

AL-NOOR SUGAR MILLS LTD.



Annual Report
2021

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Company Information

BOARD OF DIRECTORS

MR. ZIA ZAKARIA
MR. YUSUF AYOOB
MR. SULEMAN AYOOB
MR. NOOR MOHAMMAD ZAKARIA
MS. MUNIFA
MR. SHAMIM AHMAD
MR. FARRUKH YASEEN

BOARD AUDIT COMMITTEE

MR. SHAMIM AHMAD
MR. ZIA ZAKARIA
MS. MUNIFA

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. FARRUKH YASEEN
MR. SULEMAN AYOOB
MS. MUNIFA

CHIEF FINANCIAL OFFICER

MR. MUHAMMAD HANIF CHAMDIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL
FCMA

AUDITORS

M/S KRESTON HYDER BHIMJI & CO.
Chartered Accountants

LEGAL ADVISOR

MR. IRFAN
Advocate

REGISTERED OFFICE

96-A, Sindhi Muslim Society, Karachi-74400 Tel: 34550161-63 Fax: 34556675
Website: www.alnoorsugar.co

REGISTRAR & SHARES REGISTRATION OFFICE

C & K Management Associates (Pvt) Ltd.
404-Trade Tower,
Abdullah Haroon Road,
Near Metropole Hotel, Karachi - 75530

FACTORY

Shahpur Jahania, P.O. Noor Jahania,
Taluka Moro,
District Shaheed Benazir Bhutto Abad
(Nawabshah)



AL-NOOR
SUGAR MILLS LTD.

Mission

To gain strength through industry leadership in the manufacturing and marketing of sugar and Lasani Wood and to have a strong presence in these products markets while retaining the options to diversify in other profitable ventures.

To operate ethically while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio economic development of Pakistan especially in the rural areas through industrial expansion and development.

Vision

To be a model company producing sugar and allied products of international quality by maintaining high level of ethical and professional standards.

CODE OF CONDUCT

Al-Noor Sugar Mills limited is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

THE COMPANY

- Fulfills all statutory requirements of the Regulatory Authority and follows all applicable laws of the Country together with compliance of accepted accounting principles, rules and procedures required.
- Deals with all stakeholders in an objective and transparent manner so as to meet the expectations of those who rely on the Company.
- Meet the expectations of the spectrum of the society and the Regulatory Authority by implementing an effective and fair system of financial reporting and internal controls.
- Uses all means to protect the environment and ensures health and safety of the employees.
- Activities and involvement of directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are motivated by the interest of the Company rather than their own.
- Ensures efficient and effective utilization of its resources.

AS DIRECTORS

- Promote and develop attractive environment through responsive policies and guidelines to facilitate viable and timely decisions.
- Maintain organizational effectiveness for the achievement of the Company's goals.
- Support and adherence to compliance of legal and industry requirements.
- Safeguard the interest and assets of the Company to meet and honor all obligations of the Company.
- Promote a culture that supports enterprise and innovation with appropriate short-term and long term performance related rewards that are fair and achievable in motivating management and employees effectively and productively.

AS EXECUTIVE AND MANAGERS

- Ensure cost effectiveness and profitability of operations.
- Provide directions and leadership for the organization and take viable and timely decisions.
- Develop and cultivate work ethics and harmony among colleagues and associates.
- Encourage initiatives and self-realization in employees through meaningful empowerment.
- Promote and develop culture of excellence, conservation and continuous improvement.
- Provide pleasant work atmosphere and ensure an equitable way of working and rewarding system.
- Institute commitment to environmental, health and safety performance.

AS EMPLOYEES AND WORKERS

- Observe company's policies, regulations and Codes of Best Business Practices.
- Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- Make concerted struggle for excellence and quality.
- Devote productive time and continued efforts to strength the Company.
- Protect and safeguard the interest of the Company and avoid the conflict of interest. Ensure the primary interest in all respects is that of the Company.
- Maintain financial integrity and must avoid making personal gain at the Company's cost by participating in or assisting activities which compete with the Company.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 52nd Annual General Meeting of AL-NOOR SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Thursday, January 27, 2022 at 03.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 51st Annual General Meeting held on January 28, 2021.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2021 together with the Directors' and Auditors' Reports thereon.
3. To approve payment of Cash Dividend @ 50% i.e. Rs. 5.00 per ordinary share of Rs.10/= each for the year ended September 30, 2021 as recommended by the Board of Directors.
4. To appoint Auditors and to fix their remuneration for the year 2021-22. The present Auditors M/s Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

OTHER BUSINESS

5. To transact any other business with permission of the Chair.

By Order of the Board


M. YASIN MUGHAL
COMPANY SECRETARY

Karachi: December 27, 2021

NOTES:

1. Closure of Share Transfer Books:

The Register of the Members of the Company will remain closed from January 21, 2022 to January 30, 2022 (Both days inclusive) for the purpose of attending the Annual General Meeting /Transfer of shares / entitlement of cash dividend.

2. Participation in Annual General Meeting and appointing proxies:

A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote on his/her behalf. PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

In pursuance of Circular No.1 of SECP dated January 26, 2000 the CDC Account holders/subaccount holders are requested to bring with them their original CNICs or Passports alongwith Participant(s) ID Number and CDC account numbers at the time of attending the Annual General Meeting for identification purpose. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNICs or the Passports of the beneficial owners. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be submitted along with Proxy form to the Company. The nominee shall produced his original CNIC at the time of attending the meeting for identification.

3. Submission of copies of CNIC

Individual Shareholders are once again reminded to submit a copy of their valid CNIC, if not provided earlier, to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the company shall be constrained to withhold the Dividend, under the provisions of Section 243 of the Companies Act 2017.

4. Deduction of Withholding Tax from Dividend U/S 150 of the Income Tax Ordinance, 2001:

- (i) The rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 for payment of dividend are as follows:

Rate of tax deduction for the filer(s) of income tax return 15%.
Rate of tax deduction for the non-filer(s) of income tax return 30%.

- (ii) To enable the company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Tax-payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold such shares jointly, are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar in writing as follow:

Company Name	Folio/CDS Account #	Total Shares	Principal shareholder		Joint Shareholders		Signature
			Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)	

5. Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax:

As per FBR Circulars No.1(29) WHT/2006 dated June 30, 2010 and No.1(43) DG (WHT) 2008 - Vol - II-66417-R dated May 12, 2015 the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholders who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide Valid Tax Exemption Certificate to our Share Registrar.

In case of those shareholders who are non-residents are requested to please provide their respective detail including residence status /country of residence with copy of their NICOP to our Share Registrars before book closure. In case of non availability of status in their respective portfolio, the respective tax on dividends would be applicable.

6. Payment of Cash Dividend Electronically:

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash 'shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. A notice of the foregoing seeking information from shareholders for payment of dividend through electronic mode was sent earlier. The shareholders are now once again requested to provide their folio number, name and details of bank account including bank name, branch name, branch code and address, Account number, Title of Account and IBAN/swift code in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's broker /participant CDC Investor account services.

7. Unclaimed Dividend / Shares :

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividends and shares, shall be delivered to the SECP.

8. Circulation of Annual Audited Accounts through Email/CD/DVD/ USB :

Pursuant to the directions issued by the SECP vide SRO 787(1) 2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 whereby Securities and Exchange Commission of Pakistan (SECP) has directed and Shareholders of the company in the 47th Annual General Meeting held on January 31, 2017 approved to circulate Annual Audited Financial Statements (i.e. Statement of Financial Position, Statement of Profit or Loss Accounts, Statement of Comprehensive income, Statement of cash flows, notes to the Financial Statement, Auditor's and Director's Reports) along with notice of Annual General Meeting to its members through e-mail /CD/DVD/USB/ at their registered Addresses.

Shareholders who wish to receive the printed / hard copy of Financial Statements shall have to fill the standard request form available on the Company's website www.alnoorsugar.co

9. Deposit of Physical Shares into CDC Accounts.

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from commencement of the companies Act,

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor's account directly with the CDC to place their physical shares into scrip less form. This will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing Regulations of Pakistan Stock Exchange.

10. Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.alnoorsugar.co

11. Video Conference Facility and Attendance.

As per directive of SECP Members may attend the Meeting virtually. To attend the Meeting virtually, a Member is required to send an e-mail to agm.alnrs@alnoorgroup.co with e-mail address, name, folio number, CNIC Number, Cell number and number of shares held in his / her name with subject "Registration for AGM of ALNRS". A video link to join the Meeting will be shared with Members whose e-mails, containing all the required particulars, are received not later than 48 (forty-eight) hours before the time of the Meeting.

12. Change of Address and Non-Deduction of Zakat Declaration Form:

Shareholders are requested to inform the Company's Share Registrar, M/s. C & K Management Associates (Pvt.) Limited, 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotel, Karachi of any change in their addresses and provide their non-deduction of zakat declaration Form immediately.

Note: In compliance of circular SMD/SE/2(20)/2021/117 dated 15th December, 2021 by the Commission members are requested to adhere with the following guidelines in case they wish to attend the meeting physically:

- 1) Vaccination Certificate has to be checked while entering the premises for attending the meeting physically.
- 2) Members are requested to send their vaccination certificates at the registered office or email us at agm.alnrs@alnoorgroup.co at least two days before holding of an AGM to be held on Thursday, 27th January, 2022 at 3:00 p.m. for making the arrangements accordingly.
- 3) Wearing of mask during the entire meeting is mandatory.
- 4) Accompanying children or any person who is not eligible to attend the meeting is strictly prohibited.
- 5) Please follow the seating arrangement as per social distancing norms in the meeting area.
- 6) Members with even mild cough or low-grade fever are prohibited to attend the meeting.

For any query/clarification/information, the shareholder may contact the company. And/or the Share Registrar.

CHAIRMAN'S REVIEW REPORT

It is a matter of great pleasure for me to communicate with our valued members and stakeholders to present the financial statements which also contain other pertinent information for the year ended September 30, 2021. I also appreciate overall performance of the Board and their effective role played by the members of the Board in achieving the company's objectives. The Company has performed well and achieved the crushing target of 677,781 metric tons of sugarcane although the cane crop was not upto the expectation.

The world faced un-precedent challenge in the form of corona virus during the second consecutive period which is under review which has posed serious threats and losses of lives and loss of employment. The Board ensured compliance of all regulatory requirements by the Management.

The Board focused on developing and reviewing the company's corporate vision and achievement of its objectives which are reflected in the financial performance of the company.

Despite immense challenges in the foregoing year, the Company was able to achieve positive results mainly due to contribution by MDF Board division and value addition in its various products. The Company has taken continued steps in the field of sugarcane development, energy efficiency, and value addition to ensure the sustainability of the Company.

On behalf of the Board of Directors, I would like to acknowledge the contribution of all our employees to the success of the Company. I look forward to and pray to Allah Subhana Wa Taa'ala for the coming years of success and continuous growth of the Company.



Zia Zakaria
Chairman

Karachi
December 27, 2021



DIRECTORS' REPORT TO THE MEMBERS

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear members Asslamu Alaikum

I feel great pleasure to present to you on behalf of the Board of Directors the achievements of your company along with the audited financial statements and Auditors' Report thereon for the year ended September 30, 2021. The principal activity of your company is to manufacture sugar and MDF Board in various thicknesses. Significant production and financial data is provided as under.

FINANCIAL PERFORMANCE:

	<u>2020-21</u>	<u>2019-20</u>
	(Rupees in thousand)	
Profit before taxation	451,118	429,886
Provision for taxation	(240,228)	(227,423)
Net profit after taxation	210,890	202,463
Profit per share- basic and diluted	Rs.10.30	Rs.9.89

OPERATIONAL RESULTS:

	<u>2020-21</u>	<u>2019-20</u>
Sugarcane crushed (M Tons)	677,785	769,428
Sugar produced (M Tons)	68,623	74,665
Sugar recovery percentage	10.12	9.71
Molasses produced (M Tons)	30,800	35,010
MDF Production (Cubic Meters)	86,494	71,280

FINANCIAL DATA:

	(Rupees in thousands)	
Sales	10,791,880	10,906,700
Cost of sales	(9,087,207)	(9,214,432)
Gross profit	1,704,673	1,692,268
Distribution cost	(68,475)	(61,402)
Administration expenses	(662,385)	(611,194)
Other expenses	(195,127)	(174,104)
Financial cost	(389,461)	(554,826)
Other income	40,883	20,609
Share of profit in associates	21,030	118,535
Profit before tax	451,118	429,886

PERFORMANCE REVIEW:

SUGAR DIVISION:

By the blessings of Allah the performance of your company was satisfactory. During the period under consideration your company achieved recovery rate of 10.12 percent as compared to 9.71 percent achieved in last year. Increase in the recovery rate was mainly due to good quality of sugarcane as the crushing was commenced when the cane was fully matured for crushing. The sugar produced was 68,623 metric tons which was lower by 6,042 metric tons or 8.09 percent over the production of previous year, due to facing tough competition with neighboring mills.

MEDIUM DENSITY FIBRE (MDF) BOARD DIVISION:

MDF board division performed well and produced 86,494 cubic meters of products in various thickness as against 71,280 cubic meter produced during the previous year. The production is substantially higher than last year by 15,214 cubic meters or 21.34 percent. The sales volume of 111,974 cubic meters as against 104,063 cubic meters which is slightly higher than last year. The sales value increased to Rs.5,722.706 million as against Rs.4,772.913 million achieved last year indicating an increase of about 20 percent. The sale value increase was due to higher component of value added products.

POWER GENERATION DIVISION:

Agreement executed with Water And Power Development Authority was for a period of ten years which has since expired. There was no sale of electricity to Sukkur Electric Supply Company (SESC) during this period, the proposal for sale of electricity which already submitted to National Electric Power Regulatory Authority (NEPRA) has approved sales electricity of 8 mega watt to Sukkur Electric Supply Company and the agreement has made for upcoming crushing season.

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CORPORATE GOVERNANCE:

1. The Financial Statements prepared by the management of the Company present fairly its states of affairs, the results of operations, cash flow and changes in equity.
2. The Company has maintained proper books of accounts as required under the law.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
5. The system of internal control is sound in design and has been effectively implemented and monitored during the period.
6. There are no significant doubts upon the Company's ability to continue as going concern.
7. There has been no material departure from the best practices of the Code of Corporate Governance as detailed in the Listing Regulations of Pakistan Stock Exchange.
8. There have been no outstanding statutory payments, except those under normal course of business and some disputed cases, which are appearing in the relevant notes to the financial statements.
9. The pattern of shareholding in the Company as on September 30, 2021 is also included in the Annual Report.
10. The Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the Company except as otherwise indicated.
11. The value of investment and balance in deposit accounts of Provident Fund based on un-audited accounts as at June 30, 2021 amounted to Rs.251.500 million.

The key operating and financial data of the last ten years and pattern of shareholding have been included in the Annual Report. There has been no significant change in the holding of directors or their spouses except otherwise indicated.

COMPOSITION OF BOARD OF DIRECTORS:

There was no change in the composition of the Board of directors since last election held on March 30, 2020. During the period under review four meetings of the Board were held and attendance by each director was as follow.

S.No.	NAME OF DIRECTORS	ATTENDED	STATUS
01.	Mr. Zia Zakaria (Chairman)	4	Non-executive
02.	Mr. Yusuf Ayub	4	Executive
03.	Mr. Suleman Ayoob	4	Executive
04.	Mr. Noor Muhammad Zakaria	3	Non-executive
05.	Ms. Munifa Ayoob	4	Non-executive
06.	Mr. Shamim Ahmad	4	Independent Director
07.	Mr. Farrukh Yaseen	4	Independent Director



The details of remuneration of executive directors have also been provided in the relevant note to the financial statements as required under the Listing Regulations of Pakistan Stock Exchange. No remuneration is paid to the non-executive and independent directors except the meeting fee.

AUDIT COMMITTEE:

As required under the Code of Corporate Governance included in the Listing Regulations of Pakistan Stock Exchange the Board has constituted an Audit Committee comprising of the following directors. During the period under consideration four meetings of Audit Committee were held and attendance of each member was as under:

NAMES OF DIRECTORS	DESIGNATION	ATTENDED	STATUS
Mr. Shamim Ahmad	Chairman	4	Independent Director
Mr. Zia Zakaria	Member	4	Non-executive
Ms. Munifa Ayoob	Member	4	Non-executive

Terms of reference of Audit Committee has been determined by the Board as laid down in the Listing Regulations of Pakistan Stock Exchange.

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Board also constituted Human Resource and Remuneration Committee as required under the Code of Corporate Governance comprising of the following Directors. During the year one meeting of the Committee was held and was attended by all the members of the Committee.

NAMES OF THE DIRECTORS	DESIGNATION	STATUS
Mr. Farrukh Yaseen	Chairman	Independent Director
Mr. Suleman Ayoob	Member	Executive Director
Ms. Munifa Ayoob	Member	Non-executive

DIRECTORS' REMUNERATION POLICY AND REMUNERATION:

As per articles of the Company, the Board of Directors is authorized to fix remuneration of executive and non-executive and independent Directors from time to time and approval of members in general meeting is required in accordance with the articles of the Company and applicable laws. The Board of Directors has developed a Directors' Remuneration Policy which describes in detail the Policy's objectives and a transparent procedure for determination of the remuneration packages of individual director for attending the Board's meetings and its committees. Salient features, amongst other, of Directors' Remuneration Policy included that the level of remuneration shall be competitive and sufficient to attract and retain qualified and skilled individuals on the Board, there shall be no gender discrimination and the remuneration shall not be at a level that could be perceived to compromise independence of the directors.

Details of the aggregate amount of remuneration of executive and non-executive directors are disclosed in note 37 to the financial statements.

FUTURE OUTLOOK:**SUGAR DIVISION:**

The price of sugar cane is notified by the Government of Sindh whereas the selling price of final product is left open to the market forces. As a result whenever there is bumper cane crop, the production of sugar is increased considerably whereas the consumption pattern remains unchanged. As the crushing season has just commenced it cannot be estimated that the production sugar would be sufficient to meet the requirement of the country. In order to meet the short fall, if any, TCP has imported sufficient volume of sugar in order to meet such situation and avoid criticism. This situation affects the price of sugar in the markets and vice versa. Crushing season 2021-22 has since been commenced and it is expected that the production of sugar would be slightly higher than last year. Due to good rainfall in the province the recovery rate is also expected to enhance than last year. During the crushing season 2020-21 the growers were paid higher cost of the cane due to scarcity of the same. The Government of Sindh has notified the price of sugarcane at Rs.250/= per forty kgs vide notification No.8(142)/S.O(Ext)2021-22 dated November 04, 2021 as against Rs.202/= notified last year. Cost of production is enhanced when the growers are reluctant to sell their crop at notified price and the company has no option but to pay additional cost in order to run the factory at economical scale.

MDF BOARD DIVISION:

Alhamdulillah MDF board division produced 86,494 cubic meters of board in various thickness keeping in view the demand of the product in local and neighboring countries' markets as against 71,280 cubic meters produced in the same period last year. Products of the division has established its acceptability in the markets and neighboring countries. Laminated value added products' demand has increased due to Government patronizing the construction industry in order to provide house to middle and lower class of population in the country. Due to introduction of this scheme the demand for MDF product specifically for value added laminated products has increased. It is expected that the MDF board industry of the country will progress considerably keeping in view the expansion in the housing sector.

CREDIT RATING OF THE COMPANY:

VIS Credit Rating Company has assigned initial medium to long term entity rating of "A-/A-2" (Single "A" Minus A-Two) to the Company. Outlook on the outstanding rating is "Stable".

CORPORATE AND SOCIAL RESPONSIBILITY:

The Company continued to take initiatives under its vibrant Corporate and Social Responsibility program education, health care, environment and other noble causes in its franchise area. The Company has a proven record of its strong commitment for improvement of society and the communities in which it operates. The Company undertook numbers of welfare activities such as established a school up to secondary level, holding of medical camps on interval basis, financial assistance to deserving villagers, providing fertilizer and quality seed to growers, supply of free ration and medical assistance to deserving individuals.

ENVIRONMENTS AND COMPANY'S BUSINESS:

Your company's objective is to minimize any negative impact on environment. The management always takes serious responsibility toward conservation of Environment in every sphere of its operation. With an effort to further highlight the importance of environment preservation, your Company continued with its tree plantation campaign in and around its mill sites. Your company is committed to minimize environmental impact by reducing waste and emissions and conduct its business with the highest concern for health and safety of its employees, customers, suppliers, neighbors and the general public. The company planted trees in industrial and surrounding areas in order to keep the environment neat and clean.

**RELATED PARTIES TRANSACTIONS:**

All related parties transactions were placed before the Board's Audit Committee and the Board for final approval as required under the Listing Regulations of Pakistan Stock Exchange. Related parties transactions carried out during the year 2017-18 were also placed before the members in the Annual General Meeting as required under Section 208 of the Companies Act 2017. Members also accorded approval of the related parties transactions to be carried out in future by the management under arm's length price. All transactions entered into related parties was approved by the Board after approval by the Board's Audit Committee which is presided by an independent director.

CONTRIBUTION TO NATIONAL EXCHEQUER:

The company is also contributing to enhance the resources of the country in the form of taxes, duties and earning foreign exchange through export of sugar as and when allowed by the Government, and exporting laminated products of MDF board division. During the period under review your company has exported MDF laminated product and earned valuable foreign exchange for the country. This has also helped to reduce the trade deficit to some extent.

RISK MANAGEMENT AND OPPORTUNITIES:

The Company operates in a challenging environments and the management has set up an effective mechanism for identification, evaluation and mitigation of risk which enable smooth operation and ensures that focus remains on business growth.

CREDIT RISK:

The company usually sale the products against advance payments but in case of credit sale proper due diligence of customers is exercised to whom credit is extended.

MARKET RISK:

The company is exposed to risk of changes in the price of its raw materials and finished products. This is managed by planning of stock levels and continuous monitoring of markets for purchase and sale through various sources in time and intervals found appropriate.

LIQUIDITY RISK:

The Company has managed working capital requirements from various banks to cater to the mismatch between sales receipts and payments for purchases in order to meet its business obligations. The Board periodically reviews major risk faced by the business and take necessary actions in order to mitigate the risk. Audit Committee also reviews the financial and compliance risks. The Human Resource and Remuneration Committee reviews the compensation and reward policies to ensure that these are competitive and effective for retention and attraction of talented and experience staff.

MECHANISM FOR EVALUATION OF BOARD:

Members of the Board and committees thereof are highly experienced personnel and continuously striving to improve their effectiveness and undertake annual review to access the Board and committees performance from time to time. The Board also reviews the developments in the corporate sector and Governance to ensure that the company remained aligned with the best practices and development taking place in the corporate sector.

DIVIDEND:

Cash dividend @ 50 percent i.e. Rs. 5.00 per share of Rs. 10/= each (2020, 30 percent i.e. Rs.3.00 per share of Rs. 10/= each) has been recommended by the Board for the current year.

APPOINTMENT OF AUDITORS:

With conclusion of the Annual General Meeting the present Auditors, M/s Kreston Hyder Bhimji and Company, Chartered Accountants, retired and being eligible offered themselves for reappointment for the financial year 2021-22. Audit Committee also recommended their appointment and the Board of your company endorsed the recommendations of the Audit Committee for their re-appointment for the year 2021-22 subject to the approval by the members in the forth coming Annual General Meeting.

STAFF RELATIONS:

Finally the directors placed on record their appreciation for devotion of duty and hard work of the executives, staff members and workers for smooth running of the company's affairs, meeting the objectives and targets in the current demanding environments and are confident that they will continue to demonstrate the same zeal and vigor in future under the blessing of our Creator.

By order of the Board



YUSUF AYOOB
MANAGING DIRECTOR / CEO



ZIA ZAKARIA
CHAIRMAN / DIRECTOR

Karachi: December 27, 2021



KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
					(Restated)	(Restated)				(Restated)
BALANCE SHEET:										
Share Capital	204,737	204,737	204,737	204,737	204,737	204,737	204,737	204,737	194,988	185,703
Reserves	1,913,458	1,703,095	1,497,153	1,268,994	1,336,842	1,395,588	1,232,727	1,028,809	956,392	926,504
Surplus on revaluation										
of fixed assets	1,303,580	1,364,357	1,429,316	1,527,935	1,058,349	1,111,915	1,184,605	1,230,740	1,243,465	621,224
Long Term Liabilities	2,001,907	2,685,000	2,136,875	2,101,737	2,198,959	1,607,704	1,120,111	1,174,073	1,052,803	715,979
Deferred Liabilities	609,631	516,129	460,851	356,862	543,755	642,921	648,983	690,169	731,339	374,560
Lease Liability against										
right-of-use asset	712	5,245	-	-	-	-	-	-	-	-
Current Liabilities	3,066,384	2,228,047	3,524,797	3,981,330	4,177,513	2,044,518	2,758,206	2,236,586	1,930,760	3,147,017
Operating Assets	4,839,744	4,906,966	4,771,459	4,841,661	4,417,460	4,110,945	3,639,629	3,706,951	3,479,922	2,674,032
Right-of-use asset	10,605	17,781	-	-	-	-	-	-	-	-
Long Term Deposits	4,268	4,268	4,238	3,094	5,510	3,560	3,552	46,954	37,889	42,835
Long Term Loans	4,771	1,737	2,912	3,893	3,227	3,935	6,022	3,516	2,196	4,230
Long Term Investments	729,327	747,755	685,385	522,710	264,864	272,070	260,215	246,884	260,215	172,566
Current Assets	3,511,694	3,025,264	3,784,054	4,067,654	4,829,094	2,616,873	3,239,951	2,560,809	2,406,599	3,074,050
TRADING:										
Turnover	1,0791,880	10,906,700	9,340,031	9,080,899	6,895,714	8,103,145	6,966,274	7,699,097	7,594,313	6,129,081
Gross Profit	1,704,673	1,692,268	1,167,112	(652,569)	705,115	963,780	1,027,737	848,907	8,377,847	678,924
Operating Profit	974,513	1,019,973	517,944	(1,359,854)	705,925	963,737	1,028,381	851,525	840,823	682,242
Profit before Tax	451,118	429,886	456,886	(243,346)	(126,833)	226,150	221,089	76,223	126,267	(85,513)
Profit after Tax	210,890	202,463	189,334	(120,834)	(30,319)	170,080	166,319	31,333	24,074	(43,099)
Earning per share	10.30	9.89	9.25	(5.90)	9.89	8.31	8.12	1.53	1.18	(2.21)
Cash dividend	50%	30%	30%	15%	-	40%	33%	10%	5%	5%
Bonus shares	-	-	-	-	-	-	-	-	5%	5%
SUGAR PRODUCTION:										
a) From Cane	68,623	74,665	94,825	110,810	127,798	92,501	104,283	126,719	99,740	88,058
b) From Raw Sugar										
Sugar Produced (M.Tons)	68,623	74,665	94,825	110,810	127,798	92,501	104,283	126,719	99,740	88,058
Cane crushed (M.Tons)	677,785	769,428	894,494	1,108,106	1,315,682	769,428	1,013,118	1,293,261	959,302	885,101
Recovery (%)	10.12%	9.71%	10.60%	10.00%	9.70%	10.20%	10.30%	9.80%	10.40%	9.95%

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS 2019 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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

1. The total number of directors are 7 as per the following,-

- a. Male: 6
- b. Female: 1

2. The composition of Board is as follow:

(a) Independent director:

- i) Mr. Shamim Ahmad
- ii) Mr. Farrukh Yaseen

(b) Non-Executive directors:

- i) Mr. Noor Mohammad Zakaria
- ii) Mr. Zia Zakaria
- iii) Ms. Munifa Ayoob

(c) Executive directors:

- i) Mr. Yusuf Ayoob
- ii) Mr. Suleman Ayoob

Following the election of Directors, the Board was reconstituted on April 1, 2020 comprising of seven directors including two independent directors. One third of seven comes to 2.33 and the fraction was not rounded upward to one to have three independent directors in observance of general mathematic principle.

- 3. The directors have confirmed that none of them is serving as a director for more than seven listed companies, including this company;
- 4. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- 5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. Since the Chairman and all the directors have prescribed education and experience required for exemption under clause 19(2) of the CCG Regulations accordingly they are exempted from attending directors training program pursuant to clause 19(1) of the CCG Regulations. However one of the directors has acquired the required certification.
- 10. The Board has approved the appointment of Chief Financial Officer, (CFO) including his remuneration and terms and condition of employment and complied with the relevant requirements of the Regulations. The remuneration, terms and conditions of the employment of CFO, Company Secretary and Head of Internal Audit and any change thereto have been approved by the Board.
- 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;



12. The Board has formed committees comprising of members given below:-

- | | |
|--|----------|
| a) Audit Committee: | |
| Mr. Shamim Ahmad | Chairman |
| Mr. Zia Zakaria | Member |
| Ms. Munifa Ayoob | Member |
| b) HR and Remuneration Committee: | |
| Mr. Farrukh Yaseen | Chairman |
| Mr. Suleman Ayoob | Member |
| Ms. Munifa Ayoob | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

- | | |
|-----------------------------------|--|
| a) Audit Committee; | Four quarterly meetings including annual meeting |
| b) HR and Remuneration Committee: | One annual meeting |

15. The Board has set up an effective internal audit function in the company managed by qualified and experience professional, who are conversant with the policies and procedures of the Company and industry's best practices. They are involved in the internal audit function on full time basis. The head of internal audit department functionally reports to the Board's Audit Committee

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in 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.

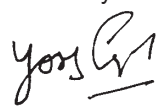
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below.

- i. The requirement of Nomination Committee is optional in regulation no 29. The Board takes care of the responsibilities prescribed for Nomination Committee so a separate Nomination Committee is not considered necessary.
- ii. The requirement of Risk Nomination committee is optional in regulation no 30. The risk management is carried at the overall company's level by the executive management of the Company by the CEO. The Company's management monitors potential risk and risk management procedures are carried out to identify, access and mitigate any identified or potential risk. The Board is also apprised from time to time about the risks and their management. Therefore, it is not considered necessary to have a separate committee in this respect.
- iii. Since the requirement with respect to disclosure of significant policies on the website is optional in regulation No. 35(1), the company has uploaded only limited information in this respect on the company's website. However significant related information in respect of salient policies are disclosed in the annual reports of the Company which are duly uploaded on the website and are available for every one assessing the website. The company will however, review and place key elements of the policies if considered necessary.


ZIA ZAKARIA
CHAIRMAN


YUSUF AYOOB
CHIEF EXECUTIVE OFFICER

Karachi: December 27, 2021

Independent Auditor's Review Report to the Members of Al-Noor 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 Al-Noor Sugar Mills Limited (the Company) for the year ended September 30, 2021 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, 2021.

Chartered Accountants

Kreston Hyder Bhimji & Co

Dated: December 27, 2021

Suite No. 1601, 16th Floor, Kashif Centre, Shahrah-e-Faisal, Karachi. Phone: 92-21-35640050 to 52 Fax: 92-21-35640053,
Website: www.krestonhb.com E-mail: hyderbhimji@yahoo.com, hyderbhimji@gmail.com

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AL-NOOR SUGAR MILLS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Al-Noor Sugar Mills Limited, ("the Company") which comprise the statement of financial position as at September 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes 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, 2021 and of the profit, total comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current 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 matter. Following are the Key audit matters:

S.No.	Key audit matter	How the matter was addressed in our audit
1.	<p>Borrowings</p> <p>The Company has significant amounts of borrowings from Banks and other financial institutions amounting to Rs. 4,068 million, being 72% of total liabilities, as at reporting date.</p> <p>Given the significant level of borrowings, finance costs, significant gearing impact and the compliance requirement with various loan covenants, this is considered to be a key audit matter.</p> <p>(Refer Notes 3.10, 19 and 24 to the financial statements).</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Review of loan agreements and facility letters to ascertain the terms and conditions of repayment, rates of markup used for finance costs and to ensure that the borrowings have been approved at appropriate level. Verification of disbursement of loans and utilization on sample basis. Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made.

S.No.	Key audit matter	How the matter was addressed in our audit
		<ul style="list-style-type: none"> Understanding and assessing procedures designed by management to comply with the debt covenants and performing covenant tests on sample basis. Obtaining confirmation from Banks and other lenders of the Company to confirm balances, terms and conditions stated in the terms sheets and compliance thereof. Review of charge registration documents. Performing analytical procedures, recalculations and other related procedures for verification of finance costs. Ensuring that the outstanding liabilities have been properly classified and related securities and other terms are adequately disclosed in the financial statements.
2.	<p>Contingencies</p> <p>The Company is under litigations in respect of various matters including industry wide matters as well as pending tax matters and other miscellaneous claims in respect of the assets/ payables of the company as disclosed in note 25 of the annexed financial statements.</p> <p>These contingencies require management's judgments and estimates in relation to the interpretation of relevant laws, notifications and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the annexed financial statements.</p> <p>Accordingly, these are considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee. Review of the relevant information including case proceedings, related industry information and correspondence in respect of the ongoing litigations. Obtaining confirmation from the legal counsel of the company to evaluate the status of the pending litigations and view point of the company's legal counsel thereon. Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed. Assessing the appropriateness of the related disclosures made in the accompanying financial statements in light of IAS-37 "Provisions and Contingencies."

Information Other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the Annual report of the Company, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 auditor's report is Fahad Ali Shaikh.

Kreston Hyder Bhimji & Co

CHARTERED ACCOUNTANTS

Place: Karachi

Dated: December 27, 2021



STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

AS AT SEPTEMBER 30, 2021		2021	2020
	Note	Rupees in thousand	
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,839,744	4,906,966
Right-of-use assets	5	10,605	17,781
Intangible asset	6	-	2,839
Long term investments	7	729,327	747,755
Long term loans	8	4,771	1,737
Long term deposits	9	4,268	4,268
		5,588,715	5,681,346
CURRENT ASSETS			
Stores, spare parts and loose tools	10	491,515	424,564
Stock in trade	11	1,871,492	1,181,207
Trade debts	12	390,866	461,688
Loans and advances	13	121,762	71,382
Trade deposits and short term prepayments	14	6,772	9,811
Other receivables	15	184,245	335,921
Taxation - Net		213,560	153,633
Cash and bank balances	16	231,482	387,058
		3,511,694	3,025,264
		9,100,409	8,706,610
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital			
50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	17	204,737	204,737
Revenue Reserve			
General reserve		1,000,000	1,000,000
Unappropriated profit		916,054	705,809
Share of associate's unrealised loss on remeasurement of its investment at fair value through other comprehensive income		(2,596)	(2,714)
Capital Reserve			
Surplus on Revaluation of Property, Plant and Equipment	18	1,303,580	1,364,357
		3,421,775	3,272,189
NON-CURRENT LIABILITIES			
Long term financing	19	2,001,907	2,685,000
Lease liability against right-of-use-assets	20	712	5,245
Deferred taxation	21	609,631	516,129
		2,612,250	3,206,374
CURRENT LIABILITIES			
Trade and other payables	22	946,429	1,355,959
Accrued finance cost	23	41,775	46,454
Short term borrowings	24	1,364,840	402,138
Unclaimed dividend		7,140	6,413
Current portion of long term financing	19	701,667	406,875
Current portion of lease liability against right-of-use-assets	20	4,533	10,208
		3,066,384	2,228,047
CONTINGENCIES AND COMMITMENTS			
	25	-	-
		9,100,409	8,706,610

The annexed notes from 1 to 47 form an integral part of these financial statements.

YOUSUF AYOOB
Chief Executive Officer

ZIA ZAKARIA
Chairman

MUHAMMAD HANIF CHAMDIA
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 Rupees in thousand	2020
Sales	26	10,791,880	10,906,700
Cost of sales	27	(9,087,207)	(9,214,432)
Gross profit		1,704,673	1,692,268
Profit from trading activities	28	700	301
		1,705,373	1,692,569
Less:			
Distribution cost	29	(68,475)	(61,402)
Administrative expenses	30	(662,385)	(611,194)
Other expenses	31	(195,127)	(174,104)
		(925,987)	(846,700)
		779,386	845,869
Other income	32	40,163	20,308
		819,549	866,177
Finance cost	33	(389,461)	(554,826)
		430,088	311,351
Share of profit from associates	7	21,030	118,535
Profit before taxation		451,118	429,886
Taxation	34	(240,228)	(227,423)
Profit after taxation		210,890	202,463
Earning per share - Basic and Diluted (Rupees)	35	10.30	9.89

The annexed notes from 1 to 47 form an integral part of these financial statements.



YOUSUF AYOOB
Chief Executive Officer



ZIA ZAKARIA
Chairman



MUHAMMAD HANIF CHAMDIA
Chief Financial Officer




STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Note	2021 Rupees in thousand	2020
Profit after taxation		210,890	202,463
Other Comprehensive Income			
Items that shall not be reclassified subsequently to profit or loss			
Share of associate's unrealized gain / (loss) on remeasurement of its investment at fair value through other comprehensive income-net of deferred tax	7	118	(59)
Items that may be reclassified subsequently to profit or loss			
Total Comprehensive Income for the year		211,008	202,404

The annexed notes from 1 to 47 form an integral part of these financial statements.


YOUSUF AYOOB
 Chief Executive Officer



ZIA ZAKARIA
 Chairman


MUHAMMAD HANIF CHAMDIA
 Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2021

Issued, Subscribed & paid up capital	Revenue Reserve		Share of associate's unrealized (loss) / gain on remeasurement of investment at fair value through other comprehensive income	Revaluation surplus on property, plant and equipment	Total
	General reserves	Un-appropriated profit			
..... Rupees in thousand.....					
204,737	1,000,000	499,808	(2,655)	1,429,316	3,131,206
-	-	(61,421)	-	-	(61,421)
-	-	202,463	(59)	-	202,404
-	-	51,436	-	(51,436)	-
-	-	13,523	-	(13,523)	-
204,737	1,000,000	705,809	(2,714)	1,364,357	3,272,189
204,737	1,000,000	705,809	(2,714)	1,364,357	3,272,189
					-
					-
					-
-	-	(61,421)	-	-	(61,421)
-	-	210,890	118	-	211,008
-	-	48,198	-	(48,198)	-
-	-	12,578	-	(12,578)	-
204,737	1,000,000	916,054	(2,596)	1,303,580	3,421,775

The annexed notes from 1 to 47 form an integral part of these financial statements.



YOUSUF AYOOB
Chief Executive Officer



ZIA ZAKARIA
Chairman



MUHAMMAD HANIF CHAMDIA
Chief Financial Officer




STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

		2021	2020
	Note	Rupees in thousand	
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		451,118	429,886
Adjustments for:			
Depreciation on property, plant and equipment	4.1.1	311,469	287,849
Depreciation on right-of-use assets	5	7,176	3,748
Amortization of intangible assets	6	2,839	2,842
Gain on disposal of property, plant and equipment	32	(12,936)	(2,562)
Unclaimed liabilities written back	32	(6,600)	(3,961)
Impairment allowance for receivable against export subsidy	15.2	148,156	103,344
Expected credit loss against trade debts	12.1	1,000	6,879
Impairment allowance against receivable for cane development cess	15.2	-	8,238
Sales tax with-held (SEPCO) - Written off		-	4,523
Impairment allowance for obsolescence and slow moving items	10.1	13,796	12,451
Doubtful advances - Written off	31	-	4,296
Finance cost	33	389,461	554,826
Interest on lease liability against right of use assets	20	827	-
Share of profit from associates	7	(21,030)	(118,535)
		834,158	863,938
Cash generated before working capital changes		1,285,276	1,293,824
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(80,747)	(75,351)
Stock in trade		(690,285)	971,840
Trade debts		69,822	38,240
Loans and advances		(50,380)	(9,685)
Trade deposits and short term prepayments		3,039	1,910
Other receivables		3,520	(7,509)
		(745,031)	919,445
Increase / (decrease) in current liabilities			
Trade and other payables		(402,929)	241,840
Short term borrowings		962,702	(1,127,081)
		559,773	(885,241)
		1,100,018	1,328,028
(Payments to) / Receipts from			
Income tax paid		(206,675)	(174,161)
Finance cost paid		(394,140)	(618,833)
(Increase)/(Decrease in long term loans		(3,034)	1,175
(Increase) in long term deposits		-	(30)
		(603,849)	(791,849)
Net cash inflow from operating activities		496,169	536,179
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(250,304)	(424,964)
Additions right-of-use assets		-	(21,529)
Sale proceeds from disposal of property, plant and equipment		18,992	4,170
Dividend received from associate		39,597	56,096
Net cash used in investing activities		(191,715)	(386,227)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing		49,824	800,000
Repayment of long term financing		(438,125)	(609,861)
Addition to lease liability against right of-use-asset		-	21,529
Repayment of lease liability against right-of-use		(11,035)	(7,114)
Dividend paid		(60,694)	(60,669)
Net cash (used in) / inflows from financing activities		(460,030)	143,885
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(155,576)	293,837
Cash and cash equivalents at the beginning of the year		387,058	93,221
Cash and cash equivalents at the end of the year		231,482	387,058

The annexed notes from 1 to 47 form an integral part of these financial statements.


YOUSUF AYOOB
 Chief Executive Officer


ZIA ZAKARIA
 Chairman


MUHAMMAD HANIF CHAMDIA
 Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2021

1. THE COMPANY AND ITS OPERATIONS

Al-Noor Sugar Mills Limited (the Company) was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operates sugar, medium density fiber (MDF) board and generation of power units. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. The immovable property of the Company is located at Shahpur Jahania District Shaheed Benazirabad and District Noushero Feroze in the province of Sindh having total area of 207.25 Acres. Sugar Division located at Shahpur Jahania District Shaheed Benazirabad occupies an over area of 150.175 Acres whereas MDF board division located at Shahpur Jahania District Noushero Feroze occupies an over area 57.075 Acres.

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention' except otherwise specifically stated in the financial statements. The company uses accrual basis of accounting except for cash flow statement.

2.2 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 as applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency.

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods as appropriate. In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

a) Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment. In making these estimates, the Company uses technical resources available with the Company. The company also uses judgments and estimates in determining fair values of items carried at revalued amounts. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effects on the depreciation and impairment.



b) Stock-in-trade

The Company reviews the net realizable value of stock in trade to assess any impairment in the respective carrying values. Net realizable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

c) Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and decision by appellate authorities on certain issues in past. Due weightage is given to past history while determining the ratio of future export sales for the purposes of calculating deferred taxation.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

d) Impairment of non-financial assets

The Company reviews carrying amount of assets annually to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount is estimated and impairment losses are recognized in the statement profit or loss.

e) Stores and spare parts and loose tools with respect to impairment allowance for obsolescence and slow moving items

The estimates of slow moving and obsolete stores, spare parts and loose tools, are made, using and appropriately judging the relevant inputs and applying the parameters i.e. age analysis, physical condition, obsolescence, etc. as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effect of variation is given as and when it takes place.

f) Impairment of financial assets

The Company reviews its doubtful trade debts, loans, deposits and receivables at each reporting date to assess whether an impairment allowance should be recorded in the statement profit or loss. In particular, judgment by management is required in the estimation of the recoverable amount and timing of future cash flow when determining the level of provision required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in making payments are considered as indicators that the dues are doubtful and the impairment allowance is recognized in the statement profit or loss.

g) Contingencies

The assessment of the contingencies inherently involves the exercise of significant judgment as the outcome of the future events cannot be predicted with certainty. The Company, based on the availability of the latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

h) Provisions

Estimates with respect to provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

i) Leases

The company uses judgements and estimates in measurement of right-of-use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination option ect, as disclosed in note 3.1 (c) and 3.11.

2.5 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

2.5.1 Standards, interpretations and amendments to published approved accounting standards that became effective during the year

The following Standards, amendments and interpretations are effective for the year ended September 30, 2021. These Standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendment to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards.	January 1, 2020
Amendments to IFRS 3 'Business Combinations'-Amendment regarding the definition of business.	January 1, 2020
Amendment to IAS 1 'Presentation of Financial statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'-Amendments regarding the definition of material.	January 1, 2020
Amendments to IAS 39, IFRS 7 & IFRS 9- The amendment will effect entities that apply the hedge accounting requirements of IFRS 9 pr IAS 39 to hedging relationship directly/affected by the interest rate benchmark reform	January 1, 2020

Certain other amendments and annual improvements to existing standards have also become effective which are not relevant or do not have significant impact.

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

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective from accounting period beginning on or after
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond	January 1, 2021
Interest Rate Benchmark Reforms- Phase 2 (Amendment to IFRS 4, IFRS 7 IFRS 9, IFRS 16, and IAS 39)	January 1, 2021
Amendment to IFRS 3 'Business Combinations' - Reference to the Conceptual Framework	January 1, 2022
Amendment to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 1, 2022
Amendment to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' -onerous Contract- cost of fulfilling a contract	January 1, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023

In addition there are certain other amendments that are also either not relevant or have any impact.



2.5.3 Standards not yet adopted by Securities and Exchange Commission of Pakistan.

**IASB Effective Date'
Effective for the
accounting period
beginning on or after**

IFRS – 1	First Time Adoption of IFRS
IFRS – 17	Insurance Contracts

January 1, 2004

January 1, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below

3.1 Property Plant and Equipments

a) Operating fixed assets

Recognition/measurement

Operating fixed assets except furniture, fixture & fittings, office equipment and vehicles are stated at revalued amounts less accumulated depreciation and impairment, if any. Furniture, fixture & fittings, office equipment and vehicles are stated at cost less accumulated depreciation and impairment, if any.

Depreciation

Depreciation is charged to income applying the reducing balance method at the rates specified in assets note no. 4.1 from the date asset is put into use. Depreciation on additions is charged from month of acquisition and up to the month preceding the month of disposal respectively.

Subsequent cost

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

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with it will flow to the Company and its cost can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognized in statement of profit or loss as and when incurred.

Revaluation surplus

The revaluation of freehold land, factory buildings and non-factory buildings thereon is carried out with sufficient regularity to ensure that the carrying amount of the assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land, factory buildings and non-factory buildings, plant and machinery is recognised, net of tax, in other comprehensive income and presented as separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease/deficit for the same asset previously recognised in the statement of statement of profit or loss, in which case the increase is first recognised in the statement of profit or loss to the extent of the decrease previously charged. Any decrease that reverse previous increase of the same assets are recognised first to other comprehensive income to the extent of remaining surplus attributable to that assets, all other decrease are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the company's shareholders. Each year, the difference between the depreciation based on the revalued carrying amount of the assets charged to statement of profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation surplus to retained earning.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal; or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognised

b) Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the reporting date less impairment if any and represents costs / expenditures incurred on property, plant and equipment during the course of construction and implementation, including borrowing cost capitalized, if any. These are transferred to specific assets as and when assets are available for intended use.

c) Right of -use assets

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the assets. Where the ownership of the assets transfers to the company at the end of the lease term or if the cost of the asset reflects that the company will exercise the purchase option, depreciation is charged over the useful life of assets.

3.2 Investment in Associates

The Investment in associates is accounted for under equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the statement of profit or loss. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from incremental depreciation on revaluation of property, plant and equipment are recognized in retained earnings through statement of changes in equity.

Investment is de-recognized when the Company has transferred substantially all risks and rewards of ownership and rights to receive cash flows from the investment has expired or has been transferred.

3.3 Stores, Spare parts and Loose Tools

Stores, spare parts and loose tools are valued at cost, using weighted average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon up to the reporting date. Adequate provision is made for obsolescence and slow moving items as and when required based on the parameters set out by the management as stated in note 2.4 (e).

3.4 Stock-in-Trade

Stock-in-trade except "by products" are valued at the lower of cost and net realizable value. By products are valued at net realizable value.

Cost is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other directly attributable costs paid thereon up to the reporting date.

Cost of finished goods and work-in-process consist of cost of direct materials, labor and a proportion of manufacturing overheads based on normal capacity.

3.5 Trade Debts

Trade debts are carried at original invoice amount that is fair value of the goods sold less impairment allowance, if any. When a trade debt is uncollectable, it is written off.



3.6 Employees post employment benefits

Defined Contribution Plan

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made by the company and employees at the rate of 10% of basic salary plus cost of living allowance. The company's contribution to the fund is charged to statement of profit or loss for the year.

3.7 Compensated unavailed leaves

The Company accounts for its liability towards unavailed leaves accumulated by employees on accrual basis.

3.8 Taxation

a) Current Income Tax

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax under section 113 or alternate corporate tax under section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years. The Company falls under the final tax regime under section 154 and 169 of the Income Tax Ordinance, 2001 to the extent of export sales.

b) Deferred taxation

Deferred tax is recognized using liability method, on all temporary differences at the reporting date between the tax base of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. In this regard, the effect on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted.

c) Sales tax

Revenues, expenses and assets are recognized net off amount of sales tax except:

- i) Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii) Receivables or payables that are stated with the amount of sales tax included.
- iii) The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.9 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.10 Borrowings and their costs

Borrowings are recorded at the amount of proceeds received which is usually their fair value and subsequently carried at amortized cost.

Borrowing costs incurred on finances obtained for the construction/installation of qualifying assets are capitalized up to date the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the statement of profit or loss currently.

3.11 Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments discounted using the interest rate implicit in the lease. If the implicit rate cannot be readily determined, the Company's incremental borrowing rate is used. Subsequently these are increased by interest, reduced by lease payments and remeasured for lease modifications, if any.

Liabilities in respect of certain short term and low value leases are not recognised and payments against such leases are recognised as expense in profit and loss.

3.12 Provisions and contingencies

Provisions are recognized when the Company has present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote. Provisions are reviewed at each reporting date and adjusted to reflect current best estimate.

3.13 Financial Instruments

3.13.1 Recognition

Financial assets and liabilities are recognised when the company become party to the contractual provision of the instrument.

3.13.2 Initial measurement

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given or received. These are subsequently measured at fair value or amortised cost as the case may be.

3.13.3 Classification of financial assets

The Company determines the classification of financial assets at initial recognition. The classification of instruments (other than equity instruments) is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. A financial asset is initially measured at fair value plus, transaction costs that are directly attributable to its acquisition.

The Company classifies its financial instruments in the following categories:

- at amortised cost.
- at fair value through profit or loss ("FVTPL"),
- at fair value through other comprehensive income ("FVTOCI"), or

Financial assets that meet the following conditions are classified as financial assets at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Financial assets that meet the following conditions are classified as financial assets at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are classified as financial assets at FVTPL.

3.13.4 Classification of financial liabilities

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.

3.13.5 Subsequent measurement

Financial assets and liabilities at amortised cost

These assets are subsequently measured at amortized cost using the effective interest method. In case of financial assets the amortized cost is reduced by impairment losses. Interest / markup income, foreign exchange gains and losses and impairment are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition of debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to statement profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to statement profit or loss, but is transferred to statement of changes in equity.

Financial assets and liabilities at fair value through profit or loss (FVTPL)

These are subsequently measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL and any interest / markup or dividend income are included in the statement profit or loss.

Where management has opted to recognise a financial liability at FVTPL, any changes associated with the Company's own credit risk will be recognized in other comprehensive income/(loss).

3.13.6 Derecognition of Financial Instruments

The Company derecognises financial assets only when the contractual rights to cash flows from the financial assets expire or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. The Company derecognises financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Any gain or loss on derecognition of financial asset or liability is also included to the statement profit or loss.

3.13.7 Offsetting of financial assets and liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legal enforceable right to set off the recognized amounts and intends either to settle on net basis or to realize the assets and settle the liabilities simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in normal course of business and in the event of default, insolvency or winding up of the company or the counter parties.

3.14 Impairment

a) Financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to recognise lifetime expected credit losses for trade and other receivables, if any.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets. The Gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

The Company considers evidence of impairment for receivable and other financial assets at specific asset level. Impairment losses are recognized as expense in statement of profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

b) Non-Financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the recoverable amount of such assets is estimated.

An impairment loss is recognised if the carrying amount of a specific asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in statement of profit or loss. Impairment losses recognized in respect of cash-generating units are allocated to reduce the carrying amount of the assets of the unit on a pro-rata basis. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.15 Revenue Recognition

Revenue is recognized when or as performance obligation are satisfied. Revenue is measured at the fair value of the consideration received or receivable and is recognized on following basis:

- Revenue from sale of goods is recognized when control of goods is transferred to customers, usually on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on accrual basis at applicable rate.

- Mark-up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.
- Share of the profit or loss of associates is taken to statement of profit or loss under equity method (note 7) and dividend is credited to investment in associate in the period when the Company's right to receive the payment is established.

3.16 Foreign currency transactions and translation

Transactions in foreign currencies are recorded into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency using year-end spot foreign exchange rates. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in statement of profit or loss.

3.17 Cash and Cash Equivalents

For the purpose of cash flow statement cash and cash equivalents comprises cash in hand, balances with banks on current, savings and deposit accounts.

3.18 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. Operating segments are reported in a manner consistent with the internal reporting structure based on the operating (business) segments of the company. An operating segment's operating results are regularly reviewed by the management and the chief executive officer for the purpose of making decisions regarding resource allocation and performance assessment and for which discreet financial information is available.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value i.e., at the average price prevailing in the market. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

3.19 Dividends and other appropriations

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

	Note	2021	2020
		Rupees in thousand	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	4,794,225	4,523,350
Capital work in progress	4.2	45,519	383,616
		4,839,744	4,906,966

4.1 OPERATING FIXED ASSETS

PARTICULARS	2021									
	NET CARRYING VALUE					GROSS CARRYING VALUE				
	Opening Net Book Value At Oct 01, 2020	Direct Additions	Transfer From CWIP	Disposal during the year	Depreciation	Net Book Value At Sep 30, 2021	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2021	Depreciation Rate
Rupees in thousand										
FREE HOLD LAND										
Cost	68,312	-	-	-	-	68,312	68,312	-	68,312	
Revaluation	294,991	-	-	-	-	294,991	294,991	-	294,991	
FACTORY BUILDING										
Cost	141,801	-	-	-	14,180	127,621	262,133	134,512	127,621	10%
Revaluation	105,026	-	-	-	10,502	94,524	191,286	96,762	94,524	
NON FACTORY BUILDING										
Cost	80,452	-	42,895	-	5,137	118,210	225,363	107,153	118,210	5% - 10%
Revaluation	438,004	-	-	-	23,478	414,526	632,591	218,065	414,526	
POWER PLANT										
Cost	181,525	-	353,805	-	52,963	482,367	773,051	290,684	482,367	10%
Revaluation	11,515	-	-	-	1,152	10,363	22,820	12,457	10,363	
PLANT & MACHINERY										
Cost	2,464,521	33,838	76,052	-	144,036	2,430,375	4,678,610	2,248,235	2,430,375	5% - 20%
Revaluation	645,784	-	-	-	32,753	613,031	1,508,898	895,867	613,031	
FURNITURE, FIXTURE AND FITTINGS										
Cost	2,068	-	-	-	827	1,241	20,150	18,909	1,241	10%-33%
OFFICE EQUIPMENT										
Cost	19,348	10,520	-	-	8,120	21,748	113,766	92,018	21,748	33%
VEHICLES										
Cost	70,002	71,291	-	6,056	18,321	116,916	261,750	144,834	116,916	20%
TOTAL										
Cost	3,028,030	115,649	472,752	6,056	243,584	3,366,790	6,403,135	3,036,345	3,366,790	
Revaluation	1,495,320	-	-	-	67,885	1,427,435	2,650,586	1,223,151	1,427,435	
	4,523,350	115,649	472,752	6,056	311,469	4,794,225	9,053,721	4,259,496	4,794,225	



2020									
PARTICULARS	NET CARRYING VALUE					GROSS CARRYING VALUE			
	Opening Net Book Value At Oct 01, 2019	Direct Additions	Transfer From CWIP	Disposal during the year	Depreciation	Net Book Value At Sep 30, 2020	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2020
Rupees in thousand									
FREE HOLD LAND									
Cost	68,312	-	-	-	-	68,312	68,312	-	68,312
Revaluation	294,991	-	-	-	-	294,991	294,991	-	294,991
FACTORY BUILDING									
Cost	124,544	-	31,941	-	14,684	141,801	262,133	120,332	141,801
Revaluation	116,695	-	-	-	11,669	105,026	191,286	86,260	105,026
NON FACTORY BUILDING									
Cost	85,012	171	-	-	4,731	80,452	182,468	102,016	80,452
Revaluation	462,902	-	-	-	24,898	438,004	632,591	194,587	438,004
POWER PLANT									
Cost	201,694	-	-	-	20,169	181,525	419,246	237,721	181,525
Revaluation	12,794	-	-	-	1,279	11,515	22,820	11,305	11,515
PLANT & MACHINERY									
Cost	2,545,185	53,076	15,731	-	149,471	2,464,521	4,568,720	2,104,199	2,464,521
Revaluation	680,383	-	-	-	34,599	645,784	1,508,898	863,114	645,784
FURNITURE, FIXTURE AND FITTINGS									
Cost	3,403	-	-	-	1,335	2,068	20,150	18,082	2,068
OFFICE EQUIPMENT									
Cost	17,660	9,533	-	-	7,845	19,348	103,246	83,898	19,348
VEHICLES									
Cost	74,081	14,698	-	1,608	17,169	70,002	212,530	142,528	70,002
TOTAL									
Cost	3,119,891	77,478	47,672	1,608	215,404	3,028,030	5,836,805	2,808,776	3,028,030
Revaluation	1,567,765	-	-	-	72,445	1,495,320	2,650,586	1,155,266	1,495,320
	4,687,656	77,478	47,672	1,608	287,849	4,523,350	8,487,391	3,964,042	4,523,350

4.1.1 Depreciation for the year has been allocated as follows:

	Note	2021	2020
		Rupees in thousand	
Cost of Sales	27.1	255,586	231,871
Administrative expenses	30	55,883	55,978
		311,469	287,849

4.1.2 Detail of property, plant and equipment disposed off are as follow: - by negotiation except otherwise stated

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(Loss) on disposal	Particulars of Buyer
Rupees in thousand						
VEHICLES						
KIA-Pikantoo	1950	195	1,755	1675	(80)	Asad Ali Bahra, House # 868 FB Area Block 3 Karachi
Suzuki-Swift	1370	581	789	950	161	Muhammad Amir Shah, House No. H-422, Street No. 26, Mohala Area Manzoor Colony Punjab Road Karachi
Aggregate of other Motor Vehicles and Motorcycles with Individual book values not exceeding Rs.500,000/-	18,751	15,239	3,512	16,367	12,855	Various
2021	22,071	16,015	6,056	18,992	12,936	
2020	5,422	3,814	1,608	4,170	2,562	

4.1.3 Revaluation of land, buildings and plant and machinery was carried out on September 30, 2018 by MYK Associates (Private) Limited (an independent valuator who is located in Karachi) on the basis of their professional assessment of present market value made on the inquiries made about the cost of land and building of similar nature, size and location including, consideration of current cost of acquisition or construction net of diminution owing to depreciation, keeping in view the current condition and replacement cost of plant and machinery.

- a) Had there been no revaluation of the aforementioned assets, the carrying value at historical cost would have been as follows:

	2021	2020
	Rupees in thousand	
Freehold land	68,312	68,312
Factory Building	127,621	141,801
Non-factory Building	118,210	80,452
Power plant	482,367	181,525
Plant and machinery	2,430,375	2,464,521
	3,226,885	2,936,611



- b) Forced sale value has been determined by the valuer (based on the last revaluation report) using discount factor, i.e., Disposition Value (DV) Factor for Land and Building and Orderly Liquidation Value (OLV) factor for plant and machinery as follows;

	Discount Factor %		Revalued Amount based on last revaluation as of 30/09/18	Forced Sale Value as at 30/09/2018
	Disposition Value (DV)	Orderly Liquidation Value (OLV)		
Rupees in thousand				
Freehold Land	20%	-	363,303	290,642
Building including factory/ non-factor and other building	20%	-	812,580	650,065
Plant & Machinery including power plant	-	20% / 30%	3,300,800	2,472,562

4.2 Capital work in progress

2021					
Opening Balance	Reclassification	During the year		Closing Balance	
		Capital expenditure incurred	Transferred to operating fixed assets		
----- Rupees in thousand -----					
Civil works - Factory and non-factory building	15,603	20,689	14,741	(42,895)	8,138
Plant and machinery including power plant	4.2.1 368,013	(20,689)	119,914	(429,857)	37,381
	383,616	-	134,655	(472,752)	45,519

						2020			
		Opening Balance	Reclassification	During the year		Closing Balance			
				Capital expenditure incurred	Transferred to operating fixed assets				
						----- Rupees in thousand -----			
Civil works - Factory and non-factory building		25,219	-	22,325	(31,941)	15,603			
Plant and machinery including power plant	4.2.1	58,584	-	325,160	(15,731)	368,013			
		83,803	-	347,485	(47,672)	383,616			

- 4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs.6.996 million (2020: 2.533 million) capitalized at the effective rate of SBP+1.50% (2020: 8.96%).

	Note	2021	2020
		Rupees in thousand	
5 RIGHT-OF-USE ASSETS			
Building premises			
Net carrying value basis			
Opening		17,781	
Additions during the year		-	21,529
Depreciation charged to administrative expense		(7,176)	(3,748)
Net book value		10,605	17,781
Gross Carrying value basis			
Cost		21,529	21,529
Accumulated Depreciation		(10,924)	(3,748)
		10,605	17,781
Useful Life		3 years	3 years
6 INTANGIBLE ASSET			
Softwares			
Net Carrying value basis			
Opening carrying value		2,839	5,681
Amortization for the year		(2,839)	(2,842)
		-	2,839
Gross Carrying value basis			
Cost		15,436	15,436
Accumulated amortisation		(15,436)	(12,597)
		-	2,839

6.1 The Cost is being amortised using straight line at the rate of 33% per anum.

6.2 Cost of fully amortized intangible assets which are still in use of the Company aggregated to Rs. 15.436 million. (2020: 12.597 million)

7 LONG TERM INVESTMENTS

Investment in associates: -

	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Total 2021	Total 2020
----- Rupees in thousand -----				
Opening balances	746,748	1,007	747,755	685,385
Share of profit /(Loss) of associates	21,198	(168)	21,030	118,535
Share of associate's unrealized gain / (loss) on remeasurement of associate's investment at fair value through other comprehensive income	19	120	139	(69)
Dividend received from associate	(39,597)	-	(39,597)	(56,096)
	(18,380)	(48)	(18,428)	62,370
Closing Balance	728,368	959	729,327	747,755



- 7.1 The Company holds 3,299,784 (15.625%) and 500,000 (14.285%) fully paid ordinary shares of Shahmurad Sugar Mills Limited (SSML) and Al-Noor Modaraba Management (Pvt.) Limited (ANMM) respectively. Original cost of investments in SSML and ANMM is Rs. 21.631 million and Rs. 5 million respectively. SSML and ANMM being group companies of Al-Noor Group and having common directors are associates of the Company and this strategic investment in associates is accounted for using equity method.

SSML was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. SSML owns and operates Sugar and Ethanol manufacturing units which are located at Jhok, District Thatta in the Province of Sindh. The registered office of SSML is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. Chief Executive of SSML is Mr. Zia Zakaria. The market value (based on quoted market price on Pakistan Stock Exchange Limited) of shares of Shahmurad Sugar Mills Limited as at September 30, 2021 was Rs. 257.38 million (2020 : Rs.329.978 million).

ANMM was incorporated on July 21, 1991, its principal business is to float and manage MODARABA and its principal place of business is situated at 96-A, S.M.C.H.S. Karachi. Chief Executive of ANMM is Mr. Zain Ayoob. In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30, 2021 and since there are no significant change in the associate's financial affairs up to September 30, therefore, the financial results of ANMM as June 30, 2021 have been used for the purpose of application of equity method.

- 7.2 Summarized financial information of associates based on their latest available audited financial statements is as follows: -

	2021		2020	
	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited
----- Rupees in thousand -----				
Number of shares held	3,299,784	500,000	3,299,784	500,000
Cost of investment	21,631	5,000	21,631	5,000
Ownership interest	15.625%	14.285%	15.625%	14.285%
Assets, Liabilities and net assets				
Assets				
Tangible and intangible fixed assets	5,260,906	348	5,386,952	452
Long term investments	958	13,440	1,006	12,600
Other non current assets	3,824	-	3,653	13
Current assets	4,665,568	685	5,919,925	1,382
	9,931,256	14,473	11,311,536	14,447
Liabilities				
Non - current liabilities	(965,379)	(1,126)	(1,180,824)	(1,100)
Current liabilities	(4,304,474)	(1,386)	(5,351,671)	(1,316)
	(5,269,853)	(2,512)	(6,532,495)	(2,416)
Net assets	4,661,403	11,961	4,779,041	12,031
Less: Loan from director included in equity	-	(5,264)	-	(5,000)
	4,661,403	6,697	4,779,041	7,031
Share of net assets / Breakup value of investments	728,368	959	746,748	1,007
Operating Results				
Revenue / Income	10,223,552	103	11,218,351	136
Total expenses	(9,924,945)	(1,250)	(10,286,478)	(2,127)
Share of loss of associates	(168)	-	(285)	-
Taxation	(162,773)	(26)	(171,273)	(1)
Profit/ (Loss) after taxation for the year	135,666	(1,174)	760,315	(1,992)
Share of Al-Noor Sugar Mills Limited	21,198	(168)	118,820	(285)
Other comprehensive income	120	840	(60)	(420)
Share of Al-Noor Sugar Mills Limited - Other comprehensive income	19	120	(9)	(60)

	Note	2021	2020
		Rupees in thousand	
8 LONG TERM LOANS			
Secured & Interest free			
Considered good			
Due from - Executives	8.1	3,065	1,563
- Non Executive employees		15,594	13,612
		18,659	15,175
Less : Current portion of loans			
Due from - Executives		(2,480)	(1,428)
- Non Executive employees		(11,408)	(12,010)
		(13,888)	(13,438)
		4,771	1,737
8.1 Movement of outstanding amount of loans to Executives:			
Balance at the beginning of the year		1,563	1,190
Disbursed during the year		4,225	1,900
Recovered during the year		(2,723)	(1,527)
Balance at the end of the year		3,065	1,563
8.2	Loans and advances have been given in accordance with the terms of employment and are recoverable within a maximum period of three years in monthly installments. These are usually granted against the retirement benefits. These interest free long term loans have been carried at cost as the effect of carrying these balances at amortised cost would not be material.		
8.3	The maximum aggregate amount due from executives at any month end during the year was Rs. 4,245 million (2020:1.563 million).		
9 LONG TERM DEPOSITS			
Interest free-considered good			
Utilities		647	647
Others		3,621	3,621
		4,268	4,268
10 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		230,331	191,115
Spare parts		356,483	320,569
Loose tools		752	782
Stores in transit		9,962	4,315
		597,528	516,781
Less: Impairment allowance for obsolescence and slow moving items	10.1	(106,013)	(92,217)
		491,515	424,564
10.1 Impairment allowance for obsolescence and slow moving items			
Opening balance		92,217	79,766
Allowance for the year	31	13,796	12,451
Closing balance		106,013	92,217



	Note	2021	2020
		Rupees in thousand	
11 STOCK IN TRADE			
Raw material - in hand		550,080	265,910
- in transit		85,490	119,748
		635,570	385,658
Sugar in process		5,183	5,886
Finished goods			
Sugar	11.1	1,014,523	593,896
MDFB Sheets	11.2	198,535	182,732
		1,213,058	776,628
Trading stock of laminated flooring / Edge Banding		2,225	2,814
Bagasse		4,751	9,049
Molasses		10,705	1,172
		1,871,492	1,181,207
11.1	Stocks of refined sugar amounting to Rs.900 million (2020: Nil) is pledged against cash finance facilities and Murabaha / Istisna arrangements as referred in Note.24.		
11.2	Stock in trade includes stocks costing Rs.517.253 million (2020: Rs. 289.8 million) written down to their net realizable value of Rs.455.653 million (2020: Rs.267.8 million).		
12 TRADE DEBTS			
Against Export sales - secured, considered good		-	5,460
Against Local sales - Unsecured, considered good		398,745	463,107
		398,745	468,567
Less: Expected credit loss against trade debts	12.1	(7,879)	(6,879)
		390,866	461,688
12.1 Expected credit loss against trade debts			
Opening balance		6,879	-
Allowance for the year	31	1,000	6,879
Closing balance		7,879	6,879

	Note	2021	2020
		Rupees in thousand	
13 LOANS AND ADVANCES			
Secured and Interest free			
Current portion of long term loans	8	13,888	13,438
Un-secured and Interest free			
Considered good			
Advances against purchases and services		81,161	32,757
Advances to employees against expense		4,391	4,972
Advance to growers		22,322	20,215
		107,874	57,944
Considered doubtful			
Loans to growers	13.1	36,801	36,801
For purchase and services		1,555	1,555
For transportation		2,740	2,740
		41,096	41,096
		162,858	112,478
Impairment allowance against loans and advances considered doubtful		(41,096)	(41,096)
		121,762	71,382
13.1	These overdue loans were given to farmer/growers to support them for sugarcane cultivation and development. These were adjustable against purchase of sugarcane from respective growers. Interest is charged on these loans @ 10%. However, impairment allowance has been made in respect of loans against which future adjustment through purchase of sugarcane is considered doubtful and hence no interest is accrued thereon.		
14 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits		4,893	7,809
Short term prepayments		1,879	2,002
		6,772	9,811
15 OTHER RECIEVABLES			
Considered good			
Receivables from related parties	15.1	2,741	5,758
Sales tax receivable	25.4	31,173	31,173
Export subsidy	15.2	148,156	296,311
Others		2,175	2,679
		184,245	335,921
Considered doubtful			
Export freight subsidy from Trade Development Authority of Pakistan	15.2	49,779	49,779
Export subsidy from Federal Government through State Bank of Pakistan	15.2	251,500	103,344
Cane Development Cess	15.2	8,238	8,238
		309,517	161,361
		493,762	497,282
Less: Impairment allowance against receivables			
Opening		(161,361)	(49,779)
Charged for the year		(148,156)	(111,582)
		(309,517)	(161,361)
		184,245	335,921



- 15.1** These represent insurance claims receivable from Reliance Insurance Company Limited. The maximum aggregate amount due from related parties at the end of any month during the year was Rs.3.6 million (2020: 14.355 million). These claim were lodged against machinery breakdown and stock in transit.
- 15.2** The Company is continuously pursuing for the recovery of these export subsidies and cane development cess. However due to uncertainties regarding the timing and extent of their realisation the Company, as a matter of prudence, has recorded impairment allowance there against based on the management estimates.

	Note	2021 Rupees in thousand	2020
16 CASH AND BANK BALANCES			
Cash in hand		4,310	3,572
Cash at banks			
In Current accounts	16.1	188,390	168,144
In Saving accounts	16.2	38,782	215,342
		227,172	383,486
		231,482	387,058

- 16.1** This carry profit at the rate ranging between 1.93 % to 4.73% (2020: 2.54 to 7.90 p.a).
- 16.2** This includes deposits of Rs.69.795 million (2020: Rs. 244.82 million) with Shariah Compliant financial institutions.

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021 No. of Shares	2020	Note	2021 Rupees in thousand	2020
3,617,635	3,617,635	Ordinary shares of Rs.10 each allotted for consideration paid in cash.	36,177	36,177
884,637	884,637	Ordinary shares of Rs. 10 each allotted as fully paid up otherwise than in cash (issued in terms of loan arrangement and debenture trust deeds).	8,846	8,846
15,971,430	15,971,430	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares.	159,714	159,714
20,473,702	20,473,702		204,737	204,737

- 17.1** As at year end, the associated companies held 2,765,950 (2020: 2,765,950) ordinary shares of Rs. 10 each.
- 17.2** All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends are declared from time to time and are entitled to one vote per share at general meeting of the Company.

	Note	2021	2020
		Rupees in thousand	
18 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Surplus on revaluation of property, plant and equipment	18.1	1,099,026	1,147,224
Share of associates' surplus on revaluation of property, plant and equipment	18.2	204,555	217,133
		1,303,581	1,364,357
18.1 Surplus on revaluation of property, plant and equipment			
Opening balance - gross		1,495,320	1,567,765
Incremental depreciation - net of deferred tax		(48,198)	(51,436)
Related deferred tax liability		(19,687)	(21,009)
		(67,885)	(72,445)
Closing balance - gross		1,427,435	1,495,320
Related deferred tax liability		(328,409)	(348,096)
Revaluation surplus net of deferred tax		1,099,026	1,147,224
18.2 Share of associates' surplus on revaluation of property, plant and equipment			
Opening balance		217,133	230,656
Transfer from surplus on revaluation of property, plant and equipment on account of Share of associate's incremental depreciation of revaluation surplus		(12,578)	(13,523)
		204,555	217,133
18.3	The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the company in accordance with the provision of section 240 (2) of the Companies Act 2017.		
19 LONG TERM FINANCING- Secured			
Conventional			
Banks	19.1	500,000	515,625
Financial institutions other than banks	19.1	649,824	600,000
		1,149,824	1,115,625
Islamic			
Diminishing Musharaka	19.1	1,553,750	1,976,250
		2,703,574	3,091,875
Less:-current maturity shown under current liabilities		(701,667)	(406,875)
		2,001,907	2,685,000

	BANKS						OTHER FINANCIAL INSTITUTION			TOTAL	
	Bank Al Falah Ltd	Bank Al Falah Ltd	Standard Chartered Bank (Pakistan) Limited	Faysal Bank Ltd	Faysal Bank Ltd	Meezan Bank Ltd	Meezan Bank Ltd	PAIR Investment Company Ltd	Pak Brunei Investment Company Ltd	2021	2020
(Rupees in thousand)											
Opening balance	15,625	500,000	156,250	375,000	225,000	720,000	500,000	300,000	300,000	3,091,875	2,901,736
Add: Receipts	-	-	-	-	-	-	-	49,824	-	49,824	800,000
Less: Repayment	15,625	-	156,250	50,000	25,000	160,000	31,250	-	-	438,125	609,861
Closing balance	-	500,000	-	325,000	200,000	560,000	468,750	349,824	300,000	2,703,574	3,091,875
Less: Current Maturity Shown under current liabilities	-	166,667	-	100,000	50,000	160,000	125,000	-	100,000	701,667	406,875
	-	333,333	-	225,000	150,000	400,000	343,750	349,824	200,000	2,001,907	2,685,000
										600,000	600,000
										49,824	49,824
										-	-
										438,125	609,861
										649,824	3,091,875
										2,703,574	3,091,875
										100,000	406,875
										549,824	2,685,000
Description	Term Finance	Term Finance	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Long Term Finance	Long Term Finance	Total	
Sanctioned/Sale Price/ Disbursed Amount (Rs in million)	250	500	500	500	250	800	500	350	300		
Facility Tenor	5 Years	5 Years	5 Years	8 Years	8 Years	7 3/4 Years	5 and 1/2 years	12 Years	5 Years		
Grace Period	1 Year	2 Year	1 Year	2 Year	2 Year	2 Year	1 and 1/2 years	2 Year	2 Year		
Effective rate of markup (per annum)	3 M KIBOR + 0.750%	3 M KIBOR + 1.75%	3 M KIBOR + 0.60%	3 M KIBOR + 0.80%	3 M KIBOR + 0.50%	6 M KIBOR + 0.50%	3 M KIBOR + 1.60%	SBP Rate + 1.50%	3 M KIBOR + 2.00%		
Installments Payable	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly	Half Yearly	Quarterly	Quarterly	Quarterly		
Number of installments	16	12	16	20	20	10	16	40	12		
Date of disbursement	29-12-2015	13-09-2019	29-11-2016	22-12-2016	24-07-2017	01-06-2017	27-12-2019	28-07-2020	01-08-2019		
Date of maturity	29-12-2020	13-09-2024	29-11-2021	22-12-2024	24-07-2025	01-06-2025	27-06-2025	27-07-2032	01-08-2024		
SECURITIES											
Bank Al-Falah Ltd-250-M.	First pari passu hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division										
Bank Al-Falah Ltd-500-M.	First pari passu hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division										
Standard Chartered Bank (Pakistan) Ltd Rs.500-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB- Division										
Faysal Bank Limited Rs.500-M	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division										
Faysal Bank Limited Rs.250-M	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-MDF Division										
Meezan Bank Ltd Rs.800-M.	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division										
Meezan Bank Ltd Rs.500-M.	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division										
Pair Investment Co Ltd Rs.350-M.	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division										
Pak Brunei Investment Co. Ltd Rs.300-M.	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd- MDFB Division.										

	Note	2021	2020
		Rupees in thousand	
20 LEASE LIABILITY AGAINST RIGHT-OF-USE ASSETS			
Opening Balance		15,453	-
Additions during the year		-	21,529
Accretion of interest		827	1,038
Payment		(11,035)	(7,114)
Closing Balance		5,245	15,453
Less: Current portion		(4,533)	(10,208)
Non-Current		712	5,245
	Minimum Lease Payments	Interest	Present Value of Minimum Lease Payment
20.1 LEASE LIABILITIES ARE PAYABLE AS FOLLOWS			
Less than one year	4,647	114	4,533
Between one to five years	726	14	712
	5,373	128	5,245
	Minimum Lease Payments	Interest	Present Value of Minimum Lease Payment
Less than one Year	11,035	827	10,208
Between one and 5 years	5,372	127	5,245
	16,407	954	15,453
	Note	2021	2020
		Rupees in thousand	
21 DEFERRED TAXATION			
Opening Balance		516,129	460,851
Effect of items taken to other comprehensive income and statement of changes in equity		21	(10)
Charged to statement of profit or loss		93,480	55,288
	21.1	609,631	516,129



	Note	2021	2020
		Rupees in thousand	
21.1 Deferred tax liabilities / (assets) arising in respect of;			
Taxable temporary differences			
Accelerated depreciation		495,524	357,219
Investment in associates		105,404	108,169
Surplus on revaluation of property, plant and equipment	18.1	328,409	348,096
		929,337	813,484
Deductible temporary differences			
Impairment allowances and other provisions		(46,613)	(33,173)
Minimum tax carried forward		(207,476)	(82,734)
Unabsorbed tax losses		(65,617)	(181,448)
		(319,706)	(297,355)
		609,631	516,129
22 TRADE AND OTHER PAYABLES			
Creditors	22.1	427,844	424,042
Accrued expenses		125,158	84,642
Advances from customers	22.2 & 22.3	250,251	618,880
Workers' Profit Participation fund	22.4	23,098	16,865
Workers' welfare fund		20,687	11,910
Sales tax payable (net)		97,591	197,781
Payable to provident fund - related party		1,086	794
Trade deposits and retention money	22.5	714	1,045
		946,429	1,355,959
22.1	This includes Rs.3.566 million (2020: Rs. 4.193 million) payable to related party M/s. Reliance Insurance Company Limited.		
22.2	This includes advance from M/s. Shahmurad Sugar Mills Limited (an associated company) of Rs.Nil (2020: 150.00 million)		
22.3	During the year, performance obligation underlying the opening contract liability of Rs. 618.88 million were satisfied in full. Accordingly, the said liability was recorded as revenue during the year. In addition, information regarding the timing of satisfaction of erformance obligations underlying the closing contract liability of Rs. 250.251 mlliion is not presented since the expected duration of all the contracts entered into with the customers is less than one year.		
22.4 Workers' Profit Participation fund			
Opening balance		16,865	14,476
Interest on funds utilized	22.4.1	1,882	1,284
Allocation for the year	31	23,098	16,865
		41,845	32,625
Payments made during the year		(18,747)	(15,760)
Closing balance		23,098	16,865

22.4.1 This carries interest at the rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 22.5% (2020: 13.30%).

22.5 These are utilized for the purpose of the business as per agreements, in compliance with the requirements of the section 217 of the Companies Act, 2017.

	Note	2021	2020
		Rupees in thousand	
23 ACCRUED FINANCE COST			
On Long term financing		14,843	34,908
On Short term borrowings		26,932	11,546
		41,775	46,454

23.1 This includes Rs. 14.388 million (2020: Rs. 25.612 million) in respect of borrowings under Shariah Compliant arrangements.

24 SHORT TERM BORROWINGS

From banking companies - Secured			
Running finance/Cash finance	24.1	464,840	2,138
Export refinance	24.1	400,000	400,000
Murabaha / Istisna	24.2	500,000	-
		1,364,840	402,138

24.1 These carry markup at rates ranging from 1 month kibar+0.25% to 6 month kibar+0.50% and 1% over SBP ERF rate. (2020 : 1 month kibar+0.35% to 3 month kibar+0.50 and 0.50% to 1.00% over SBP ERF rate) per annum chargeable and payable quarterly. These facilities are secured against pledge of refined sugar(hypothicated/pledge charge over stocks refer note 11.1) and 1st pari passu equitable mortgage charge on fixed assets. The aggregate limit of running/cash/export refinance arrangements is up to Rs.2,875 million (2020: Rs 2,575 million). The aggregate unavailed running finance/cash finance facilities from commercial banks at year end amounted to Rs.2,010 million (2020 : Rs.2,173 million) as on reporting date.

24.2 The Company has also obtained Murabaha / Istisna facilities from Islamic banks at respective Kibar+0.30% and 6 month kibar+0.50% (2020: respective Kibar+0.30%). The profit is payable with principal amount on the date of maturity of transaction. These include pledge and hypothecation facilities. Pledge facilities are primarily secured by pledge of sugar and collaterally secured by ranking charge on current assets (refer note 11.1) and hypothecation facilities are secured by 1st pari passu hypothecation charge over plant and machinery. The aggregate limit of Murabaha/Istisna arrangements is up to Rs.2,100 million (2020: Rs 600 million). The unavailed facility at the year end amounted to Rs. 1,600 million (2020: 600 million).

25 CONTINGENCIES AND COMMITMENTS

a) Contingencies

25.1 The Company's appeal in the Honourable Supreme Court dated 19 February 2004 against the Order of the Sindh High Court for levy of Quality Premium was accepted by the Honourable Supreme Court by assailing the Order of Sindh High Court. Furthermore Federal Government steering committee through its decision on 16-07-2007 held that the quality premium shall remain suspended till decision of Honourable Supreme Court or consensus on uniform formula to be developed by MINFAL.



During the year 2017-18 the Honourable Supreme Court of Pakistan through its order dated 5 March 2018 has decided the matter against the Sugar Manufacturing Companies and the Legal Counsel of the Company is of the view that the Honourable Supreme Court has now simply prescribed the criteria for future, which if followed properly, would make quality premium applicable in the future, and in relation to the past (other than crushing season 1998 – 1999) it appears that no liability arose as no legally binding notification under section 16(v) can be said to be in the field in the light of the decision of the Honourable Supreme Court. Accordingly, no liability arises for the past except for the year 1998-99 for which quality premium is not payable owing to lesser recovery then base recovery in case of the company.

- 25.2** The Company has filed a petition in the Honourable Supreme Court of Pakistan, dated 14 January 2010 against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. There are no financial implications related to this at the moment.
- 25.3** Pakistan Standards and Quality Control Authority (the Authority) has demanded a marking fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 6.5 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Company has filed a petition before the Honourable High Court of Sindh dated 01 September 2010 challenging the levy of marking fee under PSQCA Act-VI of 1996 and the Honourable Court accepted the petition and termed that the impugned notification has been issued without lawful authority and suspended the operation of the impugned notifications. The constitutional petition filed before the Honourable High Court of Sindh has been allowed in favour of the company. In the meantime the legal counsel of the company filed caveat in respect of an appeal to be filed by the PSQCA against the Judgment in Honourable Supreme Court of Pakistan. The Pakistan Standards and Quality Control Authority have filed an appeal before the Honourable Supreme Court of Pakistan against the decision of Honourable High Court of Sindh. The appeal is pending before the Honourable Supreme Court of Pakistan and in view of earlier decision of Honourable Supreme Court of Pakistan, the company is confident for favourable outcome, so no provision is made.
- 25.4** An order was issued by Large Taxpayer Unit Karachi for recovery of Rs.31.173 million including additional tax and penalty being alleged inadmissible input tax claimed by the company. The amount of alleged inadmissible input tax was deposited by the company after receipt of order. However, the company filed an appeal before the Commissioner Inland Revenue Karachi. The Commissioner Inland Revenue decided the matter in favour of the company, declaring the input tax adjustment claimed by the company as admissible against which Large Taxpayer Unit Karachi has filed an appeal before Sales Tax Appellate Tribunal Inland Revenue Karachi. Appellate Tribunal Inland Revenue has partly remanded back the case, while other part of department appeal was rejected. However the Company has applied for refund of the amount deposited and is confident for outcome in favour of the company so no provision is made in this respect.
- 25.5** Against the sugarcane purchase price of Rs. 172 per 40 Kgs as fixed for the season 2013-2014, the company had filed a Constitutional Petition, dated 21 January 2014, before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court of Pakistan on 05 January 2015. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the season 2014-15 in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The Honourable High Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable High Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015, dated 20 January 2015, which is pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent on upon the decision of Honourable Supreme Court of Pakistan. The Company as a matter of prudence accounted for the said difference of Rs. 10 per 40 kgs in that year aggregating to Rs. 253.279 millions; however since no decision has yet been made by the court and the likelihood of further payment is remote, therefore the management of the company resolved to reverse this provision in the year 2018-19.

- 25.6** During the year 2017-18, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honourable Court after deliberations with all stakeholders announced the judgment fixing the purchase price at the Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Supreme Court of Pakistan which is pending. However, the Company, as a matter of prudence accounted for the said difference of Rs. 22 per 40 kgs these financial statements aggregating to Rs..305.889 million.
- 25.7** During the year 2017-18 the company filed a petition in the Honourable High Court of Sindh and obtained stay order against illegal construction of building by government school management on the land 1-12 acres owed by the company, but 4-1/2 acres are under dispute. The land is annexed to Al-Noor Sugar Mills High School, Shahpur Jahania District, Shaheed Benazirabad. The matter is still pending before the Honourable High Court Sindh at Hyderabad bench.
- 25.8** During the year 2018-19, the State Bank of Pakistan (SBP) imposed upon the Company a penalty of Rs.39.56 million as 15% of the shipment value of such export consignment which according to interpretation of SBP, were delayed by 1 or 2 days. The Company has filed constitutional petition in the Honorable High Court of Sindh challenging such penalty which, according to the Company, was within stipulated time as required under SBP circulars. The Company's legal advisor is of the view that it is probable that the decision will be in favour of the Company and no financial liability is likely to arise.
- 25.9** The Competition Commission of Pakistan (CCP) in August 2021 passed an orders dated 13 August 2021 and imposed penalty on PSMA and member sugar mills alleging them to be guilty of collusive activities and cartelization. The penalty imposed on the Company is Rs. 517 million. The PSMA and our Company along with other sugar mills filed the Suit against the order of the Competition Commission of Pakistan (CCP) at Sindh High Court (SHC). The Honorable Court passed the interim order on October 7, 2021 that the operation of impugned orders dated 06.08.2021 and 13.08.2021 shall remain suspended till the hearing is underway.

	Note	2021 Rupees in thousand	2020
b) Commitments			
The Company's commitment as on September 30, are as follows:			
Letters of credit			
Stores		33,149	50,199
Raw Material		185,890	191,194
Machinery		95,796	52,991
		314,835	294,384
26 SALES			
Export sales		721,577	2,025,564
Local sales			
Local sales gross		11,908,941	10,497,301
Sales tax and federal excise duty		(1,835,513)	(1,615,269)
		10,073,428	8,882,032
Brokerage and commission		(3,125)	(896)
		10,791,880	10,906,700



	Note	2021	2020
		Rupees in thousand	
27 COST OF SALES			
Opening stock of finished goods		776,628	1,758,560
Cost of goods manufactured	27.1	9,523,637	8,232,500
		10,300,265	9,991,060
Less: Closing stock of finished goods		(1,213,058)	(776,628)
		9,087,207	9,214,432
27.1 Cost of goods manufactured			
Raw material consumed	27.1.1	8,269,705	7,263,913
Salaries, wages and benefits	27.1.2	387,283	370,923
Stores and spare parts consumed		432,620	312,056
Packing materials		34,340	37,810
Fuel and oil		141,955	154,801
Power and water		398,296	359,953
Repair and maintenance		137,129	135,170
Insurance		18,055	16,006
Depreciation	4.1.2	255,586	231,871
Other manufacturing expenses		44,221	38,071
		10,119,190	8,920,574
Less:			
Sale of molasses	27.1.3	574,803	662,233
Sale of bagasse	27.1.3	7,733	4,222
Inventory adjustment of bagasse and molasses		5,235	8,107
Sale of sunder dust	27.1.3	8,485	10,433
		(596,256)	(684,995)
Work-in-process			
Opening stock		5,886	2,807
Closing stock		(5,183)	(5,886)
		703	(3,079)
		9,523,637	8,232,500
27.1.1 Raw material consumed			
Opening stock		265,910	363,850
Purchases and related direct cost		8,553,875	7,165,973
		8,819,785	7,529,823
Closing stock		(550,080)	(265,910)
		8,269,705	7,263,913

27.1.2 It includes Rs. 11.727 million (2020: Rs. 12.092 million) in respect of the Company's contribution towards staff provident fund.

27.1.3 Sales of molasses, bagasse and sunder dust is net of sales tax of Rs. 14.92 million (2020 Rs. Nil), Rs. 1.315 million (2020: Rs. 0.713 million) and Rs.1.697 million (2020: 2.043 million) respectively.

	Note	2021	2020
		Rupees in thousand	
28 PROFIT FROM TRADING ACTIVITIES			
Sales		4,098	1,258
Sales tax		(97)	(32)
		4,001	1,226
Less: Cost of sales			
Opening stock		2,814	2,979
Purchases		2,712	753
Sampling Expenses		-	7
Closing stock		(2,225)	(2,814)
		3,301	925
Profit for the year		700	301
29 DISTRIBUTION COST			
Sales promotion		40,817	26,853
Export sale expenses		7,803	11,557
Dispatch, stacking and other expenses		19,855	22,992
		68,475	61,402
30 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	30.1	321,388	295,166
Staff welfare		40,817	35,043
Rent, rates and taxes		757	4,180
Electricity and gas charges		23,175	17,008
Repair and maintenance		62,525	61,387
Legal and professional		13,304	13,030
Vehicle running		38,067	33,769
Insurance		5,930	4,792
Communication		9,325	10,159
Entertainment		14,025	13,145
Printing and stationery		3,686	3,728
Fees and subscription		7,457	5,280
Traveling and conveyance		8,958	9,715
Security Expenses		38,750	36,283
Auditors' remuneration	30.2	2,136	1,602
Charity and donation	30.3	2,505	2,667
Depreciation	4.1.1	55,883	55,978
Depreciation on right-of-used assets	5	7,176	3,748
Amortization	6	2,839	2,842
Others		3,682	1,672
		662,385	611,194
30.1	It includes Rs.11.389 million (2020 : Rs. 10.255 million) in respect of the Company's contribution towards staff provident fund.		



	Note	2021	2020
		Rupees in thousand	
30.2 Auditors' remuneration			
Kreston Hyder Bhimji & Co			
Audit fee		1,320	1,320
Half yearly review fee		123	123
Code of corporate governance review fee		14	14
Other Certifications		155	-
Out of pocket expenses and sales tax on services		321	115
		1,933	1,572
A.D.Akhawala & Co. - Provident Fund		33	30
A.D.Akhawala & Co. - Cost Audit		170	-
		203	30
		2,136	1,602
30.3	No directors or their spouses had any interest in the donee funds.		
31 OTHER EXPENSES			
Impairment allowance for obsolescence and slow moving items	10.1	13,796	12,451
Impairment allowance for receivable against export subsidy	15.2	148,156	103,344
Expected credit loss against trade debts	12.1	1,000	6,879
Impairment allowance against receivable for cane development cess	15.2	-	8,238
Sales tax with-held (SEPCO) - Written off		-	4,523
Doubtful advances - Written off		-	4,296
Worker's Profit Participation fund		23,098	16,865
Workers welfare fund		8,777	6,409
Net exchange loss		-	11,099
Penalty imposed by Federal Board of Revenue		300	-
		195,127	174,104
32 OTHER INCOME			
Income from financial assets			
Profit on bank deposits		18,393	6,560
Exchange gain on export proceeds		2,169	-
		20,562	6,560
Income from non financial assets and others			
Unclaimed liabilities written back		6,600	3,961
Insurance claim		65	7,225
Gain on disposal of property, plant and equipment - net	4.1.2	12,936	2,562
		19,601	13,748
		40,163	20,308

	Note	2021	2020
		Rupees in thousand	
33 FINANCE COST			
Profit / Markup / Interest on:			
Long term financing		232,809	355,802
Short term borrowings			
Cash/Running finance/Murabaha/Istisna		139,187	181,394
Export refinance		11,992	10,277
		151,179	191,671
Workers' profit participation fund	22.4	1,882	1,284
Interest on liability against Right-of-use assets		827	1,038
Bank charges		2,764	5,031
		389,461	554,826
33.1	This includes Rs.191.528 million (2020: 275.598 million) in respect of Shariah Compliant Financial Institutions.		
34 TAXATION			
Current		146,748	172,135
Deferred		93,480	55,288
	34.1	240,228	227,423
34.1 Tax Reconciliation			
Tax at 29% on Accounting profit		130,824	124,667
Effect of			
Final tax regime		7,216	7,452
Minimum tax		133,593	47,765
Dividend income		5,940	8,414
Share of profit of associate		(6,099)	(34,375)
Temporary differences and others		(31,246)	73,500
		109,404	102,756
		240,228	227,423
34.2	The management believes that the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:		

Accounting Year	As per Financial Statements	As per Return/ Assessment
	Rupees in thousand	
2020	172,135	173,238
2019	144,961	141,800
2018	87,832	96,931
2017	2,639	1,625



	Note	2021	2020
		Rupees in thousand	
35 EARNINGS PER SHARE			
Basic and diluted			
Profit after taxation (Rupees in thousands)		210,890	202,463
Weighted average number of ordinary shares outstanding during the year		20,473,702	20,473,702
Earnings per share (Rupees)		10.30	9.89

35.1 There is no dilutive impact on the company's earning per share.

36 RELATED PARTY TRANSACTIONS

The related parties comprise associates, key management personnel and staff retirement benefit plans. The transactions with related parties are carried out as per agreed terms in the normal course of business. Amounts due from and to related parties are shown in respective notes of investment, receivables and payables, and remuneration of directors and key management personnel is disclosed in note.37. Other transactions with related parties are as follows: -

Relationship with the Company	Nature of Transactions	2021	2020
		Rupees in thousand	
Associates			
Reliance Insurance Company Limited	Insurance premium paid	27,586	18,324
	Insurance claims received	9,792	8,688
	Insurance claims receivable	2,741	5,758
Shahmurad Sugar Mills Limited	Sale of goods	598,793	667,173
	Dividend received	39,597	56,096
	Share of profit in associates	21,198	118,820
First Al-Noor Modaraba (Pvt) Limited	Share of loss in associates	(168)	(285)
	Share of other comprehensive loss and item taken directly to equity	120	(60)
Others			
Key management personnel	Remuneration to key management personnel	143,213	137,788
Staff Retirement Benefits Plan	Employer's contribution to provident fund	23,116	22,347

36.1 During the year the Company entered transactions/arrangements with following related parties.

Name of the related parties	Relationship	Percentage of shareholding	
		2021	2020
Reliance Insurance Company Limited	Common Directorship	-	-
Shahmurad sugar mills limited	Common Directorship	15.625%	15.625%
Al-Noor Management Modaraba (Pvt) Limited	Common Directorship	14.286%	14.286%

36.2 Outstanding balances with related parties have also been separately disclosed in trade debts, other receivable and trade and other payable respective. These are settled in ordinary course of business.

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive, Directors and Executives of the Company were as follows: -

	Chief Executive		Executive Directors		Executives		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
..... Rupees in thousand								
Remuneration	10,928	9,562	7,285	6,375	58,941	56,583	77,154	72,520
Provident fund	911	-	607	-	5,895	5,659	7,413	5,659
Perquisite (including house rent and bonus)	5,919	4,781	3,946	3,187	47,452	45,112	57,317	53,080
Reimbursable expenses including traveling expenses	367	5,552	616	617	-	-	983	6,169
Meeting fee	-	-	346	360	-	-	346	360
	18,125	19,895	12,800	10,539	112,288	107,354	143,213	137,788
Number of persons	1	1	1	1	23	24		

37.1 The Chief Executive, certain Directors and Executives are also provided with free use of company's cars.

37.2 Meeting fee has been paid to 06 Directors, whereas no meeting fees is paid to Executive Directors and Chief Executive.

38 CAPACITY AND PRODUCTION

Sugar Division

	2021	2020
Installed Cane Crushing Capacity per day (M.Ton)	14,500	14,500
No of days Mill operated	89	98
Total Crushing Capacity on basis of no. of days mill operated (M.Ton)	1,290,500	1,421,000
Actual Crushing (M.Ton)	677,785	769,428
Sugar Production (M.Ton)	68,623	74,665

The sugar production plant capacity is based on crushing sugar cane on daily basis and the sugar production is dependent on certain factors which include recovery. Capacity is under utilized due to shortage of raw material.

MDF Board division

Mande Line

No. of Days Mill Operated	301	260
Capacity Per Day (Cubic Meter)	120	120
Total Capacity on basis of no. of days (Cubic Meter) mill operated	36,120	31,200
Actual Production (Cubic Meter)	40,259	30,778

Sunds Line

No. of Days Mill Operated	335	330
Capacity Per Day (Cubic Meter)	122	122
Total Capacity on basis of no. of days (Cubic Meter) mill operated	40,870	40,260
Actual Production (Cubic Meter)	46,235	40,502

The production capacity is based on standard size of sheets but actual production contain various size of sheets. Further wood recipe mix and any change in wood mix / raw material impact the productivity Vis a vis capacity of plant.

39 SEGMENT INFORMATION

The Company has two operating / reportable segments, i.e., Sugar and Medium Density Fiber Board (MDFB) on the basis of product characteristics, internal reporting and the criteria defined by the "IFRS 8 Segment Reporting". The Company also generates and sells electric power, however this is not considered as separate segment since this does not meet the threshold requirements of a reportable segment.

Sugar Division - Manufacturing and sale of Refined Sugar

MDF Board - Manufacturing of Medium Density Fiber Board

The operating results, assets and liabilities and other significant information of each segment is as follows:

	SUGAR		MDF BOARD		TOTAL	
	2021	2020	2021	2020	2021	2020
----- Rupees in thousand -----						
REVENUE						
External sales net of brokerage and commission	5,069,174	6,133,787	5,722,706	4,772,913	10,791,880	10,906,700
External Sales of By-product, bagasse, molasses and sunder dust	582,536	666,455	8,485	10,433	591,021	676,888
Inter-segment transfer - Electricity	117,065	108,390	-	-	117,065	108,390
Inter-segment transfer - Bagasse	113,142	35,969	-	-	113,142	35,969
Total Revenue	5,881,917	6,944,601	5,731,191	4,783,346	11,613,108	11,727,947
RESULTS						
Profit from operations	462,826	558,338	510,987	461,334	973,813	1,019,672
Profit from trading activity	-	-	700	301	700	301
Other Income	13,833	12,342	26,330	7,966	40,163	20,308
	476,659	570,680	538,017	469,601	1,014,676	1,040,281
Other operating expenses					(195,127)	(174,104)
Finance cost					(389,461)	(554,826)
Share of profit from associates					21,030	118,535
Profit before tax					451,118	429,886
Taxation					(240,228)	(227,423)
Net profit for the year					210,890	202,463
STATEMENT OF FINANCIAL POSITION						
Assets						
Segment assets	4,420,426	4,507,912	3,737,096	3,297,310	8,157,522	7,805,222
Investment in associates	729,327	747,755	-	-	729,327	747,755
Unallocated Assets	-	-	-	-	213,560	153,633
Total assets					9,100,409	8,706,610
Liabilities						
Segment liabilities	4,903,278	4,704,636	724,431	694,597	5,627,709	5,399,233
Unallocated liabilities					50,925	35,188
Total liabilities					5,678,634	5,434,421
OTHER INFORMATION						
Additions to property, plant and equipment	21,136	30,871	229,168	394,093	250,304	424,964
Depreciation	138,749	146,710	172,720	141,139	311,469	287,849
Depreciation on right-of-use assets	-	-	7,176	3,748	7,176	3,748
Amortization	1,018	791	1,821	1,339	2,839	2,130

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various customers in Pakistan as well as outside Pakistan. The company is not dependent on any single major customer whose sales is more than 10% of segment revenues. Geographical information about net sales is as follows:

Pakistan	10,070,303	8,881,136
Afghanistan	670,712	2,025,564
Middle East	50,865	-
	10,791,880	10,906,700

40 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the company as at September 30 are as follows

2021						
Markup / Interest Based			Non Markup / Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

-----Rupees in thousand-----

FINANCIAL ASSETS

At Cost / Amortised Cost

Loans and advances	-	-	-	13,888	4,771	18,659	18,659
Deposits	-	-	-	4,893	4,268	9,161	9,161
Trade debts	-	-	-	390,866	-	390,866	390,866
Other receivables	-	-	-	4,916	-	4,916	4,916
Cash and bank balances	38,782	-	38,782	192,700	-	192,700	231,482
	38,782	-	38,782	607,263	9,039	616,302	655,084

FINANCIAL LIABILITIES

At Cost / Amortised Cost

Long term financing	701,667	2,001,907	2,703,574	-	-	-	2,703,574
Lease liability against Right-of-Used assets	4,533	712	5,245	-	-	-	5,245
Trade and other Payables	23,098	-	23,098	554,802	-	554,802	577,900
Accrued finance cost	-	-	-	41,775	-	41,775	41,775
Short term borrowings	1,364,840	-	1,364,840	-	-	-	1,364,840
Unclaimed dividend	-	-	-	7,140	-	7,140	7,140
	2,094,138	2,002,619	4,096,757	603,717	-	603,717	4,700,474

2020						
Markup / Interest Based			Non Markup / Interest Based			Total
Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	

-----Rupees in thousand-----

FINANCIAL ASSETS

At Cost / Amortised Cost

Loans and advances	-	-	-	13,438	1,737	15,175	15,175
Deposits	-	-	-	7,809	4,268	12,077	12,077
Trade debts	-	-	-	461,688	-	461,688	461,688
Other receivables	-	-	-	8,437	-	8,437	8,437
Cash and bank balances	215,342	-	215,342	171,716	-	171,716	387,058
	215,342	-	215,342	663,088	6,005	669,093	884,435

FINANCIAL LIABILITIES

At Cost / Amortised Cost

Long term financing	406,875	2,685,000	3,091,875	-	-	-	3,091,875
Lease liability against Right-of-Used assets	10,208	5,245	15,453	-	-	-	15,453
Trade and other Payables	16,865	-	16,865	510,523	-	510,523	527,388
Accrued finance cost	-	-	-	46,454	-	46,454	46,454
Short term borrowings	402,138	-	402,138	-	-	-	402,138
Unclaimed dividend	-	-	-	6,413	-	6,413	6,413
	836,086	2,690,245	3,526,331	563,390	-	563,390	4,089,721



41 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

41.1 Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including interest / markup rate risk, currency risk and other price risk). The Company's overall risk management programs focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest / markup rate risk, credit risk, financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks as summarized below.

A Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's operating activities exposes it to credit risks arising mainly in respect of loans, advances, deposits, trade debts, other receivables and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	2021	2020
	(Rupees in thousand)	
Loans and advances	18,659	15,175
Deposits	9,161	12,077
Trade debts	390,866	461,688
Other receivables	4,916	8,437
Bank balances	227,172	383,486
	<u>650,774</u>	<u>880,863</u>

Loans and advances

These represent balances due from employees that are usually against their balances of retirement benefits and loans to growers which are also provided to ensure future cane supplies. The Company actively pursues for the recovery of loan / advances to employees through monthly deductions from salaries and based on past experience the Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary. However, certain loans to growers given in past are considered as doubtful. Therefore, impairment allowance is made there against.

Deposits

These represent security deposits with utility companies and trade deposits to suppliers. Based on past experience and credit worthiness of the counter parties the Company does not expect that these counter parties will fail to meet their obligations and the Company believes that it is not exposed any significant credit risk in respect of deposits.

Trade debts

Trade debts are due from local and foreign customers. The Company manages credit risk in respect of trade debts by setting credit limits in relation to individual customers and / or by obtaining advance against sales and / or through irrevocable letter of credits and / or by providing for doubtful debts. Furthermore the Company actively pursues for the recovery and the Company does not expect these customers will fail to meet their obligation and also these are neither past due nor impaired, hence no impairment allowance is necessary in respect of trade debts in addition to expected credit loss already recorded there against. Aging of net trade debts is as follows;

1 to 3 months	161,373	286,452
3 to 6 months	133,871	50,955
More than 6 months	95,622	124,281
	<u>390,866</u>	<u>461,688</u>

Other receivables

These represent amounts receivables from parties against which the Company actively pursues for the recovery and there is no history of default in recent past therefore the Company expects that the amounts will be recovered, hence no impairment allowance is necessary in respect of receivable because these are neither past due nor impaired. Further, an impairment allowance has already been made against the export subsidy in view of uncertainties related to its realization.

Bank balances

The Company limits its exposure to credit risk by maintaining bank accounts only with counter-parties that have stable credit rating and given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with credit ratings are tabulated below:

	Long Term Ratings	Short Term Ratings	2021 Rupees in thousand	2020
United Bank Limited	AAA	A-1+	29,467	43,335
Habib Bank Limited	AAA	A-1+	25,960	22,116
Allied Bank Limited	AAA	A-1+	4,191	9,034
MCB Bank Limited	AAA	A-1+	9,208	16,495
Standard Chartered Bank Limited	AAA	A-1+	1,493	217,972
Standard Chartered Bank Limited-Islamic	AAA	A-1+	19,319	-
National Bank of Pakistan Limited	AAA	A-1+	10,691	3,598
Faysal Bank Limited	AA	A-1+	11,483	6,716
Bank Al-Falah Limited	AA+	A-1+	31,706	7,978
Bank Islami Limited	A+	A-1	785	866
Habib Metropolitan Bank Limited	AA+	A-1+	4,236	6,600
Al-Baraka Bank (Pakistan) Limited	A	A-1	4,242	3,515
Soneri Bank Limited	AA-	A-1+	169	169
Industrial Commercial bank of China	A	A-1	2	2
Meezan Bank Limited	AAA	A-1+	30,039	18,352
JS Bank Limited	AA+	AA-	160	128
Bank Al-Habib Limited	AA+	AAA	18,578	23,594
Askari Commercial Bank Limited	AA+	A-1+	24,995	2,567
Dubai Islamic Bank Limited	AA	A-1+	190	195
Samba Bank Limited	AA	A-1	176	176
Sindh Bank Limited	A+	A-1	82	78
			227,172	383,486

Financial assets that are either past due or impaired

The credit quality of financial assets that are either past due or impaired is assessed by reference to historical information and external ratings or to information about counter party default rates. As at September 30, 2021 there were no significant past due or impaired financial assets except against which adequate loss allowance is made. However besides financial instruments as stated above;

(a) As at the year end amounts of Rs. 41.096 million (2020:41.096 million) receivable from growers, suppliers and contractors were past due against which impairment allowance have been made. The aging of the past due financial assets is as under,

2 year to 3 years

41,096

41,096

(b) The company has also record impairment allowance of Rs. 309.517 million (2020 : Rs. 161.361 million) in respect of Export subsidies and cane development cess due to uncertainties regarding the recoverability as stated in note 15.2.

**B Liquidity risk**

Liquidity risk represents the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with contractual maturities (undiscounted) of the financial liabilities is as follow;

	Carrying Amount	Contractual Cashflows	Less than 3 months	3 to 12 months	1 to 5 years
	(Rupees in thousand)				
Year ended					
30 September 2021					
Long term financing	2,703,574	2,703,574	135,417	566,250	2,001,907
Trade and other payables	946,429	946,429	150,056	427,844	-
Accrued finance cost	41,775	41,775	41,775	-	-
Short-term borrowings	1,364,840	1,364,840	-	1,364,840	-
Unclaimed dividend	7,140	7,140	7,140	-	-
	5,063,758	5,063,758	334,388	2,358,934	2,001,907
Year ended 30					
September 2020					
Long term financing	3,091,875	3,091,875	46,875	360,000	2,685,000
Trade and other payables	527,388	527,388	103,346	424,042	-
Accrued finance cost	46,454	46,454	46,454	-	-
Short-term borrowings	402,138	402,138	-	402,138	-
Unclaimed dividend	6,413	6,413	6,413	-	-
	4,074,268	4,074,268	203,088	1,186,180	2,685,000

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2021 the Company has PKR 3,610 million (2020: PKR 2,773 million) available unutilized short term borrowing limit from financial institutions and also has PKR 231.482 million (2020: PKR 387.058 million) being cash and banks balances. Based on the above, management believes the liquidity risk is insignificant.

C Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest/markup rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: interest /markup rate risk, currency risk and other price risk. The Company's activities are subject to interest / markup rate risk and foreign currency risks where as at year end there were no financial instruments carried at fair value which are subject other price risks.

D Interest/ markup rate risk management

Interest / markup rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest / markup rates. The Company's major interest / markup rate exposure arises from long term financings, short term borrowings and murabaha financing. The Company analyses its interest / markup rate exposure on a regular basis by monitoring markup/interest rate trends. At the year end the interest / markup rate profile of the Company's mark up/interest bearing financial instruments is:

Financial Liabilities	Note number	Carrying Values	
		2021	2020
		--- Rupees in thousand ---	
<u>Variable Rate Instruments</u>			
Long term financing	19	2,703,574	3,091,875
Worker's Profit Participation Fund	22	23,098	16,865
Short term Borrowings	24	1,364,840	402,138
Less: Balances in saving bank account	16	(38,782)	(215,342)
		4,052,730	3,295,536

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 profit or loss. Therefore, a change in interest rate at the year end would not effect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased /increased profit for the year before tax by the amount of Rs. 35.550 million (2020: 32.955 million) assuming that all other variables remains constant.

E Foreign exchange risk management

Foreign exchange risk is the risk that the fair value of future cash flows of financial statements will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economical transactions or receivables and payables that exist due to transactions in foreign currencies.

As at the September 30, 2021 the currency risk profile of the Company's financial instruments is:

	2021 \$ in thousands	2020	2021 (Rupees in thousand)	2020
Balance Sheet Exposure				
Foreign debtors	-	33	-	5,460
Off Balance Sheet Exposure				
Commitments				
US Dollars	1,015	995	173,461	162,941
EUROS	367	200	72,777	68,039
Chinese yuan	2,258	2,251	59,711	12,880
SEK	444	283	8,874	6,915
			314,823	250,775

The following significant exchange rate has been applied:

	2021	2020
Rupee per USD		
Average rate	168.63	161.55
Reporting date rate	170.85	166.40
Rupee per EURO		
Average rate	196.73	182.90
Reporting date rate	198.24	195.21
Rupee per CNY		
Average rate	25.51	23.78
Reporting date rate	26.45	24.56
Rupee per SEK		
Average rate	19.32	17.40
Reporting date rate	20.00	18.63
Rupee per CHF		
Average rate	185.48	183.34
Reporting date rate	190.29	180.67

Sensitivity analysis

A 10 percent strengthening / weakening of the pkr against USD at year end would have decreased / increased profit before tax by the amount of Rs.Nil (2020: 0.546) in respect of on foreign currency balances. The effect off statement of financial position items would have been Rs. 32.30 million (2020: Rs.32.53 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2020.



F Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

The primary objectives of the Company when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During 2021 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2021 and 2020 were as follows:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
Total borrowings	4,068,414	3,499,258
Less: Cash and bank balances	(231,482)	(387,058)
	3,836,932	3,112,200
Total equity	3,421,775	3,272,189
Total equity and debt	7,258,707	6,384,389
Gearing ratio (%)	52.86%	48.75%

42 FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Management assessed that the fair values of cash and cash equivalent, short term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery including power plant) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land and Building

The valuation is considered on the factors of location, need of the buyers, the overall prevailing market situation and other considerations linked with this.

Plant and Machinery including power plant

Factors taken into consideration in order to assess the present value of the machinery and equipments include Make, Model, Quality, Operational, Capacity, Existing Condition, Demand and Resale Prospects, Depreciation and Obsolescence etc.

43. PROVIDENT FUND RELATED DISCLOSURES

The following information based on latest financial statements of the fund:

	2021 (Rupees in thousand)	2020 (Rupees in thousand)
	Un-audited	Audited
Size of the fund - Total assets	251,500	222,000
Cost of investments made	252,449	224,136
Percentage of investments made	100.38%	100.96%
Fair value of investments	252,449	224,136

43.1 The break-up of fair value of investment is:

	2021		2020	
	Rs. 000s %	Rs. 000s %
	Un-audited		Audited	
Meezan Amdan Certificate	251,500	99.62%	222,000	99.05%
Saving accounts with banks	949	0.38%	2,136	0.95%
	252,449	100.00%	224,136	100.00%

43.2 The investment out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and rules formulated for this purpose.

44. NUMBER OF EMPLOYEES

No of persons employed as on year end were 770 (2020:740) and Average number of employee during the year were 813 (2020:800).

45. SUBSEQUENT EVENTS

45.1 Subsequent to the year end the Board of Directors has proposed a final cash dividend of Rs.102.37 million (2020: Rs. 61.42 million) in their meeting held on 27th December 2021 subject to the approval of the members at the Annual General meeting scheduled to be held 27th January 2022.



46 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on 27th December 2021

47 GENERAL

Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.

YOUSUF AYOOB
Chief Executive Officer

ZIA ZAKARIA
Chairman

MUHAMMAD HANIF CHAMDIA
Chief Financial Officer

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON 30-09-2021

NO. OF SHAREHOLDERS	SHARE HOLDINGS			TOTAL SHARES HELD
471	1	To	100	12,224
352	101	To	500	100,794
100	501	To	1000	73,999
107	1001	To	5000	247,879
20	5001	To	10000	140,790
4	10001	To	15000	48,451
6	15001	To	20000	111,891
8	20001	To	25000	180,103
2	25001	To	30000	56,500
1	35001	To	40000	37,500
1	45001	To	50000	49,500
1	50001	To	55000	54,000
3	60001	To	65000	185,873
2	65001	To	70000	134,803
2	70001	To	75000	148,038
2	90001	To	95000	185,308
1	100001	To	105000	101,981
1	105001	To	110000	109,000
1	110001	To	115000	110,775
1	130001	To	135000	133,977
1	155001	To	160000	156,940
1	205001	To	210000	208,218
2	215001	To	220000	435,049
2	220001	To	225000	442,176
1	240001	To	245000	241,147
2	280001	To	285000	560,589
1	285001	To	290000	288,015
1	300001	To	305000	304,117
1	305001	To	310000	307,959
1	320001	To	325000	323,394
1	370001	To	375000	371,032
1	400001	To	405000	402,483
1	435001	To	440000	435,011
1	455001	To	460000	455,403
1	460001	To	465000	464,191
1	500001	To	505000	500,500
1	565001	To	570000	566,416
1	595001	To	600000	600,000
1	615001	To	620000	615,836
1	630001	To	635000	634,856
1	660001	To	665000	660,802
3	675001	To	680000	2,030,182
1	740001	To	745000	742,000
1	835001	To	840000	838,597
1	905001	To	910000	908,610
1	980001	To	985000	982,231
1	1875001	To	1880000	1,875,675
1	1895001	To	1900000	1,898,887
1119	TOTAL:-			20,473,702

CATEGORIES OF SHAREHOLDING AS ON 30-09-2021

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INSURANCE COMPANIES	1	566,416	2.77
2	JOINT STOCK COMPANIES	12	2,739,342	13.38
3	FINANCIAL INSTITUTIONS	6	34,030	0.17
4	MODARABAS	1	110,775	0.54
5	MUTUAL FUND	1	1,898,887	9.27
6	OTHERS	5	235,505	1.15
7	GENERAL PUBLIC	1093	14,888,747	72.72
	TOTAL:-	1119	20,473,702	100.00

CATEGORIES OF SHARE HOLDING AS AT SEPTEMBER 30, 2021

Categories of Shareholders	No. of Share Holders	Sheres Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES			
FIRST AL-NOOR MODARABA	1	110,775	0.54
NOORI TRADING CORP. (PVT) LTD	1	1,875,675	9.16
ZAIN TRADING CORPORATION (PVT) LTD.	2	779,500	3.81
NBP, NIT & ICP			
INVESTMENT CORPORATION OF PAKISTAN	1	190	0.00
NATIONAL INVESTMENT TRUST LTD. ADMINISTRATION FUND	1	20,881	0.10
NATIONAL BANK OF PAKISTAN	1	1,430	0.01
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND.	1	220,468	1.08
TRUSTEE NATIONAL BANK OF PAKISTAN EMP. BENEVOLENT FUND TRUST.	1	7,736	0.04
NATIONAL BANK OF PAKISTAN	1	11,401	0.06
MUTUAL FUNDS			
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,898,887	9.27
DIRECTORS , CEO & THEIR SPOUSES AND MINOR CHILDERN			
MR. MUHAMMAD YUSUF AYOOB	1	371,032	1.81
MR. MUHAMMAD SULEMAN AYOOB	1	323,394	1.58
MR. NOOR MOHAMMAD ZAKARIA	1	676,727	3.31
MR. ZIA ZAKARIA	1	464,191	2.27
MS. MUNIFA	2	635,356	3.10
MR. SHAMIM AHMAD	1	1,000	0.00
MRS. MUNIRA ANJUM (W/O YUSUF AYOOB)	1	402,483	1.97
MRS. SURAIYA SULEMAN (W/O SULEMAN AYOOB)	1	60,070	0.29
MRS. SHEHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD ZAKARIA)	1	676,728	3.31
PUBLIC SECTOR COMPANIES AND CORP.	1	566,416	2.77
BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND	2	128	0.00
JOINT STOCK COMPANIES	9	84,167	0.41
OTHERS	3	7,301	0.04
GENERAL PUBLIC	1,083	11,277,766	55.08
TOTAL:-	1,119	20,473,702	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	---	1,898,887
NOORI TRADING CORPORATION (PVT.) LTD.	---	1,875,675

Details of trading in the shares by the Directors, Excutives and their spouses and minor children:

None of the Directors, Executive and their spouses and minor Children has traded in the shares of the Company during the year.



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عملے کے تعلقات:

آخر میں ڈائریکٹران نے کمپنی کے معاملات کو خوش اسلوبی سے چلانے کے لئے ذمہ داری کی تقویت اور ایگزیکٹوز، عملہ کے ممبروں اور کارکنوں کی محنت کی تعریف کو ریکارڈ کیا، موجودہ ماحولیاتی ماحول میں مقاصد اور اہداف کو پورا کیا اور پر اعتماد ہیں کہ وہ یہ مظاہرہ ہمارے خالق کی برکت کے تحت مستقبل میں بھی وہی جوش و جذبہ سے جاری رکھیں گے۔

بحکم بورڈ



ضیاء زکریا
چیئر مین / ڈائریکٹر



محمد یوسف ایوب
ڈائریکٹر / چیف ایگزیکٹو آفیسر (CEO)

کراچی، دسمبر 27، 2021

قرض کارسک:

کمپنی عام طور پر پیشگی ادائیگیوں کے عوض مصنوعات فروخت کرتی ہے لیکن کریڈٹ کی فروخت کی صورت میں ان صارفین کی مناسب احتیاط برتی جاتی ہے جن کو کریڈٹ دیا جاتا ہے۔

مارکیٹ رسک:

کمپنی اپنے خام مال اور تیار مصنوعات کی قیمتوں میں تبدیلی کے خطرے سے دوچار ہے۔ اس کا انتظام شاک کی سطح کی منصوبہ بندی اور مناسب پائے جانے والے وقت اور وقفوں میں مختلف ذرائع سے خرید و فروخت کے لیے مارکیٹوں کی مسلسل نگرانی کے ذریعے کیا جاتا ہے۔

لیکویڈیٹی رسک:

کمپنی نے اپنی کاروباری ذمہ داریوں کو پورا کرنے کے لیے فروخت کی رسیدوں اور خریداریوں کی ادائیگیوں کے درمیان مماثلت کو پورا کرنے کے لیے مختلف بینکوں سے ورکنگ کیپٹل کی ضروریات کا انتظام کیا ہے۔ بورڈ وقتاً فوقتاً کاروبار کو درپیش بڑے خطرے کا جائزہ لیتا ہے اور خطرے کو کم کرنے کے لیے ضروری اقدامات کرتا ہے۔ آڈٹ کمیٹی مالیاتی اور تعمیل کے خطرات کا بھی جائزہ لیتی ہے۔ ہیومن ریسورس اینڈ ریمونریشن کمیٹی معاوضے اور انعام کی پالیسیوں کا جائزہ لیتی ہے تاکہ یہ یقینی بنایا جاسکے کہ یہ باصلاحیت اور تجربہ کار عملے کو برقرار رکھنے اور راغب کرنے کے لیے مسابقتی اور موثر ہیں۔

بورڈ کی تشخیص کا طریقہ کار:

بورڈ کے اراکین اور اس کی کمیٹیاں انتہائی تجربہ کار اہلکار ہیں اور اپنی تاثیر کو بہتر بنانے کے لیے مسلسل کوششیں کرتے رہتے ہیں اور وقتاً فوقتاً بورڈ اور کمیٹیوں کی کارکردگی تک رسائی کے لیے سالانہ جائزہ لیتے رہتے ہیں۔ بورڈ کارپوریٹ سیکٹر اور گورننس میں ہونے والی پیش رفت کا بھی جائزہ لیتا ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ کمپنی کارپوریٹ سیکٹر میں ہونے والے بہترین طریقوں اور ترقی کے ساتھ ہم آہنگ رہے۔

منافع:

نقد منافع @ 50 فیصد یعنی 5.00 روپے فی شیئر 10 روپے (2020، 30 فیصد یعنی 3.00 روپے فی شیئر - 10 روپے) بورڈ کے ذریعے موجودہ سال کے لئے سفارش کی گئی ہے۔

آڈیٹرز کی تقرری:

سالانہ جنرل میٹنگ کے اختتام پر موجودہ آڈیٹرز، میسرز کرسٹن حیدر بھیم جی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ریٹائرڈ ہو جائیں گے اور اہل ہونے کے بعد مالی سال 2021-22 کے لیے دوبارہ تقرری کے لیے خود کو پیش کیا ہے۔ آڈٹ کمیٹی نے ان کی تقرری کی بھی سفارش کی اور آپ کی کمپنی کے بورڈ نے سال 2021-22 کے لیے ان کی دوبارہ تقرری کے لیے آڈٹ کمیٹی کی سفارشات کی توثیق کی جس کے بعد آئندہ سالانہ جنرل میٹنگ میں ممبران کی منظوری لی جائے گی۔

کارپوریٹ اور سماجی ذمہ داری:

کمپنی نے اپنے متحرک کارپوریٹ اور سماجی ذمہ داری پروگرام تعلیم، صحت کی دیکھ بھال، ماحولیات اور دیگر نیک مقاصد کے تحت اپنے فریپانز ایریا میں اقدامات جاری رکھے۔ کمپنی کے پاس معاشرے اور ان کمیونٹیز کی بہتری کے لیے اپنی مضبوط وابستگی کا ایک ثابت شدہ ریکارڈ ہے جن میں یہ کام کرتی ہے۔ کمپنی نے کئی فلاحی سرگرمیاں انجام دی ہیں جیسے سیکنڈری سطح تک اسکول کا قیام، وقفہ وقفہ پر طبی کمپوں کا انعقاد، مستحق دیہاتیوں کو مالی امداد، کاشتکاروں کو کھاد اور معیاری بیج فراہم کرنا، مستحق افراد کو مفت راشن اور طبی امداد کی فراہمی۔

ماحولیات اور کمپنی کا کاروبار:

آپ کی کمپنی کا مقصد ماحول پر پڑنے والے منفی اثرات کو کم کرنا ہے۔ انتظامیہ ہمیشہ اپنے کام کے ہر شعبے میں ماحولیات کے تحفظ کے لیے سنجیدہ ذمہ داری لیتی ہے۔ ماحولیات کے تحفظ کی اہمیت کو مزید اجاگر کرنے کی کوشش کے ساتھ، آپ کی کمپنی نے اپنی مل سائٹس میں اور اس کے ارد گرد درخت لگانے کی مہم جاری رکھی۔ آپ کی کمپنی فضلہ اور اخراج کو کم کر کے ماحولیات پر اثرات کو کم کرنے اور اپنے ملازمین، صارفین، سپلائرز، پڑوسیوں اور عام لوگوں کی صحت اور حفاظت کے لیے سب سے زیادہ فکر کے ساتھ اپنا کاروبار چلانے کے لیے پرعزم ہے۔ کمپنی نے ماحول کو صاف ستھرا رکھنے کے لیے صنعتی اور اطراف کے علاقوں میں درخت لگائے۔

متعلقہ فریقین کے لین دین:

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت تمام متعلقہ فریقوں کے لین دین کو بورڈ کی آڈٹ کمیٹی اور بورڈ کے سامنے حتمی منظوری کے لیے پیش کیا گیا کمینیز ایکٹ 2017 کے سیکشن 208 کے تحت مطلوبہ سالانہ جنرل میٹنگ میں 18-2017 کے دوران کیے گئے متعلقہ فریقین کے لین دین کو بھی ممبران کے سامنے رکھا گیا۔ مارکیٹ کی قیمت کے تحت انتظام متعلقہ فریقوں میں داخل ہونے والے تمام لین دین کو بورڈ کی آڈٹ کمیٹی کی منظوری کے بعد بورڈ نے منظور کیا جس کی صدارت ایک آزاد ڈائریکٹر کرتا ہے۔

قومی خزانے میں شراکت:

کمپنی ٹیکسوں، ڈیوٹیوں کی صورت میں ملک کے وسائل کو بڑھانے اور حکومت کی طرف سے اجازت کے مطابق چینی کی برآمد اور ایم ڈی ایف بورڈ ڈویژن کی لمینینڈ مصنوعات برآمد کر کے زرمبادلہ کمانے میں بھی اپنا حصہ ڈال رہی ہے۔ زیر جائزہ مدت کے دوران آپ کی کمپنی نے MDF لمینینڈ پروڈکٹ برآمد کی ہے اور ملک کے لیے قیمتی زرمبادلہ کمایا ہے۔ اس سے تجارتی خسارے کو کسی حد تک کم کرنے میں بھی مدد ملی ہے۔

رسک مینجمنٹ اور مواقع:

کمپنی ایک چیلنجنگ ماحول میں کام کرتی ہے اور انتظامیہ نے خطرے کی شناخت، تشخیص اور تخفیف کے لیے ایک مؤثر طریقہ کار ترتیب دیا ہے جو ہموار آپریشن کو قابل بناتا ہے اور اس بات کو یقینی بناتا ہے کہ کاروبار کی ترقی پر توجہ مرکوز رہے۔

مستقبل کا جائزہ:

شوگر ڈویژن:

گنے کی قیمت حکومت سندھ کی طرف سے مطلع کی جاتی ہے جبکہ حتمی مصنوعات کی فروخت کی قیمت مارکیٹ فورسز کے لیے کھلی چھوڑ دی جاتی ہے۔ اس کے نتیجے میں جب بھی گنے کی بمپر فصل ہوتی ہے تو چینی کی پیداوار میں خاطر خواہ اضافہ ہوتا ہے جبکہ کھپت کا انداز بدستور برقرار رہتا ہے۔ چونکہ کرشنگ سیزن ابھی شروع ہوا ہے اس بات کا اندازہ نہیں لگایا جاسکتا کہ چینی کی پیداوار ملک کی ضرورت کو پورا کرنے کے لیے کافی ہوگی۔ مختصر زوال کو پورا کرنے کے لئے اگر کوئی ہے تو، TCP نے ایسی صورت حال سے نمٹنے اور تنقید سے بچنے کے لیے کافی مقدار میں چینی درآمد کی ہے۔ یہ صورتحال مارکیٹوں میں چینی کی قیمت پر اثر انداز ہوتی ہے اور اس کے برعکس۔ کرشنگ سیزن 2021-22 کا آغاز ہو چکا ہے اور توقع ہے کہ چینی کی پیداوار گزشتہ سال کے مقابلے میں قدرے زیادہ ہوگی۔ صوبے میں اچھی بارشوں کی وجہ سے بحالی کی شرح میں بھی گزشتہ سال کے مقابلے میں اضافہ متوقع ہے۔ کرشنگ سیزن 2020-21 کے دوران کاشتکاروں کو اس کی کمی کی وجہ سے گنے کی زیادہ قیمت ادا کی گئی۔ حکومت سندھ نے نوٹیفکیشن نمبر 8(142)/S.O(Ext)2021-22 مورخہ 04 نومبر 2021 کے ذریعے گنے کی قیمت =250/ روپے فی چالیس کلوگرام مقرر کی ہے جبکہ گزشتہ سال گنے کی قیمت =202/ روپے تھی۔ پیداواری لاگت اس وقت بڑھ جاتی ہے جب کاشتکار اپنی فصل کو مطلع شدہ قیمت پر فروخت کرنے سے گریزاں ہوتے ہیں اور کمپنی کے پاس کارخانے کو اقتصادی پیمانے پر چلانے کے لیے اضافی قیمت ادا کرنے کے علاوہ کوئی چارہ نہیں ہوتا۔

MDF بورڈ ڈویژن:

الحمد للہ MDF بورڈ ڈویژن نے مقامی اور ہمسایہ ممالک کی مارکیٹوں میں مصنوعات کی مانگ کو مد نظر رکھتے ہوئے مختلف موٹائی میں 86,494 کیوبک میٹر بورڈ تیار کیا جبکہ گزشتہ سال اسی عرصے میں 71,280 کیوبک میٹر پیدا کیا گیا تھا۔ ڈویژن کی مصنوعات نے اسے مارکیٹوں اور پڑوسی ممالک میں قابل قبول بنایا ہے۔ ملک میں متوسط اور نچلے طبقے کی آبادی کو گھر فراہم کرنے کے لیے تعمیراتی صنعت کی حکومت کی سرپرستی کی وجہ سے لیمینیٹڈ ویلیو ایڈڈ مصنوعات کی مانگ میں اضافہ ہوا ہے۔ اس اسکیم کے متعارف ہونے کی وجہ سے خاص طور پر ویلیو ایڈڈ لیمینیٹڈ مصنوعات کے لیے MDF مصنوعات کی مانگ میں اضافہ ہوا ہے۔ توقع ہے کہ ہاؤسنگ سیکٹر میں توسیع کو مد نظر رکھتے ہوئے ملک کی MDF بورڈ انڈسٹری کافی ترقی کرے گی۔

کمپنی کی کریڈٹ ریٹنگ:

VIS کریڈٹ ریٹنگ کمپنی نے کمپنی کو "A-/A-2" (سنگل "A" مانس Two-A) کی ابتدائی درمیانی سے طویل مدتی درجہ بندی تفویض کی ہے۔ بقایا درجہ بندی پر نقطہ نظر "مستحکم" ہے۔

آڈٹ کمیٹی:

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشن میں شامل کارپوریٹ گورننس کوڈ کے تحت ضرورت کے مطابق بورڈ نے ایک آڈٹ کمیٹی تشکیل دی ہے جس میں درج ذیل ڈائریکٹرز شامل ہیں۔ زیر غور مدت کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے اور ہر ممبر کی حاضری حسب ذیل تھی۔

ڈائریکٹرز کے نام	عہدہ	شرکت	درجہ
جناب شمیم احمد	چیئر مین	4	آزاد ڈائریکٹر
جناب ضیاء زکریا	ممبر	4	نان ایگزیکٹو
محترمہ منیفہ ایوب	ممبر	4	نان ایگزیکٹو

آڈٹ کمیٹی کے ٹرمز آف ریفرنس کا تعین بورڈ نے کیا ہے جیسا کہ پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز میں بیان کیا گیا ہے۔

انسانی وسائل اور معاوضے کی کمیٹی:

بورڈ نے کوڈ آف کارپوریٹ گورننس کے تحت ضرورت کے مطابق انسانی وسائل اور معاوضے کی کمیٹی بھی تشکیل دی جس میں درج ذیل ڈائریکٹرز شامل ہیں۔ سال کے دوران کمیٹی کا ایک اجلاس ہوا اور اس میں کمیٹی کے تمام اراکین نے شرکت کی۔

ڈائریکٹرز کے نام	عہدہ	درجہ
جناب فرخ یلین	چیئر مین	آزاد ڈائریکٹر
جناب سلیمان ایوب	ممبر	ایگزیکٹو ڈائریکٹر
محترمہ منیفہ ایوب	ممبر	نان ایگزیکٹو

ڈائریکٹرز کا مشاہرہ پالیسی اور مشاہرہ کی تفصیلات:

کمپنی کے آرٹیکلز کے مطابق، بورڈ آف ڈائریکٹرز وقتاً فوقتاً ایگزیکٹو اور نان ایگزیکٹو اور آزاد ڈائریکٹرز کے معاوضے طے کرنے کا مجاز ہے اور کمپنی کے آرٹیکلز اور قابل اطلاق قوانین کے مطابق جنرل میٹنگ میں ممبران کی منظوری سے ہے۔ بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی تیار کی ہے جس میں پالیسی کے مقاصد اور بورڈ کے اجلاسوں اور اس کی کمیٹیوں میں شرکت کے لیے انفرادی ڈائریکٹر کے معاوضے کے پیکجوں کے تعین کے لیے ایک شفاف طریقہ کار کو تفصیل سے بیان کیا گیا ہے۔ ڈائریکٹرز کے معاوضے کی پالیسی کی دیگر اہم خصوصیات میں یہ بھی شامل ہے کہ معاوضے کی سطح مسابقتی اور بورڈ میں اہل اور ہنرمند افراد کو راغب کرنے اور برقرار رکھنے کے لیے کافی ہوگی، کوئی صنفی امتیاز نہیں ہوگا اور معاوضہ اس سطح پر نہیں ہوگا جو ڈائریکٹرز کی آزادی سے سمجھوتہ کرنے کے لیے سمجھا جاسکتا ہے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی مجموعی رقم کی تفصیلات نوٹ 37 میں مالی حسابات میں ظاہر کی گئی ہیں۔

7. پاکستان اسٹاک ایکسچینج کے فہرست سازی کے ضابطوں میں تفصیل کے مطابق کوڈ آف کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہوا ہے۔
 8. کوئی بقایا قانونی ادائیگی نہیں ہوئی ہے، سوائے ان کے جو معمول کے کاروبار کے تحت ہیں اور کچھ متنازعہ معاملات، جو مالیاتی گوشواروں کے متعلقہ نوٹس میں ظاہر ہو رہے ہیں۔
 9. 30 ستمبر 2021 تک کمپنی میں شیئر ہولڈنگ کا پیٹرن بھی سالانہ رپورٹ میں شامل ہے۔
 10. ڈائریکٹرز، چیف ایگزیکٹو، چیف فنانشل آفیسر، کمپنی سیکرٹری، ان کی شریک حیات یا نابالغ بچوں نے کمپنی کے حصص میں کوئی تجارت نہیں کی سوائے اس کے کہ دوسری صورت میں اشارہ کیا گیا ہو۔
 11. 30 جون 2021 تک غیر آڈٹ شدہ کھاتوں کی بنیاد پر پراویڈنٹ فنڈ کے ڈپازٹ اکاؤنٹس میں سرمایہ کاری اور بیلنس کی مالیت 251.500 ملین روپے تھی۔
- سالانہ رپورٹ میں گزشتہ دس سالوں کے اہم آپریٹنگ اور مالیاتی ڈیٹا اور شیئر ہولڈنگ کے پیٹرن کو شامل کیا گیا ہے۔ ڈائریکٹرز یا ان کی شریک حیات کے انعقاد میں کوئی خاص تبدیلی نہیں آئی سوائے دوسری صورت میں اشارہ کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل:

30 مارچ 2020 کو ہونے والے گزشتہ انتخابات کے بعد سے بورڈ آف ڈائریکٹرز کی تشکیل میں کوئی تبدیلی نہیں ہوئی۔ زیر جائزہ مدت کے دوران بورڈ کے چار اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری حسب ذیل تھی۔

درجہ	شرکت	ڈائریکٹرز کے نام
1.	4	جناب ضیاء زکریا (چیئر مین)
2.	4	مسٹر یوسف ایوب
3.	4	مسٹر سلیمان ایوب
4.	3	جناب نور محمد زکریا
5.	4	محترمہ منصفہ ایوب
6.	4	جناب شمیم احمد
7.	4	مسٹر فرخ یاسین

پاکستان اسٹاک ایکسچینج کے لسٹنگ ریگولیشنز کے تحت مطلوبہ مالیاتی گوشواروں کے متعلقہ نوٹ میں ایگزیکٹو ڈائریکٹرز کے معاوضے کی تفصیلات بھی فراہم کی گئی ہیں۔ نان ایگزیکٹو اور آزاد ڈائریکٹرز کو میٹنگ فیس کے علاوہ کوئی معاوضہ ادا نہیں کیا جاتا۔

کارکردگی کا جائزہ شوگر ڈویژن

اللہ کے فضل سے آپ کی کمپنی کی کارکردگی تسلی بخش تھی۔ زیر نظر مدت کے دوران آپ کی کمپنی نے ریکوری کی شرح 10.12 فیصد حاصل کی جو گزشتہ سال حاصل کی گئی 9.71 فیصد تھی۔ ریکوری کی شرح میں اضافہ بنیادی طور پر گنے کے اچھے معیار کی وجہ سے تھا کیونکہ کرشنگ اس وقت شروع کی گئی تھی جب گنے کی کرشنگ کے لیے مکمل پختہ ہو گیا تھا۔ چینی کی پیداوار 68,623 میٹرک ٹن تھی جو کہ پڑوسی ملوں کے ساتھ سخت مقابلہ کا سامنا کرنے کی وجہ سے پچھلے سال کی پیداوار کے مقابلے میں 6,042 میٹرک ٹن یا 8.09 فیصد کم ہے۔

میڈیم ڈینسٹی فائبر (MDF) بورڈ ڈویژن:

MDF بورڈ ڈویژن نے اچھی کارکردگی کا مظاہرہ کیا اور مختلف موٹائی میں 86,494 کیوبک میٹر مصنوعات تیار کیں جبکہ پچھلے سال کے دوران یہ 71,280 کیوبک میٹر پیدا ہوئی تھی۔ پیداوار گزشتہ سال کے مقابلے میں 15,214 کیوبک میٹر یا 21.34 فیصد زیادہ ہے۔ 111,974 کیوبک میٹر کی فروخت کا حجم 104,063 کیوبک میٹر کے مقابلے میں ہے جو کہ پچھلے سال سے تھوڑا زیادہ ہے۔ سیلز ویلیو بڑھ کر 5,722.706 ملین روپے ہو گئی جو کہ گزشتہ سال حاصل کی گئی 4,772.913 ملین روپے کے مقابلے میں تقریباً 20 فیصد اضافے کو ظاہر کرتی ہے۔ سیل ویلیو میں اضافہ ویلیو ایڈڈ مصنوعات کے زیادہ اجزاء کی وجہ سے ہوا۔

پاور جنریشن ڈویژن:

واٹر اینڈ پاور ڈیولپمنٹ اتھارٹی کے ساتھ معاہدہ دس سال کی مدت کے لیے تھا جس کی میعاد ختم ہو چکی ہے۔ اس عرصے کے دوران سکھرا لیکٹرک سپلائی کمپنی (SESC) کو بجلی کی فروخت نہیں ہوئی، بجلی کی فروخت کی تجویز جو پہلے ہی نیشنل لیکٹرک پاور ریگولیٹری اتھارٹی (نپرا) کو جمع کرائی گئی تھی۔ سکھرا لیکٹرک سپلائی کمپنی کو بجلی کے 8 میگا واٹ کی فروخت کی منظوری دے دی ہے اور آئندہ کرشنگ سیزن کے لیے معاہدہ کیا گیا ہے۔

کارپوریٹ گورننس کے بہترین طریقوں کے ساتھ تعمیل کا بیان:

1. کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشواروں میں اس کے معاملات کی صورتحال، آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں پیش کی جاتی ہیں۔
2. قانون کے تحت ضرورت کے مطابق کمپنی نے کھاتوں کی مناسب کتابیں رکھی ہیں۔
3. مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں لاگو ہوتا ہے، مالی بیانات کی تیاری میں پیروی کی گئی ہے۔
5. اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اس مدت کے دوران مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔
6. تشویش کے طور پر جاری رکھنے کی کمپنی کی صلاحیت پر کوئی خاص شک نہیں ہے۔

ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ تعالیٰ کے بابرکت نام سے جو نہایت مہربان اور رحم کرنے والا ہے۔
پیارے ممبران! السلام علیکم!

میں بورڈ آف ڈائریکٹرز کی جانب سے یہ موقع ملنے پر آپ کے سامنے کمپنی کے آڈٹ شدہ حسابات برائے سال 30 ستمبر 2021ء پیش کرنے پر خوشی محسوس کر رہا ہوں۔ آپ کی کمپنی کی اصل سرگرمیاں چینی کی پیداوار اور MDF بورڈ مختلف سائز میں تیار کرنا ہے۔ اہم پیداوار اور مالی اعداد و شمار کو درج ذیل میں فراہم کیئے گئے ہیں۔

2019-20	2020-21	مالیاتی کارکردگی :
429,886	451,118	☆ منافع قبل از ٹیکس
(227,423)	(240,228)	☆ ٹیکس کے لئے فراہمی
202,463	210,890	☆ منافع بعد از ٹیکس
Rs.9.89	Rs.10.30	☆ منافع فی شیئر بنیادی
2019-20	2020-21	معلومات بابت پیداوار
769,428	677,785	☆ گنے کی پسائی (میٹرک ٹن)
74,665	68,623	☆ چینی کی پیداوار (میٹرک ٹن)
9.71	10.12	☆ ریکوری برائے چینی (فیصد)
35,010	30,800	☆ پیداوار برائے راب (میٹرک ٹن)
71,280	86,494	☆ ایم ڈی ایف کی پیداوار (کیوبک میٹر)
(روپے ہزاروں میں)		مالی اعداد و شمار :
10,906,700	10,791,880	☆ فروخت
(9,214,432)	(9,087,207)	☆ لاگت برائے فروختگی
1,692,268	1,704,673	☆ خام منافع
(61,402)	(68,475)	☆ تقسیمی لاگت
(611,194)	(662,385)	☆ انتظامی اخراجات
(174,104)	(195,127)	☆ دیگر عملیاتی اخراجات
(554,826)	(389,461)	☆ مالیاتی اخراجات
20,609	40,883	☆ دیگر آمدنی
118,535	21,030	☆ منافع برائے ایسوسی ایٹ میں
429,886	451,118	☆ قبل از ٹیکس منافع



PROXY FORM

I/We
in the district of being a Member of **AL-NOOR SUGAR MILLS LIMITED**
and holder of Ordinary Shares as per Share
(Number of Shares)

Register **Folio No.** and/or **CDC Participant I.D. No.** and **Sub Account No.**
hereby appoint of
or failing him
of also a member; as my/our Proxy in my/our absence to
attend and vote for me/us at the 52nd Annual General Meeting of the Company to be held on the 27th day of January two
thousand twenty two at 3:00 p.m and at any adjournment thereof :

Signed this day of 2022

WITNESSES:

1. Signature
Name:
Address
CNIC or
Passport No.

Rupees five
Revenue
Stamp

2. Signature
Name:
Address
CNIC or
Passport No.

Signature of Member(s)

NOTE:

- This Proxy Form, duly completed and signed, must be received at the office of our Shares Registrar not later than 48 hours before the time of holding the meeting.
- If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
- For CDC Account Holders / Corporate Entities
In addition to the above the following requirements have to be met.
 - Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
 - In case of a corporate entity, the Board of Directors resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

پراکسی فارم

میں / ہم _____ ساکن _____
 _____ ساکن _____
 _____ کے رکن و حامل _____ عام حصص برطابق شیئرز رجسٹرڈ فوئیو نمبر _____
 _____ اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر _____ اور ذیلی کھاتہ نمبر _____
 _____ بذریعہ ہذا _____ ساکن _____ یا بصورت دیگر _____
 _____ ساکن _____ جو کہ خود بھی ایک ممبر ہے کو اپنی / ہماری غیر موجودگی میں کمپنی کے
 52 واں سالانہ اجلاس عام مؤرخہ 27 جنوری 2022 بوقت 3:00 بجے منعقد یا ملتوی ہونے والے میں رائے دہندگی کیلئے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط شدہ بتاریخ _____ بروز _____ 2022۔

برائے کرم پانچ روپے
 مالیت کے ریونیو ٹکٹ
 چسپاں کریں۔

گواہان:

1- _____ دستخط _____
 _____ نام _____
 _____ پتہ _____

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

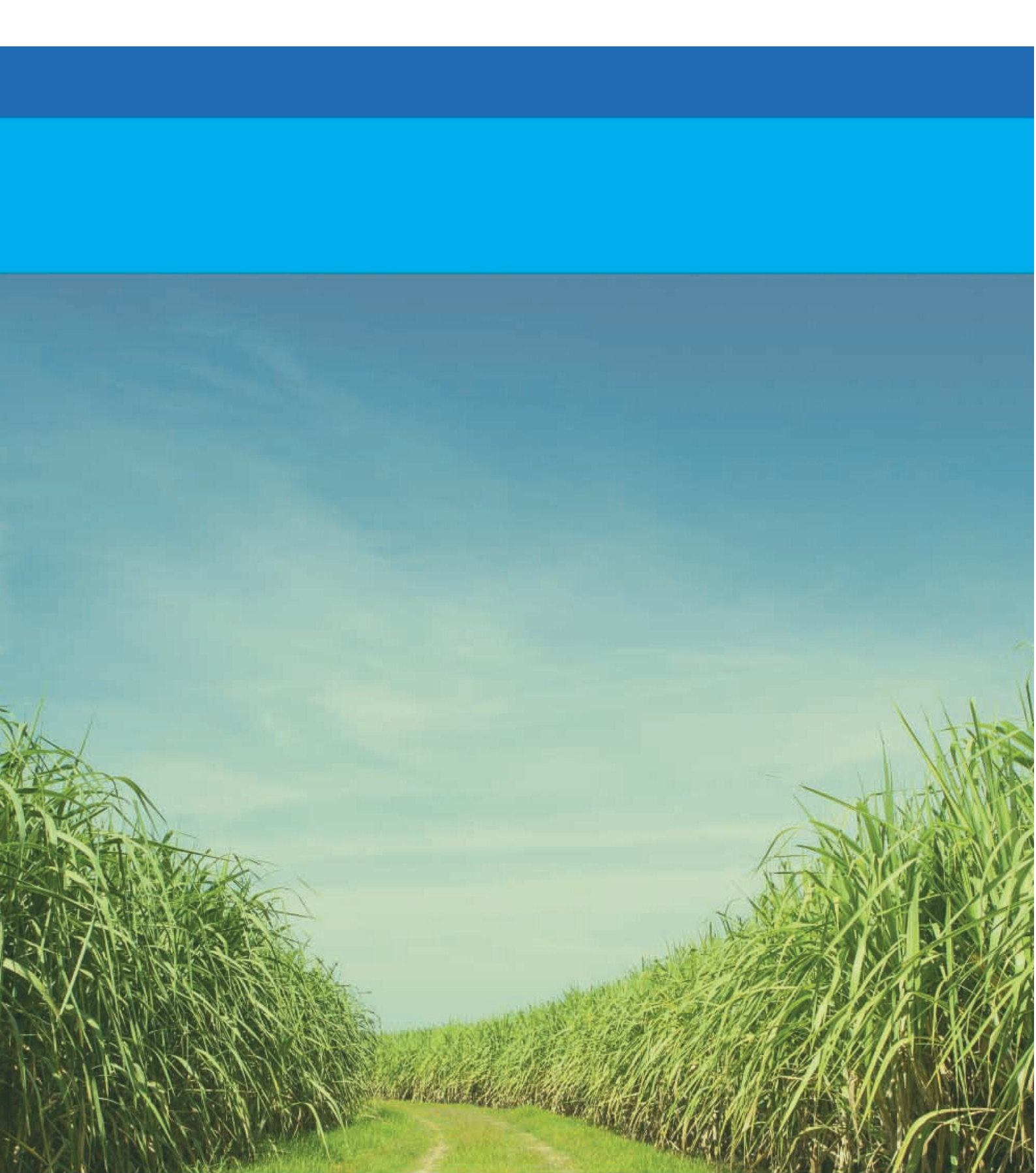
2- _____ دستخط _____
 _____ نام _____
 _____ پتہ _____

دستخط برائے ممبر / ممبران _____
 (دستخط کمپنی میں درج نمونہ کے دستخط کے مطابق ہونے چاہیے)

کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ نمبر _____

نوٹ:

- 1- ہر لحاظ سے مکمل اور دستخط شدہ یہ فارم میٹنگ سے کم از کم 48 گھنٹے قبل کمپنی کے شیئرز رجسٹر کے دفتر میں موصول ہونا چاہیے۔
 - 2- اگر کوئی ممبر ایک سے زائد پراکسی نامزد کرتا ہے اور ایک سے زیادہ انسٹرومنٹس آف پراکسی جمع کراتا ہے تو اس صورت میں تمام انسٹرومنٹ آف پراکسی کا عدم قرار دیئے جائیں گے۔
 - 3- سی ڈی سی اکاؤنٹ رکھنے والے / کارپوریٹ ادارے مزید برآں درج شرائط کو پورا کریں گے۔
- (i) پراکسی فارم کے ہمراہ مالکان کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول بھی دی جائیں۔
- (ii) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی مع دستخط کے نمونے (اگر پہلے جمع نہ کرایا ہو) کمپنی میں پراکسی فارم کے ساتھ جمع کرانی ہوگی۔



Al-Noor Sugar Mills Ltd.
96-A, Sindhi Muslim Society,
Karachi-74400
www.alnoorsugar.co