

# Challenge to the endless growth

We at Jauharabad Sugar Mills Limited hold a profound belief that we can pivot our energy and of the world around us as we apprehend and encourage our human resource to challenge some of the basic premises that we base our life choices on.

One of the key ideas in this book is JSML's empowerment through growth, which is the expansion of assets and capabilities of our people to challenge the paradigm of growth itself.

# **Table of Contents**

Com	pan	y Overview

Geographical Presence	04
Corporate Information	06
Corporate Profile	07
Vision and Mission Statements	08
Strategic Objectives and Commitments	10
Statement of Ethics and Business Practices	11
Core Values	13
Organizational Structure	14
Management Committee	16
Messages for Stakeholders	
Calendar of Major Events	19
Notice of Annual General Meeting	20
Chairman's Review	23
Directors' Report to the Members	25
Business Activities	
Quality Assurance Policy	31
Supply Chain Management	32
Conflict of Interest Policy	34
IT Governance Policy	35
Insider Trading Policy	36
Whistle Blower Policy	37
Disaster Recovery Plan	38
Safety of Records Policy	39
Occupational Health and Safety Management	40
Environmental Responsibility	41
Human Resource Management	42
Performance Management	45
Corporate Social Responsibility	46

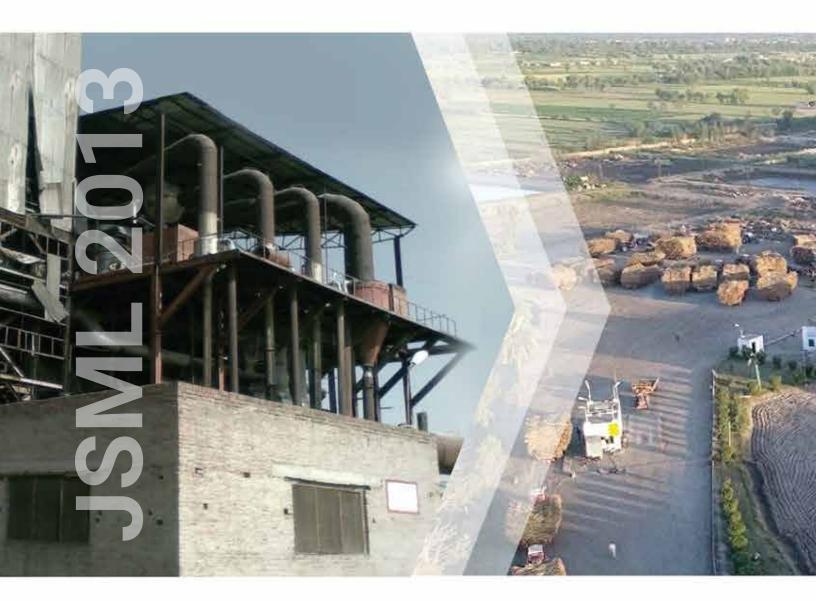
Human Resource Management Performance Management Corporate Social Responsibility

### Investors' Information

Corporate Calendar	51
Financial Highlights	52
Quarterly Performance Analysis	53
Horizontal and Vertical Analysis	54
Seven Years at Glance	56
Graphical Representation	58
DuPont Analysis	60
Risk and Opportunities Report	62
Share Price Sensitivity Analysis	63
Statement of Value Added	64
Pattern of Shareholding	66
Categories of Shareholding	67
Statement of Compliance	68
Independent Auditors' Review Report	69
Financial Statements	
Independent Auditors' Report	71
Statement of Financial Position	75
Statement of Profit or Loss	76
Statement of Comprehensive Income	77
Statement of Cash Flows	78
Statement of Changes in Equity	79
Notes to the Financial Statements	80
Other Information	
Chairman's Review in Urdu Language	109
Directors' Report to the Members in Urdu Language	115
Notice of Annual General Meeting in Urdu Language	117
Form of Proxy in Urdu Language	119
Form of Proxy	122
Jama Punji Information	123

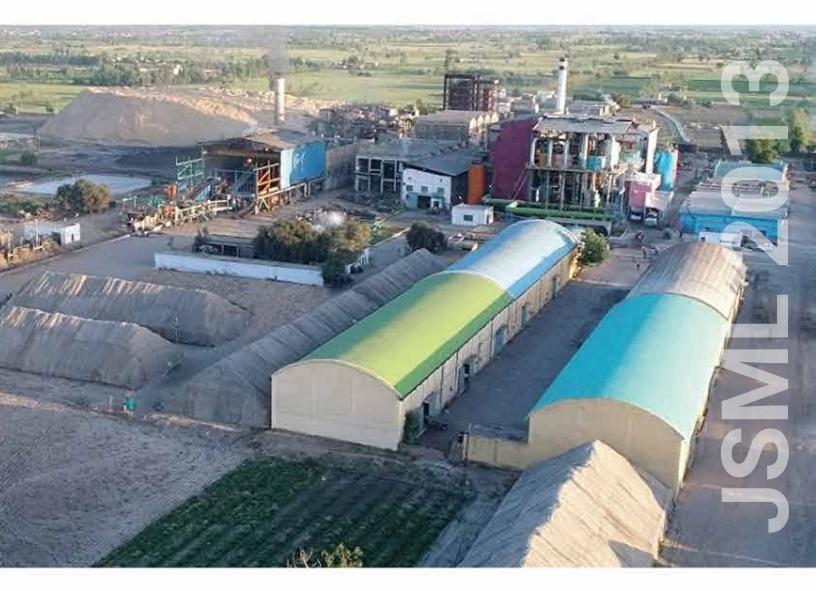
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# **Geographic Location**



#### 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 was 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 seven kilometer southeast of Jauharabad, while canals from Indus River irrigate much of its planes. On the west of Jauharabad lies the Thal Desert and on the east of Jauharabad is the Khushab Reserve Forest.



<sup>(1)</sup>Jauharabad Sugar Mills Limited is the only sugar mill located in Khushab District of Sargodha Division, in Western North Punjab. Mills is renamed as Jauharabad Sugar Mills after its hometown. JJ

# **Corporate Information**

Board of Directors Mr. Jamal Ahmed Mr. Ghias-ul-Hasan Mr. Amjad Bashir Hussain Mr. Amjad Javed Aftab Mr. Saif-ur-Rehman Mr. Farhan Ilyas Mr. Muhammad Aamir Beg		Chief Executive Independent Director Independent Director Dependent Director CPL Nominee CPL Nominee CPL Nominee
Audit Committee Mr. Amjad Bashir Hussain Mr. Muhammad Aamir Beg Mr. Saif-ur-Rehman		Chairman Member Member
Human Resource and Remuneration C Mr. Farhan Ilyas Mr. Jamal Ahmed Mr. Ghias-ul-Hasan	ommittee	Chairman Member Member
Chief Operating Officer Chief Financial Officer Company Secretary Head of Internal Audit		Mr. Ahsan Latif Mr. Imran Ilyas Mr. Al-Yousuf Syed Muhammad Usman Afzaal
Registered Address 125-B, Quaid-e-Azam Industrial Estate Kot Lakh Pat, Lahore, Pakistan Phone No. 042 35213491 Fax No. 042 35213490 E-mail: secretary@jsml.com.pk		Mills Jauharabad, District Khushab Pakistan Phone No. 0454 720063-6 Fax No. 0454 720880
Sales Tax Registration Number 0409170300137		National Tax Number 0225972-9
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, Pakistan Phone No. 042 35916714 Fax No. 042 35869037 E-mail: shares@corplink.com.pk	Legal Advisor Allied Legal Services Advocates & Legal Consultants 1st Floor, 30-The Mall Mansions Opposite State Bank of Pakistan The Mall, Lahore, Pakistan Phone No. 042 37354090 Fax No. 042 37310906
Bankers of the Company Askari Bank Limited Soneri Bank Limited Habib Metropolitan Bank Limited United Bank Limited Bank Alfalah Limited	JS Bank Limited Faysal Bank Limited National Bank of Pakistan Habib Bank Limited Allied Bank Limited	Islamic Bankers of the Company Albaraka Bank Pakistan Limited MCB Islamic Bank Limited Dubai Islamic Bank 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 as on December, 1973 at Pakistan Stock Exchange Limited and has been in operation for the last sixty-six 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 non-operating crushing line -I having stated capacity to 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 six 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 in finalization stage with expected commencement of commercial operations by upcoming financial year. The Company is playing its role for developing regional agronomy, generating employment and bringing happiness among the people directly and indirectly associated with it.

Vision

<sup>44</sup>Sustainably produce green energy and chemicals by exploiting locally available raw materials and resources. ,,



To continuously help rise self-worth of all the associated entities and stake holders. ,

# **Strategic Objectives and Commitments**

Strategic objectives serve an organization ambition which can be found in its vision and mission statements. These statements together describe the main thrust of the Company and its ultimate goal. At Jauharabad Sugar Mills Limited our key strategic objectives involve the followings;

#### Short Term Objectives

- Improve capacity utilization of the Company's production facilities.
- Effective and efficient use of available resources.

#### Medium Term Objectives

- Adopt safe operational practices, continuous process of modernization of production facilities, cost effective measures, enhance capacity efficiency and strict adherence to high quality standards.
- Consider human resources as the most important asset and help them in providing facilities with regard to training and updating their knowledge and skill which help to keep them motivated.
- Exploring and enhancing the potential of our human resources while seeking employee involvement, continuous improvement and sharing the success of the Company.
- Compliance with further improvements in implementation of Code of Corporate Governance (CCG) through optimization of management processes.
- Achieve the highest ethical and moral business values and in true spirit compliance of CCG.
- Maintain highest standards of HSE and environmental protection and catering the social welfare requirements of the communities inhabiting the area of operations.
- Effective marketing and innovative concepts.

#### Long Term Objectives

- Remain 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.
- Implementation of effective human resource solutions through personnel development, creating proper environment for professional growth of highly skilled professionals, ensuring safe labor environment, competitive staff remuneration and social benefits in accordance with scope and quality of their work.
- Compliance with local and international environmental and quality management standards, implementation of technologies allowing to comply with the limitations imposed on pollutant emissions.
- Implementation of projects in social and economic development of communities.
- 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.

# **Statement of Ethics and Business Practices**

Jauharabad Sugar believes that Ethics, Transparency and Accountability are the three basic pillars for its business and the said belief are reflected in Code of Conduct for Directors and Senior Management adopted by the Company. The following principles constitute the code of conduct which all Directors and employees of the Company 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.

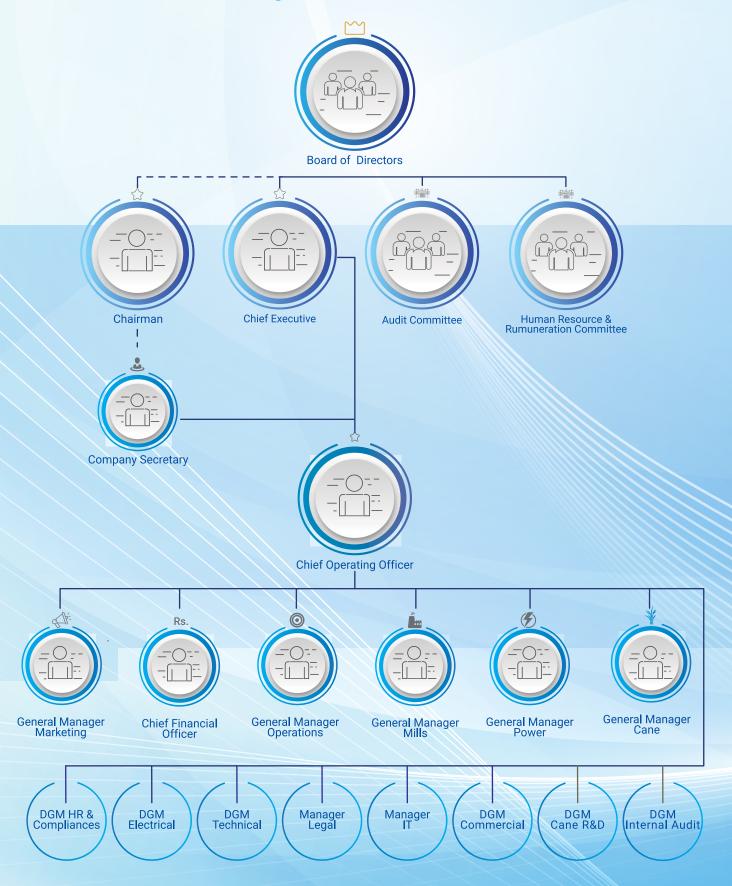
#### **Ethical Principles:**

- Directors and employees are expected not to engage in any activity which can cause conflict between their personal interest 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.
- 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.
- Directors and employees are not allowed to accept any favours or kickbacks from any organization dealing with the Company.
- 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.
- 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.
- 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.
- •. 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.

Jauharabad Sugar Mills Limited



# **Organizational Structure**



Great works are performed not by Strength, but preservance. Every indiviual who is a part of organizational ladder is significant that takes it to the opulence.

### **Management Committee**

The Company's management ensures effectiveness through a Management Committee. This Committee comprises ten members mainly includes Head of Departments. A co-ordination meeting of Management Committee is held on daily basis to review the progress of every department. Beside the Management Committee, there are several sub-committees comprise of key management personnel to monitor and control matters related to the procurement of cane, sales including environmental control, labour liaison, scrape sale, agricultural loan disbursement and many other operational issues.



#### **Imran Ilyas** Chief Financial Officer He is a seasoned professional and has an overall experience of twenty-three years with some of the country's most prestigious national and MN organizations. He has been associated with the Company from six years. He is a skillful financial/business analyst, proficient at increasing work efficiency through application of analytical process improvement skills that drive business operations to success and manage team performance by achieving high quality results.

#### Sheikh Amjad Mehmood General Manager Operations

He is a skillful business analyst, twenty-nine years of experience that drive business operations to success. He is enthusiastic and dependable individual who excels in challenging and competitive environments with an ability to lead and manage team performance and produce high quality results.

#### Amjad Javed Aftab General Manager Mills

He is a seasoned expert of sugar manufacturing process. Professional engineer of PEC and a Member of Chemical Institute of Engineers, Pakistan. He is serving sugar industry for last thirty years in key positions and achievements include Plant Installation & Commissioning, Energy Audits, Planning & Administration. Besides this, he is an Executive Body member of PSST. He has affiliation and certification from ISO making him more capable and proficient in his profession.

#### Saif-ur-Rehman General Manager Power

He is an electrical engineer and having twenty-six years electrical & MEP Engineering Experience in Sugar Industries, Power Plant, Distillery, Textile, Dairy Plant and High-Rise **Buildings including Plant** installation, Commissioning, Operation & Maintenance. He has Certification from ISO, SKF Bearing Training workshop. PLC & DCS. Member of **PSST. Executive** Engineering Head of different Industries and **Buildings Projects from** last 21 years.

#### Chaudhary Muhammad Younus

General Manager Cane He has a rich experience of more than thirty-seven years in sugarcane procurement and has served number of sugar mills in various capacities as Head of Cane Department, Manager Cane. He has good knowledge of sugar cane agronomy, plant protections and supply chain.



#### Amanat Ali Head of Electrical Department

An affluent experience of more than forty-seven years and has served number of national organizations in various capacities as, head of development, Electrical and Quality Control Manager. His proficiency will defintely be an extensive contribution towards the Company's operations and objectives.



#### Fateh Ullah Head of Technical Department

He has technical experience of more than thirty-one years with various organizations including sugar mills, capable to perform in challenging environments with an ability to lead and manage team.



#### Tariq Mehmood Head of Human Resource Department

He has an affluent experience of more than ten years with some of the country's most exalted organizations including sugar mills. His academic laurels include master in business admiration and law graduation. He has successfully implemented policies for keeping the workplace safe for all employees and has built up his invaluable trust.



#### Khwaja Arslan Ahmed Head of Commercial Department

He is having practical experience over seventeen years with textile and sugar sectors. He, has good knowledge of sources of materials, is capable to handle procurement, to apply negotiation techniques and to assure timely supplies.



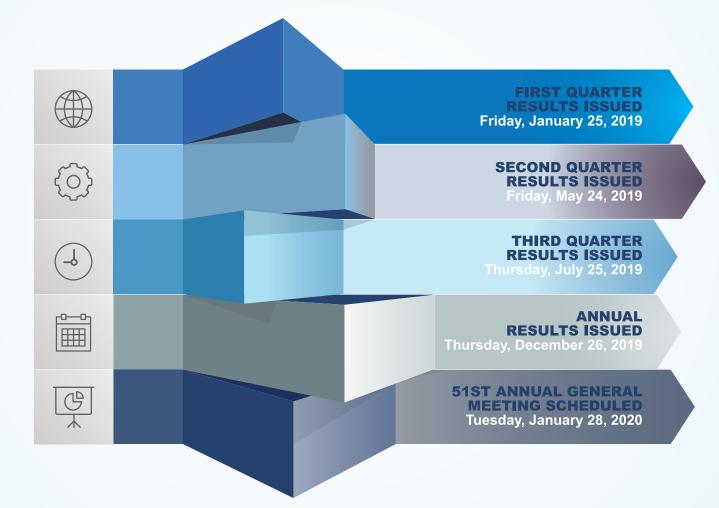
### Syed Muhammad Usman Afzaal Head of Internal Audits

Department Financial analyst with a professional qualification of accountancy from prestigious institution of Pakistan, besides enjoys rich experience of more than six years. He is proficient at increasing work efficiency through application of analytical process and audit skills that drives the transparency in the operations of the Company.

Our success is possible through our strong and stable management team

# MESSAGES FOR STAKEHOLDERS

# **Calendar of Major Events**



# Notice of 51<sup>st</sup> Annual General Meeting

Notice is hereby given that the Fifty First Annual General Meeting of the members of Jauharabad Sugar Mills Limited (the "Company") will be held on Tuesday, January 28, 2020 at 11:30a.m., at its Registered Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore to transact the following business:

#### **Ordinary Business**

- 1. To confirm the minutes of Annual General Meeting held on January 28, 2019.
- 2. To receive, consider and adopt the audited annual financial statements of the Company for the year ended September 30, 2019 together with Auditors' Reports, Directors' and Chairman's Review Report thereon.
- 3. To consider and approve, as recommended by the Board of Directors, the payment of cash dividend for the year ended September 30, 2019 (a) 10% i.e. Re.1/- per ordinary share.
- 4. To appoint Auditors for the next financial year ending September 30, 2020 and to fix their remuneration. M/S UHY Hassan Naeem & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.
- 5. Corporate Briefing Session as per requirement of PSX.

#### Special Business

6. To adopt new Articles of Association of the Company due to enactment of Companies Act, 2017, new SECP Rules/Regulations and PSX Regulations.

"RESOLVED that new Article of Association of the Company as proposed by the management be and is hereby approved"

"FURTHER RESOLVED that the Company Secretary be and is hereby authorized to do all acts, deeds and things that may be required to carry out for the purposes aforesaid and to give full effect to the above said purpose."

"FURTHER RESOLVED that the Company Secretary be and is authorized to make any corrections/modifications/alterations as may be pointed out or directed by the Securities and Exchange Commission of Pakistan/Registrar of companies."

#### Other Business

7. To transact any other business with the permission of the chair.

A statement under section 134(3) of the Companies Act, 2017 is being sent to the shareholders with this notice. The new proposed Articles of Association will be available for inspection of the members at the meeting.

By order of the Board

Company Secretary

Lahore : Dated: January 07, 2020

# 51<sup>st</sup> ANNUAL GENERAL MEETING



#### NOTE:

- The share transfer books of the Company will remain closed from January 21, 2020 to January 28, 2020 (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 up to the close of business on January 20, 2020 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.
- The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.
- 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. 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. In case of failure to provide the information, the Company will be unable to pay the dividend.
- 7. The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for persons whose names are appearing in the active taxpayers' list (ATL) and 30% for persons whose names are not appearing in the ATL. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 30%, all the shareholders whose names are not entered into the ATL available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of dividend payment, otherwise they shall not be treated as Active Taxpayers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 30%.
- 8. 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.
- 9. 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.

10. 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	Name of	CNIC Shareholding	Total	Principal/Joint
	Account No.	Shareholder		Shares	Shareholder

- 11. 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.
- 12. The Annual Audited Financial Statements of the Company for the year ended September 30, 2019 along with Auditors' and Directors' Report and Chairman's Review Report thereon have been placed on the Company's website: www.jsml.com.pk.
- 13. Corporate Analyst Briefing Session as mandated by the Pakistan Stock Exchange according to its notification PSX/N-92 dated January 28, 2019 of Jauharabad Sugar Mills Limited will also be held at its Register Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore on Tuesday, January 28, 2020 shortly after the completion of AGM in which performance and results for the year ended September 30, 2019 will be provided.
- 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 have provided their email addresses are being sent the same by email. Members who have not provided their email addresses and wish to avail this facility may send their consent along with email address to the Company. Hard copies of the annual audited accounts will be provided on demand.
- 15. In accordance with section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 7 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate to such shareholder's information regarding venue of video conference facility at least 5 days before the date of the Annual General Meeting to enable them to access to such facility.
- 16. Members can exercise their right to demand a poll subject to meeting requirements of section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

Jauharabad Sugar Mills Limited



## **Chairman's Review**

It is a great honor and I feel privileged on being entrusted with the Chairmanship of Jauharabad Sugar Mills Limited's Board of Directors. I pledge all my faculties to contribute immensely towards growth of the Company.

This year probably proved to be a resumption time for Pakistan's Sugar Industry where due to decrease in sugar production levels, domestic sugar prices have soared to reasonable values that in-turn has enhanced ability of the industry to pay to the growers on time. Coupled with this, carry over stocks for the last two years have depleted and the industry is expected to enter into the next crushing season with negligible sugar stocks. Sugar exports levels have also remained steady with majority of the product being moved to China under FTA agreement between the two countries. The Company, in particular, has contributed over US\$ 3.539 million [FY2018: US\$ 1.682 million] to the Country's Foreign Exchange in exports and has paid over Rs. 394.133 million [FY2018: Rs. 297.029 million] to the National Exchequer in the form of taxes and levies.

This report is being presented in terms of Section 192(4) of Companies Act, 2017 on overall performance of the Board of Directors and effectiveness of the role played by the Board in achieving the Company's objectives.

I am pleased to report that performance of the Board of Directors of the Company remained par excellence throughout the year. The composition of Board reflects mix of seasoned professionals giving regular strategic guidance, creating new benchmarks, approving budgets while maintaining its repute for good governance and providing steady value addition to its shareholders. All significant issues were presented before the Board or its committees to strengthen and formalize the corporate decision-making process which led to a harmonious partnership with the management.

Lastly, I would like to appreciate the hard work and dedication put in by every person associated with Jauharabad Sugar Mills Limited to place us at a high rank and making "KOHINOOR" a brand of choice for its customers. Through all of these we will ensure that we remain on a path to success and attain sustainable growth.

Lahore: December 26, 2019

Mr. Muhammad Aamir Beg Chairman

Mr. Jamal Ahmed Chief Executive

## **Directors' Report**

The Directors of Jauharabad Sugar Mills Limited (the Company) are pleased to present the Annual Report together with audited financial statements and Auditors' Report thereon for the year ended September 30, 2019.

#### **Industry Review**

Pakistan Sugar industry, being eighth largest contributor to global produce also plays a pivotal role in creating healthier economic activities in Pakistan. During this crop year, sugarcane contributed 0.7% towards GDP growth and was grown on approximately 1.18 million hectares of land [CY2017/18: 1.34 million hectares]. This resulted in an estimated production of 67 million tons of sugarcane [CY2017/18: 83 million tons], a decrease of 19% YOY basis, attributed mainly to 12% decline in planting area. This crop year the industry has again witnessed shortage of water for irrigation, per hectare yield has dropped to 57% [CY2017/18: 62%]. Despite the fact, the industry remained second largest agro-based industry by producing 5.5 million tons of sugar [CY2017/18: 6.576 million tons], the industry has shown resilience to economic challenges including higher interest rates, changes in sales tax rate and tax reform measures for sugar trade by the government. This year may be remembered as the turning point for sugar industry as last year's carry forward sugar stocks has finally come to an end due to exports to China resulting insufficient stocks to meet the domestic consumption of the country. The domestic sugar realization has rebounded to a decent extent, strengthening the ability of the sector to timely remunerate the farmers, while increasing working capital adequacy and increased profit prospects. Going forward excepted sugar production will remain close to annualized domestic consumption. Having negligible opening stocks, the industry is expected to remain buoyant in CY2019/20.

#### **Operational Review**

Principal activities of your Company during the period under review remained unchanged i.e. manufacturing and sales of sugar and its allied products. The production and sales statistics for the Company for the CY2018/19 as compared to last season are as follows: percent [FY2017/18: 9.7 percent] by crushing 431,121 tons [FY2017/18: 441,646 tons] of sugarcane during crushing year under review. Despite a 27% shorter crushing season, the Company through its sustained efforts of cane development, timely payments, financial support to growers has managed to crush sugarcane at 98% of last year's volumes, which is far better than the performance of regional players. The Company has sold 86.32 percent [FY2017/18: 64.96 percent] of its sugar production before the closure of this financial year, including export of 5,000 tons [FY2017/18: 5,012 tons] to China under FTA agreement. The Company has produced 20,305 tons of molasses [FY2017/18: 21,835 tons] at 4.66% YOY [FY2017/18: 4.94 percent], contributing 6.52 percent in topline.

#### **Financial Performance**

The financial performance of your Company for the fiscal year 2018/19 compared to last year is presented as per table - A.

This year the Company has managed to increase its domestic sales by 43.26 percent [FY2017/18: 12.73 percent decrease] and has planned to carry-forward 13.67 percent [FY2017/18: 35.04 percent] of total sugar stocks. Topline has improved by Rs. 1.146 billion [FY2017/18: 386.947 million decrease] resulting in topline growth of 56.78 percent [FY2017/18: 14.99% decline]. Corresponding expenses have been abridged by optimum utilization of available resources resulting in 19 percent of gross profits [FY2017/18: 2.08 percent] and 5.31 percent of profit after taxation [FY2017/18: 0.23 percent]. Total comprehensive income for the period is Rs. 215.243 million [FY2017/18: Rs. 37.772 million]. Financial performance has resulted in earning of Rs. 5.35 per share, as compared to EPS of Rs. 0.15, earned in last financial year. Hike in interest rate over shadowed financial performance by 48.98 percent over last year. Thirty-six times improvement in bottom line is mainly attributed to increase in contribution margin of sugar and its by-products.

#### **Future Prospects**

The Upcoming season is again expected to generate a reasonable return for our shareholder based on increase in recovery of sugarcane, better contributing margin on sugar

Description	Units	FY2018/19	FY2017/18	YOY Change
Working Days	Days	96	131	(26.72%)
Sugar Cane Crushed	M. Tons	431,121	441,646	(2.38%)
Sugar Produced	M. Tons	44,776	42,846	4.50%
Sugar Recovery	Percentage	10.39%	9.7%	7.11%
Sugar Sold - Domestic	M. Tons	48,667	33,970	43.26%
Sugar Sold - International	M. Tons	5,000	5,012	(0.24%)
Sugar Sold -Total	M. Tons	53,667	38,982	37.67%
Sugar Closing Stock	M. Tons	6,123	15,014	(59.22%)
Molasses Produced	M. Tons	20,305	21,835	(7.01%)
Molasses Recovery	Percentage	4.71%	4.94%	(4.66%)

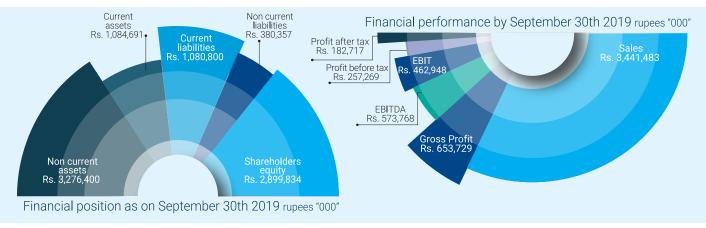
During this financial year, the Company had started season on 15th December, 2018 [CY2017/18: 30th November, 2017] and operated for 96 days, thirty-five days lesser, owing to a lesser crop and yield as compared to last crushing years. The Company has produced 44,776 tons [FY2017/18: 42,846 tons] of white sugar at 7.11% YOY improved recovery rate of 10.39

combined with improved market value of by-products.

The Company has initiated to install a Falling Film Evaporator (FFE) that will help in improved steam efficiency and ultimately will save more bagasse to provide additional comfort to topline of the Company.

Description	FY2018/19	FY2017/18	YOY Change
Sales – Net	3,441,483	2,195,040	56.78%
Cost of Sales	2,787,754	2,149,334	29.70%
Gross Profit	653,729	45,706	1,330.29%
Selling and Distribution Expenses	45,828	11,264	306.85%
Administrative and General Expenses	139,924	127,021	10.16%
Operating Profit	467,977	(92,579)	605.49%
Other Operating Income	5,029	(266,608)	101.89%
Financial Cost	205,679	138,061	48.98%
Profit Before Tax	257,269	35,967	615.29%
Taxation	74,552	30,851	141.65%
Profit After Tax	182,717	5,116	3,471.48%
Earning Per Share (Rs. /Share)	5.35	0.15	3,466.67%

(Table-A)



Diversification in business is now considered as vital for sustainability for any organization. In lieu of achieving sustainable advantage over its competitors, JSML has opted to utilize by-product (bagasse) by installing biomass captive power plant having capacity of 15MW with an exportable capacity of 10MW to FESCO. The management is committed to commence the commercial operation within this financial year. Going ahead the management is also planning to install distillery, the initial feasibilities of which are being carried out to ascertain the possible hindrances well before time, to mitigate risk factors.

#### **Credit Rating**

Credit rating is an assessment of the credit standing of entities in Pakistan. PACRA has its primary function to evaluate the capacity and willingness of an entity to honour its debt obligations. During the year, PACRA maintained entity ratings of the Company as long-term and short-term entity rating at BBB and A2 respectively with Stable outlook. These ratings denote a low expectation of credit risk and indicate satisfactory capacity for timely repayment of financial commitments.

Company is current on all its debt obligations.

#### Dividend and 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, 2019 and 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:

Description	Rs. in "000"
Net profit for the year	215,243
Un-appropriated profits of prior years	58,893
Net profit available for appropriation	274,136
Appropriations	
Proposed cash dividend @ 10%	34,128
Un-appropriated profit carried forward	240,008
Earnings per share	5.35

#### Holding Company

Cane Processing (Private) Limited, incorporated under the laws of Pakistan having its registered office at Lahore, is the holding company of Jauharabad Sugar Mills Limited with 63.66 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.

#### **External Auditors**

The present auditors, M/s. UHY Hassan Naeem & Co., Chartered Accountants, stands retire on conclusion of the annual general meeting and being eligible, offer themselves for re-appointment. As recommended by Audit Committee, the Board of Directors has recommended the re-appointment and remuneration of present auditors for the year ended September 30, 2020, for the approval of shareholders in the forthcoming Annual General Meeting.

#### Vision, Mission and overall Corporate Strategy

The board of directors has carefully reviewed, revamped and approved the vision, mission and overall corporate strategy of your Company and believes that it comprehensively states the ideology with which Jauharabad Sugar Mill 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.

#### Compliance with the Code of Corporate Governance

The management of the company is committed to good corporate governance and compliance with its best practices. As required under Code of Corporate Governance, Directors of the Company are pleased to state as follows:

#### Presentation of Financial Statements

The financial statements of the Company, prepared by the management, present fairly 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 policies has been consistency 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**

Highlighting operational & financial analysis for the last seven years is included on page No. 55.

#### Statement on Value of Staff Retirement Funds

The fair value of investments of provident fund based on its un-audited accounts as of September 30, 2019 is Rs. 26.050 million [FY2017/18: Rs. 25.050 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, 2019.

#### Pattern of Shareholdings

Pattern of Shareholding of the Company in accordance with the Companies Ordinance, 1984 and Code of Corporate Governance as at September 30, 2019 is annexed.

#### Board of Directors Meetings

In order to ensure transparency, good governance and smooth functioning of the Company's operations, the Company has implemented 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 2018-19, four meetings of the Board of Directors were held and the attendance by each director was as under;

Sr. #	Director	Category	Meetings Attended
1	Mr. Ghias-ul-Hasan	Independent/Non-Executive Director	3/4
2	Mr. Saif-ur-Rehman	Dependent/Executive Director	3/4
3	Mr. Amjad Bashir Hussain	Independent/Non-Executive Director	3/4
4	Mr. Amjad Javed Aftab	Dependent/Executive Director	2/4
5	Mr. Farhan Ilyas	Dependent/Non-Executive Director	3/4
6	Mr. Muhammad Aamir Beg	Dependent/Non-Executive Director	4/4
7	Mr. Jamal Ahmed	Chief Executive/Executive Director	4/4

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 year, four meetings of audit committee were held as per requirements of Companies Act, 2017. All relevant matters were taken into consideration as required under the relevant act. Detail of meeting attended by each member is given as under:

Sr.	Name	Status	Meetings Attended
1	Mr. Amjad Bashir Hussain	Chairman	4/4
2	Mr. Muhammad Aamir Beg	Member	3/4
3	Mr. Saif-ur-Rehman	Member	3/4

#### Human Resource Committee

The board of director in compliance with applicable regulations has established HR Committee. During the year 2018-19, one meeting of HR committee was held for the approval of increment and bonus to the employees. The attendance by each member is as under.

Sr.	Name	Status	Meetings Attended
1	Mr. Farhan Ilyas	Chairman	1/1
2	Mr. Jamal Ahmed	Member	1/1
3	Mr. Ghias-ul-Hasan	Member	1/1

#### 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

#### Insider Tradings

The board has developed the policy that no person shall indulge in insider trading as per listing regulation applicable in Pakistan. During the financial year none of the director, CEO, CFO, Head of internal audit and Company Secretary traded in the share of the Company.

#### **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.

#### Director Meeting Outside Pakistan

No meeting of the Company was held outside Pakistan during the current financial year.

#### Related Party Transaction

The Company has made detailed disclosures about related party transactions in its financial statements annexed with this annual report. Such disclosure is in line with the requirements of the 4th Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards. Moreover, the Company has also decided to place its related party transactions before the Annual General Meeting for obtaining shareholders' approval.

No material changes and commitment affecting the financial position of your company have occurred between the end of the financial year to which these financial statements relate and date of director's report.

On Behalf of the board

and Ahm Jamal Ahmed

Chief Executive

Lahore: December 26, 2019

#### Acnowledgement

The Directors are grateful to the Company's shareholders, financial institutions and customers for their continued cooperation, support and patronage. The Directors acknowledge the relentless efforts and dedicated services, team work, loyalty and hard work of all the employees of the Company and hope their continued dedication shall further consolidate the Company and keep it abreast to face future developments and demands.

The directors acknowledge support and services extended by FSC Integrated Solutions to achieve financial targets of the company.

# **BUSINESS** ACTIVITIES

# **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.

The Company is highly committed to consistently meet the sugar standard requirements and continual improvement of its quality management system to improve production, operational and organizational efficiencies. This commitment underlies the Company's quality policy, which is committed to meet the requirement and expectations of customers and stakeholders. 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 places according to the Good Laboratory Practices (GLP) guidelines aligned with High quality standards of product set by Pakistan Standard and Quality Control Authority (PSQCA) and Punjab Food Authority (PFA). Further the Company intends to have ISO Certifications thereto.

The Company's quality management policies comprise of documented policies, flowchart processes, elaborated work instructions, periodic internal audit follow up and associated quality records. Quality control policies, procedures, and potential assurance monitors whole process initiate from a field to market. Quality management practices lead to a significant improvement in financial performance, enhancing customer needs by providing quality products, continually upgrading the capability and above all ensuring safe working environment.



# **Supply Chain Management**

Supply chain management is the active management of supply chain activities to maximize customer value and achieve a sustainable competitive advantage. Sugar Industry is one of major agro processing sector. Delegation and competitiveness in agro based industries require new forms of coordination between farmers and other stakeholders, to maximize sugar production with minimum overheads a good network of all resources is in place. The challenge of greater competiveness in field aggregating cane from thousands of growers at a particular factory increases the significance of supply chain management in agro business. Although mills economic zone consists of average small farm size. The Company maintains that the smaller farmer is a valuable part of the cane growers base in the region. This underlies the importance of incentivize them like sharing of agri tolls and technology. Extensive and regular farm surveys are conducted that indicate the coverage of cane across every farm, the time of planting and harvesting. The Company's cane department is focused to mitigate outcome of the factors affecting the cane supply in the region may include a) climate, b) lack of technical knowledge, c) production, d) political factor and e) recovery.

JSML continuously aims at accumulate information that will enhance the design of efficient supply of products in organizations. Interactions between all the stream partners, availability of materials and through its process producing white refine sugar ensuring a superior quality of Sugar under its brand name KOHINOOR is presented through the following;

- Sugarcane supply management: In the region, cost of production, including harvesting, infield haulage, road
  transport, loss of throughput can add to costs at every link in the supply chain, the Company provides initiatives for
  reducing this cost and improving the efficiency of supply chain, like, regularly providing the latest updates of market
  and climatic changes as well as the best practices for improving sugarcane production to the farmers by conducting
  workshops and special training Programme will also help to improve the production of sugarcane.
- Logistics framework: As sugarcane is the main raw material used for manufacturing of sugar so the Company in
  order to reduce transportation cost is maintaining a high level of coordination between farmers, harvest contractors,
  transport contractors and local admiration to make sure the mill receives a steady stream of fresh cane. The
  Company has also developed an efficient transport fleet helpful to reduce the transportation cost to some extent.
- Value creation framework: After manufacturing and before distribution the sugar is stored in warehouses of the Company under proper care to maintain the inventory in good condition, enabling us to attract better pricing. Better Information Technology and application of quantitative tools and techniques are used for inventory management.

# **Sugarcane Supply Management**

Cane management is the most critical function in the sugar sector. The kind of seeds the cane growers use, their plantation techniques, prudent use of fertilizers and robust ration management are essential in farmers being able to deliver superior cane quality.

#### Strengths

Jauharabad Sugar Mills invested in various initiatives to enhance its competence related to cane management.

- Propagated the use of early maturing cane to enhance yields.
- Invested in nutrition and integrated pest management.
- Strengthened farm surveillance.
- Engaged in enduring farmer and vendor relationships, creating an ecosystem.
- Strengthened its dedicated cane management team.
- Conducted regular workshops at the village and district level; engaged daily with growers.

#### Seed Management and Development

The Company focused on the development of new cane varieties demonstrating superior strains (high recovery and yield). The Company entered into collaborations with Faisalabad research institution various research institutes with a track record in the development of superior seeds. These seeds were showcased through experiments on the Company's demonstration plots; once deemed successful, these seeds were shifted for use in commercial farms. The Company was among pioneers in the adoption of the revolutionary seed variety that has since translated into higher recoveries.

#### **Ratoon Management**

Cane growers, especially those in Khushab Zone, the Company conducted workshops to popularize ratoon management, engaged tractors mounted with insecticidal and fertilizer sprayers (to safeguard ratoon from black bugs that cause yellowing and malnutrition), gap-filling and irrigation followed by fertilizer spraying.

#### Innovative Planting Techniques

The Company's cane management team trained farmers in innovative planting methods (trench planting, wide row spacing, intercropping and twin row planting) to enhance yield, recovery and cane quality.

#### Soil Testing and Improvement

The Jauharabad plant is equipped with soil testing laboratories to analyze soil quality in command areas. Soil samples were collected from different villages, tested for fertility and fertilizers recommended, improving nutrient content. The fertilizers were subsidized for farmers.

#### **Regular Inspection**

The Company deployed teams to regularly monitor grower's farm to verify cane health, fertilizer used and the variety of cane cultivated, among others, report to a core team that suggested solutions for improvement.

# **Conflict of Interest Policy**

Jauharabad Sugar Mills Limited realizes the importance of conducting business with honestly, 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 share by any of his dependent or associates concerns which come into his knowledge. The Board recognizes the responsibility to adhere to the defined policies / procedures and avoid perceived conflicts of interest that may arise during the course of business.

#### Disclosure of Interest by Director

Every director (including spouse and minor children) of a Company who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf shall disclose the nature of his concern or interest at a meeting of the directors.

Directors are required to disclose existing or perceived conflicts of interest at the Board meeting as per the requirements of prevailing law. Where a conflict of interest or potential conflict of interest has been disclosed, the concerned Board member shall not take part in the Board discussion on that agenda item. The member who has disclosed the conflict cannot vote on that agenda item.

#### Abidance of Laws / Rules

Conform to and abide by all the legal and standing requirements and Code of Corporate Governance while performing their duties and obey all lawful orders and directives. All Board members shall comply with and observe all applicable related statutory requirements, regulatory directives and JSML policies.

#### Integrity

Conduct themselves with the highest standards of ethics, professional integrity and dignity in all dealings with all stakeholders and not engage in acts discreditable to JSML. If they become aware of any irregularity that might affect the interest, they shall inform the Board immediately.

#### Confidentiality

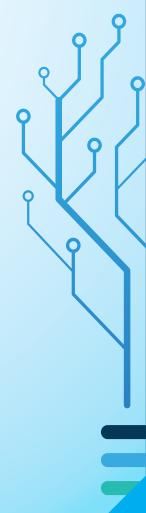
Maintain the privacy and confidentiality of all the information acquired being Member of Board of Directors or come into their knowledge and refrain from disclosing the same unless otherwise required by statutory authorities/law and Company's own policies. All such information will remain with them as a trust and will only be used for the purpose for which it is intended and will not be used for personal benefits. Inside information about JSML's affairs shall not be used for their own gains or for that of others either directly or indirectly.

# **IT Governance Policy**

Jauharabad Sugar Mills Limited is constantly focusing on the improvement of Information Technology system within organization. IT Governance process helpsto 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.

Jauharabad Sugar Mills Limited invested in a state of the art information management systems to improve organizational efficiency, accelerate responsiveness, shrink time-to market cycles, control costs and deliver sustainable business solutions. The Company has an integrated information management system and a stable ERP platform. For decision-makers to enforce control and achieve pre-decided financial objectives and goals, the Company invested in a best-in-class sector MIS setup.

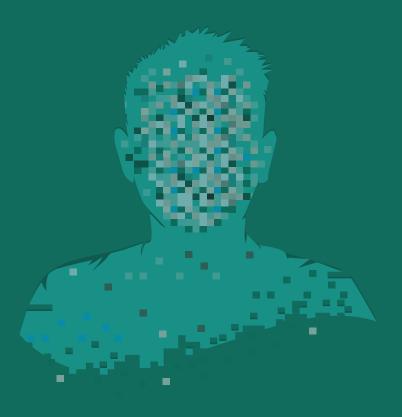


# Insider Trading Policy

The Company has a stringent policy on insider trading and securities transactions. The policy paper which is circulated to all the employees of the Company from time to time prohibits all employees of the Company from making use of inside information for direct or indirect transactions in Company shares. No trading in Company shares is allowed during the closed periods. Trading is only allowed in the open period, preferably in the two weeks period following announcement of quarterly/half-yearly/annual results. Prior notification in writing is required to be given to Company Secretary before carrying out any transaction and once the transaction is executed, it is to be reported back to the Company Secretary within two days of execution of the transactions with relevant details of purchase/sale of shares. No opposite transaction is allowed within six months i.e. if anyone buys any shares of the Company, he or she is not allowed to sell those shares within six months to make a gain.

Directors shall not deal directly or indirectly in the securities of the Company whether on their own account or their relative's account, if they are in possession of any unpublished price sensitive information concerning the Company. Directors who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

Where any director or his/her spouse sells, buys or takes any beneficial position, whether directly or indirectly, in the shares, he/ she shall immediately notify the Company Secretary in writing. Such director shall also deliver a written record of the price, number of shares, form of share certificates, (i.e., whether physical or electronic within the Central Depository System), and nature of transaction to the Company Secretary. Further, no director shall, directly or indirectly, deal in the shares, in any manner, during the closed period as determined by the Board of Directors.



# **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 standing 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 with following core objectives;

- Each director, employee and stakeholder is under obligation to report any violation or suspected violation of organization's code.
- · Concerns are to be raised without any fear of reprisals even if they might turn out to be mistaken should be dealt fairly.
- · Confidentiality of whistle blower with respect to subject matter to be submitted for accountability.
- Protection of the whistle blower form any adverse employment actions such as termination, compensation reduction or any sort of threat of physical harm.

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 or victimization. The policy not only provides guideline to raise such concerns but also ensures protected disclosures and confidentiality. Scope of policy is restricted to address the concerns in relation to money laundering, bribery, harassment, budget grievance or disciplinary proceeding.

# **Disaster Recovery Plan**

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 organize 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.

The Company has adopted Disaster Recovery Plan for the continuity of infrastructure and application of all possible resources when a disaster hit. In the situation of disaster, (natural or human induced) it is essential to judge the situation timely and correctly. If it is identified as disaster, the emergency is to be declared at the earliest possible. The shift In-charge, who is available in the unit all times, shall identify situation of the hazard or calamity and report immediately the same to the Management. The emergency may be declared in entire unit or part of it, depending upon the situation/nature of disaster. Accordingly, shift in-charge shall also sound the alarm bell to be provided in each of the section. Under such situation, the shift in-charge or higher authority such as General Manager shall take charge of the situation. He shall initiate all such actions that are essential at each of the sub-unit; which would include:

- Evacuation of all the personnel from affected part of mills who are not required for controlling the situation, or hazard.
- Immediate grasping of gravity of the problem / hazard and giving instructions to the concerned teams as laid down to act in a manner required to control the situation.
- In case of fire, the help of fire force should be immediately sought and put into action. Simultaneously, the workman trained in the firefighting procedures shall be called to extinguish the fire.
- Maintain all critical applications, equipment and documents in backup.



# **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 (including both paper and electronic), according to timeframe as required under the provision of section 220 of the Companies Act 2017. 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.



# **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 Companythrough presentations ensures that everyone is well-aware of risksassociated to machinery and usageof 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.

At Jauharabad Sugar Mills, Health and Safety is the first and foremost agenda topic at each in-house and higher management meeting. In addition, Health and Safety concerns are explicitly included in SMART goals of head of departments and senior management, Hundred percent compliance with policy programs resulted in the conclusion of the year with no reportable occupational illness. These programs include the regular testing of plant equipment and sites from a health perspective, as well as monitoring of employee health. Additionally, health awareness sessions on basic lifesaving techniques, medical emergency handling and first aid were conducted at our factory and head office. Basic Life Support is a first-aid resuscitation that educates and equipped individuals to recognize various life-threatening emergencies

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.

# **Environmental Responsibility**

To enhance environmental standards and continuously promoting a better and Green Environment within the mills 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 further 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 continually 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.

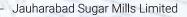
The Company follows the standard for disposal of liquid effluents as per the Environmental Protection Agency (EPA) guidelines. The only hard form of waste extracted while purification of sugar called Mud which is environmental friendly and is used as a fertilizer in farms. The Company is also investing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

# **Human Resource Management**

Human Resource is a vital asset of any organization in a knowledge-oriented economy. To achieve long term future-oriented objectives and performance excellence in all departments of organization from policy planning to creation of leadership. Sustainable human resource management aims for efficient recruiting process to arrange potential human resource which considers the individual employee skill enhancement and organization's competitiveness equal. 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 resources 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 disable employees which keep a sustainable positive difference in the quality of life.
- Making all reasonable effort 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.





AUTHAR. Sugar Mills

# **Performance Management**

The Company is committed to build strong corporate culture that is shaped by motivated team who demonstrate deep believe 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.

- To establish clarity in job description through employee recruitment plan to make efficient out from human resources.
- To give a sense of direction and challenge to the individual and their team through role clarity.
- To determine continuous critical analysis of objectives and performance standard of each job.
- To provide effective employee orientation and integrate with culture of organization.
- To ensure aligning of employee's personal goal with organizational goal to enhance productivity and profitability.
- To help different functions and departments to go beyond targets and benchmarks and take quantum jumps.
- To achieve targets and bench marks, develop culture of cross-functional meetings.
- To build open communication culture through regular feedback.
- To create supportive and empowering corporate culture in the organization.
- To Identify talent for succession planning.
- To Identify employees with long term growth potential.
- · To Identify employees performing below expectation and what inputs are required to improve their performance.
- To provide on-going training to improve low performers as needed.
- To ensure growth of employees for organizational perpetuity.
- To creating total quality environment by enhancing the commitment of people in terms of productivity, quality, technology, structure and systems.
- To assure effective reward mechanism to boost employee performance, individual performance is not linked to group performance.

# **Corporate Social Responsibility**

#### CSR at Jauharabad Sugar

Company is committed towards creating a conducive environment to bring about an inclusive growth in society, reflected in our CSR philosophy and strategy. For over six decades the company has laid a strong emphasis on promoting equitable and sustainable growth, addressing the health and sanitation, education, rural infrastructure, women empowerment and other social development issues.

Corporate social responsibility is the foremost priority of the Company. JSML is continuously taking significant measures to make improvements in the Company's own operations, social and environmental value through making a framework of sustainable strategically implications. The framework sets foundations upon which all others rely in a profitable economy, compliance with all legal requirements, to be ethical. philanthropist and to serve as a good corporate citizen by understanding every individual need. These strategies identify all those dimensions in which Company is making efforts to add long-term values. 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 General Manager Operations, scheduled to meet guarterly to review the progress of CSR program. This year four meetings were held and the committee is satisfied with the performance of "CSR Program-2019".

The Company is driven by a well-defined Corporate Social Responsibility (CSR) Policy with the purpose to support responsible and sustainable initiatives, taking into account the interests of society and environment. We continuously strive towards systematic and sustainable improvement of local communities surrounding our plants and project sites.

#### CSR Vision and Mission

Jauharabad Sugar's underlying belief is to make a positive contribution to the society and ensuring environment sustainability. We are striving continuously to create opportunities for communities and enrich lives of our stakeholders and community at large through our CSR initiatives. Our CSR mission is to facilitate social, economic and environmental progress through the effective management of human and natural capital and to create an

opportunity for every stakeholder to reach his or her full potential.

## Objective and Scope of the Policy

The Corporate Social Responsibility Policy demonstrates its commitment to business in a manner sensitive and responsible society and compliant with the relevant directives, regulations and Code of Business Ethics and Practice. The Policy strives to support the Government's vision of Corporate Social Responsibility. The objective of the policy is to articulate guidelines that make CSR a key business process for sustainable societal development. The policy supplements the role of the Government in enhancing welfare measures based on immediate and long-term social and environmental consequences. Our CSR Policy is framed taking into account the following:

a) Welfare measures for the community at large to ensure that poorer sections derive the maximum benefit.

- b) Contribution to society at large by way of social and cultural development, imparting education, training and social awareness especially with regard to the economically backward class for their development and income generation.
  - c) Protection and safeguard of the environment while maintaining an ecological balance.

# CSR Journey

Jauharabad Sugar has been engaged in CSR since inception. In recent years the Company realigned its CSR focus on issues material to the company and stakeholders. CSR activities are identified based on stakeholder expectations and needs assessment through structured engagement process and communication. This understanding is leveraged to develop and implement outcome-based and

impact-oriented projects in selected areas. The aim is to make a positive impact through the development of resilient sustainable models. Stakeholder engagements and needs assessment studies water scarcity, erratic power supply, unemployment among rural youths and basic rural infrastructure needs in the neighboring community. The Company planned its CSR programs mainly

consisting of: soil & water conservation; energy conservation and climate change mitigation; livelihood skill training and social development aimed at the creation of shared value

for all stakeholders.

Jauharabad Sugar Mills, through its CSR initiatives, is committed to bring a positive change in communities. Its CSR program is an example of how a corporate creates additional value for all stakeholders. As a leading sugar industry, Jauharabad Sugar is engaged in ensuring equitable and sustainable growth across its areas of operations.



## Betterment of Environment

It aims to reduce damaging effects on environment by industrial sector. Company is focusing to limit pollution and greenhouse gases to save planet and all living being in it. JSML is concerned to stand as a good corporate citizen and protect environment. For this reason, environmental awareness programs, waste management programs are created and performing environmental protective activities. At factory site, we ensure that no harmful gases are released into the Further Company takes environment. all precautionary measures to protect environment from pollution, like following the norms of contributing to environment JSML under "Sustainable Go Green Initiative 2019" of planting trees with public figures and senior environment government officer of Khushab region. During this year campaign, the Company remained successful in planting 5,000 trees to surroundings of leading roads to sugar mill and in local school, motivating next generation to protect this heaven.

# Energy Conservation and Climate Change Mitigation

Energy is a major concern in Pakistan, with a majority of the population being dependent on depleting fuel wood and erratic electricity supply. Clean and renewable energy for the poor and vulnerable rural communities are another focus area at Jauharabad Sugar. Our diversification strategy in Co-Gen Power plant project will help in generating approximately 10 Mega-watts into Country electric system thus eradicating power shortage in an eco-friendly means of producing electricity through high pressure turbine using bagasse.

# Water Conservation and Effluent Treatment

Sugar Mill operations generate a significant waste water due to the high-water content in cane (~70%). The Company proactively recycles and reuses water to reduce its dependence on freshwater. The Company has built water pounds to moderate its fresh water intake. Likewise, the Company commissioned a zero-waste society where waste was segregated and disposed as per biosafety standards.

# Contribution to Social Community

At Jauharabad, we are focused on CSR activities and believe in giving back what we get from our community. One of our primary focus areas is the environment. Businesses, regardless of their size, tend to leave a carbon footprint. We focus on imparting quality education to the underprivileged. We developed schools around some of our facilities for the education of rural children. We ensure the all-round development of these children. Besides environment and education, Jauharabad focuses on healthcare. The Company is helping build basic

infrastructure needs like school sanitation blocks, low cost toilets etc. Health is another concern among the community thereby the Company is regularly contributing to various non-profit organization such as LRBT, GULAB DEVI HOSPITAL.

#### Sports Activities

This year company conducted a major cricket tournament in collaboration with Ideal Cricket Club, along with JSML maintains tennis court,

football and cricket grounds where we regularly arrange tournaments to foster the healthy activities in which Company employees & people from surroundings participated with other local sports associations.

#### Fair Price Shop

JSML integrates its business operations with CSR by helping employees and their families in providing basic necessities at subsidized rates. To support this, cause a fair price shop is functional within the Colony with a financial support of the Company where employees can fulfill their needs even on credit basis to make their both ends meets.

#### Labor Day Celebration

"Labor Day Movement" in Pakistan is dedicated to JSML employee and every year on Labor Day employee celebrates "Worker welfare Labor Day" with full zeal and zest. From senior management to junior staff every one

participates in formal ceremony and share opinions on rights and responsibilities of the Labor. Along with that, lunch and entrainment arrangements are also arranged as get together. This also serves a platform for eliminating a communication gap between workers, union and a senior management.

#### Ramadan Dastar Khuwan

JSML maintains his tradition of serving for the consecutive 6 Years in the holy month of Ramadan by arranging a Dastar Khuwan for visitors, needy and Company employees.

#### Catering of Religious Needs

We at Jauharabad Sugar Mills Limited understand and take care the religious need of all the individual either associated with us or not thereby to provide a better atmosphere to offer prayers at district court to society, we have constructed a mosque providing all the basic needs to provide maximum ease to individuals offering prayers.

#### **Employment for Disabled Person**

Dilemma of Disability employment is a very serious concern in all over the world yet on the other hand

disabled workforce participation is a motivation. JSML knows the sensitivity of this as a natural concern and has given equal opportunities to all employees. Company hired disabled employees as per Employment & Rehabilitation Ordinance 1981. Special facilities quota is there for disabled people and their families.

# Grower's Financial and Technical Support

Jauharabad Sugar Mills regularly provide financial and technical assistance, during the current financial year JSML has provided agricultural loan of approximately 31 Million to growers for cultivation of latest Cane variety to increase yield and sucrose recovery of the region. JSML has also signed an MOU with Faisalabad Agricultural University to provide

research study in our region. The students of university had also conducted thesis research on Sugar Cane cultivation techniques thus helping in further discovery of seed across the region, in the years to come. We feel proud to state that according to recent research conducted in Pakistan Khushab region cane is declared best for sugar production, this is all because of the interminable efforts of Jauharabad Sugar Mills.

# Research and Innovative Planting Techniques

The Company focused on the identification of new cane varieties demonstrating superior strains (high recovery and yield). The Company entered into collaborations with various research institutes and has trained farmers in innovative planting methods (trench planting, wide row spacing, intercropping and twin row planting) to enhance yield, recovery and cane quality.

#### **Integrated Pest Management**

IPM is a Bio-Science based approach with latest techniques to protect environment. JSML knowing the importance of cane field protection to produce quality variety cane, hired IPM professionals who manages pest to lower the risks associated with people on field. Experts train the local farmers and factory employees to help them in developing effective mechanism while processing cane. TRACHOMA cards have been given to local growers and farmers and train them some hygiene attempts while working. 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".

#### Haii and Umrah Sponsorship

JSML team apart from conducting business fulfilling their religious duties and our CSR sponsorship is tailored to ensure every year at least four employees to be sent for performing Hajj & Umrah through lucky draw criteria.

#### **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.

#### Stakeholder's Influence

Company is engaged with full responsibility in creating opportunities for local suppliers and cooperating to develop an environment of performance-based relations with all customers, suppliers and stakeholders is created for operations efficiency.

#### **Economic Concerns**

create balances between own-business Τo operations, other businesses and environment practices, CSR plays as an interconnecting agent, which helps other businesses to generate profits and growth. Economic decisions are made which effect businesses and overall society at same time.

# **Ethical Training**

Training of ethics in corporations is government requirement, helped CSR to spread and work more for society. The training helps employees more about corporate ethical activities and more likeliness of not indulging into bribes, violation of laws and any wrong business conduct which can cause business reputation damaged. This results in fare trading, pride in right actions, and more loyal employees.

#### Contribution to National Exchequer

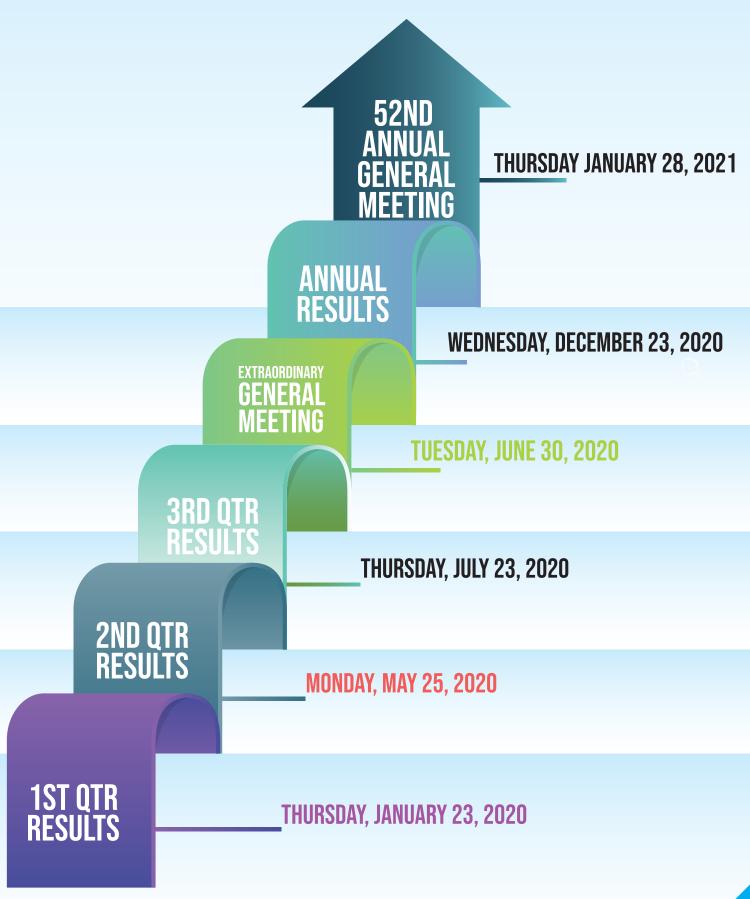
During the year, the Company has contributed an amount of Rs. 394.133 million toward national exchequer in shape of taxes, duties, cess etc. The Company has also contributed through earning of valuable foreign exchange amounting to US\$ 3.539 million through export of refine sugar.





# **INVESTORS'** INFORMATION

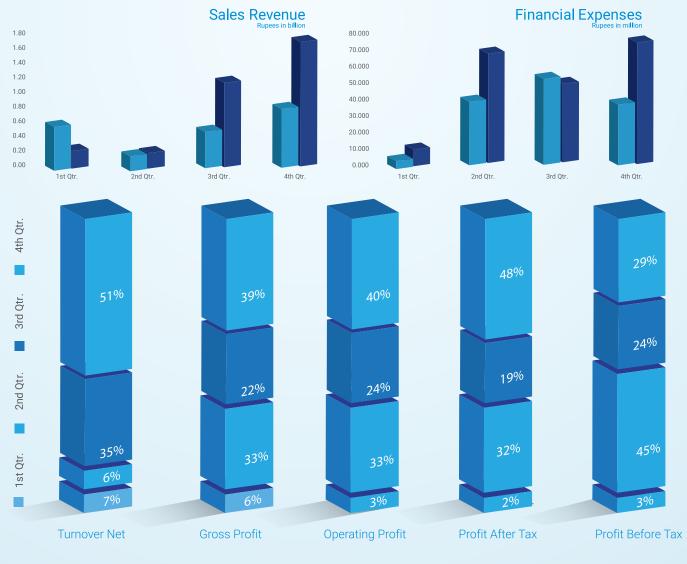
# **Corporate Calendar**





# **Quarterly Performance Analysis**

Particulars	1st Qtr.	2nd Qtr.	3rd Qtr. (Rupees in '00	4th Qtr. 00')	Total
Turnover - net	251,016	220,869	1,201,185	1,768,413	3,441,483
Cost of sales	(210,697)	(4,521)	(1,056,557)	(1,515,979)	(2,787,754)
Gross profit	40,319	216,348	144,628	252,434	653,729
Distribution cost	(952)	(3,623)	(16,727)	(24,526)	(45,828)
Administrative expenses	(24,525)	(59,617)	(17,013)	(38,769)	(139,924)
	(25,477)	(63,240)	(33,740)	(63,295)	(185,752)
Operating profit	14,842	153,108	110,888	189,139	467,977
Other income	382	(2,480)	(13,592)	10.661	(5,029)
Financial cost	(10,402)	(69.045)	(49,562)	(76,670)	(205,679)
Profit before tax	4,822	81,583	47,734	123,130	257,269
Taxation	-	434	(4,197)	(70,789)	(74,552)
Profit after tax	4,822	82,017	43,537	52,341	182,717



	FY2019	6	FY2018	)18 	FY2017	017	FY2016	016	FY	FY2015	FY2014	14	FY2013	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
Horizontal Analysis														
Equity & Liabilities														
Shareholders equity	2,899,934	5.64	2,744,983	5.83	2,593,829	(2.71)	2,666,012	34.75	1,978,479	1.16	1,955,853	76.29	1,109,433	6.78
Non-current liabilities	308,357	(39.45)	509,236	2.33	497,642	43.09	347,788	21.40	286,474	(16.00)	341,030	(71.25)	1,186,366	45.82
Current liabilities	1,080,800	(24.69)	1,435,214	73.04	829,394	286.91	214,364	(55.83)	485,282	61.78	299,957	(54.25)	655,619	(44.70)
	4,289,0∮1	(8.54)	4,689,433	19.60	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)
Assets														
Non-current assets	3,276,400	1.10	3,240,663	5.10	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)
Current assets	1,084,691	(25.13)	1,448,770	72.99	837,502	89.62	441,667	(19.98)	551,977	80.96	305,022	(56.78)	705,734	20.24
	4,361,091	(00.2)	4,689,433	19.60	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)
Vertictal Analysis														
Equity & Liabilities														
Shareholders equity	2,899,934	67.61	2,744,983	58.54	2,593,829	66.15	2,666,012	82.59	1,978,479	71.94	1,955,853	75.32	1,109,433	37.59
Non-current liabilities	308,357	7.19	509,236	10.86	497,642	12.69	347,788	10.77	286,474	10.42	341,030	13.13	1,186,366	40.20
Current liabilities	1,080,800	25.20	1,435,214	30.61	829,394	21.15	214,364	6.64	485,282	17.65	299,957	11.55	655,619	22.21
	4,289,091	100.00	4,689,433	100.00	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
Assets														
Non-current assets	3,276,400	75.13	3,240,663	69.11	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
Current assets	1,084,691	24.87	1,448,770	30.89	837,502	21.36	441,667	13.68	551,977	20.07	305,022	11.75	705,734	23.91
	4,361,091	100.00	4,689,433	100.00	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

# Horizontal & Vertical Analysis Statement of Financial Position

	FY2019	19	FY2018	018	FY2017		FY2016	16	FY2015	15	FY2014	14	FY2013	13
	Rs. 000		Rs. 000		Rs. 000		Rs. 000		Rs. 000		Rs. 000		Rs. 000	%
Horizontal Analysis														
Sales - net	3,441,483	56.78	2,195,040	(14.99)	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)
Cost of sales	(2,787,754)	29.70	(2,149,334)	(5.81)	(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)
Gross profit	653,729	1,330.29	45,706	(84.77)	300,119	45.38	206,433	95.99	105,330	(167.49)	(156,073)	(54.39)	(342,222)	255.14
Selling and distribution expenses	(45,828)	306.84	(11,264)	24.68	(6,035)	23.90	(7,292)	(3.41)	(7,549)	(3.62)	(7,832)	124.20	(3,493)	(40.63)
Administrative and general expenses	(139,924)	10.16	(127,021)	18.44	(107,249)	30.09	(82,441)	20.78	(68,259)	6.19	(64,281)	(13.95)	(74,705)	(3.39)
Other operating income	(5,029)	(101.89)	266,608	5,129.64	5,098	(73.11)	18,962	(33.79)	28,640	(84.68)	186,966	(79.23)	900,351	(55,593.35)
Operating profit	462,948	166.02	174,028	(7.89)	188,933	61.90	116,701	100.65	58,162	(241.10)	(41,221)	(108.59)	479,930	(364.86)
Financial cost	(205,679)	48.98	(138,061)	10.94	(124,442)	132.05	(53,626)	5.13	(51,010)	41.84	(35,964)	(20.30)	(45,126)	(52.61)
Profit before tax	257,269	615.29	35,967	(44.23)	64,492	(21.39)	82,036	1,047.14	7,151	(109.27)	(77,185)	(117.75)	434,804	(257.29)
Taxation	(74,552)	141.65	(30,851)	(5.47)	(32,636) (236.20)	(236.20)	23,961 (	23,961 (1,279.94)	(2,031)	(105.30)	38,293	(127.56)	(138,961)	(276.27)
Profit after tax	182,717	3,471.65	5,116	(83.94)	31,856	(69.95)	105,997 1,970.00	1,970.00	5,121	(113.17)	(38,891)	(113.15)	295,843	(249.72)
Vertictal Analysis														
Sales - net	3,441,483	100.00	2,195,040	100.00	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
Cost of sales	(2,787,754)	(81.00)	(2,149,334)	(97.92)	(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)
Gross profit	653,729	19.00	45,706	2.08	300,119	11.62	206,433	9.86	105,330	7.24	(156,073)	(8.95)	(342,222)	(29.92)
Selling and distribution expenses	(45,828)	(1.33)	(11,264)	(0.51)	(9,035)	(0.35)	(7,292)	(0.35)	(7,549)	(0.52)	(7,832)	(0.45)	(3,493)	(0.31)
Administrative and general expenses	(139,924)	(4.07)	(127,021)	(5.79)	(107,249)	(4.15)	(82,441)	(3.94)	(68,259)	(4.69)	(64,281)	(3.69)	(74,705)	(6.53)
Other operating income	(5,029)	(0.15)	266,608	12.15	5,098	0.20	18,962	0.91	28,640	1.97	186,966	10.72	900,351	78.72
Operating profit	462,948	13.45	174,028	7.93	188,933	7.32	116,701	5.57	58,162	4.00	(41,221)	(2.36)	479,930	41.96
Financial cost	(205,679)	(2.98)	(138,061)	(6.29)	(124,442)	(4.82)	(53,626)	(2.56)	(51,010)	(3.51)	(35,964)	(2.06)	(45,126)	(3.95)
Profit before tax	257,269	7.48	35,967	1.64	64,492	2.50	82,036	3.92	7,151	0.49	(77,185)	(4.43)	434,804	38.02
Taxation	(74,552)	(2.17)	(30,851)	(1.41)	(32,636)	(1.26)	23,961	1.14	(2,031)	(0.14)	38,293	2.20	(138,961)	(12.15)
Profit after tax	182,717	5.31	5,116	0.23	31,856	1.23	105,997	5.06	5,121	0.35	(38,891)	(2.23)	295,843	25.87

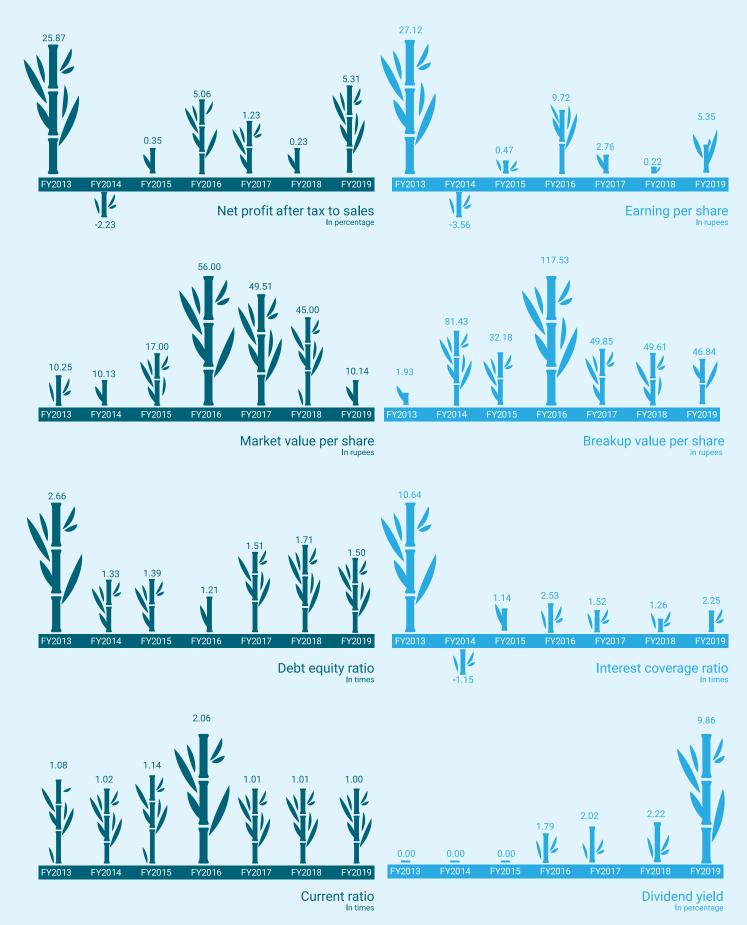
# **Seven Years at a Glance**

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
	112019	112010			112013	112014	112013
			(Rs.	000)			
Financial Position							
Non current assets	3,276,400	3,240,663	3,083,362	2,786,497	2,198,258	2,291,818	2,245,685
Current assets	1,084,691	1,448,770	837,502	441,667	551,977	305,022	705,734
Current liabilities	1,080,800	1,435,214	829,394	214,364	485,282	299,957	655,619
Non current liabilities	380,357	509,236	497,642	347,788	286,474	341,030	1,186,366
Shareholders equity	2,899,934	2,744,983	2,593,829	2,666,012	1,978,479	1,955,853	1,109,433
							<u> </u>
Profit or Loss							
Sales - net	3,441,483	2,195,040	2,581,987	2,096,363	1,455,105	1,744,056	1,143,758
Gross profit	653,729	45,706	300,119	208,145	105,330	(156,073)	(342,222)
EBITDA	573,768	282,354	292,330	224,214	120,231	18,802	541,440
EBIT	462,948	174,028	188,933	135,662	58,162	(41,221)	479,930
Profit before tax	257,269	35,967	64,492	82,036	7,151	(77,185)	434,804
Profit after tax	182,717	5,116	31,856	105,997	5,121	(38,891)	295,843
Cash Flows							
Cash flows from operations	257,269	35,967	64,492	82,036	7,151	(77,185)	434,804
Operating activities	957,893	(756,922)	(113,983)	41,991	(72,505)	(77,678)	(562,892)
Investing activities	(112,480)	(244,664)	(396,068)	(106,439)	(92,145)	(61,285)	88,209
Financing activities	(536,970)	1,428,648	517,625	49,723	191,568	141,406	473,964
Cash and cash equivalents at							
the beginning of the year	46,519	27,113	19,538	34,263	7,346	4,902	5,621
Cash and cash equivalents at							
the end of the year	58,855	46,519	27,113	19,538	34,263	7,346	4,902
	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
Operational Data			100				
· · · · · · · · · · · · · · · · · · ·			•	•			
							9,631
Sales - netGross profitEBITDAEBITProfit before taxProfit after taxCash FlowsCash flows from operationsOperating activitiesInvesting activitiesFinancing activitiesCash and cash equivalents atthe beginning of the yearCash and cash equivalents atthe end of the year	653,729 573,768 462,948 257,269 182,717 257,269 957,893 (112,480) (536,970) 46,519 58,855	45,706 282,354 174,028 35,967 5,116 35,967 (756,922) (244,664) 1,428,648 27,113 46,519	300,119 292,330 188,933 64,492 31,856 64,492 (113,983) (396,068) 517,625 19,538 27,113	208,145 224,214 135,662 82,036 105,997 82,036 41,991 (106,439) 49,723 34,263 19,538	105,330 120,231 58,162 7,151 5,121 7,151 (72,505) (92,145) 191,568 7,346 34,263 FY2015	(156,073) 18,802 (41,221) (77,185) (38,891) (77,185) (77,678) (61,285) 141,406 4,902 7,346	(342,222) 541,440 479,930 434,804 295,843 434,804 (562,892) 88,209 473,964 5,621 4,902 FY2013 5,621 4,902 FY2013 97 321,022 26,420 8.23 15,048 4.69 99,966

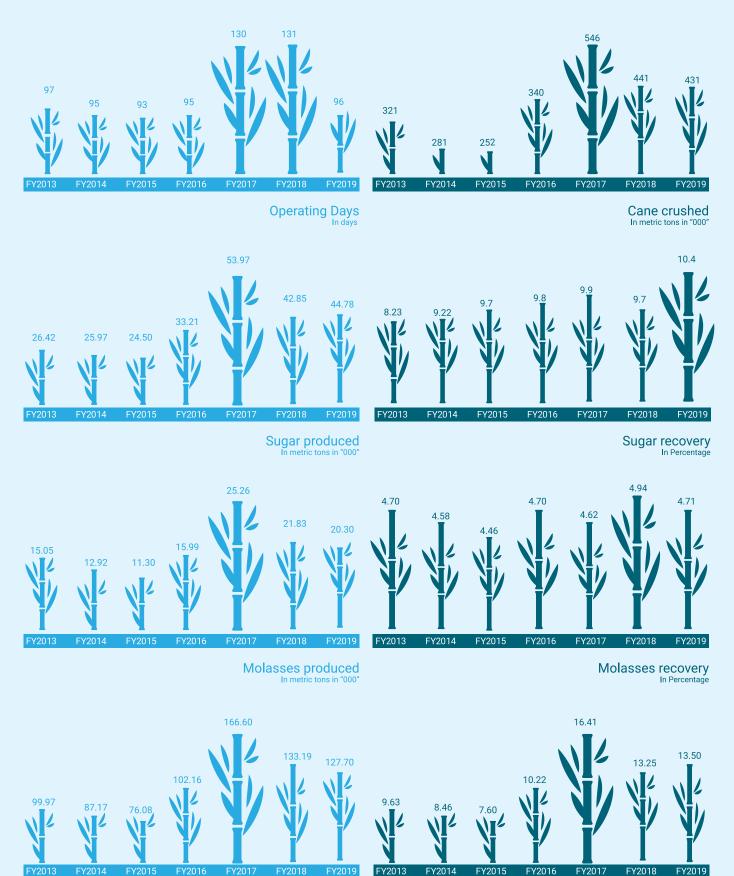
# **Seven Years at a Glance**

	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
Ratio Analysis							
Profitability Ratios							
Gross profit to sales	19.00%	2.08%	11.62%	9.93%	7.24%	-8.95%	-29.92%
Net profit after tax to sales	5.31%	0.23%	1.23%	5.06%	0.35%	-2.23%	25.87%
EBITDA to sales	16.67%	12.86%	11.32%	10.70%	8.26%	1.08%	47.34%
Return on Equity	6.30%	0.19%	1.23%	3.98%	0.26%	-1.99%	26.67%
Return on Capital Employed	15.96%	6.34%	7.28%	5.09%	2.94%	-2.11%	43.26%
Liquidity Ratios							
Current ratio	1.00	1.01	1.01	2.06	1.14	1.02	1.08
Quick ratio	0.64	0.48	0.34	1.92	1.02	0.88	0.41
Cash to current liabilities	5.45%	3.24%	3.27%	9.11%	7.06%	2.45%	0.75%
Cash flow from operations to sales	7.48%	1.64%	2.50%	3.91%	0.49%	-4.43%	38.02%
Activity Ratios							
Inventory turnover	4.88	3.28	7.78	42.19	27.06	7.93	3.93
No. of days in Inventory	74.86	111.22	46.93	8.65	13.49	46.04	92.79
Debtor turnover	11.52	13.36	3,779.39	35.98	16.13	54.54	100.05
No. of days in Receivables	31.69	27.33	0.10	10.14	22.63	6.69	3.65
Creditor turnover	7.86	7.15	7.69	8.16	5.14	4.82	2.50
No. of days in Payables	46.44	51.05	47.48	44.70	70.98	75.73	145.72
Operating Cycle	60.11	87.50	(0.45)	(25.91)	(34.86)	(22.99)	(49.29)
Total assets turnover	0.76	0.51	0.72	0.70	0.54	0.63	0.38
Fixed assets turnover	1.06	0.69	0.88	0.84	0.65	0.77	0.49
Investment Valuation Ratios							
Earnings per share	5.35	0.22	2.76	9.72	0.47	(3.56)	27.12
Price Earning ratio	1.90	204.55	17.94	5.76	36.22	(2.84)	0.38
Dividend Yield	9.86%	2.22%	2.02%	1.79%	- 00.22	- (2.04)	-
Dividend Payout ratio	18.69%	454.55%	36.23%	10.29%			
Dividend Cover ratio	5.35	0.18	1.29	9.72			
Cash Dividend per share	10.00%	10.00%	10.00%	10.00%			
Market value per share	10.00 %	45.00	49.51	56.00	17.00	10.13	10.25
Break value per share	46.84	49.61	49.85	117.53	32.18	81.43	1.93
	40.04		49.00			01.40	1.90
Capital Structure Ratios							
Debt to equity ratio	1.50	1.71	1.51	1.21	1.39	1.33	2.66
Interest coverage ratio	2.25	1.26	1.52	2.53	1.14	(1.15)	10.64

# **Graphical Representation - Financial**



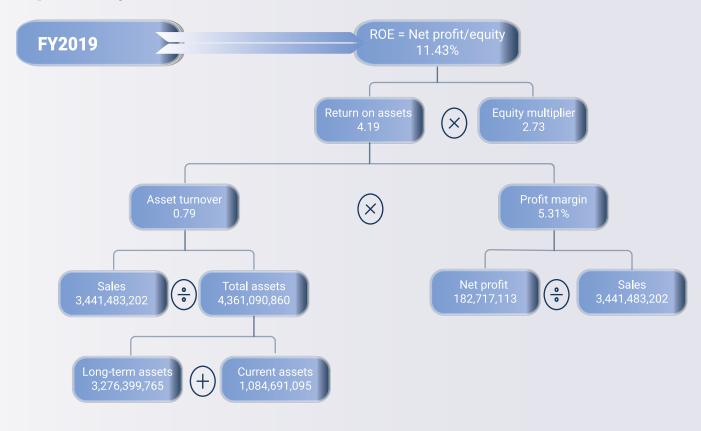
# **Graphical Representation - Operational**

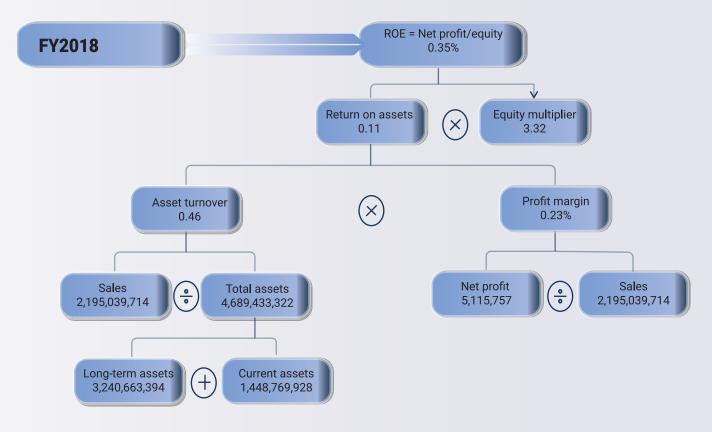


V. F. Cake produced In metric tons in "000"

Bagasse produced In metric tons in "000"

# **Dupont Analysis**





Major (retd.) Amjad Bashir Hussain Director

# **Risk and Opportunities Report**

The Board of directors of the Company is principally committed to identify and to mitigateall suchbusiness 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 policieschanges 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 strategizeoperations 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. 182,717,113(FY2018: Rs. 5,115,757) and to enhance Price Earning to 3,466.67% (FY2018: 204.55%) with EPS at Rs. 5.35 (FY2018: Rs. 0.22). This year, keeping the impact of industry's dynamics, total volume of 2,120,000 (FY2018: 941,000) number of the Company's shares were transacted on PSX with price variation magnitudeof 421.21% (FY2018: 48.79%), between recorded lowest price at Rs. 8.96 (Dated: August16, 2019) and highest price at Rs. 46.7 (Dated: October 05, 2018). 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. These factors can also led down the Company financial performance.

#### Regulations and Government Policies

Share price of the Company is also sensitive to the changes in policies by the government or byany 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

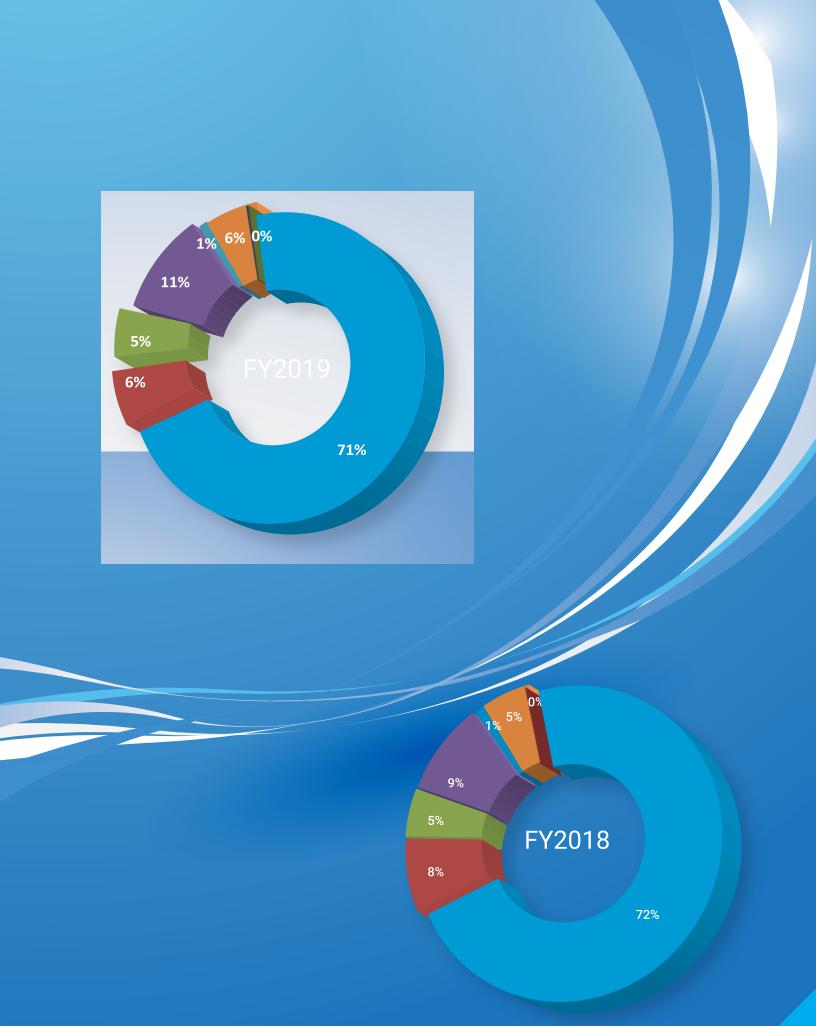
The Company has invested to improve varietal mix of sugarcane in its area of operations, in order have better recovery eventually lowering the cost of production and by rationing variable costs associates to production Variations in these costs will negatively affect the gross margins and will resultantly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

# **Statement of Value Addition and Distribution of Wealth**

	FY2	2019	FY2	2018
				%
Wealth Generated				
Gross sales to customers	3,824,749	100.1%	2,446,847	90.2%
Add: Other income and finance income	(5,029)	-0.1%	266,608	9.8%
Total value added	3,819,720	100.0%	2,713,454	100.0%
Distribution of Month				
Distribution of Wealth	0.570.070	05.10	1 000 750	71.00
Cost of sales (excluding employees' remuneration)	2,573,878	95.1%	1,938,750	71.6%
Salaries paid to employees	216,526	8.0%	207,234	7.7%
Marketing, selling and administrative expenses	185,752	6.9%	132,328	4.9%
Government as levies	383,266	14.2%	251,807	9.3%
Shareholder as dividends	34,128	1.3%	28,440	1.1%
Finance cost	205,679	7.6%	138,061	5.1%
Workers' welfare	7,194	0.3%	6,642	0.2%
Charity and donation	2,037	0.1%	2,665	0.1%
Providers of long term finance as financial charges	3,894	0.1%	74	0.0%
	3,612,354	133.5%	2,706,001	100.0%
Retained within the business	207,366		7,453	



# Pattern of Shareholding As on September 30, 2019

1.1	Name of the Company		Jauharab	ad Sugar Mills Limited
2.1	Pattern of Holding of the Shares Held	by the Shareholders as at		30-Sep-19
2.2	Number of Shareholders	From	То	Total Shares Held
	617	1	100	16,027
	243	101	500	60,033
	100	501	1,000	72,816
	144	1,001	5,000	353,989
	31	5,001	10,000	230,930
	9	10,001	15,000	114,996
	4	15,001	20,000	75,020
	6	20,001	25,000	138,525
	2	30,001	35,000	66,151
	3	35,001	40,000	118,500
	2	40,001	45,000	85,346
	2	55,001	60,000	116,031
	2	60,001	65,000	125,500
	1	85,001	90,000	85,376
	5	95,001	100,000	492,114
	1	105,001	110,000	107,103
	1	115,001	120,000	120,000
	1	120,001	125,000	124,618
	1	145,001	150,000	149,785
	1	180,001	185,000	184,000
	1	230,001	235,000	230,626
	1	565,001	570,000	566,098
	1	815,001	820,000	818,100
	1	1,025,001	1,030,000	1,028,582
	1	1,690,001	1,695,000	1,691,097
	1	3,115,001	3,120,000	3,119,785
	1	2,260,001	2,265,000	2,261,205
	1	21,575,001	21,580,000	21,576,1a00
	1184			34,128,453

Categories of Shareholders	Share Held	Percentage
Directors, Chief Executive Officers and their Spouse and Minor Children	18,954	0.0555%
Associated Companies, Undertakings and Related Parties. (Parent Company)	21,725,885	63.6592%
NIT and ICP	1,033,239	3.0275%
Banks Development Financial Institutions, Non Banking Financial Institutions	5,875	0.0172%
Insurance Companies	236,877	0.6941%
Modarabas and Mutual Funds	Nil	Nil
Share Holders Holding 10% or More	21,725,885	63.6592%
General Public		
a. Local	10,649,614	31.2045%
b. Foreign	690	0.0020%
Others (to be specified)		
a. Investment Companies	2,444	0.0072%
b. Joint Stock Companies	305,345	0.8947%
c. Pension Funds	99,459	0.2914%
d. Government Holding	11,205	0.0328%
e. Others	38,866	0.1139%
	Directors, Chief Executive Officers and their Spouse and Minor Children Associated Companies, Undertakings and Related Parties. (Parent Company) NIT and ICP Banks Development Financial Institutions, Non Banking Financial Institutions Insurance Companies Modarabas and Mutual Funds Share Holders Holding 10% or More General Public a. Local b. Foreign Others (to be specified) a. Investment Companies b. Joint Stock Companies c. Pension Funds d. Government Holding	Directors, Chief Executive Officers and their Spouse and Minor Children18,954Associated Companies, Undertakings and Related Parties. (Parent Company)21,725,885NIT and ICP1,033,239Banks Development Financial Institutions, Non Banking Financial Institutions5,875Insurance Companies236,877Modarabas and Mutual FundsNilShare Holders Holding 10% or More21,725,885General Public10,649,614a. Local10,649,614b. Foreign690Others (to be specified)305,345c. Pension Funds305,345c. Pension Funds99,459d. Government Holding11,205

**Categories of Shareholding** Required Under Code of Corporate Governance (CCG) As on September 30, 2019

Sr. No. Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name W	/ise Detail):	
1 Cane Processing (Pvt.) Limited	21,725,885	63.6592%
Mutual Funds (Name Wise Detail):	Nil	Nil
Directors and their Spouse and Minor Children (Name Wise Detail):		
1 Mr. Amjad Javed Aftab	3,776	0.0111%
2 Mr. Ghias-ul-Hasan	7,590	0.0222%
<u>3</u> Mr. Amjad Bashir Hussain	3,794	0.0111%
<u>4 Mr. Farhan Ilyas (CPL Nominee)</u>	3,794	0.0111%
5 Mr. Jamal Ahmad (CPL Nominee)	Nil	Nil
6 Mr. Saif-ur-Rehman (CPL Nominee)	Nil	Nil
7 Mr. Muhammad Aamir Beg (CPL Nominee)	Nil	Nil
Executives:	126,685	0.3712%
Public Sector Companies & Corporations:	Nil	Nil
Banks, Development Finance Institutions, Non Banking Finance		
Companies, Insurance Companies, Takaful, Modarabas and Pension	n Funds: 342,211	1.0027%
Shareholders Holding Five Percent or More Voting Interest in the Listed Company (Name Wise Detail):		
1 Cane Processing (Pvt.) Limited	21,725,885	63.6592%
2 Mrs. Ghazala Amjad	3,175,816	9.3055%
3 Mrs. Maryam Ahsan Maqbool	2,261,205	6.6256%
4 Mrs. Isma Ahmed	2,257,195	6.6138%
	, ,	
All Trades in the Shares of the Listed Company,		
Carried Out by its Directors, Executives,		
their Spouses and Minor Children shall also be Disclosed:		
Sr. No.Name	Sale /Purchase	Bonus Issue
1 Mr. Amjad Javed Aftab	Nil	629

SI. IN	IO. NATTE	Sale / Pulchase	DOITUS ISSUE
1	Mr. Amjad Javed Aftab	Nil	629
2	Mr. Ghias-ul-Hasan	Nil	1,265
3	Mr Amjad Bashir Hussain	Nil	632
4	Mr. Farhan Ilyas	Nil	632
5	Mr. Imran Ilyas	465,500 / 1,500	93,346
6	Mr. Al-Yousuf	Nil / 863	195

# **Statement of Compliance**

As on September 30, 2019

Jauharabad Sugar Mills Limited ("the Company') has complied with the requirements of the Regulations in the following manner:

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

Gender	Number
Male	07
Female	None

The Company will appoint a female director in due course of time as to comply the aforementioned regulation.

2. The composition of the Board as at September 30, 2019 is as follows:

Category	Names
Independent Directors	Mr. Ghias-ul-Hassan
	Mr. Amjad Bashir Hussain
Non-Executive Directors	Mr. Farhan Ilyas
	Mr. Muhammad Aamir Beg
Executive Director	Mr. Jamal Ahmad
	Mr. Saif-ur-Rehman
	Mr. Amjad Javed Aftab

- 3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company.
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ Shareholders as empowered by the relevant provisions of Companies Act 2017 (the Act) and CCG Regulations.
- 7. The meetings of the Board were presided by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. In terms of Regulation 20 of the 2017 Code, the Companies are required to ensure that all the directors on their board have acquired the prescribed certification under Director Training Program by June 30, 2021. Presently, four (4) directors of the Company have already completed this program. The remaining three (3) directors shall obtain certification under the DTP in due course of time.
- 10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

- 11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board.
- 12. The Board has formed committees comprising of members given below:

Audit Committee	
Chairman:	Mr. Amjad Bashir Hussain
Member:	Mr. Muhammad Aamir Beg
	Mr. Saif-ur-Rehman

HR & Remuneration	Committee
Chairman:	Mr. Farhan Ilyas
Member:	Mr. Jamal Ahmed
	Mr. Ghias-ul-Hasan

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14. The frequency of meetings of the committee were as per following:

Meetings	Frequency
Audit Committee	Four quarterly meetings were
	held during the financial year
	ended September 30, 2019
HR & Remuneration	One meeting was held during
Committee	the financial year ended
	September 30, 2019

- 15. The Board has set up an effective internal audit function.
- 16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, 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) guide lines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, CCG Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all other requirements of the Regulations have been complied with.

Mr. Muhammad Aamir Beg Chairman

Date: December 26, 2019

# Independent Auditors' Review Report (To the members)

As on September 30, 2019

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Jauharabad Sugar Mills Limited for the year ended September 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2019

Umy Hun Nam. C.

UHY Hassan Naeem & Co. Chartered Accountants

Lahore: December 26, 2019

# FINANCIAL STATEMENTS

# **Independent Auditors' Report**

To the members of Jauharabad Sugar Mills Limited Report on the Audit of Financial Statements

# Opinion

We have audited the annexed financial statements of Jauharabad Sugar Mills Limited ("the Company"), which comprise the statement of financial position as at September 30, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with approved accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2019 and of the profit or loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

## Basis for Opinion

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

#### Key Audit Matters

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

# 1. Sales

Refer to the statement of profit or loss and note 5.8 and 28 to the financial statements. The Company generates revenue from sale of sugar and its by-products to both local and export customers. We identified recognition of sales as a key audit matter because sales are one of the key performance indicator of the Company and gives rise to an inherent risk of misstatement to meet expectations or targets.

# How the matter was addressed in our audit

Our audit procedures to assess recognition of sales, amongst others, included the following:

- Obtained an understanding of the process relating to recording of sales and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;
- Assessed the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;
- Compared a sample of sale transactions recorded around the year with the sales invoices and other relevant underlying documentation to assess if the sale was recorded in the appropriate financial period;
- Compared, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue had been recognized in the appropriate financial period; and
- Scanned for any manual journal entries relating to sales raised during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation.

# 2. Borrowings and finance costs

Refer notes 5.9, 6.2, 19, 20, 21, and 32 to the financial statements.

The Company has obtained a range of financing facilities from different financial institutions with varying terms and tenure. Further, compliance with debt covenants is a key requirement of these financing arrangements.

This was considered to be a key audit matter as these affects Company's gearing, liquidity and solvency.

Our audit procedure, amongst others included the following:

- Inspected financing arrangement and relevant supporting documents to identify terms and conditions of the facilities;
- · Circularized confirmations to financial institutions for verification of borrowings as at September 30, 2019;

- Re-calculated the markup recognized during the year;
- Inquired and recalculated mark-up capitalized on qualifying assets;
- Identified and assessed whether these facilities were accounted for in accordance with approved accounting standards as applicable in Pakistan; and
- Assessed the adequacy of the disclosure in the financial statements.

## 3. Valuation of stock-in-trade

Refer notes 5.7 and 10 to the financial statements.

The balance of gross stock-in-trade at 30 September 2019 was Rs. 390 million.

We identified valuation of stock-in-trade as a key audit matter as it involves significant management judgement in determining the carrying value of stock-in-trade.

Our audit procedures, amongst others, included the following:

- Assessed the appropriateness of Company's accounting policy for valuation of stock-in-trade and compliance of the policy with the requirements of the prevailing accounting standards;
- Obtained an understanding of internal controls over valuation of stock-in-trade and testing, on a sample basis, their design, implementation and operating effectiveness;
- Obtained an understanding and assessing reasonableness of the management's determination of net realizable value (NRV) and the key estimates adopted, including future selling prices and costs necessary to make the sales and their basis; and
- Compared the NRV, on a sample basis, to the cost of stock-in-trade to assess whether any adjustments are required to the value of stock in trade in accordance with the accounting policy.

# Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended September 30, 2019, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

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

Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional

skepticism throughout the audit. We also:

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

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

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

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

### Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Imran Iqbal.

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UHY Hassan Naeem & Co. Chartered Accountants

Lahore: 26th December, 2019



# **Statement of Financial Position**

As at September 30, 2019

		2019	2018
	Note	Rupees	Rupees
Non-current assets			
Property, plant and equipment	6	3,273,754,214	3,239,613,198
Intangible assets	7	258,751	386,196
Long-term deposits	8	2,386,800	664,000
	0	3,276,399,765	3,240,663,394
Current assets			
Stores, spare parts and loose tools	9	77,788,357	71,485,726
Stock-in-trade	10	390,002,409	753,446,441
Loans and advances	11	124,834,849	75,643,030
Trade debts	12	270,266,327	327,298,561
Trade deposits and short term prepayments	13	2,025,234	2,542,253
Other receivables	14	32,735,917	47,358,382
Tax refunds due from the Government	15	128,183,170	124,476,219
Cash and bank balances	16	58,854,832	46,519,316
Ourrent liebilities		1,084,691,095	1,448,769,928
Current liabilities Trade and other payables	17	500,525,678	208,810,932
Unclaimed dividend	17	1,122,395	1,043,060
Accrued mark-up	18	19,243,202	52,196,770
Short term borrowings	18	408,925,231	1,113,958,063
Current portion of:	19	400,920,201	1,113,900,000
-Long term loans from banking			
companies-secured	20	108,395,839	58,699,872
-Liabilities against assets subject to	20	100,090,009	00,099,072
finance lease-secured	21	135,805	505,295
Provision for taxation	22	42,451,685	
	~~	1,080,799,835	1,435,213,992
Working capital employed		3,891,260	13,555,936
		3,280,291,025	3,254,219,330
Contingencies and commitments	23	0,200,201,020	0,20,12,0000
Non-current liabilities			0.00.077.0(1)
Long term loans from banking companies-secured Liabilities against assets subject to	20	119,376,765	268,877,861
finance lease-secured	21		133,828
Deferred taxation	24	260,980,126	240,224,655
	24	380,356,891	509,236,344
Net capital employed		2,899,934,134	2,744,982,986
net capital employed		2,099,904,104	
Represented by:			
Share capital and reserves			
Share capital	25	341,284,530	284,403,780
Capital reserve - share premium		372,402,633	429,283,383
Loan from sponsors	26	610,677,150	610,002,737
Revenue reserve - Accumulated profits		274,136,437	87,333,341
Revaluation surplus on property, plant			
and equipment - net of tax	27	1,301,433,384	1,333,959,745
		2,899,934,134	2,744,982,986

The annexed notes 1 to 46 form an integral part of these financial statements.

Lahore: December 26, 2019

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Jamal Ahmed Chief Executive

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Amjad Bashir Husain Director



Imran Ilyas Chief Financial Officer

## **Statement of Profit or Loss**

For the year ended September 30, 2019

	2019	2018
Note	Rupees	Rupees
28	3,441,483,202	2,195,039,714
29	2,787,754,072	2,149,333,504
	653,729,130	45,706,210
30	45,827,743	11,264,447
31	139,924,332	127,021,372
	(185,752,075)	(138,285,819)
	467,977,055	(92,579,609)
32	(205,679,057)	(138,060,940)
33	10,556,847	269,298,808
34	(15,585,734)	(2,691,213)
	257,269,111	35,967,046
35	(74,551,998)	(30,851,289)
	182,717,113	5,115,757
36	5.35	0.15
	29 30 31 32 33 34 35	Note         Rupees           28         3,441,483,202           29         2,787,754,072           253,729,130         653,729,130           30         45,827,743           31         139,924,332           (185,752,075)         467,977,055           32         (205,679,057)           33         10,556,847           34         (15,585,734)           257,269,111         257,269,111           35         (74,551,998)           182,717,113         182,717,113

The annexed notes 1 to 46 form an integral part of these financial statements.

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Jamal Ahmed Chief Executive

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Amjad Bashir Husain Director

Imran Ilyas Chief Financial Officer

Lahore:

December 26, 2019

# **Statement of Other Comprehensive Income** For the year ended September 30, 2019

	2019 Rupees	2018 Rupees
	100 717 110	E 11E 7E7
Profit after taxation	182,717,113	5,115,757
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit and loss account		
Incremental depreciation for the year - net of tax	32,526,361	32,655,900
Total comprehensive income for the year	215,243,474	37,771,657

The annexed notes 1 to 46 form an integral part of these financial statements.

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Jamal Ahmed Chief Executive

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Amjad Bashir Husain Director

Imran Ilyas Chief Financial Officer

Annual Report 2019-

December 26, 2019

Lahore:

# **Statement of Cash Flows**

For the year ended September 30, 2019

	Note	2019 Rupees	2018 Rupees
Cash flow from operating activities			
Profit before taxation		257,269,111	35,967,046
Adjustments for: Depreciation	6.1.1	110,692,351	108,148,669
Amortization	7.3	127,445	177,109
Balances written off	00	1,419,817	(239,891,802)
Gain on foreign currency transaction Provision for workers' profit participation fund	33 34	(7,748,115) 13,540,480	- 1,893,002
Finance cost	32	205,679,057	138,060,940
Loss on disposal of property, plant and equipment	6.1.6	625,437	694,511
Operating profit before working capital changes		324,336,472 581,605,583	9,082,429 45,049,475
Working capital changes Stores, spare parts and loose tools		(6,302,631)	(10,817,662)
Stock-in-trade		363,444,032	(197,035,387)
Loans and advances		(49,191,819)	(25,792,261)
Trade debts		63,855,283 517,019	(325,932,209)
Trade deposits and short term prepayments Other receivables		14,054,308	(2,016,779) (24,341,166)
Trade and other payables		280,140,674	(66,380,199)
		666,516,866	(652,315,663)
Cash generated from/(used in) operations		1,248,122,449	(607,266,188)
Tax paid		(15,051,793)	(19,304,206)
WPPF paid		(1,893,002)	(3,394,314)
Finance cost paid		(273,284,195) (290,228,990)	(126,956,851) (149,655,371)
Net cash generated/(used in) from operating activities		957,893,459	(756,921,559)
Cash flow from investing activities			
Purchase of property, plant and equipment		(111,246,996)	(251,330,609)
Sale proceeds from disposal of property, plant and equip Long term deposits	ment	489,700 (1,722,800)	7,066,500 (400,000)
Net cash (used in)/generated from investing activities		(112,480,096)	(244,664,109)
Cash flow from financing activities (Payment)/ proceeds from Long term finances - net		(99,805,129)	159,419,316
Lease rentals paid - net		(553,256)	(540,929)
Dividend paid		(28,361,043)	(24,485,458)
Proceeds from Sponsors' loan - net		674,413	180,296,932
Net cash (used in)/generated from financing activities Net increase/(decrease) in cash and cash equivalents		(128,045,015) 717,368,348	<u>314,689,861</u> (686,895,807)
Cash and cash equivalents at the beginning of the year		(1,067,438,747)	(380,542,940)
Cash and cash equivalents at the end of the year		(350,070,399)	(1,067,438,747)
Cash and cash equivalents comprise of following			
statement of financial position amounts:vv	10	50.054.000	
- Cash and bank balances - Short term borrowings	16 19	58,854,832 (408,925,231)	46,519,316 (1,113,958,063)
Chort terri borrowings	<i>ע</i> ו	(350,070,399)	(1,067,438,747)
The annexed notes 1 to 46 form an integral part of these	financial stat	<u></u>	

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Lahore: December 26, 2019

Jamal Ahmed Chief Executive Amjad Bashir Husain Director Imran IIyas Chief Financial Officer

Statement of Changes in Equity For the year ended September 30, 2019

	Share Capital	Capital reserves	serves	Revenue reserve		
	Issued subscribed and paid-up capital	Share premium	Revaluation surplus A	Revaluation surplus Accumulated profits	Loan from sponsors	Total
Balance as at October 01, 2017	247,307,640	466,379,523	1,360,978,376	74,292,448	444,871,443	2,593,829,430
Repayment of loan during the year	I	I	I	I	(102,791,958)	(102,791,958)
Loan from associates written off	I	I	I	I	(125,000,000)	(125,000,000)
Transfer from short term loan	I	I	I	I	11,923,252	11,923,252
Loan received during the year	I	I	I	I	381,000,000	381,000,000
Dividend paid @ Rs.1/- per share	I	I	I	(24,730,764)	I	(24,730,764)
Profit after taxation	1	1	I	5,115,757	•	5,115,757
Other comprehensive income for the year	I	I	I	32,655,900		32,655,900
Total comprehensive income for the year	I	I	I	37,771,657	I	37,771,657
lssuance of bonus shares @ 15%	37,096,140	(37,096,140)	·	ı	ı	ı
Revaluation surplus on assets disposed off - net of tax		I	(2,144,998)	ı	ı	(2,144,998)
Incremental depreciation for the year	I	ı	(45,994,226)	ı	ı	(45,994,226)
Tax on incremental depreciation for the year	I	I	13,338,326	I	I	13,338,326
Effect of change in rate of tax	I	ı	7,782,267	ı	ı	7,782,267
Balance as at September 30, 2018	284,403,780	429,283,383	1,333,959,745	87,333,341	610,002,737	2,744,982,986
Balance as at October 01, 2018	284,403,780	429,283,383	1,333,959,745	87,333,341	610,002,737	2,744,982,986
Repayment of loan during the year	ı	ı	I	ı	(347,325,658)	(347,325,658)
Loan received during the year	•	•	I	•	348,000,071	348,000,071
Dividend paid @ Rs.1/- per share		1	I	(28,440,378)		(28,440,378)
Profit after taxation-	I	I	I	182,717,113		182,717,113
Other comprehensive income for the year	I	ı	I	32,526,361		32,526,361
Total comprehensive income for the year	I	1	I	215,243,474	ı	215,243,474
lssuance of bonus shares @ 15%	56,880,750	(56,880,750)	I	ı	ı	I
Incremental depreciation for the year	I		(43,671,269)			(43,671,269)
Tax on incremental depreciation for the year	I		11,144,908			11,144,908
Balance as at September 30, 2019	341,284,530	372,402,633	1,301,433,384	274,136,437	610,677,150	2,899,934,134

The annexed notes 1 to 46 form an integral part of these financial statements.

62 Lahore: December 26, 2019

Imran Ilyas Chief Financial Officer

Amjad Bashir Husain Director

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Jamal Ahmed Chief Executive

For the year ended September 30, 2019

### 1 Reporting entity

1.1 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 Act, 2017). The shares of the Company are listed on the Pakistan Stock Exchange. The registered office of the Company is situated at 125-B, Quaid-e-Azam Industrial Estate, Gate No. 4, Kot Lakhpat, Lahore, and the mill is located at Jauharabad, District Khushab, Pakistan. The production plant is located at Industrial Area Jauharabad City District Khushab in the province of Punjab. The principal activity of the Company is manufacturing and sale of sugar and its by-products.

### 1.2 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance were particularly affected by the following events and transactions during the reporting period:

- a) The Company is in the process of installation of a power plant with generation capacity of 15 MW /hour, which will significantly affect the business volume and profitability of the Company. Refer to note 6.2 for capital expenditures and advances against the same incurred till 30 September, 2019. In this regard, the Company has arranged long term finance facilities aggregating Rs. 350 million (note 20).
- b) The Company offered bonus shares to the existing shareholders (note 25).

### 2 Basis of preparation

### 2.1 Statement of compliance

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

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

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

### 2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for the certain property, plant and equipment that are at revalued amounts.

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 these 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 related assumptions are based on 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

For the year ended September 30, 2019

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 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 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuers. Revalued amounts of non depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

### 3.3 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.

### 3.4 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 represents the estimated selling price less cost necessarily to be incurred for such sale.

### 3.5 Impairment

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

#### 3.6 Taxation

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

### 3.7 Impairment of trade debts, advances and other receivables

The Company applies the IFRS 9 simplified approach for measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

### 3.8 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 affect the carrying amounts of the liabilities recognized at the balance sheet date.

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

During the year, the Company has adopted IFRS 15 and IFRS 9 which became applicable for the financial year ended Septmber 30, 2019.

### 4.1 IFRS 15 - Revenue from Contracts with Customers

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

For the year ended September 30, 2019

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those promised goods or services.

Based on the assessment performed by the management, there is no significant impact of the changes laid down by IFRS 15 on these financial statements of the Company.

### 4.2 IFRS 9 - Financial instruments

IFRS 9 'Financial instruments' – This standard replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It also includes an expected credit losses model that replaces the incurred loss impairment model included in IAS 39. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below.

### 4.2.1 Classification and measurement of financial instruments

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale. Under IFRS 9, on initial recognition, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value either through Other Comprehensive Income (FVOCI), or through profit or loss (FVTPL); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain on derecognition is recognised in profit or loss.

Equity investments at fair value through other comprehensive income are measured at fair value. Net gains and losses are recognised in statement of other comprehensive income and dividend income is recognised in statement of profit or loss account.

### 4.2.2 Standard, interpretations and amendments to approved accounting that are not yet effective

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2019:

Standard	s or Interpretation	Effective date (beginning on or after)
IFRS-3 IFRS-9 IFRS-16 IAS-1 IAS-8 IAS-19	<ul> <li>Business Combination (Amendments)</li> <li>Prepayments features with Negative compensation- (Amendments)</li> <li>Leases</li> <li>Presentation of financial statements- (Amendments)</li> <li>Accounting Policies, Changes in Accounting Estimates and errors- (Amendments)</li> <li>Plan amendment curtailment or settlement (Amendments)</li> </ul>	January 1, 2020 January 1, 2019 January 1, 2019 January 1, 2020 January 1, 2020 January 1, 2019

For the year ended September 30, 2019

Standards	or Interpretation	Effective date (beginning on or after)
IAS-28	- Long term interests in associates and joint ventures (Amendments)	January 1, 2019
IFRIC-23	- Uncertainty over income tax treatments	January 1, 2019

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's 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:

### 5.1 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.

### 5.2 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.

### 5.3 Property, plant and equipment

### 5.3.1 Owned

#### Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land which is stated at revalued amount and building which is stated at revalued amount less subsequent accumulated depreciation and subsequent impairment losses, if any. Cost includes purchase cost together with any incidental expenses of acquisition. Depreciation on additions is charged from the month when the asset is available for use,

### For the year ended September 30, 2019

while no depreciation is charged for the month in which the asset is disposed off. Depreciation is charged to profit or loss account at the rates specified in Note 6.1 to these financial statements using the reducing balance method unless specifically stated otherwise. Estimate of useful life of depreciable assets is based on assessment of industry trends, technical obsolescence and past experiences. Residual value and useful life of assets are reviewed, at each date of statement of financial position and adjusted expectations differ significantly from previous estimates.

### Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### **De-recognition**

Gain or loss arising from de-recognition of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of an asset and is charged to the profit or loss account.

### Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the cost of material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of operating fixed assets. These costs are transferred to operating fixed assets as and when related items become available for intended use.

### 5.3.2 Leased

#### Leased assets

Leases of property, plant and equipment that transfer to the company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset. Assets acquired under a finance lease are depreciated over the useful life of the asset on reducing balance method at the rates given in Note 6.1. Depreciation of leased assets is charged to profit or loss account.

Depreciation on additions to leased assets is charged from the month when the asset is available for use while no depreciation is charged for the month in which the asset is disposed off.

#### Lease liability

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

### 5.4 Intangibles

### Recognition and measurement

Intangibles, with finite useful lives, are measured at cost less accumulated amortization and impairment losses, if any. Amortization is charged to profit or loss account using the reducing balance method over its useful life.

#### Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is charged to profit or loss account as incurred.

#### **De-recognition**

Gains or losses arising from de-recognition of intangibles are measured as the difference between the net disposal proceeds and the carrying amount of assets and are charged to the profit or loss account.

### 5.5 Impairment

#### Financial assets

The Company records impairment based on lifetime expected credit loss at the time of initial recognition of financial instrument at a default rate calculated using own historical credit loss experience and forward looking factors. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual

For the year ended September 30, 2019

amounts in full before taking into account any credit enhancements held by the Company.

### Non-financial assets

The carrying amount of the Company's non-financial assets is reviewed at each year end to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be value in use. Impairment losses are recognized as an expense in the statement of other comprehensive income.

### 5.6 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.

### 5.7 Stock in trade

These are valued at lower of cost and net realizable value (NRV) except molasses, bagasse and VF cake which is valued at NRV. Cost in relation to raw material, work in process and finished goods represents average cost comprising direct material, labour 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.

### 5.8 Revenue recognition

According to the core principle of IFRS 15, the Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those good and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognise revenue when the entity satisfies a performance obligation.

Revenue is measured at the fair value of consideration received or receivable, and represents amount receivable for goods supplied. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are invoiced and delivered to customers. This criteria of revenue recognition for its timing and amount is consistent with the previously adopted accounting standard therefore, the management concludes that the adoption of IFRS 15 does not have impact on the timing and amount of revenue recognition of the Company.

#### 5.9 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.

#### 5.10 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.

For the year ended September 30, 2019

### 5.11 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 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.

### 5.12 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.

### 5.13 Dividend

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

### 5.14 Financial instruments

Financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and derecognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of financial assets and financial liabilities is included in the profit or loss for the year. All financial assets and 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, amortised cost or cost as the case may be. The particular measurement methods adopted are disclosed in individual policy statement associated with each item.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

### 5.15 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and bank balances, cheques in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, running finance under mark-up arrangements and short term loans which form an integral part of the Company's cash management.

### 5.16 Foreign currency 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.

### 5.17 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 Act, 2017.

### 5.18 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 30, 2019	Statements 2019	6							
			Note	e			2019 Rupees		2018 Rupees
6 Property, plant and equipment									
Property, plant and equipment Capital work-in-progress			6.1 6.2			2,82 44 3,27	2,829,629,326 444,124,888 3,273,754,214		2,823,088,364 416,524,834 3,239,613,198
o.i Property, plant and equipment				Owned assets				l eased Assets	
Particulars	Freehold Land	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture (Dunooo)	Office equipment	Vehicles	Vehicles	Grand Total
Cost					(saadnu)				
Balance at October 01, 2017 Additions Transfer Disposal	817,868,000 - -	309,808,808 5,472,025 - (6,068,561)	2,491,708,489 74,338,247 62,327,591	10,177,778 - -	8,941,443 616,787 -	10,247,817 773,492 - (150,000)	58,099,872 16,859,777 - (10,791,398)	1,853,223 - -	3,708,705,430 98,060,328 62,327,591 (17,009,959)
Balance at September 30, 2018	817,868,000	309,212,272	2,628,374,327	10,177,778	9,558,230	10,871,309	64,168,251	1,853,223	3,852,083,390
Balance at October 01, 2018 Additions Transfer Disposal	817,868,000 - -	309,212,272 28,709,946 -	2,628,374,327 60,607,223 20,872,923 -	10,177,778 - -	9,558,230 387,047 -	10,871,309 1,086,322 - (150,000)	64,168,251 6,684,989 - (1,973,676)	1,853,223 - -	3,852,083,390 97,475,527 20,872,923 (2,123,676)
Balance at September 30, 2019 Depreciation	817,868,000	337,922,218	2,709,854,473	10,177,778	9,945,277	11,807,631	68,879,564	1,853,223	3,968,308,164
Balance at October 01, 2017 For the year Disposal Balance at September 30, 2018		120,775,392 9,451,701 (1,305,096) 128,921,997	768,066,121 88,976,741 857,042,862	8,201,238 197,654 8,398,892	5,171,258 401,978 5,573,236	3,869,647 678,689 (38,705) 4,509,631	20,680,131 8,133,340 (4,884,023) 23,929,448	310,394 308,566 618,960	927,074,181 108,148,669 (6,227,824) 1,028,995,026
Balance at October 01, 2018 For the year Disposal Balance at September 30, 2019		128,921,997 9,928,881 - 138,850,878	857,042,862 90,595,951 947,638,813	8,398,892 177,889 - 8,576,781	5,573,236 419,548 - 5,992,784	4,509,631 695,533 (39,757) 5,165,407	23,929,448 8,627,696 (968,782) 31,588,362	618,960 246,853 - 865,813	1,028,995,026 110,692,351 (1,008,539) 1,138,678,838
Carrying value 2018	817,868,000	180,290,275	1,771,331,465	1,778,886	3,984,994	6,361,678	40,238,803	1,234,263	2,823,088,364
Carrying value 2019	817,868,000	199,071,340	1,762,215,660	1,600,997	3,952,493	6,642,224	37,291,202	987,410	2,829,629,326
Rates of depreciation	%0	5%	5%	10%	10%	10%	20%	20%	

For the year ended September 30, 2019

		Note	2019 Rupees	2018 Rupees
6.1.1	Depreciation for the year has	been allocated	as under:	
	Cost of sales Administrative expenses	29 31	108,478,504 2,213,847 110,692,351	105,985,696 2,162,973 108,148,669
6.1.2	All assets are acquired with control of the Company.	the funds of t	ne Company and are held by a	and in the possession and
6.1.3		mark up capit	alized amounting to Rs. Nil (20 <sup>-</sup>	18: Rs. 2,548,253/ <del>-</del> ).
6.1.4	The latest valuation of the C value as at the date is given b		ets was carried as at 31 March	2016 and the forced sale
	Freehold land Building on freehold land Plant machinery and equipme			Amount in Rupees 695,187,800 129,641,720 <u>1,225,000,000</u> 2,049,829,520
6.1.5	Buildings, plant and machin industrial area Jauharabad Ci		d at freehold land measuring shab.	497.68 Kanals located at

### 6.1.6 Disposal of property, plant & equipment

	ror property, pr		2019			
Particulars	Cost	Net Book Value (Rup	Sale Proceeds ees)	Gain /(Loss) on proceeds	Mode of disposal	Name of purchaser
Vehicles Honda City (LEA-16-2168)	1,917,176	1,001,922	462,200	(539,722)	Sale	Imran Ilyas -Employee
Yamaha Bike (LWE-5479)	56,500	2,972	5,000	2,028	Negotiation	Muhammad Mushtaq -Open market
Sub total	1,973,676	1,004,894	467,200	(537,694)		

### Office equipment having book value less than Rs. 500,000

Total- 2019	150,000 2,123,676	110,243 1,115,137	22,500 489,700	<u>(87,743)</u> (625,437)	Sale	Employees
			2018			
Building on freeho	ld land					
Factory Godown	6,068,561	1,742,341	2,030,000	287,659	Insurance Claim	IGI Insurance Company
Sub total	6,068,561	1,742,341	2,030,000	287,659	0.000	
Vehicles Toyota Grande (KB-15-09)	2,397,919	1,510,516	1,782,000	271,484	Negotiation	Muhammad Mushtaq - Open market
Toyota Grande (KB-15-08)	2,397,919	1,485,341	1,782,000	296,659	Negotiation	Muhammad Ashfaq - Open market

For the year ended September 30, 2019

Particulars	Cost	Net Book Value (Rup	Sale Proceeds pees)	Gain /(Loss) on proceeds	Mode of disposal	Name of purchaser
Suzuki Swift (KB-14-100)	1,394,000	751,364	337,500	(413,864)	Sale	Amjad Mahmood -Employee
Suzuki Swift (LEB-14-2268)	1,341,490	673,276	325,500	(347,776)	Sale	Amjad Javed - Employee
Suzuki Cultus (LED-14-7041)	1,086,690	568,374	262,250	(306,124)	Sale	Amanat Ali - Employee
Suzuki Cultus (LED-14-7042)	1,086,690	404,653	262,500	(142,153)	Sale	Arsalan Ahmad
Suzuki Cultus (LED-14-5803)	1,086,690	513,852	262,250	(251,602)	Sale	-Employee Fateh Ullah - Employee
Sub total	10,791,398	5,907,376	5,014,000	(893,376)		
Office equipmen	t having book va	lue less thanRs	. 500,000			
Total- 2018	150,000	<u>    111,294    </u> 7,761,011	22,500 7,066,500	<u>(88,794)</u> (694,511)	Sale	Employees

6.1.7 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 (Rupees)	Net book value
2019			
Freehold land	1,648,310	-	1,648,310
Building on freehold land	233,222,307	100,976,715	132,245,592
Plant and machinery	1,734,456,281	735,168,981	999,287,300
	1,969,326,898	836,145,696	1,133,181,202
2018			
Freehold land	1,648,310	-	1,648,310
Building on freehold land	204,512,361	94,564,979	109,947,382
Plant and machinery	1,652,976,135	684,727,154	968,248,981
	1,859,136,806	779,292,133	1,079,844,673

### 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:

1 5	······································						
Description	Opening balance	(	Additions during the year (Rup	ees	Transferred to/ (from) s)		Closing balance
2019 Plant and machinery Advances for capital expenditure	388,735,573 27,789,261 416,524,834		48,369,232 103,745 48,472,977		8,123 (20,881,046) (20,872,923)		437,112,928 7,011,960 444,124,888
2018 Plant and machinery Advances for capital expenditure	235,352,619 65,551,253 300,903,872		153,305,542 24,643,011 177,948,553		77,412 (62,405,003) (62,327,591)	-	388,735,573 27,789,261 416,524,834

For the year ended September 30, 2019

7

- 6.2.1 Capital work in progress includes mark-up capitalized amounting to Rs. 34,701,508 in plant and machinery (2018: Rs. 22,130,019).
- 6.2.2 Advances for capital expenditure relates to the purchase of plant and equipment.

			Note	2019 Rupees	2018 Rupees
7	Intang	jible assets			
	7.1	Cost At beginning of the year Additions during the year Disposal during the year At the end of the year		1,100,000 - _ 1,100,000	1,100,000 - 
	7.2	Accumulated Amortization At beginning of the year Amortization for the year At the end of the year Net book value Amortization rate - % per annum	7.3	713,804 127,445 841,249 258,751 33%	536,695 177,109 713,804 386,196 33%
	7.3	Amortization for the year has been alloca Cost of sales Administrative expenses	ted as under: 29 31	124,896 2,549 127,445	173,567 3,542 177,109

### 8. Long-term deposits

This represents interest free deposits to sub division canal officer for provision of utilities at plant and are refundable on disconnection of services.

### 9 Stores, spare parts and loose tools

Stores		44,279,221	38,640,827
Spare parts		31,584,287	30,947,046
Loose tools		1,924,849	1,897,853
Stock-in-trade		77,788,357	71,485,726
Work-in-process Finished goods	10.1	2,674,488 387,327,921 390,002,409	1,929,396 

10.1 Finished goods are pledged against short term borrowing from various banks.

### 11 Loans and advances

Advances-considered good-unsecured			
-Suppliers		73,129,045	44,512,741
-Employees		14,804,961	10,089,182
-Agricultural Ioan	11.1	34,160,837	19,603,268
		122,094,843	74,205,191
L.C Deposit	11.2	2,740,006	1,437,839
		124,834,849	75,643,030

This represents interest free advances to sugarcane growers, which are adjustable against supply of sugarcane.
This comprises deposits against letter of credits for fixed assets of Rs. Nil (2018: Rs. 0.80 million) and consumables of Rs. 2.74 million (2018: Rs. 0.63 million).

10

For the year ended September 30, 2019

		Note	2019 Rupees	2018 Rupees
12	Trade debts			
	Local debtors considered good - unsecured Export debtors considered good - secured		10,682,327 259,584,000 270,266,327	327,298,561 
13	Trade deposits and short term prepayments			
	Prepaid expenses	13.1	2,025,234	2,542,253_ 2,542,253

13.1 This mainly includes Pakistan Stock Exchange & CDC annual fee and insurance premium on sugar stocks.

### 14 Other receivables - unsecured considered good

Excise duty recoverable14.1Export fund refund14.2Special excise duty refundable14.3Rebate receivable on export of sugar14.4Sales tax refundable14.5	10,500,922 2,746,250 505,200 5,938,500 13,045,045 32,735,917	10,500,922 2,746,250 505,200 24,341,166 <u>9,264,844</u> 47,358,382
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14.1 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.

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

14.3 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.

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

14.5 This represents sales tax amount recoverable against purchase/sale of goods.

### 15 Tax refunds due from the Government

Opening balance	124,476,219	117,868,809
Add: Tax deducted during the year	15,051,793	19,304,206
Less: Adjusted against prior year taxes	(11,344,842)	(12,696,796)
	128,183,170	124,476,219

**15.1** This represents income tax refundable from government. The assessments of the Company have been completed for and up to financial year ended on September 30, 2017.

### 16 Cash and bank balances

Cash in hand		286,082	351,779
Cash at banks - current accounts		40,646,276	44,734,590
Cash at banks - saving accounts	16.1	17,922,474	1,432,947
		58,854,832	46,519,316

16.1 The balances in saving accounts carry mark-up at 5% to 8.5% per annum (2018: 3.5% to 5.5%)

For the year ended September 30, 2019

	Note	2019 Rupees	2018 Rupees
17 Trade and other payables			
Trade Creditors Salaries and wages payable Accrued liabilities Advances from customers Income tax deducted at source Sugarcane cess payable Sales tax payable Security deposit Workers' profit participation fund (WPPF) Other payable	17.1 17.2 17.3 17.4	36,166,320 13,945,867 7,463,827 416,567,174 61,712 3,001,109 3,441,661 4,983,002 13,586,006 1,309,000 500,525,678	55,231,322 11,416,379 4,707,402 36,175,644 4,392 3,001,109 92,160,790 2,866,366 1,938,528 1,309,000 208,810,932

17.1 This represents advances received from customers for sugar sales.

17.2 This represents sugarcane cess demanded by Cane Commissioner, Lahore against sugarcane purchased from KPK.

17.3 This represents provision against pending cases of sales tax for the year 1999-2000 amounting to Rs. 3.44 million. (2018: 3.44 million and 88.91 million sales tax payable for the month of September 2018).

17.4	Workers' profit participation fund (WPPF)		
	Balance at beginning of the year	1,938,528	3,439,840
	Charge for the year	13,540,480	1,893,002
	5	15,479,008	5,332,842
	Less: payments made to the fund during the year	1,893,002	3,394,314
	Balance at end of the year	13,586,006	1,938,528
			·

### 18 Accrued mark-up

### Accrued mark-up on:

- Long term finances from banking companies-secured	4,969,449	7,617,494
- Short term borrowings	14,273,753	44,579,276
	19,243,202	52,196,770

		Sanction limit 'Rupees in Million'	Note	2019 Rupees	2018 Rupees
19	Short term borrowings				
	Markup based finance from conventional banks - Running finance - Cash finance	250 1,850	19.1 19.1	198,365,230 210,560,001	96,997,688 573,287,520
	Islamic mode of financing - Morabaha finance (Hypo) - Bia Salam	500 1,050 3,650	19.2 19.2	408,925,231	391,998,000 51,674,855 1,113,958,063

19.1 "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, lien over import documents and personal guarantees of sponsors and corporate guarantee of Cane Processing Private Limited (Holding Company).

These facilities carry mark-up at the rates ranging from 1 month KIBOR + 2.00% to 3 months KIBOR + 2.50% per annum payable quarterly.

The aggregate available short term funded facilities amounts to Rs. 2.10 billion (2018: Rs. 1.90 billion)."

For the year ended September 30, 2019

19.2 "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 Private Limited (Holding Company).

These facilities carry mark-up at the rates ranging from matching KIBOR + 2.25% to matching KIBOR + 2.75% per annum.

The aggregate available short term funded facilities amount to Rs.1.55 billion (2018: Rs. 1.45 billion)."

		Note	2019 Rupees	2018 Rupees
20	Long term loans from banking companies	-secured		
	Mark up bearing finance from conventional bank Soneri Bank Limited - Term Finance Islamic mode of financing: Al Baraka Bank (Pakistan) Limited	20.1	96,647,973	144,971,961
	- Diminishing Musharaka - II	20.2	118,232,438	149,954,926
	- Diminishing Musharaka	20.3	2,798,663	13,149,446
	- Diminishing Musharaka	20.4	10,093,530	19,501,400
	-		131,124,631	182,605,772
	Less: Current portion		(108,395,839)	(58,699,872)
			119,376,765	268,877,861

### 20.1 Soneri Bank Limited - Term Finance

This includes long term loan against sanctioned term finance facility of Rs. 200 million obtained from Soneri Bank Limited to finance procurement/installation of 15+5MW second hand power plant in terms of arrangement auxiliary equipment, completion of erection and civil work and interconnecting fees.

Total estimated cost of project is Rs. 500 million out of which 30% shall be incurred from equity resources and rest of Rs. 350 million shall be arranged from bank's borrowing (Rs. 200 million from Soneri Bank Limited and Rs. 150 million from Al Baraka Bank (Pakistan) Limited.

### Principal repayment

The said loan is to be repaid within 4 years from the date of first disbursement and including grace period of 6 months in 12 equal quarterly instalments. First instalment became due on first working day of 10th month from the date of first drawdown commencing from October 2018 and ending in June 2021.

#### Rate of return

It carries mark-up at the rate of three months KIBOR plus 275 bps per annum and mark-up is payable on quarterly basis.

### Security

This loan is secured by way of Soneri Bank charge amounting to Rs. 267 million over fixed assets of the Company (land, building, plant and machinery including but not limited to sugar mill and power plant) duly registered with SECP. The facility shall also be secured against charge of Rs. 267 million on receivables of the Company specifically generated from power outlay 15+5 MW power plant. Further corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

### 20.2 Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka - II

This represents long term loan against sanctioned limit of Rs. 150 million obtained to finance procurement/installation of 15+5MW second hand power plant as referred in note 20.1 above.

### Principal repayment

The loan is to be repaid in 12 quarterly instalments within 3 years after installation of power plant commencing from March 2019 and ending in December 2021.

#### Rate of return

It carries profit at the rate of matching KIBOR plus 300 bps per annum and profit is payable on quarterly basis. Security

This loan is secured by way of bank's exclusive charge over Diminishing Musharaka assets amounting to Rs.150

For the year ended September 30, 2019

million including power plant and allied parts, accessories, erections, civil construction etc. registered with SECP.

### 20.3 Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka

This represents loan against combined sanctioned facility of Rs. 50 million obtained from Al Baraka Bank (Pakistan) Limited as referred in note 20.4 for the purpose of purchase/ installation of locally purchased /imported machinery. The combined sanctioned facility of Rs. 50 million is the sub-limit of the funded facility of Rs.450 million already obtained from Al Baraka Bank (Pakistan) Limited as included in short term borrowings referred to in note 19.2.

### Principal repayment

The loan is to be repaid in 12 quarterly instalments commencing from February 2017 and ending on November 2019.

### Rate of return

It carries profit at the rate of matching KIBOR plus 300 bps per annum and profit is payable on quarterly basis. Security

The sanctioned facility of Rs. 50 million is the sub-limit of the funded facility of Rs.450 million already obtained from AI Baraka Bank (Pakistan) Limited and is secured as referred in note 19.2.

The said loan is also secured against lien over import documents and 20% equity contribution for Diminishing Musharaka.

### 20.4 Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka

This represents loan against combined sanctioned facility of Rs. 50 million obtained from AI Baraka Bank (Pakistan) Limited as referred in note 20.3 for the purpose of import of ancillary boiler equipment, gear boxes and other milling equipment, spares and powerhouse equipment like generators and turbines. The combined sanctioned facility of Rs. 50 million is the sub-limit of the funded facility of Rs.450 million already obtained from AI Baraka Bank (Pakistan) Limited as included in short term borrowings referred to in note 19.2.

### Principal repayment

The loan is to be repaid in 4 quarterly instalments commencing from April 2019 and ending on January 2020. Rate of return

It carries profit as per bank's schedule of charges i.e. one year KIBOR plus 300 bps per annum and profit is payable quarterly basis.

Security

The combined sanctioned facility of Rs. 50 million is the sub-limit of the funded facility of Rs.450 million already obtained from AI Baraka Bank (Pakistan) Limited and is secured as referred in note 19.2.

The said loan is also secured against lien over import documents and 20% cash margin for sight/ usance LC.

		2019 Rupees	2018 Rupees
21	Liabilities against assets subject to finance lease-secured		
	Opening balance	639,123	1,103,471
	Add: Assets acquired during the year	-	<u> </u>
		639,123	1,103,471
	Less: Payments/adjustments	(503,318)	(464,348)
		135,805	639,123
	Less: Current portion	(135,805)	(505,295)
	Closing balance	-	133,828

- 21.1 The Company was entered into lease agreement with JS Bank for vehicle. Lease rentals are payable on monthly basis and includes finance cost at the rate of 3 months KIBOR plus 2.25 % (2018: 3 months KIBOR plus 2.25 %), 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 that option.
- 21.2 The number of maximum / minimum monthly lease rentals payable are 3 and 1 respectively.
- 21.3 A reconciliation between the total future minimum lease payments and their present values at year end is as follows:

For the year ended September 30, 2019

Particulars	Minimum lease payments	Present value of minimum lease payments (Rupees)	Financial charges
2019 Due within one year Due after one year but not later than 5 years	139,249 - 139,249	135,805 - 135,805	3,444 
2018 Due within one year Due after one year but not later than 5 years	543,054 135,765 678,819	505,295 133,710 639,005	37,759 2,055 39,814

		Note	2019 Rupees	2018 Rupees
22	Provision for taxation			
	Balance at beginning of the year		-	2,107,249
	Add: Provision for the year		42,451,685	-
			42,451,685	2,107,249
	Less: Prior year adjustments/ payments		-	(2,107,249)
	Balance at end of the year	22.1	42,451,685	-

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

### 23 Contingencies and commitments

### 23.1 Contingencies

The followings are known contingencies as on September 30, 2019.

- 23.1.1 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. 58.88 million has not been accounted for in these financial statements. The Company has filed a writ petition in the Honourable Lahore High Court against FBR show cause notice dated 19-09-2012 against the demand of Rs. 58.88 million.
- 23.1.2 The Income Tax Department raised a demand of Rs. 197.07 million on account of non deduction of tax while making payment to sugar cane suppliers. The demand was deleted by the Commissioner appeals except for Rs. 5.9 million which was confirmed under section 34(5) of the Income Tax Ordinance 2001 However, the department has filed an appeal against the Commissioner's order. The company is hopeful that the tribunal decision would be in its favour.
- 23.1.3 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.50.26 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.
- 23.1.4 The Company has filed an appeal and stay application before Commissioner Inland Revenue (Appeals-I) against demand of Rs. 82.16 million created by Assistant Commissioner Inland Revenue vide order under section 161(1A)/205(3) which is decided in favour of the Company creating the demand of Rs.1.37 million. The department has filed an appeal before ATIR against the decision.
- 23.1.5 The Company has filed reference application STR 30/2010 vide order dated April 16, 2010 before the Lahore High Court against sales tax appeal number 1549/LB/2009 decided against the Company creating the demand of Rs. 5.9 million.

For the year ended September 30, 2019

			2019 Rupees	2018 Rupees
	23.2	Commitments 23.2.1 In respect of: -capital expenditure	-	977,958
		-irrevocable letter of credits for stores and spares	22,720,957 22,720,957	<u> </u>
24	Deferre	ed taxation		
	Differe Surplu Accele	ed tax liability on taxable temporary nces arising in respect of: s on revaluation of related assets rrated depreciation / amortization d assets	200,326,382 149,843,861 251,987	211,471,290 159,374,423 357,936
	Differe Liabilit	ed tax liability on deductible temporary nces arising in respect of: ies against assets subject to finance lease edits / Unused tax losses	(34,657) (89,407,447) 260,980,126	(185,346) (130,793,648) 240,224,655
	24.1	Movement in deferred tax balances is as follows: At beginning of the year Effect of rate change Recognized in statement of profit or loss: -Accelerated tax depreciation/amortization	240,224,655 -	222,030,798 (7,782,267)
		on fixed assets -Incremental depreciation -Liabilities against assets subject to finance lease Tax credits / Unused tax losses	(9,530,562) (11,144,908) 44,740 41,386,201 20,755,471	20,865,795 (13,338,326) 40,782 <u>19,283,999</u> 26,852,250
		Recognized in statement of changes in equity: Disposal of fixed asset	20,755,471	(876,126) 
		At end of the year	260,980,126	240,224,655

### 25 Share capital

2019 ······(N⊌rr	2018 Ibers)	Note	2019 (R	2018 upees)
25.1 Autho	orized share cap	bital		
70,000,000	70,000,000	Ordinary shares of Rs. 10/- each	700,000,000	700,000,000
25.2 Issue	d, subscribed a	nd paid-up capital		
873,180	873,180	Shares allotted on reorganization of	8,731,800	8,731,800
		Kohinoor Industries Ltd. of Rs.10/- each		
125,008	125,008	Shares issued for cash of Rs. 10 each	1,250,080	1,250,080
13,651,899	7,963,824	Shares issued as fully paid		
		bonus sharesof Rs. 10/- each 25.3	136,518,990	79,638,240
7,905,650	7,905,650	Right shares of Rs. 10/- each	79,056,500	79,056,500
11,572,716	11,572,716	Issue of shares against loan from sponsors	115,727,160	115,727,160
34,128,453	28,440,378		341,284,530	284,403,780

25.3 20 bonus shares issued for every 100 shares.

For the year ended September 30, 2019

	Note	2019 Rupees	
26 Loan from sponsors			
Loan from Sponsors		610,677,150	610,002,737

26.1 This represents interest free loans provided to the Company by its Sponsors. These loans are agreed to be repayable at the Company's discretion.

### 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
r lant and machinery	1,771,855,092	1,771,855,092
Less: Accumulated incremental depreciation	(270,095,326)	(223,402,933)
Less: Revaluation surplus on buildings disposed off	-	(3,021,124)
	1,501,759,766	1,545,431,035
Less: Deferred tax liability		
Opening balance	211,471,290	233,468,009
Effect of change in rate of tax	_	(7,782,267)
Disposal of fixed asset	_	(876,126)
Tax on Incremental depreciation for the year	(11,144,908)	(13,338,326)
tax on more mental depresidation for the year	200,326,382	211,471,290
	1,301,433,384	1,333,959,745
	1,301,433,304	
3 Sales - net		
Sugar local	2006 522 002	1 000 760 200
Sugar - local	2,996,533,883	1,900,760,300
Sugar - export	570,950,945	250,337,713
	3,567,484,828	2,151,098,013
By products:		
-Molasses	224,592,325	143,058,191
-Mud	3,933,679	8,090,467
-Bagasse	28,737,932	144,600,012
	257,263,936	295,748,670
	3,824,748,764	2,446,846,683
Less:		
Sales tax	379,081,362	248,741,269
Commission on sale	4,184,200	3,065,700
	383,265,562	251,806,969
	3,441,483,202	2,195,039,714
	0,441,400,202	
Cost of sales		
Sugarcane purchased and consumed	2,052,745,736	2,003,490,144
Salaries, wages and other benefits 29.1	105,397,911	105,138,214
Chemicals and stores consumed	28,874,935	25,419,897
Packing material consumed	25,702,193	16,937,471
Fuel	808,719	796,518
Power	15,385,991	11,976,274
Repairs and maintenance	64,776,183	57,105,037
Workers' welfare expense	3,395,924	3,348,878
Insurance	2,732,082	2,321,825
Vehicle running and maintenance	7,896,569	6,398,834
Travelling and conveyance	2,284,822	2,457,631
Carriage and freight	2,066,074	1,756,477
Rent rate and taxes	1,100,906	1,404,682
Printing and stationery	415,153	455,034
5	,	,

28

29

For the year ended September 30, 2019

	Note	2019 Rupees	2018 Rupees
Depreciation	6.1.1	108,478,504	105,985,696
Amortization	7.3	124,896	173,567
Other factory expenses		2,123,442	1,202,712
		2,424,310,040	2,346,368,891
Opening work-in-process		1,929,396	1,958,426
Closing work-in-process		(2,674,488)	(1,929,396)
		(745,092)	29,030
Cost of goods manufactured		2,423,564,948	2,346,397,921
Opening stock of finished goods		751,517,045	554,452,628
Closing stock of finished goods		(387,327,921)	(751,517,045)
		364,189,124	(197,064,417)
		2,787,754,072	2,149,333,504

29.1 It includes Company's contributions to provident fund amounts to Rs. 1,329,504 (2018: Rs. 1,125,204).

### 30 Distribution cost

Salaries, wages and other benefits Communication	30.1	8,890,718 137,648	8,168,878 173,407
Vehicles running and maintenance		41,754	229,154
Freight and clearing charges on exports	30.2	33,945,379	-
Miscellaneous		2,812,244	2,693,008
		45,827,743	11,264,447

30.1 It includes Company's contributions to provident fund amounts to Rs. 94,031 (2018: Rs. 80,372).

30.2 This represents freight charges with respect to export of sugar to China during the current year.

### 31 Administrative expenses

31.1 It includes Company's contributions to provident fund amounts to Rs. 1,081,358 (2018: Rs. 803,717).

31.2	Auditors' remuneration			
	Annual audit fee	500,000		420,000
	Half yearly review	63,000		63,000
		563,000	_	483,000
01.0		1.1		

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

For the year ended September 30, 2019

		Note	2019 Rupees	2018 Rupees
32	Finance cost			
33	Mark-up on long term loan from banking companies Mark-up on short term borrowings Bank Commission on exports Bank charges Other income	s-secured	3,894,020 197,453,896 1,349,059 2,982,082 205,679,057	73,754 131,636,247 936,416 <u>5,414,523</u> 138,060,940
	Long term advances written-off Loan from Sponsors written-off Trade parties balance written-off Insurance claim received Gain on foreign currency transactions Miscellaneous		- 583,000 7,748,115 2,225,732 10,556,847	115,000,000 125,000,000 573,804 26,595,940 - 2,129,064 269,298,808
34	Other expenses Trade parties balance written-off Loss on disposal of property, plant and equipmen Rebate on exports written-off Loss on foreign currency transactions Provision for workers' profit participation fund (W		851,660 625,437 568,157 - 13,540,480 15,585,734	- 694,511 103,700 <u>1,893,002</u> 2,691,213
	axation			
In	icome tax - Current year - Prior year Deferred tax	35.1	42,451,685 11,344,842 53,796,527 20,755,471 74,551,998	- 3,999,039 3,999,039 26,852,250 30,851,289

35.1 This includes aggregate investment tax credit amounting to Rs 6.4 million arising primarily on the procurement of plant and machinery during the year under section 65B of the Income Tax Ordinance, 2001. Such investment tax credit was adjusted against the income tax liability for the year which includes minimum tax under section 113 of the Ordinance and tax on exports which is full and final discharge of Company's tax liability in respect of income arising from such source.

35.2 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.

35.3 The provision for current year tax represents tax on taxable income, net of tax credits. As per management assessment, the provision for tax made in the financial statements is sufficient. the tax assessment for the year 2018 is not yet finalized, a comparison of last three years' of income tax provisions with tax assessment is presented below:

Years	Tax provision as per financial statements	Tax as per assessment	
2016	7,483,672	-	
2017	2,107,249	-	
2018	-	-	

35.4 As referred in note 44 to the financial statements, the Board of Directors in their meeting has recommended sufficient cash dividend for the year ended September 30, 2019 which complies with the requirements of section 5A of the Income Tax Ordinance, 2001. Accordingly, no provision for tax on non-distribution of dividend has been recognized in these financial statements for the year ended September 30, 2019.

For the year ended September 30, 2019

				2019 Rupees	2018 Rupees
36	Earnin	g per share			
	36.1	Earning per share - basic Profit after taxation attributable to members Weighted average number	Rupees	182,717,113	5,115,757
		of ordinary shares	Numbers	34,128,453	34,128,453
		Earning per share - basic	Rupeees	5.35	0.15

### 36.2 Earning per share - diluted There is no dilution effect on the basic earning per share as the Company has no such commitments.

### 37 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 2019	executive 2018	Direc Executiv 2019	ve Directoi 2018	Non Exe 2019 (Rupees)	ecutive Directors 2018	Ex 2019	ecutives 2018
Managerial remuneration Utilities	694,000 	- - 	-	- - -	4,388,000 <u>-</u> 4,388,000	- 	8,173,092 - 8,173,092	8,311,584 - <u>8,311,584</u>
Number of key executives/ non executives	1	1	1	1	6	6	5	6

- 37.1 The Chief Executive does not hold any shares in the Company.
- 37.2 Executives are employees whose basic salaries exceed Rs. 1.2 million (2018: 1.2 million) in a financial year.
- 37.3 The Chief Executive who had voluntarily forgone his remuneration resigned during the year. Hence, a Non-Executive director was appointed as Chief Executive of the Company in June 2019. The newly appointed Chief Executive received remuneration thereafter.
- 37.4 The Executive and Non-Executive Directors had voluntarily forgone their right of remuneration since 2015. However, two Non-Executive directors waived their voluntary request and received salary during the year.

### 38 Operating segments

- 38.1 These financial statements have been prepared on the basis of single reportable segment.
- 38.2 Revenue from sale of sugar represents 93.18% (2018: 88.29%) of the total revenue of the Company.
- 38.3 The Company sold sugar only in China (2018 : Afghanistan) other than Pakistan and revenue of sugar from continuing operations from external customers based on geographical areas is 17.80% (2018: 12.92%).
- 38.4 Sale of sugar includes 82.20% (2018: 87.08%) that relates to customers in Pakistan.
- 38.5 All non-current assets of the Company as at September 30, 2019 are located in Pakistan.

#### 39 Financial risk management

The Company is exposed to various risks in relation to financial instruments. The Company's financial assets and liabilities by category are summarized in note 39.5. The main types of risks are credit risk, liquidity risk and market risk.

The Company's risk management is conducted by the Board of Directors. The Company focuses on securing its cash flows & minimizing its exposure to financial markets. The company does not actively engage in the trading of financial

For the year ended September 30, 2019

assets for speculative purposes. The most significant financial risks to which the company is exposed are described below:

### 39.1 Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2019 Rupees	2018 Rupees
Long term deposits	2,386,800	664,000
Trade debts	270,266,327	327,298,561
Loans and advances	107,289,882	64,116,009
Trade deposits, short term prepayments	2,025,234	2,542,253
Other receivables	32,735,917	47,358,382
Bank balances	58,568,750	46,167,537

### **Bank Balances**

Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

	Short term	Long term	Rating Agency	2019 Rupees	2018 Rupees
Al Baraka Bank Pakistan Limited	A1	А	PACRA	17,736,797	19,225,732
Allied Bank Limited	A1+	AAA	PACRA	1,060,226	9,319
Bank Alfalah Limited	A1+	AA+	PACRA	326,087	771,798
Dubai Islamic Bank	A1+	AA	JCR-VIS	61,647	246,546
Faysal Bank Limited	A1+	AA	PACRA	499,229	178,354
Habib Bank Limited	A1+	AAA	JCR-VIS	2,425	330,376
JS Bank Limited	A1+	AA-	PACRA	295,679	402,134
MCB Bank Limited	A1+	AAA	PACRA	1,166,836	2,206,294
MCB Islamic Bank Limited	A1	А	PACRA	11,306,851	115,763
Meezan Bank Limited	A1+	AA+	JCR-VIS	2,445,538	2,122,620
National Bank Of Pakistan	A1+	AAA	PACRA	549,219	957,317
Soneri Bank Limited	A1+	AA-	PACRA	16,190,731	16,006,239
United Bank Limited	A1+	AAA	JCR-VIS	4,712,129	265,814
Askari Bank Limited	A1+	AA+	PACRA	226,019	1,399,721
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	1,989,337	1,929,506
·				58,568,750	46,167,533

### 39.2 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities.

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### 39.2.1 Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at year end.

For the year ended September 30, 2019

	Carrying amount	 Contractual cash flows (R	Rupees)	Less than 1 year	 More than 1 year but less than 5 year
2019 Long-term finances Liabilities against assets subject to finance lease Unclaimed dividend Trade and other payables Mark-up accrued Short term borrowings	227,772,604 135,805 1,122,395 65,200,264 19,243,202 408,925,231	266,588,300 139,249 1,122,395 65,200,264 19,243,202 408,925,231		136,251,244 139,249 1,122,395 65,200,264 19,243,202 408,925,231	130,337,056 - - - - -
2018 Long-term finances Liabilities against assets subject to finance lease Trade and other payables Unclaimed dividend Mark-up accrued Short term borrowings	327,577,733 639,123 67,744,727 1,043,060 52,196,770 1,113,958,063	346,674,163 678,819 67,744,727 1,043,060 52,196,770 1,113,958,063	1	128,409,850 543,054 67,744,727 1,043,060 52,196,770 1,113,958,063	218,264,313 135,765 - - - -

The Company's current ratio is 1.00. The Company arranged facility from different conventional and Islamic financial institutions to meet its working capital requirements.

### 39.3 Market risk

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

#### 39.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from sales, purchases and resulting balances that are denominated in a currency other than functional currency. The Company's potential currency exposure comprises of:

- Transactional exposure in respect of non-functional currency monetary items.
- Transactional exposure in respect of non-functional currency revenues.

The potential currency exposures are discussed below:

#### Transactional exposure in respect of non-functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

### Transactional exposure in respect of non-functional currency revenues

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to rupee equivalent, and the associated gain or loss is taken to the profit and loss account. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

#### Exposure to currency risk

The Company's exposure to currency risk at the reporting date was as follows:

For the year ended September 30, 2019

	2019 USD	2018 USD
Export debtors considered good - secured	1,664,000	

### Exchange rates applied during the year

The following exchange rate has applied during the year on transactions involving foreign currency.

	Rep Buying	orting date rate Selling (USD)	Average rate for the year
2019 Exchange rate during the year on transactions involving foreign currency	156.00	156.75	153.71
2018 Exchange rate during the year on transactions involving foreign currency	115.4	114.4	115.74

#### Sensitivity analysis

At reporting date, if the PKR had strengthened by 10% against the foreign currencies with all other variables held constant, profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on trnslation of export debtors.

	2019 Rupees	2018 Rupees
Effect on profit or loss	166,400	-

The weakening of the PKR against foreign currencies would have had an equal but opposite impact on the profit.

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

### 39.3.2 Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Significant interest rate risk exposures are primarily managed by a mix of borrowings at variable interest rates. At the reporting date the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	E 2019	ffective interest rate 2018	Carrying amount 2019 2018		
	Percentage	Percentage	Rupees	Rupees	
Financial assets Fixed rate instruments Bank balances - saving accounts Financial liabilities Floating rate instruments	5% to 8.5%	3.5% to 5.5 %	17,922,474	1,432,947	
Long term Ioans from banking companies Short term borrowings Liabilities against assets subject to finance lease - secured	10.93% to 16.91% 8.48% to 15.80% 11.13% to 16.11%	8.92% to 10.93% 8.00% to 10.01% 8.03% to 8.2%	227,772,604 408,925,231 135,805	327,577,733 1,113,958,063 639,123	

For the year ended September 30, 2019

### Fair value sensitivity analysis for fixed rate instruments

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

### Cash flow sensitivity analysis for floating rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) profit or (loss) for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit or l	Profit or loss 100 bp		
	Increase	decrease		
As at 30 September 2019 -Cash flow sensitivity-Variable rate financial liabilities	(6,368,336)	6,368,336		
As at 30 September 2018 -Cash flow sensitivity-Variable rate financial liabilities	(14,421,749)	14,421,749		

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

### Interest rate risk management

The Company manages interest rate risk through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings and loans and advances by the Company have variable rate pricing that is mostly dependent on KIBOR as indicated in respective notes.

### 39.3.3 Concentration of credit risk

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is broadly diversified and all other transactions are entered into with credit-worthy counterparties there-by mitigating any significant concentrations of credit risk.

### 39.3.4 Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Company believes that it is not exposed to other price risk.

### 39.4 Capital risk management

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Board of Directors monitor the return on capital employed, which the Company defines as operating income divided by total capital employed. The Board of Directors also monitor the level of dividends to ordinary shareholders.

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages its capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors capital on the basis of the debt-to-equity ratio - calculated as a ratio of long term debt to equity.

For the year ended September 30, 2019

The gearing ratios as at 30 September were as follows:

	2019 Rupees	2018 Rupees
Debt	227,908,409	328,216,856
Equity	1,598,500,750	1,411,023,241
Total	1,826,409,159	1,739,240,097
Gearing ratio	12%	19%

The Company is not highly geared as compared to previous year.

### 39.5 Accounting classifications and fair values

	Carrying amount					Fair value		
	Fair value through profit or loss	Fair Value through through OCI	At amortized cost	Total	Level 1	Level 2	Level 3	Total
			·(Rupe	es)				
September 30, 2019								
Financial assets			0.000.000	0.000.000				
Long term deposits Trade debts	-	-	2,386,800 270,266,327	2,386,800 270,266,327	-	-	-	-
Loan and advances	-	-	51,705,804	51,705,804	-	-	-	-
Other receivables			32,735,917	32,735,917				
Bank balances			58,568,750	58,568,750				_
Dalik Dalahues		_	415,663,598	415,663,598	_	_	_	_
			410,000,090	410,000,090				
Financial Liabilites								
Long term finances	-	_	227,772,604	227,772,604	_	_	_	_
Liabilities against assets			22,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	22,,,,,2,00				
subject to finance lease	-	-	135,805	135,805	-	-	-	-
Trade and other payables	-	-	65,200,264	65,200,264	-	-	-	-
Accrued mark up	-	-	19,243,202	19,243,202	-	-	-	-
Short term borrowings	-	-	408,925,231	408,925,231	-	-	-	-
	-	-	721,277,106	721,277,106	-	-	-	-
September 30, 2018								
Financial assets								
Long term deposits	-	-	664,000	664,000	-	-	-	-
Trade debts	-	-	327,298,561	327,298,561	-	-	-	-
Loan and advances	-	-	31,130,289	31,130,289	-	-	-	-
Other receivables	-	-	47,358,382	47,358,382	-	-	-	-
Bank balances	-	-	46,167,537	46,167,537	-	-	-	-
	-	-	452,618,769	452,618,769	-	-	-	-
Financial Liabilites								
Long term finances			007 577 700	007 577 700				
Liabilities against assets	-	-	327,577,733	327,577,733	-	-	-	-
subject to finance lease	-	-	639,123	639,123	-	-	-	-
Trade and other payables	-	-	67,744,727	67,744,727	-	-	-	-
Accrued mark up Short term borrowings	-	-	52,196,770 1,113,958,063	52,196,770 1,113,958,063	-	-	-	-
Short term bollowings	-	-	1,113,958,063	1,113,958,063	-	-	-	-
	-	-	1,002,110,410	1,002,110,410	-	-	-	-

The aforementioned table presents assets and liabilities carried at fair value by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data.

For the year ended September 30, 2019

		2019 Number	2018 Number
40	Number of employees		
	Average number of employees for the year	745	790
	Plant	11	9
	Head Office	756	799
	Total number of employees at year end	597	573
	Plant	11	9
	Head Office	608	582_
41	Plant capacity and production	M.Ton	M.Ton
	Cane crushing capacity	1,040,000	1,040,000
	Cane crushed	431,121	441,646
	Sugar production	44,776	42,847
	Recovery ratio	10.39%	9.70%

- 41.1 The cane crushing capacity is based on crushing capacity of line-II, which is currently in operation.
- 41.2 The cane crushing capacity is based on 131 days.
- 41.3 Shortage in capacity utilization is due to the fact that in current year previously non-functional mills have become operational in the region and low yield of sugarcane crop with lesser sucrose content caused by adverse climatic conditions.

### 42 Related party transactions / balances

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

Party name	Relationship and percentage of shareholding	Transaction during the year and year end balances	2019 Rupees	2018 Rupees
Cane Processing	Holding company holds 63.63 %	Loan received during the year	18,550,000	151,000,000
Private Limited	(2018: 63.63 %) share capital	Loan repaid during the year	18,825,658	18,501,560
		Amount payable at year end	140,769,488	141,045,146
Mrs. Ghazala Amjad	Chief Executive officer of	Loan received during the year	329,450,071	230,000,000
	holding company	Loan repaid during the year	328,500,000	210,710,308
	Cane ProcessingPrivate Limited)	Amount payable at year end	469,907,662	468,957,591
Radiant Power	The company had been wound up	Expenses paid during the year		
Private Limited	last year and shareholding	on behalf of the company	-	26,697
	in the said company was 59.9 %.	Expenses written off during the year	-	682,002
		Amount receivable at year end	-	-
Employee benefit-	Employee benefit fund	Provident fund contribution	2,556,112	2,023,235
Provident Fund Trust				

All transactions with related parties have been carried out on commercial terms and conditions.

For the year ended September 30, 2019

			2019 Rupees		2018 Rupees
43	Disclosure relating to Provident Fund Trust		Unit	Un-audited	Audited
	The following information is based on the financial statements of Provident Fund Trust.				
	Size of fund - total assets		Rupees	32,325,379	29,187,083
	Cost of investments made		Rupees	26,050,000	25,050,000
	Percentage of investments made		Percentage	80.59%	85.83%
	Fair value of investment		Rupees	26,050,000	25,050,000
		2019		20	18
		Percentage	Rupees	Percentage	Rupees

The breakup of fair value of investments is as follows:

Defence Saving Certificates	26,050,000	80.59%	25,050,000	85.83%
	26,050,000	80.59%	25,050,000	85.83%

The investments of the Provident Fund Trust are in compliance with the provision of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

### 44 Non-adjusting events after the statement of financial position date

The Board of Directors of the Company in its meeting held on December 26, 2019 have proposed a final cash dividend of Re.1 per share, for the year ended September 30, 2019 for approval of members in the Annual General Meeting to be held on January 28, 2020.

### 45 Date of authorization for issue

These financial statements were authorized for issue on December 26, 2019 by the Board of Directors of the Company.

#### 46 General

- 46.1 Figures have been rounded off to the nearest rupee.
- 46.2 Corresponding figures have been reclassified and rearranged where necessary, for the purpose of comparison, the effects of which are not material.

ama Al.

Lahore: December 26, 2019

Jamal Ahmed Chief Executive

Amjad Bashir Husain Director

Imran Ilyas Chief Financial Officer

## AFFIX CORRECT POSTAGE

# The Company Secretary

# Jauharabad Sugar Mills Limited

125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore, Pakistan. Tel : 042 35213491



JAUHARABAD SUGAR MILLS LIMITED

125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore, Pakistan,

#### PROXY FORM

I/We			
of			
being a member of <b>JAUHARABAD SUGAR</b>	R MILLS LIMITED	hereby appoint _	
Name (Folio/C	DC A/C No. if Member	)	
of			
or failing him / her Name (Folio/Cl	DC 4/C No. if Member)		
of			
as my/our proxy to attend, speak and vote for and on the held at its Registered Office, 125-B, Quaid-e- <b>Tuesday, January 28, 2020 at 11:30 AM</b> and any adj	Azam Industrial Estate,		
As witnessed given under my/our hand(s)	day of January, 2020.		
1. Witness:			
Signature :	. [		
Name :			Revenue of Rs. 5/-
CNIC No. :			
Address :			
2. Witness:	-		OF MEMBER / DRNEY
Signature :			
Name :	SHAI	RES HELD :	
CNIC No. :			
Address :		CD C A	
	Folio No.		count No.
		Participant ID	Account No.
Notes:	CNIC No.	-	-
1. Proxies, in order to be effective, must be r hours before the time for holding the meetin			
2. CDC Shareholders, entitled to attend, sp Computerized National Identity Cards (CN of Proxy, must enclose an attested copy of h	NIC) /Passports in original		
3 In case of corporate entity, the Board of Din of the nominee should be attached with the p		r of attorney with s	specimen signature



جوہرآباد شوگرملزلم بیٹر B - 125، قائدا عظم انڈسٹریل اسٹیٹ، کوٹ ککھپت، لاہور پاکتان۔

تشکیلِ نیابت داری (پراکسی فارم)

ۇنىڭى ئېراگرىمېر بو)	یہ نام (فولی <i>دا</i> ی ڈی ی) اکا	ملزلہ بیٹڑ	مهدار جو ہرآ با دشوگر
نام (فولی <i>دا</i> ی ڈی <sub>ک</sub> یا کاؤنٹ نبرا گرمبر ہو)	یابصورت دیگر		
پنی جگه بروز منگل 28 جنوری 20	كوا		
، لا <i>ہ</i> ور پاکستان۔ میں منعقدیا ملتو ی <i>ہ</i> و		B - 125، قائداعظم ا	، 11:30 <i>کے د</i> ن
	۔ ووٹ دینے کے لیےا پنانمائندہ مقر		
	جنوری 2020 کو دی گئی۔ ۲	ظ سے مورخہ	<i>يىر ب</i> اہمارےدستخ
۵ روپهکارسیدی ټکٹ			
چىپاں كركےد شخط كريں			:
			:
			يدهنمبر :
نتخط (مب <i>را</i> مجازا فسر)			i
حامل عام حصص			
0 606			: :
ىپى ۋى يى اكاۇنىڭ نمبر	فوليونبر		:
شراکتی آ کی ڈی اکاؤنٹ نمبر			
	· · ·	<b></b> •	
	)كارد ممبر 📒 –	كمپيوٹرائز ڈ شناختی	ر س:
ی ٹکٹ کمپنی کوموصول ہوجانی جاہئیں۔	سے ۴۸ گھنٹ <sup>ق</sup> بل بمعہ دستخط گواہان اوررسید	نے کیلیج لازم ہے کہوہ اجلاس۔	
	یں۔ یے، بولنےاورووٹ دینے کیلئےاہل ہیںاو	• 1	•

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جوہرآ بادشوگرملزلمیٹڈ

## اطلاع سالانه اجلاس عام

بذر ییدنوٹس ہذا مطلع کیا جاتا ہے کہ جو ہرآ ماد شوگر ملزلمیٹڈ ('<sup>در</sup> مینی'') کے ممبران کا 5 واں سالا ندا جلاسِ عام بروز منگل 28 جنوری 2020 ءکوئی 10:11 بج، رجسٹر ڈدفتر B-125، قائداعظم انڈسٹریل اسٹیٹ، کوٹ ککھپت، لا ہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

عام امور :

- - 5۔ PSX کے تقاضہ کے مطابق کار پوریٹ بریفنگ سیشن۔

#### **خصوصی امور** :

6۔ کمپنیزا یک، 2017 کے شے SECP کے تو اعد دضوارط اور PSX ریگولیشنز کے نفاذ کی وجہ سے کمپنی کانیا آرٹیکل آف ایسوسی ایشن اپنانا۔

قرار پایا که مینی کے نے آرٹیک آف ایسوی ایشن انظامیہ کی تجویز کے مطابق ہے اور بذریعہ ہذااس کی منظوری دی گئی ہے "

" مزید قرار پایا که مینی سکریٹری کوتمام کاموں، اعمال اور چیزوں کوکرنے کا اختیار ہے اور جو مذکورہ بالا مقاصد کوانجام دینے اور مذکورہ بالا مقصد کومؤثر بنانے کے لئے درکار ہو سکتے ہیں۔ "

" مزیدقرار پایا که پنی سکریڑی کوسکیورٹیزاینڈانیچینج کمیشن آف پاکستان/کپنیز کے دجسڑار کے ذریعہ جس طرح کی نشاند ہی یا ہوایت کی گٹی اس میں کوئی اصلاحات/ ترمیم/ تبدیلی کرنے کا اختیار ہے۔ **دیگر احور** :

7۔صاحب صدر کی اجازت سے کسی دیگرامر پرکارردانی کرنا۔ کمپنیزا یک 2017 کی دفعہ (3)134 کے تحت بیان نوٹس ہٰدا کے ہمراہ تصص داران کوارسال کیا جارہا ہے۔ نیا نجوزہ آرٹیک آف ایسوسی ایشن اجلاس میں ارکان کے معائنہ کے لئے دستیاب ہوگا۔

حکم بورڈ

لا ہور مورخہ:07 جنوری2020ء

نوٹ:\_

- 1- تسمینی کی تصفی منتقلی تمایین 1 جنوری 2020 ء تا 28 جنوری 2020 ء (بشمول ہر دوایام) بندریں گی۔ منتقلیاں تمینی کے شیئر رجسٹر ار ،میسر زکارپ لنک (پرائیویٹ) لمیٹڈ، دیکڑ آرکیڈ، ۲۰۲۰ - ، کمرشل ، ما ڈل ٹاؤن لا ہورکو 20 جنوری 2020 ء کو کا روبار کے اخترا م تک وصول ہونے والی سالا ندا جلاسِ عام میں شرکت کے استحقاق کیلئے بروفت تصور ہوگئی۔
- 2۔ اجلاس میں شرکت اور دوف دینے کا مستحق ممبرا پنی جانب سے شرکت اور دوف دینے کیلئے کی دیگر کیلئے مبر کو اپنا پرا کسی مقرر کر سکتا ہے۔ کار پوریٹ اینٹٹی کی صورت میں بورڈ آف ڈائر یکٹرز کی قرار داد کر عنار نامد معہ نمائندہ نے موند دستخط کمپنی کے پرا کسی فارم کے ہمراہ جنع کرانا ہوگا۔ پر آکسیز تا آ نکہ مؤثر ہو کمیں، کمپنی کے رجٹر ڈوفتر میں اجلاس کے انعقاد کے دقت سے کم از کم 48 کھنٹے قبل لاز ماد وصول ہو جانی چاہئیں۔
- 3- وہ مبران جوابیخ تصص سنٹرل ڈیپازٹر کی میٹنی پا کستان لیٹٹڈ (ی ڈی ی) کے ہاں جنع کرا چکے ہوں، سے درخواست ہے کہ اپنے اصل CNIC، اکا ؤنٹ اور پارٹیسیشن کے نمبرز ہمراہ لا ئیں۔ ایسے ممبران کومزید برآ سکیور ٹیز ایٹڈ ایکیچینی کمشن پا کستان کے سرکلر نمبر 1 مورخہ 26 جنور 2000 میں دی گئی درج ذیل گا تیڈ لائنز کی بیردی کرنا ہوگی۔
- 4۔ ممبران کو کمپنی کے ساتھ تمام کا رسپا نڈنس میں اور سالا ندا جلاس عام میں شرکت کے وفت اپنے فولیو نمبر درج کرنے جایئیں۔
- 5۔ ممبران سے درخواست ہے کہا پنے رجنٹر ڈپنوں میں تبدیلی، زکو ۃ ڈیلکریشن اور کیکس ایگزیمیشن سٹیٹس، اگر کوئی ہو، با قاعدہ اپنے کارآ مدسر تیقلیٹس کے ہمراہ کمپنی کے شیئرر جسڑ ارکوفی الفور مطلع فرما نمیں۔
- 6- کمپنیزا یک 2017ء کی دفتہ 242 کی پرویژنز کے مطابق کوئی منافع صنق مدہ قابل ادانفذ صورت میں فقط الیکٹرو کی طریقہ کے دریتے براہ داست شخص ممبران کے منہ وب کردہ بینک اکا ڈنٹ میں کیا جائے گا۔ فقط الیکٹرو کی طریقہ کے ذریعے براہ داست ستی ممبران کے منہ وب کردہ بینک اکا ڈنٹ میں کیا جائے گا۔ اس کے مطابق تمام ممبران سے درخواست ہے کہ کمپنی کے شیئر رجٹر ارم ممبر پر دکر، پارٹیپ پنٹ ای ڈی ی انو لیٹرا کا ڈنٹ سرومز کو ڈیو ٹی نڈ مینڈ یٹ معلومات مہیا کریں۔ ی ڈی ی میں صص رکھنے کی صورت میں بی معلومات ی ڈی الیس کو براہ داست مہیا کی جانی چاہتیں میبران سے معلومات حاص کرنے کا نوٹس انہیں الگ الگ السار سال کیا جارہا ہے۔ معیاری درخواست فارم کمپنی کی و یب سائٹ
- www.jsml.com.pk پر بھی رکھا جا چکا ہے۔معلومات مہیا کرنے میں ناکامی کیصورت میں <sup>ت</sup>کپنی ڈیویڈیڈا دا کرنے کے قابل نہیں ہوگی۔
- 7. اَكُمْ يَكُس آرڈ نينس 2004 ( آرڈ نينس ) كى طرف سے مروج کے مطابق ڈيو يڈيند ادامگي پر موجوده ود ہولڈ ملک تیکس ریٹس افراد جن کے نام ا ملیونیک و نو ہرست (ATL) میں درج میں کے لئے 10% و اور افراد جن کے نام ATL میں درج نہیں ہیں کے لئے 80% میں کی کو نقذ ڈیو یڈیڈ یڈ کی قرم پر تیک و یڈکشن 30% کی بجائے 15% شرح سے منہا کرنے کے قابل بنانے کے لئے ، تمام صص داران جن کے نام فیڈ رل یو رڈ آف ریو نیو کی دیب سائٹ پر دستایا بے ATL میں درج نیس ہیں کو ہدایت ہے کہ ڈیو یڈ یڈ پڑ ادا تیکی کی تاریخ سے قرب سائٹ پر دستایا بے ATL میں درج نیس ہیں کہ ہوت کی مران جن ادا تیکی کی تاریخ سے قرب کی دین میں موں کا ندراج تیکی بنا نے کہ لئے ، تمام مصورت دیگر ان سے بطورتیک پیئر ز سلوک نہیں کیا جائے گا (باوجود کید دہ آئم کمیک ریٹرن کے فائر زمیں) اوران کے نقذ ڈیو یڈ یڈ پر تیک 30% کی شرح سے منہا کیا جائے گا۔
- 8۔ سی ڈی می اکا وُنٹ کے حال کار پوریٹ ممبران کواپنے متعلقہ پارتیسپنٹس کے ہاں اپنے نیشنل تکی نمبر (NTN) اپ ڈیٹ رکھنے چاہئیں جبکہ کار پوریٹ مادی ممبران کواپنے این ٹی این سرٹیفکیٹس کی کا پی کمپنی کے شیئر رجٹر ارکوار سال کر نی چاہئیں۔

ا میکز یمپشن سرئیفلیک مہیا کریں بصورت دمیگر تجوزہ شرحوں کے مطابق ڈیونڈر قم پر تیکس منہا کیا جائے گا۔ 10۔ ایف بی آ رنے واضع کیا ہے کہ فائلرز اور نان فائلرز سے ملکیتی مشتر کہ صص داران کے اکاؤنٹس سے الگ الگ سلوک کیا جائے گاادر ایک خاص صورت حال میں ہر ایک اکاؤنٹ بولڈر سے یا تو فائلر یا نان فائلر سلوک کیا جائے گاادر تیکس ان کے شیئر ہولڈنگ کے مطابق منہا کیا جائے گا۔ اگر شیئر قابل تحقیق نہیں ہوا تو ہر اکاؤنٹ ہولڈر شیئر ز کے مساوی تناسب کاما لک تصور ہوگا اور اس کے مطابق ڈیڈ کشن ہوگی اس لئے زیادہ شرح پر تیکس کی ڈیڈ کشن سے بیچنے کیلیے مشتر کہ اکاؤنٹ ہولڈر رے درخواست ہے کہ ایے شیئر ہولڈنگ کی حسب ذیل تفسیل سے کینی کے شیئر رو اروکہ از کم AGM کی تاریخ تک مہیا کریں۔

پر نیپل/	كارحص	شيئر ہولڈنگ	كمپوٹرائز ڈقو مى	نامشيئر	فوليو/سي ڈي
جوائنٹ شیئر			شناختی کارڈ	ہولڈر	سىاكاۇنٹ
<i>ب</i> ولڈر					نمبر

11 - کمپنیزا یک 2012ء کی دفعہ 244 کی تحت ضروری ہے کہ کوئی شیئرز جو تین سالوں (یازیادہ) کی مدت کیلئے غیر دمحولی شدہ رہے ہوں وفاقی حکومت کو پہنچائے جا کیں۔ قانون کے مطابق کمپنی کیلئے ضروری ہے کہ اگر صحص داران کونو شرو دینے کے بعد کمپنی کے ہاں کوئی دمحولی نہ کیا جائے تو غیر دعو کل شدہ یا غیرادا شدہ دقم فیڈ رل حکومت کے ہاں جمع کرائی جائے۔ لہذا تمام صحص داران جو کسی وجہ سے اپنے ڈیو ٹی بیڈیا تصص دعو کی نہیں کر سکتے تھے کونو ٹس ہزا کے ذریعے صحت کی جاتی ہے کہ اپنے غیر دعو کی شدہ ڈیو ٹی نیڈیڈ محص اگر کوئی ہوں فی الفور حاصل کرنے اکے بارتے شیش کیلیے کمپنی کے شیئر رجنر ارسے دابطہ کریں۔

12\_30 متبر2019ء مختفه مسال کیلئے تھی شدہ سالانہ مالی حسابات معدان پرآڈیٹران اورڈائریکٹران کی رپورٹس اور چیئریٹن کی جائزہ رپورٹ کمپنی کی ویب سائی www.jsml.com.pk پررکھے جا بچے ہیں۔

13- بسطابق نوٹیفکیشن92-PSX/N مورخہ28 جنوری2019 پاکستان اسٹاک ایکیچینج کی طرف سے ضروری جو ہرآباد شوگر ملزلیپٹڈ کا کار پوریٹ اینا کسٹ بریفنگ سیشن بھی AGM کی پیچیل کے فوراً بعدر جنر ڈوفتر B-125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ ککھپت، لاہور میں منعقد ہوگا جس میں 30 ستبر 2019 کوفتم ہونے والے سالے کی کارکردگی اور زمانی مہیا کے جا کہیں گے۔

14\_سالانه مالی حسابات کی بذریعہ ای میل ترسیل

سیور ٹیزائیڈ ایم پی سیشن آف پاکستان نے برو یے SRO 787(1)/2014 مورخد 8 متبر 2014 کمپذیوں کو سالا نہ بیلنس شیٹ، نفتو وفتصان اکا وَننہ، آڈیڈز، ڈائر کیٹرزر پورٹ اور چیئر مین کی جائزہ رپورٹ معداطلاع سالا نہ اجلاس عام اپنے ممبران کو بذر ایدای میل جاری کرنے کی اجازت دی ہے۔ ارکان جنہوں نے اپنے ای میل ایڈر سرز فراہم کردیتے ہیں کو بذر ایدای میل ارسال کئے جارہے ہیں۔ ارکان جنہوں نے اپنے ای میل ایڈر سر فراہم نہیں کے اور اس ہولت سے مستفیدہونا چاہتے ہیں، کمپنی کو اپنی دخما مندی بعدای میل ایڈر سرز ارسال

15- كمپنيزا كيف 2017 وى دفعد (2) 132 كے مطابق ، اگر كمپنى كو بخطرافيانى تحل دقوع پر سكونى تجوى %10 يا زيادة شيئر ہولڈنگ كے مالك مجبران سے اجلاس ميں بذر ليدو دؤ يوكا نفرنس شركت كيليے رضا مندى AGM كى تاريخ سے كم از كم 7 يوم قبل وصول ہوتى تو ،كمپنى ال شہر ميں ايك سہولت كى دستايا بى سے حوالہ سے شہر ميں دؤ يوكا نفرنس سہولت كا انتظام كر سے كى سكي يہ يا ايس حصص داران كوا ليك سہولت تك رسائى سے قابل بنانے سے ليے دو ليكا نفرنس سہولت كے مقام كى بابت معلومات سالا ندا جلال عام كى تاريخ سے كم از كم 5 يوم قبل مطلع كر سے كى ۔ 16 - اركان كي ينيزا يك 2017 كى دفعہ 143 تاد فعہ 145 ادك ينيز ( يوشل بيل ) ركوليشز ، 2018 كى قابل اطلاق كلا زى ضروريات كے حوالہ سے انتخاب كے مطالب كا پنا حق استعال كر سكتے ہيں ۔

د ائر یکٹرز کی حصص یافتگان کور بورٹ

جو ہرآباد شوگر ملزل یٹڈ (حمینی) کے ڈائر یکٹرز 30 ستمبر 19 20 کوختم ہونے والے سال کے لئے کمینی کی سالانہ رپورٹ کے ساتھ نظر ثانی شدہ مالی حسابات اوران پرآ ڈیٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

#### صنعت كاجائزه

زیر جائزه مدت کے دوران کمپنی کی اصل سرگرمیاں یعنی چینی اوراسکی الائیڈ مصنوعات کی تیاری اورفر وخت تبدیل نہیں ہوئیں۔گزشتہ سیزن کے مواز نہ میں CY2018/19 کے لئے کمپنی کی پیداواراورفر وخت کے اعدادو ثار مندرجہ ذیل ہیں:

(	YOY تېديل	مالى سال2018	مالى سال19 20	ا کا ئیاں	تفصيلات
(	26.72%)	131	96	رن	کام کے ایام
	(2.38%)	441,646	431,121	ميٹرڪڻن	گنے کی کرشنگ
	4.50%	42,846	44,776	ميٹرڪڻن	چینی کی پیداوار
	7.11%	9.7%	10.39%	فيصد	چینی کی ریکوری
	43.26%	33,970	48,667	ميٹرڪڻن	چینی کی فروخت-مقامی
	(0.24%)	5,012	5,000	ميٹرڪڻن	چینی کی فروخت- بین الاقوامی
	37.67%	38,982	53,667	ميٹرڪڻن	چینی کی فروخت- کل
(	59.22%)	15,014	6,123	ميٹرڪڻن	چینی کاکلوزنگ اسٹاک
	(7.01%)	21,835	20,305	ميٹرڪڻن	مولاسس کی پیداوار
	(4.66%)	4.94%	4.71%	فيصد	مولاسس کی ریکوری

اس مالی سال کے دوران ، کمپنی نے سیزن کا آغاز15 دسمبر2018(2017/18)30: نومبر2017) کو کیااورملز گزشتہ کرشنگ سال کے مقابلے کم فصل اور فی ایگڑ پیداوار کی وجہ سے ، پینیٹس دن کم ، یعنی96 دنوں کے لئے چلائی کئیں ۔ کمپنی نے زیرِ جائزہ کرشنگ سال کے دوران 121, 131 ٹن (مالیاتی سال 1/18، 441 ٹن ) گنے کی کرشنگ کے ذریعے33،10 فیصد (مالی سال 17/18،2017،2 فیصد ) کی بہتر ریکوری شرح ۲۰۵۷ % 7.11 پر 776, 441 ٹن (مالی سال 18/1718 22,846 ٹن) سفید چینی بنائی ہے۔%27 مختصر کرشنگ سیزن کے باوجود، کمپنی نے گئے کی بہتری کی مسلسل کوششوں، بروقت ادائیکیوں، کاشتکاروں کی مالی معاونت کے ذریعے گزشتہ سال کے قجم کا%98 گنا کرش کیا، جوعلا قائی حریفوں کی کارکردگی ہے کہیں زیادہ بہتر ہے۔ کمپنی نے اس مالی سال کے اخترام سے قبل اپنی چینی کی پیداوار کا 66.32 فیصد (مالیاتی سال 1980 گنا کرش کیا، جوعلا قائی حریفوں کی کارکردگی سے کہیں زیادہ بہتر ہے۔ کمپنی نے اس مالی سال کے اخترام سے قبل اپنی چینی کی پیداوار کا 66.32 فیصد (مالیاتی سال 1980 میں افتراد کی بینی نے میں میں میں میں معاہدہ کے تحت چائنا کو 000, 5 ٹن (مالی سال 2017 10 2:00, 5 ٹن ) برآ 1980 میں میں میں کی میں میں کی کہ میں معاہدہ کے تحت چائنا کو 000, 5 ٹن (مالی سال 2017 10 2:00, 5 ٹن ) برآ مدکیا۔ کمپنی نے ٹاپ لائن میں 25.6 فیصد حصہ شامل کرتے ہوئے، ۲۰۵۷ % 66.64 (مالی سال 18/ 2017 13 4.94 فیصد ) پر 305, 20 ٹن مولاس (مالی سال 17/18

## مالیاتی کارکردگی

	201		
<sup>ت</sup> فصيلا <b>ت</b>	مالى سال19 20	مالى سال2018	۲۵۲ تبدیلی
فروخت-خالص	3,441,483	2,195,040	56.78%
فروخت کی لاگت	2,787,754	2,149,334	29.70%
مجموعى منافع	653,729	45,706	1,330.29%
فروخت اورتقسيم كحاخراجات	45,828	11,264	306.85%
انتظامی اورعمومی اخراجات	139,924	127,021	10.16%
آ پریٹنگ منافع	467,977	(92,579)	605.49%
دىگىرآ پرىيىنىگ آمدنى	5,029	(266,608)	101.89%
مالياتى اخراجات	205,679	138,061	48.98%
ٹیکس سے قبل منافع	257,269	35,967	615.29%
<i>طبي</i> سيد شن	74,552	30,851	141.65%
شیس کے بعد منافع	182,717	5,116	3,471.48%
آمدنی فی شیئر (روپے اشیئر)	5.35	0.15	3,466.67%

گزشتہ سال کے مقابلے میں آپ کی کمپنی کے مالی سال 2018/19 کی مالیاتی کارکردگی مندرجہ ذیل ہے:

توقع کی جارہی ہے کہ آئندہ سیزن میں گنے کی ریکوری میں اضافے ،ذیلی مصنوعات کی بہتر مارکیٹ قدر کے ساتھ کمبا ئنڈ چینی پر بہتر شراکتی مارجن ملنے کی بنیاد پر ہمارے صص دارکو ایک معقول منافع ملے گا۔ ۔

کمپنی نے ایک فالنگ فلم ایوا پوریٹر (ایف ایف ای) نصب کرنے کا آغاز کیا ہے جو بھاپ کی کارکردگی کو بہتر بنانے میں مددفرا ہم کرے گااور بالآخر کمپنی کی ٹاپ لائن کواضا فی راحت فراہم کرنے کے لئے بیگاس کی مزید بچت کرے گا۔ کاروباری تنوع کواب سی بھی تنظیم کے استحکام کے لیےضروری سمجھاجا تا ہے۔اپنے حریفوں کے مقابلے پائیدارفائدہ حاصل کرنے کے لئے ،JSML نے فیسکوکو10 میگا واٹ کی برآمدی صلاحیت کے حامل15 میگاواٹ کی گنجائش کابائیوماس کمپیٹو پاور پلانٹ لگا کر بائی پروڈ کٹ (برگاس) کواستعال کرنے کا انتخاب کیا ہے۔انتظامیداس مالی سال میں تجارتی آپریشن شروع کرنے کے لئے پرعزم ہے۔انتظامیہ نے آگے بڑھتے ہوئے ڈشگری نصب کرنے کا بھی منصوبہ بنایا ہے،جس کی ابتدائی فزیبلٹیز خطرے کے وامل کو کم کرنے ،مکنہ رکا وٹوں کا پیۃ لگانے کے لئے وقت سے پہلے ہی انتجام دی جارہی ہیں۔

كري شطر يبنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ اسٹینڈ نگ کا اندازہ ہے۔PACRA کا بنیادی کام ہے کہ وہ کسی ادارے کی اپنی ذمہ داریوں کا احتر ام کرنے کی صلاحت اور خواہش کا انداز ہ کرے۔سال کے دوران PACRA نے متحکم نقط نظر کے ساتھ بالتر تیبBBBاور A2 میں طویل مدتی اورقلیل مدتی اینٹٹی ریٹنگ کے طور پر کمپنی کی اینٹٹی ریٹنگ کو برقر اررکھا۔ بیدرجہ بندی کریڈٹ رسک کی کم تو قع کی نشاند ہی کرتی ہے اور مالی وعدوں کی بروفت ادائیگی کے لئے قابل اطمینان صلاحیت کی بھی نشاند ہی کہ تی کرتی کی اینٹٹی

کمپنی اپنی تمام تر ذمہ داریاں پوری کررہی ہے۔ **ڈیویڈ پیڈ اور تصرفات** مستقتبل کی سرمایہ کاری، مالی عزائم اور کیپٹل اخراجات کی منصوبہ بندی کرتے ہوئے ، بورڈ نے 30 ستمبر 1909 کوختم ہونے والے مالی سال کے لئے -11 روپے فی شیئر کا نقذ منافع منقسمہ کی تجویز دی ہے باقی رقم مستقتبل کے اخراجات کے لئے کمپنی کے ہاں برقر اررکھی جارہی ہے۔ یہ نظر نظر تمام حصص یافت گان کوسلسل پائیدار منافع فراہم کرنے کے لئے ہماری کمپنی کے عزم کے مطابق ہے۔ غیر خص شدہ منافع میں تغیر و تبدل مندر جردیل ہے:

	روپے"000" میں
سال کے لئے خالص منافع	215,243
گزشته سالوں کاغیرخص شدہ منافع	58,893
تصرفات کے لئے دستیاب خالص منافع	274,136
تصرفات	
تجویز کرده نقذ منافع منقسمه بشرح% 10	34,128
غیر تصرفاتی منافع جوآ کے گیا	240,008
فى شيئرآ مدنى	5.35

ہولڈنگ کمپنی

کین پروسینگ ( پرائیویٹ ) کمیٹڈ، پاکستان کے قوانین کے تحت قائم شدہ رجسڑ ڈ دفتر بواقع لا ہور66.66 فیصد حصص کے ساتھ جو ہرآباد شوگر ملزلمیٹڈ کی ہولڈنگ کمپنی ہے۔ **آ ڈیٹر کی رپورٹ** 

> سمینی کے مالیاتی حسابات کمپنی کےآڈیٹر کی طرف سے کسی اہلیت کے بغیر نظر ثانی شدہ ہیں اوراس کے حصص داران کو جاری کرنے کی مجاز ہے۔ **بیرونی آڈیٹرز**

سمپنی سے موجودہ آڈیٹرزمیسرزیوا پچوائی حسن نعیم اینڈ کمپنی، چارٹرڈا کا ونٹنٹس سالا نہ اجلاس عام کے اختتام پرریٹائر ہوجا نمیں گے اور دوبارہ تقرری کے اہل ہیں۔ بورڈ آف ڈائر یکٹرز نے الگے سالا نہ اجلاس عام میں اراکین کی منظوری کے حوالہ سے آڈٹ کمیٹی کی تجویز سے مطابق 30 ستمبر 2020 کوختم ہونے والے سال کے لئے ریٹائر ہونے والے آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے۔

بور ڈ آف ڈائر یکٹرز نے آپ کی کمپنی کے وژن مشن اور مجموعی کار پوریٹ حکمت عملی کابغور جائزہ لیا اور منظوری دی ہے اور یقین کرتے ہیں کہ پینظریات کو دسیع پیانے پر خلاہر کرتی ہےجس برجو ہرآباد شوگر مل قائم ہوئی تھی۔ ہم اس بات کو یقینی بناتے ہیں کہ ہماراوڑن اور شن ہماری مجموعی کارپوریٹ حکمت عملی اور ہرکام جوہم تمام سطحوں پر کرتے ہیں بیں ہمارے مستقتبل کے سفرکی سبت قائم کرتا ہے۔ یورتی نظیم اس مقصد سے منسلک ہےاوراس کے لئے کام کرتی ہےاور یہ ہمارے روز مرہ کے کاروبار میں اہم فیصلہ سازی کے معیار کے طور پر کام کرتی ہے۔ کارپوریٹ گورنٹ کے ضابطے کی تعمیل کمپنی کی انتظامیدا چھےکاریوریٹ گورننساوراس کے بہترین طریقوں ی<sup>ع</sup>مل کرنے کے لئے پُرعز م ہے۔جیسا کہ کاریوریٹ گورننس قوانین کے تحت درکارہے، کمپنی کے ڈائر کیٹرز خوشی سے بیان کرتے ہیں کہ:۔ مالياتي حسابات کی پیشکش سمپنی کی طرف سے تیار کردہ مالی حسابات ،اس کے امور ،آپریشنز کے نتائج ،نقد ی کا بہا وًاورا یکوئٹ میں تبدیلیوں کو منصفا نہ طور ریپیش کرتے ہیں۔ كهاندجات موجودہ سال اورگز شتہ سالوں کے لئے کمپنی کے کھانہ جات قابل اطلاق قوانین کے مطابق صحیح طور تبار کئے گئے ہیں۔ اكاؤنٹنگ پالیسی مالی حسابات کی تیاری میں مناسب اکا دُعنْنگ پالیسی کوستغل لاگوکیا گیا ہے اورا کا دُعنْنگ کا تخیینہ مناسب اور پُرُحشش فیصلہ رمِینی ہے۔ بين الاقوامي اكاؤنٹنگ معيارات مالیاتی حسابات کی تیاری میں یا کستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی گی گئے ہے، جو کمپنی کی مالی حیثیت کے حقیقی اور منصفانہ جائز ہ کو یقینی بناتی ہے۔ داخلي كنثر ولتسسطم داخلی کنٹرول کانظام ڈیزائن میں متحکم ہےاورمؤ ثرطور پرلا گوکیا گیااور سلسل نگرانی کی جارہی ہے۔کنٹرول میں مؤ ثرعملدرآ مداور سنقبل کی ترقی کے لئےآ ڈٹ کمیٹی کی طرف سے جائزه کاعمل جاری رہےگا۔ حاليةشويش حالیہ تتویش کےطور پر جاری رہنے کے لئے کمپنی کی صلاحت پر کوئی اہم شک وشبہات نہیں ہیں۔ مالياتي جعلكيان گزشتہ سات سالوں کے لئے اہم آپریٹنگ اور مالیاتی اعداد دیثار صفحہ نمبر 45 پر شامل ہیں۔ عمله کی ریٹائرمنٹ کی قدرکابیان 30 ستمبر 2019 کےنظرثانی شدہ حسابات یبنی پراویڈنٹ فنڈ کی سرما بیکاری کی منصفانہ قدر 26.050 ملین روپے 🛛 مالیاتی سال 17/18: 25.050 ملین روپے 🖵 جہ 30 ستمبر 2019 کوختم ہونے والےسال کے لئے کمپنی کے لئے قابل اطلاق یا کستان اسٹاک ایم چینج کے فہر سی قواعد میں تفصیلی، کاریوریٹ گورنس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔ نمونه چھس داري 30 ستمبر 2019 کو کمپنیز آرڈیننس،1984 اورکاریوریٹ گورننس کےضابطہ کے مطابق کمپنی کانمونہ چھص داری منسلک ہے۔ بورد آف دائر يکٹرز کے اجلاس کمپنی کے آپریشن کی شفافیت، اچھی گورننس اور ہموار کا کو یقینی بنانے کے لئے، کمپنی نے بورڈ آف ڈ ائر کیٹرز کی اہلیت، تجربے اور ساخت کے ساتھ ساتھ بورڈ کی ذمہدار یوں کے بارے میں آگاہی کے سلسلے میں ریگولیٹری فریم ورک نافذ کیا ہے۔7 ڈائر یکٹرز پرشتمل بورڈ مؤٹر طریقے سے صص داران کے مفادات کی نمائندگی کرتا ہے۔ تمام ڈائر یکٹراہل اور

## وژن، مشن اور مجموعی کار پوریٹ حکمت عملی

تجر بہکار ہیں،جو بورڈ کومؤثر اور کارگر فیصلہ کرنے کے قابل بناتا ہے۔مالی سال19-2018 کے دوران بورڈ آف ڈائر یکٹرز کے چاراجلاس منعقد ہوئے۔ ہرایک ڈائر یکٹر کی	
طرف سے حاضر ی درج ذیل تھی:	

	نام ڈائر یکٹر	تمبرشار
آ زاد/ <b>نان</b> ا مَكِز بكِتُودْ ائرَ يكِتْر	جناب <i>غ</i> یاث <sup>الح</sup> سن	1
ڈیپنڈنٹ/ایگزیکٹوڈائریکٹر	جناب سيف الرحمان	2
آ زاد/غیرا یگزیکٹوڈائریکٹر	جناب امجد بشیر <sup>حسی</sup> ن	3
ڈییپڈنٹ/ ایگزیکٹوڈائریکٹر	جناب امجد جاويدآ فتآب	4
ڈییپڈنٹ/غیرا مَکَزیکٹوڈائریکٹر	جناب فرحان الياس	5
ڈییپڈنٹ/غیرا مَکَزیکٹوڈائریکٹر	جناب <i>محد</i> عا مربیگ	6
چیف ایگزیکٹو/ایگزیکٹوڈائریکٹر	جناب جمال احمد	7
	ڈیپنڈنٹ/ایگزیکٹوڈائریکٹر آزاد/غیرایگزیکٹوڈائریکٹر ڈیپنڈنٹ/ ایگزیکٹوڈائریکٹر ڈیپنڈنٹ/غیرایگزیکٹوڈائریکٹر ڈیپنڈنٹ/غیرایگزیکٹوڈائریکٹر	جناب سیف الرحمان ڈیپنڈ نے ایکزیکٹوڈ ائر کیٹر جناب امجد بشیر سین آزاد/ غیر ایگزیکٹوڈ ائر کیٹر جناب امجد جاوید آفتاب جناب فرحان الیاس ڈیپنڈ نے/ غیر ایگزیکٹوڈ ائر کیٹر جناب محمد عامر بیگ ڈیپنڈ نے/ غیر ایگزیکٹوڈ ائر کیٹر

ڈائر بیٹرز جو بورڈ کےاجلاس میں شرکت نہیں کر سکتے تھاورچھٹی کی درخواست گذاری ان کوقانون کے مطابق بورڈ کی طرف سےاجلاس میں غیر حاضری کی چھٹی دی گئی۔ **اوڑ یہ کمپیٹی** 

کار پوریٹ گورننس کے ضابطہ کے مطابق بورڈ آف ڈائر یکٹرز نے آڈٹ کمیٹی تشکیل دی ہے۔سال کے دوران کمپنیزا یک 2017 کی ضروریات کے مطابق آ ڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ متعلقہ ایکٹ *کے تح*ت درکارتمام متعلقہ معاملات زیرِغورلائے گئے۔ ہرایک رکن کی حاضر میں مندرجہ ذیل تقی:

تعدادحاضرى	عهبار ٥	نام	نمبرشار
4/4	چیئر مین	جناب امجر بشی <sup>رسی</sup> ن	1
3/4	ركن	جناب <i>محمد</i> عا مربیک	2
3/4	ركن	جناب سيف الرحمان	3

## انسانی وسائل کی تمیٹی

قابل اطلاق ضوابط سے مطابق بورڈ آف ڈائر یکٹرز نے انسانی وسائل کی کمیٹی تظہیل دی ہے۔ مالی سال19-2018 کے دوران ، ملاز مین کی انگر یمنٹ اور بونس کی منظوری کے لئے انسانی وسائل کی کمیٹی کا ایک اجلاس منعقد ہوا۔ ہرایک رکن کی حاضری مندرجہ ذیل تھی :

تعدادحاضري	عبرده	نام	نمبرشار
1/1	چيئر مين	جناب فرحان الياس	1
1/1	ركن	جناب جمال احمر	2
1/1	ركن	جناب <i>غ</i> یاث <sup>الحس</sup> ن	3

### سی ایف اواور داخلی آ ڈٹ کے سر براہ کی اہلیت

چیف فنانشل آفیسراورداخلی آڈٹ کے سربراہ کار پوریٹ گورننس کے ضابطہ میں مقرر کر دہ ضروری اہلیتیں اور تجربہ رکھتے ہیں۔ سمپنی کے حصص میں لین دین/تجارت

بورڈنے ایک پالیسی تر تیب دی ہے کہ پاکستان میں فہرتی قواعد کے مطابق کوئی شخص داخلی تجارت نہیں کرےگا۔مالی سال کے دوران ، کمپنی کے صص میں کسی ایک ڈائر کیٹر ، سی ای او، سی ایف او، داخلی آ ڈٹ کے سربراہ اور کمپنی سیکریٹری کی طرف سے کوئی بھی تجارت نہیں ہوئی ہے۔

### بقايا قانونى ادائيكيان

ٹیکس، ڈیوٹیزاور چارجز کی مدمیں بقایا قانونی ادائیکیوں کا بیکنس شیٹ کے پہلے صفحہ اور مالی حسابات کے نوٹ15 میں انکشاف کیا گیا ہے۔ ٹیکس اور ڈیوٹیز کی مدمیں کوئی زائد المعیاد

منجانب بورڈ Jamas Ahm Rullz چف ایگزیکٹو

چيئر مين کاجائزہ

میں جو ہرآباد شور ملزلم یٹڈ کے بورڈ آف ڈائر یکٹرز کی چیئر مین شپ سو نیے جانے کوا یک امتیاز اور بہت بڑا اعزاز خیال کرتا ہوں۔ میں نے اپنی تمام تر قابلیتوں سے ساتھ کمپنی کی ترقی کی جانب بڑھانے کیلئے بہت اہم کردارادا کرنے کاعز م کیا ہے۔ یہ سال شاید پا کستان کی شوگر انڈسٹری کے لئے بحالی کا وقت ثابت ہوا جہاں چینی کی پیدا وار کی سطح میں کمی کی وجہ سے چینی کی مقامی قیمتیں معقول اقد ار کی طرف بڑھ گئیں جس کے نتیج میں اس صنعت کی کا شنگاروں کو بروقت ادا نیکی کرنے کی صلاحیت میں اضافہ ہوا ہے۔ اس کے ساتھ ساتھ ، پچھلے دو سالوں سے کیری اوور اسٹاک کی قیمت کم ہوگئی ہے اور تو قطح کی جارہ ہی ہے کہ انڈسٹری آئندہ کرشنگ سیزن میں چینی کے معمولی ذخائر رہ جائیں گے۔ چینی کی برآ مدات کی سطحیں بھی متحکم مردی ہیں کیونکہ دونوں مما لک کے مابین ایف ٹی اے معالم ایز ہیں گئی کے معلولی ذخائر رہ جائیں گ طور پر ، اس سال، کمپنی نے اضافی چینی برآ مد کرنے کے ذریعے ملک کے غیر ملکی زیر مبادلہ کے ذخائر میں میں میں میں میں میں میں کی گئی ہے۔ خاص سالو 2010ء اور اسٹاک کی قیمت کم ہوگئی ہے اور تو قطح کی جارہ ہی ہے کہ انڈسٹری آئندہ کرشنگ سیزن میں چینی کے معمولی ذخائر رہ جائیں گ

یہر پور ٹیپنیز ایکٹ 2017 کی دفعہ (4) 192 کے تحت بورڈ آف ڈائر یکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کی طرف سے اداکر دہ کردار کی مؤثر گی کے بارے میں پیش کی جارہی ہے۔

مجھے یہ بیان کرتے ہوئے بہت خوش ہے کہ کمپنی کے بورڈ آف ڈائر یکٹرز کی کارکردگی سال بھر میں بہت عمدہ رہی۔ بورڈ کی تشکیل سیزن پورٹ فولیو ،با قاعدگی سے اسٹر یتجگ رہنمائی میں حصہ لینے، نیا معیار بنانے، بجٹ کو منظور کرنے، قابل ٹیم کویقینی بنانے، خطرات کو کم کرنے کی حکمت عملی کو فروغ دینے ، متنوع حکمت عملی کو نافذ کرنے کے اختلاط کو ظاہر کرتی ہے، جبکہ اس کے حصص داروں کو متحکم ویلیوایڈیشن فراہم کرنے کی حکمت عملی کو فروغ اپنی شہرت کو برقر اررکھتی ہے۔ سال بھر میں تما ماہم مسائل کار پوریٹ فیصلہ سازی کے عمل کو مضور کی میں بہت عمدہ کرتی کہ کی سے ایک پر سے اور در اور میں بہت عملی کو میں بہت میں بہت عمدہ کرتے کی حکمت عملی کو فروغ روبر دیپش کئے گئے، جوانتظامیہ کے ساتھ ہم آہنگ شراکت داری کو ظاہر کرتے ہیں۔

آخر میں، ہم جو ہرآباد شوگر ملزلمیٹڈ کے ساتھ منسلک ہڑ تخص کی طرف سے کی گئی تخت محنت اورلگن کوسرا ہتے ہیں جن کی وجہ سے ہم اعلیٰ درجہ پر فائز ہیں اور صارفین برانڈ کے لئے " کوہ نور " کاانتخاب کرتے ہیں۔ ہم یقین دلاتے ہیں کہ ہم کا میابی کے راستے پر ہیں گے اور پائیدارتر قی حاصل کریں گے۔

جناب محمدعا مرببك چيئر مين

لا ہور: 26 دسمبر 19 20ء

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