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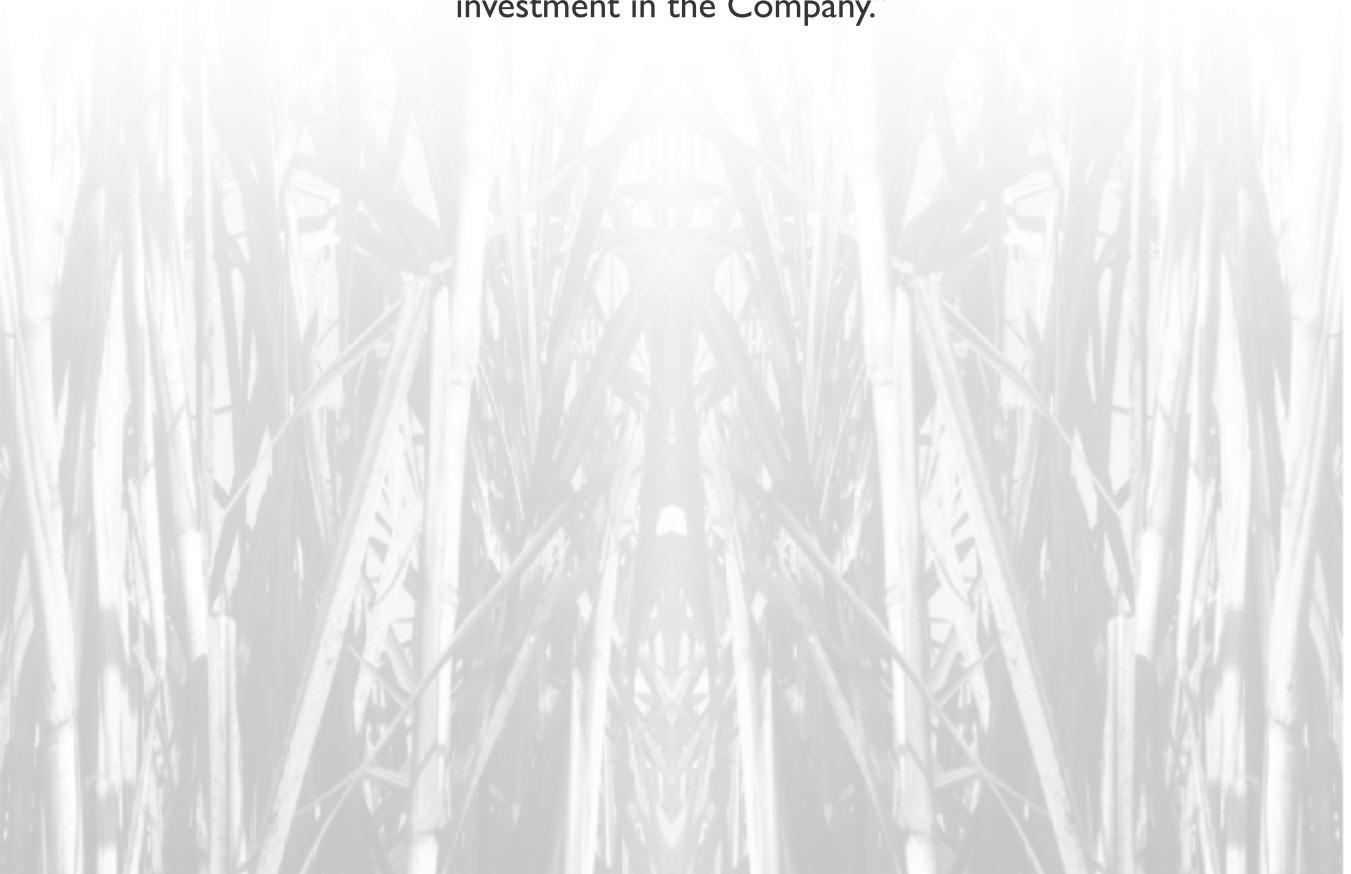
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## CORPORATE INFORMATION

<b>BOARD OF DIRECTORS</b>	Mr. K. Iqbal Talib Lt Col Abdul Khaliq Khan (Retd) Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Mr. Irfan Ahmed Syed Ali Raza Ms. Maryam Mamdot	Chairman Chief Executive / Director (Non- Executive Director) (Non- Executive Director) (Non- Executive Director) (Non- Executive / Independent Director) (Non- Executive / Independent Director)
<b>AUDIT COMMITTEE</b>	Syed Ali Raza Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Ms. Maryam Mamdot	Chairman Member Member Member
<b>HR &amp; R COMMITTEE</b>	Syed Ali Raza Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
<b>TECHNICAL COMMITTEE</b>	Mr. Irfan Ahmed Mr. Salman Hayat Noon Mr. Saif Ullah Khan Noon Lt Col Abdul Khaliq Khan (Retd)	Chairman Member Member Member
<b>MANAGEMENT</b>	Lt Col Abdul Khaliq Khan (Retd) Mr. Rizwan Sohail (FCA)	Chief Executive Chief Financial Officer
<b>COMPANY SECRETARY</b>	Mr. Nasir Iqbal Ansari	
<b>HEAD INTERNAL AUDIT</b>	Muhammad Ashfaq (FCMA)	
<b>AUDITORS</b>	Shinewing Hameed Chaudhri & Co., Chartered Accountants	
<b>LEGAL ADVISERS</b>	Hassan & Hassan (Advocates)	
<b>BANKERS</b>	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	
<b>REGISTERED OFFICE</b>	66-Garden Block, New Garden Town, Lahore. Tel. (042) 35831462-3, E-mail: noonshr@brain.net.pk noonshr66@gmail.com	
<b>SHARES REGISTRAR</b>	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	
<b>MILLS</b>	Bhalwal, District Sargodha.	
<b>WEBSITE</b>	www.noonsugar.com	

# MISSION STATEMENT

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



## NOON SUGAR MILLS LIMITED

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

### NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 59<sup>th</sup> Annual General Meeting of Noon Sugar Mills Limited will be held on **Thursday, January 27, 2022 at 11:30 a.m.** at 66 Garden Block, New Garden Town, Lahore to transact the following business:

1. To confirm the minutes of the Annual General Meeting held on January 28, 2021.
2. To receive, consider and adopt the audited accounts for the year ended on September 30, 2021 and the reports of the directors and auditors thereon.
3. To approve payment of Dividend. The Board has recommended dividend @ Rs.3.50 per share (35%).
4. To appoint auditors for the year ending on September 30, 2022 and to fix their remuneration.
5. To transact any other business as may be placed before the meeting with the permission of the Chairman.

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

The Share Transfer Books of the Company will remain closed from January 21, 2022 to January 27, 2022 (both days inclusive) for holding the Annual General Meeting and to determine entitlement of dividend. The Share(s) transfer requests received up to close of business on January 20, 2022 shall entitle the transferees to receive the aforesaid dividend.

By order of the Board



**NASIR IQBAL ANSARI**

Company Secretary

**Lahore:** December 28, 2021

#### **NOTES:**

1. Participation in the AGM Proceedings:

In light of the Covid 19 situation, for the safety and wellbeing of shareholders and to avoid large gathering, the shareholders may consolidate their attendance into as few people as possible through proxies. A member eligible to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office duly stamped and signed not later than forty eight (48) hours before the time for holding the meeting. A member cannot appoint more than one proxy. Attested copy of CNIC must be attached with the proxy form.

2. CDC account holders are required to follow under mentioned guidelines laid down by Securities and Exchange Commission of Pakistan:

(a) For attending the meeting:

- I. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his / her original national identity card or original passport at the time of attending the meeting.

- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.
  - (b) For appointing proxies:
    - i. In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
    - ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
    - iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
    - iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
    - v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.
3. The members having physical shares are requested to provide copies of their CNIC and to notify change in their addresses, if any, to Company's Share Registrar i.e. M/s Corplink (Pvt) Ltd, Wings Arcade, 1-K Commercial, Model Town, Lahore.
4. In compliance with directive of SECP, shareholders are advised to send their respective International Bank Account Number (IBAN) details as per form attached enabling the Company to credit their cash dividend directly into their respective bank accounts.
5. Pursuant to the provision of Section 132(2) of Companies Act 2017 the shareholders residing in other cities and holding at least ten percent of the total paid up capital may demand the company to provide the facility of video link for participation in meeting. The demand for video link facility shall be received at share registrar address given herein above at least ten days prior to the date of meeting. Prescribed form for consent is enclosed in the Annual Report.
6. The audited financial statements of the company for the year ended September 30, 2021 are being made available on the Company's website.
7. Members can exercise their right to poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

By order of the Board



**NASIR IQBAL ANSARI**  
Company Secretary

**Lahore** : December 28, 2021

## SIX YEARS' REVIEW AT A GLANCE

Year ended September 30,		2021	2020	2019	2018	2017	2016
<b>Sugar Production:</b>							
Cane crushed	(M.Tons)	863,552	543,477	630,929	1,008,945	1,115,492	401,084
Average sucrose recovery	(%)	9.60	9.71	10.01	9.77	10.16	9.75
Sugar produced	(M.Tons)	82,710	52,788	63,098	98,655	113,308	39,015
Operating period	(Days)	121	105	102	121	140	86
<b>Alcohol Production:</b>							
Molasses processed	(M.Tons)	123,567	85,969	69,229	85,724	87,140	38,578
Alcohol produced	(M.Tons)	24,582	17,104	14,311	17,794	17,162	9,193
Average alcohol yield	(Ltrs/Ton)	249	249	259	259	246	238
Operating period	(Days)	284	351	216	310	297	154
<b>Operating results:</b>							
Sales	(Rs. In 000')	9,189,680	6,138,166	5,671,219	6,273,476	4,835,588	2,588,546
Cost of sales	(Rs. In 000')	8,183,388	5,178,147	4,805,768	5,562,171	4,263,805	2,353,460
Gross profit	(Rs. In 000')	1,006,292	960,019	865,451	711,305	571,783	235,086
Gross Profit to Net Sales	(%)	<b>10.95</b>	<b>15.64</b>	<b>15.26</b>	<b>11.34</b>	<b>11.82</b>	<b>9.08</b>
Pre-tax profit	(Rs. In 000')	377,177	322,368	272,332	270,184	189,947	51,781
Total Comprehensive income	(Rs. In 000')	252,458	253,721	229,735	207,929	142,627	39,068
Net Profit to Net Sales	(%)	<b>2.75</b>	<b>4.13</b>	<b>4.05</b>	<b>3.31</b>	<b>2.95</b>	<b>1.51</b>
<b>Shareholders' Equity:</b>							
Paid up capital	(Rs. In 000')	165,175	165,175	165,175	165,175	165,175	165,175
Reserves & surplus	(Rs. In 000')	1,162,482	967,835	763,666	576,876	426,758	300,649
Shareholders' equity	(Rs. In 000')	1,327,657	1,133,010	928,841	742,051	591,933	465,824
Break-up value per share	(Rupees)	<b>80.38</b>	<b>68.59</b>	<b>56.23</b>	<b>44.93</b>	<b>35.84</b>	<b>28.20</b>
Earnings per share	(Rupees)	<b>15.38</b>	<b>15.50</b>	<b>13.64</b>	<b>12.76</b>	<b>8.73</b>	<b>2.43</b>
Return on equity	(%)	<b>19.02</b>	<b>22.39</b>	<b>24.73</b>	<b>28.02</b>	<b>24.10</b>	<b>8.39</b>
<b>Financial position:</b>							
Current assets	(Rs. In 000')	2,809,726	2,738,872	2,719,124	2,609,533	2,865,040	687,282
Fixed capital expenditure	(Rs. In 000')	1,611,027	1,529,009	1,486,466	1,358,323	1,122,818	1,007,579
Total assets	(Rs. In 000')	4,425,653	4,273,391	4,211,454	3,980,149	4,002,125	1,707,653
Current liabilities	(Rs. In 000')	2,961,307	2,931,541	3,076,890	2,964,329	3,064,573	1,142,924
Long term debts	(Rs. In 000')	75,000	150,000	150,000	225,000	300,000	62,112
Total liabilities	(Rs. In 000')	3,097,996	3,140,381	3,282,613	3,238,098	3,410,192	1,241,829
<b>Current ratio</b>	(%)	<b>0.95</b>	<b>0.93</b>	<b>0.88</b>	<b>0.88</b>	<b>0.93</b>	<b>0.60</b>
<b>Debt equity ratio</b>	Times	<b>1.87</b>	<b>2.18</b>	<b>2.88</b>	<b>3.62</b>	<b>4.56</b>	<b>1.52</b>
<b>Dividends:</b>							
Cash	(%)	35	35	30	26	35	10
Bonus Shares	(%)	0	0	0	0	0	0
Total pay out	(%)	35	35	30	26	35	10

## CHAIRMAN'S REVIEW

FOR THE YEAR ENDED ON SEPTEMBER 30, 2021

Dear Members,

I am pleased to present the annual review as Chairman of the Board of Directors of Noon Sugar Mills Limited, for the year ended September 30, 2021.

There has been a continuous increase in retail price of sugar during the period under review, Alhamdulillah. However, a significant Rupee devaluation, placement of sugar in 3<sup>rd</sup> Schedule of Sales Tax and increase in discount rate of the bank, further compounded by a substantial increase in sugarcane prices and increase in transportation charges, have resulted in disproportional increase in sugar production cost.

Nevertheless, the management persistent endeavors to improve the Company's performance and profitability for safeguarding the interest of shareholders, have been fruitful.

NSML has a rich history of sugarcane farmers' welfare programs and in the past several grass-roots level initiatives have been undertaken by the management of your Mills, where the sugarcane farmers of the region were the direct beneficiary of these development schemes.

The Board of your Company has an appropriate mix of executives, non-executives and independent directors, to maintain the independence of the Board in examining the various disciplines of the Management and to guide them for improving the governance of the Company.

As on September 30, 2021, the Board consists of seven members, one of whom is executive director, four non-executive directors and two are independent directors consisting of one female director. The Board ensures compliance of all regulatory requirements to play an effective role in achieving the Company's mission and objectives.

For the current season, your Mills has started sugarcane crushing on November 18, 2021. The Board has motivated the management to focus on maximizing the utilization of its production capacity, in both sugar and ethanol units, while maintaining the highest standard of the product quality with optimal economy.

The Company is taking all preventive and effective measures to combat COVID-19 at its Head Office and in Mills area.

I sincerely hope that NSML will follow the path to utilize its best potential while striving for new capabilities, Inshallah.

With best wishes,

**Lahore** : December 28, 2021



**Mr. K. Iqbal Talib**  
Chairman

## DIRECTORS' REPORT TO THE MEMBERS

**Dear members,**

The Directors of Noon Sugar Mills Limited are pleased to present the 59<sup>th</sup> annual report and Audited Financial Statements of the Company and the Auditors' Report thereon, for the year ended September 30, 2021.

### **Financial Performance:**

Your company has posted a net profit after tax of Rs.252 million in the reporting year, as compared to Rs.254 million in the corresponding period of the last year. Net sales were Rs.9,190 million in the current year against the net sales of Rs.6,138 million in the last year. EPS is Rs.15.38 during the current financial year as against Rs.15.50 in the same period last year.

During the year under review, the Company remained successful in achieving a comprehensive growth in its revenue in a very challenging environment and has maintained its shareholders' stake with strategic guidance and timely decisions through active participation of the Board.

	<b>2021</b>	<b>2020</b>
	Rupees in million	
Net Sales	9,190	6,138
Gross Profit	1,006	960
Operating Profit	643	658
Total Comprehensive Income	252	254
	Rupees	
Earnings Per Share	15.38	15.50

### **Operational Performance:**

#### **Sugar:**

Your mills crushed 863,552 M.Tons of the sugarcane and produced 82,710 M.Tons sugar, with an average sucrose recovery of 9.60% in 121 days operation, as compared to 543,477 M.Tons of the sugarcane crushing and 52,788 M.Tons of the sugar production with 9.71% sucrose recovery, in 105 days operation in the corresponding period of last year.

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

		<b>2021</b>	<b>2020</b>
Operating Period	Days	121	105
Cane Crushed	M. Tons	863,552	543,477
Sugar Produced	M. Tons	82,710	52,788
Average Sucrose Recovery	% age	9.60	9.71
Molasses Recovery	% age	4.30	4.48
Molasses Produced	M. Tons	37,033	24,341



The consistent and vigorous efforts of the Company's management have resulted in the improved supply of sugarcane from mills own as well as surrounding free areas of cane. Prompt cane payments to the cane growers, provision of the fertilizers and the pesticides and continuous technical support in the field, have strengthened our cordial relationship with growers, which greatly helps in smooth supply of cane to the mills. A consistent selling price in sugar market caused a tough competition for procurement of sugarcane between the neighboring mills throughout the crushing season. Due to the unfavorable weather, a slight reduction in sugar sucrose recovery was also observed as compared to last year. However, the increases in raw material cost was largely offset by higher volume of production, resulting in an improved margin of sugar segment.

The sugar industry in general remained under undue pressure of litigations and administrative interventions by different government agencies during the reporting period, which included the litigation with Federal Board of Revenue, Competition Commission of Pakistan, Cane Commissioner Punjab and Director General of prices control. Your management and company's lawyers are however, optimistic about the results of all matters of litigation.

### **Distillery:**

During the reporting year, 123,567 M.Tons of molasses with a yield of 249 Ltrs/M.Ton, was processed, resulting in the production of 24,582 M.Tons of the industrial grade ethanol, as compared to 85,969 M.Tons of the molasses with a yield of 249 Ltrs/M.Ton processed, which resulted in the production of 17,104 M.Tons of the industrial grade ethanol in the previous year.

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

		<b>2021</b>	<b>2020</b>
Operating Period	Days	284	351
Molasses Processed	M. Tons	123,567	85,969
Ethanol Produced	M. Tons	24,582	17,104
Average Yield	Ltrs/M. Ton	249	249

During the reporting year, molasses procurement prices remained unusually high, as compared to previous year. Covid related restrictions all over the world had reduced the economic activities in the reporting period, which caused a reduced demand of ethanol, hence the ethanol process remained under pressure. Local demand for ethanol was also grim causing slow sales in the reporting period. However, the increased quantity of ethanol exports has largely covered the above costs and has also produced a slim margin for this segment.

An unfortunate fire incident took place at the distillery, due to short circuit near the alcohol loading point to ignite the vapors in the surrounding area. It was fortunately brought under control by the combined efforts of the mills security and production staff, duly assisted by firefighting equipment and the skilled firefighting team of the district administration to extinguish the localized fire within a few hours.

### **Future Outlook:**

#### **Sugar:**

Your management is optimistic about future performance of the Company, by continually investing in value addition and making all process units more efficient through good maintenance of its mills plant. This crushing season has started on November 18, 2021 and the provincial government has increased the minimum sugar cane purchase price from Rs.200 to Rs.225 per 40kg for crushing season 2021-22. The government has also placed Sugar in 3<sup>rd</sup> Schedule of Sales tax, which will increase the tax burden on

consumers. Mark up rate has also increased, which coupled with other changes, will significantly increase the sugar production cost. However, the increased sugar consumption demand may ease the industry by enabling them to transfer these additional costs to the end users.

### **Ethanol:**

The prices of ethanol remained under pressure in the international market. Due to Covid-19 restrictions ethanol exports to European countries were low but your Company is continuously exploring new markets and successfully improved the export volumes. The margin of this segment was also severely affected by the increased cost of raw material. However, the recent devaluation of Pak Rupee has provided some breathing space to the export oriented ethanol industry.

Some favorable factors like improved availability of molasses at reasonable prices from a bumper sugarcane crop, duly supported by a higher carrying cost of molasses, combined with an increasing trend in ethanol export price, globally indexed with motor fuel, are likely to restore the margin of ethanol segment during this year, Inshallah.

### **Related Parties Transaction:**

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

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

### **Corporate Social Responsibility:**

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

Following are few ongoing initiatives taken by NSML to fulfill its corporate social responsibilities.

- a. Your company is providing quality education by establishing and running a college and a modern English medium Model High School in the Employees Housing Colony, for the benefit of its employee's children and also families living in factory vicinity. The employee's children are also encouraged to pursue higher education by grant of scholarships starting from Matriculation upwards every year.
- b. NSML is running a fair price shop in the housing colony for provision of household items at subsidized rates.
- c. It also runs a free Dispensary in Bhalwal for the past 28 years and provides free medicines to the poor patients of adjoining housing colonies.

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

The requirement of the Listing Companies (Code of Corporate Governance) Regulations, 2019 relevant for the year ended September 30, 2021 have been duly complied with. A statement to this effect is annexed to the Report.

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

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

The Board of Directors hereby declares that:

- IFRSs as applicable in Pakistan, have been adequately followed in preparation of Financial Statements and any departure there from has been adequately disclosed in "Notes to the Financial Statements" and explained the reason thereof;
- proper books of accounts of the Company have been maintained by the Company;
- appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- the system of internal controls is sound in design and has been effectively implemented and monitored;
- there are no doubts upon the Company's ability to continue as a going concern;
- there has been no material departure from the Best Practices of Corporate Governance, as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019;
- 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 September 30, 2021 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 September 30, 2021.
- 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 financial statements of funds, value of its investment is as follows:

As at September 30, 2021	Rs. 60.355 million
As at September 30, 2020	Rs 75.008 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 September 30, 2021.

Pattern of Shareholding of the Company as on September 30, 2021 is annexed whereas other related information is as follows:

**Shares held by:**

I. Associated Companies, undertakings and related parties:

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

II. Mutual Funds:

Nil

III. The Directors and their spouse and minor children:

**Number of shares held**

<b><u>Names of Directors</u></b>	<b><u>Own self</u></b>	<b><u>Spouse</u></b>	<b><u>Minor Children</u></b>
Mr. Salman Hayat Noon	3,384,695	Nil	Nil
Mr. Saif Ullah Khan Noon	17	Nil	Nil
Mr. K. Iqbal Talib	26,360	7,260	Nil
Lt Col Abdul Khaliq Khan (Retd)	1	Nil	Nil
Mr. Irfan Ahmed	1	Nil	Nil
Syed Ali Raza	1	Nil	Nil
Ms. Maryam Mamdot	1	Nil	Nil

IV. Executives:

Nil

Nil

Nil

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

<b><u>Shares held</u></b>	<b><u>Percentage</u></b>
2,449,134	14.83%

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

<b><u>Shares held</u></b>	<b><u>Percentage</u></b>
7,219	0.04 %

VII. Shareholders holding five percent or more voting rights:

	<b><u>Shares held</u></b>	<b><u>Percentage</u></b>
Ms. Tahia Noon	6,000,000	36.33 %
Mr. Salman Hayat Noon	3,384,695	20.49 %
EFG Private Bank (Channel Islands) Ltd.	1,437,480	8.70 %
Bulk Management Pakistan (Pvt.) Limited	1,000,600	6.06%

**Trading in Shares:**

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

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

During the year under review, four meetings of the Board of Directors were held. Attendance by each director was as under:

<b><u>NAMES OF DIRECTORS</u></b>	<b><u>MEETINGS ATTENDED</u></b>
Mr. K. Iqbal Talib	4
Mr. Salman Hayat Noon	3
Mr. Saif Ullah Khan Noon	4
Lt Col Abdul Khaliq Khan (Retd)	4
Muhammad Sohail Khokhar*	0
Mr. Irfan Ahmed	2
Syed Ali Raza	4
Ms. Maryam Mamdot	4

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

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

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

During the year under review, four meetings of the Audit Committee were held. Attendance by each director was as under:

<b><u>NAMES OF DIRECTORS</u></b>	<b><u>MEETINGS ATTENDED</u></b>
Syed Ali Raza	4
Mr. Salman Hayat Noon	3
Mr. Saif Ullah Khan Noon	4
Ms. Maryam Mamdot	4

**Human Resource and Remuneration Committee:**

During the year under review, three meetings of the HR&R Committee were held. Attendance by each director was as under:

<b><u>NAMES OF DIRECTORS</u></b>	<b><u>MEETINGS ATTENDED</u></b>
Syed Ali Raza	3
Mr. Salman Hayat Noon	2
Mr. Saif Ullah Khan Noon	3
Lt Col Abdul Khaliq Khan (Retd)	3

**Technical Committee:**

During the year under review, three meetings of the Technical Committee were held. Attendance by each director was as under:

<b><u>NAMES OF DIRECTORS</u></b>	<b><u>MEETINGS ATTENDED</u></b>
Mr. Salman Hayat Noon	2
Mr. Saif Ullah Khan Noon	3
Lt Col Abdul Khaliq Khan (Retd)	3
Mr. Irfan Ahmed	2

**Number of Meetings of Shareholders:**

During the year under review, annual general meeting was held on January 28, 2021.

**Outstanding Statutory Payments:**

All outstanding payments are of normal and routine nature.

**Director's Remuneration Policy:**

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

**Board Performance Evaluation**

In compliance of Regulation 10(3)(v) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board of Directors has put in place a mechanism for annual evaluation of performance of the Board as a whole, Board committees and individual members of the Board.

**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 28, 2021 has recommended payment of final cash dividend for the year ended September 30, 2021 @ **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 27, 2022.

**Health, Safety & Environment:**

The Company adheres and ensures strict compliance of internationally acceptable health, safety and environment standards and we continue refining our processes for safer, more sustainable operations for

today and tomorrow. Management has taken prompt and effective measures by enforcing the general and specific hygiene factors to minimize the impact of COVID-19.

**Auditors:**

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

**Acknowledgement:**

We acknowledge invaluable support from all of our stakeholders including financial institutions, vendors, customers and shareholders of our Company. We take this opportunity to appreciate our employees for their commitment, dedication and round the clock efforts for the growth of the Company.

For and on behalf of the Board



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



**SALMAN HAYAT NOON**  
Director

**Lahore :** December 28, 2021

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

Name of Company : Noon Sugar Mills Limited (the Company)  
Year Ended : September 30, 2021

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

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

- a) Male: 06
- b) Female: 01

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

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. A casual vacancy occurring on the Board on December 25, 2020 was filled up by the directors on March 19, 2021 when Mr. Irfan Ahmed was appointed as Director of the Company in place of late Muhammad Sohail Khokhar.
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;
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company;
7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
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. The Board has complied with the requirements of the Act and the Regulations with respect to the frequency, recording and circulating minutes of meetings of the Board;
9. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
10. Total seven (07) directors of the Company were elected on March 31, 2020. Among all the directors, three directors have acquired Director Training Certification while two directors meet the requirements of the



exemption under the Regulations. The independent directors have affirmed their eligibility as laid down under Section 166(2) of the Companies Act, 2017 to act as an independent director of the Company;

11. During the year Board has approved appointment of Company Secretary including his remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations while there is no change in the CFO and Head of Internal Audit;
12. CFO and Chief Executive Officer endorsed the financial statements before approval of the Board;
13. The Board has formed committees comprising of members given below:

**a) Audit Committee**

i) Syed Ali Raza	Chairman
ii) Mr. Salman Hayat Noon	Member
iii) Mr. Saif Ullah Khan Noon	Member
iv) Ms. Maryam Mamdot	Member

**b) Human Resource and Remuneration Committee**

i) Syed Ali Raza	Chairman
ii) Mr. Salman Hayat Noon	Member
iii) Mr. Saif Ullah Khan Noon	Member
iv) Lt Col Abdul Khaliq Khan (Retd)	Member

**c) Technical Committee**

i) Mr. Irfan Ahmed	Chairman
ii) Mr. Salman Hayat Noon	Member
iii) Mr. Saif Ullah Khan Noon	Member
iv) Lt Col Abdul Khaliq Khan (Retd)	Member

14. The Terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;

15. The frequency of meetings of the committees were as per following:

1. Audit Committee	04
2. Human Resource & Remuneration Committee	03
3. Technical Committee	03

16. The Board has setup an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and the procedures of the Company;

17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountant of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partner of the firm involved in the Audit are not a close relative (spouse, parents, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
20. Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 requires that "each listed company shall have at least two or one third members of Board, whichever is higher, as independent directors". At the time of election of Directors, the Company assessed its compliance with this Regulation. One third of the Company's total number of Directors results in a fractional number, i.e. 2.33. The fraction has not been rounded up to one and therefore, the Board of Directors currently has 2 independent directors.



**Mr. K. IQBAL TALIB**  
Chairman

**Lahore** : December 28, 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NOON SUGAR MILLS LIMITED

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **NOON SUGAR MILLS LIMITED** (the Company) for the year ended September 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2021.

*Shinewing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.,**  
Chartered Accountants

Lahore : December 28, 2021

Audit Engagement Partner: Osman Hameed Chaudhri

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

### Opinion

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

In our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

S. No.	Key audit matters	How the matter was addressed in our audit
1.	<p><b>Contingencies</b></p> <p>The Company is subject to litigations against various Government departments involving different Courts. These litigations require management to make assessment and judgement with respect to likelihood and impact of such litigations.</p> <p>Management has engaged independent lawyers and legal advisors on these matters.</p> <p>The accounting for and disclosure of contingencies is complex and a matter of significance in our audit because of the judgement required to determine the level of certainty on these matters.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> <li>- discussed legal cases with the internal legal department of the Company to understand the management's view point, obtained and reviewed the litigation documents to assess the facts and circumstances;</li> <li>- obtained independent opinion of lawyers and legal advisors dealing with such cases through confirmations;</li> </ul>

S. No.	Key audit matters	How the matter was addressed in our audit
	<p>Due to high magnitude of the amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgement and estimates to assess the same including related financial impact, we have considered above referred contingencies as one of the key audit matters.</p> <p>Refer contents of notes 14.1 to 14.21 to the financial statements.</p>	<ul style="list-style-type: none"> <li>- evaluated the possible outcome of these legal cases in line with the requirements of IAS 37 (Provisions, contingent liabilities and contingent assets); and</li> <li>- checked the disclosures of legal exposures and assessed provisions for completeness and accuracy.</li> </ul>
2.	<p><b>Valuation of stock-in-trade</b></p> <p>Refer to note 19 to the financial statements. Stock-in-trade at the reporting date mainly included finished goods (sugar bags).</p> <p>The value of stock-in-trade at the reporting date aggregated to Rs.1,406 million representing 50.04% of the Company's total current assets.</p> <p>The valuation of finished goods at cost has different components, which includes judgment and assumptions in relation to the allocation of various overheads which are incurred in bringing the inventories to its present location and conditions. Judgement has also been exercised by the management in determining the net realisable value (NRV) of stocks and in determining the appropriate value of slow moving and obsolete stocks.</p> <p>We identified this matter as key in our audit due to the judgement and assumption applied by the Company in determining the cost and NRV of stock in trade at the year-end.</p>	<p>We assessed the appropriateness of management assumptions applied in calculating the value of stock in trade and validated the valuation by taking following steps:</p> <ul style="list-style-type: none"> <li>- assessed whether the Company's accounting policy for inventory valuation is in line with the applicable financial reporting standards;</li> <li>- attended the inventory count at the year-end and reconciled the physical inventory with the inventory lists provided to ensure the completeness of the data;</li> <li>- assessed the historical costs of raw material recorded in the inventory valuation by checking purchase invoices on sample basis;</li> <li>- tested the reasonability of assumptions applied by the management in the allocation of overhead costs to the inventories; and</li> <li>- tested the cost of inventories for finished goods and performed NRV test to assess whether the cost of inventories exceeds their NRV, calculated by detailed review of subsequent sales invoices.</li> </ul> <p>We reviewed the Company's disclosure in the financial statement in respect of stock in trade.</p>

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

Management is responsible for the other information, which comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of directors is responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- a)** proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b)** the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c)** investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d)** zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditors' report is Osman Hameed Chaudhri.

**Lahore :** December 28, 2021

*Shinewing Hameed Chaudhri & Co.*  
**SHINEWING HAMEED CHAUDHRI & CO.,**  
**CHARTERED ACCOUNTANTS**

## Statement of Financial Position As at September 30, 2021

	Note	2021 --- Rupees in '000 ---	2020
<b>Equity and Liabilities</b>			
<b>Share Capital and Reserves</b>			
<b>Authorised capital</b>			
20,000,000 ordinary shares of Rs.10 each		<u>200,000</u>	<u>200,000</u>
Issued, subscribed and paid-up capital	5	165,175	165,175
Reserves	6	249,217	249,217
Unappropriated profits		<u>913,265</u>	<u>718,618</u>
		<b>1,327,657</b>	<b>1,133,010</b>
<b>Non-Current Liabilities</b>			
Long term finance	7	75,000	150,000
Lease liabilities	8	1,613	3,258
Staff retirement benefits - gratuity	9	60,076	55,582
		<b>136,689</b>	<b>208,840</b>
<b>Current Liabilities</b>			
Trade and other payables	10	358,134	393,310
Contract liabilities		21,036	47,417
Accrued mark-up	11	38,126	46,673
Short term finances	12	2,335,335	2,277,596
Current portion of non-current liabilities	13	76,640	43,991
Unclaimed dividends		5,100	5,100
Unpaid dividends		3,879	3,658
Provision for taxation		<u>123,057</u>	<u>113,796</u>
		<b>2,961,307</b>	<b>2,931,541</b>
		<b>3,097,996</b>	<b>3,140,381</b>
<b>Contingencies and Commitments</b>	<b>14</b>	<u><b>4,425,653</b></u>	<u><b>4,273,391</b></u>

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



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



## Statement of Financial Position As at September 30, 2021

	Note	2021 ---- Rupees in '000 ----	2020
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	15	1,611,027	1,521,246
Investment property	16	-	7,763
Loans and advances	17	2,053	1,856
Security deposits		2,847	3,654
		<b>1,615,927</b>	1,534,519
<b>Current Assets</b>			
Stores, spares and loose tools	18	88,406	76,203
Stock-in-trade	19	1,405,972	1,006,162
Trade debts	20	337,868	677,173
Loans and advances	21	369,655	587,660
Short term prepayments		2,953	5,314
Other receivables	22	223,593	194,778
Income tax refundable, advance income tax and tax deducted at source		156,356	140,056
Bank balances	23	224,923	51,526
		<b>2,809,726</b>	2,738,872
		<b>4,425,653</b>	4,273,391

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



**SALMAN HAYAT NOON**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## Statement of Profit or Loss and Other Comprehensive Income For the Year Ended September 30, 2021

	Note	2021 --- Rupees in '000 ---	2020
Sales - net	24	9,189,680	6,138,166
Cost of sales	25	<u>(8,183,388)</u>	(5,178,147)
<b>Gross profit</b>		<b>1,006,292</b>	960,019
Distribution and marketing expenses	26	<b>(183,761)</b>	(139,884)
Administrative expenses	27	<b>(210,777)</b>	(189,585)
Other income	28	<b>64,118</b>	44,620
Other expenses	29	<b>(32,463)</b>	(17,353)
<b>Profit from operations</b>		<b>643,409</b>	657,817
Finance cost	30	<b>(266,232)</b>	(335,449)
<b>Profit before taxation</b>		<b>377,177</b>	322,368
Taxation	31	<b>(123,057)</b>	(66,308)
<b>Profit after taxation</b>		<b>254,120</b>	256,060
<b>Other comprehensive loss</b>			
Items that will not be reclassified subsequent to statement of profit or loss:			
- loss on remeasurement of staff retirement benefit obligation			
		<b>(1,662)</b>	(2,339)
<b>Total comprehensive income</b>		<b>252,458</b>	253,721
----- Rupees -----			
<b>Earnings per share - basic and diluted</b>	32	<b>15.38</b>	15.50

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

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

  
**SALMAN HAYAT NOON**  
Director

  
**RIZWAN SOHAIL**  
Chief Financial Officer

## Statement of Cash Flows For the Year Ended September 30, 2021

	2021	2020
	--- Rupees in '000 ---	
<b>Cash flows from operating activities</b>		
Profit for the year before taxation	377,177	322,368
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation on property, plant & equipment, right-of-use assets and investment property	149,806	155,295
Gain on disposal of operating fixed assets	(2,634)	-
Unclaimed and other payable balances written-back	(1,251)	(6,952)
Provision for staff retirement benefits - gratuity	13,293	13,674
Provision made for slow moving stores and spares inventory	-	333
Finance cost	258,910	321,337
<b>Profit before working capital changes</b>	795,301	806,055
<b>Effect on cash flow due to working capital changes</b>		
Decrease / (increase) in current assets:		
Stores, spares and loose tools	(12,203)	19,716
Stock-in-trade	(399,810)	141,126
Trade debts	339,305	2,583
Loans and advances	218,734	(155,908)
Short term prepayments	2,361	819
Other receivables	(28,815)	(2,903)
(Decrease) / increase in current liabilities:		
Trade and other payables and contract liabilities	(60,691)	77,361
	58,881	82,794
<b>Cash generated from operations</b>	854,182	888,849
Income tax paid	(130,096)	(91,326)
Staff retirement benefits (gratuity) - paid	(10,076)	(5,039)
<b>Net cash generated from operating activities</b>	714,010	792,484
<b>Cash flows from investing activities</b>		
Additions to property, plant and equipment	(234,073)	(197,838)
Sale proceeds of operating fixed assets	4,883	-
Long term security deposits - net	807	225
Loans and advances - net	(926)	(64)
<b>Net cash used in investing activities</b>	(229,309)	(197,677)
<b>Cash flows from financing activities</b>		
Long term finances - net	(37,500)	(75,000)
Short term finances - net	57,739	(124,857)
Lease liabilities	(6,496)	(5,556)
Finance cost paid	(267,457)	(347,782)
Dividend paid	(57,590)	(48,692)
<b>Net cash used in financing activities</b>	(311,304)	(601,887)
<b>Net increase / (decrease) in cash and cash equivalents</b>	173,397	(7,080)
<b>Cash and cash equivalents - at beginning of the year</b>	51,526	58,606
<b>Cash and cash equivalents - at end of the year</b>	224,923	51,526

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



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



**SALMAN HAYAT NOON**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## Statement of Changes in Equity For the Year Ended September 30, 2021

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

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

**Balance as at October 01, 2019**      **165,175**    **119,217**    **130,000**    **514,449**    **763,666**    **928,841**

**Transactions with owners**

Cash dividend at the rate of Rs.3.00 per ordinary share for the year ended September 30, 2019      -      -      -      (49,552)      (49,552)      (49,552)

**Total comprehensive income for the year ended September 30, 2020**

Profit for the year	-	-	-	256,060	256,060	256,060
Other comprehensive loss	-	-	-	(2,339)	(2,339)	(2,339)
	-	-	-	253,721	253,721	253,721

**Balance as at September 30, 2020**      **165,175**    **119,217**    **130,000**    **718,618**    **967,835**    **1,133,010**

**Transactions with owners**

Cash dividend at the rate of Rs.3.50 per ordinary share for the year ended September 30, 2020      -      -      -      (57,811)      (57,811)      (57,811)

**Total comprehensive income for the year ended September 30, 2021**

Profit for the year	-	-	-	254,120	254,120	254,120
Other comprehensive loss	-	-	-	(1,662)	(1,662)	(1,662)
	-	-	-	252,458	252,458	252,458

**Balance as at September 30, 2021**      **165,175**    **119,217**    **130,000**    **913,265**    **1,162,482**    **1,327,657**

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



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



**SALMAN HAYAT NOON**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

# Notes to the Financial Statements

## For the Year Ended September 30, 2021

### 1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

<b>Sargodha</b>	<b>Purpose</b>
Bhalwal	Mills / Production plant
 <b>Lahore</b>	
66-Garden Block, New Garden Town, Lahore.	Head office
 <b>Karachi</b>	
1st Floor, P.I.I.A Building, Mulana Deen Muhammad Wafai Road,	Marketing office

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

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

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

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

## 2.4 Change in accounting standards and interpretations

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

Standards, amendments and interpretations to IFRSs that are effective for accounting periods beginning on October 01, 2020 and are considered to be relevant and have significant effect on the Company's operations are as follows:

#### IAS 1 & IAS 8 Definition of material

Amendments to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors' are effective for annual periods beginning on or after October 01, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRSs. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRSs.

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

There are certain standards, amendments to the IFRSs and interpretations that are mandatory for companies having accounting periods beginning on or after October 01, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

#### (a) IAS 1 Classification of liabilities

Amendment to IAS 1 is effective for period beginning on April 01, 2021. The IASB issued a narrow-scope amendment to IAS 1, 'Presentation of financial statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.

In particular, the amendment clarifies that;

- liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights;
- the assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, management's expectations do not affect the classification;
- the right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date; and
- settlement is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments.

#### (b) IAS 16 Proceeds before an asset's intended use

Amendment to IAS 16 'Property, plant and equipment' is effective from January 01, 2022 prohibits a company from deducting from the cost of property, plant and equipment

amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sale proceeds and related cost in profit or loss. The amendment applies retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendment.

**(c) IAS 37 Onerous contracts**

Amendments to IAS 37 is effective from January 01, 2022. Under IAS 37 'Provisions, contingent liabilities and contingent assets', a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations i.e. the lower of the costs of fulfilling the contract and the costs of terminating it outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs e.g. direct labour and materials; and an allocation of other direct costs e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The Company has assessed that the impact of these amendments is not expected to be significant.

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

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

**(a) Property, plant and equipment**

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

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

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

**(c) Provision for impairment of trade debts**

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

**(d) Staff retirement benefits - gratuity**

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

**(e) Income taxes**

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

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**4.1 Borrowings and borrowing costs**

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

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

**4.2 Leases liabilities**

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

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

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

**4.3 Staff retirement benefits****(a) Defined contribution plan**

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

**(b) Defined benefit plan**

The Company operates an un-funded retirement gratuity scheme for its eligible employees. Provision for gratuity is made annually to cover obligation under the scheme in accordance



with the actuarial recommendations. Latest actuarial valuation was conducted on September 30, 2021 on the basis of the projected unit credit method by an independent Actuary.

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

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

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

#### **4.5 Taxation**

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

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

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

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

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

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

#### **4.6 Property, plant and equipment**

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

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

Depreciation is taken to statement of profit or loss applying reducing balance method so as to write-off the depreciable amount of an asset over its remaining useful life at the rates stated in note 15.1.

The assets' residual values and useful lives are reviewed at each financial year-end and adjusted if impact on depreciation is significant. Depreciation on additions to operating fixed assets is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed-off.

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

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

#### **(b) Right-of-use assets**

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis (note 15.5). The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

#### **(c) Capital work-in-progress**

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

### **4.7 Investment property**

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

Depreciation on buildings is taken to statement of profit or loss on reducing balance method at the rate stated in note 16. Depreciation on additions to investment property is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed-off.

### **4.8 Financial assets**

#### **Initial measurement**

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

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

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

## Subsequent Measurement

### - Equity Instruments at FVTOCI

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

### - Debt Instruments at FVTOCI

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

### - Debt Instruments at FVTPL

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

### - Financial Assets measured at amortised cost

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

## Derecognition

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

## 4.9 Derivative, financial instruments and hedging activities

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

## 4.10 Loans and advances

These are stated at amortised cost.

## 4.11 Stores, spares and loose tools

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

#### 4.12 Stock-in-trade

Basis of valuation are as follows:

<u>Particulars</u>	<u>Mode of valuation</u>
Raw materials - molasses:	
- purchased	- At lower of weighted average cost and net realisable value.
- own produced	- At net realisable value
Finished goods	- At lower of cost and net realisable value.
Work-in-process	- At cost.
- Cost in relation to finished goods and work-in-process represents the annual average manufacturing cost, which consists of prime cost and appropriate production overheads.	
- Net realisable value signifies the selling price in the ordinary course of business less cost necessary to be incurred to effect such sale.	

#### 4.13 Trade debts and other receivables

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

#### 4.14 Cash and cash equivalents

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

#### 4.15 Impairment

##### (a) Financial assets

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

##### (b) Non-financial assets

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

#### 4.16 Financial liabilities

##### Classification & subsequent measurement

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

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

##### Derecognition

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

#### 4.17 Revenue recognition

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

##### Sale of goods

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

##### Other sources of revenue

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

#### 4.18 Foreign currency transactions

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

#### 4.19 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be

to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

#### 4.20 Off-setting of financial assets and liabilities

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

#### 4.21 Segment reporting

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

#### 4.22 Dividend and appropriation to reserves

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

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

2021 (No. of shares)	2020		2021 --- Rupees in '000 ---	2020
7,187,829	7,187,829	Ordinary shares of Rs.10 each fully paid in cash	71,879	71,879
500,000	500,000	Ordinary shares of Rs.10 each issued to a financial institution on conversion of loan	5,000	5,000
8,829,624	8,829,624	Ordinary shares of Rs.10 each issued as fully paid bonus shares	88,296	88,296
<b>16,517,453</b>	16,517,453		<b>165,175</b>	165,175

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

### 6. RESERVES

	Note	2021 --- Rupees in '000 ---	2020
Capital reserve - share premium	6.1	119,217	119,217
Revenue reserve - general		130,000	130,000
		<b>249,217</b>	249,217

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

<b>7. LONG TERM FINANCE</b>	<b>Note</b>	<b>2021</b>	2020
--- Rupees in '000 ---			
Balance as at September 30,	<b>7.1</b>	<b>150,000</b>	187,500
Less: Current portion grouped under current liabilities		<b>75,000</b>	37,500
		<b>75,000</b>	150,000

**7.1** The Company has obtained a demand finance facility of Rs.300 million from MCB bank Limited to finance BMR of sugar and distillery units. This finance facility carries mark-up at the rate of 6 month KIBOR + 175bps per annum and is repayable in 8 equal semi annual instalments of Rs.37.500 million each commenced from March, 2019. Effective mark-up rate charged by the bank, during the current financial year, ranged from 9.04% to 9.53% (2020: 9.04% to 15.66%) per annum. This finance facility is secured against first pari passu charge of Rs.400 million on present and future plant and machinery of the Company with 25% margin.

<b>8. LEASE LIABILITIES</b>	<b>Note</b>	<b>2021</b>	2020
- - - Rupees in '000 - - -			
Lease liabilities	<b>8.1</b>	<b>3,253</b>	9,749
Less: current portion		<b>1,640</b>	6,491
		<b>1,613</b>	3,258

**8.1 Movement in the account of lease liabilities**

Opening balance as at October 01,	<b>9,749</b>	<b>15,305</b>
Interest charge for the year	<b>694</b>	<b>1,926</b>
Payment made during the year	<b>(7,190)</b>	<b>(7,482)</b>
Closing balance as at September 30,	<b>3,253</b>	<b>9,749</b>

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

Payable less than one year	<b>1,880</b>	<b>7,190</b>
Payable between:		
one to two years	<b>1,140</b>	<b>1,871</b>
two to three years	<b>627</b>	<b>1,131</b>
three to five years	<b>-</b>	<b>622</b>
	<b>3,647</b>	<b>10,814</b>

**8.2** The Company has entered into lease arrangements with banks to acquire vehicles. The liabilities under these arrangements are repayable in 36 to 60 monthly instalments and carry profit / mark-up at different rates. Effective profit / mark-up rates charged by the banks, during the current financial year, ranged from 9.35% to 10.91% (2020: 9.24% to 16.90%) per annum. The Company intends to exercise its option to purchase the leases vehicles upon completion of lease term. The liabilities are secured against title of vehicles in the name of the respective bank.

## 9. STAFF RETIREMENT BENEFITS - Gratuity

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

	<b>2021</b>	2020
- discount rate	<b>10.50%</b>	9.75%
- expected rate of increase in salary	<b>7.50%</b>	7.50%

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

<b>The movement in the present value of defined benefit obligation is as follows:</b>	<b>2021</b>	2020
	<b>--- Rupees in '000 ---</b>	
Balance at beginning of the year	<b>55,582</b>	45,926
Current service cost	<b>8,384</b>	6,967
Past service cost	-	1,364
Interest cost	<b>4,909</b>	5,343
Benefits due but not paid (transferred to short term liabilities)	<b>(385)</b>	(1,318)
Benefits paid	<b>(10,076)</b>	(5,039)
Remeasurement of obligation	<b>1,662</b>	2,339
Balance at end of the year	<b>60,076</b>	55,582

### **9.3 Charge to statement of profit or loss:**

Current service cost	<b>8,384</b>	6,967
Past service cost	-	1,364
Interest cost	<b>4,909</b>	5,343
	<b>13,293</b>	13,674

### **9.4 Remeasurements recognised in other comprehensive income**

Actuarial (gain) / loss	<b>(336)</b>	2,186
Experience adjustments	<b>1,998</b>	153
	<b>1,662</b>	2,339



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

	<b>2021</b>	2020	2019	2018	2017
	----- Rupees in '000 -----				
Present value of defined benefit obligation	<b>60,076</b>	55,582	45,926	43,991	38,668
Experience adjustment on obligation	<b>1,662</b>	2,339	(4,418)	2,856	1,640

**9.6 Sensitivity analysis for actuarial assumptions:**

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

	<b>Increase in assumptions</b>	<b>Decrease in assumptions</b>
	----- Rupees in '000 -----	
Discount rate	(55,659)	65,137
Increase in salaries	65,201	(55,525)

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

<b>Time in years</b>	<b>Rupees in '000'</b>
1	2,665
2	5,565
3	5,656
4	13,148
5	10,254
6 - 10	62,856
11 and onwards	635,806

**9.7** The Company's contribution to scheme for the financial year 2022 is expected to be Rs.15.229 million.

**9.8** Gratuity payable includes liability in respect of key management personnel aggregating Rs. 4.573 million (2020: Rs.3.029 million).

<b>10. TRADE AND OTHER PAYABLES</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		--- Rupees in '000 ---	
Creditors		<b>222,099</b>	248,070
Advance payments		<b>7</b>	7
Retention money		<b>364</b>	464
Sales tax payable		<b>74,224</b>	80,492
Accrued expenses		<b>21,980</b>	43,132
Income tax deducted at source		<b>2,047</b>	554
Workers' (profit) participation fund	<b>10.1</b>	<b>20,343</b>	16,984
Workers' welfare fund		<b>1,057</b>	1,057
Gratuity payable		<b>385</b>	1,318
Others		<b>15,628</b>	1,232
		<b><u>358,134</u></b>	<u>393,310</u>
<b>10.1 Workers' (profit) participation fund - the Fund</b>			
Balance at beginning of the year		<b>16,984</b>	14,939
Add: - profit earned on the Fund's balances maintained in a PLS bank account		<b>33</b>	50
- allocation for the year		<b>20,292</b>	16,966
- interest on funds utilised by the Company		<b>2,660</b>	2,127
Less: payment made during the year		<b>(19,626)</b>	(17,098)
Balance at end of the year		<b><u>20,343</u></b>	<u>16,984</u>
<b>11. ACCRUED MARK-UP</b>			
Mark-up accrued on:			
- long term finances		<b>399</b>	14,047
- short term finances		<b>37,727</b>	32,626
		<b><u>38,126</u></b>	<u>46,673</u>
<b>12. SHORT TERM FINANCES</b>			
Running / cash finances - secured	<b>12.1</b>	<b>1,901,835</b>	1,831,549
From a related party - unsecured	<b>12.2</b>	<b>433,500</b>	433,500
Temporary bank overdraft - unsecured		<b>-</b>	12,547
		<b><u>2,335,335</u></b>	<u>2,277,596</u>

**12.1** Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.4.725 billion (2020: Rs.4.250 billion). These finance facilities, during the current financial year, carried mark-up at the rates ranging from 3.00% to 10.91% (2020: 3.00% to 16.80%) per annum. Facilities available for opening letters of credit and guarantees aggregate to Rs.319.19 million (2020: Rs.164.19 million) of which facilities aggregating Rs.184.01 million (2020: Rs.95.113 million) remained unutilised at the reporting date. The aggregate finance facility are secured against charge over plant & machinery, pledge of refined sugar in bags, charge over current assets of the Company and lien over import & export documents. These facilities are expiring on various dates by May, 2022.

**12.2** The Company, during the preceding financial year, obtained a short term loan amounted Rs.450 million from one of its related party Mr. Adnan Hayat Noon (sponsor) to meet its working capital requirements. This loan is interest free and is of short term in nature.

<b>13. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>- - Rupees in '000 - -</b>			
Long term finance	<b>7</b>	<b>75,000</b>	37,500
Lease liabilities	<b>8</b>	<b>1,640</b>	6,491
		<b>76,640</b>	43,991

#### **14. CONTINGENCIES AND COMMITMENTS**

##### **Contingencies**

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

**14.2** An appeal was pending before the Lahore High Court (LHC) against the order of the Customs, Central Excise & Sales Tax Appellate Tribunal (the Tribunal) in the matter of permit fee amounting Rs.5.994 million. The said appeal filed was dismissed by the LHC on September 22, 2020. The Company has filed an appeal in the Supreme Court of Pakistan against the order of LHC. The case is pending adjudication.

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

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

**14.5** An appeal before the LHC, against judgment of the Tribunal, is pending; the Tribunal has upheld the judgment of the Additional Collector whereby the Company was ordered to pay demands aggregating Rs.1.400 million.

- 14.6** Provisions for cane quality premium payable to growers aggregating Rs.79.335 million, related to different yearly notifications issued by the Government of the Punjab (GoP) for fixation of cane support price and quality premium above 'bench mark average recovery', made during the financial years 1981-82 to 1994-95 were written-back during the financial year ended September 30, 2006. The management is of the view that no outflow of resources will be required as a result of judgment by the LHC for the cases pending adjudication, as LHC has judged this levy as unconstitutional in similar cases.

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

- 14.7** A writ petition is pending before the LHC against decision of the Board of Trustees of Employees Old-age Benefits Institution; the Institution has raised demand amounting Rs.3.394 million. The Company, as per order of the LHC, has deposited Rs.381 thousand during May, 2011.
- 14.8** The Company, during the financial year 2002, had filed an appeal before the Tribunal against the order of the Additional Collector (Central Excise), Faisalabad rejecting the refund claim of the Company amounting Rs.15.117 million. The Company had paid this amount under protest as customs duty on the sale of sugar. The appeal is pending adjudication.
- 14.9** The GoP, during the financial year 2012, imposed a duty @ Rs.2 per litre on manufacturing of spirit. The Company has filed an appeal before the LHC against the imposition of duty which is pending adjudication. However, on an interim order of the LHC the Company provided a bank guarantee in favour of excise and taxation department for an amount of Rs.1.000 million.

During the financial year ended September 30, 2017, the LHC passed another interim order and directed the Company to deposit the amount of provincial excise duty in cash with deputy registrar of the court on monthly basis till the final order. In compliance with this interim order the Company has deposited Rs.120.771 million till September 30, 2019. Based on the advice of the Company's legal counsel this amount has been booked as receivable as there are meritorious grounds for the case to be decided in favour of the Company and the amount be refunded. Further, the GoP vide its notification no.SO(E&M)2-5/2018/ED has withdrawn this duty with effect from August 05, 2019 and the LHC has released the bank guarantee submitted by the Company. The case is pending adjudication.

- 14.10** The Irrigation Department of the GoP, during the financial year 2015, has raised demand aggregated Rs.6.810 million based on its notification dated June 12, 2014, for the revision of rates for supply of water to the Company. The Company, against the said demand, has filed an appeal in the Civil Court, which is pending adjudication.
- 14.11** The Company has filed a writ petition before the LHC challenging a notice received from the Excise & Taxation Office, Sargodha demanding excise duty amounted Rs.3.739 million on account of waste of rectified spirit during transit. The LHC vide its interim order dated December 14, 2020 has suspended the notice.
- 14.12** The Additional Commissioner IR (Audit) has passed an assessment order dated June 29, 2020 under section 122(5A) of the Income Tax Ordinance 2001 (the Ordinance) through which a tax credit of Rs.6.290 million under section 65B of the Ordinance has been disallowed for the tax year 2014. The Company has filed an appeal against the aforesaid assessment order before the Commissioner IR Appeals-V, dated July 13, 2020. The CIRA remanded back the case on June 14, 2021 to the ACIR. The case is pending adjudication.
- 14.13** The Company has filed a writ petition in the LHC on August 28, 2020 against the case for sales tax audit relating to the tax periods October, 2015 to September, 2018. The LHC granted stay order on

November 16, 2020. The hearing of the petition filed came up before the LHC on November 22, 2020 and the judgement is still awaited.

- 14.14** During the year, the Federal Government and GoP issued various notifications regarding fixation of minimum ex-mill price and retail price of sugar. Writ petitions were filed by the Company before the LHC against the said notifications. The LHC in its interim order asked the petitioner to submit the differential amount of actual sale price and the Govt. fixed price to the deputy registrar (Judicial) of LHC along with the direction of not taking any coercive action against the petitioner till the final order of the Court. The Company in compliance with the interim order has deposited Rs.9.382 million to deputy registrar till the reporting date.
- 14.15** The Company has filed a writ petition before the LHC challenging the amendment inserted vide Finance Act, 2019 whereby tax credit under section 65B of the Ordinance has been reduced from 10% to 5% for the Tax Year 2019. The Company has claimed tax credit at the rate of 10% for the tax year 2019. The LHC issued a stay order against the writ petition. The case is pending adjudication.
- 14.16** The Competition Commission of Pakistan (CCP) issued a show cause notice dated November 04, 2020 to sugar mills with respect to artificial price hike and alleged cartelization. The Company submitted its reply dated December 25, 2020. However CCP passed an order dated August 13, 2021 and on the basis of revenues of financial year 2019 and 2020 imposed a penalty of Rs.680 million on the Company. Against the said order of CCP, subsequent to the year-end, the Company has filed an appeal before the CCP Appellate tribunal and also filed a writ petition in the LHC. The case is pending adjudication.
- 14.17** An order under section 122(1) was passed by Learned Assistant Commissioner IR against the Company creating tax demand of Rs.83.839 million for the tax year 2015. The Company filed an appeal before Commissioner IR Appeals (CIRA), where proceedings are now pending. Considering the grounds of appeal and facts of the case, the management expects a favourable outcome of appeal.
- 14.18** An order under section 122(5A) was passed by the Learned Additional Commissioner IR against the Company creating tax demand of Rs.91.065 million for the tax year 2015. The Company filed an appeal before CIRA, where proceedings are now pending. Considering the grounds of appeal and facts of the case, the management expects a favourable outcome of appeal.
- 14.19** The Company has filed writ petition in the LHC against notices under section 177(1) of the Ordinance for the tax year 2016, 2017 and 2018. The Company has also received notices under section 122(9) of the Ordinance for the tax year 2017 and 2018. The Company has filed writ petition against the orders in the LHC. The LHC has granted stay against the said proceedings.
- 14.20** For tax year 2019, DCIR issued notices under section 177(6) for non-submission of record. DCIR raised income tax demand of Rs.4.237 billion vide its order dated December 29, 2020. The Company filed an appeal before the CIR(A). The CIR(A) vide its order dated June 29, 2021 remanded the case back to the assessing officer. Further, the Company has filed an appeal in the Appellate tribunal inland revenue which is pending adjudication.
- 14.21** Certain cases have been filed against the Company by some former employees. Based on the advice of its legal advisors handling the subject cases, no provision has been made in these financial statements by the management of the Company.

## Commitments

- 14.22** Commitments in respect of capital expenditure other than letters of credit at the year-end aggregate to Rs.13.149 million (2020: Rs.0.924 million).

- 14.23** Guarantees given by commercial banks on behalf of the Company to Sui Northern Gas Pipelines Limited, Excise and taxation department and Faisalabad Electric Supply Company, outstanding as at September 30, 2021, aggregate to Rs.19.082 million (2020: Rs.69.077 million).
- 14.24** Commitments in respect of letters of credit at the year end aggregate to Rs.116.106 million (2020: Rs.Nil)
- 14.25** The Company has entered into Ijarah arrangements for one (2020: three) vehicles with MCB Islamic Bank Limited. Aggregate commitments for rentals under Ijarah arrangements as at September 30, 2021 are as follows:

	<b>Note</b>	<b>2021</b>	2020
		- - Rupees in '000 - -	
Not later than one year		<b>480</b>	3,226
Later than one year but not later than five years		<b>80</b>	1,091
		<b>560</b>	4,317
<b>15. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	<b>15.1</b>	<b>1,350,338</b>	1,355,615
Right-of-use assets	<b>15.5</b>	<b>9,994</b>	13,324
Capital work-in-progress	<b>15.6</b>	<b>250,695</b>	152,307
		<b>1,611,027</b>	1,521,246

## 15.1 Operating fixed assets - tangible

	Owned													Leased						
	Rupees in '000													Vehicles	Total					
	Free hold land	Buildings on freehold land		Plant and machinery	Workshop equipment	Scales & weighbridges	Laboratory equipment	Other equipment	Electric installations & fittings	Tube-well	Office equipment	Furniture and fixtures	Vehicles			Farm tractors	Farm equipment	Power project		
Colony	Office	Factory																		
<b>COST</b>																				
Balance as at October 01, 2019	6,306	27,674	-	398,600	2,664,524	471	21,560	1,075	18,715	176,737	7,579	17,250	9,135	51,055	8,304	1,749	36,286	28,422	3,475,442	
Reclassification due to adoption of IFRS 16 as at October 01, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(28,422)	(28,422)
Additions during the year	-	-	-	-	24,812	-	-	3,307	1,480	7,430	258	1,301	150	13,289	9,379	14,598	-	-	-	76,004
Balance as at September 30, 2020	6,306	27,674	-	398,600	2,689,336	471	21,560	4,382	20,195	184,167	7,837	18,551	9,285	64,344	17,683	16,347	36,286	-	3,523,024	
Balance as at October 01, 2020	6,306	27,674	-	398,600	2,689,336	471	21,560	4,382	20,195	184,167	7,837	18,551	9,285	64,344	17,683	16,347	36,286	-	3,523,024	
Transfer from investment property - (note 16.2)	15,307	-	5,609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,916
Additions during the year	-	-	-	87,837	2,934	-	-	521	15	14,826	1,348	1,549	2,322	12,353	-	3,403	-	-	-	127,108
Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	(18)	-	(6,073)	-	-	-	-	-	(6,091)
<b>Balance as at September 30, 2021</b>	<b>21,613</b>	<b>27,674</b>	<b>93,446</b>	<b>398,600</b>	<b>2,692,270</b>	<b>471</b>	<b>21,560</b>	<b>4,903</b>	<b>20,210</b>	<b>198,993</b>	<b>9,185</b>	<b>20,082</b>	<b>11,607</b>	<b>70,624</b>	<b>17,683</b>	<b>19,750</b>	<b>36,286</b>	<b>-</b>	<b>3,664,957</b>	
<b>DEPRECIATION</b>																				
Balance as at October 01, 2019	-	13,597	-	210,058	1,572,649	452	15,027	784	10,380	113,582	6,895	8,688	7,394	37,588	5,280	1,257	8,537	10,656	2,022,824	
Reclassification due to adoption of IFRS 16 as at October 01, 2019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,656)	(10,656)
Charge for the year	-	704	-	18,854	109,753	2	784	167	944	10,175	79	1,381	186	5,479	1,757	814	4,162	-	155,241	
Balance as at September 30, 2020	-	14,301	-	228,912	1,682,402	454	15,811	951	11,324	123,757	6,974	10,069	7,580	43,067	7,037	2,071	12,699	-	2,167,409	
Balance as at October 01, 2020	-	14,301	-	228,912	1,682,402	454	15,811	951	11,324	123,757	6,974	10,069	7,580	43,067	7,037	2,071	12,699	-	2,167,409	
Transfer from investment property - (note 16.2)	-	-	-	4,628	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,628
Charge for the year	-	669	-	16,969	100,840	2	690	371	888	9,791	176	1,432	301	6,500	2,662	1,595	3,538	-	146,424	
On disposals during the year	-	-	-	-	-	-	-	-	-	-	-	(1)	-	(3,841)	-	-	-	-	-	(3,842)
<b>Balance as at September 30, 2021</b>	<b>-</b>	<b>14,970</b>	<b>4,628</b>	<b>245,881</b>	<b>1,783,242</b>	<b>456</b>	<b>16,501</b>	<b>1,322</b>	<b>12,212</b>	<b>133,548</b>	<b>7,150</b>	<b>11,500</b>	<b>7,881</b>	<b>45,726</b>	<b>9,699</b>	<b>3,666</b>	<b>16,237</b>	<b>-</b>	<b>2,314,619</b>	
BOOK VALUE AS AT SEPTEMBER 30, 2020	6,306	13,373	-	169,688	1,006,934	17	5,749	3,431	8,871	60,410	863	8,482	1,705	21,277	10,646	14,276	23,587	-	1,355,615	
BOOK VALUE AS AT SEPTEMBER 30, 2021	21,613	12,704	88,818	152,719	909,028	15	5,059	3,581	7,998	65,445	2,035	8,582	3,726	24,898	7,984	16,084	20,049	-	1,350,338	
Depreciation rate (%)	5	5	5	10	10	12	12	10	10	15	10	15	10	25	25	10	15	15	25	25

**15.2** Free-hold land of the Company is located at different areas in Bhalwal, district Sargodha comprising in total 1,001,426 square yards and Garden Town, Lahore comprising an area of 8,675 square yards.

<b>15.3 Depreciation on property plant and equipment for the year has been apportioned as under:</b>	<b>2021</b>	<b>2020</b>
	<b>--- Rupees in '000 ---</b>	
Cost of sales	<b>136,713</b>	146,635
Distribution and marketing expenses	<b>404</b>	428
Administrative expenses	<b>9,307</b>	8,178
	<b><u>146,424</u></b>	<u>155,241</u>

**15.4** The details of operating fixed assets disposed-off is as follows:

<b>Asset description</b>	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>	<b>Sale proceeds</b>	<b>Gain</b>	<b>Mode of disposal</b>	<b>Sold to:</b>
----- Rupees in '000 -----							
<b>Particulars of assets having book value of Rs.500,000 or more are as follows:</b>							
<b><u>Vehicles</u></b>							
Suzuki Cultus	1,199	17	1,182	1,537	355	Insurance claim	M/s. Jubilee General Takaful
Honda Civic	2,981	1,949	1,032	1,032	-	Company policy	Mr. Sohail Khokhar-late (Ex-COO)
<b>Various assets of book value less than Rs.500,000</b>	1,911	1,876	35	2,314	2,279		
	<b><u>6,091</u></b>	<b><u>3,842</u></b>	<b><u>2,249</u></b>	<b><u>4,883</u></b>	<b><u>2,634</u></b>		

<b>15.5 Right-of-use assets</b>	<b>2021</b>	<b>2020</b>
	<b>--- Rupees in '000 ---</b>	
<b>Cost</b>		
Opening balance	<b>28,422</b>	-
Transition effect on initial application	-	<b>28,422</b>
	<b><u>28,422</u></b>	<b><u>28,422</u></b>
<b>Accumulated depreciation</b>		
Opening balance	<b>15,098</b>	-
Transition effect on initial application	-	<b>10,656</b>
Depreciation for the year	<b>3,330</b>	<b>4,442</b>
	<b><u>18,428</u></b>	<b><u>15,098</u></b>
Net book value at end of the year	<b><u>9,994</u></b>	<b><u>13,324</u></b>
<b>Depreciation rate (%)</b>	<b>25%</b>	<b>25%</b>



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

<b>15.6 Capital work-in-progress</b>	<b>2021</b>	<b>2020</b>
	--- Rupees in '000 ---	
Buildings on freehold land:		
- colony	<b>6,556</b>	4,925
- factory	<b>54,401</b>	42,549
- office	<b>4,989</b>	44,298
Plant and machinery	<b>166,177</b>	59,941
Laboratory equipment	-	41
Electric installations & fittings	<b>6,966</b>	553
Vehicles	<b>11,606</b>	-
	<b>250,695</b>	152,307

**15.6.1 Movement in the account of capital work-in-progress**

	<b>Balance as at October 01, 2020</b>	<b>Additions during the year</b>	<b>Transferred to operating fixed assets</b>	<b>Balance as at September 30, 2021</b>
	----- Rupees in '000 -----			
Buildings on freehold land:				
- colony	4,925	1,631	-	<b>6,556</b>
- factory	42,549	11,852	-	<b>54,401</b>
- office	44,298	48,528	(87,837)	<b>4,989</b>
Plant and machinery	59,941	106,236	-	<b>166,177</b>
Laboratory equipment	41	-	(41)	-
Electric installations & fittings	553	6,413	-	<b>6,966</b>
Vehicles	-	11,606	-	<b>11,606</b>
	152,307	186,266	(87,878)	<b>250,695</b>

**16. INVESTMENT PROPERTY**

	Freehold land	Buildings on freehold land	Total
	----- Rupees in '000 -----		
<b>At October 1, 2019</b>			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,522	4,522
<b>Book value</b>	<b>6,730</b>	<b>1,087</b>	<b>7,817</b>
<b>Year ended September 30, 2020</b>			
Opening book value	6,730	1,087	7,817
Depreciation charge for the year	-	54	54
<b>Closing book value</b>	<b>6,730</b>	<b>1,033</b>	<b>7,763</b>
<b>At September 30, 2020</b>			
Cost	6,730	5,609	12,339
Accumulated depreciation	-	4,576	4,576
<b>Book value</b>	<b>6,730</b>	<b>1,033</b>	<b>7,763</b>
<b>Year ended September 30, 2021</b>			
Opening book value	6,730	1,033	7,763
Addition during the year	8,577	-	8,577
Depreciation charge for the year	-	52	52
<b>Transfer to property, plant &amp; equipment</b>			
Cost	(15,307)	(5,609)	(20,916)
Accumulated depreciation	-	4,628	4,628
	(15,307)	(981)	(16,288)
<b>Closing book value</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation rate (%)		5	

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

**16.2** The management has transferred investment property to operating fixed assets at its book value and the property is now in use of the Company. Fair value of this property, based on the management's estimation, was Rs.240 million.

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

	2021	2020
	--- Rupees in '000 ---	
Loans / advances to employees	4,028	3,102
Less: current portion grouped under current assets	1,975	1,246
	<b>2,053</b>	<b>1,856</b>

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

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

<b>18. STORES, SPARES AND LOOSE TOOLS</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
--- Rupees in '000 ---			
Stores		<b>37,333</b>	30,934
Spares		<b>63,617</b>	57,763
Loose tools		<b>518</b>	568
		<b>101,468</b>	89,265
Less: provision for slow moving items	<b>18.1</b>	<b>13,062</b>	13,062
		<b>88,406</b>	76,203

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

Opening balance	<b>13,062</b>	12,729
Provision made during the year	-	333
Closing balance	<b>13,062</b>	13,062

**18.1.1** Stores and spares inventory includes slow moving items valuing Rs.26.125 million (2020: Rs.26.125 million). The management estimates that slow moving items carry salvage value approximating to 50% of the book value. Provision against slow moving items to the extent of 50% of their carrying value has been made in the books of account.

<b>19. STOCK-IN-TRADE</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
--- Rupees in '000 ---			
Raw materials - molasses		<b>35,452</b>	-
Work-in-process:			
- Sugar		<b>13,166</b>	10,338
- Molasses		<b>48,652</b>	23,931
		<b>61,818</b>	34,269
Finished goods:			
- Sugar		<b>763,875</b>	733,673
- Spirit		<b>543,308</b>	237,676
		<b>1,307,183</b>	971,349
Other stocks - fair price shop and depot		<b>1,519</b>	544
		<b>1,405,972</b>	1,006,162
<b>20. TRADE DEBTS</b>			
Local - unsecured	<b>20.1</b>	<b>338,630</b>	366,460
Foreign - secured		-	310,713
Less: Provision for expected credit loss	<b>20.2</b>	<b>(762)</b>	-
		<b>337,868</b>	677,173

**20.1** These include an amount of Rs.0.680 million (2020: Rs.12.280 million) receivable from Fauji Foods Limited (a related party). The aggregate maximum outstanding balance at the end of any month during the year was Rs.23.142 million (2020: Rs.28.843 million).

<b>20.2 Provision for expected credit loss</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>--- Rupees in '000 ---</b>	
Balance at the beginning of the year		-	-
Charged during the year		<b>762</b>	-
Balance at the end of the year		<b>762</b>	-

**21. LOANS AND ADVANCES** - considered good

Advances to:

- key management personnel	<b>21.1</b>	<b>1,075</b>	1,875
- other employees		<b>12,393</b>	10,059
- suppliers		<b>237,147</b>	528,034
Recoverable from growers		<b>109,833</b>	39,439
Current portion of long term loans and advances		<b>1,975</b>	1,246
Letters of credit		<b>7,232</b>	7,007
		<b>369,655</b>	587,660

**21.1** The Company has advanced two loans aggregating Rs.3 million to Mr. Azeem Hafeez (General Manager (site)) for education of his child. One loan was recoverable in sixteen equal monthly instalments while the other is recoverable in two months time. The maximum aggregate balance outstanding against these loans at the end of any month during the year was Rs.1.075 million.

**22. OTHER RECEIVABLES**

		<b>2021</b>	<b>2020</b>
		<b>--- Rupees in '000 ---</b>	
Claims receivable - considered good		<b>5,415</b>	3,915
Excise duty receivable	<b>14.9</b>	<b>120,770</b>	120,771
Export subsidy	<b>22.1</b>	<b>11,845</b>	11,845
Others	<b>22.2</b>	<b>85,563</b>	58,247
		<b>223,593</b>	194,778

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

**22.2** This mainly includes Rs.52.745 million (2020: Rs.52.745 million) receivable from Faisalabad Electric Supply Company against sale of electricity.

## 23. BANK BALANCES

	Note	2021	2020
--- Rupees in '000 ---			
Cash at commercial banks on:			
- current accounts		164,415	29,813
- saving accounts	23.1	21,415	2,664
- margin accounts	23.2	38,310	18,266
- dividend accounts		783	783
		<b>224,923</b>	51,526
Cash at Cooperative Societies on current accounts		745	745
Less: provision for impairment	23.3	745	745
		-	-
		<b>224,923</b>	51,526

**23.1** Saving accounts, during the current financial year, carried profit / mark-up at the rate of 5.50% (2020: rates ranged from 5.5% to 15.00%) 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	
	2021	2020	2021	2020	2021	2020
----- Rupees in '000 -----						
Local	7,445,767	4,614,430	245,877	696,241	7,691,644	5,310,671
Inter-segment (note 25.1)	740,653	423,025	-	-	-	-
Export	-	-	2,623,782	1,608,093	2,623,782	1,608,093
	<b>8,186,420</b>	5,037,455	<b>2,869,659</b>	2,304,334	<b>10,315,426</b>	6,918,764
Less:						
- trade discount	4,433	-	-	-	4,433	-
- sales tax	1,083,353	677,001	37,960	103,597	1,121,313	780,598
	<b>7,098,634</b>	4,360,454	<b>2,831,699</b>	2,200,737	<b>9,189,680</b>	6,138,166

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

**24.2** Revenue aggregating Rs.12.120 million (2020: Rs.5.517 million) has been recognised against the customer advances received as at September 30, 2020 and 2019 respectively.

**25. COST OF SALES**

	Sugar		Distillery		Total	
	2021	2020	2021	2020	2021	2020
----- Rupees in '000 -----						
Raw materials consumed	<b>5,982,985</b>	3,290,507	<b>1,905,970</b>	1,157,289	<b>7,888,955</b>	4,447,796
Inter-segment transfers (note 25.1)	-	-	<b>740,653</b>	423,025	-	-
	<b>5,982,985</b>	3,290,507	<b>2,646,623</b>	1,580,314	<b>7,888,955</b>	4,447,796
Salaries, wages and benefits (note 25.2)	<b>143,964</b>	132,616	<b>43,252</b>	42,276	<b>187,216</b>	174,892
Fuel and power	<b>10,210</b>	40,700	<b>10,639</b>	43,672	<b>20,849</b>	84,372
Chemicals and stores consumed	<b>88,035</b>	60,267	<b>35,198</b>	33,424	<b>123,233</b>	93,691
Repair and maintenance	<b>146,935</b>	135,263	<b>15,766</b>	12,353	<b>162,701</b>	147,616
Depreciation	<b>97,900</b>	105,596	<b>38,813</b>	41,039	<b>136,713</b>	146,635
Insurance	<b>6,944</b>	5,405	<b>2,317</b>	1,897	<b>9,261</b>	7,302
Rates and taxes	<b>868</b>	765	<b>25</b>	18	<b>893</b>	783
Others	<b>15,145</b>	10,970	<b>1,805</b>	1,074	<b>16,950</b>	12,044
	<b>6,492,986</b>	3,782,089	<b>2,794,438</b>	1,756,067	<b>8,546,771</b>	5,115,131
Adjustment of work-in-process						
Opening	<b>10,338</b>	8,938	<b>23,931</b>	6,394	<b>34,269</b>	15,332
Closing	<b>(13,166)</b>	(10,338)	<b>(48,652)</b>	(23,931)	<b>(61,818)</b>	(34,269)
	<b>(2,828)</b>	(1,400)	<b>(24,721)</b>	(17,537)	<b>(27,549)</b>	(18,937)
Cost of goods manufactured	<b>6,490,158</b>	3,780,689	<b>2,769,717</b>	1,738,530	<b>8,519,222</b>	5,096,194
Adjustment of finished goods						
Opening stock	<b>733,673</b>	981,693	<b>237,676</b>	71,609	<b>971,349</b>	1,053,302
Closing stock	<b>(763,875)</b>	(733,673)	<b>(543,308)</b>	(237,676)	<b>(1,307,183)</b>	(971,349)
	<b>(30,202)</b>	248,020	<b>(305,632)</b>	(166,067)	<b>(335,834)</b>	81,953
	<b>6,459,956</b>	4,028,709	<b>2,464,085</b>	1,572,463	<b>8,183,388</b>	5,178,147

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

**25.2** These include Rs.1,026 thousand (2020: Rs.1,009 thousand) and Rs.8,246 thousand (2020: 8,483 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

## 26. DISTRIBUTION AND MARKETING EXPENSES

	Sugar		Distillery		Total	
	2021	2020	2021	2020	2021	2020
----- Rupees in '000 -----						
Salaries and benefits (note 26.1)	2,157	4,794	-	2,140	2,157	6,934
Loading, unloading, freight and export expenses	5,214	18,942	150,860	91,964	156,074	110,906
Rent of storage tanks	-	-	18,150	16,913	18,150	16,913
Depreciation	404	428	-	-	404	428
Commission	4,819	3,237	-	-	4,819	3,237
Others	2,125	1,466	32	-	2,157	1,466
	<b>14,719</b>	<b>28,867</b>	<b>169,042</b>	<b>111,017</b>	<b>183,761</b>	<b>139,884</b>

**26.1** These include Rs.10 thousand (2020: Rs.11 thousand) and Rs.137 thousand (2020: Rs.141 thousand) in respect of provident fund contributions and staff retirement benefits - gratuity respectively.

## 27. ADMINISTRATIVE EXPENSES

	Sugar		Distillery		Total	
	2021	2020	2021	2020	2021	2020
----- Rupees in '000 -----						
Salaries and benefits (note 27.1)	90,031	78,297	30,010	26,099	120,041	104,396
Travelling and conveyance including directors' travelling amounting Rs.156 thousand (2020: Rs.965 thousand)	1,420	2,081	473	694	1,893	2,775
Vehicles' running and maintenance	14,036	11,373	4,679	3,791	18,715	15,164
Communication	2,695	2,291	955	843	3,650	3,134
Printing and stationery	1,417	924	636	308	2,053	1,232
Rent, rates and taxes	2,431	4,005	1,508	1,463	3,939	5,468
Insurance	765	722	255	240	1,020	962
Repair and maintenance	2,322	2,297	787	804	3,109	3,101
Subscription	10,257	9,297	5,714	5,664	15,971	14,961
Advertisement	893	308	298	103	1,191	411
Depreciation	9,043	9,216	3,594	3,404	12,637	12,620
Entertainment / guest house expenses	5,581	4,459	1,979	1,606	7,560	6,065
Auditors' remuneration (note 27.2)	1,197	1,284	399	428	1,596	1,712
Legal and professional charges (other than Auditors')	8,576	2,914	2,874	971	11,450	3,885
Utilities	3,014	4,901	1,005	1,634	4,019	6,535
Others	1,450	6,871	483	293	1,933	7,164
	<b>155,128</b>	<b>141,240</b>	<b>55,649</b>	<b>48,345</b>	<b>210,777</b>	<b>189,585</b>

**27.1** These include Rs.327 thousand (2020: Rs.239 thousand) and Rs.4,910 thousand (2020: Rs.5,051 thousand) in respect of provident fund contributions and staff retirement benefits-gratuity respectively.

<b>27.2 Auditors' remuneration</b>	<b>2021</b>	<b>2020</b>
	<b>--- Rupees in '000 ---</b>	
ShineWing Hameed Chaudhri & Co.		
- statutory audit fee - current year	<b>1,200</b>	1,100
- short provision prior year	<b>100</b>	131
- half yearly review	<b>200</b>	200
- certification charges	<b>50</b>	50
- out-of-pocket expenses	<b>35</b>	35
	<b>1,585</b>	1,516
Javaid Jalal Amjad & Co. - provident fund's	<b>11</b>	196
	<b>1,596</b>	1,712

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

<b>28. OTHER INCOME</b>	<b>2021</b>	<b>2020</b>
	<b>--- Rupees in '000 ---</b>	
<b>Income from financial assets</b>		
Unclaimed and other payable balances written-back	<b>1,251</b>	6,952
Interest / mark-up on saving accounts	<b>1,592</b>	1,953
Exchange fluctuation gain - net	-	3,375
<b>Income from other than financial assets</b>		
Scrap sales - net	<b>1,555</b>	1,172
Bagasse and press mud sales - net	<b>42,345</b>	31,022
Sale of fusil oil	<b>1,580</b>	-
Gain on disposal of operating fixed assets	<b>2,634</b>	-
Rental income	<b>135</b>	136
Others	<b>13,026</b>	10
	<b>64,118</b>	44,620



<b>29. OTHER EXPENSES</b>	<b>Note</b>	<b>2021</b>	<b>2020</b>
<b>--- Rupees in '000 ---</b>			
Donations (without directors' interest)		<b>574</b>	-
Depreciation on investment property	<b>16</b>	<b>52</b>	54
Exchange fluctuation loss - net		<b>2,157</b>	-
Provision made for slow moving stores and spares inventory	<b>18.1</b>	-	333
Provision for expected credit loss	<b>20.2</b>	<b>762</b>	-
Provision for Workers' profit participation fund	<b>10.1</b>	<b>20,292</b>	16,966
Miscellaneous		<b>8,626</b>	-
		<b>32,463</b>	17,353
<b>30. FINANCE COST</b>			
Mark-up / profit on:			
- long term finances		<b>17,327</b>	30,807
- short term finances		<b>235,486</b>	282,843
- lease finances		<b>3,437</b>	5,560
- workers' profit participation fund	<b>10.1</b>	<b>2,660</b>	2,127
Bank and other charges		<b>7,322</b>	14,112
		<b>266,232</b>	335,449
<b>31. TAXATION - Net</b>			
Provision for year			
- current		<b>123,057</b>	84,319
- prior		-	(18,011)
		<b>123,057</b>	66,308

**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 2021 have been assessed under the self assessment scheme envisaged in section 120 of the Income Tax Ordinance, 2001 (the Ordinance). Income tax return for tax year 2021 has been filed subsequent to the year end.

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

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

**32. EARNINGS PER SHARE - Basic and Diluted**

	<b>2021</b>	2020
	--- Rupees in '000 ---	
Profit after taxation attributable to ordinary shareholders	<b>254,120</b>	256,060
	---- No. of shares ----	
Weighted average number of ordinary shares outstanding during the year	<b>16,517,453</b>	16,517,453
	----- Rupees -----	
Earnings per share - basic	<b>15.38</b>	15.50

**32.1** A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2021 and September 30, 2020 which would have any effect on the earnings per share if the option to convert is exercised.

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

Particulars	Chief Executive		Directors				Executives	
			Executive		Non-Executive			
	2021	2020	2021	2020	2021	2020	2021	2020
	----- Rupees in '000 -----							
Managerial remuneration including bonus	<b>5,400</b>	5,400	<b>2,822</b>	5,600	-	-	<b>27,408</b>	17,582
Perquisites and benefits:								
Utilities	-	-	-	-	<b>724</b>	737	-	-
Medical	<b>24</b>	18	<b>4,125</b>	296	<b>720</b>	228	<b>462</b>	116
Entertainment / club bills	-	-	<b>108</b>	112	<b>82</b>	97	-	-
	<b>24</b>	18	<b>4,233</b>	408	<b>1,526</b>	1,062	<b>462</b>	116
	<b>5,424</b>	5,418	<b>7,055</b>	6,008	<b>1,526</b>	1,062	<b>27,870</b>	17,698
No. of persons	<b>1</b>	1	<b>1</b>	1	<b>3</b>	4	<b>8</b>	5

**33.1** The directors and executives have been provided with free use of the Company maintained cars and telephones at their residences. Furnished residences have also been provided to the executives in the Mills' Colony.

**33.2** During the current financial year, meeting fees of Rs.430 thousand (2020: Rs.840 thousand) were paid to three (2020: four) Non-executive directors of the Company.

## 34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

### 34.1 Financial Risk Factors

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

- market risk
- credit risk; and
- liquidity risk

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

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

### 34.2 Market risk

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

#### (a) Currency risk

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company is exposed to currency risk on import of stores & spares and export of goods mainly denominated in US Dollars and Euros. As at reporting date, the Company is not exposed to any significant currency risk except for commitments in foreign currency against imports of plant & machinery and stores as disclosed in note 14.24 to the financial statements.

#### (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:

	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Effective rate</b>		<b>Carrying amount</b>	
	%	%	--- Rupees in '000 ---	
<b>Financial assets</b>				
Bank balances	<b>5.5</b>	5.5 - 15.00	<u><b>21,415</b></u>	<u>2,664</u>
<b>Variable rate instruments</b>				
<b>Financial liabilities</b>				
Long term finance	<b>9.04 - 9.53</b>	9.04 - 15.66	<u><b>150,000</b></u>	<u>187,500</u>
Short term borrowings	<b>3.00 - 10.91</b>	3.00 - 16.80	<u><b>1,901,835</b></u>	<u>1,831,549</u>
Lease liabilities	<b>9.35 - 10.91</b>	9.24 - 16.90	<u><b>3,253</b></u>	<u>9,749</u>

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

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

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

At September 30, 2021, if interest rate on variable rate financial liabilities had been 1% higher / lower with all other variables held constant, profit before taxation for the year would have been Rs.20.551 million (2020: Rs.20.288 million) lower / higher mainly as a result of higher / lower interest expense on variable rate financial liabilities.

### **(c) Price risk**

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

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

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

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

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

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

### **Exposure to credit risk**

The maximum exposure to credit risk as at September 30, 2021 along with comparative is tabulated below:

	<b>2021</b>	2020
	--- Rupees in '000 ---	
Security deposits	<b>2,847</b>	3,654
Trade debts	<b>338,630</b>	677,173
Loans and advances	<b>24,728</b>	22,043
Other receivables	<b>90,978</b>	62,162
Bank balances	<b>224,923</b>	51,526
	<b><u>682,106</u></b>	<u>816,558</u>

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

Domestic	<b>338,630</b>	366,460
Export	-	310,713
	<b><u>338,630</u></b>	<u>677,173</u>

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

Not yet due	<b>314,922</b>	640,716
Past due - more than 30 days	<b>23,708</b>	36,457
	<b><u>338,630</u></b>	<u>677,173</u>

Based on the working, the management has created necessary provision for impairment loss allowance. Trade debts aggregating Rs.304.160 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:

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than 1 year</b>	<b>Between 1 to 5 years</b>
----- Rupees in '000 -----				
<b>September 30, 2021</b>				
<b>Long term finance</b>	<b>150,000</b>	<b>167,487</b>	<b>87,317</b>	<b>80,170</b>
<b>Lease liabilities</b>	<b>3,253</b>	<b>3,647</b>	<b>1,880</b>	<b>1,767</b>
<b>Trade and other payables</b>	<b>260,456</b>	<b>260,456</b>	<b>260,456</b>	<b>-</b>
<b>Accrued mark-up</b>	<b>38,126</b>	<b>38,126</b>	<b>38,126</b>	<b>-</b>
<b>Short term finances</b>	<b>2,335,335</b>	<b>2,383,910</b>	<b>2,383,910</b>	<b>-</b>
<b>Unclaimed and unpaid dividends</b>	<b>8,979</b>	<b>8,979</b>	<b>8,979</b>	<b>-</b>
	<b><u>2,796,149</u></b>	<b><u>2,862,605</u></b>	<b><u>2,780,668</u></b>	<b><u>81,937</u></b>
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 to 5 years
----- Rupees in '000 -----				
September 30, 2020				
Long term finances	187,500	220,731	54,236	166,495
Lease liabilities	9,749	10,814	7,190	3,624
Trade and other payables	294,216	294,216	294,216	-
Accrued mark-up	46,673	46,673	46,673	-
Short term finances	2,265,049	2,288,559	2,288,559	-
Unclaimed and unpaid dividends	8,758	8,758	8,758	-
	<b><u>2,811,945</u></b>	<b><u>2,869,751</u></b>	<b><u>2,699,632</u></b>	<b><u>170,119</u></b>

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

### 34.5 Fair value of financial instruments

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

### 34.6 Valuation techniques used to determine fair values

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

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

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

At September 30, 2021, the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

### 34.7 Financial instruments by category

Financial assets as per the statement of financial position	Amortised cost		Financial liabilities as per the statement of financial position	Financial liabilities measured at amortised cost	
	2021 --- Rupees in '000 ---	2020		2021 --- Rupees in '000 ---	2020
Loans and advances	2,053	1,856	Long term finance	150,000	187,500
Security deposits	2,847	3,654	Lease liabilities	3,253	9,749
Trade debts	338,630	677,173	Trade and other payables	260,456	294,216
Loans and advances	24,728	22,043	Accrued mark-up	38,126	46,673
Other receivables	223,593	194,778	Short term finances	2,335,335	2,277,596
Bank balances	224,923	51,526	Unclaimed and unpaid dividends	8,979	8,758
	<b>816,774</b>	<b>951,030</b>		<b>2,796,149</b>	<b>2,824,492</b>

### 35. CAPITAL RISK MANAGEMENT

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

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

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

	2021	2020
	--- Rupees in '000 ---	
Total borrowings	2,488,588	2,474,845
Less: bank balances	<u>224,923</u>	<u>51,526</u>
Net debt	2,263,665	2,423,319
Total equity	<u>1,327,657</u>	<u>1,133,010</u>
Total capital	<u>3,591,322</u>	<u>3,556,329</u>
Gearing ratio	<u>63%</u>	<u>68%</u>

### 36. RECOILIATION OF MOVEMENT OF LIABILITES TO CASH FLOWS ARISING FROM FINANCIAL ACTIVITIES

	Liabilities			
	Long term finances	Lease liabilities	Short term borrowings	Dividend
	----- Rupees in '000 -----			
Balance as at October 01, 2020	187,500	9,749	2,277,596	8,758
<b>Changes from financing activities</b>				
Finances repaid / obtained	(37,500)	-	57,739	-
Lease finances repaid	-	(6,496)	-	-
Dividends paid	-	-	-	(57,590)
<b>Total changes from financing cash flows</b>	<b>(37,500)</b>	<b>(6,496)</b>	<b>57,739</b>	<b>(57,590)</b>
Dividend declared	-	-	-	57,811
<b>Balance as at September 30, 2021</b>	<b><u>150,000</u></b>	<b><u>3,253</u></b>	<b><u>2,335,335</u></b>	<b><u>8,979</u></b>
Balance as at October 01, 2019	262,500	15,305	2,402,453	7,898
<b>Changes from financing activities</b>				
Finances repaid	(75,000)	-	(124,857)	-
Lease finances repaid	-	(5,556)	-	-
Dividends paid	-	-	-	(48,692)
<b>Total changes from financing cash flows</b>	<b>(75,000)</b>	<b>(5,556)</b>	<b>(124,857)</b>	<b>(48,692)</b>
Dividend declared	-	-	-	49,552
<b>Balance as at September 30, 2020</b>	<b><u>187,500</u></b>	<b><u>9,749</u></b>	<b><u>2,277,596</u></b>	<b><u>8,758</u></b>



### 37. CAPACITY AND PRODUCTION

2021

2020

#### Sugar Plant

Rated crushing capacity {based on 120 working days}	M. Tons	<b>1,440,000</b>	1,440,000
Cane crushed	M. Tons	<b>863,552</b>	543,477
Sugar produced	M. Tons	<b>82,710</b>	52,788
Days worked	Nos.	<b>121</b>	105
Sugar recovery	%	<b>9.60</b>	9.71

#### Distillery Plant

Rated capacity per day	Litres	<b>130,000</b>	130,000
Actual production	Litres	<b>30,728,078</b>	21,380,531
Days worked	Nos.	<b>284</b>	351

### 38. SEGMENT INFORMATION

The Company's reportable segments are as follows:

- Sugar
- Distillery

#### 38.1 Segment revenues and results

	Sugar	Distillery	Elimination of inter segment transactions	Total
----- Rupees in '000 -----				
<b>For the year ended September 30, 2021</b>				
Sales - net	<b>7,098,634</b>	<b>2,831,699</b>	<b>(740,653)</b>	<b>9,189,680</b>
Cost of sales	<b>(6,459,956)</b>	<b>(2,464,085)</b>	<b>(740,653)</b>	<b>(8,183,388)</b>
Gross profit	<b>638,678</b>	<b>367,614</b>	-	<b>1,006,292</b>
Selling and distribution expenses	<b>(14,719)</b>	<b>(169,042)</b>	-	<b>(183,761)</b>
Administrative expenses	<b>(155,128)</b>	<b>(55,649)</b>	-	<b>(210,777)</b>
	<b>(169,847)</b>	<b>(224,691)</b>	-	<b>(394,538)</b>
<b>Profit before taxation and unallocated income and expenses</b>	<b>468,831</b>	<b>142,923</b>	-	<b>611,754</b>
<b>Unallocatable income and expenses</b>				
Other income				<b>64,118</b>
Other expenses				<b>(32,463)</b>
Finance cost				<b>(266,232)</b>
Taxation				<b>(123,057)</b>
<b>Profit for the year</b>				<b>254,120</b>

	Sugar	Distillery	Elimination of inter segment transactions	Total
-----Rupees in '000 -----				
For the year ended September 30, 2020				
Sales - net	4,360,454	2,200,737	(423,025)	6,138,166
Cost of sales	(4,028,709)	(1,572,463)	(423,025)	(5,178,147)
Gross profit	331,745	628,274	-	960,019
Selling and distribution expenses	(28,867)	(111,017)	-	(139,884)
Administrative expenses	(141,240)	(48,345)	-	(189,585)
	(170,107)	(159,362)	-	(329,469)
Profit before taxation and unallocated income and expenses	161,638	468,912	-	630,550
Unallocatable income and expenses				
Other income				44,620
Other expenses				(17,353)
Finance cost				(335,449)
Taxation				(66,308)
Profit for the year				256,060

### 38.2 Segment assets and liabilities

	Sugar	Distillery	Total
-----Rupees in '000 -----			
<b>As at September 30, 2021</b>			
Segment assets	<b>2,770,705</b>	<b>1,261,793</b>	<b>4,032,498</b>
Unallocatable assets			<b>393,155</b>
<b>Total assets as per the statement of financial position</b>			<b>4,425,653</b>
Segment liabilities	<b>364,358</b>	<b>85,678</b>	<b>450,036</b>
Unallocatable liabilities			<b>2,647,960</b>
<b>Total liabilities as per the statement of financial position</b>			<b>3,097,996</b>

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

Sales to domestic customers in Pakistan are 74.56% (2020: 76.76%) and to customers outside Pakistan are 25.44% (2020: 23.24%) of the revenues during the current financial year.

The Company sells its manufactured products to local and foreign companies, commission agents, organisations and institutions. During the preceding year, four of the Company's customers contributed towards 62.62% of the local sales aggregated Rs.2.892 billion which exceeded 10% of the local sales of the Company. For the current year, the Company has no customer having sale in excess of 10% of the local sales of the Company.

### Geographical information

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

## 39. RELATED PARTY TRANSACTIONS

Related parties comprise of the Associated Companies, directors, relative of directors, major shareholders, key management personnel and entities over which the directors are able to exercise significant influence on financial and operating policy decisions and employees' retirement funds. The Company in the normal course of business carries out transactions with various related parties.

### Key management personnel

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

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

<b>I) Associated Company due to common directorship</b>	<b>2021</b>	<b>2020</b>
	<b>--- Rupees in 000---</b>	
Noon Industries (Pvt) Limited		
• Dividend paid	<u>2,277</u>	<u>1,952</u>
Fauji Foods Limited		
• sale of sugar	<u>60,316</u>	<u>52,021</u>
<b>ii) Relative of director</b>		
Mr. Adnan Hayat Noon		
• loan obtained	<u>-</u>	<u>450,000</u>
• loan repaid	<u>-</u>	<u>16,500</u>
• Consultancy paid	<u>10,200</u>	<u>9,734</u>
<b>iii) Key management personnel</b>		
• salary and other employment benefits	<u>41,445</u>	<u>31,024</u>
• loan provided	<u>1,000</u>	<u>2,000</u>
• loan repaid	<u>1,800</u>	<u>125</u>
• vehicle sold	<u>1,032</u>	<u>-</u>
<b>iv) Retirement Fund</b>		
• Contribution towards provident fund	<u>1,363</u>	<u>1,350</u>
<b>40. DISCLOSURE RELATING TO PROVIDENT FUND</b>		
<b>(i) Size of the Fund</b>	<u>86,796</u>	<u>104,375</u>
<b>(ii) Cost of investments made</b>	<u>60,355</u>	<u>75,008</u>
<b>(iii) Percentage of investments made</b>	<u>69.54%</u>	<u>71.86%</u>
<b>(iv) Fair value of investments made</b>	<u>60,355</u>	<u>75,008</u>

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

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>--- Percentage ---</b>		<b>--- Rupees in '000 ---</b>	
Special account in a scheduled bank	<u>33.73</u>	<u>76.17</u>	<u>20,356</u>	<u>57,132</u>
Mutual fund	<u>66.27</u>	<u>23.83</u>	<u>39,999</u>	<u>17,876</u>
	<u>100.00</u>	<u>100.00</u>	<u>60,355</u>	<u>75,008</u>

The figures are based on the un-audited financial statements of the Provident Fund (the Fund) as at September 30, 2021 and audited financial statements as at September 30, 2020. The investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

The Fund's audit for the year ended September 30, 2020 has been carried-out by M/s. Javaid Jalal Amjad & Co., Chartered Accountants, 384-N, Samanabad, Lahore.

<b>41. NUMBER OF EMPLOYEES</b>	<b>2021</b>	2020
	- - - Number - - -	
Average number of employees during the year	<b>522</b>	543
Number of employees at the September 30,	<b>489</b>	488

#### **42. SUBSEQUENT EVENT**

Subsequent to the year-end, a fire incident had occurred in the Company's distillery storage tanks due to electrical short-circuit that damaged storage tanks and some of the distillery stocks. These assets were fully insured. The management is in process of lodging insurance claim with the insurer and is hopeful to get full compensation against the above loss.

The Board of Directors, in its meeting held on December 28, 2021 has proposed a final cash dividend of Rs. 3.5 (2020: Rs.3.5) per share amounting to Rs. 57.811 million (2020: Rs.57.811 million) for the year ended September 30, 2021. This appropriation will be approved by the members in the forthcoming Annual General Meeting to be held on January 27, 2022.

The financial statements for the year ended September 30, 2021 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending September 30, 2022.

#### **43. CORRESPONDING FIGURES**

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. However, no significant reclassification has been made in these financial statements except for reclassification of advances received from sugar commission agents amounted Rs.75.028 million from contract liabilities to trade and other payables.

#### **44. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on December 28, 2021 by the board of directors of the Company.



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



**SALMAN HAYAT NOON**  
Director



**RIZWAN SOHAIL**  
Chief Financial Officer

## FORM 34

The Companies Act, 2017  
(Section 227(2)(f))

### PATTERN OF SHAREHOLDING

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

2.1 Pattern of holding of the shares held by the shareholders as at **30-09-2021**

2.2

No. of Shareholders	Shareholdings		Total Shares Held
	From	To	
814	1	100	23,238
458	101	500	124,464
175	501	1,000	132,418
233	1,001	5,000	506,331
27	5,001	10,000	204,382
10	10,001	15,000	121,305
14	15,001	20,000	245,746
7	20,001	25,000	161,196
3	25,001	30,000	84,086
1	30,001	35,000	31,178
1	35,001	40,000	37,148
1	40,001	45,000	40,100
2	45,001	50,000	95,522
1	55,001	60,000	58,117
2	60,001	65,000	123,275
1	85,001	90,000	88,135
1	100,001	105,000	105,000
1	140,001	145,000	142,806
1	215,001	220,000	217,700
1	270,001	275,000	273,520
1	290,001	295,000	290,500
1	330,001	335,000	335,000
1	545,001	550,000	549,000
1	765,001	770,000	765,403
1	1,000,001	1,005,000	1,000,600
1	1,435,001	1,440,000	1,437,480
1	3,320,001	3,325,000	3,323,803
1	5,995,001	6,000,000	6,000,000
<b>1,762</b>			<b>16,517,453</b>

2.3 Categories of shareholders	Share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	3,418,336	20.6953%
2.3.2 Associated Companies, undertakings and related parties.	7,320,849	44.3219%
2.3.3 NIT and ICP	29,372	0.1778%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	1,448	0.0088%
2.3.5 Insurance Companies	3,732	0.0226%
2.3.6 Modarabas and Mutual Funds	-	0.0000%
2.3.7 Shareholders holding 10% or more	9,384,695	56.8168%
2.3.8 General Public		
a. Local	1,854,485	11.2274%
b. Foreign	466	0.0028%
2.3.9 Others (to be specified)		
- <b>Joint Stock Companies</b>	2,412,221	14.6041%
- <b>Pension Funds</b>	2,039	0.0123%
- <b>Foreign Companies</b>	1,437,592	8.7035%
- <b>Others</b>	36,913	0.2235%

Signautre of Company Secretary



Name of Signatory

**NASIR IQBAL ANSARI**

Designation

**COMPANY SECRETARY**

CNIC Number

**35202-8896523-7**

Date

**30/09/2021**

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# NOON SUGAR MILLS LIMITED

## FORM OF PROXY

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

I/We \_\_\_\_\_  
(Name)

of \_\_\_\_\_  
(Address)

being a member of NOON SUGAR MILLS LIMITED hereby appoint

\_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

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

of \_\_\_\_\_ (Address)

as my/ our proxy to attend, act and vote for me/ us and on my/ our behalf, at the 59<sup>th</sup> Annual General Meeting of the Company to be held at 66 Garden Block, New Garden Town, Lahore on Thursday, January 27, 2022 at 11:30 a.m. and at any adjournment thereof.

As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_ 2022.

### WITNESSES

1. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_

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

2. Signature \_\_\_\_\_

Name \_\_\_\_\_

Address \_\_\_\_\_

CNIC # \_\_\_\_\_

Revenue Stamp (Rs. 15/-)
--------------------------------

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

## نون شوگر ملز لیمیٹڈ پراکسی فارم

رجسٹرڈ فوئیو نمبر/

سی ڈی سی اکاؤنٹ نمبر

میں/ہم

(نام)

(پتہ)

بحیثیت ممبر/ممبران نون شوگر ملز لیمیٹڈ، یہاں پر تقرر کرتا ہوں/کرتے ہیں

(نام)

(پتہ)

یا اس کی غیر حاضری کی صورت میں

(نام)

(پتہ)

کو بہ مقام 66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور میں بروز جمعرات مورخہ 27 جنوری، 2022 بوقت ساڑھے گیارہ بجے صبح یا اس کے کسی بھی التواء پر منعقد ہونے والے کمپنی کے انسٹوئس سالانہ اجلاس عام میں شرکت کرنے اور حق رائے دہی استعمال کرنے کے لیے اپنا/ہمارا بطور نمائندہ مقرر کرتا ہوں/کرتے ہیں۔

بطور گواہ آج بتاریخ 2022

پندرہ روپے کارسیدی ٹکٹ

یہاں چسپاں کریں

شیر ہولڈر تقرر کنندہ کے دستخط

گواہ 2

دستخط

نام

پتہ

قومی شناختی کارڈ نمبر

گواہ 1

دستخط

نام

پتہ

قومی شناختی کارڈ نمبر

نوٹ: پراکسی اسی صورت میں قابل قبول ہوگی کہ اس پر دستخط، رسیدی ٹکٹ، گواہان کے دستخط ہوئے ہوں اور اس کو اجلاس سے کم از کم 48 گھنٹے پہلے کمپنی کے رجسٹرڈ پتہ پر بھیج دیا جائے۔ سی ڈی سی کے ممبران کو اپنی پراکسی اپنے تصدیق شدہ قومی شناختی کارڈ کے ہمراہ بھیجنا ہوگی۔

## VIDEO LINK FACILITY FORM

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

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

Date \_\_\_\_\_

## BANK ACCOUNT DETAIL FORM

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

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

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

Folio Number / CDC AC No. \_\_\_\_\_

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

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

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

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

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

Contact Number: \_\_\_\_\_

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:




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Be safe**  
Learn about investing at  
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[www.jamapunji.pk](http://www.jamapunji.pk)
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\*Inquire about any other available for download for android and ios devices

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

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

## ڈائریکٹران رپورٹ برائے ممبران

### معزز ممبران،

نون شوگر ملز لمیٹیڈ کے ڈائریکٹران 30 ستمبر 2021 کو اختتام پزیر ہونے والے سال کی انٹھویں سالانہ رپورٹ، آڈٹ شدہ مالیاتی حسابات اور ان پر آڈٹ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### مالیاتی کارکردگی:

آپ کی کمپنی نے سابقہ تقابلی سالانہ عرصہ میں حاصل کردہ 254 ملین روپے مقابلے میں رواں سال کے دوران 252 ملین روپے کا بعد از ٹیکس منافع حاصل کیا ہے۔ سابقہ سالانہ عرصہ میں مصنوعات کی فروخت سے حاصل شدہ کل رقم 6,138 ملین روپے کے مقابلے میں حالیہ زیر جائزہ مالیاتی سال کے دوران کمپنی نے 9,190 ملین روپے کا حصول کیا۔ سابقہ سالانہ عرصہ کے دوران 15.50 روپے فی حصہ منافع کے مقابلے میں رواں مالی سال کے دوران فی حصہ منافع 15.38 روپے رہا۔

زیر نظر سال کے دوران، کمپنی انتہائی مشکل حالات میں اپنی آمدنی میں جامع ترقی کے حصول میں کامیاب رہی اور اس نے بورڈ کی فعال شرکت کے ذریعے اسٹریٹجک رہنمائی اور بروقت فیصلوں کے ساتھ اپنے حصص یافتگان کے مفادات کو برقرار رکھا۔

2020	2021	
(ملین روپے)	(ملین روپے)	
6,138	9,190	پیداوار کی فروخت سے حاصل شدہ کل رقم
960	1,006	خام منافع
658	643	پیداواری منافع
254	252	خالص آمدن
15.50 روپے	15.38 روپے	فی حصہ آمدن (روپے)

### پیداواری کارکردگی:

#### چینی

آپ کی ملز نے سابقہ سال کے تقابلی عرصہ کے دوران نیلے جانے والے 543,477 میٹرک ٹن گنے سے 105 دنوں میں 9.71 فیصد شرح کشید سے پیدا کردہ 52,788 میٹرک ٹن چینی کی پیداوار کے مقابلے میں 863,552 میٹرک ٹن گنا بیلا اور 121 دنوں کے عرصہ میں 9.60 فیصد شرح کشید سے 82,710 میٹرک ٹن چینی پیدا کی۔

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

2020	2021		
105	121	دن	پیداواری عرصہ
543,477	863,552	میٹرک ٹن	گنا نیلے جانے کی مقدار
52,788	82,710	میٹرک ٹن	چینی کی پیداوار
9.71	9.60	شرح فیصد	رس سے چینی کی پیداواری اوسط
4.48	4.30	شرح فیصد	شیرے کا پیداواری تناسب
24,341	37,033	میٹرک ٹن	شیرے کی پیداوار

کمپنی انتظامیہ کی مسلسل اور بھرپور کوششوں کے نتیجے میں ملز کی اپنے اور آس پاس کے علاقوں سے گنے کی سپلائی میں بہتری آئی ہے۔ گنے کے کاشتکاروں کو گنے کی فوری ادائیگی، کھاد اور کیٹرے مارا دیات کی فراہمی اور کھیت میں تیکنیکی معاونت کی مسلسل فراہمی نے کاشتکاروں کے ساتھ ہمارے خوشگوار تعلقات کو مضبوط کیا ہے، جس سے ملز کو گنے کی ہموار فراہمی میں بہت مدد ملتی ہے۔

چینی کی منڈیوں میں ایک مستحکم قیمت فروخت کی وجہ سے کرٹنگ سیزن کے دوران پڑوسی ملوں کے درمیان گنے کی خریداری سخت مقابلے کا سبب بنی رہی۔ ناموافق موسم کی وجہ سے چینی کی شرح کشید میں بھی گزشتہ سال کے مقابلے میں معمولی کمی دیکھی گئی۔ تاہم خام مال میں لاگت کے اضافہ کو بڑے پیمانے پر پیداواری حجم کے ذریعے پورا کیا گیا، جس کے نتیجے میں چینی کے حصے کا مارجن بہتر ہوا۔

رپورٹنگ کی مدت کے دوران عام طور پر شوگر انڈسٹری مختلف سرکاری اداروں کی طرف سے قانونی چارہ جوئی اور انتظامی مداخلتوں کے غیر ضروری دباؤ میں رہی، جس میں فیڈرل بورڈ آف ریونیو، کمپنیشن کمیشن آف پاکستان، کین کمشنر پنجاب اور ڈائریکٹر جنرل پرائس کنٹرول کے ساتھ قانونی چارہ جوئی شامل تھی۔ تاہم آپ کی انتظامیہ اور کمپنی کے وکلاء قانونی چارہ جوئی کے تمام معاملات کے نتائج کے بارے میں پر امید ہیں۔

## ڈسٹری:

زیر جائزہ عرصہ کے دوران 249 لیٹرن فی میٹرک ٹن کی شرح سے 123,567 میٹرک ٹن شیرہ پراسس کر کے 24,582 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کی گئی جبکہ سابقہ سال کے دوران 249 لیٹرا اتھنول فی میٹرک ٹن کی پیداواری شرح سے 85,969 میٹرک ٹن شیرہ پراسس کر کے 17,104 میٹرک ٹن انڈسٹریل گریڈ اتھنول پیدا کی گئی تھی۔

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

2020	2021		
351	284	دن	پیداواری عرصہ
85,969	123,567	میٹرک ٹن	شیرے کی پیداوار
17,104	24,582	میٹرک ٹن	اتھنول کی پیداوار
249	249	لیٹرن فی میٹرک ٹن	پیداواری اوسط

رپورٹنگ سال کے دوران، شیرے کی قیمت خرید پچھلے سال کے مقابلے میں غیر معمولی طور پر زیادہ رہی۔ پوری دنیا میں کووڈ سے متعلق پابندیوں نے رپورٹنگ کی مدت میں معاشی سرگرمیاں کم کر دی تھیں، جس کی وجہ سے اتھنول کی مانگ میں کمی آئی اور اس کی وجہ سے اتھنول کا پراسس دباؤ میں رہا۔ اتھنول کی مقامی مانگ بھی ٹھیک نہیں تھی جس کی وجہ رپورٹنگ مدت کے دوران اس کی فروخت سست رہی۔ تاہم، اتھنول کی برآمدات کی بڑھتی ہوئی مقدار نے بڑے پیمانے پر ان اخراجات کو پورا کیا ہے اور اس شعبے کے لیے ایک معمولی مارجن بھی مہیا کیا ہے۔

بد قسمتی سے ڈسٹری میں الکل لوڈنگ پوائنٹ کے قریب شارٹ سرکٹ کی وجہ سے آس پاس کے ماحول میں موجود بخارات میں آگ بھڑکنے کا ایک واقعہ پیش آیا۔ خوش قسمتی سے ملز کے سکیورٹی اور پروڈکشن عملے کی مشترکہ کوششوں، آگ بجھانے والے آلات اور ضلعی انتظامیہ کی ہنرمند فائر فائیننگ ٹیم کی مدد سے محدود جگہ پر لگی آگ کو چند گھنٹوں میں بجھا دیا گیا۔

## مستقبل کی پیش گوئی:

### چینی:

آپ کی انتظامیہ ویلیو ایڈیشن میں لگا تار سرمایہ کاری کر کے اور تمام پراسس یونٹس کو ملز پلانٹ کی اچھی دیکھ بھال کے ذریعے اور مزید موثر بنا کر کمپنی کے مستقبل کے بارے میں پر امید ہے۔ یہ کرٹنگ سیزن 18 نومبر، 2021 کو شروع ہوا ہے اور صوبائی حکومت نے کرٹنگ سیزن 2021-22 کے لیے گنے کی کم از کم قیمت خرید 200 روپے سے بڑھا کر 225 روپے فی 40 کلوگرام کر دی ہے۔ حکومت نے چینی کو سبز ٹیکس کے تیسرے شیڈیول میں بھی رکھا ہے جس سے صارفین پر ٹیکس کا بوجھ بڑھے گا۔ مارک اپ کی شرح میں بھی اضافہ ہوا ہے جو دیگر تبدیلیوں کے ساتھ مل کر چینی کی پیداواری لاگت میں نمایاں اضافہ کرے گا۔ تاہم چینی کی بڑھتی ہوئی کھپت ان اضافی اخراجات کو آخری صارفین تک منتقل کرنے کے قابل بنا کر صنعت کے لیے آسانی پیدا کر سکتی ہے۔

### اتھنول:

بین الاقوامی منڈی میں اتھنول کی قیمتیں دباؤ میں رہیں۔ Covid-19 کی پابندیوں کی وجہ سے یورپی ممالک کو اتھنول کی برآمدات کم تھیں لیکن آپ کی کمپنی نے مسلسل نئی منڈیوں کی تلاش کی اور کامیابی سے برآمدات کے حجم میں بہتری آئی ہے۔ اس شعبے کا مارجن بھی خام مال کی بڑھتی ہوئی قیمت سے بری طرح متاثر ہوا۔ تاہم پاکستانی روپے کی قدر میں حالیہ کمی نے ایکسپورٹ اور پیمنٹ اتھنول انڈسٹری کو کچھ سانس لینے کی جگہ فراہم کی ہے۔

کچھ سازگار عوامل جیسا کہ گنے کی بھرپور فصل سے مناسب قیمتوں پر شیرے کی بہتر دستیابی، شیرے کو اٹھانے کی اضافی لاگت اور اتھنول کی برآمدی قیمت میں اضافے کے رجحان کے ساتھ جو عالمی سطح پر گاڑیوں کی ایندھن کے ساتھ انڈیکس کیے جاتے ہیں، کی وجہ سے انشا اللہ اس سال کے دوران اتھنول کے شعبے میں مارجن کی بحالی کے امکانات ہیں۔

### متعلقہ پارٹیوں سے لین دین:

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

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

### کارپوریٹ سماجی ذمہ داری:

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

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

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

- b گھر بیلو ایشیاء کی رعائتی نرخوں قیمتوں پر فراہمی کے لیے نون شوگر ملز لمیٹڈ رہائشی کالونی میں ایک فیر پرائس شاپ چلا رہی ہے۔
- c کمپنی بھلوال میں گزشتہ 28 سالوں سے ایک مفت ڈسپنری بھی چلا رہی ہے اور ملحقہ رہائشی بسٹیوں کے غریب مریضوں کو مفت ادویات بھی مہیا کر رہی ہے۔

### کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضوابط کو 30 ستمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی نے اختیار کیا ہے اور ان پر مکمل طور پر عمل کیا ہے۔ اس ضمن میں ایک بیان رپورٹ سے منسلک ہے۔

### کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

انتظامیہ نے مالیاتی رپورٹوں اور ان کے نوٹس کو کمپنیز ایکٹ 2017 اور انٹرنیشنل مالیاتی رپورٹنگ سٹینڈرڈز (IFRS) کے اصولوں کے مطابق تیار کیا ہے۔ یہ رپورٹیں کمپنی کے آپریشنل (کاروباری) نتائج، رقم کے بہاؤ، اور ایکویٹی کی تبدیلی کے بیانات کو صریح طور پر بیان کرتی ہیں۔

### بورڈ آف ڈائریکٹران یہاں یہ بیان کرتے ہیں:

- مالیاتی گوشواروں کی تیاری کے دوران عالمی مالیاتی رپورٹنگ معیارات جو کہ پاکستان میں لاگو ہیں کو مناسب طریقے سے عمل میں لایا گیا ہے اور اس سے کسی بھی طرح کے انحراف کا مناسب طور پر مالیاتی بیانات کے نوٹس میں بیان کیا گیا ہے اور اس کی وجہ بیان کی گئی ہے؛
- کمپنی کی تمام مالیاتی کتب کو مناسب طور پر مرتب کیا گیا ہے؛
- مالیاتی گوشوارے تیار کرنے کیلئے مناسب حساباتی پالیسیوں کا مستقل طور پر اطلاق کیا گیا ہے اور حسابات کے تخمینے اور محتاط فیصلوں پر مبنی ہیں؛
- داخلی کنٹرول کا نظام مضبوط ہے اور موثر انداز میں رائج ہے اور اسکی نگرانی کی جاتی ہے؛
- کمپنی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی شک و شبہ نہیں ہے؛
- لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 میں بیان کردہ کارپوریٹ گورننس کے بہترین طریقوں سے انحراف نہیں کیا گیا؛
- سابقہ چھ سال کے مالیاتی اور کاروباری کوائف اس رپورٹ سے منسلک ہیں؛
- مالی سال 30 ستمبر 2021 تک ٹیکسوں، ڈیوٹیوں اور محصولات کی مد میں کوئی قانونی ادائیگی واجب الادا نہیں ماسوائے جن کا انکشاف مالی بیانات میں کیا گیا ہے؛
- کمپنی کے ڈائریکٹران، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ بچوں نے 30 ستمبر 2021 کو ختم ہونے والے مالی سال میں کمپنی کے حصص میں کوئی لین دین نہیں کیا؛
- ملازمین کے ریٹائرمنٹ فنڈ کی سرمایہ کاری کی لاگت مندرجہ ذیل ہے:

### ملازمین کی ریٹائرمنٹ کے فوائد:

کمپنی نے ایک تسلیم شدہ پراوڈنٹ فنڈ قائم کر رکھا ہے اور فنڈ کے مالی بیانات کے مطابق اس کی سرمایہ کاری کی مالیت حسب ذیل ہے:

30 ستمبر 2021 کی مالیت	60.355 ملین روپے
30 ستمبر 2020 کی مالیت	75.008 ملین روپے



گر بجوئے سکیم فی الوقت un-funded ہے اور تمام اہل ملازمین کے لیے اسکیم کے تحت ذمہ داری کو پورا کرنے کے لیے ایکچوریل ویلیو اییشن کی بنیاد پر سالانہ رقم فراہم کی گئی ہے جن کی تفصیلات 30 ستمبر 2021 کو ختم ہونے والے مالی سال کے آڈٹ شدہ مالیاتی بیانات کے نوٹ نمبر 9 میں موجود ہیں۔ 30 ستمبر 2021 کو کمپنی کا حصص داری کی ساخت (شئر ہولڈنگ پیٹرن) منسلک ہے جبکہ دیگر متعلقہ معلومات حسب ذیل ہیں:

### حصص یافتگان:

حصص کی تعداد	ایبوسی ایٹڈ کمپنیاں، وابستگان اور متعلقہ فریقین	حصص یافتگان	
765,403	نون انڈسٹریز (پرائیویٹ) لمیٹڈ	I	
NIL	Mutual Funds	II	
	ڈاریکٹران اور ان کے شریک حیات اور نابالغ بچے	III	
نابالغ بچے	شریک حیات	اپنی ملکیت	ڈاریکٹران کے نام
NIL	NIL	3,384,695	سلمان حیات نون
NIL	NIL	17	سیف اللہ خان نون
NIL	7,260	26,360	کنورا قبال طالب
NIL	NIL	1	لیفٹیننٹ کرنل (ر) عبدالخالق خان
NIL	NIL	1	عرفان احمد
NIL	NIL	1	سید علی رضا
NIL	NIL	1	محترمہ مریم ممدوٹ
NIL	NIL	NIL	IV ایگزیکٹوز

V- پبلک سیکٹر کمپنیز، کارپوریشنز، جوائنٹ سٹاک کمپنیز

فیصد	حصص
14.83%	2,449,134

VI- بنک، مالیاتی ادارے، نان بنکنگ مالیاتی کمپنیاں، انشورنس کمپنیاں، مکافل، مضاربہ اور پنشن فنڈ:

فیصد	حصص
0.04%	7,219

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

فیصد	حصص ملکیت	
36.33%	6,000,000	محترمہ طیہ نون
20.49%	3,384,695	سلمان حیات نون
8.70%	1,437,480	ای ایف جی پرائیویٹ بینک (چینل آئی لینڈ) لمیٹڈ
6.06%	1,000,600	بلک منجمنٹ پاکستان (پرائیویٹ) لمیٹڈ

حصص میں لین دین:

خرید	فروخت / گفٹ	ڈائریکٹران اور ایگزیکٹوز
NIL	NIL	

بورڈ کی میٹنگز اور ڈائریکٹران کی حاضری:

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

اجلاس میں حاضری	ڈائریکٹران کے نام
4	جناب کنورا قبال طالب
3	جناب سلمان حیات نون
4	جناب سیف اللہ خان نون
4	لیفٹیننٹ کرنل (ر) عبدالخالق خان
0	جناب محمد سہیل کھوکھر ☆
2	جناب عرفان احمد
4	سید علی رضا
4	محترمہ مریم ممدوٹ

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

☆ کمپنی کے ڈائریکٹر اور چیف آپریٹنگ آفیسر جناب محمد سہیل کھوکھر 25 دسمبر، 2020 کو انتقال کر گئے۔

### آڈٹ کمیٹی کی میٹنگ اور حاضری:

زیر جائزہ سال کے دوران اس کمیٹی کے چار اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

میٹنگ کی حاضری	ڈائریکٹر کا نام
4	سید علی رضا
3	جناب سلمان حیات نون
4	جناب سیف اللہ خان نون
4	محترمہ مریم ممدوٹ

### انسانی وسائل اور معاوضہ کمیٹی:

زیر جائزہ سال میں کمیٹی کے تین اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

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

### ٹیکنیکل کمیٹی:

زیر جائزہ سال میں کمیٹی کے تین اجلاس ہوئے جن میں حاضری کی تفصیل حسب ذیل ہے:

اجلاس میں حاضری	ڈائریکٹر کا نام
3	جناب سلمان حیات نون
2	جناب سیف اللہ خان نون
3	لیفٹیننٹ کرنل (ر) عبدالخالق خان
2	جناب عرفان احمد

## حصص یافتگان کے اجلاس:

زیر جائزہ سال کے دوران سالانہ اجلاس عام 28 جنوری 2021 کو منعقد ہوا۔

## واجب الادا قانونی ادائیگیاں:

تمام واجب الادا ادائیگیاں معمول کی نوعیت کی ہیں۔

## ڈائریکٹران کے معاوضے کی پالیسی:

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

## بورڈ کی کارکردگی کا جائزہ:

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضابطہ (v)(3)10 کی تعمیل میں بورڈ آف ڈائریکٹران نے مجموعی طور پر بورڈ، کمیٹیوں اور انفرادی ارکان بورڈ کی کارکردگی کی سالانہ جانچ کے لیے ایک طریقہ کار وضع کیا ہے۔

## حصص یافتگان کا کردار:

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

## منافع منقسمہ:

بورڈ آف ڈائریکٹران نے 28 دسمبر 2021 کو منعقدہ اجلاس میں کمپنی کے تمام حصص یافتگان کو 30 ستمبر 2021 کو ختم ہونے والے سال کے لیے 3.50 روپے فی حصہ (35%) کے حساب سے حتمی منافع منقسمہ کی ادائیگی کی سفارش کی ہے۔ حتمی منافع منقسمہ کی منظوری 27 جنوری 2022 کو منعقد ہونے والے سالانہ اجلاس عام میں حصہ داران سے لی جائے گی۔

## صحت، حفاظت اور ماحولیات:


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

## آڈیٹران:


ریٹائر ہونے والے آڈیٹر شائن ونگ حمید چوہدری اینڈ کمپنی (Shinewing Hameed Chaudhri & Company)، چارٹرڈ اکاؤنٹنٹس نے اپنی خدمات کو ایک اور مدت کے لیے پیش کیا ہے۔ آڈٹ کمیٹی کی سفارش کے مطابق بورڈ ان کی تفرری کی تجویز پیش کرتا ہے۔

## اعتراف:

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



سلمان حیات نون  
ڈائریکٹر



لیفٹیننٹ کرنل عبدالخالق خان (ریٹائرڈ)  
چیف ایگزیکٹو

بمقام لاہور۔

مورخہ 28 دسمبر، 2021

# نون شوگر ملز لمیٹیڈ

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

## اطلاع برائے سالانہ اجلاس عام

بذریعہ ہذا اطلاع دی جاتی ہے کہ نون شوگر ملز لمیٹیڈ (کمپنی) کے ممبران کا انسٹھواں سالانہ اجلاس عام بروز جمعرات مورخہ 27 جنوری، 2022 صبح ساڑھے گیارہ بجے مندرجہ ذیل امور کی انجام دہی کے لیے بمقام 66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور میں منعقد ہوگا:

- 1 - ممبران کے سالانہ اجلاس عام منعقدہ 28 جنوری، 2021 کی کارروائی کی توثیق۔
- 2 - 30 ستمبر، 2021 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 - 30 ستمبر 2022 کو اختتام پزیر ہونے والے سال کے لیے کمپنی کے آڈیٹران کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔
- 5 - صدر اجلاس کی اجازت سے اجلاس میں پیش کیے جانے والے دیگر امور انجام دینا۔

## منتقلی حصص کی کتابوں کی بندش

کمپنی حصص کی منتقلی کی کتابیں 21 جنوری، 2022 تا 27 جنوری، 2022 (بشمول دونوں ایام) بغرض انعقاد سالانہ اجلاس عام اور منافع منقسمہ کے تعین کے لیے بند رہیں گی۔ 20 جنوری 2022 کے دفتری اوقات کے خاتمہ تک منتقلی کے لیے موصول ہونے والے حصص کے یافتگان منافع منقسمہ کے حقدار ہوں گے۔

حسب احکم بورڈ  
Naim Anwar  
ناصر اقبال انصاری  
کمپنی سیکریٹری

بمقام لاہور۔

مورخہ 28 دسمبر، 2021

نوٹس:

## 1 - اجلاس کی کارروائی میں شرکت کے لیے:

کووڈ 19 کی صورتحال کی روشنی میں حصص یافتگان کی حفاظت اور فلاح و بہبود کے لیے اور بڑے اجتماع سے بچنے کے لیے حصص یافتگان پراسیوں کے ذریعے اپنی حاضری کو کم سے کم افراد تک محدود کر سکتے ہیں۔ اس اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا اہل ممبر کسی دوسرے ممبر کو اپنی طرف سے شرکت، بولنے اور ووٹ دینے کی غرض سے اپنی پراسی کے طور پر مقرر کر سکتا ہے۔ پراسیوں کے لیے ضروری ہے کہ وہ اجلاس کے انعقاد کے لیے مقرر کردہ وقت سے کم از کم اڑتالیس گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہو جائیں۔ ایک ممبر ایک سے زیادہ پراسی کی تقرری نہیں کر سکتا۔ پراسی فارم کے ساتھ CNIC کی تصدیق شدہ کاپی ہونا ضروری ہے۔

2 - CDC کے اکاؤنٹ ہولڈروں کو ہدایت کی جاتی ہے کہ وہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے وضع کردہ مندرجہ ذیل ہدایات پر عمل کریں:

**a. اجلاس میں شرکت کے لیے:**

- i افراد کی صورت میں اجلاس میں شرکت کے وقت اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اپنی شناخت کی تصدیق اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا اصلی پاسپورٹ دکھا کر کرے گا۔
- ii کارپوریٹ باڈیز کے نمائندے اجلاس میں شرکت کے لیے بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ مع نامہ مزید افراد کے نمونہ دستخط اپنے ہمراہ لائیں گے۔

**b. پراسیکیوٹوں کے تقرر کے لیے:**

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

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

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

5 - کمپنیز ایکٹ، 2017 کی دفعہ (2) 132 کے تحت دوسرے شہروں میں مقیم ایسے حصص یافتگان جن کے حصص کی مجموعی تعداد دس فیصد یا زیادہ ہے کمپنی سے مطالبہ کر سکتے ہیں کہ انہیں اجلاس میں شرکت کے لیے ووٹریٹنگ کی سہولت مہیا کی جائے۔ ووٹریٹنگ کی سہولت کا مطالبہ اجلاس کی تاریخ سے کم از کم دس روز قبل شیئرز رجسٹرار کے پتے پر موصول ہونا چاہیے۔ مجوزہ درخواست فارم سالانہ رپورٹ سے منسلک ہے۔

6 - 30 ستمبر 2021 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو کمپنی کی ویب سائٹ پر دستیاب کیا جا رہا ہے۔

7 - کمپنیز ایکٹ، 2017 کی دفعات 143 تا 145 اوپنیشنز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی قابل اطلاق شقوں کے تقاضوں کو پورا کرنے کے بعد ممبران اپنا رائے شماری کا حق استعمال کر سکتے ہیں۔

حسب الحکم بورڈ

**Naim Arsal**

ناصر اقبال انصاری

کمپنی سیکریٹری

بمقام لاہور۔

مورخہ 28 دسمبر، 2021

نون شوگر ملز لمیٹڈ

سالانہ رپورٹ

۲۰۲۱



66 گارڈن بلاک، نیو گارڈن ٹاؤن، لاہور۔