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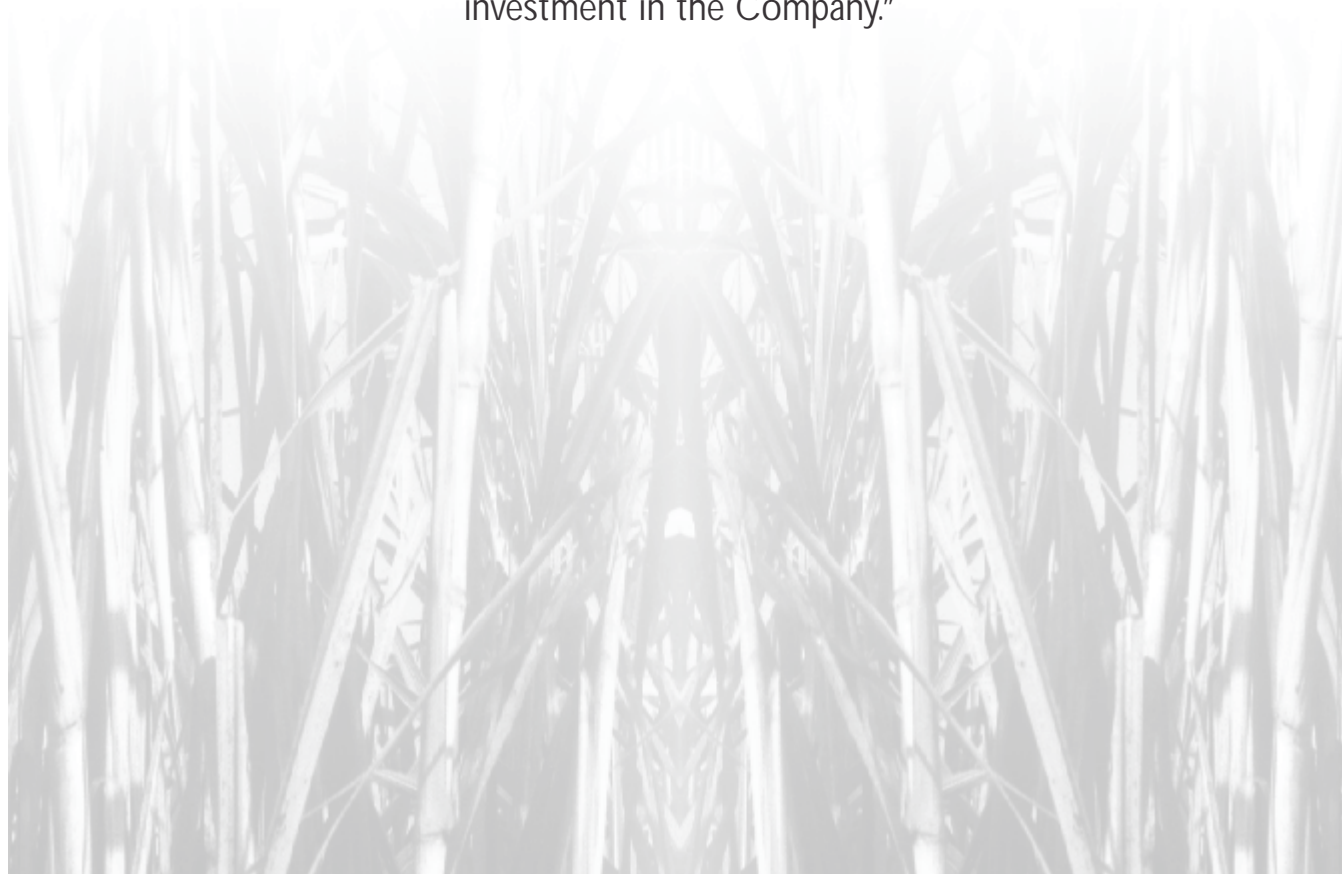
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CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Muhammad Sohail Khokhar* Syed Ali Raza Ms. Maryam Mamdot	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (Executive Director) * Expired on 25-12-2020 (Non- Executive / Independent Director) (Non- Executive / Independent Director)
AUDIT COMMITTEE	Syed Ali Raza Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Ms. Maryam Mamdot	Chairman Member Member Member
HR & R COMMITTEE	Syed Ali Raza Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
TECHNICAL COMMITTEE	Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar*	Chairman Member Member Member (* Expired on 25-12-2020)
MANAGEMENT	Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar Mr. Rizwan Sohail (FCA)	Chief Executive Executive Director (* Expired on 25-12-2020) Chief Financial Officer
COMPANY SECRETARY	Mr. Nasir Iqbal Ansari	
HEAD INTERNAL AUDIT	Muhammad Ashfaq (FCMA)	
AUDITORS	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
LEGAL ADVISERS	Hassan & Hassan (Advocates)	
BANKERS	Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited – Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited	
REGISTERED / HEAD OFFICE	66-Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk noonshr66@gmail.com	
SHARE 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	

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 58th Annual General Meeting of Noon Sugar Mills Limited will be held on Thursday, January 28, 2021 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 Extra Ordinary General Meeting held on March 31, 2020.
2. To receive, consider and adopt the audited accounts for the year ended September 30, 2020 and the reports of the directors and auditors thereon.
3. To approve payment of Dividend. The Board has recommended dividend @ Rs. 3.50 per share (35%).
4. To appoint auditors for the year ending September 30, 2021 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 22, 2021 to January 28, 2021 (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 21, 2021 shall entitle the transferees to receive the aforesaid dividend.

By Order of the Board



SYED ANWAR ALI

Company Secretary

Lahore: December 31, 2020

1. Participation in the AGM Proceedings:

In light of the Covid19 situation, the Securities and Exchange Commission of Pakistan in terms of its circular # 33 dated November 05, 2020 has extended the applicability of its circular # 05 of 2020 dated March 17, 2020 to Annual General Meeting to be held up till January 31, 2021 have advised the companies to modify their usual planning for general meetings for the safety and well being of their shareholders and to avoid large gathering. Therefore, shareholders are advised to consolidate their attendance into as few people as possible through proxies. 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:

(a) For attending the meeting:

- I. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his / her original national identity card 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.
- (b) For appointing proxies:
- i. In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the 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. Pursuant to the provision of Section 132(2) of Companies Act 2017 the shareholders residing in other cities and holding at least ten percent of the total paid up capital may demand the company to provide the facility of video link for participation in meeting. The demand for video link facility shall be received at share registrar address given herein above at least ten days prior to the date of meeting. Prescribed form for consent is enclosed in the Annual Report.

Lahore : December 31, 2020

By Order of the Board



SYED ANWAR ALI
Company Secretary

SIX YEARS' REVIEW AT A GLANCE

YEAR ended 30th September	>	2020	2019	2018	2017	2016	2015
Sugar Production:							
Cane crushed	(M.Tons)	543,477	630,929	1,008,945	1,115,492	401,084	439,402
Average sucrose recovery	(%)	9.71	10.01	9.77	10.16	9.75	9.48
Sugar produced	(M.Tons)	52,788	63,098	98,655	113,308	39,015	41,665
Operating period	(Days)	105	102	121	140	86	96
Alcohol Production:							
Molasses processed	(M.Tons)	85,969	69,229	85,724	87,140	38,578	54,187
Alcohol produced	(M.Tons)	17,104	14,311	17,794	17,162	9,193	12,617
Average alcohol yield	(Ltrs/Ton)	249	259	259	246	238	233
Operating period	(Days)	351	216	310	297	154	242
Operating results:							
Sales	(Rs. In 000')	6,138,166	5,671,219	6,273,476	4,835,588	2,588,546	3,027,256
Cost of sales	(Rs. In 000')	5,178,147	4,805,768	5,562,171	4,263,805	2,353,460	2,902,182
Gross profit	(Rs. In 000')	960,019	865,451	711,305	571,783	235,086	125,074
Gross Profit to Net Sales	(%)	15.64	15.26	11.34	11.82	9.08	4.13
Pre-tax profit/(loss)	(Rs. In 000')	322,368	272,332	270,184	189,947	51,781	(87,593)
Total Comprehensive income / (loss)	(Rs. In 000')	253,721	229,735	207,929	142,627	39,068	(93,765)
Net Profit/(loss) to Net Sales	(%)	4.13	4.05	3.31	2.95	1.51	(3.10)
Shareholders' Equity:							
Paid up capital	(Rs. In 000')	165,175	165,175	165,175	165,175	165,175	165,175
Reserves & surplus	(Rs. In 000')	967,835	763,666	576,876	426,758	300,649	261,581
Shareholders' equity	(Rs. In 000')	1,133,010	928,841	742,051	591,933	465,824	426,756
Break-up value per share	(Rupees)	68.59	56.23	44.93	35.84	28.20	25.84
Earnings / (loss) per share	(Rupees)	15.50	13.64	12.76	8.73	2.43	(7.00)
Return on equity	(%)	22.39	24.73	28.02	24.10	8.39	(21.97)
Financial position:							
Current assets	(Rs. In 000')	2,738,872	2,719,124	2,609,533	2,865,040	687,282	607,642
Fixed capital expenditure	(Rs. In 000')	1,529,009	1,486,466	1,358,323	1,122,818	1,007,579	943,492
Total assets	(Rs. In 000')	4,273,391	4,211,454	3,980,149	4,002,125	1,707,653	1,553,327
Current liabilities	(Rs. In 000')	2,931,541	3,076,890	2,964,329	3,064,573	1,142,924	1,032,169
Long term debts	(Rs. In 000')	150,000	150,000	225,000	300,000	62,112	60,000
Total liabilities	(Rs. In 000')	3,140,381	3,282,613	3,238,098	3,410,192	1,241,829	1,126,571
Current ratio	(%)	0.93	0.88	0.88	0.93	0.60	0.59
Debt equity ratio	Times	2.18	2.87	3.62	4.56	1.52	1.32
Dividends:							
Cash	(%)	35	30	26	35	10	0
Bonus Shares	(%)	0	0	0	0	0	0
Total pay out	(%)	35	30	26	35	10	0

CHAIRMAN'S REVIEW FOR THE YEAR ENDED SEPTEMBER 30, 2020

It gives me immense pleasure to present to the shareholders, review of the financial performance of the Company and overall performance of the Board and the effectiveness of its role to attain the organization's aims and objective.

Despite a wide range of uncertainties and multiple challenges faced by the industry, your company through their resilience and determination, duly supported by its diversified portfolio, have shown an improved operational performance, to prove worthy of its share holders confidence by posting an after tax profit of Rs.254 Million and EPS of Rs.15.50, Alhamdulillah

The composition of the Board of Directors reflects mix of varied backgrounds and rich experience in the fields of business, finance, banking and regulations. The Board carried out the annual review of its effectiveness and performance on a self assessment basis. The board also ensures compliance of all regulatory requirements by the Management. The Board is ably assisted by its Committees. The Audit Committee reviews the financial statements and ensures that the accounts fairly represent the financial position of the Company. It also ensures effectiveness of internal controls. The HR Committee overviews HR policy framework and recommends selection and compensation of senior management team.

The report is being presented in terms of Section 192(4) of Companies Act, 2017 on overall performance of the Board of Directors and effectiveness of the role played by the Board in achieving the Company's Objectives.

On behalf of the Board, I would like to thank all share holders for their continued support and trust.

Lahore : December 31, 2020



Mr. K. Iqbal Talib
Chairman

DIRECTORS' REPORT TO THE MEMBERS

Dear members,

The Directors of Noon Sugar Mills Limited are pleased to present the 58th annual report and audited Financial Statements of the company and the Auditors' Report thereon, for the year ended September 30, 2020.

Financial Performance:

Your company has posted a net profit after tax of Rs.254 million in the reporting year, as compared to Rs. 230 million in the corresponding period of last year. Net sales were Rs 6,138 million in the current reporting year against net sales of Rs 5,671 million in the last year. EPS is Rs. 15.50 during the current financial year as against Rs 13.64 in the same period last year.

During the later part reporting year, the local sugar market had stabilized which mitigated the negative impact of escalated sugar manufacturing cost, caused by a substantial increase in the sugarcane prices in the last crushing season.

An increased demand of Ethanol was witnessed in the during the year because of its usage in sanitizing products. The increased demand had a healthy impact on the Ethanol prices in international and local markets and helped the distillery segment to maintain its contribution to the profitability of your company.

	2020	2019
	Rupees in million	
Net Sales	6,138	5,671
Gross Profit	960	865
Operating Profit	658	613
Total Comprehensive Income	254	230
Earnings Per Share– Rupees	15.50	13.64

Operational Performance:

Sugar:

Your mills crushed 543,477 M.Tons of sugarcane and produced 52,788 M.Tons sugar, with an average sucrose recovery of 9.71%, in 105 days operation as compared to 630,929 M.Tons of sugarcane crushing and 63,098 M.Tons of sugar production with 10.01% sucrose recovery in 102 days operation in the corresponding period of the last year.

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

		2020	2019
Operating Period	Days	105	102
Cane Crushed	M.Tons	543,477	630,929
Sugar Produced	M.Tons	52,788	63,098
Average Sucrose Recovery	% age	9.71	10.01
Molasses Recovery	% age	4.48	4.57
Molasses Produced	M.Tons	24,341	28,800

Procurement of the sugarcane remained a challenge in the reporting year. A continuous decrease in the sugarcane cultivated areas with a reduced crop yield has raised serious concerns for capacity utilization and economic viability of sugar mills. The reduced sugarcane availability has unfortunately, resulted in an unhealthy price war amongst the neighboring mills. However, the increased sugarcane prices have motivated the cane growers through better returns from their crop.

Your management is diligently working on various plans to motivate the growers towards the sugarcane crop and have devised different schemes to help them to increase the sugarcane yield.

Distillery:

During the reporting year, 85,969 M.Tons of molasses with a yield of 249 Ltrs/M.Ton, was processed resulting in the production of 17,104 M.Tons of industrial grade ethanol, as compared to 69,229 M.Tons of molasses with a yield of 259 Ltrs/M. Ton being processed, resulting in the production of 14,311 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:

		2020	2019
Operating Period	Days	351	216
Molasses Processed	M. Tons	85,969	69,229
Ethanol Produced	M. Tons	17,104	14,311
Average Yield	Ltrs/M. Ton	249	259

Molasses procurement remained a challenge due to the reduced sugar production, however we remained successful in supplementing with a healthy quantity of the molasses from other mills at reasonable prices.

Future Outlook:

Sugar:

Subsequent to reporting year, Govt. had allowed the import of the sugar and provided a comprehensive tax relief to the sugar importers to arrest the increasing trends of the sugar prices in local market. This policy raised serious concerns of the local sugar industry as they were unable to pass-on the increased manufacturing cost to end users in preceding months.

However, an increase in the sugar prices in the international markets have reduced the viability of imported sugar in local markets thus safeguarding the local industry from negativity of wrong policies.

Development of the sugarcane crop in our close vicinity is a primary object of your management and they have already taken some initiatives to arrest the trend of reduction in the cultivated area by providing of fertilizers to the growers on deferred payment and training them to increase the sugarcane yield and to reduce the harvesting losses.

Ethanol:

Covid-19 pandemic and an unprecedented lockdown in all urban and industrial areas, caused a general economic slowdown, severely affecting the demand of all commodities including sugar. The increase demand of alcohol in bulk production of sanitizers is also tapering off in the second wave of Covid-19, which is likely to suppress the overall demand of ethanol, which may have negative impact on the profitability of this segment.

However, the Ethanol demand in local market may somewhat offset this negative impact to maintain a reasonable contribution of this segment.

Keeping in view of the difficult time ahead, your management is continuously working on various strategies to improve the operational efficiency to reduce the production cost of both products.

Related Parties Transaction:

Related parties transactions are being carried out on arm's length basis. A complete list of all related party transactions is compiled and submitted to the Audit Committee every quarter. The internal audit function ensures that all Related Party transactions are done on an arm's length basis. After review by the audit committee the transactions are placed before the Board for their consideration and approval.

During the year, the Company carried out transactions with its related parties. Details of these transactions are disclosed in note 39 to the attached financial statements.

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 fulfill 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 also families living in factory vicinity. 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 for the past 27 years and provides free medicines to the poor patients of adjoining housing colonies.

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, 2020 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:

- IFRSs as applicable in Pakistan, have been adequately followed in preparation of Financial Statements and any departure there from has been adequately disclosed in "Notes to the Financial Statements" and explained the reason thereof;
- 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, 2020 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, 2020.
- 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, 2020	Rs. 75.123million
As at 30 September, 2019	Rs. 73.590 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 9 to the audited financial statements for the year ended 30 September, 2020.

Pattern of Shareholding of the Company as on September 30, 2020 is annexed whereas 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>
Mr. Saif Ullah Khan Noon	17	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
Mr. Muhammad Sohail Khokhar	4	Nil	Nil
Ms. Maryam Mamdot	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>
2,543,134	15.39 %

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>
Ms. Tahia Noon	6,000,000	36.33 %
Mr. Salman Hayat Noon	3,384,695	20.49 %
EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70 %
Bulk Management Pakistan (Pvt.) Limited	839,600	5.08%

Trading in Shares:

	<u>Sale/Gift</u>	<u>Purchase</u>
Directors/ Executives	Nil	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:

<u>NAMES OF DIRECTORS</u>	<u>MEETINGS ATTENDED</u>
Mr. K. Iqbal Talib	4
Mr. Salman Hayat Noon	3
Mr. Saif Ullah Khan Noon	4
Lt Col Abdul Khaliq Khan (Retd)	4
Mr. Muhammad Sohail Khokhar*	4
Mr. M. Tariq Mir	2
Syed Ali Raza	4
Ms. Maryam Mamdot	2

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

* It is informed with profound grief that our Director/COO, Muhammad Sohail Khokhar has passed away on December 25, 2020 (May Allah rest his soul in eternal peace).

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. 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:

<u>NAMES OF DIRECTORS</u>	<u>MEETINGS ATTENDED</u>
Syed Ali Raza	4
Mr. Salman Hayat Noon	4
Mr. Saif Ullah Khan Noon	1
Ms. Maryam Mamdot	2
Mr. M. Tariq Mir	2

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 personnel. During the year under review, three committee meetings were held, attendance position was as under:

<u>NAMES OF DIRECTORS</u>	<u>MEETINGS ATTENDED</u>
Syed Ali Raza	3
Mr. Salman Hayat Noon	3
Mr. Saif Ullah Khan Noon	1
Lt. Col Abdul Khaliq Khan (Retd)	3

Number of Meetings of Shareholders:

During the year under review, annual general meeting was held on January 25, 2020 and an Extraordinary General Meeting for election of directors was held on March 31, 2020.

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, 2020 has recommended payment of final cash dividend for the year ended September 30, 2020 @ Rs. 3.50 per share (35%) 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 28, 2021.

Health, Safety & Environment:

The Company adheres and ensures strict compliance of internationally acceptable Health Safety and environment standards and we continue refining our processes for safer, more sustainable operations for today and tomorrow. Management has taken prompt and effective measures by enforcing the general and specific hygiene factors to minimize the impact of COVID-19.

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



Salman Hayat Noon
Director

Lahore : December 31, 2020

Statement of Compliance of Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Noon Sugar Mills Limited (the Company)
 Year Ended: September 30, 2020

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 (here-in-after referred as the Regulations) in the following manner;

1. The total number of directors are seven as per the following;

- a) Male 06
- b) Female 01

2. The composition of the Board of Directors (the Board) is as follows:

<u>Names</u>	<u>Category</u>
Mr.Salman Hayat Noon	(Non - Executive Director)
Mr.Saif Ullah Khan Noon	(Non - Executive Director)
Mr.K. Iqbal Talib	(Non - Executive Director)
Lt Col Abdul Khaliq Khan (Retd)	(Executive Director)
Muhammad Sohail Khokhar*	(Executive Director)
Syed Ali Raza	(Independent Director)
Ms.Maryam Mamdot	(Independent Director)

*Muhammad Sohail Khokhar, Executive Director has passed away on December 25, 2020.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to the frequency, recording and circulating minutes of meetings of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Total seven (07) directors of the Company were elected on March 31, 2020;

Among the directors, two directors have acquired Director Training Certification while two directors meet the requirements of the exemption under these Regulations. Whereas, two newly elected directors may acquire the Director Training Certification within a period of one year from the date of election;

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirement of the Regulations;
11. CFO and Chief Executive Officer endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
- a) Audit Committee
- | | |
|-------------------------------|----------|
| i) Syed Ali Raza | Chairman |
| ii) Mr. Salman Hayat Noon | Member |
| iii) Mr. Saif Ullah Khan Noon | Member |
| iv) Ms. Maryam Mamdot | Member |
- b) Human Resource and Remuneration Committee
- | | |
|-------------------------------------|----------|
| i) Syed Ali Raza | Chairman |
| ii) Mr. Salman Hayat Noon | Member |
| iii) Mr. Saif Ullah Khan Noon | Member |
| iv) Lt Col Abdul Khaliq Khan (Retd) | Member |
- c) Technical Committee
- | | |
|--------------------------------------|----------|
| i) Mr. Salman Hayat Noon | Chairman |
| ii) Mr. Saif Ullah Khan Noon | Member |
| iii) Lt Col Abdul Khaliq Khan (Retd) | Member |
| iv) Muhammad Sohail Khokhar | Member |
13. The Terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following:
- | | |
|--|----|
| a) Audit Committee | 04 |
| b) Human Resource & Remuneration Committee | 03 |
| c) Technical Committee | 02 |
15. The Board has setup an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and the procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partner of the firm involved in the Audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

Regulation 6 (1) the Listed Companies (Code of Corporate Governance) Regulations, 2019, requires that “each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors”. At time of the recent election of Directors, the Company assessed its compliance with this Regulation. One third of the Company's total number of Directors results in a fractional number (2.33). The fraction has not been rounded up to one and therefore, the Board of Directors currently has 2 independent Directors. The Company considers that the existing composition of the Board of Directors brings in the relevant experience and valuable contributions to the Board.

Lahore : December 31, 2020



Mr. K. Iqbal Talib
Chairman

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF NOON SUGAR MILLS LIMITED**
Review Report on the Statement of Compliance Contained in the Listed
Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of NOON SUGAR MILLS LIMITED (the Company) for the year ended September 30, 2020 in accordance with the requirements of regulation 36 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. 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.

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, 2020.

Lahore : December 31, 2020

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,

Chartered Accountants

Audit Engagement Partner: Mr. Osman Hameed Chaudhri

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, 2020, 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, 2020 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 is the key audit matter;

Key audit matters	How the matter was addressed in our audit
<p>Contingencies</p> <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 lawyers and legal advisors 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</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> - discussed legal cases with the internal legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances; - obtained independent opinion of lawyers and legal advisors dealing with such cases through confirmations;

Key audit matters	How the matter was addressed in our audit
<p>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> <p>Refer contents of notes 14.1 to 14.13 to the financial statements.</p>	<ul style="list-style-type: none"> - evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and - checked the disclosures of legal exposures and assessed provisions for completeness and accuracy.

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. Osman Hameed Chaudhri.

Lahore : December 31, 2020

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

Statement of Financial Position As at September 30, 2020

Equity and Liabilities	Note	2020	2019
		--- Rupees in '000 ---	
Share Capital and Reserves			
Authorised capital			
20,000,000 ordinary shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid-up capital	5	165,175	165,175
Reserves	6	249,217	249,217
Unappropriated profits		718,618	514,449
		1,133,010	928,841
Non-Current Liabilities			
Long term finance	7	150,000	150,000
Lease liabilities	8	3,258	9,797
Staff retirement benefits - gratuity	9	55,582	45,926
		208,840	205,723
Current Liabilities			
Trade and other payables	10	318,282	354,220
Contract liabilities		122,445	14,780
Accrued mark-up	11	46,673	73,118
Short term finances	12	2,277,596	2,402,453
Current portion of non-current liabilities	13	43,991	118,008
Unclaimed dividends		5,100	5,100
Unpaid dividends		3,658	2,798
Provision for taxation		113,796	106,413
		2,931,541	3,076,890
		3,140,381	3,282,613
Contingencies and Commitments	14		
		4,273,391	4,211,454

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive

Statement of Financial Position As at September 30, 2020

	Note	2020 ---- Rupees in '000 ----	2019
Assets			
Non-Current Assets			
Property, plant and equipment	15	1,521,246	1,478,649
Investment property	16	7,763	7,817
Loans and advances	17	1,856	1,985
Security deposits		3,654	3,879
		1,534,519	1,492,330
Current Assets			
Stores, spares and loose tools	18	76,203	96,252
Stock-in-trade	19	1,006,162	1,147,288
Trade debts	20	677,173	679,756
Loans and advances	21	587,660	431,559
Short term prepayments		5,314	6,133
Other receivables	22	194,778	191,875
Income tax refundable, advance income tax and tax deducted at source		140,056	107,655
Bank balances	23	51,526	58,606
		2,738,872	2,719,124
		4,273,391	4,211,454

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



SALMAN HAYAT NOON
Director



RIZWAN SOHAIL
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended September 30, 2020

	Note	2020	2019
		--- Rupees in '000 ---	
Sales - net	24	6,138,166	5,671,219
Cost of sales	25	(5,178,147)	(4,805,768)
Gross profit		<u>960,019</u>	<u>865,451</u>
Distribution and marketing expenses	26	(139,884)	(106,952)
Administrative expenses	27	(189,585)	(160,456)
Other income	28	44,620	36,466
Other expenses	29	(17,353)	(21,657)
Profit from operations		<u>657,817</u>	<u>612,852</u>
Finance cost	30	(335,449)	(340,520)
Profit before taxation		<u>322,368</u>	<u>272,332</u>
Taxation	31	(66,308)	(47,015)
Profit after taxation		<u>256,060</u>	<u>225,317</u>
Other comprehensive (loss) / income			
Items that will not be reclassified subsequent to statement of profit or loss:			
- (loss) / gain on remeasurement of staff retirement benefit obligation		(2,339)	4,418
Total comprehensive income		<u>253,721</u>	<u>229,735</u>
		----- Rupees -----	
Earnings per share - basic and diluted	32	<u>15.50</u>	<u>13.64</u>

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



SALMAN HAYAT NOON
Director



RIZWAN SOHAIL
Chief Financial Officer

Statement of Cash Flows

For the Year Ended September 30, 2020

	2020	2019
	--- Rupees in '000 ---	
Cash flows from operating activities		
Profit for the year before taxation	322,368	272,332
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment, right-of-use assets and investment property	155,295	159,737
Gain on disposal of operating fixed assets	-	(973)
Unclaimed and other payable balances written-back	(6,952)	(11,329)
Provision for staff retirement benefits - gratuity	13,674	9,760
Provision made for slow moving stores and spares inventory	333	774
Finance cost	321,337	332,854
Profit before working capital changes	806,055	763,155
Effect on cash flow due to working capital changes		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	19,716	4,929
Stock-in-trade	141,126	850,254
Trade debts	2,583	(640,203)
Loans and advances	(155,908)	(320,950)
Short term prepayments	819	(3,289)
Other receivables	(2,903)	44,355
Increase in trade and other payables and contract liabilities	77,361	13,275
	82,794	(51,629)
Cash generated from operations	888,849	711,526
Income tax paid	(91,326)	(32,361)
Staff retirement benefits (gratuity) - paid	(5,039)	(3,149)
Net cash generated from operating activities	792,484	676,016
Cash flows from investing activities		
Additions to property, plant and equipment	(197,838)	(288,007)
Sale proceeds of operating fixed assets	-	1,100
Long term security deposits - net	225	8,054
Loans and advances - net	(64)	(2,128)
Net cash used in investing activities	(197,677)	(280,981)
Cash flows from financing activities		
Long term finances - net	(75,000)	(37,500)
Short term finances - net	(124,857)	16,375
Lease liabilities	(5,556)	8,488
Finance cost paid	(347,782)	(327,684)
Dividend paid	(48,692)	(42,116)
Net cash used in financing activities	(601,887)	(382,437)
Net (decrease) / increase in cash and cash equivalents	(7,080)	12,598
Cash and cash equivalents - at beginning of the year	58,606	46,008
Cash and cash equivalents - at end of the year	51,526	58,606

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



SALMAN HAYAT NOON
Director



RIZWAN SOHAIL
Chief Financial Officer

Statement of Changes in Equity For the Year Ended September 30, 2020

	Reserves				Sub- total	Total
	Capital		Revenue			
	Share premium	General	Un- appropriat ed profits			
----- Rupees in '000 -----						
Balance as at October 01, 2018	165,175	119,217	130,000	327,659	576,876	742,051
Transactions with owners - <i>distribution</i>						
Cash dividend at the rate of Rs.2.60 per ordinary share for the year ended September 30, 2018	-	-	-	(42,945)	(42,945)	(42,945)
Total comprehensive income for the year ended September 30, 2019						
Profit for the year	-	-	-	225,317	225,317	225,317
Other comprehensive income	-	-	-	4,418	4,418	4,418
	-	-	-	229,735	229,735	229,735
Balance as at September 30, 2019	165,175	119,217	130,000	514,449	763,666	928,841
Transactions with owners - <i>distribution</i>						
Cash dividend at the rate of Rs.3.00 per ordinary share for the year ended September 30, 2019	-	-	-	(49,552)	(49,552)	(49,552)
Total comprehensive income for the year ended September 30, 2020						
Profit for the year	-	-	-	256,060	256,060	256,060
Other comprehensive loss	-	-	-	(2,339)	(2,339)	(2,339)
	-	-	-	253,721	253,721	253,721
Balance as at September 30, 2020	165,175	119,217	130,000	718,618	967,835	1,133,010

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



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



SALMAN HAYAT NOON
Director



RIZWAN SOHAIL
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2020

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.

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

Sargodha Bhalwal	Purpose Mills / Production plant
Lahore 4-Sarwar Road, Cantt,	Head office
Karachi 1st Floor, P.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 for 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 Change in accounting standards and interpretations

2.4.1 Standards, amendments to approved accounting standards effective in current year and are relevant

Standards, amendments and interpretations to IFRSs that are effective for accounting periods beginning on October 01, 2019 and are considered to be relevant and have significant effect on the Company's operations are as follows:

- (a) Amendments to IAS 19, 'Employee benefits' on plan amendment, curtailment or settlement', are effective for periods beginning on or after January 01, 2019. These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and recognise in statement of profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendments do not have any material impact on the Company's financial statements.
- (b) Amendment to IAS 23 'Borrowing Costs', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes 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. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.
- (c) The Company has adopted IFRS 16 'Leases' from October 01, 2019. The standard introduces a single, on-balance sheet accounting model for leases. As a result, the Company as a lessee has recognised right-of-use assets representing its right to use the underlying assets and lease liabilities representing its obligations to make lease payments. The standard removes distinction between operating and finance leases and requires recognition of an asset (the-right-of 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 lessors does not significantly changed.

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the cumulative effect of initial application to be recognized in retained earnings at October 01, 2019. Accordingly, the comparative information presented for 2019 has not been restated - i.e. it is presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

The change in accounting policy is as follows:

'The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Upon adoption of IFRS 16 the Company recognizes right-of-use assets and lease liabilities for leases on the statement of financial position. On initial application, the Company has also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). Some of the lease contracts of the Company are extendable through mutual agreement between the Company and the lessor or cancellable by both parties immediately or on short notice. In assessing the lease term, the Company concluded that such contracts are of short-term in nature. The Company recognizes the lease payments associated with these lease contracts as an expense in statement of profit or loss.

The revised accounting policies with respect to right-of-use asset and related lease liabilities are disclosed in notes 4.6 and 4.2. For reclassification adjustment of assets that have been reclassified from leased assets to right-of-use assets refer note 15 to these financial statements.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on October 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

There are certain standards, amendments to the IFRSs and interpretations that are mandatory for companies having accounting periods beginning on or after October 01, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

- (a) Amendments to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' are effective for annual periods beginning on or after January 01, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs.
- (b) The International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallise. The Companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, Companies should review those policies and apply the new guidance retrospectively as of January 01, 2020, unless the new guidance contains specific scope outs.

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Judgments, estimates and assumptions made by the management that may have a significant risk of material adjustments to the financial statements in the subsequent years are as follows:

(a) Property, plant and equipment

The Company reviews appropriateness of the rates of depreciation, useful lives and residual values for calculation of depreciation on an on-going basis. Further, where applicable, an estimate of recoverable amount of asset is made if indicators of impairment are identified.

(b) Stores & spares and stock-in-trade

The Company estimates the net realizable value of stores & spares and stock-in-trade to assess any diminution in the respective carrying values. Net realizable value is determined with reference to estimated selling price less estimated expenditure to make sale.

(c) Provision for impairment of trade debts

Impairment losses related to trade and other receivables, are calculated using simplified approach of expected credit loss (ECL) model. Management used actual credit loss experience over past years for the calculation of ECL. Trade and other receivables are written off when there is no reasonable expectation of recovery.

(d) Staff retirement benefits - gratuity

The present value of this obligation depends on a number of factors that is determined on actuarial basis using a number of assumptions. Any change in these assumptions will impact carrying amount of this obligation. The present value of the obligation and underlying assumptions are stated in note 9.

(e) Income taxes

In making the estimates for income taxes, the Company takes into account the current income tax laws and decisions taken by appellate authorities on certain issues in the past. There may be various matters where the Company's view differs with the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of a material nature is in accordance with the law. The difference between the potential and actual tax charge, if any, is disclosed as a contingent liability.

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 Borrowings and borrowing costs

These are recognized initially at fair value, net of transaction costs and are subsequently measured at amortized cost using the effective interest method. Difference between proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings as interest expense.

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.

4.2 Leases liabilities

The Company leases vehicles and office buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Until September 30, 2019, leases were classified as either finance or operating leases. Payments made under operating leases were charged to the statement of profit or loss on a straight-line basis over the period of the lease.

Under IFRS 16, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

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, 2020 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

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

4.5 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.

4.6 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 15.1. 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) Right-of-use assets

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis (note 15.4). The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

(c) 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.

4.7 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 16. 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.

4.8 Financial assets

Initial measurement

The Company classifies its financial assets in the following three measurement categories:

- fair value through other comprehensive income (FVTOCI);

- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent Measurement

- *Equity Instruments at FVTOCI*

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income and are never reclassified to the statement of profit or loss.

- *Debt Instruments at FVTOCI*

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Other net gains and losses are recognized in statement of other comprehensive income. On derecognition, gains and losses accumulated in statement of other comprehensive income are reclassified to the statement of profit or loss.

- *Debt Instruments at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognized in the statement of profit or loss.

- *Financial Assets measured at amortised cost*

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss.

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.9 Derivative, financial instruments and hedging activities

Derivatives are recognized initially at fair value, attributable transaction costs are recognized in statement of profit or loss when incurred.

4.10 Loans and advances

These are stated at amortised cost.

4.11 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.

4.12 Stock-in-trade

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
Raw materials - molasses:	
- purchased	- 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.

- 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.
- Net realisable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.

4.13 Trade debts and other receivables

These are classified at amortized cost and are initially recognised and measured at fair value of consideration receivable. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

4.14 Cash and cash equivalents

Cash at banks and short term deposits, which are held to maturity are carried at cost. For the purposes of statement of cash flows, 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.

4.15 Impairment

(a) Financial assets

The Company assesses on a forward looking basis the expected credit loss (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Further, the Company followed simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade and other receivables. Management used actual credit loss experience over past years for the calculation of ECL

(b) Non-financial assets

The carrying amounts of the Company's non-financial 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 recognized in the statement of profit or loss. Reversal of impairment loss is restricted to the original cost of the asset.

4.16 Financial liabilities

Classification & subsequent measurement

Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on derecognition is also recognized in the statement of profit or loss.

Derecognition

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.17 Revenue recognition

Revenue is recognized 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:

Sale of goods

- revenue from sale of goods is recognized at the point of time when the customer obtains control of the goods, which is generally at the time of delivery / dispatch of goods to customers;
- revenue from the export sale of goods is recognized at the point in time when the customer obtains control over the goods dependent on the relevant incoterms of shipment. Generally it is on the date of bill of lading or at the time of delivery of goods to the destination port;

Other sources of revenue

- Dividend income is accounted for when the right of receipt is established; and
- return on bank deposits / interest income is recognized using applicable effective interest rate. Income is accrued as and when the right to receive the income establishes.

4.18 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. All monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the reporting date. Foreign exchange gains and losses on translations are recognized in the statements of profit or loss. Forward foreign exchange contracts if any are measured at fair value which is calculated by reference to current forward foreign exchange rates with similar maturity profiles. The unrealized gain if any is included in equity and realized gains / losses are included in the statement of profit or loss currently. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transaction or on the date when fair values are determined.

4.19 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

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.

4.20 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.

4.21 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.

4.22 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. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2020 (No. of shares)	2019		2020 --- Rupees in '000 ---	2019
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
<u>16,517,453</u>	<u>16,517,453</u>		<u>165,175</u>	<u>165,175</u>

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

6. RESERVES

	Note	2020 --- Rupees in '000 ---	2019
Capital reserve - share premium	6.1	119,217	119,217
Revenue reserve - general		130,000	130,000
		<u>249,217</u>	<u>249,217</u>

6.1 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.

7. LONG TERM FINANCE	Note	2020 --- Rupees in '000 ---	2019
Balance as at September 30,	7.1	187,500	262,500
Less: Current portion grouped under current liabilities (including an overdue instalment of Rs.Nil (2019: Rs.37.500 million)).		37,500	112,500
		<u>150,000</u>	<u>150,000</u>

7.1 The Company has obtained a demand finance facility of Rs.300 million from MCB bank Limited to finance BMR of sugar and distillery units. This finance facility carries mark-up at the rate of 6 month KIBOR + 175bps per annum and is repayable in 8 equal semi annual instalments of Rs.37.500 million each commenced from March, 2019. Effective mark-up rate charged by the bank, during the current financial year, ranged from 9.04% to 15.66%(2019: 9.95% to 15.66%) 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. LEASE LIABILITIES	Note	2020 --- Rupees in '000 ---	2019
Lease liabilities*	8.1	9,749	15,305
Less: current portion		6,491	5,508
		<u>3,258</u>	<u>9,797</u>

*(2019: liabilities against assets subject to finance leases)

8.1 Movement of lease liabilities after adoption of / under IFRS 16	2020 Rupees in '000
Opening balance as at October 01,	15,305
Interest charge for the year	1,926
Payment made during the year	(7,482)
Closing balance as at September 30,	<u>9,749</u>

8.1.1 Maturity analysis of undiscounted lease payments
need to be made after the reporting period

Payable less than one year	7,190
Payable between:	
one to two years	1,871
two to three years	1,131
three to five years	622
	<u>10,814</u>

8.2 The Company has entered into lease arrangements with banks to acquire vehicles. The liabilities under these arrangements are repayable in 36 to 60 monthly instalments and carry profit / mark-up at different rates. Effective profit / mark-up rates charged by the banks, during the current financial year, ranged from 9.24% to 16.90% (2019: 11.72% to 16.91%) per annum. The Company intends to exercise its option to purchase the leases vehicles upon completion of lease term. The liabilities are secured against title of vehicles in the name of the respective bank.

9. STAFF RETIREMENT BENEFITS - Gratuity

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

	2020	2019
- discount rate	9.75%	12.50%
- expected rate of increase in salary	7.50%	7.50%

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

The movement in the present value of defined benefit obligation is as follows:	2020	2019
	--- Rupees in '000 ---	
Balance at beginning of the year	45,926	43,991
Current service cost	6,967	5,954
Past service cost	1,364	-
Interest cost	5,343	3,806
Benefits due but not paid (transferred to short term liabilities)	(1,318)	(258)
Benefits paid	(5,039)	(3,149)
Remeasurement of obligation	2,339	(4,418)
Balance at end of the year	<u>55,582</u>	<u>45,926</u>
9.3 Charge to statement of profit or loss:		
Current service cost	6,967	5,954
Past service cost	1,364	-
Interest cost	5,343	3,806
	<u>13,674</u>	<u>9,760</u>
9.4 Remeasurements recognised in other comprehensive income		
Actuarial loss / (gain)	2,186	(4,345)
Experience adjustments	153	(73)
	<u>2,339</u>	<u>(4,418)</u>

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

	2020	2019	2018	2017	2016
	----- Rupees in '000 -----				
Present value of defined benefit obligation	55,582	45,926	43,991	38,668	35,626
Experience adjustment on obligation	2,339	(4,418)	2,856	1,640	1,053

9.6 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
Discount rate	(51,680)	60,041
Increase in salaries	60,100	(51,560)

Expected maturity analysis of undiscounted obligation is as follows:

Time in years	Rupees in '000'
1	3,947
2	5,577
3	5,572
4	5,489
5	14,978
6 - 10	54,718
11 and onwards	488,379

9.7 The Company's contribution to scheme for the financial year 2021 is expected to be Rs.13.613 million.

9.8 Gratuity payable includes liability in respect of key management personnel aggregated Rs.3.029 million (2019: Rs.1.682 million).

10. TRADE AND OTHER PAYABLES	Note	2020	2019
		--- Rupees in '000 ---	
Creditors		173,042	226,106
Advance payments		7	16,707
Retention money		464	1,327
Sales tax payable		80,492	57,318
Accrued expenses		43,132	32,069
Income tax deducted at source		554	4,252
Workers' (profit) participation fund	10.1	16,984	14,939
Workers' welfare fund		1,057	1,057
Gratuity payable		1,318	258
Others		1,232	187
		<u>318,282</u>	<u>354,220</u>
10.1 Workers' (profit) participation fund - the Fund			
Balance at beginning of the year		14,939	14,703
Add: - profit earned on the Fund's balances maintained in a PLS bank account		50	112
- allocation for the year		16,966	14,338
- interest on funds utilised by the Company		2,127	1,678
Less: payment made during the year		(17,098)	(15,892)
Balance at end of the year		<u>16,984</u>	<u>14,939</u>
11. ACCRUED MARK-UP			
Mark-up accrued on:			
- long term finances		14,047	17,904
- short term finances		32,626	55,214
		<u>46,673</u>	<u>73,118</u>
12. SHORT TERM FINANCES			
Running / cash finances - secured	12.1	1,831,549	2,401,266
From a related party - unsecured	12.2	433,500	-
Temporary bank overdraft - unsecured	12.3	12,547	1,187
		<u>2,277,596</u>	<u>2,402,453</u>

12.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.250 billion (2019: Rs.4.390 billion). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 3.00% to 16.80% (2019: 3.00% to 15.91%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.164.19 million (2019: Rs.594.190 million) of which facilities aggregating Rs.95.113 million (2019: Rs.515.113 million) remained unutilised at the reporting date. The aggregate finance facilities 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, 2021.

12.2 The Company, during the current financial year, obtained a short term loan amounting Rs.450 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. Out of the total amount Rs.16.500 million has been repaid by the Company. This loan is interest free and is of short term in nature.

12.3 This has arisen due to issuance of cheques in excess of balance at bank accounts at year-end.

13. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2020 - - Rupees in '000 - -	2019
Long term finance	7	37,500	112,500
Lease liabilities	8	6,491	5,508
		43,991	118,008

14. CONTINGENCIES AND COMMITMENTS

Contingencies

14.1 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.

14.2 An appeal was 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. The said appeal filed was dismissed by the LHC on September 22, 2020. Subsequent to the year-end, the Company has filed an appeal in the Supreme Court of Pakistan against the order of LHC.

14.3 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.

14.4 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.

14.5 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.

14.6 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.

- 14.7 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.
- 14.8 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.
- 14.9 The GoP, during the financial year 2012, imposed a duty @ Rs.2 per litre on manufacturing of spirit. The Company has filed an appeal before the LHC against the imposition of duty which is pending adjudication. However, on an interim order of the LHC the Company provided a bank guarantee in favour of excise and taxation department for an amount of Rs.1.000 million.

During the financial year ended September 30, 2017, the 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.120.771 million till September 30, 2019. 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. Further, the GoP vide its notification no.SO(E&M)2-5/2018/ED has withdrawn this duty with effect from August 05, 2019 and the LHC has released the bank guarantee submitted by the Company. The case is pending adjudication.

- 14.10 The Irrigation Department of the GoP, during the financial year 2015, has raised demand aggregated 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.
- 14.11 The Company has filed a writ petition before the LHC challenging a notice received from the Excise & Taxation Office, Sargodha demanding excise duty amounted Rs.3.366 million on account of waste of rectified spirit during transit. The LHC vide its interim order dated December 19, 2018 has suspended the notice and has directed the Company to furnish a bank guarantee for an equal amount in favour of deputy registrar of the LHC till the final order of the Court.
- 14.12 During the current financial year, the Additional Commissioner IR (Audit) has passed an assessment order dated June 29, 2020 under section 122(5A) of the Income Tax Ordinance 2001 (The Ordinance) through which a tax credit of Rs. 6.290 million has been disallowed for the tax year 2014. The Company has filed an appeal against the aforesaid assessment order before the Commissioner IR Appeals-V, dated July 13, 2020.
- 14.13 The Company has filed a writ petition in the LHC on August 28, 2020 against the case for sales tax audit relating to the tax periods October, 2015 to September, 2018. The hearing of the petition filed came up before the LHC on November 22, 2020 and the judgement is still awaited.

Commitments

- 14.14 Commitments in respect of capital expenditure other than letters of credit at the year-end aggregate to Rs. 0.924 million (2019:Rs.4.790 million).

14.15 Guarantees given by a commercial bank on behalf of the Company to Sui Northern Gas Pipelines Limited, Engro Fertilizer Limited and Faisalabad Electric Supply Company, outstanding as at September 30, 2020, aggregate to Rs.69.077 million (2019:Rs.73.312 million).

14.16 The Company has entered into Ijarah arrangements for three vehicles with MCB Islamic Bank Limited. Aggregate commitments for rentals under Ijarah arrangements as at September 30, 2020 are as follows:

	2020	2019
Note	-- Rupees in '000 --	
Not later than one year	3,226	3,583
Later than one year but not later than five years	1,091	4,416
	<u>4,317</u>	<u>7,999</u>

15. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	15.1	1,355,615	1,452,618
Right-of-use assets	15.4	13,324	-
Capital work-in-progress	15.5	152,307	26,031
		<u>1,521,246</u>	<u>1,478,649</u>

15.1 Operating fixed assets - tangible

	Owned											Leased					
	Free hold land	Buildings on freehold land	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																	
COST																	
Balance as at October 01, 2018	6,306	27,648	361,026	2,299,307	471	21,560	1,075	18,589	132,977	7,579	10,106	57,640	5,554	1,749	21,146	12,883	2,994,435
Additions during the year	-	26	37,574	365,217	-	-	126	43,760	-	7,144	316	197	2,750	-	15,140	15,539	487,789
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	(6,782)	-	-	-	-	(6,782)
Balance as at September 30, 2019	6,306	27,674	398,600	2,664,524	471	21,560	1,075	18,715	176,737	7,579	17,250	51,055	8,304	1,749	36,286	28,422	3,475,442
Balance as at October 01, 2019	6,306	27,674	398,600	2,664,524	471	21,560	1,075	18,715	176,737	7,579	17,250	51,055	8,304	1,749	36,286	28,422	3,475,442
Reclassification due to adoption of IFRS 16 as at October 01, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,422)	(28,422)
Additions during the year	-	-	-	24,812	-	-	3,307	1,480	7,430	258	1,301	150	9,379	14,598	-	-	76,004
Balance as at September 30, 2020	6,306	27,674	398,600	2,689,336	471	21,560	4,382	20,195	184,167	7,837	18,551	64,344	17,683	16,347	36,286	-	3,523,024
DEPRECIATION																	
Balance as at October 01, 2018	-	12,856	189,878	1,459,475	450	14,136	752	9,454	104,190	6,819	7,543	39,803	4,959	1,203	5,644	5,424	1,869,799
Charge for the year	-	741	20,180	113,174	2	891	32	926	9,392	76	1,145	181	321	54	2,893	5,232	159,680
On disposals during the year	-	-	-	-	-	-	-	-	-	-	-	(6,655)	-	-	-	-	(6,655)
Balance as at September 30, 2019	-	13,597	210,058	1,572,649	452	15,027	784	10,380	113,582	6,895	8,688	37,588	5,280	1,257	8,537	10,656	2,022,824
Balance as at October 01, 2019	-	13,597	210,058	1,572,649	452	15,027	784	10,380	113,582	6,895	8,688	37,588	5,280	1,257	8,537	10,656	2,022,824
Reclassification due to adoption of IFRS 16 as at October 01, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,656)	(10,656)
Charge for the year	-	704	18,854	109,753	2	784	167	944	10,175	79	1,381	186	1,757	814	4,162	-	155,241
Balance as at September 30, 2020	-	14,301	228,912	1,682,402	454	15,811	951	11,324	123,757	6,974	10,069	43,067	7,037	2,071	12,699	-	2,167,409
BOOK VALUE AS AT																	
SEPTEMBER 30, 2019	6,306	14,077	188,542	1,091,875	19	6,533	291	8,335	63,155	684	8,562	17,411	3,024	492	27,749	17,766	1,452,618
SEPTEMBER 30, 2020	6,306	13,373	169,688	1,006,934	17	5,749	3,431	8,871	60,410	863	8,482	21,277	10,646	14,276	23,587	-	1,355,615
Depreciation rate (%)	5	10	10	10	12	12	10	10	15	10	15	10	25	10	15	25	25

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

15.3 Depreciation on property plant and equipment for the year has been apportioned as under:	2020	2019
	--- Rupees in '000 ---	
Cost of sales	146,635	147,110
Distribution and marketing expenses	428	417
Administrative expenses	8,178	12,153
	<u>155,241</u>	<u>159,680</u>
15.4 Right-of-use assets		
Transition effect on initial application - cost	28,422	
Less: accumulated depreciation		
Transition effect on initial application	10,656	
Depreciation for the year	4,442	
	<u>15,098</u>	
Net book value at end of the year	<u>13,324</u>	
Depreciation rate (%)	25%	

15.4.1 Depreciation expense relating to right of use asset - vehicles has been charged to administrative expenses.

15.5 Capital work-in-progress	2020	2019
	--- Rupees in '000 ---	
Buildings on freehold land:		
- colony	4,925	1,116
- factory	42,549	517
- office	44,298	20,061
Plant and machinery	59,941	4,337
Laboratory equipment	41	-
Electric installations & fittings	553	-
	<u>152,307</u>	<u>26,031</u>

16. INVESTMENT PROPERTY

	Freehold land	Buildings on freehold land	Total
At October 1, 2018			
	-----	Rupees in '000	-----
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,465	4,465
Book value	<u>6,730</u>	<u>1,144</u>	<u>7,874</u>
Year ended September 30, 2019			
Opening book value	6,730	1,144	7,874
Depreciation charge for the year	-	57	57
Closing book value	<u>6,730</u>	<u>1,087</u>	<u>7,817</u>
At September 30, 2019			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,522	4,522
Book value	<u>6,730</u>	<u>1,087</u>	<u>7,817</u>
Year ended September 30, 2020			
Opening book value	6,730	1,087	7,817
Depreciation charge for the year	-	54	54
Closing book value	<u>6,730</u>	<u>1,033</u>	<u>7,763</u>
At September 30, 2020			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,576	4,576
Book value	<u>6,730</u>	<u>1,033</u>	<u>7,763</u>
Depreciation rate (%)		<u>5</u>	

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

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

16.3 Fair value of the investment property, based on the management's estimation, as at September 30, 2020 was Rs.240 million (2019:Rs.250 million).

	2020	2019
17. LOANS AND ADVANCES - Secured, considered good	---	---
	Rupees in '000	---
Loans / advances to employees	3,102	3,038
Less: current portion grouped under current assets	1,246	1,053
	<u>1,856</u>	<u>1,985</u>

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

17.2 These loans are secured against lien on provident fund / gratuity balances of employees.

18. STORES, SPARES AND LOOSE TOOLS	Note	2020 --- Rupees in '000 ---	2019
Stores		30,934	48,692
Spares		57,763	59,679
Loose tools		568	610
		89,265	108,981
Less: provision for slow moving items	18.1	13,062	12,729
		76,203	96,252

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

Opening balance	12,729	11,955
Provision made during the year	333	774
Closing balance	13,062	12,729

18.1.1 Stores and spares inventory includes slow moving items valuing Rs.26.125 million (2019:Rs.25.459 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.

19. STOCK-IN-TRADE	2020 --- Rupees in '000 ---	2019
Raw materials - molasses	-	78,364
Work-in-process:		
- Sugar	10,338	8,938
- Molasses	23,931	6,394
	34,269	15,332
Finished goods:		
- Sugar	733,673	981,693
- Spirit	237,676	71,609
	971,349	1,053,302
Other stocks - fair price shop and depot	544	290
	1,006,162	1,147,288

20. TRADE DEBTS	Note	2020 --- Rupees in '000 ---	2019
Local - unsecured	20.1	366,460	421,184
Foreign - secured		310,713	258,572
		<u>677,173</u>	<u>679,756</u>

20.1 These include an amount of Rs.12.280 million (2019:Rs.4.710 million) receivable from Fauji Foods Limited (a related party). The aggregate maximum outstanding balance at the end of any month during the year was Rs.28.843 million (2019:Rs.11.056 million).

21. LOANS AND ADVANCES - considered good	Note	2020 --- Rupees in '000 ---	2019
Advances to:			
- key management personnel	21.1	1,875	-
- other employees		10,059	4,787
- suppliers		528,034	363,427
Recoverable from growers		39,439	55,388
Current portion of long term loans and advances		1,246	1,053
Letters of credit		7,007	6,904
		<u>587,660</u>	<u>431,559</u>

21.1 During the year, the Company advanced an amount of Rs.2 million to Mr.Azeem Hafeez (General Manager (site)) for education of his child.This loan is recoverable in sixteen equal monthly instalments.The maximum aggregate balance outstanding against this loan at the end of any month during the year was Rs.1.875 million.

22. OTHER RECEIVABLES	Note	2020 --- Rupees in '000 ---	2019
Claims receivable - considered good		3,915	3,915
Excise duty receivable	14.9	120,771	120,771
Export subsidy	22.1	11,845	11,845
Others	22.2	58,247	55,344
		<u>194,778</u>	<u>191,875</u>

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

22.2 This mainly includes Rs.52.745 million (2019: Rs.52.745 million) receivable from Faisalabad Electric Supply Company against sale of electricity.

23. BANK BALANCES	Note	2020 --- Rupees in '000 ---	2019
Cash at commercial banks on:			
- current accounts		29,813	26,955
- saving accounts	23.1	2,664	3,780
- margin accounts	23.2	18,266	20,766
- dividend accounts		783	7,105
		51,526	58,606
Cash at Cooperative Societies on current accounts		745	745
Less: provision for impairment	23.3	745	745
		-	-
		51,526	58,606

23.1 Saving accounts, during the current financial year, carried profit / mark-up at the rates ranging from 5.5% to 15.00% (2019:3.75% to 11.25%) 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	
	2020	2019	2020	2019	2020	2019
	----- Rupees in '000 -----					
Local	4,614,430	3,973,345	696,241	192,757	5,310,671	4,166,102
Inter-segment (note 25.1)	423,025	306,911	-	-	-	-
Export (note 24.1)	-	792,776	1,608,093	1,225,144	1,608,093	2,017,920
	5,037,455	5,073,032	2,304,334	1,417,901	6,918,764	6,184,022
Less:						
- sales tax	677,001	482,660	103,597	30,143	780,598	512,803
	4,360,454	4,590,372	2,200,737	1,387,758	6,138,166	5,671,219

24.1 Preceding years figure included sugar export subsidy amounted Rs.48.649 million.

24.2 All the contracts were under one performance obligation and revenue has been recognized at the point of time when the goods have been transferred to the customers.

25. COST OF SALES	Sugar		Distillery		Total	
	2020	2019	2020	2019	2020	2019
	----- Rupees in '000 -----					
Raw materials consumed	3,290,507	3,004,908	1,157,289	378,613	4,447,796	3,383,521
Inter-segment transfers (note 25.1)	-	-	423,025	306,911	-	-
	<u>3,290,507</u>	<u>3,004,908</u>	<u>1,580,314</u>	<u>685,524</u>	<u>4,447,796</u>	<u>3,383,521</u>
Salaries, wages and benefits (note 25.2)	132,616	115,862	42,276	40,873	174,892	156,735
Fuel and power	40,700	30,741	43,672	25,891	84,372	56,632
Chemicals and stores consumed	60,267	65,482	33,424	23,755	93,691	89,237
Repair and maintenance	135,263	110,915	12,353	7,975	147,616	118,890
Depreciation	105,596	107,382	41,039	39,728	146,635	147,110
Insurance	5,405	6,832	1,897	2,189	7,302	9,021
Rates and taxes	765	943	18	87	783	1,030
Others	10,970	10,256	1,074	437	12,044	10,693
	<u>3,782,089</u>	<u>3,453,321</u>	<u>1,756,067</u>	<u>826,459</u>	<u>5,115,131</u>	<u>3,972,869</u>
Adjustment of work-in-process						
Opening	8,938	5,803	6,394	802	15,332	6,605
Closing	(10,338)	(8,938)	(23,931)	(6,394)	(34,269)	(15,332)
	<u>(1,400)</u>	<u>(3,135)</u>	<u>(17,537)</u>	<u>(5,592)</u>	<u>(18,937)</u>	<u>(8,727)</u>
Cost of goods manufactured	3,780,689	3,450,186	1,738,530	820,867	5,096,194	3,964,142
Adjustment of finished goods						
Opening stock	981,693	1,814,884	71,609	80,044	1,053,302	1,894,928
Closing stock	(733,673)	(981,693)	(237,676)	(71,609)	(971,349)	(1,053,302)
	<u>248,020</u>	<u>833,191</u>	<u>(166,067)</u>	<u>8,435</u>	<u>81,953</u>	<u>841,626</u>
	<u><u>4,028,709</u></u>	<u><u>4,283,377</u></u>	<u><u>1,572,463</u></u>	<u><u>829,302</u></u>	<u><u>5,178,147</u></u>	<u><u>4,805,768</u></u>

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

25.2 These include Rs.1,009 thousand (2019: Rs.1,045 thousand) and Rs.8,483 thousand (2019: Rs.5,963 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

26. DISTRIBUTION AND MARKETING EXPENSES

	Sugar		Distillery		Total	
	2020	2019	2020	2019	2020	2019
----- Rupees in '000 -----						
Salaries and benefits (note 26.1)	4,794	2,285	2,140	9	6,934	2,294
Loading, unloading, freight and export expenses	18,942	36,163	91,964	47,775	110,906	83,938
Rent of storage tanks	-	-	16,913	15,375	16,913	15,375
Depreciation	428	417	-	-	428	417
Commission	3,237	4,109	-	-	3,237	4,109
Others	1,466	819	-	-	1,466	819
	28,867	43,793	111,017	63,159	139,884	106,952

26.1 These include Rs.11 thousand (2019: Rs.14 thousand) and Rs.141 thousand (2019: Rs.103 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

27. ADMINISTRATIVE EXPENSES

	Sugar		Distillery		Total	
	2020	2019	2020	2019	2020	2019
----- Rupees in '000 -----						
Salaries and benefits (note 27.1)	78,297	70,020	26,099	23,340	104,396	93,360
Travelling and conveyance including directors' travelling amounting Rs.965 thousand (2019: Rs.251 thousand)	2,081	1,315	694	438	2,775	1,753
Vehicles' running and maintenance	11,373	9,929	3,791	3,310	15,164	13,239
Communication	2,291	2,100	843	787	3,134	2,887
Printing and stationery	924	697	308	232	1,232	929
Rent, rates and taxes	4,005	3,381	1,463	1,398	5,468	4,779
Insurance	722	667	240	222	962	889
Repair and maintenance	2,297	1,878	804	719	3,101	2,597
Subscription	9,297	4,668	5,664	4,168	14,961	8,836
Advertisement	308	95	103	92	411	187
Depreciation	9,216	8,787	3,404	3,366	12,620	12,153
Entertainment / guest house expenses	4,459	3,771	1,606	1,428	6,065	5,199
Auditors' remuneration (note 27.2)	1,284	1,103	428	368	1,712	1,471
Legal and professional charges (other than Auditors')	2,914	3,788	971	1,391	3,885	5,179
Utilities	4,901	4,538	1,634	1,513	6,535	6,051
Others	6,871	723	293	224	7,164	947
	141,240	117,460	48,345	42,996	189,585	160,456

27.1 These include Rs.239 thousand (2019:Rs.342 thousand) and Rs.5,051 thousand (2019:Rs.3,694 thousand) in respect of provident fund contributions and staff retirement benefits-gratuity respectively.

27.2 Auditors' remuneration	2020	2019
	--- Rupees in '000 ---	
ShineWing Hameed Chaudhri & Co.		
- statutory audit fee - current year	1,100	1,100
- short provision prior year	131	-
- half yearly review	200	210
- certification charges	50	50
- out-of-pocket expenses	35	35
	<u>1,516</u>	<u>1,395</u>
Javaid Jalal Amjad & Co. - provident fund's	196	76
	<u>1,712</u>	<u>1,471</u>

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

28. OTHER INCOME	Note	2020	2019
		--- Rupees in '000 ---	
Income from financial assets			
Unclaimed and other payable balances written-back		6,952	11,329
Interest / mark-up on saving accounts		1,953	1,429
Exchange fluctuation gain		3,375	-
Income from other than financial assets			
Scrap sales - net		1,172	1,018
Bagasse and press mud sales - net		31,022	4,509
Sale of electricity		-	16,873
Gain on disposal of operating fixed assets		-	973
Rental income		136	155
Others		10	180
		<u>44,620</u>	<u>36,466</u>
29. OTHER EXPENSES			
Donations (without directors' interest)		-	200
Depreciation on investment property	16	54	57
Exchange fluctuation loss		-	6,288
Provision made for slow moving stores and spares inventory	18.1	333	774
Workers' profit participation fund	10.1	16,966	14,338
		<u>17,353</u>	<u>21,657</u>

		2020	2019
		--- Rupees in '000 ---	
30. FINANCE COST	Note		
Mark-up / profit on:			
- long term finances		30,807	31,889
- short term finances		282,843	293,838
- lease finances		5,560	5,449
- workers' profit participation fund	10.1	2,127	1,678
Bank and other charges		14,112	7,666
		<u>335,449</u>	<u>340,520</u>
31. TAXATION - Net			
Provision for year			
- current		84,319	47,015
- prior		(18,011)	-
		<u>66,308</u>	<u>47,015</u>

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 2020 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.

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.

32. EARNINGS PER SHARE - Basic and Diluted	2020	2019
	--- Rupees in '000 ---	
Profit after taxation attributable to ordinary shareholders	<u>256,060</u>	<u>225,317</u>
	---- No. of shares ----	
Weighted average number of ordinary shares outstanding during the year	<u>16,517,453</u>	<u>16,517,453</u>
	----- Rupees -----	
Earnings per share - basic	<u>15.50</u>	<u>13.64</u>

32.1 A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2020 and September 30, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors				Executives	
			Executive		Non-Executive			
	2020	2019	2020	2019	2020	2019	2020	2019
----- Rupees in '000 -----								
Managerial remuneration including bonus	5,400	5,400	5,600	4,800	-	-	17,582	10,632
Perquisites and benefits:								
Utilities	-	-	-	-	737	649	-	-
Medical	18	62	296	273	228	265	116	100
Entertainment / club bills	-	-	112	120	97	85	-	-
	18	62	408	393	1,062	999	116	100
	<u>5,418</u>	<u>5,462</u>	<u>6,008</u>	<u>5,193</u>	<u>1,062</u>	<u>999</u>	<u>17,698</u>	<u>10,732</u>
No. of persons	1	1	1	1	4	3	5	3

33.1 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.

33.2 During the current financial year, meeting fees of Rs.840 thousand (2019: Rs.590 thousand) were paid to four (2019: three) 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:

	2020	2019	2020	2019
	Effective rate		Carrying amount	
	%	%	--- Rupees in '000 ---	
Financial assets				
Bank balances	5.5 - 15.00	3.75 - 11.25	<u>2,664</u>	<u>3,780</u>
Variable rate instruments				
Financial liabilities				
Long term finance	9.04 - 15.66	9.95 - 15.66	<u>187,500</u>	<u>262,500</u>
Short term borrowings	3.00 - 16.80	3.00 - 15.91	<u>1,831,549</u>	<u>2,401,266</u>
Lease liabilities	9.24 - 16.90	9.97 - 16.91	<u>9,749</u>	<u>15,305</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, 2020, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs.20.288 million (2019: Rs.26.791 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, 2020 along with comparative is tabulated below:

	2020	2019
	--- Rupees in '000 ---	
Security deposits	3,654	3,879
Trade debts	677,173	679,756
Loans and advances	54,475	63,213
Other receivables	62,162	59,259
Bank balances	51,526	58,606
	<u>848,990</u>	<u>864,713</u>

The maximum exposure to credit risk for trade debts at the reporting date by geographic region is as follows:

	2020	2019
	--- Rupees in '000 ---	
Domestic	366,460	421,184
Export	310,713	258,572
	<u>677,173</u>	<u>679,756</u>

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

	2020	2019
	--- Rupees in '000 ---	
Not yet due	640,716	562,007
Past due - more than 30 days	36,457	117,749
	<u>677,173</u>	<u>679,756</u>

Based on the working, the management believes that no impairment loss allowance is necessary in respect of trade debts as debts aggregating Rs.580.623 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 -----				
September 30, 2020				
Long term finance	187,500	220,731	54,236	166,495
Lease liabilities	9,749	10,814	7,190	3,624
Trade and other payables	219,188	219,188	219,188	-
Accrued mark-up	46,673	46,673	46,673	-
Short term finances	2,265,049	2,288,559	2,288,559	-
Unclaimed and unpaid dividends	8,758	8,758	8,758	-
	<u>2,736,917</u>	<u>2,794,723</u>	<u>2,624,604</u>	<u>170,119</u>

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in '000 -----				
September 30, 2019				
Long term finances	262,500	323,445	144,131	179,314
Lease liabilities	15,305	19,099	7,549	11,550
Trade and other payables	259,947	259,947	259,947	-
Accrued mark-up	73,118	73,118	73,118	-
Short term finances	2,401,266	2,451,516	2,451,516	-
Unclaimed and unpaid dividends	7,898	7,898	7,898	-
	<u>3,020,034</u>	<u>3,135,023</u>	<u>2,944,159</u>	<u>190,864</u>

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 value of financial instruments

Fair value is the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

34.6 Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

At September 30, 2020, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

34.7 Financial instruments by category

Financial assets as per the statement of financial position	Amortised cost		Financial liabilities as per the statement of financial position	Financial liabilities measured at amortised cost	
	2020	2019		2020	2019
	--- Rupees in '000 ---			--- Rupees in '000 ---	
Loans and advances	1,856	1,985	Long term finance	187,500	262,500
Security deposits	3,654	3,879	Lease liabilities	9,749	15,305
Trade debts	677,173	679,756	Trade and other payables	219,188	259,947
Loans and advances	59,626	68,132	Accrued mark-up	46,673	73,118
Other receivables	194,778	191,875	Short term finances	2,277,596	2,402,453
Bank balances	51,526	58,606	Unclaimed and unpaid dividends	8,758	7,898
	<u>988,613</u>	<u>1,004,233</u>		<u>2,749,464</u>	<u>3,021,221</u>

35. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital are to ensure the Company's ability not only to continue as a going concern but also to meet its requirements for expansion and enhancement of its business, maximize return of shareholders and optimize benefits for other stakeholders to maintain an optimal capital structure and to reduce the cost of capital.

In order to achieve the above objectives, the Company may adjust the amount of dividends paid to shareholders, issue new shares through bonus or right issue or sell assets to reduce debts or raise debts, if required.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. It is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (long term finances, lease liabilities and short term borrowings as shown in the statement of financial position) less bank balances. Total equity includes all capital and reserves of the Company that are managed as capital. Total capital is calculated as equity as shown in the statement of financial position plus net debt.

	2020	2019
	--- Rupees in '000 ---	
Total borrowings	2,474,845	2,680,258
Less: bank balances	51,526	58,606
Net debt	<u>2,423,319</u>	<u>2,621,652</u>
Total equity	1,133,010	928,841
Total capital	<u>3,556,329</u>	<u>3,550,493</u>
Gearing ratio	<u>68%</u>	<u>74%</u>

36. RECOILATION OF MOVEMENT OF LIABILITES TO CASH FLOWS ARISING FROM FINANCIALACTIVITIES

	Liabilities			
	Long term finances	Lease liabilities	Short term borrowings	Dividend
	----- Rupees in '000 -----			
Balance as at October 01, 2019	262,500	15,305	2,402,453	7,898
Changes from financing activities				
Finances repaid	(75,000)	-	(124,857)	-
Lease finances obtained	-	(5,556)	-	-
Dividends paid	-	-	-	(48,692)
Total changes from financing cash flows	(75,000)	(5,556)	(124,857)	(48,692)
Dividend declared	-	-	-	49,552
Balance as at September 30, 2020	<u>187,500</u>	<u>9,749</u>	<u>2,277,596</u>	<u>8,758</u>
Balance as at October 01, 2018	300,000	6,817	2,386,078	7,069
Changes from financing activities				
Finances obtained	-	-	16,375	-
Finances repaid	(37,500)	-	-	-
Lease liability	-	8,488	-	-
Dividends paid	-	-	-	(42,116)
Total changes from financing cash flows	(37,500)	8,488	16,375	(42,116)
Dividend declared	-	-	-	42,945
Balance as at September 30, 2019	<u>262,500</u>	<u>15,305</u>	<u>2,402,453</u>	<u>7,898</u>

37. CAPACITY AND PRODUCTION		2020	2019
Sugar Plant			
Rated crushing capacity {based on 120 (2019: 140) working days}	M.Tons	1,440,000	1,400,000
Cane crushed	M.Tons	543,477	630,929
Sugar produced	M.Tons	52,788	63,098
Days worked	Nos.	105	102
Sugar recovery	%	9.71	10.01
Distillery Plant			
Rated capacity per day	Litres	130,000	130,000
Actual production	Litres	21,380,531	17,889,251
Days worked	Nos.	351	216

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, 2020				
Sales	4,360,454	2,200,737	(423,025)	6,138,166
Cost of sales	(4,028,709)	(1,572,463)	(423,025)	(5,178,147)
Gross profit	331,745	628,274	-	960,019
Selling and distribution expenses	(28,867)	(111,017)	-	(139,884)
Administrative expenses	(141,240)	(48,345)	-	(189,585)
	(170,107)	(159,362)	-	(329,469)
Profit before taxation and unallocated income and expenses	161,638	468,912	-	630,550
Unallocatable income and expenses				
Other income				44,620
Other expenses				(17,353)
Finance cost				(335,449)
Taxation				(66,308)
Profit for the year				256,060

	Sugar	Distillery	Elimination of inter segment transactions	Total
-----Rupees in '000 -----				
For the year ended September 30, 2019				
Sales	4,590,372	1,387,758	(306,911)	5,671,219
Cost of sales	(4,283,377)	(829,302)	(306,911)	(4,805,768)
Gross profit	306,995	558,456	-	865,451
Selling and distribution expenses	(43,793)	(63,159)	-	(106,952)
Administrative expenses	(117,460)	(42,996)	-	(160,456)
	(161,253)	(106,155)	-	(267,408)
Profit before taxation and unallocated income and expenses	145,742	452,301	-	598,043
Unallocatable income and expenses				
Other income				36,466
Other expenses				(21,657)
Finance cost				(340,520)
Taxation				(47,015)
Profit for the year				225,317

38.2 Segment assets and liabilities

	Sugar	Distillery	Total
-----Rupees in '000 -----			
As at September 30, 2020			
Segment assets	2,472,337	1,522,315	3,994,652
Unallocatable assets			278,739
Total assets as per the statement of financial position			4,273,391
Segment liabilities	461,861	33,042	494,903
Unallocatable liabilities			2,645,478
Total liabilities as per the statement of financial position			3,140,381

	Sugar	Distillery	Total
-----Rupees in '000 -----			
As at September 30, 2019			
Segment assets	3,082,051	926,523	4,008,574
Unallocatable assets			202,880
Total assets as per the statement of financial position			<u>4,211,454</u>
Segment liabilities	413,247	23,466	436,713
Unallocatable liabilities			2,845,900
Total liabilities as per the statement of financial position			<u>3,282,613</u>

Sales to domestic customers in Pakistan are 76.76% (2019:67.37%) and to customers outside Pakistan are 23.24% (2019:32.63%) of the revenues during the current financial year.

The Company sells its manufactured products to local and foreign companies, commission agents, organisations and institutions. Four (2019:five) of the Company's customers contributed towards 62.62% (2019:89.36%) of the local sales during the current financial year aggregating Rs.2.892 billion (2019:Rs.3.557 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, relative of directors, major shareholders, key management personnel and entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' retirement funds. The Company in the normal course of business carries out transactions with various related parties.

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.

Detail of related parties (with whom the Company has transacted) along with the relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2020	2019
--- Rupees in 000---		
I) Associated Company due to common directorship		
Fauji Foods Limited		
• sale of sugar	52,021	14,110

	2020	2019
	--- Rupees in 000---	
ii) Relative of director		
Mr. Adnan Hayat Noon		
• loan obtained	450,000	-
• loan repaid	16,500	-
• Consultancy paid	9,734	-
iii) Key management personnel		
• salary and other employment benefits	31,024	21,386
• loan provided	2,000	-
• loan repaid	125	-
iv) Retirement Fund		
• Contribution towards provident fund	1,350	1,385

40. DISCLOSURE RELATING TO PROVIDENT FUND

(i) Size of the Fund	104,375	94,803
(ii) Cost of investments made	75,008	73,590
(iii) Percentage of investments made	71.86%	77.62%
(iv) Fair value of investments made	75,008	73,590

40.1 Break-up of the investment is as follows:

	2020	2019	2020	2019
	--- Percentage ---		--- Rupees in '000 ---	
Special account in a scheduled bank	76.17	35.24	57,132	25,931
Mutual fund	23.83	7.69	17,876	5,659
Deposits with a scheduled bank	-	57.07	-	42,000
	100.00	100.00	75,008	73,590

The figures are based on the un-audited financial statements of the Provident Fund (the Fund) as at September 30, 2020 and audited financial statements as at September 30, 2019. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

The Fund's audit for the year ended September 30, 2019 has been carried-out by M/s. Javid Jalal Amjad & Co., Chartered Accountants, 384-N, Samanabad, Lahore.

	2020	2019
	----- Number -----	
41. NUMBER OF EMPLOYEES		
Average number of employees during the year	543	551
Number of employees at the September 30,	488	489

42. SUBSEQUENT EVENT

The Board of Directors, in its meeting held on December 31, 2020 has proposed a final cash dividend of Rs.3.5 (2019:Rs.3) per share amounting to Rs.57.811 million (2019:Rs.49.552 million) for the year ended September 30, 2020. This appropriation will be approved by the members in the forthcoming Annual General Meeting to be held on January 28, 2021.

The financial statements for the year ended September 30, 2020 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending September 30, 2021.

43. IMPACT OF COVID-19 (CORONAVIRUS)

The rapid spread of COVID-19 pandemic all across the world, has not only endangered human lives but has also adversely impacted the global economy. This situation posed a range of business and financial challenges to the businesses globally and across various sectors of the economy in Pakistan. In March 2020, the Government of Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19 however this excluded the companies involved in the business of necessary consumer supplies in which the Company operates.

In line with the directives of the Government and after implementing all necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued its operations during the lock down and took all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lock down has caused disruptions in supply chain.

The management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- recognition of expected credit losses under IFRS 9, 'Financial instruments';
- adjustment to net realisable value of inventory under IAS 2, 'Inventories';
- recognition of provisions and contingent liabilities under IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'; and
- going concern assumption used for the preparation of these financial statements.

44. CORRESPONDING FIGURES

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made in these financial statements.

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on December 31, 2020 by the board of directors of the Company.



Lt Col ABDUL KHALIQ KHAN (Retd)
Chief Executive



SALMAN HAYAT NOON
Director



RIZWAN SOHAIL
Chief Financial Officer

FORM 34
PATTERN OF SHAREHOLDING
(Section 227(2)(f))
AS AT SEPTEMBER 30, 2020

Incorporation No. : **0001858**

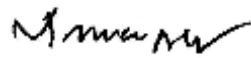
1.1 Name of the Company : **NOON SUGAR MILLS LIMITED**

2.1 Pattern of holding of the shares held by the shareholders as at 30-09-2020

2.2 No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
818	1	100	23,657
472	101	500	125,161
169	501	1,000	129,271
249	1,001	5,000	569,131
30	5,001	10,000	224,664
13	10,001	15,000	167,303
15	15,001	20,000	264,146
6	20,001	25,000	138,696
5	25,001	30,000	140,520
1	30,001	35,000	32,500
1	40,001	45,000	40,500
2	45,001	50,000	93,016
2	55,001	60,000	115,617
2	60,001	65,000	123,275
1	75,001	80,000	75,500
1	85,001	90,000	86,754
1	100,001	105,000	103,929
1	140,001	145,000	142,806
1	210,001	215,000	211,700
1	250,001	255,000	250,001
2	270,001	275,000	545,520
1	545,001	550,000	547,500
1	765,001	770,000	765,403
1	835,001	840,000	839,600
1	1,435,001	1,440,000	1,437,480
1	3,320,001	3,325,000	3,323,803
1	5,995,001	6,000,000	6,000,000
1,799			16,517,453

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,418,339	20.6953%
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 Shareholders holding 10% or more	9,384,695	56.8168%
2.3.8 General Public		
a. Local	8,315,853	50.3459%
b. Foreign	466	0.0028%
2.3.9 Others (to be specified)		
- Joint Stock Companies	2,506,221	15.1732%
- Pension Funds	2,039	0.0123%
- Foreign Companies	1,437,592	8.7035%
- Others	36,913	0.2235%

Signature of
Company Secretary



Name of Signatory

SYED ANWAR ALI

Designation

COMPANY SECRETARY

CNIC Number

35200-2711479-3

Date

30	09	2020
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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 58th Annual General Meeting of the Company to be held on Thursday, January 28, 2021 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 _____ 2021.

WITNESSES

1. Name _____

Signature of the Shareholder/ Appointer

Address _____

CNIC # _____

2. Name _____

Address _____

CNIC # _____

Revenue Stamp (Rs. 15/-)

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

رجسٹرڈ فوئیو نمبر /
سی ڈی سی اکاؤنٹ نمبر _____
66- گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔ تشکیل نیابت داری (پراکسی فارم) _____

میں / ہم _____

ساکن _____

بشمیت حصہ دار نون شوگر ملز لمیٹڈ _____

ساکن _____ یا بصورت دیگر _____
نام (فوئیو / سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو) _____
نام (فوئیو / سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو) _____

ساکن _____ کو بروز جمعرات 28 جنوری 2021

کو دن کے بوقت 11:30 بجے صبح 66- گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔ میں منعقد یا ملتوی ہونے والے اٹھانواں 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 2021 کو دی گئی۔

۱۵ روپے کارسیدی ٹکٹ
چسپاں کر کے دستخط کریں

۱- گواہ

دستخط _____

نام _____

شناختی کارڈ نمبر _____

پتہ _____

دستخط _____
(ممبر / مچازا فر)

۲- گواہ

دستخط _____

نام _____

شناختی کارڈ نمبر _____

پتہ _____

سی ڈی سی اکاؤنٹ نمبر		فوئیو نمبر
اکاؤنٹ نمبر	شراکتی آئی ڈی	

کمپیوٹرائزڈ شناختی کارڈ نمبر _____ - _____ - _____

نوٹس:

- (۱) پراسیز 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 حصہ 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 پراکسی 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 پراکسی فارم کے ساتھ لف کرنے ہونگے۔

VIDEO LINK FACILITY FORM

I / We _____ being the member of Noon Sugar Mills Limited, holder of _____ Ordinary share(s) as per registered folio No./ CDC AC No. _____ hereby opt for video link 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 / CDC AC No. _____

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 9th 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:

www.jamapunji.pk

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*Mobile apps are 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،

نون شوگر ملز لمیٹڈ کے ڈائریکٹران 30 ستمبر 2020 کو اختتام پزیر ہونے والے سال کی اٹھاونویں سالانہ رپورٹ، آڈٹ شدہ مالیاتی حسابات اور ان پر آڈٹ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی کارکردگی:

آپ کی کمپنی نے سابقہ تقابلی سالانہ عرصہ میں حاصل کردہ 230 ملین روپے مقابلے میں رواں سال کے دوران 254 ملین روپے کا بعد از ٹیکس منافع حاصل کیا ہے۔ سابقہ سالانہ عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 5,671 ملین روپے کے مقابلے میں حالیہ زیر جائزہ مالیاتی سال کے دوران کمپنی نے 6,138 ملین روپے کا حصول کیا۔ سابقہ سالانہ عرصہ کے دوران 13.64 روپے فی حصہ منافع کے مقابلے میں رواں مالی سال کے دوران فی حصہ منافع 15.50 روپے رہا۔

سابقہ کرشنگ سیزن میں گنے کی قیمتوں میں خاطر خواہ اضافے کی وجہ سے بعد کے حصے کے رپورٹنگ سال کے دوران، چینی کی مقامی مارکیٹ مستحکم ہو گئی تھی جس نے چینی کی بڑھتی ہوئی پیداواری لاگت کو کم کر دیا تھا۔

صفائی ستھرائی کی مصنوعات میں استعمال کے سبب سال کے دوران انتہوں کی بڑھتی ہوئی مانگ مشاہدے میں آئی۔ بڑھتی ہوئی طلب نے بین الاقوامی اور مقامی مارکیٹوں میں انتہوں کی قیمتوں پر صحت مند اثرات مرتب کیے اور آپ کی کمپنی کے منافع میں شراکت کو برقرار رکھنے میں ڈپٹلری کے شعبے کی مدد کی۔

2019	2020	
(ملین روپے)	(ملین روپے)	
5,671	6,138	پیداواری فروخت سے حاصل شدہ کل رقم
865	960	خام منافع
613	658	پیداواری منافع
230	254	خالص آمدن
13.64	15.50	فی حصہ آمدن (روپے)

پیداواری کارکردگی:

چینی:

آپ کی ملز نے سابقہ سال کے تقابلی عرصہ کے دوران نیلے جانے والے 630,929 میٹرک ٹن گنے سے 102 دنوں میں 10.01 فیصد شرح کشید سے پیدا کردہ 63,098 میٹرک ٹن چینی کی پیداوار کے مقابلے میں 543,477 میٹرک ٹن گنا بیلا اور 105 دنوں کے عرصہ میں 9.71 فیصد شرح کشید سے 52,788 میٹرک ٹن چینی پیدا کی۔

گزشتہ سال کے تقابلی اعداد و شمار کے ساتھ زیر جائزہ عرصہ کے دوران چینی کے شعبے کے آپریشنل کارکردگی کا گوشوارہ حسب ذیل ہے:

2019	2020		
102	105	دن	پیداواری عرصہ
630,929	543,477	میٹرک ٹن	گنا بیلے جانے کی مقدار
63,098	52,788	میٹرک ٹن	چینی کی پیداوار
10.01	9.71	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.57	4.48	شرح فیصد	شیرے کا پیداواری تناسب
28,800	24,341	میٹرک ٹن	شیرے کی پیداوار

رپورٹنگ سال کے دوران گنے کی تحصیل ایک مشکل مرحلہ رہی۔ گنے کی کاشت کے علاقوں میں فصل کی مسلسل کم پیداوار کے سبب گنے کی کاشت کے علاقوں میں شوگر ملوں کی پیداواری صلاحیت کے استعمال اور معاشی استحکام کے لیے سنگین خدشات پیدا ہو گئے ہیں۔ بد قسمتی سے گنے کی کم مقدار میں دستیابی کی وجہ سے ہمسایہ شوگر ملوں میں قیمتوں کی جنگ شروع ہو گئی تھی۔ تاہم گنے کی بڑھتی ہوئی قیمتوں نے گنے کے کاشتکاروں کو اپنی فصل سے بہتر منافع حاصل کرنے کی ترغیب دی ہے۔

آپ کی انتظامیہ کاشتکاروں کو گنے کی فصل کی طرف راغب کرنے کے لیے مختلف منصوبوں پر پوری توجہ سے کام کر رہی ہے اور اس نے گنے کی پیداوار میں اضافہ کرنے میں ان کی مدد کے لیے کئی اسکیمیں وضع کی ہیں۔

ڈسٹلری:

زیر جائزہ عرصہ کے دوران 249 لیٹرنی میٹرک ٹن کی شرح سے 85,969 میٹرک ٹن شیرہ پراسس کر کے 17,104 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کی گئی جبکہ سابقہ سال کے دوران 259 لیٹرنی میٹرک ٹن کی پیداواری شرح سے 69,229 میٹرک ٹن شیرہ پراسس کر کے 14,311 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کی گئی تھی۔

زیر جائزہ سال اور سابقہ سال کے عرصہ میں ڈسٹلری کے شعبے میں پیداواری کارکردگی کے اعداد و شمار کا تقابلی گوشوارہ حسب ذیل ہے:

2019	2020		
216	351	دن	پیداواری عرصہ
69,229	85,969	میٹرک ٹن	شیرے کی پیداوار
14,311	17,104	میٹرک ٹن	اتھنول کی پیداوار
259	249	لیٹرنی میٹرک ٹن	پیداواری اوسط

چینی کی کم پیداواری کی وجہ سے شیرے کا حصول ایک چیلنج بنا رہا تاہم دیگر ملوں سے مناسب قیمتوں پر اچھی مقدار میں شیرے کے حصول میں ہم کامیاب رہے۔

مستقبل کی پیش گوئی:

چینی:

رپورٹنگ سال کے بعد حکومت نے چینی درآمد کرنے کی اجازت دی تھی اور چینی مارکیٹ میں چینی کی بڑھتی ہوئی قیمتوں میں اضافے کے رجحانات کو روکنے کے لیے چینی کے درآمد کنندگان کو ٹیکس میں ایک جامع ریلیف فراہم کیا تھا۔ اس پالیسی نے چینی کی مقامی صنعت میں شدید تیشو لیش پیدا کر دی تھی کیونکہ وہ آنے والے مہینوں میں چینی کی بڑھی ہوئی پیداواری لاگت کو صارفین تک منتقل کرنے کے قابل نہیں تھے۔

تاہم بین الاقوامی منڈیوں میں چینی کی قیمتوں میں اضافے سے مقامی منڈیوں میں درآمد شدہ چینی کی کھپت میں کمی واقع کی ہے جس نے مقامی صنعت کو غلط فیصلوں کے منفی اثرات سے تحفظ فراہم کیا ہے۔

ہمارے قریبی علاقوں میں گنے کی فصل میں اضافہ آپ کی انتظامیہ کا بنیادی مقصد ہے اور اس نے کاشتکاروں کو موخر ادائیگی پر کھاد فراہم کر کے اور گنے کی پیداوار کو بڑھانے اور کٹائی کے نقصانات کو کم کرنے کی تربیت دے کر کاشت والے رقبے میں کمی کے رجحان کو روکنے کے لیے پہلے ہی کچھ اقدامات کیے ہیں۔

انتھنول:

کووڈ 19 میں وبائی بیماری اور تمام شہری اور صنعتی علاقوں میں غیر معمولی لاک ڈاؤن کی وجہ سے عام معاشی سست روی پیدا ہوئی جس نے چینی سمیت تمام اشیاء کی طلب کو شدید متاثر کیا۔ کووڈ 19 کی دوسری لہر میں سینینا نژروں کی بڑی مقدار میں پیداوار میں استعمال کے لیے الکل کی طلب میں بھی کمی آ رہی ہے جس سے انتھنول کی مجموعی طلب میں کمی کا امکان ہے جس سے اس شعبہ کے منافع پر منفی اثر پڑ سکتا ہے۔ تاہم مقامی منڈیوں میں انتھنول کی طلب اس شعبہ کی معقول شراکت کو برقرار رکھنے کے لیے کسی حد تک اس منفی اثر کو ختم کر سکتی ہے۔ آگے آنے والے مشکل وقت کو مد نظر رکھتے ہوئے آپ کی انتظامیہ کارکردگی کی استعداد کار کو بہتر بنانے کے لیے مسلسل مختلف حکمت عملیوں پر کام کر رہی ہے تاکہ دونوں مصنوعات کی پیداواری لاگت کو کم کیا جاسکے۔

متعلقہ پارٹیوں سے لین دین:

متعلقہ فریقین سے لین دین on arm's length بنیاد پر کیا جا رہا ہے۔ متعلقہ فریقین سے کیے گئے تمام لین دین کی جامع فہرست مرتب کر کے ہر سہ ماہی میں آڈٹ کمیٹی کو پیش کی جاتی ہے۔ داخلی جانچ کا عمل اس بات کو یقینی بناتا ہے کہ متعلقہ فریقین سے کیا لین دین arm's length کی بنیاد پر ہے۔ آڈٹ کمیٹی کے جائزے کے بعد معاملات بورڈ کے سامنے غور و فکر اور منظوری کے لیے رکھے جاتے ہیں۔

سال کے دوران کمپنی نے متعلقہ فریقین کے ساتھ لین دین کیا۔ اس لین دین کی تفصیلات مالیاتی بیانات کے نوٹ 39 میں ظاہر کی گئی ہیں۔

کارپوریٹ سماجی ذمہ داری:

نون شوگر ملز پائیدار برادری اور معاشرتی ترقی کے لیے معاونت اور کام کرنے میں فعال کردار ادا کرنے کے لیے پرعزم ہے۔ کارپوریٹ سوشل ریسپانسیبلٹی (CSR) اپنی بنیادی اقدار میں مربوط ہے اور یہ کمپنی کے مجموعی مشن کا لازمی جزو ہے۔

مندرجہ ذیل کچھ جاری اقدامات ہیں جو نون شوگر ملز لیمیٹڈ نے اپنی سماجی ذمہ داریوں کو پورا کرنے کی غرض سے اٹھائے ہیں:

a - نون شوگر ملز لیمیٹڈ اپنے ملازمین کے بچوں اور فیٹری کے آس پاس رہنے والے کنبوں کے فائدے کے لیے ملازمین کی رہائشی کالونی کے اندر ایک کالج اور ایک انگلش میڈیم ماڈل ہائی اسکول کے قیام کے ذریعے معیاری تعلیم مہیا کر رہی ہے۔ ملازمین کے بچوں کی حوصلہ افزائی بھی کی جاتی ہے کہ وہ ہر سال میٹرک سے شروع ہونے والے وظائف کے ذریعے اعلیٰ تعلیم حاصل کریں۔

b - گھریلو اشیاء کی رعایتی نرخوں پر فراہمی کے لیے نون شوگر ملز لیمیٹڈ رہائشی کالونی میں مناسب قیمتوں کی ایک دکان چلا رہی ہے۔

c - کمپنی بھلوال میں گزشتہ 27 سالوں سے ایک مفت ڈسپنسری بھی چلا رہی ہے اور ملحقہ رہائشی بستیوں کے غریب مریضوں کو مفت ادویات بھی مہیا کر رہی ہے۔

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) کے ضوابط کو 30 ستمبر 2020 کو ختم ہونے والے سال کے لیے کمپنی نے اختیار کیا ہے اور ان پر مکمل طور پر عمل کیا ہے۔ اس ضمن میں ایک بیان رپورٹ سے منسلک ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

انتظامیہ نے یہ مالیاتی رپورٹیں اور ان کا خلاصہ کمپنیز ایکٹ 2017 اور انٹرنیشنل مالیاتی رپورٹنگ کے اصولوں کے مطابق تیار کی گئی ہیں۔ یہ اسٹیٹمنٹس کمپنی کے آپریشنل نتائج، رقم کے بہاؤ، اور ایکویٹی کی تبدیلی کے بیانات کو صریح طور پر بیان کرتی ہیں۔

بورڈ آف ڈائریکٹران یہاں یہ بیان کرتے ہیں:

- پاکستان میں جیسا کہ IFRS کا اطلاق ہوتا ہے، مالی بیانات کی تیاری کے لیے مناسب طریقے سے عمل کیا گیا ہے اور اس سے کسی بھی طرح کے انحراف کا مناسب طور پر بیان مالیاتی بیانات کے نوٹس میں کیا گیا ہے اور اس کی وجہ بیان کی گئی ہے؛
- کمپنی کی تمام مالیاتی کتب کو مناسب طور پر مرتب کیا گیا ہے؛
- تمام مالیاتی قوانین کو مد نظر رکھتے ہوئے مناسب مالیاتی پالیسیوں کا مسلسل مالی بیانات کی تیاری میں اطلاق کیا گیا ہے اور حسابات کے تخمینے معقول اور محتاط فیصلوں پر مبنی ہیں؛
- داخلی کنٹرول کا نظام مستحکم ہے اور اس کا نفاذ اور نگرانی موثر طریقے سے کی گئی ہے؛
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی شک نہیں ہے؛
- اسٹاک ایکسچینج کے لسٹ قواعد و ضوابط میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے انحراف نہیں کیا گیا ہے؛
- سابقہ چھ سال کے مالیاتی اور پیداواری کوائف اس رپورٹ سے منسلک ہیں؛
- مالی سال 30 ستمبر 2020 تک ٹیکسوں، ڈیویڈنڈوں اور محصولات کی مدت میں کوئی قانونی ادائیگی واجب الادا نہیں ماسوائے ان کے جن کا انکشاف مالی بیانات میں کیا گیا ہے۔
- کمپنی کے ڈائریکٹران، CFO، CEO، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں نے 30 ستمبر 2020 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 پراوڈنٹ فنڈ قائم کر رکھا ہے اور فنڈ کے آڈٹ کردہ مالی بیانات کے مطابق اس کی سرمایہ کاری کی مالیت حسب ذیل ہے:

75.123	ملین روپے	30 ستمبر 2020 کی مالیت
73.590	ملین روپے	30 ستمبر 2019 کی مالیت

Gratuity اسکیم اس وقت un-funded ہے اور تمام اہل ملازمین کے لیے اسکیم کے تحت ذمہ داری کو پورا کرنے کے لیے ایکچوریل ویلیو ایشن کی بنیاد پر سالانہ فراہمی کی گئی ہے جن کی تفصیلات 30 ستمبر 2020 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی بیانات کے نوٹ نمبر 9 میں موجود ہیں۔

30 ستمبر 2020 کو کمپنی کا شیئر ہولڈنگ پیٹرن منسلک ہے جبکہ دیگر متعلقہ معلومات حسب ذیل ہیں:

حصص یافتگان:

حصص کی تعداد	۱۔ ایسوسی ایٹڈ کمپنیاں، وابستگان اور متعلقہ فریقین
765,403	Noon Industries (Pvt) Ltd
NIL	۲۔ Mutual Funds
	۳۔ ڈائریکٹران اور ان کے شریک حیات اور نابالغ بچے

ذاریکٹران کے نام	اپنی ملکیت	شریک حیات	نابالغ بچے
سلیمان حیات نون	3,384,695	NIL	NIL
سیف اللہ خان نون	17	NIL	NIL
کنورا قبال طالب	26,360	7,260	NIL
سید علی رضا	1	NIL	NIL
لیفٹیننٹ کرنل (ر) عبدالقادر خان	1	NIL	NIL
محمد سہیل کھوکھر	4	NIL	NIL
محترمہ مریم مہدوٹ	1	NIL	NIL
4- Executive	NIL	NIL	NIL

5- پبلک سیلٹر کمپنیز، کارپوریشنز، Joint Stock Companies

حصص	فیصد
2,543,134	15.39%

6- بنک، مالیاتی ادارے، نان بینکنگ مالیاتی کمپنیاں، انشورنس کمپنیاں، تاکافل، مودار بہ اور پنشن فنڈ:

حصص	فیصد
7,219	0.0437%

7۔ پانچ فیصد اور اس سے زائد کے حصص یافتگان:

فیصد	حصص مالیت	
36.33%	6,000,000	Ms. Tahia Noon
20.49%	3,384,695	سلمان حیات نون
8.70%	1,437,480	ای ایف جی بنک (چینل آئی لینڈ) لمیٹڈ
5.08	839,600	بلک مینجمنٹ پاکستان (پرائیویٹ) لمیٹڈ

حصص میں لین دین:

خرید	فروخت / گفٹ	ڈائریکٹرز اور ایگزیکٹوز
Nil	Nil	

بورڈ کی میٹنگز اور ڈائریکٹران کی حاضری:

زیر جائزہ سال کے دوران بورڈ کے چار اجلاس منعقد ہوئے جن میں حاضری کی تفصیل درج ذیل ہے:

اجلاس میں حاضری	ڈائریکٹران کے نام
4	جناب کنورا قابل طالب
3	جناب سلمان حیات نون
4	جناب سیف اللہ خان نون
4	لیفٹیننٹ کرنل (ر) عبدالحق خان
4	جناب محمد سہیل کھوکھر ☆
2	جناب محمد طارق میر
4	سید علی رضا
2	محترمہ مریم ممدوٹ

بورڈ نے ان ڈائریکٹران کی چھٹی منظور کر لی جو بورڈ کے اجلاسوں میں شریک نہ ہو سکے۔

☆ انتہائی رنج و غم کے ساتھ مطلع کیا جاتا ہے کہ ہمارے ڈائریکٹر اور چیف آپریٹنگ آفیسر جناب محمد سہیل کھوکھر 25 دسمبر، 2020 کو انتقال فرما گئے ہیں۔ (اللہ ان کی روح کو ابدی سکون عطا کرے)

Audit Committee کی میٹنگ اور حاضری:

کوڈ آف کارپوریٹ گورننس کے نفاذ کے بعد سے ایک Audit Committee معرض وجود میں آئی ہے جو دو عدد آزاد اور ایک عدد نان ایگزیکٹو ڈائریکٹر پر مشتمل ہے۔ لسٹنگ ریگولیشنز کے راہنما قواعد کے مطابق Audit Committee کا Term of Reference ہے جو کہ بورڈ آف ڈائریکٹر سے منظور شدہ ہے۔ زیر جائزہ سال کے دوران اس کمیٹی کے چار اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

میٹنگ کی حاضری	ڈائریکٹر کا نام
4	سید علی رضا
4	جناب سلمان حیات نون
1	جناب سیف اللہ خان نون
2	محترمہ مریم مہدوٹ
2	جناب ایم طارق میر

انسانی وسائل اور معاوضہ کمیٹی:

کلیدی انتظامیہ کے اہلکاروں کے انتخاب، معاوضے اور جانشینی کی منصوبہ بندی کے طریقہ کار کی نگرانی کے لیے انسانی وسائل اور معاوضہ کمیٹی تشکیل دی گئی۔ زیر جائزہ سال میں کمیٹی کے تین اجلاس ہوئے جن میں حاضری کی صورتحال یہ رہی:

اجلاس میں حاضری	ڈائریکٹر کا نام
3	سید علی رضا
3	جناب سلمان حیات نون
1	جناب سیف اللہ خان نون
3	لیفٹیننٹ کرنل (ر) عبدالخالق خان

حصص یا فینگان کے اجلاس:

زیر جائزہ سال کے دوران سالانہ اجلاس عام 25 جنوری 2020 کو منعقد ہوا اور ڈائریکٹران کے انتخاب کے لیے غیر معمولی اجلاس عام 31 مارچ 2020 کو منعقد ہوا۔

واجب الادا قانونی ادائیگیاں:

تمام واجب الادا ادائیگیاں معمول کی نوعیت کی ہیں۔

ڈائریکٹران کے معاوضے کی پالیسی:

بورڈ آف ڈائریکٹران نے کمپنی معاملات میں ذمہ داریوں کی نوعیت پر منحصر ایگزیکٹو ڈائریکٹران کو معاوضے کی ادائیگی کے لیے باضابطہ پالیسی کی منظوری دے دی ہے۔ انسانی وسائل اور معاوضے کی کمیٹی کی سفارشات کے مطابق ایگزیکٹو ڈائریکٹران کے معاوضے کی منظوری بذریعہ بورڈ آف ڈائریکٹران دی جائے گی۔ کمپنی آزاد ڈائریکٹران کو بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے فیس کے علاوہ کوئی ادائیگی نہیں کرے گی۔

حصص یافتگان کا کردار:

بورڈ کا مقصد اس بات کو یقینی بنانا ہے کہ کمپنی کے حصہ داران کو کمپنی کی صورتحال کو متاثر کرنے والی اہم پیش رفتوں سے بروقت آگاہ کیا جائے۔ اس مقصد کے حصول کے لئے حصص یافتگان کو سہ ماہی، ششماہی اور سالانہ رپورٹوں کے ذریعے آگاہ کیا جاتا ہے۔ انہیں اب فوری طور پر کمپنی کی ویب سائٹ پر رکھ دیا جاتا ہے۔ احتساب کی مطلوبہ سطح کو یقینی بنانے کے لیے بورڈ عام اجلاسوں میں حصص داران کی شرکت کی حوصلہ افزائی کرتا ہے۔

منافع منقسمہ:

بورڈ آف ڈائریکٹران نے 31 دسمبر 2020 کو منعقدہ اجلاس میں کمپنی کے تمام حصص یافتگان کو 30 ستمبر 2020 کو ختم ہونے والے سال کے لیے 3.50 روپے فی حصہ (35%) کے حساب سے حتمی منافع منقسمہ کی ادائیگی کی سفارش کی ہے۔ حتمی منافع منقسمہ کی منظوری 28 جنوری 2021 کو منعقد ہونے والے سالانہ اجلاس عام میں حصہ داران سے لی جائے گی۔

صحت، حفاظت اور ماحولیات:

کمپنی بین الاقوامی سطح پر قابل قبول صحت، حفاظت اور ماحولیات کے معیاروں کی سخت پابندی پر عمل پیرا ہے اور اس امر کو یقینی بناتی ہے کہ ہم آج اور کل کے لیے محفوظ اور زیادہ پائیدار کارروائیوں کے لیے اپنے عمل کو بہتر بناتے رہیں۔ انتظامیہ نے کووڈ 19 کے اثر کو کم سے کم کرنے کے لیے عمومی اور مخصوص حفظان صحت کے عوامل کو نافذ کر کے فوری اور موثر اقدامات کیے ہیں۔

آڈیٹران:

ریٹائر ہونے والے آڈیٹران Shinewing Hameed Chaudhri & Comapny، چارٹرڈ اکاؤنٹنٹس نے اپنی خدمات کو ایک اور مدت کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش کے مطابق بورڈ ان کی تقرری کی تجویز پیش کرتا ہے۔

اعتراف:

ہم کمپنی سے انمول تعاون کے لیے اپنی کمپنی کے تمام متعلقین کے، بشمول مالیاتی ادارے، سپلائرز، گاہک اور حصص یافتگان، بشکر گزار ہیں۔ اس موقع پر ہم کمپنی کے تمام ملازمین کی جانب سے کمپنی کی بہبود کی خاطر لگن، توجہ اور محنت سے مسلسل کی جانے والی ان کی تمام کاوشوں کو تسلیم کرتے ہیں۔



لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)
چیف ایگزیکٹو



سلمان حیات نون
ڈائریکٹر

بمقام لاہور۔

31 دسمبر، 2020

نون شوگر ملز لمیٹیڈ

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

اطلاع برائے سالانہ اجلاس عام

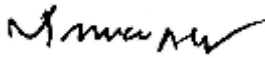
بذریعہ ہذا اطلاع دی جاتی ہے کہ نون شوگر ملز لمیٹیڈ (کمپنی) کے ممبران کا اٹھاونواں سالانہ اجلاس عام بروز جمعرات مورخہ 28 جنوری، 2021 صبح ساڑھے گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام 66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور میں منعقد ہوگا:

عمومی کارروائی:

- 1 - ممبران کے غیر معمولی اجلاس عام منعقدہ 31 مارچ، 2020 کی کارروائی کی توثیق۔
- 2 - 30 ستمبر، 2020 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور ان پراڈیٹران اور ڈائریکٹران کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔
- 3 - منافع منقسمہ کی ادائیگی کو منظور کرنا۔ بورڈ نے 3.50 روپے فی حصہ (35%) منافع منقسمہ دینے کی سفارش کی ہے۔
- 4 - سال 30 ستمبر 2021 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 22 جنوری، 2021 تا 28 جنوری، 2021 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام اور منافع منقسمہ کے تعین کے لیے بند رہیں گی۔ 21 جنوری 2021 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، 2020

نوٹس:

کووڈ 19 کی صورتحال کی روشنی میں سیکوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے سرکلر نمبر 33 مورخہ 5 نومبر 2020 کی شرائط کے مطابق اپنے سرکلر نمبر 5، 2020 مورخہ 17 مارچ، 2020 میں سالانہ اجلاس عام منعقد کرنے کے لیے 31 جنوری، 2021 تک توسیع کر دی ہے اور کمپنیوں کو ہدایت کی ہے کہ وہ اپنے حصص یافتگان کی حفاظت اور فلاح و بہبود کے لیے عمومی اجلاسوں کے لیے اپنی معمول کی منصوبہ بندی میں ردوبدل کریں اور بڑے اجتماع سے گریز کریں۔ لہذا حصص یافتگان کو مشورہ دیا جاتا ہے کہ پراکسیوں کے ذریعے اپنی حاضری کو کم سے کم افراد تک محدود کریں۔ اس اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا اہل ممبر کسی دوسرے ممبر کو اپنی طرف سے شرکت، بولنے

اور ووٹ دینے کی غرض سے اپنی پراکسی کے طور پر مقرر کر سکتا ہے۔ پراکسیوں 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۔ ایک ممبر ایک سے زیادہ پراکسی کی تقرری نہیں کر سکتا۔ پراکسی فارم کے ساتھ CNIC کی تصدیق شدہ کاپی ہونا ضروری ہے۔

1. اجلاس کی کارروائی 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۔
2. CDC کے اکاؤنٹ ہولڈروں کو ہدایت کی جاتی ہے کہ وہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان 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 اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اپنی شناخت کی تصدیق اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا اصلی پاسپورٹ دکھا کر کرے گا۔
- 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 کے تقرر 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 رجسٹر اری یعنی کارپ لنک (پرائیویٹ) لیمیٹڈ کو ان کے پتے واقع Wings Arcade, 1-K, Commercial ماڈل ٹاؤن لاہور 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 - کمپنیز ایکٹ، 2017 کی دفعہ (2) 132 کے تحت دوسرے شہروں میں مقیم ایسے حصص یافتگان جن کے حصص کی مجموعی تعداد دس فیصد یا زیادہ ہے کمپنی سے مطالبہ کر سکتے ہیں کہ انہیں اجلاس میں شرکت کے لیے ووٹوں کی سہولت مہیا کی جائے۔ ووٹوں کی سہولت کا مطالبہ اجلاس کی تاریخ سے کم از کم دس روز قبل شیئرز رجسٹرار کے پتے پر موصول ہونا چاہیے۔ مجوزہ درخواست فارم سالانہ رپورٹ سے منسلک ہے۔

حسب الحکم بورڈ

سید انور علی
کمپنی سیکریٹری

بمقام لاہور۔

مورخہ 31 دسمبر، 2020

نون شوگر ملز لمیٹڈ

سالانہ رپورٹ

۲۰۲۰



66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔