



## CONTENTS

<u>Corporate Information</u>	2
<u>Mission Statement</u>	4
<u>Notice of Annual General Meeting</u>	5
<u>Six Years' Review at a Glance</u>	8
<u>Directors' Report to the Members</u>	9
<u>Statement of Compliance</u>	15
<u>Review Report to the Members</u>	18
<u>Auditors' Report to the Members</u>	19
<u>Balance Sheet</u>	20
<u>Profit and Loss Account</u>	22
<u>Cash Flow Statement</u>	23
<u>Statement of Changes in Equity</u>	24
<u>Notes to the Financial Statements</u>	25
<u>Pattern of Shareholding</u>	60
<u>Form of Proxy in English</u>	62
<u>Form of Proxy in Urdu</u>	63
<u>Other Forms</u>	64
<u>Jamma Punji</u>	65
<u>Director Report to the Members in Urdu</u>	66
<u>Notice of Annual General Meeting in Urdu</u>	69

## CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. K. Iqbal Talib Malik Adnan Hayat Noon Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd) Muhammad Sohail Khokhar Muhammad Tariq Mir Syed Ali Raza	Chairman Chief Executive (Non-Executive Director) (Non-Executive Director) Executive Director (Non- Executive / Independent Director) (Non- Executive / Independent Director)
AUDIT COMMITTEE	Muhammad Tariq Mir Mr. Salman Hayat Noon Syed Ali Raza	Chairman Member Member
HRR COMMITTEE	Syed Ali Raza Malik Adnan Hayat Noon Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
TECHNICAL COMMITTEE	Muhammad Tariq Mir Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd) Syed Ali Raza	Chairman Member Member Member
MANAGEMENT	Malik Adnan Hayat Noon Muhammad Sohail Khokhar Mr. Rizwan Sohail	Chief Executive Executive Director Chief Financial Officer
SECRETARY	Syed Anwar Ali	
AUDITORS	Shinewing Hameed Chaudhri & Co., (formerly: Hameed Chaudhri & Co.) Chartered Accountants	
HEAD INTERNAL AUDIT	Muhammad Shafiq	

## **CORPORATE INFORMATION**

LEGAL ADVISERS	Hassan & Hassan (Advocates)
BANKERS	Al Baraka Bank (Pakistan) Limited Askari Bank Limited Bank Alfalah Limited – Islamic Banking Bank Islami Pakistan Limited Dubai Islamic Bank Pakistan Limited JS Bank Limited MCB Bank Limited Meezan Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited
HEAD OFFICE	4- Sarwar Road, Lahore Cantt. Tel. # (042) 36655777 Fax # (042) 36662244
REGISTERED OFFICE	66-Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk
SHARES REGISTRAR	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial, Model Town, Lahore. Tel. # (042) 35839182, 35916714, 35916719 Fax # (042) 35869037, E-mail: shares@corplink.com.pk Website: www.corplink.com.pk
MILLS	Bhalwal, District Sargodha.
WEBSITE	www.noonsugar.com

## **MISSION STATEMENT**

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



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 55th Annual General Meeting of Noon Sugar Mills Limited (the "Company") will be held on Friday, 26 January 2018 at 11:30 a.m. at 66-Garden Block, New Garden Town, Lahore to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on 31 January, 2017.
2. To receive, consider and adopt the audited accounts for the year ended 30 September, 2017 and the reports of the directors and the auditors thereon.
3. To approve payment of dividend. The Board has recommended dividend @ Rs. 3.50 per share (35%).
4. To appoint auditors for the year ending 30 September 2018 and to fix their remuneration. The retiring auditor Shinewing Hameed Chaudhri & Company (Chartered Accountants) have offered themselves for reappointment.
5. To transact any other business as may be placed before the meeting with permission of the Chairman.

### SPECIAL BUSINESS

1. Circulation of the Audit Reports through CD/DVD/USB

To consider and pass the following resolution as ordinary resolution with or without any amendment or change:

RESOLVED that annual reports containing financial statements, directors' report, auditor report, balance sheet, profit and loss accounts and notices of annual general meetings be circulated to the members through CD/DVD/USB at their registered addresses instead of hard copies unless the member requests the Company in writing for hard copy of the same.

FURTHER RESOLVED that the Company shall be bound to provide hard copies of all the future annual audited accounts to those members only who request the Company in writing to receive the hard copies.

2. Alteration of the Memorandum and Articles of Association of the Company:

To alter/modify the Memorandum and Articles of Association of the Company to bring them in conformity with the current applicable laws and regulations, particularly the Companies Act, 2017, by way of passing a resolution as Special Resolution (attached herewith) along with the Statement of Material Facts as per the requirements of Section 134(3) of the Companies Act, 2017.

### CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed from 20 January 2018 to 26 January 2018 (both days inclusive) for the purpose of holding the Annual General Meeting and to determine entitlement of the dividend. The Share(s) transfer requests received upto close of business on 19 January 2018 shall entitle the transferees to receive the aforesaid dividend.

By Order of the Board



**SYED ANWAR ALI**  
Company Secretary

Lahore : December 29, 2017

NOTES:

1. A member eligible to attend and vote at this meeting may appoint another member his/ her proxy to attend, speak and vote instead of him/her. Proxies in order to be effective must reach the Company's Registered office duly stamped and signed not later than forty-eight (48) hours before the time for holding the meeting. A member cannot appoint more than one proxy. Attested copy of shareholders CNIC must be attached with the proxy form.
2. CDC account holders are required to follow under mentioned guideline laid down by Securities and Exchange Commission of Pakistan.
  - (1) For attending the meeting:
    - (i) In case of individuals the account holder or sub-account holder shall authenticate his/her identity by showing his/her original computerised national identity card (CNIC) or original passport at the time of attending the meeting.
    - (ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced at the time of meeting.
  - (2) For appointing proxies:
    - (i) In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
    - (ii) The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
    - (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
    - (iv) The proxy shall produce his/her original CNIC or passport at the time of the meeting.
    - (v) In case of corporate entity, the Board of Directors, resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.
3. The members, having physical shares are requested to provide copies of their CNIC and to notify change in their addresses, if any to Company's Share Registrar, i.e. M/s Corplink (Pvt) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.
4. In compliance with directive of SECP, shareholders are advised to send their respective bank account detail as per form attached enabling the Company to credit their cash dividend directly into their respective bank accounts.
5. If the Company receive consent from members holding in aggregate ten percent (10%) or more shareholding residing at a geographical location, to participate in the meeting or through video conference at least ten (10) days prior to the date of meeting, the Company will arrange video conference facility in the city subject to availability of such facility in the city. The company will intimate members regarding venue of video conference facility at least five (5) days before the date of general meeting. Prescribe form for consent is enclosed in the annual report.
6. The members can also exercise their right to vote through e-voting by giving their consent in writing at least ten (10) days before the date of meeting to the Company on the appointment of the Execution Officer by the intermediary as a proxy pursuant to the Companies (E-Voting) Regulations, 2016, notified through S.R.O. No. 43 (1)/2016 dated 22 January 2016.

## STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

The following statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of Noon Sugar Mills Limited (the "Company") at 11:30 a.m. on Friday, 26 January 2018 at 66 Garden Block, New Garden Town, Lahore:

### Alteration of the Memorandum of Association of the Company

Section 27(A)(iii) of the Companies Act, 2017 (the "Act") provides that an existing company shall continue with its existing Memorandum and the Object Clause 1 in the Memorandum shall be considered as the principal line of business. If this is not valid, such company may revise its Memorandum to indicate, afresh, the principal line of business:

27. Memorandum of company limited by shares.—In the case of a company limited by shares-

(A) the memorandum shall state - ....

(iii) principal line of business: Provided that—

(a) the existing companies shall continue with their existing memorandum of association and the object stated at serial number 1 of the object clause shall be treated as the principal line of business;

(b) if the object stated at serial number 1 of the object clause is not the principal line of business of the company, it shall be required to intimate to the registrar their principal line of business within such time from commencement of this Act and in the form as may be specified. A revised copy of the memorandum of association indicating therein its principal business at serial number 1 of the object clause shall also be furnished to the registrar; and ...

The Company is, therefore, required to alter/amend its Memorandum of Association in compliance with Section 27 of the Act.


### Alteration of the Articles of Association of the Company

In order to bring the Articles of Association in conformity with the provisions of the Act and "Table A" provided in the First Schedule to the Act, the Company is altering/amending its Articles of Association.

For the information of the Shareholders and their convenience, black-lined drafts of the Memorandum and Articles of Association, for comparison of the existing provisions of the Memorandum and Articles of Association of the Company and the proposed amendments therein, are attached.

None of the Directors of the Company have any personal interest in the aforesaid Special Resolutions except in their capacity as Shareholders or Directors of the Company.

By Order of the Board



**SYED ANWAR ALI**  
Company Secretary

Lahore : December 29, 2017

## SIX YEARS' REVIEW AT A GLANCE

YEAR ended 30th September .....		2017	2016	2015	2014	2013	2012
<b>Sugar Production:</b>							
Cane crushed	(M.Tons)	1,115,492	401,084	439,402	498,954	603,528	701,851
Average sucrose recovery	(%)	10.16	9.75	9.48	9.83	9.57	9.36
Sugar produced	(M.Tons)	113,308	39,015	41,665	49,054	57,766	65,684
Operating period	(Days)	140	86	96	99	107	114
<b>Alcohol Production:</b>							
Molasses processed	(M.Tons)	87,140	38,578	54,187	71,957	71,315	83,748
Alcohol produced	(000's Ltrs.)	17,121	9,193	12,617	17,228	17,292	22,028
Average alcohol yield	(Ltrs/Ton)	246	238	233	239	243	263
Operating period	(Days)	297	154	242	261	234	307
<b>Operating results:</b>							
Sales	(000' Rs.)	4,835,588	2,588,546	3,027,256	3,252,536	3,834,732	4,622,657
Cost of sales	(000' Rs.)	4,263,805	2,353,460	2,902,182	3,101,236	3,618,215	4,201,356
Gross profit	(000' Rs.)	571,783	235,086	125,074	151,300	216,517	421,301
Pre-tax profit/(loss)	(000' Rs.)	189,947	51,781	(87,593)	(100,808)	(136,387)	120,785
Total Comprehensive income / (loss)	(000' Rs.)	142,627	39,068	(93,765)	(121,968)	(159,915)	106,298
Gross Profit to Net Sales	(%)	11.82	9.08	4.13	4.65	5.65	9.11
Net Profit/(loss) to Net Sales	(%)	2.95	1.51	(3.10)	(3.75)	(4.17)	2.30
<b>Shareholders' Equity:</b>							
Paid up capital	(000' Rs.)	165,175	165,175	165,175	165,175	165,175	165,175
Reserves & surplus	(000' Rs.)	426,758	300,649	261,581	355,310	467,767	660,525
Shareholders' equity	(000' Rs.)	591,933	465,824	426,756	520,485	632,942	825,700
Break-up value per share	(Rupees)	35.84	28.20	25.84	31.51	38.32	49.99
Earnings per share	(Rupees)	8.73	2.43	7.00	(6.72)	(9.68)	6.44
Return on equity	(%)	24.10	8.39	(21.97)	(23.43)	(25.27)	12.87
<b>Financial position:</b>							
Current assets	(000' Rs.)	2,865,040	687,282	607,642	762,781	639,796	630,140
Fixed capital expenditure	(000' Rs.)	1,122,818	1,007,579	943,492	1,010,005	1,086,398	1,146,199
Total assets	(000' Rs.)	4,002,125	1,707,653	1,553,327	1,790,805	1,756,427	1,826,793
Current liabilities	(000' Rs.)	3,064,573	1,142,924	1,032,169	1,126,478	919,959	878,945
Long term debts	(000' Rs.)	300,000	62,112	60,000	90,000	151,231	72,873
Total liabilities	(000' Rs.)	3,410,192	1,241,829	1,126,571	1,270,320	1,123,485	1,001,093
Current ratio	(%)	0.93	0.60	0.59	0.68	0.70	0.72
Debt equity ratio	(%)	50.68	11.76	12.33	14.74	19.28	8.11
<b>Dividends:</b>							
Cash	(%)	35	10	0	0	0	20
Bonus shares	(%)	0	0	0	0	0	0
Total pay out	(%)	35	10	0	0	0	20



## DIRECTORS' REPORT TO THE MEMBERS

The Directors of Noon Sugar Mills Limited are pleased to present the 55th annual report and audited Financial Statements of the company and the Auditors' Report thereon for the year ended 30 September 2017.

### Financial Performance:

By the Grace of Allah, during the financial year 2017, your company has posted net sales of Rs 4,836 million in the current reporting year against net sales of Rs 2,588 million in the last year. This shows a remarkable growth of 87 percent in net Sales. Net profit after tax jumped to Rs. 143 million in reporting year from Rs. 39 million in corresponding year and EPS was recorded at Rs. 8.73 during the current financial year as against to Rs 2.43 in the last financial year.

Subsequent to March 2017, the Industry has witnessed a sharp decline in International and Local Sugar prices, which have eroded the first nine months results. We remained successful to safeguard shareholders stake and have achieved positive results in extremely difficult circumstances for the Sugar Industry.

The comparative financial results of the Company are summarized below:

	2017	2016
	(Rupees in Million)	
Total Revenue	4,836	2,588
Gross Profit	572	235
Operating Profit	395	138
Total comprehensive income / (loss)	143	39
Earnings / (Loss) Per Share (Rs.)	8.73	2.43

### Operational Performance:

#### Sugar:

Your company has achieved a record breaking production of Sugar. During the year under review, sugarcane crushing was 1,115,492 M.Tons against 401,084 M.Tons of preceding year, resulting in an increase of 178 % whereas sugar production remained at 113,308 M.Tons which was 39,015 M.Tons in previous year showing a 190% increase. Sucrose recovery was 10.16 % as against to 9.75% in corresponding year.

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

		2017	2016
Operating period	Days	140	86
Cane crushed	M.Tons	1,115,492	401,084
Sugar produced	M.Tons	113,308	39,015
Average sucrose recovery	%age	10.16	9.75
Molasses recovery	% age	4.41	4.21
Molasses Produced	M. Tons	49,142	16,845

Distillery:

A remarkable achievement was made by processing 87,140 M.Tons of molasses with a yield of 246 Ltrs/M.Ton resulting with a record production of 17,162 M.Tons of industrial grade ethanol. The previous year had seen a production of 7,355 M.Tons with a yield of 238 Ltrs./M.Ton.

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

Operating period	Days	297	154
Molasses processed	M.Ton	87,140	38,578
Ethanol produced	M.Ton	17,162	7,355
Average yield	Ltrs./ M.Ton	246	238

Overview:

Sugar:

Sugarcane area under cultivation declined by 0.9 percent in 2015-16 and increased by 7.6 percent in 2016-17. The Economic Survey 2016-17 notes that sugarcane "production increased due to increase in area cultivated as it shifted from other competing crops facing frequent distress," distress defined as pest attack. Lower prices for rice and cotton have encouraged some farmers to shift to sugarcane where there is a guaranteed minimum farm price.

The State Bank of Pakistan's third quarterly report refers to July 2016 to March 2017 as lost opportunity and maintains that "price of sugar in the international market remained high between June 2016 and March 2017. The country was not able to register worthwhile sugar exports during that time due to quantity restrictions and short time limit despite possessing ample carryover stocks and record production".

We regret to highlight the Govt.'s delay in export permission and to address increased sugarcane cultivation impact to sugar industry which has produced about 7.00 million M.Tons of sugar to accommodate poor farmers against an annual consumption estimate of 5.1 million M.Tons

The said surplus sugar stock coupled with the news of bumper sugarcane crop for crushing season 2018, and depressed International market price of sugar has deteriorated the financial health of the Sugar Industry.

Distillery:

In the past few years, the prospects for ethanol fuel use have been growing around the world. However with the decrease in prices of petroleum products, the prices of ethanol remained under pressure in the international markets. Whereas, in Pakistan, production cost remained high due to the increase in Sugarcane support price in the recent past. Further, imposition of Excise Duty on Ethanol Production by Punjab Government has reduced the profitability of Distillery Industry.

Future Outlook:

Sugar:

The crushing season 2017-18 started on November 29<sup>th</sup>, 2017. Cultivated area is expected to be 15% higher than last year. However due to unfavorable weather conditions, massive lodging of sugar cane and sowing of unapproved varieties of sugar cane by the growers, we are seeing a reduction in the sucrose recovery which is going to be a major setback for mills located in Central Punjab.

Sugar production was 7.00 million M.Tons in year 2017 and in the upcoming season it is expected to increase to 7.50 million M.Tons and after deducting expected consumption of 5.10 million M.Tons, around 2.40 million M.Tons sugar would be surplus, which coupled with carryover stocks of previous season will intensify supply glut situation in the sector, hence local sugar prices will be depressed in coming days.

Govt. has approved the export of 1.50 million M.Tons of sugar with a subsidy of Rs 10.70 per kg with the condition to commence crushing from November 30, 2017. This approval is over and above 0.5 million M.Tons sugar which SBP has already allocated to sugar mills. This approval will provide a breathing space to the Sugar industry; however it will not be adequate to address the current fiasco.

Government should take some long term measures instead of short term measures to revive the Sugar Industry.

We are aggressively working to upgrade our Sugar Plant. New Falling Film Evaporators is being installed and hopefully will be operated during current crushing season. Moreover, major up gradation/modernization of Process House is under consideration. This will have a significant contribution towards cost saving.

#### Distillery:

Ethanol Industry seems to be stable in the foreseeable future, as no major changes are expected in International fuel prices. Ethanol production in Brazil, the largest producer and exporter of Ethanol, is reported to be on the lower side that may have a positive impact on its prices.

Distillery project has proved itself as a lifeline of the company and has contributed a lot towards the company's profitability. We are pleased to announce expansion of 50,000 liters per day to our existing capacity of 80,000 liters per day. Major contracts in this regard have already been awarded. We are hopeful the enhanced capacity of 130,000 liters per day will be available in next the crushing season.

#### Corporate Social Responsibility:

NSML has established the following welfare facilities for social uplift and development of local community:

- a. Your company has taken another initiative to provide quality education by establishing a College in addition to a modern English medium Model High School in the Employees Housing Colony, for the benefit of its employee's children and people living in and around the factory. The employee's children are also encouraged to pursue higher education by grant of ample scholarships starting from Matriculation upwards every year. The expenditure on the running of the school by NSML is about Rs. 2.70 million.
- b. NSML is running a fair price shop in the housing colony for provision of household items at subsidized rates. The contribution towards this was Rs. 5.20 million in reporting year.
- c. A Benevolent Trust has been formed by the late chairman of NSML funded by the family. It also runs a free Dispensary in Bhalwal Town for the past 24 years and distributes free medicines to the patients.

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

The requirement of the Code of Corporate Governance (CCG) set out by listing regulations of Pakistan Stock Exchange relevant for the year ended 30 September, 2017 have been adopted by the Company and have been fully complied with. A statement to this effect is annexed to the report.

#### Corporate and Financial Reporting Framework:

The financial statements together with the notes thereon have been drawn up by the management of the Company in conformity with the Companies Ordinance, 1984 and applicable International Financial Reporting Standards (IFRS). These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.

The Board of Directors hereby declares that:

- Any departure from the application of IFRS has been adequately disclosed in "Notes to the Accounts" of financial statements;
- proper books of accounts of the Company have been maintained by the Company;
- appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- the system of internal controls is sound in design and has been effectively implemented and monitored;
- there are no doubts upon the Company's ability to continue as a going concern;
- there has been no material departure from the Best Practices of Corporate Governance, as detailed in the listing regulations of stock exchanges;
- The key operating and financial data of last six years is annexed to this report.
- there are no statutory payments on account of taxes, duties, levies and charges which are outstanding as at 30 September, 2017 except for those disclosed in the financial statements;
- the Directors, CEO, CFO, Company Secretary and their spouses and minor children have not made any transactions in the Company's shares during the year ended 30 September, 2017 other than those mentioned in trading in shares below;
- Cost of the investments of employees retirement funds are as follows:

Staff Retirement Benefits:

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

As at 30 September, 2017	Rs. 87.783 million
As at 30 September, 2016	Rs. 86.709 million

Gratuity scheme is currently un-funded and annual provision is made on the basis of actuarial valuation to cover obligation under the scheme for all eligible employees and the details are contained in Note 9 to the audited financial statements for the year ended 30 September, 2017.

Pattern of Shareholding of the Company as on September 30, 2017 is annexed where as other related information is as follows:

Shares held by:

I. Associated Companies, undertakings and related parties:

	<u>Number of shares held</u>
Noon Industries (Pvt.) Limited	765,403
II. Mutual Funds:	5,000

III. The Directors and their spouse and minor children:

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

V.	Public Sector Companies and Corporations, Joint Stock Companies and others:		
		<u>Shares held</u>	<u>Percentage</u>
		898,759	5.4412%
VI.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		
		<u>Shares held</u>	<u>Percentage</u>
		7,219	0.0437%
VII.	Shareholders holding five percent or more voting rights:		
		<u>Shares held</u>	<u>Percentage</u>
	Malik Adnan Hayat Noon	6,205,221	37.57 %
	Mr. Salman Hayat Noon	3,384,695	20.49 %
	EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70 %

Trading in Shares:

Malik Adnan Hayat Noon	Purchase	1,641,040
Mr. Salman Hayat Noon	Purchase	1,156,040

Meeting of Board of Directors and Attendance:

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

NAMES OF DIRECTORS	MEETINGS HELD DURING TENURE	MEETINGS ATTENDED
Mr. K. Iqbal Talib	6	4
Malik Adnan Hayat Noon	6	5
Mr. Salman Hayat Noon	6	4
Mr. Zaheer Ahmad Khan	3	2
Lt Col Abdul Khaliq Khan (Retd)	6	5
Mr. Muhammad Iqbal	3	2
Mr. Muhammad Sohail Khokhar	6	5
Mr. M. Tariq Mir	3	3
Mr. Syed Ali Raza	3	3

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

Audit Committee, its Meetings and Attendance:

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

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

NAMES OF DIRECTORS	MEETINGS HELD DURING TENURE	MEETINGS ATTENDED
Mr. Salman Hayat Noon	4	2
Mr. Zaheer Ahmad Khan	2	2
Lt Col Abdul Khaliq Khan (Retd)	2	2
Mr. Muhammad Iqbal	2	2
Mr. M. Tariq Mir	2	2
Mr. Syed Ali Raza	2	2

Number of Meetings of Shareholders:

During the year under review, annual general meeting was held on 31 January, 2017.

Outstanding Statutory Payments

All outstanding payments are of normal and routine nature.

Role of Shareholders

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

Dividend:

The Board of Directors in their meeting held on December 29, 2017 has recommended payment of final cash dividend for the year ended September 30, 2017 @ Rs.3.50 per share (35%) to all the shareholders of the company. The approval of the members for the final dividend shall be obtained at the Annual General Meeting to be held on January 26, 2018.

Health, Safety & Environment

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

Auditors

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

Acknowledgement

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

For and on behalf of the Board



**MALIK ADNAN HAYAT NOON**  
Chief Executive

Lahore: December 29, 2017

## STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

Name of company : Noon Sugar Mills Limited  
Year ending : 30 September, 2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

<u>Category</u>	<u>Names</u>
Executive Directors	Malik Adnan Hayat Noon Muhammad Sohail Khokhar
Non-Executive Directors	Mr. K. Iqbal Talib Mr. Salman Hayat Noon Lt Col Abdul Khaliq Khan (Retd)
Independent Directors	Muhammad Tariq Mir Syed Ali Raza

(The independent directors meet the criteria of independence under clause 5.19.1(b) of the CCG)

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBF1 or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. That all the directors are eligible to act as directors as none of them has any ineligibility defined in Section 153 of the Companies Act, 2017. All the directors have been elected unopposed in the Extra ordinary general meeting held on 31 March 2017.
5. 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.

8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the Board meetings were appropriately recorded and circulated.
9. All the directors on the Board are fully conversant with their duties and responsibilities as directors till 30 September, 2017, the directors elected on 31 March 2017 will take up the Directors training program as soon as convenient whereas one director is exempt from obtaining the requisite training due to his qualification and length of experience. The Company has put in place a mechanism for annual evaluation of the Board.
10. Mr. Rizwan Sohail was appointed as CFO on 25 August 2017 in place of Mr. Kamran Zahoor. There was no new appointment of Company Secretary and Head of Internal Audit during the year.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises three members, of whom two are independent directors and one is non-executive director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises 4 members, of whom three are non-executive / independent directors.
18. The Board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/ price sensitive information has been disseminated among all market participants at once through stock exchanges.



23. The related parties transactions have been placed before the Audit Committee and Board of Directors (if any) and have been duly approved by the Board of Directors to comply with the requirements of listing regulations of Pakistan Stock Exchange.
24. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names, persons of the said list.
25. We confirm that all other material principles enshrined in the CCG have been complied with.

It is hereby declared that the annual financial statements, duly adopted by members of the Company, reports and other information relating to the Company shall remain available for at least next three years on the Company's website [www.noonsugar.com](http://www.noonsugar.com)

For and on behalf of the Board



**MALIK ADNAN HAYAT NOON**  
Chief Executive



**M. SOHAIL KHOKHAR**  
Director

Lahore : 29 December, 2017

## REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of NOON SUGAR MILL LIMITED (the Company) for the year ended September 30, 2017 to comply with the rule no. 5.19.24 of Rule Book of the Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires 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 of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended September 30, 2017.

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

Lahore : 29 December, 2017

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Noon Sugar Mills Limited (the Company) as at September 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, 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 the Ordinance.

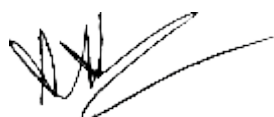
*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
**Chartered Accountants**  
Engagement Partner: Nafees ud Din

Lahore : 29 December, 2017

## BALANCE SHEET

	Note	2017 --- Rupees in '000 ---	2016
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
Authorised capital			
20,000,000 ordinary shares of Rs.10 each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	5	165,175	165,175
Reserves	6	249,217	249,217
Unappropriated profits		<u>177,541</u>	<u>51,432</u>
		591,933	465,824
<b>Non-Current Liabilities</b>			
Long term finances	7	300,000	62,112
Liability against assets subject to finance lease	8	6,951	-
Long term deposits	9	-	1,167
Staff retirement benefits - gratuity	10	38,668	35,626
		345,619	98,905
<b>Current Liabilities</b>			
Trade and other payables	11	563,553	464,294
Accrued mark-up	12	56,942	22,088
Short term finances	13	2,333,655	582,742
Current portion of non-current liabilities	14	64,743	63,320
Provision for taxation		45,680	10,480
		3,064,573	1,142,924
		3,410,192	1,241,829
Contingencies and Commitments	15	<u>4,002,125</u>	<u>1,707,653</u>

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



MALIK ADNAN HAYAT NOON  
Chief Executive

## AS AT SEPTEMBER 30, 2017

	Note	2017 ---- Rupees in '000 ----	2016
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	16	1,114,884	999,582
Investment property	17	7,934	7,997
Loans and advances	18	292	432
Deposits		13,975	12,360
		<u>1,137,085</u>	<u>1,020,371</u>
<b>Current Assets</b>			
Stores, spares and loose tools	19	66,994	68,158
Stock-in-trade	20	2,152,748	385,265
Trade debts		132,266	74,253
Loans and advances	21	65,537	44,381
Short term prepayments		1,402	1,188
Other receivables	22	56,386	29,504
Income tax refundable, advance income tax and tax deducted at source		80,092	57,809
Bank balances	23	309,615	26,724
		<u>2,865,040</u>	<u>687,282</u>
		<u>4,002,125</u>	<u>1,707,653</u>

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

  
 M. SOHAIL KHOKHAR  
 Director

  
 RIZWAN SOHAIL  
 Chief Financial Officer

**PROFIT AND LOSS ACCOUNT**  
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Note	2017 --- Rupees in '000 ---	2016
Sales - net	24	4,835,588	2,588,546
Cost of sales	25	(4,263,805)	(2,353,460)
Gross profit		571,783	235,086
Distribution and marketing expenses	26	(85,348)	(26,043)
Administrative expenses	27	(132,580)	(105,224)
Other income	28	53,359	39,530
Other expenses	29	(12,546)	(4,992)
Profit from operations		394,668	138,357
Finance cost	30	(204,721)	(86,576)
Profit before taxation		189,947	51,781
Taxation	31	(45,680)	(11,660)
Profit after taxation		144,267	40,121
Other comprehensive loss			
Items that will not be reclassified subsequent to profit and loss:			
- Loss on remeasurement of staff retirement benefit obligation		(1,640)	(1,053)
Total comprehensive income		142,627	39,068
		----- Rupees -----	
Earning per share- basic and diluted	32	8.73	2.43

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

  
MALIK ADNAN HAYAT NOON  
Chief Executive

  
M. SOHAIL KHOKHAR  
Director

  
RIZWAN SOHAIL  
Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2017

	2017	2016
	--- Rupees in '000 ---	
Cash flow from operating activities		
Profit for the year before taxation	189,947	51,781
Adjustments for non-cash charges and other items:		
Depreciation on property, plant & equipment and investment property	108,497	102,146
Gain on disposal of operating fixed assets	(2,063)	(653)
Operating fixed assets written-off	2,427	-
Unclaimed and other payable balances written-back	(146)	(11,844)
Provision for staff retirement benefits - gratuity	7,226	6,861
Provision made for slow moving stores and spares inventory	(1,270)	717
Finance cost	189,367	83,817
Profit before working capital changes	493,985	232,825
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	2,434	608
Stock-in-trade	(1,767,483)	(29,035)
Trade debts	(58,013)	(62,547)
Loans and advances	(21,240)	(25,256)
Short term prepayments	(214)	270
Other receivables	(26,882)	(25,158)
Increase / (decrease) in trade and other payables	96,122	(8,855)
	(1,775,276)	(149,973)
Cash (used in) / generated from operations	(1,281,291)	82,852
Income tax paid	(32,763)	(13,614)
Staff retirement benefits (gratuity) - paid	(3,024)	(4,906)
Net cash (used in) / generated from operating activities	(1,317,078)	64,332
Cash flow from investing activities		
Additions to property, plant and equipment	(226,335)	(166,280)
Sale proceeds / insurance claim of operating fixed assets	2,235	700
Long term deposits - net	(2,782)	(10,747)
Loans and advances - net	224	406
Net cash used in investing activities	(226,658)	(175,921)
Cash flow from financing activities		
Long term finances - net	237,503	27,932
Short term finances - net	1,750,913	114,908
Liability against assets subject to finance lease	8,759	-
Finance cost paid	(154,513)	(76,292)
Dividend paid	(16,035)	-
Net cash generated from financing activities	1,826,627	66,548
Net increase / (decrease) in cash and cash equivalents	282,891	(45,041)
Cash and cash equivalents - at beginning of the year	26,724	71,765
Cash and cash equivalents - at end of the year	309,615	26,724

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

  
**MALIK ADNAN HAYAT NOON**  
 Chief Executive

  
**M. SOHAIL KHOKHAR**  
 Director

  
**RIZWAN SOHAIL**  
 Chief Financial Officer

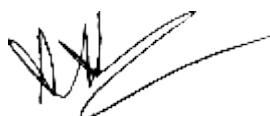
## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2017

Share capital	Reserve			(Accumulated loss) / unappropriated profit	Total
	Share premium	Revenue	Sub-Total		

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

Balance as at October 01, 2015	165,175	119,217	430,000	549,217	(287,636)	426,756
Transfer of reserves	-	-	(300,000)	(300,000)	300,000	-
Total comprehensive income for the year ended September 30, 2016						
Income for the year	-	-	-	-	40,121	40,121
Other comprehensive loss	-	-	-	-	(1,053)	(1,053)
	-	-	-	-	39,068	39,068
<hr/>						
Balance as at September 30, 2016	165,175	119,217	130,000	249,217	51,432	465,824
Cash dividend at the rate of Re.1 per ordinary share for the year ended September 30, 2016	-	-	-	-	(16,518)	(16,518)
Total comprehensive income for the year ended September 30, 2017						
Income for the year	-	-	-	-	144,267	144,267
Other comprehensive loss	-	-	-	-	(1,640)	(1,640)
	-	-	-	-	142,627	142,627
<hr/>						
Balance as at September 30, 2017	165,175	119,217	130,000	249,217	177,541	591,933

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



MALIK ADNAN HAYAT NOON  
Chief Executive



M. SOHAIL KHOKHAR  
Director



RIZWAN SOHAIL  
Chief Financial Officer



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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2017

### 1. LEGAL STATUS AND NATURE OF BUSINESS

Noon Sugar Mills Limited (the Company) was incorporated in the year 1964 as a Public Company and its shares are quoted on the Pakistan Stock Exchange. The Company's Mills are located at Bhalwal, District Sargodha and its Head Office is at 4-Sarwar Road, Lahore Cantt.

The principal activity of the Company is manufacturing and sale of white sugar and spirit.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The Companies Act, 2017 has been promulgated with effect from May 31, 2017, however the Securities and Exchange Commission of Pakistan (SECP) vide its circular no.23 of 2017 dated October 04, 2017, has directed the companies whose financial year ends on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 have been followed.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for staff retirement benefits (gratuity) which is stated at their present value.

#### 2.3 Functional and presentation currency

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

#### 2.4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

##### 2.4.1 Standards, amendments to approved accounting standards effective in current year New and amended standards mandatory for the first time for the financial year beginning from October 1, 2016:

- (a) IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in the financial statements by emphasizing the importance of comparability, understandability and clarity in presentation.

The amendments provide clarification on number of issues including:

- Materiality – an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.

- Notes – confirmation that the notes do not need to be presented in a particular order.
- Disaggregation and subtotals – line items specify in IAS 1 may need to be disaggregated where this is relevant to understandability of entities' financial position and performance.
- Other comprehensive income (OCI) arising from investments accounted for under the equity method – the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of comprehensive income.

All the above amendments do not have any significant impact on the Company's financial statements.

- (b) IAS 19, 'Employee Benefits' This amendment as part of Annual improvements 2014 clarifies that when determining the discount rate for post-employment obligation, it is the currency that the liabilities are denominated in that is important, not the country where they arise. The Company's policy is already in line with this change.
- (c) IAS 16, 'Property, Plant and Equipment' This amendment clarifies that a depreciation method which is based on revenue, generated by an activity by using of an asset is not appropriate; and add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn might reflect a reduction of the future economic benefits embodied in the asset. This amendment does not has any significant impact on the Company's financial statements.

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

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the accounting periods beginning on October 1, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and are, therefore, not detailed in these financial statements.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on October 1, 2016 and have not been early adopted by the Company:

- (a) IFRS 16, 'Leases' is applicable to accounting periods beginning on or after January 1, 2019. IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all the leases on the balance sheet date. This standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessor will not significantly change. Some differences may arise as a result of the new guidance on the definition of lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has yet to assess the impact of this standard on its financial statements.
- (b) IFRS 15, 'Revenue from contracts with customers' is applicable to accounting periods beginning on or after January 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entity will recognize transitional adjustments in retained earnings on the date of initial application, i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.
- (c) IFRS 9, 'Financial instruments' is applicable to accounting periods beginning on or after January 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. The Company has yet to assess the impact of this standard on its financial statements.
- (d) Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have a material impact on the Company's financial statements.
- (e) Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after January 1, 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments further clarify that when calculating deferred tax asset in respect of insufficient taxable temporary differences, the future taxable profit excludes tax deductions resulting from the reversal of those deductible temporary differences. The amendments are not likely to have an impact on Company's financial statements.

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

### 3. USE OF ESTIMATES AND JUDGMENTS

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

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

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

- (i) Provision for employees' retirement benefits [note 4.3]
- (ii) Provision for taxation [note 4.5]
- (iii) Estimate of useful lives and residual values of property, plant & equipment and investment property [notes 4.6, and 4.7]
- (iv) Provision for obsolete and slow moving stores, spares and loose tools [note 4.9]
- (v) Net realisable values of stock-in-trade [note 4.10]
- (vi) Provision for doubtful debts [note 4.11]

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### 4.1 Equity instruments

These are recorded at their face value.

#### 4.2 Borrowings and borrowing costs

Borrowings are recognised initially at fair value.

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

#### 4.3 Staff retirement benefits

##### (a) Defined contribution plan

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

##### (b) Defined benefit plan

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2017 on the basis of the projected unit credit method by an independent Actuary.

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

#### 4.4 Trade and other payables

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

#### 4.5 Taxation

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

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

##### (b) Deferred

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

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

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

#### 4.6 Property, plant and equipment

##### (a) Operating fixed assets

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

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

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

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

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

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

#### 4.7 Investment property

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

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

#### 4.8 Loans and advances

These are stated at cost.

#### 4.9 Stores, spares and loose tools

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

#### 4.10 Stock-in-trade

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
--------------------	--------------------------

Raw materials - molasses:

- |                 |   |
|-----------------|---|
| - purchased     | - At lower of weighted average cost and net realisable value. |
| - own produced  | - At net realisable value                                     |
| Finished goods  | - At lower of cost and net realisable value.                  |
| Work-in-process | - At cost.  |

- Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which consists of prime cost and appropriate production overheads.

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

#### 4.11 Trade debts and other receivables

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

#### 4.12 Cash and cash equivalents

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

#### 4.13 Impairment loss

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

#### 4.14 Revenue recognition

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

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

4.15 Foreign currency transactions

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

4.16 Provisions

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

4.17 Financial assets and liabilities

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit and loss account for the year.

Financial instruments carried on the balance sheet include deposits, trade debts, loans & advances, other receivables, bank balances, trade & other payables, accrued mark-up, Liability against assets subject to finance lease, long term and short term finances. All financial assets and liabilities are initially measured at cost, which is the fair value of consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value or cost as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.18 Off-setting of financial assets and liabilities

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

4.19 Segment reporting

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

4.20 Dividend and appropriation to reserves

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



**5. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

2017 (No. of shares)	2016		2017 --- Rupees in '000 ---	2016
7,187,829	7,187,829	Ordinary shares of Rs.10 each fully paid in cash	71,879	71,879
500,000	500,000	Ordinary shares of Rs.10 each issued to a financial institution on conversion of loan	5,000	5,000
8,829,624	8,829,624	Ordinary shares of Rs.10 each issued as fully paid bonus shares	88,296	88,296
<u>16,517,453</u>	<u>16,517,453</u>		<u>165,175</u>	<u>165,175</u>

**6. RESERVES**

	Note	2017 --- Rupees in '000 ---	2016
Capital reserve - share premium	6.1	119,217	119,217
Revenue reserve - general		130,000	130,000
		<u>249,217</u>	<u>249,217</u>

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

**7. LONG TERM FINANCES**

	Note	2017 --- Rupees in '000 ---	2016
Demand finance			
- United Bank Limited (UBL)	7.1	30,000	60,000
- MCB Bank Limited (MCB)	7.2	300,000	-
Term finance			
- Standard Chartered Bank Limited (SCB)	7.3	32,935	65,432
		<u>362,935</u>	<u>125,432</u>
Less: Current portion grouped under current liabilities			
- UBL		30,000	30,000
- SCB		32,935	33,320
		<u>62,935</u>	<u>63,320</u>
		<u>300,000</u>	<u>62,112</u>

- 7.1 The Company, during the financial year ended September 30, 2013, has arranged a demand finance facility of Rs.150 million from UBL. This finance facility carries mark-up at the rate of 3 month KIBOR + 200bps and is repayable in 20 equal quarterly instalments of Rs.7.500 million each commenced from November, 2013. Effective mark-up rate charged by the bank, during the current financial year, ranged from 8.04% to 8.14% (2016: 8.05% to 8.60%) per annum. This finance facility is secured against first pari passu hypothecation charge of Rs.200 million on plant, machinery and equipments of the Company.
- 7.2 The Company, during the current financial year, has arranged a demand finance facility of Rs.300 million from MCB. This finance facility carries mark-up at the rate of 6 month KIBOR + 175bps and is repayable in 8 equal semi annual instalments of Rs.37.500 million each commencing from March, 2019. Effective mark-up rate charged by the bank, during the current financial year, was 7.92% per annum. This finance facility is secured against first pari passu charge of Rs.400 million on present and future plant and machinery of the Company with 25% margin.
- 7.3 SCB, during the financial year ended September 30, 2016, transferred a balance of Rs.75 million from the utilised short term overdraft facility to a term finance facility. This finance facility carries mark-up at the rate of 3 month KIBOR + 200bps and is repayable in 9 quarterly instalments commenced from July, 2016. Effective mark-up rate charged by the bank, during the current financial year, ranged from 7.90% to 8.13% (2016: at the rate of 8.07%) per annum. This finance facility is secured against first equitable mortgage charge of Rs.168 million on land and building of the Company.

## 8. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

Particulars	2017			2016		
	Upto one year	From one to five years	Total	Upto one year	From one to five years	Total
	----- Rupees in 000 -----					
Minimum lease payments	2,535	9,826	12,361	-	-	-
Less: finance cost allocated to future periods	727	1,086	1,813	-	-	-
	<b>1,808</b>	<b>8,740</b>	<b>10,548</b>	-	-	-
Less: security deposit adjustable on expiry of lease terms	-	1,789	1,789	-	-	-
Present value of minimum lease payments	<b>1,808</b>	<b>6,951</b>	<b>8,759</b>	-	-	-

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

9. LONG TERM DEPOSITS - Unsecured

These interest free deposits had been received in accordance with the Company's Car Incentive Scheme and against the deposits vehicles were provided to the employees. The deposits were adjustable after specified periods by transfer of title of vehicles to the respective employees.

10. STAFF RETIREMENT BENEFITS - Gratuity

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

	2017	2016
- discount rate	8.00%	7.25%
- expected rate of increase in salary	7.00%	6.25%

10.2 The amount recognised in the balance sheet is present value of defined benefit obligation at reporting date.

The movement in the present value of defined benefit obligation is as follows:	2017	2016
	--- Rupees in '000 ---	
Balance at beginning of the year	35,626	33,326
Current service cost	4,854	4,038
Interest cost	2,372	2,823
Benefits due but not paid (transferred to short term liabilities)	(2,800)	(708)
Benefits paid	(3,024)	(4,906)
Remeasurement of obligation	1,640	1,053
Balance at end of the year	<u>38,668</u>	<u>35,626</u>

10.3 Charge to profit and loss account:

	2017	2016
	--- Rupees in '000 ---	
Current service cost	4,854	4,038
Interest cost	2,372	2,823
	<u>7,226</u>	<u>6,861</u>

10.4 Remeasurements recognised in other comprehensive income	2017	2016
	--- Rupees in '000 ---	
Actuarial loss	44	-
Experience adjustments	1,596	1,053
	<u>1,640</u>	<u>1,053</u>

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

	2017	2016	2015	2014	2013
	----- Rupees in '000 -----				
Present value of defined benefit obligation	<u>38,668</u>	<u>35,626</u>	<u>33,326</u>	<u>52,308</u>	<u>50,946</u>
Experience adjustment on obligation	<u>1,640</u>	<u>1,053</u>	<u>(21,815)</u>	<u>10,975</u>	<u>-</u>

10.6 Sensitivity analysis for actuarial assumptions:

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

	<b>Increase in assumptions</b>	Decrease in assumptions
	----- Rupees in '000 -----	
Discount rate	<u>(35,870)</u>	<u>41,870</u>
Increase in salaries	<u>41,902</u>	<u>(35,792)</u>

Expected maturity analysis of undiscounted obligation is as follows:

Time in years	Rupees in '000'
1	2,748
2	2,858
3	4,094
4	5,054
5	6,092
6 - 10	25,951
11 and onwards	210,747

10.7 The Company's contribution to scheme for the financial year 2018 is expected to be Rs.7.759 million.

11. TRADE AND OTHER PAYABLES	Note	2017	2016
		--- Rupees in '000 ---	
Creditors		167,837	164,997
Bills payable		27	1,181
Advance payments		281,995	232,014
Retention money		680	754
Sales tax payable		57,471	38,809
Accrued expenses		34,749	15,618
Income tax deducted at source		841	656
Workers' (profit) participation fund	11.1	10,469	3,246
Workers' welfare fund		1,057	1,057
Unclaimed dividends		5,323	4,840
Gratuity payable		2,800	708
Others		304	414
		<u>563,553</u>	<u>464,294</u>
11.1 Workers' (profit) participation fund - the Fund			
Balance at beginning of the year		3,246	448
Add: - profit earned on the Fund's balances maintained in a PLS bank account		7	17
- allocation for the year		9,997	2,781
- interest on funds utilised by the Company		196	-
Less: payment made during the year		(2,977)	-
Balance at end of the year		<u>10,469</u>	<u>3,246</u>
12. ACCRUED MARK-UP			
Mark-up accrued on:			
- long term finances		1,489	1,829
- short term finances		55,453	20,259
		<u>56,942</u>	<u>22,088</u>
13. SHORT TERM FINANCES			
Running / cash finances - secured	13.1	2,333,133	577,291
Temporary bank overdraft - unsecured	13.2	522	5,451
		<u>2,333,655</u>	<u>582,742</u>

13.1 Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.495 billion (2016: Rs.1.545 billion). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 3.00% to 9.14% (2016: 3.00% to 8.57%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.78.900 million (2016: Rs.30.100 million) of which the amount aggregating Rs.52.573 million (2016: Rs.15.127 million) remained unutilised at the balance sheet date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets, equitable mortgage over land & building of the Company and lien over import & export documents. These facilities are expiring on various dates by May, 2018.

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

14. CURRENT PORTION OF NON-CURRENT LIABILITIES	Note	2017 -- Rupees in '000 --	2016
Long term financing	7	62,935	63,320
Liability against assets subject to finance lease	8	1,808	-
		<u>64,743</u>	<u>63,320</u>

#### 15. CONTINGENCIES AND COMMITMENTS

15.1 Commitments in respect of capital expenditure other than letters of credit at the year-end aggregate to Rs.200.293 million (2016: Rs.Nil).

15.2 Commitments for irrevocable letters of credit outstanding at the year-end aggregate to Rs.12.535 million (2016: Rs.Nil).

15.3 Guarantee given to Sui Northern Gas Pipelines Ltd. by a commercial bank on behalf of the Company outstanding as at September 30, 2017 and September 30, 2016 was for Rs.10.392 million.

15.4 On an interim order of the High Court of Sindh, Karachi, sale certificate has been issued to the Company in respect of factory / plant known as Northern Chemicals and the Company has paid stamp duty on land it purchased. It was held that in case the Court comes to a conclusion that the Company is liable to pay stamp duty on plant and machinery as well, the Company shall pay the same within fifteen days from decision of appeal. In this regard, the Company has provided a bank guarantee in favour of Nazir of High Court of Sindh for an amount of Rs.2.400 million.

15.5 An appeal is pending before the Lahore High Court (LHC) against the order of the Customs, Central Excise & Sales Tax Appellate Tribunal (the Tribunal) in the matter of permit fee amounting Rs.5.994 million.

15.6 A reference application under section 47(1) of the Sales Tax Act, 1990 (the Act) is pending before the LHC against confirmation of original order by the Tribunal whereby the Company was ordered to pay sales tax demands aggregating Rs.3.083 million.

15.7 An appeal under section 47 of the Act is also pending before the LHC against judgment of the Tribunal whereby the Company was ordered to pay dues aggregating Rs.4.991 million.

- 15.8 An appeal before the LHC, against judgment of the Tribunal, is pending; the Tribunal has upheld the judgment of the Additional Collector whereby the Company was ordered to pay demands aggregating Rs.1.400 million.
- 15.9 Provisions for cane quality premium payable to growers aggregating Rs.79.335 million, related to different yearly notifications issued by the Government of the Punjab (GoP) for fixation of cane support price and quality premium above 'bench mark average recovery', made during the financial years 1981-82 to 1994-95 were written-back during the financial year ended September 30, 2006. The management is of the view that no outflow of resources will be required as a result of judgment by the LHC for the cases pending adjudication before it. In parallel cases in prior years, the LHC has judged this levy as unconstitutional.

Presently, the intra-court appeals of the GoP are pending for a fresh decision by the LHC. Earlier, the Supreme Court of Pakistan had set aside the LHC's judgment of dismissal of review application filed by the GoP.

- 15.10 A writ petition is pending before the LHC against decision of the Board of Trustees of Employees Old-age Benefits Institution; the Institution has raised demand amounting Rs.3.394 million. The Company, as per order of the LHC, has deposited Rs.381 thousand during May, 2011.
- 15.11 The Company, during the financial year 2002, had filed an appeal before the Tribunal against the order of the Additional Collector (Central Excise), Faisalabad rejecting the refund claim of the Company amounting Rs.15.117 million. The Company had paid this amount under protest as customs duty on the sale of sugar. The appeal is pending adjudication.
- 15.12 The GoP, during the financial year 2012, imposed a duty @ Rs.2 per litre on manufacturing of spirit. The Company has filed an appeal before LHC against the imposition of duty which is pending adjudication. However, on an interim order of the LHC the Company has provided a bank guarantee in favour of Excise and taxation department for an amount of Rs.1.00 million.

During the current financial year, LHC passed another interim order and directed the Company to deposit the amount of provincial excise duty in cash with deputy registrar of the court on monthly basis till the final order of the court comes. In accordance with this interim order the Company has deposited Rs.43.742 million till September 30, 2017. Based on the advice of the Company's legal council this amount has been booked as receivable as there are meritorious grounds that the case will be decided in favour of the Company and the amount so deposited will be refunded.

- 15.13 The irrigation department of the GoP, during the financial year 2015, has raised demand aggregating Rs.6.810 million based on its notification dated June 12, 2014, for the revision of rates for supply of water to the Company. The Company, against the said demand, has filed an appeal in the Civil Court, which is pending adjudication.

16. PROPERTY, PLANT AND EQUIPMENT	Note	2017 --- Rupees in '000 ---	2016
Operating fixed assets	16.1	939,521	964,178
Capital work-in-progress	16.5	175,363	35,404
		1,114,884	999,582

## 16.1 Operating fixed assets - tangible

	Owned													Leased			
	Free hold land	Buildings on freehold land	Plant and machinery	Workshop equipment	Scales & weighbridges	Laboratory equipment	Other equipment	Electric installations & fittings	Tube-well equipment	Office equipment	Furniture and fixtures	Vehicles	Farm tractors	Farm equipment	Power project	Vehicles	Total
Rupees in '000																	
<b>COST</b>																	
Balance as at October 01, 2015	6,306	24,332	251,232	1,960,621	471	21,518	840	14,725	112,811	7,579	9,218	8,873	44,709	5,554	1,749	-	2,470,538
Additions during the year	-	320	232	155,794	-	-	-	799	-	574	-	-	2,549	-	-	-	160,268
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,316)	-	-	-	(1,316)
Balance as at September 30, 2016	6,306	24,652	251,464	2,116,415	471	21,518	840	14,725	113,610	7,579	9,792	8,873	45,942	5,554	1,749	-	2,629,490
Balance as at October 01, 2016	6,306	24,652	251,464	2,116,415	471	21,518	840	14,725	113,610	7,579	9,792	8,873	45,942	5,554	1,749	-	2,629,490
Additions during the year	-	-	11,748	16,732	-	-	-	155	8,772	-	125	64	14,751	-	-	21,146	12,883
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(3,754)	-	-	-	(3,754)
Written-off during the year	-	-	-	(5,628)	-	-	-	-	-	-	-	-	-	-	-	-	(5,628)
Balance as at September 30, 2017	6,306	24,652	263,212	2,127,519	471	21,518	840	14,880	122,382	7,579	9,917	8,937	56,939	5,554	1,749	21,146	12,883
<b>DEPRECIATION</b>																	
Balance as at October 01, 2015	-	10,847	160,202	1,220,647	440	10,680	696	7,135	93,638	6,536	6,270	6,727	35,538	4,145	1,001	-	1,564,502
Charge for the year	-	680	9,120	83,151	4	1,301	14	759	2,903	104	476	215	2,925	352	75	-	102,079
On disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(1,269)	-	-	-	(1,269)
Balance as at September 30, 2016	-	11,527	169,322	1,303,798	444	11,981	710	7,894	96,541	6,640	6,746	6,942	37,194	4,497	1,076	-	1,665,312
Balance as at October 01, 2016	-	11,527	169,322	1,303,798	444	11,981	710	7,894	96,541	6,640	6,746	6,942	37,194	4,497	1,076	-	1,665,312
Charge for the year	-	656	8,791	82,450	3	1,144	13	688	3,540	94	465	197	4,217	264	67	2,908	108,434
On disposals during the year	-	-	-	-	-	-	-	-	-	-	-	-	(3,582)	-	-	-	(3,582)
On written-off during the year	-	-	-	(3,201)	-	-	-	-	-	-	-	-	-	-	-	-	(3,201)
Balance as at September 30, 2017	-	12,183	178,113	1,383,047	447	13,125	723	8,582	100,081	6,734	7,211	7,139	37,629	4,761	1,143	2,908	1,766,963
<b>BOOK VALUE AS AT</b>																	
SEPTEMBER 30, 2016	6,306	13,125	82,142	812,617	27	9,537	130	6,831	17,069	939	3,046	1,931	8,748	1,057	673	-	964,178
<b>BOOK VALUE AS AT</b>																	
SEPTEMBER 30, 2017	6,306	12,469	85,099	744,472	24	8,393	117	6,298	22,301	845	2,706	1,798	19,110	793	606	18,238	9,946
Depreciation rate (%)																	
	5	10	10	10	12	12	10	10	15	10	15	10	25	25	10	15	25



## 16.2 Disposal of Vehicle

Asset description	Cost	Accumulated depreciation	Net book value	Sale proceeds / insurance claim	Gain	Mode of disposal	Sold to:
----- Rupees in '000 -----							
Honda Civic	1,224	1,169	55	910	855	Negotiation	Mr. Khalid Majeed Khan, Lahore.
Toyota Mark II	1,892	1,806	86	965	879	Negotiation	Mr. Muhammad Naeem, Lahore.
Suzuki Potohar Jeep	638	607	31	360	329	Insurance Claim	Jubilee General Insurance Co Ltd.
	<u>3,754</u>	<u>3,582</u>	<u>172</u>	<u>2,235</u>	<u>2,063</u>		

## 16.3 Operating fixed assets written - off

Asset description	Cost	Accumulated depreciation	Book value
----- Rupees in '000 -----			
Plant and Machinery			
Membrane	<u>5,628</u>	<u>3,201</u>	<u>2,427</u>

## 16.4 Depreciation for the year has been apportioned as under:

	2017	2016
	--- Rupees in '000 ---	
Cost of sales	99,392	97,155
Distribution and marketing expenses	285	314
Administrative expenses	8,757	4,610
	<u>108,434</u>	<u>102,079</u>

## 16.5 Capital work-in-progress

	2017	2016
Buildings on freehold land - colony	1,302	-
Buildings on freehold land - factory		
- cost and expenses	38,196	4,809
- advance payments	7,684	-
Plant and machinery		
- cost and expenses	99,053	7,244
- advance payments	21,511	-
Electric installations & fittings		
- cost and expenses	2,691	23,351
- advance payments	4,926	-
	<u>175,363</u>	<u>35,404</u>

17. INVESTMENT PROPERTY

	Freehold land	Buildings on freehold land	Total
----- Rupees in '000 -----			
At October 1, 2015			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,275	4,275
Book value	<u>6,730</u>	<u>1,334</u>	<u>8,064</u>
Year ended September 30, 2016			
Opening book value	6,730	1,334	8,064
Depreciation charge for the year	-	67	67
Closing book value	<u>6,730</u>	<u>1,267</u>	<u>7,997</u>

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

- 17.1 Depreciation for the year has been grouped under other expenses (note 29).
- 17.2 Fair value of the investment property, based on the management's estimation, as at September 30, 2017 was Rs.241.973 million (2016: Rs.241.973 million).

18. LOANS AND ADVANCES - Secured, considered good

	Vehicles	Others	Total	
			2017	2016
	----- Rupees in '000 -----			
Loans / advances to employees	683	135	818	1,042
Less: current portion grouped under current assets	436	90	526	610
	<u>247</u>	<u>45</u>	<u>292</u>	<u>432</u>

- 18.1 These interest free loans and advances are recoverable in instalments which vary from case to case.
- 18.2 Vehicle loans and some of the other loans are secured against lien on provident fund / gratuity balances of employees and title of ownership of vehicles in the Company's name.

19. STORES, SPARES AND LOOSE TOOLS	Note	2017	2016
		--- Rupees in '000 ---	
Stores - including in-transit valuing Rs.Nil (2016: Rs.1.547 million)		24,339	20,999
Spares		54,708	60,357
Loose tools		596	721
		<u>79,643</u>	<u>82,077</u>
Less: provision for slow moving items	19.1	12,649	13,919
		<u>66,994</u>	<u>68,158</u>
19.1 The movement in balance of provision for obsolescence is as follows:			
Opening balance		13,919	13,202
Provision (reversed) / made during the year		(1,270)	717
Closing balance		<u>12,649</u>	<u>13,919</u>

19.1.1 Stores and spares inventory includes slow moving items valuing Rs.25.299 million (2016: Rs.27.840 million). The management estimates that slow moving items carry salvage value approximating to 50% of the book value. Provision against slow moving items to the extent of 50% of their carrying value has been made in the books of account.

	Note	2017	2016
		--- Rupees in '000 ---	
<b>20. STOCK-IN-TRADE</b>			
Raw materials - molasses		47,707	1,502
Work-in-process:			
- Sugar		9,146	9,128
- Molasses		4,127	812
		13,273	9,940
Finished goods:			
- Sugar		1,981,349	356,747
- Spirit		110,095	16,894
		2,091,444	373,641
Other stocks - fair price shop and depot		324	182
		<u>2,152,748</u>	<u>385,265</u>
<b>21. LOANS AND ADVANCES - Considered good</b>			
Advances to:			
- employees		6,210	5,212
- suppliers		24,642	7,001
Recoverable from growers		33,881	31,558
Current portion of long term loans and advances		526	610
Letters of credit		278	-
		<u>65,537</u>	<u>44,381</u>
<b>22. OTHER RECEIVABLES</b>			
Claims receivable - considered good		3,915	4,160
Rent receivable		-	6,000
Excise duty receivable	15.12	43,742	-
Others		8,729	19,344
		<u>56,386</u>	<u>29,504</u>

	Note	2017	2016
--- Rupees in '000 ---			
<b>23. BANK BALANCES</b>			
Cash at commercial banks on:			
- current accounts		297,651	21,294
- saving accounts	23.1	7,296	1,247
- margin accounts	23.2	3,400	3,400
- dividend accounts		1,268	783
		<u>309,615</u>	<u>26,724</u>
Cash at Cooperative Societies on current accounts		<u>745</u>	<u>745</u>
Less: provision for doubtful balances	23.3	<u>745</u>	<u>745</u>
		<u>-</u>	<u>-</u>
		<u><u>309,615</u></u>	<u><u>26,724</u></u>

23.1 Saving accounts, during the current financial year, carried profit / mark-up at the rate of 3.75% (2016: at the rates ranged from 3.75% to 4%) per annum.

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

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

**24. SALES - Net**

	Sugar		Distillery		Total	
	2017	2016	2017	2016	2017	2016
----- Rupees in '000 -----						
Local	<b>4,232,850</b>	2,269,495	<b>261,709</b>	195,728	<b>4,494,559</b>	2,465,223
Inter-segment (note 25.3)	<b>434,157</b>	123,337	-	-	-	-
Export	-	-	<b>838,477</b>	334,231	<b>838,477</b>	334,231
	<b>4,667,007</b>	2,392,832	<b>1,100,186</b>	529,959	<b>5,333,036</b>	2,799,454
Less:						
- sales tax	<b>457,471</b>	177,549	<b>39,977</b>	33,359	<b>497,448</b>	210,908
	<b>4,209,536</b>	2,215,283	<b>1,060,209</b>	496,600	<b>4,835,588</b>	2,588,546

**25. COST OF SALES**

	Sugar		Distillery		Total	
	2017	2016	2017	2016	2017	2016
----- Rupees in '000 -----						
Raw materials consumed (note 25.1)	<b>5,137,145</b>	1,840,581	<b>336,053</b>	170,053	<b>5,473,198</b>	2,010,634
Inter-segment transfers (note 25.3)	-	-	<b>434,157</b>	123,337	-	-
	<b>5,137,145</b>	1,840,581	<b>770,210</b>	293,390	<b>5,473,198</b>	2,010,634
Salaries, wages and benefits (note 25.2)	<b>124,256</b>	96,893	<b>38,818</b>	33,576	<b>163,074</b>	130,469
Fuel and power	<b>8,689</b>	12,880	<b>13,595</b>	13,044	<b>22,284</b>	25,924
Chemicals and stores consumed	<b>74,670</b>	34,438	<b>24,047</b>	10,561	<b>98,717</b>	44,999
Repair and maintenance	<b>97,387</b>	68,976	<b>10,920</b>	6,003	<b>108,307</b>	74,979
Depreciation	<b>83,891</b>	80,644	<b>15,501</b>	16,511	<b>99,392</b>	97,155
Insurance	<b>4,587</b>	3,837	<b>1,212</b>	1,705	<b>5,799</b>	5,542
Rates and taxes	<b>504</b>	485	<b>48</b>	46	<b>552</b>	531
Others	<b>11,150</b>	4,533	<b>2,468</b>	1,068	<b>13,618</b>	5,601
	<b>5,542,279</b>	2,143,267	<b>876,819</b>	375,904	<b>5,984,941</b>	2,395,834
Adjustment of work-in-process						
Opening	<b>9,128</b>	4,633	<b>812</b>	601	<b>9,940</b>	5,234
Closing	<b>(9,146)</b>	(9,128)	<b>(4,127)</b>	(812)	<b>(13,273)</b>	(9,940)
	<b>(18)</b>	(4,495)	<b>(3,315)</b>	(211)	<b>(3,333)</b>	(4,706)
Cost of goods manufactured	<b>5,542,261</b>	2,138,772	<b>873,504</b>	375,693	<b>5,981,608</b>	2,391,128
Adjustment of finished goods						
Opening stock	<b>356,747</b>	327,532	<b>16,894</b>	8,441	<b>373,641</b>	335,973
Closing stock	<b>(1,981,349)</b>	(356,747)	<b>(110,095)</b>	(16,894)	<b>(2,091,444)</b>	(373,641)
	<b>(1,624,602)</b>	(29,215)	<b>(93,201)</b>	(8,453)	<b>(1,717,803)</b>	(37,668)
	<b>3,917,659</b>	2,109,557	<b>780,303</b>	367,240	<b>4,263,805</b>	2,353,460

25.1 Sugar cane purchases include Rs.3,501 thousand (2016: Rs.2,434 thousand) in respect of purchases from Associated persons of directors.

25.2 These include Rs.982 thousand (2016: Rs.939 thousand) and Rs.4,360 thousand (2016: Rs.4,176 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

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

## 26. DISTRIBUTION AND MARKETING EXPENSES

	Sugar		Distillery		Total	
	2017	2016	2017	2016	2017	2016
	----- Rupees in '000 -----					
Salaries and benefits (note 26.1)	1,985	1,600	-	712	1,985	2,312
Loading, unloading, freight and export expenses	1,769	788	67,199	16,481	68,968	17,269
Rent of storage tanks	-	-	11,475	6,000	11,475	6,000
Depreciation	285	314	-	-	285	314
Commission	2,499	-	-	-	2,499	-
Others	66	148	70	-	136	148
	<b>6,604</b>	<b>2,850</b>	<b>78,744</b>	<b>23,193</b>	<b>85,348</b>	<b>26,043</b>

26.1 These include Rs.13 thousand (2016: Rs.13 thousand) and Rs.64 thousand (2016: Rs.65 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

## 27. ADMINISTRATIVE EXPENSES

	Sugar		Distillery		Total	
	2017	2016	2017	2016	2017	2016
	----- Rupees in '000 -----					
Salaries and benefits (note 27.1)	65,843	48,393	21,948	16,131	87,791	64,524
Travelling and conveyance including directors' travelling amounting Rs.317 thousand (2016: Rs.728 thousand)	488	820	163	274	651	1,094
Vehicles' running and maintenance	5,984	4,596	1,994	1,532	7,978	6,128
Communication	1,063	1,141	422	493	1,485	1,634
Printing and stationery	894	707	298	236	1,192	943
Rent, rates and taxes	2,659	2,886	1,125	1,923	3,784	4,809
Insurance	353	505	118	168	471	673
Repair and maintenance	2,337	4,571	805	1,534	3,142	6,105
Subscription	2,997	1,098	1,392	521	4,389	1,619
Advertisement	148	127	49	42	197	169
Depreciation	6,551	3,437	2,206	1,173	8,757	4,610
Entertainment / guest house expenses	4,356	1,804	1,552	690	5,908	2,494
Auditors' remuneration (note 27.2)	644	763	215	254	859	1,017
Legal and professional charges (other than Auditors')	916	1,277	305	438	1,221	1,715
Utilities	2,869	3,743	956	1,248	3,825	4,991
Others	697	2,025	233	674	930	2,699
	<b>98,799</b>	<b>77,893</b>	<b>33,781</b>	<b>27,331</b>	<b>132,580</b>	<b>105,224</b>

27.1 These include Rs.322 thousand (2016: Rs.317 thousand) and Rs.2,802 thousand (2016: Rs.2,620 thousand) in respect of provident fund contributions and staff retirement benefits-gratuity respectively.

27.2 Auditors' remuneration	2017	2016
	--- Rupees in '000 ---	
ShineWing Hameed Chaudhri & Co.		
- statutory audit fee	575	575
- half yearly review	147	147
- certification charges	50	45
- short provision for previous year	52	97
- out-of-pocket expenses	35	35
	859	899
Javed Iqbal & Co. - cost audit fee	-	3
Qadeer & Co. - cost audit and provident fund	-	105
Javaid Jalal Amjad & Co. - provident fund's		
- short provision for previous year	-	10
	859	1,017

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

28. OTHER INCOME	Note	2017	2016
		--- Rupees in '000 ---	
Income from financial assets			
Unclaimed and other payable balances written-back		146	11,844
Interest / mark-up on saving accounts		629	550
Income from other than financial assets			
Scrap sales - net		3,012	17,295
Bagasse and press mud sales - net		20,908	-
Sale of electricity	28.1	25,089	-
Gain on disposal of operating fixed assets	16.2	2,063	653
Reversal of provision for slow moving stores and spares inventory	19.1	1,270	-
Rental income		21	6,015
Others		221	3,173
		53,359	39,530

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



	Note	2017 --- Rupees in '000 ---	2016
29. OTHER EXPENSES			
Donations (without directors' interest)		59	370
Depreciation on investment property	17	63	67
Operating fixed assets written-off	16.3	2,427	-
Workers' profit participation fund	11.1	9,997	2,781
Workers' welfare fund		-	1,057
Provision made for slow moving stores and spares inventory	19.1	-	717
		<u>12,546</u>	<u>4,992</u>
30. FINANCE COST			
Mark-up / profit on:			
- long term finances		7,875	7,844
- short term finances		180,516	75,973
- lease finances		780	-
- workers' profit participation fund	11.1	196	-
Bank and other charges		15,354	2,759
		<u>204,721</u>	<u>86,576</u>
31. TAXATION - Net			
Current year		45,680	10,480
Adjustment of prior years		-	1,180
		<u>45,680</u>	<u>11,660</u>

31.1 Income tax assessments of the Company have been finalised upto Assessment Year 2002-03 under section 62 of the repealed Income Tax Ordinance, 1979 whereas Tax Years 2003 to 2017 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance).

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

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

31.4 The Board of Directors in their meeting held on December 29, 2017, has distributed sufficient cash dividend for the year ended September 30, 2017 (refer note 41) to comply with the requirements of Section 5A of the Ordinance. Accordingly, no provision for tax on undistributed reserves has been recognised in these financial statements for the year ended September 30, 2017.

	2017	2016
	--- Rupees in '000 ---	
32. EARNINGS PER SHARE- Basic and Diluted		
Profit after taxation attributable to ordinary shareholders	<u>144,267</u>	<u>40,121</u>
	---- No. of shares ----	
Weighted average number of ordinary shares outstanding during the year	<u>16,517,453</u>	<u>16,517,453</u>
	----- Rupees -----	
Profit per share	<u>8.73</u>	<u>2.43</u>

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

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	Chief Executive		Directors				Executives	
			Executive		Non-Executive			
	2017	2016	2017	2016	2017	2016	2017	2016
	-----Rupees in '000 -----							
Managerial remuneration including bonus	10,853	5,760	4,800	2,050	1,400	1,200	23,628	16,700
Perquisites and benefits:								
House rent	-	-	-	500	-	-	-	-
Utilities	1,621	2,009	-	541	501	-	-	-
Medical	2,295	-	86	466	285	-	130	124
Servant salary	-	-	-	-	-	-	140	204
Entertainment / club bills	2,329	609	165	88	76	-	186	204
	6,245	2,618	251	1,595	862	-	456	532
	<u>17,098</u>	<u>8,378</u>	<u>5,051</u>	<u>3,645</u>	<u>2,262</u>	<u>1,200</u>	<u>24,084</u>	<u>17,232</u>
No. of persons	1	1	1	2	2	1	13	12

- 33.1 The working directors and executives have been provided with free use of the Company maintained cars and telephones at their residences. Furnished residences have also been provided to the executives in the Mills' Colony.
- 33.2 A sum of Rs.754 thousand (2016: Rs.511 thousand) was incurred on the renovation of Chief Executive's residence during the current financial year.
- 33.3 During the year, meeting fees of Rs.165 thousand (2016: Rs.Nil) were paid to two Non-executive directors of the Company.

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

##### 34.1 Financial Risk Factors

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

- market risk
- credit risk; and
- liquidity risk

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

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

##### 34.2 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk comprises of three types of risks: currency risk, interest rate risk and price risk.

###### (a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spares and export of goods mainly denominated in US Dollars. The Company's exposure to foreign currency risk for U.S. Dollar is as follows:

	Rupees	U.S.\$
	----- in '000 -----	
As at September 30, 2017		
Export debtors	<u>127,652</u>	<u>1,212</u>
As at September 30, 2016		
Bill payable	<u>1,181</u>	<u>11</u>

The following significant exchange rates have been applied:

	<u>Average rate</u>		<u>Balance sheet date rate</u>	
	2017	2016	2017	2016
U.S. \$ to Rupee	104.95	104.38	105.25	104.75

Sensitivity analysis

At September 30, 2017, if Rupee had strengthened by 10% against U.S.\$ with all other variables held constant, profit after taxation for the year would have been lower (2016: higher) by the amount shown below mainly as a result of net foreign exchange loss / gains on translation of foreign currency financial assets / liabilities.

	2017	2016
	--- Rupees in '000 ---	
Effect on profit for the year		
U.S. \$ to Rupee	<u>12,765</u>	<u>115</u>

The weakening of Rupee against U.S. \$ would have had an equal but opposite impact on profit after taxation.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and on assets / liabilities of the Company.

(b) Interest rate risk

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

	2017	2016	2017	2016
	Effective rate		Carrying amount	
	%	%	--- Rupees in '000 ---	
Fixed rate instruments				
Financial assets				
Bank balances	3.75	3.75 - 4.00	<u>7,296</u>	<u>1,247</u>
Variable rate instruments				
Financial liabilities				
Long term finances	7.90 - 8.14	8.05 - 8.60	<u>362,935</u>	<u>125,432</u>
Short term borrowings	3.00 - 9.14	3.00 - 8.57	<u>2,333,133</u>	<u>577,291</u>
Liability against assets subject to finance lease	9.06 - 9.15	-	<u>8,759</u>	<u>-</u>

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

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

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

At September 30, 2017, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs.27.048 million (2016: Rs.7.027 million) lower / higher mainly as a result of higher / lower interest expense on variable rate financial liabilities.

#### Price risk

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

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

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

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

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

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

#### Exposure to credit risk

The maximum exposure to credit risk as at September 30, 2017 along with comparative is tabulated below:



	2017	2016
	--- Rupees in '000 ---	
Deposits	13,975	12,360
Trade debts	132,266	74,253
Loans and advances	40,909	37,812
Other receivables	12,644	29,504
Bank balances	309,615	26,724
	<u>509,409</u>	<u>180,653</u>

All the trade debts at the balance sheet date represent domestic parties except an amount of Rs.127.652 million receivable from a foreign party.

The aging of trade debts at the balance sheet date was as follows:

	2017	2016
	--- Rupees in '000 ---	
Not yet due	131,423	73,075
Past due - more than 30 days	843	1,178
	<u>132,266</u>	<u>74,253</u>

Based on past experience, the Company's management believes that no impairment loss allowance is necessary in respect of trade debts as debts aggregating Rs.128.159 million have been realised subsequent to the year-end and for other trade debts there are reasonable grounds to believe that the amounts will be realised in short course of time.

#### 34.4 Liquidity risk

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

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 year</u>	<u>Between 1 to 5 years</u>
	----- Rupees in '000 -----			
September 30, 2017				
Long term finances	362,935	418,110	65,236	352,874
Liability against assets				
subject to finance lease	8,759	10,572	2,535	8,037
Trade and other payables	211,720	211,720	211,720	-
Accrued mark-up	56,942	56,942	56,942	-
Short term finances	2,333,133	2,521,941	2,521,941	-
	<u>2,973,489</u>	<u>3,219,285</u>	<u>2,858,374</u>	<u>360,911</u>



	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in '000 -----				
September 30, 2016				
Long term finances	125,432	134,970	70,617	64,353
Trade and other payables	188,512	188,512	188,512	-
Accrued mark-up	22,088	22,088	22,088	-
Short term finances	577,291	608,082	608,082	-
	<u>913,323</u>	<u>953,652</u>	<u>889,299</u>	<u>64,353</u>

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

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

At September 30, 2017, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values except for loans to employees, which have been valued at their original costs less repayments.

#### 34.6 Financial instruments by category

	Loans and receivables			Financial liabilities measured at amortised cost	
	2017	2016		2017	2016
Financial assets as per balance sheet	--- Rupees in '000 ---		Financial liabilities as per balance sheet	--- Rupees in '000 ---	
Loans and advances	292	432	Long term finances	362,935	125,432
Deposits	13,975	12,360	Liability against assets subject to finance lease	8,759	-
Trade debts	132,266	74,253	Long term deposits	-	1,167
Loans and advances	40,895	37,380	Trade and other payables	211,720	188,512
Other receivables	56,386	29,504	Accrued mark-up	56,942	22,088
Bank balances	309,615	26,724	Short term finances	2,333,655	582,742
	<u>553,429</u>	<u>180,653</u>		<u>2,974,011</u>	<u>919,941</u>

### 35. CAPITAL RISK MANAGEMENT

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

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

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

36.	CAPACITY AND PRODUCTION		2017	2016
	Sugar Plant			
	Rated crushing capacity (based on 160 working days)	M. Tons	1,440,000	1,440,000
	Cane crushed	M. Tons	1,115,492	401,084
	Sugar produced	M. Tons	113,308	39,015
	Days worked	Nos.	140	86
	Sugar recovery	%	10.16	9.75
	Distillery Plant			
	Rated capacity per day	Litres	80,000	80,000
	Actual production	Litres	21,452,555	9,192,782
	Days worked	Nos.	297	154

37. SEGMENT INFORMATION

The Company's reportable segments are as follows:

- Sugar
- Distillery

37.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
	----- Rupees in '000 -----			
For the year ended September 30, 2017				
Sales	4,209,536	1,060,209	(434,157)	4,835,588
Cost of sales	(3,917,659)	(780,303)	(434,157)	(4,263,805)
Gross profit	291,877	279,906	-	571,783
Selling and distribution expenses	(6,604)	(78,744)	-	(85,348)
Administrative expenses	(98,799)	(33,781)	-	(132,580)
	(105,403)	(112,525)	-	(217,928)
Profit before taxation and unallocated income and expenses	186,474	167,381	-	353,855
Unallocatable income and expenses				
Other income				53,359
Other expenses				(12,546)
Finance cost				(204,721)
Taxation				(45,680)
Profit for the year				144,267



	Sugar	Distillery	Elimination of inter segment transactions	Total
-----Rupees in '000 -----				
For the year ended September 30, 2016				
Sales	2,215,283	496,600	(123,337)	2,588,546
Cost of sales	(2,109,557)	(367,240)	(123,337)	(2,353,460)
Gross profit	105,726	129,360	-	235,086
Selling and distribution expenses	(2,850)	(23,193)	-	(26,043)
Administrative expenses	(77,893)	(27,331)	-	(105,224)
	(80,743)	(50,524)	-	(131,267)
Profit before taxation and unallocated income and expenses	24,983	78,836	-	103,819
Unallocatable income and expenses				
Other income				39,530
Other expenses				(4,992)
Finance cost				(86,576)
Taxation				(11,660)
Profit for the year				40,121

### 37.2 Segment assets and liabilities

	Sugar	Distillery	Total
-----Rupees in '000 -----			
As at September 30, 2017			
Segment assets	3,117,847	501,995	3,619,842
Unallocatable assets			382,283
Total assets as per balance sheet			4,002,125
Segment liabilities	559,142	50,032	609,174
Unallocatable liabilities			2,801,018
Total liabilities as per balance sheet			3,410,192
As at September 30, 2016			
Segment assets	1,414,005	210,027	1,624,032
Unallocatable assets			83,621
Total assets as per balance sheet			1,707,653
Segment liabilities	256,903	14,410	271,313
Unallocatable liabilities			970,516
Total liabilities as per balance sheet			1,241,829

Sales to domestic customers in Pakistan are 84.28% (2016: 88.06%) and to customers outside Pakistan are 15.72% (2016: 11.94%) of the revenues during the current financial year.

The Company sells its manufactured products to local and foreign companies, commission agents, organisations and institutions. Five (2016: Four) of the Company's customers contributed towards 88.22% (2016: 98.65%) of the local sales during the current financial year aggregating Rs.3.330 billion (2016: Rs.2.241 billion) which exceeds 10% of the local sales of the Company.

#### Geographical information

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

#### 38. RELATED PARTY TRANSACTIONS

The Company has related party relationship with its Associated Companies, employee benefit plans, its directors and key management personnel. Transactions with related parties are carried-out on arm's length basis. Except as disclosed in notes 25.1, 33 and for the following, no transactions were executed with related parties:

	2017	2016
	--- Rupees in '000 ---	
- purchase of fixed asset	-	617
- short term interest free loans from the Company's chief executive and a director obtained and repaid	-	15,500

#### 39. DISCLOSURE RELATING TO PROVIDENT FUND

	2017	2016
	--- Rupees in '000 ---	
(i) Size of the Fund	<u>106,306</u>	<u>103,633</u>
(ii) Cost of investments made	<u>87,850</u>	<u>86,709</u>
(iii) Percentage of investments made	<u>82.64%</u>	<u>83.67%</u>
(iv) Fair value of investments made	<u>87,850</u>	<u>86,709</u>

#### 39.1 Break-up of the investment is as follows:

	2017	2016	2017	2016
	--- Percentage ---		--- Rupees in '000 ---	
Special account in a scheduled bank	<b>16.24</b>	24.95	<b>14,271</b>	21,632
Mutual Fund	<b>83.76</b>	75.05	<b>73,579</b>	65,077
	<b>100.00</b>	100.00	<b>87,850</b>	86,709

The figures are based on the audited financial statements of the Provident Fund (the Fund) as at September 30, 2017 and 2016. Investments out of Fund were made in compliance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. However, the Fund's investment in a Mutual Fund exceeded the limit due to appreciation in net assets value and receipt of Bonus units of Mutual Fund.

40. NUMBER OF EMPLOYEES

Number of employees as at September 30,	2017	2016
- Permanent	423	438
- Contractual	19	17
Average number of employees during the year		
- Permanent	442	453
- Contractual	27	37

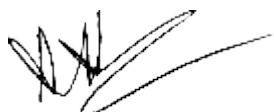
41. NON ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors, in their meeting held on has proposed a final cash dividend of Rs. 3.50 (2016: Re.1) per share amounting to Rs. 57.811 million (2016: Rs. 16.518 million) for the year ended September 30, 2017. This appropriation will be approved by the members in the forthcoming Annual General Meeting to be held on January 26, 2018.

The financial statements for the year ended September 30, 2017 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending September 30, 2018.

42. GENERAL

These financial statements were authorised for issue on by the board of directors of the Company.



MALIK ADNAN HAYAT NOON  
Chief Executive



M. SOHAIL KHOKHAR  
Director



RIZWAN SOHAIL  
Chief Financial Officer

## FORM 34

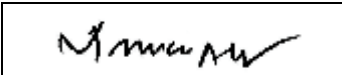
### PATTERN OF SHAREHOLDING AS AT 30 SEPTEMBER, 2017

- 1 Incorporation No. : **0001858**  
 2 Name of the Company : **NOON SUGAR MILLS LIMITED**  
 3 Pattern of holding of the shares held by the shareholders as at 30-09-2017

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
815	101	100	25,267
541	501	500	150,924
220	1,001	1,000	172,372
326	5,001	5,000	769,560
54	10,001	10,000	406,360
16	15,001	15,000	204,117
12	20,001	20,000	212,399
8	25,001	25,000	187,196
4	30,001	30,000	113,020
1	35,001	35,000	34,000
2	40,001	40,000	76,100
3	45,001	45,000	130,900
2	55,001	50,000	97,916
2	60,001	60,000	115,617
2	65,001	65,000	123,307
1	85,001	70,000	67,500
1	100,001	90,000	85,500
1	105,001	105,000	102,386
1	140,001	110,000	107,500
1	215,001	145,000	142,200
1	220,001	220,000	217,200
1	270,001	225,000	221,300
1	310,001	275,000	273,520
1	495,001	315,000	311,800
1	765,001	500,000	500,000
1	1,435,001	770,000	765,403
1	1,850,001	1,440,000	1,437,480
1	3,320,001	1,855,000	1,850,040
1	4,290,001	3,325,000	3,323,803
1		4,295,000	4,292,766
2,023			16,517,453

<b>5. Categories of shareholders</b>	<b>Share held</b>	<b>Percentage</b>
<b>5.1</b> Directors, Chief Executive Officers, and their spouse and minor children	9,623,543	58.2629%
<b>5.2</b> Associated Companies, undertakings and related parties.	765,403	4.6339%
<b>5.3</b> NIT and ICP	29,447	0.1783%
<b>5.4</b> Banks Development Financial Institutions, Non Banking Financial Institutions.	1,448	0.0088%
<b>5.5</b> Insurance Companies	3,732	0.0226%
<b>5.6</b> Modarabas and Mutual Funds	5,000	0.0303%
<b>5.7</b> Share holders holding 10% and more	9,589,916	58.0593%
<b>5.8</b> General Public		
a. Local	3,750,024	22.7034%
b. Foreign	466	0.0028%
<b>5.9</b> Others (to be specified)		
Joint Stock Companies	875,846	5.3025%
Investment Companies	2,039	0.0123%
Foreign Companies	1,437,592	8.7035%
Others	22,913	0.1387%

**6.** Signature of  
Company Secretary



**7.** Name of Signatory

**SYED ANWAR ALI**

**8.** Designation

**COMPANY SECRETARY**

**9.** CNIC Number

**35200-2711479-3**

**10** Date

**30.09.2017**

**NOON SUGAR MILLS LIMITED  
FORM OF PROXY**

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

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

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

being a member of NOON SUGAR MILLS LIMITED hereby appoint

\_\_\_\_\_ Name

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

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

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

(also being a member of the Company) as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 54<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 26 January, 2018 at 66 Garden Block, New Garden Town, Lahore at 11:30 a.m. and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2018.

**WITNESSES**

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

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

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

Revenue  
Stamp  
(Rs. 5/-)

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

# نون شوگر ملز لمیٹڈ

66- گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔

تشکیل نیابت داری (پراسی فارم)

میں / ہم \_\_\_\_\_

ساکن \_\_\_\_\_

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

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

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

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

ساکن \_\_\_\_\_ کو اپنی جگہ بروز جمعہ 26 جنوری 2018

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

بطور گواہ میرے / ہمارے دستخط سے مورخہ \_\_\_\_\_ جنوری 2018 کو دی گئی۔

۵ روپے کارسیدی ٹکٹ  
چسپاں کر کے دستخط کریں

۱- گواہ

دستخط \_\_\_\_\_

نام \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

پتہ \_\_\_\_\_

دستخط \_\_\_\_\_  
(ممبر / مجاز فسر)

۲- گواہ

دستخط \_\_\_\_\_

نام \_\_\_\_\_

شناختی کارڈ نمبر \_\_\_\_\_

پتہ \_\_\_\_\_

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

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

نوٹس:

- (۱) پراسی کے منوثر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۲۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراسی فارم کے ساتھ تلف کرنے ہوں گے۔

VIDEO CONFERENCE FACILITY FORM

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

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

Date \_\_\_\_\_

BANK ACCOUNT DETAIL FORM

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

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

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

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

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

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

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

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

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

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

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

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

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



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

**NOTIFICATION**

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

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



[www.jamapunji.pk](http://www.jamapunji.pk)

**Jama Punji**  
سرمایہ کاری سیمینڈاری کیساتھ

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

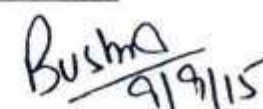
**Key features:**

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

[jamapunji.pk](http://jamapunji.pk)    [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*In Urdu only and also available for download for android and ios devices

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

  
 (Bushra Aslam)  
 Secretary to the Commission

## ڈائریکٹران رپورٹ برائے ممبران

معزز ممبران،

آپ کے ڈائریکٹران 30 ستمبر 2017 کو اختتام پزیر ہونے والے سال کی پچیسویں سالانہ رپورٹ، آڈٹ شدہ مالیاتی حسابات اور ان پر آڈٹ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### مالیاتی نتائج

اللہ تعالیٰ کے فضل و کرم سے، مالیاتی سال 2017 کے دوران، سابقہ سالانہ عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 2,588 ملین روپے کے مقابلے میں کمپنی نے اس سال 4,836 ملین روپے کا حصول کیا۔ نقد فروخت کی رقم میں 87 فیصد شرح کے ساتھ یہ نمایاں اضافہ ہے۔ سابقہ مالی سال کے عرصہ میں حاصل کردہ 39 ملین روپے کل منافع کے مقابلے میں زیر جائزہ مالی سال میں کل منافع 143 ملین روپے رہا اور سابقہ سالانہ عرصہ کے دوران 2.43 روپے فی حصہ منافع کے مقابلے میں رواں مالی سال کے دوران فی حصہ منافع 8.73 روپے تک پہنچ گیا۔

مارچ 2017 کے عرصہ کے بعد، بین الاقوامی اور مقامی بازاروں میں چینی کی قیمتوں میں تیزی سے کمی کا رجحان سامنے آیا جس کی وجہ سے نومائی نتائج منفی طور پر متاثر ہوئے۔ ہم شوگر انڈسٹری میں شدید مشکل حالات کے باوجود مثبت مالی نتائج کے حصول کے ساتھ حصص یافتگان کے مفادات کے تحفظ میں کامیاب رہے۔

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

2017 (ملین روپے)	2016 (ملین روپے)	
4,836	2,588	پیداوار کی فروخت سے حاصل شدہ کل رقم
572	235	خام منافع
395	138	پیداواری منافع
143	39	خالص آمدن (نقصان)
8.73	2.43	فی حصہ آمدن (روپے)

### پیداواری نتائج

#### چینی

آپ کی کمپنی نے چینی کی پیداوار میں ریکارڈ قائم کیا۔ زیر جائزہ عرصہ کے دوران سابقہ سال میں نیلے جانے والے 401,084 میٹرک ٹن گنے کے مقابلے میں 178 فیصد اضافی شرح کے ساتھ 1,115,492 میٹرک ٹن گنا پیدا گیا جبکہ سابقہ سال میں 39,015 میٹرک ٹن چینی کی پیداوار کے مقابلے میں اس سال چینی کی پیداوار 190 فیصد اضافہ کے ساتھ 113,308 میٹرک ٹن رہی۔ رس سے چینی کی کشیدگی شرح سابقہ سال کی 9.75 فیصد کے مقابلے میں اس سال 10.16 فیصد رہی۔

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

2017	2016		
140	86	دن	پیداواری عرصہ
1,115,492	401,084	میٹرک ٹن	گنا بیلیے جانے کی مقدار
113,308	39,015	میٹرک ٹن	چینی کی پیداوار
10.16	9.75	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.41	4.21	شرح فیصد	شیرے کا پیداواری تناسب
49,142	16,845	میٹرک ٹن	شیرے کی پیداوار

## ڈسٹری

246 لیٹرن فی میٹرک ٹن کی شرح سے 87,140 میٹرک ٹن شیرہ پراسس کر کے 17,162 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کر کے ایک اور سنگ میل عبور کیا گیا۔ جبکہ سابقہ سال کے دوران 238 لیٹرا اتھنول فی میٹرک ٹن شیرہ کی پیداواری شرح سے 7,355 میٹرک ٹن اتھنول پیدا کی گئی تھی۔ زیر جائزہ سال اور سابقہ سال کے عرصہ میں ڈسٹری کے شعبے میں پیداواری نتائج کے اعداد و شمار کا تقابلی گوشوارہ حسب ذیل ہے:

2017	2016		
297	154	دن	پیداواری عرصہ
87,140	38,578	میٹرک ٹن	شیرے کی پیداوار
17,162	7,355	میٹرک ٹن	اتھنول کی پیداوار
246	238	لیٹرن فی میٹرک ٹن	پیداواری اوسط

## مجموعی جائزہ

### چینی

سال 2015-16 میں گنے کے پیداواری علاقہ میں 0.9 فیصد کی اور سال 2016-17 میں 7.6 فیصد اضافہ ہوا۔ اکنامک سروے 2016-17 سے عیاں ہے کہ گنے کی مسابقتانہ فصلوں پر کیڑوں کے حملوں سے ان کی پیداوار متاثر ہونے کی وجہ سے ان فصلوں کا پیداواری علاقہ گنے کے پیداواری علاقہ میں تبدیل ہو گیا۔ چاول اور کپاس کی قیمتوں میں کمی نے بھی کسان کو ان کی جگہ گنا کاشت کرنے پر مائل کیا جس کی مقرر کردہ کم از کم قیمت ملنے کی ضمانت تو ہے۔ اسٹیٹ بینک آف پاکستان کی تیسری سہ ماہی رپورٹ جولائی 2016 تا مارچ 2017 کے عرصہ کو گمشدہ مواقع کے عرصہ سے تعبیر کرتی ہے اور اس کے مطابق جون 2016 سے مارچ 2017 کے عرصہ میں بین الاقوامی بازار میں چینی کی قیمتوں میں اضافہ ہوا۔ ریکارڈ پیداوار اور وافر مقدار میں ذخیرہ شدہ چینی کو مقدار کی پابندیوں اور وقت کی کمی کے باعث برآمد کرنے کے قابل قدر موقع سے ملک فائدہ نہ اٹھا سکا۔ بروقت برآمدی اجازت نہ دینے اور گنے کی اضافی مقدار کاشت کرنے کے نتیجے میں 5.1 ملین میٹرک ٹن کی ملکی ضروریات کے مقابلے میں 7.00 ملین میٹرک ٹن چینی پیدا کرنے والی شوگر انڈسٹری اور گنے کے غریب کاشتکاروں کو فوائد سے محروم رکھنے پر ہم اظہار تاسف کرتے ہیں۔ چینی کی مذکورہ فالتو مقدار، سال 2018 میں گنے کی بھاری مقدار میں پیداواری خبروں اور بین الاقوامی بازار میں چینی کی گرتی ہوئی قیمتوں کا دباؤ شوگر انڈسٹری کی مالیاتی صحت پر منفی طور پر اثر انداز ہوا ہے۔

## ڈسٹری

سابقہ چند سالوں کے دوران دنیا بھر میں اتھنول ایندھن استعمال کرنے کے امکانات بڑھ رہے ہیں۔ تاہم پیٹرولیم مصنوعات کی قیمتوں میں کمی کی وجہ سے بین الاقوامی بازار میں اتھنول کی قیمت دباؤ میں رہی ہے۔ جبکہ پاکستان میں گنے کی امدادی قیمت میں اضافہ کی بنا پر ماضی قریب میں اتھنول کی پیداواری لاگت میں اضافہ ہوا ہے۔ مزید برآں حکومت پنجاب کی جانب سے اتھنول کی پیداوار پر ایکسائز ڈیوٹی عائد کرنے کی وجہ سے ڈسٹری انڈسٹری کے منافع میں کمی واقع ہوئی ہے۔

## مستقبل کی پیش گوئی چینی:

2017-18 کا کرشنگ سیزن 29 نومبر 2017 کو شروع ہوا۔ گزشتہ سال کے مقابلے میں امسال گنے کے پیداواری علاقے میں 15 فیصد اضافہ ہوا ہے۔ تاہم ناموافق موسمی حالات کی وجہ سے بڑے پیمانے پر گنے کی کٹائی اور کاشت کاروں کی جانب سے گنے کی غیر منظور شدہ قسمیں کاشت کرنے کی بنا پر ہم رس کے چینی کی کشیدگی شرح میں کمی دیکھ رہے ہیں جو وسطی پنجاب میں واقع شوگر ملوں کے لیے ایک دھچکا ہو سکتا ہے۔

2017 میں چینی کی پیداوار 7.00 ملین میٹرک ٹن تھی اور آئندہ سیزن میں اس کی پیداوار 7.5 ملین میٹرک ٹن متوقع ہے جبکہ 5.10 میٹرک ٹن کی متوقع ملکی کھپت کے بعد 2.40 میٹرک ٹن چینی فاضل ہوگی جو سابقہ سیزن کے فاضل ذخیروں کے ساتھ مل کر اس سیکٹر میں چینی کی فراہمی کی صورتحال کو مزید ابتر کرے گی لہذا آنے والے دنوں میں چینی کی مقامی قیمتیں مدید دباؤ میں آجائیں گی۔

کرشنگ سیزن کا آغاز 30 نومبر 2017 سے کرنے کی شرط پر فی ٹن 10.70 روپے کی امدادی قیمت پر حکومت 1.50 ملین میٹرک ٹن چینی ایکسپورٹ کرنے کی منظوری دے چکی ہے۔ یہ منظوری 0.5 ملین ٹن چینی کی علاوہ ہے جو SBP پہلے ہی شوگر ملوں کو مختص کر چکا ہے۔ یہ منظوری شوگر انڈسٹری کو سانس لینے کی جگہ مہیا کرے گی تاہم یہ صورتحال کی ابتری سے نمٹنے کے لیے کافی نہیں ہے۔


حکومت کو شوگر انڈسٹری کی بحالی کے لیے قلیل مدتی اقدامات کرنے کے بجائے طویل مدتی اقدامات کرنے چاہئیں۔ ہم اپنے شوگر پلانٹ کو بہتر بنانے کے لیے جارحانہ اقدامات کر رہے ہیں۔ نئے فالنگ فلم ایوپورٹرز نصب کیے جا رہے ہیں اور امید ہے کہ یہ رواں کرشنگ سیزن میں کام شروع کر دیں گے۔ مدید براں پراسس ہاؤس کی بہتری و جدت زبر غور ہے۔ یہ اخراجات میں نمایاں کمی کا سبب بنے گا۔

## ڈسٹری:

بین الاقوامی بازار میں ایندھن کی قیمتوں میں کسی بڑی تبدیلی کی توقع نہیں اس لیے مستقبل میں اتھنول انڈسٹری مستحکم رہنے کی توقع ہے۔ برازیل میں اتھنول کی پیداوار میں، جو کہ دنیا میں اتھنول کی سب سے زائد پیداوار اور برآمد کنندہ ہے، کمی کی خبریں سامنے آئی ہیں جو اس کی قیمتوں میں مثبت اثرات کی حامل ہو سکتی ہیں۔ ڈسٹری پراجیکٹ کمپنی کے لیے ایک لائف لائن ثابت ہوا ہے اور کمپنی کے منافع جات میں اس کا بڑا حصہ ہے۔ ہمیں یہ اعلان کرتے ہوئے مسرت ہو رہی ہے کہ ہم موجودہ 80,000 لیٹر روزانہ کی موجودہ پیداواری گنجائش میں 50,000 لیٹر روزانہ کی پیداواری گنجائش کا اضافہ کر رہے ہیں۔ اس سلسلے میں بڑے ٹھیکے پہلے ہی تفویض کیے جا چکے ہیں۔ ہمیں توقع ہے کہ 130,000 لیٹر روزانہ کی پیداواری گنجائش اگلے کرشنگ سیزن میں دستیاب ہوگی۔

## اعتراف

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

  
کنورا اقبال طالب  
چیئرمین

مورخہ 29 دسمبر 2017

  
ملک عدنان حیات نون  
چیف ایگزیکٹو

## نون شوگر ملز لمیٹڈ

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

### اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ نون شوگر ملز لمیٹڈ (کمپنی) کے ممبران کا پچھنواں سالانہ اجلاس عام بروز جمعہ مورخہ 26 جنوری، 2018 صبح ساڑھے گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام 66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور میں منعقد ہوگا:

#### عمومی کارروائی:

- 1 - ممبران کے سالانہ اجلاس عام منعقدہ 31 جنوری، 2017 کی کارروائی کی توثیق۔
- 2 - 30 ستمبر، 2017 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ حسابات اور ان پر آڈیٹران اور ڈائریکٹران کی رپورٹوں پر غور کرنا اور انہیں منظور کرنا۔
- 3 - منافع منقسمہ کی ادائیگی کو منظور کرنا۔ بورڈ نے 3.50 روپے فی حصہ (35%) منافع منقسمہ دینے کی سفارش کی ہے۔
- 4 - سال 30 ستمبر 2018 کو اختتام پزیر ہونے والے سال کے لیے کمپنی کے آڈیٹران کا تقرار اور ان کے مشاہرہ کا تعین کرنا۔ ریٹائر ہونے والے آڈیٹر، Shinewing Hameed Chaudhri & Comapny (چارٹرڈ اکاؤنٹنٹس) نے اپنے آپ کو دوبارہ مقرر کرنے کی پیشکش کی ہے۔
- 5 - صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

#### خصوصی کارروائی:

- 1 - درج ذیل قرارداد پر غور کرنا اور اسے کسی ترمیم یا اس کے بغیر بطور قرارداد عام منظوری کے لیے پیش کرنا:  
قرار پایا کہ کمپنی کی سالانہ رپورٹیں جو کہ مالیاتی تفصیلات، ڈائریکٹران کی رپورٹ، آڈیٹران کی رپورٹ، بیلینس شیٹ، نفع و نقصان کے حسابات اور اجلاس عام کے نوٹس پر مبنی ہوں ماسوا ایسے ممبران کے جو کہ کمپنی سے کتابی صورت میں رپورٹ بھیجنے کے لیے تحریر فرمائش کریں، کمپنی کے ممبران کو کتابوں کی صورت میں بھیجنے کے بجائے بذریعہ ڈی، ڈی وی ڈی اور یو ایس بی (CD/DVD/USB) ان کے رجسٹرڈ پتوں پر بھجوائی جائیں۔  
مزید قرار پایا کہ کمپنی مستقبل میں ان تمام ممبران کو سالانہ آڈٹ شدہ رپورٹیں بصورت کتاب بھیجنے کی پابند ہوگی جو کمپنی سے انہیں کتابی صورت میں وصول کرنے کی تحریر فرمائش کریں۔

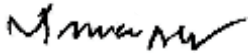
#### 2 - کمپنی کے میمورینڈم اور آرٹیکلز آف ایسوسی ایشن میں تبدیلی

موجودہ قابل اطلاق قوانین اور قواعد سے موافقت اور ہم آہنگ کرنے کے لیے ایک قرارداد کو جو کہ کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کی تعمیل میں اہم امور سے متعلق کیفیت نامہ کے ساتھ نوٹس ہذا سے منسلک ہے قرارداد خاص کی حیثیت سے منظوری کے ذریعہ کمپنی کے میمورینڈم اور آرٹیکلز آف ایسوسی ایشن میں تبدیلیاں کرنا۔

#### منتقلی حصص کی کتابوں کی بندش

کمپنی حصص کی منتقلی کی کتابیں 20 جنوری، 2018 تا 26 جنوری، 2018 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام اور منافع منقسمہ کے تعین کے لیے بند رہیں گی۔ 19 جنوری 2018 کے دفتری اوقات کے خاتمہ تک منتقلی کے لیے موصول ہونے والے حصص کے یافتگان منافع منقسمہ کے حقدار ہوں گے۔

حسب الحکم بورڈ



سید انور علی

کمپنی سیکریٹری

بمقام لاہور۔

مورخہ 29 دسمبر، 2017

## نوٹس :

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

### a. اجلاس میں شرکت کے لیے:

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

### b. پراکسیوں کو مقرر کرنے کے لیے:

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

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

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

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

- 6 - SECP کے S.R.O/2016(1)43 مجریہ 22 جنوری 2016 کی تعمیل میں ممبران کمپنی اجلاس سے کم از کم دس روز قبل اپنی تحریری رضامندی کے ساتھ درمیانی رابطے کے فرد کی جانب سے تعمیل کنندہ افسر کی تقرری پر E-Voting کے ذریعے اپنا ووٹ ڈالنے کے استحقاق کا استعمال کر سکتے ہیں۔

## کمپنیز ایکٹ، 2017 کے سیکشن (3) 134 کے تحت کیفیت نامہ

مندرجہ ذیل کیفیت نامہ خصوصی امور سے متعلق ان اہم امور کا تعین کرتا ہے جو نون شوگر ملز لمیٹڈ (کمپنی) کے سالانہ اجلاس عام بروز جمعہ مورخہ 26 جنوری، 2018 صبح ساڑھے گیارہ بجے بمقام 66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور میں منعقد ہوگا:

### کمپنی کے میمورینڈم آف ایسوسی ایشن میں تبدیلی

کمپنیز ایکٹ 2017 (ایکٹ) کی مندرجہ ذیل دفعہ 27(A)(iii) قرار دیتی ہے کہ ایک موجودہ کمپنی اپنے موجودہ میمورینڈم کے تحت جاری رہے گی اور اس کے میمورینڈم کی کلاز-1 اس کے اولین کاروباری مقصد کی غمازی کرے گی۔ اگر یہ درست نہیں ہے تو ایسی کمپنی اپنے میمورینڈم میں تبدیلی کے ذریعے اپنے اولین کاروباری مقصد کو واضح کر سکتی ہے:

27. Memorandum of company limited by shares.-In the case of a company limited by shares-

(A) the memorandum shall state - ....

(iii) principal line of business: Provided that-

(a) the existing companies shall continue with their existing memorandum of association and the

object stated at serial number 1 of the object clause shall be treated as the principal line of business;

(b) if the object stated at serial number 1 of the object clause is not the principal line of business of the company, it shall be required to intimate to the registrar their principal line of business within such time

from commencement of this Act and in the form as may be specified. A revised copy of the

memorandum of association indicating therein its principal business at serial number 1 of the object

clause shall also be furnished to the registrar; and ...

لہذا کمپنی کو مذکورہ ایکٹ کی دفعہ 27 کی تعمیل میں کمپنی کے میمورینڈم آف ایسوسی ایشن میں تبدیلی کرنا مقصود ہے۔

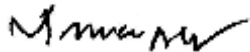
### کمپنی کے آرٹیکلز آف ایسوسی ایشن میں تبدیلی

کمپنی کے آرٹیکلز آف ایسوسی ایشن کو ایکٹ کی دفعات اور اس کے پہلے شیڈیول میں فراہم کردہ "Table A" سے مطابقت کرنے کے لیے کمپنی اپنے آرٹیکلز آف ایسوسی ایشن میں تبدیلیاں کر رہی ہے۔

ممبران کی اطلاع و سہولت کے لیے کمپنی کے میمورینڈم اور آرٹیکلز آف ایسوسی ایشن میں دفعات کی تبدیلیوں کا ایسا مسودہ جس میں موجودہ دفعات اور ان میں مجوزہ تبدیلیوں کو واضح کیا گیا ہے، منسلک ہے۔

کمپنی کے حصص یافتگان اور ڈائریکٹران ہونے کی حیثیت کے علاوہ مذکورہ بالا قرارداد خاص میں کمپنی کے کسی ڈائریکٹر کی کوئی ذاتی دلچسپی نہیں ہے۔

حسب الحکم بورڈ



سید انور علی

کمپنی سیکریٹری

بمقام لاہور۔

مورخہ 29 دسمبر، 2017