

ANNUAL | REPORT  
2017



## Kohinoor - The King of Diamonds

Diamond, known as the most precious jewel of the world. Forged hundreds of kilometers below the earth's surface heat and pressure causing fragments of carbon to form diamond crystals. Kohinoor is known to be the most precious diamond amongst them all.

Jauharabad Sugar Mills Limited is undoubtedly the most prestigiously known amongst the industry, succeed by its brand name "Kohinoor" (the king of diamonds), Jauharabad Sugar Mills Limited is one of the oldest operational sugar producing conglomerate in the region, shining your beautiful journey of happiness right through your special day, ensuring you cherish it forever.

Every Sugar crystal produced at Jauharabad Sugar Mills Limited is treated like a diamond has a story, mix it with love and care and make most out of it.



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# Geographical Location



## A JEWEL IN THE CROWN!

Jauharabad Sugar Mills Limited is situated in the heart of Punjab Province near Khushab District, one of the richest sugarcane growing regions in Pakistan and a central location for distribution, enjoying a real positioning of a jewel in the crown!



## Jauharabad

Jauharabad is named after Maulana Muhammad Ali Jauhar, a prominent figure from the Pakistan independence movement. Jauharabad was developed in 1953 under a master plan. Because of its planned design, open spaces and wide avenues, the district headquarters of Khushab District were shifted to Jauharabad from Khushab city. Jauharabad lies at the confluence of the Thal Desert and the Pothohar in flat agricultural territory immediately south of the Salt Range, marking the end of the Pothohar Plateau and the start of the Punjab plains. The Jhelum River passes 7 Km southeast of Jauharabad, while canals from Indus River irrigate much of its plains. On the west of Jauharabad lies the Thal Desert and on the east of Jauharabad is the Khushab Reserve Forest.



# Calendar of Major Events

Monday, January 30, 2017  
**First Quarter Results Issued**

Friday, May 26, 2017  
**Second Quarter Results Issued**

Friday, June 30, 2017  
**Extra Ordinary General Meeting Held**

Monday, July 24, 2017  
**Third Quarter Results Issued**

Friday, December 29, 2017  
Annual Results Issued

Saturday, January 27, 2018  
**49th Annual General Meeting Scheduled**

# Financial Highlights





# Corporate Information

## BOARD OF DIRECTORS

Mr. Ghias UI Hasan	Chief Executive
Mr. Amjad Bashir Hussain	Independent Director
Mr. Amjad Javed Aftab	Dependent Director
Mr. Shahrukh Taimour	CPL Nominee
Mr. Farhan Ilyas	CPL Nominee
Mr. Muhammad Aamir Beg	CPL Nominee
Mr. Jamal Ahmed	CPL Nominee

## AUDIT COMMITTEE

Mr. Amjad Bashir Hussain	Chairman
Mr. Muhammad Aamir Beg	Member
Mr. Shahrukh Taimour	Member

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Farhan Ilyas	Chairman
Mr. Jamal Ahmed	Member
Mr. Ghias UI Hasan	Member

## CFO & COMPANY SECRETARY

Mr. Imran Ilyas

## HEAD OF INTERNAL AUDIT

Syed Muhammad Usman Afzaal

## AUDITORS

UHY Hassan Naeem & Co.  
(Chartered Accountants)  
193-A, Shah Jamal Lahore – Pakistan  
Phone No. 042 35403550  
Fax No. 042 35403599  
E-mail: info@uhy-hnco.com

## SHARE REGISTRAR

Corplink (Pvt.) Limited  
Wings Arcade, 1-K Commercial  
Model Town, Lahore  
Phone No. 042 35916714  
Fax No. 042 35869037  
E-mail: shares@corplink.com.pk

## LEGAL ADVISOR

Allied Legal Services, Advocates  
25-Munawer Chambers  
1-Mozang Road, Lahore.  
Phone No. 042 37354090  
Fax No. 042 37354090

## REGISTERED ADDRESS

109-A, Street # 3, Cavalry Ground  
Lahore Cantt, Pakistan  
Phone No. 042 37175229  
Fax No. 042 37175256  
E-mail: secretary@jsml.com.pk

## MILLS

Jauharabad, District Khushab  
Phone No. 0454 720063-6

## ISLAMIC BANKERS OF THE COMPANY

Albaraka Bank Pakistan Limited

MCB Islamic Bank Limited

Dubai Islamic Bank Limited

## BANKERS OF THE COMPANY

Askari Bank Limited  
Faysal Bank Limited  
United Bank Limited  
Allied Bank Limited

JS Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited

Soneri Bank Limited  
National Bank of Pakistan  
Bank Alfalah Limited

## COMPANY WEBSITE

www.jsml.com.pk



# Corporate Profile

Jauharabad Sugar Mills Limited is a Public Limited Company, and has a privilege of being one of the pioneer sugar mills of Pakistan. Initially it was setup by THAL Development Corporation of Pakistan which was later privatized and was listed at Pakistan Stock Exchange Limited and has been in operation for the last sixty-five years. Further in March 2013 the current management acquired major shareholding of the Company by taking over its assets and liabilities, paying-off old sponsors and renaming it as Jauharabad Sugar Mills Limited from Kohinoor Sugar Mills Limited. This takeover enabled the Company to settle previous bank /grower/creditor debts. A major Balancing, Modernization and Replacement of Machinery has been carried out thus enabling the Company to achieve stated capacity to 7,000 TCD of its currently operating crushing line-II, in addition to crushing line-I having stated capacity of 5,500 TCD. The new sponsors have shown their commitment by conducting this BMR and repair works through their own resources. The Company has successfully consolidated its Sugar Mills operations and financially strengthened its position over period of four crushing seasons. The Company in June 2016 following its vision and strategy of diversification has opted to install biomass based 15MW Co-generation Power Plant, under Captive Power Plant regime with upfront determined tariff, to export electricity. Power project is currently under implementation with expected commencement of commercial operations by June, 2018.



# Strategic Objectives and Commitments

- JSML remains committed to grow core business of sugar production and to invest in allied projects that will optimize return to the Company. Business diversification strategy will help to overcome risk associated to sugar business.
- To achieve the highest ethical and moral business values and in true spirit compliance of Code of Corporate Governance.
- Exploring and enhancing the potential of our human resources while seeking employee involvement, continuous improvement and sharing the success of the Company.
- To adopt safe operational practices, continuous process of modernization of production facilities, cost effective measures, enhance capacity efficiency and strict adherence to high quality standards.
- To maintain highest standards of HSE and environmental protection and catering the social welfare requirements of the communities inhabiting the area of operations.
- To achieve quantum growth, long-term sustainability and to provide attractive value addition to all stakeholders while contributing towards the prosperity of the people of this country.



# Vision Statement

“ To become a market leader in the industry while setting out high quality standards. ”



# Mission Statement

“

To produce quality sugar and allied products by maintaining a high standard of efficiency and staying competitive to ensure customer satisfaction and to provide a comfortable level of return to all stakeholders.

”



# Core Values

**Teamwork**  
We believe TEAMWORK empowers our individual strength.



**Integrity**



We believe INTEGRITY is at the heart of our individual and corporate actions.

**Honesty**



We believe HONESTY is an integral part of our working relationships.



**RESPECT**  
We believe RESPECT to each other will guide us in all our decisions.

# Statement of Ethics & Business Practices

The following principles constitute the code of conduct which all Directors and employees of Jauharabad Sugar Mills Limited are required to apply in their daily work and observe the code of conduct of the Company's business. While the Company will ensure that all employees are fully aware of these principles, it is the responsibility of each employee to implement the Company's policies, any contraventions against it will be viewed as misconduct towards the code.

The code emphasizes the need for a high standard of honesty and integrity which are vital for the success of any business.

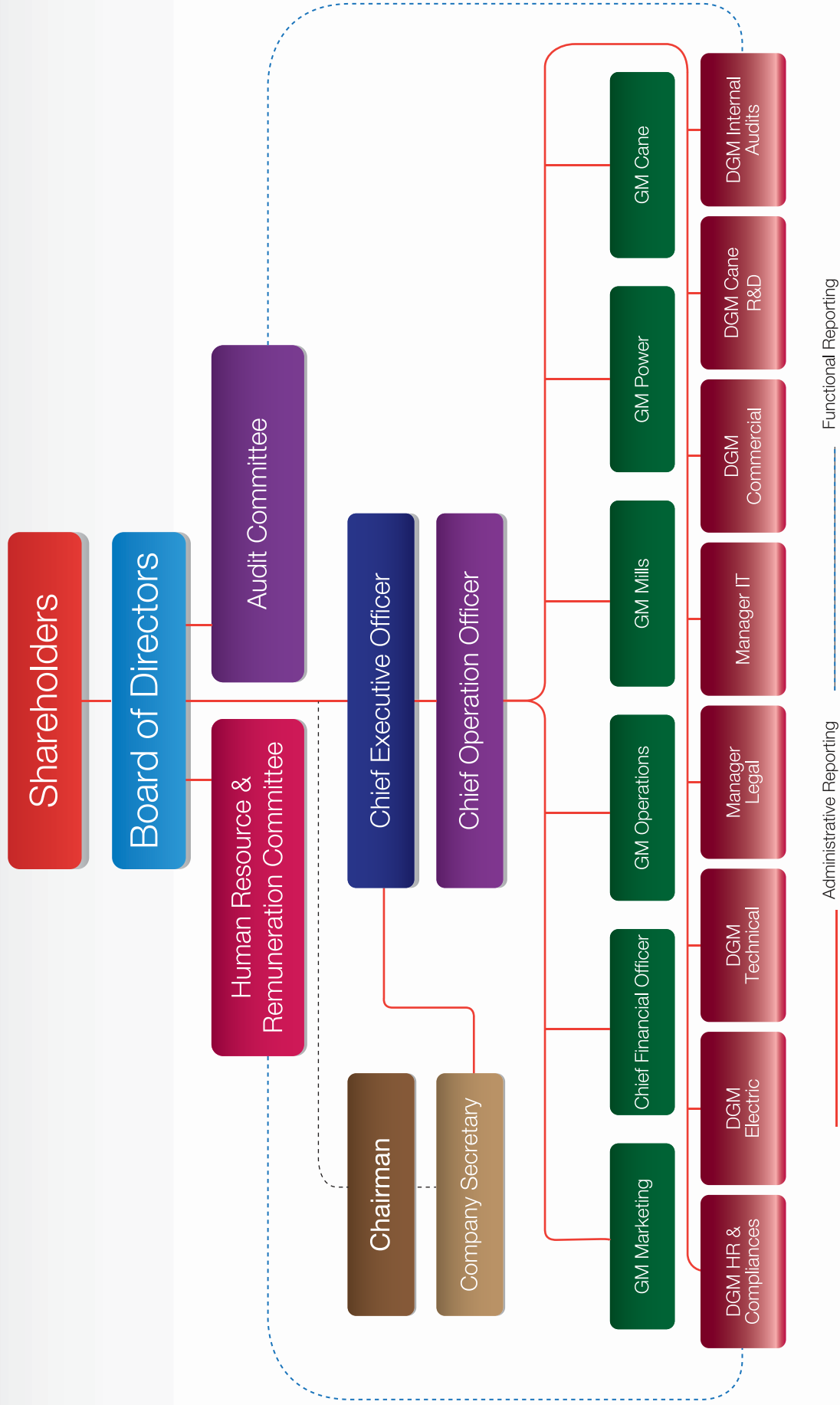
## ETHICAL PRINCIPLES:

1. Directors and employees are expected not to engage in any activity which can cause conflict between their personal interests and the interest of the Company such as interest in an organization supplying goods/services to the Company or purchasing its products. In case a relationship with such an organization exists, the same must be disclosed to the Management.
2. Dealings with third parties which include Government officials, suppliers, buyers, agents and consultants must always ensure that the integrity and reputation of the Company are not in any way compromised.
3. Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.
4. Directors and employees are not permitted to divulge any confidential information relating to the Company to any unauthorized person, nor should they, while communicating publicly on matters that involve Company business, presume to speak for the Company unless they are certain that the views that they express are those of the Company and it is the Company's desire that such views be publicly disseminated.
5. All employees share a responsibility for the Company's good public relations particularly at the community level. Their readiness to help with religious, charitable, educational and civic activities is accordingly encouraged provided it does not create an obligation that interferes with their commitment to the Company's best interests.
6. The Company has strong commitment to the health and safety of its employees and preservation of the environment and the Company will persevere towards achieving continuous improvement of its Health, Safety and Environment (HSE) performance by reducing potential hazards, preventing pollution and improving awareness. Employees are required to operate the Company's facilities and processes keeping this commitment in view.
7. Commitment and team work are key elements to ensure that the Company's work is carried out effectively and efficiently. Also all employees will be equally respected and actions such as sexual harassment and disparaging remarks based on gender, religion, race or ethnicity will be avoided.





# Organizational Structure



# Management Committee



Imran Ilyas  
Chief Financial Officer



Sheikh Amjad Mehmood  
General Manager Operation



Saif Ur Rehman  
Head of Power Project



Chaudhary Muhammad Younus  
General Manager Cane



Amanat Ali  
Head of Electrical



Khwaja Arslan Ahmed  
Head of Commercial



Fateh Ullah  
Head of Technical



Tariq Mehmood  
Head of Human Resource



Syed Muhammad Usman Afzaal  
Head of Internal Audit

# Notice of 49th Annual General Meeting

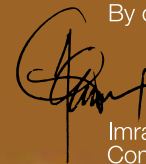
Notice is hereby given that the Forty-Ninth Annual General Meeting of the members of Jauharabad Sugar Mills Limited (the "Company") will be held on Saturday, January 27, 2018 at 11:30 a.m., at its Registered Office 109-A, Street # 3, Cavalry Ground, Lahore-Cantt., to transact the following business:

## Ordinary Business

1. To confirm the minutes of the Extra Ordinary General Meeting held on June 30, 2017.
2. To receive, consider and adopt the audited annual financial statements of the Company for the year ended September 30, 2017 together with Directors' and Auditors' Reports and Chairman's Review thereon.
3. To consider and approve, as recommended by the Board of Directors, the payment of cash dividend for the year ended September 30, 2017 @ 10% i.e. Re.1/- per ordinary share.
4. To appoint Auditors for the next financial year ending September 30, 2018 and to fix their remunerations. M/s. UHY Hassan Naeem & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
5. To transact any other business with the permission of the chair.

Lahore: January 04, 2018

By order of the Board



Imran Ilyas  
Company Secretary



NOTE:

1. The share transfer books of the Company will remain closed from January 20, 2018 to January 27, 2018 (both days inclusive). Transfer received in order by the Company's Share Registrar, M/s Corplink (Private) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore upto the close of business on Friday, January 19, 2018 will be treated in time for entitlement to attend the Annual General Meeting.
2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. In case of corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form of the Company. Proxies, in order to be affective, must be received at the registered office of the Company 48 hours before the time of holding of the meeting.
3. Those members who have deposited their shares with the Central Depository Company of Pakistan Limited (CDC) are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities and Exchange Commission of Pakistan's Circular No. 1 dated January 26, 2000.
4. The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.
5. Members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company's Share Registrar.
6. According to SECP directive, dividend warrant is to bear the CNIC number of the registered members. Therefore, the members who have not yet submitted photocopy of their valid CNIC are once again requested to send the same to the Share Registrar of the Company.
7. As per provisions of Section 242 of the Companies Act, 2017, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled members. Accordingly, all members are requested to provide Dividend Mandate Information to the Company's Share Registrar, member broker, participant/CDC investor Account Services. In case of shares held in CDC, the same information should be provided directly to the CDS. A notice of the foregoing seeking information from the members is being sent to them separately. Standard Request form has also been placed on the Company's website [www.jsml.com.pk](http://www.jsml.com.pk). In case of failure to provide the information, the Company will be unable to pay the dividend.
8. Pursuant to the provisions of the Finance Act 2017 effective from July 01, 2017, the rate of deduction of income tax from dividend payments has been revised as follows:

i	Rate of Tax deduction for filers of income tax return	15%
ii	Rate of Tax deduction for Non-filers of income tax return	20%

Shareholders whose names are not entered in the Active Tax-Payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @20% instead of 15%.

9. The Corporate members having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical members should send a copy of their NTN certificate to the Company's Share Registrar.

10. As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to the Company's Share Registrar; otherwise tax will be deducted on dividend amount as per prescribed rates.
11. The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Company's Share Registrar latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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12. Section 244 of the Companies Act 2017 requires that any shares that remain unclaimed for a period of three years (or more) are to vest with Federal Government. The law requires the Company to deposit any unclaimed or unpaid amount to the credit of the Federal Government, if no claim is made before the Company after giving due notices to the shareholders. Through this notice all shareholders who by any reason could not claim their dividend or shares are advised to immediately collect / enquire about their unclaimed dividend or pending shares, if any, with Company's Share Registrar.
13. The Annual Audited Financial Statements of the Company for the year ended September 30, 2017 along with Auditors and Directors Report and Chairman's Review Report thereon have been placed on the Company's website: [www.jsml.com.pk](http://www.jsml.com.pk)
14. **Transmission of Annual Financial Statements through email**, the Securities and Exchange Commission of Pakistan vide SRO 787(1)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditor's and Directors' reports and Chairman's Review Report along with notice of annual general meeting to its members through email. Members who wish to avail this facility may send their consent to the Company.
15. **Transmission of Annual Financial Statements through CD/DVD/USB**, SECP through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual balance sheet, profit and loss account, auditors' report and directors' report and Chairman's Review Report etc. to its members through CD/DVD/USB at their registered address. In view of the same, the members are requested to intimate if they desire to receive the financial statements and reports through any of these means. These will also be available on Company's website [www.jsml.com.pk](http://www.jsml.com.pk)

**Saturday**  
**27th**  
**January 2018**  
**49th Annual General Meeting**



## Chairman's Review

Jauharabad Sugar Mills Limited, under its vision “to become a market leader in the industry while setting high quality standards through its premium brand KOHINOOR”, is today recognized in market as symbol of quality.

It is my pleasure to present Company's outlook at the closure of this financial year, despite challenging factors and risks presently associated with the industry, we have been able to sustain profitability through diligent team efforts. In order to ensure operational efficiencies in coming years, the Company is primarily focusing on capacity building of farmers through financial support, by providing varietal sugarcane seed and educating them to opt for latest agronomical practices.

We have continued to fulfill our promise and commitment with all our stakeholders by achieving significant growth in dispatches, productivity and profitability. It is important for us to strengthen our relationship with our employees, customers and community and through this partnership we can look forward to a future of greater innovation and sustainable progress. From strong performance by our business to value-adding innovations and initiatives undertaken by our corporate functions, I am confident that the information presented in this report will convey to you our determination to succeed in our aspiration of creating enduring value.

At Jauharabad Sugar Mills Limited we recognize that diversity and inclusion can make us stronger and more effective organization in sugar sector. In line with our vision of diversification and keeping in view the growing demand for electricity in the country, the Company has invested in bagasse based Power Generation Plant, which is currently under installation.

I firmly believe that the business of our Company is well placed for the competitive future as we are committed to produce premium quality sugar along with value addition in by-products. The Company is consistently maintaining reputation of its quality, integrity and is enjoying strong relationship with its customers in domestic and global marketplace. Finally, I acknowledge the commitment and diligence of my fellow directors during the year under review and thank our CEO and his executive team for their continued work.

Muhammad Aamir Beg  
Chairman

Lahore: December 29, 2017



The Board of Directors place before you the annual report of the Company together with the audited financial statements and the Auditors' report thereon for the year ended September 30, 2017.

### INDUSTRY OVERVIEW

Sugar industry, being second largest agro-based industry, play a vital role in creating health economic activities in the country. This year sugarcane crop remained highest contributor to agricultural GDP growth of the country and generated Rs. 325 billion revenues to farmers. During this crop year sugarcane, the basic raw material, has been grown on approximately 1.23 million hectares of land [CY16: 1.13 million hectares] resulting in an estimated production of 76.6 million tons [CY16: 65.45 million tons], an increase of 17.03% YOY bases, mainly attributable to increase in per acre yield of sugarcane as an outcome of "Prime Minister's Kissan Package" along with contributions made by the industry, farmers and government research institutions. This year, owing to better climatic conditions and crop management, a historical highest ever production of 7.05 million tons of sugar (CY16: 5.12 million tons) has been achieved in Pakistan, making this country the 7th largest sugar producer in the world and also a net exporter of the product. Accounting for annualized domestic consumption of 5.5 million tons, the sugar industry, by exporting the surplus stock of approximate 1.5 million tons thereto the export approval from ECC is in-placed, has potential to earn US \$ 780 million in foreign exchange, making the country the 5th largest sugar exporter in the World. Going forward, sugar production in Pakistan is anticipated to remain at least at current levels and the industry is expected to continue contributing in national exchequer against export of sugar for years to come.

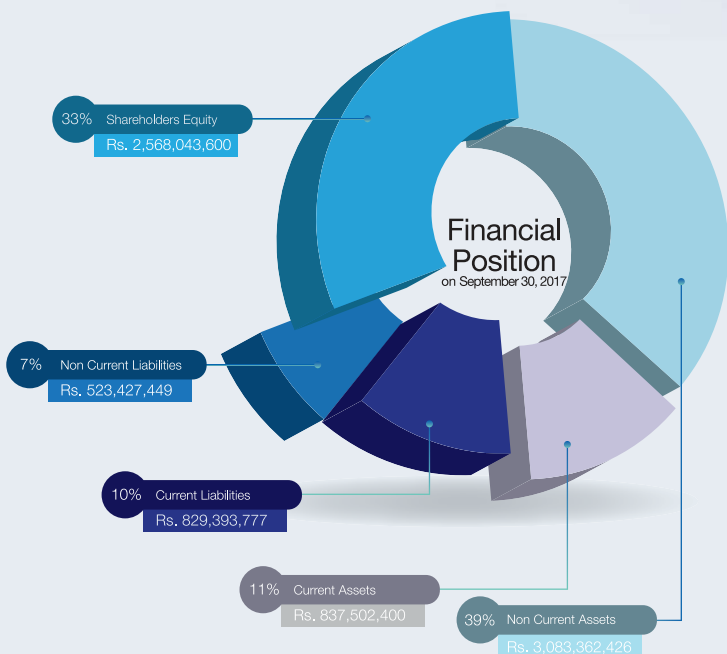
### OPERATING PERFORMANCE

The production and sales statistics of the Company for the crushing season 2016-17 as compared to last crushing season are as follows:

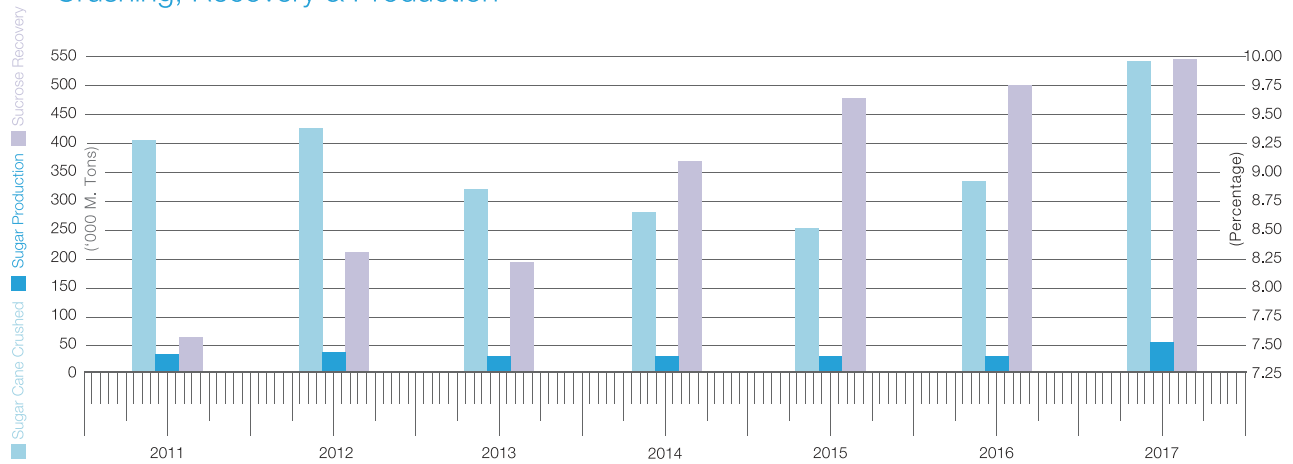
Description	Units	FY2017	FY2016	YOY Change
Sugarcane Crushed	Tons	546,857	340,519	60.60%
Sugar Produced	Tons	53,972	33,205	62.54%
Sugar Recovery	Percent	9.87	9.75	1.23%
Sugar Sold - Domestic	Tons	38,926	17,300	125.00%
Sugar Sold - International	Tons	3,897	15,905	(75.50%)
Sugar Sold - Total	Tons	42,823	33,205	28.96%
Molasses Produced	Tons	25,256	15,990	57.95%
Molasses Recovery	Percent	4.62	4.70	(1.65%)

During the crushing season 2016-17 the mills were operated for 130 days compared to 95 days last crushing year. The Company has produced 53,972 tons (FY2016: 33,205 tons) of white sugar at improved recovery rate of 9.87 percent (FY2016: 9.75 percent) by crushing 546,857 tons (FY2016: 340,519 tons) of sugarcane during the current year. The Company has sold 79.34 percent (FY2016: 100 percent) of its sugar production before the closure of this financial year, including export of 7.22 percent (FY2016: 47.90 percent), of sugar produced, to international customers in CIS and Afghanistan.

## Directors' Report to the Shareholders



## Crushing, Recovery & Production



## FINANCIAL PERFORMANCE

The financial performance of your Company for fiscal year 2016-17 compared to last year is presented as follows:

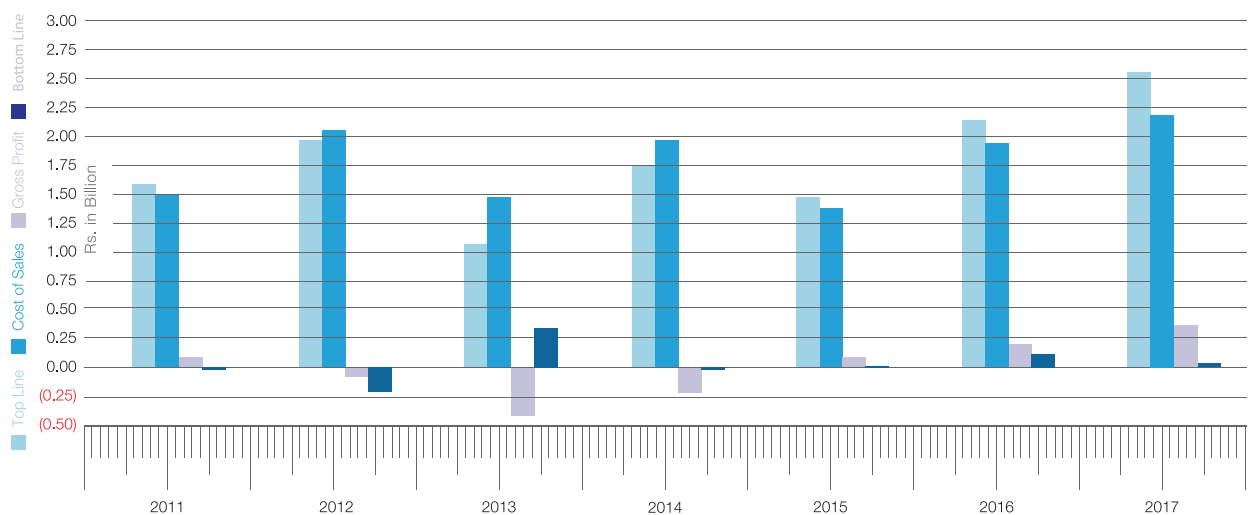
percent of gross profits [FY2016: 9.86 percent], 7.12 percent operating profits [FY2016: 5.57 percent] and 1.23 percent profit after taxation [FY2016: 5.04 percent]. Total comprehensive income for the period is Rs. 62,899 million

Description	FY2017	FY2016	YOY Change
Sales - Net	2,581,987	2,094,651	23.27%
Cost of Sales	2,281,868	1,888,218	20.85%
Gross Profit	300,119	206,433	45.38%
Selling and Distribution Expenses	9,035	7,292	23.90%
Administrative and General Expenses	107,249	82,441	30.09%
Operating Profit	183,835	116,700	57.53%
Other Operating Income	(5,098)	(18,962)	(73.11%)
Financial Cost	124,442	53,626	132.05%
Profit Before Tax	64,492	82,035	(21.39%)
Taxation	32,636	(23,961)	(236.20%)
Profit After Tax	31,856	105,997	(69.95%)
Earning Per Share (Rs./Share)	1.87	6.21	(69.89%)

This year the Company has managed to increase domestic sales by 38.42 percent over last year and has planned to carry-forward sugar stocks at 20.66 percent (FY2016: Nil) of total production. Despite this fact, increase of Rs. 485.624 million (FY2016: 641.259 million) to revenue is recorded, reflecting topline growth of 23.17 percent (FY2016: 44.07 percent). Corresponding expenses have been abridged by optimum utilization of available resources resulting in 11.62

[FY2016: Rs. 132,354 million]. Financial performance has resulted in earning of Rs. 1.87 per share, as compared to EPS of Rs. 6.21, earned in last financial year. Market scenarios, currently prevailing in the industry, and adverse impact of government policies especially delay in export approval, are the key factors contributing 69.95 percent decline in bottom line of the Company's financial performance.

## Profitability Performance





## FUTURE PROSPECTS

In lined with corporate strategy of diversification, in order to mitigate revenue risk from single product, after successfully consolidating sugar mills operations, the Company has opted to install biomass (bagasse) based 15MW, Co-generation Power Plant under Captive Power Plant regime with upfront determined tariff, to export 8-10 MW electricity to FESCO. Initially the project was conceived to be installed within two years i.e. by FY 2018-19, using the Company's own cash flows and resources. Keeping in view the advantageous position of pursuing multi income stream strategy, project ROE and a good payback period for the power plant, the Company, with the financial support from financial institutions, has decided commencement of power plant by June, 2018. The Company's free cash flow generating ability would continue to support investments in envisaged projects, under its next five years diversification strategy program, that shall bring in further operational efficiencies and enhance shareholders' value in future.

## DIVIDEND & APPROPRIATION

Taking into account planned future investments, financial commitments and capital expenditure plans; the board proposed cash dividend of PKR 1/- per share for the financial year ended September 30, 2017 balance amount is retained by the Company for future expansions.

This approach remains in line with our Company's commitment to consistently provide sustainable returns to all the shareholders. Movement in un-appropriated profit is as follows:

	Rs. in "000"
Net profit for the year	62,898,749
Un-appropriated profits of prior years	22,303,496
Net profit available for appropriation	85,202,245
Appropriations	
Proposed cash dividend @ 10%	24,730,764
Un-appropriated profit carried forward	60,471,481
Earnings per share	1.93

## HOLDING COMPANY

Cane Processing (Pvt.) Ltd., incorporated in Pakistan, is the holding company of Jauharabad Sugar Mills Limited with 63.64 percent shares.

## AUDITORS' REPORT

The financial statements of the Company have been audited without qualification by the auditors of the Company and is authorized for issue to its shareholders.

## AUDITORS

The present external auditors of the Company M/s. UHY Hassan Naeem & Co., Chartered Accountants audited the

financial statements of the Company and have issued a report to the members. The auditors will retire at the conclusion of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment. The Board has recommended the appointment of M/s UHY Hassan Naeem & Co., Chartered Accountants as auditors for the ensuing year, as suggested by the Audit Committee, subject to the approval of the members in the forthcoming Annual General Meeting.

## VISION, MISSION AND OVERALL CORPORATE STRATEGY

The board of directors has carefully reviewed and approved the vision, mission and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Jauharabad Sugar Mills Limited was incorporated. We ensure that our vision and mission set the direction for our overall corporate strategy and our future journey in everything we do at all levels. The entire organization is connected and driven by this purpose and it serves as the main decision making criterion in our day to day business.

## CORPORATE GOVERNANCE

The management of the Company is committed to good corporate governance and compliance with its best practices. As envisaged under Code of Corporate Governance rules of Pakistan Stock Exchange and steps are being taken for its effective implementation. Directors of the Company are pleased to state that:

## PRESENTATION OF FINANCIAL STATEMENTS

The financial statements, prepared by the company, fairly present its state of affairs, the result of operations, cash flow and changes in equity.

## BOOKS OF ACCOUNTS

The Company has maintained proper books of accounts for the current year and the previous years as required by the applicable laws.

## ACCOUNTING POLICY

Appropriate accounting policy has been constantly applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

## INTERNATIONAL ACCOUNTING STANDARDS

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements to ensure the true and fair view of the Company's financial position.

## INTERNAL CONTROL SYSTEM

The system of internal control is sound in design and has been



effectively implemented and is being monitored continuously. The process of review will continue by the audit committee to monitor the effective implementation and future improvement in controls.

#### GOING CONCERN

There are no significant doubts upon the Company's ability to continue as a going concern.

#### FINANCIAL HIGHLIGHTS

Key operating and financial data for the last seven years is included on page No.45.

#### STATEMENT ON VALUE OF STAFF RETIREMENT FUNDS

The fair value of investments of provident fund based on its unaudited accounts as of September 30, 2017 is Rs. 24.05 million [FY16: Rs. 20.535 million].

There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations of Pakistan Stock Exchange wherever applicable to the Company for the year ended September 30, 2017.

#### BUSINESS ETHICS AND ANTI-CORRUPTION MEASURES

The Company, through its training, management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. Employees are encouraged to report any deal that may be supported by suspicious transactions. No employee is allowed to run a parallel business.

#### BOARD OF DIRECTORS MEETINGS

In order to ensure transparency, good governance and smooth functioning of the Company's operation, the Company has implemented the regulatory framework in terms of qualification, experience and composition of the Board of Directors as well as awareness of the Board responsibilities. The Board comprises 7 directors effectively representing shareholders' interests. All directors are qualified and experienced, which enables the Board to carry out effective and efficient decision making. During the financial year 2016-17, five meetings of the Board of Directors were held, the attendance by each director was as under

Sr.	Director	Category	Meetings Attended
1	Mr. Ghias Ul Hasan	Chief Executive/Executive Director	5/5
2	Mr. Atif Zaheer Farooqi	Independent Director	1/5
3	Mr. Amjad Bashir Hussain	Independent/Non-Executive Director	5/5
4	Mr. Amjad Javed Aftab	Dependent/Non-Executive Director	2/5
5	Mr. Shahrukh Taimour	Dependent/Non-Executive Director	2/5
6	Mr. Farhan Ilyas	Dependent/Non-Executive Director	2/5
7	Mr. Muhammad Aamir Beg	Dependent/Non-Executive Director	4/5
8	Mr. Jamal Ahmed	Dependent/Non-Executive Director	5/5

There casual vacancy in the Board of Directors during the year was duly filled in by the Company before the expiry of 90 days period. The Directors who could not attend the Board Meeting and requested for leave were duly granted leave for absence from the meeting by the Board in accordance with the law.

#### AUDIT COMMITTEE

The Board of Directors in compliance to the Code of Corporate Governance has established an Audit Committee. During the financial year 2016-17, four Meetings of the Audit Committee were held. The attendance by each member was as under:

Sr.	Name	Status	No. of Meetings Attended
1	Mr. Amjad Bashir Hussain	Chairman	4/4
2	Mr. Muhammad Aamir Beg	Member	2/4
3	Mr. Shahrukh Taimour	Member	2/4
4	Mr. Farhan Ilyas	Member	2/4
5	Mr. Ghias Ul Hasan	Member	2/4

#### HUMAN RESOURCE COMMITTEE

The Board of Directors in compliance to the Code of Corporate Governance has established an HR & R Committee. During the financial year 2015-16, one Meeting of the HR & R Committee was held. The attendance by each member was as under:

Sr.	Name	Status	No. of Meetings Attended
1	Mr. Farhan Ilyas	Chairman	1/1
2	Mr. Jamal Ahmed	Member	1/1
3	Mr. Ghias Ul Hasan	Member	1/1

#### FORMAL ORIENTATION AT INDUCTION AND DIRECTOR'S TRAINING PROGRAM

Directors of listed companies and public-sector companies are required to secure formal certification in the form of Directors' Training Program (DTP). The Director Training Program offered by Institute of Cost and Management Accountants of Pakistan (ICMA), Lahore, is an approved program by the Securities & Exchange Commission of Pakistan (SECP). In this financial year following four Directors' actively participated in this program:

i.	Ghias Ul Hasan
ii.	Amjad Bashir Hussain
iii.	Muhammad Aamir Beg
iv.	Jamal Ahmad

In accordance with the criteria specified in clause (xi) of the Code, the above listed Directors' have successfully completed the "Directors' Training Program" during the year under review. This program provides guidance on targeted areas to ensure that Directors of listed companies with specific requirements remain up to date. This program is extensively prepared by subject matter experts and is designed to keep Directors of listed companies abreast of leading trends and practices that promote good governance, protect competitive advantages and prepare for regulatory change.

#### QUALIFICATION OF CFO AND HEAD OF INTERNAL AUDIT

The Chief Financial Officer and the Head of Internal Audit possess the requisite qualifications and experience as prescribed in the code of Corporate Governance.

#### TRANSACTION/TRADING IN COMPANY'S SHARES

The Board has reviewed the threshold for disclosure on interest by executives holding of Company's shares which include CEO, CFO, Head of Internal Audit and Company Secretary. However, during the financial year, none of the Directors, CEO, CFO, Head of Internal Audit and Company Secretary (Including their spouses and minor children) traded in the shares of the Company.

#### PATTERN OF SHARE HOLDING

Pattern of Shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as at September 30, 2017 is annexed.

### CORPORATE SOCIAL RESPONSIBILITY

Disclosure as required by the Companies (Corporate Social Responsibility) General Order, 2009 is annexed and form a part of this report.

### CONTRIBUTION TO NATIONAL EXCHEQUER

JSML contributed approximately Rs.259.8 million into the Government Treasury on account of Income tax, excise duty, sales tax and other government levies. Apart from this, valuable foreign exchange to the tune of USD 2 million was generated by our Company for the country from export of sugar during the year under review.

### OUTSTANDING STATUTORY DUES

The outstanding statutory dues on the account of taxes, duties and charges are disclosed on the face of balance sheet and in Note 15 to the financial statements. There is no overdue amount on account of taxes and duties.

### APPRECIATION AND ACKNOWLEDGEMENT

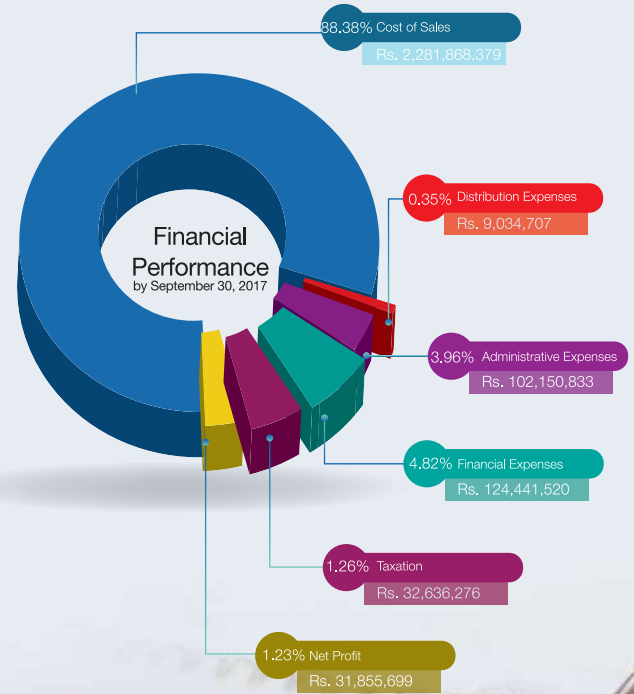
The Directors of the Company take this opportunity to express their sincere gratitude for all the stakeholders for their continued encouragement and support. We would like to place on record our sincere appreciation for the commitment, dedication and hard work put in by every member, who have always shown their confidence and faith in the Company.

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which this balance sheet relates and the date of the Directors report.



On Behalf of the Board  
Ghias Ul Hasan  
Chief Executive

Lahore: December 29, 2017



## Quality Assurance Policy

Jauharabad Sugar Mills Limited is focused to produce high quality grade sugar by the implementation of comprehensive integrated Quality and Food Safety Management System. Jauharabad Sugar Mills Limited, with the new sugarcane varieties being introduced by the Government Research Institutions, is committed to work tirelessly to change agronomical practices of the farmers in the Khushab region. The Company's Cane Research and Development Department, as per developed farmer's guidelines on harvesting practices to enhance cane yield and reduce cane loss, periodically conducts seminars, with the help of Government Research Institutions, fertilizer and pesticides companies, to educate farmers as how to adopt latest harvesting techniques including pit farming. In order to achieve sustainability of particular crop variety, by non-applying avoidable pesticides, The Company's Bio-Laboratory provides Trachogama Cards to the farmers to avert pest attack. On regular basis our Cane Team in the area of Quality Control and Assurance focuses on the quality of sugarcane during crop season, emphasis to reduce field to mills time after harvesting and assure testing of sugarcane against each arrival in our Online Cane Laboratory. Moreover, quality assurance monitors the entire operational activity through process parameters and product attributes, focused on stability studies, validations, handling customer complaint and investigating all deviations with the coordination of main laboratory, process and mill house. During the crushing season, monitoring and testing process of sugar, takes place according to the Good Laboratory Practices (GLP) guidelines aligned with High quality standards of product set by Pakistan Standard and Quality Control Authority (PSQCA).





## Conflict of Interest Policy

Jauharabad Sugar Mills Limited realizes the importance of conducting business with honesty, transparency and with good corporate governance. Therefore, the Company has hooked its responsibility and set up a Conflict of Interest Policy to restrict directors and employees from the Company matters where they have any interest, pecuniary or otherwise. It applies to all prospective and current employees of the Company, as well as independent contractors and persons acting on behalf of the Company. The directors of the Company strongly believe in the duty of confidentiality (locked insider information), duty of loyalty (putting board responsibilities above other outside interests) and fiduciary duties for financial and legal matters. The interest policy at Jauharabad Sugar Mills Limited restrict board members from participating in discussion, reporting or voting on an issue in which he is by any way interested, except in case where his interest is solely being the director of the Company, the directors of the Company are bound not to trade in the shares of the Company, further they should report any trade in shares by any of his dependent or associate concerns which come into his knowledge.





# IT Governance Policy

Jauharabad Sugar Mills Limited is constantly focusing on the improvement of Information Technology system within organization. IT Governance process helps to align technology and system upgradation with the business requirements, smoothening the decision-making process used to define actions for achieving strategic goals of the Company. Effective implementation of integrated management information system has resulted in efficient handling of bulk data related to crushing seasons, identification of potential suppliers and areas. Currently System Analysis and Resource Planning (SARP) software especially designed for sugar sector industry has been implemented within the Company. IT governance policy of the Company is mainly charged of;

**Vision:** This activity determines the overall governance structure for IT and creates decision-making power and accountability through Knowledge management system.

**Aligning:** This activity will determine the suitability of the fit between overall governance for the Company and IT governance specifically.

**Identifying regulations and standards:** Industry-specific regulatory requirements and standards play a critical role in gauging the exactness and rigor required for IT governance. These factors are being adhered and thus providing a competitive advantage to the Company in its area of operations.

**Creating policy:** Getting right policy helps to drive performance that delivers results based on expected behaviors and appropriate resources used.





## Safety of Records Policy

Jauharabad Sugar Mills Limited owing corporate requirements relating to day-to-day business operations and administrative controls, generate increasing volumes of records, is efficiently and effectively implementing the policy to create, manage, retain, safety and disposal of such records, according to timeframe as required under the provision of section 230 of the Companies Ordinance 1984. Without effective policy, protocols addressing aspects i) what records to keep; ii) where to keep records; iii) who should keep records and; iv) when to keep, records have potential to expose the Company to risks including penalties and legal repercussions. The Company has designed a comprehensive record management policy, having clear objectives of Governance Transparency, Data Protection, Regulatory Compliance and Cost Reduction, emphasize to;

- a) enable staff to perform consistently in full knowledge of processes, decisions and actions that inform and drive the business;
- b) provide freedom of information service throughout the Company to promote collegiality and knowledge sharing;
- c) ensure the availability of credible and authoritative evidence to protect the rights of the Company, its staff and anyone else affected by its activities;
- d) ensure the ownership of record by the Company, not by the individual or team;
- e) provide corporate memory so that lapse of time does not affect access to and availability of the corporate knowledge resource and;
- f) demonstrate accountability by providing the evidence and information required for any possible internal or external audit; and
- g) ensure record will be held only as long as required and disposed-off in accordance with the record management policy.



## Disaster Recovery Plan

The Company's disaster recovery plan, developed to ensure the continuation of business process in the event that a disaster occurs, provides an effective solution that can be used to recover and to handle any emergency situation. The management system is an ongoing process of planning developing, testing and implementing disaster recovery management procedure to ensure effective and efficient resumption of process in the event of unaccepted interruption. Disaster recovery plan of the Company consist of three phases which are undertaken in parallel following the disaster;

**Disaster Containment** Assess how the disaster affect the production plan and to derive, the resulting production, the crises plan to cover the crises period in an optimal way.

**Disaster Turn Around** Develop a comprehensive analysis of all possible scenarios and outcome and to take a decision on the path forward and build the corresponding transformation plan Insurance Claim Management on board the insurer on containment and turnaround decision to prepare the business interruption claim.

Disaster recovery strategy ensures that every reasonable measure has been taken to identify and mitigate potential risk that exit within processing environment. Though the most successful disaster recovery strategy is one that will never be implemented; therefore, risk avoidance is a critical element in the disaster plan. Dynamic planning, communication and risk management, opted by the Company, allow it to handle the most critical aspect of the recovery plan smoothly

- Business continuity in the production of the Company
- Understanding from workers with positive neutrality regarding the shutdown process
- Protection of the Company brand image in the market
- Early warnings sent to the board/corporate office, when necessary
- Prepare crises management team to respond effectively in a crises situation
- Manage crises in an organized and effective manner
- Limit the magnitude of crises situation to the other area of operation
- Arrange training program for the personnel directly involved in the execution of recovery plan



# Whistle Blower Policy

Jauharabad Sugar Mills Limited, aligned with its core values specially honesty and integrity, expects all team members to maintain high standards in accordance with the Company's policies and standard operating procedures. In order to prevent the risk of things going wrong or unethical at any time, the Company is interested to have culture of openness and accountability, a comprehensive policy of whistleblowing is in-placed.

The Company's whistle blowing policy encourages all the team members to report suspected wrongdoing, may include breach of the Company's policies and procedures, breach of legal requirement, general malpractice, gross misconduct, breach of audit regulations, unethical, immoral behavior victimization. The policy not only provides guideline to raise such concerns but also ensures protected disclosures and confidentiality. The policy emphasizes that such concerns should be raised without fear of reprisals, even if they turn out to be mistaken and shall be fairly dealt in appropriate prescribed manner. Scope of policy is restricted to address the concerns in relation to money laundering, bribery, harassment, budget grievance or disciplinary proceeding.





# Occupational Health and Safety Management

Jauharabad Sugar Mills Limited is committed to achieve excellence in occupational safety, health and environmental protection. Ensuring health and safety requires both the management and employees to be actively involved and committed to health and safety policy. Jauharabad Sugar Mills Limited encourages the employees to have a better communication about safe practices with higher level administrators to better assimilate the safety, health and environmental policy of the Company. Due to this, positive impact has been registered by the Company in terms of number of incidents per machine-hours. Our goal in respect of safety, health and environment is to minimize all adverse environmental and health impact arising out of our operations and to conserve all kind of resources and adhere to all legal regulations.

The Company is continuously striving to minimize accidental risks associated with the industry by providing safety equipment, fire management tools and air emission monitoring. To make it more convenient for the low-level employees to understand, the Company through presentations ensures that everyone is well-aware of risks associated to machinery and usage of protection equipment. Apart from this, even vernacular language is recommended in order to have a better understanding of safety measures and signs. Management has taken all possible measures and methods to establish priorities and objectives for eliminating hazards and reducing risks factors.

Maintenance of health and safety standards at our mills and offices is our top priority. The Company is committed to actively manage health and safety risks associated with our business and is actively working towards improving our procedures to reduce, remove or control the risk of fire, accidents or injuries to employees and visitors. The Company strives to provide a safe and healthy workplace for its employees and to act responsibly towards the communities and environment, in which it operates. It realizes this through the commitment of its leadership, the dedication of its staff, and application of the highest professional standards of work. Management takes all possible measures to prevent unsafe activities by its hiring practices and through the implementation of effective management, human resources and operational policies.



# Human Resource Management

Human Resource Management (HRM) is an integral part of our business strategy, The Company fosters leadership, individual accountability and teamwork. Success of the Company solely depends in the quality of its human resource as it is the most valuable ingredient that adds remarkable contributions towards growth. The Company being one of the major player in Pakistan's sugar sector has a wide range of professionals having skilled expertise in their field with affiliations in the prestigious local and foreign universities. The Company safeguards the right of its employees by providing health care, safe and secure environment and right compensation. The Company targets to achieve the following parameters through its HRM policy as:

- An individual goes through an excessive recruitment and selection process before being a part of the Company. Selecting the right person, with the right experience, at the right time, offering the right compensation.
- Developing Management philosophies and practice to promote and encourage motivation and retention of best employees.
- Skills enhancement workshops and seminars for the hard working and motivated employees are being conducted on regular basis to further strengthen the skills possessed by an individual being the part of our team.
- Always encourages the young, talented and recent graduates to join our company. A six-week paid internship is being offered to students which narrows the gap between theoretical studies and practical work.
- Annually, the Company conducts an event which rewards the employees who has made significant contribution to our company, to build a motivation among employee to bring further improvement and innovation in team work.
- Nurture a climate of open communication between management and employees.
- Disability has always been a source of concern when it comes to employment opportunities in our country. However, the Company has always kept a certain ratio for disabled employees which keep a sustainable positive difference in the quality of life.
- Making all reasonable efforts to achieve a high-quality work life balance.
- Committed to create a friendly trained workforce that is not just aiming to fulfill organizational targets but individual goals too.
- Fostering the concept of team work and synergetic effort.



## Performance Management

The Company is committed to build strong corporate culture that is shaped by motivated team who demonstrate deep belief in Company's vision and values. Success of the Company undoubtedly lies in the tired-less efforts of its human resources. The Company has developed a performance review process, based on following objectives, in order to recognize employees' contributions and right compensation.

- Giving a sense of direction and challenge to the individuals and their team through role clarity.
- Helping different functions and departments to go beyond targets and benchmarks and take quantum jumps.
- Creating a supportive and empowering culture in the organization.
- Identify talent for succession planning.
- Identifying employees with long term growth potential.
- Identifying employees performing below expectation and what inputs are required to improve their performance.
- To ensuring growth of employees for organizational perpetuity.
- Creating total quality environment by enhancing the commitment of people in terms of productivity, quality, technology, structure and systems.



**Environmental Protection Measures**

The Company provides a workplace which is safe and secure for its employees keeping in mind a healthy and friendly environment. The Company aligned with its tree plantation program, has launched tree plantation Campaign 2017 in association with the Government officials and prominent public figures of district Khushab. Under this Campaign the Company remained successful to plant 750 trees within its surrounding areas and green belts around the road leading to Sugar Mills and has spent approximately Rs. 0.671 Million during this financial year.



**Corporate Benevolence**

Jauharabad Sugar Mills Limited is striving hard to maintain a friendly and social environment among its employees. The Company introduces and reconsiders the policies, periodically, which help to maintain a strong positive correlation between financial performance and corporate social responsibility. The Company is constantly looking for ways to extend a helping hand towards the society and for this CSR Committee has been constituted, comprising three members chaired by GM (Operations), scheduled to meet quarterly to review the progress of CSR program. This year four meetings were held and the committee is satisfied with the performance of “CSR Program-2017”.

**Contribution to National Exchequer**

During the year, the Company has contributed an amount of Rs. 344.385 million toward national exchequer in shape of taxes, duties, cess etc. The Company has also contributed through earning of valuable foreign exchange amounting to US\$ 2,009 million through export of refine sugar.



**Rural Health & Development Support Program**

The Company periodically invests and conducts seminars in creating awareness relating to several health issues among the local community, in conjunction with the local THQ. The Company under its rural health development program has provided 10 beds to local administration of THQ. The Company has successfully launched blood donation campaign in April 2017 and conducted dengue awareness walk from Mills to Civil lines for the awareness of the surrounding community in July 2017. A 24/7 stand by ambulance service is available with the Company to cater any emergency to its employees or their families residing in mills colonies. Further First Aid Facilities, at mills premises, are regularly upgraded.



**Sports Activities**

To have a healthy and well-balanced life, sports is a necessity. Company maintained tennis court, football and cricket grounds are available to conduct periodic tournaments for the healthy completion by and between employees of the mills and local sport associations.

# Program 2017



## Business Ethics & Anti-Corruption Measures

The Company holds a strict policy in regards to business ethics and practices, in line with its code of conduct. The Company also holds a zero tolerance policy on corruption thereto internal audit team constantly keeps a check for the implementation of standard and procedure. However, employees are not allowed to run a parallel business activity.



## Integrated PEST Management

Jauharabad Sugar Mills Limited is committed to improve varietal mix of cane in Khushab region and is propagating superior varieties as recommended by Government research institutions. Particular efforts are being made to educate farmers as how-to a) use 4" ridger, b) increase seed rate and c) incorporate pit farming techniques. The Company has developed an effective mechanism to avert the pest attack in its area of procurement by in house production of "good worms" attached to TRACHOGAMA cards. These cards are being distributed to the growers at subsidized rates. Moreover, the Company is also working in close coordination with its farmer community and is regularly creating awareness through "PEST warning and control system".



## Growers' Financial & Technical Support

Growers' financial support policy is designed to support deserving farmers by providing them interest free loans in the form of cash or fertilizers, pesticides, cane seeds or any other allied product, without any collateral. This year the Company has distributed loans amounting to Rs.14.97 Million, out of its own cash flows, to raise the agronomical practices of the growers. The Company in recognition of this potential has ensured timely cane payments to the growers, within a week of closing the crushing season.

The Company is also providing technical support to growers through our professional team consisting of social organizer, qualified officers for demonstrations and research work thus playing its part to enhance capacity building of local community which in turn leads to eliminating poverty in the region. Further, our team conducts periodical visits to the farms in order to assess the growth and health of crop and advise accordingly to the growers which contributes vital role in getting high crops yields per acre.

## Community Investments

Providing quality education has always been the top most priority at Jauharabad Sugar Mills Limited as it is one of the most powerful and proven vehicles for sustainable development. In order to fulfill this goal, the Company is running a "Girls Higher Secondary School, Jauharabad" for employees' children. However, to facilitate and motivate the talented students; scholarships are being provided to them. Apart from this, different school activities such as Prize Distribution Ceremony, Parents day, Naat & Speech competition and Farewell Party is being conducted occasionally to develop the intellectual abilities of students. As a result, the drop-out ratio has been reduced and a sharp increasing enrollment rate for students has been observed in comparison to last year.



## Consumer Protection Measures

Jauharabad Sugar Mills Limited, having its premium brand "KOHINOOR SUGAR", maintains a fine quality of sugar which qualifies standards set by "Pakistan Standard and Quality Control Authority". The color of our sugar is sparkling white which is considered as the best quality product in the market.

**Umrah/Hajj Scholarships**

Religious duties are important to be fulfilled to have a prosperous life. This year, under Umrah/Hajj scholarship scheme, the Company has sponsored four employees, chosen through balloting, to perform Umrah.



**National Cause Donations**

The Company is always looking forward to make a significant contribution in our society either during national disaster or regular donations. Welfare initiations such as LABARD, JAZBA Welfare Foundation, LRBT are prominent welfares for donations. These donations were made as part of the Company's continuing welfare activities including but not limited to provide medical assistance, education for all and supply of basic equipment's to support cottage industry. The Company through the donation has distributed machines and equipment to 48 deserving women who are already engaged in small enterprises and hopeful that with this support these families will be able to enhance their income and support their families.



**Employment of Disabled Persons**

The Company intends to hire disabled people as per the requirement of "Employment & Rehabilitation Ordinance 1981". This helps to inspire special persons to support their families and provide them with basic necessities of life.

**Industrial Relations of Employees**

Jauharabad Sugar Mills Limited is dedicated to provide equal opportunity to all the employees irrespective of any discrimination on the basis of religion, gender, age, caste and race. Uncontaminated and pure drinking water plant has been installed at the Mill. Yearly bonuses are being paid out to employees depending on the Company's profitability and performance. The Company aims to give generous retirement package at the age of superannuation as well as Worker's Profit Participation Fund for its employees.



**Fair Price Supply of Basic Necessities**

A fair price shop is being maintained at the mill which helps to ease the employees and their families with basic necessities at subsidized rates.



# Environmental Responsibility

To enhance environmental standards and continuously promoting a better and Green Environment within the factory as well in the nearby areas. The Company is arranging regular Tree Plantation at different locations within factory premises and nearby areas to provide a healthy environment to employees and other communities living in its surroundings. This activity will continue in the future and more trees will be planted to ensure healthy and green environment, in order to achieve scope of environmental policy;

- Ensure our products, operations and services comply with relevant environmental legislation and regulations.
- Maintain and continuously improve our environmental management systems or more stringent requirements as dictated by specific markets or local regulations.
- Operate in a manner that is committed to continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development and promotion of environmental responsibility amongst our employees.
- Responsibly managing use of hazardous materials in our operations, products and services and promote recycling or reuse of our products.
- Inform suppliers, including contractors, of our environmental expectations and require them to adopt environmental management practices aligned with these expectations.

## Efforts to Mitigate the Adverse Impact of Industrial Effluent/Wastes.

The Company follows the standard for disposal of liquid effluents as per the Environmental Protection Agency (EPA) guidelines. The only hard form of waste extracted while purification of sugar called Mud which is environmental friendly and is used as a fertilizer in farms. The Company is also investing heavily on tree plantation to reduce the environmental impact to build greener and healthier surroundings.





# Corporate Calendar

## Financial Year 2018

**Monday, January 29, 2018**  
First Quarter Results



**Monday, May 28, 2018**  
Second Quarter Results



**Friday, July 27, 2018**  
Second Quarter Results



**Monday, December 10, 2018**  
Annual Results



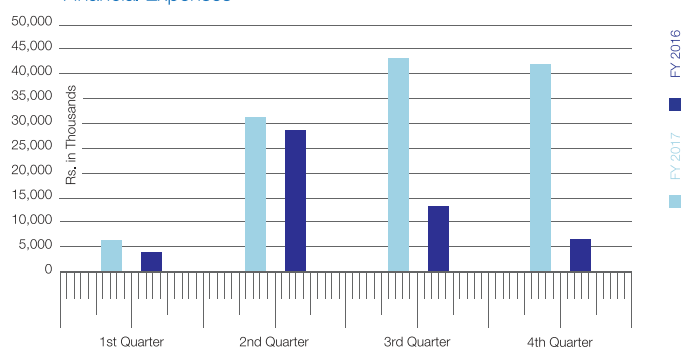
**Monday, January 28, 2019**  
50th Annual General Meeting

# Quarterly Performance Analysis

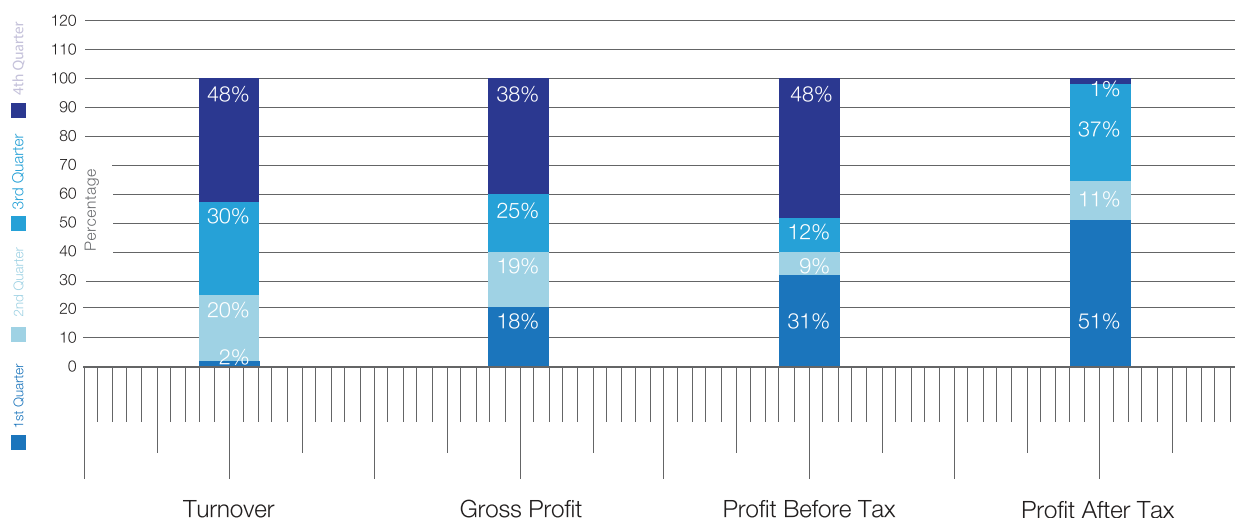
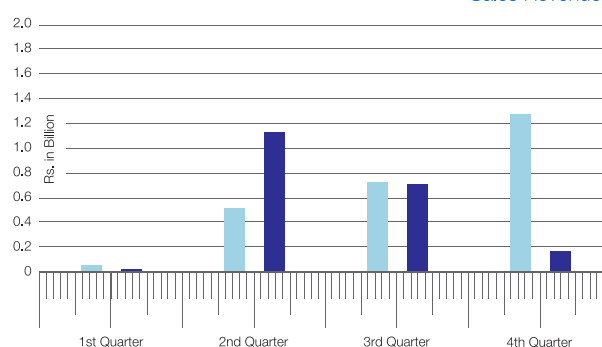
(Rupees in '000)

Particulars	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
Turnover - net	61,035	526,594	758,706	1,235,652	2,581,987
Cost of sales	(7,497)	(469,427)	(684,791)	(1,120,153)	(2,281,868)
Gross profit	53,538	57,167	73,915	115,499	300,119
Distribution cost	(1,291)	(1,948)	(1,222)	(4,574)	(9,035)
Administrative expenses	(26,155)	(21,510)	(20,334)	(39,250)	(107,249)
Other expenses	-	-	-	-	-
	(27,446)	(23,458)	(21,556)	(43,824)	(116,284)
Operating profit	26,092	33,709	52,359	71,675	183,835
Other income	143	3,374	11	1,570	5,098
Financial cost	(6,477)	(31,346)	(44,714)	(41,905)	(124,442)
Profit before taxation	19,758	5,737	7,656	31,340	64,491
Taxation	(3,359)	(2,517)	4,190	(30,950)	(32,636)
Profit after taxation	16,399	3,220	11,846	390	31,855

Financial Expenses



Sales Revenue



# Horizontal & Vertical Analysis of Balance Sheet

	FY2017		FY2016		FY2015		FY2014		FY2013		FY2012		FY2011	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Horizontal Analysis</b>														
<b>Equity &amp; Liabilities</b>														
Shareholders equity	2,568,043	(3.04)	2,648,452	33.86	1,978,479	1.16	1,955,853	76.29	1,109,433	6.78	1,038,961	90.06	546,663	(8.66)
Non-current liabilities	523,427	43.27	365,348	27.53	286,474	(16.00)	341,030	(71.25)	1,186,366	45.82	813,577	(3.65)	844,391	(6.00)
Current liabilities	829,393	286.69	214,364	(55.83)	485,282	61.78	299,957	(54.25)	655,619	(44.70)	1,185,667	7.78	1,100,122	89.79
	3,920,863	21.46	3,228,164	17.38	2,750,235	5.91	2,596,840	(12.01)	2,951,418	(2.86)	3,038,206	21.96	2,491,176	19.97
<b>Assets</b>														
Non-current assets	3,083,362	10.65	2,786,497	26.76	2,198,258	(4.08)	2,291,818	2.05	2,245,685	(8.39)	2,451,256	47.30	1,664,123	(0.02)
Current assets	837,502	89.62	441,667	(19.98)	551,977	80.96	305,022	(56.78)	705,734	20.24	586,950	(29.03)	827,053	100.73
	3,920,865	21.46	3,228,164	17.38	2,750,235	5.91	2,596,840	(12.01)	2,951,418	(2.86)	3,038,206	21.96	2,491,176	19.97
<b>Vertical Analysis</b>														
<b>Equity &amp; Liabilities</b>														
Shareholders equity	2,568,043	65.50	2,648,452	82.04	1,978,479	71.94	1,955,853	75.32	1,109,433	37.59	1,038,961	34.20	546,663	21.94
Non-current liabilities	523,427	13.35	365,348	11.32	286,474	10.42	341,030	13.13	1,186,366	40.20	813,577	26.78	844,391	33.90
Current liabilities	829,393	21.15	214,364	6.64	485,282	17.65	299,957	11.55	655,619	22.21	1,185,667	39.03	1,100,122	44.16
	3,920,863	100.00	3,228,164	100.00	2,750,235	100.00	2,596,840	100.00	2,951,418	100.00	3,038,206	100.00	2,491,176	100.00
<b>Assets</b>														
Non-current assets	3,083,362	78.64	2,786,497	86.32	2,198,258	79.93	2,291,818	88.25	2,245,685	76.09	2,451,256	80.68	1,664,123	66.80
Current assets	837,502	21.36	441,667	13.68	551,977	20.07	305,022	11.75	705,734	23.91	586,950	19.32	827,053	33.20
	3,920,865	100.00	3,228,164	100.00	2,750,235	100.00	2,596,840	100.00	2,951,418	100.00	3,038,206	100.00	2,491,176	100.00

# Horizontal & Vertical Analysis of Profit and Loss Account

	FY2017		FY2016		FY2015		FY2014		FY2013		FY2012		FY2011	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Horizontal Analysis</b>														
Sales - net	2,581,987	23.27	2,094,651	43.95	1,455,105	(16.57)	1,744,056	52.48	1,143,758	(41.76)	1,963,708	19.67	1,640,935	18.31
Cost of sales	(2,281,868)	20.85	(1,888,218)	39.89	(1,349,775)	(28.96)	(1,900,129)	27.87	(1,485,981)	(27.87)	(2,060,072)	37.41	(1,499,230)	10.19
Gross profit	300,119	45.38	206,433	95.99	105,330	(167.49)	(156,073)	(54.39)	(342,222)	255.14	(96,364)	(168.00)	141,704	436.42
Selling and distribution expenses	(9,035)	23.90	(7,292)	(3.41)	(7,549)	(3.62)	(7,832)	124.20	(3,493)	(40.63)	(5,884)	50.01	(3,923)	66.70
Administrative and general expenses	(107,249)	30.09	(82,441)	20.78	(88,259)	6.19	(64,281)	(13.95)	(74,705)	(3.39)	(77,328)	4.32	(74,123)	7.88
Other operating income	5,098	(73.11)	18,962	(33.79)	28,640	(84.68)	186,966	(79.23)	900,351	(55,593.35)	(1,622)	(136.61)	4,431	(64.38)
Operating profit	188,933	61.90	135,662	133.25	58,162	(241.10)	(41,221)	(108.59)	479,930	(364.86)	(181,199)	(366.12)	68,090	(311.41)
Financial cost	(124,442)	132.05	(53,626)	5.13	(51,010)	41.84	(35,964)	(20.30)	(45,126)	(52.61)	(95,231)	(15.47)	(112,658)	38.13
Profit before tax	64,492	(21.39)	82,036	1,047.14	7,151	(109.27)	(77,185)	(117.75)	434,804	(257.29)	(276,430)	520.24	(44,568)	(60.83)
Taxation	(32,636)	(236.20)	23,961	(1,279.94)	(2,031)	(105.30)	38,293	(127.56)	(138,961)	(276.27)	78,832	(1,188.74)	(7,241)	(118.17)
Profit after tax	31,856	(69.95)	105,997	1,970.00	5,121	(113.17)	(38,891)	(113.15)	295,843	(249.72)	(197,597)	281.40	(51,808)	(29.92)
<b>Vertical Analysis</b>														
Sales - net	2,581,987	100.00	2,094,651	100.00	1,455,105	100.00	1,744,056	100.00	1,143,758	100.00	1,963,708	100.00	1,640,935	100.00
Cost of sales	(2,281,868)	(88.38)	(1,888,218)	(90.14)	(1,349,775)	(92.76)	(1,900,129)	(108.95)	(1,485,981)	(129.92)	(2,060,072)	(104.91)	(1,499,230)	(91.36)
Gross profit	300,119	11.62	206,433	9.86	105,330	7.24	(156,073)	(8.95)	(342,222)	(29.92)	(96,364)	(4.91)	141,704	8.64
Selling and distribution expenses	(9,035)	(0.35)	(7,292)	(0.35)	(7,549)	(0.52)	(7,832)	(0.45)	(3,493)	(0.31)	(5,884)	(0.30)	(3,923)	(0.24)
Administrative and general expenses	(107,249)	(4.15)	(82,441)	(3.94)	(88,259)	(4.69)	(64,281)	(3.69)	(74,705)	(6.53)	(77,328)	(3.94)	(74,123)	(4.52)
Other operating income	5,098	0.20	18,962	0.91	28,640	1.97	186,966	10.72	900,351	78.72	(1,622)	(0.08)	4,431	0.27
Operating profit	188,933	7.32	116,701	5.57	58,162	4.00	(41,221)	(2.36)	479,930	41.96	(181,199)	(9.23)	68,090	4.15
Financial cost	(124,442)	(4.82)	(53,626)	(2.56)	(51,010)	(3.51)	(35,964)	(2.06)	(45,126)	(3.95)	(95,231)	(4.85)	(112,658)	(6.87)
Profit before tax	64,492	2.50	82,036	3.92	7,151	0.49	(77,185)	(4.43)	434,804	38.02	(276,430)	(14.08)	(44,568)	(2.72)
Taxation	(32,636)	(1.26)	23,961	1.14	(2,031)	(0.14)	38,293	2.20	(138,961)	(12.15)	78,832	4.01	(7,241)	(0.44)
Profit after tax	31,856	1.23	105,997	5.06	5,121	0.35	(38,891)	(2.23)	295,843	25.87	(197,597)	(10.06)	(51,808)	(3.16)

# Seven Years at a Glance

## Financial Data

	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
<b>Balance Sheet</b>							
Non current assets	3,083,362	2,786,497	2,198,258	2,291,818	2,245,685	2,451,256	1,664,123
Current assets	837,502	441,667	551,977	305,022	705,734	586,950	827,053
Current liabilities	829,393	214,364	485,282	299,957	655,619	1,185,667	1,100,122
Non current liabilities	523,427	365,348	286,474	341,030	1,186,366	813,577	844,391
Shareholders equity	2,568,043	2,648,452	1,978,479	1,955,853	1,109,433	1,038,961	546,663
<b>Profit &amp; Loss Account</b>							
Sales - net	2,581,987	2,094,651	1,455,105	1,744,056	1,143,758	1,963,708	1,640,935
Gross profit	300,119	206,433	105,330	(156,073)	(342,222)	(96,364)	141,704
EBITDA	292,330	224,214	120,231	18,802	541,440	(154,502)	116,378
EBIT	188,933	135,662	58,162	(41,221)	479,930	(181,199)	68,090
Profit before tax	64,492	82,036	7,151	(77,185)	434,804	(276,430)	(44,568)
Profit after tax	31,856	105,997	5,121	(38,891)	295,843	(197,597)	(51,808)
<b>Cash Flows</b>							
Cash flows from operations	64,492	82,036	7,151	(77,185)	434,804	(276,430)	(44,568)
Operating activities	(113,983)	41,991	(72,505)	(77,678)	(562,892)	297,633	(334,324)
Investing activities	(396,068)	(106,439)	(92,145)	(61,285)	88,209	(13,170)	4,722
Financing activities	517,625	49,723	191,568	141,406	473,964	(283,763)	331,862
Cash and cash equivalents at the beginning of the year	19,538	34,263	7,346	4,902	5,621	4,921	2,661
Cash and cash equivalents at the end of the year	27,113	19,538	34,263	7,346	4,902	5,621	4,921

(Rupees in Thousands)

## Operating Data

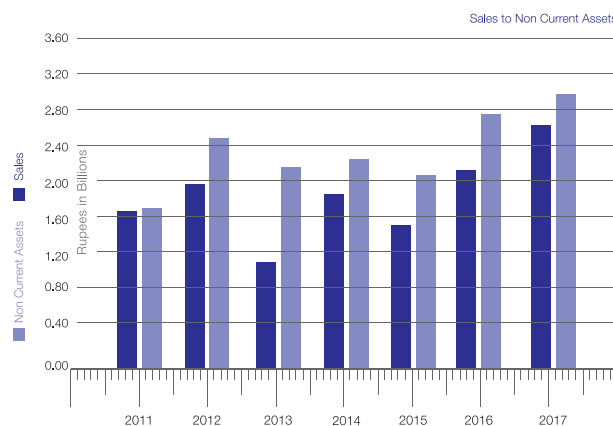
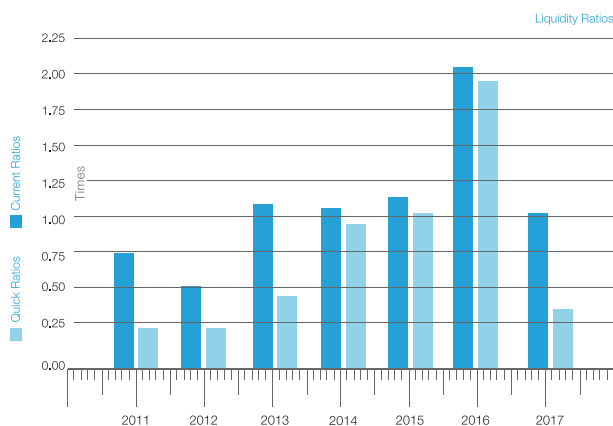
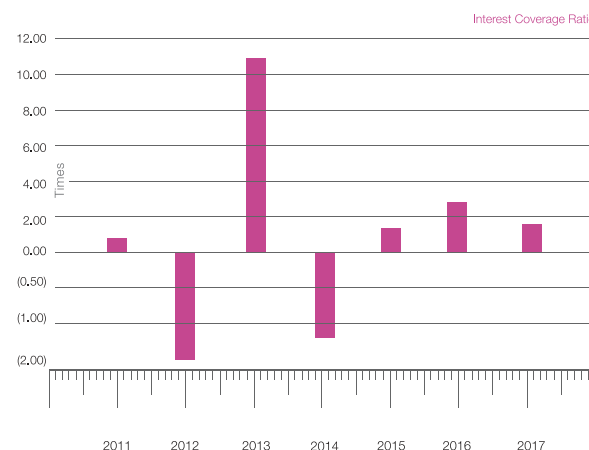
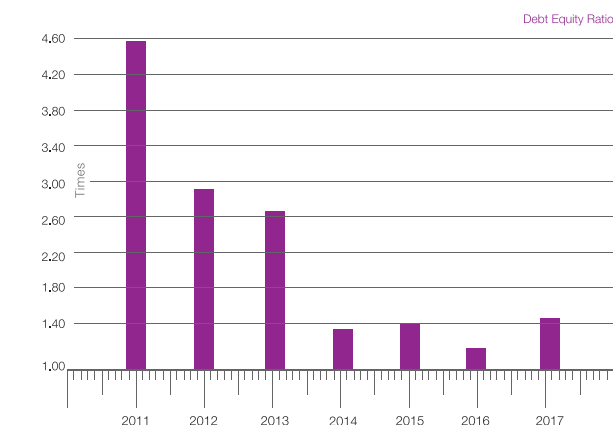
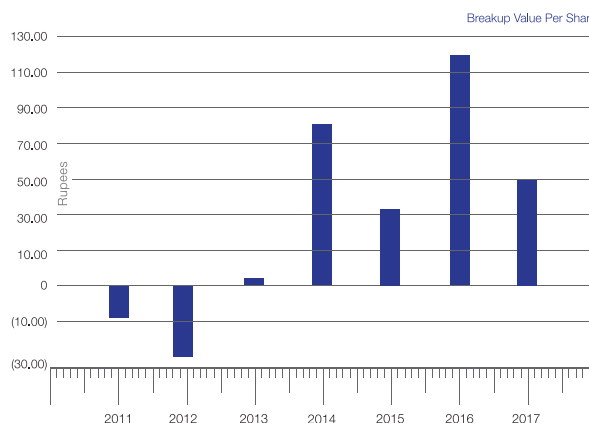
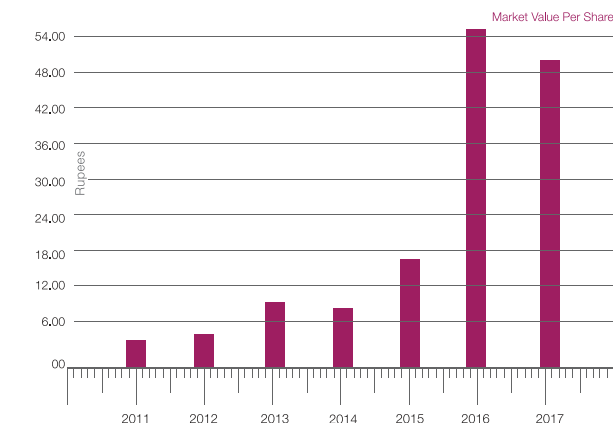
		FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
Operating days	Days	130	95	93	95	97	99	114
Cane crushed	Tons	546,857	340,519	252,995	281,997	321,022	427,690	406,388
Sugar produced	Tons	53,972	33,205	24,492	25,975	26,420	35,646	30,673
Sugar recovery	%age	9.87%	9.75	9.68	9.22	8.23	8.33	7.55
Molasses produced	Tons	25,256	15,990	11,292	12,915	15,048	21,271	20,629
Molasses recovery	%age	4.62%	4.70	4.46	4.58	4.69	4.97	5.08
Bagasse produced	Tons	166,594	102,158	76,075	87,165	99,966	122,747	125,655
V.F. Cake produced	Tons	16,406	10,215	7,590	8,460	9,631	12,831	12,192

# Seven Years at a Glance

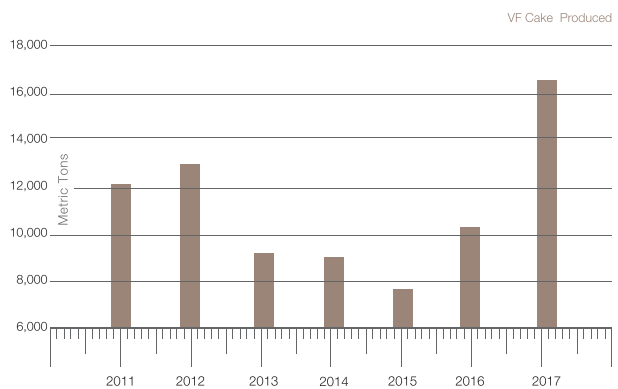
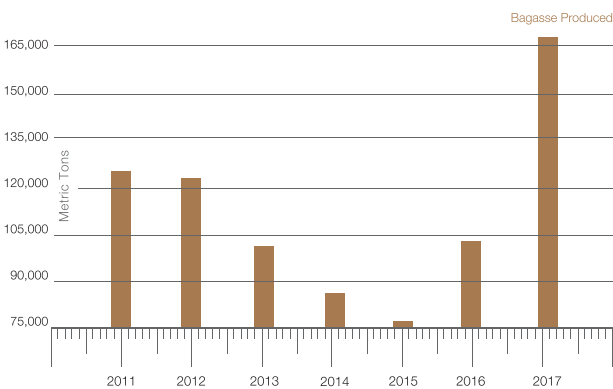
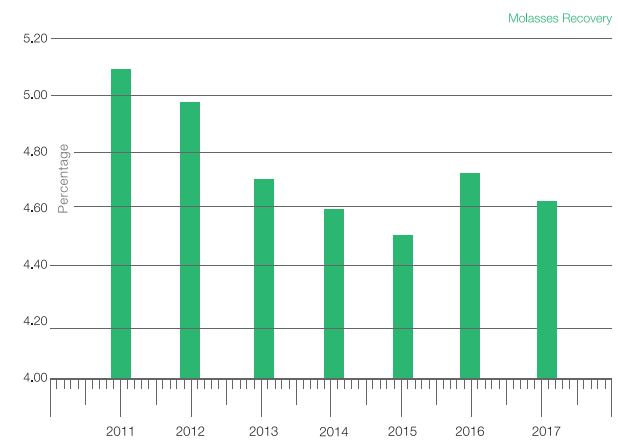
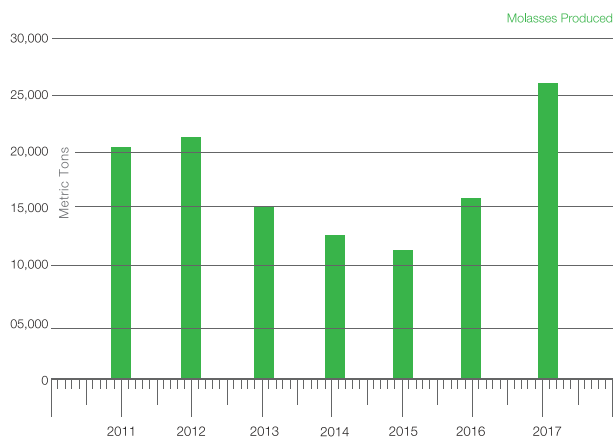
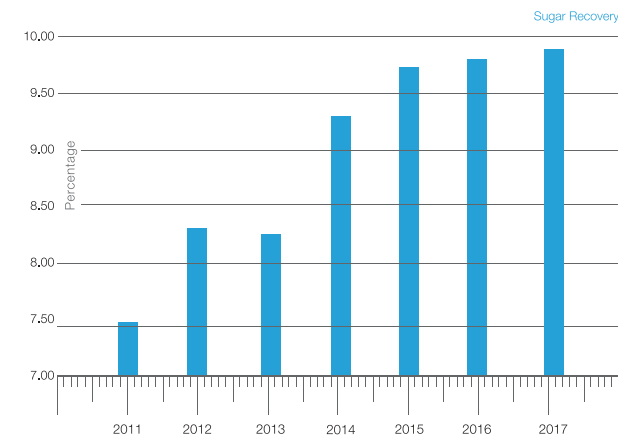
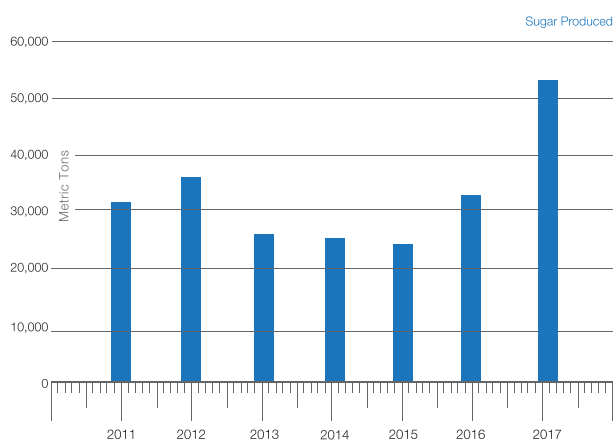
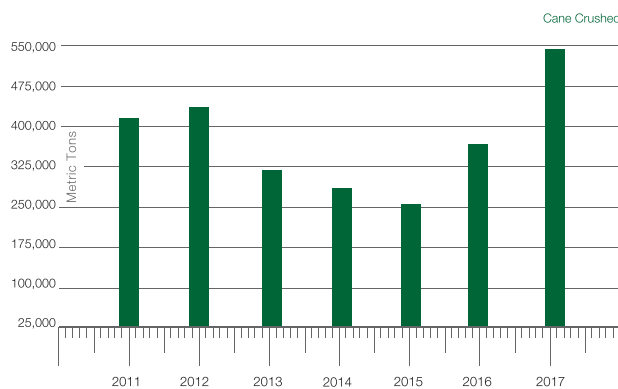
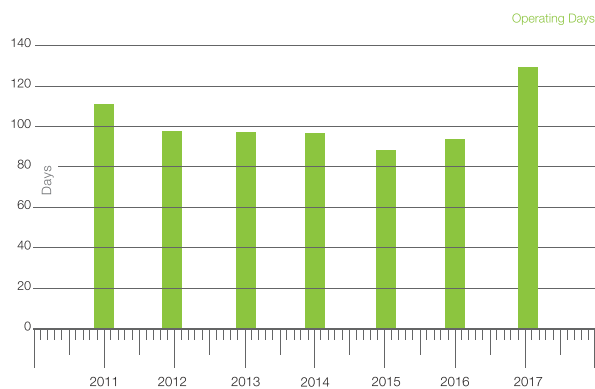
## Financial Ratios

	FY2017	FY2016	FY2015	FY2014	FY2013	FY2012	FY2011
<b>Profitability Ratios</b>							
Gross profit to sales	11.62%	9.86%	7.24%	-8.95%	-29.92%	-4.91%	8.64%
Net profit after tax to sales	1.23%	5.06%	0.35%	-2.23%	25.87%	-10.06%	-3.16%
EBITDA to sales	11.32%	10.70%	8.26%	1.08%	47.34%	-7.87%	7.09%
Return on Equity	1.24%	4.00%	0.26%	-1.99%	26.67%	-19.02%	-9.48%
Return on Capital Employed	7.35%	5.12%	2.94%	-2.11%	43.26%	-17.44%	12.46%
<b>Liquidity Ratios</b>							
Current ratio	1.01	2.06	1.14	1.02	1.08	0.50	0.75
Quick ratio	0.34	1.92	1.02	0.88	0.41	0.23	0.23
Cash to current liabilities	3.27%	9.11%	7.06%	2.45%	0.75%	0.47%	0.45%
Cash flow from operations to sales	2.50%	3.92%	0.49%	-4.43%	38.02%	-14.08%	-2.72%
<b>Activity Ratios</b>							
Inventory turnover	7.78	42.19	27.06	7.93	3.93	4.61	4.27
No. of days in Inventory	46.93	8.65	13.49	46.04	92.79	79.22	85.41
Debtor turnover	3,779.39	35.95	16.13	54.54	100.05	165.39	61.54
No. of days in Receivables	0.10	10.15	22.63	6.69	3.65	2.21	5.93
Creditor turnover	7.67	8.14	5.13	4.81	2.50	4.10	5.02
No. of days in Payables	47.59	44.82	71.15	75.84	145.88	89.09	72.68
Operating Cycle	(0.56)	(26.02)	(35.03)	(23.11)	(49.44)	(7.67)	18.66
Total assets turnover	0.72	0.70	0.54	0.63	0.38	0.71	0.72
Fixed assets turnover	0.88	0.84	0.65	0.77	0.49	0.95	0.99
<b>Investment Valuation Ratios</b>							
Earnings per share	1.87	6.21	0.47	(3.56)	27.12	(18.11)	(4.75)
Price Earning ratio	26.48	9.02	36.22	(2.84)	0.38	(0.29)	(0.82)
Dividend Yield	2.02%	1.79%	-	-	-	-	-
Dividend Payout ratio	53.48%	16.10%	-	-	-	-	-
Dividend Cover ratio	1.29	9.72	-	-	-	-	-
Cash Dividend per share	10.00%	10.00%	-	-	-	-	-
Market value per share	49.51	56.00	17.00	10.13	10.25	5.22	3.90
Break value per share	49.90	117.53	32.18	81.43	1.93	(27.43)	(9.32)
<b>Capital Structure Ratios</b>							
Debt to equity ratio	1.53	1.22	1.39	1.33	2.66	2.92	4.56
Interest coverage ratio	1.52	2.53	1.14	(1.15)	10.64	(1.90)	0.60

# Graphical Representation-Financial



# Graphical Representation-Operational



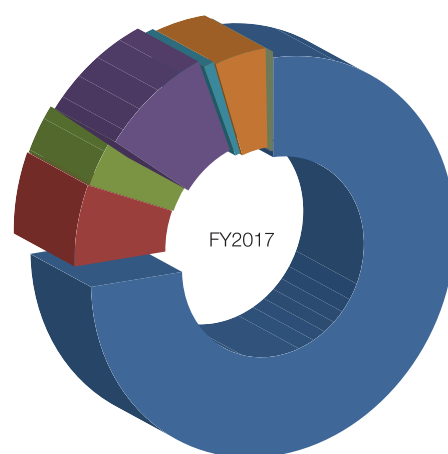


# Statement of Value Addition and Distribution of Wealth

	2017		2016	
	Rs.	%age	Rs.	%age
<b>Wealth Generated</b>				
Gross sales to customers	2,841,786,724	99.8%	2,188,080,419	99.1%
Add: Other income and finance income	5,098,009	0.2%	18,961,537	0.9%
<b>Total value added</b>	<b>2,846,884,733</b>	<b>100.0%</b>	<b>2,207,041,956</b>	<b>100.0%</b>

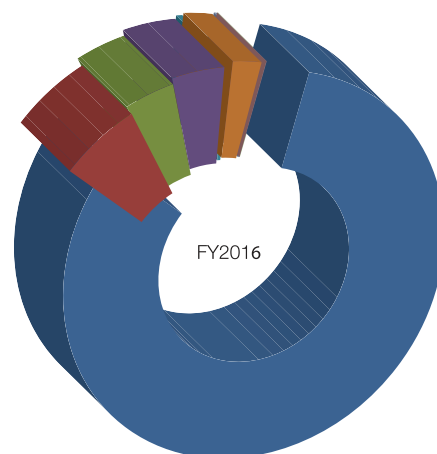
## Distribution of Wealth

■ Cost of sales (excluding employees' remuneration)	2,095,168,783	74.6%
■ Salaries paid to employees	182,829,369	6.5%
■ Marketing, selling and administrative expenses	110,701,716	3.9%
■ Government as levies	259,799,310	9.3%
■ Shareholder as dividends	24,730,764	0.9%
■ Finance cost	124,320,389	4.4%
■ Workers' welfare	7,773,436	0.3%
■ Charity and donation	1,678,624	0.1%
■ Providers of long term finance as financial charges	121,131	0.0%
	<b>2,807,123,522</b>	
Retained within the business	39,761,211	



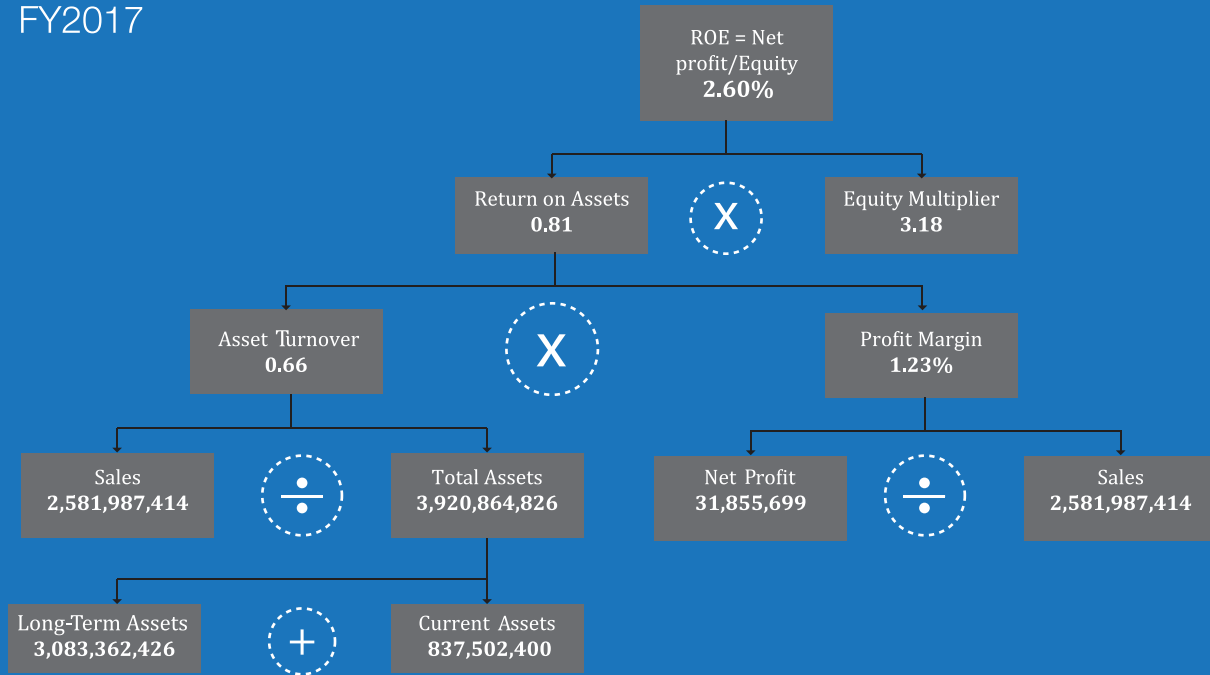
## Distribution of Wealth

■ Cost of sales (excluding employees' remuneration)	1,745,542,774	81.7%
■ Salaries paid to employees	139,563,017	6.5%
■ Marketing, selling and administrative expenses	86,861,699	4.1%
■ Government as levies	93,428,937	4.4%
■ Shareholder as dividends	10,909,797	0.5%
■ Finance cost	52,243,535	2.4%
■ Workers' welfare	5,538,544	0.3%
■ Charity and donation	444,500	0.0%
■ Providers of long term finance as financial charges	1,382,830	0.1%
	<b>2,135,915,633</b>	
Retained within the business	71,126,323	

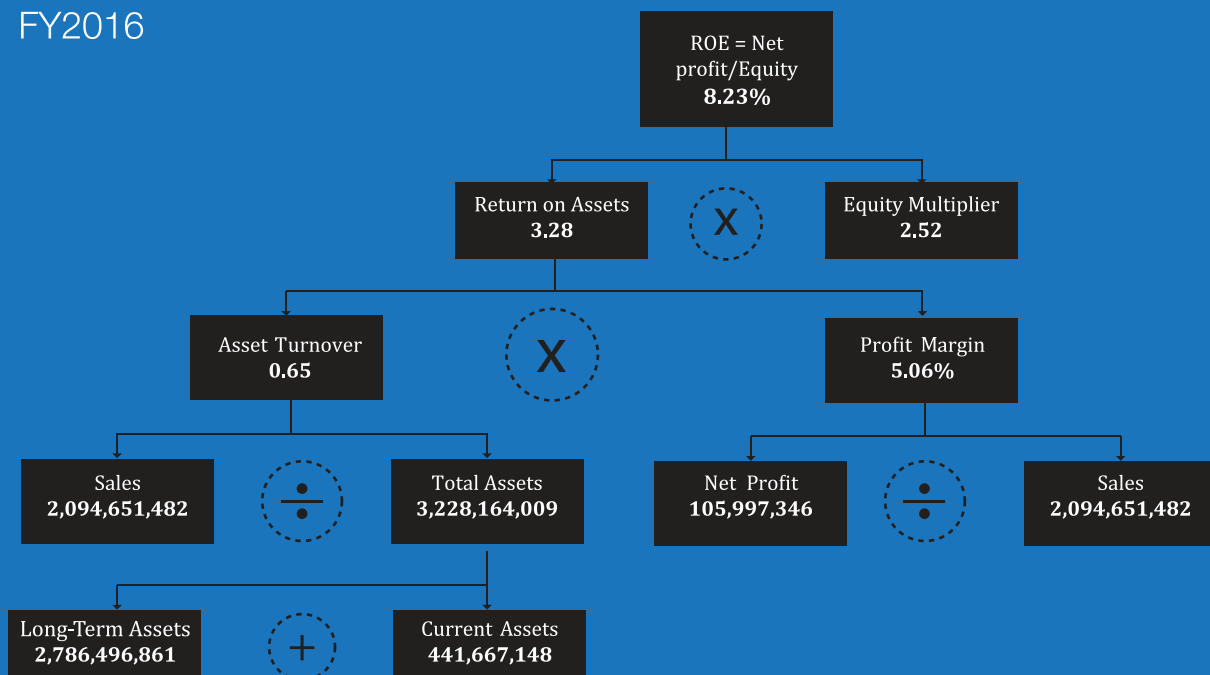


# Dupont Analysis

FY2017



FY2016



# Risk and Opportunities Report

The Board of directors of the Company is principally committed to identify and to mitigate all such business risks, well in time by utilizing optimum potential effort. Sugar Industry is carrying significant risk factors that may materially affect the Company's operations, earnings, cash flows and overall performance. Hence the Management strives to take all the measures necessary to mitigate and manage the risks while at the same time avail all the opportunities for growth as and when they occur. This principle keeps the Company within its risk appetite and helps to achieve its corporate objectives.

## Risks

As with sugar industry, the Company is susceptible to various risks. However, through comprehensive planning and an acute business understanding of the management, the Company continues to identify and mitigate risks. The Company maintains an established control framework comprising clear structures, authority limits and accountabilities, well implemented policies and procedures and budgeting for review processes. Moreover, the Audit Committee is responsible for Internal Controls in the Company. Following are the major risks which may affect our business operations and mitigating strategies for controlling these risks:

- Low Productivity /Recovery from sugarcane in the area and replacement of Sugarcane with other crops and orchards.
- Low Crushing capacity of the Company ultimately effecting economies of scale and competitiveness of product.
- Uncertain security situation at places where the Company operates or holds working interests can adversely affect the Company's operations.
- Natural disasters and extreme weather conditions such as rains and floods witnessed recently not only seriously impact the ongoing operations, these also threaten the safety and security of personnel, equipment and installations.
- Any delay default in settlement of Company's dues by its customers can negatively impact the Company's liquidity situation.
- Political uncertainty and impact of policies changes by the government of Pakistan or any other controlling authorities.
- Risk of increase in the cost of borrowing may limit the avenues for availability of sufficient working capital.

## Opportunities

The Board of Directors of the Company always focuses to capitalize management's experience and to strategize operations of the Company in line with the Company's stated vision. It also concentrates to utilize existing and potential opportunities confronted by the Company. This has resulted in the decision of expanding the operations of the Company through installation of Power project.

Unlocking and exploiting operational opportunities is an important aspect of the management's entrepreneurial activities. The company is committed to use existing products and new solutions in order to systematically enhance bottom line growth and strengthen our position in local and international markets. Investing in new projects and increasing the productivity of existing ones are key elements for future organic growth. In the year under review, we strengthened the basis for further growth in the coming years by making selective investment in power business. Following are major opportunities available with the Company that may support in achievement of the Company's stated vision.

- Availability of ample irrigated area in the Khushab District to promote sugarcane crop, providing opportunity to the Company, the only sugar mills in the District, to propagate only those varieties having higher recovery potential.
- The Company is focused to continuously improve skills of the management team through dedicated courses and trainings
- The Company is having low gearing ratio. Hence, retention power of the Company has increased many folds, with the support of financial institutions and now the Company can hold sugar to reap price variation benefits during off-season.
- As sugar industry as now become net exporter, continuous efforts are being made to increase contribution margin of sugar and allied products by exploring new market horizons both domestically and through exports.
- Aligned with corporate strategy, the Company has invested in power project to lower its reliance on single product.



# Share Price Sensitivity Analysis

During this financial year the Company remained successful to post net profit amounting to Rs. 31,855,699 (FY 2016: Rs. 105,997,346) and to enhance Price Earning to 26.48% (FY2016: 9.02%) with EPS at Rs. 1.87 (FY2016: Rs. 6.21). This year, keeping the impact of industry's dynamics, total volume of 960,500 number of the Company's shares were transacted on PSX with price variation magnitude of 123.5%, between recorded lowest price at Rs. 47.16 (Dated: September 18, 2017) and highest price at Rs. 96.00 (Dated: May 12, 2017). Factors that contribute to the performance of the Company which in turn reinforce the investor's confidence and interest in the Company include:

## **Cane Support Price**

Sugarcane support price, under the mandate of the Laws of State, is prerogative right with the provincial governments. Any change to the support price, without consulting or securing risks to all stakeholders, disparity in inter-provincial support price of the crop, is directly attributable to the Company's performance.

## **Law and Order Situation**

Company's performance is directly influenced by unfortunate prevailing law and order situation in the Country. Political un-stability, transportation strikes, sit-in protests and hindrance in supply chain negatively affect the Company's operations.

## **Regulations and Government Policies**

Share price of the Company is also sensitive to the changes in policies by the government or by any regulatory authorities, positively or negatively, depending on whether the policy is in favor of or against the industry. Overall performance of the Country's economy under local or global challenges will affect PSX index and ultimately to the share price.

## **Plant Operations**

Smooth and un-interpreted operation of Mills lead to effective capacity utilization by achieving higher volumes of production with minimum wastage of resources. Idle resources may cause inefficiency in operations and enhance the cost of product, adversely affecting the Company's performance.

## **Variation in Variable Cost**

The Company has invested to improve varietal mix of sugarcane in its area of operations, in order to have better recovery eventually lowering the cost of production and by rationing variable costs associated to production. Variations in these costs will negatively affect the gross margins and will resultantly fall in the profitability and EPS of the Company.

## **Goodwill**

The market share price can also vary with the investor sentiments towards the Company which changes very quickly in response to the news and events and also because of investors' following of the general market trend.

# Pattern of Shareholding

As on September 30, 2017

1. Incorporation Number	0002804		
2. Name of the Company	Jauharabad Sugar Mills Limited		
3. Pattern of holding of the shares held by the shareholders as at	30-09-2017		
4. No. of Shareholders	From	To	Total Shares Held
652	1	100	15,855
209	101	500	48,361
79	501	1,000	53,007
112	1,001	5,000	231,964
18	5,001	10,000	119,483
5	10,001	15,000	57,141
4	15,001	20,000	66,043
1	20,001	25,000	22,936
2	25,001	30,000	56,463
1	40,001	45,000	40,603
1	55,001	60,000	55,297
1	60,001	65,000	61,867
2	70,001	75,000	142,382
1	100,001	105,000	103,040
1	165,001	170,000	167,121
1	205,001	210,000	205,519
1	430,001	435,000	431,075
1	445,001	450,000	446,374
1	470,001	475,000	470,753
1	650,001	655,000	653,625
1	785,001	790,000	788,350
1	1,160,001	1,165,000	1,164,897
1	1,625,001	1,630,000	1,638,556
1	2,055,001	2,060,000	2,055,196
1	15,630,001	15,635,000	15,634,856
1099			24,730,764
5. Categories of Shareholders	Share Held	Percentage	
5.1 Directors, Chief Executive Officers, and their spouse and minor children	3,737	0.0555%	
5.2 Associated Companies, undertakings and related parties.	15,737,896	63.6369%	
5.3 NIT and ICP	792,168	3.2032%	
5.4 Banks Development Financial Institutions, Non-Banking Financial Institutions.	3,824	0.0155%	
5.5 Insurance Companies	196,615	0.7950%	
5.6 Modarabas and Mutual Funds	Nil	Nil	
5.7 Share holders holding 10% or more	15,737,896	63.6369%	
5.8 General Public			
a. Local	7,870,647	31.8253%	
b. Foreign	500	0.0020%	
5.9 Others (to be specified)			
a. Investment Companies	2,881	0.0116%	
b. Joint Stock Companies	17,893	0.0724%	
c. Pension Funds	72,073	0.2914%	
d. Government Holding	8,120	0.0328%	
e. Others	11,647	0.0471%	
6. Signature of Company Secretary			
7. Name of Signatory	Imran Ilyas		
8. Designation	Company Secretary		
9. NIC Number			
10. Date			

# Catagories of Shareholding Required Under Code of Corporate Governance (CCG)

As on September 30, 2017

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties:			
1	Cane Processing (Pvt) Ltd.	15,737,896	63.6369%
Mutual Funds (Name Wise Detail):		Nil	Nil
Directors and their Spouse and Minor Chidren (Name Wise Detail):			
1	Mr. Amjad Javed Aftab	2,737	0.0111%
2	Mr. Ghias-Ul-Hasan	5,500	0.0222%
3	Mr. Amjad Bashir Hussain	2,750	0.0111%
4	Mr. Farhan Ilyas (CPL Nominee)	2,750	0.0111%
5	Mr. Jamal Ahmad (CPL Nominee)	Nil	Nil
6	Mr. Shahrukh Taimour (CPL Nominee)	Nil	Nil
7	Mr. Muhammad Aamir Beg (CPL Nominee)	Nil	Nil
Executives:		431,075	1.7431%
Public Sector Companies & Corporations:		Nil	Nil
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		272,512	1.1019%
Shareholders holding five percent or more voting intrest in the listed company:			
1	Cane Processing (Pvt) Ltd.	15,737,896	63.6369%
2	Mrs. Ghazala Amjad (CDC)	2,260,715	9.1413%
3	Mrs. Maryam Ahsan Maqbool	1,638,556	6.6256%
4	Mrs. Isma Ahmed	1,635,650	6.6138%
All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:			
Sr. No.	Name	Sale	Purchase
1	Mr. Amjad Javed Aftab	NIL	2,500

# Statement of Compliance with Code of Corporate Governance

for the year ended September 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) Contained in Regulation No. 5.19 of listing regulations of Pakistan Stock Exchange Limited (PSX) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages the representation of independent, non-executive directors and directors representing minority interests

Category		Names
Independent Directors	i	Mr. Amjad Bashir Hussain
Executive Directors	ii	Mr. Ghias Ul Hasan
Non-Executive Directors	iii	Mr. Amjad Javed Aftab
	iv	Mr. Farhan Ilyas
	v	Mr. Jamal Ahmed
	vi	Mr. Muhammad Aamir Beg
	vii	Mr. Shahrukh Taimour

on its Board of directors. At present the Board includes:

The Independent Directors meet the criteria of independence under clause 5.19.1(b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy was occurred in the Board by resignation of director on January 27, 2017 which was filled by the Directors within the stipulated time.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including the appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/ shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with the agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. During the year four (4) Directors of the Company attended and qualified Directors' Certification Training Programme from an Institute duly approved by SECP for this purpose.
10. During the year, there was no change in the position of Company Secretary, Chief Financial Officer and Head of Internal Audit during the year.
11. The Directors' report for this year has been prepared in compliance

with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members; all of them are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors.
18. The Board has set-up effective internal audit function and personnel involved are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services, except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/ final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Pakistan Stock Exchange.
22. Material/ price sensitive information has been disseminated among all market participants at once through Pakistan Stock Exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in the timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board



Lahore: December 29, 2017

Ghias Ul Hasan  
Chief Executive

# Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (“the Code”) prepared by the Board of Directors (“the Board”) of Jauharabad Sugar Mills Limited (“the Company”) for the year ended September 30, 2017 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of 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 controls covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

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

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

Lahore: December 29, 2017



UHY Hassan Naeem & Co.  
Chartered Accountants  
Ibne Hassan, FCA  
Lahore



# Auditors' Report to the Members

We have audited the annexed statement of financial position of Jauharabad Sugar Mills Limited ("the Company") as at September 30, 2017 and the related statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion,
  - i.) the statement of financial position and statement of comprehensive income together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
  - ii.) the expenditure incurred during the year was for the purpose of the Company's business; and
  - iii.) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion, and to the best of our information and according to the explanations given to us, the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980 (XVIII of 1980).

Lahore  
December 29, 2017



UHY Hassan Naeem & Co.  
Chartered Accountants  
Ibne Hassan, FCA

# Statement of Financial Position

As at September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>Non-current assets</b>			
Fixed assets	6	3,083,098,426	2,786,100,910
Long-term deposits	7	264,000	395,951
		3,083,362,426	2,786,496,861
<b>Current assets</b>			
Stores, spare parts and loose tools	8	60,668,064	64,936,211
Stock-in-trade	9	556,411,054	30,432,460
Loans and advances	10	50,532,771	44,492,986
Trade Debts - unsecured considered good		1,366,352	-
Trade deposits and short term prepayments	11	525,474	8,114,957
Other receivables	12	23,017,216	206,739,717
Tax refunds due from the Government	13	117,868,809	67,412,584
Cash and bank balances	14	27,112,660	19,538,233
		837,502,400	441,667,148
<b>Current liabilities</b>			
Trade and other payables	15	393,179,871	201,864,352
Accrued mark-up	16	16,490,990	475,333
Short term borrowings	17	407,655,600	-
Current portion of long term liabilities	19	9,495,161	4,541,040
Current portion of Lease liabilities	20	464,906	-
Provision for taxation	21	2,107,249	7,483,672
		829,393,777	214,364,397
<b>Working capital employed</b>		<b>8,108,623</b>	<b>227,302,751</b>
		3,091,471,049	3,013,799,612
Contingencies and commitments	18	-	-
<b>Non-current liabilities</b>			
Long term finances	19	158,663,256	32,644,519
Lease liabilities against assets subject to finance lease	20	638,565	-
Long term advances	23	115,000,000	115,000,000
Long term provision	24	1,309,000	1,309,000
Deferred taxation	25	247,816,628	216,394,437
		523,427,449	365,347,956
<b>Net capital employed</b>		<b>2,568,043,600</b>	<b>2,648,451,656</b>
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Share capital	26	247,307,640	109,097,970
Capital reserve - premium		466,379,523	26,879,210
Loan from sponsors	22	444,871,443	1,123,935,384
Revenue reserves :			
- General reserve		-	62,000,000
-Accumulated profits		74,292,448	(39,696,504)
		74,292,448	22,303,496
<b>Revaluation surplus on property, plant and equipment - net of tax</b>	27	<b>1,335,192,546</b>	<b>1,366,235,596</b>
		2,568,043,600	2,648,451,656

The annexed notes 1 to 45 form an integral part of these financial statements.



Ghias ul Hasan  
Chief Executive Officer



Amjad Bashir Hussain  
Director

Lahore  
December 29, 2017

# Profit & Loss Account

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
Sales - net	28	2,581,987,414	2,094,651,482
Cost of sales	29	2,281,868,379	1,888,218,218
Gross profit		300,119,035	206,433,264
Operating expenses:			
Distribution cost	30	9,034,707	7,291,667
Administrative expenses	31	107,248,842	82,440,649
		(116,283,549)	(89,732,316)
Operating profit		183,835,486	116,700,948
Finance cost	32	(124,441,520)	(53,626,365)
Other income	33	5,098,009	18,961,537
Profit before taxation		64,491,975	82,036,120
Taxation	34	(32,636,276)	23,961,226
Profit after taxation		31,855,699	105,997,346
Earning per share - basic and diluted	35	1.87	6.21

# Statement of Comprehensive Income

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
Profit after taxation		31,855,699	105,997,346
Other comprehensive income for the year			
Items that will never be reclassified to comprehensive income			
Incremental depreciation for the year		31,043,050	26,356,799
<b>Total comprehensive income for the year</b>		<b>62,898,749</b>	<b>132,354,145</b>

The annexed notes 1 to 45 form an integral part of these financial statements

Lahore  
December 29, 2017

  
Ghias ul Hasan  
Chief Executive Officer

  
Amjad Bashir Hussain  
Director

# Statement of Cash Flow

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>Cash flow from operating activities</b>			
Profit before taxation		64,491,975	82,036,120
Adjustments for:			
Depreciation	6.1.1	103,396,043	88,551,096
Balances written off		(7,640,035)	(20,220,939)
Commission written off		-	(20,000)
Gain on foreign currency transaction		-	(299,278)
Provision for WPPF		3,394,314	4,317,691
Finance cost	32	124,441,520	53,626,365
(Gain) / loss on disposal of property, plant and equipment	6.1.3	(340,021)	-
		223,251,821	125,954,935
<b>Operating profit before working capital changes</b>		<b>287,743,796</b>	<b>207,991,055</b>
<b>Working capital changes</b>			
Stores, spare parts and loose tools		4,268,147	13,111,230
Stock-in-trade		(525,978,594)	28,655,469
Loans and advances		(6,141,885)	(224,650)
Trade debts		12,230,676	116,517,826
Trade deposits and short term prepayments		1,095,083	(851,747)
Other receivables		183,722,501	(183,867,345)
Trade and other payables		105,061,968	(56,551,517)
		(225,742,104)	(83,210,734)
<b>Cash generated from operations</b>		<b>62,001,692</b>	<b>124,780,321</b>
Tax paid		(50,456,225)	(16,391,822)
WPPF Paid		(4,319,459)	(329,093)
Dividend paid		(10,719,513)	-
Finance cost paid		(110,489,028)	(66,067,991)
		(175,984,225)	(82,788,906)
<b>Net cash generated from/ (used in) operating activities</b>		<b>(113,982,533)</b>	<b>41,991,415</b>
<b>Cash flow from investing activities</b>			
Addition in property, plant and equipment		(398,503,371)	(106,496,540)
Sale proceeds on disposal of property, plant and equipment		2,435,250	-
Long term deposits		-	57,860
<b>Net cash used in investing activities</b>		<b>(396,068,121)</b>	<b>(106,438,680)</b>
<b>Cash flow from financing activities</b>			
Long term finances		130,972,858	11,011,687
Short term investments		-	15,000,000
Short term borrowings		407,655,600	(197,407,861)
Lease rentals paid		(818,781)	-
Sponsors' loan		(20,184,596)	221,118,911
<b>Net cash generated from financing activities</b>		<b>517,625,081</b>	<b>49,722,737</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>7,574,427</b>	<b>(14,724,528)</b>
Cash and cash equivalents at beginning of the year		19,538,233	34,262,761
<b>Cash and cash equivalents at end of the year</b>	14	<b>27,112,660</b>	<b>19,538,233</b>

The annexed notes 1 to 45 form an integral part of these financial statements.

# Statement of Changes in Equity

For the year ended September 30, 2017

	Share Capital	Share premium	General reserve	Share deposit money	Revaluation surplus	Accumulated profits	Loan from sponsors	Total
	Rupees							
Balance as on October 01, 2015	109,097,970	26,879,210	62,000,000	577,710,218	1,049,736,097	(172,050,649)	325,106,255	1,978,479,101
Loan provided during the year	-	-	-	-	-	-	442,059,800	442,059,800
Repayments made during the year	-	-	-	-	-	-	(220,940,889)	(220,940,889)
Share deposit money	-	-	-	(577,710,218)	-	-	577,710,218	-
Addition/(deletion) in revaluation surplus	-	-	-	-	342,856,298	-	-	342,856,298
Incremental depreciation for the year	-	-	-	-	(26,356,799)	-	-	(26,356,799)
Total comprehensive income for the year	-	-	-	-	-	132,354,145	-	132,354,145
<b>Balance as on September 30, 2016</b>	<b>109,097,970</b>	<b>26,879,210</b>	<b>62,000,000</b>	<b>-</b>	<b>1,366,235,596</b>	<b>(39,696,504)</b>	<b>1,123,935,384</b>	<b>2,648,451,656</b>
Balance as on October 01, 2016	109,097,970	26,879,210	62,000,000	-	1,366,235,596	(39,696,504)	1,123,935,384	2,648,451,656
Payments made during the year	-	-	-	-	-	-	(4,862,848)	(4,862,848)
Transfer to short term loan	-	-	-	-	-	-	(96,491,110)	(96,491,110)
Loan converted into shares at premium	115,727,160	461,982,823	-	-	-	-	(577,709,983)	-
Issuance of 10% bonus shares	22,482,510	(22,482,510)	-	-	-	-	-	-
Transfer from general reserves	-	-	(62,000,000)	-	-	62,000,000	-	-
10% Cash dividend	-	-	-	-	-	(10,909,797)	-	(10,909,797)
Incremental depreciation for the year	-	-	-	-	(31,043,050)	-	-	(31,043,050)
Total comprehensive income for the year	-	-	-	-	-	62,898,749	-	62,898,749
<b>Balance as on September 30, 2017</b>	<b>247,307,640</b>	<b>466,379,523</b>	<b>-</b>	<b>-</b>	<b>1,335,192,546</b>	<b>74,292,448</b>	<b>444,871,443</b>	<b>2,568,043,600</b>

The annexed notes 1 to 45 form an integral part of these financial statements.



Ghias ul Hasan  
Chief Executive Officer



Amjad Bashir Hussain  
Director

# Notes to the Financial Statements

For the year ended September 2017

## 1 Reporting entity

Jauharabad Sugar Mills Limited "the Company" (formerly known as Kohinoor Sugar Mills Limited) was incorporated in Pakistan in 1968 under the repealed Companies Act 1913 (now Companies Ordinance, 1984). The shares of the Company are listed on the Pakistan Stock Exchanges. The registered office of the Company is situated at 109-A, Street No.3, Cavalry Ground, Lahore Cantt., and the mill is located at Jauharabad, District Khushab, Pakistan. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

## 2 Basis of preparation

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved Accounting Standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or the directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

### 2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for freehold land, building and plant & machinery which is stated at revalued amount.

The Company's significant accounting policies are stated in note 5. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

#### Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and the impairment.

#### Taxation

The Company takes into account the current income tax law and decisions taken by the taxation authorities. Instances where the Company's view differs from the views taken by the Income Tax Department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

#### Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

Other areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows.

- Estimation of net realizable value
- Computation of deferred taxation
- Disclosure of contingencies

## 3 Use of estimates and judgements

The preparation of unconsolidated financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on

# Notes to the Financial Statements

For the year ended September 2017

historical experience and various other factors that are believed to be reasonable under circumstances, and the results of which form the basis for making judgment about carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions 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 future periods if the revision affects both current and future periods.

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

## 3.1 Property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

## 3.2 Stores, spare parts and loose tools

The Company reviews the stores, spare parts and loose tools for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of stores, spare parts and loose tools with a corresponding effect on the provision.

## 3.3 Stock-in-trade

The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

## 3.4 Provision for doubtful debts, advances and other receivables

The Company reviews the recoverability of its trade debts, advances and other receivables to assess amount of bad debts and provision required there against on annual basis.

## 3.5 Provisions and contingencies

The Company reviews the status of all pending litigations and claims against the Company. Based on its judgment and the advice of the legal advisors for the estimated financial outcome, appropriate disclosure or provision is made. The actual outcome of these litigations and claims can have an effect on the carrying amounts of the liabilities recognized at the balance sheet date.

## 4 New standards, amendments to approved accounting standards and new interpretations

Standards and amendments to approved accounting standards which became effective during the year ended September 30, 2017:

- 4.1 There were certain new standards and amendments to the approved accounting standards which became effective during the period but are considered not to be relevant or having significant effect on the Company's operations and are, therefore, not disclosed in these financial statements.

Amendments to approved accounting standards that are effective for the company's accounting periods beginning after October 1, 2016:

- 4.2 There are certain new amendments to the approved accounting standards that are mandatory for the company's accounting period beginning after October 1, 2016 but are considered not to be relevant or are not expected to have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

## 5 Significant accounting policies

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



# Notes to the Financial Statements

For the year ended September 2017

## 5.1 [Change in accounting policy](#)

Pursuant to the early adoption of Technical Release 32 "Accounting Directors' Loan" (TR-32) issued by the Institute of Chartered Accountants of Pakistan (ICAP) dated 25 January 2016. The company has changed its accounting policy relating to the interest free loan received from directors, shareholders and owners. As per clause 3.3.1 of TR-32 "A Loan to an entity by the director which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently remeasured. The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity." The effect of change in accounting policy has been applied retrospectively as described in note 21.

## 5.2 [Staff retirement benefits](#) [Defined contribution plan](#)

The Company operates a defined contribution provident fund scheme (the Fund) for its permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10% of basic salary. The Company's contribution is charged to the statement of comprehensive income.

## 5.3 [Taxation](#)

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or below equity, in which case it is recognized in equity or below equity respectively.

### [Current](#)

Provision for current taxation is based on taxable income, as adjusted for tax purposes, at the current rate of tax after taking into account all tax credits, rebates and available tax losses determined in accordance with prevailing tax laws. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments made during the year for such years.

### [Deferred](#)

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

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses and tax credits to the extent that it is probable that future taxable profits will be available against which deferred tax asset can be utilized, except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability that, at the time of transaction, affects neither the accounting nor taxable profits.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax asset and liability is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

## 5.4 [Property, plant and equipment - owned](#) [Recognition](#)

Property, plant and equipment except for freehold land, buildings, plant and machinery are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land, buildings, plant and machinery are stated at revalued amount. Cost of tangible assets consists of historical cost pertaining to erection / construction period and other directly attributable cost of bringing the asset to working condition.

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

# Notes to the Financial Statements

For the year ended September 2017

## Depreciation

Depreciation on all items of property, plant and equipment except for freehold land is charged to income applying the reducing balance method so as to write off the historical cost/revalued amounts of an asset over its estimated useful life at the rates as disclosed in note 6. Depreciation on addition is charged from the date the asset is available for use and on disposal up to date when the asset is derecognized.

## Derecognition

An item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on Derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of comprehensive income for the year, when the asset is derecognized.

## 5.5 Accounting for leases and assets subject to finance lease

### 5.5.1 Finance lease

#### Recognition

Leases where the Company has acquired substantially all the risks and rewards of ownership are classified as finance lease. Assets subject to finance lease are initially recognized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease. Subsequently these assets are stated at cost less accumulated depreciation and any identified impairment loss. The related rental obligations, net off finance cost, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and non current depending upon the timing of payments.

#### Financial charges

Lease payments are allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to income over the lease term.

#### Depreciation

Assets acquired under a finance lease are depreciated in the same manner and at the same rates used for similar owned assets, so as to depreciate these assets over their estimated useful lives in view of certainty of ownership of these assets at the end of lease term. Depreciation of the leased assets is charged to income.

#### Deferred income

Income arising from sale and lease back transaction, if any, which results in finance lease, is deferred and amortized equally over the lease period.

### 5.5.2 Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease.

## 5.6 Capital work-in-progress

Capital work in progress is stated at cost less any identified impairment losses. Transfers are made to relevant fixed assets category as and when assets are available for use.

## 5.7 Impairment

### Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A

# Notes to the Financial Statements

For the year ended September 2017

financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

## Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

### 5.8 Stores, spare parts and loose tools

These are valued at lower of cost and net realizable value. Cost is determined at average running cost. Items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges incurred thereon. Cost is determined at average running cost.

### 5.9 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except Molasses and Bagasse which is valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labor and appropriate manufacturing overheads. NRV represents the estimated selling price less cost necessarily to be incurred for such sale. Cost is determined as follows;

Work-in-process	: At estimated cost.
Finished goods - sugar	: Lower of weighted average cost and net realizable value

### 5.10 Revenue recognition

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of discounts and applicable taxes. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing involvement of management with the goods and the amount of revenue can be measured reliably.

- Sale of goods is recorded when significant risks and rewards of ownership are transferred to the customer;
- Revenue from the sale of electricity is recognized on transmission of electricity;
- Interest and rental income are recognized on accrual basis;
- Dividend income is recognized when the Company's right to receive the dividend is established; and
- Sale of scrap is recognized on actual realization basis.

### 5.11 Borrowings and borrowing costs

Borrowings are recorded at the proceeds received. Finance costs are accounted for on an accrual basis and are included in current liabilities to the extent of the amount remaining unpaid.

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of the borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs are capitalized as part of the cost of that asset up to the date of its commissioning.

### 5.12 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of past event, and it is probable that an out flow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### 5.13 Trade debts and other receivables

Trade debts originated by the Company are recognized and carried at original invoice value less any allowance for uncollectible amounts. An estimated provision for doubtful debts is made when there is objective

# Notes to the Financial Statements

For the year ended September 2017

evidence that collection of the full amount is no longer probable. The amount of provision is charged to income. Bad debts are written off as incurred. Other receivables are stated at amortized cost. Known impaired receivables are written off, while receivables considered doubtful are provided for.

## 5.14 Trade and other payables

Liabilities of trade and other amounts payable are carried 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.

## 5.15 Dividend

The dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

## 5.16 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and derecognized when the Company loses control of contractual rights that comprise the financial assets and in case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the statement of comprehensive income for the year.

All financial assets and financial liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

## 5.17 Offsetting of financial assets and liabilities

A financial asset and financial liability is 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 the liabilities simultaneously.

## 5.18 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand and bank balances.

## 5.19 Foreign currencies transactions

Monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange prevailing at the balance sheet date, except those covered by forward contracts, which are stated at contracted rates. Foreign currency transactions are translated into Pak Rupees at the rates prevailing at the date of transaction except for those covered by forward contracts, which are translated at contracted rates. Non monetary items are translated into Pak Rupee on the date of transaction or on the date when fair values are determined. Exchange differences are included in income currently.

## 5.20 Investments

Investment in subsidiary company is measured at cost in the Company's separate financial statements, as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense.

## 5.21 Related party transactions

All transactions with related parties are carried out as arms' length transactions by the Company using the methods prescribed under the Companies Ordinance, 1984.

## 5.22 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

# Notes to the Financial Statements

For the year ended September 2017

	Note	2017 Rupees	2016 Rupees
6 Fixed assets			
Property, plant and equipment	6.1	2,782,194,554	2,731,855,625
Capital work-in-progress	6.2	300,903,872	54,245,285
		3,083,098,426	2,786,100,910

## 6.1 Property, plant & equipment

Particulars	Owned assets							Leased assets		Grand total
	Freehold land	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture	Office equipment	Vehicles	Intangibles	Vehicles	
------(Rupees)-----										
<b>Cost</b>										
Balance at October 01, 2015	677,029,316	248,770,636	1,758,664,115	10,177,778	7,790,535	6,131,308	28,273,471	1,100,000	-	2,737,937,159
Additions	-	18,941,173	40,700,446	-	519,250	3,126,196	2,061,076	-	-	65,348,141
Transfer	-	-	320,234,684	-	-	-	-	-	-	320,234,684
Revaluation surplus	140,838,684	22,237,710	270,541,440	-	-	-	-	-	-	433,617,834
Balance at September 30, 2016	817,868,000	289,949,519	2,390,140,685	10,177,778	8,309,785	9,257,504	30,334,547	1,100,000	-	3,557,137,818
Balance at October 01, 2016	817,868,000	289,949,519	2,390,140,685	10,177,778	8,309,785	9,257,504	30,334,547	1,100,000	-	3,557,137,818
Additions	-	19,859,289	91,856,805	-	631,658	990,313	30,927,915	-	1,853,223	146,119,203
Transfer	-	-	9,710,999	-	-	-	-	-	-	9,710,999
Disposal	-	-	-	-	-	-	(3,162,590)	-	-	(3,162,590)
Balance at September 30, 2017	817,868,000	309,808,808	2,491,708,489	10,177,778	8,941,443	10,247,817	58,099,872	1,100,000	1,853,223	3,709,805,430
<b>Depreciation</b>										
Balance at October 01, 2015	-	103,333,003	552,896,577	7,761,603	4,464,710	2,795,252	13,424,664	-	-	684,675,809
for the year	-	8,069,436	76,107,726	230,845	342,926	464,221	3,023,111	312,831	-	88,551,096
Transfer	-	-	52,055,288	-	-	-	-	-	-	52,055,288
Balance at September 30, 2016	-	111,402,439	681,059,591	7,992,448	4,807,636	3,259,473	16,447,775	312,831	-	825,282,193
Balance at October 01, 2016	-	111,402,439	681,059,591	7,992,448	4,807,636	3,259,473	16,447,775	312,831	-	825,282,193
for the year	-	9,372,953	87,006,530	208,790	363,622	610,174	5,299,716	223,864	310,394	103,396,043
Disposal	-	-	-	-	-	-	(1,067,360)	-	-	(1,067,360)
Balance at September 30, 2017	-	120,775,392	768,066,121	8,201,238	5,171,258	3,869,647	20,680,131	536,695	310,394	927,610,876
Carrying value 2016	817,868,000	178,547,080	1,709,081,094	2,185,330	3,502,149	5,998,031	13,886,772	787,169	-	2,731,855,625
Carrying value 2017	817,868,000	189,033,416	1,723,642,368	1,976,540	3,770,185	6,378,170	37,419,741	563,305	1,542,829	2,782,194,554
Rates of depreciation %	0%	5%	5%	10%	10%	10%	20%	33%	20%	

# Notes to the Financial Statements

For the year ended September 30, 2017

6.1.1 Depreciation for the year has been allocated as under:

	Note	2017 Rupees	2016 Rupees
Cost of sales	29	101,328,122	86,780,074
Administrative expenses	31	2,067,921	1,771,022
		103,396,043	88,551,096

6.1.2 Plant and machinery includes mark up capitalized amounting to Rs. 3,349,038/-.

6.1.3 Disposal of property, plant and equipment

Particulars	Cost	Net Book Value	Sale proceeds	Gain/ (loss) on proceeds	Name of purchaser
Toyota Grande (LEE-15-3740)	2,381,340	1,577,648	2,200,000	622,352	Toyota Motors
Honda City (LED-08-5031)	781,250	517,582	235,251	(282,331)	Jamal Ahmed
2017	3,162,590	2,095,230	2,435,251	340,021	
2016	-	-	-	-	

6.1.4 The value of labor colony land at Jauharabad acquired from Housing and Physical Planning Department (PHATA), Jauharabad has not yet been settled. The estimated liability on this account amounting to Rs.1,309,000 is duly accounted for in books of accounts of the Company (see Note 24).

6.1.5 If the freehold land, building and plant and machinery were measured using the cost model, the carrying amount would be as follows:

Particulars	Cost	Accumulated depreciation	Net book value
2017		(Rupees)	
Freehold land	1,648,310	-	1,648,310
Building on freehold land	200,040,336	89,719,602	110,320,734
Plant and machinery	1,516,310,297	638,017,913	878,292,384
	1,717,998,943	727,737,515	990,261,428
2016			
Freehold land	1,648,310	-	1,648,310
Building on freehold land	180,181,047	83,913,248	96,267,799
Plant and machinery	1,414,742,493	591,791,998	822,950,495
	1,596,571,850	675,705,246	920,866,604

## 6.2 Capital work-in-progress

This cost incurred at BMR program of the Company in previous year and transferred to fixed assets as follows:

Description	Opening balance	Additions during the year	Transferred to / (from)	Closing balance
			(Rupees)	
Plant and machinery	1,863,861	190,818,333	42,670,425	235,352,619
Advances for Capital expenditure	52,381,424	65,551,253	(52,381,424)	65,551,253
	54,245,285	256,369,586	(9,710,999)	300,903,872

6.2.1 Capital work in progress includes mark up capitalized amounting to Rs. 8,585,591 and Rs. 130,582 in plant and machinery and advances for capital expenditure, respectively.

6.2.2 Advances for capital expenditure relates to the purchase of plant and equipment.

## 7 Long-term deposits

This represents interest free deposits for provision of utilities at plant and security to landlord of head office and are refundable on disconnection of services.

# Notes to the Financial Statements

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>8 Stores, spare parts and loose tools</b>			
Stores		27,336,656	28,697,812
Spare parts		31,509,335	34,541,647
Loose tools		1,822,073	1,696,752
		<b>60,668,064</b>	<b>64,936,211</b>
<b>9 Stock-in-trade</b>			
Work in process		1,958,426	1,999,238
Finished goods	9.1	554,452,628	28,433,222
		<b>556,411,054</b>	<b>30,432,460</b>
9.1 Finished goods are pledged against short term borrowing from various banks.			
<b>10 Loans and advances</b>			
Advances to suppliers		24,751,427	17,522,395
Advances to employees		6,253,494	4,985,373
Agricultural loan	10.1	7,560,026	7,966,145
Others	10.2	655,305	643,705
L.C deposit	10.3	11,312,519	13,375,368
		<b>50,532,771</b>	<b>44,492,986</b>
10.1 This represents interest free advances to sugarcane growers, which are adjustable against sugarcane supply by them.			
10.2 This represent amount receivable from Radiant Power (Pvt.) limited on account of incorporation expenses.			
10.3 This comprises deposits against L.C for fixed assets of Rs.3.90 million and consumables of Rs.7.41million.			
<b>11 Trade deposits and short term prepayments</b>			
Prepaid expenses		525,474	1,620,557
TCP deposit	11.1	-	6,494,400
		<b>525,474</b>	<b>8,114,957</b>
11.1 This represents deposit with Trading Corporation of Pakistan (TCP). The amount was written off during the year.			
<b>12 Other receivables - unsecured considered good</b>			
Excise duty recoverable	12.1	10,500,922	10,500,922
Export fund refund	12.2	2,746,250	2,746,250
Special excise duty refundable	12.3	505,200	505,200
Rebate receivable on export of sugar	12.4	-	183,722,500
Others	12.5	9,264,844	9,264,845
		<b>23,017,216</b>	<b>206,739,717</b>

12.1 This represents refund allowed by the Central Excise Appellate Tribunal, Lahore, in the light of criteria set up by the Supreme Court of Pakistan, against Central Excise Duty paid during the season 1988-89.

12.2 This represents relief granted by the Lahore High Court against previous years' demand.

12.3 This represents an amount paid under protest as 1% Special Excise Duty on the goods manufactured prior to Finance Bill 2007, whereas it was leviable on goods manufactured/ imported from July-01,2007, vide Circular No. 1(3) Fed 2007 dated 28th August, 2007.

12.4 This represents rebate receivable from Government against export of sugar.

12.5 This represents sales tax amount recoverable from customers against sale of goods.

# Notes to the Financial Statements

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>13 Tax refunds due from the Government</b>			
Opening balance		67,412,584	51,020,762
Add: Tax deducted during the year		50,456,225	16,391,822
		<u>117,868,809</u>	<u>67,412,584</u>
13.1 The assessments of the Company have been completed for and up to financial year ended on September 30, 2016.			
<b>14 Cash and bank balances</b>			
Cash in hand		293,525	217,567
Cash at banks - saving accounts	14.1	79,577	25,163
Cash at banks - current accounts		26,739,558	19,295,503
		<u>27,112,660</u>	<u>19,538,233</u>
14.1 The balances in saving accounts carry markup at 2.55% per annum (2016: Rs.2.75%).			
<b>15 Trade and other payables</b>			
Creditors		15,842,139	26,595,434
Salaries and wages payable		11,388,259	11,968,159
Accrued liabilities		2,231,688	4,200,375
Advances from customers	15.1	199,111,371	115,051,239
Income tax deducted at source		69,648	323,204
Income tax payable	15.2	6,590,508	-
Sugarcane cess payable	15.3	3,001,109	3,001,109
Sales tax payable	15.4	40,174,325	5,910,582
Security deposit		698,868	1,176,795
Unclaimed dividend		797,754	607,470
Workers' profit participation fund (WPPF)		3,439,840	4,364,985
Other loans from sponsors	15.5	109,834,362	28,665,000
		<u>393,179,871</u>	<u>201,864,352</u>
15.1 This represents advances received from customers for molasses/sugar sales.			
15.2 This represents income tax liability related to tax year 2011 created vide order of learned Deputy Commissioner Inland Revenue.			
15.3 This represents sugarcane cess demanded by Cane Commissioner, Lahore against sugarcane purchased from KPK.			
15.4 This includes Sales Tax payable for the month of September, 2017 and provision against pending cases of sales tax for the year 1999-2000 amounting to Rs.37.84 million Rs.3.44 million respectively.			
15.5 This represents short term loan from sponsor which includes interest bearing and non interest bearing loans.			
<b>16 Accrued mark-up</b>			
Accrued mark-up on:			
- Long term finances		3,486,773	475,333
- Short term borrowings		13,004,217	-
		<u>16,490,990</u>	<u>475,333</u>
<b>17 Short term borrowings - secured</b>			
	Sanction limit 'Million'		
Mark-up based borrowings from conventional banks			
Cash finance	1600	17.1	332,000,000
Islamic mode of financing			-
Morabaha finances	1000	17.2	75,655,600
	2600		<u>407,655,600</u>



# Notes to the Financial Statements

For the year ended September 30, 2017

17.1 These facilities have been obtained from various conventional banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the company, pledge of sugar stock and personal guarantees of sponsors and corporate guarantee of Cane Processing (Pvt.) Limited. These facilities carry mark-up at the rates ranging from matching Kibor+2% to matching Kibor+3% per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs. 1.600 Billion (2016: Rs. 0.700 Billion).

17.2 These facilities have been obtained from various islamic banks to meet working capital requirements and are secured by charge over current and future assets (fixed and current) of the company, pledge of sugar stock, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing (Pvt.) Limited.

These facilities carry mark-up at the rates ranging from matching Kibor+2% to matching Kibor+3% per annum payable quarterly.

The aggregate available short term funded facilities amounting to Rs.1.000 Billion (2016: Rs. 0.850 Billion).

## 18 Contingencies and commitments

### 18.1 Contingencies

The followings are known contingencies as on September 30, 2017

18.1.1 Since Federal Excise Duty (FED) is leviable on goods produced or manufactured, therefore FED is not leviable on sale of sugar produced prior to the Finance Bill 2011. Hence FED amounting to Rs. 58.881 million has not been accounted for in these financial statements. The Company has filed a writ petition in the Honorable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.881 million.

18.1.2 The Income Tax Department raised a demand of Rs. 197.075 million on account of non deduction of tax while making payment to sugar cane suppliers. The demand was abolished by the Commissioner of income tax like in some other similar cases. However, the department has filed an appeal against the Commissioner's order. The company is hopeful that the tribunal decision would be in its favor.

18.1.3 The company has filed a writ petition against the amendments of finance act 2014 on "Alternate Corporate taxes", implication on tax year 2013 of company against which a demand of Rs. 50.262 million has been established, the said amendments would not be implemented as the income realized was before the said amendments, amendments become applicable after July 1, 2014.

18.1.4 The company has filed an appeal and stay application before Commissioner Inland Revenue (Appeals-I) against demand of Rs. 82,161,816 created by Assistant Commissioner Inland Revenue vide order under section 161(1A)/205(3) which is still pending for adjudication.

### 18.2 Commitments

18.2.1 Commitments in respect of capital expenditure at the year end is Rs. 22.720 million (2016: Rs. 67.296 million).

## 19 Long term finances - secured

	Note	2017 Rupees	2016 Rupees
Faysal Bank Limited		-	4,541,040
Albaraka Bank Pakistan Limited	19.1	168,158,417	32,644,519
Less: Current portion		9,495,161	4,541,040
		158,663,256	32,644,519

19.1 This represents long term loan against sanction DM facility of Rs. 150 Million obtained from Albaraka Bank Pakistan Limited for power plant and carries mark-up at the rate of 3 months KIBOR plus 3% and mark-up is payable on quarterly basis. The said loan is secured against:

- ABPL's exclusive charge over DM assets amounting to Rs.150 Million (including power plant and allied parts, accessories, erections, civil construction etc to be registered with SECP).
- Lien over import documents.

The loan was to be repaid on quarterly basis within 3 years after commissioning of power plant.

# Notes to the Financial Statements

For the year ended September 30, 2017

This also includes long term loan against sanctioned DM facility of Rs. 45 Million obtained from Albaraka Bank Pakistan Limited for import of machinery and carries mark-up at the rate of 3 months KIBOR plus 3% and mark-up is payable on quarterly basis. The said loan is secured against:

- i) Lien over import documents.
- ii) 20% Equity contribution for DM.

The loan is to be repaid on quarterly basis as per schedule.

## 20 Liabilities against assets subject to finance lease

	Minimum lease payments	Finance cost for future periods	Present value
Not later than one year	539,880	74,974	464,906
Later than one year	674,850	36,285	638,565
	<b>1,214,730</b>	<b>111,259</b>	<b>1,103,471</b>

20.1 The Company has entered into lease agreement with financial institution for vehicle. Lease rentals are payable on monthly basis and includes finance cost at the rate of three months Kibor plus 2.25 bps per annum (2016: Nil) which has been used as discounting factor. The Company has the option to purchase the assets upon completion of lease period and has the intention to exercise such option.

## 21 Provision for taxation

	Note	2017 Rupees	2016 Rupees
Balance at beginning of the year		7,483,672	-
Add: Provision for the year		2,107,249	7,483,672
		9,590,921	7,483,672
Less: Prior year adjustments/ payments		(7,483,672)	-
Balance at end of the year	21.1	2,107,249	7,483,672

21.1 Provision for current tax is calculated as per provisions of Income Tax Ordinance, 2001 at the current rates.

## 22 Loan from sponsors

Loan from sponsors	444,871,443	1,123,935,384
--------------------	-------------	---------------

22.1 This represents interest free loans provided to the Company by its Shareholders. These loans are agreed to be repayable at the Company's discretion which is intended to be exercised by the Company after 30th September 2018. In the absence of specific guidance available, the Company had recognized these loans at face value. However, Institute of Chartered Accountants of Pakistan (ICAP) issued Technical Release 32 "Accounting Directors' Loans" (TR-32) on 25th January 2016 which provides specific guidance on Directors' loans that are interest free and repayable at the discretion of the entity. The Company has early adopted (TR-32) and has accounted for these loans accordingly.

As a result of specific guidance under (TR-32) the company recognized loan from sponsors amounting to Rs. 444.871 million (2016: Rs. 1,123.94 million) as at 30th September 2017. During the year the company issued 11,572,716 shares at premium of Rs. 39.92 per share to sponsors.

## 23 Long term advances - unsecured

This represents interest free unsecured advances received from customers which are adjustable against sales after September 30, 2018.

## 24 Long term provision

This represents labor colony land at Jauharabad against which a case is pending with Housing and Physical Planning Department (PHATA), Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2018.

# Notes to the Financial Statements

For the year ended September 30, 2017

## 25 Deferred taxation

	2017 Rupees	2016 Rupees
Accelerated tax depreciation	138,640,436	139,502,781
Tax credits / losses	(150,077,647)	(195,666,347)
Surplus on revaluation of related assets	259,253,839	272,558,003
	247,816,628	216,394,437

## 26 Share capital

2017 ------(Number)-----	2016		2017 ------(Rupees)-----	2016
<b>26.1 Authorized share capital</b>				
70,000,000	70,000,000	Ordinary shares of Rs. 10/- each	700,000,000	700,000,000
<b>26.2 Issued, subscribed and paid-up capital</b>				
873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each	8,731,800	8,731,800
125,008	125,008	Shares issued for cash of Rs. 10 each	1,250,080	1,250,080
4,254,210	2,005,959	Shares issued as fully paid bonus shares of Rs. 10/- each	42,542,100	20,059,590
7,905,650	7,905,650	Right shares of Rs. 10/- each	79,056,500	79,056,500
11,572,716	-	Issue of shares against loan from sponsors	115,727,160	-
24,730,764	10,909,797		247,307,640	109,097,970

## 27 Revaluation surplus on property, plant and equipment - net of tax

Land	816,219,690	816,219,690
Buildings	100,592,998	100,592,998
Plant and machinery	855,042,404	855,042,404
	1,771,855,092	1,771,855,092
Less : Accumulated incremental depreciation	(177,408,707)	(133,061,493)
	1,594,446,385	1,638,793,599
Less: Deferred tax liability		
Opening balance	272,558,003	193,637,927
Addition during the year	-	90,761,536
Tax on incremental depreciation for the year	(13,304,164)	(11,841,460)
	259,253,839	272,558,003
	1,335,192,546	1,366,235,596

## 28 Sales - net

Sugar - local	2,292,974,982	1,061,268,754
Sugar - export	210,704,815	955,132,061
	2,503,679,797	2,016,400,815
Molasses	215,067,659	109,529,497
Mud	3,606,375	480,097
Bagasse	119,432,893	61,670,010
	2,841,786,724	2,188,080,419
Less:		
Federal excise duty	227,553,900	82,170,553
Sales tax	28,877,410	9,546,664
Commission on sale	3,368,000	1,711,720
	259,799,310	93,428,937
	2,581,987,414	2,094,651,482

# Notes to the Financial Statements

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>29 Cost of sales</b>			
Cost of sugarcane purchased and consumed		2,490,878,285	1,604,215,822
Salaries, wages and benefits	29.1	99,052,018	75,325,299
Chemicals and stores consumed		24,621,852	21,683,807
Packing material		17,607,752	13,080,586
Fuel		44,508	843,727
Power		9,042,002	8,712,015
Repairs and maintenance		47,273,537	32,719,655
Workers' welfare		3,870,227	3,112,427
Insurance		1,986,471	1,738,178
Depreciation	6.1.1	101,328,122	86,780,074
Other factory expenses		12,142,198	11,351,159
		<b>2,807,846,972</b>	<b>1,859,562,749</b>
Opening work-in-process		1,999,239	2,565,381
Closing work-in-process		(1,958,426)	(1,999,238)
		40,813	566,143
Cost of goods manufactured		<b>2,807,887,785</b>	<b>1,860,128,892</b>
Opening stock of finished goods		28,433,222	56,522,548
Closing stock of finished goods		(554,452,628)	(28,433,222)
		(526,019,406)	28,089,326
		<b>2,281,868,379</b>	<b>1,888,218,218</b>

29.1 This includes a sum of Rs. 992,734 (2016: Rs. 763,840) relating to retirement benefits.

## 30 Distribution cost

Salaries, wages and benefits	30.1	6,723,162	5,164,915
Communication		170,209	142,398
Vehicles running and maintenance		192,650	167,290
General charges		1,948,686	1,817,064
		<b>9,034,707</b>	<b>7,291,667</b>

30.1 This includes a sum of Rs. 70,910 (2016: Rs. 46,988) relating to retirement benefits.

# Notes to the Financial Statements

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>31 Administrative expenses</b>			
Salaries, wages and other benefits	31.1	77,054,189	59,072,803
Staff welfare		3,903,209	2,426,117
Legal and professional charges		5,492,751	4,412,168
Rent, rate and taxes		4,160,227	2,972,283
Fuel and power		806,434	890,774
Vehicles running and maintenance		2,800,225	1,985,550
Travelling and conveyance		1,076,337	1,071,462
Printing and stationery		1,327,779	792,107
Telecommunication		577,220	441,979
Repair and maintenance		262,597	94,785
Postage and telegrams		239,467	154,003
Advertisement		369,035	107,550
Auditors' remuneration	31.2	1,513,000	1,469,250
Charity and donations	31.3	1,678,624	444,500
Depreciation	6.1.1	2,067,921	1,771,022
Insurance		3,313,105	2,464,208
Miscellaneous		606,722	1,870,088
		<b>107,248,842</b>	<b>82,440,649</b>

31.1 This includes a sum of Rs. 709,096 (2016: 540,366) relating to retirement benefits.

## 31.2 Auditors' remuneration

Annual audit fee	400,000	400,000
Half yearly review	63,000	63,000
Tax consultancy fee	1,050,000	1,006,250
	<b>1,513,000</b>	<b>1,469,250</b>

31.3 The Company's directors or their spouses have no interest in any donation.

## 32 Finance cost

Mark-up on long term finances	121,131	1,382,830
Mark-up on short term borrowings	117,875,887	45,749,231
Bank commission on exports	1,329,248	3,177,092
Bank charges	5,115,254	3,317,212
	<b>124,441,520</b>	<b>53,626,365</b>

# Notes to the Financial Statements

For the year ended September 30, 2017

	Note	2017 Rupees	2016 Rupees
<b>33 Other income</b>			
Balances written off		(5,956,993)	20,220,939
Gain on disposal		340,021	-
Forfeited advances from customers		13,597,028	-
Miscellaneous		512,267	2,759,011
Gain on foreign currency transaction		-	299,278
Provision for workers' profit participation fund		(3,394,314)	(4,317,691)
		5,098,009	18,961,537

## 34 Taxation

Income Tax			
Current year	34.1	2,107,249	7,483,672
Prior year		(893,164)	-
		1,214,085	7,483,672
Deferred tax		31,422,191	(31,444,898)
		32,636,276	(23,961,226)

34.1 Current tax expense represents the income tax liability on export of sugar which fall under final tax regime. Whereas the tax calculated as per section 113 has been adjusted against tax credits allowed under section 65-B.

34.2 The numerical reconciliation between the average tax rate and the applicable tax rate has not been presented in these financial statements, as the total income of the Company falls under section 113 of the Income Tax Ordinance, 2001.

## 35 Earning per share

<b>35.1 Earning per share - basic</b>			
Profit after taxation	Rupees	31,855,699	105,997,346
Weighted average number of ordinary shares	Number	17,070,864	17,070,864
Earning per share - basic	Rupees	1.87	6.21

## 35.2 Earning per share - diluted

There is no dilution effect on the basic earning per share as the Company has no such commitments.

# Notes to the Financial Statements

For the year ended September 30, 2017

## 36 Remuneration of Chief Executive, Director and Executives

The aggregate amount charged in the financial statements for the year for remuneration, including all benefits, to the chief executive, directors and executives of the Company is as follows:

	Chief executive		Directors		Non executive directors		Executives	
	2017	2016	2017	2016	2017	2016	2017	2016
	------(Rupees)-----							
Managerial remuneration	-	-	-	-	-	-	26,020,500	19,025,940
Utilities	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	26,020,500	19,025,940
Number of key executives / non executives	*1	*1	1	3	6	2	29	13

\* The Chief executive hold 5,500 shares of the Company

36.1 Executives are employees whose basic salaries exceed Rs. 500,000 in a financial year.

36.2 The Chief Executive and Directors have voluntarily forgone their remuneration and allowances since 2015.

## 37. Operating segments

37.1 These financial statements have been prepared on the basis of single reportable segment.

37.2 Revenue from sale of sugar represents 88.10 % (2016 : 92.27 %) of the total revenue of the Company.

37.3 90.74% (2016: 54.44 %) sales of the Company relates to customers in Pakistan.

37.4 All non-current assets of the Company as at September 30, 2017 are located in Pakistan.

# Notes to the Financial Statements

For the year ended September 30, 2017

## 38 Financial assets and liabilities

### Financial assets

	Maturity up to one year	Maturity after one year up to five years	Maturity after five year	2017	2016
<b>Non-interest bearing</b>					
Long term deposits	-	264,000	-	264,000	395,951
Trade debts	1,366,352	-	-	1,366,352	-
Prepayments and other receivables	23,017,216	-	-	23,017,216	206,739,717
Cash and bank balances	27,112,660	-	-	27,112,660	19,538,233
	51,496,228	264,000	-	51,760,228	226,673,901

### Financial liabilities

<b>Balance sheet items</b>					
<b>Interest bearing</b>					
Long term finances	9,495,161	158,663,256	-	168,158,417	37,185,559
Lease Liability against Finance Lease	464,906	638,565	-	1,103,471	-
Short term borrowings	407,655,600	-	-	407,655,600	-
<b>Non - interest bearing</b>					
Long term advances	-	115,000,000	-	115,000,000	115,000,000
Other liabilities	-	1,309,000	-	1,309,000	1,309,000
Trade and other payables	393,179,871	-	-	393,179,871	209,348,024
Accrued mark-up	16,490,990	-	-	16,490,990	475,333
	827,286,528	275,610,821	-	1,102,897,349	363,317,916
<b>Off balance sheets items</b>					
Federal Excise Duty	58,880,664	-	-	58,880,664	58,880,664
Income Tax	197,075,000	-	-	197,075,000	197,075,000
Capital expenditure	22,720,957	-	-	22,720,957	67,295,967
Alternate corporate Tax	50,262,000	-	-	50,262,000	50,262,000
Minimum Tax	6,590,000	-	-	6,590,000	6,590,000
Federal Excise Duty/Sales Tax	11,720,000	-	-	11,720,000	11,720,000
	347,248,621	-	-	347,248,621	391,823,631
	1,174,535,149	275,610,821	-	1,450,145,970	755,141,547

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

- Credit risk
- Liquidity risk
- Market risk

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.

### Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail completely to perform as contracted.

Credit risk from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institution, as well as credit exposures to customers, including trade receivables and committed transactions. Out of total financial assets of Rs. 50.393 million (2016: Rs. 226.673 million), the financial assets that are subject to credit risk amounted to Rs. 23.281 million (2016: Rs.207.135 million).

For trade receivables, internal risk assessment process determines the credit quality of the customer, taking into



# Notes to the Financial Statements

For the year ended September 30, 2017

account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with the limits set by the management. The utilization of credit limit is regularly monitored. Accordingly, the credit risk is minimal and the company also believes that it is not exposed to major concentration of credit risk.

Concentration of the credit risk arises when the number of counter parties 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 risk.

The carrying amount of the financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is:

	2017 Rupees	2016 Rupees
Long term deposits	264,000	395,951
Other receivables	23,017,217	206,739,717
Cash and bank balances	27,112,660	19,538,233
	50,393,877	226,673,901

No provision for doubtful debt has been made during the year for local and foreign customers.

## Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not materially exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature and are restricted to the extent of available liquidity. In addition, the Company has obtained running finance facilities from various commercial banks to meet any deficit, if required to meet the short term liquidity commitments.

Significant balances of financial assets and liabilities shall mature within twelve months as evident from the information presented above.

## Market risk

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

## Currency Risk

Currency risk is the risk that fair values or future cashflows of a financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are dominated in a currency other than functional currency. The Company is not exposed to foreign currency risk as at the reporting date.

## Interest rate risk

At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate		Carrying amount	
	2017	2016	2017	2016
	-----Percentage-----		-----Rupees-----	
<b>Financial liabilities</b>				
<b>Variable rate instruments</b>				
Long term finance	9.01% to 9.15%	7.48% to 9.01%	168,158,417	37,185,559
Loan from associates	Nil	Nil	Nil	Nil
Short term borrowings	8.07% to 9.40%	8.55% to 9.81%	407,655,600	-

## Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) loss 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 2016.

	Profit and loss 100 bp	
	Increase	decrease
As at 30 September 2017		
Cash flow sensitivity-Variable rate financial liabilities	(1,179,970)	1,179,970
As at 30 September 2016		
Cash flow sensitivity-Variable rate financial liabilities	(471,321)	471,321

# Notes to the Financial Statements

For the year ended September 30, 2017

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

## Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

## Capital risk management

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide adequate returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its businesses. The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or/and issue new shares.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectations of the shareholders. Debt is calculated as total borrowings ("long term loan" and "short term borrowings" as shown in the statement of financial position). Total capital comprises shareholders' equity as shown in the balance sheet under "share capital and reserves".

The salient information relation to capital risk management of the Company as of Sep 30, 2017 and Sep 30, 2016 were as follows:

	2017 Rupees	2016 Rupees
Total borrowings	576,917,488	37,185,559
Less: Cash and cash equivalents	(27,112,660)	(19,538,233)
Net debt	549,804,828	17,647,326
Total equity	2,568,043,600	2,648,451,656
Total capital	3,117,848,428	2,666,098,982
Gearing ratio	17.63%	0.66%

# Notes to the Financial Statements

For the year ended September 30, 2017

## 39 Number of employees

	2017 Number	2016 Number
Average number of employees for the year	736	220
Total number of employees at year end	531	219

## 40 Plant capacity and production

	M.Ton	M.Ton
Cane crushing capacity	910,000	910,000
Cane crushed	546,857	340,519
Sugar production	53,972	33,205

40.1 The cane crushing capacity is based on crushing capacity of line-II, which is currently in operation.

40.2 The cane crushing capacity is based on 130 days (highest achieved operating days during last seven years).

## 41 Related party transactions / balances

The related parties comprise directors of the Company, key employees, provident fund trust, associated undertakings and subsidiary company. Details of transactions with related parties, other than those which have been specially disclosed elsewhere in these financial statements are as follows:

Relationship	Nature of transactions	2017 Rupees	2016 Rupees
Post employment benefit plans	Provident fund contribution	1,772,740	1,351,194
Subsidiary	Payment against expenses	11,600	1,123,935,384
Associates	Long term loan received	8,546,796	28,665,000

## 42 Disclosure relating to Provident Fund Trust

	Unit		
The following information is based on un-audited financial statements of Provident Fund Trust.			
Size of fund - total assets	Rupees	25,996,577	22,054,530
Cost of investments made	Rupees	24,050,000	9,250,000
Percentage of investments made	Percentage	92.51%	41.94%
Fair value of investment	Rupees	24,050,000	20,535,000

The breakup of fair value of investments is as follows:

	2017		2016	
	Rupees	Percentage	Rupees	Percentage
Defence Saving Certificates	24,050,000	92.51%	20,535,000	41.94%
	24,050,000	92.51%	20,535,000	41.94%

The investments of the Provident Fund Trust are in compliance with the provision of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

## 43 Events after the statement of financial position date

There are no subsequent events occurring after the statement of financial position date which required disclosure in these financial statements.

## 44 Date of authorization for issue

These financial statements were authorized for issue on December 29, 2017 by the Board of Directors of the Company.

## 45 General

45.1 Figures have been rounded off to the nearest rupee.

# Definitions and Glossary of Terms

## Sugar

Sugar, once a “white-gold”, is the generic name for sweet-tasting. Sugar cane and sugar beets are the common sources of this sweetener, soluble carbohydrates which are used in food.

## Molasses

Molasses is thick, dark brown juice obtained from raw sugar during the refining process

## Bagasse

Bagasse is the dry pulpy residue left after the extraction of juice from sugarcane.

## Mud

Mud is produced during distribution of process flow to sugar production.

ABPL Al Baraka Bank (Pakistan) Limited	FY Financial Year
ACT Alternate Corporate Tax	HR & RC Human Resource and Remuneration Committee
AGM Annual General Meeting	HSE Health, Safety and Environment
ATIR Appellate Tribunal Inland Revenue	IASB International Accounting Standards Board
ATL Active Taxpayer List	ICAP Institute of Chartered Accountants of Pakistan
BMR Balancing, Modernization and Rehabilitation	IFAC International Federation of Accountants
CCG Code of Corporate Governance	IFRIC International Financial Reporting Interpretations Committee
CDC Central Depository Company	IFRS International Financial Reporting Standards
CDS Central Depository System	JSML Jauharabad Sugar Mills Limited
CEO Chief Executive Officer	KIBOR Karachi Inter Bank Offer Rate
CFO Chief Financial Officer	KPK Khyber Pakhtunkhwa
CNIC Computerized National Identity Card	LTL Long Term Loan
CPL Cane Processing (Pvt) Limited	MT Metric Tons
CSR Corporate Social Responsibility	NBFI Non-Bank Financial Institution
CY Cane Crushing Year	NTN National Tax Number
DFI Development Finance Institution	PSX Pakistan Stock Exchange Limited
DM Diminishing Musharka	R&D Research and Development
EBIT Earnings Before Interest and Tax	ROE Return on Equity
EBITDA Earnings Before Interest, Taxes, Depreciation and Amortization	SECP Securities and Exchange Commission of Pakistan
EOGM Extra Ordinary General Meeting	SRO Statutory Regulation Order
FBR Federal Board of Revenue	STL Short Term Loan
FED Federal Excise Duty	TCD Total Crushing Per Day
FESCO Faisalabad Electric Supply Company	USD United States Dollar
	WPPF Workers' Profit Participation Fund

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\*Mobile apps are also available for download for android and ios devices

The website link of Jama Punji is available at the website of Jauharabad Sugar Mills Limited for the convenience and facilitation of shareholders and investors.

## نوٹ:-

- 1- کمپنی کی حصص منتقلی ستمبر 20 جنوری 2018ء تا 27 جنوری 2018ء (شمول ہر دو ایام) بند رہیں گی۔  
**منتقلیوں** کمپنی کے شیئرز جسرار ممبرز کارپ لنک (پرائیویٹ) لمیٹڈ، بگنڈ آر کیڈ، 1-K، کمرشل، ماڈل ٹاؤن لاہور کو بروز جمعہ 19 جنوری 2018ء کو کاروبار کے اختتام تک وصول ہونے والی سالانہ اجلاس عام میں شرکت کے اشتقاق کیلئے بردت تصور ہوگی۔
  - 2- اجلاس میں شرکت اور ووٹ دینے کا مستحق ممبر اپنی جانب سے شرکت اور ووٹ دینے کیلئے کسی دیگر کیلئے ممبر کو اپنا پراکسی مقرر کر سکتا ہے۔ کارپوریشن ایکٹیوٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ معائنہ کے نمونہ دستخط کمپنی کے پراکسی فارم کے ہمراہ جمع کرنا ہوگا۔ پراکسی سہارا آئڈ موٹر ہو سکتا ہے، کمپنی کے رجسٹرڈ دفتر میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل لازماً وصول ہو جانی چاہئیں۔
  - 3- وہ ممبران جو اپنے حصص منسلک، ہاؤسنگ کمپنی پاکستان لمیٹڈ (سی ڈی سی) کے ہاں جمع کر چکے ہوں، سے درخواست ہے کہ اپنے اصل **CNIC**، اکاؤنٹ اور پارٹیشنیشن کے نمبرز ہمراہ لائیں۔ ایسے ممبران کو مزید برآں سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کے سرکل نمبر 1 مورچہ 26 جنوری 2000 میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔
  - 4- ممبران کو کمپنی کے ساتھ تمام کارپوریشن میں اور سالانہ اجلاس عام میں شرکت کے وقت اپنے فوئیو نمبر درج کرنے چاہئیں۔
  - 5- ممبران سے درخواست ہے کہ اپنے رجسٹرڈ پتوں میں تبدیلی، رٹو ڈیٹیکشن اور ٹیکس ایگزیمپشن سٹیٹس، اگر کوئی ہو، باقاعدہ اپنے کارآمد سرٹیفکیٹس کے ہمراہ کمپنی کے شیئرز جسرار کوئی اطلاع فرمائیں۔
  - 6- **SECP** ہدایات کے مطابق، ڈیویڈنڈ وائٹس ہر رجسٹرڈ ممبران کے **CNIC** نمبر تحریر ہونے چاہئیں۔ لہذا ممبران جنہوں نے ابھی تک اپنے کارآمد **CNIC** کی نوٹ کرنا پٹی نہیں کرائی، سے ایک بار دوبارہ درخواست ہے کہ یہ کمپنی کے شیئرز جسرار کو ارسال کریں۔
  - 7- کمپنیز ایکٹ 2017ء کی دفعہ 242 کی پروویژن کے مطابق کوئی منافع منقسمہ قابل ادا نقد صورت میں فقط ایکٹو ایک طرفتہ کے ذریعے براہ راست مستحق ممبران کے منسوب کردہ بینک اکاؤنٹ میں کیا جائے گا۔ اس کے مطابق تمام ممبران سے درخواست ہے کہ کمپنی کے شیئرز جسرار، ممبران کو پارٹیشنیشن اسی ڈی سی ایوٹو سٹراکٹو ڈیویڈنڈ سرورٹیکو ڈیویڈنڈ مینڈیٹ معلومات مہیا کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں یہ معلومات سی ڈی ایس کو براہ راست مہیا کی جانی چاہئیں۔ ممبران سے معلومات حاصل کرنے کا نوٹس انہیں الگ الگ ارسال کیا جا رہا ہے۔ معیاری درخواست فارم کمپنی کی ویب سائٹ [www.jsml.com.pk](http://www.jsml.com.pk) پر بھی رکھا جا چکا ہے۔ معلومات مہیا کرنے میں تاخیر کی صورت میں کمپنی ڈیویڈنڈ ادا کرنے کے قابل نہیں ہوگی۔
  - 8- یکم جولائی 2017ء سے مؤثر ٹرانس ایکٹ 2017ء کی پروویژن کی پیروی میں ڈیویڈنڈ ادا ٹیکسوں سے اکٹیکس کی کوئی فی شرح درج ذیل کے مطابق ریوارڈ کی گئی ہے۔
    - i- اکٹیکس ریوارڈ کے ڈیویڈنڈ کیلئے ٹیکس کوئی فی شرح 15%
    - ii- اکٹیکس ریوارڈ کے نان فالنگز کیلئے ٹیکس کوئی فی شرح 20%
- حصص داران جن کے نام ایف بی آر کی ویب سائٹ پر دستیاب اینٹی ٹیکس بیئرز فہرست میں درج نہیں ہیں باوجودیکہ وہ فالنگز ہیں کو تصحیح ہے کہ **ATL** میں اپنے ناموں کا اندراج قطعی بنائیں۔ بصورت دیگر ان کے نقد منافع منقسمہ پر ٹیکس 15% کی بجائے 20% شرح سے منہا کیا جائے گا۔
- 9- سی ڈی سی اکاؤنٹ کے حامل کارپوریشن ممبران کو اپنے متعلقہ پارٹیشنیشن کے ہاں اپنے پیشگی ٹیکس نمبر (**NTN**) مہیا کرنا لازمی ہوگا جبکہ کارپوریشن مادی ممبران کو اپنے این ٹی این سرٹیفکیٹس کمپنی یا کمپنی کے شیئرز رجسٹرار کو ارسال کرنے چاہئیں۔
  - 10- ایف بی آر کی وضاحت کے مطابق آرڈیننس کی دفعہ 159 کے تحت کارآمد ایگزیمپشن سرٹیفکیٹ آرڈیننس کے دوسرے شیڈول کی کارڈ 47B کے پارٹ IV کے تحت وہ ڈیویڈنڈ ٹیکس کی ایگزیمپشن کے دعوے کیلئے لازمی ہے۔ وہ جو مذکورہ بالا کارڈ کی کٹگری میں آتے ہیں کو لازماً کمپنی کے شیئرز جسرار کو کارآمد ٹیکس ایگزیمپشن سرٹیفکیٹس مہیا کریں بصورت دیگر تجوزہ شرحوں کے مطابق ڈیویڈنڈ پر ٹیکس منہا کیا جائے گا۔

11- ایف بی آر نے واضح کیا ہے کہ فالنگز اور نان فالنگز کے ملکیتی مشترکہ حصص داران کے اکاؤنٹس سے الگ الگ سلوٹ کیا جائے گا اور ایسی خاص صورت حال میں ہر ایک اکاؤنٹ ہولڈر سے یا تو فالنگز یا نان فالنگز سلوٹ کیا جائے گا اور ٹیکس ان کے شیئرز ہولڈنگ کے مطابق منہا کیا جائے گا۔ اگر شیئرز قبل تحقیق ہوا تو ہر اکاؤنٹ ہولڈر شیئرز کے مساوی تناسب کا مالک تصور ہوگا اور اس کے مطابق ڈیٹیشن ہوگی اس لئے زیادہ شرح پر ٹیکس کی ڈیکشن سے بچنے کیلئے مشترکہ اکاؤنٹ ہولڈرز سے درخواست ہے کہ اپنے شیئرز ہولڈنگ کی حسب ذیل تفصیلات کمپنی کے شیئرز جسرار کو کم از کم **AGM** کی تاریخ تک مہیا کریں۔

فولیو/سی ڈی سی اکاؤنٹ نمبر	نام شیئرز ہولڈر	کمپوزیشن ڈیویڈنڈ شراکتی کارڈ	شیئرز ہولڈنگ	کل حصص	پرنسپل/جوائنٹ شیئرز ہولڈر
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کمپنیز ایکٹ 2017ء کی دفعہ 244 کے تحت ضروری ہے کہ کوئی شیئرز جو تین سالوں (یا زیادہ) کی مدت کیلئے غیر دہلی شدہ رہے ہوں، وفاقی حکومت کو پتہ چائے جائیں۔ قانون کے مطابق کمپنی کیلئے ضروری ہے کہ اگر حصص داران کو نوٹس دینے کے بعد کمپنی کے ہاں کوئی دہلی شدہ یا غیر دہلی شدہ یا غیر ادا شدہ رقم فیڈرل حکومت کے ہاں جمع کرائی جائے۔ لہذا تمام حصص داران جو کسی مدت اپنے ڈیویڈنڈ یا حصص دہلی نہیں کر سکتے تھے نوٹس ہذا کے ذریعے نصیحت کی جاتی ہے کہ اپنے غیر دہلی شدہ ڈیویڈنڈ یا بینڈ ٹک حصص، اگر کوئی ہوں فی الفور حاصل کرنے کے بارے میں تحقیق کیلئے کمپنی کے شیئرز جسرار سے رابطہ کریں۔

13- 30 ستمبر 2017ء مختتمہ سال کیلئے تصدیق شدہ سالانہ مالی حسابات معائنہ پر آڈیٹران اور ڈائریکٹران کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کمپنی کی ویب سائٹ [www.jsml.com.pk](http://www.jsml.com.pk) پر رکھے جانے چاہئے ہیں۔

# Saturday 27th January 2018

49th Annual General Meeting

- 14- سالانہ مالی حسابات کی بذریعہ ای میل ترسیل - سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان نے بروئے **SRO 787(1)/2014** مورچہ 8 ستمبر 2014ء کمپنیوں کو سالانہ بیننس شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز، ڈائریکٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ مع اطلاع سالانہ اجلاس عام اپنے ممبران کو بذریعہ ای میل جاری کرنے کی اجازت دی ہے۔ ان ہدایات سے مستفید ہونا چاہئے ہیں، کمپنی کو اپنی رسامندی ارسال کریں۔
- 15- سالانہ مالی حسابات کی بذریعہ سی ڈی/سی ڈی/سی ڈی/یو ایس بی ٹریبل **SECP** نے بذریعہ اپنے مراسلہ **SRO 470(1)/2016** مورچہ 31 مئی 2016ء کمپنیوں کو اپنے ارکان کے رجسٹرڈ پتہ پر بذریعہ سی ڈی/سی ڈی/یو ایس بی ٹریبل سالانہ بیننس شیٹ، نفع و نقصان اکاؤنٹ، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ وغیرہ ترسیل کرنے کی اجازت دی ہے۔ اس کے زیر نظر، ارکان سے التماس ہے کہ اگر وہ مالی حسابات اور رپورٹس کسی دیگر ذرائع سے وصول کرنا چاہتے ہیں تو مطلع کریں، یہ کمپنی کی ویب سائٹ [www.jsml.com.pk](http://www.jsml.com.pk) پر بھی دستیاب ہیں۔

# اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ جوہر آباد شوگر ملز لمیٹڈ ("کمپنی") کے ممبران کا 49 واں سالانہ اجلاس عام بروز ہفتہ 27 جنوری 2018ء کو صبح 11:30 بجے، رجسٹرڈ دفتر A-109، گلی نمبر 3، کیولری گراؤنڈ، لاہور کینٹ میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

## عام امور:

- 1- 30 جون 2017ء کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
  - 2- 30 ستمبر 2017ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ سالانہ مالی حسابات مع ان پریڈیکٹرز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظوری دینا۔
  - 3- 30 ستمبر 2017ء کو ختم ہوئی سال کیلئے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق نقد ڈیویڈنڈ پینڈیشن شرح 10% یعنی 1/- روپے فی عام شیئر کی ادائیگی کیلئے غور و خوض اور منظوری دینا۔
  - 4- 30 ستمبر 2018ء کو ختم ہونے والے اگلے مالی سال کیلئے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ مینسز یونائیٹڈ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔
  - 5- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔
- کمپنیز ایکٹ 2017ء کی دفعہ (3) 134 کے تحت مادی حقائق کا بیان منسلک ہے۔

بحکم بورڈ

عمران الیاس  
کمپنی سیکرٹری

لاہور

مورخہ: 04 جنوری 2018ء



## چیسر مین کا جائزہ

جوہر آباد شوگر ملز لمیٹڈ، اپنے نقطہ نظر "اپنے پریمئم برانڈ کوہ نور کے ذریعے اعلیٰ کوالٹی کے معیارات قائم کرتے ہوئے صنعت میں مارکیٹ لیڈر بننے" کے تحت آج مارکیٹ میں معیار کی علامت تسلیم کی جاتی ہے۔

اس مالی سال کے اختتام پر کمپنی کا نقطہ نظر پیش کرتے ہوئے مجھے خوشی محسوس ہو رہی ہے کہ، صنعت سے منسلک موجودہ چیلنجنگ عناصر اور خطرات کے باوجود، ہم سختی ٹیم کی کوششوں کے ذریعے منافع کو برقرار رکھنے میں کامیاب رہے ہیں۔ آنے والے سالوں میں آپریشنل صلاحیتوں کو یقینی بنانے کے لئے، کمپنی بنیادی طور پر مختلف قسم کے گنے کے بیج فراہم اور انہیں جدید ترین زرعی طریقوں کو اختیار کرنے کی تعلیم دے کر مالی تعاون کے ذریعے کسانوں کی صلاحیت بڑھانے پر توجہ مرکوز کر رہی ہے۔

ہم تزییل، پیداوار اور منافع یابی میں نمایاں ترقی حاصل کر کے اپنے تمام اسٹیک ہولڈرز کے ساتھ اپنا وعدہ اور عزم پورا کر رہے ہیں۔ اپنے ملازمین، صارفین اور کمیونٹی کے ساتھ اپنے تعلقات مضبوط بنانا ہمارے لئے بہت اہم ہے اور اس شراکت داری کے ذریعے ہم مستقبل میں بہت زیادہ جدت اور پائیدار ترقی دیکھ سکتے ہیں۔ ہمارے کارپوریٹ افعال کے ذریعے کی جانے والی ویلیو ایڈنگ ایجادات اور اقدامات کو فروغ دے کر ہمارے کاروبار کی مضبوط کارکردگی سے، میں یقین رکھتا ہوں کہ اس رپورٹ میں پیش کردہ معلومات آپ کو مطمئن قدر پیدا کرنے کے ہمارے کامیاب اطمینان کے عزم کا اظہار کرے گی۔

جوہر آباد شوگر ملز لمیٹڈ میں ہم تسلیم کرتے ہیں کہ تنوع اور شمولیت ہمیں چینی کے شعبے میں مضبوط اور زیادہ موثر تنظیم بنا سکتی ہے۔ تنوع کے ہمارے نقطہ نظر کے مطابق اور ملک میں بجلی کی بڑھتی ہوئی طلب کے پیش نظر، کمپنی نے گاس پروڈی پاور جنریشن پلانٹ میں سرمایہ کاری کی ہے، جو اس وقت زیرِ تنصیب ہے۔ مجھے پختہ یقین ہے کہ ہماری کمپنی کا کاروبار مستقبل کے لئے اچھا مقام رکھتا ہے کیونکہ ہم مصنوعات کی قدر میں اضافے کے ساتھ ساتھ پریمیم کوالٹی شوگر پیدا کرنے کے لئے پرعزم ہیں۔ کمپنی مسلسل اپنے معیار، سالمیت کی ساکھ کو برقرار رکھتی ہے اور مقامی اور عالمی مارکیٹ میں اپنے صارفین کے ساتھ مضبوط تعلقات سے لطف اندوز ہو رہی ہے۔ آخر میں، میں زیرِ جائزہ سال کے دوران اپنے فیلو ڈائریکٹرز کے عزم اور لگن کو سراہتا ہوں اور اپنے سی ای او اور اس کی ایگزیکٹو ٹیم کے مسلسل کام کا شکریہ ادا کرتا ہوں۔

محمد عامر بیگ  
چیسر مین

لاہور: 29 دسمبر 2017



بورڈ آف ڈائریکٹرز آپ کو 30 ستمبر 2017 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ کے ساتھ نظر ثانی شدہ مالی حسابات اور ان پراڈیٹرز کی رپورٹ پیش کرتے ہیں

### صنعت کا جائزہ

شوگر کی صنعت، زراعت پر مبنی دوسری بڑی صنعت ہونے کے ناطے ملک میں صحت مند اقتصادی سرگرمیوں کی تخلیق میں اہم کردار ادا کرتی ہے۔ اس سال گنے کی فصل ملک کی زرعی مجموعی ترقی میں سب سے زیادہ شراکت دار رہی اور کسانوں کے لئے 325 بلین روپے کی آمدنی پیدا کی۔ اس سال کے گنے کی فصل کے دوران، بنیادی خام مال، تقریباً 1.23 بلین ہیکٹرز زرخیز [CY16]: 1.13 بلین ہیکٹرز] پراگائی گئی، جس کی نتیجے میں 76.6 بلین ٹن [CY16: 65.45 بلین ٹن] کی پیداوار، YOY کی بنیاد پر 17.03 فیصد کا اضافہ، صنعت، کسانوں اور حکومتی تحقیقی اداروں کے حصہ کے ساتھ ساتھ "وزیر اعظم کے کسان بھیکج" کے نتائج کے طور پر گنے کی فی ایکڑ پیداوار میں اضافہ سے بنیادی طور پر منسوب ہے۔ اس سال، موسمیاتی حالات اور فصل کے انتظامات بہتر ہونے کی وجہ سے، پاکستان میں 7.05 بلین ٹن چینی (CY16: 5.12 بلین ٹن) کی ایک تاریخی سب سے زیادہ پیداوار حاصل کی گئی، جس نے ملک کو دنیا میں 7 واں سب سے بڑا چینی پیدا کرنے والا اور مصنوعات کا ایک خالص برآمد کنندہ بنا دیا۔ 5.5 بلین ٹن کی سالانہ مقامی کھپت کے لئے اکاؤنٹنگ، چینی کی صنعت کو، ای سی سی سے برآمد کی منظوری سے تقریباً 1.5 بلین ٹن کا اضافی اشٹاک برآمد کر کے 780 بلین امریکی ڈالر کی آمدنی کا امکان ہے، جو دنیا میں 5 واں سب سے بڑا چینی برآمد کنندہ ملک بنا رہا ہے۔ آگے بڑھتے ہوئے، پاکستان میں چینی کی پیداوار کو کم سے کم موجودہ سطح پر رہنے کی توقع کی جاتی ہے اور صنعت کو امید ہے کہ آنے والے سالوں میں چینی کی برآمد کے خلاف قومی استحصال میں تعاون جاری رہے گا۔

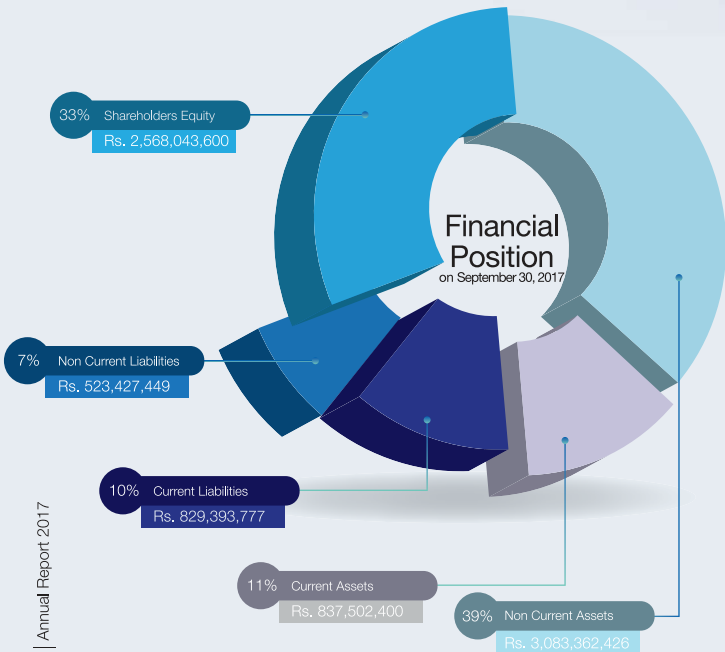
### آپریٹنگ کارکردگی

گزشتہ کرٹنگ سیزن کے مقابلے کرٹنگ سیزن 2016-17 کے لئے کمپنی کی پیداوار اور فروخت کے اعداد و شمار مندرجہ ذیل ہیں:

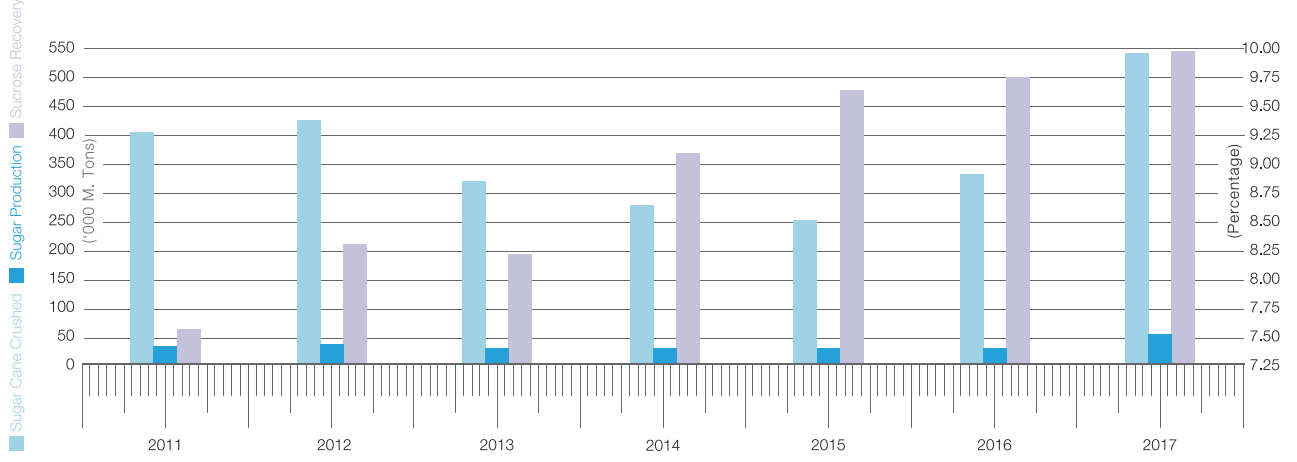
تفصیلات	اکائیاں	مالی سال 2017	مالی سال 2016	YOY تبدیلی
گنے کی کرٹنگ	میٹرک ٹن	546,857	340,519	60.60%
چینی کی پیداوار	میٹرک ٹن	53,972	33,205	62.54%
چینی کی ریکوری	فیصد	9.87	9.75	1.23%
چینی کی فروخت - مقامی	میٹرک ٹن	38,926	17,300	125.00%
چینی کی فروخت - بین الاقوامی	میٹرک ٹن	3,897	15,905	(75.50%)
چینی کی فروخت - کل	میٹرک ٹن	42,823	33,205	28.96%
مولاس کی پیداوار	میٹرک ٹن	25,256	15,990	57.95%
مولاس کی ریکوری	فیصد	4.62	4.70	(1.65%)

کرٹنگ سیزن 2016-17 کے دوران ملز گزشتہ کرٹنگ سال میں 95 دنوں کے مقابلے 130 دنوں تک چلائی گئیں۔ کمپنی نے رواں سال کے دوران 546,857 ٹن (مالیاتی سال 2016: 340,519 ٹن) گنے کی کرٹنگ کے ذریعے 9.87 فیصد (مالی سال 2016: 9.75 فیصد) کی بہتر ریکوری شرح پر 53,972 ٹن (مالی سال 2016: 33,205 ٹن) سفید چینی بنائی ہے۔ کمپنی نے اس سال کے اختتام سے قبل اپنی چینی کی پیداوار کا 79.34 فیصد (مالیاتی سال 2016: 100 فیصد) فروخت سمیت سی آئی ایس اور افغانستان میں بین الاقوامی صارفین کو پیدا شدہ چینی کا 7.22 فیصد (مالی سال 2016: 47.90 فیصد) برآمد کیا۔

## حصص یافتگان کے لئے ڈائریکٹرز رپورٹ



## Crushing, Recovery & Production



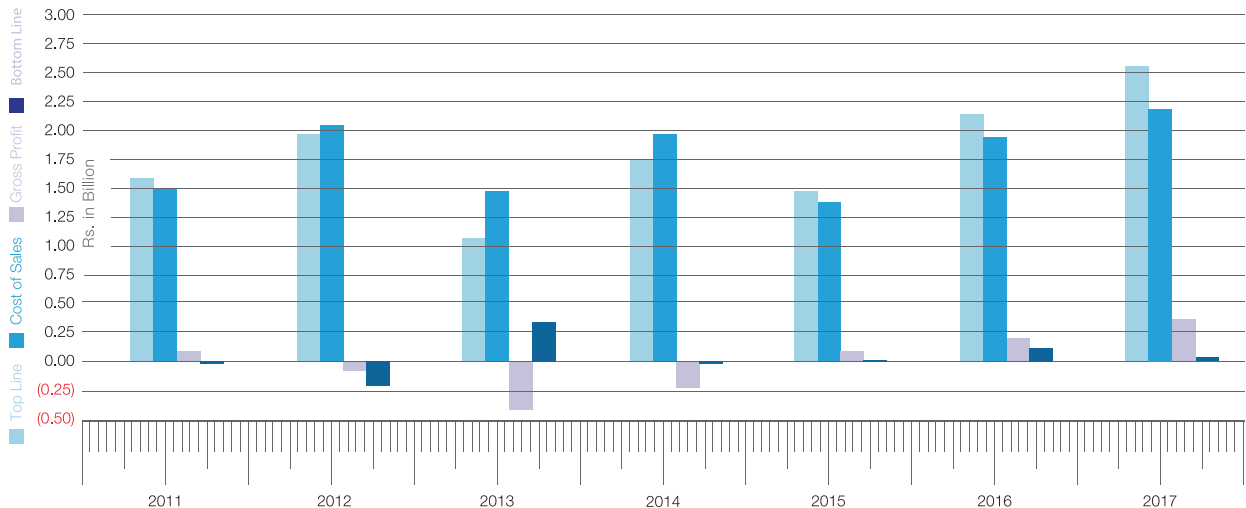
اخراجات کو مجموعی طور پر کم کیا گیا ہے جس کے نتیجے میں 11.62 فیصد مجموعی منافع [مالی سال: مالیاتی کارکردگی 9.86 فیصد، 7.12 فیصد آپریٹنگ منافع [مالی سال 2016: 5.57 فیصد] اور ٹیکسیشن کے گزشتہ سال کے مقابلے میں آپ کی کمپنی کے مالی سال 2016-17 کی مالیاتی کارکردگی بعد 1.23 فیصد منافع [مالی سال 2016: 5.04 فیصد] حاصل ہوا ہے۔ مدت کے لئے کل ذیل ہے:

تفصیلات	مالی سال 2016	مالی سال 2017	تبدیلی YOY
فروخت-خالص	2,094,651	2,581,987	23.27%
فروخت کی لاگت	1,888,218	2,281,868	20.85%
مجموعی منافع	206,433	300,119	45.38%
فروخت اور تقسیم کے اخراجات	7,292	9,035	23.90%
انتظامی اور عمومی اخراجات	82,441	107,249	30.09%
آپریٹنگ منافع	116,700	183,835	57.53%
دیگر آپریٹنگ آمدنی	(18,962)	(5,098)	(73.11%)
مالیاتی اخراجات	53,626	124,442	132.05%
ٹیکس سے قبل منافع	82,035	64,492	(21.39%)
ٹیکسیشن	(23,961)	32,636	(236.20%)
ٹیکس کے بعد منافع	105,997	31,856	(69.95%)
آمدنی فی شیئر (روپے / شیئر)	6.21	1.87	(69.89%)

مجموعی آمدنی 62.899 ملین روپے [مالی سال 2016: 132.354 ملین روپے] ہے۔ مالیاتی کارکردگی کے نتیجے میں 1.87 روپے فی شیئر آمدنی حاصل ہوئی، جبکہ گزشتہ مالی سال میں 6.21 روپے فی شیئر آمدنی حاصل ہوئی تھی۔ مارکیٹ کا منظر نامہ، صنعت میں موجودہ اور حکومتی پالیسیوں خاص طور پر برآمدات میں تاخیر کے منفی اثرات، کمپنی کی مالیاتی کارکردگی کی چٹھی لائن میں 69.95 فیصد کمی کے اہم عوامل ہیں۔

اس سال کمپنی نے پچھلے سال سے 38.42 فیصد تک مقامی فروخت میں اضافہ کیا ہے اور کل پیداوار کا 20.66 فیصد (مالی سال 2016: Nil) چینی کا اسٹاک آگے لے جانے کی منصوبہ بندی کی ہے۔ اس حقیقت کے باوجود آمدنی میں 485.624 ملین روپے (مالیاتی سال 2016: 641.259 ملین) کا اضافہ ریکارڈ کیا گیا، 23.17 فیصد (مالی سال 2016: 44.07 فیصد) کی بلند ترین نمو ظاہر کر رہا ہے۔ دستیاب وسائل کے زیادہ سے زیادہ استعمال سے متعلقہ

## Profitability Performance





## آڈیٹر کی رپورٹ

## مستقبل کے امکانات

تبدیلی کی کارپوریٹ حکمت عملی کے مطابق، واحد مصنوعات سے آمدنی کے خطرات کو کم کرنے کے لئے، شوگر ملز کے آپریشنز کو کامیابی سے منجمد کرنے کے بعد، کمپنی نے بائیو ماس (بیگاس) کی بنیاد پر 15 میگا واٹ، اپ فرنٹ مقررہ ٹیرف کے ساتھ کمپیوٹر پاور پلانٹ کے نظام کے تحت فیسلو کو 8-10 میگا واٹ بجلی برآمد کرنے کے لئے معاون جنریشن پاور پلانٹ نصب کرنے کا انتخاب کیا۔ ابتدائی طور پر یہ منصوبہ کمپنی کے اپنے نقد بہاؤ اور وسائل کو استعمال کرتے ہوئے، دو سالوں یعنی 19-2018 میں نصب کرنے کا منصوبہ تھا۔ کثیر آمدنی سٹریم کی حکمت عملی، ROE منصوبے اور پاور پلانٹ کے لئے ایک اچھی منافع بخش مدت کی مفید حالت کے پیش نظر، کمپنی نے مالیاتی اداروں کے مالی تعاون کے ساتھ، پاور پلانٹ جون 2018 تک شروع کرنے کا فیصلہ کیا ہے۔ کمپنی کی فری نقد بہاؤ پیدا کرنے کی صلاحیت اگلے پانچ سال کی متنوع حکمت عملی کے پروگرام کے تحت، مجوزہ منصوبوں میں سرمایہ کاری کی حمایت جاری رکھے گی، جو مستقبل میں حصص یافتگان کی قدر بڑھانے اور مزید عملی صلاحیتوں میں اضافہ کرے گی۔

## ڈیویڈنڈ اور تصرفات

مستقبل کی سرمایہ کاری، مالی عزم اور کپٹل اخراجات کی منصوبہ بندی کرتے ہوئے، بورڈ نے 30 ستمبر 2017 کو ختم ہونے والے مالی سال کے لئے 11 روپے فی شیئر کا نقد منافع منقسمہ کی تجویز دی ہے باقی رقم مستقبل کے اخراجات کے لئے کمپنی کے ہاں برقرار رکھی جا رہی ہے۔ یہ نقطہ نظر تمام حصص یافتگان کو مسلسل پائیدار منافع فراہم کرنے کے لئے ہماری کمپنی کے عزم کے مطابق ہے۔ غیر مختص شدہ منافع میں تغیر و تبدل مندرجہ ذیل ہے:

روپے "000" میں	
62,898,749	سال کے لئے خالص منافع
22,303,496	گزشتہ سالوں کا غیر مختص شدہ منافع
85,202,245	تصرفات کے لئے دستیاب خالص منافع
24,730,764	تصرفات
60,471,481	تجزیہ کردہ نقد منافع منقسمہ بشرح 10%
1.93	غیر تصرفاتی منافع جو آگے گیا
	فی شیئر آمدنی

## ہولڈنگ کمپنی

کین پروسیڈنگ (پرائیویٹ) لمیٹڈ، پاکستان میں قائم شدہ 63.64 فیصد حصص کے ساتھ جو ہر آباد شوگر ملز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

کمپنی کے مالیاتی حسابات کمپنی کے آڈیٹر کی طرف سے کسی اہلیت کے بغیر نظر ثانی شدہ ہیں اور اس کے حصص داران کو جاری کرنے کی مجاز ہے۔ مالی سال جس سے اس بیلنس شیٹ کا تعلق ہے کے اختتام اور ڈائریکٹر کی رپورٹ کی تاریخ کے درمیان آپ کی کمپنی کی مالی حیثیت پر اثر انداز نہیں ہونے والی کوئی مادی تبدیلیاں اور وعدے رونما نہیں ہوئے ہیں۔

## آڈیٹرز

کمپنی کے موجودہ بیرونی آڈیٹرز میسرز یو ایچ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے مالی حسابات کا جائزہ لیا اور ارکان کو رپورٹ جاری کی ہے۔ آڈیٹرز سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے۔ اہل ہونے کی بناء پر انہوں نے دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔ بورڈ نے اگلے سالانہ اجلاس عام میں اراکین کی منظوری کے حوالہ سے آڈٹ کمیٹی کی تجویز کے مطابق آئندہ سال کے لئے میسرز یو ایچ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو بطور آڈیٹرز تقرری کی سفارش کی ہے۔

## وٹن، مشن اور مجموعی کارپوریٹ حکمت عملی

بورڈ آف ڈائریکٹرز نے آپ کی کمپنی کے وٹن، مشن اور مجموعی کارپوریٹ حکمت عملی کا بغور جائزہ لیا اور منظوری دی ہے اور یقین کرتے ہیں کہ یہ نظریات کو وسیع پیمانے پر ظاہر کرتی ہے جس پر جوہر آباد شوگر مل قائم ہوئی تھی۔ ہم اس بات کو یقینی بناتے ہیں کہ ہمارا وٹن اور مشن ہماری مجموعی کارپوریٹ حکمت عملی اور ہر کام جو ہم تمام سطحوں پر کرتے ہیں میں ہمارے مستقبل کے سفر کی سمت قائم کرتا ہے۔ پوری تنظیم اس مقصد سے منسلک ہے اور اس کے لئے کام کرتی ہے اور یہ ہمارے روزمرہ کے کاروبار میں اہم فیصلہ سازی کے معیار کے طور پر کام کرتی ہے۔

## کارپوریٹ گورننس

کمپنی کی انتظامیہ اچھے کارپوریٹ گورننس اور اس کے بہترین طریقوں پر عمل کرنے کے لئے پُر عزم ہے۔ جیسا کہ پاکستان اسٹاک ایکسچینج کے کارپوریٹ گورننس قوانین کے تحت غور کیا گیا ہے اور اس کے مؤثر اطلاق کے لئے اقدامات کئے جا رہے ہیں۔ کمپنی کے ڈائریکٹر خوشی سے بیان کرتے ہیں کہ:-

## مالیاتی حسابات کی پیشکش

کمپنی کی طرف سے تیار کردہ مالی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی کا بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔

## کھاتہ جات

موجودہ سال اور گزشتہ سالوں کے لئے کمپنی کے کھاتہ جات قابل اطلاق قوانین کے مطابق صحیح طور تیار کئے گئے ہیں۔

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
6	جناب فرحان الیاس	ڈیپنڈنٹ/ غیر ایگزیکٹو ڈائریکٹر	2/5
7	جناب محمد عامر بیگ	ڈیپنڈنٹ/ غیر ایگزیکٹو ڈائریکٹر	4/5
8	جناب جمال احمد	ڈیپنڈنٹ/ غیر ایگزیکٹو ڈائریکٹر	5/5

### آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہ کے مطابق بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی تشکیل دی ہے۔ مالی سال 2016-17 کے دوران، آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ہر ایک رکن کی حاضری مندرجہ ذیل تھی:

نمبر شمار	نام	عہدہ	تعداد حاضری
1	جناب امجد بشیر حسین	چیئر مین	4/4
2	جناب محمد عامر بیگ	رکن	2/4
3	جناب شاہ رخ تیمور	رکن	2/4
4	جناب فرحان الیاس	رکن	2/4
5	جناب غیاث الحسن	رکن	2/4

### انسانی وسائل کی کمیٹی

کارپوریٹ گورننس کے ضابطہ کے مطابق بورڈ آف ڈائریکٹرز نے انسانی وسائل کی کمیٹی تشکیل دی ہے۔ مالی سال 2015-16 کے دوران، انسانی وسائل کی کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر ایک رکن کی حاضری مندرجہ ذیل تھی:

نمبر شمار	نام	عہدہ	تعداد حاضری
1	جناب فرحان الیاس	چیئر مین	1/1
2	جناب جمال احمد	رکن	1/1
3	جناب غیاث الحسن	رکن	1/1

### انڈکشن اور ڈائریکٹرز کے تربیتی پروگرام کا رسمی حصول

فہرستی کمپنیوں اور عوامی شعبے کی کمپنیوں کے ڈائریکٹرز کو ڈائریکٹرز ٹریننگ پروگرام (ڈی ٹی پی) کی صورت میں رسمی سرٹیفیکیشن حاصل کرنا ضروری ہے۔ انسٹیٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹنٹس آف پاکستان (آئی سی ایم اے) لاہور کی طرف سے پیش کردہ ڈائریکٹرز ٹریننگ پروگرام، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کا منظور شدہ پروگرام ہے۔ اس مالی سال کے دوران اس پروگرام میں چار ڈائریکٹرز نے فعال طور پر شرکت کی ہے:

- i۔ غیاث الحسن
- ii۔ امجد بشیر حسین
- iii۔ محمد عامر بیگ
- iv۔ جمال احمد

ضابطہ کی شق (xi) میں بیان کردہ معیار کے مطابق، زیر جائزہ سال کے دوران مندرجہ بالا ڈائریکٹرز نے کامیابی سے "ڈائریکٹرز ٹریننگ پروگرام" مکمل کیا ہے۔ یہ پروگرام فہرستی کمپنیوں کے ڈائریکٹرز کو تازہ ترین مجوزہ ضروریات سے باخبر رہنے کو یقینی بنانے کے لئے ہدف کردہ علاقوں پر رہنمائی فراہم کرتا ہے۔ یہ پروگرام بڑے پیمانے پر مضامین کے ماہرین کی طرف سے اور فہرستی کمپنیوں کے ڈائریکٹرز کو معروف رجحانات اور طریقوں کا اندازہ رکھنے کے لئے تیار کیا گیا ہے جو اچھے انتظام کو فروغ دینے، مسابقتی فوائد کی حفاظت اور ریگولیٹری تبدیلی کے لئے تیار ہیں۔

### اکاؤنٹنگ پالیسی

مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسی کو مستقل لاگو کیا گیا ہے اور اکاؤنٹنگ کا تخمینہ مناسب اور پرکشش فیصلہ پر مبنی ہے۔

### بین الاقوامی اکاؤنٹنگ معیارات

مالیاتی حسابات کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے، جو کمپنی کی مالی حیثیت کے حقیقی اور منصفانہ جائزہ کو یقینی بناتی ہے۔

### داخلی کنٹرول سسٹم

داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور مؤثر طور پر لاگو کیا گیا اور مسلسل نگرانی کی جا رہی ہے۔ کنٹرول میں مؤثر عملدرآمد اور مستقبل کی ترقی کے لئے آڈٹ کمیٹی کی طرف سے جائزہ کا عمل جاری رہے گا۔

### حالیہ تشویش

حالیہ تشویش کے طور پر جاری رہنے کے لئے کمپنی کی صلاحیت پر کوئی اہم شک و شبہات نہیں ہیں۔

### مالیاتی جھلمکیاں

گزشتہ سات سالوں کے لئے اہم آپریٹنگ اور مالیاتی اعداد و شمار صفحہ نمبر 222233 پر شامل ہیں۔

### عمل کی ریٹائرمنٹ کی قدر کا بیان

30 ستمبر 2017 کے غیر نظر ثانی شدہ حسابات پر مبنی پراویڈنٹ فنڈ کی سرمایہ کاری کی منصفانہ قدر 24.05 ملین روپے [مالیاتی سال 20.535:16 ملین روپے] ہے۔

30 ستمبر 2017 کو ختم ہونے والے سال کے لئے کمپنی کے لئے قابل اطلاق پاکستان اسٹاک ایکسچینج کے فہرستی قواعد میں تفصیلی، کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

### کاروباری اخلاقیات اور انسداد دہشت گردی کے اقدامات

کمپنی، اپنی تربیت، انتظامی معیارات اور طریقہ کار کے ذریعے، ایک نظم و ضبط اور تحقیقی کنٹرول کے ماحول کو فروغ دینے کا مقصد رکھتی ہے جس میں تمام ملازمین اپنے کردار اور ذمہ داریوں کو سمجھتے ہیں۔ ملازمت کی کسی بھی معاہدہ کی اطلاع دینے پر حوصلہ افزائی کی جاتی ہے جس سے مشکوک لین دین کی مدد سے ہو سکتی ہے۔ کسی ملازم کو متوازی کاروبار چلانے کی اجازت نہیں ہے۔

### بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کے آپریشن کی شفافیت، اچھی گورننس اور ہموار کام کو یقینی بنانے کے لئے، کمپنی نے بورڈ آف ڈائریکٹرز کی اہمیت، تجربے اور ساخت کے ساتھ ساتھ بورڈ کی ذمہ داریوں کے بارے میں بیداری کے سلسلے میں ریگولیٹری فریم ورک کو نافذ کیا ہے۔ 7 ڈائریکٹرز پر مشتمل بورڈ مؤثر طریقے سے حصص داران کے مفادات کی نمائندگی کرتا ہے۔ تمام ڈائریکٹرز اہل اور تجربہ کار ہیں، جو بورڈ کو مؤثر اور کارگر فیصلہ کرنے کے قابل بناتا ہے۔ مالی سال 2016-17 کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی طرف سے حاضری درج ذیل تھی:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب غیاث الحسن	چیف ایگزیکٹو/ ایگزیکٹو ڈائریکٹر	5/5
2	جناب عاطف ظہیر فاروقی	آزاد ڈائریکٹر	1/5
3	جناب امجد بشیر حسین	آزاد/ غیر ایگزیکٹو ڈائریکٹر	5/5
4	جناب امجد جاوید آفتاب	ڈیپنڈنٹ/ غیر ایگزیکٹو ڈائریکٹر	2/5
5	جناب شاہ رخ تیمور	ڈیپنڈنٹ/ غیر ایگزیکٹو ڈائریکٹر	2/5

## سی ایف او اور داخلی آڈٹ کے سربراہ کی اہلیت

چیف فنانشل آفیسر اور داخلی آڈٹ کے سربراہ کارپوریٹ گورننس کے ضابطہ میں مقرر کردہ ضروری اہلیتیں اور تجربہ رکھتے ہیں۔

## کمپنی کے حصص میں لین دین / تجارت

بورڈ نے کمپنی کے حصص کی ایگزیکٹوز ہولڈنگ جس میں سی ای او، سی ایف او، داخلی آڈٹ کے سربراہ اور کمپنی سیکرٹری شامل ہیں کی طرف سے دلچسپی پر انکشاف کو بغور دوبارہ جائزہ لیا ہے۔ تاہم، مالی سال کے دوران، کمپنی کے حصص میں کسی ایک ڈائریکٹر، سی ای او، سی ایف او، داخلی آڈٹ کے سربراہ اور کمپنی سیکرٹری (ان کے زوج اور چھوٹے بچوں سمیت) کی طرف سے کوئی بھی تجارت نہیں ہوئی ہے۔

## نمونہ حصص داری

30 ستمبر 2017 کو کمپنیز آرڈیننس، 1984 اور کارپوریٹ گورننس کے ضابطہ کے مطابق کمپنی کا نمونہ حصص داری منسلک ہے۔

## کارپوریٹ سماجی ذمہ داری

کمپنیز (کارپوریٹ سماجی ذمہ داری) جزل آرڈر، 2009 کے تحت ضروری انکشاف منسلک ہے اور اس رپورٹ کا لازمی حصہ ہے۔

## قومی زرمبادلہ میں شراکت

JSML نے انکم ٹیکس، ایکسائز ڈیوٹی، سیلز ٹیکس اور دیگر سرکاری لیویز کی مد میں سرکاری خزانہ میں تقریباً 259.8 ملین روپے کا حصہ شامل کیا ہے۔ اس کے علاوہ، ہماری کمپنی کی طرف سے زیر جائزہ سال کے دوران چینی کی برآمد سے ملک کے لئے 2 ملین امریکی ڈالر کا قیٹی غیر ملکی زرمبادلہ کمایا ہے۔

## بقایا قانونی ادائیگیاں

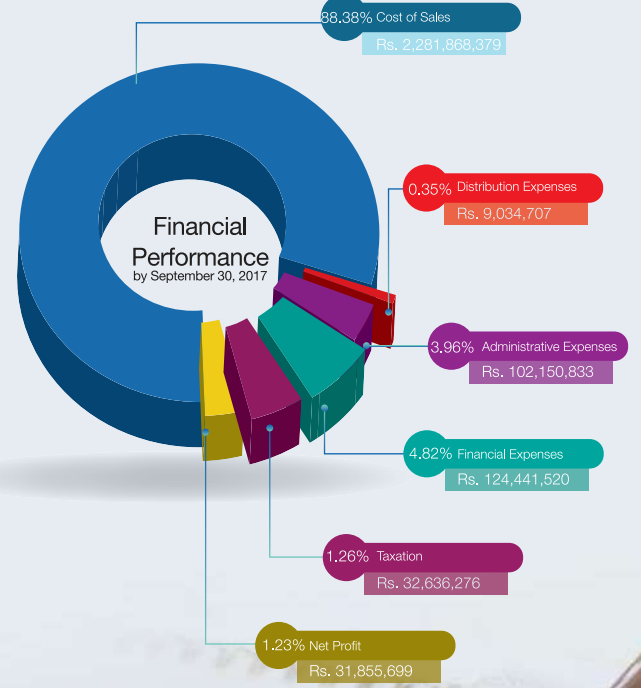
ٹیکس، ڈیوٹیز اور چارجز کی مد میں بقایا قانونی ادائیگیوں کا بیلنس شیٹ کے پہلے صفحہ اور مالی حسابات کے نوٹ 15 میں انکشاف کیا گیا ہے۔ ٹیکس اور ڈیوٹیز کی مد میں کوئی زائد المعیاد واجب رقم نہیں ہے۔

## اعتراف اور اظہار تشکر

کمپنی کے ڈائریکٹر تمام اسٹیک ہولڈرز کی طرف سے مسلسل حوصلہ افزائی اور حمایت کے لئے ان کے مخلص رویہ کا شکریہ ادا کرتے ہیں۔ ہم ہر ایک رکن جنہوں نے ہمیشہ کمپنی میں اپنے اعتماد اور یقین کا اظہار کیا کے عزم، لگن اور سخت محنت کو بھی سراہتے ہیں۔

مالی سال جس سے اس بیلنس شیٹ کا تعلق ہے کے اختتام اور ڈائریکٹر کی رپورٹ کی تاریخ کے درمیان آپ کی کمپنی کی مالی حیثیت پر اثر انداز نہیں ہونے والی کوئی مادی تبدیلیاں اور وعدے رونما نہیں ہوئے ہیں۔

منجانب بورڈ  
Chusaid Hasan  
غیاث الحسن  
چیف ایگزیکٹو



تشکیل نیابت داری (پراسی فارم)

میں / ہم  
ساکن

بحیثیت حصہ دار جوہر آباد شوگر ملز لمیٹڈ  
ساکن

نام (فولیو سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

نام (فولیو سی ڈی سی اکاؤنٹ نمبر اگر ممبر ہو)

ساکن کو اپنی جگہ بروز ہفتہ 27 جنوری 2018

کو بوقت 11:30 بجے دن 109-A، گلی نمبر 3، کیولری گراؤنڈ، لاہور کینٹ۔ میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

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

۵ روپے کارسیدی ٹکٹ  
چسپاں کر کے دستخط کریں

۱۔ گواہ

دستخط

نام

شناختی کارڈ نمبر

پتہ

دستخط  
(ممبر / اجازت فر)

۲۔ گواہ

دستخط

نام

شناختی کارڈ نمبر

پتہ

حاصل عام حصص

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

کمپیوٹرائزڈ شناختی کارڈ نمبر

نوٹس:

- (۱) پراسی فارم کے ممبر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۴۸ گھنٹے قبل بمعہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نمائندہ کے دستخط پراسی فارم کے ساتھ لف کرنے ہوں گے۔

درست رسیدی  
تکٹ چسپاں کریں

کمپنی سیکرٹری

جوہر آباد شوگر ملز لمیٹڈ

109-A، گلی نمبر 3، کیولری گراؤنڈ، لاہور کینٹ۔

فون : 042 37175229

**PROXY FORM**

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

of \_\_\_\_\_

being a member of **JAUHARABAD SUGAR MILLS LIMITED** hereby appoint \_\_\_\_\_

**Name (Folio/CDC A/C No. if Member)**

of \_\_\_\_\_

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

**Name (Folio/CDC A/C No. if Member)**

of \_\_\_\_\_

as my/our proxy to attend, speak and vote for and on my/our behalf at the Annual General Meeting of the Company to be held at its Registered Office, 109-A, Street No. 3, Cavalry Ground, Lahore - Cantt., on **Saturday, January 27, 2018 at 11:30 AM** and any adjournment thereof:

As witnessed given under my/our hand(s) \_\_\_\_\_ day of January, 2018.

**1. Witness:**

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

CNIC No. : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

Affix Revenue  
Stamp of Rs. 5/-

**2. Witness:**

Signature : \_\_\_\_\_

Name : \_\_\_\_\_

CNIC No. : \_\_\_\_\_

Address : \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
**SIGNATURE OF MEMBER /  
ATTORNEY**

**SHARES HELD :** \_\_\_\_\_

Folio No.	CDC Account No.	
	Participant ID	Account No.

**Notes:**

**CNIC No.**      -      -

- Proxies, in order to be effective, must be received at the Company's Registered Office, not less than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
- CDC Shareholders, entitled to attend, speak and vote at this meeting, must bring with them their Computerized National Identity Cards (CNIC) /Passports in original to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee should be attached with the proxy form.




AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**Jauharabad Sugar Mills Limited**

109-A, Street No. 3, Cavalry Ground,  
Lahore - Cantt.  
Tel : 042 37175229

A microscopic view of plant cells, showing a network of cell walls forming a honeycomb-like structure. The cells are mostly rectangular or hexagonal in shape. The background is a soft, out-of-focus light brown color.

**Registered Office:** Jauharabad Sugar Mills Limited  
109-A, Street No.3, Cavalry Ground, Lahore Cantt.  
Phone # 042 37175229 | Fax # 37175256 | Email: [info@jsml.com.pk](mailto:info@jsml.com.pk)