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## CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Malik Adnan Hayat Noon Mr. Salman Hayat Noon Muhammad Sohail Khokhar Muhammad Tariq Mir Syed Ali Raza	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (Executive Director) (Non- Executive / Independent Director) (Non- Executive / Independent Director)
AUDIT COMMITTEE	Muhammad Tariq Mir Mr. Salman Hayat Noon Syed Ali Raza	Chairman Member Member
HR & R COMMITTEE	Syed Ali Raza Malik Adnan Hayat Noon Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
TECHNICAL COMMITTEE	Muhammad Tariq Mir Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd) Syed Ali Raza	Chairman Member Member Member
MANAGEMENT	Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar Mr. Rizwan Sohail (FCA)	Chief Executive Executive Director Chief Financial Officer
COMPANY SECRETARY	Syed Anwar Ali	
AUDITORS	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
HEAD INTERNAL AUDIT	Muhammad Ashfaq	
LEGAL ADVISERS	Hassan & Hassan (Advocates)	
BANKERS	Askari Bank Limited Bank Alfalah Limited – Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited MCB Islamic Bank National Bank of Pakistan SAMBA Bank Limited United Bank Limited	
HEAD OFFICE	4- Sarwar Road, Lahore Cantt. Tel. # (042) 36655777, Fax # (042) 36662244	
REGISTERED OFFICE	66-Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk	
SHARES REGISTRAR	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel. # (042) 35839182, 35916714, 35916719 Fax # (042) 35869037, E-mail: shares@corplink.com.pk Website: www.corplink.com.pk	
MILLS	Bhalwal, District Sargodha.	
WEBSITE	www.noonsugar.com	

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## MISSION STATEMENT

“Noon Sugar Mills Limited is committed to continue its sustained efforts towards optimizing its resources through updated technology, staff motivation and good corporate governance so as to *Insha Allah* maintain its tradition of high yield and handsome returns to its shareholders on their investment in the Company.”



## **NOON SUGAR MILLS LIMITED**

Registered Office: 66 Garden Block, New Garden Town, Lahore.

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 56<sup>th</sup> Annual General Meeting of Noon Sugar Mills Limited will be held on Saturday, January 26, 2019 at 11:30 a.m. at 66 Garden Block, New Garden Town, Lahore to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on January 26, 2018.
2. To receive, consider and adopt the audited accounts for the year ended September 30, 2018 and the reports of the directors and auditors thereon.
3. To approve payment of Dividend. The Board has recommended Dividend @ Rs. 2.60 per share (26 %).
4. To appoint auditors for the year ending September 30, 2019 and to fix their remuneration.
5. To transact any other business as may be placed before the meeting with the permission of the Chairman.

#### **CLOSURE OF SHARE TRANSFER BOOKS**

The Share Transfer Books of the Company will remain closed from January 20, 2019 to January 26, 2019 (both days inclusive) for holding the Annual General Meeting and to determine entitlement of Dividend. The Share(s) transfer requests received up to close of business on January 19, 2019 shall entitle the transferees to receive the aforesaid Dividend.

By Order of the Board



**SYED ANWAR ALI**

Company Secretary

Lahore : December 31, 2018

#### **NOTES:**

1. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office duly stamped and signed not later than forty eight (48) hours before the time for holding the meeting. A member cannot appoint more than one proxy. Attested copy of CNIC must be attached with the proxy form.
2. CDC account holders are required to follow under mentioned guidelines laid down by Securities and Exchange Commission of Pakistan.
  - (1) For attending the meeting:
    - (i) In case of individuals the account holders or sub-account holder shall authenticate his/her identity by showing his/her original computerized National Identity card (CNIC) or original passport at the time of attending the meeting.
    - (ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

- (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/her original CNIC or passport at the time of meeting.
  - (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.
3. The members having physical shares are requested to provide copies of their CNIC and to notify change in their addresses, if any, to Company's Share Registrar i.e. M/s Corplink (Pvt) Ltd, Wings Arcade, 1-K Commercial, Model Town, Lahore.
4. In compliance with directive of SECP, shareholders are advised to send their respective bank account detail as per form attached enabling the Company to credit their cash dividend directly into their respective bank accounts.
5. If the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at a geographical location, to participate in the meeting through video conference at least ten (10) days prior to the date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in the city. The Company will intimate such members regarding venue of video conference facility at least five (5) days before the date of general meeting. Prescribed form for consent is enclosed in the annual report.

By Order of the Board



**SYED ANWAR ALI**

Company Secretary

Lahore : December 31, 2018

## SIX YEARS' REVIEW AT A GLANCE

YEAR ended 30th September .....	2018	2017	2016	2015	2014	2013
<b>Sugar Production:</b>						
Cane crushed (M.Tons)	1,008,945	1,115,492	401,084	439,402	498,954	603,528
Average sucrose recovery (%)	9.77	10.16	9.75	9.48	9.83	9.57
Sugar produced (M.Tons)	98,655	113,308	39,015	41,665	49,054	57,766
Operating period (Days)	121	140	86	96	99	107
<b>Alcohol Production:</b>						
Molasses processed (M.Tons)	85,724	87,140	38,578	54,187	71,957	71,315
Alcohol produced (M.Tons)	17,794	17,162	9,193	12,617	17,228	17,292
Average alcohol yield (Ltrs/Ton)	259	246	238	233	239	243
Operating period (Days)	310	297	154	242	261	234
<b>Operating results:</b>						
Sales (000' Rs.)	6,273,476	4,835,588	2,588,546	3,027,256	3,252,536	3,834,732
Cost of sales (000' Rs.)	5,562,171	4,263,805	2,353,460	2,902,182	3,101,236	3,618,215
Gross profit (000' Rs.)	711,305	571,783	235,086	125,074	151,300	216,517
Pre-tax profit/(loss) (000' Rs.)	270,184	189,947	51,781	(87,593)	(100,808)	(136,387)
Total Comprehensive income / (loss) (000' Rs.)	207,929	142,627	39,068	(93,765)	(121,968)	(159,915)
Gross Profit to Net Sales (%)	<b>11.34</b>	<b>11.82</b>	<b>9.08</b>	<b>4.13</b>	<b>4.65</b>	<b>5.65</b>
Net Profit/(loss) to Net Sales (%)	<b>3.31</b>	<b>2.95</b>	<b>1.51</b>	<b>(3.10)</b>	<b>(3.75)</b>	<b>(4.17)</b>
<b>Shareholders' Equity:</b>						
Paid up capital (000' Rs.)	165,175	165,175	165,175	165,175	165,175	165,175
Reserves & surplus (000' Rs.)	576,876	426,758	300,649	261,581	355,310	467,767
Shareholders' equity (000' Rs.)	742,051	591,933	465,824	426,756	520,485	628,618
Break-up value per share (Rupees)	<b>44.93</b>	<b>35.84</b>	<b>28.20</b>	<b>25.84</b>	<b>31.51</b>	<b>38.06</b>
Earnings per share (Rupees)	<b>12.76</b>	<b>8.73</b>	<b>2.43</b>	<b>7.00</b>	<b>(6.72)</b>	<b>(9.68)</b>
Return on equity (%)	<b>28.02</b>	<b>24.10</b>	<b>8.39</b>	<b>(21.97)</b>	<b>(23.43)</b>	<b>(25.44)</b>
<b>Financial position:</b>						
Current assets (000' Rs.)	2,609,533	2,865,040	687,282	607,642	762,781	639,796
Fixed capital expenditure (000' Rs.)	1,358,323	1,122,818	1,007,579	943,492	1,010,005	1,086,398
Total assets (000' Rs.)	3,980,149	4,002,125	1,707,653	1,553,327	1,790,805	1,756,427
Current liabilities (000' Rs.)	2,964,329	3,064,573	1,142,924	1,032,169	1,126,478	919,959
Long term debts (000' Rs.)	225,000	300,000	62,112	60,000	90,000	151,231
Total liabilities (000' Rs.)	3,238,098	3,410,192	1,241,829	1,126,571	1,270,320	1,123,485
<b>Current ratio (%)</b>	<b>0.88</b>	<b>0.93</b>	<b>0.60</b>	<b>0.59</b>	<b>0.68</b>	<b>0.70</b>
<b>Debt equity ratio (%)</b>	<b>3.62</b>	<b>4.56</b>	<b>1.52</b>	<b>1.32</b>	<b>1.75</b>	<b>1.28</b>
<b>Dividends:</b>						
Cash (%)	26	35	10	0	0	0
Bonus shares (%)	0	0	0	0	0	0
Total pay out (%)	26	35	10	0	0	0

## CHAIRMAN'S REVIEW

Having achieved a commendable GDP growth of 5.8% in the last fiscal year, the country in general and manufacturing sector in particular, is faced with challenges of high trade deficit, devaluation of PKR and increase in interest rates. They all bear heavily on increasing the cost of production.

These challenges are further compounded for the sugar industry through a historical mismatch of production cost and selling price of sugar due to over production, resulting in a progressive increase in surplus of sugar. The corrective measures by the government were often too late or too little to impact the sustained depression of sugar market.

In addition to these common challenges, your mill was faced with revival of two old sugar mills in their close vicinity, which put a considerable strain on supply of sugarcane to the mill. Achieving a planned target of sugar production under these conditions is commendable. A significant contribution of own molasses provided an economical and yield wise dependable, raw material mix to the distillery, thereby improving the returns from the distillery division.

Apart from periodical meetings of the board, the Technical committee, HR&R committee and Audit committee of the board met at short intervals, to assist the management in improving the company's key performance indicators.

Among the major schemes implemented to achieve the above objective are; the timely planning and execution of a fresh production facility of 50,000 liters/ day, industrial grade ethanol. An efficient complimentary secondary treatment of distillery effluents was setup to satisfy the stringent requirements of EPA.

A progressive measure was also taken to improve the internal controls and transparency through in-house implementation of Oracle based ERP and IT infrastructure. These steps will greatly assist the management in achieving a robust compliance of CCG regulation 2017.

The annual evaluation of the board of directors has been carried out on the basis of comprehensive criteria such as; Vision, Company Values, Mission and Strategic Planning of business. Through these evaluation measures, the overall performance of the board was found to be quite satisfactory. A diligent involvement of the board was assisted through regular presentation by the management, followed by discussions and financial evaluation of each scheme to obtain a meaningful guidance from the directors before a formal approval of the board was accorded.

The non executive directors and independent directors were also fully involved in all important decision taken by the board.

I take this opportunity to record and convey on behalf of the board, my appreciation for a consistent support received from financial institutions and our local and international customers. The dedication of our employees and their dedication in achieving the growth of the company, needs special recognition.

**Lahore** : December 31, 2018



**Mr. K. Iqbal Talib**  
Chairman

## DIRECTORS' REPORT TO THE MEMBERS

Dear members,

The Directors of Noon Sugar Mills Limited are pleased to present the 56th annual report and audited Financial Statements of the company and the Auditors' Report thereon, for the year ended 30 September 2018.

### **Financial Performance:**

Alhamdulillah, your company has achieved net sales of Rs 6,273 million in the current reporting year against net sales of Rs 4,836 million in the last year. This shows a significant growth of 30 percent in net Sales. Net profit after tax has increased to Rs. 208 million in the reporting year from Rs. 143 million in the corresponding year. EPS is Rs. 12.76 during the current financial year as against Rs 8.73 in the same period last year.

The year under review has proved to be another difficult one for the sugar industry as the national sugar production has far exceeded the local demand and the resulting surplus has kept the sugar price under pressure throughout the financial year.

The devaluation of Pak Rupee has however made a positive contribution towards distillery margins and combined with the rising trend in international price of Ethanol, has played a significant role in improving the overall financial health of the company.

The comparative financial results of the Company are summarized below:

	2018	2017
	(Rupees in Million)	
Total Revenue	6,273	4,836
Gross Profit	711	572
Operating Profit	522	395
Total comprehensive income / (loss)	208	143
Earnings Per Share (Rs.)	12.76	8.73

### **Operational Performance:**

#### **Sugar:**

During the year under review, sugarcane crushing was 1,008,945 M.Tons, against 1,115,482 M.Tons of the preceding year. The reduced level of sugarcane crushing was due to re-commissioning of two large sugar mills in Sargodha region. Due to the same reason, sugar production was also restricted to 98,655 M.Tons as compared to 113,308 M.Tons in the previous year. Since the zonal cane supply was supplemented by procuring relatively poorer varieties of cane from far away areas, the Sucrose recovery of 9.77% was achieved, as against 10.16% in the previous season.

The operational performance of Sugar segment for the year under review with comparative statistics of last year are tabulated below:

		2018	2017
Operating period	Days	121	140
Cane crushed	M.Tons	1,008,945	1,115,492
Sugar produced	M.Tons	98,655	113,308
Average sucrose recovery	%age	9.77	10.16
Molasses recovery	% age	4.51	4.41
Molasses Produced	M. Tons	45,500	49,142

#### **Distillery:**

During the year under review, 85,723 M.Tons of molasses with a yield of 259 Ltrs/M.Tons, was processed resulting in the production of 17,794 M.Tons of industrial grade ethanol, as compared to 87,140 M.Tons of molasses with a yield of 246 Ltrs/M.Ton being processed, resulting in the production of 17,162 M.Tons of industrial grade ethanol in the previous year.



The operational performance of the Distillery segment for the year under review with comparative statistics of last year are tabulated below:

		<b>2018</b>	<b>2017</b>
Operating period	Days	310	297
Molasses processed	M.Tons	85,723	87,140
Ethanol produced	M.Tons	17,794	17,162
Average yield	Ltrs./ M.Ton	259	246

**Overview:**

**Sugar:**

Sugarcane production has decreased due to reduced cultivation of the sugarcane crop in the area, further affected by reduced rain fall during the reporting year. The revival of two neighboring mills after several years of non operation has caused an increasing trend of sugarcane price during the season due to increased competition to procure sugarcane.

The Govt. did allow the export of small quantity of sugar with subsidy but these feeble efforts to support the industry proved to be unsuccessful and the sugar industry remained in liquidity crunch, further aggravated by the Govt. not releasing the subsidy amount due to the mills.

**Distillery:**

The distillery segment has once again posted healthy returns due to better price of ethanol and devaluation of Pak Rupee against the Dollar during the year under review. However, a very competitive environment was witnessed in molasses procurement due to substantial addition in Ethanol manufacturing facilities throughout the country.

**Future Outlook:**

**Sugar Division:**

Subsequent to the current reporting period, the Govt. has allowed sugar export of 1.10 million M.Tons of sugar, which will hopefully rescue the industry to offload the carry forward sugar stocks from previous crushing season.

The harvest of sugarcane in the upcoming crushing season is estimated to be on the lower side by 15-20%, due to delay in the rainy season and less cultivation. An increase in fertilizer prices will also have adverse effect on sugarcane quality. The cost of sugar production is therefore likely to increase due to these factors.

However, reduced sugarcane crop may restore the balance of sugar production and consumption to help stabilize the local sugar price.

Your management is constantly striving to improve the production facility, so as to make it further cost efficient in the prevailing competitive environment.

**Distillery:**

Your management, having realized the importance of Distillery segment, by the Grace of Allah, has added a new distillery plant of 50,000 liters per day, which has started its commercial production. Your management is very optimistic that, enhanced production facility of 130,000 liters per day will make a positive contribution towards the profitability of the company.

However, considering the overall addition of Distillery projects in the country in recent years, the procurement of required quantity of raw material, will be a challenging task. The Sugar Mills, having assessed the prevailing situation, have already increased the price of molasses significantly in comparison with the previous year.

Furthermore, a heavy production of Ethanol in Brazil in the previous season has caused a declining trend in Ethanol price in the international market.

Recent devaluation of Pak Rupee will however offset these adverse trends in some measure.

### **Corporate Social Responsibility:**

Noon Sugar Mill Ltd is committed to playing an active role in supporting and working for sustainable community and social development. Corporate Social Responsibility (CSR) is integrated in its core values and is an integral part of the Company's overall mission.

Followings are few ongoing initiatives taken by NSML to full fill its corporate social responsibilities.

- a. Your company is providing quality education by establishing and running a College and a modern English medium Model High School in the Employees Housing Colony, for the benefit of its employee's children and people living in and around the factory. The employee's children are also encouraged to pursue higher education by grant of scholarships starting from Matriculation upwards every year.
- b. NSML is running a fair price shop in the housing colony for provision of household items at subsidized rates.
- c. It also runs a free Dispensary in Bhalwal since the past 25 years and provides free medicines to the patients.

### **Compliance with the Code of Corporate Governance:**

The requirement of the Code of Corporate Governance (CCG) set out by listing regulations of Pakistan Stock Exchange relevant for the year ended 30 September, 2018 have been adopted by the Company and have been fully complied with. A statement to this effect is annexed to the report.

### **Corporate and Financial Reporting Framework:**

The financial statements together with the notes thereon have been drawn up by the management of the Company in conformity with the Companies Act, 2017 and applicable International Financial Reporting Standards (IFRS). These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

The Board of Directors hereby declares that:

- Any departure from the application of IFRS has been adequately disclosed in "Notes to the Accounts" of financial statements;
- proper books of accounts of the Company have been maintained by the Company;
- appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- the system of internal controls is sound in design and has been effectively implemented and monitored;
- there are no doubts upon the Company's ability to continue as a going concern;
- there has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations of stock exchanges;
- The key operating and financial data of last six years is annexed to this report.
- there are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at 30 September, 2018 except for those disclosed in the financial statements;
- the Directors, CEO, CFO, Company Secretary and their spouses and minor children have not made any transactions in the Company's shares during the year ended 30 September, 2018;
- Cost of the investments of employees retirement funds are as follows:

### Staff Retirement Benefits:

The company has maintained a recognized provident fund, and based on audited financial statements of funds, value of its investment is as follows:

As at 30 September, 2018	Rs. 81.935 million
As at 30 September, 2017	Rs. 87.783 million

Gratuity scheme is currently un-funded and annual provision is made on the basis of actuarial valuation to cover obligation under the scheme for all eligible employees and the details are contained in Note 10 to the audited financial statements for the year ended 30 September, 2018.

Pattern of Shareholding of the Company as on September 30, 2018 is annexed where as other related information is as follows:.

### Shares held by:

I. Associated Companies, undertakings and related parties:

	<u>Number of shares held</u>
Noon Industries (Pvt.) Limited	765,403

II. Mutual Funds:

Nil

III. The Directors and their spouse and minor children:

<u>Names of Directors</u>	<u>Number of shares held</u>		
	<u>Own self</u>	<u>Spouse</u>	<u>Minor Children</u>
Malik Adnan Hayat Noon	6,205,221	Nil	Nil
Mr. Salman Hayat Noon	3,384,695	Nil	Nil
Mr. K. Iqbal Talib	26,360	7,260	Nil
Syed Ali Raza	1	Nil	Nil
Lt Col Abdul Khaliq Khan (Retd)	1	Nil	Nil
Muhammad Sohail Khokhar	4	Nil	Nil
Muhammad Tariq Mir	1	Nil	Nil

IV. Executives:

Nil                      Nil                      Nil

V. Public Sector Companies and Corporations, Joint Stock Companies and others:

<u>Shares held</u>	<u>Percentage</u>
1,430,014	8.6576 %

VI. Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds

<u>Shares held</u>	<u>Percentage</u>
7,219	0.0437 %

VII. Shareholders holding five percent or more voting rights:

	<u>Shares held</u>	<u>Percentage</u>
Malik Adnan Hayat Noon	6,205,221	37.57 %
Mr. Salman Hayat Noon	3,384,695	20.49 %
EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70 %

**Trading in Shares:**

Directors, Executives Nil

**Meeting of Board of Directors and Attendance:**

During the year under review, Four meetings of the Board of Directors were held, attendance position was as under:

NAMES OF DIRECTORS	MEETINGS ATTENDED
Mr. K. Iqbal Talib	3
Malik Adnan Hayat Noon	1
Mr. Salman Hayat Noon	4
Lt Col Abdul Khaliq Khan (Retd)	4
Muhammad Sohail Khokhar	4
Muhammad Tariq Mir	4
Syed Ali Raza	4

Leave of absence was granted to the directors who could not attend the Board Meetings.

**Audit Committee, its Meetings and Attendance:**

An Audit Committee of the Board has been in existence since the CCG, which now comprises of two independent and one non-executive directors. During the year, four meetings of the Audit Committee were held. The Audit Committee has its terms of reference which were approved by the Board of Directors in accordance with the guidelines provided by the listing regulations.

During the year under review, Four Audit Committee Meetings were held, attendance position was as under:

NAMES OF DIRECTORS	MEETINGS ATTENDED
Muhammad Tariq Mir	4
Mr. Salman Hayat Noon	4
Syed Ali Raza	3

**Human Resource and Remuneration Committee:**

Human Resource and Remuneration Committee was formed to monitor the procedure of selection, evaluation, compensation and succession planning of key management personals.

During the year under review, Four committee meetings were held, attendance position was as under:

NAMES OF DIRECTORS	MEETINGS ATTENDED
Syed Ali Raza	4
Malik Adnan Hayat Noon	1
Mr. Salman Hayat Noon	4
Lt. Col Abdul Khaliq Khan	4

**Number of Meetings of Shareholders:**

During the year under review, annual general meeting was held on 26 January, 2018.

**Outstanding Statutory Payments:**

All outstanding payments are of normal and routine nature.

**Director's Remuneration Policy:**

The Board of Directors has approved a formal policy for remuneration of executive directors depending upon their responsibility in the affairs of the company. Remuneration of the executive directors shall be approved by the Board of Director, as recommended by the human Resource and Remuneration Committee. The company will not pay any remuneration to Independent Directors except fee for attending meetings of the Board and its committees.

**Role of Shareholders:**

The Board aims to ensure that the Company's shareholders are timely informed about the major developments affecting the Company's state of affairs. To achieve this objective, information is communicated to the shareholders through quarterly, half-yearly and annual reports, now being promptly placed on Company's website. The Board encourages the shareholders' participation at the General Meetings to ensure the desired level of accountability.

**Dividend:**

The Board of Directors in their meeting held on December 31, 2018 has recommended payment of final cash dividend for the year ended September 30, 2018 @ Rs.2.60 per share (26%) to all the shareholders of the company. The approval of the members for the final dividend shall be obtained at the Annual General Meeting to be held on January 26, 2019.

**Health, Safety & Environment:**

The Company adheres and ensures strict compliance of internationally acceptable Health Safety and environment standers and we continue refining our processes for safer, more sustainable operations for today and tomorrow.

**Auditors:**

M/s Shinewing Hameed Chaudhri & Co., Chartered Accountants, the retiring auditors have offered their services for another term. The Board proposes their appointment as recommended by the Audit Committee.

**Acknowledgement:**

We acknowledge invaluable support from all of our stakeholders including Financial Institutions, Vendors, customers and shareholders of our company. We take this opportunity to appreciate our employees for their commitment, dedication and round the clock efforts for the growth of the company.

For and on behalf of the Board



**Lt Col Abdul Khaliq Khan (Retd)**  
Chief Executive



**M. SOHAIL KHOKHAR**  
Director

**Lahore** : December 31, 2018

## Statement of Compliance of Listed Companies with the Best Practices of the Code of Corporate Governance Regulations, 2017

Name of Company : Noon Sugar Mills Limited  
Year Ending : 30 September, 2018

This statement is being presented to comply with the requirements of Code of Corporate Governance 2017 as contained under clause 40 of the Code.

The Company has complied with the requirements of the Regulations in the following manner.

1. The Total numbers of directors are seven as per the following.

### Names

Lt Col Abdul Khaliq Khan (Retd)	(Executive Director / CEO)
Muhammad Sohail Khokhar	(Executive Director)
Mr. K. Iqbal Talib	(Non - Executive Director)
Malik Adnan Hayat Noon	(Non - Executive Director)
Mr. Salman Hayat Noon	(Non - Executive Director)
Muhammad Tariq Mir	(Independent Director)
Syed Ali Raza	(Independent Director)

(The Independent Directors meet the criteria of independence under clause 6 of CCG)

2. The composition of board is as follows:
  - a) Independent Directors
  - b) Other Non Executive Directors
  - c) Executive Directors
3. The directors have confirmed that none of them is serving as a director in more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable.)
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/ mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as an part empowered by the relevant provision 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with Act and the Regulations.
9. The board has arranged Directors' Training program for the following during the year :

**Muhammad Tariq Mir** (Independent Director)

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit including their remuneration and terms and condition of employment and complied with relevant requirement of the Regulations.
11. Lt Col Abdul Khaliq Khan (Retd) was appointed as CEO on April 20, 2018 in place of Malik Adnan Hayat Noon who resigned on April 09, 2018, whereas, Mr. Muhammad Ashfaq (FCMA) was appointed as Head of Internal Audit on June 25, 2018 in place of Mr. Muhammad Shafiq.
12. CFO and CEO endorsed the financial statements before approval of the board.
13. The board has formed committees comprising of members given below :
- a) Audit Committee**
- |                           |          |
|---------------------------|----------|
| i) Muhammad Tariq Mir     | Chairman |
| ii) Mr. Salman Hayat Noon | Member   |
| iii) Syed Ali Raza        | Member   |
- b) HR and Remuneration Committee**
- |                                     |          |
|-------------------------------------|----------|
| i) Syed Ali Raza                    | Chairman |
| ii) Malik Adnan Hayat Noon          | Member   |
| iii) Mr. Salman Hayat Noon          | Member   |
| iv) Lt Col Abdul Khaliq Khan (Retd) | Member   |
14. Term of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
15. The frequency of the meetings of the committees were as per following:
- |                                |             |
|--------------------------------|-------------|
| a) Audit Committee             | (Quarterly) |
| b) HR & Remuneration Committee | (Quarterly) |
16. The board has setup an effective internal audit function who is considered suitably qualified and experienced for the purpose and is conversant with the policies and the procedures of the company.
17. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. 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 for any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all other requirements of the Regulations have been complied with.

Lahore : December 31, 2018



**Mr. K. Iqbal Talib**  
Chairman

**INDEPENDENT AUDITORS' REVIEW REPORT  
ON THE STATEMENT OF COMPLIANCE CONTAINED  
IN THE LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE)  
REGULATIONS, 2017**

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

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2018.

Lahore : December 31, 2018

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
Chartered Accountants  
Audit Engagement Partner: Nafees ud din



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOON SUGAR MILLS LIMITED Report on the Audit of the Financial Statements

### Opinion

We have audited the annexed financial statements of **NOON SUGAR MILLS LIMITED** (the Company), which comprise the statement of financial position as at September 30, 2018, and the statement of profit or loss and other 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 and other 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 September 30, 2018 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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 year. 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 matter was addressed in our audit
1.	<b>Compliance with laws and regulations</b>	
	<p>The Companies Act, 2017 (the Act) was promulgated on May 30, 2017, which replaced the Companies Ordinance, 1984 and brought changes in the presentation and disclosures of the financial statements by elimination of duplicative disclosures with IFRS disclosure requirements and incorporation of significant additional disclosures. These changes are applicable first time to the Company's financial statements for the year ended September 30, 2018.</p> <p>The changes are considered as a key audit matter as failure to comply with the requirements of the Act could have financial impact on the Company.</p> <p>Refer notes 1.1, 5, 16.2, 17.2, 31.4, 33, 39 and 41 to the financial statements for changes in disclosures made through the Act.</p>	<p>We performed following audit procedures:</p> <ul style="list-style-type: none"> <li>- Obtained an understanding of the related provisions and schedules of the Act, applicable to the Company and prepared documents to assess the Company's compliance with the disclosure requirements of the Act.</li> <li>- Discussed the applicable changes with the Company's management and those charged with governance as to whether the Company was in compliance with such changes.</li> <li>- Maintained a high level of vigilance when carrying-out our other audit procedures for identification of any non-compliance.</li> <li>- Ensured that the financial statements have been prepared in accordance with the approved accounting standards and the Act.</li> </ul>
2.	<b>Contingencies</b>	
	<p>Refer contents of notes 15.1 to 15.11 to the financial statements.</p>	

S.No.	Key audit matters	How the matter was addressed in our audit
	<p>The Company is subject to litigations against various Government departments involving different Courts. These litigations require management to make assessment and judgement with respect to likelihood and impact of such litigations.</p> <p>Management has engaged independent legal counsel on these matters.</p> <p>The accounting for and disclosure of contingencies is complex and a matter of significance in our audit because of the judgement required to determine the level of certainty on these matters.</p> <p>Due to high magnitude of the amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impact, we have considered above referred contingencies as one of the key audit matters.</p>	<ul style="list-style-type: none"> <li>- In response to this matter, our audit procedures included:</li> <li>- Discussing legal cases with the legal department to understand the management's view point and obtaining and reviewing the litigation documents in order to assess the facts and circumstances.</li> <li>- Obtaining independent opinion of legal advisors dealing with such cases in the form of confirmations.</li> <li>- We also evaluated the legal cases in line with the requirements of IAS 37: Provisions, contingent liabilities and contingent assets.</li> <li>- The disclosures of legal exposures and provisions were assessed for completeness and accuracy.</li> </ul>

#### Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information, which comprises the information included in the Annual Report, but does not include the financial statements and our auditors' 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 is responsible for overseeing the Company's financial reporting process.

#### Auditors' 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 auditors' 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 auditors' 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 auditors' 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 year and are therefore the key audit matters. We describe these matters in our auditors' 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 and other 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Mr. Nafees ud din.

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
Chartered Accountants

Lahore : December 31, 2018

## BALANCE SHEET

	Note	2018 --- Rupees in '000 ---	2017
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised capital</b>			
20,000,000 ordinary shares of Rs.10 each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	6	165,175	165,175
Reserves	7	249,217	249,217
Unappropriated profits		<u>327,659</u>	<u>177,541</u>
		<b>742,051</b>	<b>591,933</b>
<b>Non-Current Liabilities</b>			
Long term finances	8	<u>225,000</u>	<u>300,000</u>
Liability against assets subject to finance lease	9	4,778	6,951
Staff retirement benefits - gratuity	10	<u>43,991</u>	<u>38,668</u>
		<b>273,769</b>	<b>345,619</b>
<b>Current Liabilities</b>			
Trade and other payables	11	<u>366,796</u>	<u>558,230</u>
Accrued mark-up	12	67,948	56,942
Short term finances	13	<u>2,386,078</u>	<u>2,333,655</u>
Current portion of non-current liabilities	14	<u>77,039</u>	<u>64,743</u>
Unclaimed dividends		5,100	5,100
Unpaid dividends		1,969	223
Provision for taxation		<u>59,399</u>	<u>45,680</u>
		<b>2,964,329</b>	<b>3,064,573</b>
		<b>3,238,098</b>	<b>3,410,192</b>
<b>Contingencies and Commitments</b>	15	<u>3,980,149</u>	<u>4,002,125</u>

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

**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive

## AS AT SEPTEMBER 30, 2018

	Note	2018 ---- Rupees in '000 ----	2017
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	16	1,350,449	1,114,884
Investment property	17	7,874	7,934
Loans and advances	18	360	292
Deposits		11,933	13,975
		<b>1,370,616</b>	<b>1,137,085</b>
<b>Current Assets</b>			
Stores, spares and loose tools	19	101,955	66,994
Stock-in-trade	20	1,997,542	2,152,748
Trade debts		39,553	132,266
Loans and advances	21	110,106	65,537
Short term prepayments		2,844	1,402
Other receivables	22	236,230	56,386
Income tax refundable, advance income tax and tax deducted at source		75,295	80,092
Bank balances	23	46,008	309,615
		<b>2,609,533</b>	<b>2,865,040</b>
		<b>3,980,149</b>	<b>4,002,125</b>

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

  
 M. SOHAIL KHOKHAR  
 Director

  
 RIZWAN SOHAIL  
 Chief Financial Officer

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended September 30, 2018

	Note	2018 --- Rupees in '000 ---	2017
Sales - net	24	6,273,476	4,835,588
Cost of sales	25	<u>(5,562,171)</u>	<u>(4,263,805)</u>
<b>Gross profit</b>		<b>711,305</b>	<b>571,783</b>
Distribution and marketing expenses	26	(104,464)	(85,348)
Administrative expenses	27	(135,209)	(132,580)
Other income	28	68,720	53,359
Other expenses	29	<u>(18,513)</u>	<u>(12,546)</u>
<b>Profit from operations</b>		<b>521,839</b>	<b>394,668</b>
Finance cost	30	<u>(251,655)</u>	<u>(204,721)</u>
<b>Profit before taxation</b>		<b>270,184</b>	<b>189,947</b>
Taxation	31	<u>(59,399)</u>	<u>(45,680)</u>
<b>Profit after taxation</b>		<b>210,785</b>	<b>144,267</b>
<b>Other comprehensive loss</b>			
Items that will not be reclassified subsequent to statement of profit or loss:			
- Loss on remeasurement of staff retirement benefit obligation		<u>(2,856)</u>	<u>(1,640)</u>
<b>Total comprehensive income</b>		<u><b>207,929</b></u>	<u><b>142,627</b></u>
----- Rupees -----			
<b>Earnings per share - basic and diluted</b>	32	<u><b>12.76</b></u>	<u><b>8.73</b></u>

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

  
**Lt Col ABDUL KHALIQ KHAN (Retd)**  
 Chief Executive

  
**M. SOHAIL KHOKHAR**  
 Director

  
**RIZWAN SOHAIL**  
 Chief Financial Officer

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED SEPTEMBER 30, 2018

	2018	2017
	--- Rupees in '000 ---	
<b>Cash flow from operating activities</b>		
Profit for the year before taxation	270,184	189,947
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on property, plant & equipment and investment property	110,549	108,497
Gain on disposal of operating fixed assets	(788)	(2,063)
Operating fixed assets written-off	4,170	2,427
Unclaimed and other payable balances written-back	(302)	(146)
Provision for staff retirement benefits - gratuity	7,649	7,226
Provision reversed for slow moving stores and spares inventory	(694)	(1,270)
Finance cost	233,291	189,367
<b>Profit before working capital changes</b>	624,059	493,985
<b>Effect on cash flow due to working capital changes</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(34,267)	2,434
Stock-in-trade	155,206	(1,767,483)
Trade debts	92,713	(58,013)
Loans and advances	(44,545)	(21,240)
Short term prepayments	(1,442)	(214)
Other receivables	(179,844)	(26,882)
(Decrease) / increase in trade and other payables	(193,434)	96,122
	(205,613)	(1,775,276)
<b>Cash generated from / (used in) operations</b>	418,446	(1,281,291)
Income tax paid	(40,883)	(32,763)
Staff retirement benefits (gratuity) - paid	(2,880)	(3,024)
<b>Net cash generated from / (used in) operating activities</b>	374,683	(1,317,078)
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(350,523)	(226,335)
Sale proceeds of operating fixed assets	1,087	2,235
Long term deposits - net	2,042	(2,782)
Loans and advances - net	(92)	224
<b>Net cash used in investing activities</b>	(347,486)	(226,658)
<b>Cash flow from financing activities</b>		
Long term finances - net	(62,935)	237,503
Short term finances - net	52,423	1,750,913
Liability against assets subject to finance lease	(1,942)	8,759
Finance cost paid	(222,285)	(154,513)
Dividend paid	(56,065)	(16,035)
<b>Net cash (used in) / generated from financing activities</b>	(290,804)	1,826,627
<b>Net (decrease) / increase in cash and cash equivalents</b>	(263,607)	282,891
<b>Cash and cash equivalents - at beginning of the year</b>	309,615	26,724
<b>Cash and cash equivalents - at end of the year</b>	46,008	309,615

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



**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## Statement of Changes in Equity For the Year Ended September 30, 2018

Share capital	Reserves			Sub-total	Total
	Capital		Revenue		
	Share premium	General	Un-appropriated profits		

----- Rupees in '000 -----

<b>Balance as at October 01, 2016</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>51,432</b>	<b>300,649</b>	<b>465,824</b>
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Cash dividend at the rate of Re.1 per ordinary share for the year ended September 30, 2016	-	-	-	(16,518)	(16,518)	(16,518)
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**Total comprehensive income for the year ended September 30, 2017**

Income for the year	-	-	-	144,267	144,267	144,267
Other comprehensive loss	-	-	-	(1,640)	(1,640)	(1,640)
	-	-	-	142,627	142,627	142,627

<b>Balance as at September 30, 2017</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>177,541</b>	<b>426,758</b>	<b>591,933</b>
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Cash dividend at the rate of Rs.3.5 per ordinary share for the year ended September 30, 2017	-	-	-	(57,811)	(57,811)	(57,811)
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**Total comprehensive income for the year ended September 30, 2018**

Income for the year	-	-	-	210,785	210,785	210,785
Other comprehensive loss	-	-	-	(2,856)	(2,856)	(2,856)
	-	-	-	207,929	207,929	207,929

<b>Balance as at September 30, 2018</b>	<b>165,175</b>	<b>119,217</b>	<b>130,000</b>	<b>327,659</b>	<b>576,876</b>	<b>742,051</b>
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The annexed notes form an integral part of these financial statements.



**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2018

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Pakistan Stock Exchange. The principal activity of the Company is manufacturing and sale of white sugar and spirit.

Geographical location and addresses of major business units including mills / plant of the Company are as under:

<b>Sargodha</b> Bhalwal	<b>Purpose</b> Mills / Production plant
<b>Lahore</b> 4-Sarwar Road, Cantt,	Head office
<b>Karachi</b> 1st Floor, P.I.I.A Building, Mulana Deen Muhammad Wafai Road, Marketing office	

### 2. BASIS OF PREPARATION

#### 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 Standards) 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
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, 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 staff retirement benefits (gratuity) which is stated at their present value.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the functional currency of the Company. All financial information presented in Pak Rupees has been rounded-off to the nearest thousand, unless otherwise stated.

## 2.4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

### 2.4.1 Standards, amendments to approved accounting standards effective in current year

New and amended standards mandatory for the first time for the financial year beginning from October 1, 2017:

- (a) Amendments to IAS 7, 'Statement of cash flows'. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments only resulted in some additional disclosures in the Company's financial statements.
- (b) IAS 12 'Income taxes' (Amendment), on recognition of deferred tax assets for unrealized losses. These amendments on the recognition of deferred tax assets for unrealized losses clarify how to account for deferred tax assets related to debt instruments measured at fair value. The amendments clarify the existing guidance under IAS 12. They do not change the underlying principles for the recognition of deferred tax assets. Further, there are no debt instruments measured at fair value. The Company's current accounting treatment is already in line with the requirements of this standard.
- (c) The Companies Act, 2017 (the Act) has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the incorporation of significant additional disclosures and elimination of duplicative disclosures with the IFRS disclosure requirements.

### 2.4.2 Standards, interpretations and amendments to approved accounting standards that are effective but not relevant

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on October 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and are, therefore, not detailed in these financial statements.

### 2.4.3 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on October 1, 2017 and have not been early adopted by the Company:

- (a) IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 01, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the reporting date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.

- (b) IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 01, 2018. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognize revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is assessing the impact of this standard on its financial statements.
- (c) IFRS 9, 'Financial instruments' is applicable to accounting periods beginning on or after January 01, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company is assessing the impact of these changes on its financial statements.
- (d) Annual improvements to IFRS Standards 2015-2017 Cycle applicable to accounting periods beginning on or after January 1, 2019. The new cycle of improvements addresses improvements to following approved accounting standards:
- IAS 12 Income Taxes. The amendment clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity.
  - IAS 23 'Borrowing Costs'. The amendment clarifies that the general borrowings pool used to calculate eligible borrowing costs exclude only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non – qualifying assets – are included in that general pool.

The Company is yet to assess the impact of these changes on its financial statements.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

### 3. USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

- (i) Provision for employees' retirement benefits [note 4.3]
- (ii) Provision for taxation [note 4.6]
- (iii) Estimate of useful lives and residual values of property, plant & equipment and investment property [notes 4.7, and 4.8]
- (iv) Provision for obsolete and slow moving stores, spares and loose tools [note 4.10]
- (v) Net realisable values of stock-in-trade [note 4.11]
- (vi) Provision for doubtful debts [note 4.12]

#### **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are set-out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **4.1 Equity instruments**

These are recorded at their face value.

##### **4.2 Borrowings and borrowing costs**

Borrowings are recognised initially at fair value.

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

##### **4.3 Staff retirement benefits**

###### **(a) Defined contribution plan**

The Company is operating a provident fund scheme for all its permanent employees; equal monthly contribution to the fund is made at the rate of 10% of the basic salaries both by the employees and the Company. The assets of the Fund are held separately under the control of the Trustees.

###### **(b) Defined benefit plan**

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2018 on the basis of the projected unit credit method by an independent Actuary.

The liability recognised in the statement of financial position in respect of retirement gratuity scheme is the present value of defined benefit obligation at the end of reporting period. The amount arising as a result of remeasurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur.

#### **4.4 Trade and other payables**

Creditors relating to trade and other payables are carried at cost which is the fair value of consideration to be paid in the future for goods and services received, whether or not billed to the Company.

#### **4.5 Obligation under Operating leases / Ijarah**

Operating leases / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases / Ijarah. Payments made during the year are charged to the statement of profit and loss.

#### **4.6 Taxation**

##### **(a) Current and prior year**

Provision for current year's taxation is determined in accordance with the prevailing law of taxation on income enacted or substantially enacted by the reporting date and is based on current rates of taxation being applied on the taxable income for the year, after taking into account, tax credits and rebates available, if any. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalised during the year.

##### **(b) Deferred**

Deferred tax is recognised using the statement of financial position liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax asset is recognised for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax liabilities are recognised for all the taxable temporary differences.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the statement of financial position date. 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 / equity in which case it is included in other comprehensive income / equity.

#### **4.7 Property, plant and equipment**

##### **(a) Operating fixed assets**

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss except freehold land, which is stated at cost. Cost of some items of plant & machinery consists of historical cost and exchange fluctuation effects on foreign currency loans capitalised during prior years.

Depreciation is taken to statement of profit or loss applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 16.1. The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

Normal repairs and replacements are taken to statement of profit or loss. Major improvements and modifications are capitalised and assets replaced, if any, other than those kept as stand-by, are retired.

Gain / loss on disposal of property, plant and equipment, if any, is taken to statement of profit or loss.

**(b) Capital work-in-progress**

This is stated at cost. All expenditure connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

**(c) Assets subject to finance lease**

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

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

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

Depreciation on assets subject to finance lease is charged to income at the rate stated in note 16.1 applying reducing balance method to write-off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of lease period.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed-off.

Finance cost and depreciation on leased assets are taken to statement of profit or loss.

**4.8 Investment property**

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The Company uses cost model for valuation of its investment property; freehold land has been carried at cost whereas buildings on freehold land have been carried at cost less accumulated depreciation and any identified impairment loss.

Depreciation on buildings is taken to statement of profit or loss on reducing balance method at the rate stated in note 17. Depreciation on additions to investment property is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed-off.

**4.9 Loans and advances**

These are stated at cost.

#### 4.10 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realisable value. The cost of inventory is based on moving average cost. Items in transit are stated at cost accumulated to the reporting date. Adequate provision is made against slow moving / obsolete items after taking into account a reasonable estimate of salvage value.

#### 4.11 Stock-in-trade

Basis of valuation are as follows:

<u>Particular</u>	<u>Mode of valuation</u>
Raw materials - molasses:	
- purchase	- At lower of weighted average cost and net realisable value.
- own produced	- At net realisable value
Finished goods	- At lower of cost and net realisable value.
Work-in-process	- At cost.
<ul style="list-style-type: none"> <li>- Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which consists of prime cost and appropriate production overheads.</li> <li>- Net realisable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.</li> </ul>	

#### 4.12 Trade debts and other receivables

Trade debts are recognised initially at original invoice amount, which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts, if any. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written-off.

#### 4.13 Cash and cash equivalents

Cash at banks and short term deposits, which are held to maturity are carried at cost. For the purposes of cash flow statement, cash equivalents are short term highly liquid instruments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in values.

#### 4.14 Impairment loss

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of provisions for impairment losses. If any indications exist, the recoverable amounts of such assets are estimated and impairment losses or reversals of impairment losses are recognised in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

#### **4.15 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of consideration received or receivable on the following basis:

- (a) Local sales are accounted for when goods are dispatched to customers.
- (b) Export sales are accounted for on shipment basis. Expenses on account of export of spirit are charged on consignment basis. If any consignment is not dispatched within the same year, the expenses relating to such consignment are carried forward as prepaid expenses.
- (c) Dividend income is accounted for when the right of receipt is established.
- (d) Interest / profit on bank deposits is accounted for on 'accrual basis'.

#### **4.16 Foreign currency transactions**

Transactions in foreign currencies are accounted for in Pak Rupees at the exchange rates prevailing at the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at rates of exchange prevailing at the reporting date. Foreign exchange differences are recognised in the statement of profit or loss.

#### **4.17 Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### **4.18 Financial assets and liabilities**

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities 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.

Financial instruments carried on the statement of financial position include deposits, trade debts, loans & advances, other receivables, bank balances, trade & other payables, accrued mark-up, Liability against assets subject to finance lease, long term and short term finances. 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 recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### **4.19 Off-setting of financial assets and liabilities**

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



#### 4.20 Segment reporting

A segment is a distinguishable component within the Company that is engaged in providing products which are subject to risks and returns that are different from those of other business segments.

#### 4.21 Dividend and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised in the period in which these are approved.

### 5. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

- (a) During the current financial year, the Company incurred major capital expenditure as part of its BMR plan. For detail of capital expenditure refer note 16.1 to the financial statements.
- (b) During the current financial year, the Company witnessed an increase of Rs.1.001 billion in export sales over the last year. This increase was mainly due to export of 14,847 M. Tons of sugar.
- (c) The exchange rate of USD to PKR has increased from PKR 105.25 as at September 30, 2017 to PKR 124.10 as at September 30, 2018.
- (d) All other significant transactions and events that have affected the Company financial position and performance during the year have been adequately disclosed in these financial statements. For detail performance review of the Company refer Chairman's Review Report and Directors' Report on the Company's operations.

### 6. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2018	2017		2018	2017
(No. of shares)			--- Rupees in '000 ---	
7,187,829	7,187,829	Ordinary shares of Rs.10 each fully paid in cash	71,879	71,879
500,000	500,000	Ordinary shares of Rs.10 each issued to a financial institution on conversion of loan	5,000	5,000
8,829,624	8,829,624	Ordinary shares of Rs.10 each issued as fully paid bonus shares	88,296	88,296
<b>16,517,453</b>	<b>16,517,453</b>		<b>165,175</b>	<b>165,175</b>

- 6.1 The voting rights, board selection, right of first refusal and block voting are in proportion to the shareholding of shareholders.

<b>7. RESERVES</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>--- Rupees in '000 ---</b>	
Capital reserve - share premium	<b>7.1</b>	<b>119,217</b>	119,217
Revenue reserve - general		<b>130,000</b>	130,000
		<b><u>249,217</u></b>	<b><u>249,217</u></b>

**7.1** This represents share premium received on 5,687,829 right ordinary shares issued during the financial year ended September 30, 2006 at the rate of Rs.30 per share adjusted by bonus shares issued.

<b>8. LONG TERM FINANCES</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>--- Rupees in '000 ---</b>	
Demand finance			
- United Bank Limited (UBL)	<b>8.1</b>	-	30,000
- MCB Bank Limited (MCB)	<b>8.2</b>	<b>300,000</b>	300,000
Term finance			
- Standard Chartered Bank Limited (SCB)	<b>8.3</b>	-	32,935
		<b><u>300,000</u></b>	<b><u>362,935</u></b>
Less: Current portion grouped under current liabilities			
- UBL		-	30,000
- MCB		<b>75,000</b>	-
- SCB		-	32,935
		<b><u>75,000</u></b>	<b><u>62,935</u></b>
		<b><u>225,000</u></b>	<b><u>300,000</u></b>

**8.1** The Company, during the financial year ended September 30, 2013, had arranged a demand finance facility of Rs.150 million from UBL. This finance facility carried mark-up at the rate of 3 month KIBOR + 200bps and was repayable in 20 equal quarterly instalments of Rs.7.500 million each commenced from November, 2013. Effective mark-up rate charged by the bank, during the current financial year, ranged from 8.14% to 8.92% (2017: 8.04% to 8.14%) per annum. The Company, during the current financial year, repaid the entire amount outstanding against this finance facility. This finance facility was secured against first pari passu hypothecation charge of Rs.200 million on plant, machinery and equipments the Company.

**8.2** The Company, during the preceding financial year, arranged a demand finance facility of Rs.300 million from MCB. This finance facility carries mark-up at the rate of 6 month KIBOR + 175bps and is repayable in 8 equal semi annual instalments of Rs.37.500 million each commencing from March, 2019. Effective mark-up rate charged by the bank, during the current financial year, ranged from 8.27% to 9.95% (2017: at the rate of 7.92%) per annum. This finance facility is secured against first pari passu charge of Rs.400 million on present and future plant and machinery of the Company with 25% margin.

**8.3** SCB, during the financial year ended September 30, 2016, transferred a balance of Rs.75 million from the utilised short term overdraft facility to a term finance facility. This finance facility carried mark-up at the rate of 3 month KIBOR + 200bps and was repayable in 9 quarterly instalments commenced from July, 2016. Effective mark-up rate charged by the bank, during the current financial year, ranged from 8.13% to 8.16% (2017: 7.90% to 8.13%) per annum. The Company, during the current financial year, repaid the entire amount outstanding against this finance facility. This finance facility was secured against first equitable mortgage charge of Rs.168 million on land and building of the Company.

## 9. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

Particulars	2018			2017		
	Upto one year	From one to five years	Total	Upto one year	From one to five years	Total
----- Rupees in 000 -----						
Minimum lease payments	2,700	7,245	9,945	2,535	9,826	12,361
Less: finance cost allocated to future periods	661	678	1,339	727	1,086	1,813
	<b>2,039</b>	<b>6,567</b>	<b>8,606</b>	1,808	8,740	10,548
Less: security deposit adjustable on expiry of lease terms	-	1,789	1,789	-	1,789	1,789
Present value of minimum lease payments	<b>2,039</b>	<b>4,778</b>	<b>6,817</b>	1,808	6,951	8,759

**9.1** The Company, during the preceding financial year, acquired three vehicles from Al-Baraka Bank (Pakistan) Limited against a Diminishing Musharakah facility of Rs.12 million. The liability under this arrangement is repayable in 60 monthly instalments commenced from November, 2016 and carries profit at the rate of 6 months KIBOR + 300bps per annum; effective profit rates charged by the bank, during the current financial year, ranged from 9.21% to 10.04% (2017: 9.06% to 9.15%) per annum. The Company intends to exercise its option to purchase the vehicles upon completion of lease term. The liability is secured against title of vehicles in the name of the bank.

## 10. STAFF RETIREMENT BENEFITS - Gratuity

**10.1** Projected unit credit method, as allowed under IAS 19 (Employee Benefits), has been used for actuarial valuation based on the following significant assumptions:

	2018	2017
- discount rate	9.00%	8.00%
- expected rate of increase in salary	8.00%	7.00%

**10.2** The amount recognised in the statement of financial position is present value of defined benefit obligation at reporting date.

<b>The movement in the present value of defined benefit obligation is as follows:</b>	<b>2018</b>	<b>2017</b>
	<b>--- Rupees in '000 ---</b>	
Balance at beginning of the year	<b>38,668</b>	35,626
Current service cost	<b>4,763</b>	4,854
Interest cost	<b>2,886</b>	2,372
Benefits due but not paid (transferred to short term liabilities)	<b>(2,302)</b>	(2,800)
Benefits paid	<b>(2,880)</b>	(3,024)
Remeasurement of obligation	<b>2,856</b>	1,640
Balance at end of the year	<b>43,991</b>	<b>38,668</b>

**10.3 Charge to statement of profit or loss:**

Current service cost	<b>4,763</b>	4,854
Interest cost	<b>2,886</b>	2,372
	<b>7,649</b>	<b>7,226</b>

**10.4 Remeasurements recognised in other comprehensive income**

	<b>2018</b>	<b>2017</b>
	<b>--- Rupees in '000 ---</b>	
Actuarial loss	<b>67</b>	44
Experience adjustments	<b>2,789</b>	1,596
	<b>2,856</b>	<b>1,640</b>

**10.5** Comparison of present value of defined benefit obligation and experience adjustment on obligation for five years is as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>----- Rupees in '000 -----</b>				
Present value of defined benefit obligation	<b>43,991</b>	38,668	35,626	33,326	52,308
Experience adjustment on obligation	<b>2,856</b>	1,640	1,053	(21,815)	10,975

### 10.6 Sensitivity analysis for actuarial assumptions:

The calculation of defined benefit obligation is sensitive to assumptions set-out above. The following table summarizes how defined benefit obligation would have increased / (decreased) as a result of change in respective assumption by 1 percent.

	Increase in assumptions ----- Rupees in '000 -----	Decrease in assumptions ----- Rupees in '000 -----
Discount rate	(2,594)	3,045
Increase in salaries	3,048	(2,588)

**Expected maturity analysis of undiscounted obligation is as follows:**

Time in years	Rupees in '000'
1	2,238
2	3,682
3	5,486
4	6,098
5	6,039
6 - 10	49,613
11 and onwards	322,238

**10.7** The Company's contribution to scheme for the financial year 2019 is expected to be Rs.9.818 million.

**10.8** Gratuity payable includes liability in respect of key management personnel aggregating to Rs.1.007 million (2017: Rs.0.762 million)

### 11. TRADE AND OTHER PAYABLES

	Note	2018 --- Rupees in '000 ---	2017
Creditors		189,214	167,837
Bills payable		-	27
Advance payments		75,924	281,995
Retention money		1,575	680
Sales tax payable		48,963	57,471
Accrued expenses		29,808	34,749
Income tax deducted at source		3,045	841
Workers' (profit) participation fund	11.1	14,703	10,469
Workers' welfare fund		1,057	1,057
Gratuity payable		2,302	2,800
Others		205	304
		<u>366,796</u>	<u>558,230</u>

<b>11.1 Workers' (profit) participation fund- the Fund</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>--- Rupees in '000 ---</b>	
Balance at beginning of the year		<b>10,469</b>	3,246
Add: - profit earned on the Fund's balances maintained in a PLS bank account		<b>19</b>	7
- allocation for the year		<b>14,213</b>	9,997
- interest on funds utilised by the Company		<b>1,833</b>	196
Less: payment made during the year		<b>(11,831)</b>	(2,977)
Balance at end of the year		<b>14,703</b>	10,469

## 12. ACCRUED MARK-UP

Mark-up accrued on:

- long term finances	<b>12,576</b>	1,489
- short term finances	<b>55,372</b>	55,453
	<b>67,948</b>	56,942

## 13. SHORT TERM FINANCES

Running / cash finances - secured	<b>13.1</b>	<b>2,385,600</b>	2,333,133
Temporary bank overdraft - unsecured	<b>13.2</b>	<b>478</b>	522
		<b>2,386,078</b>	2,333,655

**13.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.000 billion (2017: Rs.4.495 billion). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 3.00% to 10.01% (2017: 3.00% to 9.14%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.178.900 million (2017: Rs.78.900 million) of which the amount aggregating Rs.162.094 million (2017: Rs.52.573 million) remained unutilised at the reporting date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets, equitable mortgage over land & building of the Company and lien over import & export documents. These facilities are expiring on various dates by May, 2019.

**13.2** These have arisen due to issuance of cheques in excess of balance at bank accounts at year-end.

## 14. CURRENT PORTION OF

<b>NON-CURRENT LIABILITIES</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>-- Rupees in '000 --</b>	
Long term financing	<b>8</b>	<b>75,000</b>	62,935
Liability against assets subject to finance lease	<b>9</b>	<b>2,039</b>	1,808
		<b>77,039</b>	64,743

## 15. CONTINGENCIES AND COMMITMENTS

### Contingencies

- 15.1** On an interim order of the High Court of Sindh, Karachi, sale certificate has been issued to the Company in respect of factory / plant known as Northern Chemicals and the Company has paid stamp duty on land it purchased. It was held that in case the Court comes to a conclusion that the Company is liable to pay stamp duty on plant and machinery as well, the Company shall pay the same within fifteen days from decision of appeal. In this regard, the Company has provided a bank guarantee in favour of Nazir of High Court of Sindh for an amount of Rs.2.400 million.
- 15.2** An appeal is pending before the Lahore High Court (LHC) against the order of the Customs, Central Excise & Sales Tax Appellate Tribunal (the Tribunal) in the matter of permit fee amounting Rs.5.994 million.
- 15.3** A reference application under section 47(1) of the Sales Tax Act, 1990 (the Act) is pending before the LHC against confirmation of original order by the Tribunal whereby the Company was ordered to pay sales tax demands aggregating Rs.3.083 million.
- 15.4** An appeal under section 47 of the Act is also pending before the LHC against judgment of the Tribunal whereby the Company was ordered to pay dues aggregating Rs.4.991 million.
- 15.5** An appeal before the LHC, against judgment of the Tribunal, is pending; the Tribunal has upheld the judgment of the Additional Collector whereby the Company was ordered to pay demands aggregating Rs.1.400 million.
- 15.6** Provisions for cane quality premium payable to growers aggregating Rs.79.335 million, related to different yearly notifications issued by the Government of the Punjab (GoP) for fixation of cane support price and quality premium above 'bench mark average recovery', made during the financial years 1981-82 to 1994-95 were written-back during the financial year ended September 30, 2006. The management is of the view that no outflow of resources will be required as a result of judgment by the LHC for the cases pending adjudication, as LHC has judged this levy as unconstitutional in similar cases.
- Presently, the intra-court appeals of the GoP are pending for a fresh decision by the LHC. Earlier, the Supreme Court of Pakistan had set aside the LHC's judgment of dismissal of review application filed by the GoP.
- 15.7** A writ petition is pending before the LHC against decision of the Board of Trustees of Employees Old-age Benefits Institution; the Institution has raised demand amounting Rs.3.394 million. The Company, as per order of the LHC, has deposited Rs.381 thousand during May, 2011.
- 15.8** The Company, during the financial year 2002, had filed an appeal before the Tribunal against the order of the Additional Collector (Central Excise), Faisalabad rejecting the refund claim of the Company amounting Rs.15.117 million. The Company had paid this amount under protest as customs duty on the sale of sugar. The appeal is pending adjudication.
- 15.9** The GoP, during the financial year 2012, imposed a duty @ Rs.2 per liter on manufacturing of spirit. The Company has filed an appeal before LHC against the imposition of duty which is pending adjudication. However, on an interim order of the LHC the Company has provided a bank guarantee in favour of Excise and taxation department for an amount of Rs.1.00 million.

During the financial year ended September 30, 2017, LHC passed another interim order and directed the Company to deposit the amount of provincial excise duty in cash with deputy registrar of the court on monthly basis till the final order. In compliance with this interim order the

Company has deposited Rs.88.227 million till September 30, 2018. Based on the advice of the Company's legal counsel this amount has been booked as receivable as there are meritorious grounds for the case to be decided in favour of the Company and the amount be refunded.

- 15.10** The Irrigation Department of the GoP, during the financial year 2015, has raised demand aggregating Rs.6.810 million based on its notification dated June 12, 2014, for the revision of rates for supply of water to the Company. The Company, against the said demand, has filed an appeal in the Civil Court, which is pending adjudication.
- 15.11** During the year, the Honourable Supreme Court of Pakistan took Su motu action due to non-payment of sugar cane price to the formers / growers by the sugar mills vide Su motu case No. 9 of 2018. The management is confident that no adverse action will be taken against the Company in this regard as the Company as paid the prescribed sugar cane price to the growers. The next date of hearing is January 18, 2019.

### Commitments

- 15.12** Commitments in respect of capital expenditure other than letters of credit at the year-end aggregate to Rs.8.000 million (2017: Rs.200.293 million).
- 15.13** Commitments for irrevocable letters of credit outstanding at the year-end aggregate to Rs.3.651 million (2017: Rs.12.535 million).
- 15.14** Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at September 30, 2018 and September 30, 2017 was for Rs.10.392 million.
- 15.15** The Company has entered into a Ijarah arrangement for a vehicle with MCB Islamic Bank Limited. Aggregate commitments for rentals under Ijarah arrangement as at September 30, 2018 are as follows:

		2018	2017
	<b>Note</b>	<b>-- Rupees in '000 --</b>	
Not later than one year		2,747	-
Later than one year but not later than five years		4,328	-
		<u>7,075</u>	<u>-</u>
<b>16. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	<b>16.1</b>	<b>1,124,636</b>	939,521
Capital work-in-progress	<b>16.6</b>	<b>225,813</b>	175,363
		<u>1,350,449</u>	<u>1,114,884</u>



## 16.1 Operating fixed assets - tangible

	Owned													Leased					
	Free hold land	Buildings on freehold land	Factory	Plant and machinery	Workshop equipment	Scales & weighbridges	Laboratory equipment	Other equipment	Electric installations & fittings	Tube-well	Office equipment	Furniture and fixtures	Vehicles	Farm tractors	Farm equipment	Power project	Vehicles	Total	
Rupees in '000																			
<b>COST</b>																			
Balance as at October 01, 2016	6,306	24,652	251,464	2,116,415	471	21,518	840	14,725	113,610	7,579	9,792	8,873	45,942	5,554	1,749	-	-	-	2,629,490
Additions during the year	-	-	11,748	16,732	-	-	-	155	8,772	-	125	64	14,751	-	-	21,146	12,883	-	86,376
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(3,754)	-	-	-	-	-	(3,754)
Written-off during the year	-	-	-	(5,628)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,628)
Balance as at September 30, 2017	6,306	24,652	263,212	2,127,519	471	21,518	840	14,880	122,382	7,579	9,917	8,937	56,939	5,554	1,749	21,146	12,883	-	2,706,484
Balance as at October 01, 2017	6,306	24,652	263,212	2,127,519	471	21,518	840	14,880	122,382	7,579	9,917	8,937	56,939	5,554	1,749	21,146	12,883	-	2,706,484
Additions during the year	-	2,996	97,814	179,822	-	42	235	3,709	10,789	-	367	90	4,209	-	-	-	-	-	300,073
Disposals during the year	-	-	-	-	-	-	-	-	(194)	-	(178)	(208)	(3,508)	-	-	-	-	-	(4,088)
Written-off during the year	-	-	-	(8,034)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,034)
Balance as at September 30, 2018	6,306	27,648	361,026	2,299,307	471	21,560	1,075	18,589	132,977	7,579	10,106	8,819	57,640	5,554	1,749	21,146	12,883	-	2,994,435
<b>DEPRECIATION</b>																			
Balance as at October 01, 2016	-	11,527	169,322	1,303,798	444	11,981	710	7,894	96,541	6,640	6,746	6,942	37,194	4,497	1,076	-	-	-	1,665,312
Charge for the year	-	656	8,791	82,450	3	1,144	13	688	3,540	94	465	197	4,217	264	67	2,908	2,937	-	108,434
On disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(3,582)	-	-	-	-	-	(3,582)
On written-off during the year	-	-	-	(3,201)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,201)
Balance as at September 30, 2017	-	12,183	178,113	1,383,047	447	13,125	723	8,582	100,081	6,734	7,211	7,139	37,829	4,761	1,143	2,908	2,937	-	1,766,963
Balance as at October 01, 2017	-	12,183	178,113	1,383,047	447	13,125	723	8,582	100,081	6,734	7,211	7,139	37,829	4,761	1,143	2,908	2,937	-	1,766,963
Charge for the year	-	673	11,765	80,292	3	1,011	29	872	4,232	85	413	174	5,459	198	60	2,736	2,487	-	110,489
On disposals during the year	-	-	-	-	-	-	-	-	(123)	-	(81)	(100)	(3,485)	-	-	-	-	-	(3,789)
On written-off during the year	-	-	-	(3,864)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,864)
Balance as at September 30, 2018	-	12,856	189,878	1,459,475	450	14,136	752	9,454	104,190	6,819	7,543	7,213	39,803	4,959	1,203	5,644	5,424	-	1,869,799
BOOK VALUE AS AT SEPTEMBER 30, 2017	6,306	12,469	85,099	744,472	24	8,393	117	6,298	22,301	845	2,706	1,798	19,110	793	606	18,238	9,946	-	939,521
BOOK VALUE AS AT SEPTEMBER 30, 2018	6,306	14,792	171,148	839,832	21	7,424	323	9,135	28,787	760	2,563	1,606	17,837	595	546	15,502	7,459	-	1,124,636
Depreciation rate (%)	5	10	10	10	12	12	10	10	10	15	10	15	10	25	25	10	15	25	25

16.2 Free-hold land of the Company is located at different areas in Bhalwal, district Sargodha comprising in total 1,001,426 square yards.

**16.3 Operating fixed assets disposed - off**

Asset description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain	Mode of disposal
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----- Rupees in '000 -----

Various assets having net book value upto Rs.500,000 each	<u>4,088</u>	<u>3,789</u>	<u>299</u>	<u>1,087</u>	<u>788</u>	Negotiation
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**16.4 Operating fixed assets written - off**

Asset description	Cost	Accumulated depreciation	Book value
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----- Rupees in '000 -----

**Plant and Machinery**

Membrane	<u>8,034</u>	<u>3,864</u>	<u>4,170</u>
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**16.5 Depreciation for the year has been apportioned as under:**

	2018	2017
	--- Rupees in '000 ---	
Cost of sales	100,517	99,392
Distribution and marketing expenses	383	285
Administrative expenses	9,589	8,757
	<u>110,489</u>	<u>108,434</u>

**16.6 Capital work-in-progress**

Buildings on freehold land - colony	26	1,302
Buildings on freehold land - factory		
- cost and expenses	22,398	38,196
- advance payments	-	7,684
Plant and machinery		
- cost and expenses	186,210	99,053
- advance payments	-	21,511
Electric installations & fittings		
- cost and expenses	9,179	2,691
- advance payments	8,000	4,926
	<u>225,813</u>	<u>175,363</u>

17. INVESTMENT PROPERTY	Freehold land	Buildings on freehold land	Total
----- Rupees in '000 -----			
<b>At October 1, 2016</b>			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,342	4,342
<b>Book value</b>	<u>6,730</u>	<u>1,267</u>	<u>7,997</u>
<b>Year ended September 30, 2017</b>			
Opening book value	6,730	1,267	7,997
Depreciation charge for the year	-	63	63
<b>Closing book value</b>	<u>6,730</u>	<u>1,204</u>	<u>7,934</u>
<b>At September 30, 2017</b>			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,405	4,405
<b>Book value</b>	<u>6,730</u>	<u>1,204</u>	<u>7,934</u>
<b>Year ended September 30, 2018</b>			
Opening book value	6,730	1,204	7,934
Depreciation charge for the year	-	60	60
<b>Closing book value</b>	<u>6,730</u>	<u>1,144</u>	<u>7,874</u>
<b>At September 30, 2018</b>			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,465	4,465
<b>Book value</b>	<u>6,730</u>	<u>1,144</u>	<u>7,874</u>
Depreciation rate (%)		<u>5</u>	

17.1 Depreciation for the year has been grouped under other expenses (note 29).

17.2 Free-hold land is located at Garden block, Garden Town, Lahore. Area is 8,675 square yards.

17.3 Fair value of the investment property, based on the management's estimation, as at September 30, 2018 was Rs.245.000 million (2017: Rs.241.973 million).

**18. LOANS AND ADVANCES- Secured, considered good**

	Vehicles	Others	Total	
			2018	2017
----- Rupees in '000 -----				
Loans / advances to employees	865	45	910	818
Less: current portion grouped under current assets	505	45	550	526
	<b>360</b>	<b>-</b>	<b>360</b>	<b>292</b>

**18.1** These interest free loans and advances are recoverable in instalments which vary from case to case.

**18.2** Vehicle loans and some of the other loans are secured against lien on provident fund / gratuity balances of employees and title of ownership of vehicles in the Company's name.

**19. STORES, SPARES AND LOOSE TOOLS**

	Note	2018	2017
--- Rupees in '000 ---			
Stores - including in-transit valuing Rs. 33.557 million (2017: Rs.Nil)		<b>58,567</b>	24,339
Spares		<b>54,723</b>	54,708
Loose tools		<b>620</b>	596
		<b>113,910</b>	79,643
Less: provision for slow moving items	<b>19.1</b>	<b>11,955</b>	12,649
		<b>101,955</b>	<b>66,994</b>

**19.1 The movement in balance of provision for obsolescence is as follows:**

Opening balance	<b>12,649</b>	13,919
Provision reversed during the year	<b>(694)</b>	(1,270)
Closing balance	<b>11,955</b>	<b>12,649</b>

**19.1.1** Stores and spares inventory includes slow moving items valuing Rs.23.911 million (2017: Rs.25.299 million). The management estimates that slow moving items carry salvage value approximating to 50% of the book value. Provision against slow moving items to the extent of 50% of their carrying value has been made in the books of account.

<b>20. STOCK-IN-TRADE</b>	<b>2018</b>	<b>2017</b>
	<b>--- Rupees in '000 ---</b>	
Raw materials - molasses	<b>95,765</b>	47,707
Work-in-process:		
- Sugar	<b>5,803</b>	9,146
- Molasses	<b>802</b>	4,127
	<b>6,605</b>	13,273
Finished goods:		
- Sugar	<b>1,814,884</b>	1,981,349
- Spirit	<b>80,044</b>	110,095
	<b>1,894,928</b>	2,091,444
Other stocks - fair price shop and depot	<b>244</b>	324
	<b>1,997,542</b>	<b>2,152,748</b>

<b>21. LOANS AND ADVANCES - Considered good</b>	<b>2018</b>	<b>2017</b>
	<b>--- Rupees in '000 ---</b>	
Advances to:		
- key management personnel	<b>800</b>	<b>225</b>
- other employees	<b>5,625</b>	5,985
- suppliers	<b>81,137</b>	24,642
Recoverable from growers	<b>15,233</b>	33,881
Current portion of long term loans and advances	<b>550</b>	526
Letters of credit	<b>6,761</b>	278
	<b>110,106</b>	<b>65,537</b>

**21.1** The Company has advanced an amount of Rs.1.000 million (2017; Rs.0.300 million) to Mr. Ejaz Ahmed (General Manager (cane)) for construction of his house. This loan is recoverable in twelve monthly instalments. The maximum outstanding balance due against this loan at the end of any month during the year was Rs. 1.000 million.

<b>22. OTHER RECEIVABLES</b>	<b>2018</b>	<b>2017</b>
	<b>--- Rupees in '000 ---</b>	
Claims receivable - considered good	<b>3,915</b>	3,915
Excise duty receivable	<b>88,227</b>	43,742
Export subsidy	<b>106,030</b>	-
Others	<b>38,058</b>	8,729
	<b>236,230</b>	<b>56,386</b>

**22.1** This represents freight support subsidy on export of sugar receivable from federal government.

**22.2** This mainly includes Rs.33.153 million (2017: Rs.1.529 million) receivable from Faisalabad Electric Supply Company against sale of electricity.

**23. BANK BALANCES**

	Note	2018 --- Rupees in '000 ---	2017
Cash at commercial banks on:			
- current accounts		26,350	297,651
- saving accounts	23.1	9,982	7,296
- margin accounts	23.2	3,400	3,400
- dividend accounts		6,276	1,268
		<b>46,008</b>	309,615
Cash at Cooperative Societies on current accounts		745	745
Less: provision for doubtful balances	23.3	745	745
		-	-
		<b>46,008</b>	309,615

**23.1** Saving accounts, during the current financial year, carried profit / mark-up at the rates ranging from 3.75% to 5.50% (2017: 3.75%) per annum.

**23.2** These represent 100% cash margin deducted by banks against guarantees issued on behalf of the Company.

**23.3** As the recoverability of balances with Cooperative Societies is doubtful due to their closure by the Government of Pakistan; therefore, provision has been made to meet the potential eventuality.

24. SALES - Net	Sugar		Distillery		Total	
	2018	2017	2018	2017	2018	2017
	----- Rupees in '000 -----					
Local	4,804,172	4,232,850	211,845	261,709	5,016,017	4,494,559
Inter-segment (note 25.3)	288,153	434,157	-	-	-	-
Export (note 24.1)	709,483	-	1,130,291	838,477	1,839,774	838,477
	<b>5,801,808</b>	4,667,007	<b>1,342,136</b>	1,100,186	<b>6,855,791</b>	5,333,036
Less:						
- sales tax	550,012	457,471	32,303	39,977	582,315	497,448
	<b>5,251,796</b>	4,209,536	<b>1,309,833</b>	1,060,209	<b>6,273,476</b>	4,835,588

**24.1** This includes sugar export subsidy amounted Rs.158.863 million.

25. COST OF SALES	Sugar		Distillery		Total	
	2018	2017	2018	2017	2018	2017
----- Rupees in '000 -----						
Raw materials consumed (note 25.1)	<b>4,575,454</b>	5,137,145	<b>274,673</b>	336,053	<b>4,850,127</b>	5,473,198
Inter-segment transfers (note 25.3)	-	-	<b>288,153</b>	434,157	-	-
	<b>4,575,454</b>	5,137,145	<b>562,826</b>	770,210	<b>4,850,127</b>	5,473,198
Salaries, wages and benefits (note 25.2)	<b>114,117</b>	124,256	<b>34,370</b>	38,818	<b>148,487</b>	163,074
Fuel and power	<b>14,078</b>	8,689	<b>18,660</b>	13,595	<b>32,738</b>	22,284
Chemicals and stores consumed	<b>74,588</b>	74,670	<b>23,681</b>	24,047	<b>98,269</b>	98,717
Repair and maintenance	<b>98,900</b>	97,387	<b>10,353</b>	10,920	<b>109,253</b>	108,307
Depreciation	<b>85,440</b>	83,891	<b>15,077</b>	15,501	<b>100,517</b>	99,392
Insurance	<b>5,033</b>	4,587	<b>1,457</b>	1,212	<b>6,490</b>	5,799
Rates and taxes	<b>397</b>	504	<b>36</b>	48	<b>433</b>	552
Others	<b>10,029</b>	11,150	<b>2,644</b>	2,468	<b>12,673</b>	13,618
	<b>4,978,036</b>	5,542,279	<b>669,104</b>	876,819	<b>5,358,987</b>	5,984,941
Adjustment of work-in-process						
Opening	<b>9,146</b>	9,128	<b>4,127</b>	812	<b>13,273</b>	9,940
Closing	<b>(5,803)</b>	(9,146)	<b>(802)</b>	(4,127)	<b>(6,605)</b>	(13,273)
	<b>3,343</b>	(18)	<b>3,325</b>	(3,315)	<b>6,668</b>	(3,333)
Cost of goods manufactured	<b>4,981,379</b>	5,542,261	<b>672,429</b>	873,504	<b>5,365,655</b>	5,981,608
Adjustment of finished goods						
Opening stock	<b>1,981,349</b>	356,747	<b>110,095</b>	16,894	<b>2,091,444</b>	373,641
Closing stock	<b>(1,814,884)</b>	(1,981,349)	<b>(80,044)</b>	(110,095)	<b>(1,894,928)</b>	(2,091,444)
	<b>166,465</b>	(1,624,602)	<b>30,051</b>	(93,201)	<b>196,516</b>	(1,717,803)
	<b>5,147,844</b>	3,917,659	<b>702,480</b>	780,303	<b>5,562,171</b>	4,263,805

**25.1** Preceding year's sugar cane purchases included Rs.3,501 thousand in respect of purchases from Associated persons of directors.

**25.2** These include Rs.1,019 thousand (2017: Rs.982 thousand) and Rs.4,745 thousand (2017: Rs.4,360 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

**25.3** Inter-segment sales and purchases have been eliminated from the total figures.

## 26. DISTRIBUTION AND MARKETING EXPENSES

	Sugar		Distillery		Total	
	2018	2017	2018	2017	2018	2017
----- Rupees in '000 -----						
Salaries and benefits (note 26.1)	2,137	1,985	-	-	2,137	1,985
Loading, unloading, freight and export expenses	6,929	1,769	72,860	67,199	79,789	68,968
Rent of storage tanks	-	-	11,175	11,475	11,175	11,475
Depreciation	383	285	-	-	383	285
Commission	2,781	2,499	-	-	2,781	2,499
Others	8,189	66	10	70	8,199	136
	<b>20,419</b>	<b>6,604</b>	<b>84,045</b>	<b>78,744</b>	<b>104,464</b>	<b>85,348</b>

26.1 These include Rs.16 thousand (2017: Rs.13 thousand) and Rs.79 thousand (2017: Rs.64 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

## 27. ADMINISTRATIVE EXPENSES

	Sugar		Distillery		Total	
	2018	2017	2018	2017	2018	2017
----- Rupees in '000 -----						
Salaries and benefits (note 27.1)	64,684	65,843	21,562	21,948	86,246	87,791
Travelling and conveyance including directors' travelling amounting Rs.1,080 thousand (2017: Rs.317 thousand)	1,135	488	378	163	1,513	651
Vehicles' running and maintenance	7,513	5,984	2,504	1,994	10,017	7,978
Communication	1,196	1,063	478	422	1,674	1,485
Printing and stationery	1,013	894	337	298	1,350	1,192
Rent, rates and taxes	2,843	2,659	1,448	1,125	4,291	3,784
Insurance	577	353	193	118	770	471
Repair and maintenance	1,990	2,337	684	805	2,674	3,142
Subscription	1,872	2,997	1,090	1,392	2,962	4,389
Advertisement	241	148	80	49	321	197
Depreciation	5,757	6,551	3,832	2,206	9,589	8,757
Entertainment / guest house expenses	3,159	4,356	1,153	1,552	4,312	5,908
Auditors' remuneration (note 27.2)	964	644	321	215	1,285	859
Legal and professional charges (other than Auditors')	1,771	916	1,590	305	3,361	1,221
Utilities	2,574	2,869	858	956	3,432	3,825
Others	1,025	697	387	233	1,412	930
	<b>98,314</b>	<b>98,799</b>	<b>36,895</b>	<b>33,781</b>	<b>135,209</b>	<b>132,580</b>



**27.1** These include Rs.318 thousand (2017: Rs.322 thousand) and Rs.2,826 thousand (2017: Rs.2,802 thousand) in respect of provident fund contributions and staff retirement benefits-

**27.2 Auditors' remuneration**

	2018	2017
	--- Rupees in '000 ---	
ShineWing Hameed Chaudhri & Co.		
- statutory audit fee	1,050	575
- half yearly review	150	147
- certification charges	50	50
- short provision for previous year	-	52
- out-of-pocket expenses	35	35
	<b>1,285</b>	<b>859</b>

**27.3** Administrative expenses, which are not separately identifiable, have been allocated on the basis of management's estimation.

**28. OTHER INCOME**

	Note	2018	2017
		--- Rupees in '000 ---	
<b>Income from financial assets</b>			
Unclaimed and other payable balances written-back		302	146
Interest / mark-up on saving accounts		987	629
<b>Income from other than financial assets</b>			
Scrap sales - net		1,784	3,012
Bagasse and press mud sales - net		36,636	20,908
Sale of electricity	28.1	27,427	25,089
Gain on disposal of operating fixed assets	16.3	788	2,063
Reversal of provision for slow moving stores and spares inventory	19.1	694	1,270
Rental income		-	21
Others		102	221
		<b>68,720</b>	<b>53,359</b>

**28.1** This represents sale of electricity to Faisalabad Electric Supply Company.

**29. OTHER EXPENSES**

	Note	2018	2017
		--- Rupees in '000 ---	
Donations (without directors' interest)		70	59
Depreciation on investment property	17	60	63
Operating fixed assets written-off	16.4	4,170	2,427
Workers' profit participation fund	11.1	14,213	9,997
		<b>18,513</b>	<b>12,546</b>

<b>30. FINANCE COST</b>	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>--- Rupees in '000 ---</b>	
Mark-up / profit on:			
- long term finances		<b>26,607</b>	7,875
- short term finances		<b>204,021</b>	180,516
- lease finances		<b>830</b>	780
- workers' profit participation fund	<b>11.1</b>	<b>1,833</b>	196
Bank and other charges		<b>18,364</b>	15,354
		<b><u>251,655</u></b>	<b><u>204,721</u></b>
 <b>31. TAXATION - Net</b>			
Provision for current year		<b><u>59,399</u></b>	<b><u>45,680</u></b>

**31.1** Income tax assessments of the Company have been finalised upto Assessment Year 2002-03 under section 62 of the repealed Income Tax Ordinance, 1979 whereas Tax Years 2003 to 2018 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

**31.2** No numeric tax rate reconciliation has been presented in these financial statements as provisions made during the current and preceding financial year mainly represent minimum tax payable under section 113 and final tax deducted at source on realisation of foreign exchange proceeds under section 154, after adjusting tax credit available under section 65B of the Ordinance.

**31.3** Deferred tax asset arising on unused tax losses has not been recognised in these financial statements due to uncertainty about the availability of taxable profits in the foreseeable future.

**31.4** Management has provided sufficient tax provision in the financial statement as per the applicable provisions of the Ordinance. A comparison of last three years of income tax provision as per the financial statements with the tax assessed is presented below:

	<b>Financial year</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
	----- Rupees in 000 -----		
Income tax provision for the year - accounts	45,680	11,660	27,987
	<b>Tax year</b>		
	<b>2018</b>	<b>2017</b>	<b>2016</b>
	----- Rupees in 000 -----		
Income tax as per assessment	45,680	10,480	27,987

**31.5** The Board of Directors, in its meeting held on December 31, 2018, has distributed sufficient cash dividend for the year ended September 30, 2018 (refer note 42) to comply with the requirements of Section 5A of the Ordinance. Accordingly, no further provision for tax at the rate of five percent of accounting profit before tax has been recognised in these financial statements for the year ended September 30, 2018.

<b>32. EARNINGS PER SHARE - Basic and Diluted</b>	<b>2018</b>	<b>2017</b>
	<b>--- Rupees in '000 ---</b>	
Profit after taxation attributable to ordinary shareholders	<u><b>210,785</b></u>	<u>144,267</u>
	<b>---- No. of shares ----</b>	
Weighted average number of ordinary shares outstanding during the year	<u><b>16,517,453</b></u>	<u>16,517,453</u>
	<b>----- Rupees -----</b>	
Earnings per share	<u><b>12.76</b></u>	<u>8.73</u>

**32.1** There is no dilutive effect on the basic earning per share of the Company.

### **33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

Particulars	Chief Executive		Directors				Executives*	
			Executive		Non-Executive			
	2018	2017	2018	2017	2018	2017	2018	2017
<b>-----Rupees in '000 -----</b>								
Managerial remuneration including bonus	<b>9,244</b>	10,853	<b>6,800</b>	4,800	-	1,400	<b>9,990</b>	8,929
Perquisites and benefits:								
Utilities	<b>727</b>	1,621	-	-	<b>694</b>	501	-	-
Medical	<b>1,822</b>	2,295	<b>126</b>	86	<b>325</b>	285	<b>19</b>	130
Servant salary	-	-	-	-	-	-	-	140
Entertainment / club bills	-	2,329	<b>153</b>	165	-	76	-	186
	<b>2,549</b>	6,245	<b>279</b>	251	<b>1,019</b>	862	<b>19</b>	456
	<b>11,793</b>	17,098	<b>7,079</b>	5,051	<b>1,019</b>	2,262	<b>10,009</b>	9,385
No. of persons	<b>2</b>	1	<b>1</b>	1	<b>1</b>	1	<b>3</b>	4

\* Comparative figures have been restated as a result of change in the definition of executive in the Companies Act, 2017.

- 33.1** During the year, Mr. Adnan Hayat Noon resigned as Chief Executive and Lt. Col. Abdul Khaliq Khan (Retd) was appointed in his place.
- 33.2** The working directors and executives have been provided with free use of the Company maintained cars and telephones at their residences. Furnished residences have also been provided to the executives in the Mills' Colony.
- 33.3** A sum of Rs.789 thousand (2017: Rs.754 thousand) was incurred on the renovation of Chief Executive's residence.
- 33.4** During the year, meeting fees of Rs.420 thousand (2017: Rs.165 thousand) were paid to two Non-executive directors of the Company.

#### **34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

##### **34.1 Financial Risk Factors**

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

- market risk
- credit risk; and
- liquidity risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

##### **34.2 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 the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

###### **(a) Currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spares and export of goods mainly denominated in US Dollars and Euros. As at reporting date, the Company is not exposed to any significant currency risk.

###### **(b) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2018	2017	2018	2017
	Effective rate		Carrying amount	
	%	%	--- Rupees in '000 ---	
<b>Fixed rate instruments</b>				
<b>Financial assets</b>				
Bank balances	3.75 - 5.50	3.75	<u>9,982</u>	<u>7,296</u>
<b>Variable rate instruments</b>				
<b>Financial liabilities</b>				
Long term finances	8.13 - 9.95	7.90 - 8.14	<u>300,000</u>	<u>362,935</u>
Short term borrowings	3.00 - 10.01	3.00 - 9.14	<u>2,385,600</u>	<u>2,333,133</u>
Liability against assets subject to finance lease	9.21 - 10.04	9.06 - 9.15	<u>6,817</u>	<u>8,759</u>

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through the statement of profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

#### Cash flow sensitivity analysis for variable rate instruments

At September 30, 2018, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs.26.924 million (2017: Rs.27.048 million) lower / higher mainly as a result of higher / lower interest expense on variable rate financial liabilities.

#### (c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instruments or its issuer or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk.

#### 34.3 Credit risk exposure and concentration of credit risk

Credit risk represents the risk of a loss if the counter party fails to discharge its obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from deposits, trade debts, loans & advances, other receivables and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. Export sales made to major customers are secured through letters of credit. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings.

In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

#### **Exposure to credit risk**

The maximum exposure to credit risk as at September 30, 2018 along with comparative is tabulated below:

	<b>2018</b>	2017
	<b>--- Rupees in '000 ---</b>	
Deposits	<b>11,933</b>	13,975
Trade debts	<b>39,553</b>	132,266
Loans and advances	<b>21,768</b>	40,684
Other receivables	<b>148,003</b>	12,644
Bank balances	<b>46,008</b>	309,615
	<b><u>267,265</u></b>	<u>509,184</u>

All the trade debts at the date of statement of financial position represent domestic parties.

The aging of trade debts at the date of statement of financial position was as follows:

	<b>2018</b>	2017
	<b>--- Rupees in '000 ---</b>	
Not yet due	<b>36,683</b>	131,423
Past due - more than 30 days	<b>2,871</b>	843
	<b><u>39,554</u></b>	<u>132,266</u>

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as debts aggregating Rs.38.003 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

### 34.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in '000 -----				
<b>September 30, 2018</b>				
Long term finances	300,000	366,426	102,233	264,193
Liability against assets subject to finance lease	6,817	8,156	2,700	5,456
Trade and other payables	223,104	223,104	223,104	-
Accrued mark-up	67,948	67,948	67,948	-
Short term finances	2,385,600	2,429,138	2,429,138	-
Unclaimed and unpaid dividends	7,069	7,069	7,069	-
	<b>2,990,538</b>	<b>3,101,841</b>	<b>2,832,192</b>	<b>269,649</b>

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in '000 -----				
<b>September 30, 2017</b>				
Long term finances	362,935	418,110	65,236	352,874
Liability against assets subject to finance lease	8,759	10,572	2,535	8,037
Trade and other payables	206,397	211,720	211,720	-
Accrued mark-up	56,942	56,942	56,942	-
Short term finances	2,333,133	2,521,941	2,521,941	-
Unclaimed and unpaid dividends	5,323	5,323	5,323	-
	<b>2,973,489</b>	<b>3,224,608</b>	<b>2,863,697</b>	<b>360,911</b>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest / mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

#### 34.5 Fair values of financial assets and liabilities

At September 30, 2018, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values except for loans to employees, which have been valued at their original costs less repayments.

#### 34.6 Financial instruments by category

Loans and receivables			Financial liabilities measured at amortised cost		
Financial assets as per the statement of financial position	2018	2017	Financial liabilities as per the statement of financial position	2018	2017
	--- Rupees in '000 ---			--- Rupees in '000 ---	
Loans and advances	360	292	Long term finances	300,000	362,935
Deposits	11,933	13,975	Liability against assets subject to finance lease	6,817	8,759
Trade debts	39,553	132,266	Trade and other payables	223,104	206,397
Loans and advances	28,169	40,670	Accrued mark-up	67,948	56,942
Other receivables	236,230	56,386	Short term finances	2,386,078	2,333,655
Bank balances	46,008	309,615	Unclaimed and unpaid dividends	7,069	5,323
	<u>362,253</u>	<u>553,204</u>		<u>2,991,016</u>	<u>2,974,011</u>

#### 35. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares.

There was no change to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements except for the maintenance of debt to equity ratio under the financing agreements.



### 36. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCIAL ACTIVITIES

	Liabilities			
	Long term finances	liabilities against assets subject to finance lease	Short term borrowings	Dividend
	..... Rupees in 000 .....			
Balance as at October 01, 2017	362,935	8,759	2,333,655	5,323
<b>Changes from financing activities</b>				
Finances obtained	-	-	52,423	-
Finances repaid	(62,935)	-	-	-
Lease liability repaid	-	(1,942)	-	-
Dividends paid	-	-	-	(56,065)
Dividend declared	-	-	-	57,811
<b>Total changes from financing cash flows</b>	<b>300,000</b>	<b>6,817</b>	<b>2,386,078</b>	<b>7,069</b>
<b>Other changes</b>	-	-	-	-
<b>Balance as at September 30, 2018</b>	<b>300,000</b>	<b>6,817</b>	<b>2,386,078</b>	<b>7,069</b>

### 37. CAPACITY AND PRODUCTION

#### Sugar Plant

		2018	2017
Rated crushing capacity (based on 140 working days)	M. Tons	<b>1,400,000</b>	1,440,000
Cane crushed	M. Tons	<b>1,008,944</b>	1,115,492
Sugar produced	M. Tons	<b>98,655</b>	113,308
Days worked	Nos.	<b>121</b>	140
Sugar recovery	%	<b>9.77</b>	10.16

#### Distillery Plant

Rated capacity per day	Litres	<b>80,000</b>	80,000
Actual production	Litres	<b>22,241,992</b>	21,452,555
Days worked	Nos.	<b>310</b>	297

### 38. SEGMENT INFORMATION

The Company's reportable segments are as follows:

- Sugar
- Distillery

**38.1 Segment revenues and results**

Sugar	Distillery	Elimination of inter segment transactions	Total
-------	------------	---	-------

----- Rupees in '000 -----

**For the year ended**

**September 30, 2018**

Sales	5,251,796	1,309,833	(288,153)	6,273,476
Cost of sales	(5,147,844)	(702,480)	(288,153)	(5,562,171)
Gross profit	103,952	607,353	-	711,305
Selling and distribution expenses	(20,419)	(84,045)	-	(104,464)
Administrative expenses	(98,314)	(36,895)	-	(135,209)
	(118,733)	(120,940)	-	(239,673)
<b>(Loss) / profit before taxation and unallocated income and expenses</b>	<b>(14,781)</b>	<b>486,413</b>	<b>-</b>	<b>471,632</b>

**Unallocatable income and expenses**

Other income				68,720
Other expenses				(18,513)
Finance cost				(251,655)
Taxation				(59,399)
<b>Profit for the year</b>				<b>210,785</b>

Sugar	Distillery	Elimination of inter segment transactions	Total
-------	------------	---	-------

----- Rupees in '000 -----

**For the year ended**

**September 30, 2017**

Sales	4,209,536	1,060,209	(434,157)	4,835,588
Cost of sales	(3,917,659)	(780,303)	(434,157)	(4,263,805)
Gross profit	291,877	279,906	-	571,783
Selling and distribution expenses	(6,604)	(78,744)	-	(85,348)
Administrative expenses	(98,799)	(33,781)	-	(132,580)
	(105,403)	(112,525)	-	(217,928)
<b>Profit before taxation and unallocated income and expenses</b>	<b>186,474</b>	<b>167,381</b>	<b>-</b>	<b>353,855</b>

**Unallocatable income and expenses**

Other income				53,359
Other expenses				(12,546)
Finance cost				(204,721)
Taxation				(45,680)
<b>Profit for the year</b>				<b>144,267</b>

### 38.2 Segment assets and liabilities

	Sugar	Distillery	Total
-----Rupees in '000 -----			
<b>As at September 30, 2018</b>			
Segment assets	3,249,683	625,048	3,874,731
Unallocatable assets			105,418
<b>Total assets as per the statement of financial position</b>			<b>3,980,149</b>
Segment liabilities	352,676	68,638	421,314
Unallocatable liabilities			2,816,784
<b>Total liabilities as per the statement of financial position</b>			<b>3,238,098</b>
<b>As at September 30, 2017</b>			
Segment assets	3,117,847	501,995	3,619,842
Unallocatable assets			382,283
<b>Total assets as per the statement of financial position</b>			<b>4,002,125</b>
Segment liabilities	559,142	50,032	609,174
Unallocatable liabilities			2,801,018
<b>Total liabilities as per the statement of financial position</b>			<b>3,410,192</b>

Sales to domestic customers in Pakistan are 73.16% (2017: 84.28%) and to customers outside Pakistan are 26.84% (2017: 15.72%) of the revenues during the current financial year.

The Company sells its manufactured products to local and foreign companies, commission agents, organisations and institutions. Seven (2017: Five) of the Company's customers contributed towards 84.65% (2017: 88.22%) of the local sales during the current financial year aggregating Rs.4.071 billion (2017: Rs.3.330 billion) which exceeds 10% of the local sales of the Company.

#### Geographical information

All segments of the Company are managed on nation-wide basis and operate manufacturing facilities and sale offices in Pakistan.

### 39. RELATED PARTY TRANSACTIONS

Related parties comprise of the Associated Companies, directors, major shareholders, key management personnel and entities over which the directors are able to exercise significant influence on financial and operating policy decisions. During the current financial year, there were no transactions executed with the related parties except transactions with key management personer as disclosed below.

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity. The Company considers its Chief Executive, directors and all team members of its management team to be its key management personnel.

**Significant transactions with the related parties**

**2018**                      **2017**  
**--- Rupees in 000---**

**Key management personnel**

Salary and other employment benefits	<u>28,881</u>	<u>28,762</u>
Loan advanced	<u>1,000</u>	<u>300</u>

**40. DISCLOSURE RELATING TO PROVIDENT FUND**

(i) Size of the Fund	<u>102,730</u>	<u>106,306</u>
(ii) Cost of investments made	<u>81,935</u>	<u>87,850</u>
(iii) Percentage of investments made	<u>79.76%</u>	<u>82.64%</u>
(iv) Fair value of investments made	<u>81,935</u>	<u>87,850</u>

**40.1 Break-up of the investment is as follows:**

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>--- Percentage ---</b>		<b>--- Rupees in '000 ---</b>	
Special account in a scheduled bank	<b>56.12</b>	16.24	<b>45,986</b>	14,271
Mutual Fund	<b>43.88</b>	83.76	<b>35,949</b>	73,579
	<u><b>100.00</b></u>	<u>100.00</u>	<u><b>81,935</b></u>	<u>87,850</u>

The figures are based on the un-audited financial statements of the Provident Fund (the Fund) as at September 30, 2018 and audited financial statements as at September 30, 2017. Investments out of Fund were made in compliance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose. However, the Fund's investment in a Mutual Fund exceeded the limit due to appreciation in net assets value and receipt of Bonus units of Mutual Fund.

**41. NUMBER OF EMPLOYEES**

**2018**                      **2017**  
**----- Number -----**

Average number of employees during the year

- factory	<b>521</b>	469
- head office	<b>31</b>	24

Number of employees at the September 30,

- factory	<b>467</b>	442
- head office	<b>32</b>	28

#### 42. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors, in its meeting held on December 31, 2018 has proposed a final cash dividend of Rs.2.60 (2017: Rs.3.50) per share amounting to Rs.42.946 million (2017: Rs.57.811 million) for the year ended September 30, 2018. This appropriation will be approved by the members in the forthcoming Annual General Meeting to be held on 26 January 2019.

The financial statements for the year ended September 30, 2018 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending September 30, 2019.

#### 43. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. However, except for the following, no material re-arrangements and re-classifications have been made in these financial statements.

- As required by provisions of the Companies Act, 2017, unclaimed and unpaid dividends have been disclosed as a separate line items on the face of statement of financial position.

#### 44. GENERAL

These financial statements were authorised for issue on December 31, 2018 by the board of directors of the Company.



**Lt Col ABDUL KHALIQ KHAN (Retd)**  
Chief Executive



**M. SOHAIL KHOKHAR**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

**FORM 34**  
**PATTERN OF SHAREHOLDING**  
**(Section 227(2)(f))**  
**AS AT 30 SEPTEMBER, 2018**

Incorporation No. : **0001858**


1.1 Name of the Company : **NOON SUGAR MILLS LIMITED**

2.1 Pattern of holding of the shares held by the shareholders as at **30-09-2018**

2.2 No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
818	1	100	25,238
511	101	500	138,447
186	501	1,000	143,053
273	1,001	5,000	631,423
37	5,001	10,000	277,720
14	10,001	15,000	184,576
15	15,001	20,000	264,999
8	20,001	25,000	186,696
7	25,001	30,000	195,020
1	30,001	35,000	33,000
2	35,001	40,000	76,600
1	40,001	45,000	45,000
2	45,001	50,000	94,516
2	55,001	60,000	115,617
2	60,001	65,000	123,307
1	65,001	70,000	67,500
1	85,001	90,000	86,200
1	100,001	105,000	103,929
2	135,001	140,000	273,520
1	170,001	175,000	173,300
1	205,001	210,000	208,200
1	290,001	295,000	293,500
1	310,001	315,000	315,000
1	340,001	345,000	341,600
1	445,001	450,000	450,000
1	765,001	770,000	765,403
1	1,435,001	1,440,000	1,437,480
1	1,850,001	1,855,000	1,850,040
1	3,320,001	3,325,000	3,323,803
1	4,290,001	4,295,000	4,292,766
<b>1,895</b>			<b>16,517,453</b>

<b>2.3 Categories of shareholders</b>	<b>Share held</b>	<b>Percentage</b>
2.3.1 Directors, Chief Executive Officers, and their spouse and minor children	9,623,543	58.2629%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	765,403	4.6339%
2.3.3 NIT and ICP	29,447	0.1783%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,448	0.0088%
2.3.5 Insurance Companies	3,732	0.0226%
2.3.6 Modarabas and Mutual Funds	-	0.0000%
2.3.7 Share holders holding 10% or more	9,589,916	58.0593%
2.3.8 General Public		
a. Local	3,223,769	19.5173%
b. Foreign	466	0.0028%
2.3.9 Others (to be specified)		
<b>Joint Stock Companies</b>	1,391,001	8.4214%
<b>Pension Funds</b>	2,039	0.0123%
<b>Foreign Companies</b>	1,437,592	8.7035%
<b>Others</b>	39,013	0.2362%

Signature of  
Company Secretary



Name of Signatory

**SYED ANWAR ALI**

Designation

**COMPANY SECRETARY**

CNIC Number

**35200-2711479-3**

Date

**30.09.2018**

**NOON SUGAR MILLS LIMITED  
FORM OF PROXY**

Registered Folio No. /  
CDC Account No. \_\_\_\_\_

I/We \_\_\_\_\_  
Name

of \_\_\_\_\_  
Address

being a member of NOON SUGAR MILLS LIMITED hereby appoint

\_\_\_\_\_ Name

of \_\_\_\_\_ Address

or failing him / her \_\_\_\_\_ Name

of \_\_\_\_\_ Address

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 56<sup>th</sup> Annual General Meeting of the Company to be held on 26th January, 2019 at 66 Garden Block, New Garden Town, Lahore at 11:30 a.m. and at any adjournment thereof.

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

**WITNESSES**

1. Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC # \_\_\_\_\_

\_\_\_\_\_  
Signature of the Shareholder/ Appointer

2. Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC # \_\_\_\_\_

Revenue  
Stamp  
(Rs. 5/-)

NOTE: Proxies in order to be effective must reach the Company's Registered Office not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC.



# نون شوگر ملز لمیٹڈ

66- گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔

تشکیل نیابت داری (پراسی فارم)

میں / ہم \_\_\_\_\_

ساکن \_\_\_\_\_

بحیثیت حصہ دار نون شوگر ملز لمیٹڈ \_\_\_\_\_

نام (فولیو ای ڈی سی اکاؤنٹ نمبر اگر مہر ہو)

ساکن \_\_\_\_\_ یا بصورت دیگر \_\_\_\_\_

نام (فولیو ای ڈی سی اکاؤنٹ نمبر اگر مہر ہو)

ساکن \_\_\_\_\_ کو اپنی جگہ بروز ہفتہ 26 جنوری 2019

کو دن کے بوقت 11:30 بجے صبح 66- گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔ میں منعقد یا ملتوی ہونے والے چھپنویں سالانہ اجلاس عام میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

بطور گواہ میرے / ہمارے دستخط سے مورخہ \_\_\_\_\_ جنوری 2019 کو دی گئی۔

۵ روپے کارسیدی ٹکٹ  
چسپاں کر کے دستخط کریں

۱- گواہ

دستخط \_\_\_\_\_

نام \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

پتہ \_\_\_\_\_

دستخط \_\_\_\_\_  
(ممبر / مجاز فسر)

۲- گواہ

دستخط \_\_\_\_\_

نام \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

پتہ \_\_\_\_\_

سی ڈی سی اکاؤنٹ نمبر		فولیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر \_\_\_\_\_

نوٹس:

- (۱) پراسی کے منوثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۴۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراسی فارم کے ساتھ تلف کرنے ہونگے۔

VIDEO CONFERENCE FACILITY FORM

I / We \_\_\_\_\_ being the member of Noon Sugar Mills Limited, holder of \_\_\_\_\_ Ordinary share(s) as per registered folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

Signature of Member \_\_\_\_\_

Date \_\_\_\_\_

BANK ACCOUNT DETAIL FORM

Bank Account Details of Shareholder for payment of Cash Dividend through Electronic Mode:

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

Name of Shareholder: \_\_\_\_\_

Folio Number: \_\_\_\_\_

Bank Account No: \_\_\_\_\_

IBAN: \_\_\_\_\_

Title of Account: \_\_\_\_\_

Name of Bank: \_\_\_\_\_

Branch/full mailing address: \_\_\_\_\_

It is stated that the above information is correct to the best of my knowledge and shall keep the company informed in case of any changes in the above particulars in future.

\_\_\_\_\_  
Shareholder's Signature

\_\_\_\_\_  
Date:

\_\_\_\_\_  
CNIC #: (copy attached)

**GOVERNMENT OF PAKISTAN  
SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

**NOTIFICATION**

*Islamabad, the 9<sup>th</sup> September, 2015*

S.R.O. 924 (I)/2015:- In exercise of the powers conferred by Section 506B of the Companies Ordinance, 1984 (XLVII of 1984), the Securities and Exchange Commission of Pakistan is pleased to direct that a company listed on a stock exchange in Pakistan shall, while issuing annual accounts and balance sheet, incorporate the following informational message on 'JamaPunji', with immediate effect:




**Be aware, Be alert,  
Be safe**  
Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

**Key features:**

- 📄 Licensed Entities Verification
- 🕒 Scam meter\*
- 🎮 Jamapunji games\*
- 📊 Tax credit calculator\*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- 🔍 FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler\*
- 📊 Financial calculator
- 🔔 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📝 Online Quizzes

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jamapunji.pk @jamapunji\_pk

\*In this app an also available for download for android and ios devices.

[No. EMD/website-regulation/74/2011]

*Bushra*  
*9/9/15*  
(Bushra Aslam)  
Secretary to the Commission

## ڈائریکٹران رپورٹ برائے ممبران

معزز ممبران۔

آپ کے ڈائریکٹران 30 ستمبر 2018 کو اختتام پذیر ہونے والے سال کی چھپنویں سالانہ رپورٹ آڈٹ شدہ حسابات اور ان پر آڈیٹر رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی نتائج:

الحمد للہ۔ آپ کی کمپنی نے مالیاتی سال 2018 کے دوران، سابقہ سالانہ عرصہ سے حاصل شدہ کل رقم 4,836 ملین روپے کے مقابلے میں 6,273 ملین روپے حاصل کئے ہیں۔ یہ ظاہر کرتا ہے کہ کمپنی نے نقد فروخت میں 30 فیصد اضافہ کیا ہے۔ سابقہ مالی سال کے عرصہ میں حاصل کردہ 143 ملین روپے خالص منافع کے مقابلے میں رواں سال 208 ملین روپے خالص منافع کمایا ہے۔ جو کہ پچھلے سال کے دوران کمائے گئے 8.73 روپے فی کس سٹاک کے مقابلے میں 12.76 روپے فی کس سٹاک ہے۔

روان سال بھی شوگر انڈسٹری کے لئے ایک مشکل سال ثابت ہوا ہے۔ جس میں چینی کی مجموعی پیداوار کل ملکی ضروریات سے زیادہ ہونے کی وجہ سے پورے سال کے دوران چینی کی مقامی قیمت میں عدم استحکام رہا۔

تاہم روپے کی قدر میں کمی اور اکتھنوال کی بین الاقوامی قیمتوں میں اضافہ کے رجان نے مل کر کمپنی کی مجموعی مالیاتی صحت کو بہتر بنانے میں اہم کردار ادا کیا۔

کمپنی کے تقابلی مالی نتائج کا مختصر گوشوارہ حسب ذیل ہے۔

2018 (ملین روپے)	2017 (ملین روپے)	
6,273	4,836	مجموعی آمدنی
711	572	مجموعی منافع
522	395	پیداواری منافع
208	143	خالص آمدن (نقصان)
12.76	8.73	فی حصص آمدن (روپے)

پیداواری نتائج

چینی:

زیر جائزہ عرصہ کے دوران سابقہ سال میں نیلے جانے والے 1,115,482 میٹرک ٹن گنے کے مقابلے میں رواں سال 1,008,945 میٹرک ٹن گنا بیلا گیا۔ گنا نیلنے میں کمی کی وجہ سے گودھا میں دو دوسری شوگر ملز کا دوبارہ شروع ہونا تھا۔ اسی وجہ سے پچھلے سال میں 113,308 میٹرک ٹن چینی کے مقابلے میں چینی کی پیداوار 98,655 میٹرک ٹن تک محدود رہی۔ چونکہ اپنے علاقے کی مناسبت سے زیادہ دور سے گنا خریدنے کی وجہ سے نسبتاً کم معیار کا گنا خریدنا پڑا جس کی وجہ سے چینی کی کشیدگی کی شرح سابقہ سال کی 10.16 فیصد کے مقابلے میں 9.77 فیصد رہی۔

زیر جائزہ سال اور سابقہ سال عرصہ میں چینی کے شعبہ میں پیداوار اعداد و شمار کا تقابلی گوشوارہ حسب ذیل ہے۔

2017	2018		
140	121	(دن)	پیداواری عرصہ
1,115,492	1,008,945	میٹرک ٹن	گننا نیلے جانے کی مقدار
113,308	98,655	میٹرک ٹن	چینی کی پیداوار
10.16	9.77	شرح فیصد	رس سے چینی کی پیداوار اوسط
4.41	4.51	شرح فیصد	شیرے کا پیداواری تناسب
49,142	45,500	میٹرک ٹن	شیرے کی پیداوار

### ڈسٹری:

زیر جائزہ سال کے دوران 85,723 میٹرک ٹن شیرہ کو پروسس کیا گیا اور 259 لیٹر اوسط اتھنول نکالی گئی۔ انڈسٹریل گریڈ اتھنول کی مجموعی پیداوار 17,794 میٹرک ٹن رہی جو کہ پچھلے سال کے دوران 87,140 میٹرک ٹن شیرہ پراسس کرنے کے بعد 246 لیٹر فی میٹرک ٹن کی اوسط پیداوار سے 17,162 میٹرک ٹن انڈسٹریل گریڈ اتھنول کی پیداوار ہوئی تھی۔

ڈسٹری کی آپریشنل کارکردگی کا دوران سال اور سابقہ سال کا تقابلی گوشوارہ حسب ذیل ہے۔

2017	2018		
297	310	دن	پیداواری عرصہ
87,140	85,723	میٹرک ٹن	شیرے کی پیداوار
17,162	17,794	میٹرک ٹن	اتھنول کی پیداوار
246	259	لیٹر فی میٹرک ٹن	پیداواری اوسط

### مجموعی جائزہ۔

### چینی:

علاقے میں گنے کی فصل کی کم کاشت کی وجہ سے گنے کی پیداوار میں کمی واقع ہوئی۔ جس کی بڑی وجہ رواں سال کے دوران کم بارشیں ہونا ہے۔ علاقے میں گنے کی قیمت بڑھنے کا سبب اس کے پڑوس میں دوشوگر ملز کا دوبارہ پیداواری صلاحیت حاصل کرنا ہے۔ حکومت نے سبسڈی کے ساتھ بہت کم مقدار میں چینی برآمد کرنے کی اجازت دی۔ لیکن یہ اقدامات چینی کی صنعت کی بحالی کے لئے بہت کم ثابت ہوئے۔ اور چینی کی صنعت مسلسل سرمائے کی کمی کا شکار رہی۔ مزید یہ کہ گورنمنٹ کی اعلان کردہ سبسڈی ابھی تک مہیا نہیں کی گئی۔

## ڈسٹری:

ڈسٹری کے شعبے نے ایک بار پھر سال راوں کے دوران روپے کی قدر میں کمی اور استھانول کی بین الاقوامی قیمتوں میں اضافے کی وجہ سے بہت اچھا فائدہ دیا ہے۔ تاہم پورے ملک میں استھانول انڈسٹری میں اضافے کی وجہ سے شیرے کی خرید کے ماحول میں ایک مقابلے کا رجحان رہا۔

## مستقبل کی پیش گوئی۔

### چینی:

گورنمنٹ 1.10 میٹرک ٹن چینی برآمد کرنی کی اجازت دی ہے۔ تو امید ہے کہ صنعت پچھلے سال کی بقایا چینی کا ذخیرہ ختم کر سکے گی جس سے شوگر انڈسٹری کے بحالی کے امکانات ہیں۔ آئندہ آنے والے سال میں گنے کی کاشت تقریباً %20-15 کم ہے۔ جس کی وجہ دیر سے بارش کا ہونا اور کم رقبے پر کاشت کاری ہے۔ کھادوں کی قیمت میں اضافے کی وجہ سے گنے کی پیداوار پر اثر پڑے گا۔ ان عناصر کی وجہ سے چینی کی پیداواری لاگت میں اضافے کا امکان ہے۔ تاہم گنے کی کم کاشت اور چینی کی مقامی کھپت پوری کر سکے گی اور شاید چینی کی قیمت کو مستحکم کر دے۔ آپ کی مینجٹ مسلسل پیداواری صلاحیت کو بڑھانے کی کوشش کر رہی ہے۔ تاکہ اس مقابلے کے ماحول میں اسے مزید کم لاگت بنایا جاسکے۔

## ڈسٹری۔

آپ کی انتظامیہ نے ڈسٹری کی اہمیت کو مد نظر رکھتے ہوئے، اللہ تعالیٰ کے فضل سے 50,000 لیٹر یومیہ نئے ڈسٹری پلانٹ کا اضافہ کیا ہے۔ جو کہ اپنی پیداوار شروع کر چکا ہے۔ آپ کی انتظامیہ پر امید ہے کہ اس بڑھائی جانے والی پیداواری صلاحیت جو کہ 130,000 لیٹر یومیہ ہے، کمپنی کے منافع کو مزید بڑھانے میں معاون ثابت ہوگی۔ تاہم حالیہ برسوں میں ڈسٹری منصوبوں کے مجموعی اضافے کی وہ سے خام مال کی خریداری میں مشکل ہوگی۔ وہ شوگر ملز جن کو موجودہ صورت حال کا اندازہ ہے انھوں نے پچھلے سال کے مقابلے میں اس سال پہلے ہی قیمتوں میں نمایاں اضافہ کیا ہے۔ مزید یہ کہ استھانول کی برازیل میں پچھلے سال کے مقابلے میں زیادہ پیداوار بین الاقوامی سطح پر قیمتوں میں کمی کا سبب بنی ہے۔ حالیہ روپے کی قدر میں کمی کسی حد تک ان منفی پہلوؤں کو کچھ حد تک کم کرنے میں معاون ثابت ہوگی۔

## کارپوریٹ سماجی ذمہ داری۔

نون شوگر ملز کمیونٹی اور سماجی ترقی کے لئے ایک اہم اور فعال کردار ادا کر رہی ہے۔ سماجی ذمہ داری کمپنی کے مجموعی مشن کا ایک لازمی حصہ ہے۔

درج ذیل چند ایک ایسے اقدامات ہیں جو کہ نون شوگر ملز نے اپنی سماجی ذمہ داری ادا کرنے کے لئے سرانجام دیے ہیں۔

۱۔ آپ کی کمپنی نے مقامی لوگوں اور ملز کالونی کے رہائشی ملازمین کے لئے ایک جدید اور اعلیٰ معیار کا انگلش میڈیم سکول اور کالج قائم کر رکھا ہے۔ ملازمین کے

بچوں کی حوصلہ افزائی کے لئے میٹرک سے اعلیٰ تعلیم کئے لئے ہر سال وظیفہ بھی دیا جاتا ہے۔

۲۔ نون شوگر ملز نے ہاؤسنگ کالونی میں ایک فیر پرائس شاپ بھی قائم کی ہے جس میں ہم ملازمین کو رعایتی نرخوں پر روزمرہ ضروریات کی چیزیں مہیا کرتے

ہیں۔

۳۔ ہم بھلوال میں 25 سال سے ایک فری ڈسپنری بھی چلا رہے ہیں جس میں مریضوں کو مفت ادویات مہیا کی جاتی ہیں۔

## کارپوریٹ گورننس کے اصولوں کی تعمیل۔

پاکستان اسٹاک ایکسچینج کے لسٹنگ کے 30 ستمبر 2018 کے مقرر کردہ قواعد و ضوابط کے تحت کمپنی کے کارپوریٹ گورننس کے اصولوں کو نافذ کیا ہے۔ اس اصول کا بیان اس رپورٹ کے ساتھ منسلک ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ کا فریم ورک۔

انتظامیہ نے کمپنیز ایکٹ 2017 اور انٹرنیشنل مالیاتی رپورٹنگ کے اصولوں کو مد نظر رکھ کر یہ مالیاتی رپورٹس اور ان کا خلاصہ تیار کیا گیا ہے۔ یہ اسٹیٹمنٹ خالصتاً کمپنی کے آپریشنل نتائج، رقم کے بہاؤ، اور ایکویٹی کی تبدیلی کے مطلق ہے۔

بورڈ آف ڈائریکٹر یہاں یہ بیان کرتے ہیں۔

- IFRS کے اصولوں کی روشنی میں مالیاتی نوٹس میں تمام چیزوں کو افشاء کیا گیا ہے۔
- کمپنی کی تمام مالیاتی کتب کو سنبھال کر رکھا گیا ہے۔
- تمام مالیاتی قوانین کو مد نظر رکھتے ہوئے مناسب مالیاتی پالیسیوں کو مسلسل مالی بیانات کی تیاری میں لاگو کیا گیا ہے۔ اور مناسب تخمینہ لگایا گیا ہے۔
- داخلی کنٹرول کے نظام کو مناسب ترتیب دے کے موثر طریقے سے عمل درآمد اور نگرانی کے اصول وضع کئے گئے ہیں۔
- کمپنی کی صلاحیت میں کوئی شک نہیں ہے کہ ایسے ہی اپنا کام جاری رکھے۔
- اسٹاک ایکسچینج کے لسٹنگ کے قواعد و ضوابط میں تفصیلی طور پر کارپوریٹ گورننس کے بہترین طریقوں سے انحراف نہیں کیا گیا۔
- پچھلے چھ سال کا مالیاتی اور پیداواری حساب اس رپورٹ کے ساتھ شامل ہیں۔
- مالی سال 30 ستمبر 2018 کے اکاؤنٹس کے انکشاف کے علاوہ کوئی بھی قابل ادائیگیس، ڈیوٹی قابل ادائیں سوائے اس کے جو کہ پہلے ہی بیان کی جا چکی ہے۔
- کمپنی کے Directors, CEO, CFO، کمپنی سیکرٹری اور ان کی زوجہات اور نابالغ بچوں نے 30 ستمبر 2018 کو ختم ہونے والے مالی سال میں کمپنی کے حصص میں کوئی لین دین نہیں کیا۔
- ملازمین کے ریٹائرمنٹ فنڈ کی سرمایہ کاری کی لاگت مندرجہ ذیل ہے۔

## ملازمین کی ریٹائرمنٹ کے فوائد۔

کمپنی نے ایک تسلیم شدہ Provident فنڈ قائم کر رکھا ہے۔ جو کہ فنڈ کے آڈٹ کردہ مالی بیانات پر مبنی ہے۔ اس کی سرمایہ کاری کی قیمت مندرجہ ذیل ہے۔

81.935 روپے ملین	30 ستمبر 2018 کی مالیت
87.783 روپے ملین	30 ستمبر 2017 کی مالیت

Gratuity سکیم اس وقت non-funded ہے۔ اور کل مستحق کارکنوں کو احاطہ کرنے کے لیے actuarial valuation کا طریقہ اپنایا گیا ہے۔ اور مالیاتی حساب کے نوٹ نمبر 10 میں تفصیل درج ہے۔

30 ستمبر 2018 کو کمپنی کے حصص کا خلاصہ دیا گیا ہے یہاں اس کا خلاصہ ہے۔

حصص کا خلاصہ۔

۱۔ ایسوسی ایٹ کمپنیز، Undertaking، اور متعلقہ جماعتیں نمبر حصص

765,403 Noon Industries (Pvt) Ltd

NIL Mutual Funds ۲۔

۳۔ ڈائریکٹرز اور ان کی زوجہات اور نابالغ بچے

ڈائریکٹرز کے نام اپنی مالیت زوجہ نابالغ بچے

NIL NIL 6,205,221 ملک عدنان حیات نون

NIL NIL 3,384,695 سلمان حیات نون

NIL 7,260 26,360 کنورا اقبال طالب

NIL NIL 1 سید علی رضا

NIL NIL 1 لیفٹننٹ کرنل عبدالحق خان (ر)

NIL NIL 4 محمد سہیل کھوکھر

NIL NIL 1 محمد طارق میر

NIL NIL NIL Executive 4۔

۵۔ پبلک سیکٹر کمپنیز، کارپوریشنز، Join Stock Companies

حصص فیصد

8.6576% 1,430,014

۶۔ بینک، مالیاتی ادارے، نان بینکنگ مالیاتی کمپنیاں، انشورنس کمپنیاں، ٹیکسٹائل، موٹو اور پمپشن فنڈ۔

حصص فیصد

0.0437% 7,219



## 7- پانچ فیصد اور اس سے زیادہ حصص رکھنے والے

فیصد	حصص مالیت	حصص رکھنے والے
37.57%	6,205,221	ملک عدنان حیات نون
20.49%	3,384,695	سلمان حیات نون
8.70%	1,437,480	ای ایف جی بینک (چیمیل ایز لینڈ) لمیٹڈ

حصص میں لین دین۔

ڈائریکٹرز اور انتظامیہ۔ NIL

بورڈ کی میٹنگز اور ڈائریکٹرز کی حاضری

دوران سال بورڈ کی چار میٹنگز ہوئیں۔ جس کی حاضری درج ذیل ہے۔

میٹنگز میں حاضری	ڈائریکٹرز کا نام
3	کنورا قبال طالب
1	ملک عدنان حیات نون
4	سلمان حیات نون
4	لیفٹیننٹ کرنل عبدالحق خان (ر)
4	محمد سہیل کھوکھر
4	محمد طارق میر
4	سید علی رضا

بورڈ نے غیر حاضر ڈائریکٹرز کی چھٹی منظور کر لی۔

## Audit Committee کی میٹنگ اور حاضری۔

جب سے کوڈ آف کارپوریٹ گونسل لاگو ہوئے ہیں اس وقت سے Audit Committee معرض وجود میں آئی ہے۔ جس میں دو آزاد اور ایک نان آگزیکٹو ڈائریکٹر شامل ہیں۔ دوران سال اس کمیٹی کی چار میٹنگ ہوئی ہیں۔ Audit Committee کی لسٹنگ ریگولیشن کے مطابق Term of Refrence، جو کہ بورڈ آف ڈائریکٹرز سے منظور شدہ دائرہ اختیار ہے۔

دوران سال اس کمیٹی کی چار میٹنگ کی حاضری اس طرح رہی۔

میٹنگ کی حاضری	ڈائریکٹرز کا نام
4	محمد طارق میر
4	سلمان حیات نون
3	سید علی رضا

## انسانی وسائل اور Remuneration کمیٹی۔

یہ کمیٹی اس لئے بنائی گئی تھی کہ کلیدی انتظامہ کے اہلکاروں کی تنجیص، ان کا معاوضہ، اور کامیابی کی مکمل منصوبہ بندی کی جاسکے۔ دوران سال اس کمیٹی کی چار میٹنگز ہوئیں جن کی حاضری اس طرح رہی۔

میٹنگ کی حاضری	ڈائریکٹرز کا نام
4	سید علی رضا
1	ملک عدنان حیات نون
4	سلمان حیات نون
4	لیفٹیننٹ کرنل عبدالق (ر)

## حصہ داران کی میٹنگز۔

دوران سال سالانہ جنرل میٹنگ 26 جنوری 2018 کو ہوئی۔

## بقایہ قانونی ادائگیاں۔

تمام بقایہ رقم کی ادائگیاں ایک عام اور روزمرہ کا کام ہے۔

## ڈائریکٹرز کو ادائیگیوں کا اصول۔

بورڈ آف ڈائریکٹرز کی منظوری سے انتظامیہ کو ادائیگیوں کا واضح اصول ہے۔ جو کہ انتظامیہ کی اپنی ذمے داریوں کے مطابق ترتیب دیا گیا ہے۔ ایگزیکٹو ڈائریکٹرز کو ادائیگیاں بورڈ آف ڈائریکٹرز کی منظوری سے کی جاتی ہیں۔ جس کو انسانی وسائل اور ادائیگیاں کمیٹی تجویز کرتی ہے۔ تاہم کمپنی آزاد ڈائریکٹرز کو سوائے بورڈ آف ڈائریکٹرز کی میٹنگ میں حاضری فیس کے علاوہ کوئی ادائیگی نہیں کرتی۔

## حصہ داران کا کردار۔

بورڈ کا مقصد حصہ داران کو وقت پر ضروری معلومات فراہم کرنے کو یقینی بنانا ہے جس کی وجہ سے کمپنی کی حالت پر اثر پڑ سکتا ہے۔ اس مقصد کے حصول کے لئے تمام اطال حصہ داران کو سہ ماہی، ششماہی، اور سالانہ بنیاد پر رپورٹ، کمپنی کی ویب سائٹ پر دی جاتی ہے۔ مناسب احتساب کے لئے بورڈ حصہ داران کی سالانہ جنرل اجلاس کے موقع پر شمولیت کی حوصلہ افزائی کرتا ہے۔

## منافع ڈویڈنڈ :

بورڈ آف ڈائریکٹرز نے 31 دسمبر 2018 کو منعقدہ اجلاس میں سال 2018 کے لئے منافع منقسمہ کی ادائیگی 2.60 روپے فی حصص یا (26%) منافع ڈویڈنڈ دینے کی سفارش کی ہے۔ جس کی منظوری سالانہ اجلاس منعقدہ 26 جنوری 2019 میں حصہ داران سے لی جائے گی۔

## صحت، حفاظت، ماحول


کمپنی مکمل طور پر بین الاقوامی صحت، حفاظت اور ماحول کے اصولوں پر کاربند ہے اور اسی میں مسلسل بہتری کے لیے ہمیشہ کوشاں ہے۔


## ایڈیٹر:

Shinewing Hameed Chaudhri & Comapny چارٹرڈ اکاؤنٹنٹس ریٹائر ہونے والے ایڈیٹر نے اپنے آپ کو دوبارہ مقرر کرنے کی پیشکش کی ہے۔ جس کی Audit Committee کی تجویز کے بعد بورڈ آف ڈائریکٹرز نے سفارش کی ہے۔

## اعتراف

بورڈ کمپنی پر اعتماد اور انمول تعاون کے لیے تمام متعلقین، مالیاتی اداروں، سپلائرز اور حصص یافتگان کا شکر گزار ہے۔ اس موقع پر ہم کمپنی کے تمام ملازمین کی جانب سے کمپنی کی بہبود کی خاطر لگن، توجہ اور مسلسل محنت سے کی جانے والی تمام کاوشوں کو تسلیم کرتے ہیں

  
لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)  
چیف ایگزیکٹو

  
محمد سہیل کھوکھر  
ڈائریکٹر

بہتقام لاہور۔

مورخہ: دسمبر 31، 2018

# نون شوگر ملز لمیٹڈ

رجسٹرڈ آفس : 66 گارڈن بلاک، نیوگارڈن ٹاؤن، لاہور۔

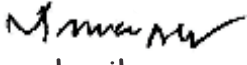
## اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ نون شوگر ملز لمیٹڈ (کمپنی) کے ممبران کا (56) چھپنواں سالانہ اجلاس عام بروز ہفتہ مورخہ 26 جنوری، 2019 صبح ساڑھے گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام 66 گارڈن بلاک، نیوگارڈن ٹاؤن، لاہور میں منعقد ہوگا:

- 1 - ممبران کے سالانہ اجلاس عام منعقدہ 26 جنوری، 2018 کی کارروائی کی توثیق۔
- 2 - 30 ستمبر، 2018 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور ان پر آڈیٹران اور ڈائریکٹران کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔
- 3 - منافع منقسمہ کی ادائیگی کو منظور کرنا۔ بورڈ نے 2.60 روپے فی حصہ (26%) منافع منقسمہ دینے کی سفارش کی ہے۔
- 4 - 30 ستمبر 2019 کو اختتام پزیر ہونے والے سال کے لیے کمپنی کے آڈیٹران کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔
- 5 - صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

### منتقلی حصص کی کتابوں کی بندش

کمپنی حصص کی منتقلی کی کتابیں 20 جنوری، 2019 تا 26 جنوری، 2019 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام اور منافع منقسمہ کے تعین کے لیے بند رہیں گی۔ 19 جنوری 2019 کے دفتری اوقات کے خاتمہ تک منتقلی کے لیے موصول ہونے والے حصص کے یافتگان منافع منقسمہ کے حقدار ہوں گے۔

حسب الحکم بورڈ  
  
سید انور علی  
کمپنی سیکریٹری

بمقام لاہور۔

مورخہ: 31 دسمبر 2018

### نوٹس :

- 1 - کوئی بھی ممبر جو اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا مجاز ہے وہ اپنی جگہ کسی اور ممبر کو اجلاس میں شرکت کرنے کے لیے اپنا پراسی مقرر کرنے کا حقدار ہے۔ پراسیوں کے لیے ضروری ہے کہ وہ اجلاس کے انعقاد کے لیے مقرر کردہ وقت سے کم از کم اڑتالیس گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جائیں۔ کوئی ممبر ایک سے زائد پراسی مقرر نہیں کر سکتا۔ پراسی فارم کے ہمراہ شیئر ہولڈر کے شناختی کارڈ کی تصدیق شدہ نقل لگائی جائے۔
- 2 - CDC کے اکاؤنٹ ہولڈروں کو ہدایت کی جاتی ہے کہ وہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے وضع کردہ مندرجہ ذیل ہدایات پر عمل کریں:

**a. اجلاس میں شرکت کے لیے:**

- i افراد کی صورت میں اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کی غرض سے اپنا اصل قومی شناختی کارڈ/ پاسپورٹ معہ CDC اکاؤنٹ نمبر ساتھ لائیں۔
- ii کارپوریٹ باڈیز کے نمائندے اجلاس میں شرکت کے لیے بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ معہ نامزد افراد کے نمونہ دستخط اپنے ہمراہ لائیں۔

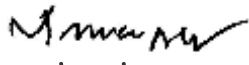
**b. پراکسیوں کو مقرر کرنے کے لیے:**

- i افراد کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر مندرجہ بالا ہدایات کے مطابق پراکسی فارم مہیا کریں۔
- ii پراکسی فارم دو گواہان سے تصدیق شدہ ہوگا جن کے نام، پتے اور CNIC نمبر فارم پر درج کیے جائیں گے۔
- iii پراکسی فارم دینے والے ممبر اور پراکسی ہولڈر کے CNIC یا پاسپورٹ کی نقول پراکسی فارم کے ساتھ مہیا کی جائیں گی۔
- iv میٹنگ میں شرکت کے وقت پراکسی ہولڈر اپنا اصل قومی شناختی کارڈ یا پاسپورٹ برائے شناخت پیش کرے گا۔
- v کارپوریٹ باڈیز بورڈ آف ڈائریکٹرز کی قرارداد/ مختار نامہ اور پراکسی کے نمونہ دستخط پراکسی فارم کے ہمراہ مہیا کریں۔

- 3 فزیکل شیئرز رکھنے والے ممبران سے التماس ہے کہ اگر وہ پہلے ہی مہیا نہیں کر چکے تو کمپنی کو اپنے کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی مہیا کریں اور ڈاک کے پتوں میں اگر کوئی تبدیلی ہو تو اس سے فوراً کمپنی رجسٹرار یعنی کارپ لنک (پرائیویٹ) لمیٹڈ کو ان کے پتے واقع Wings Arcade, 1-K, Commercial ماڈل ٹاؤن پر مطلع کریں۔

- 4 SECP کی ہدایات کی تعمیل میں ممبران کو ہدایت کی جاتی ہے کہ وہ منسلک فارم پر اپنے متعلقہ بینک اکاؤنٹ کی تفصیل مہیا کریں تاکہ کمپنی ان کا کیش ڈیویڈنڈ ان کے اکاؤنٹ میں بھجوا سکے۔

- 5 اگر کمپنی کو اجلاس عام کے انعقاد سے دس روز قبل کسی علاقائی خطے کے ایسے ممبران کی جانب سے جن کے حصص کی مجموعی تعداد دس فیصد یا زیادہ ہے اجلاس میں شرکت بذریعہ وڈیو کانفرنس شرکت کی درخواست موصول ہو تو کمپنی بشرطیکہ اس شہر میں ایسا بندوبست موجود ہو، وڈیو کانفرنس کی سہولت فراہم کرے گی۔ کمپنی اجلاس کی تاریخ سے پانچ روز قبل وڈیو کانفرنس کی سہولت مہیا کرنے کی جگہ کے بارے میں ممبران کو مطلع کرے گی۔ مجوزہ درخواست فارم سالانہ رپورٹ سے منسلک ہے۔

حسب الحکم بورڈ  
  
**سید انور علی**  
 کمپنی سیکریٹری

بمقام لاہور۔

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