenue is recognized without transferring the control.	Our audit procedures to assess the recognition of revenue, amongst others, included the following: • obtaining an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of relevant key internal controls; • assessing the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards; • comparing a sample of sale transactions recorded during the year with sales invoices, gate pass, bill of ladings and relevant underlying documents; • comparing, on a sample basis, specific sales transactions recorded just before and just after the financial year end to determine whether the revenue had been recognized in the appropriate financial period; and • scanning for any manual journal entries relating to sale recorded during the year which were considered to be material or met other specific criteria for inspecting underlying documentation.
2.	**Valuation of Stock in Trade** Refer to note 3.9 and 20 to the financial statements. The Company's gross carrying amount of stock-in trade amounts to Rs. 580.98 million against which net realizable value adjustment of Rs. 4.13 million has been recorded as at 30 September 2019. We identified valuation of stock in trade as a key audit matter because the Company has reported gross loss during the year and valuation of stock in trade also involves significant management judgment in determining the carrying value of stock in trade.	Our audit procedures to assess the valuation of stock in trade, amongst others, included the following: • assessing the appropriateness of Company's accounting policy for valuation of stock in trade and compliance of the policy with applicable accounting standards; • Obtaining an understanding of internal controls over valuation of stock in trade and testing, on a sample basis, their design, implementation and operating effectiveness; • obtaining an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices, future costs to complete work-in-progress and costs necessary to make the sales and their basis; and • comparing the NRV, on a sample basis, to the cost of stock in trade to assess whether any adjustments are required to the value of stock in trade in accordance with the accounting policy.

Information Other than the 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 2019, 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:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) 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;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) No zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KPMG Taseer Hadi & Co.

Lahore
04 January 2020

KPMG Taseer Hadi & Co.
Chartered Accountants

BALANCE SHEET

As at 30 September 2019

	Note	2019	2018
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
150,000,000 (2018: 150,000,000) ordinary shares of Rs. 10 each		1,500,000	1,500,000
50,000,000 (2018: 50,000,000) preference shares of Rs. 10 each		500,000	500,000
		2,000,000	2,000,000
Issued, subscribed and paid up capital			
125,000,000 (2018: 125,000,000) ordinary shares of Rs 10 each	5	1,250,000	1,250,000
Equity portion of director loan - net of tax		-	-
Reserves		2,212,727	2,196,442
Accumulated losses		(1,959,787)	(1,588,974)
Surplus on revaluation of property, plant and equipment - net of tax	6	6,356,860	6,825,404
		7,859,800	8,682,872
Non-current liabilities			
Long term finances	7	128,291	442,703
Deferred taxation	8	1,192,536	1,129,461
		1,320,827	1,572,164
Current liabilities			
Current portion of long term liabilities		256,453	97,703
Short term borrowings	9	1,804,077	2,243,284
Trade and other payables	10	2,028,140	1,663,125
Unclaimed dividend		2,039	2,273
Accrued finance cost	11	79,647	45,711
		4,170,356	4,052,096
Contingencies and commitments	12		
		13,350,983	14,307,132

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

Chief Executive

	Note	2019	2018
		(Rupees in thousand)	
ASSETS			
Non-current assets			
Property, plant and equipment	13	10,253,780	10,825,661
Intangible assets	14	-	-
Biological assets	15	17,017	11,558
Investments - related parties	16	2,015,124	1,938,565
Employees' retirement benefits	17	38,996	11,948
Long term loans, advances and deposits	18	34,001	33,986
		12,358,918	12,821,718
Current assets			
Biological assets	15	29,299	19,717
Stores, spare parts and loose tools	19	63,691	65,756
Stock-in-trade	20	576,860	1,028,311
Trade debts	21	35,078	39,431
Loans, advances, deposits, prepayments and other receivables	22	203,435	303,928
Cash and bank balances	23	83,702	28,271
		992,065	1,485,414
		13,350,983	14,307,132

Director

Chief Financial Officer

PROFIT AND LOSS ACCOUNT

For the year ended 30 September 2019

	Note	2019	2018
		(Rupees in thousand)	
Sales - net	24	6,251,907	7,404,243
Cost of sales	25	(6,397,502)	(7,047,093)
Gross (loss) / profit		(145,595)	357,150
Administrative expenses	26	(311,176)	(275,136)
Selling expenses	27	(31,405)	(31,322)
Other expenses	28	(38,707)	(49,225)
Other income	29	78,168	91,404
(Loss) / Profit from operations		(448,715)	92,871
Finance cost	30	(331,034)	(200,464)
Share of (loss) / profit from equity accounted investee	16.1.1	(23,540)	265,754
(Loss) / profit before taxation		(803,289)	158,161
Taxation			
- Company		(6,396)	(93,570)
- Equity accounted investment		58,152	(78,599)
	31	51,756	(172,169)
Loss for the year		(751,533)	(14,008)
Loss per share - basic and diluted Rupees	32	(6.01)	(0.11)

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 2019

	2019	2018
	(Rupees in thousand)	
(Loss) for the year	(751,533)	(14,008)
Other comprehensive income for the year		
Items that may be reclassified to profit or loss :		
Fair value loss on investment classified as available for sale	-	(14,700)
Items that will not be reclassified to profit or loss account:		
Revaluation surplus on property, plant and equipment	-	2,721,104
Related deferred tax liability on revaluation	-	-
Remeasurement of defined benefit obligation	27,198	(43,376)
Surplus on property, plant and equipment	-	(392,032)
Fair value loss on Investment classified as FVOCI	(5,964)	-
Share of other comprehensive income of equity accounted investee	47,911	484,668
	69,145	2,770,364
Total comprehensive (loss) / income for the year	(682,388)	2,741,656

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

Chief Executive

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS

For the year ended 30 September 2019

	Note	2019	2018
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	33	1,093,467	301,390
Finance cost paid		(297,098)	(252,602)
Taxes paid		(83,773)	(93,234)
WPPF paid		(8,862)	(45)
Employees' retirement benefits paid		(19,122)	(18,229)
Net cash generated from / (used in) operating activities		684,612	(62,720)
Cash flows from investing activities			
Fixed capital expenditure		(62,908)	(108,635)
Proceeds from sale of property, plant and equipment		28,367	10,898
Dividends received		180	585
Income from bank deposits received		283	259
Investment made		-	(196,966)
Net cash used in investing activities		(34,078)	(293,859)
Cash flows from financing activities			
Repayment of long term finances		(155,662)	(47,033)
Short term borrowings - net		(439,207)	582,124
Dividend paid		(234)	(155,496)
Net cash (used in) / generated from financing activities		(595,103)	379,595
Net Increase in cash and cash equivalents		55,431	23,016
Cash and cash equivalents at beginning of the year		28,271	5,255
Cash and cash equivalents at end of the year	23	83,702	28,271

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 2019

	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 equali-zation	Equity investment market value equalization	Accumu-lated losses	Total
	(Rupees in thousand)											
Balance as on 30 September 2017	1,250,000	1,056,373	(14,688)	12,553	155,930	4,719,906	47,055	410,606	22,700	83,000	(1,606,671)	6,136,764
Total comprehensive income for the year ended 30 September 2018												
Loss for the year	-	-	-		-	-	-	-	-	-	(14,008)	(14,008)
Other comprehensive income for the year:												
Fair value loss on 'Available for sale' investments	-	-	-	(14,700)	-	-	-	-	-	-	-	(14,700)
Revaluation surplus on property, plant and equipment	-	-	-	-	-	2,721,104	-	-	-	-	-	2,721,104
Related deferred tax liability on revaluation surplus	-	-	-	-	-	(392,032)	-	-	-	-	-	(392,032)
Remeasurement gain on employee retirement benefits	-	-	-		-	-	-	-	-	-	(43,376)	(43,376)
Share of other comprehensive income of equity accounted investment	-	-	484,668	-	-	-	-	-	-	-	-	484,668
	-	-	484,668	(14,700)	-	2,329,072	-	-	-	-	(57,384)	2,741,656
Surplus transferred to accumulated losses on account of - incremental depreciation on property, plant and equipment - net of deferred tax	-	-	-	-	-	(223,574)	-	-	-	-	223,574	-
Transactions with owners of the Company, recognized directly in equity												
Cash dividend @ Rs. 1.25 per ordinary share for year ended 30 September 2017	-	-	-	-	-	-	-	-	-	-	(156,250)	(156,250)
Equity portion of loan from director - net of tax	-	-	-	-	-	-	(47,055)	-	-	-	7,757	(39,298)
	-	-	-	-	-	-	(47,055)	-	-	-	(148,493)	(195,548)
Balance as on 30 September 2018 as previously reported	1,250,000	1,056,373	469,980	(2,147)	155,930	6,825,404	-	410,606	22,700	83,000	(1,588,974)	8,682,872
Adjustment on initial application of IFRS 9	-	-	-	(5,200)	-	-	-	-	-	-	5,200	-
Adjusted balance at 01 October 2018	1,250,000	1,056,373	469,980	(7,347)	155,930	6,825,404	-	410,606	22,700	83,000	(1,583,774)	8,682,872
Total comprehensive income for the year ended 30 September 2019												
Loss for the year	-	-		-	-	-	-	-	-	-	(751,533)	(751,533)
Other comprehensive income for the year:												
Fair value loss classified as FVOCI	-	-	-	(5,964)	-	-	-	-	-	-	-	(5,964)
Related deferred tax liability on revaluation surplus	-	-	-	-	-	-	-	-	-	-	-	-
Remeasurement gain on employee retirement benefits	-	-	-	-	-	-	-	-	-	-	27,198	27,198
Share of other comprehensive income of equity accounted investee	-		47,911	-	-	-	-	-	-	-	-	47,911
	-	-	47,911	(5,964)	-	-	-	-	-	-	(724,335)	(682,388)
Surplus transferred to accumulated losses on account of												
- incremental depreciation on property, plant and equipment - net of deferred tax	-	-	-	-	-	(324,955)	-	-	-	-	324,955	-
- change in deferred tax due to rate change	-	-	-	-	-	(140,684)	-	-	-	-	-	(140,684)
- incremental Depreciation of equity accounted investee - net of deferred tax	-	-	(20,462)	-	-	-	-	-	-	-	20,462	-
- disposal on property, plant and equipment - net of deferred tax	-	-	-	-	-	(2,905)	-	-	-	-	2,905	-
	-	-	(20,462)	-	-	(468,544)	-	-	-	-	348,322	(140,684)
Balance as on 30 September 2019	1,250,000	1,056,373	497,429	(13,311)	155,930	6,356,860	-	410,606	22,700	83,000	(1,959,787)	7,859,800

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 2019

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, biofuel and 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	63 km Jhang - Sargodha road, Bhone -35200 Pakistan.

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.

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 3.6, 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 statement of cash flows, 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

3.1.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time requires judgment. The Company is engaged in the sale of sugar, ethanol , yarn and other related items. The contracts with customers for the sale of goods generally includes single performance obligation. Management has concluded that revenue from sale of goods be recognised at the point in time when control of the asset is transferred to the customer. This is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 which has replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations at 01 October 2018, did not have a material impact on the amounts of revenue recognized in these financial statements except for reclassification of freight loading and handling cost from selling expenses to cost of sales. Accordingly, selling expenses of Rs. 106.604 million (2018: Rs. 185.463 million) have been reclassified to cost of sales. This reclassification has no impact on the reported Loss per Share ("LPS") of the corresponding year. Similarly, the amounts received for future sale of goods were reclassified to 'contract liabilities' which were previously classified as "advances from customers". Accordingly as at 01 October 2018, contract liabilities were increased by Rs. 132.11 million and advance from customers decreased by the same amount. Company's accounting policy relating to revenue recognition is explained in note 3.18 of these financial statements.

3.1.2 IFRS 9 Financial Instruments

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

3.1.3 Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI), or through profit or loss (FVTPL); and

- those to be measured at amortised cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and

- Its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Equity investments at fair value through other comprehensive income are measured at fair value. Dividend income is recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income and are not reclassified to profit or loss.

3.1.4 Impact of change in classification and measurement of financial assets due to adoption of IFRS 9

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets at 30 September 2019:

Financial Assets	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
			(Rupees in thousand)	
Listed equity security	Available for sale	FVOCI	7,810	7,810
Cash and bank balances	Loans and receivable	Amortized cost	83,702	83,702
Loans, advances, deposits, prepayments	Loans and receivable	Amortized cost	436,124	436,124
Long term loans, advances and deposits	Loans and receivable	Amortized cost	34,001	34,001
Trade debts - unsecured, considered good	Loans and receivable	Amortized cost	35,078	35,078

Pursuant to the requirement of IFRS-9, accumulated impairment loss - net of tax on available for sale investment of Rs. 5.2 million at 1 October 2018 previously recognised in profit or loss statement has been recorded in fair value reserve in Statement of Changes in Equity with corresponding effect in accumulated losses.

Impairment of financial assets

The adoption of IFRS 9 has changed the Company's impairment model by replacing the IAS 39 'incurred loss model' with a forward looking 'expected credit loss' (ECL) model when assessing the impairment of financial assets in the scope of IFRS 9. IFRS 9 requires the Company to recognize ECLs for trade debts earlier than IAS 39. Cash and bank balances, Loans, advances, deposits, prepayments and other receivables are also subject to ECL but there is no or immaterial impairment for the current year.

Under IFRS 9, the losses allowances are measured on either of the following bases: (1) 12 months ECLs: these are the ECLs that result from possible default events within the 12 months after the reporting date; and (2) lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Trade and other receivables are written off when there is no reasonable expectation of recovery.

Loss allowance on bank balances is measured at 12 months expected credit losses. Since they are short term in nature and there is no adverse change in credit rating of the banks where the balances are maintained, therefore no credit loss is expected on these balances.

Impact of ECL

Considering the quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information, no loss allowance has been recorded against trade debts upon transition to IFRS 9 as of 30 September 2018 and year ended 30 September 2019.

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 or 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.

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 statement of profit and loss, and depreciation based on the asset's original cost is transferred from 'surplus on revaluation of property, plant and equipment' to 'equity'. All transfers to / from surplus on revaluation of property, plant and equipment are net of applicable deferred income tax.

Depreciation on all property, plant and equipment, except land is charged to statement of profit and loss 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 2019 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.

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 or 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 Financial instruments

3.6.1 Recognition and initial measurement

All financial assets or financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A receivable without a significant financing component is initially measured at the transaction price.

3.6.1.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial assets measured at amortized cost comprise of cash and bank balances, deposits, trade debts and other receivables.

Debt Instrument - FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss. However, the Company has no such instrument at the balance sheet date.

Equity Instrument - FVOCI

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Fair value through profit or loss (FVTPL)

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss. However, the Company has no such instrument at the statement of financial position date.

Financial assets – Business model assessment:

For the purposes of the assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities comprise trade and other payables, long term and short term financing, liabilities against assets subject to finance lease and dividend payable.

3.6.1.3 Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company might enter into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

3.6.1.4 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 or 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 or 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.

3.8 Contract liabilities

A contract liability is the obligation of the Company to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. It also includes refund liabilities arising out of customers, right to claim amounts from the Company on account of contractual delays in delivery of performance obligations and incentive on target achievements.

3.9 Stock-in-trade

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

Materials in transit are stated at cost comprising invoice values plus other charges paid thereon up to the 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 or 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

These are classified at amortized cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit 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.

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 or 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 or 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 is recognized at an amount that reflects for consideration to which the Company expects to be entitled in exchange of transferring of goods to its customers. Revenue is measured based on the consideration specified in a contract with customer. The Company's customer arrangements contain a single performance obligation to transfer manufactured goods to customer's premises. The Company's contract performance obligation is fulfilled at the point when the goods are delivered to customer or loaded on board.

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 Earning / (Loss) per share ("EPS/ LPS")

Basic EPS / LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

Diluted EPS / LPS is calculated by adjusting basic EPS / LPS with weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

3.21 Employees' retirement benefits

3.21.1 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 2019. 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 or 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.

3.21.2 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 or Loss.

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

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

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 October 2019:

- 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 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 application of interpretation is not likely to have an impact on Company's financial statements

- Amendment to IFRS 9 'Financial Instruments' – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019). For a debt instrument to be eligible for measurement at amortised cost or FVOCI, IFRS 9 requires its contractual cash flows to meet the SPPI criterion – i.e. the cash flows are 'solely payments of principal and interest'. Some prepayment options could result in the party that triggers the early termination receiving compensation from the other party (negative compensation). The amendment allows that financial assets containing prepayment features with negative compensation can be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9. The application of amendment is not likely to have an impact on Company's financial statements.

- 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.

- Amendment to IFRS 3 'Business Combinations' – Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future.. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

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.

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	3.21

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

5. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	2019 (Number of shares)	2018 (Number of shares)	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Ordinary share capital				
Ordinary shares of Rs. 10 each fully paid in cash	79,021,000	79,021,000	790,210	790,210
Ordinary shares of Rs. 10 each issued as fully paid bonus shares	33,131,816	33,131,816	331,318	331,318
Ordinary shares of Rs. 10 each issued as fully paid for consideration other than cash	12,847,184	12,847,184	128,472	128,472
	125,000,000	125,000,000	1,250,000	1,250,000

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

	2019 (Percentage held)	2018 (Percentage held)	2019 (Number of shares)	2018 (Number of shares)
Crescent Steel and Allied Products Limited	21.93%	21.93%	27,409,075	27,409,075
Crescent Cotton Mills Limited	1.22%	1.34%	1,531,193	1,669,193
The Crescent Textile Mills Limited	7.22%	7.22%	9,019,690	9,019,690
CS Capital (Private) Limited	6.08%	6.08%	7,602,272	7,602,272
Roomi Fabrics Limited	9.59%	9.59%	11,984,754	11,984,754
Shakarganj Mills Limited Provident Fund Trust	1.10%	1.10%	1,375,427	1,375,427
Shakarganj Mills Limited Gratuity Fund Trust	0.09%	0.09%	107,876	107,876
Shakarganj Mills Limited Pension Fund Trust	0.73%	0.73%	916,582	916,582
			59,946,869	60,084,869

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 Focused 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	2019	2018
		(Rupees in thousand)	
7. LONG TERM FINANCES			
Long term loans - secured			
Interest bearing			
- NBP Restructured	7.1	117,244	195,406
- NBP Medium Term	7.2	200,000	250,000
- First Credit Investment Bank	7.3	67,500	95,000
		384,744	540,406
Less: transferred to current maturity - Long term loans - secured		(256,453)	(97,703)
		128,291	442,703

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 + 1.00% 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 2019. However due to devaluation of the shares pledged with the bank as a security against this facility, a payment of Rs. 50 million was made by the Company during the year resulting in decrease of principal outstanding to Rs. 200 million. 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.

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 2019. However due to devaluation of the shares pledged with the bank as a security against this facility, a payment of Rs. 27.5 million was made by the Company during the year resulting in decrease of principal outstanding to Rs. 67.5 million. 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. 11.25 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.

		2019	2018
		(Rupees in thousand)	
8.	DEFERRED TAXATION		
	Accelerated tax depreciation	(337,653)	(325,852)
	Revaluation surplus on property, plant and equipment	(1,078,146)	(1,094,070)
	Unused tax losses	525,856	451,102
	Undistributed reserves of associates	(302,593)	(160,641)
	Equity portion of director loan	-	-
		(1,192,536)	(1,129,461)

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. 4,114.90 million (2018: Rs. 1,779.36 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. 349.31 million (2018: Rs. 291.77 million) would not be available for carry forward against future tax liabilities subsequent to years 2019 through 2024. Business losses amounting to Rs. 51.77 million, Rs. 669.22 million and Rs. 391.00 million will expire in tax year 2021, 2022 and 2023 respectively.

8.2 Movement in deferred tax balance is as follows:

	2019				
		Reversal from / (charge to)			
	Opening	Profit or loss	Impact of Rate Change - Profit or loss	Impact of Rate Change - Revaluation surplus / Equity	Closing
	---------- (Rupees in thousand) ----------				
Deferred taxation					
Taxable temporary difference					
Accelerated tax depreciation allowances	(325,852)	33,386	(45,188)	-	(337,653)
Surplus on revaluation of property, plant and equipment	(1,094,070)	156,608	-	(140,684)	(1,078,146)
Unused tax losses	451,102	23,794	50,960	-	525,856
Undistributed reserves of SFPL	(160,641)	(141,952)	-	-	(302,593)
Equity portion of director loan	-	-	-	-	-
	(1,129,461)	71,837	5,772	(140,684)	(1,192,536)

	2018				
		Reversal from / (charge to)			
	Opening	Profit or loss	Interest free loan from Director	Equity/ Revaluation surplus	Closing
	---------- (Rupees in thousand) ----------				
Deferred taxation					
Taxable temporary difference					
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)

		Note	2019	2018
			(Rupees in thousand)	
9.	**SHORT TERM BORROWINGS**			
	Secured:			
	- Cash / Running finance	9.2	469,000	394,200
	- Export refinance	9.3	900,000	1,474,800
	Unsecured:			
	- Short term interest free financing	9.4	435,077	374,284
			1,804,077	2,243,284
9.1	**Types of short term borrowings**			
	Interest / mark-up based financing		1,269,000	1,769,000
	Islamic mode of financing		100,000	100,000
	Interest free financing		435,077	374,284
			1,804,077	2,243,284

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 10.83% per annum to 15.80% per annum (2018: 8.11% to 9.86%) on the outstanding balance or part thereof. Expiry date of this facility is 30 November 2019 which has been extended temporarily till 31 December 2019.

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 utilization of facility.

9.3 Export refinance

The Company has arranged facilities for short term finances to meet working capital requirements from various banks under mark-up arrangements to the extent of Rs. 2,475 million (2018: Rs. 1,775 million). These finances were available at a mark-up ranging from 3.00% to 15.47% (2018: 3.00% to 9.86%) on the outstanding balance or part thereof. Foreign currency borrowings were available at mark-up rates based on LIBOR which was constant at the rate of 6.14% (2018: 4.86% to 5.72%). Expiry date of the finances obtained from Bank Islamic Pakistan Limited is 31 August 2020 for MCB Bank Limited 30 November 2019 which has been extended temporarily till 31 December 2019, for and that of National Bank FAPC/FE-25 is 31 December 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 Food 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.

9.5 Unavailed credit facilities

The available facilities as at 30 September 2019 amounting to Rs. 3,000 million (2018: Rs. 2,300 million) out of which Rs. 1,631 million remained unavailed as at the reporting date (2018: Rs. 431 million).

	Note	2019	2018
		(Rupees in thousand)	
10. TRADE AND OTHER PAYABLES			
Trade creditors		1,074,294	688,998
Advances for sale of property, plant and equipment		12,000	12,000
Advances from customers		-	156,793
Contract liabilities		132,109	-
Security deposits	10.1	2,142	2,128
Associated undertakings	10.2	10,393	15,905
Accrued liabilities		233,568	186,210
Payable to Government authorities			
- Sales tax		29,536	81,795
- Withholding tax payable		27,465	17,662
- Duty on manufacturing of Spirit (biofuel)	10.4	436,604	438,546
Workers' Profit Participation Fund	10.3	124	8,144
Payable to Provident Fund Trust		2,743	1,666
Payable to pension and gratuity fund		33,885	18,210
Others	10.5	33,277	35,068
		2,028,140	1,663,125

10.1 These are interest free and refundable on completion of contracts.

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

	2019	2018
	(Rupees in thousand)	
Crescent Steel and Allied Products Limited	6,069	5,209
Crescent Energy (Private) Limited	4,324	-
Shakarganj Food Product Limited	-	10,696
CS Energy (Private) Limited	-	-
	10,393	15,905

10.3 Workers' profit participation fund

	Note	2019	2018
Balance as at 01 October		8,144	8,189
Mark-up for the year	30	842	-
Less: Amount paid to workers during the year on behalf of the fund		(8,862)	45
Balance as at 30 September		124	8,144

10.4 This represent excise duty levied on manufacturing of spirit (biofuel) by Government of Punjab, recorded in last year. There has been no change in this case in current year. Furthermore, effective from 05 August 2019 this duty has been withdrawn by Government of Punjab vide its notification SO(E&M)2-5/2018/ED dated 20 August 2019.

10.5 Included in other liabilities are provisions aggregating to Rs. 3.93 million (2018: 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	2019	2018
		(Rupees in thousand)	
11. ACCRUED FINANCE COST			
Accrued mark-up on:			
- Long term finances		22,219	16,541
- Short term borrowings	11.1	57,428	29,170
		79,647	45,711

11.1 This includes interest of Rs. Nil million (2018: Rs. 0.327 million) on unpaid balance of Workers' Profit Participation Fund.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

(i) Bank guarantee of Rs. 2.00 million (2018: Rs. 2.00 million) in favour of Excise and Taxation Department for case filed by the Company against Government of Punjab relating to notification of imposing duty of Rs. 2 / Litre on ethanol produced, from Dubai Islamic Bank (Pakistan) Limited.

(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 (2018: 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 2019 of Rs. 349.31 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.

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 (2018: Rs. 20 million).

(ii) Contracts for other than capital expenditures Rs. 0.58 million (2018: Rs. 4.45 million).

	Note	2019	2018
		(Rupees in thousand)	
13. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	13.1	10,109,369	10,706,426
Capital work-in-progress	13.2	144,411	119,235
		10,253,780	10,825,661

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

13.1 Operating fixed assets

	2019							(Rupees in thousand)
	Cost/ re-valued amount 01 October 2018	Additions / (deletions)	Cost/ re-valued amount 30 September 2019	Accumulated depreciation as at 01 October 2018	Depre- ciation charge/ (deletions) for the year	Accumulated depreciation as at 30 September 2019	Book value as at 30 September 2019	Rate of depreci- ation %
Owned assets								
Freehold land	2,661,150	- (5,300)	2,655,850	-	-	-	2,655,850	-
Building	1,076,485	4,193 (2,266)	1,078,412	-	80,959 (1,473)	79,486	998,926	7.5
Plant and machinery	6,899,348	28,097 (10,440)	6,917,005	-	518,967 (283)	518,684 -	6,398,321	7.5-30
Tools and equipment	51,109	690 (50)	51,748 -	49,015	627 (50)	49,592 -	2,157 -	20-40
Water, electric and weighbridge equipment	276,014	3,003 (1,957)	277,060 -	257,307	4,687 (1,865)	260,129 -	16,931 -	20-40
Furniture and fixtures	48,932	532 (202)	49,262 -	44,187	996 (129)	45,054 -	4,208 -	20
Office equipment	59,602	400 (41)	59,961	59,562	400 (40)	59,922	39	40
Vehicles	152,641	816 (19,158)	134,299	109,284	8,819 (16,391)	101,712 -	32,587 -	20
Laboratory equipment	23,106	-	23,106	22,892	89 -	22,981	125	40
Arms and ammunition	575	-	575	498	15 -	513	62	20
Library books	10,983	-	10,983	10,774	46 -	10,820	163	20-30
2019	11,259,945	37,731 (39,415)	11,258,261	553,519	615,605 (20,231)	1,148,892	10,109,369	

					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	7.5
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	7.5-30
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	

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	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 Wijhalka (Muhammad Wala)	1 Kanal
	Land of Moza Walla (Tirkhana Wala)	8.35 Kanals
	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 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 Road	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 Bagh Jhang	1 Kanal
	Land at Chak 214 Adda Gojra More Jhang	1 Kanal
	Land at Moza Gilmala Jhang Road	1 Kanal
	Land at Malluana More Jhang Bhakkar Road	1 Kanal
	Land at Chak 457 Kot Lakhana Gojra Road	1 Kanal
	Land at Roran Wali Jhang Toba Road	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

13.1.2 Disposal of Property Plant and Equipment:

The following operating fixed assets with a net book value exceeding Rs. 500,000 were disposed off during the year:

Particulars of assets	Sold to: Name	Sold to: Relationship with the Company	Cost / revalued amount	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
			(Rupees in thousand)					
Land and Building								
Land and Building of Moza Nehang 1 Kanal	Mehar Attaullah	Third party	2,596	381	2,215	2,800	585	Negotiation
Land and Building of Adda Shekhan 1 Kanal	Muhammad Haneef	Third party	2,263	488	1,775	3,000	1,225	Negotiation
Land and Building of Adda Havely Bahadur Shah 1 Kanal	Naseem Shah	Third party	2,707	604	2,103	2,500	397	Negotiation
Plant and Machinery								
Auto Cone Mach Coner Murata (60 spindles) with parts	Haji Muhammad Afzal	Third party	2,600	81	2,519	2,600	81	Auction
Transformer 3000 Kva 11 Kv/400 V	Shakarganj Food Products Limited	Related Party (an associated company)	1,715	32	1,683	1,500	(183)	Negotiation
HT Panel 11 Kv 630 A	Shakarganj Food Products Limited	Related Party (an associated company)	1,708	32	1,676	1,494	(182)	Negotiation
LT Panel Acb 5000 A (complete)	Shakarganj Food Products Limited	Related Party (an associated company)	1,624	30	1,594	1,420	(174)	Negotiation
LT Panel Acb 5000 A (without Circuit Breakers)	Shakarganj Food Products Limited	Related Party (an associated company)	630	12	618	551	(67)	Negotiation
Transformer 2500 Kva 11Kv/440V	Transfo Care Private Limited Multan	Third party	803	15	788	1,068	280	Negotiation
Others having net book value less than Rs. 500,000			22,769	18,556	4,213	11,434	7,221	
2019			39,415	20,231	19,184	28,367	9,183	
2018			18,613	12,750	5,863	10,898	5,035	

13.1.3 The carrying amount of freehold land, buildings and plant and machinery would have been Rs. 222.42 million (2018: Rs. 223.66 million), Rs. 220.05 million (2018: Rs. 233.55 million) and Rs. 2020.13 million (2018: Rs. 2,155.04 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

13.1.5 The latest valuation of 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:

	Gross revalued amount	Forced sales value
	(Rupees in thousand)	
Freehold land	2,655,850	2,261,977
Building and roads on freehold land	998,926	913,071
Plant and machinery	6,398,321	5,862,327

	Note	2019	2018
		(Rupees in thousand)	
13.1.6 The depreciation charge has been allocated as follows:			
Cost of sales	25	595,460	480,730
Administrative expenses	26	20,145	18,766
		615,605	499,496
13.2 Capital work-in-progress			
Civil works		3,712	5,112
Plant and machinery	13.2.1	109,691	87,357
		113,403	92,469
Advances given for capital work in progress	13.2.2	31,008	26,766
		144,411	119,235

13.2.1 This mainly relates to energy conservation project and capacity enhancement of sugar plant.

13.2.2 This relates to advance for consultancy services specifically for energy conservation given to IPRO and advance given to Industrial Enterprises amounting to Rs. 31.01 million (2018: Rs. 26.77 million).

	Note	2019	2018
		(Rupees in thousand)	
Considered good:			
- Plant and machinery	13.2.3	31,008	26,766
- Vehicle		-	-
		31,008	26,766
Considered doubtful:			
- Plant and machinery		21,664	21,664
- Intangibles		15,274	15,274
		36,938	36,938
		67,946	63,704
Less: Provision against doubtful advances		(16,584)	(16,584)
Less: Impairment charged	13.2.3	(20,354)	(20,354)
		31,008	26,766

13.2.3 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:

	2019	2018
	(Rupees in thousand)	
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)
	-	-

14. INTANGIBLE ASSETS

2019 (Rupees in thousand)

	Cost as at 01 October 2018	Additions/ (transfers/ deletions)	Cost as at 30 September 2019	Accumulated amortization 01 October 2018	Amortization/ impairment charge for the year	Accumulated amortization 30 September 2019	Book value as at 30 September 2019	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	-	3.7-5.0
	3,007	-	3,007	3,007	-	3,007	-	

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 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	-	3.7-5.0
	3,007	-	3,007	3,007	-	3,007	-	

15. BIOLOGICAL ASSETS

	Note	2019	2018
		(Rupees in thousand)	
Sugarcane			
Mature	15.1	15,607	12,769
Immature	15.2	3,108	-
		18,715	12,769
Rice - mature		12,852	6,665
Others - mature		840	283
Livestock - mature	15.3	13,909	11,558
		46,316	31,275
Non - current			
- livestock		13,909	11,558
- sugarcane - immature		3,108	-
		17,017	11,558
Current - crops		29,299	19,717
	15.4	46,316	31,275

15.1 The value of mature sugarcane crops is based on estimated average yield of 623 (2018: 561) maunds per acre on cultivated area of 195 (2018: 141) acres. The value of rice crops is based on the estimated yield of 40 (2018: 35) maunds per acre on cultivated area of 189 (2018: 132) acres.

15.2 64 (2018: 20) 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 163 cows / heifers and 3 rams (2018: 147 cows/heifers and 3 lambs).

	Note	2019	2018
		(Rupees in thousand)	
15.4 Movement during the year			
Livestock			
As at 01 October		11,558	8,342
Increase due to purchase / cost incurred			202
Gain / (loss) arising from changes in fair value less estimated point of sale costs	29	3,381	3,979
Decrease due to sale / deceased livestock		(1,029)	(965)
As at 30 September		13,910	11,558
Crops			
As at 01 October		19,717	18,309
Increase due to purchases / costs incurred		39,217	29,809
Decrease due to harvest / sales		(47,246)	(38,917)
Fair value loss related to sales during the year		8,028	8,817
Fair value adjustment of agricultural assets	29	12,690	1,699
As at 30 September		32,406	19,717
		46,316	31,275

15.5 The fair value measurements for livestock and crops have been categorised as level 2 and level 3 respectively as referred in note 41.2.1.

	Note	2019	2018
		(Rupees in thousand)	
16. INVESTMENTS - RELATED PARTIES			
In equity instruments of Shakarganj Food Product Limited ("SFPL")	16.1	2,007,314	1,924,791
Available for sale	16.2	-	13,774
Classified as Fair value through OCI	16.2	7,810	-
		2,015,124	1,938,565

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

		Note	2019	2018
			(Rupees in thousand)	
16.1	**In equity instruments of SFPL**			
	Unquoted			
	Shakarganj Food Products Limited 87,785,643 (2018: 87,785,643) fully paid ordinary shares of Rs. 10 each			
	Equity held: 52.39% (2018: 52.39%)	16.1.1	2,007,314	1,924,791
16.1.1	**In equity instruments of SFPL**			
	Cost		590,784	393,818
	Brought forward amounts of post acquisition reserves		1,334,007	662,184
	Further acquisition due to right shares		-	196,966
			1,924,791	1,252,968
	Share of movement in reserves during the year		47,911	484,668
	Share of (loss) / profit for the year			
	- before taxation		(23,540)	265,754
	- provision for taxation	31	58,152	(78,599)
			34,612	187,155
	Balance as on 30 September	16.1	2,007,314	1,924,791

16.1.2 Shakarganj Food 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 joint venture.

	2019	2018
Percentage interest held	52.39%	52.39%

	2019	2018
	(Rupees in thousand)	
Non-current assets	7,753,410	4,879,041
Current assets	3,135,481	3,475,686
Non-current liabilities	(2,006,583)	(1,694,572)
Current liabilities	(5,048,414)	(3,122,209)
Musharika Financing Equity Portion	(138,430)	-
Net assets (100%)	3,695,464	3,537,946
Company's share of net assets	1,936,053	1,853,530
Excess of purchase consideration over net assets	71,261	71,261
Carrying amount of interest in joint venture	2,007,314	1,924,791
Revenue	16,588,008	15,775,889
Profit from operations	66,066	356,024
Other comprehensive income	91,450	926,322
Total comprehensive income (100%)	157,516	1,282,346
Company's share of total comprehensive income	82,523	671,821

The financial year end of SFPL is also 30 September and above figures are based on audited financial statements as of the same period adjusted by effect of revaluation surplus incorporated last year.

16.1.3 Investments with face value of Rs. 550 million (2018: Rs. 550 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 due to joint control over SFPL as a result of the Shareholders' Agreement dated 12 April 2008.

	2019	2018
	(Rupees in thousand)	
16.2 Investment classified as FVOCI / available for sale		
Associated / related companies		
Quoted - related party		
Crescent Steel and Allied Products Limited: 180,000 (2018: 180,000) fully paid ordinary shares of Rs. 10 each	15,921	15,921
Equity held: 0.23% (2018: 0.23%)		
Market value - Rs. 7.81 million (2018: Rs. 13.77 million)		
Unquoted - associated Company		
Crescent Standard Telecommunications Limited: 300,000 (2018: 300,000) fully paid ordinary shares of Rs 10 each	3,000	3,000

		2019	2018
		(Rupees in thousand)	
Others			
Unquoted			
Crescent Group Services (Private) Limited:			
220,000 (2018: 220,000) fully paid ordinary shares of Rs 10 each		2,200	2,200
Innovative Investment Bank Limited:			
51,351 (2018: 51,351) fully paid ordinary shares of Rs 10 each		-	-
		21,121	21,121
Add: Cumulative fair value reserve	16.2.1	(8,111)	(2,147)
Less: Cumulative impairment losses recognized		(5,200)	(5,200)
Fair value (loss)		(13,311)	(7,347)
		7,810	13,774

16.2.1 Cumulative fair value reserve

		2019	2018
As at 01 October		(2,147)	12,553
Fair value adjustment during the year		(5,964)	(14,700)
As at 30 September		(8,111)	(2,147)

17. EMPLOYEES' RETIREMENT BENEFITS

		2019	2018
Pension fund	17.1	27,222	9,677
Gratuity fund	17.2	11,774	2,271
		38,996	11,948
Statement of Profit or Loss charge for:			
Pension Benefits	17.1	13,876	9,779
Gratuity Benefits	17.2	5,396	3,829
		19,272	13,608

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

		2019	2018
		(Rupees in thousand)	
17.1	**Pension fund**		
	The amounts recognized in the Statement of Financial Position are determined as follows:		
	Present value of defined benefit obligations	(401,271)	(381,034)
	Fair value of plan assets	428,493	390,711
	Asset as at 30 September	27,222	9,677
	The movement in the defined benefit obligation over the year is as follows:		
	Present value of defined benefit obligations as at 01 October	381,034	381,159
	Current service cost	15,456	14,557
	Interest cost	36,896	37,048
	Benefits paid during the year	(24,152)	(24,045)
	Remeasurement (gains)	(7,963)	(27,685)
	Present value of defined benefit obligations as at 30 September	401,271	381,034
	The movement in the fair value of plan assets for the year is as follows:		
	Fair value as at 01 October	390,711	424,116
	Expected return on plan assets	38,476	41,826
	Contributions during the year	12,242	12,335
	Benefits paid during the year	(24,152)	(24,045)
	Remeasurement gains/ (losses)	11,216	(63,521)
	Fair value as at 30 September	428,493	390,711
	The amounts recognized in the Statement of Profit or Loss are as follows:		
	Current service cost	15,456	14,557
	Interest cost	36,896	37,048
	Expected return on plan assets	(38,476)	(41,826)
	Total, included in salaries and wages	13,876	9,779
	The amounts recognized were included in the Statement of Profit or Loss as follows:		
	Cost of sales	5,165	3,472
	Administrative expenses	8,010	5,794
	Selling expenses	431	315
	Other expenses	270	198
	Total, included in salaries and wages	13,876	9,779

The actual (loss) / return on plan assets was Rs. 49.69 million (2018: Rs. (21.69 million)).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

	2019	2018
The principal actuarial assumptions used were as follows:		
Discount rate	13.00%	10.00%
Expected return on plan assets	10.00%	10.00%
Future salary increases	12.00%	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	

	2019	2018
	(Rupees in thousand)	
Plan assets are comprised as follows:		
Equity Instruments	56,033	83,219
Cash and cash equivalent	422,944	381,684
Others - net	(50,484)	(74,192)
	428,493	390,711

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

	2018-19	2017-18	2016-17	2015-16	2014-15
			(Rupees in thousand)		
As at 30 September					
Present value of defined benefit obligations	(401,271)	(381,034)	(381,159)	(357,078)	(354,879)
Fair value of plan assets	428,493	390,711	424,116	385,457	361,987
Surplus / (deficit)	27,222	9,677	42,957	28,379	7,108
Experience adjustment due to:					
(Gain) / losses on plan liabilities	(7,963)	(27,685)	3,289	(22,282)	1,593
Gains / (losses) on plan assets	11,216	(63,521)	14,144	119	19,255

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%	360,777	450,530
Salary increase	1%	418,361	386,274

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.

	2019	2018
	(Rupees in thousand)	
17.2 Gratuity fund		
The amounts recognized in the Statement of Financial Position are determined as follows:		
Present value of defined benefit obligations	(67,775)	(64,184)
Fair value of plan assets	79,549	66,455
Asset as at 30 September	11,774	2,271
The movement in the defined benefit obligation over the year is as follows:		
Present value of defined benefit obligations as at 01 October	64,184	58,034
Current service cost	4,823	4,899
Interest cost	6,363	5,737
Benefits paid during the year	(1,101)	(1,318)
Remeasurement losses / (gains)	(6,494)	(3,168)
Present value of defined benefit obligations as at 30 September	67,775	64,184
The movement in the fair value of plan assets for the year is as follows:		
Fair value as at 01 October	66,455	65,780
Expected return on plan assets	5,790	6,807
Contributions during the year	6,880	5,894
Benefits paid during the year	(1,101)	(1,318)
Remeasurement gains / (losses)	1,525	(10,708)
Fair value as at 30 September	79,549	66,455
The amounts recognized in the Statement of Profit or Loss are as follows:		
Current service cost	4,823	4,899
Interest cost	6,363	5,737
Expected return on plan assets	(5,790)	(6,807)
Total included in salaries and wages	5,396	3,829
The amounts recognized were included in the Statement of Profit or Loss as follows:		
Cost of sales	1,525	2,006
Administrative expenses	2,723	1,742
Other expenses	58	81
Total, included in salaries and wages	4,306	3,829

The actual return / (loss) on plan assets was Rs. 8.405 million (2018: (Rs. 3.90 million)).

	2019	2018
The principal actuarial assumptions used were as follows:		
Discount rate	13.00%	10.00%
Expected return on plan assets	10.00%	10.00%
Future salary increases	12.00%	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:

	2019 (Rupees in thousand)	2018
Equity instruments	12,096	18,736
Cash and cash equivalent	76,580	64,130
Others - net	(9,127)	(16,411)
	79,549	66,455

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

	2018-19	2017-18	2016-17 (Rupees in thousand)	2015-16	2014-15
As at 30 September					
Present value of defined benefit obligations	(67,775)	(64,184)	(58,034)	(48,717)	(47,496)
Fair value of plan assets	79,549	66,455	65,780	59,265	52,514
Surplus/(deficit)	11,774	2,271	7,746	10,548	5,018
Experience adjustment due to:					
(Gain) / losses on plan liabilities	(6,494)	(3,168)	8,930	(5,843)	(2,453)
(Losses) / gains on plan assets	1,525	(10,708)	4,185	(1,512)	1,918

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%	62,899	73,364
Salary increase	1%	73,364	62,817

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 plans expose the Company to the actuarial risks such as:

Salary risks

The risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Mortality / withdrawal risks

The risks that the actual mortality / withdrawal experiences is different. The effect depends upon beneficiaries' service / age distribution and the entitled benefits of the beneficiary.

	Note	2019 (Rupees in thousand)	2018 (Rupees in thousand)
18. LONG TERM LOANS, ADVANCES AND DEPOSITS			
Security deposits:			
Considered good		34,001	33,986
Considered doubtful		265	265
		34,266	34,251
Advance to Creek Marina (Private) Limited - considered doubtful	18.1	38,557	38,557
		72,823	72,808
Less: Provision against doubtful receivables		(38,822)	(38,822)
		34,001	33,986

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.

	2019	2018
	(Rupees in thousand)	
19. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores	31,129	40,887
Spare parts	34,465	28,435
Loose tools	917	1,044
	66,511	70,366
Less: Provision for obsolete items	(2,820)	(4,610)
	63,691	65,756
20. STOCK-IN-TRADE		
Raw materials	2,652	29,820
Work-in-process	20,724	7,958
Finished goods		
- Manufactured	269,484	990,533
- Trading	284,000	
	553,484	990,533
	576,860	1,028,311

20.1 Raw materials and finished goods amounting to Rs. 442.50 million (2018: Rs. 1,020.29 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 or Loss on account of write down of finished goods to net realizable value amounts to Rs. 4.13 million (2018: Rs. 28.80 million).

	Note	2019	2018
		(Rupees in thousand)	
21. TRADE DEBTS			
Considered good:			
- Unsecured	21.1	35,078	39,431
Considered doubtful:			
- Unsecured		10,522	11,476
		45,600	50,907
Less: Provision for doubtful debts		(10,522)	(11,476)
		35,078	39,431
21.1 Trade debts include the following amounts due from the following related parties:			
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. 11.43 million (2018: Rs. 6.57 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

		Note	2019	2018
			(Rupees in thousand)	
21.2	**Aging of related party balances**			
	Considered good			
	Less than one month		-	5,340
	One to three months		-	-
			-	5,340
21.3	**Provision for doubtful balances**			
	Balance as at 01 October		11,476	11,476
	Write back		(954)	-
	Balance as at 30 September		10,522	11,476
22.	**LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**			
	Advances - considered good			
	- to employees		5,624	7,344
	- to suppliers and contractors		116,991	211,923
	- to sugarcane growers		3,036	3,875
			125,651	223,142
	Advances - considered doubtful:			
	- to employees		628	628
	- to suppliers and contractors		9,409	9,409
	- to sugarcane growers		4,705	4,705
			14,742	14,742
	Due from related parties - unsecured and considered good	22.1	1,087	6,049
			1,087	6,049
	Receivable from Government			
	- Income tax		18,879	18,269
	- Export rebate		41,737	41,737
	Prepayments		4,654	5,883
	Margins against bank guarantees		2,180	2,180
	Others:			
	- considered good		9,247	6,668
	- considered doubtful		2,448	2,448
			220,625	321,118
	Less: Provision against doubtful receivables	22.3	(17,190)	(17,190)
			203,435	303,928

22.1 Due from related parties - unsecured and considered good

	Note	2019	2018
		(Rupees in thousand)	
Crescent Steel & Allied Product Limited	22.1.1	372	3,147
CS Energy Private Limited		-	1,840
Crescent Hadeed (Private) Limited	22.1.2	715	1,062
		1,087	6,049

22.1.1 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 19.06 million.

22.1.2 Maximum aggregate balance due from the related party at the end of any month during the year was Rs. 3.26 million.

	Note	2019	2018
		(Rupees in thousand)	
22.2 Aging of related party balances			
Less than one months		263	-
One to three months		510	2,627
Three to six months		314	367
Six to twelve months		-	1,377
More than twelve months		-	1,678
		1,087	6,049

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

22.3 Provision against doubtful receivables

	Note	2019	2018
As at 01 October		17,190	17,632
Recovered / written off		-	(442)
As at 30 September		17,190	17,190

23. CASH AND BANK BALANCES

	Note	2019	2018
At banks on:			
- Saving accounts	23.1	52	610
- Current accounts	23.2	82,259	26,552
		82,311	27,162
In hand		1,391	1,109
		83,702	28,271

23.1 These carry mark-up at the rates ranging from 8.25% per annum to 10.25% per annum (2018: 4.50% per annum to 8.25% per annum).

These deposits include Rs. 0.035 million (2018: Rs. 0.58 million) under Shariah compliant arrangements, which carries profit rate ranging from 3.35% to 4.24% per annum (2018: 1.90% to 5.00% per annum).

23.2 These include balances amounting Rs. 1.70 million (2018: Rs. 5.46 million) which have been maintained under shariah based arrangements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

24. SALES - NET

(Rupees in thousand)

	Note	Sugar 2019	Sugar 2018	Biofuel 2019	Biofuel 2018	Textile 2019	Textile 2018	Farms 2019	Farms 2018	Others 2019	Others 2018	Total 2019	Total 2018
Gross sales													
- Local		3,061,316	3,455,318	106,109	125,858	1,411,519	893,551	29,171	31,133	503	1,592	4,608,618	4,507,452
- Export		35,193	27,062	1,831,973	2,741,271	-	-	-	-	-	-	1,867,166	2,768,333
- By-products		179,521	253,128	3,631	22,566	16,004	9,675	-	-	-	-	199,156	285,369
- Inter-segment		496,981	661,695	80,065	248,376	-	-	18,074	8,693	-	-	-	-
		3,773,011	4,397,203	2,021,778	3,138,071	1,427,523	903,226	47,245	39,826	503	1,592	6,674,940	7,561,154
Less:													
Commission to selling agents		3,337	12,804	-	-	1,494	1,813	-	-	-	-	4,831	14,617
Sales tax and Federal Excise Duty		356,044	118,972	17,580	23,322	44,578	-	-	-	-	-	418,202	142,294
		359,381	131,776	17,580	23,322	46,072	1,813	-	-	-	-	423,033	156,911
Net sales		3,413,630	4,265,427	2,004,198	3,114,749	1,381,451	901,413	47,245	39,826	503	1,592	6,251,907	7,404,243

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

25. COST OF SALES

(Rupees in thousand)

	Note	Sugar 2019	Sugar 2018	Biofuel 2019	Biofuel 2018	Textile 2019	Textile 2018	Farms 2019	Farms 2018	Others 2019	Others 2018	Total 2019	Total 2018
Inter-segment		91,435	255,425	496,937	661,631	-	-	6,747	1,675	-	33	-	-
Raw materials consumed		2,289,881	3,034,695	355,213	1,552,919	1,022,577	622,686	821	676	522	1,248	3,669,014	5,212,224
		2,381,316	3,290,120	852,150	2,214,550	1,022,577	622,686	7,568	2,351	522	1,281	3,669,014	5,212,224
Salaries, wages and other benefits	25.2	292,669	286,572	42,001	47,595	117,991	86,774	6,266	4,808	124	255	459,051	426,004
Stores, spare parts and loose tools consumed		124,215	93,904	10,987	9,037	36,224	17,795	10,520	5,824	-	-	181,946	126,560
Duty on manufacturing of biofuel	10.4			30,286	113,406							30,286	113,406
Dyes and chemicals		20,729	25,087	12,084	25,708	-	-	-	-	-	-	32,813	50,795
Freight and forwarding		-	-	99,441	179,150	353	355	-	-	-	-	99,794	179,505
Loading and unloading charges		5,141	4,625									5,141	4,625
Handling and distribution		1,669	1,333									1,669	1,333
Packing material consumed		33,701	35,665	-	-	18,316	11,769	-	-	-	52	52,017	47,486
Fuel and power		266,392	401,152	40	69	200,463	123,710	2,957	3,283	-	-	469,852	528,214
Repairs and maintenance		32,738	41,560	110	959	747	192	2,686	1,839	-	-	36,281	44,550
Insurance		4,884	4,641	1,633	1,946	1,747	1,223	61	63	-	-	8,325	7,873
Vehicle running and maintenance		6,337	6,233	133	-	-	-	-	-	-	-	6,470	6,233
Travelling and conveyance		557	1,560	205	319	833	590	-	-	-	-	1,595	2,469
Printing and stationery		446	258	27	82	-	-	-	-	-	-	473	340
Rent, rates and taxes		1,506	1,280	-	-	314	309	140	174	-	-	1,960	1,763
Land preparation and irrigation expense		-	-	-	-	-	-	13,410	9,429	-	-	13,410	9,429
Sugarcane research and development	25.2	1,593	1,643	-	-	-	-	-	-	-	-	1,593	1,643
Depreciation on property, plant and equipment	13.1.6	402,834	332,043	162,579	127,006	28,966	20,514	1,081	1,167	-	-	595,460	480,730
Amortization on intangibles		-	-	-	-	-	-	-	-	-	-	-	-
Impairment on intangibles		-	-	-	-	-	-	-	-	-	-	-	-
Other expenses		10,666	11,818	10,036	10,085	904	608	447	463	16	51	22,069	23,025
		3,587,393	4,539,494	1,221,712	2,729,912	1,429,435	886,525	45,136	29,401	662	1,639	5,689,219	7,268,207
Opening work-in-process		2,108	6,239	-	-	5,850	6,301			-	-	7,958	12,540
Less: closing work-in-process		(7,887)	(2,108)	-	-	(12,837)	(5,850)			-	-	(20,724)	(7,958)
		(5,779)	4,131	-	-	(6,987)	451	-	-	-	-	(12,766)	4,582
Cost of goods produced		3,581,614	4,543,625	1,221,712	2,729,912	1,422,448	886,976	45,136	29,401	662	1,639	5,676,453	7,272,789
Opening stock of manufactured finished goods		400,157	482,843	565,113	270,056	24,867	4,214	-	7,716	396	8	990,533	764,837
Less: closing stock of manufactured finished goods		(197,079)	(400,157)	(37)	(565,113)	(71,099)	(24,867)	(1,269)	-	-	(396)	(269,484)	(990,533)
		203,078	82,686	565,076	(295,057)	(46,232)	(20,653)	(1,269)	7,716	396	(388)	721,049	(225,696)
		3,784,692	4,626,311	1,786,788	2,434,855	1,376,216	866,323	43,867	37,117	1,058	1,251	6,397,502	7,047,093

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

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

	Note	2019	2018
		(Rupees in thousand)	
Pension fund		5,165	3,472
Gratuity fund		1,525	2,006
Provident fund		5,530	3,162
		12,220	8,640

26. Administrative expenses

	Note	2019	2018
Salaries, wages and other benefits	26.1	227,293	193,201
Repairs and maintenance		7,126	5,912
Insurance		3,927	3,923
Vehicle running and maintenance		10,353	8,665
Travelling and conveyance		3,148	2,310
Printing and stationery		1,008	2,184
Electricity and gas		1,934	2,051
Telephone, postage and telegram		3,264	3,507
Legal and professional charges	26.2	14,893	15,590
IT Consultancy and advisory services		10	-
Rent, rates and taxes		6,349	5,835
Staff training and development		137	55
Entertainment		3,055	2,918
Subscriptions		6,783	7,483
Advertisements		241	207
Registered office expenses		898	833
Depreciation on property, plant and equipment	13.1.6	20,145	18,766
Others		612	1,696
		311,176	275,136

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

	2019	2018
Pension fund	8,010	5,794
Gratuity fund	2,723	1,742
Provident fund	4,024	7,631
	14,757	15,167

26.2 Professional services

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

	2019	2018
- Statutory audit	1,764	1,350
- Half yearly review	635	550
- Certification charges	-	180
- Out of pocket expenses	370	275
	2,769	2,355

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

	Note	2019	2018
		(Rupees in thousand)	
27. SELLING EXPENSES			
Storage tank charges		24,205	24,570
Salaries, wages and other benefits	27.1	4,034	4,021
Insurance		2,325	2,202
Sales promotion expenses		841	529
		31,405	31,322

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

	2019	2018
Pension fund	431	315
Provident fund	160	151
	591	466

	Note	2019	2018
28. OTHER EXPENSES			
Net exchange loss		20,471	27,722
Social action programme expenses including salaries	28.1	5,514	5,359
Waste water drainage		11,088	13,738
Donations	28.2	1,000	-
Others		634	2,406
		38,707	49,225

28.1 Social action programme salaries expenses include following in respect of retirement benefits:

	2019	2018
	(Rupees in thousand)	
Pension fund	197	198
Gratuity fund	58	81
Provident fund	83	83
	338	362

28.2 During the year, donation amounting to Rs. 1 million was given to Lyallpur Golf n Country Club Faisalabad in which Mr. Ali Altaf Saleem is a member.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

		Note	2019	2018
			(Rupees in thousand)	
29.	**OTHER INCOME**			
	Income from financial assets			
	Dividend income	29.1	180	585
	Return on bank deposits		283	259
			463	844
	Income from non-financial assets			
	Scrap sales		19,487	15,096
	Profit on sale of:			
	- Property, plant and equipment	13.1.2	9,183	5,035
	- Store items		-	478
	- Agriculture Income		7,141	-
	Liabilities no longer payable written back		1,710	33,961
	Fair value adjustment of agricultural assets	15.4	12,690	1,699
	Rental income		17,956	18,052
	Sale of mud		6,342	9,817
	Others		3,196	6,422
			77,705	90,560
			78,168	91,404
29.1	**Dividend income is received from the following:**			
	Related party:			
	Crescent Steel and Allied Products Limited		180	585
			180	585
30.	**FINANCE COST**			
	Interest and mark-up on:			
	- Long term finances		63,777	22,240
	- Short term borrowings		205,030	113,974
	- Due to gratuity and pension funds - related party		48,870	29,637
	- Workers' profit participation fund		842	-
	Notional finance cost		-	9,558
	Bank charges, commission and excise duty		10,935	8,750
	Unwinding of loan from director		-	9,917
	Others		1,580	6,388
			331,034	200,464

	Note	2019	2018
		(Rupees in thousand)	
31. TAXATION			
Current			
- for the year		84,005	81,992
- prior year - super tax		-	29,028
- Deferred		(77,609)	(17,450)
		6,396	93,570
Associates	16.1.1	(58,152)	78,599
	31.1	(51,756)	172,169

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 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. 5,928.29 million (2018: Rs. 5,915.42 million).

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.

		2019	2018
32. LOSS PER SHARE - BASIC AND DILUTED			
i-Profit attributable to ordinary share holders:			
Loss for the year	*Rupees*	(751,532,878)	(14,008,000)
ii-Weighted-average number of ordinary shares:			
Weighted average number of shares	*Number*	125,000,000	125,000,000
Loss per share	*Rupees*	(6.01)	(0.11)

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.

.

	2019	2018
	(Rupees in thousand)	
33. CASH GENERATED FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation	(803,289)	158,161
Adjustment for depreciation/amortization of:		
- property, plant and equipment	615,605	499,496
Liabilities no longer payable written back	(1,710)	(33,961)
Gain on sale of property, plant and equipment	(9,183)	(5,035)
Interest from bank deposits	(283)	(259)
Provision for employees' retirement benefits	19,272	13,608
Dividend income	(180)	(585)
Gain on revaluation of property plant and equipment	-	(13,966)
Net (income) / loss on biological assets	(15,042)	(4,422)
Gain on sale of 'Available for sale' investments	-	
Share of profit from associates	23,540	(265,754)
Finance cost	331,034	200,464
	963,053	389,586
Profit before working capital changes	159,764	547,747
Effect on cash flow due to working capital changes:		
Decrease in stores spare parts and loose tools	2,065	(4,414)
Decrease in stock in trade	451,451	87,536
Decrease / (Increase) in biological assets - net	1	(202)
Decrease in trade debts	4,353	128,286
Decrease / (Increase) in loans, advances, prepayments and other receivables	101,088	(95,549)
Increase / (Decrease) in trade and other payables	374,745	(362,014)
	933,703	(246,357)
Cash generated from operating activities	1,093,467	301,390

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

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	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Rupees in thousand)							
Managerial remuneration	9,828	8,400	6,000	6,000	-	-	66,314	54,626
Contribution to retirement benefits	3,472	2,968	2,120	2,120	-	-	9,923	8,282
House rent	4,423	3,780	2,400	2,400	-	-	21,542	17,211
Utilities	983	840	600	600	-	-	4,919	4,103
Medical	-	-	480	480	-	-	4,415	3,324
Others	-	-	-	-	-	-	2,802	1,920
Reimbursable expenses	24	-	275	-	-	-	76	-
Fees	-	-	-	-	620	840	-	-
	18,730	15,988	11,875	11,600	620	840	109,991	89,466
Number of persons	1	1	1	1	6	6	34	22

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. 3.80 million (2018: 3.29 million) and Rs. 8.07 million (2018: 7.03 million) in gratuity and pension fund respectively for key management personnel.

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

	2019					
	Issued, subscribed and paid-up capital	Unclaimed Dividend	Long term financing	Short term borrowing	Accrued markup	Total
	(Rupees in thousand)					
As at 1 October 2018	1,250,000	2,273	540,406	2,243,284	45,711	4,081,674
Changes from financing cash flows						
Dividend paid		(234)	-	-	-	(234)
Financial charges paid	-	-	-	-	(297,098)	(297,098)
Loans availed during the year	-	-	-	3,998,655	-	3,998,655
Repayment	-	-	(155,662)	(4,437,862)	-	(4,593,524)
Total changes from financing cash flows	-	(234)	(155,662)	(439,207)	(297,098)	(892,201)
Other changes						
Change in borrowings	-	-	-	-	-	-
Dividend declared		-	-	-		-
Interest expense	-	-	-	-	331,034	331,034
Total liability related other changes	-	-	-	-	331,034	331,034
As at 30 September 2019	1,250,000	2,039	384,744	1,804,077	79,647	3,520,507

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

36. PROVIDENT FUND RELATED DISCLOSURE

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:

	2019	2018
	(Number of persons)	
- As at 30 September	1,435	1,238
- Average number of employees	1,469	1,326

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	2019	2018
			(Rupees in thousand)	
Crescent Steel & Allied Products Limited	Related Party	Associate due to shareholding by CSAPL in SML of 21.93% (2018: 21.93%)		
Purchase of goods			1,537	582
Salary expense and other common expenses			2,976	3,561
Dividend income			180	585
CS Energy (Private) Limited	Related Party	Associate due to CSAPL		
Sale of bagasse & water			181,390	253,128
Purchase of electricity, steam & bagasse			191,289	278,419
Common expenses			5,245	9,112
Purchase of material			386	-
Shakarganj Engineering (Division of CSAPL)	Related Party	Associate due to CSAPL		
Purchase of goods			-	140
Crescent Hadeed (Private) Limited (associated undertaking of CSAPL)	Related Party	Associate due to CSAPL and Common Directorship		
Rendering of services			2,929	1,289
Purchase of goods			302	-

Name of Party	Relationship	Basis of Relationship	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Premier Insurance Limited	Related Party	Common directorship		
Insurance expenses			10,257	12,147
Shakarganj Food Products Limited	Related Party	Common CEO - 52.39% (2018: 52.39%) of shareholding in associate.		
Sale of goods			315,186	247,262
Salary expense and other common			1,650	2,034
Post employment benefit plans	Related Party	Provident Fund, Pension Fund, Gratuity Fund		
Expense charged in respect of retirement benefit plans			27,048	24,635
Transactions with gratuity and pension fund account				
- Funds received			416,215	789,620
- Funds repaid			416,215	789,620
- Markup expense			48,870	29,637

39. CAPACITY AND PRODUCTION

Sugar

Jhang

		2019	2018
Rated crushing capacity	MT / day	10,000	10,000
On the basis of 77 days (2018: 105 days)	MT	770,000	1,050,000
Actual cane crushed	MT	226,738	316,103

Bhone

		2019	2018
Rated crushing capacity	MT / day	6,000	6,000
On the basis of 83 days (2018: 100 days)	MT	498,000	600,000
Actual cane crushed	MT	258,024	352,961

The low crushing was due to unfavorable sugar prices and low quality sugarcane.

Biofuel

Jhang

		2019	2018
Rated production capacity	Litres / day	150,000	150,000
On the basis of average number of 108 days (2018: 226 days) working	Litres	16,150,000	33,900,000
Actual production	Litres	14,450,368	31,733,594

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

		2019	2018
Bhone			
Rated production capacity	Litres / day	200,000	200,000
On the basis of average number of 4 days (2018: 126 days) working	Litres	750,000	25,150,000
Actual production	Litres	713,838	24,994,684
The actual production is 90% of the worked capacity which is within normal working standards.			
Textile			
Capacity (converted in 20s counts)	Kg	9,198,418	6,777,987
Actual production (converted in 20s counts)	Kg	8,850,689	6,360,950

The actual production is 96% of the capacity which is within normal working standards.

40. BUSINESS SEGMENTS INFORMATION

(Rupees in thousand)

		Sugar		Biofuel		Textile		Farms		Others		Elimination		Total	
	Note	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue															
- External	24	2,916,649	3,603,732	1,924,133	2,866,373	1,381,451	901,413	29,171	31,133	503	1,592	-	-	6,251,907	7,404,243
- Intersegment	24	496,981	661,695	80,065	248,376	-	-	18,074	8,693	-	-	(595,119)	(918,764)	-	-
		3,413,630	4,265,427	2,004,198	3,114,749	1,381,451	901,413	47,245	39,826	503	1,592	(595,119)	(918,764)	6,251,907	7,404,243
Segment expenses															
Cost of sales															
- Intersegment	25	91,435	255,425	496,937	661,631	-	-	6,747	1,675	-	33	(595,119)	(918,764)	-	-
- External	25	3,693,257	4,370,886	1,289,851	1,773,224	1,376,216	866,323	37,120	35,442	1,058	1,218	-	-	6,397,502	7,047,093
		3,784,692	4,626,311	1,786,788	2,434,855	1,376,216	866,323	43,867	37,117	1,058	1,251	(595,119)	(918,764)	6,397,502	7,047,093
Gross profit / (loss)		(371,063)	(360,884)	217,410	679,894	5,235	35,090	3,378	2,709	(555)	341	-	-	(145,595)	357,150
- Administrative expenses	26	174,021	140,636	102,171	102,697	33,533	30,338	1,425	1,413	26	52	-	-	311,176	275,136
- Distribution and selling costs	27	3,537	2,809	26,516	27,551	1,352	961	-	-	-	1	-	-	31,405	31,322
		177,558	143,445	128,687	130,248	34,885	31,299	1,425	1,413	26	53	-	-	342,581	306,458
Segment results		(548,621)	(504,329)	88,723	549,646	(29,650)	3,791	1,953	1,296	(581)	288	-	-	(488,176)	50,692
Other operating expenses														(38,707)	(49,225)
Operating (loss) / profit														(526,883)	1,467
Finance costs														(331,034)	(200,464)
Other income														78,168	91,404
Taxation														(6,396)	(93,570)
Share of income from associates - net of tax														34,612	187,155
(Loss)/ Profit for the year														(751,533)	(14,008)

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.

		Sugar 2019	Sugar 2018	Biofuel 2019	Biofuel 2018	Textile 2019	Textile 2018	Farms 2019	Farms 2018	Others 2019	Others 2018	Elimination 2019	Elimination 2018	Total 2019	Total 2018
40.3	**Segment assets**	7,379,763	6,854,607	2,061,537	2,865,990	464,900	392,638	833,598	694,905	-	395	-	-	10,739,798	10,876,584
	Unallocated assets													2,611,185	3,430,548
														13,350,983	14,307,132
	All non-current assets of the Company as at the reporting date are located in Pakistan.														
40.4	**Segment liabilities**	3,254,914	3,351,611	1,798,633	1,698,395	184,451	109,370	13,865	14,570	-	600	-	-	5,251,863	5,213,241
	Unallocated liabilities													239,320	411,019
														5,491,183	5,624,260
40.5	**Capital expenditure**	62,123	62,123	-	-	-	-	-	-	-	-	-	-	62,123	62,123
	Unallocated													785	46,512
														62,908	108,635
40.6	**Depreciation on property, plant and equipment**	402,834	332,043	162,579	127,006	28,966	20,514	1,081	1,167	-	-	-	-	600,785	484,295
	Unallocated													14,820	15,201
														615,605	499,496
40.7	**Impairment on intangible assets**	-	-	-	-	-	-	-	-	-	-	-	-	-	-
														-	-

40.8 Secondary reporting format

Segment revenue from external customers by geographical areas is as follows:

	Sugar 2019	Sugar 2018	Biofuel 2019	Biofuel 2018	Textile 2019	Textile 2018	Farms 2019	Farms 2018	Others 2019	Others 2018	Elimination 2019	Elimination 2018	Total 2019	Total 2018
Export sales - Europe	26,101	22,196	113,382	905	-	-	-	-	-	-	-	-	139,483	23,101
Export sales - Africa	-	-	38,450	-	-	-	-	-	-	-	-	-	38,450	-
Export sales - Asia	9,092	4,867	1,680,142	2,740,365	-	-	-	-	-	-	-	-	1,689,234	2,745,232
Local sales	2,881,456	3,576,669	92,159	125,103	1,381,451	901,413	29,171	31,133	503	1,592	-	-	4,384,740	4,635,910
	2,916,649	3,603,732	1,924,133	2,866,373	1,381,451	901,413	29,171	31,133	503	1,592	-	-	6,251,907	7,404,243

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

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 is however not exposed to any currency risk as at statement of financial position date as it doesn't have any outstanding balance in foreign currency.

(ii) Price risk

The Company is exposed to equity securities price risk because of investments held by the Company and classified as fair value through OCI. 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.

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:

	2019	2018
	(Rupees in thousand)	
Impact on other components of equity		
Pakistan Stock Exchange	781	1,370

Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value through OCI.

(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:

	2019	2018
	(Rupees in thousand)	
- **Financial assets**		
Fixed rate instruments		
Bank balances - deposit accounts	52	610
- **Financial liabilities**		
Variable rate instruments		
Long term financing	384,744	540,406
Short term financing	1,369,000	1,869,000
	1,753,744	2,409,406

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.

Cash flow sensitivity analysis for variable rate instruments

At 30 September 2019, 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. 12.01 million (2018: Rs. 16.87 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:

	2019	2018
	(Rupees in thousand)	
Long term loans, advances and deposits	34,001	33,986
Trade debts	35,078	39,431
Loans, advances, prepayments and other receivables	31,868	25,317
Bank balances	82,311	27,162
	183,258	125,896

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:

	2019	2018
	(Rupees in thousand)	
Up to 30 days	1,312	5,020
30 to 60 days	3,603	208
60 to 180 days	1,538	21,939
180 to 365 days	27,671	3,656
More than 365 days	-	8,608
	34,124	39,431

The management estimates the recoverability of trade receivables on the basis of financial position and past history of its customers based on the objective evidence that it will not receive the amount due from the particular customer. The provision is recognized on loss allowances based on ECL model as fully explained in note 3.1.4. However no ECL allowance arose at reporting date. Any subsequent repayments in relation to amount written off, are credited to income statement.

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	2019	2018
				(Rupees in thousand)	
Allied Bank Limited	A1+	AAA	PACRA	20	52
Askari Bank Limited	A1+	AA+	PACRA	214	561
Bank Alfalah Limited	A1+	AA+	PACRA	392	613
Bank Islami Pakistan Limited	A1	A+	PACRA	1,358	1,269
Dubai Islamic Bank Pakistan Limited	A-1+	AA	JCR-VIS	152	152
Habib Bank Limited	A-1+	AAA	JCR-VIS	43,133	1,584
MCB Bank Limited	A1+	AAA	PACRA	5,166	2,308
Meezan Bank Limited	A-1+	AA+	JCR-VIS	4	4,007
National Bank of Pakistan	A1+	AAA	PACRA	31,363	16,532
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	29	29
The Bank of Punjab	A1+	AA	PACRA	46	43
United Bank Limited	A-1+	AAA	JCR-VIS	424	12
Al Baraka Bank (Pakistan) Limited	A-1	A+	JCR-VIS	9	-
				82,310	27,162

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 9) and cash and cash equivalents (note 23) 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 through continuous support from its lenders has been able to obtain working capital lines to manage its liquidity requirements.

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
At 30 September 2019				
Floating rate long term debt	256,453	153,291	-	-
Variable rate short term borrowings	1,804,077	-	-	-
Trade and other payables	1,532,269	-	-	-
Accrued finance cost	79,647	-	-	-
	3,672,446	153,291	-	-

(Rupees in thousand)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 30 September 2018				
Floating rate long term debt	97,703	250,662	192,041	-
Variable rate short term borrowings	2,243,284	-	-	-
Trade and other payables	958,057	-	-	-
Accrued finance cost	45,711	-	-	-
	3,344,755	250,662	192,041	-

41.2 Financial instruments by categories

	Amortized Cost 2019	Loans and receivables 2018
	(Rupees in thousand)	
Long term loans, advances and deposits	34,001	33,986
Trade debts	35,078	39,431
Loans, advances, prepayments and other receivables	31,868	25,317
Cash and bank balances	83,702	28,271

	FVOCI 2019	Available for sale 2018
	(Rupees in thousand)	
Investments - available for sale	7,810	28,271

	Other Financial liabilities 2019	2018
	(Rupees in thousand)	
Long term finances	384,744	540,406
Short term borrowings - secured	1,804,077	2,243,284
Trade and other payables	1,538,269	958,057
Accrued finance cost	79,647	45,711

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 as the carrying amount is a reasonable approximation of fair value.

	Note	Carrying amount				Fair value			
		Investments	Trade and other receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees in thousands							
2019									
Financial assets - measured at fair value									
Investment at FVOCI	16	7,810	-	-	7,810	7,810	-	-	7,810
Biological assets	15	-	46,316	-	46,316	-	17,017	29,299	46,316
		7,810	46,316	-	54,126	7,810	17,017	29,299	54,126
Financial assets at amortised cost									
Long term deposits	18	-	34,001	-	34,001	-	-	-	-
Trade debts	21	-	35,078	-	35,078	-	-	-	-
Loans , Advances, deposits, prepayments and other receivables	22	-	31,868	-	31,868	-	-	-	-
Cash and Bank balances	23	-	83,702	-	83,702	-	-	-	-
		-	184,649	-	184,649	-	-	-	-
Financial liabilities - measured at fair value		-	-	-	-	-	-	-	-
Financial liabilities measured at amortised cost									
Long term loans		-	-	384,744	384,744	-	-	-	-
Short term borrowings		-	-	1,804,077	1,804,077	-	-	-	-
Trade and other payables		-	-	1,538,269	1,538,269	-	-	-	-
Accrued finance cost		-	-	79,647	79,647	-	-	-	-
		-	-	3,806,737	3,806,737	-	-	-	-

	Note	Carrying amount				Fair value			
		Available for sale	Trade and other receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
		Rupees in thousands							
2018									
Financial assets - measured at fair value									
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
Financial assets - not measured at fair value									
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	-	-	-	-
		-	127,005	-	127,005	-	-	-	-
Financial liabilities - measured at fair value		-	-	-	-	-	-	-	-
Financial liabilities - not measured at fair value									
Long term loans	7 & 9	-	-	540,406	540,406	-	-	-	-
Short term borrowings	9	-	-	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	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2019

42. INFORMATION FOR ALL SHARES ISLAMIC INDEX SCREENING

Following information has been disclosed with reference to circular No. 29 of 2016 dated 05 September 2016 issued by the Securities and Exchange Commission of Pakistan relating to "All Shares Islamic Index"

	Note	Carried under			
		Non-Shariah arrangements	Shariah arrangements	Non-Shariah arrangements	Shariah arrangements
		2019		2018	
		---------- Rupees in thousand ----------			
42.1 Assets and liabilities					
Assets					
Loans and advances - interest free	22				
Advances to employees		-	5,624	-	7,344
Advances to suppliers		-	116,991	-	211,923
Advances to sugar cane growers		-	3,036	-	3,875
Margins against bank guarantees		180	2,000	180	2,000
Other advance - interest free					
Advances for capital work in progress	13.2.2	-	31,008	-	26,766
Due from related parties	22	-	1,087	-	6,049
Deposits- interest free					
Long term security deposits	18	-	34,001	-	33,986
Bank balances	23.2	80,575	1,736	21,118	1,420
Liabilities					
Loans and advances					
Long term finances	7	384,744	-	540,406	-
Loan from Director - interest free	7	-	-	-	-
Short term borrowings	9	1,269,000	535,077	1,769,000	474,284
Advances from customers - interest free	10	-	132,109	-	156,793
Advances for sale of property, plant and equipment - interest free	10	-	12,000	-	12,000
Associated undertakings - interest free	10.2	-	10,393	-	15,905
Deposits - interest free					
Security deposits	10.1	-	2,142	-	2,128
Income					
Profit on deposits with banks	29	-	283	-	259
Other comprehensive income					
Unrealized gain on investment	16.2.1	(5,964)	-	(14,700)	-

* Sharia arrangement represents interest free advances/receivable and payables and islamic mode of financing.

	Note	2019	2018
		(Rupees in thousand)	
42.2 Dividend income earned from	29.1		
Crescent Steel and Allied Products Limited		180	585
		180	585

	Note	2019	2018
		(Rupees in thousand)	
42.3 Source of other income			
Profit on sale of 'Available for Sale' investments		-	-
Profit on the sale of right allotment letters		-	-
Dividend on equity investment		180	585
Return on bank deposits		283	259
Scrap sales		19,487	15,096
Liabilities no longer payable written back		-	33,961
Profit on sale of:			
- Property, plant and equipment		9,183	5,035
- Store items		-	478
Fair value adjustment of agricultural assets		12,690	1,699
Rental income		17,956	18,052
Export rebate		-	-
Present value adjustment on initial recognition of interest free loan		-	-
Sale of mud		6,342	9,817
Other		1,672	6,422
	29	67,793	91,404
42.4 Exchange loss			
Loss on actual currency	28	20,471	27,722
42.5 Revenue (external) from different business			
Sugar		2,916,649	3,603,732
Biofuel		1,924,133	2,866,373
Textile		1,381,451	901,413
Farm		29,171	31,133
Other		503	1,592
	40	6,251,907	7,408,486

42.6 Relationship with banks

Name	Relationship: Non Islamic window operations	Relationship: With Islamic window operations
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	✔	✔
Al Baraka Bank (Pakistan) Limited	-	✔
The Bank of Punjab	✔	-

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.

	2019 (Rupees in thousand)	2018 (Rupees in thousand)
Total debt	2,188,821	2,783,690
Total equity	7,859,800	8,682,872
Total debt and equity	10,048,621	11,466,562
Gearing ratio	22%	24%

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 27 December 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 2019

2.2 No. of Shareholders	Shareholding From	To	Total shares held
451	1	100	13,146
351	101	500	112,043
246	501	1,000	192,337
359	1,001	5,000	797,672
72	5,001	10,000	508,495
27	10,001	15,000	321,831
15	15,001	20,000	260,719
12	20,001	25,000	274,557
8	25,001	30,000	221,390
5	30,001	35,000	167,869
3	35,001	40,000	117,164
4	40,001	45,000	165,633
5	45,001	50,000	231,549
3	50,001	55,000	155,839
5	55,001	60,000	285,409
2	60,001	65,000	124,509
3	65,001	70,000	200,120
8	70,001	75,000	587,105
1	75,001	80,000	76,252
2	80,001	85,000	167,766
3	85,001	90,000	262,959
1	95,001	100,000	95,146
1	100,001	105,000	100,872
3	105,001	110,000	326,852
2	110,001	115,000	225,136
4	115,001	120,000	472,797
1	120,001	125,000	120,861
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	Shareholding From	To	Total shares held
2	250,001	255,000	504,552
1	255,001	260,000	257,349
1	260,001	265,000	263,700
1	275,001	280,000	279,000
1	295,001	300,000	297,727
1	320,001	325,000	320,454
1	655,001	660,000	657,754
1	740,001	745,000	743,980
1	755,001	760,000	756,500
1	770,001	775,000	772,727
1	785,001	790,000	788,611
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	1,465,001	1,470,000	1,468,463
1	2,035,001	2,040,000	2,035,600
1	5,090,001	5,095,000	5,090,908
1	5,305,001	5,310,000	5,306,818
1	6,355,001	6,360,000	6,358,845
1	7,010,001	7,015,000	7,010,137
1	7,050,001	7,055,000	7,051,136
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
1,631			125,000,000

2.3	Categories of Shareholder	Share held	Percentage
2.3.1	Directors, CEO, Their Spouse and Minor Children	6,578,965	5.26
2.3.2	Associated Companies, Undertakings & Related Parties	59,946,869	47.96
2.3.3	NIT & ICP	7,010,137	5.61
2.3.4	Banks, DFIs, NBFCs	106,854	0.09
2.3.5	Insurance Companies	5,008	0.00
2.3.6	Modarabas and Mutual Funds	9,453	0.01
2.3.7	A. General Public (Local)	23,607,755	18.89
2.3.8	A. Other Companies (Local)	27,734,743	22.19
2.3.9	B. Other Companies (Foreigner)	216	0.00
		125,000,000	100.00

Shareholders More Than 10.00%

Crescent Steel and Allied Products Limited	27,409,075	21.93
Masood Fabrics Limited	17,767,840	14.21

NOTICE OF 52ND ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd Annual General Meeting of shareholders of Shakarganj Limited (the "Company") will be held on Monday, 27 January 2020 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 2019.

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 M/s. Riaz Ahmad & Company, Chartered Accountants for appointment as auditors of the Company in place of retiring auditors.

By Order of the Board

Asif Ali
Company Secretary

Lahore: 27 December 2019

NOTES:

1. **Book Closure:**

   The Share Transfer Books of the Company will remain closed from 20 January 2020 to 27 January 2020 (both days inclusive). Transfers received in order at the office of our Share Registrar, CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 18 January 2020, will be treated in time for the entitlement of the transferees 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. CNIC/IBAN for E-Dividend Payment

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. In case of non-submission, all future dividend payments may be withheld.

6. Zakat Declarations:

The members of the Company are required to submit Declaration to the Company for Zakat exemption in terms of Zakat and Ushr Ordinance, 1980.

7. Circulations of Annual Reports through CD/DVD/USB/ Email

Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of Crescent Steel and Allied Products Limited had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form provided in the annual report and also available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form provided in the annual report and also available on the Company's website: www.shakarganj.com.pk.

8. 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.

9. 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 AGM. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (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.

10. Placement of Financial Statements

The Company has placed the Audited Annual Financial Statements for the year ended 30 September 2019 along with Auditors and Directors Reports thereon on its website: www.shakarganj.com.pk

6۔زکوۃ ڈیکلیریشن

کمپنی کے ارکان کو زکوٰۃ اینڈ عشر آرڈیننس1980 کی شرائط میں زکوٰۃ اگیزیمپشن کے لئے کمپنی کے ہاں ڈیکلیریشن جمع کرانا ضروری ہے۔

7۔مالی حسابات کی ترسیل بذریعہ سی ڈی / ڈی وی ڈی/یو ایس بی

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے نوٹیفکیشنSRO 470(I)/2016 مورخہ 31 مئی2016 کی پیروی میں شکرگنج لمیٹڈ کے حصص داران نے کمپنی کی سالانہ رپورٹس بشمول نظر ثانی شدہ سالانہ حسابات، سالانہ اجلاس عام کے نوٹسز اور کمپنی کی دیگر معلومات ہارڈ کاپیوں میں ترسیل کی بجائے سی ڈی/ڈی وی ڈی/یوایس بی کے ذریعے ترسیل کیلئے اپنی رضامندی دے چکے 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 پر بھی دستیاب معیاری درخواست فارم پر اپنی تحریری رضامندی فراہم کریں۔

8۔ ان کلیم ڈیویڈنڈاور بونس شیئرز

حصص داران کے ان کلیم ڈیویڈنڈز، جو کسی وجہ سے اپنے ڈیویڈنڈ یا بونس شیئرز کلیم نہیں کر سکے یا اپنے مادی حصص حاصل نہیں کر سکے تھے، اگر کوئی ہوں، سے التماس ہے کہ ہمارے شیئر رجسٹرار میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، E - 503، جوہر ٹاؤن لاہور سے اپنے ان کلیم ڈیویڈنڈ، اگر کوئی ہوں، کے بارے دریافت/حاصل کرنے کے لئے رابطہ کریں۔

9۔وڈیو کانفرنس سہولت

کمپنیز ایکٹ2017ء کی پروویژنز کی پیروی میں، کمپنی کے کل پیڈ اپ شیئر کیپٹل کے کم از کم 10% کے مالک اس شہر میں سکونتی حصص داران 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۔

10۔مالی حسابات کی پلیسمنٹ

کمپنی 30 ستمبر 2019ء مختتمہ سال کیلئے نظر ثانی شدہ سالانہ مالی حسابات معہ ان پر آڈیٹران اور ڈائریکٹران کی رپورٹس اپنی ویب سائٹ www.shakarganj.com پر رکھ چکی ہے۔

اطلاع 52 واں سالانہ اجلاسِ عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ شکر گنج لمیٹڈ (کمپنی) کے حصص داران کا 52 واں سالانہ اجلاس عام لبرٹی کیسل D-1-79 مین بلیوارڈ، گلبرگ III، لاہور پر بروز پیر 27 جنوری 2020ء کو صبح 10:00 بجے درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

1۔ 30 ستمبر 2019ء کو **مختتمہ** سال کیلئے کمپنی کے نظر ثانی شدہ سالانہ مالی حسابات معہ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس، چیئرمین کی جائزہ رپورٹ کی وصولی، غور وخوض اور منظور کرنا۔

2۔ کمپنی کے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ ارکان کو بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو ریٹائرنگ آڈیٹر کی جگہ کمپنی کے آڈیٹرز کی حیثیت سے مقرر کرنے کی سفارش کی ہے۔

لاہور	**بحکم بورڈ**
مورخہ: **27 دسمبر 2019ء**	آصف علی
	کمپنی سیکرٹری

نوٹ:

1۔ کتابوں کی بندش:

کمپنی کی حصص منتقلی کتابیں 20 جنوری 2020ء تا 27 جنوری 2020ء (بشمول ہر دو ایام) بند رہیں گی۔ کمپنی کے شیئر رجسٹرار دفتر میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ E-503 جوہر ٹاؤن لاہور پر 18 جنوری 2020ء کو کاروبار کے اختتام تک موصولہ **منتقلیاں** سالانہ اجلاس عام (AGM) میں شرکت کے استحقاق کیلئے بروقت تصور ہونگی۔

2۔ اجلاس ہذا میں شرکت اور ووٹ دینے کا اہل ممبر اجلاس میں شرکت اور ووٹ دینے کیلئے دیگر ممبر کو بطور پراکسی مقرر کرسکتا ہے۔ پراکسی لازماً کمپنی کا ممبر ہونا چاہئے۔

3۔ پراکسی تقرری کے آلات اور مختار نامہ یا دیگر اتھارٹی جس کے تحت یہ دستخط شدہ ہے یا مختار نامہ کی نوٹریلی مصدقہ کاپی کمپنی کے رجسٹرڈ دفتر پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرائی جانی چاہیے۔

4۔ ممبران جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ (سی ڈی سی) میں جمع کرا چکے ہوں کو مزید برآں سکیورٹیز اینڈ ایکسچینج کمشن پاکستان (SECP) کی دی گئی گائیڈ لائنز کی پیروی کرنا ہوگی۔

A۔ اجلاس میں شرکت کیلئے:

a)۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات سی ڈی سی قواعد کے مطابق اپ لوڈ ہیں، کو اجلاس میں شرکت کے وقت اپنے اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت ثابت کرنا ہوگی۔

b)۔ بصورت کارپوریٹ اینٹٹی بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ معہ نامزدہ کے نمونہ دستخط اجلاس کے وقت مہیا کرنا ہونگے (اگر پہلے مہیا نہیں کئے گئے)۔

B۔ پراکسی تقرری کیلئے:

a۔ بصورت افراد، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور جن کی سکیورٹیز گروپ اکاؤنٹ میں ہیں اور اُنکی رجسٹریشن تفصیلات سی ڈی سی قواعد کے مطابق اپ لوڈ ہیں، کو بالا ریکوائرمنٹ کے مطابق پراکسی فارم جمع کرانا ہوگا۔

b۔ پراکسی فارم، دو افراد جن کے نام، پتے اور CNIC نمبرز فارم پر مذکور ہونگے، کے گواہی شدہ ہونے چاہئیں۔

c۔ بینیفشل اونرز اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ہمراہ جمع کرانا ہونگی۔

d۔ پراکسی، اجلاس کے وقت اپنا اصل CNIC یا اصل پاسپورٹ مہیا کرے گا۔

e۔ کارپوریٹ اینٹٹی کی صورت میں بورڈ آف ڈائریکٹر کی قرارداد/مختار نامہ معہ نمونہ دستخط، کمپنی کو پراکسی فارم کے ہمراہ جمع کرانا ہونگے۔ (اگر پہلے مہیا نہیں کئے گئے)۔

5۔ ای ڈیویڈینڈ ادائیگی کے لئے IBAN / CNIC

کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پروویژنز کے مطابق فہرستی کمپنیوں کیلئے ضروری ہے کہ کوئی منافع منقسمہ قابل ادا نقد صورت میں فقط الیکٹرونک موڈ کے ذریعے براہِ 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 ڈیویڈینڈ فارم پر الیکٹرونک ڈیویڈینڈ مینڈیٹ فراہم کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں، یہ معلومات اپ ڈیٹنگ اور کمپنی کو ارسال کرنے کیلئے سی ڈی ایس پارٹیسپنٹس کو مہیا کی جانی چاہئیں۔

ضروریات کے مطابق ہے۔

مستقبل کا نقطہ نظر

بہتر پیداوار، مارجن اور غیر ملکی کرنسی کی شرحوں میں بہتری کی بدولت، بائیوفیول کاروبار سے توقع ہے کہ مالی سال 2020 میں نمایاں طور پر حصہ شامل کرے گا۔ جیسا کہ ہمارا ڈسٹلریز آپریشن کے مستقبل کا نقطہ نظر اچھے معیار کے مولاسس کی مسلسل دستیابی پر منحصر ہے، انتظامیہ صحت مند سب سے نچلی لائن کے لئے کافی مارجن پیدا کرنے کے لئے موزوں قیمت پر مولاسس 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 بھاری ٹیکسز، گنے کی قیمتوں میں اضافہ کی 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۔ ٹیکسٹائل ڈویژن کی کارکردگی دستیاب مارجن کے مدِنظر بہتر ہونے کی توقع ہے۔ کمپنی گزشتہ سال میں حاصل منافع کو جاری اور مجموعی لیکویڈیٹی حالت کو مزید بہتر بنا کر آپریشنل منافع بخش رکھنے کے لئے اپنی پوری کوششیں کر رہی ہے۔ مندرجہ بالا زیرِ بحث یہ تمام عناصر کا کمپنی کے مجموعی مالی نتائج پر بھی اثر پڑے گا اور انتظامیہ تمام شعبوں خاص طور پر بائیوفیول کاروبار جہاں مارجن زیادہ ہیں میں بہتر نتائج حاصل کرنے کے لئے تمام کوششیں کرے گی۔ انتظامیہ نے مالیاتی سال 2020 میں منافع بخش نتائج حاصل کرنے کے لئے کمپنی کی لیکویڈیٹی حیثیت کو آپریشنل منافع بخش بنا کر مزید بہتر بنانے کا وعدہ کیا ہے۔

اظہار تشکر

ڈائریکٹرز کمپنی کے عملے اور کارکنوں کی کمپنی کے لئے لگن اور جان نثاری کو سراہتے ہیں۔ ڈائریکٹر حصص 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۔

منجانب بورڈ

انجم محمد سلیم	**علی الطاف سلیم**
چیف ایگزیکٹو آفیسر	ڈائریکٹر

27 دسمبر 2019ء

- ✓ 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۔

نمونہء حصص داری اور حصص کی تجارت

نمونہء حصص داری اور اضافی معلومات اس رپورٹ سے منسلک ہیں۔ ڈائریکٹرز، ایگزیکٹو اور ان کے زوج اور چھوٹے بچوں کی طرف سے کمپنی کے حصص میں کوئی تجارت نہیں کی گئی ہے۔

مالیاتی حسابات

پاکستان میں قابل اطلاق اکاؤنٹنگ اور رپورٹنگ معیارات کے تحت درکار او کمپنیز ایکٹ، 2017 کی ضروریات (XIX of 2017) کے مطابق، انتظامیہ ایسے داخلی کنٹرول کے لئے مالی حسابات کی تیاری اور منصفانہ پریزنٹیشن 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 دہی یا غلطی کی وجہ سے ہو۔

چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے مالیاتی حسابات اپنے دستخطوں کے ساتھ باقاعدہ توثیق شدہ بورڈ آف ڈائریکٹرز کے غور وخوض اور منظوری کے لئے پیش کئے ہیں اور بورڈ غور وخوض اور منظوری کے بعد مالی حسابات جاری اور ترسیل کرنے کے لئے دستخط کرنے کا مجاز ہے۔ کمپنی کے مالیاتی حسابات کمپنی کے آڈیٹرز، KPMG تاثیر 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 ضابطے 2017 کے مطابق ڈائریکٹرز رپورٹ کا لازمی حصہ بنے گا۔

ڈیویڈینڈ اور کیرڈ فارورڈ

مجموعی نقصانات، منفی موجودہ تناسب کو مدِنظر رکھتے ہوئے، ڈائریکٹرز نے 30 ستمبر 2019 کو ختم ہونے والے سال کے لئے ڈیویڈینڈ کی ادائیگی کی سفارش نہیں کی ہے۔ اس کے علاوہ کوئی رقم عام ریزرو یا کسی بھی دیگر ریزروفنڈز اکاؤنٹ میں آگے نہیں بھیجی جارہی ہے۔

بعد کے واقعات

مالی سال جس سے یہ بیلنس 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، ڈیبٹ یا قرض میں نادہندگی

کمپنی واجب رقم کی بروقت واپسی کی اپنی ذمہ داری کو تسلیم کرتی ہے اور صنعت میں کامیابی حاصل کرنے والے بہترین طریقوں کی تعمیل کی جاتی ہے یہ بیان کیا گیا ہے کہ زیرِ جائزہ سال کے دوران کسی بھی قرض یا ڈیبٹ کی ادائیگی میں کوئی نادہندگی 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 کمیٹی 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 منسلکہ اپنے مالی حسابات میں متعلقہ پارٹی معاملات کے بارے میں تفصیلی انکشافات کئے ہیں۔ اس طرح کا انکشاف کمپنیز ایکٹ، 2017 کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی

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

نام کمیٹی	نام ارکان اور چیئر مین	تعداد حاضری
آڈٹ کمیٹی	جناب خالد بشیر (چیئر مین)	4
	محترمہ ہاجرہ احسان سلیم (نان ایگزیکٹو ڈائریکٹر)	3
	جناب شیخ عاصم رفیق (آزاد ڈائریکٹر)	4
	جناب خواجہ جلال الدین (آزاد ڈائریکٹر)	2
ہیومن ریسورس اینڈ ریمنریشن کمیٹی	جناب محمد انور (چیئر مین)	1
	جناب خالد بشیر (نان ایگزیکٹو ڈائریکٹر)	1
	جناب انجم محمد سلیم (سی ای او)	1

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

بورڈ آف ڈائریکٹرز کی طرف سے حد کے مطابق جائزہ لیا گیا، کمپنی کے تمام محکموں کے سربراہ "ایگزیکٹوز" تصور کئے جائیں گے۔

نان ایگزیکٹو اور آزاد ڈائریکٹرز کا مشاہرہ

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

- ✓ کوئی ڈائریکٹر اپنا خود کا مشاہرہ متعین نہیں کرے گا۔
- ✓ باقاعدہ پیڈ چیف ایگزیکٹو، سپانسرز اور یا فیملی ڈائریکٹرز اور کل وقتی کام کرنے والے ڈائریکٹرز کے علاوہ بورڈ اور اسکی کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹر میٹنگ فیس کی رقم 20,000 روپے (بیس ہزار روپے صرف) یا بورڈ کی طرف سے وقتاً فوقتاً متعین کردہ کے مطابق ہوگی۔
- ✓ موجودہ یا منظوری کے نتیجے ترمیم کے مطابق قابل اطلاق ایسی ادائیگی کے عوض کوئی واجب ٹیکس کمپنی کو برداشت کرنا ہوگا۔
- ✓ ڈائریکٹرز اجلاسوں میں شرکت کے لئے سفری، قیام اور دیگر اخراجات کے بشمول تمام مناسب اخراجات لینے کے بھی اہل ہوں گے۔

بورڈ آف ڈائریکٹرز اور اسکی کمیٹیوں کی کارکردگی کی تشخیص

انسانی وسائل اور ریمنریشن 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 میکانیزم بورڈ کی طرف سے انسانی وسائل اور ریمنریشن کمیٹی کی سفارش پر منظور کیا گیا۔

سی ای او کی کارکردگی کی تشخیص

سال کے دوران بورڈ کی انسانی وسائل اور ریمنریشن 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 منیجمنٹ**
- ✓ **بزنس پراسیس/مہارت**

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 فنڈ اور معاونت دیتے ہیں۔بجلی کی بچت اور 'صفر' ضیاع کا مقصد ہماری اہم ماحول دوست پالیسیاں ہیں۔ہماری پروڈکشن لائنوں میں چینی کی بائی مصنوعات کے استعمال نے فوسل فیولز کے استعمال اور فضلہ کو ضائع کرنے کے مسائل کو نمایاں طور پر کم کر دیا ہے۔ہمارے پیداواری عمل میں ڈسٹلری سپینٹ واش قطعی ویسٹ مصنوعات ہے۔اب اسے حیاتیاتی طریقہ سے بطور ایندھن بائیوگیس تیار کی جاتی ہے اور پانی آبپاشی 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، واٹر مینجمنٹ کیلئے باقاعدہ تربیتی اور تعلیمی پروگرام چلاتے ہیں اور ہر سال دوبار شجرکاری مہم میں شرکت کرتے ہیں۔HSE کا ہمارا نقطہ نظر ہمارے مشن زیرو ایجنڈا میں ظاہر ہوتا ہے جو صفر حادثات اور کام سے متعلق کمیوں کو نشانہ بناتا ہے۔مشن زیرو ایجنڈا کو مؤثر طریقے سے نافذ کرنے کے لئے، ہم اپنے لوگوں کو اپنے حصہ کا کردار ادا کرنے کے لئے بااختیار بناتے اور حوصلہ افزائی کرتے ہیں۔ہم سب کو اپنے کام کی جگہوں کو محفوظ رکھنے میں اپنے حصہ کا کردار ادا کرنا چاہئے۔سب سے زیادہ مؤثر طریقوں میں سے ایک جو ہم کر سکتے ہیں اپنے اردگرد کے خطرات کے بارے میں آگاہ رہنا اور ان سے نمٹنے 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 شناختی 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 پرعزم 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 پُرعزم 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 کمپنی 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 بارے 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 آٹھ ڈائریکٹرز آٹھ ارکان پر مشتمل ہے جس میں سات مرد ارکان اور ایک خاتون رکن شامل ہے۔سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس، آڈٹ کمیٹی کے چار (4) اجلاس اور ہیومن ریسورس اینڈ ریمنریشن کمیٹی کا ایک (1) اجلاس منعقد ہوا اور ہر ایک ڈائریکٹر کی حاضری بھی دی گئی ہے۔

کیٹگری	نام ڈائریکٹر	تعداد حاضری
آزاد ڈائریکٹرز	جناب شیخ عاصم رفیق	5
	جناب خواجہ جلال الدین	3
نان ایگزیکٹو ڈائریکٹرز	محترمہ ہاجرہ احسان سلیم	4
	جناب خالد بشیر	5
	جناب محمد انور	5
	جناب محمد ارشد	1
ایگزیکٹو ڈائریکٹرز	جناب انجم محمد سلیم (چیف ایگزیکٹو آفیسر)	4
	جناب علی الطاف سلیم (ڈپٹی چیف ایگزیکٹو آفیسر)	5

آڈیٹرز

آڈیٹرز KPMG تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو جائیں گے اور آڈیٹرز کی روٹیشن کی بابت کوڈ آف کارپوریٹ گورننس کی کلاز (xxxvii) کے تقاضہ کے مطابق دوبارہ تقرری کے لئے خود کو پیش نہیں کیا ہے۔ ہم ان کی خدمات کا اعتراف اور شکریہ ادا کرتے ہیں۔ بورڈ کی آڈٹ کمیٹی نے اگلے سالانہ اجلاس عام میں ارکان کے غور کے لئے 30 ستمبر 2020 مختتمہ سال کے لئے ریاض احمد اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی بطور آڈیٹرز دوبارہ تقرری کی سفارش کی ہے۔

کارپوریٹ سماجی ذمہ داری

ہم کمیونٹیز 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 کمیونٹیز کی تعمیر ہیں۔ سال کے دوران شکر گنج نے ان سرگرمیوں میں 5.51 ملین روپے کا حصہ شامل کیا۔ کارپوریٹ کمیونٹی کا ایک ذمہ دار رکن ہونے کی حیثیت سے، شکر گنج نے ہمیشہ ٹیکسز اور دیگر حکومتی لیویز کی مد میں قومی معیشت میں کافی حصہ شامل کیا ہے۔ کمپنی کا وفاقی، صوبائی اور ملکی ٹیکسز کا حصہ زیرِ جائزہ سال کے دوران 647.31 ملین روپے سے زائد تھا۔

شکر گنج میں، کارپوریٹ سماجی ذمہ داری (سی ایس آر) ایک بنیادی اسٹریٹجک مینجمنٹ چلاتی ہے جو ہمارے کاروبار، ماحول اور سٹیزن شپ کو اس انداز سے قائم کرتی ہے جو ہمارے وژن کو مدد دیتی ہے اور ہماری اقدار کو برقرار رکھتی ہے۔ ہمارا مقصد کمیونٹیز جس میں ہم کاروبار کرتے ہیں میں ایک مثبت کردار ادا کرنا ہے۔ ہماری کمیونٹی انوالومنٹ پالیسی ہمارے اخلاقی رویہ کے بنیادی عناصر میں سے ایک ہے۔ ہمارا مشترکہ مقصد ڈلیور کرنے کیلئے مقامی کمیونٹیز کے ساتھ طویل مدتی تعلقات تعمیر کرنے میں مصروف ہمارے پروگرامز، منصوبے جو براہِ راست مقامی ضروریات کو پورا کرتے ہیں میں وقت اور ذرائع کی سرمایہ کاری کے ذریعے مضبوط، محفوظ، صحت مند اور تعلیم یافتہ کمیونٹیز 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، فنون کی ترقی اور ہمارے ثقافتی ورثہ کی حفاظت شامل ہیں۔

ہمارے تعلیمی پروگرام میں ہم لاہور یونیورسٹی آف مینجمنٹ سائنسز اور نیشنل ٹیکسٹائل 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، نیوٹریشن سپلیمنٹ، یونیفارمز، بنیادی ڈھانچہ کی بحالی اور اضافی سہولیات کی تعمیر شامل ہیں۔ شکر گنج سٹیزنز 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 پریمسز میں ٹیچرز ٹریننگ انسٹیٹیوٹ 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 خوشخطی کے مقابلے شامل ہیں۔ ہمارے ہیلتھ کیئر کے اقدامات ہماری وسیع کمیونٹی کے دروزے پر بنیادی طبی سہولیات فراہم کرتے ہیں۔ ماہر ڈاکٹروں، پیرامیڈیکل سٹاف کی تین 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 ڈائیگناسٹک سہولیات، حفاظتی علاج اور مفت ادویات فراہم کی گئی ہیں۔

ہم اسکول آف آرٹ اینڈ کیلی گرافی میں سٹرکچر ٹریننگ پروگرام میں فنکارانہ مہارتوں کو بہتر بنانے میں مقامی ذہانت کو مدد فراہم کرتے ہیں۔ سکول میں شکر گنج کے زیرِ 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، ٹھیکیداروں 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 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 ا کیس اراکین نے پاکستان ہلال احمر سوسائٹی۔ پنجاب کے تعاون سے ابتدائی طبی امداد میں پیشہ ورانہ تربیت اور سرٹیفکیٹ حاصل کرنے کے لئے منظم پروگرام میں حصہ لیا ہے۔ ممکنہ حادثات سے نمٹنے کے لئے حفاظتی اقدامات اور ٹریننگ اور بروقت ردِعمل کے طریقہ کار نے شدید زخم اور حادثات کو کم سے کم کیا۔

زیرِ جائزہ سال کے دوران، بائیوفیول ڈویژن کی کارکردگی 15.16 ملین لٹرز (FY 18 : 56.73 لٹرز) پیداوار کے ساتھ دباؤ کا شکار رہی۔ بائیوفیول پیداوار گزشتہ سال کے مقابلے مولاسس کی زیادہ قیمتوں کے لحاظ سے 73 فیصد زیادہ تک کم ہوئی۔

ہمارے ٹیکسٹائل ڈویژن میں یارن کی پیداوار گزشتہ سال میں 3.45 ملین کلوگرام سے بڑھ کر 4.67 ملین کلوگرام ہوگئی۔ پیداوار میں اضافہ بنیادی طور پر 20 رنگ فریم کی بی۔ایم۔آر بجلی کی بہتر دستیابی اور لوڈشیڈنگ کی کم سطحوں سے منسوب ہے۔

مالیاتی جائزہ:

کمپنی نے موجودہ سال میں نمایاں آپریشنل اور مالیاتی اقدامات اُٹھائے جیسا کہ اپنی پیداوار اور مالیاتی نتائج کو بہتر بنانے، آپریشنز کی فنانسنگ اور قرضوں کی واپس ادائیگی کیلئے لیکویڈیٹی پیدا کرنے کیلئے گزشتہ کئی سالوں سے عمل کیا جا رہا ہے۔ چیلنجنگ کاروباری ماحول میں بھاری نقصانات متوقع تھے لیکن انتظامیہ کی کوششوں سے ان پر قابو پایا گیا جو کہ زیلی لائن کے اعداد و شمار کم از کم ہونے کا امکان ہے۔ کمپنی اپنے موجودہ اور ممکنہ قرض دہندگان کے ساتھ گفت و شنید کے ذریعے لیکویڈیٹی مسائل پر قابو پانے کی مسلسل کوششیں کر رہی ہے۔ اس تاریخ کے مطابق، پرانے طویل مدتی قرضے 117.24 ملین روپے اور دیگر قرضے 200 ملین روپے بالترتیب دسمبر 2020 اور جولائی 2021 میں مختتمہ اقساط میں نیشنل بینک آف پاکستان کو واجب قابل ادا تھے۔ کمپنی کے کاروبار کی فنانسنگ کے لئے ورکنگ کیپٹل لائنز کل 1,700 ملین روپے تک نیشنل بینک آف پاکستان سے دستیاب ہیں۔ دیگر ورکنگ کیپٹل لائنز 1,200 ملین روپے تک ایم سی بی بینک لمیٹڈ سے اور 100 ملین روپے تک بینک اسلامی پاکستان لمیٹڈ سے دستیاب ہیں۔ کمپنی کو یقین ہے کہ اپنے منصوبہ کی بنیاد پر، قرض دہندگان سے مدد جاری رہے گی اور اپنے قرض دہندگان سے کافی ورکنگ کیپٹل فنڈنگ حاصل کرنے کے بھی قابل ہوگی۔

اصل خطرات اور غیر یقینی صورتحال کا مقابلہ

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

- ✓ اضافی شوگر پیداوار، حکومتی مداخلت مارکیٹ قوتوں کو کام کرنے کی اجازت نہیں دے رہی۔
- ✓ چینی کی قیمت فروخت کے مقابلے گنے کی زیادہ قیمت خرید۔
- ✓ تیار پراڈکٹس پر بھاری ٹیکسز، سیلز ٹیکس ریٹس۔
- ✓ آبپاشی 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 بُری طرح متاثر کیا۔
- ✓ پیداوار اور لیبر کی لاگت میں اضافہ۔
- ✓ آپریشنل اخراجات میں مجموعی افراطِ زر میں اضافہ۔
- ✓ ماحولیاتی تعلقات اور شوگر فری مصنوعات۔
- ✓ روپے کی قدر میں مزید کمی لاگت میں اضافہ پر منتج ہوگی۔
- ✓ بینکوں کی طرف سے اضافی قرضہ اور زیادہ ریٹس کی وجہ سے مالی لاگت میں اضافہ

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 کنٹرولز کے ماحول کی بابت اپنی ذمہ داریوں سے آگاہ ہے اور اس کے مطابق آپریشنز کے مؤثر اور مؤثر گی کو یقینی بنانے، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین وضوابط کی تعمیل اور قابل اعتماد مالی رپورٹنگ کیلئے داخلی مالیاتی کنٹرولز کا مؤثر نظام قائم کیا ہے۔ آؤٹ سورس 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، سہ ماہی بنیاد پر باقاعدگی سے داخلی کنٹرول فریم ورک اور مالیاتی حسابات کی مؤثر گی کا جائزہ لیتی ہے۔

ڈائریکٹرز کی رپورٹ

محترم شکرگنج حصص داران:

شکرگنج لمیٹڈ(" کمپنی") کے ڈائریکٹرز 30 ستمبر 2019ء کوختم ہونے والے سال کے لئے اپنی رپورٹ معہ کمپنی کے نظرثانی شدہ مالیاتی حسابات بخوشی پیش کررہے ہیں۔

کمپنی کے معاملات اور اسکے کاروبار کا جائزہ

کمپنی پاکستان میں قائم ہوئی اور پاکستان سٹاک ایکسچینج پر مندرج ہے۔یہ بنیادی طور پر چینی، بائیوفیول،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۔

مالیاتی نتائج:

کمپنی کے مالیاتی نتائج کا خلاصہ حسبِ ذیل ہے:

روپے ہزاروں میں

	2019	2018
فروخت-خالص	6,251,907	7,404,243
مجموعی منافع	(145,595)	357,150
آپریشنز سے منافع	(448,715)	92,871
ایکوئٹی سے منافع کا حصہ بلحاظ سرمایہ کاری	(23,540)	265,754
قبل از ٹیکس منافع/نقصان	(803,289)	158,161
ٹیکسیشن	51,756	(172,169)
بعد از ٹیکس منافع/نقصان	(751,533)	(14,008)
منافع/نقصان فی شیئر-بنیادی اور معتدل(روپے)	(6.01)	(0.11)

کمپنی کے کاروبار کا جائزہ

اس سال ہم چینی کے قیمت فروخت کم ہونے کی وجہ سے اپنی کرشنگ کمپین بروقت شروع نہیں کرسکے تھے۔شکرگنج نے اپنی کرشنگ کمپین 30 دسمبر 2018 کوشروع کی جو 22 مارچ 2019 کوختم ہوگئی جس کے نتیجے سیزن بہت مختصر رہا۔آغاز پر، شوگرملیں کرشنگ سیزن شروع کرنے سے ہچکچا رہی تھیں اور پنجاب میں کوئی بھی شوگرمل دسمبر 2018 کے وسط تک کرشنگ شروع نہیں کرسکی تھی۔شوگر برآمدات پر مشتمل حکومت کی غیرمتوقع اور ناقابل یقین پالیسیوں نے مل مالکان اور کاشتکاروں دونوں کے لئے مسائل پیدا کردیئے۔تاہم،چینی کی قیمت بعد میں بہتر ہوگئی لیکن گنے کی فی ایکڑ پیداوار کم ہونے کی وجہ سے، سیزن کم کپیسٹی استعمالات کے ساتھ جلد ہی ختم ہوگیا، تاہم،چینی کی ریکوری بہتر تھی جس نے ہمارے چینی کے کاروبار میں منافع کے نقصان کوکم کردیا۔

کرشنگ کی کم سطح کے مدِنظر، ہمارے بائیوفیول کاروبار کی کارکردگی مولاسس کی عدم دستیابی کی وجہ سے مشکلات کا شکار رہی اور بائیوفیول کاروبار کی بدولت مولاسس کی قیمت تیزی سے بڑھ گئیں۔ قیمت تقریباً سوفیصد بڑھ گئی جس کی وجہ سے بائیوفیول آپریشنز زیرِ جائزہ سال کے دوران زیادہ عرصہ خراب رہے۔بائیوفیول کاروبار منظرنامہ اور شوگر سیگمنٹ میں برقرار بھاری نقصانات کے باوجود، اب بھی کمپنی گزشتہ سال میں 357.15 ملین روپے مجموعی منافع کے مقابلے 145.60 ملین روپے کا مجموعی نقصان درج کیا۔شوگرڈویژن نے گنے کی زیادہ قیمت کے لحاظ سے پیداوار کی زیادہ لاگت کی وجہ سے 548.62 ملین روپے کے آپریشنل نقصانات درج کئے اور کم کپیسٹی استعمالات کی وجہ سے فی یونٹ فکسڈ اوور ہیڈز لاگت بڑھ گئی۔مذکورہ بالا عناصر کی وجہ سے، زیرِ جائزہ سال کے لئے بعد از ٹیکس نقصان 751.53 ملین روپے ہوا جبکہ گزشتہ سال میں بعد از ٹیکس نقصان 14.00 ملین روپے تھا۔

شوگرڈویژن نے 1013 فیصد کی ریکوری شرح پر 49,016 میٹرک ٹن چینی بنانے کے لئے 484,762 میٹرک ٹن گنا کرش کیا۔گنے کی کرشنگ میں 28% اور پیداوار میں 20% سے زیادہ کی مجموعی کمی ہوئی جبکہ گزشتہ سال 9.20 فیصد کی ریکوری شرح پر 669,64 میٹرک ٹن گنے کی کرشنگ سے 61,634 میٹرک ٹن چینی حاصل کی گئی۔زیادہ ریکوری معیاری گنے کی کرشنگ سے منسوب ہے جس نے ہمارے شوگر کاروبار میں منافع کے نقصان کوکم کیا۔

6۔ **مؤثر مالی نگرانی کی فراہمی:** بورڈ یقینی بناتا ہے کہ بجٹ سالانہ اسٹریٹجک منصوبہ میں قائم ترجیحات کی عکاسی کرتا ہے اور یہ اکاؤنٹس کے آڈٹ یا آزاد آزمائشی پر قابو پانے والے قواعد وضوابط پر عمل کرتا ہے اور آزاد آڈیٹر کی رپورٹ اور مینجمنٹ لیٹر میں تمام سفارشات 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، ٹھیکیداروں، وینڈرز اور اس کی جانب سے کام کرنے والے کسی دوسرے فرد کی طرف مناسب اور قانونی طریقے کا سلوک روا رکھتی 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 عوامی تصور:** بورڈ کے ارکان کمیونٹی 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 تنخواہ کمپنی کی کارکردگی، حصص داران کے مفادات اور کمپنی کی طویل مدتی کامیابی سے موزوں طور منسلک ہے۔

11۔ **بورڈ کی ساخت اور متحرکات:** بورڈ کا سائز اور ساخت بورڈ کے طریقہ 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

چیئرمین

27 دسمبر 2019ء

چیئرمین 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 مؤثر گی سے متعلق یہ رپورٹ پیشکش کرنے میں بہت خوشی ہو رہی ہے۔

شکر گنج نے کاروباری معاملات کا ایک مؤثر اور محتاط 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 ریمنریشن 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 لی گئی 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 مؤثر گی اور کارکردگی کا جائزہ لیتا ہے۔ اس طرح کا گذشتہ جائزہ مالی سال 2019 کے لئے جولائی 2019 میں لیا گیا تھا۔ بورڈ کی مجموعی طور پر مؤثر گی اطمینان بخش تھی۔ شعبے جن میں بہتری کی ضرورت ہے ان پر مناسب طریقے سے غور وخوض 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 بخوبی واقف ہے اور سرگرمی/شعبہ وار کارکردگی کی نگرانی کے لئے ایک مؤثر 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 سمت 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, 27 January 2020 at 10:00 a.m., at Liberty Castle, 79-D-1, Main Boulevard, Gulberg-III, Lahore and at any adjournment thereof.

As witness my / our hand this ________________ day of ________________ 2020.

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.

مختارنامہ

میں/ہم ________ کا/کے ________

بحیثیت رکن شکرگنج لمیٹڈ اور حامل عام حصص، بمطابق شیئر رجسٹر فولیو نمبر ________ اور/یا سی ڈی سی

پارٹیسپینٹ (شرکت) آئی ڈی نمبر ________ اور سب اکاؤنٹ (ذیلی کھاتہ) نمبر ________

محترم/ محترمہ ________ کو اپنے/ہمارے ایماء پر ________ مورخہ 27 جنوری 2020ء بروز پیر

بمقام لبرٹی کیسل، 1-D-79، 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 التواء کی صورت اپنا/ہمارا بطور مختار (پراکسی) مقرر کرتا ہوں/ کرتے ہیں۔

آج بروز ________ بتاریخ ________ 2020ء کو دستخط کئے گئے۔

گواہان:

1- دستخط: ________

نام: ________

پتہ ________

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: ________

پانچ روپے مالیت کے رسیدی ٹکٹ پر دستخط

دستخط کمپنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

2- دستخط: ________

نام: ________

پتہ ________

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر: ________

نوٹ:

1۔ ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا مجاز ہوا، اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کرسکتا ہے۔

2۔ ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کرسکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل کمپنی سیکرٹری شکرگنج لمیٹڈ لاہور کے پتے پر ارسال کردے۔

3۔ سی ڈی شیئر ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:

(الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور/یا وہ جس کی سیکیورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد وضوابط کے مطابق اپ لوڈ ہوں انہیں کمپنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرانا ہوگا۔

(ب) مختارنامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبرز فارم پر درج ہوں۔

(ج) بینیفیشل اونرز (مستفید ہونے والے فرد) کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول بھی منسلک کرنی ہوگی جسے نائب مختارنامے کے ہمراہ پیش کرے گا۔

(د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد/ مع نامزد کردہ شخص/اٹارنی کے نمونہ دستخط پاور آف اٹارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختارنامے) کے ہمراہ کمپنی میں جمع کرانا 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, 2018.

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 اوراے جی ایم نوٹس کی
الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

503-E، جوہر ٹاؤن، لاہور

ای میل info@corptec.com.pk

عنوان: سالانہ رپورٹ اوراے جی ایم نوٹس کی الیکٹرانک ٹرانسمیشن کی اجازت کا فارم

جنابِ عالی:

میں/ہم بذریعہ ہذا شکرگنج لمیٹڈ (''کمپنی'') کا/ کے شیئر ہولڈر (ہولڈرز) ہونے کے ناطے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاسِ عام کے نوٹس کی، ذیل میں دیئے گئے ای میل کے ذریعے الیکٹرانک ٹرانسمیشن کی اجازت اور اختیار دیتا ہوں/ دیتے ہیں اور اپنے ای میل ایڈریس میں کسی تبدیلی کی کمپنی کو فوری طور پر اطلاع دینے کا وعدہ کرتا ہوں/کرتے ہیں۔

میں سمجھتا ہوں کہ کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس بمع سالانہ اجلاسِ عام کے نوٹس کی ای میل کے ذریعے ٹرانسمیشن سے ان تقاضوں کی تکمیل ہوگی جن کا کمپنیز 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۔پارٹیسپنٹ آئی ڈی/فولیو نمبر..

6۔ای میل ایڈریس ....

7۔فون نمبر:..

8۔میلنگ 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
Shakarganj Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,
M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

In case a member prefers to receive hard copies for all the future annual audited accounts, then such preference shall be communicated to the company in writing.

معیاری درخواست فارم برائے سالانہ آڈٹ شدہ حسابات کی ہارڈ کاپیز

ممبر کا نام:...

سی این آئی سی نمبر/ پاسپورٹ نمبر...

فولیو/سی ڈی سی پارٹیسپنٹ آئی ڈی/سب a/c انویسٹر 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 وی 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 سیکرٹری یا کمپنی کے انڈیپنڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

کمپنی سیکرٹری

شکر گنج لمیٹڈ

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

ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکٹو

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

انڈیپنڈنٹ شیئر رجسٹرار آف شکر گنج لمیٹڈ

503-E، 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, 2018 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

Shakarganj Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,

M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

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

دی کمپنی سیکرٹری/شیئر رجسٹرار،

میں/ہم.................. حامل سی این آئی سی نمبر................. فولیو نمبر................. کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر ہونے کی حیثیت سے بیان کرتا ہوں کہ لسٹیڈ کمپنیوں کی طرف سے ڈیویڈنڈ کی ادائیگیوں سے متعلق کمپنیز ایکٹ، 2017ء کے سیکشن 242 کی متعلقہ دفعات کی رُو سے موجودہ اور مستقبل کے کیش ڈیویڈنڈز کی الیکٹرانک طریقے سے براہِ 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 انڈیپینڈنٹ شیئر رجسٹرار، کسی کے بھی درج ذیل پتے پر بھیجا جاسکتا ہے۔

کمپنی سیکرٹری
شکر گنج لمیٹڈ
E فلور، آئی ٹی ٹاور، 1-73/E، حالی روڈ، لاہور
ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکٹو
میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ
انڈیپینڈنٹ شیئر رجسٹرار آف شکر گنج لمیٹڈ
503-E، جوہر ٹاؤن، لاہور
ای میل: info@corpetc.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
Shakarganj Limited
E-Floor, IT Tower, 73/E-1, Hali Road, Lahore
Email: asif.malik@shakarganj.com.pk

Chief Executive,
M/s Corptec Associates (Private) Limited
Independent Share Registrar of Shakarganj Limited
503-E, Johar Town, Lahore
Email: info@corptec.com.pk

ای۔ فارم برائے ویڈیو کانفرنس سہولت

دی کمپنی سیکرٹری/شیئر رجسٹرار،

.... سے تعلق رکھنے والا/ والے، میں/ ہم.................................حامل..........................عام حصص فولیو نمبر (نمبرز)................................./سی ڈی سی پارٹیسپنٹ
ID نمبر..............................اور سب اکاؤنٹ نمبر......................سی ڈی سی انویسٹرا اکاؤنٹ ID نمبر.................کے تحت کمپنی کے رجسٹرڈ شیئر ہولڈر (ہولڈرز) کی حیثیت سے
.... کو منعقد ہونے والے کمپنی کے سالانہ اجلاسِ 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 پتے پر بھیجا جاسکتا ہے۔

کمپنی سیکرٹری

شکر گنج لمیٹڈ

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

ای میل: asif.malik@shakarganj.com.pk

چیف ایگزیکٹو

میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

انڈیپنڈنٹ شیئر رجسٹرار آف شکر گنج لمیٹڈ

503-E، جوہر ٹاؤن، 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