



سانگھڑ شوگر ملز لمیٹیڈ  
Sanghar Sugar Mills Limited



# ANNUAL REPORT

2022

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## Company Information

### BOARD OF DIRECTORS

Mr. Ghulam Dastagir Rajar (Chairman)  
 Mr. Ghulam Hyder (Chief Executive)  
 Haji Khuda Bux Rajar (Executive Director)  
 Mr. Shahid Aziz  
 Mr. Rahim Bux  
 Mr. Muhammad Qasim  
 Mr. M. Abdul Jabbar  
 Ms. Nazia Azam

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Mr. Rahim Bux (Chairman)  
 Mr. Shahid Aziz  
 Mr. M. Abdul Jabbar

#### HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Rahim Bux (Chairman)  
 Mr. Ghulam Hyder  
 Mr. M. Abdul Jabbar

#### INFORMATION TECHNOLOGY & STEERING COMMITTEE

Mr. Ghulam Hyder (Chairman)  
 Syed Rehan Ahmad Hashmi  
 Mr. Sheraz Khan

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Ghulam Dastagir Rajar (Chairman)  
 Mr. Muhammad Qasim  
 Ms. Nazia Azam  
 Syed Rehan Ahmad Hashmi

#### RISK MANAGEMENT COMMITTEE

Mr. Shahid Aziz (Chairman)  
 Haji Khuda Bux Rajar  
 Mr. Ghulam Dastagir Rajar

#### COMPANY SECRETARY

Mr. Muhammad Mubeen Alam

#### CHIEF FINANCIAL OFFICER

Syed Rehan Ahmad Hashmi

### STATUTORY AUDITOR

Kreston Hyder Bhimji & Co.  
 Chartered Accountants

### COST AUDITOR

A. D. Akhawala & Co.  
 Chartered Accountants

### SHARE REGISTRAR

Hameed Majeed Associates (Pvt) Limited  
 Karachi Chambers, Hasrat Mohani Road  
 Karachi.

Phone: 021 32424826

Fax: 021 32424835

### LEGAL ADVISOR

Rafiq Kalwar & Dars Law Associates,  
 Advocates & Corporate Counselors,  
 Office # 412, 4th Floor, Clifton Centre,  
 DC-1, Block 5, Clifton, Karachi

### BANKERS

#### Islamic

Al-Baraka Bank (Pakistan) Limited  
 Bank Islami Pakistan Limited  
 Meezan Bank Limited

#### Conventional

Bank Al-Habib Limited  
 MCB Bank Limited  
 National Bank of Pakistan  
 Soneri Bank Limited  
 United Bank Limited

### REGISTERED / HEAD OFFICE

Office No. 204, 2nd Floor, Clifton Centre,  
 Block - 5, Clifton, Karachi

Phone: 021 35371441 to 43 (3 lines)

Fax: 021 35371444

Website: [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

E-mail: [info@sangharsugarmills.com](mailto:info@sangharsugarmills.com)

### MANUFACTURING FACILITIES

13 K.M., Sanghar - Sindhari Road  
 Deh Kehore, District Sanghar, Sindh  
 Phone: (0345) 3737001 - 8222911

# Statement of Vision, Mission, Corporate Objectives and Strategy & Strategic Planning

## VISION STATEMENT

To have eminent position in manufacturing and supplying quality white refined sugar and allied products and thereby play an important role in the economic and social development of the country.

## MISSION STATEMENT

We the Management of Enterprise, have set forth our belief as to the purpose for which the Company is established and the principles under which it should operate. We pledge our entire efforts to the accomplishment of the purpose within the agreed principles. Sanghar Sugar Mills Limited is committed to:

- o Manufacture to the highest quality standards. Pursuing the improvement in shareholders' value through team work and continuous improvement in the system in a competitive business environment.
- o Be ethical in practice and fulfill social responsibilities.
- o Ensure a fair return to stakeholders.
- o Realize responsibility towards society and contribute to the environment as good corporate citizen.

## CORPORATE OBJECTIVES

The over riding objective of the Company is to optimize over the time, the return to its shareholders. To achieve this objective, the Company shall endeavor to ensure long term viability of its business and to manage effectively its relationship with stakeholders. Sanghar Sugar Mills Limited shall:

- o Recognize the need of working at the highest standard to achieve greater level of performance in order to meet the expectations of the stakeholders.
- o Optimize over the time, the returns to shareholders of the Company.
- o Strive for excellence and build on the Company's core competencies.
- o Conduct Company's business with integrity and supply only quality and credible information.
- o Respect confidentiality of the information acquired during the course of dealings with the interested parties and refrain from acting in any manner which might discredit the Company.

- o Operate within the regulatory framework and be free of any vested interest which might be incompatible with Organization's integrity, objectivity and independence.

## CORPORATE STRATEGY

Production of sugar and sugar by-products are the Company's main area of business. The Company, its Director and Management:-

- o Believe in diversification through new manufacturing facilities and through equity participation.
- o Recognize the value of technological improvement and acquire the benefits of current innovation and development in their business field.
- o Believe in professional management and modern practices and use latest techniques available for growth and overall prosperity.
- o Consider their human resource as the most important asset and help them in providing facilities with regard to training and updating their knowledge and skill and keep them highly motivated.
- o Believe in integrity in business and the Company's integrity depends on integrity of each one of its employees.
- o Consider the sugar cane growers as the most important part of the business.

## STRATEGIC PLANNING

- o Keep up with technological advancement and continuously update the company in the field of sugar technology.
- o Maintain all relevant technical and professional standards to be compatible with the requirement of the trade.
- o Gauge the market conditions and availability of substitute products and services and ensure quality with cost effectiveness.
- o Inculcate efficient, ethical and time tested business practice in the Company's management.



# Code of Conduct

The entire Organization of **Sanghar Sugar Mills Limited** will be guided by the following principles of Code of Conduct in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

## THE COMPANY

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

## AS DIRECTORS

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

## AS EXECUTIVES AND MANAGERS

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

## AS EMPLOYEES AND WORKERS

- o Observe Company policies, regulations and code of best business practices.
- o Devote productive time and continued efforts to strengthen the Company.
- o Make concerted struggle for excellence and quality.
- o Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- o Protect and safeguard the interest of the Company and avoid conflict of interest.
- o Maintain financial integrity and must avoid making personal gain at the Company's expense by participating in or assisting activities which compete with the Company.

# Notice of the Annual General Meeting

Notice is hereby given that 37th Annual General Meeting (AGM) of the Shareholders of the Sanghar Sugar Mills Limited (the Company) will be held on Saturday January 28, 2023 at 10:00 a.m. at 3rd Floor, PSX Auditorium, Pakistan Stock Exchange Building (Administration Block), Stock Exchange Road, Karachi and also through video link facility to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of Annual General Meeting of the Company held on January 27, 2022.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2022 together with Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year 2022-2023 and fix their remuneration. The present Auditors M/s Kreston Hyder Bhimji & Co. Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.
4. To transact any other ordinary business with the permission of the Chair.

By Order of the Board

**Muhammad Mubeen Alam**  
Company Secretary

Karachi: January 06, 2023

## NOTES :

### 1. Closure of Share Transfer Books:

The Share Transfer Books of the Company will remain closed from 21-01-2023 to 28-01-2023 (both days inclusive). Physical Transfers/CDS Transactions IDS received in order in all respects at the close of the Business on 20-01-2023 at the Company's Share Registrar M/s Hameed Majeed Associates (Pvt) Limited, Karachi Chamber, Hasrat Mohani Road, Karachi will be considered for attending and voting at Annual General Meeting.

### 2. Online Participation in AGM:

The Securities & Exchange Commission of Pakistan through its Circular No. 4 dated February 15, 2021 has directed the listed companies to ensure the participation of members in General Meeting through electronic means as a regular feature in addition to holding physical meetings. Therefore, the Members will also be able to participate in the AGM proceedings after completing all the formalities required for the verification and identification of the Members for online login participation.

For this purpose, Members are requested to get their particulars registered with the Company by sending email on "info@sangharsugarmills.com" mention in the subject that "AGM January 2023" and can also be registered by sending the following details through courier / post at the registered Office of the Company, addressed to Company Secretary. Following details are required:

Member Name	CNIC No.	Folio / CDS No.	Email ID	Cell No.

Video-link and login credentials and time will be shared with only those shareholders / proxies (must submit proxy form) whose details as stated above, must received by us at least 48 hours before the time of this meeting. Incomplete, suspicious and details received after the expiry of time period will not be entertained.

Members are also required to attach the copy of their CNIC and where applicable, copy of CNIC of member(s) of whom they hold proxy(ies) while sending the information. Without the copy of CNIC, such member(s) shall not be registered for the video-link facility.

**3. Comments / Suggestions for the Agenda Items:**

Members can also participate in the meeting through their comments / suggestions for the agenda items via our WhatsApp number and or through our email (kindly mention subject "AGM January 2023"). Details are given below:

WhatsApp No. +92 300 2742176

Email ID: info@sangharsugarmills.com

It is our responsibility that the comments / suggestions of the Members of the Company will be discussed in the meeting and will become part of the minutes of the meeting.

**4. Postal Balloting:**

Pursuant to the Companies (Postal Ballot) Regulations, 2018 for any agenda item subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 Members will be allowed to exercise their right of vote through postal ballot, in accordance with the requirements and procedures contained in the aforesaid Regulations.

**5. Participation in the AGM through Proxy:**

A member entitled to attend and vote at this meeting may appoint another member as proxy to attend and vote on his/her behalf. Forms of Proxy to be valid must be properly filled in/executed and received at the Registered Office of the Company at Office No. 204, 2nd Floor, Clifton Centre, Block-5, Clifton, Karachi, at least 48 hours before the time of this meeting. A Form of Proxy is attached herewith. CDC Account Holders will further have to follow the under mentioned guideline as laid down in circular dated January 26, 2000 issued by SECP.

**6. Submission of copy of CNIC (Mandatory):**

The Company's Shareholders who are holding its Share in Physical Form are hereby informed and notified in their own interest who have not yet provided copy of their valid Computerized National Identity Card (CNIC) mentioning their Folio Numbers are hereby reminded again through this Notice and previously requested through Notices of Annual and Extra Ordinary General Meetings held in previous years which were appeared in their respective Annual Reports of the Company as well as published in the news papers of Karachi and Lahore editions also published specific notices on several dates, to send urgently valid copy of their CNIC as mentioned above to the Company or its Share Registrar M/s Hameed Majeed Associates (Pvt) Limited in order to comply with the mandatory requirements of Securities and Exchange Commission of Pakistan (the Commission) issued vide SRO 83(1)/2012 dated July 05, 2012 and SRO 19(1) of 2014 dated January 10, 2014.

A List of such Shareholders along with their Folio numbers, Names, Address and numbers of the Company's shares held in Physical Form is available on the Company's Website [www.sangharsugarmills.com](http://www.sangharsugarmills.com) for reference who have not yet submitted the valid copy of their CNIC to the Company.

**7. Attendance at the Meeting:**

A Member holding Physical Shares must bring his/her original Computerized National Identity Card (CNIC) and should mention his/her CNIC and Folio No. and sign on the Attendance Sheet while personally attending this Meeting. Also Member having deposited his/her shares into Central Depository Company of Pakistan Limited must bring his/her Participant's ID No. and Account/Sub-account No. along-with original CNIC and mention his/her CNIC and CDC Account No. and sign on the Attendance Sheet while personally attending this Meeting. Representatives of corporate Members should bring the usual documents required for such purpose as prescribed by the SECP.

**8. Change of Address:**

Members are advised to promptly notify change in their postal address, if any, to the Company's Share Registrar. Members having shares in CDC accounts are required to have their address updated with respective participants.

**9. Video Conference Facility:**

Members can also avail video conference facility. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Meeting.

If the Company receives consent from members in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the Meeting along with complete information necessary to enable them to access such facility.

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Sanghar Sugar Mills Limited, holder of \_\_\_\_\_ (number of shares) ordinary share(s) as per Registered Folio/CDC Account No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

Signature of Member(s)

**10. Unclaimed Dividend:**

Members are advised to immediately write us in detail for any outstanding / unclaimed cash dividend issued to you by the Company in past years. Please give complete details duly signed either to the Share Registrar or the Secretary of the Company.

**11. Audited Financial Statements on Website:**

The audited financial statements of the Company for the year ended September 30, 2022 have been made available on the Company's website [www.sangharsugarmills.com](http://www.sangharsugarmills.com) in addition to annual and quarterly financial statements for the prior year's / period's respectively.

**12. Dividend Payments through Electronic Mode:**

In accordance with the provisions and under section 242 of the Companies Act, 2017, shareholders are entitled to receive their dividends by way of direct credit to their bank account instead of receiving them through dividend warrants.

Therefore, to receive your future dividends directly in your bank account, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar of the Company and in case Shares held in CDC then please inform concerned Participant / CDC investor Account Services. The form is also available on our Company's website and annexed herewith.

**13. Consent to receive Notices and Audited Financial Statements through email:**

In accordance with the SECP notification No. 787(I)/2014 dated September 08, 2014, Members of the Company who wish to receive the Audited Financial Statements and Reports of the Company through email are requested to provide a "Consent Form For E-mail", duly filled and signed in all respects, to the Company Secretary / Share Registrar. The Consent form is available on the Company's website and Form is also annexed herewith.

**14. Consent to receive Hard Copy of Audited Financial Statements:**

In accordance with the SECP notification No. 470(I) dated May 31, 2016 and in continuation of SECP notification No. 787(I)/2014 dated September 08, 2014, Members of the Company who wish to receive the Hard Copies of Audited Financial Statements and Reports of the Company instead of sending the same through CD / DVD / USB / email, are requested to provide a "Standard Request Form", duly filled and signed in all respects, to communicate the need of hard copies, to the Company Secretary / Share Registrar. The Standard Request Form is available on the Company's website and Form is also annexed herewith.



**15. Deposit of Physical Shares in to CDC Account:**

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form. Therefore, the Shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into scrip less form, this will facilitate you in many ways, including save custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per the existing regulations of the authorities.

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For any query and or information, members and others may contact to the Company or our Share Registrar at the following address:

**Registered Office of the Company:**

Office No. 204, 2nd Floor, Clifton Centre,  
Block - 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444.  
Website: [www.sangharsugarmills.com](http://www.sangharsugarmills.com),  
E-mail: [info@sangharsugarmills.com](mailto:info@sangharsugarmills.com)

**Share Registrar of the Company:**

Hameed Majeed Associates (Pvt) Limited,  
Karachi Chambers, Hasrat Mohani Road, Karachi.  
Phone: 021 32424826, Fax: 021 32424835.

## 15۔ کاغذی حصص کو سی ڈی سی اکاؤنٹ میں جمع کروانا:

کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام موجودہ لسٹڈ کمپنیوں پر لازم ہے کہ اپنے کاغذی صورت میں جاری کردہ اپنے حصص کو کھاتوں میں اندراج کے ذریعے تبدیل کر لیں، لہذا ایسے حصص داران جن کے پاس کمپنی کے حصص کاغذی صورت میں موجود ہیں سے گزارش کی جاتی ہے کہ کسی بھی بروکر کے پاس اپنا سی ڈی سی ذیلی اکاؤنٹ کھولوا لیں یا براہ راست سی ڈی سی میں اپنا سرمایہ کاری اکاؤنٹ کھولوا لیں تاکہ ان کے حصص کو اسکرپ لیس فارم میں منتقل کیا جاسکے، ایسا کرنے سے انھیں کئی لحاظ سے سہولیات فراہم ہو جائیں گی جیسا کہ محفوظ تحویل، کسی بھی وقت حصص کی فروخت وغیرہ، کیونکہ موجودہ قوانین کی رو سے کاغذی صورت میں اب حصص کی خرید و فروخت ممنوع ہے۔



مزید معلومات یا سوالات کیلئے ممبران یا دیگر افراد کمپنی یا ہمارے حصص رجسٹرار سے درج ذیل پتوں پر رابطہ کر سکتے ہیں:

**کمپنی کا رجسٹرڈ شدہ دفتر:**

دفتر نمبر 204، دوسری منزل، کلفٹن سینٹر، بلاک - 5، کلفٹن کراچی۔

فون نمبر : 021-35371441 to 43 (تین لائنیں)،

فیکس : 021-35371444، ویب سائٹ : [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

ای میل : [info@sangharsugarmills.com](mailto:info@sangharsugarmills.com)

**حصص رجسٹرار برائے کمپنی:**

حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

کراچی چیمبرز، حسرت موہانی روڈ، کراچی

فون : 021-32424826، فیکس : 021-32424835

## 11- آڈٹ شدہ مالیاتی دستاویزات کی ویب سائٹ پر فراہمی

کمپنی کی آڈٹ شدہ مالیاتی دستاویزات برائے مالی سال اختتامیہ 30 ستمبر 2022 کو کمپنی کی ویب سائٹ [www.sangharsugarmills.com](http://www.sangharsugarmills.com) پر فراہم کیا جا چکا ہے، علاوہ ازیں گزشتہ سالوں سے متعلق سہ ماہی اور سالانہ رپورٹوں کو بھی ویب سائٹ پر شائع کیا جا چکا ہے۔

## 12- الیکٹرانک ذرائع سے ڈیویڈنڈ کی ادائیگی

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت حصص داران کو یہ حق حاصل ہے کہ ان کے ڈیویڈنڈ انھیں بذریعہ ڈیویڈنڈ وارنٹ دینے کے بجائے براہ راست ان کے بینک اکاؤنٹ میں جمع کروادینے جائیں۔

لہذا مستقبل میں آپ اپنے ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں حاصل کرنے کیلئے اپنے بینک اکاؤنٹ سے متعلق مکمل معلومات ہمیں فراہم کیجئے اور اس سلسلے میں باقاعدہ تحریری طور بمعہ قومی شناختی کارڈ نمبر / این ٹی این نمبر اپنے دستخطوں کے ساتھ معلومات کو کمپنی کے حصص رجسٹرار کے پاس اور سی ڈی سی کی صورت میں اپنے شراکت دار / سی ڈی سی سرمایہ کار کے پاس جمع کروادیں۔ ڈیویڈنڈ مینڈیٹ فارم نوٹس ہذا کے ساتھ منسلک ہونے کے علاوہ ہماری ویب سائٹ پر بھی موجود ہے۔

## 13- آڈٹ شدہ مالیاتی دستاویزات ونٹس بذریعہ ای میل حاصل کرنے کیلئے اظہار رضامندی

ایس ای سی پی کی جانب سے جاری کردہ نوٹیفیکیشن بحوالہ نمبر 787/2014 مورخہ 08 ستمبر 2014 اگر کمپنی کے ممبران کمپنی کی آڈٹ شدہ مالیاتی دستاویزات اور رپورٹس بذریعہ ای میل حاصل کرنے میں دلچسپی رکھتے ہوں تو انھیں چاہیئے کہ "رضامندی فارم برائے ای میل" کو باقاعدہ پُر اور دستخط کرنے کے بعد کمپنی سیکرٹری / حصص رجسٹرار / متعلقہ شراکت دار / سی ڈی سی سرمایہ کار کے پاس جمع کروادیں۔ "رضامندی فارم برائے ای میل" کمپنی کی ویب سائٹ پر موجود ہے اور اس رپورٹ کے ساتھ بھی فارم کو منسلک کر دیا گیا ہے۔

## 14- آڈٹ شدہ مالیاتی کی ہارڈنقل کرنے حاصل کرنے کیلئے اظہار رضامندی

ایس ای سی پی کی جانب سے جاری کردہ نوٹیفیکیشن بحوالہ نمبر (1)470 مورخہ 31 نومبر 2016 اور نوٹیفیکیشن نمبر 787(1)/2014 مورخہ 8 ستمبر 2014 کے تحت ایسے ممبران جو کہ کمپنی کی مالیاتی دستاویزات اور رپورٹس سی ڈی وی ڈی / وی ڈی / یو ایس بی یا ای میل کے بجائے ہارڈنقل کی صورت میں حاصل کرنے کے خواہشمند ہوں تو انھیں چاہیئے کہ "اسٹینڈرڈ درخواست فارم" برائے حصول ہارڈنقل بابت کمپنی مالیاتی دستاویزات ونٹس باقاعدہ طور پر اور دستخط کر کے کمپنی سیکرٹری / متعلقہ شراکت دار / سی ڈی سی سرمایہ کار کے اکاؤنٹ کے ذریعے جمع کروادیں۔ اسٹینڈرڈ درخواست فارم "کمپنی کی ویب سائٹ پر موجود ہے اور اس فارم اس اعلان کے ساتھ بھی منسلک کر دیا گیا ہے۔

## 7- اجلاس میں شرکت

دستی حصص کا حامل کوئی ممبر اگر ذاتی طور پر اجلاس میں شرکت کرے تو لازم ہے کہ اپنا اصل کارآمد قومی شناختی کارڈ ہمراہ لے کر آئے اور حاضری کے رجسٹر میں اپنی حاضری بمعہ قومی شناختی کارڈ اور فوٹو نمبر درج کرے۔ اس کے علاوہ ایسے ممبران جنہوں نے اپنے حصص سینٹرل ڈپازٹری کمپنی میں جمع کروادیئے ہیں اور وہ اجلاس میں ذاتی طور پر شرکت کرنا چاہتے ہیں ان کو چاہیئے کہ اپنے اصل قومی شناختی کارڈ کے علاوہ شراکتی شناختی نمبر اور ذیلی اکاؤنٹ نمبر / اکاؤنٹ نمبر بھی ہمراہ لے کر آئیں اور حاضری کی شیٹ پر دستخط کرتے وقت اپنے قومی شناختی کارڈ اور سی ڈی سی اکاؤنٹ نمبر کو ضرور درج کریں۔ کارپوریٹ ممبران کے نمائندگان پر لازم ہے کہ اس موقع کی مناسبت سے ایس ای سی پی کی جانب سے لازم قرار دی گئی تمام دستاویزات ہمراہ لے کر آئیں۔

## 8- پتے کی تبدیلی

ممبران سے درخواست ہے کہ اگر انکے پتے کسی بھی قسم کوئی تبدیلی واقع ہوئی تو فوری طور پر اس تبدیلی سے کمپنی کے حصص رجسٹرار کو مطلع کریں۔ تاہم ایسے ممبران جن کے حصص سی ڈی سی میں ہیں کو چاہیئے کہ متعلقہ شراکت دار کو بھی پتے کی تبدیلی سے مطلع کریں۔

## 9- ویڈیو کانفرنس کی سہولت

ممبران ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں، اگر اس سہولت سے فائدہ اٹھانا مقصود ہو تو اجلاس سے کم از کم 10 دن پہلے درج ذیل فارم کو باقاعدہ پر کرنے کے بعد کمپنی رجسٹرڈ شدہ پتے پر جمع کرادیں۔

اگر کسی بھی جغرافیائی محل وقوع پر ہائش پذیر حصص داران کے اوسطاً 10% ممبران کی جانب سے اجلاس سے کم از کم 10 دن قبل کمپنی کو ویڈیو کانفرنس کی سہولت کیلئے درخواست موصول ہوتی ہے تو کمپنی کی جانب سے ویڈیو کانفرنس کا بندوبست کیا جاسکتا ہے بشرطیکہ اس علاقے میں بھی یہ سہولت میسر ہو۔ اگر ویڈیو کانفرنس کی سہولت میسر کرنی ہوگی تو کمپنی کی جانب سے حصص داران کو اجلاس سے کم از کم 5 دن قبل اطلاع فراہم کر دی جائے گی اور انہیں مکمل معلومات فراہم کی جائیں گی کہ اس سہولت تک انکی رسائی کس طرح ممکن ہو سکتی ہے۔

میں / ہم \_\_\_\_\_ ساکنہ \_\_\_\_\_ بطور ممبر ساکنہ شوگر ملز لمیٹڈ، حامل

عام \_\_\_\_\_ حصص (تعداد حصص) بحوالہ رجسٹرڈ فوٹو / سی ڈی سی اکاؤنٹ نمبر \_\_\_\_\_ بذریعہ ہذا بمقام

\_\_\_\_\_ ویڈیو کانفرنس کی سہولت حاصل کرنا چاہتا / چاہتی ہوں۔

دستخط ممبر (ممبران)

## 10- غیر دعویٰ شدہ ڈیویڈنڈ

ممبران کو چاہیئے کہ اگر ماضی میں اعلان کئے گئے کوئی بھی ڈیویڈنڈ انکے حق میں کمپنی پر واجب الادا ہیں تو فوری طور اس کی اطلاع تحریری طور کمپنی کو دیں۔ برائے مہربانی اس سلسلے میں دستخط شدہ مکمل معلومات کمپنی کے حصص رجسٹرار یا کمپنی سیکرٹری کے پاس جمع کروائیں۔



#### 4- حق رائے دہی بذریعہ ڈاک

کمپنیز (پوسٹل بیلٹ) ریگولیشنز، 2018 کی رو سے کسی بھی دیگر امور برائے ایجنڈا زیر تھ سیکشنز 143 اور 144 بابت کمپنیز ایکٹ کے سلسلے میں 2017 ممبران کو اس بات کی اجازت ہوگی وہ بذریعہ ڈاک اپنا حق رائے دہی استعمال کریں، اور اس حق کو استعمال کرنے کیلئے مذکورہ بالا قواعد کی تمام شرائط و ضوابط کو پورا کرنا لازمی ہوگا۔

#### 5- سالانہ عام اجلاس میں بذریعہ پراسی شرکت

کوئی ایسا ممبر جو کہ اجلاس میں شرکت اور رائے دہی کی اہلیت رکھتا ہو اپنی جگہ کسی اور ممبر کو شرکت اور رائے دہی کیلئے بطور پراسی مقرر کر سکتا ہے اور بطور پراسی مقرر کئے جانے والے فرد کو اصل ممبر کی طرح اجلاس میں شرکت کرنے، رائے دینے اور ووٹ ڈالنے کا حق حاصل ہوگا۔ پراسی مقرر کئے جانے والے فارم کے قابل قبول ہونے کیلئے لازم ہے کہ ہر لحاظ سے پرشدہ اور مکمل فارم دستخط اور مہر کے ساتھ جمعہ دو گواہوں، ان کے نام، پتے، قومی شناختی کارڈ نمبر اور دستخطوں کے ساتھ کمپنی کے رجسٹرڈ شدہ پتے آفس نمبر 204، دوسری منزل، کلفٹن سینٹر، بلاک 5، کلفٹن کراچی پر اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔ پراسی فارم کو اعلان ہذا کے ساتھ منسلک کر دیا گیا ہے۔ سی ڈی سی اکاؤنٹ کے حامل افراد پر لازم ہے کہ سرکلر مورخہ 26 جنوری 2000 از ایس ای سی پی میں مذکور ہدایات پر بھی عمل کریں۔

#### 6- قومی شناختی کارڈ جمع کرنا (لازم)

کمپنی کے ایسے حصص داران جن کے پاس کمپنی کے فزیکل / کاغذی حصص موجود ہیں اور انھوں نے ابھی تک اپنا کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ ہمارے پاس جمع نہیں کروایا کو ان کے بہترین مفاد میں بذریعہ ہذا فلیو نمبر کے ساتھ یاد دہانی کروائی جاتی ہے اور مطلع کیا جاتا ہے جیسا کہ ماضی میں بھی انھیں سالانہ عام اجلاس اور غیر معمولی سالانہ اجلاس عام کے نوٹسز کے ذریعے یاد دہانی کروائی جاتی رہی ہے جو کہ گزشتہ سالانہ رپورٹس میں شائع ہوتے رہے ہیں، نیز کراچی اور لاہور کے معروف اخبارات میں خصوصی نوٹسز کے ذریعے بھی مختلف تاریخوں پر یہ یاد دہانی کروائی جاتی رہی ہے کہ کمپنی یا کمپنی شیئر رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی نقل فوری طور پر ارسال کر دیجئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ SRO 83(1)/2012 مجریہ 5 جولائی 2012 اور SRO 19(1) بابت 2014 مجریہ 10 جنوری 2014 کے مطابق عمل درآمد کیا جاسکے۔

ایسے تمام حصص داران جن کے پاس کمپنی کے حصص فزیکل / کاغذی صورت میں موجود ہیں ان کے فہرست ان کے فلیو نمبر، نام، پتے اور فزیکل / کاغذی صورت میں ان کے پاس موجود کمپنی کے حصص کی تعداد کے ساتھ کمپنی کی ویب سائٹ [www.sangharsugarmills.com](http://www.sangharsugarmills.com) پر جاری کردی گئی ہے تاکہ جن حصص داران کی جانب سے ابھی کمپیوٹرائزڈ قومی شناختی کارڈ جمع نہیں کروایا گیا ہے وہ اس فہرست میں اپنا نام دیکھ سکیں۔

## 2۔ سالانہ اجلاس عام میں آن لائن شرکت:

سیکیورٹیز اینڈ ایکسچینج آف پاکستان کی جانب سے بذریعہ سرکلر نمبر 4 مجریہ 15 فروری 2021 تمام لسٹڈ کمپنیوں کو ہدایت دی گئی ہے کہ کمپنیاں اپنے سالانہ اجلاس عام میں ذاتی طور پر شرکت کے ساتھ ساتھ اس بات کو بھی یقینی بنائیں کہ مستقل بنیادوں پر ممبران کو ان اجلاسوں میں شرکت کیلئے الیکٹرانک ذرائع کی سہولت میسر ہو۔ لہذا اجلاس عام میں آن لائن شرکت کیلئے ممبران ضروری رسمی کاروائی کے بعد اہل ہونگے تاکہ ممبران کی شناخت اور توثیق کے بعد آن لائن لاگ ان ہونے کی سہولت فراہم کی جاسکے۔

اس مقصد کیلئے ممبران سے گزارش ہے کہ اپنی تمام تفصیلات کمپنی کے ای میل پتے "info@sangharsugarmills.com" پر بذریعہ ای میل ارسال کر دیں اور ای میل کے عنوان میں "AGM January 2023" تحریر کریں یا پھر یہ معلومات کمپنی سیکرٹری کو کمپنی کے رجسٹرڈ شدہ پتے پر بذریعہ کوریئر یا ڈاک بھی ارسال کی جاسکتی ہیں۔ مطلوبہ معلومات در ذیل ہیں:

ممبر کا نام	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	فولیو / سی ڈی سی نمبر	ای میل کا پتہ	موبائل فون نمبر

ویڈیولنک اور لاگ ان کرنے سے متعلق تفصیلات صرف انہی حصص داران / پراکسی (پراکسی فارم جمع کروانا لازم ہے) کو فراہم کی جائیں گی جن کی جانب سے مذکورہ بالا معلومات اجلاس عام شروع ہونے سے 48 گھنٹے پہلے تک جمع کروادی جائیں گی۔ نامکمل، مشکوک اور آخری تاریخ کے بعد موصول ہونے والی معلومات کو اجلاس کی کاروائی میں شامل نہیں کیا جائے گا۔

ممبران سے یہ بھی گزارش ہے کہ مذکورہ معلومات فراہم کرتے وقت اپنے قومی شناختی کارڈ کی نقل بھی منسلک کریں اور جہاں ضرورت ہو کسی ممبر کے پراکسی جس کی جانب سے وہ پراکسی بنائے گئے ہیں اس ممبر کی شناختی کارڈ کی نقل بھی منسلک کریں۔ قومی شناختی کارڈ کی نقل کے بغیر ممبران کو ویڈیولنک کیلئے رجسٹرڈ نہیں کیا جائے گا۔

## 3۔ ایجنڈے کے امور سے متعلق آراء و سفارشات

ممبران اجلاس میں اس طرح بھی شرکت کر سکتے ہیں کہ ہمارے واٹس ایپ نمبر پر یا بذریعہ ہمارے ای میل پتے پر (بعنوان "AGM January 2023") ایجنڈے پر موجود امور سے متعلق اپنی آراء اور مشوروں سے ہمیں آگاہ کریں۔ تفصیلات درج ذیل ہیں:

واٹس ایپ نمبر: +92 300 2742176

ای میل پتہ: info@sangharsugarmills.com

یہ ہماری ذمہ داری ہوگی کہ ممبران کی جانب سے دی جانے والی آراء اور سفارشات پر اجلاس میں زیر بحث لایا جائے اور زیر بحث لانے کے بعد ان آراء اور سفارشات کو اجلاس کی کاروائی کے تحت ضبط تحریر میں بھی لایا جائے گا۔

## نوٹس برائے سالانہ عام اجلاس

بذریعہ ہدایہ اطلاع دی جاتی ہے کہ کمپنی کے حصص داران کا سینتیسواں (37th) سالانہ عام اجلاس (AGM) 28 جنوری 2023 بوقت صبح 10:00 بمقام تیسری منزل، پاکستان اسٹاک ایکسچینج آڈیٹوریم بلڈنگ (ایڈمنسٹریشن بلاک)، اسٹاک ایکسچینج روڈ، کراچی منعقد کیا جائے گا اجلاس ہدایہ میں شرکت کیلئے ویڈیولنک کی سہولت بھی میسر ہوگی۔ اجلاس ہدایہ میں درج ذیل امور کو زیر بحث لایا جانا مقصود ہیں:

### عمومی امور

- 1- کمپنی کے سالانہ عام اجلاس مورخہ 27 جنوری 2022 کی کاروائی کی شقوں کی توثیق کرنا۔
- 2- کمپنی کی آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 ستمبر 2022 بمعہ ڈائریکٹرز و آڈیٹرز رپورٹ کو وصول کرنا اور اس پر غور و خوض کرنا اور اسے اپنانا۔
- 3- مالی سال 2022-23 کیلئے آڈیٹروں کی تعیناتی کرنا اور ان کے مشاہرے کا تعین کرنا۔ موجودہ آڈیٹر میسرز کریسٹن حیدر بھیجی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں اور اہل ہیں، انہوں نے اپنی اہلیت کی بنیاد پر دوبارہ منتخب ہونے کے لئے خود کو پیش کیا ہے۔
- 4- چیئرمین کی اجازت سے کسی بھی دیگر عام نوعیت کے مسئلے پر بحث کرنا۔

بحکم بورڈ

محمد مبین عالم  
کمپنی سیکرٹری

کراچی: 06 جنوری 2023

### نوٹس:

#### 1- حصص منتقلی کھاتوں کی بندش

کمپنی کی حصص منتقلی کے کھاتے برائے سالانہ عام اجلاس میں شرکت اور رائے دہی کے ضمن میں مورخہ 2023-01-21 تا 2023-01-28 (بشمول ایام مذکورہ) بند رہیں گے۔ ایسی تمام دستی منتقلیاں / سی ڈی ایس منتقلیاں اور آئی ڈی ایس جو کہ ہر لحاظ مکمل ہوں اور کاروباری دن کے اختتام مورخہ 2023-01-20 تک کمپنی کے حصص رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیمبر، حسرت موہانی روڈ، کراچی کو موصول ہو جائیں تو انہیں بروقت تصور کیا جائے گا اور انہیں اجلاس میں شرکت اور حق رائے دہی کیلئے زیر غور لایا جائے گا۔

## Chairman's Review

Dear Shareholders,

On behalf of the Board of Directors, I would like to present the Annual Report of the Sanghar Sugar Mills Limited (the Company) for the year ended September 30, 2022 and to share with you the overall performance and effectiveness of the role played by the Board.

During the year 2021-22, the Company has faced the rising raw material prices, depreciating Pakistani rupee, increasing interest rates were some of the challenges and again this year was very difficult and challenging year in respect of intense competition amongst the mills for sugarcane procurement which resulted in high sugarcane procurement cost. The selling price of sugar improved during the first quarter of the financial year, which contribute in alleviate the losses of the Company and enhanced cash-flows. Against the backdrop of multi faceted challenges and constraints, the Company has achieved highest ever sales value i.e. Rs. 3,872,185 thousand in the history of the Company.

As informed to you previously, the Company has taken steps to modernize its manufacturing facilities to ensure reliability and safety as well as enhanced integration with current technologies which resulted in sale of surplus Baggasse. Due to this higher off takes, increase in cost efficient operations, the Company has earned Rs. 70,466 thousand higher profitability before tax as compared to loss before tax of Rs. 16,094 thousand for the previous year.

The alignment between the Board and the management team has made this results possible and I am pleased to have such an engaged Board and guidance to the management teams have been a pivotal part of such financial results.

The Board is knowledgeable about the Company's current business activities including strengths and weaknesses and has an effective process for tracking activity with performance. The Board has completed its self evaluation and also assessed the performance of the Chief Executive Officer for the year 2021-22 and I would like to inform you that the overall evaluation and performance measured on the basis of approved criteria for the year was satisfactory.

The Board has performed its duties and responsibilities diligently and contributed effectively in guiding the Company in strategic and governance matters. All Board members, including directors, fully participated in and contributed to the decision making process of the Board. The Board has established policies that covers all major areas of Board responsibilities and operations of the Company.

I am also delighted to report that the Corporate Social Responsibility efforts supported the flood effected families of the Sanghar and areas nearby.

The Audit Committee and the Human Resource & Remuneration Committee were chaired by the independent director, indicating our commitment to the highest levels of governance and transparency. The Audit Committee has continued to supervise the financial reporting processes and ensuring timely and accurate communication of information to all stakeholders.

The Board has a fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders.

I have strong confidence that the Company will continue to grow and Board will play its strategic role in assuring sustainable growth of the business and to maximize return for its shareholders.

I would like to place on record, my sincere appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affairs and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah. And thanks to all the Government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

Karachi: December 31, 2022

**Ghulam Dastagir Rajar**  
Chairman



میں انتہائی مسرت کے ساتھ یہ بات بھی نوٹس میں لانا چاہتا ہوں کہ کمپنی کی جانب سے کارپوریٹ معاشرتی ذمہ داریوں کے تحت اٹھائے جانے والے اقدامات کے ذریعے ساگھڑ اور قرب وجوار کے سیلاب متاثرین خاندانوں کی امداد بھی کی گئی ہے۔

آڈٹ کمیٹی اور انسانی وسائل و ادائیگیوں کی کمیٹی کی صدارت غیر جانبدار ڈائریکٹر کی جانب سے کی گئی ہے جس سے ہماری اعلیٰ گورننس اور شفافیت سے گہری وابستگی کا اظہار ہوتا ہے۔ آڈٹ کمیٹی کی جانب سے مالیاتی رپورٹنگ کے سلسلے میں نگرانی کی گئی ہے تاکہ تمام شراکت داروں تک صحیح اور درست معلومات بروقت پہنچائی جاسکیں۔

بورڈ پر کمپنی کی رہنمائی اور افعال کے کنٹرول کی بنیادی ذمہ داری بھی عائد ہوتی ہے۔ ان ذمہ داریوں میں کمپنی کے کاروباری رسک کی نشاندہی کرنا اور ان کی نگرانی کرنا، مینجمنٹ انفارمیشن سسٹم کو مربوط بنانا اور تمام شراکت داروں تک شفاف رپورٹنگ کے ذریعے معلومات پہنچانا شامل ہیں۔ میں پراعتماد ہوں کہ کمپنی اسی طرح ترقی کی منازل طے کرتی رہے گی اور کمپنی کی مستقل بنیادوں پر ترقی و نشوونما کے ضمن میں بورڈ اپنا اہم کردار ادا کرتا رہے گا تاکہ کمپنی کے شراکت داروں کی سرمایہ کاری کی قدر میں اضافہ کیا جاسکے۔

اپنی جانب سے اس بات کو یکساں طور پر دیکھنا چاہتا ہوں کہ تمام اعلیٰ افسران، دیگر افسران اور ملازمین کی جانب سے کمپنی کے معاملات کو خوش اسلوبی کے ساتھ چلانے کیلئے جس اخلاص، ایمانداری اور محنت شاقہ کا مظاہرہ کیا گیا ہے وہ قابل ستائش ہے اور امید کرتا ہوں کہ آئندہ بھی اللہ رب العزت کی رحمت کے سائے تلے تمام افراد کمپنی کی پیداواری صلاحیت میں اضافے کیلئے اسی جوش و جذبے کا مظاہرہ کرتے رہیں گے۔ اس کے علاوہ اس موقع پر میں تمام سرکاری اداروں، بینکاروں اور غیر بینکاری مالیاتی اداروں، ترسیل کاروں اور حصص داران کا بھی تہہ دل سے شکریہ ادا کرنا چاہتا ہوں کہ کمپنی کی ترقی اور خوشحالی کیلئے ان کی حمایت اور تعاون ہمیشہ ہمارے شامل حال رہی ہے۔

غلام دستگیر راجڑ  
چیئر مین

کراچی: 31 دسمبر 2022ء

## چیرمین جائزہ رپورٹ

میری جانب سے انتہائی مسرت کے ساتھ ساگھر شوگر ملز لمیٹڈ (کمپنی) کی رپورٹ ہذا کو حصص داران کی خدمت میں پیش کیا جا رہا ہے، نیز میں انتہائی مسرت کے ساتھ 30 ستمبر 2022 کو ختم ہونے والے مالی سال کی بابت کمپنی سے متعلق مالیاتی دستاویزات اور دیگر معلومات بھی آپ کی خدمت میں پیش کر رہا ہوں اور اس کے ساتھ ساتھ بورڈ کی مجموعی کارکردگی کا جائزہ اور بورڈ کی جانب سے ادا کئے جانے والے موثر کردار کا جائزہ بھی پیش کیا جا رہا ہے۔

مالی سال 2021-22 کے دوران کمپنی کو خام مال کی بڑھتی ہوئی قیمتوں، پاکستانی روپے کی قدر میں کمی اور بلند شرح سود جیسے مسائل کا سامنا رہا۔ علاوہ ازیں اس سال شوگر ملوں کو گنے کے حصول میں سخت مسابقت کا سامنا کرنا پڑا جس کے باعث گنے کی قیمت خرید بہت بلند رہی۔ زیر نظر مالی سال کی پہلی سہ ماہی دوران چینی کی قیمت میں بہتری آئی جس کی وجہ سے کمپنی کے نقصان کا ازالہ کرنے میں مدد ملی اور نقد رقوم کی ترسیل میں بھی بہتری پیدا ہوئی۔ کثیرالجبہتی مسائل اور رکاوٹوں کے باوجود کمپنی کی فروخت کا حجم 3,872,185 ہزار روپے رہا جو کہ بلحاظ قدر کمپنی کی تاریخ میں فروخت کا سب سے بڑا حجم ہے۔

جیسا کہ آپ کو پہلے بھی بتایا جا چکا ہے، کمپنی کی جانب سے اپنی پیداواری صلاحیت میں جدت پیدا کرنے کیلئے کچھ اقدامات اٹھائے گئے ہیں تاکہ اعتماد اور حفاظت میں اضافے کے ساتھ ساتھ جدید ٹیکنالوجی سے بھی ہم آہنگی پیدا ہو سکے۔ ان اقدامات کی وجہ سے گنے کے پھوک کی فروخت میں اضافہ ہوا۔ حجم میں اضافے اور پیداواری لاگت میں کمی کی وجہ سے کمپنی نے گزشتہ مالی سال 16,094 ہزار روپے کے نقصان قبل از ٹیکس کے مقابلے میں اس مالی سال 70,466 ہزار روپے منافع قبل از ٹیکس زیادہ کمایا ہے۔

بورڈ اور انتظامیہ کے مابین ہم آہنگی پیدا ہونے سے ہی یہ نتائج برآمد ہوئے ہیں، مجھے اس بات پر دلی مسرت ہے کہ بورڈ کی جانب اس قدر دلچسپی لیے جانے اور انتظامی ٹیم کو رہنمائی فراہم کرنے جیسے اقدامات نے ایسے خاطر خواہ مالیاتی نتائج برآمد کرنے میں بنیادی کردار ادا کیا۔

بورڈ، کمپنی کی کاروباری صلاحیتوں بشمول اسکی کمزوریوں اور طاقت سے بخوبی واقف ہے اور کمپنی کی سرگرمیوں اور اس کے اثرات کو جانچنے کیلئے ٹریکنگ کا ایک نظام موجود ہے۔ بورڈ کی جانب اپنے جائزے کا عمل مکمل کر لیا گیا ہے اور کے ساتھ ہی مالی سال 2021-22 کیلئے چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ بھی لیا جا چکا ہے اور میں آپ کے گوش گزار کرنا چاہتا ہوں کہ منظور شدہ معیارات کے تحت لئے گئے جائزے کے مطابق کارکردگی کو اطمینان بخش قرار دیا گیا ہے۔

بورڈ کی جانب سے اپنے فرائض منصبی انتہائی مستعدی اور فرض شناسی کے ساتھ ادا کئے گئے اور کمپنی کی حکمت عملی وضع کرنے اور گورننس کے معاملات میں موثر رہنمائی کی گئی۔ تمام بورڈ ممبران بشمول ڈائریکٹرز نے فیصلہ سازی میں اپنا بھرپور کردار ادا کیا۔ بورڈ کی جانب سے ایسی پالیسیاں مرتب کی گئی ہیں جن کے تحت تمام اہم امور کے ضمن میں بورڈ کی ذمہ داریوں کا جامع احاطہ کیا گیا ہے۔

# Directors' Report

The Directors of your Company are pleased to present 37th Annual Report with the Audited Financial Statements of the Company for the year ended September 30, 2022.

## ABOUT THE INDUSTRY:

Several types of sugar in Pakistan are manufactured which include pharmaceutical, beverage and commercial grades also soft brown sugar, castor and icing sugar, sugar cubes, sachets and retail packs. Sugarcane is of great importance for sugar-related industries and 2nd largest agro-based industry after textile. Its production accounts for 3.7 percent of agriculture's value addition and 0.8 percent of Gross Domestic Product.

Better sugarcane procurement price incentivized growers to dedicate an additional area to sugarcane, favorable weather situations, better management and timely availability of quality inputs. Sugarcane production is characterized by a shorter than normal growing cycle and relatively low yields when compared to international standards. Sugarcane is moved to local mills to manufacture white sugar or is utilized at the farm to manufacturing Gur.

The 2022-23 sugarcane harvested area is slightly reduced in province of Sindh due to the impacts of the recent flooding in key production areas. While sugarcane is more resilient to flooding than other crops, the persistence of standing water and stalk lodging is expected to disrupt cane collection in Sindh province. As a result, estimated harvested area is reduced and the forecast for sugarcane production is lowered as compared to previous season. Similarly, with the expected decline in cane output, the cane sugar production will also be reduced while comparing to previous season.

The sugar industry is gearing-up for a replay of past years regarding surplus carry over stock and industry representatives have been demanding resumption of exports since March this year 2021-22 and claimed that the crushing season 2021-2022 had yielded a surplus production which exceeded domestic demand. Local markets witnessed limited instances of price gouging as consumer prices saw significant escalation, but no shortages. Subsequent to year-end, the Federal Government has approved with conditions some quota for export of surplus sugar stock which will be reviewed on periodically basis, this will give benefits to the industry as a whole and to the economy of our Country. Further, in line with overall inflation and export of sugar, the selling prices of sugar are expected to increase slightly in 2022-23.

In fact, as floods damaged standing sugarcane crop in Sindh and south Punjab, it looked as if export would no longer be required at all, as the some carryover would be used to service deficit in the upcoming year, if and only if, the crushing season 2022-23 yielded low recovery and produced less sugar as compared to the demand in the Country.

During the last crushing season, Pakistan finally completed successful implementation of the Track and Trace system in the sugar industry, hoping to bring large quantities of previously under reported sugar production into the documented economy.

## ABOUT YOUR COMPANY:

### PRINCIPAL ACTIVITIES

The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh.

**OPERATING RESULTS & ITS REVIEW**

	<b>2021-2022</b>	<b>2020-2021</b>
Season started on	<b>15-11-2021</b>	05-11-2020
Season completed on	<b>19-03-2022</b>	20-02-2021
Duration of crushing days	<b>125</b>	108
Sugarcane crushed (Metric Tons)	<b>581,109.556</b>	451,275.963
Average daily crushing (Metric Tons)	<b>4,648.88</b>	4,178.49
Cane sugar produced (Metric Tons)	<b>61,785.00</b>	45,239.50
Sucrose recovery (%)	<b>10.635</b>	10.012

Your Company is able to crush 581,109.556 M. Tons of sugar cane compared with 451,275.963 M. Tons of sugar cane in the last crushing season resulting an increase of 28.77% in crushing & producing 61,785.00 M. Tons of sugar, resulting an increase of 36.58 % of Sugar, when compared with production of 45,239.50 M. Tons of last season. Further, the Company is able to save an average 14% of baggasse consumed, in manufacturing of per ton of sugar, which results in an increase of selling of baggasse i.e approximately 281% higher quantity while comparing with the corresponding year and also produced molasses 26,291.340 M. Tons resulting an increase of 40.45% increase, when compared with the production of 18,720 M. Tons of last year.

Crushing & Production is high due to better crop in the area when compared with the last season along-with recovery is high due to the continuous supply of cane and the effect of better quality of crop since start of season.

**FINANCIAL RESULTS & ITS REVIEW**

The key financial figures of the Company for the year ended September 30, 2022 along with the comparatives for the corresponding year are summarized as under:

	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
Profit / (Loss) before taxation	<b>70,466</b>	(16,094)
Taxation	<b>68,857</b>	13,732
Profit / (Loss) after taxation	<b>1,609</b>	(29,826)
Earnings / (Loss) per share - basic and diluted (Rupees)	<b>0.13</b>	(2.50)

During the year, the Company has earned profit before taxation amounted to Rs. 70,466 thousand compared with loss before taxation of Rs. 16,094 thousand in last year. During the year, we managed to keep the cane procurement cost on the lower side when compared to the adjoining mills, gradually reduced the tenure of utilization of short term borrowings for a short span of time to keep the markup cost on lower side and also the repayment of long term loans gradually keep the cost at lower side, managed & control the manufacturing expenses despite phenomenal increase in inflation.

Due to better selling price of sugar which also remain stable in the first quarter resulting an increase the net turnover of sugar up-to 35.39% as compared to corresponding year and the sale of by-products i.e molasses and baggasse have also increased up-to 36.40% and 381.39% respectively which contributed in the profitability of the Company. Your Company's financial results shows improvement because of an increase in sucrose recovery and increase in turnover of by-products due to better management of operational efficiency of plant & machinery of the Company, as earlier informed to you.



**COMMENTS ON AUDITORS' REPORT**

The statutory auditors of the Company emphasizing the matter in their report regarding non-provision of Rs. 22 per maund for the season 2017-18, in this regard we would like to inform you that your financials are prepared by taking sugar cane purchased at Rs. 160 per 40 k.g. in the light of the interim order passed by the Honourable High Court of Sindh with the consent of all the stakeholders, we hope that considering the continued depressed economic condition of the sugar industry, the final decision by the Courts are likely to be in line with the consent order.

**CONTINGENCIES**

The Board would like to inform you that the Orders issued by the Deputy Commissioner Inland Revenue (DCIR) of Federal Board of Revenue (FBR) in respect of tax years from 2015 to 2019 under Section 122 (1) / (5) of the Income Tax Ordinance, 2001 creating a demand of Rs. 24,818,724 thousand and also passed Orders under Section 161 of the Income Tax Ordinance, 2001 for the consecutive three Tax Years 2017 to 2019 and again creating an exorbitant demand of Tax in aggregate amounting to Rs. 88,174 thousand and during the year passed an Order for the Tax year 2020 again creating an exorbitant tax demand of Rs. 31,434 thousand.

During the year, the Appellate Tribunal Inland Revenue of Pakistan has passed the Orders dated June 20, 2022 for tax years from 2015 to 2019 against the Orders passed by the DCIR under Section 122 (1) / (5) of the Income Tax Ordinance, 2001 and allegations / issues have been deleted / set aside. Further, the Commissioner Appeal has passed the Orders for the tax years from 2017 to 2020 against the Orders passed by the DCIR under Section 161 of the Income Tax Ordinance, 2001 and remand the issue back to the DCIR.

Your management believe that all the matters will be finalized in Company's favour as the demand raised through the stereo type orders by the FBR are without any justification or basis and further we would like to inform you that the higher authorities / forum have deleted / set aside / remand back the Orders issued by the DCIT.

**STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

The Board of Directors and the Company remain committed to the principles of good corporate management practice with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

The Company is fully compliant with the Code of Corporate Governance and as per the requirements of the listing regulations, following specific statements are being given hereunder:

- o The Financial Statements prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- o Proper books of accounts of the Company have been maintained.
- o Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- o International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements and there is no departure there from.
- o The system of internal control is sound in design and has been effectively implemented and monitored.
- o There are no significant doubts upon the Company's ability to continue as going concern.
- o There has been no material departure from the best practices of the Corporate Governance as detailed in the Regulations.

- o The Key Operating and Financial Data for last ten years in summarized form are annexed.
- o There are no statutory over dues otherwise than those disclosed in the financial statements and statutory payments due on account of taxes duties, levies and charges are being made in the normal course of business.
- o An unfunded gratuity scheme is in operation for all permanent eligible employees and also the Leave Encashment Scheme for eligible employees to be paid at the time of retirement or leaving the Company. Provision are made annually to cover the obligation on the basis of actuarial valuation, related details of which are mentioned in the notes to the Financial Statements.
- o The Pattern of Shareholding is annexed.
- o In terms of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Companies shall ensure that all the directors on their boards have acquired the prescribed certification under Director Training Program. All the directors, except Haji Khuda Bux Rajar have attended and completed directors' training course conducted by Institutes / organizations authorized by the Securities & Exchange Commission of Pakistan. Haji Khuda Bux Rajar has the prescribed education and experience required for exemption under Regulations accordingly he is exempted from attending directors' training program.
- o The Board strives to continuously improve its and Board Committees' effectiveness. Board of Directors has developed a mechanism as required under the Code of Corporate Governance to undertake annual evaluation to assess Board's and its Committees' performance. The Board also reviews developments in corporate governance to ensure that the Company always remains aligned with best practices.
- o To the best of our knowledge, the Directors, Executives and their spouses and their minor children have not undertaken any trading of Company's shares during the year.
- o Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year is annexed with the Report.

#### **CORPORATE GOVERNANCE & ADHERENCE TO BEST PRACTICES OF CORPORATE GOVERNANCE**

The Company has a long history of adherence to high standards of ethical practices, and it continues to uphold these standards going forward. The Board defines a path of continuous improvement by constantly challenging existing processes and the Board has fiduciary responsibility for the proper direction and control of the activities of the Company. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and transparent reporting to shareholders.

The Corporate Governance structure of the Company is based on the Articles of Association as well as statutory, regulatory and other compliance requirements applicable to companies listed on the Pakistan Stock Exchange and the same is complemented by several internal procedures including a risk assessment and control system, as well as system of assurance on compliance with the applicable laws, regulations and the Company's Code of Conduct.

#### **NUMBER OF DIRECTORS**

The total numbers of Directors are eight as per the following:

- a) Male: Seven
- b) Female: One

**COMPOSITION OF THE BOARD**

The composition of Board is as follows:

**Independent Directors**

Male:

Mr. Rahim Bux

Mr. M. Abdul Jabbar

Female:

Ms. Nazia Azam

**Non-Executive Directors**

Mr. Ghulam Dastagir Rajar

Mr. Shahid Aziz

Mr. Muhammad Qasim

**Executive Directors**

Haji Khuda Bux Rajar

Mr. Ghulam Hyder

**BOARD COMMITTEES**

The Board has formed committees comprising of members given below:

**a) Audit Committee:**

Name	Status
Mr. Rahim Bux	Chairman
Mr. Shahid Aziz	Member
Mr. M. Abdul Jabbar	Member

**b) Human Resource and Remuneration Committee:**

Name	Status
Mr. Rahim Bux	Chairman
Mr. Ghulam Hyder	Member
Mr. M. Abdul Jabbar	Member

**c) Risk Management Committee:**

Name	Status
Mr. Shahid Aziz	Chairman
Haji Khuda Bux Rajar	Member
Mr. Ghulam Dastagir Rajar	Member

**d) Corporate Social Responsibility Committee:**

Name	Status
Mr. Ghulam Dastagir Rajar	Chairman
Mr. Muhammad Qasim	Member
Ms. Nazia Azam	Member
Syed Rehan Ahmad Hashmi	Member

**e) Information Technology & Steering Committee:**

Name	Status
Mr. Ghulam Hyder	Chairman
Syed Rehan Ahmad Hashmi	Member
Mr. Sheraz Khan	Member

**ATTENDANCE OF BOARD OF DIRECTORS AND COMMITTEES****Attendance of Board of Directors in Board Meeting**

Five Board meetings were held during the year. Leave of absence was granted to the Director unable to attend the meeting. Attendance by each Director was as mentioned below:

S. No.	Name of Directors	Status	No. of Meetings Attended / Total Meetings held
1)	Mr. Ghulam Dastagir Rajar	Chairman	4/5
2)	Mr. Ghulam Hyder	Chief Executive	5/5
3)	Haji Khuda Bux Rajar	Director	5/5
4)	Mr. Rahim Bux	Director	5/5
5)	Mr. Shahid Aziz	Director	5/5
6)	Mr. M. Abdul Jabbar	Director	5/5
7)	Ms Nazia Azam	Director	5/5
8)	Mr. Muhammad Qasim	Director	5/5

#### Attendance of Members in Meeting of Audit Committee

Five meetings of Audit Committee were held during the year. Attendance by each Member was as mentioned below:

S. No.	Name of Members	Status	No. of Meetings Attended / Total Meetings held
1)	Mr. Rahim Bux	Chairman	5/5
2)	Mr. Shahid Aziz	Member	5/5
3)	Mr. M Abdul Jabbar	Member	5/5

#### Attendance of Members in Meeting of Human Resource & Remuneration (H. R. & R.) Committee

Two meetings of H. R. & R. Committee were held during the year. Attendance by each Member was as mentioned below:

S. No.	Name of Members	Status	No. of Meetings Attended / Total Meetings held
1)	Mr. Rahim Bux	Chairman	2/2
2)	Mr. Ghulam Hyder	Member	2/2
3)	Mr. M. Abdul Jabbar	Member	2/2

#### Attendance of Members in Meeting of Information Technology Committee

Two meetings of Information Technology Committee were held during the year. Attendance by each Member was as mentioned below:

S. No.	Name of Members	Status	No. of Meetings Attended / Total Meetings held
1)	Mr. Ghulam Hyder	Chairman	2/2
2)	Syed Rehan Ahmad Hashmi	Member	2/2
3)	Mr. Sheraz Khan	Member	2/2

**Attendance of Members in Meeting of Corporate Social Responsibility (CSR) Committee**

Two meetings of CSR Committee were held during the year. Attendance by each Member was as mentioned below:

S. No.	Name of Members	Status	No. of Meetings Attended / Total Meetings held
1)	Mr. Ghulam Dastagir Rajar	Chairman	2/2
2)	Mr. Muhammad Qasim	Member	2/2
3)	Ms. Nazia Azam	Member	2/2
4)	Syed Rehan Ahmad Hashmi	Member	2/2

**Attendance of Members in Meeting of Risk Management Committee**

Two meetings of Risk Management Committee were held during the year. Attendance by each Member was as mentioned below:

S. No.	Name of Members	Status	No. of Meetings Attended / Total Meetings held
1)	Mr. Shahid Aziz	Chairman	2/2
2)	Haji Khuda Bux Rajar	Member	2/2
3)	Mr. Ghulam Dastagir Rajar	Member	2/2

**BOARD EVALUATION**

Complying with the Code of Corporate Governance, the Board approved "Self-Evaluation Mechanism" for evaluation of performance of the Board, its directors and committees through discussion and questions focusing on the Board's scope, objectives, functions, responsibilities, the Company's performance and monitoring. The purpose of the evaluation is to ensure that the Board's performance is measured with reference to overall corporate objectives, governance structure of the Company, statutory & regulatory compliance, effectiveness, collaboration and value addition and members also want to be even better at what they do. The Board has evaluated all the factors based on the inputs of the Directors made in the Board Meeting. All members of the Board participated in performance evaluation and provided their feedback. The results are then compiled and analyzed and the report further sent to Chairman. Capabilities and constraints are identified and the next part involves the members and discussing the findings of data gathered and analysis to reach an agreement on governance challenges facing the Board and development of appropriate action plans designed to address the problems.

**DIRECTOR'S TRAINING**

The Company is fully aware of the requirements of the Code of Corporate Governance. A formal program has been conducted which primarily includes amongst other things giving briefings relating to the Company's Vision and Strategies, organizational structure, role and responsibilities and powers of the Directors as per the Companies Act including the Code of Corporate Governance and any other regulatory laws applicable in Pakistan. One Director of the Company has the prescribed education and experience. Therefore, he is exempted from attending Director's Training Program pursuant to the Code of Corporate Governance Regulations. All other Directors have completed approved Directors' Training Program as specified in the Corporate Governance.

**CHIEF EXECUTIVE OFFICER'S (CEO) PERFORMANCE REVIEW**

Each year the Board establishes a list of goals and strategies aligned to achieve the mission of the Company. This helps in assessing how each objective is contributing towards the growth of the Company. The factors to be evaluated are adherence to the mission, long and short term objectives, ensuring long term profitability, increasing shareholder's value and ensuring good governance and statutory reporting. In addition, a separate evaluation questionnaire for Chief Executive Officer has also been developed for his performance. The performance evaluation of the CEO is carried out by all the Directors.

**ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER (CEO)**

The role of the Chairman and the Chief Executive Officer are segregated and they have distinct responsibilities and has been informed at the time of appointments.

Chairman acts as custodian of the Company on behalf of the Board and Stakeholders. He heads the Board of Directors and is responsible for ensuring the Board's effectiveness. The Chairman ensures the development of business and protection of goodwill of the Company. The Chairman also controls all meeting procedures and processes, guiding discussion and decision making along with enhancing relations with members and staff.

CEO has the prime responsibility of driving for achievement of the Company's vision, mission and its long term goals. He acts as a link between the Board and management of the Company and communicates with the Board on behalf of the management. The CEO is responsible for the day to day management of the Company's affairs and execution of long term strategy and plans. CEO also represents the Company to the shareholders, government authorities and the public. He is the leader and the decision maker to achieve targets.

**ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Management of the Company is responsible for establishing and maintaining a system of adequate internal controls and procedures. The Company has developed a sound mechanism for identification of risks, assigning levels and devising effective mitigating measures where required while ensuring their implementation by the Management across all functions.

In order to address existing and emerging risks with local implications, the Internal Audit department on an annual basis prepares annual risk assessment & audit plans for reviews in consultation with the business and Senior Management. Based on the annual risk & audit plan, regular reviews and advisories are performed to identify the significant Operational, Compliance & Financial Reporting risks and the key controls designed to address them. These controls are documented, responsibility is assigned, and are monitored for design and operating effectiveness. The Internal Audit function also assists the Management to achieve reasonable assurance in terms of reliability and integrity of the Company's financial and operational information, effectiveness in Company's operation to achieve desired results, Safeguarding of Company's assets, and Compliance of Company's actions with the relevant laws and regulations.

Further, the Directors confirm that the compliance with highest standard of Corporate Governance and comprehensive policies and procedures on internal financial controls has been approved by the Board and are in place and have been effectively implemented and monitored.

**THRESHOLD FOR DETERMINING EXECUTIVE**

Pursuant to the requirement of Clause 5.6.4 of the Listing Regulations (Rule Book) of the Pakistan Stock Exchange, the Board has set out a Threshold for determining an 'Executive' in respect of trading of Company's shares. The person whose annual basic salary exceeds Rs. 2.3 million during the year is treated as executive.



**RELATED PARTY TRANSACTIONS**

The Code of Corporate Governance requires the Company to place before the Audit Committee and upon recommendation of the Audit Committee, place before the Board for consideration and approval. The Company has duly ensured compliance of this requirement and all the Related party transactions were placed before the Audit Committee and upon recommendation, approved by the Board. These transactions were in-line with the requirements of International Financial Reporting Standards (IFRS) and the Companies Act, 2017. The Company maintains a thorough and complete record of all such transactions.

**Remuneration of Chief Executive, Directors and Executives**

The remuneration of the Board Members are approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The aggregate amount charged during the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company are disclosed in notes to the Financial Statements. Policy for Director's remuneration and meeting fee are annexed with the report.

**Other Transactions**

The Company in the normal course of business carried out transactions with Key Management Personnel (KMP) / related parties. The transactions reflect economic substance and are executed in the normal course of business and are disclosed in notes to the Financial Statements.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Name of Related parties with whom the Company has entered into transactions or had agreements and arrangements in place during the financial year along with the basis of relationship are also disclosed in respective notes to the financial statements. Contract or arrangements with related parties were in the ordinary course of business and were at arm's length basis.

**MATERIALITY APPROACH**

The Board has given authority and powers to the Company's management for taking day to day decisions. The management however observes the approach of materiality in applying power and authority. Determining materiality levels is subjective and varied between organizations. Authorizations for transactions and delegation of powers have been define clearly and carried out through formalized process in the Company.

**HUMAN RESOURCE MANAGEMENT & SUCCESSION PLANNING**

Human resource planning and management is one of the most important considerations with the senior management. The Board has established a Committee which is involved in the selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in the human resource policies and procedures and their periodic review.

The Company is committed to build the better organizational culture that is shaped by empowered employees who demonstrate a deep belief in the Company's Vision and Values. H.R. Management Policy is integral part of the Company's business strategy. The Company fosters leadership, individual accountability and team work.

The Company believes in pro-active approach towards Succession Planning. The Company recruits employees, develops their knowledge, skills, abilities and prepares them for advancement and promotion into more challenging roles. Succession Planning ensures that employees are constantly developed to fill each needed role. The Company looks for people who exemplify continuous improvement when it is spotting Successors for future.

**CONFLICT OF INTEREST**

The management of Company has the policy for actual and perceived conflicts of interest and measures are adopted to avoid, identify the existence and to disclose the existence of conflict of interest. No employee will perform any kind of work (directly or indirectly) for a third party without proper approval. Employees must notify their any actual or potential conflict of interest situation and obtain an advice or ruling as the case may be. The primary goal of Company is to manage conflicts of interest to ensure that decisions are made and are seen to be made on proper grounds, for legitimate reasons and without bias. The Company has set the procedures to manage and monitor the conflict of interest.

Every Director is required to provide to the Board complete details regarding any material transaction which may bring conflict of interest with the Company for prior approval of the Board. The interested director(s) do not participate in the discussion neither they vote on such matters. The Director shall promptly notify or disclose to the Board any personal or outside interest, relationship or responsibility held by the director with respect to any potential or actual transaction, agreement or other matter which is or may be presented to the Board for consideration. The transactions with all the related parties are made on arms length basis and complete details are provided to the Board for their approval. Further all the transactions with the related parties are fully disclosed in the financial statements of the Company.

**IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT**

It is the responsibility of the Company to make the environment healthy and clean. Therefore, the Company has made serious efforts and are installing equipment to reduce the pollution and making a good impact of Company's business on Environment. The Company has installed collection units to retrieve oil / grease e.t.c. from the waste water and ash collectors are also installed at the chimneys to absorb the ash. The Effluent treatment plant has been completed and it is to inform you that the Company has finalized the Environmental Management Plan and has also conducted all environmental examination and is working hard to significantly reduce the consumption of water by increase in imbibition water temperature at Mill House, reactivation of cooling tower for vertical crystallizer by this we are re cycling water use for crystallizer cooling purposes. Intake of fresh water is minimized only to make up water loss due to evaporation. Process chemicals are prepared with condensate water in place of raw water.

Further, our Reverse Osmosis (RO) Plants helps meet our water requirements at the factory premises while reducing reliance on municipal water systems, thereby assisting in the reduction of water scarcity in Pakistan. The Company is considerable lighting load, initially all lights were high pressure sodium bulbs, we have started to replace bulbs with Light Emitting Diode (LED) helping us in energy savings. Variable Frequency Drives (VFDs) has been installed on various machines to reduce power consumption.

**INVESTOR GRIEVANCE AND COMPLAINTS**

The Company allows full access to all shareholders including potential investors, to call for relevant information or details on Company's operations and their own shareholding. The required information is provided immediately or a query / grievance is resolved promptly in accordance with the regulatory guidelines.

**SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY**

Report of Sustainability and Corporate Social Responsibility is annexed

**RISK MANAGEMENT & STRATEGY**

The Company's overall risk management program focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control, and to monitor risks and adherence to limits. The Board of Directors has overall responsibility for

the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company considers the following material risk:

**Operational Risk**

Operational risk results in disruption of operations due to scarcity of material, energy outages and dearth of skilled human resources. To mitigate the operational risks, necessary strategies have been developed and substantial investments are continuously being made to ensure the reliability of operating plant. The Company has carried out necessary repairs & maintenance as required.

**Market Risk**

The Company is not materially exposed to the prices of raw material due to the fixation of prices by the Government. Strategies has been planned and implemented to overcome the huge cost of raw material.

**Foreign Exchange Risk**

The Company is not directly exposed to the risk of exchange rate fluctuation as at the year-end and the Company was also not directly exposed during the year.

**Credit Risk**

Credit risk relates to the risk that a Company may encounter as a result of failure of the counter parties to satisfy their debts or obligation in accordance with the agreed terms of credit. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. The Company manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits and / or by providing adequate allowance for doubtful debts. The Company believes that it is not exposed to major concentration of credit risk.

**Liquidity Risk**

Liquidity risk arises when the Company has insufficient ready cash and encounters difficulty in meeting its financial obligation. The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. As at the year-end, the Company has available un-availed short term borrowing facilities and also has cash & bank balances. The management believes that the Company is not significantly exposed to the liquidity risk.

**Interest Rate Risk**

Interest rate risk arises due to fluctuation in interest rates resulting in adverse future cash flows. Company's exposure to interest rate is associated with the long term financing and short term borrowings. The Company monitors interest rate fluctuation and encounters interest rate risk by utilizing optimal mix of different types of borrowing arrangements.

**ISSUES RAISED IN LAST ANNUAL GENERAL MEETING (AGM)**

The Annual General Meeting of the Company was held on January 27, 2022. All the agenda items of the meeting were approved without any specific issues raised by the members.

**IMPACT OF COVID - 19**

Consequent to the spread out of the pandemic of COVID-19 the Company has adopted all of the necessary Standard Operating Procedures (SOPs) to ensure safety and well being of the employees. All employees of the Company have been fully vaccinated except few having medical reasons. The management of the

Company has taken all of the necessary steps to carry out safe and reliable operations and ensuring continuation of the business of the Company. Due to this, management has assessed the accounting implications of these developments on these financial statements and assessed that there is no significant accounting impact of the effects of COVID-19 on these financial statements.

### **CAPITAL RESERVE**

Revaluation surplus on property, plant & equipment is presented in the statement of financial position as part of equity and in the statement of changes in equity as a capital reserve being the part of equity. This surplus is a capital reserve and is not available for distribution to shareholders of the Company in accordance with the Section 241 of the Companies Act, 2017.

### **DIVIDEND & APPROPRIATION**

Due to the minimum profit, cash flows and other circumstances already discussed, the Board of Directors of the Company in its meeting does not recommend any dividend and or appropriation for the year ended September 30, 2022.

### **CONTRIBUTION TO NATIONAL EXCHEQUER**

The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates and duties. The Company has accounted for in respect of contribution to National Exchequer in the form income taxes, sales tax and other levies amounting to Rs. 773,854 thousand during the year as compared to Rs. 566,840 thousand during the last year.

### **FUTURE PROSPECTS**

The Company has paid prices of sugarcane to cane growers above the minimum prices while compared with minimum price announced by the Government of Sindh, which results in an increase in the overall cost of production. Currently the selling prices of sugar are not in line with the cost of production, which will affect the margin of profitability of the Company and the sugar industry as a whole. We expect that the selling price of sugar will remain in-line with the average cost of Production to save the industry from losses.

The sugar industry is functioning under the peculiar environment affected by the policies of federal and provincial Governments as well as the trend of the international and local markets. The rising trend of procurement cost of sugarcane along with increasing other overhead expenses, un matching sale prices of sugar with its cost of production, expected surplus production of sugar in the country, and other unpredictable circumstances prevailing in the sugar industry might affect the profitability of the Company currently and in the future as well. Under the circumstances, certain remedial measures taken by the Government to reduce the surplus stock of sugar and stability and rationality in sugar prices in the local and international market will shape the future prospect of the sugar industry. In this connection, the Government should consider the proposal to link the minimum price of sugarcane with selling price of sugar, because maintenance of reasonable price of sugar will help to tackle the situation and result in benefiting to all the stake holders and allow the sugar industry to continue its operation for providing various economic and financial opportunities to uplift the rural community of the Country.

The rise in Minimum Support Price has once again thrown a spanner in the works. The sugar mills would not be able to turn a profit if their cost of production is raised, as retail prices might crash simultaneously due to significant carryover. Meanwhile, Government is relying on the oldest trick in the book, using the minimum price as indirect means for cash transfer to farmers, to compensate them for losses during floods and higher prices of farm inputs.

We would also again request the Government to resolve and disburse the issue of pending subsidies, as there were continuous hearing by Honourable Court were held in the matter of the case filed by the Company along-with the other sugar mills on the matter of pending subsidies and further the Company's legal council is confident that the case will be resolved in Company's favour in near future.

Strategies are in place and are regularly reviewed to ensure that the Company stays on the path of growth and progress. The focus is on stringent controls on the cost of production mainly through modernizing and replacement of old machines, lesser interruptions, abnormal wastages, process improvements, energy savings and high savings in Bagasse consumption through availing and implementing various options and installing machineries. Adhering to the guidelines and SOPs necessary to ensure the health and safety of human resources. We are optimistic that the Company's performance will sustain and further improve in terms of revenue, profits and liquidity positions.

### AUDITORS

The present Auditors M/s. Kreston Hyder Bhimji & Co. Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2023.

### ACKNOWLEDGEMENT

Your Directors appreciate and wish to place on record their appreciation for devotion of duty, loyalty and hard work of the executives, officers, staff members and workers for smooth running of the Company's affair and hope that they will continue for enhancement of productivity with great zeal and spirit under the blessings of Almighty Allah.

The Directors would like to thank all the government functionaries, banking and non-banking financial institutions, suppliers and shareholders for their continued support and cooperation for the betterment and prosperity of the Company.

For & on Behalf of the Board

**Ghulam Dastagir Rajar**  
Chairman

**Ghulam Hyder**  
Chief Executive Officer

Karachi: December 31, 2022

## آڈیٹرز

موجودہ آڈیٹرز میسرز کریسٹن حیدر بھیجی اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس آئینہ منعقد کئے جانے والے سالانہ عام اجلاس تک ریٹائر ہونے جارہے ہیں اور انہوں نے اپنی اہلیت کی بنیاد پر ایک مرتبہ پھر اپنی خدمات پیش کرنے کے ارادہ ظاہر کیا ہے۔ کارپوریٹ گورننس کے قواعد کے تحت، آڈٹ کمیٹی کی جانب سے سفارش کے بعد بورڈ آف ڈائریکٹرز نے بھی اکی دوبارہ تعیناتی کی سفارش کر دی ہے کہ انہیں مالی سال 30 ستمبر 2023 کیلئے بطور کمپنی آڈیٹرز تعینات کر لیا جائے۔

## اظہار تشکر

آپ کی کمپنی کے ڈائریکٹرز تمام منتظمین، افسران، اسٹاف ممبران اور دیگر ملازمین کی جانب سے کمپنی کے معاملات کو مستعد انداز سے چلانے کیلئے انکے اخلاص، ایمانداری اور محنت کیلئے تہہ دل سے ان کے مشکور ہیں۔ ڈائریکٹرز امید کرتے ہیں کہ مستقبل میں بھی میں ان کی جانب سے کمپنی پیداواریت میں اضافے کیلئے اسی جوش و جذبے کا مظاہرہ کیا جائے گا اور اللہ رب العزت کی رحمت ہمارے شامل حال رہے گی۔

نیز ڈائریکٹرز کمپنی کی بہبود اور ترقی کے ضمن میں تمام سرکاری عمال، بینکاروں اور غیر بینکاری مالیاتی اداروں، سپلائروں اور حصص داران کی جانب سے انکے تعاون اور حمایت کیلئے ان کے بھی بے حد مشکور ہیں۔

## برائے منجانب بورڈ

غلام حیدر  
چیف ایگزیکٹو آفیسر

غلام دستگیر راجڑ  
چیرمین

کراچی: 31 دسمبر 2022ء



## مستقبل کا جائزہ

کمپنی نے حکومت سندھ کی طرف سے اعلان کردہ کم از کم قیمت کے مقابلے میں گنے کے کاشتکاروں کو گنے کی قیمتیں کم از کم قیمتوں سے زیادہ ادا کی ہیں، جس کے نتیجے میں پیداوار کی مجموعی لاگت میں اضافہ ہوا ہے۔ فی الحال چینی کی قیمت فروخت پیداواری لاگت کے مطابق نہیں ہے جس سے کمپنی اور مجموعی طور پر شوگر انڈسٹری کے منافع پر منفی اثرات مرتب ہونگے۔ ہم توقع کرتے ہیں کہ چینی کی قیمت فروخت کو پیداوار کی اوسط لاگت کے مطابق رہے گی تاکہ صنعت کو نقصان سے بچایا جاسکے۔

چینی کی صنعت وفاقی اور صوبائی حکومتوں کی پالیسیوں کے ساتھ ساتھ بین الاقوامی اور مقامی مارکیٹوں کے رجحان سے متاثر ہونے والے ماحول کے تحت کام کر رہی ہے۔ گنے کی خریداری کی لاگت کے بڑھتے ہوئے رجحان کے ساتھ ساتھ دیگر اضافی اخراجات میں اضافہ، چینی کی پیداواری لاگت اور قیمت فروخت میں عدم مماثلت، ملک میں چینی کی متوقع اضافی پیداوار، اور شوگر انڈسٹری میں موجود دیگر غیر متوقع حالات کمپنی کے منافع کو فی الوقت اور مستقبل میں بھی متاثر کر سکتے ہیں۔ ان حالات میں حکومت کی جانب سے چینی کے زائد ذخیرے کو کم کرنے اور مقامی اور بین الاقوامی مارکیٹ میں چینی کی قیمتوں میں استحکام کے لیے اٹھائے گئے بعض تدارتی اقدامات چینی سے صنعت کے مستقبل کیلئے اہم پیش خیمہ ثابت ہو سکتے ہیں۔ اس سلسلے میں حکومت کو چاہیے کہ وہ گنے کی کم از کم قیمت کو چینی کی فروخت کی قیمت کے مطابق کرنے کی تجویز پر غور کرے کیونکہ چینی کی مناسب قیمت برقرار رکھنے سے صورت حال سے نمٹنے میں مدد ملے گی اور اس کے نتیجے میں تمام شراکت داروں کو فائدہ پہنچے گا اور شوگر انڈسٹری اس قابل ہو سکے گی کہ ملک کی دیہی آبادی کی ترقی کے لیے مختلف معاشی اور مالی مواقع فراہم کرنے کے لیے اپنے کاروباری آپریشنز کو کامیابی کے ساتھ جاری رکھ سکے۔

کم از کم سپورٹ پرائس میں اضافے کی وجہ سے ایک بار پھر پیداواری عمل سست روی شکار ہو جائے گا۔ پیداواری لاگت بڑھنے کی صورت میں شوگر ملیں منافع نہیں دے پائیں گی، کیونکہ پہلے سے موجود خاطر خواہ اسٹاک کی وجہ سے خوردہ قیمتیں بھی گر سکتی ہیں۔ دریں اثنا، حکومت اسی قدیم روایتی حل پر انحصار کر رہی ہے، جس میں کم از کم قیمت کا استعمال کسانوں کو نقد رقم کی منتقلی کے لیے بالواسطہ طور پر کیا جاتا ہے تاکہ سیلاب کے دوران ہونے والے نقصانات اور زرعی سامان کی زیادہ قیمتوں کی تلافی کی جاسکے۔

ہم حکومت سے ایک بار پھر یہ درخواست کریں گے کہ زیر التواء سبسڈیز کے مسئلے کو حل کیا جائے اور اس کی تقسیم کی جائے، کیونکہ کمپنی کی طرف سے دیگر شوگر ملوں کے ساتھ زیر التواء سبسڈی کے معاملے پر معزز عدالت کی طرف سے مسلسل سماعت ہو رہی ہیں اور مزید یہ کہ کمپنی کی قانونی مشیر اس بات کا مکمل یقین ہے کہ مستقبل قریب میں مقدمے کا فیصلہ کمپنی کے حق میں ہی آئے گا۔

کمپنی کو ترقی کی راہ پر گامزن کھنے کیلئے باقاعدگی کے ساتھ حکمت عملی مرتب کی جاتی ہے اور اس کا مستقل جائزہ لیا جاتا ہے۔ بنیادی طور پر پرانی مشینوں کو جدید بنانے اور تبدیل کرنے، رکاوٹوں کو کم کرنے، غیر معمولی ضیاع کو کنٹرول کرنے، پیداواری طریقہ کار میں بہتری لانے، توانائی کی بچت اور پھوک کی کھپت میں زیادہ بچت کے لئے مختلف مشینوں کی تنصیب جیسے اقدامات کے ذریعے پیداواری لاگت پر سخت کنٹرول کی جانب توجہ مرکوز کی جا رہی ہے۔ ملازمین کی صحت اور حفاظت کو یقینی بنانے کے لیے ضروری رہنما اصولوں اور SOPs پر سختی کے ساتھ عمل کیا جاتا ہے۔ ہم پر امید ہیں کہ کمپنی اپنی مؤثر کارکردگی کو برقرار رکھے گی اور آمدنی، منافع اور لیکویڈیٹی کے لحاظ سے کمپنی کی پوزیشن میں مزید بہتری آئے گی۔

## سود سے متعلق رسک

سود سے متعلق رسک کا تعلق شرح سود میں اتار چڑھاؤ سے ہے جس کی وجہ سے مستقبل میں نقد رقوم کی ترسیل پر منفی اثرات مرتب ہو سکتے ہیں۔ کمپنی کو اس ضمن میں طویل المیعاد تمویل اور اوقلیل المیعاد قرضوں کے سلسلے میں رسک کا سامنا رہتا ہے۔ کمپنی شرح سود میں اتار چڑھاؤ پر گہری نظر رکھتی ہے اور شرح سود سے متعلق رسک کو کم کرنے کیلئے قرضوں کے حصول کے سلسلے میں بہترین امتزاج مرتب کیا جاتا ہے۔

## گزشتہ سالانہ عام اجلاس (AGM) میں اٹھائے گئے مسائل

کمپنی کا سالانہ عام اجلاس 27 جنوری 2022 کو منعقد کیا گیا تھا۔ ایجنڈے پر موجود درج تمام امور کو اجلاس میں منظور کر لیا گیا اور ممبران کی جانب سے کوئی مسئلہ نہیں اٹھایا گیا۔

## Covid - 19 کے اثرات

عالمی وباء Covid - 19 کے باعث پیدا ہونے والی صورتحال کے بعد کمپنی اپنے ملازمین کو تمام ایس او پیز کی پابندی کروائی گئی تاکہ ان کی صحت پر کوئی سمجھوتہ نہ کیا جائے، کمپنی کے تمام ملازمین کی ویکسینیشن کی جا چکی ہے ماسوائے چند ایک ملازمین کے کہ جنہیں کوئی نہ کوئی طبی مسئلہ ہے۔ کمپنی کی انتظامیہ کی جانب سے انتہائی مستعدی کے ساتھ وہ تمام اقدامات اٹھائے گئے ہیں جن کے باعث کمپنی کے کاروباری افعال اور کاروبار کو بحفاظت اور صحت افزاء ماحول میں چلایا جاسکے۔ اس کے پیش نظر، انتظامیہ کی جانب سے ان اقدامات کے مالیاتی نتائج کو بھی زیر غور لایا گیا ہے اور یہ نتیجہ اخذ کیا گیا ہے Covid-19 سے پیدا ہونے والی صورتحال سے کمپنی کی مالیاتی دستاویزات کوئی خاص اثر نہیں پڑا۔

## کیپٹل ریزرو

پراپرٹی، پلانٹ و دیگر آلات کی قدر کی تجدید کے بعد ہونے والے اضافے کو مالیاتی پوزیشن کی دستاویز میں بطور ایکویٹی اور ایکویٹی میں رد و بدل کی دستاویز میں بطور کیپٹل ریزرو کے حصے میں ظاہر کیا گیا ہے جسے ایکویٹی کا حصہ بنادیا گیا ہے۔ یہ اضافہ کیپٹل ریزرو ہے اس لئے کمپنیز ایکٹ 2017 کے سیکشن 241 کے تحت یہ اضافہ کمپنی کے حصص داران کے مابین تقسیم کیلئے دستیاب نہیں ہے۔

## تقسیم منافع (ڈیویڈنڈ)

کم منافع اور دیگر لیکو ڈیٹی کی وجہ سے اور جیسا کہ حالات کا پہلے ہی ذکر کیا جا چکا ہے، بورڈ آف ڈائریکٹرز کی جانب سے مالی سال 30 ستمبر 2022 کیلئے کسی بھی منافع کی تقسیم کی سفارش نہیں کی گئی۔

## قومی خزانے میں کمپنی کا حصہ

وطن عزیز کی ترقی میں اپنا حصہ ملانے کیلئے کمپنی کی جانب سے قومی خزانے میں ٹیکسوں، ریٹس اور ڈیویڈنڈ کی مددات میں رقوم جمع کرائی جاتی ہیں۔ زیر نظر مالی سال کے دوران کمپنی کی جانب سے ٹیکسوں، سیلز ٹیکس اور دیگر لیویز کی مددات میں 773,854 ہزار روپے قومی خزانے میں جمع کروائے گئے جبکہ گزشتہ سال اسی عرصے کے دوران انہی مددات میں کمپنی کی جانب سے 566,840 ہزار روپے قومی خزانے میں جمع کروائے گئے تھے۔

کمپنی کی جانب سے درج ذیل امور کو رسک کے سلسلے میں اہم گردانہ جاتا ہے:

### کاروباری افعال سے متعلق رسک

کاروباری افعال کا رسک، افعال کو متاثر کرنے سے متعلق ہے، خام مال کی ترسیل میں تعطل، توانائی کی ترسیل میں تعطل، افرادی قوت کی ترسیل میں رخنہ اور بالخصوص مہارت کے حامل انسانی وسائل کی کمی سے یہ رسک پیدا ہوتا ہے۔ کاروباری افعال سے متعلق رسک کو کم از کم سطح پر رکھنے کیلئے ضروری حکمت عملی مرتب کی گئی اور اس ضمن میں مستقل بنیادوں پر خاطر خواہ سرمایہ کاری بھی کی جاتی رہی ہے تاکہ پلانٹس کو بلا تعطل چلانے میں کسی قسم کی کوئی رکاوٹ پیدا نہ ہو۔ کمپنی ضرورت کے تحت گاہے بگاہے مرمت اور دیکھ بھال کے کام کرواتی رہتی ہے۔

### مارکیٹ رسک

کمپنی کو خام مال کی قیمت سے متعلق کسی خاطر خواہ رسک کا سامنا نہیں ہے کیونکہ خام مال یعنی گنے کی قیمت بذات خود حکومت کی جانب سے ہی متعین کر دی جاتی ہے۔ البتہ خام مال کی بھاری قیمت کے اثرات سے نمٹنے کیلئے مناسب حکمت عملی کی منصوبہ بندی کرنے کے بعد ان پر عمل بھی شروع کر دیا گیا ہے۔

### غیر ملکی زرمبادلہ کا رسک

زیر نظر مالی سال کے اختتام پر کمپنی کو غیر ملکی زرمبادلہ کے رسک سے براہ راست کوئی واسطہ نہیں پڑا اور نہ ہی دوران سال کمپنی کو اس قسم کے کسی رسک کا سامنا رہا۔

### قرضوں کا رسک

قرضوں سے متعلق رسک سے مراد وہ رسک ہے کہ کمپنی معاملات کرنے والی پارٹیوں کے ساتھ شرائط و ضوابط کے تحت قرضوں کے معاملات نمٹانے میں کامیاب نہ ہو پائے۔ فروختگی سے متعلق وصولیوں کے حصول سے متعلق رسک کو کم از کم کرنے کی غرض سے انتظامیہ کی جانب سے قرضوں کا جائزہ لیا جاتا ہے جس میں خریدار کی مالی حیثیت، ماضی کے تجربات اور دیگر عناصر کو ملحوظ خاطر رکھا جاتا ہے۔ فروختگی کی وصولیوں سے متعلق رسک کو کم از کم سطح پر رکھنے کی غرض سے انتظامیہ کی جانب سے قرض پر مال فروخت کرنے کیلئے انفرادی خریداروں کیلئے ایک حد مقرر کی گئی ہے اور اس قسم کے رسک سے نمٹنے کیلئے پیشگی رقوم حاصل کی جاتی ہیں یا پھر لیٹر آف کریڈٹ کے ذریعے مال فروخت کیا جاتا ہے یا پھر ناقابل وصول قرضوں کیلئے ایک معقول پروویژن بنایا جاتا ہے۔ جہاں ضرورت محسوس کی جائے مخصوص پارٹیوں سے پیشگی رقوم حاصل کر لی جاتی ہیں یا پھر ضامن پارٹیوں سے پیشگی رقوم حاصل کی جاتی ہیں۔ کمپنی کے اندازوں کے مطابق کمپنی فی الوقت کمپنی کو بڑے پیمانے پر جمع شدہ قرضوں کے رسک کا کافی سامنا نہیں ہے۔

### لیکچو ڈیٹی رسک

لیکچو ڈیٹی رسک اس وقت پیدا ہوتا ہے جب کمپنی کے پاس نقد رقوم موجود نہ ہوں اور کمپنی اپنی ادائیگیاں کرنے سے قاصر رہے۔ لیکچو ڈیٹی رسک سے نمٹنے کیلئے کمپنی اپنے پاس خاطر خواہ نقد رقوم کا بندوبست کر کے رکھتی ہے اور اس بات کا بھی اہتمام کیا جاتا ہے کہ ضرورت پڑنے پر قرض کے حصول کیلئے مناسب چینل دستیاب ہوں۔ سال کے اخیر میں کمپنی کے پاس قلیل المیعاد قرضوں کے حصول کیلئے ایسی سہولیات دستیاب ہیں جن سے اب تک فائدہ نہیں اٹھایا گیا اور اس کے علاوہ کمپنی کے پاس نقد رقوم اور بینک بیلنس بھی موجود ہے۔ انتظامیہ کے اندازوں کے مطابق فی الوقت کمپنی کو لیکچو ڈیٹی رسک کا سامنا نہیں ہے۔

## ماحولیات پر کمپنی کے کاروبار کا اثر

کمپنی کی یہ ذمہ داری ہے کہ ماحول کو صحت افزاء اور صاف رکھے۔ لہذا کمپنی کی جانب سے ہر ممکن کوشش کی گئی ہے کہ ماحول کو صاف ستھرا رکھا جائے اور اس سلسلے میں اس قسم کی آلات نصب کئے گئے ہیں جن کی بدولت آلودگی کو کم کرنے میں مدد ملتی ہے تاکہ کمپنی کے کاروباری افعال سے ماحولیات متاثر نہ ہو۔ کمپنی کی جانب سے کلکیشن پونٹس کا قیام عمل میں لایا گیا جو خارج شدہ پانی سے تیل یا گریس کو علیحدہ کرنے کا کام کرتے ہیں اور چینیوں پر راکھ کو جمع کرنے والے ایسے آلات نصب کئے گئے ہیں جن کی وجہ راکھ فضائی آلودگی کا باعث نہیں بنتی۔ نیز فضلے کیلئے ایک ٹریٹمنٹ پلانٹ کو مکمل کیا جا چکا ہے اور اسے اٹاٹوں میں شامل کیا جا چکا ہے اور یہ بات آپ کے نوٹس میں لائی جانی ضروری ہے کہ کمپنی کی جانب سے انوائزمنٹل مینجمنٹ پلان کو حتمی شکل دی جا چکی ہے اور اس سلسلے میں تمام ماحولیاتی جانچ پڑتال بھی کی جا چکی ہے۔ اب انتہائی ٹھوس اقدامات اٹھائے جا رہے ہیں کہ پانی کے مصارف میں خاطر خواہ کمی لائی جائے جس کیلئے امبایشن وائرٹمبر پمپ کو مل ہاؤس میں بڑھایا جائے، ورٹیکل کرسٹلائزر کیلئے کولنگ ٹاور کی ری ایکٹیویشن کرنا تاکہ کرسٹلائزر کی کولنگ کیلئے پانی کی ری سائیکلنگ کی جاسکے۔ تازہ پانی کے استعمال کو کم از کم کیا جاسکے اور تازہ پانی کو صرف اس وقت زیر استعمال لایا جائے جب بخارات بن جانے کی وجہ سے پانی ضائع ہو جائے۔ خام پانی کی جگہ پروسس کیمیکلز کو کنڈنسیٹ پانی میں تیار کیا جاتا ہے۔

علاوہ ازیں، ہمارے ریورس اوسموس (RO) پلانٹ فیکٹری میں ہماری پانی کی ضروریات کو پورا کر رہے ہیں تاکہ میونسپل وائرٹسٹم پر ہمارا انحصار کم از کم ہو اور پاکستان میں پانی کی کمی کے مسئلے کو حل کرنے میں مدد ملے۔ کمپنی لائٹس کے لوڈ کو بھی کم کرنے پر کام کر رہی ہے، اولاً تمام لائٹس ہائی پریشر سوڈیم بلب والی تھیں جو کہ اب LED لائٹس سے تبدیل کر رہے ہیں تاکہ بجلی کی بچت ہو سکے۔ کئی مشینوں پر ویری ایبل فریکوئنٹ ڈرائیوز (VFDs) کی تنصیب کی جا چکی ہے تاکہ توانائی کی بچت کیا جاسکے۔

## سرمایہ کاروں کی شکایات اور مسائل

سرمایہ کاروں یا ممکنہ سرمایہ کاروں کو یہ مکمل سہولت فراہم کی جاتی ہے کہ وہ کمپنی کے کاروباری افعال سے متعلق معلومات اور اپنے حصص کے معاملات سے متعلق معاملات تک رسائی حاصل کر سکیں۔ اگر کسی بھی شخص کو معلومات درکار ہوں تو انھیں اس کا فوراً جواب مہیا کیا جاتا ہے اور شکایات کرنے کی صورت میں مروجہ قواعد کی روشنی میں فوری طور انکی شکایات کا ازالہ بھی کیا جاتا ہے۔

## استحکام اور کارپوریٹ معاشرتی ذمہ داری

استحکام اور کارپوریٹ معاشرتی ذمہ داری سے متعلق رپورٹ رپورٹ ہذا کے ساتھ منسلک کر دیا گیا ہے۔

## رسک مینجمنٹ اور حکمت عملی

کمپنی کی رسک مینجمنٹ حکمت عملی کی توجہ مکمل طور پر مالیاتی مارکیٹ کی بے یقینی اور اتار چڑھاؤ کی کیفیت پر مرکوز ہے اور اس حکمت عملی کا مقصد یہ نظر یہی ہے کہ کمپنی کے کاروباری افعال سے پیدا ہونے والے نتائج سے منسلک رسک کو کم از کم سطح پر لایا جائے۔ کمپنی کی رسک مینجمنٹ پالیسی بنانے کا مقصد یہ ہے کہ کمپنی کو لاحق رسک کی نشاندہی کی جائے، ایسے رسک کا تجزیہ کیا جائے، رسک پر قابو پانے کیلئے مناسب تحدیدی اقدامات اٹھائے جائیں اور ان اقدامات پر مسلسل نظر رکھی جائے تاکہ ان کے مثبت اثرات مرتب ہوں۔ کمپنی رسک مینجمنٹ کے دائرہ کار کو مکمل طور پر مضبوط و مربوط بنانا اور اس پر کڑی نظر رکھنا مجموعی طور بورڈ آف ڈائریکٹرز کی ذمہ داری ہے۔ بورڈ اس بات کا بھی ذمہ دار ہے کہ کمپنی کی جانب سے رسک مینجمنٹ کی پالیسیوں کو مرتب کرے اور ان کی کڑی نگرانی کرے۔ کمپنی کے کاروباری افعال اور مارکیٹ میں آنے والی تبدیلیوں کے پیش نظر کمپنی کی رسک مینجمنٹ سے متعلق پالیسیوں اور نظام کی مستقل بنیادوں پر اصلاح کی جاتی ہے۔

## انسانی وسائل کے بندوبست اور جانشینی سے متعلق منصوبہ بندی

انسانی وسائل کی منصوبہ بندی اور بندوبست کمپنی کی سینئر مینجمنٹ کے نزدیک انتہائی اہمیت کی حامل ہے۔ بورڈ کی جانب سے ایک کمیٹی تشکیل دی گئی ہے جس کے ذمے اہم انتظامی عہدوں کیلئے افراد کی تعیناتی، جانچ، مشاہرے کا تعین اور جانشینی منصوبہ بندی ہے۔ یہ کمیٹی انسانی وسائل سے متعلق پالیسیوں اور طریق کار میں اصلاحات سے متعلق سفارشات پیش کرنے اور وقتاً فوقتاً جائزہ رپورٹ پیش کرنے کی بھی ذمہ دار ہے۔

کمپنی ایک بہتر تنظیمی کلچر پر یقین رکھتی ہے جہاں تمام ملازمین باختیار ہوں اور کمپنی کے وژن اور اس کی اقدار سے گہرا لگاؤ رکھتے ہوں۔ انسانی وسائل کے بندوبست سے متعلق حکمت عملی کمپنی کی کاروباری حکمت عملی کا جزو لا ینفک ہے۔ کمپنی میں ایک ایسا کلچر موجود ہے جہاں لیڈرشپ کو پروان چڑھنے، خود احتسابی کی سوچ پیدا کرنے اور اجتماعی کوششیں کرنے کا جذبہ پیدا ہوتا ہے۔

کمپنی جانشینی کے ضمن میں ایک قدم آگے بڑھ کر اقدامات کرنے پر یقین رکھتی ہے۔ کمپنی ملازمین کو اس نیت سے منتخب کرتی ہے کہ ان کی تربیت کی جائے، انکی مہارتوں میں اضافہ کیا جائے، آگے بڑھنے کیلئے ان میں قابلیت پیدا کی جائے اور انھیں پہلے سے زیادہ بڑے چیلنج والی ذمہ داریاں سونپی جائیں۔ جانشینی کی پالیسی اس بات کو یقینی بناتی ہے کہ ملازمین مسلسل اپنی صلاحیتوں میں اضافہ کرتے رہیں اور ضرورت پڑنے پر ہمہ وقت ہر مشکل کردار ادا کرنے کیلئے تیار رہیں۔ کمپنی ایسے افراد کی ہمہ وقت تلاش میں رہتی ہے جو خود کو مہارت سازی کے عمل میں پیش پیش رکھتے ہیں تاکہ انھیں مستقبل میں زیادہ اہم ذمہ داریاں سونپی جاسکیں۔

## مفادات کا کلکراؤ

کمپنی میں مفادات کے کلکراؤ پر مبنی تنازعات اور ممکنہ تنازعات سے نمٹنے کیلئے ایک حقیقی اور جامع پالیسی موجود ہے، نیز اس قسم کے اقدامات کئے جاتے ہیں کہ تنازعات کو پیدا ہونے سے روکا جاسکے، ممکنہ تنازعات کی نشاندہی کی جاسکے اور ان کی وجوہات کو تعین کیا جائے۔ کوئی بھی ملازم (بلا واسطہ یا بالواسطہ) منظوری کے بغیر کسی تھرڈ پارٹی کیلئے اپنی خدمات فراہم نہیں کر سکتا۔ ملازمین پر لازم ہے کہ ایسے تمام حالات سے کمپنی کو آگاہ کرے جن کی بنیاد پر کمپنی کے ساتھ مفادات کا کلکراؤ ہو یا پیدا ہو سکتا ہو اور اس سلسلے میں مشورہ یا رولنگ حاصل کرے۔ کمپنی کی یہ پالیسی ہے کہ فیصلے اس انداز سے کئے جائیں اور ہوتے ہوئے نظر بھی آئیں کہ ان میں معقولیت کا عنصر واضح ہو اور ان میں کسی قسم کا تعصب ناپایا جاتا ہو۔ کمپنی کی جانب سے تنازعات کی مانیٹرنگ کیلئے ایک باقاعدہ نظام نافذ العمل ہے۔

تمام ڈائریکٹروں پر لازم ہے کہ بورڈ کو لین دین کے اہم معاملات سے آگاہ رکھیں جن کی وجہ سے مفادات کا کلکراؤ ہو سکتا ہو تاکہ اس سلسلے میں بورڈ کی منظوری حاصل کی جاسکے۔ مفادات کے حامل ڈائریکٹر/ڈائریکٹرز اس قسم کے بحث و مباحث میں حصہ نہیں لیتے نہ وہ اس سلسلے میں ووٹ دیتے ہیں۔ متعلقہ پارٹیوں کے ساتھ اس قسم کی لین دین کیلئے شفافیت کو ممکن بنانے کیلئے ہر ممکن اقدامات اٹھائے جاتے ہیں اور بورڈ سے منظوری حاصل کرنے کیلئے بورڈ کے سامنے مکمل تفصیلات رکھی جاتی ہیں۔ علاوہ ازیں متعلقہ پارٹیوں کے ساتھ لین دین کے تمام معاملات کی تفصیلات کو مالیاتی دستاویزات کے متعلقہ نوٹس میں بھی درج کر دیا جاتا ہے۔

## متعلقہ پارٹیوں سے لین دین

کوڈ آف کارپوریٹ گورننس کے اصولوں کے مطابق کمپنی پر لازم ہے کہ متعلقہ پارٹیوں سے لین دین کے معاملات کو آڈٹ کمیٹی کے سامنے پیش کرے اور آڈٹ کمیٹی کی سفارش سے ان معاملات کو منظوری کیلئے بورڈ کے سامنے پیش کیا جاتا ہے۔ کمپنی کی جانب سے اس اصول کی پاسداری کا یقینی بنایا گیا ہے، متعلقہ پارٹیوں سے لین دین کے معاملے میں تمام معاملات کو بورڈ کی آڈٹ کمیٹی کے سامنے منظوری کیلئے پیش کیا گیا اور بورڈ سے باقاعدہ ان کی منظوری حاصل کی گئی۔ لین دین کے یہ معاملات انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (آئی ایف آر ایس) اور کمپنیز ایکٹ 2017 کے قواعد کے عین مطابق ہیں۔ کمپنی کی جانب سے اس قسم کے تمام معاملات کا باقاعدہ ریکارڈ رکھا جاتا ہے۔

## ☆ چیف ایگزیکٹو، ڈائریکٹروں اور ایگزیکٹو کے مشاہرے

بورڈ ممبران کے مشاہرے کی منظوری بذات خود بورڈ سے ہی لی جاتی ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کے مطابق، اس بات کو یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کے تعین میں مشاورت کا حصہ نہ ہو۔ زیر نظر مالی سال کے دوران کمپنی کے چیف ایگزیکٹو، ڈائریکٹروں اور ایگزیکٹو کے مشاہرے بشمول تمام سہولیات کے ضمن میں اوسط درج ذیل رقوم کو مالیاتی دستاویز کے نوٹس میں درج کیا جا چکا ہے۔ ڈائریکٹروں کے مشاہرے اور اجلاسوں میں شرکت کی فیس سے متعلق پالیسی بھی رپورٹ ہذا کے ساتھ منسلک ہے۔

## ☆ لین دین کے دیگر معاملات

کمپنی نے معمول کے کاروباری معاملات کے تحت اہم انتظامی اشخاص اور متعلقہ پارٹیوں سے لین دین کے معاملات کئے ہیں۔ پیش کئے جانے والے معاملات معاشی اہمیت کے حامل ہیں اور ان معاملات کو معمول کے کاروباری معاملات کے تحت کیا گیا جنہیں مالیاتی دستاویز کے نوٹس میں درج کیا جا چکا ہے۔

اہم انتظامی شخصیات میں وہ افراد شامل ہیں جو کمپنی میں براہ راست یا بالواسطہ منصوبہ بندی کرنے، ہدایات دینے اور معاملات پر گرفت رکھنے کے عمل میں شریک ہیں۔

متعلقہ پارٹیوں جن کے ساتھ کمپنی کی جانب سے لین دین کے معاملات کئے گئے یا ان سے معاہدات کئے گئے یا جن کے ساتھ دوران سال کسی بھی قسم کا کوئی بندوبست کیا گیا ان کے نام بمعہ تعلق کی بنیاد کو بھی مالیاتی دستاویز کے متعلقہ نوٹس میں درج کیا جا چکا ہے۔ کمپنی کے ساتھ متعلقہ پارٹیوں کے لین دین کے معاملات معمول کی کاروباری روایات کے تحت شفافیت کے ساتھ کئے گئے۔

## معاملات کی اہمیت کا تعین

بورڈ کی جانب سے کمپنی کی انتظامیہ کو اس بات کا مجاز بنایا گیا ہے کہ روزمرہ کے معاملات کے فیصلے کرنے میں خود مختار ہیں۔ تاہم مینجمنٹ کی جانب سے اپنے اختیار کو استعمال کرتے وقت اہمیت کے قاعدے کو مد نظر رکھا جاتا ہے۔ معاملات کی اہمیت کا تعین ایک غیر معروضی عمل ہے اور اس سلسلے میں ایک سے دوسرے ادارے کے مابین تفاوت پایا جاتا ہے۔ معاملات طے کرنے کی مجازیت اور انتقال اختیار کی واضح طور پر تعریف کردی گئی ہے اور ان معاملات کیلئے کمپنی میں ایک واضح اور جامع نظام موجود ہے۔ کمپنی میں معاملات کی اہمیت کے تعین کیلئے ہر سال نظر ثانی کرنے کے بعد اس کی معقولیت کا تعین معروضی حالات کے تحت کیا جاتا ہے۔



بورڈ اور حصص داران کے ایماء پر چئیرمین کمپنی کے نگران کی حیثیت کے حامل ہوتے ہیں۔ آپ ہی بورڈ آف ڈائریکٹرز کی سربراہی کرتے ہیں اور بورڈ کی جانب سے مؤثر کارکردگی کیے ضامن بھی آپ ہی ہوتے ہیں۔ چئیرمین پر یہ ذمہ داری عائد ہوتی ہے کہ اس بات کو یقینی بنائیں کہ کاروبار ترقی کرے، کاروبار کو تحفظ فراہم کیا جائے اور کمپنی کی ساکھ اپنی جگہ برقرار رہے۔ چئیرمین تمام اجلاسوں کے طریق کار اور کارروائی کی نگرانی بھی کرتا ہے، تمام مباحث میں رہنمائی فراہم کرتا ہے، اور فیصلہ سازی کے ساتھ ساتھ ممبران اور اسٹاف کے مابین تعلقات بہتر بنانے میں اپنا کردار ادا کرتا ہے۔

سی ای او پر بھاری ذمہ داری عائد ہوتی ہے کہ کمپنی کے ویژن، مشن اور اس کے طویل المیعاد مقاصد کے حصول کیلئے جدوجہد کرتے رہیں۔ آپ بورڈ اور کمپنی کی انتظامیہ کے مابین ایک رابطے کا کردار بھی ادا کرتے ہیں۔ سی ای او کمپنی کے روزمرہ کے معاملات کو دیکھنے کے بھی مجاز ہیں اور کمپنی کے طویل المیعاد مقاصد اور منصوبوں کو پایہ تکمیل تک پہنچانا بھی ان کے فرائض منصبی میں شامل ہیں۔ سی ای او ہی حصص داران، سرکاری اداروں اور عوام الناس کے سامنے کمپنی کی نمائندگی کرتے ہیں۔ فیصلہ سازی اور اہداف کے حصول کے سلسلے میں آپ ایک رہنما کی حیثیت رکھتے ہیں۔

### معقول اندرونی مالیاتی کنٹرول

کمپنی کی انتظامیہ اس بات کی ذمہ دار ہے کہ اندرونی طور پر کنٹرول کا ایک مربوط نظام مرتب کرے اور طریق ہائے کاری وضاحت کرے۔ اس وقت کمپنی میں اندرونی مالیاتی کنٹرول کا ایک جامع اور مؤثر نظام نافذ العمل ہے جس کے تحت رسک اور اس کی شدت کی نشاندہی کی جاتی ہے، جہاں ضرورت پیش آئے رسک کو کم کرنے کیلئے اقدامات وضع کئے جاتے ہیں اور اس بات کو یقینی بنایا جاتا ہے کہ کمپنی کے تمام امور میں انتظامیہ ان اقدامات کو مؤثر انداز سے لاگو کرنے میں کوئی کسر نہ چھوڑیں۔

کمپنی میں موجودہ اور ممکنہ رسک اور ان کے ممکنہ اثرات سے نمٹنے کی غرض سے اندرونی آڈٹ ڈپارٹمنٹ سالانہ بنیادوں پر رسک اسسمنٹ اور آڈٹ پلان تیار کرتا ہے۔ اس منصوبے کو کاروباری حضرات اور اعلیٰ انتظامی عہدیداروں کے ساتھ زیر بحث لایا جاتا ہے۔ اس سالانہ رسک اور آڈٹ پلان کی روشنی میں باقاعدگی کی ساتھ جائزہ لیا جاتا ہے مشاورت کے ذریعے ممکنہ آپریشنل، کمپلائنس اور فنانشل رپورٹنگ رسک کا جائزہ لینے کے بعد ان سے نمٹنے کیلئے کنٹرول وضع کئے جاتے ہیں۔ اندرونی آڈٹ فنکشن انتظامیہ کو اس سلسلے میں بھی مشاورت دیتا ہے کہ کمپنی مالیاتی اور آپریشنل انفارمیشن سسٹم کو زیادہ قابل بھروسہ اور شفاف بنانے کیلئے، کمپنی کے آپریشنز کو مزید مؤثر بنانے کی غرض سے، کمپنی کے اثاثوں کو نقصانات سے محفوظ رکھنے کیلئے اور مروجہ قوانین کے ساتھ کمپنی کی پالیسیوں میں ہم آہنگی پیدا کرنے کیلئے کیا اقدامات اٹھائے جاسکتے ہیں۔

علاوہ ازیں، ڈائریکٹرز اس بات کی توثیق کرتے ہیں کہ کارپوریٹ گورننس کے اعلیٰ معیارات کی پاسداری کرتے ہوئے اندرونی مالیاتی کنٹرول سے متعلق جامع پالیسیوں اور طریق ہائے کاری رعایت رکھتے ہوئے بورڈ کی جانب سے ایک مربوط نظام کی منظوری دی جا چکی ہے، یہ نظام کمپنی میں نافذ العمل ہے اور مؤثر انداز سے اس کی مسلسل نگرانی کی جاتی ہے۔

### ایگزیکٹو کے تعین کا معیار

لسٹنگ ریگولیشنز (رول بک) آف پاکستان اسٹاک ایکسچینج کی شق 5.6.4 اور کے تحت کمپنی کی جانب سے ایگزیکٹو کے تعین کیلئے نظر ثانی کے بعد ایک معیار مقرر کر دیا گیا ہے تاکہ حصص کی خرید و فروخت سے متعلق کسی بھی ابہام کو رفع کیا جاسکے۔ ہر وہ شخص جس کی سالانہ بنیادی تنخواہ دوران سال 2.3 ملین سے تجاوز کر جائے اُس کو ایگزیکٹو مانا جائے گا۔

## بورڈ کی کارکردگی کی جانچ

کارپوریٹ گورننس کے ضوابط کے تحت بورڈ کی منظوری سے ایک خود احتسابی کا نظام عمل میں لایا گیا ہے تاکہ بورڈ اپنی کارکردگی کا جائزہ لے سکے۔ اس نظام کے تحت بورڈ، اس کے ڈائریکٹروں اور بورڈ کی کمیٹیوں کا بذریعہ مباحث، اور سوالات کا جائزہ لیا جانا مقصود ہے، ان مباحث اور سوالات کی توجہ بنیادی طور پر بورڈ کے دائرہ کار، مقاصد، افعال، ذمہ داریوں، کمپنی کی کارکردگی اور مانیٹرنگ کے نظام کی جانب ہوگی۔ جانچ کے اس نظام کا مقصد مجموعی کارپوریٹ مقاصد، کمپنی کے گورننس اسٹرکچر، قوانین اور ضوابط بابت پاسداری، کارکردگی، تعاون اور قدر میں اضافے جیسے امور کو مد نظر رکھتے ہوئے بورڈ کی کارکردگی کا جانچا جائے۔ بورڈ کے تمام ممبران کی جانب سے جانچ کے اس عمل میں حصہ لیا گیا اور ان سب نے اپنی اپنی رائے کا اظہار بھی کیا۔ ان اجلاسوں کی کاروائی ضبط تحریر میں لایا جاتا ہے اور ان تجزیاتی مطالعہ کیا جاتا ہے اور اس کی حتمی رپورٹ چیئرمین کو بھجوا دی جاتی ہے۔ جائزے میں صلاحیتوں اور کاؤٹوں کی نشاندہی کی جاتی ہے، بعد ازاں اس نتائج کی روشنی میں ممبران سیر حاصل بحث کرتے ہیں اور بورڈ کو گورننس سے متعلق مسائل کا حل پیش کرنے کیلئے کسی متفقہ فیصلے تک پہنچتے ہیں اور اس سلسلے میں حکمت عملی مرتب کی جاتی ہے۔

## ڈائریکٹروں کی تربیت

کمپنی کوڈ آف کارپوریٹ گورننس کے تحت عائد اپنی ذمہ داریوں سے بخوبی واقف ہے۔ ایک باقاعدہ پروگرام مرتب کیا گیا ہے جس میں دیگر امور کے ساتھ ساتھ کمپنی کے ویژن، حکمت عملی، انتظامی ڈھانچے کردار و ذمہ داریوں اور کمپنیز ایکٹ، کوڈ آف کارپوریٹ گورننس اور دیگر مروجہ قوانین کے تحت ڈائریکٹروں کو حاصل اختیارات پر بریفنگ دی جاتی ہے۔ کمپنی کے ایک ڈائریکٹر مطلوبہ اہلیت کے حامل ہیں اس لئے وہ کارپوریٹ گورننس کے ضوابط کے تحت تربیتی پروگرام میں شرکت سے مستثنیٰ ہیں۔ جہاں دیگر ڈائریکٹروں کا تعلق ہے وہ کارپوریٹ گورننس کے ضوابط کے تحت اپنا ڈائریکٹر ٹریننگ پروگرام مکمل کر چکے ہیں۔

## چیف ایگزیکٹو کی جانب سے کارکردگی کا جائزہ

ہر سال بورڈ کی جانب سے اہداف اور حکمت عملیوں کی ایک فہرست تیار کی جاتی ہے جسے کمپنی کے مشن کے عین مطابق مرتب کیا جاتا ہے۔ اس فہرست کے مرتب کئے جانے سے یہ جانچنا آسان ہو جاتا ہے کہ کمپنی کے تمام مقاصد فرداً فرداً کس طرح کمپنی کی نشوونما میں اپنا کردار ادا کر رہے ہیں۔ جن عناصر کی جانچ بہت ضروری ہے ان میں مشن سے وابستگی، قلیل المیعاد و طویل المیعاد مقاصد، طویل المدتی تناظر میں منفعت کو یقینی بنانا، گورننس کے اعلیٰ معیاروں کی پاسداری کرنا اور قواعد کے مطابق رپورٹنگ کرنا شامل ہیں۔ علاوہ ازیں، چیف ایگزیکٹو آفیسر کیلئے الگ سے ایک سوالنامہ برائے جانچ مرتب کیا گیا ہے تاکہ انکی کارکردگی کا جائزہ لیا جاسکے۔ چیف ایگزیکٹو آفیسر کی کارکردگی کا جائزہ تمام ڈائریکٹرز کی جانب سے لیا جاتا ہے۔

## چیئرمین اور چیف ایگزیکٹو آفیسر (سی ای او) کا کردار

چیئرمین اور چیف ایگزیکٹو آفیسر کا عہدہ الگ الگ شخصیات کے پاس ہے جیسا کہ ان کی ذمہ داریاں نمایاں طور پر جدا جدا ہیں جن سے انھیں بوقت تعیناتی آگاہ کر دیا گیا تھا۔

### انفارمیشن ٹیکنالوجی کمیٹی کے ممبران کی اجلاسوں میں شرکت

انفارمیشن ٹیکنالوجی کمیٹی کے دوران سال دو اجلاس منعقد کئے گئے۔ ان اجلاسوں میں متعلقہ ممبران کی حاضری سے متعلق تفصیلات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری / منعقد کئے گئے کل اجلاس
1	جناب غلام حیدر	چئیرمین	2/2
2	سید ریحان احمد ہاشمی	ممبر	2/2
3	جناب شیراز خان	ممبر	2/2

### کمیٹی برائے کارپوریٹ معاشرتی ذمہ داری کے اجلاسوں میں ممبران کی شرکت

زیر نظر مالی سال کے دوران کارپوریٹ معاشرتی ذمہ داری کمیٹی کے دو اجلاس منعقد کئے گئے۔ کمیٹی کے تمام ممبران کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری / منعقد کئے گئے کل اجلاس
1	جناب غلام دستگیر راجڑ	چئیرمین	2/2
2	جناب محمد قاسم	ممبر	2/2
5	محترمہ نازیہ اعظم	ممبر	2/2
6	سید ریحان احمد ہاشمی	ممبر	2/2

### کمیٹی برائے رسک مینجمنٹ کے اجلاسوں میں ممبران کی شرکت

زیر نظر مالی سال کے دوران رسک مینجمنٹ کمیٹی کے دو اجلاس منعقد کئے گئے۔ کمیٹی کے تمام ممبران کی حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری / منعقد کئے گئے کل اجلاس
1	جناب شاہد عزیز	چئیرمین	2/2
2	جناب حاجی خدا بخش راجڑ	ممبر	2/2
3	جناب غلام دستگیر راجڑ	ممبر	2/2

نمبر شمار	ڈائریکٹروں کے نام	عہدہ	اجلاسوں میں حاضری / منعقد کئے گئے کل اجلاس
1	جناب غلام دستگیر راجڑ	چئیر مین	4/5
2	جناب غلام حیدر	چیف ایگزیکٹو	5/5
3	حاجی خدا بخش راجڑ	ڈائریکٹر	5/5
4	جناب رحیم بخش	ڈائریکٹر	5/5
5	جناب شاہد عزیز	ڈائریکٹر	5/5
6	جناب ایم عبدالجبار	ڈائریکٹر	5/5
7	محترمہ نازیہ اعظم	ڈائریکٹر	5/5
8	جناب محمد قاسم	ڈائریکٹر	5/5

### آڈٹ کمیٹی کے ممبران کی اجلاسوں میں حاضری

دوران سال آڈٹ کمیٹی کے پانچ اجلاس منعقد کئے گئے۔ تمام ممبران کی فرداً فرداً حاضری درج ذیل ہے:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری / منعقد کئے گئے کل اجلاس
1	جناب رحیم بخش	چئیر مین	5/5
2	جناب شاہد عزیز	ممبر	5/5
3	جناب ایم عبدالجبار	ممبر	5/5

### انسانی وسائل و ادائیگیوں سے متعلق کمیٹی کے ممبران کی اجلاسوں میں شرکت

انسانی وسائل و ادائیگیوں سے متعلق کمیٹی کی زیر نظر سال کے دوران دو اجلاس منعقد کئے گئے۔ ان اجلاسوں میں متعلقہ ممبران کی حاضری سے متعلق

معلومات درج ذیل ہیں:

نمبر شمار	ممبران کے نام	عہدہ	اجلاسوں میں حاضری / منعقد کئے گئے کل اجلاس
1	جناب رحیم بخش	چئیر مین	2/2
2	جناب غلام حیدر	ممبر	2/2
3	جناب ایم عبدالجبار	ممبر	2/2

## (ب) کمیٹی برائے انسانی وسائل و ادائیگیاں

نام	عہدہ
جناب رحیم بخش	چئیرمین
جناب غلام حیدر	ممبر
جناب ایم عبد الجبار	ممبر

## (ج) کمیٹی برائے رسک مینجمنٹ

نام	عہدہ
جناب شاہد عزیز	چئیرمین
جناب حاجی خدا بخش راجڑ	ممبر
جناب غلام دستگیر راجڑ	ممبر

## (د) کمیٹی برائے کارپوریٹ معاشرتی ذمہ داری

نام	عہدہ
جناب غلام دستگیر راجڑ	چئیرمین
جناب محمد قاسم	ممبر
محترمہ نازیہ اعظم	ممبر
سید ریحان احمد ہاشمی	ممبر

## (ه) کمیٹی برائے انفارمیشن ٹیکنالوجی و اسٹیرنگ

نام	عہدہ
جناب غلام حیدر	چئیرمین
سید ریحان احمد ہاشمی	ممبر
جناب شیراز خان	ممبر

بورڈ اور کمیٹیوں کے اجلاسوں میں بورڈ آف ڈائریکٹرز اور ممبران کی حاضری

بورڈ کے اجلاسوں میں ڈائریکٹرز کی حاضری

زیر نظر مالی سال کے دوران بورڈ کے پانچ اجلاس منعقد کئے گئے۔ ان اجلاسوں میں شرکت نہ کرنے والے ڈائریکٹر کو رخصت دے دی گئی تھی۔ تمام ڈائریکٹروں کی فرداً فرداً حاضری ذیل میں پیش کی جا رہی ہے:

کمپنی کا کارپوریٹ گورننس اسٹرکچر آرٹیکلز آف ایسوسی ایشن کی بنیاد پر استوار ہے۔ اس کے علاوہ اس اسٹرکچر کو استوار کرنے میں دیگر قواعد و ضوابط کا لحاظ بھی رکھا گیا ہے جن کا اطلاق پاکستان اسٹاک ایکسچینج میں لسٹڈ کمپنیوں پر ہوتا ہے۔ اس نظام کو مزید مربوط بنانے کیلئے اندرونی نظام کا سہارا بھی لیا جاتا ہے جس میں رسک کی جانچ اور کنٹرول کا نظام، مروجہ قوانین کی پاسداری سے متعلق جانچ کا نظام اور کمپنی کا ضابطہ اخلاق شامل ہیں۔

### ڈائریکٹروں کی تعداد

ڈائریکٹروں کی کل تعداد آٹھ (8) ہے جن کی تفصیلات درج ذیل ہیں:

(الف) حضرات: سات (7)

(ب) خاتون: ایک (1)

### بورڈ کا امتزاج

بورڈ کا امتزاج درج ذیل ہے:

غیر جانبدار ڈائریکٹر  
غیر انتظامی ڈائریکٹر  
حضرات:

جناب رحیم بخش  
جناب غلام دستگیر راجڑ  
جناب ایم عبدالجبار  
جناب شاہد عزیز  
جناب محمد قاسم

خاتون:

محترمہ نازیہ اعظم

### انتظامی ڈائریکٹر

حاجی خدا بخش راجڑ

جناب غلام حیدر

### بورڈ کی کمیٹیاں

بورڈ کی جانب سے مندرجہ ذیل ممبران پر درج ذیل کمیٹیاں بنائیں گئی ہیں:

(الف) آڈٹ کمیٹی

نام	عہدہ
جناب رحیم بخش	چیرمین
جناب شاہد عزیز	ممبر
جناب ایم عبدالجبار	ممبر



- ☆ ایسی کوئی وجہ نظر نہیں آتی جس کی بنیاد پر کمپنی کو ختم کرنے سے متعلق کوئی سوال پیدا ہوتا ہو کہ کمپنی اپنا وجود برقرار رکھ پائے۔
- ☆ قواعد میں مقرر کارپوریٹ گورننس کی بہترین پالیسیوں سے کوئی ایسا انحراف نہیں کیا گیا جو کہ قابل غور ہو۔
- ☆ کمپنی کے مالیاتی نتائج سے متعلق گزشتہ دس سال کی اہم معلومات کا خلاصہ رپورٹ ہذا کے ساتھ منسلک ہے۔
- ☆ قانوناً کمپنی کو کوئی قابل ذکر ادائیگیاں نہیں کرنا پڑیں ماسوائے ان ادائیگیوں کے جو کہ کاروبار میں معمول کا حصہ ہیں جیسا کہ ٹیکس، لیویز اور دیگر چارجز وغیرہ جن کا ذکر مالیاتی دستاویزات کے اندر متعلقہ نوٹس میں کیا جا چکا ہے۔
- ☆ تمام مستقل اور اہلیت کے حامل ملازمین کیلئے کمپنی میں ایک غیر فائدہ شدہ گریجویٹ اسکیم جاری ہے اور اس کے علاوہ اہلیت پر پورے اترنے والے ملازمین کیلئے لیوٹیکیشن اسکیم بھی موجود ہے جس کی ادائیگی ملازمین کو کمپنی سے ریٹائرمنٹ پر یا کمپنی چھوڑتے وقت کی جاتی ہے۔ تخمینے کی بنیاد پر ہر سال ذمہ داریوں سے نبرد آزما ہونے کی غرض سے پروویژن فراہم کیا جاتا ہے جس سے متعلق تمام تر معلومات کو رپورٹ ہذا کے نوٹس میں بیان کیا جا چکا ہے۔
- ☆ کمپنی کی بابت ترتیب حصص داری کی جدول کو بھی سالانہ رپورٹ کا حصہ بنایا گیا ہے۔
- ☆ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے مطابق تمام کمپنیوں نے اس بات کو یقینی بنانا ہے کہ بورڈ میں شامل تمام ڈائریکٹر ڈائریکٹر ٹریننگ پروگرام کے تحت سرٹیفیکیشن حاصل کر چکے ہوں۔ تمام ڈائریکٹر ماسوائے حاجی خدا بخش راجڑ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے متعین کردہ انسٹیٹیوٹس اداروں سے ڈائریکٹر ٹریننگ پروگرامز کے تحت اپنی تربیت مکمل کر چکے ہیں۔ حاجی خدا بخش راجڑ اپنی تعلیم اور تجربے کی بنیاد پر قواعد کے مطابق اس تربیت سے مستثنی ہیں۔
- ☆ بورڈ کی جانب سے ہمہ وقت یہ کوششیں جاری رہتی ہیں کہ بورڈ اپنی اور اپنی کمیٹیوں کی کارکردگی میں بہتری پیدا کرے۔ بورڈ کی جانب سے کوڈ آف کارپوریٹ گورننس کے قواعد کے مطابق ایک ایسا نظام مرتب کیا گیا ہے جس کے تحت بورڈ اور اس کی کمیٹیوں کی کارکردگی کا سالانہ بنیادوں پر جائزہ لیا جاتا ہے۔ اس کے علاوہ کارپوریٹ گورننس کے میدان میں ہونے والی نئی تحقیق سے بھی بورڈ خود کو آگاہ رکھتا ہے تاکہ کمپنی بہترین روایات کی پاسداری کرتی رہے۔
- ☆ ہمارے بہترین علم کے مطابق کمپنی کے ڈائریکٹروں، چیف ایگزیکٹو اور ان کے ازواج اور نابالغ بچوں کی جانب سے دواہن سال کمپنی کے حصص میں کسی قسم کی کوئی اور لین دین نہیں کی گئی۔
- ☆ کارپوریٹ گورننس کے سنہرے اصولوں کی پاسداری برائے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 سے متعلق ایک بیان بھی رپورٹ ہذا کے ساتھ منسلک ہے۔

### کارپوریٹ گورننس اور کارپوریٹ گورننس کے سنہرے اصولوں کی پاسداری

اعلیٰ اخلاقی اقدار کی پاسداری کمپنی کی طویل تاریخ کا حصہ ہے اور مستقبل میں بھی ان سنہرے اصولوں پر عمل پیرا رہنے کیلئے کمپنی پر عزم ہے۔ بورڈ کی جانب سے مستقل بنیادوں پر اس سلسلے میں رہنمائی فراہم کی جاتی ہے کہ موجودہ نظام میں سقم تلاش کئے جائیں اور بورڈ پر ہی اس بات کی بنیادی ذمہ داری عائد ہوتی ہے کہ کمپنی کی مناسب سمت میں رہنمائی کرے اور اس کی سرگرمیوں کی کڑی نگرانی کرے۔ ان ذمہ داریوں میں کمپنی کے رسک کی نشاندہی کرنا اور انہیں قابو میں رکھنا، مینجمنٹ انفارمیشن سسٹم کو مربوط بنانا اور حصص داران تک صحیح اور درست معلومات کی فراہمی کو ممکن بنانا شامل ہیں۔

## مشروط واقعات

بورڈ آپ کے علم میں یہ بات لانا چاہتا ہے کہ ڈپٹی کمشنر ان لینڈ ریونیو (DCIR) آف فیڈرل بورڈ آف ریونیو (FBR) کی جانب سے 2015 تا 2019 کے ٹیکس سالوں سے متعلق جاری کئے جانے والے آرڈرز جو کہ سیکشن (5)/(1)/122 بابت انکم ٹیکس آرڈیننس، 2001 بقدر 24,818,724 ہزار روپے بابت ٹیکس اور سیکشن 161 کے تحت یکے بعد دیگرے ٹیکس سالوں 2017 تا 2019 کیلئے جاری کئے گئے آرڈرز بقدر 88,174 ہزار روپے بابت ٹیکس اور ٹیکس سال 2020 کیلئے جاری کئے جانے والا آرڈر بقدر 31,434 ہزار روپے بابت ٹیکس مبالغے پر مبنی ہیں۔

دوران سال، ایپلٹ ٹریبونل ان لینڈ ریونیو آف پاکستان کی جانب سے بتاریخ 20 جون 2020 بابت ٹیکس سال 2015 تا 2019 ڈپٹی کمشنر ان لینڈ ریونیو کی جانب سے سیکشن (5)/(1)/122 بابت انکم ٹیکس آرڈیننس، 2001 کے تحت جاری کردہ آرڈرز اور الزامات / اجراء کا عدم قرار دے دیا گیا ہے۔ مزید برآں، اس عرصے کے دوران، کمشنر اپیل کی جانب سے ڈپٹی کمشنر ان لینڈ ریونیو ٹیکس کے پاس کردہ آرڈرز پر تحت سیکشن 161 بابت انکم ٹیکس آرڈیننس، 2001 بابت ٹیکس سال 2017 تا 2020 کے خلاف بھی آرڈرز پاس کئے گئے ہیں اور ڈپٹی کمشنر ان لینڈ ریونیو کو ریماڈنڈ واپس بھیجا دیا گیا ہے۔

آپ کی کمپنی پر اعتماد ہے کہ تمام معاملات اسی طرح کمپنی کے حق میں ہی نمٹا دیئے جائیں گے کیونکہ یہ تمام مطالبات ایف بی آر کی جانب سے غیر حقیقی اوسط آرڈرز کے ذریعے کئے گئے تھے جس کا کوئی جواز موجود ہی نہیں تھا، علاوہ ازیں، ہم یہ بات بھی آپ کے نوٹس میں لانا چاہتے ہیں اعلیٰ حکام / فورم کی جانب سے بھی ڈپٹی کمشنر ان لینڈ ریونیو کے آرڈرز کو عدم قرار دیا جا چکا ہے۔

## کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک سے متعلق بیان

بورڈ آف ڈائریکٹرز اور کمپنی اس بارے میں پر عزم ہیں کہ کارپوریٹ مینجمنٹ کے سنہرے اصولوں کی مکمل پاسداری کی جائے اور شفافیت اور حقیقی معلومات کی فراہمی کو ممکن بنایا جائے۔ بورڈ اور کمپنی اپنی ذمہ داریوں کا بخوبی احساس کرتے ہیں اور ان کی جانب سے کمپنی کے تمام آپریشنز کی نگرانی کی جاتی ہے اور کمپنی کی کارکردگی کو مزید مؤثر بنانے کیلئے، معاملات کی صحت، جامعیت اور مالیاتی غیر مالیاتی دستاویزات کی تیاری میں شفافیت جیسے امور کی کڑی نگرانی کی جاتی ہے۔

لسٹنگ قواعد کے عین مطابق کمپنی کی جانب سے کوڈ آف کارپوریٹ گورننس کی مکمل پاسداری کرتی ہے۔ اس سلسلے میں درج ذیل اہم بیانات پیش خدمت ہیں:

- ☆ مینجمنٹ کی جانب سے تیار شدہ مالیاتی دستاویزات کمپنی کے تمام امور، آپریشنز کے نتائج، ترسیل نقد رقوم اور حصص میں رد و بدل سے متعلق معاملات کی صحیح صحیح ترجمانی کرتی ہیں۔
- ☆ کمپنی کی جانب سے متعلقہ ریکارڈ کو باقاعدہ قواعد کے مطابق کھاتوں میں درج کیا گیا ہے۔
- ☆ تمام تر مالیاتی دستاویزات کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پر عمل کیا گیا ہے، نیز تمام تر مالیاتی تخمینے معقول اور قرین قیاس ہیں۔
- ☆ مالیاتی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مستعمل بین الاقوامی محاسبی معیارات کی مکمل پاسداری کی گئی ہے اور اس سلسلے میں کسی قسم کی کوئی روگردانی نہیں کی گئی۔
- ☆ اندرونی طور پر کنٹرول کا نظام انتہائی منظم اور جامع ہے اور اسے مؤثر انداز سے نافذ کیا گیا ہے اور اس پر مکمل نظر رکھی جاتی ہے۔

## مالیاتی نتائج اور ان کا جائزہ

کمپنی کے اہم ترین مالیاتی نتائج بابت مالی سال 30 ستمبر 2022 کا خلاصہ بمعہ تقابلی جائزہ گزشتہ مالی سال ذیل میں پیش کیا جا رہا ہے:

2021	2022	
..... روپے ہزاروں میں .....		
(16,094)	70,466	منافع/(نقصان) قبل از ٹیکس
13,732	68,857	ٹیکس
(29,826)	1,609	منافع/(نقصان) بعد از ٹیکس
(2.50)	0.13	منافع/(نقصان) فی حصص بنیادی و تحلیلی (روپے)

دوران سال کمپنی کا منافع قبل از ٹیکس 70,466 ہزار روپے درج کیا گیا ہے جبکہ گزشتہ مالی سال کے دوران یہ نقصان قبل از ٹیکس 16,094 ہزار روپے درج کیا گیا تھا۔ دوران سال ہم گنے کی پروکیورمنٹ کے سلسلے میں قرب و جوار کی ملوں کے مقابلے میں قیمتوں کی چلی سطح کو قائم رکھنے میں کامیاب رہے، آہستہ آہستہ قلیل المیعاد قرضوں پر انحصار کو کم کیا اور اس طرح شرح سود کو بھی کم از کم سطح پر قائم رکھنے میں کامیابی حاصل ہوئی، اسی طرح طویل المیعاد قرضوں کی بھی بتدریج ادائیگی کی گئی تاکہ پیداواری لاگت کو کم از کم کیا جاسکے اور فراط میں ہوشربا اضافے کے باوجود پیداواری لاگت کو کم از کم سطح پر رکھا گیا۔

چینی کی بہتر قیمت فروخت، جو کہ مالی سال کی پہلی سہ ماہی میں متوازن رہی، جس کی وجہ سے چینی کا کاروباری حجم گزشتہ مالی سال کے مقابلے میں اضافہ ہوا جو کہ 35.39% رہا اور اسی طرح ذیلی مصنوعات یعنی کہ راب اور پھوک کی فروخت میں بھی اضافہ رہا جو کہ بالترتیب 36.40% اور 381.390% رہی جس کے باعث کمپنی کے منافع میں اضافہ ہوا۔ آپ کی کمپنی کے مالیاتی نتائج میں بہتری نظر آ رہی ہے جس کی وجہ سے سکروز کی ریکوری میں بہتری اور ذیلی مصنوعات کے کاروباری حجم میں آنے والی بہتری ہے اور اس کا سہرا کمپنی آپریشنل پلانٹ و مشینری کی بہتر مینجمنٹ کے سر جاتا ہے جیسا کہ پہلے ہی ہم یہ بات آپ کے گوش گزار کر چکے ہیں۔

## آڈیٹروں کی رپورٹ پر اظہار رائے

کمپنی کے قانونی آڈیٹروں کی جانب سے اپنی رپورٹ میں 18-2017 کے سیزن کیلئے 22 روپے فی من کے پرویشن کی عدم موجودگی سے متعلق تاکید ذکر کیا ہے۔ اس سلسلے میں ہم آپ کے گوش گزار کرنا چاہتے ہیں کہ آپ کی مالیاتی دستاویزات کو گنے کی قیمت 160 روپے فی 40 کلوگرام کی بنیاد پر تیار کیا گیا ہے اور ایسا کرنے میں معزز عدالت عالیہ کے عبوری حکم کو مد نظر رکھا گیا ہے جس میں تمام شراکت داروں کی رضامندی شامل تھی۔ ہم امید کرتے ہیں کہ شوگر کی صنعت کے دیگر گروں حالات کو مد نظر رکھتے ہوئے معزز عدالت عالیہ کی جانب سے حتمی فیصلہ کنسیٹ آرڈر کے مطابق ہی آئے گا۔

درحقیقت، جیسا کہ سیلاب نے سندھ اور جنوبی پنجاب میں گنے کی کھڑی فصل کو نقصان پہنچایا، ایسا لگتا تھا کہ اب برآمد کی ضرورت نہیں رہے گی، کیونکہ کچھ پہلے سے موجود اسٹاک کو آئندہ سال خسارہ پورا کرنے کے لیے استعمال کیا جائے گا، اور ایسا صرف اسی صورت میں ممکن ہوگا جبکہ کرشنگ سیزن 2022-23 میں کم ریکوری ہو اور ملک میں طلب کے مقابلے چینی کی پیداوار کم ہو۔

گزشتہ کرشنگ سیزن کے دوران، پاکستان نے آخر کار شوگر انڈسٹری میں ٹریک اینڈ ٹریس سسٹم کا کامیابی کے ساتھ نفاذ مکمل کر لیا، اس امید کے ساتھ کہ اس سے پہلے کی غیر رپورٹ شدہ چینی کی بڑی مقدار کو دستاویزی معیشت کے تحت لانے میں مدد ملے گی۔

### معلومات برائے کمپنی:

### بنیادی افعال کار

بنیادی طور پر کمپنی چینی اور اس کی ذیلی مصنوعات بنانے اور انھیں فروخت کرنے کے کاروبار سے منسلک ہے، چینی کی ذیلی مصنوعات میں گنے کا پھوک اور راب شامل ہیں۔ کمپنی کی جانب سے گنے کے پھوک کو جلا کر بجلی پیدا کرنے کا ایک پلانٹ بھی نصب کیا گیا ہے تاکہ اس پلانٹ سے بجلی پیدا کرنے کے بعد فاضل بجلی کو قومی گرڈ میں شامل کیا جاسکے۔ مینوفیکچرنگ کی یہ سہولت ساگھڑ سندھڑی روڈ، دیہہ کہوڑ، ضلع ساگھڑ صوبہ سندھ میں واقع ہے۔

### کاروباری نتائج اور ان کا جائزہ

2020 - 2021	2021 - 2022	
05-11-20120	15-11-2021	آغاز برائے سیزن
20-02-2021	19-03-2022	اختتام برائے سیزن
108	125	گنے کی پسائی کا دورانیہ - دنوں میں
451,275.963	581,109.556	گنے کی پسائی کی مقدار - میٹرک ٹن میں
4,178.49	4,648.88	اوسط یومیہ پسائی (میٹرک ٹن میں)
45,239.50	61,785.00	چینی کی پیداوار - میٹرک ٹن میں
10.012	10.635	سکروز کی ریکوری - فیصد میں

آپ کی کمپنی نے 581,109.556 میٹرک ٹن گنے کی پسائی کی جبکہ گزشتہ مالی سال کے دوران گنے کی پسائی کی مقدار 451,275.963 میٹرک ٹن تھی اور اس طرح پسائی کی مد میں 28.77% کا اضافہ درج کیا گیا ہے، اسی طرح 61,785.00 میٹرک ٹن چینی پیدا کی گئی جو کہ گزشتہ مالی سال کے دوران پیدا کی جانے والی چینی 45,239.50 میٹرک ٹن کے مقابلے میں 36.58% زائد رہی۔ علاوہ ازیں، کمپنی کی جانب سے، فی ٹن چینی کی پیداوار میں، اوسطاً 14 فیصد پھوک کی بچت کو بھی ممکن بنایا گیا، جس کے نتیجے میں گزشتہ مالی سال کے مقابلے میں پھوک کی فروخت 281 فیصد زائد رہی اور راب کی مقدار 26,291.340 میٹرک ٹن رہی جو کہ گزشتہ سال کی پیداوار 18,720 میٹرک ٹن کے مقابلے میں 40.45 فیصد زائد ہے۔

مقامی سطح پر بہتر فصل کی وجہ سے گزشتہ سیزن کے مقابلے میں زیر نظر سیزن کے دوران پسائی اور پیداوار دونوں ہی بہتر رہے اور ریکوری کی شرح بھی بلند تھی جس کی وجہ سے مسلسل ترسیل اور سیزن کے آغاز سے ہی اچھے معیار کے گنے کی فراہمی تھی۔

## ڈائریکٹر ز رپورٹ

آپ کی کمپنی کے ڈائریکٹر انتہائی مسرت کے ساتھ کمپنی کی سینتیسویں (37th) سالانہ رپورٹ بمعہ آڈٹ شدہ مالیاتی دستاویزات بابت مالی سال 30 ستمبر 2022 آپ کی خدمت میں پیش کر رہے ہیں۔

### صنعت کے احوال:

پاکستان میں کئی اقسام کی شوگر بنائی جاتی ہے جس میں ادویات، مشروبات اور کمرشل شوگر کے علاوہ سافٹ براؤن شوگر، کیسٹرائیڈڈ آکسنگ، شوگر کیوبز، ساشے اور ریٹیل پیکس شامل ہیں۔ شوگر سے متعلق صنعتوں کیلئے گئے انتہائی اہم جزو ہے اور ٹیکسٹائل کے بعد یہ زراعت سے منسلک دوسری بڑی صنعت ہے۔ اس کی پیداوار زراعت کی ویلیو ایڈیشن کا 3.7 فیصد اور خام مقامی پیداوار (جی ڈی پی) کا 0.8 فیصد بنتا ہے۔

گنے کے حصول کیلئے کسانوں کی دی جانے والی بہتر قیمت کسانوں کیلئے ایک اچھی ترغیب ثابت ہوتی ہے اور کسان گنے کی کاشت کیلئے زیادہ زمین مختص کرتے ہیں، مناسب موسمی صورتحال، بہتر انتظامی امور اور خام مال کی بروقت فراہمی کا کردار بھی اہم ہوتا ہے۔ فصل لگانے کے ایک عمومی سائیکل یا چکر کے مقابلے میں گنے کی کاشت کا چکر مختصر ہوتا ہے اور اگر بین الاقوامی معیار کو مد نظر رکھا جائے تو پیداوار نسبتاً کم حاصل ہوتی ہے۔ گنے کو فصلوں سے ان مقامی ملوں تک منتقل کیا جاتا ہے جہاں اسے وائٹ شوگر میں تبدیل کیا جاتا ہے یا پھر کھیتوں کے پاس ہی اسے گڑ میں تبدیل کر دیا جاتا ہے۔

مالی سال 2022-23 کے دوران صوبہ سندھ میں گنے کیلئے زیر زمین کاشت نسبتاً کم میسر آئی جس کی وجہ کاشتکاری کے اہم علاقوں میں سیلابی پانی کی تباہ کاریاں تھیں۔ گوکہ دیگر فصلوں کے مقابلے میں گنا سیلابی پانی کا مقابلہ بہتر انداز سے کر سکتا ہے تاہم سیلابی پانی کے مسلسل کھڑے رہنے اور کٹائی کے عمل میں سست روی کی وجہ سے صوبہ سندھ میں گنے کی رسد بری طرح متاثر ہوئی۔ نتیجتاً زریکاشت زمین کا رقبہ کم ہو گیا اور گزشتہ سیزن کے مقابلے میں گنے کی پیداوار کم رہی۔ اسی طرح گنے کی متوقع پیداوار میں کمی کے باعث گنے سے پیدا کی جانے والی چینی کی پیداوار بھی گزشتہ سیزن کے مقابلے میں کم رہنے کی توقع ہے۔

شوگر کی صنعت پہلے سے موجود زائد اسٹاک کے حوالے سے گزشتہ برسوں کے عکس کے لیے تیاری کر رہی ہے اور صنعت کے نمائندے اس سال مارچ 2021-22 سے برآمدات دوبارہ شروع کرنے کا مطالبہ کر رہے ہیں اور اندازوں کے مطابق کرشنک سیزن 2021-22 میں اضافی پیداوار حاصل ہوئی جو کہ مقامی ضروریات سے تجاوز تھی۔ مقامی مارکیٹس میں قیمتوں میں اضافے کے محدود واقعات دیکھنے میں آئے کیونکہ صارفین کی قیمتوں میں نمایاں اضافہ دیکھا گیا، لیکن کسی قسم کی کوئی کمی پیدا نہیں ہوئی۔ سال کے اختتام کے بعد وفاقی حکومت نے شرائط کے ساتھ اضافی چینی کے شاک کی برآمد کے لیے کچھ کوٹے کی منظوری دے دی ہے جس کا وقتاً فوقتاً جائزہ لیا جائے گا، اس سے مجموعی طور پر صنعت اور ہمارے ملک کی معیشت کو فائدہ پہنچے گا۔ مزید برآں، مجموعی افراط زر اور چینی کی برآمد کو مد نظر رکھتے ہوئے، 2022-23 میں چینی کی قیمت فروخت میں قدرے اضافہ متوقع ہے۔

# Report on Corporate Social Responsibility

## For the Year Ended September 30, 2022

Dear Members,

Being the Country's responsible corporate citizen, Sanghar Sugar Mills Limited (the Company) gives back to society to help and build a sustainable tomorrow. As per Code of Conduct which confirm its commitment to respecting its fundamental human rights and treating employees, customers and all internal & external stakeholders with fairness, equality and respect in order to foster an open, transparent and trusting environment which is free from prejudice, discrimination, bias, harassment & violation.

The Company is playing an active role in supporting sustainable community and social development of Pakistan and its people. The Company believes in the creation of shared economic and social value across the country. This following Report updates the stakeholders about the steps taken by the Company to ensure compliance:

### **EDUCATION:**

#### **Sustainable Development Goal:**

- Gender Equality
- Decent Work & Economic Growth
- Quality Education

The Company ensures that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes and also ensure that all girls and boys have access to quality early childhood development, care and pre-primary education so that they are ready for primary education.

With the aim of paving the way for a brighter future and to alleviate illiteracy in the rural areas of the Country, the Company has launched education program through Al-Qalam Education Systems, Sanghar established in 2008 and is providing education facilities at the premises adjacent to the Mills' Employees' Colony by upgrading education facilities and provide safe, non-violent, inclusive and effective learning environments for all by the qualified staff on concessional basis to the children of the factory employees and persons living nearby in rural areas.

The Education started from a single class room of Kindergarten with admission of 10 students. Now, grows up-to class 8th having total strength of 253 students in which 138 male and 115 female students and having strength of 14 teachers and staff appointed for the purpose of education in which 2 male and 12 female teachers. Out of 253 students, 101 students belongs to the Employee's families and rest are from families living nearby areas. The premises of education is having beautiful infrastructure, neat and clean environment with availability of all basic facilities within covered premises viz large size ventilated class rooms, computer lab, laboratory, playground, tuck shop and uninterrupted power supply. Main emphasis to run the school is to help poor people of the area, to encourage girl's education, to inspire students to internalize Islamic education in their social growth, attaining self-actualization. Education in remote areas is a big challenges specially those who are not able to afford the expenses of such a qualitative, modern education nearer to their door step. In addition to above, various events are being organized like Annual Sports Day, Parent's Day etc.

### **MEDICAL & HEALTH CARE:**

#### **Sustainable Development Goal:**

- Good Health

#### **A. MEDICAL FACILITIES:**

The Company has made a significant contribution in Medical & Health Care. In this regards, physical along-with financial support was extended towards the treatment of eye diseases and treatment of blood diseases etc.



The Company is responsive to make efforts to minimize the accidental risks, have necessary medical facilities and continuously strive to improve greenery and maintain clean and safe environment around the Mills, better housekeeping, safeguarding the health of employees and application of the principles of safety in its operations, the consumers and public at large by following the rules and regulations in this regard. The Company is running dispensary through a qualified and experienced doctors for its employees and for persons living in adjoining areas. A doctor and paramedical assistant are available at the factory.

The Management has conducted "Annual Free Eye Camp" for two days. The Camp was held on February 01, 2022 and February 02, 2022 on the premises of the Factory. In free camp, checkup of over 1,500 outpatients were conducted and operations of 456 patients were conducted. The Operations were satisfactorily done including lenses replacements and fixation as per our past practice by the famous eye surgeons and their technicians. Before the launch of camp, an advertisement campaign was made through radio, cable, social media & pamphlets for the information of needy persons. Free pick and drop arrangement was made for the patients and caring persons from the areas of Sanghar, Perumal and Mirpurkhas division. Free arrangements of accommodation and food was arranged for patients, care takers, doctors and their staff. The whole camp was financed by the Company and as well as by the Executives personally.

Further, the Company is contributing through donations to the "Kidney Dialysis Centre - Sanghar" as and when seems necessary.

The management has conducted Anti-Mosquito spray campaign at factory premises and surrounding areas to reduce the chance of mosquito borne diseases after the flood in district Sanghar.

#### **B. FREE MEDICAL CAMP FOR FLOOD AFFECTED FAMILIES:**

After the torrential rains and the flood in all over Pakistan which also affected the District Sanghar and surrounding areas, the Management has decided to conduct a one day Medical Camp for affected families on September 09, 2022.

The Medical camp was conducted at mills premises in collaboration with Suleman Roshan Medical College (Tando Adam) having team of specialized, experienced doctors and other paramedical staff. In this camp, check-up of 1088 outpatients were conducted which includes infants, children, teenage, adults and old age in which 525 were male and 563 were females having age ranges from 01 month to 89 years. Most of the cases were diagnosed with Scabies, Bacterial Infections, Skin Rash, Chest Infections, Cold, Cough & Fever and other cases. Serious cases were referred to the Hospital with initial treatment and diagnosis and other cases were treated at Mills and distributed free medicines as required.

Before the launch of camp, an advertisement campaign was made through radio, cable, social media & pamphlets for the information of needy persons. Free pick and drop arrangement was made for the patients and caring persons from the areas of Sanghar, Perumal and Mirpurkhas division. Free arrangements of accommodation and food was arranged for patients, care takers, doctors and their staff. The whole camp was financed by the Company and as well as by the Executives personally.

#### **PURIFIED DRINKING WATER:**

##### **Sustainable Development Goal:**

- Clean Water & Sanitation
- Good Health & Well Being

The Company continues to engage in supporting initiatives for water and environmental sustainability, both at business and at community level. The Company endeavors to continuously improve its processes and systems to reduce its water usage and also engages with the community and external institutions to support water and environmental initiatives. The Company focuses on water and environmental sustainability with;

- a) Continuous improvement in our processes and systems to reduce our water usage - each year has to be better than the previous.
- b) Community clean water supply schemes - Water filtration plants for communities living around us.

The Company has achieved universal and equitable access to safe and affordable drinking water for all, ensures supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity and strengthen the participation of local communities in improving water and sanitation management.



Therefore, the Company have made arrangement for the Reverse Osmosis Plant having capacity of 5000 Gallons per day for Mills and surrounding area residents to provide clean and purified drinking water.

#### **COMMUNITY & SOCIAL DEVELOPMENT:**

##### **Sustainable Development Goal:**

- Zero Hunger
- No Poverty

The Company's efforts have primarily on improving the social conditions of the Communities and employees related to the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labor and forced labor etc.

To support the sugarcane growers of the area and provide better quality seeds and fertilizers to achieve improvement in quality of sugarcane and enhance its quantity and productivity in order to have regular, constant and better supply in future the major basic raw material for sugar mills.

The management prefers to hire from local communities in the surrounding areas in order to generate / upgrade livelihoods and the major focus is on education, health and welfare for the underprivileged particularly in that areas.

#### **TREE PLANTATION:**

##### **Sustainable Development Goal:**

- Sustainable Cities and Communities
- Life on Land

Tree plantation is part of our main project of CSR activities. The Company has established green house at the premises of Factory where we have facilities to grow the plants and research on them based on the local atmosphere of Sanghar. We have planted several trees in the premises of Factory and nearby areas and distribute amongst the staff to plant them, at their living areas to make environment clean and green.

#### **HUMAN RESOURCE MANAGEMENT:**

##### **Sustainable Development Goal:**

- Decent Work & Economic Growth
- Reduced Inequalities
- Gender Equality

##### **a. Employees:**

There are policies and procedures which demonstrate the Human Resource department, a philosophy of fair and transparent appointments on the basis of merit and give objective of performance evaluation, which ultimately results in the increments, promotions, bonuses and cash awards. Being social responsible, the Company gives importance on providing an opportunity with dignity to people with special needs who are trained to serve the Company as a valuable human capital. The Company treats all employees fairly and compensates them according to the industry practice. The Company provides the benefits such as perquisites, annual leaves, pick and drop, facility of mess, safe and healthy working conditions etc along-with group insurance, making payments to Employees Old Age Benefits Institution, Sindh Employees Social Security Institution. The Company is committed to maintaining the principles of integrity and trust with respect to privacy of the employees of the Company.

An apprentice training program is in place to provide vocational training to deserving individuals. The program enables youths to develop skills and knowledge of manufacturing processes.

##### **b. Special Persons:**

The management of the Company encourages employment of workforce i.e. special person employees living in the rural areas in order to yield significant gain and uplift their living standard. Currently, the management has appointed disabled persons as an employee of the Company which have disability like stammered, deaf & dumb, limp (accident), artificial foot, damage eye and polio cases.

**c. Women Empowerment:**

The Company is in the process to strengthen our policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all level and ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life. Currently, at the top position, one female has been appointed as Non-Executive Director and became the part of the Board.

**CONTRIBUTION TOWARDS ECONOMY & GOVERNMENT:****Sustainable Development Goal:**

- Industry Innovation & Infrastructure
- Affordable & Clean Energy

The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.

Pakistan is facing severe energy crises and efforts to increase power generation. This is resulting in load-shedding and power shutdowns in all sectors, whether industrial or residential. Considering the importance of energy, the Company has been heavily investing in power generation, which includes installation of equipment & machinery, with our manufacturing area for our in-house consumption and surplus energy are sold to Hyderabad Electric Supply Corporation (HESCO), to overcome the crises of power generation to some extent. Due to some approvals and other legal agreements, this year the Company has not supplied power to HESCO.

**ASSISTANCE TO FAMILIES:****Sustainable Development Goal:**

- No Poverty
- Zero Hunger

The Company has always been active in supporting and providing humanitarian assistance to communities in natural calamities by providing food, where staff also participates as volunteers in delivering the relief goods. These relief packages are donated directly by the team's of the Company.

During the year, rain badly affected the rural areas of Sanghar and nearby villages. Company's Management mobilized their personal resources and collected the sizeable amount of funds to help the rain affected families and provided them the initial assistance. The management stood with the community and provided the immediate relief in the form of food and ration bags for families. Distributed more than thousand mosquito nets for people stayed on road edges because of rain water accumulated at their residential areas and premises and also provided machineries to drain out the rain water.

**CORPORATE SOCIAL RESPONSIBILITY PLANS:****Sustainable Development Goal:**

- Responsible Consumption
- Good Health

The Company has plan to conduct a two days free eye camp in the month of February 2023 for employees and persons living nearby.

**EXPENDITURES INCURRED:**

The expenditures incurred on Corporate Social Responsibility activities are disclosed in notes to the financial statements under the heading of "Other Operating Cost".

**Ghulam Dastagir Rajar**

Chairman

Corporate Social Responsibility Committee

Karachi : December 31, 2022

زیر نظر مالی سال کے دوران بارش نے ساگھڑ کے دیہی علاقوں اور قریبی دیہات کو بری طرح متاثر کیا۔ کمپنی کی انتظامیہ نے اپنے ذاتی وسائل کو متحرک کیا اور بارش سے متاثرہ خاندانوں کی مدد کے لیے خاطر خواہ رقم جمع کی اور انہیں ابتدائی امداد فراہم کی گئی۔ انتظامیہ کمیونٹی کے ساتھ کھڑی رہی اور متاثرہ خاندانوں کے لیے خوراک اور راشن کے تھیلوں کی صورت میں فوری ریلیف فراہم کیا۔ سڑکوں کے کناروں پر رہنے والے لوگوں کے لیے ایک ہزار سے زائد چھردانیاں تقسیم کی گئیں کیونکہ ان کے رہائشی علاقوں اور احاطے میں بارش کا پانی جمع ہو چکا تھا، نیز بارش کے پانی کو نکالنے کے لیے مشینری بھی فراہم کی گئی۔

سی ایس آر منصوبے:

مستقل بنیادوں پر ترقی کا ہدف

- ذمہ دارانہ کھپت

- اچھی صحت

کمپنی کی جانب سے فروری 2023 میں ملازمین اور قرب وجوار میں رہائش پذیر عوام کیلئے امراض چشم کے دوروزہ مفت کیمپ کا بندوبست کیا جا رہا ہے۔

ادا شدہ اخراجات:

کارپوریٹ معاشرتی ذمہ داری کی سرگرمیوں پر آنے والے اخراجات کو مالیاتی رپورٹ کے نوٹس میں "دیگر کاروباری اخراجات" کے عنوان سے رپورٹ کیا گیا ہے۔

غلام دستگیر راجڑ

چئیرمین

کارپوریٹ معاشرتی ذمہ داری کمیٹی

کراچی: 31 دسمبر 2022ء

مستحق افراد کو پیشہ ورانہ تربیت فراہم کرنے کے لیے ایک اپرنٹس ٹریننگ پروگرام ترتیب دیا گیا۔ یہ پروگرام نوجوانوں کو مینوفیکچرنگ کے عمل کے بارے میں ہنرمند بنانے اور ان کے علم اضافہ کرنے کے قابل بناتا ہے۔

### ب) خصوصی افراد

کمپنی کی انتظامیہ کی جانب سے اس بات کو اہمیت دی جاتی ہے کہ دیہی علاقوں میں رہنے والے افراد کو روزگار کے زیادہ سے زیادہ مواقع فراہم کئے جائیں تاکہ ان لوگوں کے معیار زندگی میں بہتری لانے میں مدد مل سکے۔ مزید برآں، کمپنی انتظامیہ کی جانب سے خصوصی افراد کو روزگار فراہم کرنے پر بھی زور دیا جاتا ہے۔ ان خصوصی افراد میں ہکلا ہٹ، بہرہ پن، گونگ، (حادثات کے باعث) لنگڑاپن، مصنوعی ٹانگ، امراض چشم اور پولیو سے متاثرہ معذور یوں جیسی معذوریات شامل ہیں۔

### ج) خواتین کی خود مختاری

کمپنی اپنی پالیسیوں کو مزید وسعت دینے کے مراحل میں ہے اور اس بات کو یقینی بنایا جا رہا ہے کہ قانوناً ایسی پالیسیوں کے نفاذ کو ممکن بنایا جاسکے جن کے ذریعے جہنسی تفاوت کو ختم کیا جائے اور ہر سطح پر خواتین اور لڑکیوں کے مؤثر کردار کو ممکن بنایا جائے اور انہیں برابری کی بنیاد پر مواقع فراہم کئے جائیں اور وہ بھی اپنی صلاحیتوں کی بنیاد پر لیڈر شپ کا کردار ادا کر سکیں خواہ سیاسی، معاشی یا معاشرتی میدان ہی کیوں نہ ہو۔ حال ہی میں غیر جانبدار ڈائریکٹر جیسے اعلیٰ عہدے پر ایک خاتون کو فائز کر کے بورڈ کا حصہ بنایا گیا ہے۔

### سرکاری و معاشی میدانوں میں کمپنی کا حصہ

#### مستقل بنیادوں پر ترقی کا ہدف

#### - صنعتی اختراعات و بنیادی ڈھانچہ

#### - سستی اور صاف توانائی

کمپنی کی جانب سے قومی ترقی میں اپنا بھرپور حصہ ملایا جا رہا ہے اور اس ضمن میں کمپنی اپنی آمدن سے ٹیکسوں، ڈیوٹیز اور دیگر لیویز کی مدد میں ادائیگیاں کر رہی ہے۔ پاکستان اس وقت شدید توانائی بحران سے گزر رہا ہے اور اس مسئلے سے نمٹنے کی کوششیں کی جا رہی ہیں۔ اس مسئلے کی وجہ سے تمام شعبوں کو لوڈ شیڈنگ اور پاور شٹ ڈاؤن کا سامنا ہے۔ خواہ گھریلو صارفین ہوں یا صنعتی صارفین سب ہی اس مسئلے سے دوچار ہیں۔ توانائی کی اہمیت کو مد نظر رکھتے ہوئے کمپنی کی جانب سے توانائی کے شعبے میں بھاری سرمایہ کاری کی گئی ہے جس میں مشینری اور آلات کی تنصیب شامل ہے جس سے ہمارے صنعت سازی کے عمل کو بھی توانائی کی فراہمی اندر سے ہی پوری ہو جاتی ہے اور فاضل توانائی حیدرآباد الیکٹرک سپلائی کارپوریشن کو بیچ دی جاتی ہے تاکہ جس حد تک ممکن ہو توانائی کے بحران سے نمٹا جاسکے۔ کچھ منظور یوں اور قانونی معاہدوں کے پیش نظر اس سال کمپنی کی جانب سے ہیسکو کو بجلی فراہم نہیں کی گئی۔

#### خاندانوں کی امداد:

#### مستقل بنیادوں پر ترقی کا ہدف

#### - غربت کا خاتمہ

#### - بھوک و افلاس کا خاتمہ

کمپنی کی جانب سے ہمیشہ قدرتی آفات سے متاثرہ خاندانوں کی بڑھ چڑھ کر امداد کی جاتی ہے اور انہیں کھانا فراہم کیا جاتا ہے، ایسے مواقع پر کمپنی کے ملازمین بھی بطور رضا کار امدادی اشیاء متاثرین تک پہنچانے میں اپنا کردار ادا کرتے ہیں۔ امدادی سامان کمپنی کی ٹیموں کے ذریعے براہ راست متاثرین تک پہنچایا جاتا ہے۔

علاقے میں گنے کی کاشت کرنے والے کسانوں کی امداد کیلئے اور مستقبل میں گنے کی اعلیٰ معیار کی فصل کے حصول کیلئے اور گنے کی وافر مقدار کو ممکن بنانے کیلئے کسانوں کو اعلیٰ معیار کے بیج فراہم کرنے کے ساتھ ساتھ اعلیٰ معیار کی کھاد بھی فراہم کی جارہی ہے تاکہ مستقبل میں اس بات کو یقینی بنایا جائے کہ گنے کی اعلیٰ معیار اور وافر مقدار کو مستقل بنیادوں پر جاری رکھا جاسکے جو کہ شوگر ملز کیلئے ایک بنیادی خام مال ہے۔

کمپنی کی انتظامیہ معاش پیدا کرنے اور معیار زندگی کو بلند کرنے کے لیے قرب و جوار کے علاقوں میں مقامی کمیونٹیز سے خدمات حاصل کرنے کو ترجیح دیتی ہے اور خاص طور پر ان علاقوں میں پسماندہ افراد کے لیے تعلیم، صحت اور بہبود پر سب سے زیادہ توجہ مرکوز ہے۔

## شجر کاری

### مستقل بنیادوں پر ترقی کا ہدف

- پائیدار شہر اور کمیونٹیز

- زمین پر زندگی

شجر کاری کی مہم ہمارے سی ایس آر پروجیکٹ کی سرگرمیوں میں سے ایک اہم ترین سرگرمی ہے۔ کمپنی کی جانب سے کمپنی کے احاطے میں ایک گرین ہاؤس قائم کیا گیا ہے جہاں پودوں کو پروان چڑھانے اور ان پر تحقیق کرنے کا مکمل بندوبست کیا گیا ہے اور ساگھڑ کے مقامی موسم کے مطابق ان پودوں پر تحقیق بھی کی جاتی ہے۔ ہماری جانب سے فیٹری کے احاطے میں اور قرب و جوار میں کئی درخت لگائے گئے ہیں اور ملازمین میں بھی پودے تقسیم کئے گئے ہیں تاکہ وہ اپنی رہائش گاہوں کے قریب بھی شجر کاری کو فروغ دے سکیں تاکہ ہمارا ماحول صاف ستھرا اور سرسبز ہو جائے۔

### بندوبست برائے انسانی وسائل

### مستقل بنیادوں پر ترقی کا ہدف

- مہذب کام کاج اور معاشی نشوونما

- عدم مساوات میں کمی

- صنفی مساوات

## الف) ملازمین

انسانی وسائل کو مؤثر طریقے سے بروئے کار لانے کیلئے ایسی پالیسیاں اور طریق کار وضع کئے گئے ہیں کہ تعیناتیوں میں شفافیت اور میرٹ کی جھلک نظر آئے۔ اس مقصد کیلئے خدمات کی جانچ پڑتال کا ایک جامع نظام روبہ عمل ہے جس کے نتیجے میں تنخواہوں میں اضافے، ترقیوں، بونس اور نقد انعامات وغیرہ کے فیصلے کئے جاتے ہیں۔ اپنی معاشرتی ذمہ داریوں کا احساس کرتے ہوئے کمپنی کی جانب سے ایسے افراد کو خصوصی تربیت دی جاتی ہے جو خصوصی تربیت کے بعد کمپنی کیلئے قیمتی اثاثہ ثابت ہوتے ہیں۔ کمپنی کی جانب سے چند خصوصی افراد کو بھی انسانی وسائل کا حصہ بنایا گیا ہے۔ کمپنی کی جانب سے تمام ملازمین کے ساتھ جائز سلوک روا رکھا جاتا ہے اور انھیں اجرت کی ادائیگی کے سلسلے میں صنعت کی روایات کی مکمل پاسداری کی جاتی ہے۔ کمپنی کی جانب سے بہت سی سہولیات فراہم کی جاتی ہیں جیسا کہ اضافی مراعات، سالانہ چھٹیاں، ٹرانسپورٹ، مطعم اور سازگار اور صاف اور ستھرے ماحول کار کے علاوہ گروپ انشورنس، اولڈ ایج بینیفٹس کی ادائیگیاں، ورکرز ویلفیئر فنڈ اور ورکرز پروفٹ پارٹیشنیشن فنڈ جیسی سہولیات بھی میسر ہیں۔ کمپنی ایمانداری اور بھروسے جیسے اصولوں پر یقین رکھتی ہے اور کمپنی کے تمام ملازمین کی نجی زندگی میں عدم مداخلت کو اہمیت کی نظر سے دیکھا جاتا ہے۔

563 خواتین شامل تھیں جن کی عمریں 1 ماہ سے 89 سال تک تھیں۔ زیادہ تر کیسز میں خارش، بیکٹیریل انفیکشن، جلد پر دانے، سینے میں انفیکشن، نزلہ، کھانسی اور بخار اور دیگر کیسز کی تشخیص ہوئی۔ سنگین کیسز کو ابتدائی علاج اور تشخیص کے ساتھ ہسپتال ریفر کیا گیا اور دیگر کیسز کا علاج ملز میں کیا گیا اور ضرورت کے مطابق مفت ادویات تقسیم کی گئیں۔

کمپ کے آغاز سے قبل ضرورت مند افراد کی معلومات کے لیے ریڈیو، کیبل، سوشل میڈیا اور پمفلٹ کے ذریعے اشتہاری مہم چلائی گئی۔ سانگھڑ، پیرول اور میرپور خاص ڈویژن کے علاقوں کے مریضوں اور دیکھ بھال کرنے والے افراد کے لیے مفت پک اینڈ ڈراپ کا انتظام کیا گیا تھا۔ مریضوں، دیکھ بھال کرنے والوں، ڈاکٹروں اور ان کے عملے کے لیے رہائش اور کھانے کا مفت انتظام کیا گیا تھا۔ پورے کمپ کی مالی اعانت کمپنی اور ایگزیکٹوز نے ذاتی طور پر کی۔

## پینے کا صاف پانی

مستقل بنیادوں پر ترقی کا ہدف

- صاف پانی اور نکاسی آب

- اچھی صحت اور فلاح و بہبود

کمپنی کی جانب سے پانی اور ماحولیات کے سلسلے میں مستقل بنیادوں پر اقدامات اٹھائے جاتے ہیں، یہ اقدامات کاروباری اور کمیونٹی کی سطح پر اٹھائے جاتے ہیں۔ کمپنی کی جانب سے ہمہ وقت یہ کوشش جاری رہتی ہے کہ پانی کے استعمال کو کم از کم کرنے کیلئے اپنے نظام میں مزید سے مزید تر بہتری پیدا کی جائے، نیز کمپنی اس سلسلے میں کمیونٹی اور بیرون اداروں سے بھی مسلسل رابطے میں رہتی ہے تاکہ پانی اور ماحولیات کیلئے اٹھائے جانے والے اقدامات کو زیادہ سے زیادہ حمایت حاصل ہو سکے۔

(الف) ہمارے طریق کار اور نظام میں مستقل بنیادوں پر تجدید کا عمل جاری ہے تاکہ پانی کے استعمال کو کم از کم سطح پر لایا جاسکے، ہر آنے والا سال گزرے ہوئے سال کے مقابلے میں بہتر ہونا چاہیے۔

(ب) کمیونٹی صاف پانی اسکیم - ہمارے قرب و جوار میں رہائش پذیر لوگوں کیلئے وائر فلٹریشن پلانٹس کی تنصیب۔

کمپنی کی جانب سے پینے کے صاف پانی تک مناسب قیمت پر ہمہ وقت اور مناسب رسائی حاصل کر لی گئی ہے۔ کمپنی کی جانب سے اس بات کو یقینی بنایا جا رہا ہے کہ تمام افراد تک پینے کے صاف پانی کی فراہمی کو ممکن بنایا جائے اور پانی کی عدم فراہمی کی وجہ سے بیمار ہونے والے افراد کی تعداد میں کمی لائی جائے اور پانی کی فراہم اور نکاسی کیلئے مقامی کمیونٹی کی شراکت کے عمل کو مضبوط بنیادوں پر استوار کیا جائے۔

لہذا کمپنی کی جانب سے ریورس اوسموسس پلانٹ کا بندوبست کیا گیا ہے جس کے ذریعے یومیہ 5000 گیلن پانی کو صاف کیا جاسکے گا اور اس طرح پینے کا صاف پانی ملز اور قرب و جوار میں رہنے والے عوام کو فراہم کیا جاسکے گا۔

## کمیونٹی اور معاشرتی ترقی

مستقل بنیادوں پر ترقی کا ہدف

- بھوک کا مکمل خاتمہ

- غربت کا جڑ سے خاتمہ

کمپنی کی توجہ بنیادی طور پر اس جانب مرکوز ہے کہ کمپنی سے متعلق کمیونٹی اور ملازمین کے معاشرتی حالات میں بہتری لائی جائے اور اس ضمن میں کمپنی کی جانب سے حالات کا کو سا زگار بنانے، پیشہ ورانہ امور میں حفاظت کو یقینی بنانے، معاشرتی معیارات قائم کرنے، کم از کم اجرت کا تعین کرنے اور بچوں سے مشقت لینے اور جبری مشقت کے خلاف مکمل عدم برداشت جیسے اقدامات اٹھائے جا رہے ہیں۔

مشتمل ہے۔ اسکول کی عمارت مکمل طور پر ڈھکی ہوئی ہے اور عمارت ہوا دار اور روشن درسگاہوں، کمپیوٹر لیبارٹری، کھیل کے میدان اور ٹنک شاپ پر مشتمل ہے اور اسکول میں مستقل پاور سپلائی کا نظام بھی موجود ہے۔ اسکول کو قائم کرنے کا بنیادی مقصد علاقے کے غریب عوام کی مدد کرنا، لڑکیوں کی تعلیم کو بالخصوص فروغ دینا، بچوں کی تعلیم و تربیت میں اسلامی اقدار کو بروئے کار لانا اور بچوں میں یہ احساس پیدا کرنا ہے کہ وہ اپنی اہمیت کو پہچانیں۔ دور افتادہ علاقوں میں تعلیم کی فراہمی ایک بڑا مسئلہ ہے، بالخصوص ان لوگوں کیلئے جنہیں معیاری اور جدید تعلیم کی سہولیات ان کے گھروں کے پاس مہیا نہیں ہیں یا وہ ان سہولیات سے فائدہ اٹھانے کی سکت نہیں رکھتے۔ علاوہ ازیں، اسکول میں مختلف ایام منانے کا اہتمام بھی کیا جاتا ہے جیسا کہ سالانہ اسپورٹس ڈے اور پیئرٹس ڈے وغیرہ۔

### صحت اور طبی سہولیات

#### مستقل بنیادوں پر ترقی کا ہدف

#### - اچھی صحت

#### الف۔ طبی سہولیات:

کمپنی کی جانب سے طبی سہولیات و صحت کے سلسلے میں گرانقدر خدمات انجام دی گئی ہیں۔ اس سلسلے میں جسمانی سہولیات کے ساتھ ساتھ مالی معاونت کا بندوبست بھی کیا گیا تھا، یہ مالی معاونت امراض چشم اور خون کے امراض کے علاج کیلئے فراہم کی گئی۔

کمپنی کی جانب سے حادثات کو کم از کم کرنے کیلئے مؤثر اقدامات اٹھائے جاتے ہیں، ضروری طبی سہولیات فراہم کی جاتی ہیں اور ملز کے اندر اور قرب وجوار میں ماحول کو سربز اور صاف ستھرا رکھنے، ملازمین کی صحت کو یقینی بنانے، کمپنی کے افعال کو خطرات سے پاک رکھنے اور صارفین اور عوام الناس کی صحت اور حفاظت کو ممکن بنانے کی غرض سے تمام مروجہ قواعد و ضوابط کے عین مطابق کمپنی کی جانب سے اقدامات اٹھائے جاتے ہیں۔ کمپنی کی جانب سے قابل اور تجربہ کار طبی ماہرین کے زیر نگرانی کمپنی ملازمین اور قرب وجوار کے عوام کیلئے ایک ڈسپنسری بھی چلائی جا رہی ہے۔ فیکٹری میں ایک ڈاکٹر اور پیرامیڈیکل اسسٹنٹ دستیاب رہتے ہیں۔

انتظامیہ کی جانب سے دوروزہ "سالانہ مفت کیمپ برائے امراض چشم" کا اہتمام کیا گیا۔ کیمپ مورخہ یکم فروری 2022 سے 2 فروری 2022 تک کمپنی کے احاطے میں منعقد کیا گیا۔ مفت کیمپ کے تحت 1500 سے زائد مریضوں کا معائنہ کیا گیا اور 456 مریضوں کے اطمینان بخش آپریشنز بھی کئے۔ یہ آپریشنز انتہائی کامیاب رہے جن میں لینس تبدیل اور فکس کئے گئے جیسا کہ ماضی میں بھی ہمارے معروف ڈاکٹر اور ٹیکنیشنز ان میں حصہ لیتے رہے ہیں۔ کیمپ منعقد کرنے سے پہلے بذریعہ ریڈیو، کیبل، سوشل میڈیا اور پمفلٹ ضرورت مند افراد تک معلومات کو پہنچایا گیا۔ میرپور خاص ڈویژن، پیرول اور سانگلہٹ سے مریضوں اور ان کے تیمارداروں کو لانے اور لے جانے کیلئے مفت ٹرانسپورٹ کا اہتمام بھی کیا گیا تھا۔ اس کے علاوہ مریضوں، ان کے تیمارداروں، ڈاکٹروں اور ان کے اسٹاف کیلئے قیام اور طعام کو بندوبست بھی کیا گیا تھا۔ کیمپ کے تمام اخراجات کمپنی اور اس کے اعلیٰ افسران نے بذات خود برداشت کئے۔

مزید برآں، ضرورت کی بنیاد پر "کڈنی ڈیلاس سینٹر، سانگلہٹ" کیلئے کمپنی کی جانب سے عطیات فراہم کئے جا رہے ہیں۔ انتظامیہ کی جانب سے فیکٹری اور قرب وجوار میں مچھروں سے بچاؤ کیلئے مچھر کش اسپرے بھی کیا جا رہا ہے تاکہ سیلاب کی تباہ کاریوں کے بعد ڈسٹرکٹ سانگلہٹ کو مچھروں سے پیدا ہونے والی بیماریوں سے بچایا جاسکے۔

#### ب۔ سیلاب سے متاثرہ خاندانوں کیلئے مفت میڈیکل کیمپ:

پورے پاکستان میں طوفانی بارشوں اور سیلاب کے بعد جس سے ضلع سانگلہٹ اور گرد و نواح کے علاقے بھی متاثر ہوئے، انتظامیہ نے متاثرہ خاندانوں کے لیے 09 ستمبر 2022 کو ایک روزہ میڈیکل کیمپ لگانے کا فیصلہ کیا گیا تھا۔

میڈیکل کیمپ کا انعقاد ملز کے احاطے میں سلیمان روشن میڈیکل کالج (ٹنڈو آدم) کے تعاون سے کیا گیا جس میں ماہر، تجربہ کار ڈاکٹروں اور دیگر پیرامیڈیکل اسٹاف کی ٹیم موجود تھی۔ اس کیمپ میں 1088 مریضوں کا چیک اپ کیا گیا جن میں شیرخوار، بچے، نوجوان، بالغ اور بوڑھے افراد بھی شامل تھے جن میں 525 مرد اور



# کارپوریٹ معاشرتی ذمہ داری سے متعلق رپورٹ

بابت مالی سال اختتامیہ 30 ستمبر 2022

معزز ممبران،

وطن عزیز کا ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے ساگھڑ شوگر ملز لمیٹڈ کو معاشرے کے کل کو آج سے زیادہ مضبوط بنانے کیلئے اپنی ذمہ داریوں کا مکمل احساس ہے۔ کوڈ آف کنڈکٹ کے مطابق جس سے اس کے عزائم کی توثیق ہوتی ہے کہ بنیادی انسانی حقوق کی پاسداری کی جائے، اور تمام ملازمین، صارفین اور اندرونی و بیرونی شراکت داروں کے ساتھ انصاف اور مساوات پر مبنی برتاؤ روا رکھا جائے تاکہ ایک شفاف، قابل بھروسہ معاشرہ تشکیل دیا جائے جو کہ تعصب، امتیازی سلوک، تشدد اور خوف سے پاک ہو۔

مستقل بنیادوں پر پاکستان کے معاشرے اور افراد کی ترقی و فلاح و بہبود کی خاطر کمپنی اپنا بھرپور کردار ادا کر رہی ہے۔ کمپنی اس بات پر یقین رکھتی ہے کہ معاشرے میں شراکت کی بنیادوں پر معاشی اور معاشرتی اقدامات کو مستوار کرنے کیلئے اقدامات کئے جائیں۔ اس سلسلے میں کمپنی کی جانب سے اٹھائے گئے اقدامات کے بارے میں شراکت داروں تک معلومات بہم فراہم کرنے کیلئے درج ذیل رپورٹ پیش کی جا رہی ہے:

شعبہ تعلیم

مستقل بنیادوں پر ترقی کا ہدف

- صنفی مساوات

- مہذب کام اور معاشی نشوونما

- معیاری تعلیم

کمپنی کی جانب سے اس بات کو یقینی بنایا جاتا ہے کہ تمام لڑکے اور لڑکیوں کی مکمل فیس معافی، مناسب اور معیاری بنیادی اور ثانوی تعلیم کا خیال رکھا جائے جو مؤثر نتائج پر مبنی ہو اور اس بات کو بھی یقینی بنایا جاتا ہے کہ بچوں کی معیاری نشوونما اور بنیادی تعلیم سے قبل کے تمام یعنی قبل از پرائمری مراحل تک ہر لڑکے اور ہر لڑکی کو رسائی حاصل ہوتا کہ وہ بنیادی تعلیم کے حصول کیلئے مکمل طور پر تیار ہوں۔

ملک کے دیہی علاقوں سے ناخواندگی کو دور کرنے کے سلسلے میں کمپنی کی جانب سے القلم ایجوکیشن سسٹم، ساگھڑ قائم شدہ 2008 کے تعاون سے ایک تعلیمی پروگرام کا آغاز کیا گیا ہے اور ملز کی ایمپلائز کالونی کے احاطے سے متصل تعلیمی سہولیات فراہم کی جا رہی ہیں، سہولیات کی فراہمی میں اس بات کا خیال رکھا جاتا ہے تشدد کا پہلو اس میں شامل نہ ہو اور قابل اساتذہ کی زیر نگرانی انتہائی مناسب فیس پر اعلیٰ تعلیمی سہولیات فراہم کی جائیں اور یہ سہولیات فیکٹری کے ملازمین کے علاوہ ان بچوں کو بھی فراہم کی جائیں جو فیکٹری کے قرب و جوار میں رہتے ہیں۔

تعلیم کا عمل کنڈرگارٹن کے مرحلے میں ایک کمرے سے شروع کیا گیا جس میں بچوں کی کل تعداد محض دس (10) تھی۔ لیکن اب چند دنوں ہی کی بات ہے کہ یہ اسکول آٹھویں جماعت تک ترقی کر چکا ہے اور اس میں طلباء کی تعداد دو سو تیرن (253) تک پہنچ چکی ہے، ان میں سے 138 لڑکے اور 115 لڑکیاں زیر تعلیم ہیں جن کیلئے 14 اساتذہ اور دیگر اسٹاف کو مقرر کیا گیا ہے، ان میں سے 2 مرد حضرات اور بقیہ 12 خواتین ہیں۔ کل 253 طلباء میں سے 101 کا تعلق مل کے ملازمین کی فیملیز سے ہے اور بقیہ طلباء قرب و جوار کے علاقوں سے حصول تعلیم کیلئے آتے ہیں۔ اسکول خوبصورت عمارت، صاف ستھرے ماحول اور تمام بنیادی سہولیات پر

# Risk Management Framework & Methodology

The Company's overall risk management program focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control, and to monitor risks and adherence to limits. The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Our Risk Management Framework is a comprehensive approach to identifying, assessing and mitigating risk within the context of our risk environment. Our approach to risk management relies on continuously monitoring risk and related mitigation procedures and revising these when required. These procedures are embedded in our day-to-day activities.

The Company considers the following material risk which may affect our business operations and mitigating strategies for controlling these risks:

STRATEGIC RISK			
Risk	Area of Impact	Source of Risk	Mitigating Action
Inconsistent & Arbitrary changes in Government Policies	Financial Capital	External	Regular advocacy through different forums, like PASMA, to timely appraise the relevant Government Departments and Regulators of all issues that may have an adverse impact on the Company and industry as a whole. Further, the Company consult with the Consultants for developing appropriate policies and cases to defend the interest of the Company and present to the Government.
Technological Advancements	Manufactured Capital	External	Investments are being made regularly to continuously improve product quality / quantity and process efficiently.

**OPERATIONAL RISK**

<b>Risk</b>	<b>Area of Impact</b>	<b>Source of Risk</b>	<b>Mitigating Action</b>
Maintenance	Manufactured Capital	Internal	Effective technical monitoring and preventive maintenance are in place to ensure maximum plant efficiency and capacity utilization.
Employee Retention & Succession Planning	Human Capital	Internal	Company values its employees as essential human assets and provides congenial environment and growth opportunities. Strategy on succession planning is in place to support the management in assessing employee performance for future growth and identify potential placements.
Information System	Financial Capital	Internal / External	Appropriate data back-up is in place. Further, system related controls are in place and working effectively.
Natural Catastrophe	Manufactured Capital / Relationship Capital	External	Every possible aspects of safety measures has been taken into consideration by the Company during construction and erection of Building, Plant & Machinery. The Company has made comprehensive insurance cover of all. Further, the Company has established data backup to address any unwarranted events.

**MARKET RISK**

<b>Risk</b>	<b>Area of Impact</b>	<b>Source of Risk</b>	<b>Mitigating Action</b>
Raw Material - Sugar Cane	Financial Capital	External	The Company always maintains healthy relationship with its farmers. The risk of raw material - Sugarcane short supply and quality is mitigated to a large extent by educating farmers with latest cultivating techniques. The Company provides harvesting advance to growers and also provides fertilizers in the shape of advances for healthy crop.
Commodity	Financial Capital	External	The Company diversify its revenue sources. The Company supply sugar to Registered buyers as well as Unregistered buyers. Further, the Company made investments in plant & machinery to reduce the consumption of Baggasse and sell the surplus Baggasse after meeting our own production requirements.
Finished Goods - Sugar	Financial Capital	External	The management of the Company keep an eye and in-touch with the market sentiments and players respectively. This helps the management to do a quick and aggressive decision for sugar sales in scattered form or in bulk.

**FINANCIAL RISK**

<b>Risk</b>	<b>Area of Impact</b>	<b>Source of Risk</b>	<b>Mitigating Action</b>
Credit Risk	Financial Capital	External	To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. The Company manages credit risk interalia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits.
Interest Rate Risk	Financial Capital	External	Company's exposure to interest rate is associated with the long term financing and short term borrowings. The Company monitors interest rate fluctuation and encounters interest rate risk by utilizing optimal mix of different types of borrowing arrangements.
Liquidity Risk	Financial Capital	External	The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. The Company has available un-availed borrowing facilities and also has cash & bank balances.
Foreign Exchange	Financial Capital	External	The Company is not directly exposed to Foreign Exchange Risk. When the Government allow exports and the Company made export sales, the Company obtained partial payment as an advance and negotiate the rate with bank for the balance payment.

**COMPLIANCE RISK**

<b>Risk</b>	<b>Area of Impact</b>	<b>Source of Risk</b>	<b>Mitigating Action</b>
Risk of Litigation	Social & Relationship Capital	External	Significant litigation cases are handled through reputable law firms and our Consultants / lawyers engaged by the Company which specialized in particular areas.
Environmental	Natural Capital	Internal	The Company has made serious efforts and are installing equipment to reduce the pollution and making a good impact of Company's business on Environment. The Company has installed collection units to retrieve oil / grease e.t.c. from the waste water and ash collectors are also installed at the chimneys to absorb the ash. The Effluent treatment plant has also been installed.
Health & Safety	Human Capital	Internal	Issues are addressed by focusing on safety measures such as conducting appropriate trainings, use of equipments & safe practices. Providing awareness to employees for precautionary measures.
Regulatory Laws & Policies	Relationship Capital	Internal	Audit Committee and Internal Audit Department reviews adequacy and effectiveness of controls over compliance & reporting and regular audits (Internal & External)
Unethical & Prohibited Business Practices	Relationship Capital	Internal	Our code of conduct sets out the behaviors that is expected from the Company, the Directors, the Executive & Managers and the Employees & Workers. We are committed to conduct business in an ethical manner and a reputation of trust & reliance.

## Terms of Reference of the Audit Committee

The Board of Directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be the following:

- a) determination of appropriate measures to safeguard the Company's assets;
- b) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
  - major judgmental areas;
  - significant adjustments resulting from the audit;
  - going concern assumption;
  - any changes in accounting policies and practices;
  - compliance with applicable accounting standards;
  - compliance with listing regulations and other statutory and regulatory requirements; and
  - significant related party transactions.
- c) review of preliminary announcements of results prior to publication;
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) review of management letter issued by external auditors and management's response thereto;
- f) ensuring coordination between the internal and external auditors of the Company;
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) determination of compliance with relevant statutory requirements;
- m) monitoring compliance with the regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise and shall record the reasons thereof;
- p) consideration of any other issue or matter as may be assigned by the Board of Directors.



**Related party transactions**

The details of all related party transactions shall be placed periodically before the Audit Committee of the Company and upon recommendations of the audit committee the same shall be placed before the Board for review and approval.

The related party transactions, not executed at arm's length price, shall also be placed separately at each Board meeting along with necessary justification for consideration and approval of the Board on recommendation of the Audit Committee of the Company. The Board of Directors of a Company shall approve the pricing methods for related party transactions that were made on the terms equivalent to those that prevail in arm's length transaction, only if such terms can be substantiated.

## Terms of Reference of the Human Resource & Remuneration Committee

The Terms of reference of Committee shall be the following:

- a. leading the process for Board appointments, identifying and assessing candidates who are qualified for election of Directors (in particular, independent Directors) after invoking necessary procedures for making recommendations to the Board prior to publishing names of nominees for election of Directors by the general meeting;
- b. recommend to the Board for consideration and approval a policy framework for determining remuneration of Directors (both executive and non-executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the chief executive officer level;
- c. undertaking annually a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' report disclosing name, qualifications and major terms of appointment;
- d. recommending human resource management policies to the Board;
- e. recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) and succession planning of the chief executive officer;
- f. recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, Company secretary and head of internal audit;
- g. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer;
- h. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the Company.

## Terms of Reference of the Risk Management Committee

The Board constituted the Risk Management Committee to carry out a review of effectiveness of risk management procedures and present a report to the Board. The Terms of Reference of the committee shall include the following:

- a) Monitoring and review of all material controls (financial, operational, compliance);
- b) Risk mitigation measures are robust and integrity of financial information is ensured;
- c) Appropriate extent of disclosure of Company's risk framework and internal control system in Directors report.

## Terms of Reference for the Corporate Social Responsibility (CSR) Committee

The Terms of References of the committee are as follows:

- a) To review, agree and establish the Company's corporate strategy to ensure that corporate social responsibility is and remains an integral part of the strategy and its implementation in practice and that the social, environmental and economic activities are aligned
- b) To ensure that there is recognition of the impact of its activities upon all stakeholders including shareholders, customers, suppliers, employees and the wider community and environment and that those activities are regulated such that, consistent with sustainable business and development, they are conducted in a socially responsible manner and have a positive impact on society
- c) To develop and recommend for acceptance by the Board policies on all key areas of CSR including the environment, health and safety, product testing and customer safety, standards of business conduct, ethics, employees and employee development, charitable activities and community initiatives
- d) To develop and support the activities necessary to convert CSR policies into an effective plan for implementation and to agree a programme of specific CSR activities and focus for each financial year, supported by appropriate targets and key performance indicators
- e) To monitor compliance with the CSR policies and review performance against agreed targets
- f) In conjunction with management and other committees of the Board including the Risk Management Committee, to identify material environmental, social, health and safety risk areas and to ensure that appropriate measures are taken to mitigate any such risks
- g) To evaluate and oversee on an ongoing basis the quality and integrity of any reporting to external stakeholders concerning CSR matters and, specifically, to review and present to the Board for final approval a CSR report for publication in the annual reports and accounts
- h) To develop and encourage effective two-way communication concerning CSR issues within the business
- i) Where appropriate, to consider the appointment of external advisors to advise and support the committee in respect of CSR initiatives and to be responsible for establishing the selection criteria, terms of reference and fees in respect of any such advisors
- j) CSR Commitment Statement to be placed and agreed in each meeting of the Committee with respect to CSR definition, business value of CSR, vision and commitment (resources, time, personnel)
- k) To determine the priority areas wherein the CSR projects are currently being managed (ongoing projects) and are planned to be initiated (upcoming projects)

- l) To allocate resources and earmark specific resources (quantifiable), specific criteria, or a proportion of amount for selected CSR activities. The method of allocation of resources or identified criteria must be predetermined and endorsed by the Committee / Board
- m) Hold orientation sessions for the Committee members and the Board to ensure that the members and the Board have adequate understanding and expertise of CSR for making informed decisions and incorporate CSR as part of Annual Board Evaluation
- n) Specifying the organizational approach towards CSR
- o) Incorporating the CSR approach into code of ethics of the Company
- p) Setting targets for achievement of CSR objectives and periodic monitoring and evaluation of CSR activities
- q) Recognizing and documenting the shortfalls / failures and incorporating improvement in future CSR policy / plans
- r) To consider such other topics and issues in relation to CSR as may be stipulated by the Board from time to time

## Terms of Reference of the Information Technology & Steering Committee

The Board constituted the Information Technology & Steering Committee to carry out Information Technology Governance. The terms of reference of the committee shall be the following:

- a) To have properly documented and implemented Information Technology Governance Policy to ensure integrated framework for evolving and maintaining existing Information Technology and acquiring new technology to achieve the Company's Strategic focus
- b) To define Information Technology Governance, Scope and its role & responsibilities
- c) To promote accountabilities, due diligence, efficient and economic delivery of the Company's Information Technology services
- d) To provide structured decision making process around Information Technology investment decisions
- e) To laydown solid structure for management decision making
- f) To develop & upgrade different modules to provide reliable, efficient and timely information

# An Abstract of Policy for Corporate Social Responsibility

The following are an abstracts of policy for Corporate Social Responsibility.

The objective is to promote the development of a framework for Corporate Social Responsibility (CSR) initiatives by the Sanghar Sugar Mills Limited (the Company).

## Strategy of Corporate Social Responsibility

The Company is socially responsible and committed to conduct its business ethically and with responsibility. The Company is conscious of the role to play as responsible corporate citizen in fulfilling the various needs of the society concerning health, safety, environment, employee relationship and social welfare of the society. The Company considers itself accountable to its stakeholders and has identified dimensions of performing the social responsibilities which are contribution to economy, environment and society. The management peruses the strategy by following strategic guidelines to be a good corporate citizen:

1. Encouraging employment of work force living in the rural areas in order to yield significant gain and uplift their living standard.
2. Continuously striving to improve greenery, protecting the environment, maintain a clean environment around the factory and better housekeeping.
3. Making arrangement for civic, health, safety of people, education and accommodation facilities to employees and people.
4. Support social causes and human rights.
5. Conducting business in a socially responsible and ethical manner and in compliance with the Law.
6. Behave responsibly and with sensitivity to local communities in the area in which we operate.
7. Engaging, learning from, respecting and supporting the communities and cultures within which we work.

## Sustainability & Corporate Social Responsibility

The Company acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generation to come. Sustainability Policy is considered to be essential for continuing of the business. The Company considers itself accountable to its stakeholders and informs them about the initiative and measures taken to ensure sustainability and has identified the following dimensions of performing social responsibilities which contributing to economy, environment, health, education and society.

1. To support the sugarcane growers of the area and provide better quality seeds and fertilizers to achieve improvement in quality of sugarcane and enhance its quantity and productivity in order to have regular, constant and better supply in future the major basic raw material for sugar mills.
2. To alleviate illiteracy in the rural areas of the Country, the Company has launched education program and is providing education facilities at the premises adjacent to the Mills' Employees' Colony by the qualified staff on concessional basis to the children of the factory employees and persons living nearby in rural areas.
3. To contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates and duties.
4. To improve foreign reserves of the Country by earning foreign currency through exports of sugar as and when allowed.

5. To follow consciously the needs of the Society concerning health, safety and environment for achieving the objective.
6. To make efforts to minimize the accidental risks, have necessary medical facilities and continuously strive to improve greenery and maintain clean and safe environment, better housekeeping, safeguarding the health of employees.
7. To make efforts on improving the social conditions of the Communities and employees related to the Company by establishing fair working conditions, ensuring occupational safety, setting social standard, establishing minimum wages, zero tolerance on child labour and forced labour etc.
8. To encourage employment of workforce living in the rural areas in order to yield significant gain and uplift their living standard.
9. To treat all employees fairly and compensates them according to the industry practice. Provides the benefits such as perquisites, annual leaves, pick and drop, facility of mess, safe and healthy working conditions etc along-with group insurance, making payments to Employees Old Age Benefits Institution, Worker's Welfare Fund, Worker's Profit Participation Funds.
10. To maintain the principles of integrity and trust with respect to privacy of the employees of the Company.
11. To carry out activities at the time of natural calamity or engage in Disaster Management System.
12. To promote sustainability in collaboration with the industry associations.
13. To contribute to any fund setup by the Government, which may be recognized as CSR activity.
14. Monitor and review our CSR policies and procedures on a regular basis to ensure suitability and effectiveness.
15. Use continuous assessment to ensure our CSR activities meet identified performance objectives.

# An Abstract of Policy for Directors' Remuneration & Meeting Fee

Following are an abstracts of the policy for Directors' Remuneration and Meeting Fee:

## Meeting Fee of Directors

Non-Executive Directors do not have service agreements, but are engaged on the basis of a letter of appointment. All Directors are subject to re-election after three years at the Extra Ordinary General Meeting. It is the policy of the Board of Directors that Non-Executive Directors are not eligible to participate in any of the Company's bonus, share option, long-term incentive or Gratuity schemes.

Objective approach of the Company Fees (cash and shares) is to attract and retain Non-Executive Directors of the highest caliber with broad commercial experience relevant to the Company. The fees paid to Non-Executive Directors are determined by the Board of Directors, with recommendations provided. Fee levels may be reviewed annually, with any adjustments effective from start of the financial year and are reviewed by taking into account external advice on best practice and competitive levels. Time commitment and responsibility are also taken into account when reviewing fees. Chairman and Non-Executive Director fees may be delivered in cash. Aggregate fees are limited by the Company's Articles of Association. Travel and expenses for Non-Executive Directors (including the Chairman) are incurred in the normal course of business, for example in relation to attendance at Board and Committee meetings. The costs associated with these are all met by the Company.

Any non-executive director may waive the meeting fee from the Company, upon submission of waiver consent in writing.

The remuneration to be paid to any director except the Chief Executive and the working director for attending the meetings of the directors or a committee of directors shall not exceed the scale approved from time to time by the Board of Directors, as the case may be.

The remuneration of a director for performing extra services, including the holding of the office of the Chairman, from time to time shall be determined by the Board of Directors.

Members representing management or others in any committee and the Executive Directors / Executives will not be entitle for the Meeting Fee.

## Executive Directors Remuneration

### Basic Salary:

Provides market competitive fixed remuneration that rewards to relevant skills, responsibilities and contribution. Salaries are positioned within a market competitive range for companies of a similar size and complexity. The Board / Committee does not slavishly follow data but use it as a reference point in considering, in its judgment, the appropriate level having regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities.

**Benefits & Allowances:**

To provide appropriate supporting monetary benefits. Provides appropriate insurance cover benefits. The Company may periodically change the benefits available for the office at which an Executive Director works in which case the Director would normally be eligible to receive the amended benefits on similar terms to all relevant staff.

**Increment:**

It's a sole discretion of the Board of Directors to decide the Increment percentage on annual basis for Executive Directors.

**Gratuity:**

Provides basic retirement benefits which reflects local market practice and for the permanent employee of the Company as per policy.

**Production Bonuses:**

Supports delivery of short term operational, financial and strategic goals. Production Bonuses level and the appropriateness of measures are reviewed annually to ensure they continue to support the strategy. Production bonuses will be paid as per the policy of the Company and subject to the limit approved by the Board of Directors for the Executive Directors.

**Others:**

The remuneration of a director for performing extra services, including the holding of the office of the chairman, from time to time shall be determined by the Board of Directors. Interested Directors & their relatives will not be eligible to participate and vote in the proceeding of the Board Meetings in which their remuneration & benefits will be discussed. All taxes and or with-holding taxes will applicable on the Remuneration and fee paid by the Company. These are subject to deduction of tax as per the applicable laws.



# An Abstract of Policy for Related Party Transactions & Their Records

## Scope of the Policy

This Policy applies to transactions between the Company and one or more of its Related Parties. It provides a framework for governance and reporting of Related Party Transactions. It is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between the Company and any of its Related Parties. Amendments, from time to time, to the Policy, if any shall be considered and approved by the Board. The Policy covers all related party transactions of Sanghar Sugar Mills Limited (the Company) as defined under Section 208 of the Companies Act, 2017 read with related Regulation of Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 issued by the Securities & Exchange Commission of Pakistan (the Commission). The Policy is applicable to all the individuals responsible to initiate, authorize, record and report related party transactions and also on all Related Party Transactions irrespective of their value and size.

## Definitions & Explanations

- (a) the expression “office of profit” means any office
  - (i) where such office is held by a director, if the director holding it receives from the Company anything by way of remuneration over and above the remuneration to which he is entitled as director, by way of salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
  - (ii) where such office is held by an individual other than a director or by any firm, private company or other body corporate, if the individual, firm, private company or body corporate holding it receives from the company anything by way of remuneration, salary, fee, commission, perquisites, any rent-free accommodation, or otherwise;
- (b) the expression “arm's length transaction” means a transaction which is subject to such terms and conditions as may be specified.
- (c) the expression “related party” includes-
  - (i) a director or his relative - “relative” means spouse, siblings and lineal ascendants and descendants of a person;
  - (ii) a key managerial personnel or his relative;
  - (iii) a firm, in which a director, manager or his relative is a partner;
  - (iv) a private company in which a director or manager is a member or director;
  - (v) a public company in which a director or manager is a director or holds along-with his relatives, any shares of its paid up share capital;
  - (vi) anybody corporate whose chief executive or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager (except in professional capacity);
  - (vii) any person on whose advice, directions or instructions a director or manager is accustomed to act (except in professional capacity);
  - (viii) any company which is
    - (A) a holding, subsidiary or an associated company of such company; or
    - (B) a subsidiary of a holding company to which it is also a subsidiary;
  - (ix) such other person as may be specified;

**CONDITIONS FOR TRANSACTIONS WITH RELATED PARTIES TO BE CHARACTERIZED AS “ARM'S LENGTH TRANSACTIONS”**

Subject to the requirements of section 208 of the Act, a transaction between related parties shall be characterized as an “arm's length transaction”, only if it is carried out in a way, as if

- (a) the parties to the transaction were unrelated in any way;
- (b) the parties were free from any undue influence, control or pressure;
- (c) through its relevant decision-makers, each party was sufficiently knowledgeable about the circumstances of the transaction, sufficiently experienced in business and sufficiently well advised to be able to form a sound business judgment as to what was in its interests; and
- (d) each party was concerned only to achieve the best available commercial result for itself in all the circumstances.

**RELATED PARTY TRANSACTIONS**

The Company may enter into any contract or arrangement with a related party with respect to:

- (a) sale, purchase or supply of any goods or materials;
- (b) selling or otherwise disposing of, or buying, property of any kind;
- (c) leasing of property of any kind;
- (d) availing or rendering of any services;
- (e) appointment of any agent for purchase or sale of goods, materials, services or property; and
- (f) such related party's appointment to any office or place of profit in the Company:

Provided that where majority of the directors are interested in any of the above transactions, the matter shall be placed before the general meeting for approval as special resolution:

Further, nothing in the above mentioned will apply to any transactions entered into by the Company in its ordinary course of business on an arm's length basis.

**REGISTER OF CONTRACTS OR ARRANGEMENTS IN WHICH DIRECTORS ARE INTERESTED**

The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements, in such manner and containing such particulars as may be specified by the Commission, except for the contract or arrangement;

- (a) for the sale, purchase or supply of any goods, materials or services if the value of such goods and materials or the cost of such services does not exceed five hundred thousand rupees in the aggregate in any year; or
- (b) by a banking company for the collection of bills in the ordinary course of its business.

Every director shall, within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the Company the particulars relating to his concern or interest in the other associations which are required to be included in the register or such other information relating to himself as may be specified.

The register shall be kept at the registered office of the Company and it shall be open for inspection at such office during business hours and extracts may be taken there from, and copies thereof as may be required by any member of the company shall be furnished by the Company to such extent, in such manner, and on payment of such fees as may be specified.

The register to be kept shall also be produced at the commencement of every annual general meeting of the company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

**APPROVAL OF RELATED PARTY TRANSACTIONS**

The details of all related party transactions shall be placed periodically before the audit committee of the Company and upon recommendations of the audit committee, the same shall be placed before the Board for review and approval:

Upon recommendation of the Audit Committee, the board will approve related party transactions and the following minimum information shall be circulated and disclosed to the directors along with agenda for Board's Meeting called for approval of related party transactions,

- (a) name of related party;
- (b) names of the interested or concerned persons or directors;
- (c) nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party;
- (d) detail, description, terms and conditions of transactions;
- (e) amount of transactions;
- (f) time frame or duration of the transactions or contracts or arrangements;
- (g) pricing policy;
- (h) recommendations of the audit committee, where applicable; and
- (i) any other relevant and material information that is necessary for the Board to make a well informed decision regarding the approval of related party transactions.

If majority of the directors are interested in related party transactions, the matter will be placed before the general meeting for approval of members.

In case approval of members is required for related party transactions, the information will be provided to the members in the statement of material facts in terms of section 134 of the Companies Act, 2017 with the notice of the general meeting called for approval of the members for related party transactions.

**RESPONSIBILITY OF BOARD REGARDING RELATED PARTY TRANSACTIONS**

The Board will ensure that;

- (a) to educate and train management and relevant employees so that they can identify and report the related party transactions to the board or other authorized persons;
- (b) to provide direction as to whom a director or employee can consult, in case where they are uncertain if a transaction is a related party transaction or not;
- (c) to set general criteria to approve transactions or arrangement with related parties at various levels;
- (d) to identify and determine whether a related party transaction requires members' approval;
- (e) that any related party transactions that require members' approval are put before members;
- (f) to fix the responsibility for identification and disclosure of related party transactions; and
- (g) that the Company meets its legal and regulatory obligations in relation to related party transactions.

Every contract or arrangement entered will be referred to in the Director's Report to the shareholders along with the justification for entering into such contract or arrangement.

Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting, as the case may be, if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within ninety days from the date on which such contract or arrangement was entered into, such contract or arrangement will be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the Company against any loss incurred by it (if any).

**RECORD TO BE MAINTAINED OF RELATED PARTY TRANSACTIONS AND CONTRACTS OR ARRANGEMENTS IN WHICH DIRECTORS ARE INTERESTED**

Subject to the requirements of Sections 208 and 209 of the Act, the Company should maintain at its registered office, one or more registers with regards to transactions undertaken with related parties and contracts or arrangements in which directors are interested, as per the forms specified in Regulations and enter therein the particulars of:

- (a) contracts or arrangements, in which any director is, directly or indirectly, concerned or interested, as mentioned under section 205 of the Act; and
- (b) contracts or arrangements with a related party with respect to transactions to which section 208 of the Act applies.

The entries in the register will be made in chronological order and must be authenticated through signatures by the Company Secretary or by any other person authorized by the Board in this behalf. The Company will keep all the contracts, agreements and instruments in respect of transactions or arrangements with related parties at its registered office. The register and record will be kept in the custody of the Company Secretary or any other person authorized by the Board in this behalf and it must be preserved in good order.

The Company will provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of such fee as may be specified in the articles of the Company but not exceeding ten rupees per page.

**DISCLOSURE OF INFORMATION**

Pursuant to the provisions of sub-section (2) of section 209 of the Act, a director shall provide information to the Company in the specified form as provided in Regulations. The director giving notice of the interest will cause it to be disclosed at the meeting of the Board held immediately after the date of the notice.

All such notices must be kept at the registered office in the custody of the Company Secretary or any other person authorized by the Board in this behalf and must be preserved in good order.

The Company shall disseminate to the Pakistan Stock Exchange information about Related Party Transactions which individually or taken together with previous transactions with a related party during a financial year, is of a value equal to or more than 10% of total assets or annual total turnover as per last year's audited financial statements of the Company, immediately upon entering into such transaction except for the transactions entered into by the Company in its ordinary course of business. The information to be disseminate must include the following:

- o Name of Related Party
- o Nature of Transactions
- o Amount of Transaction
- o Names of the Interested person(s) and their nature of interest in the transaction / related party
- o The interested persons' direct or indirect shareholding in the Company
- o Details, description, terms & conditions of transaction
- o The rationale for and benefit to the Company of such transaction

**SCOPE OF LIMITATION**

In the event of any conflict between the provisions of this Policy and the Companies Act, 2017 or any other statutory enactments, rules, the provision of the Companies Act, 2017 or statutory enactments, rules shall prevail.

# An Abstract of Policy for Gender Diversity

## EQUAL OPPORTUNITY EMPLOYMENT

Sanghar Sugar Mills Limited (the Company) fosters a culture where the people are driven to operate and perform with the highest integrity and values.

As an equal opportunity employer, the Company hires people purely on the basis of merit and is committed to providing equal access to employment to all people, regardless of race, religion, gender, nationality, or disability. The Company respects people and believes that the success of its business is created by good people working together in a team environment.

Some of the key steps taken to promote the equal opportunity mission are:

- o Empowerment of women.
- o Hiring of people with disabilities.
- o Facilitation for candidates for internships who are willing to contribute.

The principal of equal remuneration shall be applied to all workers.

The four key aspects covered in policy that drive the promotion of gender equality are:

- o Achieving equal pay for work of equal value
- o Preventing and ending violence and harassment in the world of work
- o Promoting work family balance and an equal sharing of childcare responsibilities
- o Building a future of work that works for women

### i) ACHIEVING EQUAL PAY FOR WORK OF EQUAL VALUE:

- o Ensuring Commitment and leadership from the top
- o Establishing and Implementing a comprehensive equal pay policy
- o Measuring the gender pay gap and performing gender-neutral job evaluations
- o Promoting pay transparency and reporting

### ii) PREVENTING AND ENDING GENDER-BASED VIOLENCE AND HARASSMENT IN THE WORK PLACE:

Violence and harassment negatively impact the organization of work, workplace relations, worker engagement, enterprise reputation and productivity. Those experiencing violence and harassment at work can suffer harm to their psychological, physical and sexual health, including physical injuries, anxiety, depression, stress and other lasting impacts of trauma as well as harm to their dignity and their family and social environment.

A five step framework that the Company shall be implemented in daily functioning:

- o Raise prevention awareness;
- o Commit to all aspects of women empowerment;
- o Implement supportive policies;
- o Collaborate with other sectors; and
- o Ensure transparency and accountability.

## KEY STANDARDS & OTHER INSTRUMENTS

The concept of "Violence and Harassment" in the world of work is defined as "un acceptable behaviors and practices, or threats thereof, whether a single occurrence or repeated, that aim at, result in, or are likely to result in physical, psychological, sexual or economic harm, and includes gender-based violence and harassment".

The Company is committed to eliminate violence and harassment at work and adopt a policy to:

- o Affirm that violence and harassment will not be tolerated;
- o Establish violence and harassment prevention programmes with, if appropriate, measurable objectives;
- o Specify the rights and responsibilities of the workers and the employer, including the right of the worker to remove her or himself from a situation involving violence or harassment without fear or retaliation;
- o Establish complaint and investigation procedures;
- o Ensure that all internal and external communications related to incidents of violence and harassment will be duly considered, and acted upon as appropriate;
- o Specify the right to privacy of individuals and confidentiality, while balancing the right of workers to be made aware of all hazards;
- o Include measures to address domestic violence; awareness rising, leave for victims, flexible work arrangements, temporary protection against dismissal for victims of domestic violence and referral to public mitigation measures; and
- o Institute measures to protect complainants, victims, witnesses and whistle blowers against victimization or retaliation.

**PARTICULAR ATTENTION TO BE PAID TO THE HAZARDS AND RISKS THAT:**

- o Arise from working conditions and arrangements, work organization and human resource management, as appropriate;
- o Involved third parties such as clients, customers, service providers, users, patients and members of the public; and
- o Arise from discrimination, abuse of power relations, and gender, cultural and social norms that support violence and harassment.

**PROTECTION AGAINST HARASSMENT OF WOMEN AT THE WORKPLACE ACT, 2010:**

To protect women against such harassment at their workplace, Government of Pakistan has implemented "Protection against Harassment of Women at the Workplace Act, 2010" in all organizations. Every organization has an internal committee to work in this regard and to undertake the measures for implementation of this Act.

**iii) PROMOTING WORK-LIFE BALANCE AND EQUAL SHARING OF CARE RESPONSIBILITIES:**

The Company shall be:

- o Provide maternity protection in line with local applicable laws
- o Prevent discrimination against pregnant women and workers with family responsibilities
- o Provide paid paternity leave and encourage uptake
- o Provide paid gender-neutral parental leave
- o Facilitate a smooth return to work after leave
- o Provide flexible working arrangements
- o Support breast-feeding in the workplace
- o Assist with on or near site subsidized childcare

**iv) BUILDING A FUTURE OF WORK THAT WORKS FOR WOMEN:**

The Company shall be:

- o Provide gender-sensitive training with a focus on skilling, re-skilling and up-skilling
- o Ensure that new technology does not perpetuate gender stereotypes
- o Support women entrepreneurs in the gig economy
- o Promote the privacy and safety of women and girls in cyberspace

# An Abstract of Policy for Whistleblowing

Following are an abstract of policy for Whistleblowing.

## INTRODUCTION

The Whistleblowing Policy gives legal protection to employee(s) or person(s) against being dismissed or penalized by their employers as a result of alone or jointly, provides to the Regulatory Authorities and to the Sanghar Sugar Mills Limited (the Company) with information regarding a contravention or indented contravention of the Laws and policies administered by the Regulatory Authorities and the Company.

It is fundamental to any employment contract that an employee will be loyal to his or her employer and will not disclose confidential information outside the organization. However, from time to time, a member of staff might discover information which he or she believes shows wrongdoing or malpractice within the organization. On such occasions, it must be made possible for the information to be disclosed without fear of reprisal.

## POLICY STATEMENT

The Company is committed to the highest standards of honesty, openness and accountability. It aims to ensure that it operates in a responsible manner, taking into account standards set out. It recognizes that individual members of staff have an important role in helping to achieve this aim.

It is often members of the Company who are first to know if someone in the Company, or connected with it, appears to be acting illegally or improperly. They may feel apprehensive or anxious about raising their concerns, and their loyalty to the Company or to a colleague may prevent them from doing so. They might also be concerned that they will not be taken seriously or about any action against themselves that a disclosure might provoke. However, the Company encourages individuals who have knowledge, or reasonable suspicion, of wrongdoing to come forward. The Company takes all wrongdoing seriously and believes that any evidence suggesting such behavior should be investigated thoroughly.

The purpose of this procedure is to assist and enable all person(s) and or employee(s) of the Company to raise concerns or to disclose information which they believe, in good faith, may indicate malpractice.

## SCOPE OF THE POLICY AND PROCEDURE

The policy and procedures are concerned with alleged malpractice, impropriety or wrongdoing in the Company, which it is in the Company's or Shareholder's interest to disclose. The purpose of this policy is to establish appropriate handling of the receipt, retention, and treatment of Whistleblowing matters that may involve; (however it is not an exhaustive list):

- o Breach of Company's Policies / Manuals (Accounting policies, Department Manuals, Money Laundering, Department Standard Operating Procedures or other policies / manuals);
- o Breach of Internal Controls, management override of controls or other auditing matters;
- o Noncompliance of various regulations and rules applicable on the Company (Companies Act, Income Tax Ordinance, Listing regulations, Rule Book of Pakistan Stock Exchange, Securities Act, Code of Corporate Governance and etc. and their related rules, notifications, directives or circulars etc.);
- o Non-compliance of Code of Conduct;
- o Fraud that is the use of deception with the intention of gaining an undue advantage, avoiding an obligation or causing loss to another party;
- o False representations of a matter of fact whether by words or by conduct to clients or other stakeholders or any other fraudulent activities;
- o Misappropriation of assets;



- o Misuse of confidential information or deliberate falsification of records;
- o Gross misconduct, gross incompetence, gross inefficiency or inadequate performance;
- o Willful omission to perform duty;
- o Illicit and corrupt practices;
- o Acts of omissions which are deemed to be against the interest of the Company, laws, regulations or public policies;
- o Deliberate damage to or misuse of Company's property, plant & equipment and resources;
- o Taking or giving bribes or any illegal gratification or any other questionable activity;
- o Serious breach of confidence, including insider dealing in securities;
- o Financial malpractice or impropriety or fraud;
- o Dangers to health and safety or the environment;
- o Criminal activity;
- o Improper conduct or unethical behavior including any offence;
- o Miscarriage of justice; and
- o Attempts to conceal any of the above and others.

It can be difficult to decide whether a particular action falls within the procedures and it may be that, when concerns are investigated, it appears appropriate to address them through other more specific procedures. As part of its day to day conduct of business the Company takes decisions under established and reasonable procedures. It is not intended that this procedure will allow such decisions to be questioned unless on grounds of malpractice, impropriety or wrongdoing.

### **CONDUCT OF WHISTLEBLOWER**

Whistleblower shall:

1. Act in good faith; explanation: protected disclosure shall not be 'in good faith' if the whistleblower has any other secret or unrelated reason for making the disclosure;
2. Have reasonable grounds to suspect that the protected disclosure indicates that the Company or regulated person has contravened or intends to contravene any administered legislation;
3. Refrain from making false accusations;
4. Take reasonable care to protect sensitive information and restrict disclosure to the relevant persons/authority only;
5. Shall only disclose the details which are related with the violations;
6. Ensure that the protected disclosure is accurate and complete to the best of his knowledge;
7. Provide original information;
8. Provide information voluntarily;
9. Provide complete evidence at his / her disposal to aid investigation of the issues reported; and
10. Provide information keeping in view the limitation as per Regulations.

### **INTERNAL WHISTLEBLOWING**

A whistleblower may make a protected disclosure before the Audit Committee or Board of Director of the Company or regulated person. If the protected disclosure is in respect of a member of the Audit Committee, such disclosure shall be made directly to the Chairman of the Board of Directors or his assigned representative.

**PROCEDURE FOR INTERNAL WHISTLEBLOWING**

The Whistleblower shall follow the following minimum procedure:

1. Whistleblower to report, in writing, openly or confidentially any protected disclosure;
2. To review the protected information;
3. To conduct enquiry into the allegations made and review the findings of the enquiry;
4. To determine the penalty or consequences for the employee or official who has been found involved in violation of applicable laws and rules made thereunder;
5. To report the findings of the enquiry to the Audit Committee and or Chairman of the Board of Directors of the Company, as the case may be; and
6. To report to the Commission.

**PROTECTION FROM RETALIATION**

The Company, its Board of Directors, Audit Committee or management shall ensure that no whistleblower, if he/she is an employee/former employee, is subject to any adverse action.

**PROCEDURE FOR MAKING AND INVESTIGATING A DISCLOSURE**

If there are grounds for proceeding, the designated person will decide how the investigation should be undertaken. This will depend on the nature of the matter and may involve:

- o An internal investigation conducted by a sufficiently independent senior employee of the Company or its internal or external auditor;
- o An independent external inquiry.

The investigation will not be conducted by the person who may have to take a significant decision arising from the findings. It will be conducted as sensitively as possible, and normally be complete within due reasonable time of the disclosure being made. The investigation will also take into account concepts of natural justice and the need to safeguard individual reputations.

When an allegation concerns a named individual, the person concerned will be informed of the allegation and of the evidence supporting it. He/she will be invited to respond to the allegation as part of the investigation and/or before any final conclusion is reached. The point at which it is appropriate for the individual to be informed will depend on the nature of the case.

In any hearing under these procedures, the individual making the disclosure and the person against whom an allegation has been made are both entitled to be accompanied by his/her representative. The findings of any investigation will be reported to the designated person who will reach a decision on any further action to be taken.

Following an initial investigation, other internal procedures may be identified as relevant and may be invoked. In some cases, it may be appropriate to refer a matter outside the Company for further investigation. The designated person will inform the individual making the disclosure of the conclusion reached and what action, if any, is to be taken and why.

If the individual making the disclosure is dissatisfied about how an inquiry was carried out, and its resultant outcome, then he/she may appeal but only on procedural grounds, to the Chairperson of the Board / Audit Committee, who may order a procedural review and establish its terms of reference.

A report summarizing all disclosures and inquiries and any subsequent actions taken will be made by the designated person to the Board / Audit Committee and such reports will be retained for a minimum of ten years.

**INDIVIDUAL MAKING A DISCLOSURE**

The identity of the individual making an allegation will remain confidential, unless otherwise agreed with that individual, as long as it does not hinder or frustrate the investigation and is compatible with natural justice.

However, the investigation process may at some stage need to reveal the source of the information, and the individual making the disclosure may at that stage need to provide an attributable statement as part of the evidence to be presented.

#### **UNSUBSTANTIATED ALLEGATIONS**

No action will be taken against an individual who makes an allegation in good faith even if it is not confirmed by subsequent investigation. If, however, an individual makes what are subsequently determined to be malicious or vexatious allegations or made for personal gain, and particularly if he or she persists in making them, disciplinary action may be taken. A disclosure may be deemed malicious or vexatious at any stage of the procedure.

#### **OTHERS**

This policy and procedure is designed to clarify for individuals the route through which concerns can be raised and to assure them that such matters will be taken seriously and acted upon within the Company. The Company takes the view that in the vast majority of cases an internal investigation and decision is likely to be the most appropriate course of action.

If an individual raises matters of concern outside the Company, without first using this procedure, he/she may be in breach of the procedure. That is potentially a disciplinary offence, especially if it causes, or might have caused, unnecessary reputational damage of the Company. In particular, it would not usually be considered appropriate for matters to be raised publicly before an investigation is completed.

## Report of the Audit Committee

The Audit Committee has concluded its annual review of the conduct and operations of the Company during the financial year ended September 30, 2022 and reports that:

### THE AUDIT COMMITTEE:

- o The Audit Committee (the Committee) is constituted by the Board and comprises of three Members, all are non-executive Directors and the Chairman of the Committee is Independent Director.
- o The Committee is accountable to the Board for the determination of appropriate measures to safeguard the Company's assets, review of the Company's internal control systems prior to endorsement by the Board and internal audit reports, recommendation of appointment of external auditors, directing and monitoring the audit function, reviewing the adequacy and quality of the audit process and recommendation to the Board for approval of related party transactions.
- o The Committee gives additional assurance to the Board for the accuracy of the financial information and also ensures that the Company has an effective internal control framework.

### CORPORATE GOVERNANCE:

- o The Company has issued a "Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019" (Compliance Statement) along-with the details of non-compliances of non-mandatory Regulations with the explanations thereon, which has also been reviewed by the Statutory Auditors of the Company and issued a Review Report thereon.
- o The Committee has also reviewed the Compliance Statement and confirm that the requirements of the Regulations have been complied except for those as stated therein for non-mandatory Regulations and the requirements are disclosed in the Compliance Statement.
- o The Committee ensured that the Company has prepared "Code of Conduct" and has further ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- o The Committee ensured that a complete record of particulars of significant policies along-with the dates on which they were approved or amended has been maintained.

### FINANCIAL STATEMENTS:

- o The Committee has briefly reviewed the details, contents and the adequacy of the details and information reported in the Directors' Review on Condensed Interim Financial Statements during the year and the Directors' Report on Annual Financial Statements.
- o The Chief Executive Officer and the Chief Financial Officer have endorsed the financial statements of the Company before presenting to the Committee and the Board. They acknowledge their responsibility for true and fair presentation of the Company's financial statements, accuracy of reporting, compliance with regulations, applicable accounting standards, establishment and maintenance of internal controls and systems of the Company.
- o The Committee has reviewed the Condensed Interim Quarterly Financial Statements and Annual Audited Financial Statements for the year 2021-22 and recommended to the Board for approval and focused on the followings:
  - » Major judgmental areas
  - » Significant adjustments resulting from the audit (if any)
  - » Going concern assumptions
  - » Changes in accounting policies and practices (if any)
  - » Compliance with accounting policies and practices
  - » Compliance with rules, regulations, statutory and regulatory requirements
  - » All related party transactions

- o The Related Party Transactions made by the Company in the normal course of business has been reviewed by the Committee and recommended to the Board for approval.
- o Accounting estimates are based on reasonable and prudent judgments. Certain valuation reports like Revaluation Report of Property, plant & equipment and the Actuarial Valuation of retirement benefits conducted by the third party professionals have been examined and incorporated in the Financial Statements. Proper and adequate accounting records have been maintained by the Company. The Financial Statements comply with the requirements of Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholders need.
- o The Committee reviewed all the announcement of results of the Company prior to external communication and publication.

**INTERNAL CONTROLS:**

- o The Company's system of internal controls are sound in design and has been continually evaluated for effectiveness and adequacy.
- o The Committee has ensured the achievement of operational, compliance, risk management, financial reporting, control objectives and safeguarding of the assets of the Company.
- o Coordination between the External and Internal Auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with the Laws and Regulations.
- o There were no complaints and or cases reported to the Committee during the year regarding accounting & internal controls, fraud and whistle blowing.
- o The Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders wealth at all levels within the Company.

**INTERNAL AUDIT:**

- o The Committee confirmed that the Head of Internal Audit is experienced and conversant with the Company's policies and procedures.
- o The Head of Internal Audit has direct access to the Chairman of the Audit Committee and conduct meetings without the presence of management.
- o The Committee ensured that the Internal Audit Plan provides a financial and business segment wise coverage and devotes effort to the review of the risk management framework surrounding the major business risk.
- o Based on the Internal Audit Plan, audits were conducted and reports made during the year were submitted to the Committee. Observations were discussed taking appropriate action or bringing the matters to the Board's attention where required. The recommendations of the internal auditors were discussed with management and agreed for implementation. Follow-up report of implementation has been submitted to the Committee as and when necessary.

**EXTERNAL AUDITORS:**

- o The Audit Committee has reviewed and discussed the Key Audit Matters and observations with the external auditors. The Management Letter issued by the External Auditors on audit observations for the year 2020-21 was discussed with them by the Committee and for the year 2021-22 will be discussed with-in the specified time, as required by the Code of Corporate Governance.
- o The Committee conducted meeting with External Auditors and discussed the matters that the external auditors wished to highlight were freely discussed with them, as required by the regulations.
- o The Committee has recommended the re-appointment of external auditors and their remuneration, the provision of any service permissible to be rendered to the Company by the external auditors in addition to the audit of financial statements for the ensuing financial year 2022-23.

Karachi: December 31, 2022

**Rahim Bux**  
Chairman - Audit Committee

## **Independent Auditor's Review Report to the Members of Sanghar Sugar Mills Limited**

### **Review Report on the Statement of Compliance contained in 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 Sanghar Sugar Mills Limited (the Company) for the year ended September 30, 2022 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2022.

CHARTERED ACCOUNTANTS

Place: Karachi

Date: January 02, 2023

UDIN: CR2022102225q3mXgJp6

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

**Name of the Company: Sanghar Sugar Mills Limited**

**Year Ending : September 30, 2022**

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

1. The total number of Directors are Eight as per the following:
  - a) Male - Seven
  - b) Female - One
2. The composition of Board is as follows:
  - a) Independent Directors
    - Male - Two
    - Female - One
  - b) Non-Executive Directors - Three
  - c) Executive Directors - Two
3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board have formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Seven Directors have completed Directors' Training Program (DTP) except one Director who is exempt from such training. The details are as follows:

Name of Directors completed DTP arranged by the Board:

1. Mr. Ghulam Dastagir
2. Mr. Rahim Bux
3. Mr. Ghulam Hyder
4. Mr. Muhammad Qasim
5. Ms. Nazia Azam

Name of Directors already completed DTP before appointment:

1. Mr. M. Abdul Jabbar
2. Mr. Shahid Aziz

Name of Director exempt from DTP:

1. Haji Khuda Bux Rajar



10. Subsequent to the year-end, the Board has approved appointment of Head of Internal Audit including his remuneration and terms and conditions of employment. No new appointment of Chief Financial Officer and Company Secretary has been made. The Board has approved the remuneration and terms and conditions of employment of Chief Financial Officer, Company Secretary and Head of Internal Audit and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
- Audit Committee:**

Mr. Rahim Bux	Chairman
Mr. Shahid Aziz	Member
Mr. M. Abdul Jabbar	Member
  - Human Resource and Remuneration Committee:**

Mr. Rahim Bux	Chairman
Mr. Ghulam Hyder	Member
Mr. M. Abdul Jabbar	Member
  - Risk Management Committee:**

Mr. Shahid Aziz	Chairman
Haji Khuda Bux Rajar	Member
Mr. Ghulam Dastagir Rajar	Member
  - Corporate Social Responsibility Committee:**

Mr. Ghulam Dastagir Rajar	Chairman
Mr. Muhammad Qasim	Member
Ms. Nazia Azam	Member
Syed Rehan Ahmad Hashmi	Member
  - Information Technology & Steering Committee:**

Mr. Ghulam Hyder	Chairman
Syed Rehan Ahmad Hashmi	Member
Mr. Sheraz Khan	Member
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
- Audit Committee** Five meetings
  - Human Resource and Remuneration Committee** Two meetings
  - Risk Management Committee** Two meetings
  - Corporate Social Responsibility Committee** Two meetings
  - Information Technology & Steering Committee** Two meetings
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, these regulations or any other regulatory requirement and

the auditors have confirmed that they have observed IFAC guidelines in this regard.

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

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

S. No.	Regulation No.	Requirement	Explanation of Non-Compliance
1	5	Representation of Minority Shareholders - The minority members as a class shall be facilitated by the Board to contest election of directors.	None of the person representing minority shareholders, filed Consent to act as director with the Company during the timeline as specified in the Election of Directors held on October 31, 2020. Therefore, the elected Directors of the Company will take due care of minority shareholders.
2	10(1)	Responsibilities of the Board of Directors - Adoption of Corporate governance practices by the Company	Non-mandatory provision of the Regulations and are partially complied. The Company is deliberating on full compliance with all the provisions of Regulations.
3	29	Nomination Committee - The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the Human Resource and Remuneration Committee. The Board may consider to constitute nomination committee.
4	35	Disclosure of Significant Policies on website - The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's Committees on its website and key elements of the Directors' remuneration policy.	All the policies are well circulated among the relevant employees and Directors, the Board shall consider posting such policies and synopsis on its website in near future.

Karachi: December 31, 2022

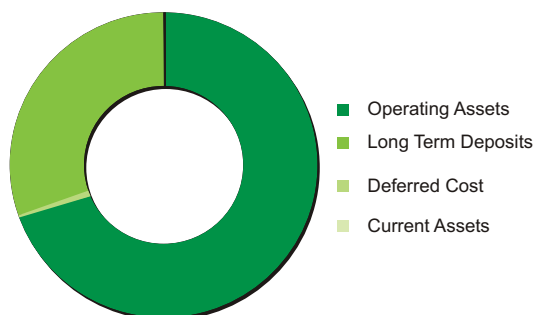
**Ghulm Dastagir Rajar**  
Chairman

# KEY OPERATING & FINANCIAL HIGHLIGHTS

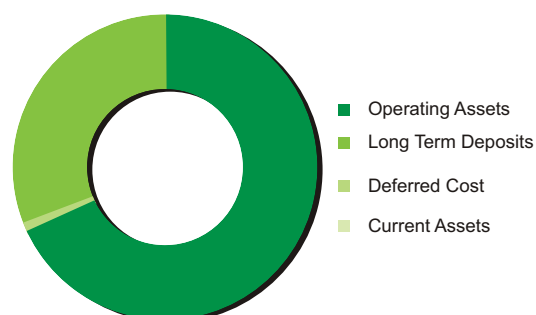
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>OPERATIONAL DATA</b>										
Duration of Season (Days)	125	108	109	100	142	133	117	137	151	121
Cane crushed (Tons)	581,109.56	451,275.963	387,302.875	490,932	712,124	625,237	563,617	630,317	738,209	542,289
Sucrose Recovery ( % )	10.635	10.012	10.263	10.76	10.37	10.12	10.20	10.19	9.81	9.77
Sugar Made (Tons)	61,785.00	45,239.50	39,804.25	52,799.25	73,776	63,380	57,387.5	64,271	72,530	52,823
Molasses (Tons)	26,291.34	18,720	16,802	23,590	42,017	30,300	27,040	34,299	39,260	27,460
All figures are in Rs in '000										
<b>PROFIT OR LOSS RESULTS</b>										
Turnover - Net	3,872,185	2,860,053	2,938,182	2,770,439	3,405,535	2,583,232	2,832,657	2,869,164	3,196,951	2,771,454
Gross Profit / (Loss)	360,641	32,913	156,161	131,778	98,520	(70,660)	151,582	257,087	213,749	148,572
Operating Profit / (Loss)	177,281	(92,060)	49,137	24,059	146,802	(165,398)	59,919	170,905	135,446	94,580
Profit / (Loss) before taxation	70,466	(16,094)	(98,846)	(148,608)	24,868	(259,678)	11,060	89,783	36,091	14,271
Profit / (Loss) after taxation	1,609	(29,826)	(118,755)	(98,855)	19,426	(287,104)	13,953	57,400	8,732	6,901
<b>ASSETS EMPLOYED</b>										
Operating Assets	3,707,666	2,615,681	2,712,815	2,807,695	2,909,416	1,745,965	1,465,348	1,167,508	1,146,845	729,685
Long Term Deposits	4,586	20,581	20,231	17,323	18,823	20,961	15,467	10,966	9,478	45,300
Deferred Cost	—	—	—	—	8,771	17,543	28,885	33,373	—	—
Current Assets	1,622,488	1,220,197	606,939	815,755	1,131,843	1,302,916	915,207	688,656	670,133	461,593
Total Assets Employed	5,334,740	3,856,459	3,339,985	3,640,773	4,068,853	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578
<b>FINANCED BY</b>										
Shareholder's equity	1,965,075	1,080,845	1,108,108	1,223,854	1,330,699	569,165	863,437	860,635	798,148	501,566
Long Term Liabilities	1,752	114,145	247,536	145,670	250,863	345,291	262,532	103,640	23,174	75,242
Deferred Liabilities	850,123	483,704	508,584	519,916	603,790	300,074	295,067	325,349	320,838	210,011
Current Liabilities	2,517,790	2,177,765	1,475,757	1,751,333	1,883,501	1,872,855	1,003,871	610,879	684,296	449,759
Total Fund Invested	5,334,740	3,856,459	3,339,985	3,640,773	4,068,853	3,087,385	2,424,907	1,900,503	1,826,456	1,236,578

## Graphical Presentation of Financial Highlights

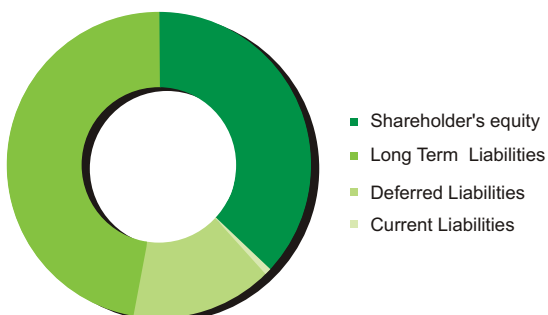
**Total Assets Employed - 2022**



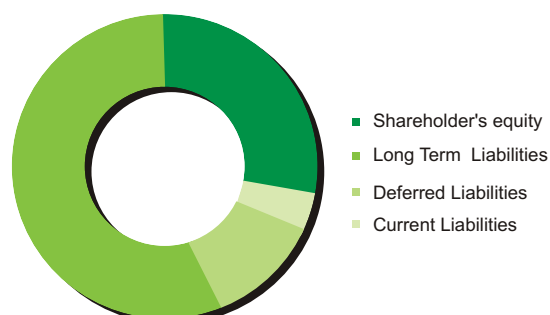
**Total Assets Employed - 2021**



**Total Fund Invested - 2022**



**Total Fund Invested - 2021**



# Horizontal Analysis of Financial Statements

	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
	Rupees in 000					Variance in %				
FINANCIAL POSITION										
Total Non-Current Assets	3,712,252	2,636,262	2,733,046	2,825,018	2,937,010	40.81	(3.54)	(3.26)	(3.81)	64.59
Total Current Assets	1,622,488	1,220,197	606,939	815,755	1,131,843	32.97	101.04	(25.60)	(27.93)	(13.13)
Total Assets	5,334,740	3,856,459	3,339,985	3,640,773	4,068,853	38.33	15.46	(8.26)	(10.52)	31.79
Total Equity & Surplus on revaluation	1,965,075	1,080,845	1,108,108	1,223,854	1,330,699	81.81	(2.46)	(9.46)	(8.03)	133.80
Total Non-Current Liabilities	851,875	597,849	756,120	665,586	854,653	42.49	(20.93)	13.60	(22.12)	32.43
Total Current Liabilities	2,517,790	2,177,765	1,475,757	1,751,333	1,883,501	15.61	47.57	(15.74)	(7.02)	0.57
Total Equity & Liabilities	5,334,740	3,856,459	3,339,985	3,640,773	4,068,853	38.33	15.46	(8.26)	(10.52)	31.79
PROFIT OR LOSS										
Sales	3,872,185	2,860,053	2,938,182	2,770,439	3,405,535	35.39	(2.66)	6.05	(18.65)	31.83
Cost of sales	(3,511,544)	(2,827,140)	(2,782,021)	(2,638,661)	(3,307,015)	24.21	1.62	5.43	(20.21)	24.61
Gross Profit	360,641	32,913	156,161	131,778	98,520	995.74	78.92	(18.50)	(33.76)	239.43
Trading activities	111	—	—	—	3,553	100.00	—	—	(100.00)	100.00
Distribution cost	(696)	(766)	(710)	(12,698)	(41,879)	(9.14)	7.89	(94.41)	(69.68)	5,161.18
Administrative expenses	(132,656)	(114,239)	(99,630)	(91,136)	(90,971)	16.12	14.66	9.32	0.18	7.10
Other operating expenses	(50,119)	(9,968)	(6,684)	(6,364)	(7,812)	402.80	49.13	5.03	(18.54)	(32.78)
Other income	3,664	187,106	5,463	2,479	185,391	(98.04)	3,324.97	120.37	(98.66)	6,984.10
Operating Profit	180,945	95,046	54,600	24,059	146,802	90.38	(74.08)	(126.94)	83.61	188.76
Finance cost	(110,479)	(111,140)	(153,446)	(172,667)	(121,934)	(0.59)	(27.57)	(11.13)	41.61	29.33
Profit / (Loss) before taxation	70,466	(16,094)	(98,846)	(148,608)	24,868	537.84	83.72	33.49	697.59	109.58
Taxation - Current, Prior Year and Deferred	(68,857)	(13,732)	(19,909)	49,753	(5,442)	401.43	(31.03)	(140.02)	(1,014.24)	(80.16)
Profit / (Loss) after taxation	1,609	(29,826)	(118,755)	(98,855)	19,426	105.39	74.88	(20.13)	608.88	106.77

## Vertical Analysis of Financial Statements

	2022 Rupees in 000	2022 %	2021 Rupees in 000	2021 %	2020 Rupees in 000	2020 %	2019 Rupees in 000	2019 %	2018 Rupees in 000	2018 %
<b>FINANCIAL POSITION</b>										
Total Non-Current Assets	3,712,252	69.59	2,636,262	68.36	2,733,046	81.83	2,825,018	77.59	2,937,010	72.18
Total Current Assets	1,622,488	30.41	1,220,197	31.64	606,939	18.17	815,755	22.41	1,131,843	27.82
<b>Total Assets</b>	<b>5,334,740</b>	<b>100.00</b>	<b>3,856,459</b>	<b>100.00</b>	<b>3,339,985</b>	<b>100.00</b>	<b>3,640,773</b>	<b>100.00</b>	<b>4,068,853</b>	<b>100.00</b>
Total Equity & Surplus on revaluation	1,965,075	36.84	1,080,845	28.03	1,108,108	33.18	1,223,854	33.62	1,330,699	32.70
Total Non-Current Liabilities	851,875	15.97	597,849	15.50	756,120	22.64	665,586	18.28	854,653	21.00
Total Current Liabilities	2,517,790	47.20	2,177,765	56.47	1,475,757	44.18	1,751,333	48.10	1,883,501	46.29
<b>Total Equity &amp; Liabilities</b>	<b>5,334,740</b>	<b>100.00</b>	<b>3,856,459</b>	<b>100.00</b>	<b>3,339,985</b>	<b>100.00</b>	<b>3,640,773</b>	<b>100.00</b>	<b>4,068,853</b>	<b>100.00</b>
<b>PROFIT OR LOSS</b>										
Sales	3,872,185	100.00	2,860,053	100.00	2,938,182	100.00	2,770,439	100.00	3,405,535	100.00
Cost of sales	(3,511,544)	(90.69)	(2,827,140)	(98.85)	(2,782,021)	(94.69)	(2,638,661)	(95.24)	(3,307,015)	(97.11)
<b>Gross Profit</b>	<b>360,641</b>	<b>9.31</b>	<b>32,913</b>	<b>1.15</b>	<b>156,161</b>	<b>5.31</b>	<b>131,778</b>	<b>4.76</b>	<b>98,520</b>	<b>2.89</b>
Trading activities	111	0.00	—	—	—	—	—	—	3,553	0.10
Distribution cost	(696)	(0.02)	(766)	(0.03)	(710)	(0.02)	(12,698)	(0.46)	(41,879)	(1.23)
Administrative expenses	(132,656)	(3.43)	(114,239)	(3.99)	(99,630)	(3.39)	(91,136)	(3.29)	(90,971)	(2.67)
Other operating expenses	(50,119)	(1.29)	(9,968)	(0.35)	(6,684)	(0.23)	(6,364)	(0.23)	(7,812)	(0.23)
Other income	3,664	0.09	187,106	6.54	5,463	0.19	2,479	0.09	185,391	5.44
<b>Operating Profit</b>	<b>180,945</b>	<b>4.67</b>	<b>95,046</b>	<b>3.32</b>	<b>54,600</b>	<b>1.86</b>	<b>24,059</b>	<b>0.87</b>	<b>146,802</b>	<b>4.31</b>
Finance cost	(110,479)	(2.85)	(111,140)	(3.89)	(153,446)	(5.22)	(172,667)	(6.23)	(121,934)	(3.58)
<b>Profit / (Loss) before taxation</b>	<b>70,466</b>	<b>1.82</b>	<b>(16,094)</b>	<b>(0.56)</b>	<b>(98,846)</b>	<b>(3.36)</b>	<b>(148,608)</b>	<b>(5.36)</b>	<b>24,868</b>	<b>0.73</b>
Taxation - Current, Prior Year and Deferred	(68,857)	(1.78)	13,732	0.48	19,909	0.68	(49,753)	(1.80)	(5,442)	(0.16)
<b>Profit / (Loss) after taxation</b>	<b>1,609</b>	<b>0.04</b>	<b>(29,826)</b>	<b>(1.04)</b>	<b>(118,755)</b>	<b>(4.04)</b>	<b>(98,855)</b>	<b>(3.57)</b>	<b>19,426</b>	<b>0.57</b>

# Stakeholder Engagement, Investor Relations & Financial Ratios

The Sanghar Sugar Mills Limited (the Company) recognizes and protects the rights of the various stakeholders (internal as well as external) established under relevant laws and regulations and has put in place relevant policies and codes for their protection. The Company maintains sound collaboration relationships with its stakeholders. Procedure for stakeholder's engagement includes communication, good harmony, compliance with laws and regulations and sugarcane growers focused approach which is the key factors for establishment of collaboration relationship with stakeholders. Summary of the rights of the various stakeholders has been discussed below:

## Shareholders

Access to shareholder records, enquiries concerning verification of transfer deeds, transfer of share certificates, change of address etc., are directed to the Shares Registrar. We have disclosed essential information to the shareholders and treated them equitably. Shareholders meeting along with timely and accurate reporting to our shareholders are the effective modes of engagements with our shareholders

## Regulators

The Company make compliance with laws, rules, regulations and guidelines as directed by the Regulators. Timely, appropriately and accurately disclosures of information, as required by law, are our high priority. We have submitting periodic reports, providing and gives information as and when required.

## Customers & Suppliers

The Company receive high-quality services and supplies from our suppliers and ensure that the product we give to our customers should be of high standards. We establish the confidentiality of customer information and redressal their complaints and concerns with honesty and trustworthy. We have maintain a good relationship with our customers and suppliers.

## Employees

As a good employer, the Company gives equal employment opportunity, gives performance based remuneration. Having Human Resource policies and procedures, the Company maintains effective communication between the management and the staff. To secure maximum cooperation o f the employees and to motivate them to give their best. Gives full attention to redressal of complaints & grievances.

## Community

The Company acknowledges its social and ethical responsibility to carry out its business in order to keep it safe and protect it for the generations to come. Gives priority to the fair distribution of resources, opportunities and financial assistances. The Company is contributing to the National growth by sharing its revenue with the nation in the form of taxes, rates, duties and other levies.

## Financial Reporting & Communication

Communication with the users of financial statements is give high priority. Annual, half yearly and quarterly reports are distributed to the shareholders and provided to other users with in the time specified by the Regulators and also makes it available on the Company's website for the easy access for the shareholders and potential shareholders. There is also an opportunity for individual shareholder to participate at the General Meetings to ensure high level of accountability. The Company notifies information to the Regulators from time to time. This help the shareholders remain connected with the Company. The notifications mainly include Financial Results, Board of Directors meetings, shareholders meetings etc.



**Media & Website**

The Company disseminates information through print, electronic, social and other web media. The Company is maintaining its website providing complete information about the Company, Investors Relations, Investors Informations, Governance, Policy & Procedures and contact details. This can be accessed through a link [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

**Public Information**

Financial analysts, stock brokers, interested investors and financial media desiring information about the Company and its product may contact the Chief Financial Officer and or the Company Secretary at Head Office, Karachi.

## Financial Ratios

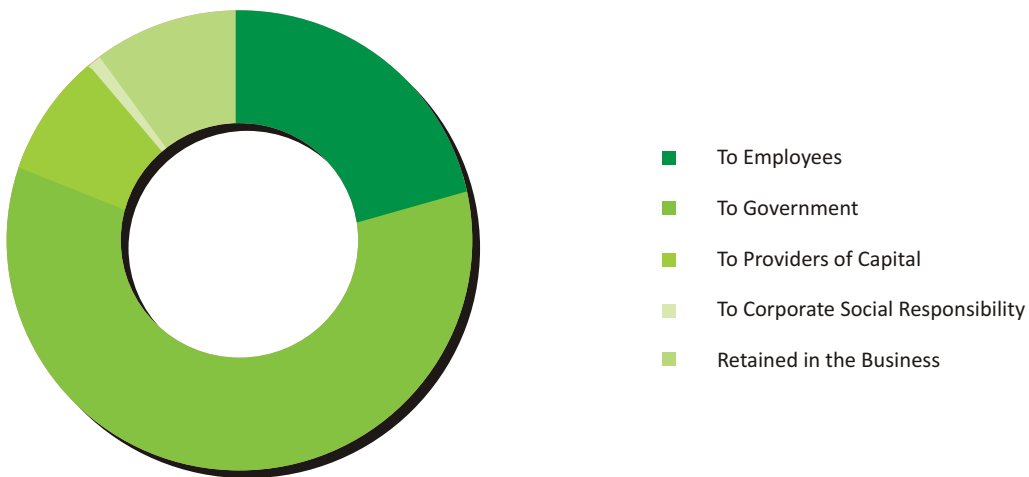
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>PROFITABILITY RATIOS</b>										
Gross Profit Ratio (%)	9.31	1.15	5.31	4.76	2.89	(2.74)	5.35	8.96	6.69	5.36
Net Profit to Sales (%)	0.04	(1.04)	(4.04)	(3.57)	0.57	(11.11)	0.49	2.00	0.27	0.25
Return on Capital Employed (%)	9.21	8.79	4.93	1.97	11.03	(85.28)	12.82	37.87	36.52	36.52
<b>TURNOVER RATIOS</b>										
Inventory Turnover Ratio	3.44	5.50	6.51	3.78	3.51	3.12	4.59	5.21	8.01	6.19
Fixed Assets Turnover Ratio	104.44	109.35	108.31	98.67	117.05	147.96	193.37	245.93	278.88	383.94
<b>INVESTOR INFORMATION</b>										
Price Earning Ratio	103.94	(6.49)	(1.74)	(3.15)	15.36	(1.55)	36.39	5.31	34.89	39.47
Market Value per Share	14.00	16.20	17.34	26.05	24.98	37.35	42.50	41.74	25.50	22.89
Book Value per Share	164.50	90.48	92.76	102.45	111.39	54.02	46.68	37.78	31.04	29.70
Earning / (Loss) per Share	0.13	(2.50)	(9.94)	8.28	1.63	(24.03)	1.17	4.80	0.73	0.58
<b>LIQUIDITY RATIOS</b>										
Current Ratio	0.64	0.56	0.41	0.47	0.60	0.69	0.91	1.13	0.98	1.03
<b>CAPITAL STRUCTURE RATIOS</b>										
Debt Equity Ratio	0.42	0.97	0.68	0.86	1.05	3.10	1.11	0.53	0.69	1.05
Interest Cover Ratio	1.64	0.86	0.36	0.14	1.20	(1.75)	1.23	2.11	1.36	1.18

## Statement of Value Addition and its Distribution

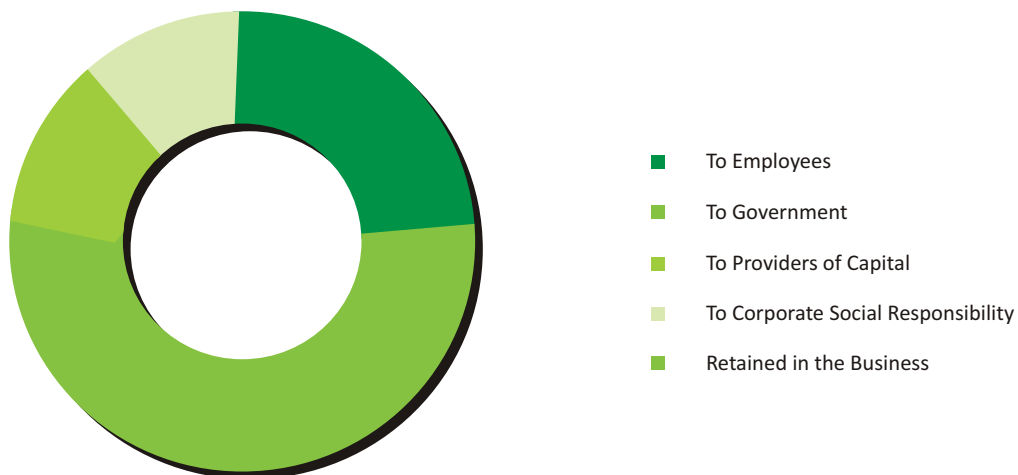
	..... 2022 .....		..... 2021 .....	
<b>Value Addition</b>	(Rs. '000)	%	(Rs. '000)	%
Turnover Gross	5,159,920	99.929	3,812,159	95.321
Other Income	3,664	0.071	187,106	4.679
	<u>5,163,584</u>	<u>100.000</u>	<u>3,999,265</u>	<u>100.000</u>
Cane Procurement and related expenses	3,999,852	104.642	3,276,747	109.262
Other Expenses	(177,440)	(4.642)	(277,774)	(9.262)
	<u>3,822,412</u>	<u>100.000</u>	<u>2,998,973</u>	<u>100.000</u>
	<u>1,341,172</u>	<u>25.974</u>	<u>1,000,292</u>	<u>25.012</u>
<b>Value Distribution</b>				
<b>Distributed as follows</b>				
To Employees				
– Remuneration	283,518	21.140	242,461	24.239
	<u>283,518</u>		<u>242,461</u>	
To Government				
– Sales Tax & Others	700,409	52.224	521,470	52.132
– Income Tax	64,002	4.772	38,037	3.803
– Deferred Tax	21,851	1.629	(38,855)	(3.884)
– Cess & Fees	9,442	0.704	7,333	0.733
	<u>795,704</u>		<u>527,985</u>	
To Providers of Capital				
– Finance Cost	110,479	8.237	111,140	11.111
	<u>110,479</u>		<u>111,140</u>	
To Corporate Social Responsibility				
– Charity & Donations	9,772	0.729	1,438	0.144
	<u>9,772</u>		<u>1,438</u>	
Retained in the Business				
– Depreciation & Amortization	140,090	10.445	147,093	14.705
– Profit / (Loss) for the year	1,609	0.120	(29,826)	(2.982)
	<u>141,699</u>		<u>117,267</u>	
	<u>1,341,172</u>	<u>100.000</u>	<u>1,000,292</u>	<u>100.000</u>

# Graphical Presentation of Value Distribution

## Value Distribution - 2022



## Value Distribution - 2021



# **Independent Auditors' Report**

## **to the Members of Sanghar Sugar Mills Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Sanghar Sugar Mills Limited, ("the Company") which comprise the statement of financial position as at September 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2022 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

We draw attention to Note 23.1.3 of the annexed financial statements, which describes the uncertainty related to the outcome of legal matters related to minimum sugar cane price and other matters. Our opinion is not qualified in respect of this matter.

#### **Key Audit Matter**

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

S.No.	Key audit matter	How the matter was addressed in our audit
1.	<p><b>Contingencies</b></p> <p>The Company is under litigations in respect of various matters from years related to sugar price fixation and other sugar industry matters including tax orders and related contingencies as well as other miscellaneous claims in respect of the assets/ payables of the Company as disclosed in note 23 of the annexed financial statements. These contingencies requires continuous follow up of management's judgments and estimates in relation to the interpretation of relevant laws, notifications and regulations and the recognition and measurement of any provisions that may be required against such contingencies. Due to inherent uncertainties and the time period such matters may take to resolve, the management judgments and estimates in relation to such contingencies may be complex and can significantly impact the annexed financial statements. Accordingly these are considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>● Assessing management's processes to identify new possible litigations, obligations and changes in existing obligations through inquiries from management and review of the minutes of meetings of the Board of Directors and Audit Committee.</li> <li>● Review of the relevant information including case proceedings, interim and final adjudication orders with related industry information and correspondences in respect of the ongoing litigations.</li> <li>● Obtaining confirmation from the legal counsel of the Company to evaluate the status of the resolved and pending litigations on the reporting date and view point of the Company's legal counsel thereon.</li> <li>● Examining legal and professional expenses to confirm that all pending legal matters are identified and disclosed.</li> <li>● Re-computing the amounts of obligations and recorded liabilities based on available underlying information and confronted parameters.</li> <li>● Assessing the adequacy and appropriateness of the related disclosures made in the accompanying financial statements in light of IAS-37 "Provisions and Contingencies".</li> </ul>
2.	<p><b>Recognition of Revenue</b></p> <p>The company is engaged in the production and sale of sugar and by-products and recognized revenue there from for the year ended 30 September 2022.</p> <p>We identified recognition of revenue as a key audit matter in consistency with the previous year keeping in view the importance and relevance thereto with the materiality as well as complexity of revenue being one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.</p> <p>(Refer to note 4.12 and 24 to the financial statements).</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none"> <li>● Obtaining an understanding of the process relating to recognition of revenue and assessing the design, implementation and operating effectiveness of key internal controls over recording of revenue.</li> <li>● Assessing the appropriateness of the Company's accounting policies for revenue recognition under distressed circumstances and compliance of those policies with applicable accounting standards.</li> <li>● Obtaining an understanding of the nature of the revenue, testing a sample of sales contracts to confirm our understanding and assessing whether or not management's application of IFRS 15 requirements was in accordance with the standard.</li> <li>● Performing analytical procedures and test of details by selecting samples of transactions for comparing with sales orders, sales invoices, delivery orders and other underlying records.</li> <li>● Comparing a sample of revenue transactions recorded during the year end with the sales orders, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period.</li> <li>● Reviewing the adequacy of disclosure as required under applicable financial reporting framework.</li> </ul>

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

Management is responsible for the other information. The other information comprises the information included in the Annual report of the Company, but does not include the financial statements and our 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) In our opinion, no Zakat was deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mohammad Hanif Razzak.

#### **CHARTERED ACCOUNTANTS**

Place: Karachi

Date: January 02, 2023

UDIN: AR202210222mZ3AGzWs8



## Statement of Financial Position

As at September 30, 2022

		September 30 2022	September 30 2021
		(Rupees in '000)	
<b>ASSETS</b>	<b>Notes</b>		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	3,707,666	2,615,681
Long term deposits	6	4,586	20,581
		3,712,252	2,636,262
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	7	61,407	54,659
Stock-in-trade	8	1,263,429	778,811
Trade Debts	9	32,754	144,240
Loans and advances	10	127,996	122,931
Trade deposits & short term prepayments	11	2,056	6,948
Other receivables	12	56,239	47,080
Income tax refundable - net of provision		27,706	10,710
Cash and bank balances	13	50,901	54,818
		1,622,488	1,220,197
<b>TOTAL ASSETS</b>		<b>5,334,740</b>	<b>3,856,459</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
20,000,000 shares of Rs.10 each		200,000	200,000
Issued, subscribed and paid up capital	14	119,460	119,460
Unappropriated profit		68,999	24,683
Surplus on revaluation of property, plant & equipment	15	1,776,616	936,702
		1,965,075	1,080,845
<b>NON CURRENT LIABILITIES</b>			
Long term financing	16	—	80,476
Lease Liabilities	17	1,752	33,625
Deferred liabilities	18	850,123	483,704
Deferred Government grant	19	—	44
		851,875	597,849
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	1,655,730	1,205,791
Accrued finance cost	21	34,060	34,299
Short term borrowings	22	734,855	770,819
Unclaimed dividend		4,696	4,696
Current portion of long term financing	16	74,022	125,528
Current portion of lease liabilities	17	14,427	35,202
Current portion of deferred Government grant	19	—	1,430
		2,517,790	2,177,765
<b>CONTINGENCIES AND COMMITMENTS</b>	23	—	—
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,334,740</b>	<b>3,856,459</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Profit or Loss

For the year ended September 30, 2022

	Notes	September 30 2022 (Rupees in '000)	September 30 2021
Sales	24	3,872,185	2,860,053
Cost of sales	25	3,511,544	2,827,140
<b>Gross Profit</b>		<b>360,641</b>	<b>32,913</b>
Trading activities	26	111	—
Distribution cost	27	696	766
Administrative expenses	28	132,656	114,239
Other operating expenses	29	50,119	9,968
		<b>183,471</b>	<b>124,973</b>
<b>Operating Profit / (Loss)</b>		<b>177,281</b>	<b>(92,060)</b>
Other income	30	3,664	187,106
		<b>180,945</b>	<b>95,046</b>
Finance cost	31	110,479	111,140
<b>Profit / (Loss) before taxation</b>		<b>70,466</b>	<b>(16,094)</b>
Taxation - Current, Prior Year and Deferred	32	68,857	13,732
<b>Profit / (Loss) after taxation</b>		<b>1,609</b>	<b>(29,826)</b>
<b>Earnings / (Loss) per share - Basic and diluted (Rupees)</b>	33	<b>0.13</b>	<b>(2.50)</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Comprehensive Income

For the year ended September 30, 2022

	Notes	September 30 2022 (Rupees in '000)	September 30 2021
<b>Profit / (Loss) after taxation</b>		<b>1,609</b>	<b>(29,826)</b>
Other Comprehensive Income			
<b>Items that will not be reclassified to statement of profit or loss</b>			
Remeasurement (loss) / gain on actuarial valuation of staff defined benefit plan	18.3.1	(9,766)	3,610
Related deferred tax		2,832	(1,047)
		<b>(6,934)</b>	<b>2,563</b>
<b>Items that may be reclassified subsequently to statement of profit or loss</b>			
Surplus on remeasurement of property, plant and equipment during the year	15	1,208,373	—
Related deferred tax		(318,818)	—
		<b>889,555</b>	<b>—</b>
<b>Total Comprehensive Income / (Loss)</b>		<b>884,230</b>	<b>(27,263)</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Changes in Equity

For the year ended September 30, 2022

	Issued, Subscribed & Paid-up Capital	Unappropriated profit	Capital Reserve - Surplus on revaluation of property, plant & equipment	Total
	..... (Rs in '000) .....			
<b>Balance as at October 01, 2020</b>	119,460	3,397	985,251	1,108,108
Total Comprehensive loss for the year ended September 30, 2021	—	(27,263)	—	(27,263)
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	48,549	(48,549)	—
<b>Balance as at September 30, 2021</b>	<u>119,460</u>	<u>24,683</u>	<u>936,702</u>	<u>1,080,845</u>
<b>Balance as at October 01, 2021</b>	<b>119,460</b>	<b>24,683</b>	<b>936,702</b>	<b>1,080,845</b>
Total Comprehensive loss for the year ended September 30, 2022	—	(5,325)	889,555	884,230
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	—	49,641	(49,641)	—
<b>Balance as at September 30, 2022</b>	<u><b>119,460</b></u>	<u><b>68,999</b></u>	<u><b>1,776,616</b></u>	<u><b>1,965,075</b></u>

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Statement of Cash Flows

For the year ended September 30, 2022

	Notes	September 30 2022 (Rupees in '000)	September 30 2021
Profit / (Loss) before taxation		70,466	(16,094)
<b>Adjustment for non cash charges and other items:</b>			
Depreciation	5.1.2	131,366	135,587
Depreciation on right-of use assets	5.3	8,724	11,505
Employees retirement benefits expense	18.3.3 & 18.4.3	21,162	20,140
Provision for slow moving items & obsolescence	7.1	2,515	850
Provision for market committee fee	18.2	5,811	4,513
Gain on sale of property, plant & equipment	5.1.3	(1,157)	(3,947)
Finance cost	31	110,479	111,140
		<b>278,900</b>	<b>279,788</b>
Cash flow from operating activities before adjustment of working capital changes		<b>349,366</b>	<b>263,694</b>
<b>Changes in Working capital</b>			
<b>(Increase) / Decrease in current assets</b>			
Stores, spare parts and loose tools		(9,263)	(3,936)
Stock - in - trade		(484,618)	(528,852)
Trade debts		111,486	(116,316)
Loans and advances		(5,065)	2,262
Trade deposits & Short term prepayments		4,892	3,578
Other receivables		(9,159)	—
		<b>(391,727)</b>	<b>(643,264)</b>
<b>Increase in current liabilities</b>			
Trade and other payables		<b>449,939</b>	<b>283,390</b>
		<b>407,578</b>	<b>(96,180)</b>
Employees retirement benefits paid during the year		<b>(8,157)</b>	<b>(8,114)</b>
Finance cost paid during the year		<b>(110,718)</b>	<b>(115,518)</b>
Decrease / (increase) in long term deposits		<b>15,995</b>	<b>(350)</b>
Income taxes paid during the year		<b>(64,002)</b>	<b>(38,037)</b>
		<b>(166,882)</b>	<b>(162,019)</b>
<b>Net cash inflow / (outflow) from operating activities</b>		<b>240,696</b>	<b>(258,199)</b>

	Note	September 30 2022 (Rupees in '000)	September 30 2021
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		6,190	4,974
Additions to property, plant and equipment		(28,735)	(50,986)
<b>Net cash outflow from investing activities</b>		<b>(22,545)</b>	<b>(46,012)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing		(133,456)	(59,791)
Payments / Obtained of lease liabilities - net		(52,648)	(32,387)
Dividend paid during the year		—	(17)
<b>Net cash outflow from financing activities</b>		<b>(186,104)</b>	<b>(92,195)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>32,047</b>	<b>(396,406)</b>
Cash and cash equivalents at beginning of the year		(716,001)	(319,595)
<b>Cash and cash equivalents at end of the year</b>	34	<b>(683,954)</b>	<b>(716,001)</b>

The annexed notes from 1 to 44 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

## Notes to the Financial Statements

For the year ended September 30, 2022

### 1 COMPANY AND ITS OPERATIONS

- 1.1 The Company is a public limited Company incorporated in 1986 in Pakistan and its shares are quoted on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Office No. 204, 2nd Floor, Clifton Centre, Block 5, Clifton, Karachi.
- 1.2 The Company is principally engaged in the manufacture and sale of sugar and sale of its by-products i.e. molasses and bagasse. The Company has also installed bagasse fired transmission equipment to sell surplus electric power. The manufacturing facilities are located at Sanghar Sindhri Road, Deh Kehore, District Sanghar in the province of Sindh. The total area of industry land / manufacturing facilities which includes the main factory is spread over 320.625 Acres. Cover Area of Building is approximately 299,759 Sq. Feet.

### 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 as applicable in Pakistan comprise of:

International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017;

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

#### 2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention, except for the following:

- employee retirement benefits that are based on actuarial valuation;
- items of property, plant and equipment carried at revalued amounts;
- stock in trade when valued at net realizable value;
- right-of-use assets and corresponding lease liabilities in accordance with IFRS-16; and
- Long term loan at discount rate with differential being recognized as Government grant

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is the Company's functional and presentation currency.



## 2.4 New accounting standards / amendments and IFRS interpretations that are effective for the year ended September 30, 2022

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

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

### 2.4.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

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

IFRS 3	Reference to the Conceptual Framework (Amendments)	1-Jan-2022
IAS 16	Property, Plant and Equipment: Proceeds before Intended Use (Amendments)	1-Jan-2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	1-Jan-2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	1-Jan-2023
IAS 1	Disclosure of Accounting Policies (Amendments)	1-Jan-2023
IAS 8	Definition of Accounting Estimates (Amendments)	1-Jan-2023
IAS 12	Deferred tax related to Assets and Liabilities arising from a single transaction (Amendments)	1-Jan-2023
IFRS 10/ IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments)	Not yet finalised

#### Improvements to accounting standards issued by the IASB (2018 - 2020 cycle)

IFRS 9	Financial Instruments - Fees in the '10 percent' test for the derecognition of financial liabilities	1-Jan-2022
IAS 41	Agriculture - Taxation in fair value measurement	1-Jan-2022
IFRS 16	Leases: Lease incentives	1-Jan-2022

The above amendments and improvements are not expected to have any material impact on the Company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan and are not expected to have any material impact on the Company's financial statements in the period of initial application.

Standards / Amendments		IASB Effective dates (annual periods beginning on or after)
IFRS 1	First time adoption of International Financial Reporting Standards	1-Jan-2004
IFRS 17	Insurance Contracts	1-Jan-2023
IFRS 16	Lease Liability in a Sale and Leaseback	1-Jan-2024

### 3 Critical accounting estimates, judgments and assumptions

The preparation of these financial statements in conformity with the approved accounting standards requires the management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under that circumstances, the results of which form the basis of making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. However, uncertainty about these assumptions and estimates could result in outcome that require material adjustment to the carrying amount of the asset or liability affected in future periods.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which estimates are revised if the revision affects only that period, or in the period of the revision and any future period affected.

Judgments made by the management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next period are discussed in the following paragraphs of these note.

In the process of applying the accounting policies, management has made the following estimates, judgments and assumptions which are significant to the financial statements:

– **Taxation :**

In making the estimates of the income tax liabilities, the management considers current income tax law and decisions of appellate authorities. Deferred tax estimate is made considering future applicable tax rate.

– **Employees Retirement Benefits:**

Certain actuarial assumptions have been adopted as disclosed in these financial statements for valuation of present value of defined benefit obligation. Any changes in these assumptions in future years might effect gains and losses in those years. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates.

– **Property, Plant and Equipment and intangible assets**

The management determines the estimated useful lives and related depreciation / amortisation charge for its property, plant and equipment / intangible assets. The management reviews the value of assets for possible impairment on financial year end. Any change in the estimate in the future years might effect the carrying amounts of the respective items of property, plant and equipment / intangible assets with a corresponding effect on the depreciation / amortisation charge and impairment.

– **Stock in trade**

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

– **Contingencies**

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

– **Expected credit losses against trade debts, deposits, advances and other receivables**

The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of doubtful debts and expected credit losses required there against periodically. While determining the losses, the Company considers financial health, market information, aging of receivables, credit worthiness, credit rating, past records and business relationship.

– **Slow Moving Stores and Obsolescence**

In making estimates of quantum of slow moving items and obsolescence, the aging analysis, current condition of various items and expected use in future are considered.

– **Impairment against non financial assets**

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

– **Leases**

The Company uses judgments and estimates in the measurement of right of-use assets and corresponding lease liabilities with respect to discount rates, lease terms including exercise of renewal and termination options etc.

#### **4 SIGNIFICANT ACCOUNTING POLICIES**

##### **4.1 Property, plant and equipment**

###### **4.1.1 Operating Assets**

###### **Owned assets**

###### **Recognition & Measurement**

An item of property, plant & equipment is recognised as an asset if and only if, the future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. These are subsequently stated at cost less accumulated depreciation and impairment, if any, except for free hold land, buildings and plant and machinery which are stated at revalued amounts.

###### **Depreciation**

Depreciation is charged, on a systematic basis over the economic useful life of the asset, on reducing balance method, which reflects the pattern in which the assets economic benefits are consumed by the Company, at the rates specified in respective note. Depreciation on additions is charged from the month in which the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.

###### **Revaluation Surplus - owned assets**

Revaluation of freehold land and building on freehold land is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any revaluation increase in the carrying amount of freehold land, factory and non-factory buildings on freehold land and plant and machinery is recognized, net of tax, in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment" except to the extent that it reverses a revaluation decrease / deficit for the same asset previously recognized in statement of profit or loss, in which case the increase is first recognized in statement of profit or loss to the extent of the decrease previously charged. Any decreases that

reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset, all other decreases are charged to statement of profit or loss. The revaluation reserve is not available for distribution to the Company's shareholders. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to statement of profit or loss account and depreciation based on the asset's original cost, net of tax, is reclassified from revaluation reserve to the unappropriated profit.

#### **Subsequent Cost**

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

#### **Derecognition**

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

#### **4.1.2 Right-of-use assets**

The Company recognizes right of use assets at the commencement date of the lease. (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include amount of lease liabilities recognized, initial direct costs incurred, the lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognized right-of-use assets are depreciated using reducing balance method. Right-of-use assets are subject to impairment. Right-of-use assets are depreciated on a reducing balance basis over the estimated useful lives of the assets.

If ownership of the leased asset, transfers of the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of an asset.

#### **4.1.3 Capital work-in-progress**

Capital work-in-progress is stated at cost accumulated up to the reporting date less impairment if any and represents expenditure incurred on property, plant and equipment in the course of construction / installation / implementation / development including borrowing cost on eligible assets. These expenditures are transferred to relevant category of property, plant and equipment as and when the assets become available for use.

#### **4.2 Intangible Asset**

Computer software is stated at cost less accumulated amortization. Software costs are only capitalized when it is probable that future economic benefits attributable to the software will flow to the Company and the same is amortized, on a monthly proportionate basis applying the straight line method at the rate stated in respective note to these financial statements.

#### **4.3 Deferred Cost**

Deferred cost is the cost / expense incurred whose benefits are expected to be obtained beyond the period of one year. Deferred cost is being amortized over the estimated period of consuming benefits which are five years.

**4.4 Stores, spare parts and loose tools**

These are valued at cost calculated on a moving average basis less provision for obsolescence, and slow moving items, except for the items in transit, which are valued at costs accumulated up to the reporting date.

**4.5 Stock in trade**

Stock of sugar is valued at lower of the weighted average cost and net realizable value. By-products i.e. Molasses and Baggasse are valued at net realizable value (NRV). Cost in relation to work in process and finished goods consists of material cost, proportionate manufacturing overheads.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to be incurred to make the sale.

**4.6 Trade debts, loans, deposits and other receivable**

Trade debts, loans, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime ECLs that result from all possible default events over the expected life of the trade debts, loans and other receivables. Bad debts are written off when considered irrecoverable.

**4.7 Trade and other payables**

Liabilities for trade and other payables are recognized initially at cost which is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost.

**4.8 Employees Retirement benefits:****4.8.1 Defined benefit plan - Gratuity**

The Company operates an unfunded gratuity scheme for all employees eligible to the scheme with qualifying service period. Provision is made annually to cover the obligation on the basis of actuarial valuation carried out using Projected Unit Credit Method and is charged to the statement of profit or loss, related details of which are given in the respective note to the financial statements. Remeasurement gains or losses are recognized in full as and when arise and are charged to other comprehensive income.

**4.8.2 Defined benefit plan - Leave Encashment**

The Company provides for compensated absences for all eligible employees in the period in which these are earned in accordance with the terms of employment. Provision is made annually to cover the obligation on the basis of actuarial valuation carried out using Projected Unit Credit Method and is charged to statement of profit or loss, related details of which are given in the respective note to the financial statements. Remeasurement gains or losses are recognized in full as and when arise and are charged to other comprehensive income.

**4.9 Lease liability**

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

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

#### **4.10 Taxation**

##### **4.10.1 Current**

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

##### **4.10.2 Deferred**

Deferred tax is recognized using the liability method in respect of all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and their tax base and is recognized on the basis of the expected manner of the realization or settlement of the carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the reporting date. Deferred tax asset is recognized to the extent that it is probable that the future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax asset is reduced to the extent it is no longer probable that the related tax benefit will be realized.

##### **4.10.3 Sales tax and Federal Excise Duty (FED)**

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

- Where amount incurred on a purchase of asset or service is not recoverable from the taxation authorities, in which case the tax / duty is recognized as part of the cost of the acquisition of the assets or as part of the expense item as applicable; and
- Receivables or payables that are stated with the amount of Sales tax / FED included.

The net amount of sales tax and FED recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### **4.11 Ijarah Lease contracts**

Leases, where a significant portion of the risk and rewards of ownership are retained by the lessor, are classified as Ijarah lease. Payments made under the Ijarah lease agreements are charged to statement of profit or loss.

#### **4.12 Revenue recognition**

Revenue from sale of goods is recognized when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and the control transfers at a point in time, i.e. at the time the goods are dispatched / shipped to customer. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, returns rebates and government levies.

Electric power supply is recognized when the supply of power is passed on through transmission lines.

Rental income is recorded on an accrual basis.

Mark-up on growers' loans is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters.

#### **4.13 Foreign currency transaction and translation**

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



**4.14 Provisions and contingencies**

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

**4.15 Borrowing cost**

Mark-up, interest and other charges on borrowings are capitalized up to the date of commissioning of the respective qualifying assets. All other mark-up, interest, profit and other charges are charged to the statement of profit or loss.

**4.16 Financial Instruments**

The Company classifies its financial assets in to following three categories:

- Fair value through other comprehensive income (FVOCI);
- 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.

**4.16.1 Subsequent measurement**

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest / markup 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 other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

Equity Investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to the statement of profit or loss.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest / markup or dividend income, are recognized in profit or loss.

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

**4.16.2 Non-derivative financial assets**

All non-derivative financial assets are initially recognized on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent. The Company derecognizes the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.



#### 4.16.3 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized costs are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

#### 4.17 Offsetting of financial assets and liabilities

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

#### 4.18 Cash and cash equivalents

Cash and cash equivalents are carried at cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and bank balances net of short term borrowings.

#### 4.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

#### 4.20 Government Grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate are expensed out.

#### 4.21 Impairment of assets

##### 4.21.1 Financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

Other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the Gross carrying amount of the assets.

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

The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

#### 4.21.2 Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companies of assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss.

		2022	2021
		(Rupees in '000)	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	Note - 5.1	<b>3,582,575</b>	2,437,298
Capital work-in-progress	Note - 5.2	<b>32,162</b>	3,807
Right of use assets	Note - 5.3	<b>92,929</b>	174,576
		<b><u>3,707,666</u></b>	<u>2,615,681</u>

## 5.1 Operating Fixed Assets

Net carrying value as at September 30, 2022	OWNED							OWNED
	Free hold land	Factory Building on free hold land	Non-Factory Building on free hold land	Plant and Machinery	Furniture and Fittings	Vehicles	Computer Equipment & Appliances	Stores & Spares held for capital expenditure
Rupees in'000								
Opening Net Book Value (NBV)	115,000	175,785	40,870	2,086,456	1,188	11,600	2,451	3,948
Surplus on revaluation during the year	109,000	101,738	23,275	974,360	—	—	—	—
Direct Additions at Cost	—	—	—	—	—	380	—	—
Transfer from Right of use assets	—	—	—	68,018	—	—	—	—
Disposal at NBV	—	—	—	—	—	(128)	—	—
Depreciation charge for the year	—	(17,578)	(4,087)	(106,751)	(119)	(2,367)	(267)	(197)
<b>Closing Net Book Value</b>	<b>224,000</b>	<b>259,945</b>	<b>60,058</b>	<b>3,022,083</b>	<b>1,069</b>	<b>9,485</b>	<b>2,184</b>	<b>3,751</b>
<b>Gross carrying value as at September 30, 2022</b>								
Cost	7,043	164,303	12,365	1,582,388	6,869	34,230	13,298	5,867
Accumulated Depreciation	—	(72,214)	(10,627)	(534,338)	(5,800)	(24,745)	(11,114)	(2,116)
	7,043	92,089	1,738	1,048,050	1,069	9,485	2,184	3,751
Revaluation	216,957	278,865	106,655	2,326,520	—	—	—	—
Incremental Depreciation	—	(111,009)	(48,335)	(352,487)	—	—	—	—
	216,957	167,856	58,320	1,974,033	—	—	—	—
<b>Total Net Book Value</b>	<b>224,000</b>	<b>259,945</b>	<b>60,058</b>	<b>3,022,083</b>	<b>1,069</b>	<b>9,485</b>	<b>2,184</b>	<b>3,751</b>
Net carrying value as at September 30, 2021	OWNED							OWNED
	Free hold land	Factory Building on free hold land	Non-Factory Building on free hold land	Plant and Machinery	Furniture and Fittings	Vehicles	Computer Equipment & Appliances	Stores & Spares held for capital expenditure
Rupees in'000								
Opening Net Book Value (NBV)	115,000	189,689	45,411	2,160,306	1,320	15,368	2,691	4,156
Direct Additions at Cost	—	—	—	—	—	333	58	—
Transfer from Capital Work in Progress	—	5,107	—	34,473	—	—	—	—
Disposal at NBV	—	—	—	—	—	(1,027)	—	—
Depreciation charge for the year	—	(19,011)	(4,541)	(108,323)	(132)	(3,074)	(298)	(208)
<b>Closing Net Book Value</b>	<b>115,000</b>	<b>175,785</b>	<b>40,870</b>	<b>2,086,456</b>	<b>1,188</b>	<b>11,600</b>	<b>2,451</b>	<b>3,948</b>
<b>Gross carrying value as at September 30, 2021</b>								
Cost	7,043	164,303	12,365	1,514,370	6,869	34,631	13,298	5,867
Accumulated Depreciation - Cost	—	(61,982)	(10,434)	(482,757)	(5,681)	(23,031)	(10,847)	(1,919)
	7,043	102,321	1,931	1,031,613	1,188	11,600	2,451	3,948
Revaluation	107,957	177,127	83,380	1,352,160	—	—	—	—
Incremental Depreciation	—	(103,663)	(44,441)	(297,317)	—	—	—	—
	107,957	73,464	38,939	1,054,843	—	—	—	—
<b>Closing Net Book Value</b>	<b>115,000</b>	<b>175,785</b>	<b>40,870</b>	<b>2,086,456</b>	<b>1,188</b>	<b>11,600</b>	<b>2,451</b>	<b>3,948</b>
Depreciation rate % per annum	—	10	10	5	10	20	10 & 20	5

**5.1.1** The Company's freehold land, building and plant and machinery were revalued on September 30, 2022, by independent professional valuator M/s Joseph Lobo (Pvt) Limited at fair market value. The resultant surplus on revaluation has been credited to the surplus on revaluation of property, plant & equipment.

**5.1.2** Depreciation charge for the year has been allocated as under:

		<b>2022</b>	<b>2021</b>
		<b>(Rupees in '000)</b>	
Cost of Sales	Note 25	<b>120,823</b>	123,911
Administrative Cost	Note 28	<b>10,543</b>	11,676
		<b>131,366</b>	<b>135,587</b>

**5.1.3** The following Property, plant and equipments were disposed off during the year:

Particulars	Cost	Written Down Value	Sale Proceeds	Gain on Disposal	Mode of Disposal	Purchaser
<b>.....Rupees in '000.....</b>						
Vehicle - Leased - Hyundai Tucson BH-8704	6,306	4,905	5,740	835	Negotiation	Mr. Salman Ahmed - CNIC 42000-0566882-3
Vehicle - Owned - Suzuki Bolan CU-7102	781	128	450	322	Negotiation	Mr. Javaid Alam - CNIC 42101-8768662-5
<b>September 30, 2022</b>	<b>7,087</b>	<b>5,033</b>	<b>6,190</b>	<b>1,157</b>		
Vehicles having net book value below of Rs. 500 thousand as at September 30, 2021	4,940	1,027	4,974	3,947		

## 5.2 Capital work-in-progress

	Cost at October 01	Capital expenditure incurred during the year	Transferred to operating fixed assets	Cost at September 30
<b>..... Rupees in '000 .....</b>				
Plant & Machinery	3,807	28,355	—	32,162
<b>September 30, 2022</b>	<b>3,807</b>	<b>28,355</b>	<b>—</b>	<b>32,162</b>
September 30, 2021	9,873	33,515	(39,580)	3,807

## 5.3 Right of use assets

	<b>2022</b>			<b>2021</b>		
	Plant and Machinery	Vehicles	Total	Plant and Machinery	Vehicles	Total
<b>..... Rupees in '000 .....</b>						
Opening Net Book Value	153,545	21,031	174,576	161,626	7,375	169,001
Additions at Cost (Note 17)	—	—	—	—	17,080	17,080
Transfer to Own assets / Disposal	(68,018)	(4,905)	(72,923)	—	—	—
Depreciation charge for the year	(5,218)	(3,506)	(8,724)	(8,081)	(3,424)	(11,505)
<b>Closing Net Book Value</b>	<b>80,309</b>	<b>12,620</b>	<b>92,929</b>	<b>153,545</b>	<b>21,031</b>	<b>174,576</b>
<b>Gross carrying value as at Sept. 30</b>						
Cost	98,849	18,274	117,123	181,757	24,580	206,337
Accumulated Depreciation	(18,540)	(5,654)	(24,194)	(28,212)	(3,549)	(31,761)
<b>Closing Net Book Value</b>	<b>80,309</b>	<b>12,620</b>	<b>92,929</b>	<b>153,545</b>	<b>21,031</b>	<b>174,576</b>
<b>Depreciation rate % per annum</b>	<b>5</b>	<b>20</b>		<b>5</b>	<b>20</b>	

		2022 (Rupees in '000)	2021
<b>6</b>	<b>LONG TERM DEPOSITS</b>		
	<b>Considered good:</b>		
	Finance lease deposits	2,735	18,730
	Diminishing Musharka deposit Note 6.1 & 16.3	792	792
	Other security deposits	1,059	1,059
		<u>4,586</u>	<u>20,581</u>
<b>6.1</b>	This deposit placed with shariah compliant financial institution.		
<b>7</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
	Stores	45,311	34,408
	Spare parts	36,224	38,076
	Loose tools	2,943	2,731
		<u>84,478</u>	<u>75,215</u>
	Less: Provision for slow moving items and obsolescence Note 7.1	23,071	20,556
		<u>61,407</u>	<u>54,659</u>
<b>7.1</b>	<b>Reconciliation of provision for slow moving and obsolete items</b>		
	Opening balance at the beginning	20,556	19,706
	Charge for the year Note 29	2,515	850
	Closing balance at the end	<u>23,071</u>	<u>20,556</u>
<b>8</b>	<b>STOCK-IN-TRADE</b>		
	Sugar Note 8.1 & 25	1,249,011	774,478
	Sugar in process Note 25	873	667
	Molasses	94	60
	Baggasse	13,451	3,606
		<u>1,263,429</u>	<u>778,811</u>
<b>8.1</b>	The closing stock of sugar having carrying value of Rs. 577,925 thousand (2021: Rs. 764,962 thousand) has been pledged against financing obtained from Banking Companies.		
		2022	2021
		(Rupees in '000)	
<b>9</b>	<b>TRADE DEBTS</b>		
	Local Sales - Unsecured, Considered good under contracts Note 9.1	32,754	144,240
		<u>32,754</u>	<u>144,240</u>
<b>9.1</b>	This includes an amount of Rs. 27,924 thousand (2021: Rs. 27,924 thousand) in respect of receivable against supply of electric power to Hyderabad Electric Supply Corporation in previous year. The matter is pending due to the publication / printing of notification issued by the National Electric Power Regulatory Authority in respect of rate, in official Gazzate of Pakistan.		

		2022 (Rupees in '000)	2021
<b>10 LOANS AND ADVANCES</b>			
<b>Interest free</b>			
Loan to Employees:			
Other than CEO, Directors & Executives	Note 10.1	3,198	2,240
<b>Secured - Interest Free</b>			
Advance to Executive	Note 10.2	—	800
<b>Un-Secured</b>			
Advances to			
- Employees against salaries		472	763
- Contractors and suppliers		9,956	12,070
- Growers			
Considered good - interest free	Note 10.3	26,042	24,014
Considered good - interest bearing	Note 22.2	88,328	83,044
Considered doubtful	Note 10.4	7,515	7,515
		121,885	114,573
Impairment allowance against doubtful growers advances		7,515	7,515
		114,370	107,058
		127,996	122,931

- 10.1** Loans have been given to employees for the purchase of house hold equipments and housing assistance in accordance with the terms of the employments and are repayable in the different monthly installments and are against their balances of retirement benefits.
- 10.2** The maximum aggregate amount due from executive at any month end during the year was Rs. 800 thousand (2021: Rs. 800 thousand). Advance has been given to executive for the purchase of house hold equipments and housing assistance in accordance with the terms of the employment and has been recovered / repaid during the year. The balance was secured against the retirement benefit.
- 10.3** The Company makes advances to growers in form of cash payments and in shape of fertilizers / seeds, which are adjustable against the supplies of sugarcane during the following season.
- 10.3.1** It includes an amount of Rs. 1,570 thousand (2021: Rs. 1,553 thousand) in respect of due from related parties. The maximum month end aggregate amount due from related parties during the year was Rs. 2,929 thousand (2021: Rs. 14,314 thousand).

	2022 (Rupees in '000)	2021
<b>10.3.2 Aging analysis of due from related parties is as follows:</b>		
From 91 to 180 days	1,570	670
From 0 to 90 days	—	883
	1,570	1,553
<b>10.4 Reconciliation of impairment allowance against doubtful growers advances</b>		
Opening balance	7,515	7,705
Reversed during the year	—	(190)
Closing balance	7,515	7,515

		2022 (Rupees in '000)	2021
<b>11</b>	<b>TRADE DEPOSITS &amp; SHORT TERM PREPAYMENTS</b>		
	<b>Trade Deposits</b>		
	Bank Guarantee Margin	Note 23.2	4,500
	Others	5	5
		<b>5</b>	<b>4,505</b>
	<b>Short Term Prepayments</b>		
	Prepaid Insurance	1,160	1,199
	Prepaid Rent	349	722
	Labour Court - Hyderabad	Note 23.1.4	522
		<b>2,051</b>	<b>2,443</b>
		<b>2,056</b>	<b>6,948</b>
<b>12</b>	<b>OTHER RECEIVABLES</b>		
	<b>Considered Good</b>		
	Subsidy due from Provincial Government	Note 12.1	47,080
	Road Cess receivable	Note 12.2	—
	Others	Note 12.3	—
		<b>56,239</b>	<b>47,080</b>
	<b>Considered doubtful</b>		
	Inland freight subsidy receivable	Note 12.4	18,713
	Further sales tax refundable	Note 12.5	8,558
		<b>27,271</b>	<b>27,271</b>
	Impairment allowance against doubtful	<b>(27,271)</b>	<b>(27,271)</b>
		<b>56,239</b>	<b>47,080</b>

**12.1** A cash freight subsidy of Rs. 10.70 / kg was announced by the Federal Government through Ministry of Commerce vide letter No. 7(2)/ 2012-Exp.III and further, on equal sharing basis, an amount of Rs. 9.3 / kg was also announced by the Provincial Government and Federal Government, in lieu of which, the Company exported 8,800 M.tons of sugar during 2018 and submitted the total claim of subsidy of Rs. 176,000 thousand with state Bank of Pakistan. Out of the subsidy claimed, the Company has received Rs. 128,920 thousand till date. This remaining subsidy amount relates to the Provincial Government whereas the share pertaining to the Federal Government has been realized in full. The Company despite every effort to recover the subsidy amount of Rs. 47,080 thousand from the Sindh Government via State Bank of Pakistan has been unable to get the same. Consequently the Company has filed a Constitutional Petition No. 5562 of 2021 in the Honourable Sindh High Court against the Sindh Government and the SBP for recovery of entitlement.

**12.2** This represents receivable of Mill & Growers share of Sugarcane (Development) Cess for the crushing season 2014-15 amounting to Rs. 3,613 thousand . The Company has paid the Cess and as per the notification issued by the Agriculture, Supply & Prices Department, Government of Sindh, the Company has filed documentation in this respect in the relevant department for refund of the said Cess. During the previous year the Company has net-off the amount receivable against its corresponding liability, to be payable to growers. The outcome of the same is awaited.



- 12.3** This includes an amount of Rs. 8,911 thousand (2021: Rs. Nil) receivable in respect of recovery made by the Competition Commission of Pakistan as disclosed in note 23.1.6 of the Financial Statements.
- 12.4** These were the receivable from the Government of Pakistan through Trade Development Authority of Pakistan. Total receivable in this respect amounted to Rs. 21,703 thousands; however an amount of Rs. 2,990 thousand relating to the export sales of year 2013-14, was not accounted for in the books as a matter of prudence. Further, due to uncertainties regarding the recoverability of the subsidy, and as a matter of prudence, an impairment allowance has been made against the amount of Inland Freight Subsidy already recorded.
- 12.5** This represent Further Sales Tax of one percent on sales to unregistered persons. The Company paid Further Tax in the monthly Sales Tax & Federal Excise Returns for the month of June 2013 amounting to Rs. 764 thousand and July 2013 amounting to Rs. 3,519 thousand on buyers behalf which aggregated to Rs. 4,283 thousand and not received by the buyers. In addition, an amount of Rs. 4,275 thousand on account of Further Tax at the rate of two percent on sales to unregistered persons was again been paid by the Company and not received from the buyers. Further, due to uncertainties regarding the recoverability, and as a matter of prudence, an impairment allowance has been made against the amount of Further Tax already recorded.

		2022	2021
		(Rupees in '000)	
<b>13 CASH AND BANK BALANCES</b>			
Cash in hand		347	291
Cash at banks			
In current accounts	Note 13.1	46,155	51,465
In current account - Linked with Treasury Call	Note 13.2	5,299	4,920
Impairment allowance against the dormant bank accounts	Note 13.3	(900)	(1,858)
		50,554	54,527
		50,901	54,818

- 13.1** Cash at banks include Rs. 1,504 thousand (2021: Rs. 16,001 thousand) with shariah compliant financial institutions.
- 13.2** This represents amount placed with commercial bank in "Unclaimed Dividend Account", linked with Treasury Call Account. Profit earned in this account will be used in corporate social responsibility activities.

		2022	2021
		(Rupees in '000)	
<b>13.3 Reconciliation of impairment allowance and reversal against dormant bank accounts</b>			
Opening balance		1,858	1,074
(Reversal) / Charge for the year	Note 29 & Note 30	(958)	784
Closing balance		900	1,858

**14 ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2022	2021			
10,860,000	10,860,000	Ordinary shares of Rs.10 each allotted for consideration paid in cash	108,600	108,600
1,086,000	1,086,000	Ordinary shares of Rs.10 each allotted as bonus shares	10,860	10,860
11,946,000	11,946,000		119,460	119,460

	2022 (Rupees in '000)	2021
<b>15 SURPLUS ON REVALUATION OF PROPERTY, PLANT &amp; EQUIPMENT</b>		
Gross opening balance	1,275,204	1,343,583
Revaluation Surplus recorded during the year	1,208,373	—
Incremental depreciation charged on surplus on revaluation of property, plant & equipment - net of deferred tax	(49,641)	(48,549)
Deferred Tax on Incremental Depreciation charged on surplus on revaluation of property, plant & equipment	(20,276)	(19,830)
	(69,917)	(68,379)
	2,413,660	1,275,204
Related deferred Tax	(637,044)	(338,502)
Revaluation surplus net of deferred tax	1,776,616	936,702

- 15.1** The Company carries its land, building and plant & machinery on revaluation model in accordance with IAS - 16 "Property, Plant & Equipment". An independent valuer carried out revaluation and issued report on September 30, 2022. Forced sale value has been determined by the valuer using New Replacement Value i.e., the estimated cost to replace an existing asset or with a substitute of like kind and equal utility using the current standards of materials and design and with no deduction for depreciation as follows:

	(Rupees in '000)		
	Discount Factor in %	Present Market Value	Forced Sale Value
Free hold Land	15%	224,000	190,000
Building (Factory & Non-Factory)	15%	320,000	272,000
Plant & Machinery	20%	3,085,000	2,468,000

- 15.2** The revaluation surplus on property, plant and equipment is a capital reserve and is not available for distribution to shareholders of the Company in accordance with the section 241 of the Companies Act 2017.

	2022 (Rupees in '000)	2021
<b>16 LONG TERM FINANCING</b>		
<b>Secured</b>		
<b>From Banking Company under mark-up arrangements</b>		
Demand Finance - II	—	20,547
Diminishing Musharakah - I	4,689	10,306
Diminishing Musharakah - II	69,333	138,667
Refinance - Salaries & Wages under State Bank of Pakistan Scheme	—	36,484
	74,022	206,004
Current portion shown under current liabilities	(74,022)	(125,528)
	—	80,476

- 16.1** This represents Demand Finance II obtained from MCB Bank Limited under mark-up arrangements and was repayable in 16 quarterly installments starting from November 2017 with a mark-up payments @ 3 months KIBOR + 2.5% chargable and payable on quarterly basis. The Company has fully repaid during the year.
- 16.2** The above loans are secured against the Personal Guarantees of all Sponsoring Directors. 1st Exclusive Charge over specific plant & Machinery. 1st Registered Exclusive charge over all Land & Building of the Company. Additionally secured against 1st paripassu charge over other plant & machinery of the Company
- 16.3** This represents Diminishing Musharakah arrangement from shariah compliant financial institution under profit arrangements and repayable in five years in quarterly installments with a profit payments @ 6 months KIBOR + 3%. This loan is secured against the title over specific machinery.
- 16.4** This represents Diminishing Musharakah arrangement from shariah compliant financial institution under profit arrangements and repayable in two years and nine months in biannual installment during first year and quarterly installments for the remaining period with a profit payments @ 6 months KIBOR + 3%. This loan is secured against the title over specific machinery.

	2022 (Rupees in '000)	2021
<b>16.5</b> Refinance - Salaries & Wages under State Bank of Pakistan Scheme	<b>36,484</b>	57,947
Less: Fair Value differential - Government Grant	—	(2,467)
Repaid during the year	<b>(36,484)</b>	(23,767)
Unwinding of Interest	—	4,770
	<b>—</b>	<b>36,484</b>

- 16.6** This represents facility from MCB Bank Limited under the “Refinance Scheme for payment of Salaries and Wages to employees and workers, launched by the State Bank of Pakistan”. The Company has availed Rs. 28,680 thousand and Rs. 31,370 thousand against the sanctioned limits under mark-up arrangements and repayable in quarterly installments in a period of two years and six months with a grace period of six months with markup payments @ 3%. This loan is secured against the security & charge already held by the Bank. The Company has fully repaid during the year.

	2022 (Rupees in '000)	2021
<b>17 LEASE LIABILITIES</b>		
Balance at the beginning of the year	<b>68,827</b>	101,214
Lease obtained during the year <span style="float: right;">Note 5.3</span>	—	17,080
Repayments during the year	<b>(52,648)</b>	(49,467)
	<b>16,179</b>	68,827
Less: Current portion shown under current liabilities	<b>14,427</b>	35,202
<span style="float: right;">Note 17.1</span>	<b>1,752</b>	<b>33,625</b>

17.1 The amounts of future payments for the lease and the period of their maturity is as follows:

	Minimum Lease Payments (MLP)	Financial Charges	Present Value of MLP
	Rupees in 000		
	2022		
Rentals due within one year	15,902	1,475	14,427
Rentals due after one year but within five years	1,867	115	1,752
<b>Balance as at September 30, 2022</b>	<b>17,769</b>	<b>1,590</b>	<b>16,179</b>
	2021		
Rentals due within one year	39,118	3,916	35,202
Rentals due after one year but within five years	34,834	1,209	33,625
<b>Balance as at September 30, 2021</b>	<b>73,952</b>	<b>5,125</b>	<b>68,827</b>

17.1.1 The Company was entered into direct lease agreement for an amount of Rs. 52,908 thousand with a grace period of six months & Rs. 30,000 thousand with OLP Financial Services Pakistan Limited (Formerly: Orix Leasing Company Limited) and has been fully satisfied during the year. Lease rentals were payable in 48 months on monthly basis started from December 2017 and October 2017 respectively. The Company has availed the option of purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit. Minimum lease payments have been discounted using rates linked with KIBOR ranging between 11.97 % to 12.34 % (2021: 11.54 % to 12.13 %) being rates implicit in the lease. The Company has completely repaid the installments during the year.

17.1.2 The Company was entered into lease agreement, for an amount of Rs. 70,000 thousand and Rs. 9,000 thousand with Sindh Leasing Company Limited and has been fully satisfied during the year. The Company has availed the option of purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit. Minimum lease payments have been discounted using rates linked with KIBOR ranging between 11.82 % to 11.93 % (2021: 11.43 % to 11.93 %) being rates implicit in the lease. Lease rentals were payable in 60 months in arrears on monthly basis. The Company has completely repaid the installments during the year.

17.1.3 The Company has entered into direct lease agreement, for an amount of Rs. 4,209 thousand (one vehicle - completely repaid during the year) and Rs. 6,805 thousand (three vehicles) and Rs. 19,849 thousand (plant & machinery) and Rs. 7,500 thousand (three vehicles) with OLP Financial Services Pakistan Limited (Formerly: Orix Leasing Company Limited). The Company has option to purchase the assets upon expiry of the lease term by making payment of residual value by way of adjustment of security deposit. Minimum lease payments have been discounted using rates linked with KIBOR ranging between 12.17 % to 20.44 % (2021: 12.04 % to 13.35 %) being rates implicit in the lease. Lease rentals are payable in 36 months in arrears on monthly basis.

		2022 (Rupees in '000)	2021
<b>18 DEFERRED LIABILITIES</b>			
Deferred taxation	Note 18.1	640,806	302,969
Market committee fee	Note 18.2	86,040	80,229
Employees retirement benefits			
– Defined benefit plan	Note 18.3	118,900	96,705
– Leave Encashment plan	Note 18.4	4,377	3,801
		<b>850,123</b>	<b>483,704</b>

		2022 (Rupees in '000)	2021
<b>18.1 Deferred taxation:</b>			
Opening Balance		302,969	340,777
Deferred tax on fresh revaluation taken to other comprehensive income		318,818	—
Impact of deferred tax on actuarial loss / gain		(2,832)	1,047
Charged / (Reversed) during the year	Note 32	21,851	(38,855)
Closing balance		640,806	302,969
<b>18.1.1 Deferred tax (debit) / credit arising due to:</b>			
Deferred tax credit arising due to:			
– surplus on revaluation	Note 15	637,044	338,502
– accelerated depreciation		190,519	164,588
– assets obtained under finance lease		22,257	30,667
		849,820	533,757
Deferred tax debit arising due to:			
– provisions / impairment		(69,572)	(60,554)
– minimum tax, Lossess and tax credit carried forward		(139,442)	(170,235)
		640,806	302,969
<b>18.2 Market committee fee</b>			
Opening Balance		80,229	75,716
Charge during the year		5,811	4,513
Closing balance	Note 18.2.1	86,040	80,229

**18.2.1** The Company has filed a suit in the Honourable High Court of Sindh against the levy of market committee fee by the Government of Sindh on sugarcane purchases at the factory. The Sindh High Court has granted status quo. Full provision has been made as a matter of prudence.

### 18.3 Employees Retirement Benefits - Defined Benefits Plan

The Company operates an unfunded gratuity scheme for its employees eligible to the benefit effective from July 01, 2003 and provision is made as per actuarial valuation of the scheme conducted as of September 30, 2022 by M/s Nauman Associates (Consulting Actuaries) under the "Projected Unit Credit" method. The significant actuarial assumptions used for actuarial valuation for the gratuity scheme are as follows:

		2022 (Rupees in '000)	2021
<b>18.3.1 Movement in the present value of the obligation</b>			
Present value of obligation at the beginning of the year		96,705	89,050
Charge for the year			
Current service cost		9,905	9,958
Interest cost		9,771	8,312
		19,676	18,270
Benefits paid during the year		(7,247)	(7,005)
Actuarial loss / (gain) & experience adjustments	Note 18.3.4	9,766	(3,610)
Present value of obligation at the end of the year		118,900	96,705

	2022 (Rupees in '000)	2021
<b>18.3.2 Expense for the year charged to statement of Profit or Loss</b>		
Current service cost	9,905	9,958
Interest cost	9,771	8,312
	<u>19,676</u>	<u>18,270</u>
<b>18.3.3 Charge for the year has been allocated as under:</b>		
Cost of sales Note 25.1	14,757	13,703
Administrative cost Note 28.1	4,919	4,567
	<u>19,676</u>	<u>18,270</u>
<b>18.3.4 Total Remeasurements Chargeable in Other Comprehensive Income</b>		
Actuarial loss from changes in financial assumptions	553	128
Experience adjustments	9,213	(3,738)
	<u>9,766</u>	<u>(3,610)</u>
	<b>2022</b>	<b>2021</b>
<b>18.3.5 Significant Actuarial Assumptions</b>		
Discount rate used for interest cost in P or L Charge	10.50%	9.75%
Discount rate used for year end obligation	13.25%	10.50%
Salary increased used for year end obligation		
Salary Increase FY 2022	N/A	N/A
Salary Increase FY 2023	12.25%	9.50%
Salary Increase FY 2024	12.25%	9.50%
Salary Increase FY 2025	12.25%	9.50%
Salary Increase FY 2026	12.25%	9.50%
Salary Increase FY 2027	12.25%	9.50%
Salary Increase FY 2028 onward	12.25%	9.50%
Next salary is increased at	01-Oct-2022	01-Oct-2021
Retirement age	Age 60	Age 60
Withdrawal Rates	Age-Based	Age-Based
Mortality Rates	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
	<b>2022</b>	<b>2021</b>
	<b>(Rupees in '000)</b>	
<b>18.3.6 Year end Sensitivity Analysis (+ 100 bps) on Defined Benefit Obligation</b>		
Discount Rate + 100 bps	113,265	91,878
Discount Rate - 100 bps	125,231	102,007
Salary Increase + 100 bps	125,383	102,137
Salary Increase - 100 bps	113,029	91,676

	2022 (Rupees in '000)	2021
<b>18.3.7 Expected Benefit Payments for the next 10 years and beyond</b>		
<b>Year</b>		
FY 2022	—	20,493
FY 2023	30,452	14,566
FY 2024	12,763	10,769
FY 2025	11,254	9,074
FY 2026	18,478	16,160
FY 2027	24,474	18,576
FY 2028	12,950	9,896
FY 2029	26,780	20,221
FY 2030	33,766	25,765
FY 2031	12,529	8,278
FY 2032	19,612	347,476
FY 2033 onwards	677,562	—

The average duration of the defined benefit obligation is 5 years

#### 18.4 Employee Retirement Benefits - Leave Encashment plan:

The Company operates an unfunded leave encashment scheme for its employees eligible to the benefit and provision is made as per actuarial valuation of the scheme conducted as of September 30, 2022 by M/s Nauman Associates (Consulting Actuaries) under the "Projected Unit Credit " method. The significant actuarial assumptions used for actuarial valuation for the leave encashment scheme are as follows:

	2022 (Rupees in '000)	2021
<b>18.4.1 Movement in the present value of the obligation</b>		
Present value of obligation at the beginning of the year	3,801	3,041
Charge for the year		
Current service cost	1,025	970
Interest cost	346	234
	1,371	1,204
Benefits paid during the year	(910)	(1,109)
Actuarial loss from changes in financial assumptions	22	6
Experience adjustments	93	660
<b>Present value of obligation at the end of the year</b>	<b>4,377</b>	<b>3,801</b>
<b>18.4.2 Expense for the year charged to Statement of Profit or Loss</b>		
Current service cost	1,025	970
Interest cost	346	234
Actuarial loss from changes in financial assumptions	22	6
Experience adjustments	93	660
	<b>1,486</b>	<b>1,870</b>



		2022	2021
		(Rupees in '000)	
<b>18.4.3 Charge for the year has been allocated as under:</b>			
Cost of sales	Note 25.1	1,115	1,403
Administrative cost	Note 28.1	371	467
		<u>1,486</u>	<u>1,870</u>
		2022	2021
<b>18.4.4 Significant Actuarial Assumptions</b>			
Discount rate used for interest cost in P or L Charge		10.50%	9.75%
Discount rate used for year end obligation		13.25%	10.50%
Salary increased used for year end obligation			
Salary Increase FY 2022		N/A	9.50%
Salary Increase FY 2023		12.25%	9.50%
Salary Increase FY 2024		12.25%	9.50%
Salary Increase FY 2025		12.25%	9.50%
Salary Increase FY 2026		12.25%	9.50%
Salary Increase FY 2027		12.25%	9.50%
Salary Increase FY 2028 onward		12.25%	—
Next salary is increased at		01-Oct-2021	01-Oct-2021
Retirement age		Age 60	Age 60
Withdrawal Rates		Age-Based	Age-Based
Mortality Rates		SLIC 2001-2005	SLIC 2001-2005
		Setback 1 year	Setback 1 year
		2022	2021
		(Rupees in '000)	
<b>18.4.5 Year end Sensitivity Analysis (+ 100 bps) on Defined Benefit Obligation</b>			
Discount Rate + 100 bps		3,527	3,528
Discount Rate - 100 bps		3,882	3,882
Salary Increase + 100 bps		3,889	3,889
Salary Increase - 100 bps		3,519	3,519
The average duration of the defined benefit obligation is 5 years			
<b>19 DEFERRED GOVERNMENT GRANT</b>			
Fair value differential of loan at subsidized rate as Government grant		1,474	4,723
Government grant recognized as income	Note 30	(1,474)	(3,249)
		—	1,474
Current maturity of deferred Government grant		—	(1,430)
		—	44

		2022 (Rupees in '000)	2021
<b>20</b>	<b>TRADE AND OTHER PAYABLES</b>		
Creditors	Note 20.1	278,694	211,487
Accrued liabilities		50,539	37,972
Advances from customers			
Sugar		705,153	326,941
Molasses		341,150	447,500
Baggasse		6,779	70,000
Sales Tax payable	Note 20.2	262,850	106,164
Workers' Profit Participation Fund	Note 20.3	3,784	—
Workers' Welfare Fund		2,762	1,324
Other liabilities	Note 20.4	4,019	4,403
		<u>1,655,730</u>	<u>1,205,791</u>

**20.1** This includes an amount of Rs. 16,159 thousand (2021: Rs. Nil) in respect of due to related party i.e. Mr. Faisal Rehman Rajar.

**20.2** This includes sales tax default surcharge amounting to Rs. 34,851 thousands (2021: Rs. 4,709 thousands).

		2022 (Rupees in '000)	2021
<b>20.3</b>	<b>Workers Profit Participation Fund</b>		
Opening balance at the beginning of the year		—	—
Interest paid on funds utilized by the Company		—	—
		<u>—</u>	<u>—</u>
Less: Payments made during the year		—	—
		<u>—</u>	<u>—</u>
Add: Allocation for the year		3,784	—
Closing balance at the end of the year		<u>3,784</u>	<u>—</u>
<b>20.4</b>	<b>Other liabilities</b>		
Income tax deducted at source		1,077	2,063
Cane field staff	Note 20.4.1	405	223
Others - Employees' social security & old age benefits, workers compensation & others		2,537	2,117
		<u>4,019</u>	<u>4,403</u>

**20.4.1** These represents amount received from cane field employees under Company's motor cycle policy.

		2022 (Rupees in '000)	2021
<b>21 ACCRUED FINANCE COST</b>			
Accrued mark-up / Profit:			
– On long term financing	Note 21.1	—	6,511
– On short term borrowings	Note 21.1	34,060	27,788
		<u>34,060</u>	<u>34,299</u>

- 21.1** Accrued mark-up / profit on long term financing includes Rs. Nil (2021: Rs. 5,598 thousand) and accrued markup / profit on short term borrowings includes Rs. Nil (2021: Rs. 12,335 thousand) in respect of shariah compliant financial institutions.

		2022 (Rupees in '000)	2021
<b>22 SHORT TERM BORROWINGS -Secured</b>			
Cash & Salam Finance	Note 22.1 & 22.3	559,855	597,000
Growers Finance	Note 22.2	75,000	75,000
Running Finance	Note 22.1	100,000	98,819
		<u>734,855</u>	<u>770,819</u>

- 22.1** The aggregate financing facilities obtained amounted to Rs. 875,000 thousand (2021: Rs. 1,275,000 thousand), out of which Rs. 140,145 thousand (2021: Rs. 504,181 thousand) were un-availed as at the year end. These are secured by pledge of sugar stocks under the supervision of approved muccadam and hypothecation over current assets of the Company, exclusive & pari passu hypothecation charge on Company's plant & machinery and 1st equitable mortgage charge over fixed assets of the Company. The financing facilities are collaterally secured by the personal guarantees of all the sponsor directors. The facilities carries markup at 3 KIBOR as base rate plus 1 % per annum (2021: 1% to 2.75%) chargeable and payable quarterly and biannually. The facility is renewable annually at the time of maturity.
- 22.2** The aggregate financing facilities obtained amounted to Rs. 75,000 thousand (2021: Rs. 75,000 thousand) directly disburseable to the growers' bank account and Company recovers the amount of finance from cane procurement payments. These are secured by hypothecation over current assets of the Company, exclusive & pari passu hypothecation charge on Company's plant & machinery and 1st equitable mortgage charge over fixed assets of the Company. The financing facilities are collaterally secured by the personal guarantees of all the sponsor directors. The facilities carries markup at 3 months KIBOR as base rate plus 1% per annum (2021: 1% per annum) chargeable and payable quarterly, which is recovered from the growers. The facility is renewable annually at the time of maturity.
- 22.3** This includes Rs. Nil (2021: Rs. 180,000 thousand) in respect of shariah compliant financial institutions.

## **23 CONTINGENCIES AND COMMITMENTS**

### **23.1 Contingencies:**

- 23.1.1** The Company has filed a petition in the Honourable Supreme Court of Pakistan against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the vary jurisdiction of the Competition Commission. The Honourable Supreme Court of Pakistan has disposed of the petition on the ground that this matter is already under proceedings with Honourable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honourable High Courts. Proceedings are pending there at. There are no financial implications related to this at the moment.

- 23.1.2** The Company has filed a suit before the Honourable High Court of Sindh against Pakistan Standards and Quality Control Authority (the Authority) Challenging the levy of marking fee under PSQCA Act-VI of 1996. The Authority has demanded a fee payment @ 0.1% of ex-factory price for the year 2008-2009 amounting to Rs. 1,915 thousands. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are in violation of the constitution. The Honourable High Court of Sindh has accepted the petition and termed that impugned notifications have been issued without lawful authority and suspended the operation of the impugned notifications. The constitutional petition filed before the Honourable High Court of Sindh has been allowed in favour of the Company. In the meantime the legal counsel of the Company has filed caveat in respect of an appeal to be filed by PSQCA against the judgment in the Honourable Supreme Court of Pakistan. No provision has been made in this respect, as the Company is confident that the same is not likely to be materialized.
- 23.1.3** During the preceding year, the Government of Sindh issued a notification no. 8(142)/ S.O(EXT)2017, according to which, the minimum price of sugarcane has been fixed at the rate of Rs. 182 per 40 kg for the crushing season 2017-2018. The Company along with other Sugar mills has filed a petition in the Honourable High Court of Sindh dated 19 December 2017 against the said notification. Thereafter, the Honourable Court after deliberations with all stakeholders announced the judgment fixing the purchase price at Rs. 160 to be paid to growers and the balance of Rs. 22 per 40 kg to be decided by the Honourable Supreme Court of Pakistan which is pending. The differential amount aggregating to Rs. 391,668 thousand has not been accounted for since the purchase price has been agreed with the parties and outcome of the Honourable Supreme Court is not likely to be against the Company. Furthermore, the Company along with other sugar mills have also filed petition in the Honourable Supreme Court challenging the minimum price fixation mechanism, which is also pending before the Honourable Court.
- 23.1.4** During the preceding year, the Company has filed an appeal in the Honourable Supreme Court of Pakistan against the order passed by the Honourable High Court of Sindh – Circuit Court Hyderabad in the matter of Constitutional Petition No. D - 334 of 2012 (Sanghar Sugar Mills Limited vs Sindh Labour Appellant Tribunal and Others) against the Company. The said appeal was filed against the Sindh Labour Appellate Tribunal for the decision made by the Appellate Tribunal (Hyderabad). The Honourable Supreme Court of Pakistan has suspended the operation of the impugned judgement and directed the Company to let the amount of salary on the basis of last drawn arrears of salary during season and salary of retention during off season and as per directions the Company has deposited an amount of Rs. 542 thousand (2021: Rs. 522 thousand) in the Labour Court of Hyderabad. The Case has challenged the decision of Labour Appellate Tribunal and the Honourable High Court of Sindh, wherein the chances of Company's success are higher.
- 23.1.5** During the preceeding year, the Deputy Commissioner Inland Revenue (DCIR) has passed the Orders under Section 122 (1) / (5) of the Income Tax Ordinance, 2001 in respect of tax years from 2015 to 2019 creating a tax demand of Rs. 24,818,724 thousand and also passed the Orders under Section 161 of the Income Tax Ordinance, 2001 for the tax years from 2017 to 2019 amounted to Rs.88,174 thousand and during the year passed an Order for the Tax year 2020 again creating an exorbitant tax demand of Rs. 31,434 thousand.
- The Company contested the appeals and Appellant Tribunal Inland Revenue deleted the all demands raised and set aside the orders of the Department. Similarly, orders for the tax year 2017 to 2020 were framed under section 161 of the Income Tax Ordinance, 2001 by revoking section 236 G and H of the Ordinance relating to tax collection from wholesalers and distributors which also set aside at first appellate stage.
- Management of the Company believe that all the matters will be decided in Company's favour as the demands raised through the stereo type orders by the FBR created on the basis of using stock phrases, imagination based workings and predetermined mindset and are illegal, ultra-vires and without any justification or basis and the Company is continuously contesting the same at designated forums of Inland Revenue Services. The Company has also filed application for stay against these Orders in the Honourable Sindh High Court which have been granted by the said Honourable Court.
- 23.1.6** The Competition Commission of Pakistan (CCP) in August 2021 passed orders and imposed penalty on PSMA and member sugar mills alleging them to be guilty of collusive activities and cartelization. The penalty imposed on the Company aggregated to Rs. 188,522 thousand. The PSMA and our Company along with other sugar mills filed the Suit against the order of the Competition Commission of Pakistan at Honourable Sindh High Court. The Honorable Court passed the interim order on 07.10.2021 that the operation of impugned orders dated 06.08.2021 and 13.08.2021 shall remain suspended till the hearing is underway.

During the year, the Honourable High Court of Sindh passed the Order dated 13.06.2022 and decided the application (the injunction application) where in it has been interalia held that "This is only an Injunction Order and hence is of tentative findings. Excluding the casting vote decision of chairperson, it is a split decision by 2x2 thus inclined to grant injunction to the extent of the casting vote decision of chairperson only subject to securing 50% of the respective penalties recommended by the Commission with the Nazir of the Court through Bank Guarantee in two weeks time, with this condition the injunction applications in the above terms are allowed. Chairperson's decision shall remain suspended till final disposal of the suite subject to furnishing Bank Guarantee whereas applications under order stand dismissed".

Further, The Competition Appellate Tribunal, Islamabad has passed the Order on 02.06.2022 and assigned the Case of Company with other Cases and allotted the Diary No. 37 of 2021 with others i.e. 04 of 2021 and passed the Orders that the appeals are pending since long due to non functioning of the Tribunal and inclined to proceed with the appeals and admitted the appeals for regular hearings. Meanwhile, no coercive measures shall be adopted by the CCP against the appellants for recovery of the impugned amount.

Further, the CCP has issued letters dated 24.06.2022 without prejudice to the right of CCP to challenge the Order dated 13.06.2022 and hereby informed that in case the Company fails to comply with the said order by submitting 50% of the penalty imposed by the CCP with the Nazir of the Court before 27.06.2022, the interim injunction will be deemed to have been vacated and recovery proceedings shall be initiated by the CCP. The CCP has issued notices to the Company along with other sugar mills on 29.06.2022 to pay within 15 days. The CCP has made partial recovery during the year as disclosed in note 12.3 of the financial statements which the Company is contesting for refund the amount.

On September 07, 2022 CCP has issued letter to the Company for Withdrawal of Recovery Notice dated 29.06.2022 issued under section 40(1) of the Competition Act, 2010 until the final decision of the relevant appeals pending before the Competition Appellate Tribunal.

### 23.2 Guarantee:

Rs. Nil (2021: Rs. 18,000 thousand) guarantee issued by the Bank for six months period in favour of Engro Fertilizers Limited on behalf of the Company for the procurement of Fertilizers for onward supply to sugarcane growers. The guarantee is secured against the 25% cash margin and rest against the existing charge over current and fixed assets of the Company held as collateral. Also refer note no 11 of the financial statements.

### 23.3 Commitments:

**23.3.1** Capital commitments in respect of machinery amounting to Rs. Nil (2021: Rs. 16,138 thousands).

**23.3.2** The Company has committed for donation of 5 acre of land through the Board of Directors' decision in their meeting held on October 29, 2016 recommended donation of 5 acre land out of total 320 acres Company's land at factory located at Sanghar to Workers Welfare Fund, Government of Pakistan, Islamabad, for the purpose of construction of Fifty Beds Hospital in the vicinity of factory premises of Sanghar Sugar Mills. This has already been approved by the shareholders of the Company in their Extra Ordinary General Meeting held on November 23, 2016. The carrying value of the land as on the year end date is Rs 110 thousand whereas its market value based on revaluation report of an independent professional valuator is Rs. 3,493 thousand determined on September 30, 2022. In order to implement the agreement, the formalities of transfer of Land and other documentation are in process till date.

## 24 SALES

Local Sales

Less : Brokerage & Commission

Sales Tax

**2022                      2021**  
**(Rupees in '000)**

<b>4,553,272</b>	3,347,071
<b>—</b>	(386)
<b>(681,087)</b>	(486,632)
<b>(681,087)</b>	(487,018)
<b>3,872,185</b>	2,860,053

		2022	2021
		(Rupees in '000)	
<b>25</b>	<b>COST OF SALES</b>		
	Sugar cane consumed (including cane procurement expenses)	3,999,852	3,276,747
	Salaries, wages and staff benefits Note 25.1	189,347	166,694
	Stores, spare parts & loose tools consumed	190,040	105,201
	Fuel, power & utilities	13,264	13,118
	Insurance	10,017	10,151
	Repairs and maintenance	8,297	5,512
	Vehicle running expenses	10,706	8,289
	Depreciation Note 5.1.2	120,823	123,911
	Depreciation on right-of use assets Note 5.3	8,724	11,505
	Other expenses	12,827	10,695
		<b>4,563,897</b>	<b>3,731,823</b>
	<b>Sugar -in-process</b>		
	– Opening	667	1,542
	– Closing Note 8	(873)	(667)
		<b>(206)</b>	<b>875</b>
		<b>4,563,691</b>	<b>3,732,698</b>
	Sale of Molasses Note 25.2	490,827	359,857
	Inventory adjustment for molasses	34	16
		<b>490,861</b>	<b>359,873</b>
	Sale of Bagasse Note 25.3	76,907	15,976
	Inventory adjustment for bagasse	9,846	3,084
		<b>86,753</b>	<b>19,060</b>
	Cost of goods manufactured	<b>3,986,077</b>	<b>3,353,765</b>
	<b>Finished sugar</b>		
	– Opening stock	774,478	247,853
	– Closing stock Note 8	(1,249,011)	(774,478)
		<b>(474,533)</b>	<b>(526,625)</b>
		<b>3,511,544</b>	<b>2,827,140</b>

**25.1** Salaries, wages and benefits include Rs. 14,757 thousand (2021: Rs. 13,703 thousand) in respect of defined benefit plan and Rs. 1,115 thousand (2021: Rs. 1,403 thousand) in respect of leave encashment plan.

**25.2** These figures are net off sales tax of Rs. 141 thousand (2021: Rs. 25,579 thousand).

**25.3** These figures are net off sales tax of Rs. 13,074 thousand (2021: Rs. 2,716 thousand).

		2022 (Rupees in '000)	2021 (Rupees in '000)
<b>26</b>	<b>TRADING ACTIVITIES</b>		
	Sales	19,984	89,255
	Less: Sales Tax	(392)	(1,760)
		19,592	87,495
	Less: Purchases & other expenses thereon	(19,481)	(87,495)
		111	—
<b>27</b>	<b>DISTRIBUTION COST</b>		
	Handling and Stacking	696	766
		696	766
<b>28</b>	<b>ADMINISTRATIVE COST</b>		
	Salaries, wages and staff benefits	94,171	75,767
	Rent, rates and taxes	2,879	2,600
	Communication	994	813
	Repairs and maintenance	1,369	1,581
	Utilities	1,073	540
	Entertainment	567	585
	Subscription	3,600	1,786
	Cartage	28	19
	Printing and stationery	2,211	1,919
	Insurance	3,339	3,384
	Legal and professional charges	5,041	5,224
	Conveyance and traveling	5,205	5,021
	Depreciation	10,543	11,676
	Others	1,636	3,324
		132,656	114,239
<b>28.1</b>	Salaries, wages and benefits include Rs. 4,919 thousands (2021: Rs. 4,567 thousand) in respect of defined benefit plan and Rs. 371 thousand (2021: Rs. 467 thousand) in respect of leave encashment plan.		
		2022 (Rupees in '000)	2021 (Rupees in '000)
<b>29</b>	<b>OTHER OPERATING COST</b>		
	Auditors' remuneration	2,468	2,187
	Corporate social responsibility costs	9,772	1,438
	Workers Profit Participation Fund	3,784	—
	Workers Welfare Fund	1,438	—
	Provision for slow moving & obsolete items	2,515	850
	Sales tax default surcharge	30,142	4,709
	Impairment allowance against dormant bank account	—	784
		50,119	9,968



	2022	2021
	(Rupees in '000)	
<b>29.1 Auditors' remuneration</b>		
<b>Statutory Auditors - Kreston Hyder Bhimji and Co.</b>		
Audit fee	1,450	1,260
Half yearly review fee	175	135
Code of corporate governance certification	115	100
Certification of Free Float of Shares & reconciliation	145	130
Sindh Sales Tax on Services	151	130
	<b>2,036</b>	<b>1,755</b>
<b>Cost Auditors - A.D. Akhawala &amp; Co.</b>		
Cost Audit Fee	400	400
Sindh Sales Tax on Services	32	32
	<b>432</b>	<b>432</b>
	<b>2,468</b>	<b>2,187</b>
<b>29.2</b>	Corporate social responsibility costs do not include any amount paid to any person or organization amount exceed Rs. 500,000 and in which any director or their spouse had any interest.	

		2022	2021
		(Rupees in '000)	
30	OTHER INCOME		
	Income from non financial assets:		
	Government grant recognized as income	Note 19	
		1,474	3,249
	Gain on sale of property, plant & equipment	Note 5.1.3	
		1,157	3,947
	Others - Rent & related receipts		
		73	18
		2,704	7,214
	Income from others:		
	Liabilities written back:		
	Reversal of Cane Growers Payable Season 2014-15	—	157,579
	Reversal of Nara Canal Area Water Board	—	14,699
	Others	—	7,424
		—	179,702
	Reverl of Provision of Doubtfull		
	Growers advances	Note 10.4	
		—	190
	Reverl of Provision of Dormant bank accounts	Note 13.3	
		958	—
	Others		
		2	—
		960	190
		3,664	187,106

		2022	2021
		(Rupees in '000)	
31	FINANCE COST		
	Mark-up / profit on long term financing	Note 31.1	
	Mark-up / profit on short-term borrowings	Note 31.2	
	Financial charges on lease liabilities		
	Bank charges		
		</	

		2022	2021	
		(Rupees in '000)		
32	TAXATION			
	Current and Prior year	Note 32.1	47,006	52,587
	Deferred	Note 18.1	21,851	(38,855)
			<u>68,857</u>	<u>13,732</u>
32.1	Provision for current taxation represents the minimum tax on turnover tax under section 113 of Income Tax Ordinance, 2001 net of available tax credits, hence tax reconciliation of tax expense with accounting profit is not presented for the current year.			

		2022	2021
<b>33</b>	<b>EARNING / (LOSS) PER SHARE - Basic and Diluted</b>		
	Profit / (Loss) after taxation (Rupees '000)	<u>1,609</u>	<u>(29,826)</u>
	Weighted average number of ordinary shares	<u>11,946,000</u>	<u>11,946,000</u>
	Earning / (Loss) per share - (Rupees)	<u>0.13</u>	<u>(2.50)</u>

There is no dilutive effect on the basic earning / (loss) per share of the Company.

		2022	2021	
		(Rupees in '000)		
34	CASH AND CASH EQUIVALENTS			
	Cash and cash equivalent comprise of the following items			
	Cash and bank balances	Note 13	50,901	54,818
	Less: Short term borrowings	Note 22	(734,855)	(770,819)
			<u>(683,954)</u>	<u>(716,001)</u>

**35 FINANCIAL INSTRUMENTS****35.1 FINANCIAL ASSETS AND LIABILITIES**

Table below summarizes the maturity profile of the Company's financial assets and liabilities at the following reporting periods.

2022								
	Interest / markup rate	Interest / Mark-up bearing			Non Interest / Mark-up bearing			Total
		Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
		(Rupees in '000)						
Financial Assets								
Deposits		—	—	—	5	4,586	4,591	4,591
Trade Debts		—	—	—	32,754	—	32,754	32,754
Other Receivable		—	—	—	56,239	—	56,239	56,239
Loans and advances		—	—	—	3,670	—	3,670	3,670
Cash and bank balances		5,299	—	5,299	45,602	—	45,602	50,901
T O T A L		5,299	—	5,299	138,270	4,586	142,856	148,155
Financial Liabilities								
Long Term Finance	6 M Kibor + 3%	74,022	—	74,022	—	—	—	74,022
Lease Liabilities	11.82% to 20.44%	14,427	1,752	16,179	—	—	—	16,179
Trade & other payables		3,784	—	3,784	596,102	—	596,102	599,886
Accrued finance cost		—	—	—	34,060	—	34,060	34,060
Short-term borrowings	3 M Kibor + 1%	734,855	—	734,855	—	—	—	734,855
Unclaimed dividend		—	—	—	4,696	—	4,696	4,696
T O T A L		827,088	1,752	828,840	634,858	—	634,858	1,463,698

2021								
	Interest / markup rate	Interest / Mark-up bearing			Non Interest / Mark-up bearing			Total
		Maturity upto one year	Maturity after one year	Sub Total	Maturity upto one year	Maturity after one year	Sub Total	
		(Rupees in '000)						
Financial Assets								
Deposits		—	—	—	4,505	20,581	25,086	25,086
Trade Debts		—	—	—	144,240	—	144,240	144,240
Loans and advances		—	—	—	3,803	—	3,803	3,803
Other Receivables		—	—	—	47,080	—	47,080	47,080
Cash and bank balances		—	—	—	54,818	—	54,818	54,818
T O T A L		—	—	—	254,446	20,581	275,027	275,027
Financial Liabilities								
Long Term Finance	3 & 6 M Kibor + 2.5% & 3%	125,528	80,476	206,004	—	—	—	206,004
Lease Liabilities	11.43% to 13.35%	35,202	33,625	68,827	—	—	—	68,827
Trade & other payables		—	—	—	360,026	—	360,026	360,026
Accrued mark-up		—	—	—	34,299	—	34,299	34,299
Short Term Borrowings	3 & 6 M Kibor + 1% to 2.75%	770,819	—	770,819	—	—	—	770,819
Unclaimed dividend		—	—	—	4,696	—	4,696	4,696
T O T A L		931,549	114,101	1,045,650	399,021	—	399,021	1,444,671

**36 FINANCIAL RISKS MANAGEMENT****36.1 Financial Risk Management Objectives, Policies and Responsibilities**

The Company's overall risk management programs focus on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's operations. The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and control, and to monitor risks and adherence to limits.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risks, interest rate risks, credit risks, financial instruments and investment of excess liquidity. It is the Company's policy that no trading in derivatives for speculative purpose shall be undertaken.

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

- Market risk
- Credit risk
- Liquidity risk

**36.1.1 Market Risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The company is subject to following market risks;

**36.1.1.1 Foreign Exchange Risk**

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transaction or receivables or payables that exist due to transactions in foreign exchange. During the year the Company has no direct exposure to foreign currency risk and also as at year end the Company was not directly exposed to foreign currency risk.

**36.1.1.2 Interest / Mark-up rate risk**

Interest / mark-up rate risk is the risk that value or future cash flows of the financial instruments will fluctuate because of changes in market interest / mark-up rates. The Company has mainly long term finance, lease liabilities, short term borrowings and workers' profit participation fund which are based at varying rates.

At the reporting date, the interest rate profile of the Company's significant interest / mark-up bearing financial instruments are as follows:

	2022	2021	2022	2021
	Effective interest / markup rate (in percent)		Carrying amount (Rupees in '000)	
Financial liabilities				
Variable rate instruments				
Long Term Finance	6 M Kibor + 3%	3 & 6 M Kibor + 2.5% & 3%	74,022	206,004
Lease liabilities	11.82% to 20.44%	11.43% to 13.35%	16,179	68,827
Short term borrowings	3 M Kibor + 1%	3 & 6 M Kibor + 1% to 2.75%	734,855	770,819
			825,056	1,045,650

#### Sensitivity analysis

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

The Company does not account for any fixed rate instruments at fair value through statement of profit or loss.

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

A change of 100 basis points in interest / mark-up rates at the reporting date would have decreased / (increased) profit before tax for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	..... 2022 .....		..... 2021 .....	
	(Rupees in '000 )		(Rupees in '000 )	
	Profit and loss 100 bp		Profit and loss 100 bp	
Financial liabilities	(increase)	decrease	(increase)	decrease
Cash flow sensitivity - on statement of financial position	<u>(8,251)</u>	<u>8,251</u>	<u>(10,457)</u>	<u>10,457</u>

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

#### 36.1.1.3 Other Price Risk

Other price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to 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 instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company does not have financial instruments dependent on such market prices.

**36.1.2 Credit Risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Sales contracts and credit terms are approved by the Chief Executive Officer and Executive Director. The Company manages credit risk inter alia by setting out credit limits in relation to individual customers and / or by obtaining advance against the sales and / or through letter of credits and / or by providing adequate allowance for doubtful debts. Where considered necessary, advance payments are obtained from certain parties or by obtain advance payments from counter parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly effected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2022	2021
	(Rupees in '000)	
Deposits	4,591	25,086
Trade debts	32,754	144,240
Loans and advances	3,670	3,803
Other Receivable	56,239	47,080
Cash & Bank balances	50,901	54,818
	<b>148,155</b>	<b>275,027</b>

**a) Deposits**

Deposits are due from leasing companies, margin deposits placed with commercial banks and others. Major amount of the deposits are from leasing companies which have good credit ratings from the rating agencies and also the lease deposits are secured against the leased asset. The other deposit are placed against the utility facilities like electricity & water with Government entities. The Company believes that it is not exposed to significant credit risk in this respect.

**b) Trade Debts**

These represents balances due from registered buyers against sale of power and sugar. The Company believe that it is not exposed to significant credit risk in this respect and subsequent to year end, amount related to sugar buyer has been realized.

**c) Loans and Advances**

These represent balances due from employees that are mostly against their balances of retirement benefits. Advances given to growers in cash or through fertilizer / seeds are recovered through the adjustments in cane supplies payments in the ensuing season. Impairment allowance has been made against the growers loan became past due and non recoverable. The Company actively pursues for the recovery and based on past experience the Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary other than already made in these financial statements.

**d) Balances with Bank**

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

The bank balances along with the short term credit ratings are tabulated below:

	2022	2021
	(Rupees in '000)	
<b>Credit Ratings</b>		
A-1+	50,552	55,191
A-1	901	1,193
A-3	1	1
	<u>51,454</u>	<u>56,385</u>

**36.1.2.1 Financial assets that are either past due or impaired**

The credit quality of financial assets that are either past due or impaired can be assessed by reference to historical information and external ratings or to historical information about counter party default rates as disclosed in respective notes. Management believes that there are no financial asset that are either past due or impaired.

**36.1.3 Liquidity Risk**

Liquidity risk represent the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities. The maturity profile of the Company's financial assets and liabilities as at the reporting date with respect to period lags is given in Note 35.1.

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. As at September 30, 2022, the Company has available un-availed short term borrowing facilities of Rs. 140,145 thousands (2021: Rs. 504,181 thousands) and also has cash & bank balances of Rs. 50,901 thousands (2021: Rs. 54,818 thousands). Based on the above, the management believes that the Company is not significantly exposed to the liquidity risk.

**36.2 CAPITAL RISK MANAGEMENT**

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity plus net debt. Net debt is calculated as total loans and borrowings less cash and bank balances. The Company's strategy was to maintain leveraged gearing. The gearing ratio as at reporting date is as follows:



	2022 (Rupees in '000)	2021
Total financing and borrowings including lease liabilities	825,056	1,045,650
Less: Cash and bank balances	(50,901)	(54,818)
Net debt	774,155	990,832
Total Equity	1,965,075	1,080,845
Total capital employed	2,739,230	2,071,677
<b>Gearing Ratio</b>	<b>28.26%</b>	<b>47.83%</b>

Consistent with others in the industry, the Company manages its capital risk by monitoring its liquid assets and keeping in view future investment requirements and expectation of the shareholders.

### 37 FAIR VALUES / MEASUREMENT

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

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

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

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

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

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer. The Fair Values were determined with reference to market based evidence, based on active market prices and relevant enquiries and information as considered necessary, adjusted for any difference in nature, location or condition of the specific property. Recent valuation was carried on September 30, 2022 and following factors were considered:

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

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

### 38 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged during the year for remuneration, including all benefits to the Chief Executive, Directors and Executives of the Company were as follows:

	Chief Executive		Directors		Executives		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
(Rupees in '000)								
Non executive Directors' meeting fee - 5 Directors (2021: 4 Directors)	—	—	1,010	550	—	—	1,010	550
Managerial remuneration - Basic	5,195	4,638	4,713	4,208	5,930	4,631	15,838	13,477
Perquisite (Bonuses, House Rent & Others)	7,468	5,172	6,933	4,816	9,561	5,797	23,962	15,785
Reimbursable expenses	4,811	4,149	3,775	3,492	1,136	751	9,722	8,392
	<b>17,474</b>	<b>13,959</b>	<b>15,421</b>	<b>12,516</b>	<b>16,627</b>	<b>11,179</b>	<b>49,522</b>	<b>37,654</b>
Number of persons	1	1	1	1	3	3	5	5

The Chief Executive and Executives as stated above are provided with the Company maintained cars and telephone facilities.

Some of the Directors waived their meeting's fee for Board and their respective Committees, which was approved in the Board of Directors meeting.

**39 RELATED PARTY TRANSACTIONS**

The Company in the normal course of business carried out transactions with related parties as detailed below:

Name of Related Party	Relationship with Company	Nature of Transaction	2022 (Rupees in '000)	2021
Mr. Ghulam Dastagir Rajar	Chairman	Cane purchased	11,839	58,944
.....Do.....	.....Do.....	Advance against cane purchase (Paid / Adjusted)	6,809	40,474
Mr. Gul Mohammad Rajar	Brother of Chief Executive	Cane purchased	798	856
.....Do.....	.....Do.....	Advance against cane purchase (Paid / Adjusted)	300	312
Mr. Muhammad Hashim	General Manager	Cane purchased	3,983	8,311
.....Do.....	.....Do.....	Advance against cane purchase (Paid / Adjusted)	1,333	541
Mr. Faisal Rehman Rajar	Brother of Chief Executive	Cane purchased	22,230	26,701
.....Do.....	.....Do.....	Advance against cane purchase (Paid / Adjusted)	2,804	7,833
Mr. Muhammad Mubeen Alam	Company Secretary	Advance Repaid / obtained	800	800

Transactions, as applicable in relation to Directors of the Company and Key Management Personnel (KMP) have been disclosed in note # 38. Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly or indirectly.

Outstanding balances of related parties as of the statement of financial position and maximum month end aggregate balance during the year are disclosed in the respective notes to the financial statements. The advances to related parties against supply of cane were disbursed for the crushing season 2021-22 (2021: 2020-21) out of which significant amount had already been adjusted against cane supplied during the crushing season whereas remaining amount has been adjusted subsequent to the year-end against the cane supplied for the crushing season 2022-23 (2021: 2021-22).

**40 ENTITY - WIDE INFORMATION**

**40.1** The Company constitutes of a single reportable segment, the principal class of products of which are is Sugar and by products are Molasses and Bagasse. The Company is also engaged in the sale of electric power generated in excess of in-house consumption which does not constitute as a reportable segment, as the same does not meet the threshold.

**40.2 Information about geographical areas**

The Company does not hold non-current assets in any foreign country. There is no revenues from external customers for attribution to foreign countries in these financial statements. The Company is also not dependent on any single customer. The analysis of sugar sales, by products and sales of trading activities are as follows:

	2022 (Rupees in '000)	2021
Sales - net		
Sugar	3,872,185	2,860,053
Molasses	490,827	359,857
Baggasse	76,907	15,976
Trading Activities	19,592	87,495
	<u>4,459,511</u>	<u>3,323,381</u>

#### 40.3 Information about major customers

The Company does not have transactions with any external customer, which amounts to 10 percent or more of its revenues.

#### 41 CAPACITY AND PRODUCTION

	2022		2021	
	Quantity M. Tons	No. of days	Quantity M. Tons	No. of days
Crushing capacity	8,500	Per day	8,500	Per day
Capacity based on actual working days	1,062,500	125	918,000	108
Actual crushing	581,109.556	125	451,275.963	108
Sucrose recovery (in %)	10.635		10.012	
Sugar production from cane	61,785.00		45,239.50	

##### 41.1 Main reason for under utilization of production capacity is lesser availability of sugarcane during the season.

2022                      2021  
(In Numbers)

#### 42 NUMBER OF EMPLOYEES

Total number of Permanent & Contract employees  
as at the year end

**337**

453

Average number of Permanent & Contract employees  
during the year

**409**

446

#### 43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on December 31, 2022 by the Board of Directors of the Company.

#### 44 GENERAL

**44.1** Figures have been rounded off to nearest thousand of rupees.

**44.2** Certain comparative figures have been rearranged and regrouped for better understanding and comparison.

**Chief Executive**

**Director**

**Chief Financial Officer**

## Pattern of Shareholding

As at September 30, 2022

Number of Shareholders	From	Shareholding To	Total Shares Held
829	1	100	17,933
126	101	500	35,917
86	501	1000	56,561
83	1001	5000	197,588
44	5001	10000	286,920
3	10001	15000	37,000
3	15001	20000	55,000
3	20001	25000	72,500
4	25001	30000	107,940
2	40001	45000	85,750
2	45001	50000	97,900
1	95001	100000	97,240
1	190001	195000	190,200
1	240001	245000	241,487
1	265001	270000	267,740
1	360001	365000	360,179
1	400001	405000	403,100
1	465001	470000	462,732
1	485001	490000	486,390
1	495001	500000	496,000
1	520001	525000	522,600
2	570001	575000	1,145,722
1	655001	660000	659,250
1	670001	675000	674,750
1	855001	860000	858,000
1	910001	915000	913,000
1	975001	980000	979,000
1	1040001	1045000	1,043,116
1	1090001	1095000	1,094,485
<b>1,204</b>			<b>11,946,000</b>

\* Note: The slabs representing nil holding have been omitted.

## CATEGORIES OF SHAREHOLDERS

As at September 30, 2022

Sr #	Category of Shareholders	Number of Shares Held	Percentage %
1	Directors, Chief Executive Officer, and their spouse and minor children	1,842,516	15.4237
2	Associated Companies, undertakings and related parties	1,137,482	9.5219
3	NIT & ICP	1,043,516	8.7353
4	Banks, DFIs, NBFIs, Mudarabas and Pension Fund	101,550	0.8501
5	Insurance Companies	267,840	2.2421
6	Joint Stock Companies	23,373	0.1957
7	Shareholders Holding 5% or more	3,844,485	32.1822
8	General Public - Local	3,685,238	30.8491
	<b>TOTAL</b>	<b>11,946,000</b>	<b>100.0000</b>

## Detail of Pattern of Shareholding

As per Requirement of Code of Corporate Governance

As at September 30, 2022

S #	Category Name	Number of shares held	Percentage %	Category wise Number of shareholders	Category wise shares held	Percentage %
1.	<b>Directors, Chief Executive and their spouse and minor children</b>			8	1,842,516	15.4237
	Haji Khuda Bux Rajar	241,487	2.0215			
*	Mr. Ghulam Dastagir Rajar	659,250	5.5186			
	Mr. Ghulam Hyder	360,179	3.0151			
	Mr. Rahim Bux	572,350	4.7911			
	Mr. Muhammad Qasim	2,000	0.0167			
	Mr. Shahid Aziz	2,000	0.0167			
	Miss Nazia Azam	2,500	0.0209			
	Mrs. Khanzady W/o Haji Khuda Bux	2,750	0.0230			
2.	<b>Associated Companies, Undertaking and Related Parties</b>			2	1,137,482	9.5219
	Tariq Rahim	462,732	3.8735			
*	Gul Mohammad	674,750	5.6483			
3.	<b>NIT &amp; ICP</b>			2	1,043,516	8.7353
*	CDC - Trustee National Investment (Unit) Trust	1,043,116	8.7319			
	Investment Corporation of Pakistan	400	0.0033			
4.	<b>Banks, DFIS, NBFIS, Mudarabas and Pension Funds</b>			4	101,550	0.8501
5.	<b>Insurance Companies</b>			2	267,840	2.2421
6.	<b>* Shareholders holding 5% or more</b>			4	3,844,485	32.1822
7.	<b>Joint Stock Companies</b>			6	23,373	0.1957
8.	<b>General Public - Local</b>			1176	3,685,238	30.8491
	<b>Total</b>			<b>1,204</b>	<b>11,946,000</b>	<b>100.0000</b>

\* Shareholder's having 5% or more shares marked as ( \* ) are shown in their relevant categories. The name wise details of the remaining shareholder's having 5% or more given below:

Name of Shareholders	Number of shares held	Percentage %
Mr. Ali Ghulam	858,000	7.1823
Mr. Khuda Bux	913,000	7.6427
Mr. Abdul Jabbar	979,000	8.1952
Mr. Pir Baksh	1,094,485	9.1619
	<b>3,844,485</b>	<b>32.1822</b>

### 9 Information under the Code of Corporate Governance

The Directors, Executives and their spouse and minor children have not undertaken any trading of Company's shares during the year ended September 30, 2022.





# Sanghar Sugar Mills Limited

## Dividend Payments through Electronic Mode

In accordance with the provisions and under section 242 of the Companies Act, 2017, shareholders are entitled to receive their dividends by way of direct credit to their bank account instead of receiving them through dividend warrants.

Therefore, to receive your future dividends directly in your bank account, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case Shares held in CDC then please inform concerned Participant / CDC investor Account Services.

### SHARE HOLDER'S SECTION

The Company Secretary,  
Sanghar Sugar Mills Limited,  
Office No. 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444

The Share Registrar,  
Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road,  
Karachi  
Phone: 021 32424826  
Fax: 021 32424835

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

Name of shareholder : \_\_\_\_\_  
Folio number : \_\_\_\_\_  
Contact number of shareholder : \_\_\_\_\_  
Name of Bank : \_\_\_\_\_  
Bank Branch & mailing address : \_\_\_\_\_  
Bank Account No. (Full) : \_\_\_\_\_  
Title of Account : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
NTN (in case of corporate entity) : \_\_\_\_\_

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

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

CNIC / NTN No. \_\_\_\_\_  
(Copy attached)



## ادائیگی ڈیویڈنڈ بریج الیکٹرانک ذرائع

کمپنیز ایکٹ 2017 کی دفعہ 242 کے تحت حصص داران کو یہ حق حاصل ہے کہ وہ اپنے ڈیویڈنڈ براہ راست اپنے بینک اکاؤنٹ میں کریڈٹ کروالیں بجائے اس کے کہ انھیں یہ ڈیویڈنڈ بریج ڈیویڈنڈ وارنٹ ادا کئے جائیں۔

لہذا اگر آپ اپنے ڈیویڈنڈ براہ راست اپنے اکاؤنٹ میں وصول کرنا چاہتے ہیں تو آپ سے گزارش ہمیں اپنی مکمل معلومات فراہم کریں اور ہمیں تحریری طور اس بات سے آگاہ کیجئے۔ بمعہ دستخط اور قومی شناختی کارڈ/این ٹی این کی نقل اپنی درخواست حصص رجسٹرار یا کمپنی کے پاس جمع کروائیں اور بصورت سی ڈی سی حصص اپنے متعلقہ شراکت دار/سی ڈی سی سرمایہ کار اکاؤنٹ سروسز کو درخواست دیں۔

### شعبہ حصص داران

حصص رجسٹرار  
حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
کراچی چیمبرز، حسرت موہانی روڈ، کراچی۔  
فون نمبر: 021 32424826  
فیکس نمبر: 021 32424835

کمپنی سیکریٹری  
سانگھڑ شوگر ملز لمیٹڈ  
آفس نمبر 204، سیکنڈ فلور، کلفٹن سینٹر  
بلاک 5، کلفٹن، کراچی۔  
فون نمبر: 021 35371441 to 43 (تین لائنیں)  
فیکس نمبر: 021 32424835

میں بذریعہ ہدایہ خواہش ظاہر کرتا ہوں کہ مستقبل میں میرے ڈیویڈنڈ براہ راست میرے بینک اکاؤنٹ میں منتقل کر دیئے جائیں جس کی تفصیلات درج ذیل ہیں:

_____	:	حاصل حصص کا نام
_____	:	فولیو نمبر
_____	:	حاصل حصص کا رابطہ نمبر
_____	:	بینک کا نام
_____	:	بینک کی برانچ و پتہ
_____	:	بینک اکاؤنٹ نمبر (مکمل)
_____	:	عنوان برائے اکاؤنٹ
_____	:	قومی شناختی کارڈ نمبر
_____	:	این ٹی این نمبر (بصورت کارپوریٹ)

میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور اگر مستقبل میں ان میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص

\_\_\_\_\_

قومی شناختی کارڈ/این ٹی این نمبر  
(نقل منسلک ہے)

\_\_\_\_\_



# Sanghar Sugar Mills Limited

## Consent to receive Notices and Audited Financial Statements through email

In accordance with the notification 787(I)/2014 dated September 08, 2014 issued by the Securities & Exchange Commission of Pakistan; shareholders are entitled to receive the Notices and Audited Financial Statements through email. Therefore, to receive current and future notices and audited financial statements directly through email, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case shares held in CDC then please inform concerned Participant / CDC investor Account Services.

### SHARE HOLDER'S SECTION

The Company Secretary,  
Sanghar Sugar Mills Limited,  
Office No. 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444

The Share Registrar,  
Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road,  
Karachi  
Phone: 021 32424826  
Fax: 021 32424835

I hereby wish to communicate my desire to receive notices and audited financial statements through email as detailed below:

Name of shareholder : \_\_\_\_\_  
Folio number/CDC Account No. : \_\_\_\_\_  
Contact number of shareholder : \_\_\_\_\_  
Contact Address of shareholder : \_\_\_\_\_  
Email ID : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
NTN (in case of corporate entity) : \_\_\_\_\_

Note: Email Id should be belongs to the Shareholder and for joint account holder, email Id should be the principal shareholder and or the name appearing first in the list of shareholders.

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature & date  
(Affix stamp for corporate entity)

CNIC / NTN No. \_\_\_\_\_  
(Copy attached)



## اظہار رضامندی برائے وصولی نوٹس و آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ نوٹیفیکیشن 2014 (I) 787 مجریہ 8 ستمبر 2014 کے مطابق حصص داران کو یہ حق حاصل ہے کہ تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات انھیں بذریعہ ای میل ارسال کی جائیں۔ لہذا موجودہ اور مستقبل کے نوٹس اور آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل موصول کرنے کیلئے آپ ہمیں اپنی مکمل معلومات فراہم کیجئے، اپنے دستخط اور قومی شناختی کارڈ/این ٹی این نمبر کے ساتھ اپنی درخواست حصص رجسٹرار یا کمپنی اور بصورت سی ڈی سی اپنے متعلقہ شراکت دار/سی ڈی سی سرمایہ کار اکاؤنٹ سروسز کے پاس جمع کروائیں۔

### شعبہ حصص داران

حصص رجسٹرار  
حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
کراچی چیمبرز، حسرت موہانی روڈ، کراچی۔  
فون نمبر: 021 32424826  
فیکس نمبر: 021 32424835

کمپنی سیکریٹری  
سنگھڑ شوگر ملز لمیٹڈ  
آفس نمبر 204، سیکنڈ فلور، کلفٹن سینٹر  
بلاک 5، کلفٹن، کراچی۔  
فون نمبر: 021 35371441 to 43 (تین لائنیں)  
فیکس نمبر: 021 32424835

میں بذریعہ ہذا یہ خواہش ظاہر کرتا ہوں کہ مستقبل میں مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات بذریعہ ای میل ارسال کی جائیں جس کی تفصیلات

حامل حصص کا نام :  
فولیو نمبر/سی ڈی سی نمبر :  
حامل حصص کا رابطہ نمبر :  
حامل حصص کا رابطہ کا پتہ :  
ای میل آئی ڈی :  
قومی شناختی کارڈ نمبر :  
این ٹی این نمبر (بصورت کارپوریٹ) :

نوٹ: ای میل حامل حصص کی ہونی چاہئے اور مشترکہ اکاؤنٹ کی صورت میں اس حامل حصص کی ای میل فراہم کی جائے جس کا تناسب حصص سب سے زیادہ ہو اور جس کا نام حصص داران کی فہرست میں سرفہرست ہو۔  
میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور اگر مستقبل میں ان میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص

(بصورت کارپوریٹ ادارہ یہاں مہر چسپاں کریں)

قومی شناختی کارڈ/این ٹی این نمبر

(نقل منسلک ہے)



# Sanghar Sugar Mills Limited

## Consent to receive Hard Copies of Notices and Audited Financial Statements

In accordance with the notification 470(I) dated May 31, 2016 and in continuation of notification no. 787(I)/2014 dated September 08, 2014 issued by the Securities & Exchange Commission of Pakistan; shareholders are entitled to receive the Hard Copies of Notices and Audited Financial Statements rather through email. Therefore, to receive Hard Copies of current and future notices and audited financial statements, please give us complete details and inform us in writing duly signed along with a copy of your CNIC / NTN to the Share Registrar or the Company and in case shares held in CDC then please inform concerned Participant / CDC investor Account Services.

### SHARE HOLDER'S SECTION

#### SHARE HOLDER'S SECTION

The Company Secretary,  
Sanghar Sugar Mills Limited,  
Office No. 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi.  
Phone: 021 35371441 to 43 (3 lines)  
Fax: 021 35371444

The Share Registrar,  
Hameed Majeed Associates (Pvt) Limited  
Karachi Chambers, Hasrat Mohani Road,  
Karachi  
Phone: 021 32424826  
Fax: 021 32424835

I hereby wish to communicate my desire to receive notices and audited financial statements through mail as detailed below:

Name of shareholder : \_\_\_\_\_

Folio number/CDC Account No. : \_\_\_\_\_

Contact number of shareholder : \_\_\_\_\_

Contact Address of shareholder : \_\_\_\_\_

CNIC No. : \_\_\_\_\_

NTN (in case of corporate entity) : \_\_\_\_\_

It is stated that the above particulars given by me are correct to the best of my knowledge and I would like to opt the option of receiving the hard copies of notices and audited financial statements of the Company and I shall keep the Company informed in case of any changes in the said particulars in future.

\_\_\_\_\_  
Shareholder's Signature & date  
(Affix stamp for corporate entity)

CNIC / NTN No. \_\_\_\_\_  
(Copy attached)



## اظہار رضامندی برائے وصولی نوٹس و آڈٹ شدہ مالیاتی دستاویزات بذریعہ کاغذی دستاویزات

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے جاری کردہ نوٹیفکیشن (I) 470 مجریہ 31 مئی 2016 اور نوٹیفکیشن نمبر 787(I) 2014 مجریہ 8 ستمبر 2014 کے مطابق حصص داران کو یہ حق حاصل ہے کہ تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات انھیں بجائے ای میل کے کاغذی صورت ارسال کی جائیں۔ لہذا موجودہ اور مستقبل کے نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں موصول کرنے کیلئے آپ ہمیں اپنی مکمل معلومات فراہم کیجئے، اپنے دستخط اور قومی شناختی کارڈ/این ٹی این نمبر کے ساتھ اپنی درخواست حصص رجسٹرار یا کمپنی اور بصورت سی ڈی سی اپنے متعلقہ شراکت دار/سی ڈی سی سرمایہ کار اکاؤنٹ سروسز کے پاس جمع کروائیں۔

### شعبہ حصص داران

حصص رجسٹرار  
حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ  
کراچی چیمبرز، حسرت موہانی روڈ، کراچی۔  
فون نمبر: 021 32424826  
فیکس نمبر: 021 32424835

کمپنی سیکریٹری  
ساگھڑ شوگر ملز لمیٹڈ  
آفس نمبر 204، سیکنڈ فلور، کلغٹن سینٹر  
بلاک 5، کلغٹن، کراچی۔  
فون نمبر: 021 35371441 to 43 (تین لائنیں)  
فیکس نمبر: 021 32424835

میں بذریعہ ہدایہ خواہش ظاہر کرتا ہوں کہ مستقبل میں مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں ارسال کی جائیں جس کی تفصیلات درج ذیل ہیں:

حامل حصص کا نام : \_\_\_\_\_  
فونیو نمبر/سی ڈی سی نمبر : \_\_\_\_\_  
حامل حصص کا رابطہ نمبر : \_\_\_\_\_  
حامل حصص کا رابطہ کا پتہ : \_\_\_\_\_  
قومی شناختی کارڈ نمبر : \_\_\_\_\_  
این ٹی این نمبر (بصورت کارپوریٹ) : \_\_\_\_\_

میرے علم کے مطابق میری جانب سے فراہم کی جانے والی مذکورہ بالا معلومات بالکل صحیح اور درست ہیں اور یہ کہ میں چاہتا ہوں کہ مجھے تمام نوٹس اور آڈٹ شدہ مالیاتی دستاویزات کاغذی صورت میں ارسال کی جائیں۔ اگر مستقبل میں مذکورہ بالا معلومات میں کسی بھی قسم کی کوئی تبدیلی واقع ہوتی ہے تو ایسی تبدیلی سے کمپنی کو آگاہ کر دیا جائے گا۔

دستخط حامل حصص  
(بصورت کارپوریٹ ادارہ یہاں مہر چسپاں کریں)  
قومی شناختی کارڈ/این ٹی این نمبر  
(نقل منسلک ہے)



# Sanghar Sugar Mills Limited

## ----- IMPORTANT NOTICE -----

### IMPLEMENTATION OF SECTION 72 OF THE COMPANIES ACT, 2017

#### CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM

Section 72 of the Companies Act, 2017 (the "Act") requires every company having share capital to have its shares in book-entry form only, from the date notified by the Securities & Exchange Commission of Pakistan (the Commission). Further, every existing company is required to replace its physical shares with book-entry form. A period of four years is specified in the Act for implementation of this provision and the deadline was ended on May 30, 2021. Section 72 is reproduced below for ready reference:

**"72. Issuance of shares in book-entry form.**—(1) After the commencement of this Act from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only.

(2) Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act:

Provided that the Commission may notify different dates for different classes of companies:

Provided further that the Commission may, if it deems appropriate, extend the period for another two years besides the period stated herein.

(3) Nothing contained in this section shall apply to the shares of such companies or class of companies as may be notified by the Commission."

Furthermore, Regulation 17 of the Companies (General Provisions and Forms) Regulations, 2018 states as under:-

**"17. Issuance of shares in book-entry form.** — Subsequent to the notification under section 72 of the Act, all companies required to replace its physical shares with book-entry form shall apply to a Central Depository in terms of the relevant Regulations for declaration of company's shares as eligible securities and comply with the requirements of the Central Depository for issuance of shares in book entry form."

In view of the above-mentioned requirements of the Act and as a step further towards digitization, the Securities and Exchange Commission of Pakistan (SECP) is considering to make it obligatory for all public listed, public unlisted, public interest and private limited companies to have their shares in book-entry form in compliance with Section 72 of the Companies Act, 2017. Shares held in book-entry form shall have the same rights and privileges as shares held in physical certificate form. However, rights and privileges of shares held in physical form may be restricted at a future date due to non-compliance with the provision of section 72 of the Companies Act, 2017. Once notified, all companies required to replace their physical shares with book-entry form shall apply to a central depository licensed by the SECP for conversion of existing physical shares and further issuance of shares in the book entry form. The central depository shall prescribe procedures for such conversion and issuance of shares including documentation required, process to be followed and applicable fee and charges.

Further, the conversion of shares into book-entry form will make the process of share handling more efficient, risk free and would help to minimize shareholding disputes. Handling of shares in case of corporate actions i.e. issue of bonus/right shares and transfer or selling of shares would be much easier, if shares are converted into book-entry form. Book entry securities can be pledged to a bank to obtain financing against them. Furthermore, it would help to reduce the risks and costs associated with storing of physical share certificates, which are susceptible to be lost, stolen and /or damaged and conversion of shares would help to avoid such problems.

**Therefore, it is requested to all the Shareholders (who have shares in physical form) of Sanghar Sugar Mills Limited to convert their physical shares in to book-entry form on immediate basis otherwise the Shareholders (who have shares in physical form) and the Company would be unable to comply with the requirement of the Commission as mentioned above.**



# سانگھڑ شوگر ملز لمیٹڈ



اہم نوٹس

سیکشن 72 بابت کمپنیز ایکٹ 2017 کا نفاذ

فزیکل حصص کا بک انٹری کی صورت میں تبادلہ

سیکشن 72 بابت کمپنیز ایکٹ 2017 (ایکٹ) کی رو سے ایسی تمام کمپنیاں جو کہ شیئر کمپنیل کی حامل ہیں پر لازم ہے کہ اپنے شیئر کو صرف بک انٹری کی صورت میں ہی محفوظ رکھیں، سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان (کمیشن) کی جانب سے نوٹس دیئے جانے کی تاریخ سے ایسا کیا جانا لازم ہے۔ مزید برآں، تمام کمپنیوں پر لازم ہے کہ فزیکل صورت میں موجود اپنے شیئر کو بک انٹری کی صورت میں تبدیل کر لیں۔ اس پروویژن پر عمل درآمد کیلئے ایکٹ میں نفاذ کیلئے چار سال کا عرصہ مقرر کیا گیا ہے جس کی حتمی تاریخ 30 مئی 2021 ہے۔ سر دست ملاحظہ کرنے کیلئے سیکشن 72 کو ایک مرتبہ پھر ذیل میں پیش کیا جا رہا ہے:

"72- شیئر زکا بک انٹری کی صورت میں اجراء - (1) ایکٹ ہذا کے آغاز کے بعد کمیشن کی جانب سے نوٹس دیئے جانے کی تاریخ سے ہر ایسی کمپنی جو کہ شیئر کمپنیل کی حامل ہو پر لازم ہوگا کہ اپنے شیئر کو صرف بک انٹری کی صورت میں ہی محفوظ رکھے۔

(2) تمام موجودہ کمپنیوں پر لازم ہوگا کہ اپنے فزیکل شیئر کو بک انٹری کی صورت میں تبدیل کرے جیسا کہ بیان کیا جا چکا اور ایسا کرنا کمیشن کی جانب سے نوٹس دیئے جانے کی تاریخ سے کیا جائے گا جس کا عرصہ ایکٹ ہذا کے اجراء کی تاریخ سے چار سال سے زائد نہ ہونا چاہیئے:

بشرطیکہ بذات خود کمیشن کی جانب سے مختلف اقسام کی کمپنیوں کیلئے مختلف تاریخوں کا نوٹس جاری کیا جائے:

بشرطیکہ کمیشن، اگر مناسب سمجھے، کی جانب سے پہلے سے اعلان شدہ وقت میں مزید دو سال تک کی توسیع کر دی جائے۔

(3) ایکٹ ہذا میں مذکور کسی شق کا اطلاق متعلقہ کمپنیوں شیئر زیادہ بندی پر نہیں ہوگا جیسا کہ کمیشن کی جانب سے نوٹس دیا جائے۔"

مزید برآں، ریگولیشن 17 بابت کمپنیز (جنرل پروویژن اینڈ فورمز) ریگولیشنز 2018 کے رو سے ذیل میں بیان کیا جاتا ہے کہ:

"17- شیئر زکا بک انٹری کی صورت میں اجراء - نوٹس برائے سیکشن 72 بابت ایکٹ ہذا کے ذیل میں، تمام کمپنیاں جن پر لازم ہے کہ اپنے فزیکل شیئر کو بک انٹری

کی صورت میں تبدیل کر لیں سینٹرل ڈیپازٹری میں متعلقہ ریگولیشنز کے تحت کمپنی کے ڈیکلاریشن کیلئے درخواست دیں گی کہ کمپنی کے شیئر ز سیکیورٹیز کے معیار پر پورے اترتے

ہیں اور سینٹرل ڈیپازٹری کی جانب سے بک انٹری کی صورت میں جاری کئے جانے کے تمام تقاضے پورے کرتے ہیں۔"

ایکٹ میں مندرجہ مذکور بالا شرائط کے پیش نظر اور اس سے بھی آگے بڑھ کر معاملات کو ڈیکھنا نذر کرنے کی غرض سے، سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اس بات کو زیر غور لارہی ہے کہ تمام پبلک لسٹڈ، غیر پبلک لسٹڈ، مفاد عامہ سے متعلق اور پرائیویٹ لمیٹڈ کمپنیوں کو اس بات کا پابند بنایا جائے کہ سیکشن 72 بابت کمپنیز ایکٹ 2017 کے تحت اپنے شیئر ز کو بک انٹری کی صورت میں محفوظ رکھیں۔ بک انٹری کی صورت میں محفوظ شیئر ز کی بھی وہی حیثیت ہوگی جو کہ فزیکل صورت میں جاری کردہ شیئر ز سرٹیفکیٹس کی ہے۔ تاہم فزیکل صورت میں موجود شیئر ز کی حیثیت کو مستقبل میں سیکشن 72 بابت کمپنیز ایکٹ 2017 سے عدم پاسداری کی بناء پر محدود کر دیا جائے گا۔ نوٹس کے اجراء کے بعد تمام کمپنیوں پر لازم ہے کہ اپنے فزیکل شیئر ز کو بک انٹری کی صورت میں تبدیل کر لیں اور ایس ای سی پی سے سند یافتہ سینٹرل ڈیپازٹری کے پاس اپنے تمام موجودہ شیئر ز کی تبدیلی اور نئے شیئر ز کے اجراء کیلئے رابطہ کریں۔ سینٹرل ڈیپازٹری شیئر ز کی تبدیلی اور نئے شیئر ز کے اجراء کے سلسلے میں طریقہ کار تجویز کرے گا کہ کوئی دستاویزات درکار ہیں، کیا طریقہ اپنایا جائے گا اور اس سلسلے میں فیس و دیگر چارجز کیا ہوں گے۔

مزید برآں، فزیکل صورت سے بک انٹری کی صورت میں شیئر ز کو منتقل کئے جانے کے بعد شیئر ز کے معاملات زیادہ مؤثر انداز سے نمٹائے جاسکتے ہیں، رسک کے خدشات میں کمی آئے گی اور اس سلسلے میں پیدا ہونے والے تنازعات کو بھی کم از کم کیا جاسکے گا۔ شیئر ز کو بک انٹری کی صورت میں منتقل کئے جانے کے بعد کارپوریٹ ایکشن کی صورت میں شیئر ز کے معاملات کو دیکھنا آسان ہو جائے گا جیسا کہ بٹس / رائٹ شیئر ز کا اجراء اور شیئر ز کی منتقلی یا فروخت کے معاملات بھی سہل ہو جائیں گے۔ اسی طرح بک انٹری کی صورت میں ان سیکیورٹیز کو بینکوں کے ساتھ برائے تمویل بطور رہن بھی استعمال کیا جاسکتا ہے۔ علاوہ ازیں، فزیکل شیئر ز سرٹیفکیٹس کے اجراء سے منسلک لاگت اور رسک کو بھی بک انٹری کے ذریعے قابو کیا جاسکتا ہے، ان میں کھوجانے / چرائے جانے یا ضائع ہوجانے کا خدشہ بھی موجود ہوتا ہے، بک انٹری میں منتقل کئے جانے کے بعد ایسے تمام خطرات زائل ہو جائیں گے۔

لہذا، سانگھڑ شوگر ملز لمیٹڈ تمام حصص داران (جن کے پاس فزیکل صورت میں شیئر ز ہوں) سے درخواست کی جاتی ہے کہ فوری طور پر اپنے فزیکل شیئر ز کو بک انٹری میں منتقل کروائیں بصورت دیگر حصص داران (جن کے پاس فزیکل صورت میں شیئر ز ہوں) اور کمپنی کمیشن کی جانب سے جاری کردہ مذکورہ بالا شرائط کی پاسداری کرنے سے قاصر ہیں گے۔



# Sanghar Sugar Mills Limited

## PROXY FORM

I/We..... W / S / D of .....

being a member of Sanghar Sugar Mills Limited, holding ..... Shares of the Company, hereby appoint Mr. / Mrs. .... W / S / D of .....

CNIC No ..... Folio No ..... CDC Participant's ID. / Sub Account No ..... holding ..... Shares of the Company, or failing him / her, appoint Mr. / Mrs. .... W / S / D of .....

CNIC No ..... Folio No ..... CDC Participant's ID. / Sub Account No ..... holding ..... Shares of the Company, as my/our Proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Saturday January 28, 2023 at 10:00 a.m. at 3rd Floor, PSX Auditorium, Pakistan Stock Exchange Building (Administration Block), Stock Exchange Road, Karachi and at any adjournment thereof.

Folio No.	C.D.C. I. D. / Sub Account No.	Signature Over Revenue Stamp

Signed this .....day of..... 2023 in the presence of:

### Witness 1

Signature : .....

Name : .....

CNIC No.: .....

Address : .....

### Witness 2

Signature : .....

Name : .....

CNIC No.: .....

Address : .....

### NOTES:

- 1) Proxy should be member of the Company and should produce his/her CNIC at the time of meeting for identification.
- 2) Signature of the member must agree with the specimen signature registered with the Company.
- 3) CDC Account holder or Sub Accountant holder should enclose valid copy of his/her CNIC/ Passport with Proxy Form. Representatives of the Corporate members should bring the necessary documents as usually required for such purpose.
- 4) Proxy Form dully filled-in and signed must be deposited with the Company Secretary at Company's Registered Office: Office No. 204, 2nd Floor, Clifton Centre, Block - 5, Clifton, Karachi not later than 48 hours before the time fixed for holding this meeting.
- 5) If the member is a corporate entity its common seal should be affixed to the proxy.
- 6) If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.



## پراکسی فارم

میں / ہم \_\_\_\_\_ زوجہ / بن / بنت \_\_\_\_\_ بطور ممبر سانگھڑ شوگر ملز لمیٹڈ، حامل

\_\_\_\_\_ حصص برائے کمپنی بذریعہ ہذا جناب / محترمہ \_\_\_\_\_

زوجہ / بن / بنت \_\_\_\_\_ حامل فولیو نمبر \_\_\_\_\_ سی ڈی سی شراکت دار شناختی نمبر / ذیلی

اکاؤنٹ نمبر \_\_\_\_\_ حامل \_\_\_\_\_ حصص کمپنی ہذا کو مقرر کرتا / کرتی ہوں، بصورت دیگر جناب / محترمہ \_\_\_\_\_

زوجہ / بن / بنت \_\_\_\_\_ حامل فولیو نمبر \_\_\_\_\_ سی ڈی سی شراکت دار شناختی نمبر / ذیلی

اکاؤنٹ نمبر \_\_\_\_\_ حامل \_\_\_\_\_ حصص کمپنی ہذا کو مقرر کرتا / کرتی ہوں کہ میری عدم موجودگی میں کمپنی کے سالانہ

اجلاس عام جو کہ بروز ہفتہ 28 جنوری 2023 کو صبح 10:00 بجے بمقام تیسری منزل، PSX آڈیٹوریم، پاکستان اسٹاک ایکسچینج بلڈنگ (ایڈمنسٹریشن بلاک)،

اسٹاک ایکسچینج روڈ، کراچی منعقد کیا جا رہا ہے یا اس اجلاس کے مؤخر ہونے کی صورت میں اس کی جگہ دوسرے اجلاس میں شرکت کرے اور میری / ہماری جانب سے حق رائے

دہی بھی استعمال کرے۔

فولیو نمبر	سی ڈی سی شناختی نمبر / ذیلی اکاؤنٹ نمبر	ریونیو کی مہر اور اس پر دستخط
_____	_____	_____

دستخط شدہ بتاریخ \_\_\_\_\_ بروز \_\_\_\_\_ 2023 درج ذیل افراد کی موجودگی میں

گواہ نمبر 1

گواہ نمبر 2

\_\_\_\_\_ دستخط \_\_\_\_\_ دستخط

\_\_\_\_\_ نام \_\_\_\_\_ نام

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

\_\_\_\_\_ پتہ \_\_\_\_\_ پتہ

ہدایات:

- 1- پراکسی کا کمپنی ممبر ہونا لازمی ہے اور اجلاس میں شرکت کے وقت اپنی شناخت ظاہر کرنے کیلئے اپنا قومی شناختی کارڈ لازماً ظاہر کریں۔
- 2- ممبر کے دستخط، نمونہ دستخط شدہ / اندراج شدہ دستخط سے مماثلت ضروری ہے۔
- 3- سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی مصدقہ نقل منسلک کرنا ضروری ہے۔ کارپوریٹ اداروں کے نمائندوں کو معمول کے مطابق دستاویزات ساتھ لانا ضروری ہے۔
- 4- باقاعدہ پرورد دستخط شدہ پراکسی فارم کمپنی کے سیکرٹری کو بمقام رجسٹرڈ شدہ دفتر نمبر 204، دوسری منزل، کلفٹن سینٹر، بلاک 5، کراچی کے پاس اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل جمع کرنا ضروری ہے۔
- 5- اگر ممبر کوئی کارپوریٹ ادارہ ہو تو اس کی عام مہر بھی پراکسی فارم پر ثبت ہونا لازم ہے۔
- 6- اگر ممبر ایک سے زائد پراکسی نامزد کرے اور اس مقصد کیلئے کمپنی کے پاس ایک سے زائد پراکسی فارم جمع کروائے تو ایسے تمام پراکسی فارم مسترد کر دیئے جائیں گے۔



سانگھڑ شوگر ملز لمیٹیڈ  
**Sanghar Sugar Mills Limited**

**REGISTERED / HEAD OFFICE:**

Office # 204, 2nd Floor, Clifton Centre,  
Block 5, Clifton, Karachi Pakistan.

Phone: 021 35371441 to 43 (3 lines)

Fax: 021 35371444

E-mail: [info@sangharsugarmills.com](mailto:info@sangharsugarmills.com)

Website: [www.sangharsugarmills.com](http://www.sangharsugarmills.com)

**MANUFACTURING FACILITIES:**

13th Km, Sanghar – Sindhri Road, Deh Kehore,  
District Sanghar, Sindh

Phone : (0345) 3737001 – 8222911