

Sustainable Growth  
Our Way of Business

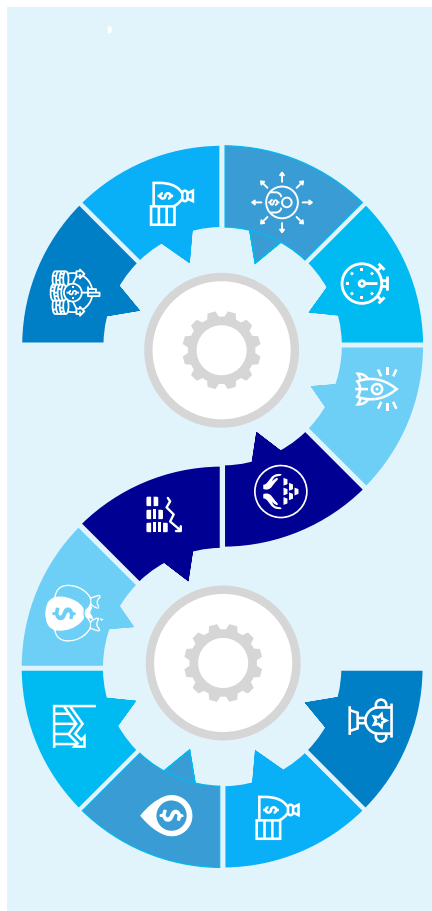
2020



## About this Report

Businesses that thrive in the future will be those that serve society today. Our blueprint for sustainable growth is returning to society, what we earn evokes trust among consumers, employees, shareholders and the community.

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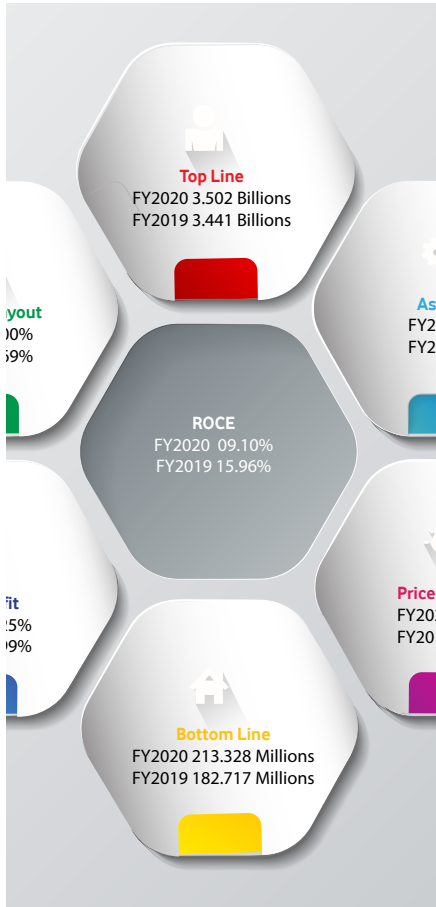
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## Investor Information

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## Geographical Location

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.







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

## Khushab District

Khushab is a combination of two Persian words "Khush" meaning sweet or tasty and "aab" meaning water. A common belief is that the Persian invaders, from the west, first used the word "Khush-aab" in admiration of the sweet and tasty water found in the historical city situated on the bank of Jhelum River. With time the city started to be known as Khushab. Khushab is a District of Punjab, situated between Sargodha and Mianwali, near river Jhelum. Khushab owns mountains, deserts, luxuriant green harvesting land, lakes and river. People of Khushab are very hardworking and most of them are associated with farming and agriculture.

## Corporate Information

### Board of Directors

Mr. Jamal Ahmed  
Mr. Muhammad Aamir Beg  
Mr. Farhan Ilyas  
Ms. Nazia Waheed  
Mr. Ghias-ul-Hasan  
Mr. Amjad Bashir Hussain  
Mr. Saif-ur-Rehman

Chief Executive  
Independent Director  
Independent Director  
Independent Director  
CPL Nominee  
CPL Nominee  
CPL Nominee

### Audit Committee

Mr. Farhan Ilyas  
Mr. Muhammad Aamir Beg  
Mr. Amjad Bashir Hussain

Chairman  
Member  
Member

### Human Resource and Remuneration Committee

Mr. Muhammad Aamir Beg  
Mr. Jamal Ahmed  
Mr. Ghias-ul-Hasan

Chairman  
Member  
Member

Chief Operating Officer  
Chief Financial Officer  
Company Secretary  
Head of Internal Audit

Ahsan Latif  
Imran Ilyas  
Al-Yousuf  
Syed Muhammad Usman Afzaal

### Registered Address

125-B, Quaid-e-Azam Industrial Estate,  
Kot Lakhpat, 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

### 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

Siddiqui Bari Kasuri & Co.  
Advocates & Corporate Legal Consultants  
179/180-A Scotch Corner,  
Upper Mall Lahore.  
Phone No. 042-35758573-74  
Fax No. 042-35758572

### Bankers of the Company

Askari Bank Limited  
Soneri Bank Limited  
National Bank of Pakistan

JS Bank Limited  
Habib Metropolitan Bank Limited  
Habib Bank Limited

United Bank Limited  
Bank Alfalah Limited  
Allied Bank Limited

### Islamic Bankers of the Company

Albaraka Bank (Pakistan) Limited  
Dubai Islamic Bank (Pakistan) Limited

MCB Islamic Bank Limited  
Faysal Bank Limited

### National Tax Number

0225972-9

### Sales Tax Registration Number

0409170300137

### 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-seven 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 seven 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.





### Mission Statement

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



### Vision Statement

“Sustainably produce green energy and chemicals by exploiting locally available raw materials and resources.”

FSSC 22000  
BUREAU VERITAS  
Certification



FSSC 22000

ISO 9001:2015

BUREAU VERITAS  
Certification





## Strategic Objectives & 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 labour 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.





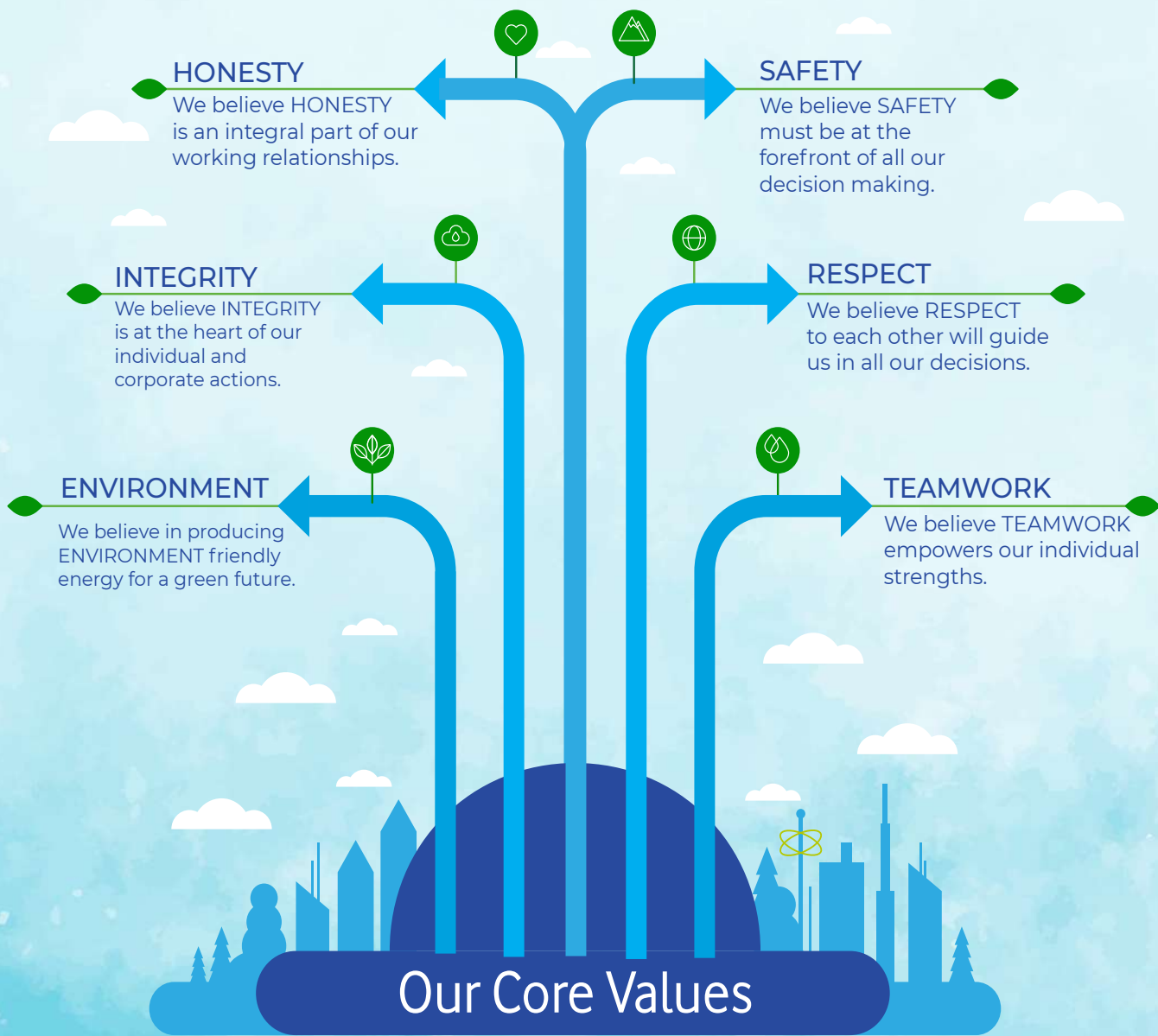
## Statement of Ethics & Business Practices

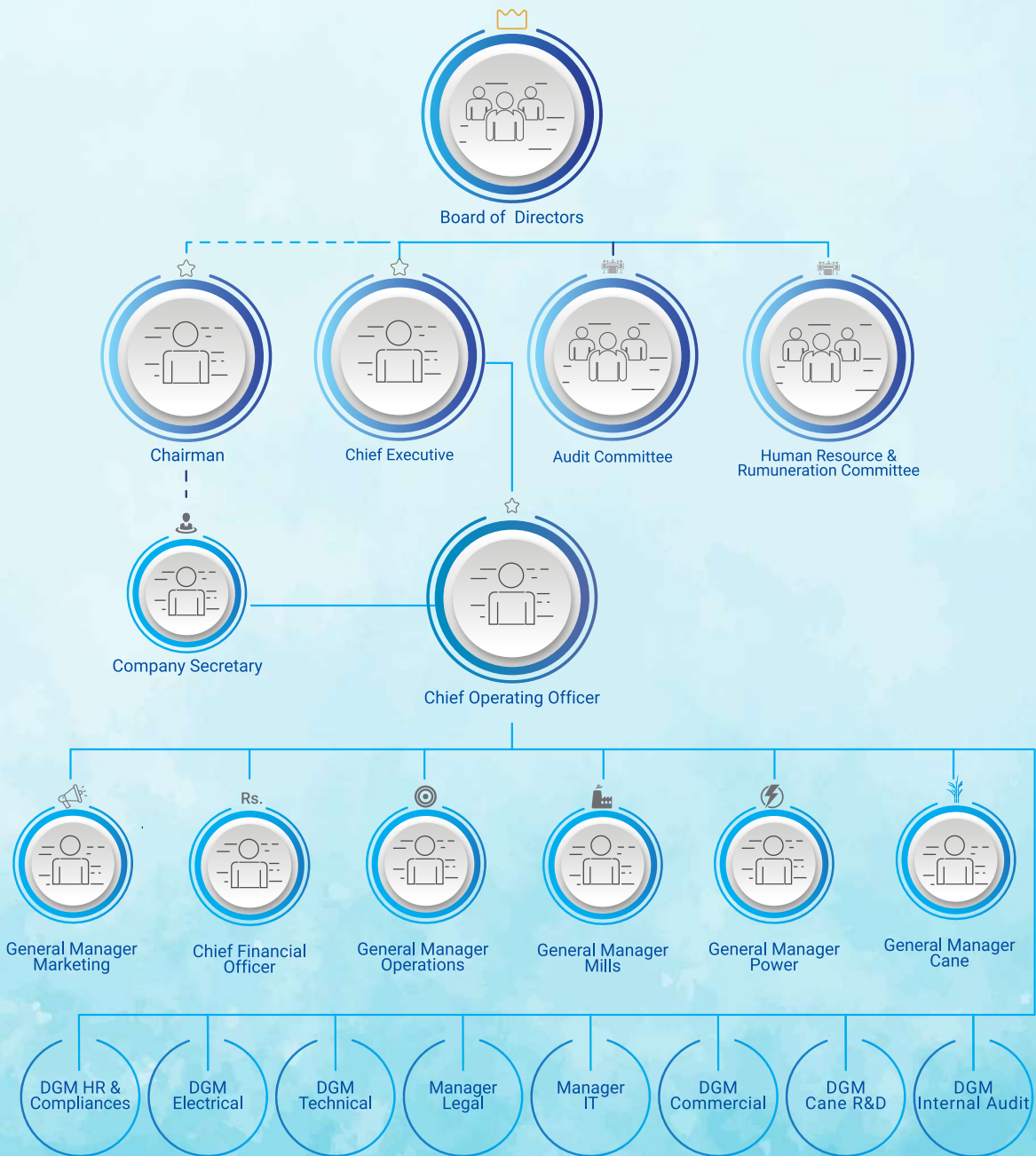
Jauharabad Sugar believes that Ethics, Transparency and Accountability are the three basic pillars for its business and the said belief are reflected in Code of Conduct for Directors and Senior Management adopted by the Company. The following principles constitute the code of conduct which all Directors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







## Organizational Sturcture



## 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.

“Our Success is possible through our strong and stable management team”





**Imran Ilyas**  
Chief Financial Officer

He is a seasoned professional and has an overall experience of twenty-four years with some of the country's most prestigious national and MN organizations. He has been associated with the Company for seven years. He is 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

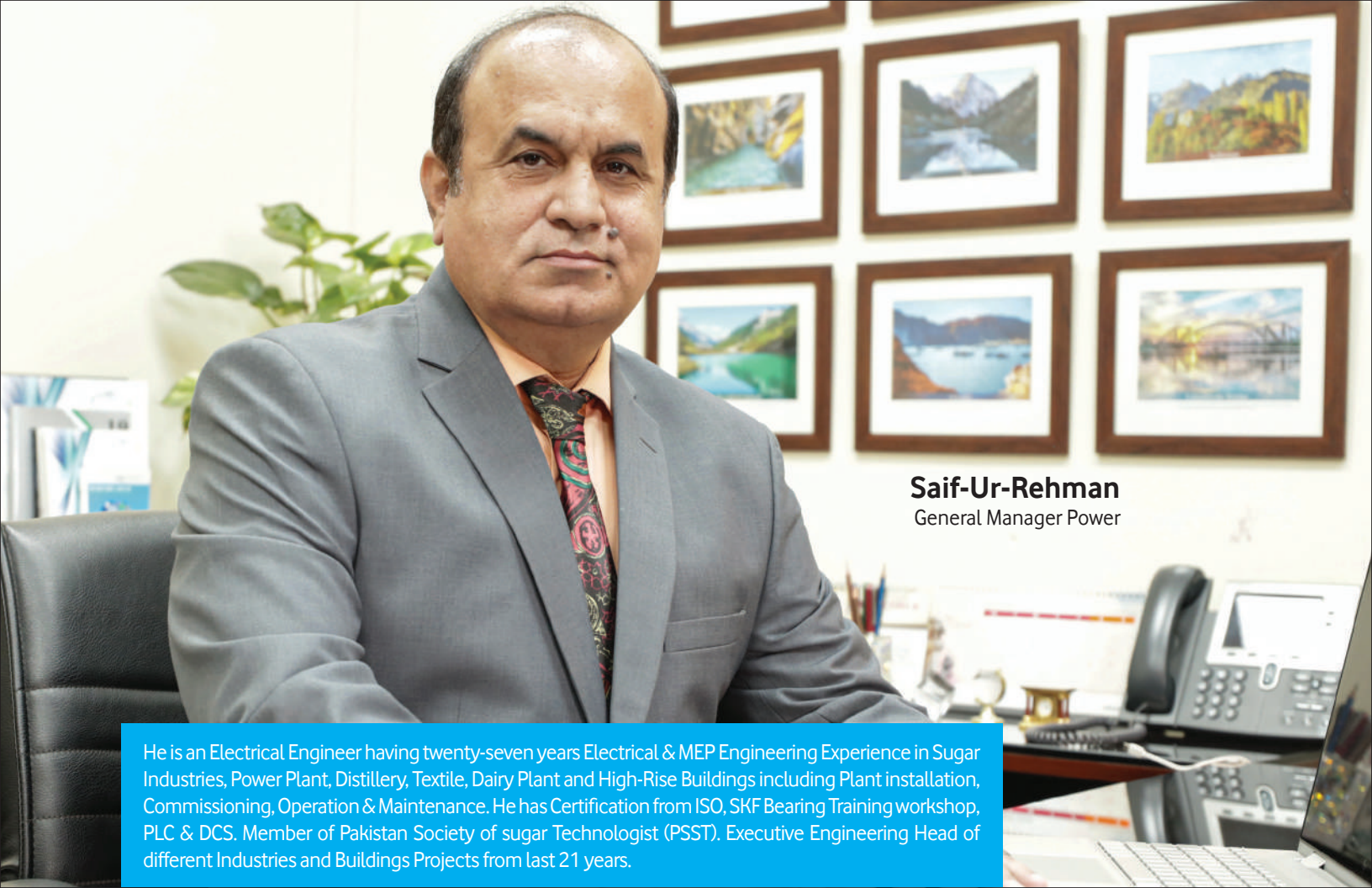
He is a skillful business analyst with twenty-nine years of experience that drive business operations to success. He is enthusiastic and dependable individual who excels in challenging and competitive environment with an ability to lead and manage team performance and produce high quality results.





**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 his achievements include Plant Installation & Commissioning, Energy Audits, Planning & Administration. Besides this, he is an Executive member of Pakistan Society of Sugar Technologists (PSST). His affiliation and certification from ISO making him more capable and proficient.



**Saif-Ur-Rehman**  
General Manager Power


He is an Electrical Engineer having twenty-seven 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 Pakistan Society of sugar Technologist (PSST). Executive Engineering Head of different Industries and Buildings Projects from last 21 years.



A portrait of Abdul Sattar, a man with a mustache, wearing a dark grey suit, a black shirt, and a striped tie. He is sitting in a black leather office chair at a desk with a laptop. The background is a white wall with framed pictures.

**Abdul Sattar**  
General Manager Cane

He is an agriculture expert with masters degree and international experience of more than three decades in sugar industry, procuring sugarcane and has served leading sugar mills as head of cane department. He has good knowledge of sugarcane agronomy, plant protections and supply chain.

A portrait of Khwaja Arslan Ahmed, a man with glasses, wearing a maroon suit, a light purple shirt, and a patterned tie. He is sitting at a desk with a laptop and a mouse. A green plant and a black lamp are visible in the background.

**Khwaja Arslan Ahmed**  
Head of Commercial Department

He is having practical experience over eighteen 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

He is a financial analyst with a professional qualification of accountancy from prestigious institution of Pakistan, besides enjoys rich experience of more than seven 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.



## Tariq Mehmood

Head of Human Resource Department

He has affluent experience of more than thirteen years with some of the country's most exalted national organization including sugar mills. His academic laurels include Masters in Business Administration and law graduation. He has successfully implemented policies for keeping the workplace safe for all employees and has built up invaluable trust.





**Amanat Ali**  
Head of Electrical Department

He is an experienced professional having more than forty-seven years and has served number of organizations in various capacities as, head of development, Electrical and Quality Control Manager. His proficiency extensively contributes towards the Company's operations and objectives.



**Fateh Ullah**  
Head of Technical Department

He is a technical professional with experience of more than thirty-two years with multiple organizations including sugar mills, capable to perform in challenging environments with an ability to lead and manage team.





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Message for  
Stakeholders

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## Calendar of Major Events

01

**First Quarter Results Issued**  
Thursday, January 23, 2020

02

**Second Quarter Results Issued**  
Friday, May 29, 2020

03

**Third Quarter Results Issued**  
Monday, July 27, 2020

04

**Extraordinary General Meeting**  
Monday, September 07, 2020

05

**Annual Results**  
Monday, December 28, 2020

06

**52<sup>nd</sup> Annual General Meeting Scheduled**  
Thursday, January 28, 2021

## Notice of 52<sup>nd</sup> Annual General Meeting

Thursday  
28 January 2021

Notice is hereby given that the Fifty Second Annual General Meeting (AGM) of the members of Jauharabad Sugar Mills Limited (the "Company") will be held on Thursday, January 28, 2021 at 11:30 a.m., at its Register Office 125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore to transact the following business:

### Ordinary Business

1. To confirm the minutes of Extra Ordinary General Meeting held on September 07, 2020.
2. To receive, consider and adopt the audited annual financial statements of the Company for the year ended September 30, 2020 together with Auditors' Reports and 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, 2020 @ 10% i.e. Re.1/- per ordinary share.
4. To appoint Auditors for the next financial year ending September 30, 2021 and to fix their remunerations. 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 Memorandum of Association of the Company due to enactment of Companies Act, 2017 new SECP Rules/Regulations and PSX Regulations and adopt the following resolution as special resolution.

"RESOLVED that new Memorandum 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 Company Registration Office, Securities & Exchange Commission of Pakistan, Lahore."

7. To adopt new Article of Association of the Company due to enactment of Companies Act, 2017 new SECP Rules/Regulations and PSX Regulations and adopt the following resolution as special resolution.

"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 Company Registration Office, Securities & Exchange Commission of Pakistan, Lahore."

### Other Business

8. 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 Memorandum of Association and Article of Association will be available for inspection of the members at the meeting.

By order of the Board

  
Al Yousuf  
Company Secretary

Lahore

Dated: January 06, 2021



## NOTE:

1. The share transfer books of the Company will remain closed from January 21, 2021 to January 28, 2021 (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, 2021 will be treated in time for entitlement to attend the Meeting.

2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature of the representative shall be submitted along with Proxy Form of the Company. Proxies, in order to be affective, must be received at the registered office of the Company 48 hours before the time of holding of the meeting.

3. Those members who have deposited their shares with the Central Depository Company of Pakistan Limited (CDC) are requested to bring their original CNIC, Account and Participation's Numbers. Such members will further have to follow the guidelines as laid down in the Securities and Exchange Commission of Pakistan's Circular No. 1 dated January 26, 2000.

4. The members should quote their folio number in all correspondence with the Company and at the time of attending the Annual General Meeting.

5. Members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company's Share Registrar.

6. 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 was sent earlier. Standard Request form has also been placed on the Company's website [www.jsml.com.pk](http://www.jsml.com.pk). In case of failure to provide the information, the Company will be unable to pay the dividend.

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 Account No.	Name of Shareholder	CNIC Shareholding	Total Shares	Principal/Joint 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. 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 Thursday, January 28, 2021 shortly after the completion of AGM in which performance and results for the year ended September 30, 2020 will be provided.

13. Members in 51st Annual General Meeting dated 28-Jan-2020 had already approved to adopt the new Article of Association of the Company due to enactment of Companies Act, 2017 new SECP Rules/Regulations and PSX Regulations. The Company remained unsuccessful to give effect to the said approval owing to regulation of SECP resulting in lapse of validity period. Hence, Members are required to review and approve the new proposed Article of Association.

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.

17. Precautionary Measures to attend Meeting: The health of the members, staff and stakeholders of the Company (the attendees) is of paramount importance to us. In view of the ongoing COVID-19 pandemic, the Company will implement the following measures at the Annual General Meeting to safeguard the health and safety of the attendees:

a) Compulsory body temperature will be conducted for every attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.5 degrees Celsius will be denied entry into the AGM venue or be required to leave AGM venue.

b) Each attendee would be provided with and wear a surgical face mask throughout the AGM and inside the AGM venue.

c) The Company will maintain safe distance between seats and attendees are advised to avoid any contacts, stay in your accommodation, at least one meter away from others and try to minimize the spread of the virus by covering coughs, cleaning surfaces, and washing or sanitizing your hands regularly.

18. The Annual Audited Financial Statements of the Company for the year ended September 30, 2020 along with Auditors' and Directors' Report and Chairman's Review Report thereon have been placed on the Company's website: [www.jsml.com.pk](http://www.jsml.com.pk).

19. The Company has placed the notice of AGM along with form of proxy in English and Urdu languages on its website: [www.jsml.com.pk](http://www.jsml.com.pk).





## Chairman's Review

It is a great honor and privileged on being entrusted with the Chairmanship of Jauharabad Sugar Mills Limited's Board of Directors.

Twenty-Two remained a tough year for consumers' markets around the globe. The COVID-19 has immensely suppressed the world leading economies but Pakistan through its prolific strategy of smart lock downs placed itself among nations having minimum and controlled impact of pandemic.

This year may be remembered as the turning point for sugar industry as local produce was short verses the country's domestic consumption. Sugar realization has rebounded at reasonable level generating mills ability to timely remunerate growers, increase in working capital adequacy and profits prospects.

The commitment to perform better than the past and even better than as reflected in our FY2019 performance, the Company managed to post profitability mainly due to resilience in sales strategy under competitive environment, stringent cost controls, improvisation, balancing of production facility and incentivizing growers for smooth supply of sugarcane besides assuring continuous transparency and good governance throughout the Company.

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 board members have been elected through an EOGM dated 07-Sep-2020. We remained successful to appoint a female independent member to the board this year. The board maintains its independency and has sufficient diversity of opinion and perspectives, finding the right balance between depth of industry, company experience and the benefits of new insights. The performance of the Board of Directors of the Company remained at par excellence throughout the year. All significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision-making process, which led us to have harmonious partnership with 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 loyal customers. Through all of these we will ensure that we remain on path to success and attain sustainable growth.

Mr. Muhammad Aamir Beg



Chairman

Lahore  
December 26, 2020





**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, 2020.

## Industry Review

Sugar industry with paramount significance is ranked as the second largest agro-based industry. According to the economic survey 2019-20, the industry played a vital role in posting 0.58 percent growth in agricultural sector's contribution of 19.31 percent towards annual GDP. This year the Industry alone remained the main source of rural employment nearly 13 percent of 23.76 million agricultural labour. Likewise, other segments of agricultural sector there is no significant impact of COVID-19 on the sugar industry. During the lock down situation under this pandemic the consumption of sugar remained depressed which resulted in misinterpretation of statistics by the government. Sugar crisis build up owing to sudden increase in demand after the ease in lock down coupled with delayed import of sugar, resulted in increase of sugar prices drastically. Despite 2020 remained one of the most challenging year, the sector overall performance had shown resilience to this fact.

In this crop year sugarcane, the basic raw material, has been grown on approximately 1.04 million hectares of land [CY2018/19: 1.102 million hectares], a decline of 5.6 percent, resulting in an estimated production of 66.880 million tons [CY2018/19: 67.174 million tons], a decrease of 0.44 percent YOY bases. The provincial government of Punjab, to encourage the farmers, has announced higher support price of Rs. 190 per maund [CY2018/19: Rs. 180 per maund]. Improvement in water shortage for irrigation, agro technology and effective pest control has resulted in a 5.5 percent increase in per hectare yield i.e. to 64.308 tons per hectare [CY2018/19: 60.956 tons per hectare]. Despite the increase in yield and placement of better varieties in field, climatic conditions have resulted in overall decline in sugar recovery rate this year. Sugar production for crushing season 2019-20 was 4.816 million tons [CY2018-19: 5.210 million tons]. This year and the upcoming crushing season will help in reviving the industry and will be rewarding for the farmer prospective as well. Going forward expected sugar production and sugar imported by Government of Pakistan at the start of the season will suffice the annualized domestic consumption.

## 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 CY2019/20 as compared to last season are as follows:

Description	Units	FY2019/20	FY2018/19	YOY Change
Working Days	Days	104	96	8.33%
Sugar Cane Crushed	M. Tons	425,433	431,121	(1.32%)
Sugar Produced	M. Tons	41,150	44,776	(8.1%)
Sugar Recovery	Percentage	9.67%	10.39%	(6.93%)
Sugar Sold - Domestic	M. Tons	44,649	48,667	(8.26%)
Sugar Sold - International	M. Tons	-	5,000	(100%)
Sugar Sold -Total	M. Tons	44,649	53,667	(16.8%)
Sugar Closing Stock	M. Tons	2,624	6,123	(57.15%)
Molasses Produced	M. Tons	20,180	20,304	(0.62%)
Molasses Recovery	Percentage	4.74%	4.71%	0.64%

During this financial year, the Company had started season on 30<sup>th</sup> November, 2019 [CY2018/19: 15<sup>th</sup> December, 2018] and operated for 104 days, eight days higher as compared to last year. The Company has produced 41,150 tons [FY2018/19: 44,776 tons] of white sugar at a recovery rate of 9.67 percent [FY2018/19: 10.39 percent] by crushing 425,433 tons [FY2018/19: 431,121 tons] of sugarcane during crushing year under review. Despite the shortage of sugar cane, the Company through its sustained efforts of cane development, timely payments, and financial support to growers has managed to crush sugarcane at 98% of last year's volume, which is far better than the performance of regional players. The Company has sold 93.62% percent [FY2018/19: 86.32 percent] of its sugar production before the closure of this financial year. The Company has produced 20,180 tons of molasses [FY2018/19: 20,305 tons] at 4.74% YOY [FY2018/19: 4.71 percent], contributing 8.14 percent to topline.

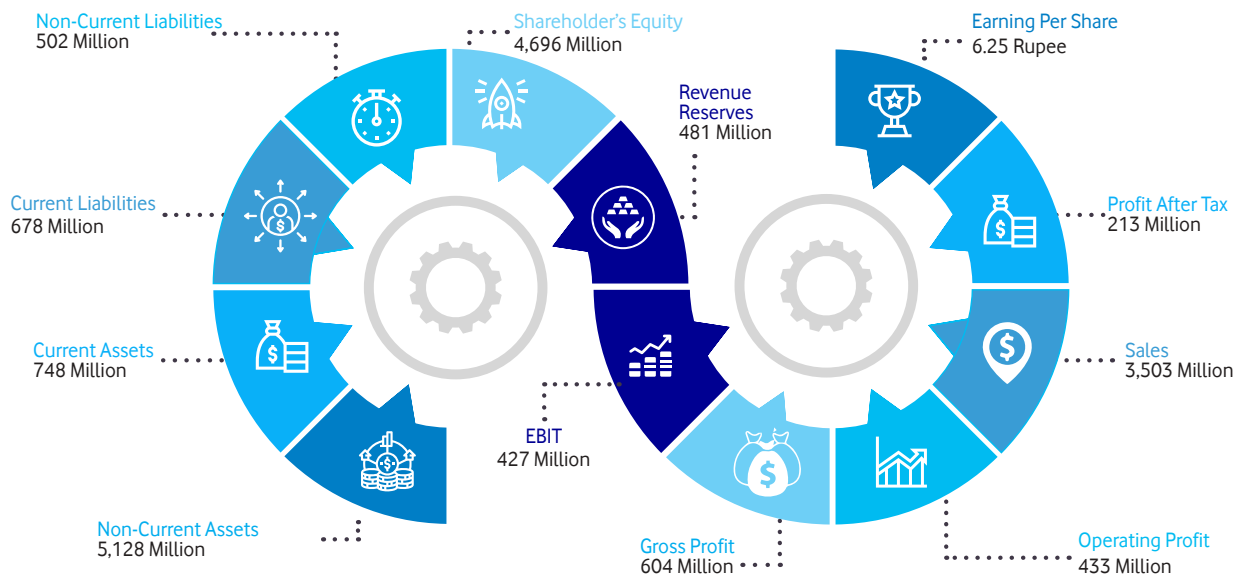


## Financial Performance

This year the directors are gratified and pleased to inform that the transparency of presenting its financial report is endorsed by two leading institutions of Pakistan Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan in their joint evaluation has awarded Jauharabad Sugar Mills Limited with a Merit Certificate for Best Corporate Reporting 2019 that will further strengthen the confidence of users of the financial statements. The summarized financial performance of your Company for the fiscal year 2019/20 compared to last year is presented as follow:

Description	FY2019/20	FY2018/19	YOY Change
Sales – Net	3,502,836	3,441,483	1.78%
Cost of Sales	2,898,771	2,787,754	3.98%
Gross Profit	604,065	653,729	-7.60%
Selling and Distribution Expenses	14,141	45,828	-69.14%
Administrative and General Expenses	157,059	139,924	12.25%
Operating Profit	432,865	467,977	-7.50%
Other Operating Income	(5,296)	5,029	-205.31%
Financial Cost	231,178	205,679	12.40%
Profit Before Tax	196,391	257,269	-23.66%
Taxation	16,937	74,552	-77.28%
Profit After Tax	213,329	182,717	16.75%
Earnings Per Share (Rs. /Share)	6.25	5.35	16.82%

This year the Company has managed to increase its domestic sales by 20.03 percent [FY2018/19: 43.26 percent] and has planned to carry-forward 6.38 percent [FY2018/19: 13.67 percent] of total sugar stocks. Topline has improved by Rs. 61 million resulting in topline growth of 1.8 percent. Corresponding expenses have been abridged by optimum utilization of available resources resulting in 17.24 percent of gross profits and 6.08 percent of profit after taxation [FY2018/19: 5.29 percent]. Total comprehensive income for the period is Rs. 213.329 million [FY2018/19: Rs. 182.717 million]. Financial performance has resulted in earning of Rs. 6.25 per share, as compared to EPS of Rs. 5.35, earned in last financial year.



## Future Prospects

The crop for the upcoming season is estimated to increase by 10-15%. Better yield per acre and improvement in sucrose recovery are also expected. The Company align with its vision to improve mills efficiency is continuously investing in BMR and maintenance of its mills. The Company in order to improve the quality of its product and to strengthen its brand "Kohinoor", has installed moisture control unit and electronic filling machine.

Diversification in business is already weighted vital for sustainability of our organization. In lieu of achieving sustainable advantage over its competitors, the Company has developed the capacity to hold molasses. Furthermore, biomass captive power plant will be

commissioning its production in the upcoming financial year subject to EPA approval. Going ahead the management is also planning to install distillery, the initial feasibility of which are being carried out to ascertain the possible hindrances well before time and 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 at BBB and A2 respectively with a positive outlook. The ratings reflect improving business profile of Jauharabad Sugar Mills Limited in line with the current dynamics of sugar industry. 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 & 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, 2020 and the 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	213,328,747
Un-appropriated profits of prior years	240,007,968
Net profit available for appropriation	453,336,715
<b>Appropriations</b>	
Proposed cash dividend @ 10%	34,128
Un-appropriated profit carried forward	447,159,558
Earnings per share	6.25

### 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 audited financial statements of the Company are authorized for issue to its shareholders by UHY Hassan Naeem & Company dated December 28th 2020 with a satisfactory report.

### 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, 2021, 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 flows 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 and regulations.

## Accounting Policy

Appropriate accounting policy 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

These financial statements are prepared on going concern basis and there is no concern upon the Company's ability to continue as a going concern.

## Statement on Value of Staff Retirement Funds

The fair value of investments of provident fund based on its audited accounts as of September 30, 2020 is Rs.26.050 million [FY2018/19: Rs.26.050 million].

## Statement of Compliance

There has been no material departure from the Best Practices of Corporate Governance, as detailed in the Listing Regulations of Pakistan Stock Exchange, applicable to the Company for the year ended September 30, 2020.

## 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, 2020 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 2019-20, four meetings of the Board of Directors were held and the attendance by each director was as under;

Sr. No.	Director	Category	Meetings Attended
1	Mr. Jamal Ahmed	Chief Executive & Executive Director	4
2	Mr. Muhammad Aamir Beg	Independent/Non-Executive Director	4
3	Mr. Ghias Ul Hasan	Dependent/Non-Executive Director	4
4	Mr. Amjad Bashir Hussain	Dependent/Non-Executive Director	4
5	Mr. Amjad Javed Aftab	Dependent/Executive Director	2
6	Mr. Farhan Ilyas	Independent/Non-Executive Director	2
7	Mr. Saif Ur Rehman	Dependent/Executive Director	4
8	Ms. Nazia Waheed	Independent/Non-Executive Director	-

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	No. of Meetings Attended
1	Mr. Farhan Ilyas	Chairman	4/4
2	Mr. Amjad Bashir Hussain	Member	4/4
3	Mr. Muhammad Amir beg	Member	4/4

### Human Resource Committee

The board of director in compliance with applicable regulations has established HR Committee. During the year 2019-20, 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	No. of Meetings Attended
1	Mr. Muhammad Amir Beg	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 will place all related party transactions before shareholders in the Annual General Meeting for obtaining approval, if any.

On behalf of the Board



Jamal Ahmed  
Chief Executive

Lahore: December 28, 2020



## Acknowledgement

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.

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.









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Business  
Activities

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## 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, take place according to the Good Laboratory Practices (GLP) guidelines aligned with High quality standards of product set by Pakistan Standard and Quality Control Authority (PSQCA) & 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 are in place. The challenge of greater competitiveness 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 accumulating information that will enhance the design of efficient supply of products in organization. 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 ratoon management are essential in farmers being able to deliver superior cane quality.

### Strengths

Jauharabad Sugar 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 institute and other 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 honesty, transparency and with good corporate governance. Therefore, the Company has hooked its responsibility and set up a Conflict of Interest Policy to restrict directors and employees from the Company matters where they have any interest, pecuniary or otherwise. It applies to all prospective and current employees of the Company, as well as independent contractors and persons acting on behalf of the Company. The directors of the Company strongly believe in the duty of confidentiality (locked insider information), duty of loyalty (putting board responsibilities above other outside interests) and fiduciary duties for financial and legal matters. The interest policy at Jauharabad Sugar Mills Limited restrict Board Members from participating in discussion, reporting, or voting on an issue in which he is by anyway 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.



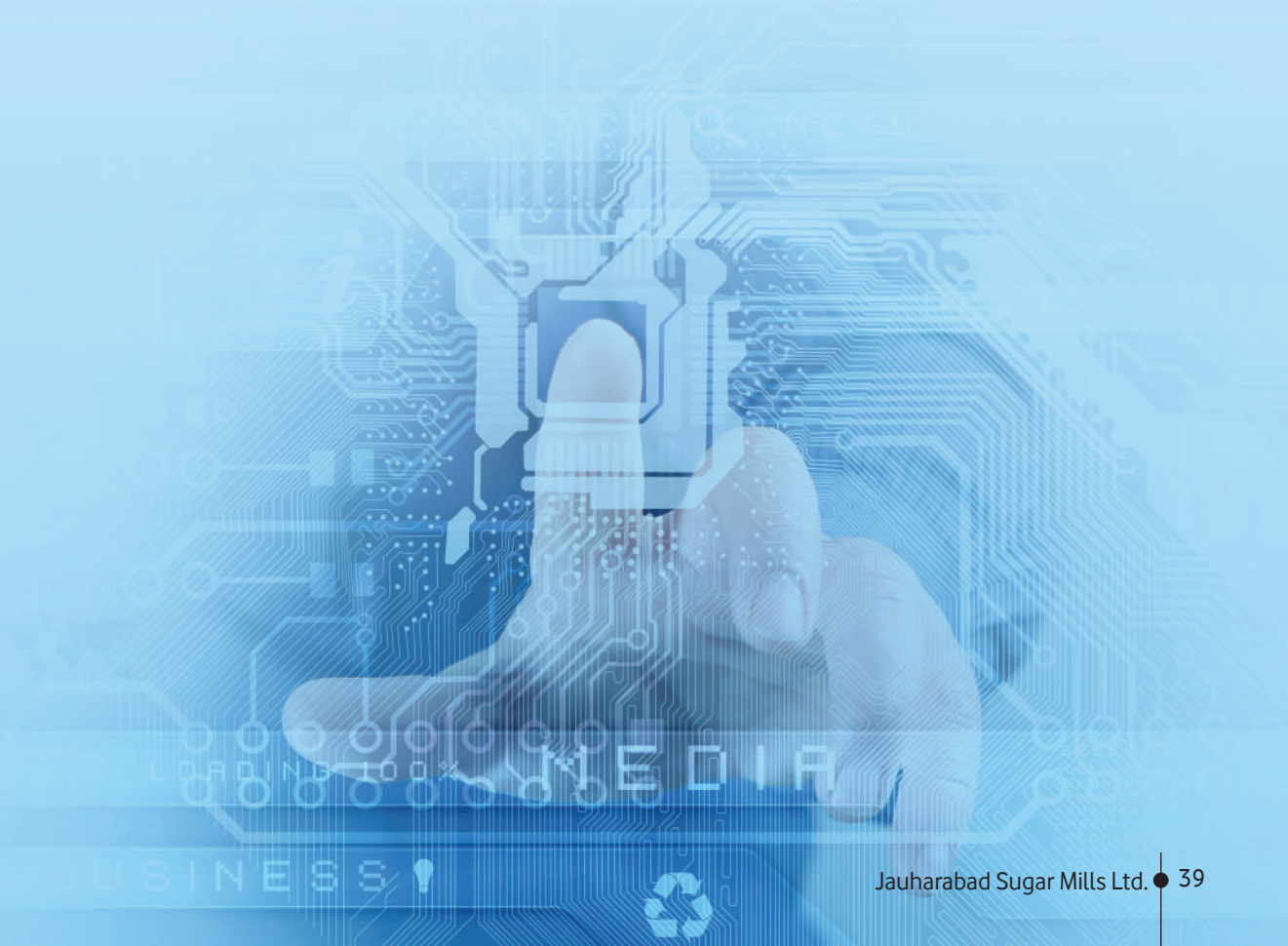


## IT Governance Policy

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

- Vision: This activity determines the overall governance structure for IT and creates decision-making power and accountability through Knowledge management system.
- Aligning: This activity will determine the suitability of the fit between overall governance for the Company and IT governance specifically.
- Identifying regulations and standards: Industry-specific regulatory requirements and standards play a critical role in gauging the exactness and rigor required for IT governance. These factors are being adhered and thus providing a competitive advantage to the Company in its area of operations.
- Creating policy: Getting right policy helps to drive performance that delivers results based on expected behaviors and appropriate resources used.

Jauharabad Sugar 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.



## Whistle Blower Policy

Jauharabad Sugar Mills Limited has established a whistle blower mechanism to provide an avenue for reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy by providing adequate safeguards against any victimization. In order to prevent the risk of things going wrong or unethical at any time, the Company also provides for direct access to the Chairperson of the Audit Committee and devised a comprehensive whistleblowing policy with following core objectives;

- Each individual i.e 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 from 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.



## 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.





## 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;

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



## Integrated Management System

Jauharabad Sugar Mills Ltd. is committed to achieving excellence in quality and food safety. This is the responsibility both of management and employees in all functions. JSML is striving to provide a safe and healthy working environment to avoid adverse impact to the environment and the communities in which we conduct business. JSML is dedicated to provide high quality, halal & safe products at affordable price.

JSML is also committed to;

- Identify and meet context of the organization and achieve high level of customer satisfaction by delivering consistent quality , safe and halal products through continually improving its Integrated Management System.
- Comply with all national and international statutory and regulatory requirements related to its products and activities, the requirements of Integrated Management System and mutually agreed customer requirements related to finished product specification.
- Identify objectives and training needs by continuous review and monitoring of its processes and activities to ensure the competencies related to Integrated Management System.
- Continue to protect the white refined sugar market and improve the quality and food safety by following the Integrated Management System.
- Continually improve its Integrated Management System performance, products, processes, infrastructure, environment for operations and human resources by continuous review and monitoring.





## Disaster Recovery Plan

Disaster recovery strategy ensures that every reasonable measure has been taken to identify and mitigate potential risk that exist 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. The plan includes:

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

The Company has adopted Disaster Recovery Plan for the continuity of infrastructure and application 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 issue or giving of 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.



## Occupational Health and Safety Management

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

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

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 factory as well in the nearby areas. The Company is arranging regular Tree Plantation at different locations within factory premises and nearby areas to provide a healthy environment to employees and other communities living in its surroundings. This activity will continue in the future and 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.



## 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 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 benchmarks, 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 create 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.





## Human Resource Management

Human Resource is a vital asset of any organization in a knowledge-oriented economy. The Company is committed to create an organization that nurtures the talent and enterprise of its people, helping them grow and find fulfilment in an open culture as per our "HR Vision". 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 resource as it is the most valuable ingredient that adds remarkable contributions towards growth. The Company being pioneer 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.
- Fostering 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.
- Encourage the concept of team work and synergetic effort.



“ Human resources isn't a thing we do.  
It's the thing that runs our business. ”

## Corporate Social Responsibility

JSML is committed to playing an active role in supporting and working with its stakeholders for sustainable community and social development. Aligned to our objective as a team, we aim to help drive creation of shared economic and social value across Pakistan. CSR is one of JSML's core values and an integral part of the Company's overall mission.

We take great pride in each and every initiative taken by our associates, giving back to the communities we operate in, creating sustainable agriculture and empowerment while uplifting the rural communities.

### Education

JSML believes in giving back to society, in its own way, and is committed to make a difference to the less privileged sections of society. CSR is one of the key pillars of JSML's corporate values which is aimed to achieve a more equitable society through its initiatives. In line with this vision, JSML supports programs directed towards providing education and vocational guidance to children who are less privileged. The programs include providing books and school supplies, and catering to infrastructure requirements at schools.

Our engagement with the schools, teachers, and children is not limited to providing for their requirements. Making a difference, comes from compassion. During our yearly supply of books, stationary, and uniforms for the schools, what makes the actual difference, is the way we interact with the students. It is not out of a photo opportunity but our honest attempt to make the surreal to reality. That's why, the students don't feel bogged down with a 'hand-out' of items. Children learn by observing; inculcating gratitude, compassion and humanity in them is our intent.

### Sports

JSML has a decade long history of promoting sports. Events like Cricket, Foot Ball, Swimming, Badminton, Table-Tennis and other tournaments; Sports Gala, etc are organized in order to keep employees physically fit and active. An elaborate gym and indoor sports are also provided in a Club Complex e.g., Long Soft Ground Tennis, Snooker, Table Tennis, and other games.

JSML sponsors well maintained playgrounds for cricket along with other sports facilities. We also patronize parks and sports facilities in the vicinity of the Company and provide potable water and health care to the surrounding communities.

### Environment, Health And Safety Management

- i) We are committed to conducting our business operations in a manner that sustains the environment and protects the health and safety of our employees, by adopting a proactive approach to using cleaner technologies and safer systems of work while ensuring compliance with all applicable national laws and regulations.
- ii) We seek to control and reduce our impact via the '3 Rs' principle: Reduce, Recover, Recycle. Our programmes cover energy and water conservation, air and soil protection, afforestation, minimizing waste and minimizing the use of natural resources, agro-chemicals and raw materials.
- iii) We provide and maintain safe and healthy working conditions, equipment and systems of work for all employees and other associated personnel. We also provide training and supervision as may be required for this purpose. Our approach is based on hazard identification and risk assessment, for the purpose of effectively controlling health and safety risks in the workplace.
- iv) We perform third party (EPA certified) groundwater monitoring of the surrounding areas of JSML site twice a year, to ensure that the community nearby is using safe underground water.





## Green Environmental Initiatives

JSML plants 10,000 to 12,000 saplings each year which include fruit and indigenous plants as well. Tree saplings are also being donated to various educational institutions and local communities to enhance the vegetation cover and improve the environmental conditions in the surrounding communities to conserve natural ecosystems for future generations.

## Community Welfare

- 1) The Company provides administrative support to schools and mosques in the surrounding area and also played significant role for the betterment of locals badly effected by urban flooding due to heavy rains in the region.
- 2) The company helps needy inhabitants of villages in vicinity of Jauharabad by providing them with basic every day necessities that will help them become self-reliant and better prepared for the winters and difficult times looming ahead. Volunteers prepared boxes of necessary items for approximately 50 households. These included blankets, grocery items for three months and canvases to provide shelter from extremely cold winds. Moreover, to stimulate an interest towards education, stationary items were also distributed among the children of the village.
- 3) Other prominent undertakings by the Company includes Apprenticeship Programme, Scholarship Scheme, Marriage Support Fund, Poor Patient Fund, organized collection and distribution of Zakat and various welfare and community development projects like women skill development, capacity building and skill enhancement.

## Energy Conservation

The Company has implemented Energy Management System and continues with its internal program to conserve energy by creating awareness among its employees and initiatives to optimize energy consumption in the refinery.

## Industrial Relations / Workers Welfare

The Company extends maximum benefits to its employees and ensures cordial industrial relations with them. In this context the Company extends following facilities:

- 1) Provides highly subsidized food through its dining facilities and Ration supply.
- 2) Nominates on annual basis, two members each of Non-Management Staff through open ballot for performing Hajj and Umrah.
- 3) Quarterly Good Performance and Long Service awards to its workers.
- 4) Provides pick and drop for employees.

## Our Social Responsibility During Covid-19

Since the beginning of the COVID-19 outbreak, we have taken all possible steps to ensure the safety of our colleagues, while keeping production running so that we can keep our customers supplied and play our part in feeding the nation.

We continue to operate with required social distance SOP of GOP, and any staff who needs to be on site is bound to adhere the defined SOP's. We have installed additional office space on all sites, so that teams can continue their work while social distancing.

At all stages we have followed the advice of the Government and Public Health Organization and have shared our decisions through regular communication to our colleagues, contractors and customers. These decisions have been based on a clear risk assessment and have focused on minimising any risk by isolating our people from risk as far as we can.

At JSML, our purpose is to make an impact that matters for our people, our clients, our community and our planet. At a time like this, we have considered each element of this purpose statement in more detail than ever before. Our impact in the community is part of our everyday in JSML with main focus on education, upskilling, access to opportunity and social distancing.

Employees have been of particular importance to us as we strive to meet the needs of





older people in Jauharabad who are at high risk of the impact of COVID-19. Not only has JSML very generously donated vital funds to our COVID-19 Hardship Fund, to support older people in vulnerable situations and experiencing difficulty meeting the increased costs of the COVID-19 pandemic, but staff is also keeping in touch with the farmers by writing to them and offer extra support to ensure they can stay informed, supported, connected and socially active online.

### 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 fulfil their needs even on credit basis to make their both ends meets.

### Ramadan Dastar Khuwan

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

### Catering of Religious Need

We at Jauharabad Sugar mills understand and take care of all the individual needs of our society thereby to cater the religious requirement of our society JSML has employed a mufti in colony mosque to support and build comprehensive religious aspect in our society.

### Grower's Financial & Technical Support

Jauharabad Sugar Mills regularly provide financial and technical assistance, during the current financial year, JSML has provided agricultural loan of approximately Rs. 100 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 have also conducted thesis research on Sugar Cane cultivation techniques thus helping in further discovery of seed across the region, in the years to come. Through our sustained efforts Khushab region is outperforming all other regions in developing new varietal seed of sugar cane.

### Water Conservation and Effluent Treatment

Sugar mill operations generate a significant amount of 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









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Investors'  
Information

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## Corporate Calendar

### First Quarter Results

Monday, January 25, 2021

### Second Quarter Results

Thursday, May 27, 2021

### Third Quarter Results

Monday, July 26, 2021

### Annual Results

Monday, December 27, 2021

### 53<sup>rd</sup> Annual General Meeting

Friday, January 28, 2022

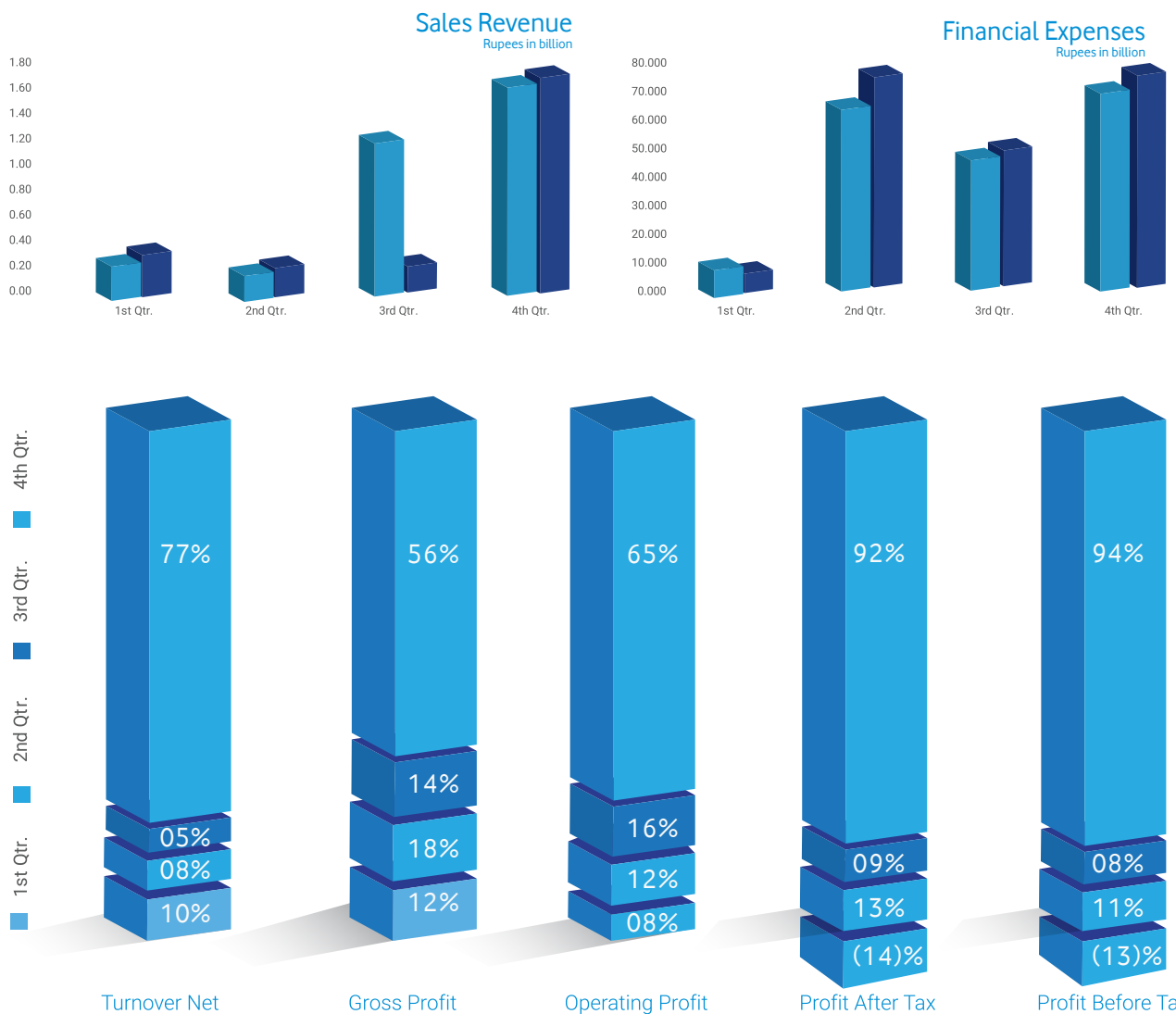
## Financial Highlights





## Quarterly Performance Analysis

Particulars	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
	----- Rupees in '000' -----				
Turnover - net	357,019	270,428	189,148	2,686,242	3,502,837
Cost of sales	(283,673)	(162,560)	(102,506)	(2,350,032)	(2,898,771)
Gross profit	73,346	107,868	86,642	336,210	604,066
Distribution cost	(2,547)	(3,838)	(1,614)	(6,142)	(14,141)
Administrative expenses	(36,495)	(52,752)	(17,809)	(50,003)	(157,059)
	(39,042)	(56,590)	(19,423)	(56,145)	(171,200)
Operating profit	34,304	51,278	67,219	280,065	432,866
Other income	903	1,594	791	(8,584)	(5,296)
Financial cost	(9,356)	(80,088)	(51,256)	(90,478)	(231,178)
Profit before tax	25,851	(27,216)	16,754	181,003	196,392
Taxation	(2,451)	(1,572)	790	20,171	16,938
Profit after tax	23,400	(28,788)	17,544	201,174	213,330



# Horizontal & Vertical Analysis

## Statement of Financial Position

	FY2020		FY2019		FY2018		FY2017		FY2016		FY2015		FY2014	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Horizontal Analysis</b>														
<b>Equity &amp; Liabilities</b>														
Shareholders equity	4,696,282	61.94	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
Non-current liabilities	502,237	62.88	308,357	(39.45)	509,236	2.33	497,642	43.09	347,788	21.40	286,474	(16.00)	341,030	(71.25)
Current liabilities	677,845	(37.28)	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)
	5,876,364	37.01	4,289,091	(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)
<b>Assets</b>														
Non-current assets	5,128,055	56.51	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
Current assets	748,310	(31.01)	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)
	5,876,365	34.75	4,361,091	(7.00)	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)
<b>Vertical Analysis</b>														
<b>Equity &amp; Liabilities</b>														
Shareholders equity	4,696,282	79.92	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
Non-current liabilities	502,237	8.55	308,357	7.19	509,236	10.86	497,642	12.69	347,788	10.77	286,474	10.42	341,030	13.13
Current liabilities	677,845	11.54	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
	5,876,364	100.00	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
<b>Assets</b>														
Non-current assets	5,128,055	87.27	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
Current assets	748,310	12.73	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
	5,876,365	100.00	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

# Horizontal & Vertical Analysis

## Statement of Profit or Loss

	FY2020		FY2019		FY2018		FY2017		FY2016		FY2015		FY2014	
	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%	Rs. 000	%
<b>Vertical Analysis</b>														
Sales - net	3,502,836	100.00	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
Cost of sales	(2,898,771)	(82.75)	(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)
Gross profit	604,065	17.25	653,729	19.00	45,706	2.08	300,119	11.62	206,433	9.86	105,330	7.24	(156,073)	(8.95)
Selling and distribution expenses	(14,141)	(0.40)	(45,828)	(1.33)	(11,264)	(0.51)	(9,035)	(0.35)	(7,292)	(0.35)	(7,549)	(0.52)	(7,832)	(0.45)
Administrative and general expenses	(157,059)	(4.48)	(139,924)	(4.07)	(127,021)	(5.79)	(107,249)	(4.15)	(82,441)	(3.94)	(68,259)	(4.69)	(64,281)	(3.69)
Other operating income	(5,296)	(0.15)	(5,029)	(0.15)	266,608	12.15	5,098	0.20	18,962	0.91	28,640	1.97	186,966	10.72
Operating profit	427,569	12.21	462,948	13.45	174,028	7.93	188,933	7.32	116,701	5.57	58,162	4.00	(41,221)	(2.36)
Financial cost	(231,178)	(6.60)	(205,679)	(5.98)	(138,061)	(6.29)	(124,442)	(4.82)	(53,626)	(2.56)	(51,010)	(3.51)	(35,964)	(2.06)
Profit before tax	196,391	5.61	257,269	7.48	35,967	1.64	64,492	2.50	82,036	3.92	7,151	0.49	(77,185)	(4.43)
Taxation	16,937	0.48	(74,552)	(2.17)	(30,851)	(1.41)	(32,636)	(1.26)	23,961	1.14	(2,031)	(0.14)	38,293	2.20
Profit after tax	213,328	6.09	182,717	5.31	5,116	0.23	31,856	1.23	105,997	5.06	5,121	0.35	(38,891)	(2.23)
<b>Horizontal Analysis</b>														
Sales - net	3,502,836	1.78	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
Cost of sales	(2,898,771)	3.98	(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
Gross profit	604,065	(7.60)	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)
Selling and distribution expenses	(14,141)	(69.14)	(45,828)	306.84	(11,264)	24.68	(9,035)	23.90	(7,292)	(3.41)	(7,549)	(3.62)	(7,832)	124.20
Administrative and general expenses	(157,059)	12.25	(139,924)	10.16	(127,021)	18.44	(107,249)	30.09	(82,441)	20.78	(68,259)	6.19	(64,281)	(15.95)
Other operating income	(5,296)	5.31	(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)
Operating profit	427,569	(7.64)	462,948	166.02	174,028	(7.89)	188,933	61.90	116,701	100.65	58,162	(241.10)	(41,221)	(108.59)
Financial cost	(231,178)	12.40	(205,679)	48.98	(138,061)	10.94	(124,442)	132.05	(53,626)	5.13	(51,010)	41.84	(35,964)	(20.30)
Profit before tax	196,391	(23.66)	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)
Taxation	16,937	(122.72)	(74,552)	141.65	(30,851)	(5.47)	(32,636)	(236.20)	23,961	(1,279.94)	(2,031)	(105.30)	38,293	(127.56)
Profit after tax	213,328	16.75	182,717	3,471.65	5,116	(83.94)	31,856	(69.95)	105,997	1,970.00	5,121	(113.17)	(38,891)	(113.15)



## Seven Years at a Glance

	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013	
	(RS. 000)								
<b>Financial Position</b>									
Non current assets	5,128,055	3,276,400	3,240,663	3,083,362	2,786,497	2,198,258	2,291,818	2,245,685	
Current assets	748,310	1,084,691	1,448,770	837,502	441,667	551,977	305,022	705,734	
Current liabilities	677,845	1,080,800	1,435,214	829,394	214,364	485,282	299,957	655,619	
Non current liabilities	502,237	380,357	509,236	497,642	347,788	286,474	341,030	1,186,366	
Shareholders equity	4,696,282	2,899,934	2,744,983	2,593,829	2,666,012	1,978,479	1,955,853	1,109,433	
<b>Profit or Loss (Rs. 000)</b>									
Sales - net	3,502,837	3,441,483	2,195,040	2,581,987	2,096,363	1,455,105	1,744,056	1,143,758	
Gross profit	604,065	653,729	45,706	300,119	208,145	105,330	(156,073)	(342,222)	
EBITDA	538,628	573,768	282,354	292,330	224,214	120,231	18,802	541,440	
EBIT	427,569	462,948	174,028	188,933	135,662	58,162	(41,221)	479,930	
Profit before tax	196,391	257,269	35,967	64,492	82,036	7,151	(77,185)	434,804	
Profit after tax	213,329	182,717	5,116	31,856	105,997	5,121	(38,891)	295,843	
<b>Cash Flows (Rs. 000)</b>									
Cash flows from operations	196,391	257,269	35,967	64,492	82,036	7,151	(77,185)	434,804	
Operating activities	597,801	957,814	(756,922)	(113,983)	41,991	(72,505)	(77,678)	(562,892)	
Investing activities	(166,315)	(112,480)	(244,664)	(396,068)	(106,439)	(92,145)	(61,285)	88,209	
Financing activities	(266,507)	(832,999)	1,020,992	517,625	49,723	191,568	141,406	473,964	
Cash and cash equivalents at the beginning of the year	58,855	46,519	27,113	19,538	34,263	7,346	4,902	5,621	
Cash and cash equivalents at the end of the year	223,834	58,855	46,519	27,113	19,538	34,263	7,346	4,902	
<b>Operational Data</b>									
Operating days	Days	104	96	131	130	95	93	95	97
Cane crushed	Tons	425,433	431,121	441,646	546,857	340,519	252,995	281,997	321,022
Sugar produced	Tons	41,150	44,776	42,846	53,972	33,205	24,492	25,975	26,420
Sugar recovery	%age	9.67	10.39	9.70	9.87	9.75	9.68	9.22	8.23
Molasses produced	Tons	20,180	20,304	21,835	25,256	15,990	11,292	12,915	15,048
Molasses recovery	%age	4.74	4.71	4.94	4.62	4.70	4.46	4.58	4.69
Bagasse produced	Tons	127,630	127,698	133,187	166,594	102,158	76,075	87,165	99,966
V.F. Cake produced	Tons	12,763	13,494	13,249	16,406	10,215	7,590	8,460	9,631

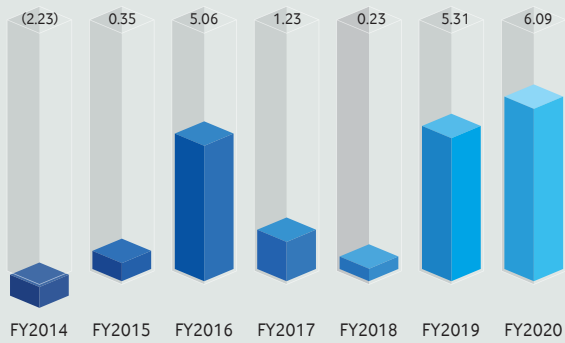
## Seven Years at a Glance

	FY2020	FY2019	FY2018	FY2017	FY2016	FY2015	FY2014	FY2013
<b>Profitability Ratios</b>								
Gross profit to sales	17.25%	19.00%	2.08%	11.62%	9.93%	7.24%	-8.95%	-29.92%
Net profit after tax to sales	6.09%	5.31%	0.23%	1.23%	5.06%	0.35%	-2.23%	25.87%
EBITDA to sales	15.38%	16.67%	12.86%	11.32%	10.70%	8.26%	1.08%	47.34%
Return on Equity	4.54%	6.30%	0.19%	1.23%	3.98%	0.26%	-1.99%	26.67%
Return on Capital Employed	9.10%	15.96%	6.34%	7.28%	5.09%	2.94%	-2.11%	43.26%
<b>Liquidity Ratios</b>								
Current ratio	1.10	1.00	1.01	1.01	2.06	1.14	1.02	1.08
Quick ratio	0.82	0.64	0.48	0.34	1.92	1.02	0.88	0.41
Cash to current liabilities	33.02%	5.45%	3.24%	3.27%	9.11%	7.06%	2.45%	0.75%
Cash flow from operations to sales	5.61%	7.48%	1.64%	2.50%	3.91%	0.49%	-4.43%	38.02%
<b>Activity Ratios</b>								
Inventory turnover	9.93	4.88	3.28	7.78	42.19	27.06	7.93	3.93
No. of days in Inventory	36.74	74.86	111.22	46.93	8.65	13.49	46.04	92.79
Debtor turnover	25.79	11.52	13.36	3,779.39	35.98	16.13	54.54	100.05
No. of days in Receivables	14.15	31.69	27.33	0.10	10.14	22.63	6.69	3.65
Creditor turnover	6.85	7.86	7.15	7.69	8.16	5.14	4.82	2.50
No. of days in Payables	53.29	46.44	51.05	47.48	44.70	70.98	75.73	145.72
Operating Cycle	(2.40)	60.11	87.50	(0.45)	(25.91)	(34.86)	(22.99)	(49.29)
Total assets turnover	0.68	0.76	0.51	0.72	0.70	0.54	0.63	0.38
Fixed assets turnover	0.83	1.06	0.69	0.88	0.84	0.65	0.77	0.49
<b>Investment Valuation Ratios</b>								
Earnings per share	6.25	5.35	0.22	2.76	9.72	0.47	(3.56)	27.12
Price Earning ratio	3.54	1.90	204.55	17.94	5.76	36.22	(2.84)	0.38
Dividend Yield	4.52%	9.86%	2.22%	2.02%	1.79%	-	-	-
Dividend Payout ratio	16.00%	18.69%	454.55%	36.23%	10.29%	-	-	-
Dividend Cover ratio	6.25	5.35	0.18	1.29	9.72	-	-	-
Cash Dividend per share	10.00%	10.00%	10.00%	10.00%	10.00%	-	-	-
Market value per share	22.14	10.14	45.00	49.51	56.00	17.00	10.13	10.25
Break value per share	52.94	46.84	49.61	49.85	117.53	32.18	81.43	1.93
<b>Capital Structure Ratios</b>								
Debt to equity ratio	1.25	1.50	1.71	1.51	1.21	1.39	1.33	2.66
Interest coverage ratio	1.85	2.25	1.26	1.52	2.53	1.14	(1.15)	10.64

## Graphical Representation - Financial

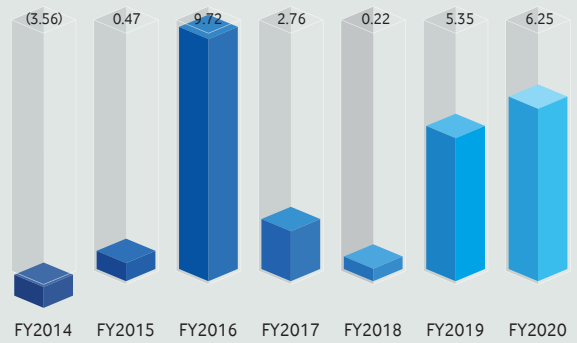
Net profit after tax to sales

In percentage



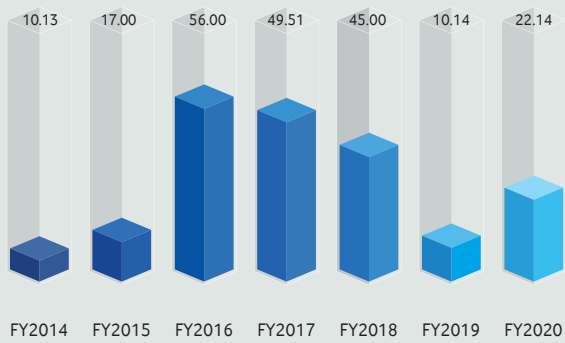
Earning per share

In rupees



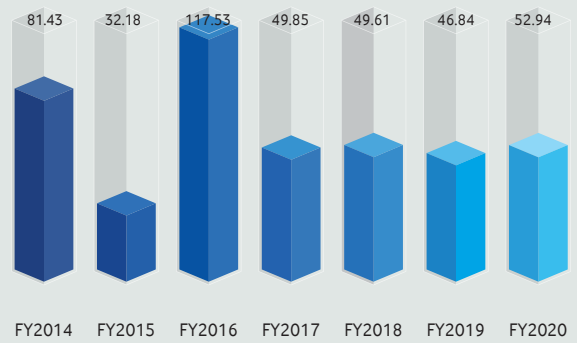
Market value per share

In rupees



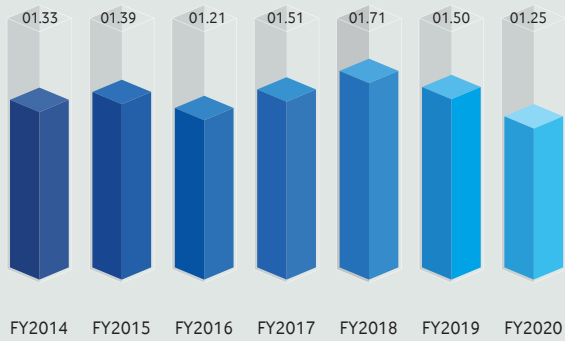
Breakup value per share

In rupees



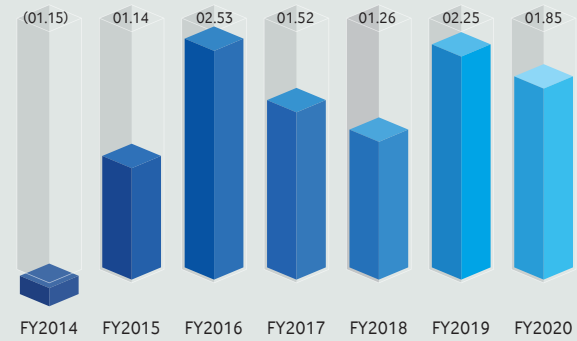
Debt equity ratio

In times



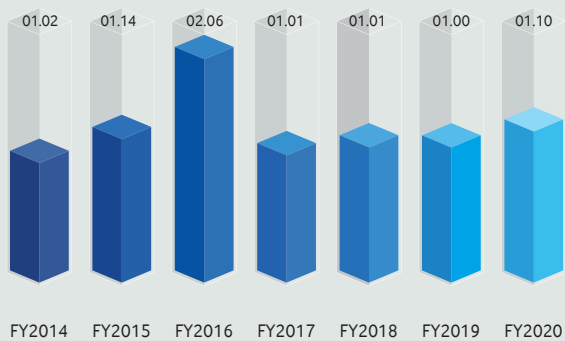
Interest coverage ratio

In times



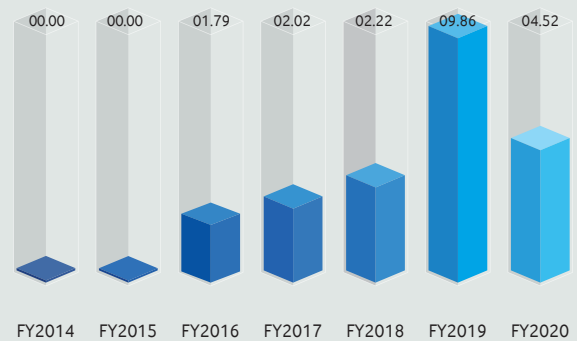
Current ratio

In times



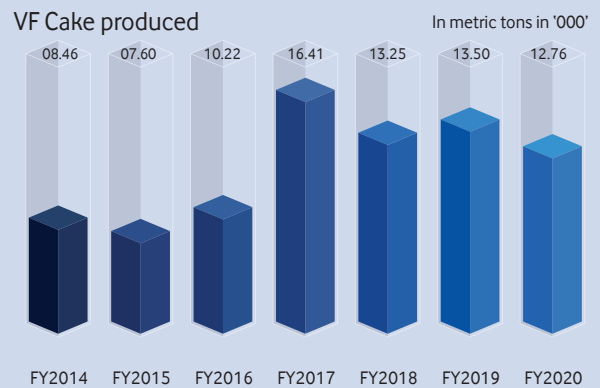
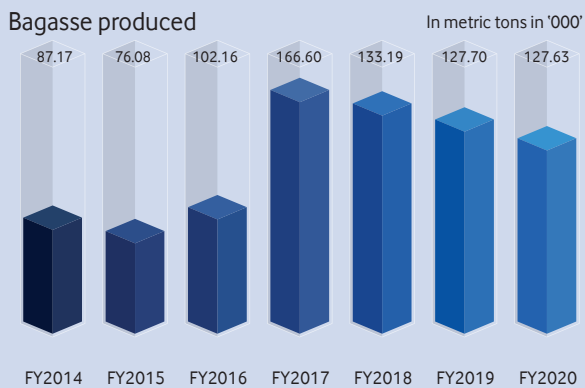
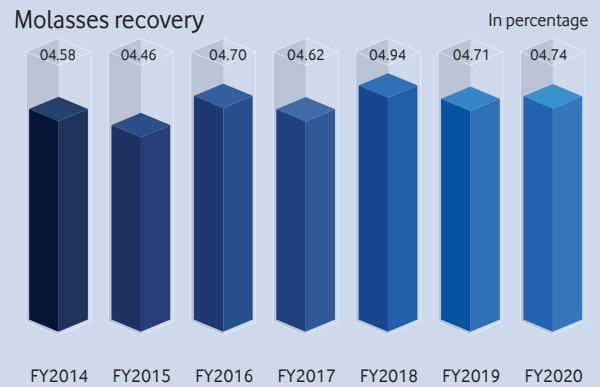
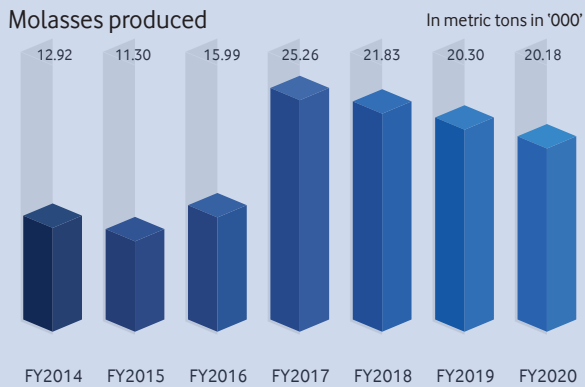
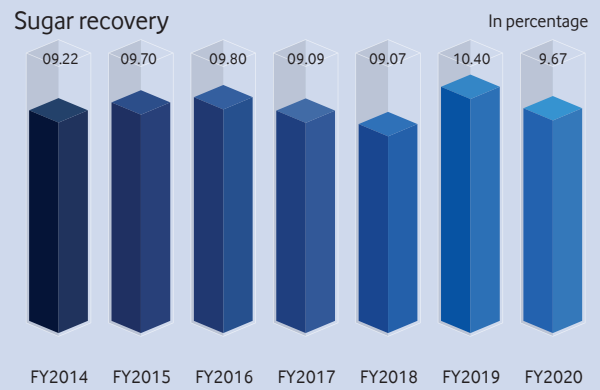
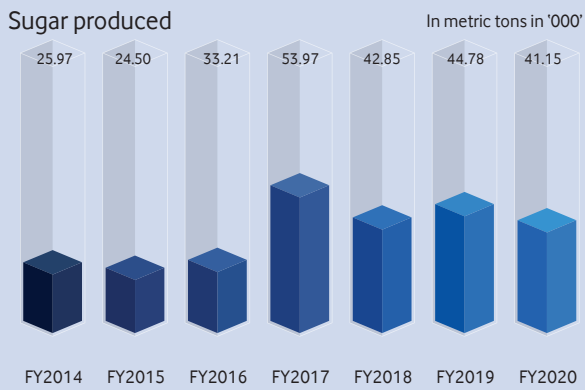
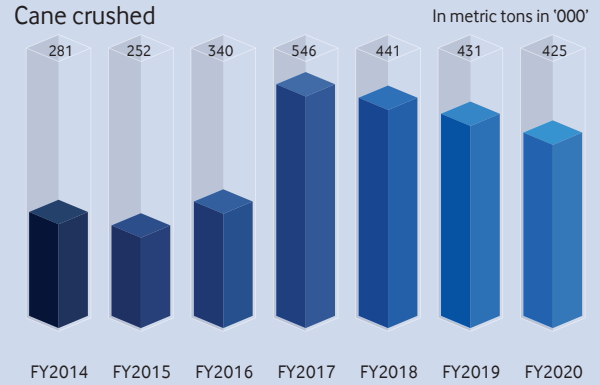
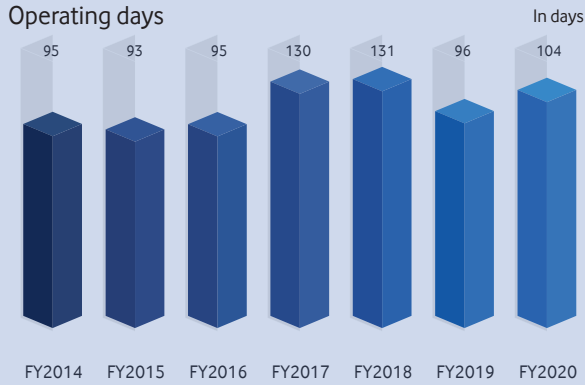
Dividend Yield

In percentage



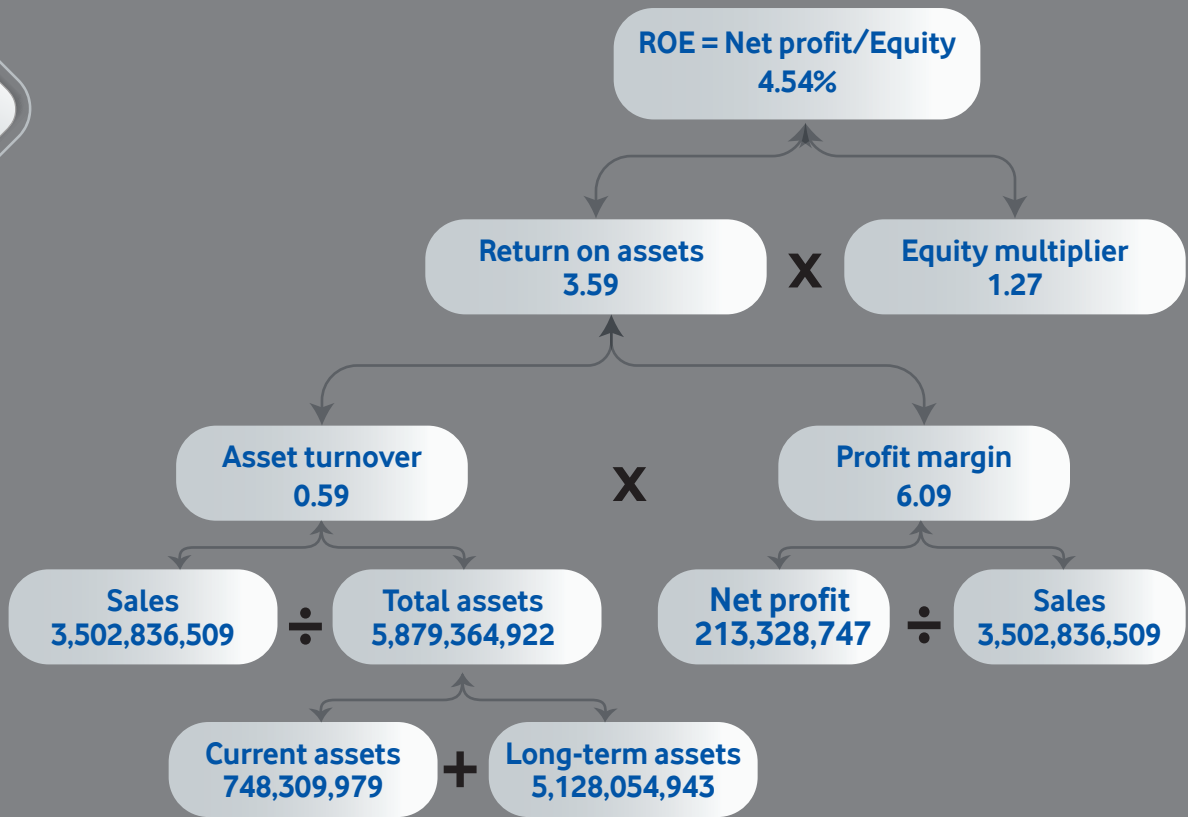


## Graphical Representation - Operational

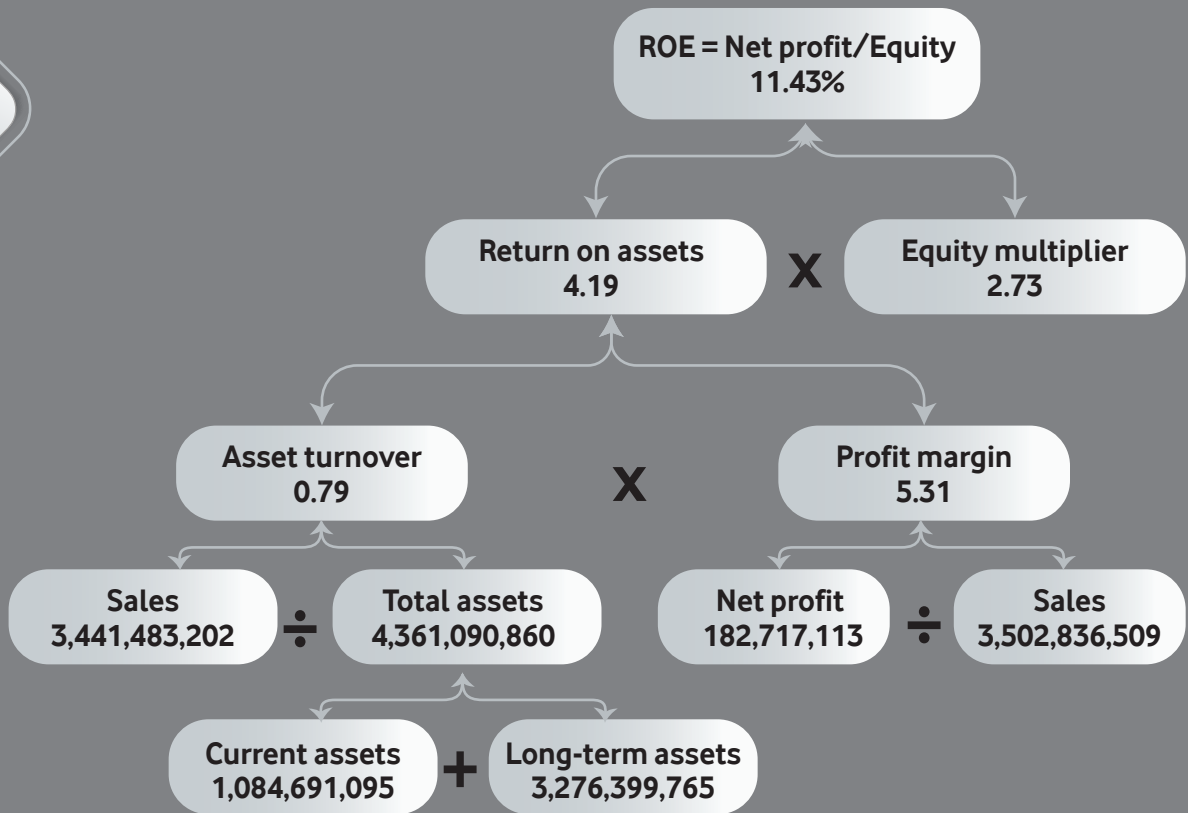


# DuoPont Analysis

FY 2020



FY 2019





Saif ur Rehman  
Director



## Risk and Opportunities Report

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

### Risks

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

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

### Opportunities

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

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

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



## Share Price Sensitivity Analysis

During this financial year the Company remained successful to post net profit amounting to Rs. 213,328,747 (FY2019: Rs. 182,717,113) and to enhance Price Earning to 3.54% (FY2019: 3,466.67%) with EPS at Rs. 6.25 (FY2019: Rs. 5.35). This year, keeping the impact of industry's dynamics, total volume of 14,246,500 (FY2019: 2,120,000) number of the Company's shares were transacted on PSX with price variation magnitude of 162.33% (FY2019: 421.21%), between recorded lowest price at Rs. 9.77 (Dated: October 1, 2019) and highest price at Rs. 25.63 (Dated: September 7, 2020). 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 by any regulatory authorities, positively or negatively, depending on whether the policy is in favor of or against the industry. Overall performance of the Country's economy under local or global challenges will affect PSX index and ultimately to the share price.

### Plant Operations

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

### Variation in Variable Cost

The Company has invested to improve varietal mix of sugarcane in its area of operations, in order 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

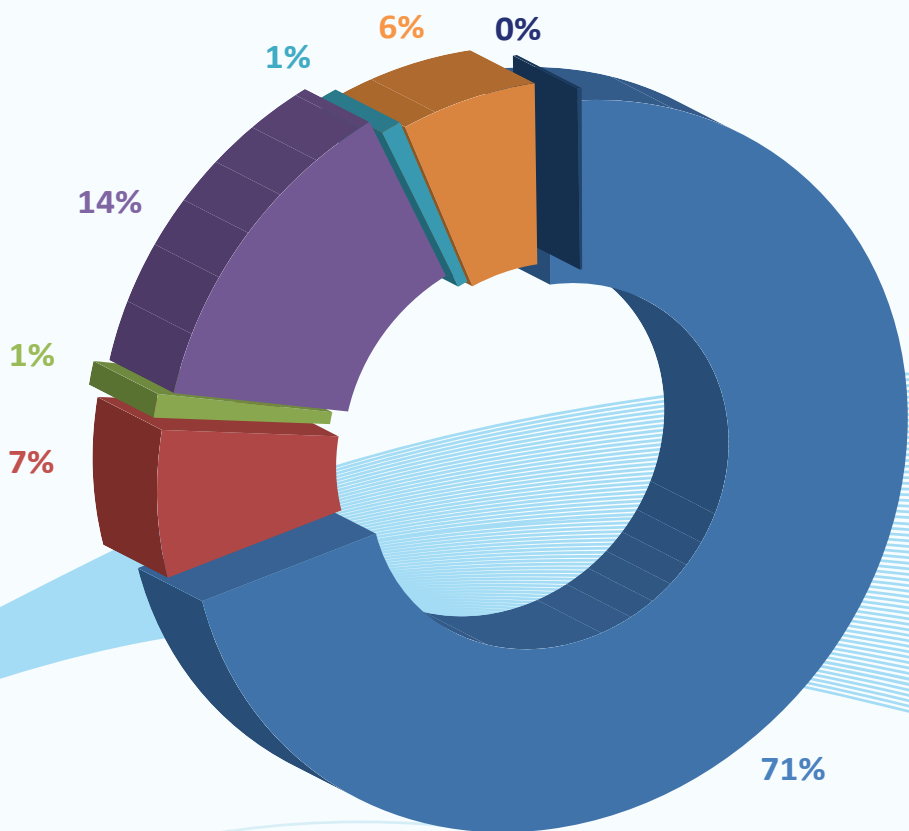
The market share price can also vary with the investor sentiments towards the Company which changes very quickly in response to the news and events and also because of investors' following of the general market trend.

## Statement of Value Addition and Distribution of Wealth

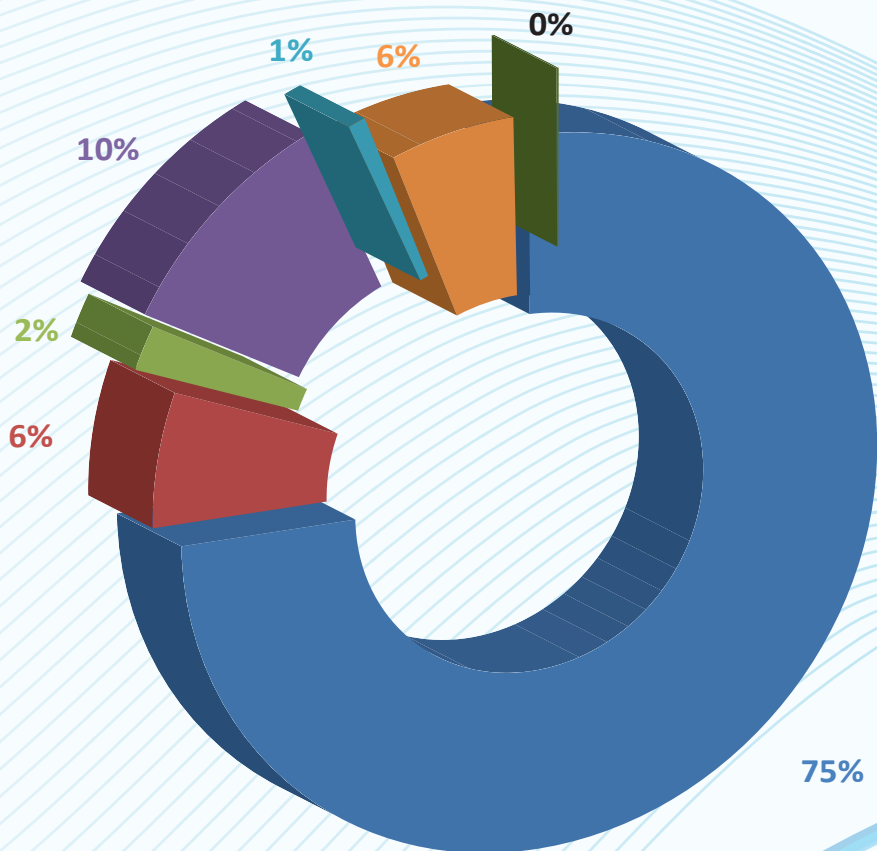
	FY 2020		FY2019	
	Rs. 000	%	Rs. 000	%
<b>Wealth Generated</b>				
Gross sales to customers	4,064,500	100.1%	3,824,749	100.1%
Add: Other income and finance income	(5,296)	-0.1%	(5,029)	-0.1%
Total value added	4,059,204	100.0%	3,819,720	100.0%
<b>Distribution of Wealth</b>				
Cost of sales (excluding employees' remuneration)	2,770,457	71.1%	2,682,356	74.7%
Salaries paid to employees	256,131	6.6%	216,526	6.0%
Marketing, selling and administrative expenses	40,327	1.0%	71,614	2.0%
Government as levies	557,418	14.3%	379,081	10.6%
Shareholder as dividends	34,128	0.9%	28,440	0.8%
Finance cost	230,409	5.9%	201,785	5.6%
Workers' welfare	7,301	0.2%	7,194	0.2%
Charity and donation	2,185	0.1%	2,037	0.1%
Providers of long term finance as financial charges	769	0.0%	3,894	0.1%
	3,899,126	100.0%	3,592,928	100.0%
Retained within the business	160,078		226,792	



FY 2020



FY 2019



# Pattern of Shareholding

As on September 30, 2020

1.1 Name of the Company

Jauharabad Sugar Mills Limited

2.1. Pattern of holding of the shares held by the shareholders as at

30-09-2020

Number of Shareholders	From	to	Total Shares Held
625	1	100	15,945
260	101	500	70,643
105	501	1,000	81,273
174	1,001	5,000	445,036
39	5,001	10,000	278,039
15	10,001	15,000	195,996
6	15,001	20,000	112,700
11	20,001	25,000	252,771
1	25,001	30,000	26,000
2	30,001	35,000	65,151
2	40,001	45,000	87,500
2	45,001	50,000	94,000
1	50,001	55,000	51,500
2	55,001	60,000	119,170
1	60,001	65,000	63,000
1	85,001	90,000	85,376
1	90,001	95,000	93,000
2	95,001	100,000	196,485
1	105,001	110,000	107,103
1	120,001	125,000	124,618
1	145,001	150,000	150,000
1	215,001	220,000	219,000
1	230,001	235,000	230,626
1	240,001	245,000	244,000
1	260,001	265,000	264,000
1	390,001	395,000	392,897
1	440,001	445,000	444,500
2	450,001	455,000	941,506
1	1,025,001	1,030,000	1,028,582
1	1,145,001	1,150,000	1,146,335
1	1,595,001	1,600,000	1,600,000
1	3,175,001	3,180,000	3,175,816
1	21,725,001	21,730,000	21,725,885
<b>1266</b>			<b>34,128,453</b>

2.3	Categories of shareholders	Share held	Percentage
2.3.1	Directors, Chief Executive Officer, their spouse and minor children.	7,500	0.0220%
2.3.2	Associated Companies, undertakings and related parties. (Parent Company)	21,725,885	63.6592%
2.3.3	NIT and ICP	1,033,239	3.0275%
2.3.4	Banks Development Financial Institutions, Non-Banking Financial Institutions.	5,875	0.0172%
2.3.5	Insurance Companies	236,877	0.6941%
2.3.6	Modarabas and Mutual Funds	--	0.0000%
2.3.7	Shareholders holding 10% or more	21,725,885	63.6592%
2.3.8	General Public		
	a. Local	7,853,717	23.0122%
	b. Foreign	690	0.0020%
2.3.9	Others (to be specified)		
	- Investment Companies	2,425	0.0071%
	- Joint Stock Companies	3,112,715	9.1206%
	- Pension Funds	99,459	0.2914%
	- Others	50,071	0.1467%

## Categories of Shareholding

required under Code of Corporate Governance (CCG)

As on September 30, 2020

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties (Name Wise Detail):</b>			
1	Cane Processing (PVT) LTD. (CDC)	21,725,885	63.6592%
<b>Mutual Funds (Name Wise Detail)</b>			
		--	--
<b>Directors and their Spouse and Minor Children (Name Wise Detail):</b>			
1	Mr. Ghias-ul-Hasan (CPL Nominee)	2,500	0.0073%
2	Mr. Amjad Bashir Hussain (CPL Nominee)	2,500	0.0073%
3	Mr. Farhan Ilyas	2,500	0.0073%
4	Mr. Jamal Ahmad (CPL Nominee)	--	--
5	Mr. Saif ur Rehman (CPL Nominee)	--	--
6	Mr. Muhammad Aamir Beg	--	--
7	Ms. Ayesha Rasheed	--	--
<b>Executives:</b>		126,685	0.3712%
<b>Public Sector Companies &amp; Corporations:</b>		--	--
<b>Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:</b>		342,211	1.0027%
<b>Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)</b>			
1	Cane Processing (Pvt) Ltd. (CDC)	21,725,885	63.6592%
2	Ghazala Amjad (CDC)	3,175,816	9.3055%
<b>All trades in the shares of the listed company, Carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:</b>			
1	Mr. Ghias-ul-Hasan (CPL Nominee)	5,090	--
2	Mr. Amjad Bashir Hussain (CPL Nominee)	1,294	--
3	Mr. Farhan Ilyas	1,294	--



## Statement of Compliance

As of September 30, 2020

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	6
Female	1

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Muhammad Aamir Beg
	Mr. Farhan Ilyas
	Ms. Ayesha Rasheed (Resigned)
Non-Executive Directors	Ms. Nazia Waheed
	Mr. Ghias-Ul-Hassan
Executive Director	Mr. Amjad Bashir Hussain
	Mr. Jamal Ahmad
	Mr. Saif-Ur-Rehman
Female Director	Ms. Ayesha Rasheed (Resigned)
	Ms. Nazia Waheed

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 19 of Chapter VI of the Code of Corporate Governance, 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, 2022. 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. Farhan Ilyas Member: Mr. Muhammad Aamir Beg Member: Mr. Amjad Bashir Hussain
HR & Remuneration Committee	Chairman: Mr. Muhammad Aamir Beg Member: Mr. Jamal Ahmed Member: 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, 2020
HR & Remuneration Committee	One meeting was held during the financial year ended September 30, 2020

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) guidelines 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 28, 2020

To the members of Jauharabad Sugar Mills Limited

As on September 30, 2020

Review Report on the statement of Compliance contained in Listed Companies  
(Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") prepared by the Board of Directors of Jauharabad Sugar Mills Limited ("the Company") for the year ended September 30, 2020 to comply with the requirements of regulation 36 of the regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2020.

Lahore December 28, 2020

*UHY Hassan Naeem . C .*

UHY Hassan Naeem & Co.  
Chartered Accountant



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Financial  
Statements

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## Independent Auditor's Report

To the members of Jauharabad Sugar Mills Limited  
Report on the Audit of the 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, 2020, 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 give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2020 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:

S.No.	Key audit matters How the matter was addressed in our audit.	How the matter was addressed in our audit
1	<p><b>Revenue</b></p> <p>Refer to the statement of profit or loss and note 4.11 and 28 to the financial statements.</p> <p>The Company generates revenue from sale of sugar and its byproducts to both local and export customers.</p> <p>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.</p>	<p>Our audit procedures to assess recognition of sales, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• Obtained an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;</li><li>• assessed the appropriateness of the Company's accounting policies for recording of sales and compliance of those policies with applicable accounting standards;</li><li>• compared, on a sample basis, specific sale transactions recorded just before and just after the financial year end date to determine whether the revenue has been recognized in the appropriate financial period;</li><li>• performed scanning analytics to identify any manual journal entries relating to sales during the year which were considered to be material or met other specific risk based criteria for inspecting underlying documentation; and</li><li>• performed test of details over a sample of revenue transactions recorded during the year with sales orders, sales invoices, delivery challans and other relevant underlying documents.</li><li>• assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.</li></ul>

S.No.	Key audit matters How the matter was addressed in our audit.	How the matter was addressed in our audit
2	<p data-bbox="228 222 500 243"><b>Borrowings and finance costs</b></p> <p data-bbox="228 279 643 327">Refer to notes 4.12, 19, 20 and 32 to the financial statements.</p> <p data-bbox="228 363 643 522">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.</p> <p data-bbox="228 558 643 632">This was considered to be a key audit matter as this affects Company's gearing, liquidity and solvency.</p>	<p data-bbox="662 222 1230 243">Our audit procedures, amongst others included the following:</p> <ul data-bbox="662 279 1472 522" style="list-style-type: none"> <li>inspected financing arrangement and relevant supporting documents to identify terms and conditions of the facilities.</li> <li>circularized confirmations to financial institutions for verification of borrowings as at September 30, 2020;</li> <li>re-calculated the mark-up recognized during the year;</li> <li>inquired and recalculated mark-up capitalized on qualifying assets;</li> <li>identified and assessed whether these facilities were accounted for in accordance with approved accounting standards as applicable in Pakistan; and</li> <li>assessed the adequacy of the disclosures in the financial statements.</li> </ul>
3	<p data-bbox="228 646 509 667"><b>Valuation of stock-in-trade</b></p> <ul data-bbox="228 703 643 978" style="list-style-type: none"> <li>Refer to notes 4.10 and 9 to the financial statements.</li> <li>The balance of stock-in-trade as at September 30, 2020 was Rs. 194 million.</li> <li>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.</li> </ul>	<p data-bbox="662 646 1235 667">Our audit procedures, amongst others, included the following:</p> <ul data-bbox="662 703 1472 1142" style="list-style-type: none"> <li>assessed the appropriateness &amp; consistency of Company's accounting policy for valuation of inventories and compliance of the policy with the requirements of the prevailing accounting standards;</li> <li>obtained an understanding of internal controls over valuation of inventories and performed test of control on a sample basis, to test the design, implementation and operating effectiveness;</li> <li>performed substantive procedure over purchases and consumptions;</li> <li>re-calculated the value of stock in trade by allocating the fixed and variable overheads and reviewed the adequacy of costing methodology;</li> <li>performed cut-off procedures and subsequent stock count to validate the completeness and existence of closing stock;</li> <li>assessed reasonableness management's determination of net realizable value (NRV) and the key estimates adopted and compared on sample basis cost of inventories with their respective net realizable value (NRV);</li> <li>assessed the adequacy of disclosures in the financial statements to be in accordance with the applicable accounting standards.</li> </ul>
4	<p data-bbox="228 1157 643 1213"><b>Revaluation of Property, Plant &amp; Equipment</b></p> <ul data-bbox="228 1249 643 1856" style="list-style-type: none"> <li>The company follows revaluation model for measurement of its property, plant and equipment. As at September 30, 2020, the carrying value of property, plant and equipment after revaluation was Rs 4,583.85 million which included an amount of Rs 2,056.34 million relating to land, an amount of Rs 2,281.72 million relating to plant and machinery and an amount of Rs 245.79 million relating to buildings. The fair value of the company's property, plant and equipment was assessed by management based on independent valuation performed by an external valuation expert as at September 30, 2020.</li> <li>We identified the above matter as a key audit matter as this represents significant transaction and involves certain estimates and judgmental areas.</li> </ul>	<p data-bbox="662 1157 1472 1213">Our audit procedures to assess the valuation of property, plant and equipment included the following:</p> <ul data-bbox="662 1249 1472 1457" style="list-style-type: none"> <li>Obtained valuation report of external valuation expert and gather understanding of the valuation process and techniques adopted by the valuation expert to assess, if they are consistent with the industry norms;</li> <li>Evaluated the qualification, experience and competence of the independent external property valuation expert engaged by the Company as management expert for valuation of property, plant and equipment;</li> <li>Reviewed the adequacy of the related disclosures in the annexed financial statements.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended September 30, 2020, 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 and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Board of Directors 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.

Place: Lahore  
Date: December 28, 2020

*UHY Hassan Naeem . C .*

UHY Hassan Naeem & Co.  
Chartered Accountants

## Statement of Financial Position

As at September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>Non-current assets</b>			
Property, plant and equipment	5	5,125,094,780	3,273,754,214
Intangible assets	6	173,363	258,751
Long-term deposits	7	2,786,800	2,386,800
		5,128,054,943	3,276,399,765
<b>Current assets</b>			
Stores, spare parts and loose tools	8	91,673,389	77,788,357
Stock-in-trade	9	193,621,434	390,002,409
Loans and advances	10	69,597,556	124,834,849
Trade debts	11	1,345,521	270,266,327
Trade deposits and short term prepayments	12	3,102,985	2,025,234
Other receivables-unsecured considered good	13	31,340,756	32,735,917
Tax refunds due from the Government	14	116,665,800	128,183,170
Short term investments	15	17,128,849	-
Cash and bank balances	16	223,833,689	58,854,832
		748,309,979	1,084,691,095
<b>Current liabilities</b>			
Trade and other payables	17	345,925,065	500,525,678
Unclaimed dividend		1,156,796	1,122,395
Accrued mark-up	18	3,054,333	19,243,202
Short term borrowings	19	198,320,645	408,925,231
Current portion of:			
-Long term loans from banking companies-secured	20	74,183,077	108,395,839
-Liabilities against assets subject to lease-secured	21	-	135,805
Provision for taxation	22	55,205,499	42,451,685
		677,845,415	1,080,799,835
<b>Working capital employed</b>		70,464,564	3,891,260
		5,198,519,507	3,280,291,025
<b>Contingencies and commitments</b>			
<b>Non-current liabilities</b>			
Long term loans from banking companies-secured	20	147,932,831	119,376,765
Deferred taxation	24	354,304,212	260,980,126
		502,237,043	380,356,891
<b>Net capital employed</b>		4,696,282,464	2,899,934,134
<b>Represented by:</b>			
<b>Share capital and reserves</b>			
Share capital	25	341,284,530	341,284,530
Capital reserve - share premium		372,402,633	372,402,633
Loan from sponsors	26	611,827,898	610,677,150
Revenue reserve - accumulated profits		481,288,027	274,136,437
Revaluation surplus on property, plant and equipment - net of tax	27	2,889,479,376	1,301,433,384
		4,696,282,464	2,899,934,134

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



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer

Lahore:  
December 28, 2020

## Statement of Profit or Loss

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Sales - net	28	3,502,836,509	3,441,483,202
Cost of sales	29	2,898,771,289	2,787,754,072
<b>Gross profit</b>		<b>604,065,220</b>	<b>653,729,130</b>
<b>Operating expenses:</b>			
Distribution cost	30	14,140,541	45,827,743
Administrative expenses	31	157,059,000	139,924,332
		(171,199,541)	(185,752,075)
<b>Operating profit</b>		<b>432,865,679</b>	<b>467,977,055</b>
Finance cost	32	(231,178,175)	(205,679,057)
Other income	33	7,911,244	10,556,847
Other expenses	34	(13,207,530)	(15,585,734)
<b>Profit before taxation</b>		<b>196,391,218</b>	<b>257,269,111</b>
Taxation	35	16,937,529	(74,551,998)
<b>Profit after taxation</b>		<b>213,328,747</b>	<b>182,717,113</b>
<b>Earning per share - basic and diluted</b>	36	<b>6.25</b>	<b>5.35</b>

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

Lahore:  
December 28, 2020



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer



## Statement of Other Comprehensive Income

For the year ended September 30, 2020

	2020 Rupees	2019 Rupees
Profit after taxation	213,328,747	182,717,113
Other comprehensive income for the year		
Items that will not be reclassified subsequently to profit and loss account		
Gain on revaluation of land, building, plant & machinery - net of tax	1,615,997,304	-
Total comprehensive income for the year	1,829,326,051	182,717,113

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

Lahore:  
December 28, 2020



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer

## Statement of Cash Flows

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>Cash flow from operating activities</b>			
Profit before taxation		196,391,218	257,269,111
<b>Adjustments for:</b>			
Depreciation	5.1.1	110,973,001	110,692,351
Amortization	6.3	85,388	127,445
Balances written-off		-	1,419,817
Gain on foreign currency transaction	33	(342,634)	(7,748,115)
Provision for workers' profit participation fund	34	10,336,380	13,540,480
Finance cost	32	231,178,175	205,679,057
Gain on disposal of property, plant and equipment	5.1.6	(1,035,674)	625,437
		351,194,636	324,336,472
<b>Operating profit before working capital changes</b>		<b>547,585,854</b>	<b>581,605,583</b>
<b>Working capital changes</b>			
Stores, spare parts and loose tools		(13,885,032)	(6,302,631)
Stock-in-trade		196,380,975	363,444,032
Loans and advances		55,237,293	(49,191,819)
Trade debts		269,263,440	63,855,283
Trade deposits and short term prepayments		(1,077,751)	517,019
Other receivables-unsecured considered good		1,395,161	14,054,308
Trade and other payables		(263,146,513)	280,140,674
Unclaimed dividend		34,401	(79,335)
Short term loan from sponsors		111,750,000	-
		355,951,974	666,437,531
<b>Cash generated from operations</b>		<b>903,537,828</b>	<b>1,248,043,114</b>
Tax paid		(19,669,310)	(15,051,793)
WPPF paid		(13,540,480)	(1,893,002)
Finance cost paid		(272,526,934)	(273,284,195)
		(305,736,724)	(290,228,990)
<b>Net cash generated from operating activities</b>		<b>597,801,104</b>	<b>957,814,124</b>

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

Lahore:  
December 28, 2020



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer

## Statement of Cash Flows

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		(167,968,779)	(111,246,996)
Sale proceeds from disposal of property, plant and equipment		2,053,741	489,700
Long term deposits		(400,000)	(1,722,800)
<b>Net cash (used in)/from investing activities</b>		<b>(166,315,038)</b>	<b>(112,480,096)</b>
<b>Cash flow from financing activities</b>			
Repayment proceeds of long term finances - net		(5,656,696)	(99,805,129)
Lease rentals paid - net		(139,357)	(553,256)
Dividend paid		(34,128,469)	(28,281,708)
Proceeds from sponsors' loan - net		1,150,748	674,413
<b>Net cash used in financing activities</b>		<b>(38,773,774)</b>	<b>(127,965,680)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>392,712,292</b>	<b>717,368,348</b>
Cash and cash equivalents at the beginning of the year		(350,070,399)	(1,067,438,747)
<b>Cash and cash equivalents at the end of the year</b>		<b>42,641,893</b>	<b>(350,070,399)</b>
<b>Cash and cash equivalents comprise of following statement of financial position amounts:</b>			
- Short term investments	15	17,128,849	-
- Cash and bank balances	16	223,833,689	58,854,832
- Short term borrowings	19	(198,320,645)	(408,925,231)
		42,641,893	(350,070,399)

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

Lahore:  
December 28, 2020



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer



## Statement of Changes in Equity

For the year ended September 30, 2020

	Share capital		Capital reserves		Revenue reserve		Loan from sponsors	Total
	Issued subscribed and paid-up capital	Share premium	Revaluation surplus	Accumulated profits	Revenue reserve			
	----- (Rupees) -----							
<b>Balance as at October 01, 2018</b>	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	-	-	-	-	(347,325,658)	(347,325,658)		
Loan received during the year	-	-	-	-	348,000,071	348,000,071		
Dividend paid @ Re.1/- per share	-	-	-	(28,440,378)	-	(28,440,378)		
Profit after taxation	-	-	-	182,717,113	-	182,717,113		
Other comprehensive income for the year	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	182,717,113	-	182,717,113		
Issuance of bonus shares @ 15%	56,880,750	(56,880,750)	-	-	-	-		
Transfer of incremental depreciation (net of tax)	-	-	(32,526,361)	32,526,361	-	-		
<b>Balance as at September 30, 2019</b>	341,284,530	372,402,633	1,301,433,384	274,136,437	610,677,150	2,899,934,134		
<b>Balance as at October 01, 2019</b>	341,284,530	372,402,633	1,301,433,384	274,136,437	610,677,150	2,899,934,134		
Repayment of loan during the year	-	-	-	-	(12,176,000)	(12,176,000)		
Loan received during the year	-	-	-	-	13,326,748	13,326,748		
Dividend paid @ Re.1/- per share	-	-	-	(34,128,469)	-	(34,128,469)		
Profit after taxation	-	-	-	213,328,747	-	213,328,747		
Other comprehensive income for the year	-	-	-	-	-	-		
Total comprehensive income for the year	-	-	-	1,615,997,304	-	1,615,997,304		
Transfer of incremental depreciation (net of tax)	-	-	(27,951,312)	27,951,312	-	1,829,326,051		
<b>Balance as at September 30, 2020</b>	341,284,530	372,402,633	2,889,479,376	481,288,027	611,827,898	4,696,282,464		

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

Lahore:  
December 28, 2020



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer

## Notes to the Financial Statements

For the year ended September 30, 2020

### 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 5.2 for capital expenditures and advances against the same incurred till September 30, 2020. In this regard, the Company has arranged long term finance facilities aggregating Rs. 350 million (note 20).
- b) The pandemic of COVID-19 that has rapidly spread all across the world not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of Pakistan announced a temporary lock down as a measure to reduce the spread of the COVID-19. However, after implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company continued to carry out its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business. The potential impacts from COVID-19 remain uncertain including among other things on economic conditions businesses and consumers, the impact varies from industry to industry in different jurisdictions. Based on management assessment, COVID-19 is not likely to significantly impact the business of the Company due to seasonal (November to March) nature of the business activities. However, pursuant to relaxation announced by the State Bank of Pakistan in view of this pandemic, the Company has availed deferrals of principal amount of certain long term financing which is fully explained in note 20.3 to these financial statements.

### 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;
- 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

## Notes to the Financial Statements

For the year ended September 30, 2020

### 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 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 to 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.



## Notes to the Financial Statements

For the year ended September 30, 2020

### 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.

### 3.9 Expected credit loss

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the assets' original effective interest rate.

The Company has elected to measure loss allowances for trade debts using IFRS 9 simplified approach and has calculated ECLs based on lifetime ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating. The Company monitors changes in credit risk by tracking published external credit ratings. 12-month and lifetime probabilities of default are based on historical credit ratings of the issuer.

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Company uses a similar approach for assessment of ECLs for cash and cash equivalents to those used for debt securities.

## 4 Significant accounting policies

### 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.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognize 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 16 - Leases

IFRS 16 replaces the previous lease standard IAS 17 Leases. It resulted in almost all leases being recognized in the condensed interim statement of financial position, as the distinction between operating and finance leases has now been eliminated. Under the new standard, an asset and a lease liability to pay rentals are required to be recognized. The only exceptions are short term and low value leases.

## Notes to the Financial Statements

For the year ended September 30, 2020

### Impact on financial position of the company

The company has adopted IFRS 16 and it has no material impact on the company's financial position as the only lease appearing is finance lease.

### 4.3 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, the nature and effect of the changes to previous accounting policies are set out below

#### 4.3.1 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, 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 recognized in profit or loss. Any gain on derecognition is recognized in profit or loss.

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

#### 4.3.2 Standards, interpretations and amendments to published approved accounting standards 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 2020:

Standards or Interpretation	Effective date (beginning on or after)
IFRS-3 - Business Combination - (Amendments)	January 1, 2020
IFRS-9 - Interest rate Benchmark reforms - (Amendments)	January 1, 2020
IFRS-16 - COVID-19-19 related rent concession - (Amendments)	June 1, 2020
IAS-1 - Presentation of financial statements - (Amendments)	January 1, 2020
IFRS-3 - Definition of business - (Amendments)	January 1, 2020
IAS-1&8 - Definition of material - (Amendments)	January 1, 2020

The above amendments are effective from annual period beginning on or after 1 January 2020 and are not

## Notes to the Financial Statements

For the year ended September 30, 2020

likely to have an impact on Company's financial statements.

The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 percent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

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

#### 4.4 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.

#### 4.5 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or 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 the 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.

## Notes to the Financial Statements

For the year ended September 30, 2020

### 4.6 Earnings per share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

### 4.7 Property, plant and equipment

#### 4.7.1 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, building and plant & machinery 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, 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 5.1 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.

Surplus on revaluation is booked by restating gross carrying amounts of respective assets being revalued, proportionately to the change in their carrying amounts due to revaluation. The accumulated depreciation at the date of revaluation is also adjusted to equal difference between gross carrying amounts and the carrying amounts of the assets after taking into account accumulated impairment losses. The surplus on revaluation of fixed assets to the extent of the annual incremental depreciation based on the revalued carrying amount of the asset and the depreciation based on the assets' original cost is transferred annually to retained earnings net of related deferred tax. Upon disposal, any revaluation reserve relating to the particular assets being sold is transferred to retained earnings. All transfers to / from surplus on revaluation of fixed assets account are net of applicable deferred income tax.

##### 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.

#### 4.7.2 Leased

##### Right to use Asset

The Company assesses whether a contract is or contains a lease at the inception of the contract. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-



## Notes to the Financial Statements

For the year ended September 30, 2020

to-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Where the Company determines that the lease term of identified lease contracts is short term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

### 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.

## 4.8 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.

## 4.9 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 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

## 4.10 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.

## Notes to the Financial Statements

For the year ended September 30, 2020

### 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

### 4.11 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.

### 4.12 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.

### 4.13 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 resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

### 4.14 Trade debts and other receivables

These are classified at amortized cost and are initially recognised when they are originated admeasured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 4.15 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.

### 4.16 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.

## Notes to the Financial Statements

For the year ended September 30, 2020

### 4.17 Financial instruments

Financial assets and financial liabilities are recognized 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 recognized 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.

### 4.18 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.

### 4.19 Foreign currencies transactions

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

### 4.20 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.

### 4.21 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, 2020

	Note	2020		2019	
		Rupees		Rupees	
5	Property, plant and equipment				
	Property, plant and equipment	4,630,504,304		2,829,629,326	
	Capital work-in-progress	494,590,476		444,124,888	
		5,125,094,780		3,273,754,214	

### 5.1 Property, plant and equipment

Particulars	Owned assets					Leased assets		Grand total	
	Freehold Land	Building on freehold land	Plant and machinery	Service and other equipment	Furniture and fixture	Office equipment	Vehicles		Vehicles
<b>Cost</b>									
Balance at October 01, 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
Additions	-	28,709,946	60,607,223	-	387,047	1,086,322	6,684,989	-	97,475,527
Transfers	-	-	20,872,923	-	-	-	-	-	20,872,923
Disposal	-	-	-	-	-	(150,000)	(1,973,676)	-	(2,123,676)
Balance at September 30, 2019	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, 2019	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
Revaluation surplus	1,238,468,000	36,222,160	495,509,253	-	-	-	-	-	1,770,199,413
Additions	-	21,284,185	114,676,873	-	443,475	472,300	5,789,800	-	142,666,633
Disposal	-	-	-	-	-	(78,535)	(63,500)	(1,853,223)	(1,995,258)
Balance at September 30, 2020	2,056,336,000	395,428,563	3,320,040,599	10,177,778	10,388,752	12,201,396	74,605,864	-	5,879,178,952
<b>Depreciation</b>									
Balance at October 01, 2018	-	128,921,997	857,042,862	8,398,892	5,573,236	4,509,631	23,929,448	618,960	1,028,995,026
For the year	-	9,928,881	90,595,951	177,889	419,548	695,533	8,627,696	246,853	110,692,351
Disposal	-	-	-	-	-	(39,757)	(968,782)	-	(1,008,539)
Balance at September 30, 2019	-	138,850,878	947,638,813	8,576,781	5,992,784	5,165,407	31,588,362	865,813	1,138,678,838
Balance at October 01, 2019	-	138,850,878	947,638,813	8,576,781	5,992,784	5,165,407	31,588,362	865,813	1,138,678,838
For the year	-	10,787,947	90,820,931	160,100	420,041	699,875	8,034,736	49,371	110,973,001
Disposal	-	-	-	-	-	(29,348)	(32,659)	(915,184)	(977,191)
Balance at September 30, 2020	-	149,638,825	1,038,459,744	8,736,881	6,412,825	5,835,934	39,590,439	-	1,248,674,648
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
Carrying value 2020	2,056,336,000	245,789,738	2,281,580,855	1,440,897	3,975,927	6,365,462	35,015,425	-	4,630,504,304
Rates of depreciation	0%	5%	5%	10%	10%	10%	20%	20%	20%



## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
5.1.1	Depreciation for the year has been allocated as under:		
	Cost of sales	108,753,541	108,478,504
	Administrative expenses	2,219,460	2,213,847
		<u>110,973,001</u>	<u>110,692,351</u>
5.1.2	All assets are acquired with the funds of the Company and are held by and in the possession and control of the Company.		
5.1.3	Plant and machinery includes mark-up capitalized amounting to Rs. Nil (2019: Rs. Nil).		
5.1.4	The latest valuation of the Company's assets was carried out by Tristar International Consultant (Private) Limited as at September 30, 2020 and the forced sale value as at the date is given below:		
			Amount in Rupees
	Freehold land		1,645,068,800
	Building on freehold land		184,342,303
	Plant, machinery and equipment		1,825,379,065
			<u>3,654,790,168</u>
5.1.5	Buildings, plant and machinery are located at freehold land measuring 497.68 Kanals located at industrial area Jauharabad City District Khushab.		
5.1.6	Disposal of property, plant and equipment		

Particulars	Cost	Net Book Value	Sale proceeds	Gain/(loss) on proceeds	Mode of Disposal	Name of purchaser
Amount in Rupees						
Vehicles						
Honda City Aspire	1,853,223	938,039	2,010,461	1,072,422	Sale	Mr. Amjad Mahmood Employee
Having book value less than Rs. 500,000	63,500	30,841	31,500	659	Sale	Employees
Sub total	<u>1,916,723</u>	<u>968,880</u>	<u>2,041,961</u>	<u>1,073,081</u>		
Office equipment						
Having book value less than Rs. 500,000	78,535	49,187	11,780	(37,407)	Sale	Employees
Total- 2020	<u>1,995,258</u>	<u>1,018,067</u>	<u>2,053,741</u>	<u>1,035,674</u>		

Particulars	Cost	Net Book Value	Sale proceeds	Gain/ (loss) on proceeds	Mode of Disposal	Name of Purchaser
Amount in Rupees						
Vehicles						
Honda City (LEA-16-2168)	1,917,176	1,001,922	462,200	(539,722)	Sale	Mr. Imran Ilyas Employee

## Notes to the Financial Statements

For the year ended September 30, 2020

Having book value less than Rs. 500,000	56,500	2,972	5,000	2,028	Negotiation	Muhammad Mushtaq Mughal -Open market
Sub total	1,973,676	1,004,894	467,200	(537,694)		
Office equipment						
Having book value less than Rs. 500,000	150,000	110,243	22,500	(87,743)	Sale	Employees
Total- 2019	2,123,676	1,115,137	489,700	(625,437)		

5.1.7 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	Accumulated depreciation
2020	------(Rupees)-----		
Freehold land	1,648,310	-	1,648,310
Building on freehold land	254,506,492	108,423,375	146,083,117
Plant and machinery	1,849,133,154	789,963,154	1,059,170,000
	2,105,287,956	898,386,529	1,206,901,427
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

### 5.2 Capital work-in-progress

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

Description	Opening balance	Additions during the year	Transferred to/(from)	Closing balance
2020	------(Rupees)-----			
Plant and machinery	437,112,928	50,465,588	379,530	487,958,046
Advances for capital expenditure	7,011,960	-	(379,530)	6,632,430
	444,124,888	50,465,588	-	494,590,476
2019				
Plant and machinery	388,735,573	48,369,232	8,123	437,112,928
Advances for capital expenditure	27,789,261	103,745	(20,881,046)	7,011,960
	416,524,834	48,472,977	(20,872,923)	444,124,888

5.2.1 Capital work in progress includes mark-up capitalized amounting to Rs. 25,163,443 in plant and machinery (2019: Rs. 34,701,508).

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

## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>6</b>	<b>Intangible assets</b>		
Software	6.1	173,363	258,751
<b>6.1 Software</b>			
Cost		1,100,000	1,100,000
Additions during the year		-	-
Disposal during the year		-	-
Accumulated amortization	6.2	(926,637)	(841,249)
At the end of the year		173,363	258,751
<b>6.2 Accumulated Amortization</b>			
At beginning of the year		841,249	713,804
Amortization for the year	6.3	85,388	127,445
At the end of the year		926,637	841,249
Amortization rate - % per annum		33%	33%
<b>6.3 Amortization for the year has been allocated as under:</b>			
Cost of sales	29	83,680	124,896
Administrative expenses	31	1,708	2,549
		85,388	127,445
<b>7</b>	<b>Long-term deposits</b>		
This represents interest free deposits to sub division canal officer for provision of utilities at plant and are refundable on disconnection of services.			
<b>8</b>	<b>Stores, spare parts and loose tools</b>		
Stores		54,264,127	44,279,221
Spare parts		34,569,778	31,584,287
Loose tools		2,839,484	1,924,849
		91,673,389	77,788,357
<b>9</b>	<b>Stock-in-trade</b>		
Work-in-process		3,810,289	2,674,488
Finished goods	9.1	189,811,145	387,327,921
		193,621,434	390,002,409
<b>9.1</b>	Finished goods are pledged against short term borrowing from various banks.		
<b>10</b>	<b>Loans and advances</b>		
<b>Advances-considered good-unsecured</b>			
-Suppliers		30,906,763	73,129,045
-Employees		5,647,985	14,804,961
-Agricultural loan	10.1	28,131,008	34,160,837
		64,685,756	122,094,843
L.C Deposit	10.2	4,911,800	2,740,006
		69,597,556	124,834,849

**10.1** This represents interest free advances to sugarcane growers, which are adjustable against supply of sugarcane.

## Notes to the Financial Statements

For the year ended September 30, 2020

10.2 This comprises deposits against letter of credits for consumables.

	Note	2020 Rupees	2019 Rupees
<b>11 Trade debts</b>			
Local Debtors			
Local debtors considered good - unsecured		1,345,521	10,682,327
Export debtors considered good - secured		-	259,584,000
		<u>1,345,521</u>	<u>270,266,327</u>
<b>12 Trade deposits and short term prepayments</b>			
Prepaid expenses	12.1	2,818,167	2,025,234
Others		284,818	-
		<u>3,102,985</u>	<u>2,025,234</u>

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

### 13 Other receivables - unsecured considered good

Excise duty recoverable	13.1	10,500,922	10,500,922
Export fund refund	13.2	2,746,250	2,746,250
Special excise duty refundable	13.3	505,200	505,200
Rebate receivable on export of sugar	13.4	8,323,540	5,938,500
Sales tax refundable	13.5	9,264,844	13,045,045
		<u>31,340,756</u>	<u>32,735,917</u>

13.1 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. The Company legal council expecting that the case can be decided either way.

13.2 This represents relief granted by the Lahore High Court against previous years' demand. However the same is still pending for final adjudication. The Company legal council expecting that the case will be decided in our favour.

13.3 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 28<sup>th</sup> August, 2007. The Company legal council expecting that the case will be decided in our favour.

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

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

### 14 Tax refunds due from the Government

Opening balance		128,183,170	124,476,219
Add: Tax deducted during the year		19,669,310	15,051,793
Less: Adjusted against prior year taxes		(31,186,680)	(11,344,842)
		<u>116,665,800</u>	<u>128,183,170</u>

14.1 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, 2019.



## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>15</b>	<b>Short term investments</b>		
	Investment at fair value through profit or loss	17,128,849	-
		<u>17,128,849</u>	<u>-</u>

15.1 This represents the investment made in Securities of JS Investment Limited.

### 16 Cash and bank balances

Cash in hand		320,703	286,082
Cash at banks - current accounts		183,476,300	40,646,276
Cash at banks - saving accounts	16.1	40,036,686	17,922,474
		<u>223,833,689</u>	<u>58,854,832</u>

16.1 The balances in saving accounts carry mark-up at 1.1% to 1.8% per annum (2019: 5% to 8.5%).

### 17 Trade and other payables

Trade Creditors		84,028,467	36,166,320
Salaries and wages payable		19,580,287	13,945,867
Accrued liabilities		14,647,582	7,463,827
Advances from customers	17.1	55,001,804	416,567,174
Income tax deducted at source		118,024	61,712
Sugarcane cess payable	17.2	3,001,109	3,001,109
Sales tax payable	17.3	41,063,705	3,441,661
Security deposit		5,043,181	4,983,002
Workers' profit participation fund (WPPF)	17.4	10,381,906	13,586,006
Other payable	17.5	1,309,000	1,309,000
Short term loan from sponsors	17.6	111,750,000	-
		<u>345,925,065</u>	<u>500,525,678</u>

17.1 This represents advances received from customers for sale of sugar.

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 (2019: 3.44 million) and sales tax payable for the month of September 2020 amounting to Rs. 37.62 million (2019: Rs. Nil).

#### 17.4 Workers' Profit Participation Fund (WPPF)

Balance at beginning of the year		13,586,006	1,938,528
Add: charge for the year		10,336,380	13,540,480
		<u>23,922,386</u>	<u>15,479,008</u>
Less: Payments made to the fund during the year		(13,540,480)	(1,893,002)
Balance at end of the year		<u>10,381,906</u>	<u>13,586,006</u>

17.5 This represents labor colony land at Jauharabad against which a case is pending with Housing and Physical Planning Department (PHATA), Jauharabad. On account of legal proceedings the management expects that the payment against this liability shall arise after September 30, 2020.

## Notes to the Financial Statements

For the year ended September 30, 2020

17.6 This represents interest free loan provided to the Company by its sponsors' immediate family member. This loan has been agreed to be repayable at the Sponsors' immediate family member's discretion.

	Note	2020 Rupees	2019 Rupees
18	Accrued mark-up		
	Accrued mark-up on:		
	- Long term finances from banking companies-secured	2,076,939	4,969,449
	- Short term borrowings	977,394	14,273,753
		<u>3,054,333</u>	<u>19,243,202</u>

### 19 Short term borrowings

	Sanction limit 'Rupees in Million'	Note	2020 Rupees	2019 Rupees
Mark-up based borrowings from Conventional Banks				
Running finance	250	19.1	198,320,645	198,365,230
Cash finance	2,000	19.1	-	210,560,001
Islamic mode of financing				
Murabaha finance (hypothecation)	500	19.2	-	-
Bai Salam	650	19.2	-	-
	<u>3,400</u>		<u>198,320,645</u>	<u>408,925,231</u>

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 + 3.00% per annum payable quarterly.

The aggregate available short term funded facilities amounts to Rs. 2.25 billion (2019: Rs. 2.10 billion).

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, pledge of share of company, 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 + 2.50% per annum.

The aggregate available short term funded facilities amount to Rs.1.15 billion (2019: Rs. 1.55 billion).

### 20 Long term loans from banking companies-secured

#### Mark up bearing finance from conventional bank:

Soneri Bank Limited - Term Finance	20.1	60,404,982	96,647,973
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#### Islamic mode of financing:

Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka-II	20.2	95,584,513	118,232,438
Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka		-	2,798,663
Al Baraka Bank (Pakistan) Limited - Diminishing Musharaka		-	10,093,530
		95,584,513	131,124,631

#### Mark up bearing finance from conventional bank:

Faysal Bank Limited	20.3	66,126,413	-
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		222,115,908	227,772,604
Less: Current portion		(74,183,077)	(108,395,839)

		<u>147,932,831</u>	<u>119,376,765</u>
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## Notes to the Financial Statements

For the year ended September 30, 2020

### 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 10<sup>th</sup> 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 2.75 % 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 installments 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 3.00 % 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 million including power plant and allied parts, accessories, erections, civil construction etc. registered with SECP, Further corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

### 20.3 Faisal Bank Limited - Mark-up bearing finance from conventional bank

This represents long term loan obtained from SBP through Faisal Bank under Islamic refinance scheme against sanctioned limit of Rs. 110 million for payment of wages & salaries to the workers and employees of company via SBP IH&SMEFD circular no 07 of 2020.

#### Principal repayment

The loan is to be repaid in quarterly installments starting from March 2021 within 2.5 years including 6 month of grace period.

#### Rate of return

It carries profit at the rate of matching SBP base rate plus 3.00 % per annum and applicable rental is payable without any grace period.

## Notes to the Financial Statements

For the year ended September 30, 2020

### Security

This loan is secured by charge over all fixed assets ( present and future) of the company and corporate guarantee of Cane Processing Private Limited (Holding Company) and personal guarantees of the directors/sponsors of the Company.

	2020 Rupees	2019 Rupees
<b>21 Liabilities against assets subject to lease-secured</b>		
Opening balance	135,805	639,123
Add: Assets acquired during the year	-	-
	135,805	639,123
Less: Payments/adjustments	(135,805)	(503,318)
	-	135,805
Less: Current portion	-	(135,805)
Closing balance	-	-

**21.1** The Company had entered into lease agreement with JS Bank for vehicle. Lease rentals were payable on monthly basis and includes finance cost at the rate of 3 months KIBOR plus 2.25 % (2019: 3 months KIBOR plus 2.25 %), which has been used as discounting factor. The Company had exercised the option and disposed the assets upon completion of lease period.

**21.2** A reconciliation between the total future minimum lease payments and their present values at year end is as follows:

Particulars	Minimum lease payments	2020	
		Present value of minimum lease payments	Financial charges
-----Amount in Rupees-----			
Due within one year	-	-	-
Due after one year but not later than 5 years	-	-	-
	-	-	-
		2019	
Due within one year	139,249	135,805	3,444
Due after one year but not later than 5 years	-	-	-
	139,249	135,805	3,444



## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>22</b>	<b>Provision for taxation</b>		
		42,451,685	-
	35	55,205,499	42,451,685
		97,657,184	42,451,685
		(42,451,685)	-
	22.1	55,205,499	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 following are known contingencies as on September 30, 2020.

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, these 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.

### 23.2 Commitments

#### 23.2.1 In respect of:

-irrevocable letter of credits for stores and spares	46,921,021	22,720,957
	46,921,021	22,720,957

## 24 Deferred taxation

### Deferred tax liability on taxable temporary differences arising in respect of:

Surplus on revaluation of related assets	343,111,758	200,326,382
Accelerated depreciation / amortization	169,780,930	149,843,861
Leased assets	-	251,987

## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>Deferred tax asset on deductible temporary differences arising in respect of:</b>			
Liabilities against assets subject to finance lease		-	(34,657)
Tax credits / Unused tax losses		(158,588,476)	(89,407,447)
		<u>354,304,212</u>	<u>260,980,126</u>
<b>24.1 Movement in deferred tax balances is as follows:</b>			
At beginning of the year		260,980,126	240,224,655
Deferred tax liability on addition in revaluation surplus		154,202,109	-
Recognized in statement of profit or loss:			
Accelerated tax depreciation/amortization on fixed assets		19,937,069	(9,530,562)
Incremental depreciation		(11,416,733)	(11,144,908)
Liabilities against assets subject to finance lease		(217,330)	44,740
Tax credits / unused tax losses		(69,181,029)	41,386,201
		<u>(60,878,023)</u>	<u>20,755,471</u>
At end of the year		<u>354,304,212</u>	<u>260,980,126</u>

## 25 Share capital

	2020 ------(Number)-----	2019	Note	2020 Rupees	2019 Rupees
<b>25.1 Authorized share capital</b>					
	<u>70,000,000</u>	<u>70,000,000</u>	Ordinary shares of Rs. 10/- each	<u>700,000,000</u>	<u>700,000,000</u>
<b>25.2 Issued, subscribed and paid-up capital</b>					
	873,180	873,180	Shares allotted on reorganization of Kohinoor Industries Limited of Rs.10/- each	8,731,800	8,731,800
	125,008	125,008	Shares issued for cash of Rs. 10 each	1,250,080	1,250,080
	13,651,899	13,651,899	Shares issued as fully paid bonus shares of Rs. 10/- each	136,518,990	136,518,990
	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
	<u>34,128,453</u>	<u>34,128,453</u>		<u>341,284,530</u>	<u>341,284,530</u>

25.3 20 bonus shares issued for every 100 shares.

## 26 Loan from sponsors

Loan from Sponsors	26.1	<u>611,827,898</u>	<u>610,677,150</u>
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26.1 This represents interest free loan provided to the Company by its Sponsors. These loans have been agreed to be repayable at the Company's discretion.

## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
<b>27</b>	<b>Revaluation surplus on property, plant and equipment - net of tax</b>		
Land		816,219,690	816,219,690
Buildings		100,592,998	100,592,998
Plant and machinery		855,042,404	855,042,404
		1,771,855,092	1,771,855,092
Add: Addition in revaluation surplus			
Land		1,238,468,000	-
Buildings		36,222,160	-
Plant and machinery		495,509,253	-
		1,770,199,413	-
Less: Accumulated incremental depreciation		(309,463,371)	(270,095,326)
		3,232,591,134	1,501,759,766
Less: Deferred tax liability			
Opening balance		200,326,382	211,471,290
Deferred tax liability on addition in revaluation surplus		154,202,109	-
Tax on Incremental depreciation for the year		(11,416,733)	(11,144,908)
		343,111,758	200,326,382
		2,889,479,376	1,301,433,384
<b>28</b>	<b>Sales - net</b>		
Sugar - local		3,596,765,002	2,996,533,883
Sugar - export		-	570,950,945
		3,596,765,002	3,567,484,828
By-products:			
-Molasses		330,780,002	224,592,325
-Bagasse		131,187,037	28,737,932
-Mud		5,768,130	3,933,679
		467,735,169	257,263,936
		4,064,500,171	3,824,748,764
Less:			
Sales tax		557,418,012	379,081,362
Commission on sale		4,245,650	4,184,200
		561,663,662	383,265,562
		3,502,836,509	3,441,483,202
<b>29</b>	<b>Cost of sales</b>		
Sugarcane purchased and consumed		2,326,990,669	2,052,745,736
Salaries, wages and other benefits	29.1	128,314,275	105,397,911
Chemicals and stores consumed		32,782,199	28,874,935
Packing material consumed		20,850,481	25,702,193
Fuel		733,228	808,719
Power		19,883,760	15,385,991
Repairs and maintenance		43,952,061	64,776,183
Workers' welfare expense		3,034,462	3,395,924
Insurance		2,807,218	2,732,082
Vehicle running and maintenance		5,720,927	7,896,569
Travelling and conveyance		2,153,917	2,284,822
Carriage and freight		2,542,670	2,066,074
Rent rate and taxes		517,403	1,100,906

## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
Printing and stationery		651,914	415,153
Depreciation	5.1.1	108,753,541	108,478,504
Amortization	6.3	83,680	124,896
Other factory expenses		2,617,909	2,123,442
		<u>2,702,390,314</u>	<u>2,424,310,040</u>
Opening work-in-process		2,674,488	1,929,396
Closing work-in-process	9	(3,810,289)	(2,674,488)
		<u>(1,135,801)</u>	<u>(745,092)</u>
Cost of goods manufactured		2,701,254,513	2,423,564,948
Opening stock of finished goods		387,327,921	751,517,045
Closing stock of finished goods	9	(189,811,145)	(387,327,921)
		<u>197,516,776</u>	<u>364,189,124</u>
		<u>2,898,771,289</u>	<u>2,787,754,072</u>

29.1 This includes Company's contributions to provident fund amounts to Rs. 1,514,312 (2019: Rs. 1,329,504).

### 30 Distribution cost

Salaries, wages and other benefits	30.1	10,250,601	8,890,718
Communication		122,622	137,648
Vehicles running and maintenance		76,481	41,754
Freight and clearing charges on exports	30.2	-	33,945,379
Miscellaneous	30.3	3,690,837	2,812,244
		<u>14,140,541</u>	<u>45,827,743</u>

30.1 This includes Company's contributions to provident fund amounts to Rs. 105,098 (2019: Rs. 94,031).

30.2 This represents freight charges with respect to export of sugar to China.

30.3 This includes the penalty paid by the Company on Export quota.

### 31 Administrative expenses

Salaries, wages and other benefits	31.1	117,565,915	102,237,281
Staff welfare		4,266,879	3,797,859
Legal and professional charges		9,122,789	9,718,896
Rent, rate and taxes		3,974,723	4,177,514
Fuel and power		2,020,849	1,241,931
Vehicles running and maintenance		4,881,985	4,150,198
Travelling and conveyance		880,622	1,868,889
Printing and stationery		827,494	633,657
Telecommunication		427,366	492,457
Repair and maintenance		394,952	108,931
Postage and telegrams		237,235	396,029
Advertisement		423,500	266,500
Auditors' remuneration	31.2	613,000	563,000
Charity and donations	31.3	2,184,595	2,036,985
Depreciation	5.1.1	2,219,460	2,213,847
Amortization	6.3	1,708	2,549
Insurance		5,502,694	4,873,273
Miscellaneous		1,513,234	1,144,536
		<u>157,059,000</u>	<u>139,924,332</u>



## Notes to the Financial Statements

For the year ended September 30, 2020

	Note	2020 Rupees	2019 Rupees
31.1	This includes Company's contributions to provident fund amounts to Rs. 1,208,633 (2019: Rs. 1,081,358).		
31.2	<b>Auditors' remuneration</b>		
	Annual audit fee	550,000	500,000
	Half yearly review	63,000	63,000
		<u>613,000</u>	<u>563,000</u>
31.3	None of the Directors of the Company or any of their spouse have any interest in charity and donations.		
32	<b>Finance cost</b>		
	Mark-up on long term loan from banking companies-secured	768,919	3,894,020
	Mark-up on short term borrowings	226,556,119	197,453,896
	Bank Commission on exports	1,228,939	1,349,059
	Bank charges	2,624,198	2,982,082
		<u>231,178,175</u>	<u>205,679,057</u>
32.1	Finance cost amounting to Rs.25.16 million (2019 : Rs.34.70 million) relating to installation of a power plant with generation capacity of 15 WM/hour has been capitalized.		
33	<b>Other income</b>		
	Insurance claim received	-	583,000
	Gain on foreign currency transactions	342,634	7,748,115
	Miscellaneous	6,532,936	2,225,732
	Gain on disposal of property, plant and equipment	1,035,674	-
		<u>7,911,244</u>	<u>10,556,847</u>
33.1	This mainly include interest received on saving accounts maintained with banks.		
34	<b>Other expenses</b>		
	Trade parties balance written-off	-	851,660
	Loss on disposal of property, plant and equipment	-	625,437
	Rebate on exports written-off	-	568,157
	Fair value loss on investment	2,871,150	-
	Provision for Workers' Profit Participation Fund (WPPF)	10,336,380	13,540,480
		<u>13,207,530</u>	<u>15,585,734</u>
35	<b>Taxation</b>		
	Income tax		
	Current year	55,205,499	42,451,685
	Prior year	(11,265,005)	11,344,842
		<u>43,940,494</u>	<u>53,796,527</u>
	Deferred tax	(60,878,023)	20,755,471
		<u>(16,937,529)</u>	<u>74,551,998</u>
35.1	Provision for current taxation is based on minimum tax at the rate of 1.5% of net revenue under section 113 of Income Tax Ordinance, 2001, excess of minimum tax over tax liability shall be carry forward for next five years and adjusted against tax liability. However, the tax credit for the year 2016 has lapsed.		

## Notes to the Financial Statements

For the year ended September 30, 2020

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, and the deferred tax asset was also recorded on unadjusted tax credit under section of 113.

35.3 The provision for current year tax represents tax on taxable income, net of tax credits. As per management's assessment the provision for tax made in the financial statements is sufficient. Tax assessment for the year 2019 is finalized, a comparison of income tax provision of last three years with tax assessment is presented below:

Years	Tax provision as per financial statements	Tax as per assessment
	------(Amount in Rupees)-----	
2018	-	-
2019	42,451,685	31,186,680
2020	55,205,499	-

		2020 Rupees	2019 Rupees
<b>36 Earnings per share</b>			
<b>36.1 Earnings per share - basic</b>			
Profit after taxation attributable to members	Rupees		182,717,113
Weighted average number of ordinary shares	Number		34,128,453
Earnings per share - basic	Rupees		5.35

### 36.2 Earning per share - diluted

There is no dilutive effect on the basic (loss)/earnings per share as the Company does not have any convertible instruments in issue as at 30 September 2020 and 30 September 2019.

## 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:

	Directors							
	Chief Executive		Executive Directors		Non-Executive Directors		Executives	
	2020	2019	2020	2019	2020	2019	2020	2019
	------(Rupees)-----							
Short term employee benefits								
Managerial remuneration	2,590,200	694,000	2,367,000	4,388,000	-	-	10,933,704	8,173,092
Allowances	-	-	-	-	-	-	-	-
Post employment benefits								
Contribution to provident fund	-	-	79,345	-	-	-	-	-
	2,590,200	694,000	2,446,345	4,388,000	-	-	10,933,704	8,173,092
Number of key executive/ non-executive	1	1	2	2	5	5	6	5

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 (2019: 1.2 million) in a financial year.

## Notes to the Financial Statements

For the year ended September 30, 2020

37.3 The Executive and Non-Executive Directors had voluntarily forgone their right of remuneration. However, one Executive Directors waived his 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 87.64 % (2019: 93.18 %) of the total revenue of the Company.

38.3 The Company sold sugar only in Pakistan (2019: Pakistan and China) and revenue of sugar from continuing operations from external customers based on geographical areas is 0.00% (2019: 17.80%).

38.4 Sale of sugar includes 100.00% (2019: 82.20%) that relates to customers in Pakistan.

38.5 All assets of the Company as at September 30, 2020 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 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:

	2020 Rupees	2019 Rupees
Long term deposits	2,786,800	2,386,800
Trade debts	1,345,521	270,266,327
Loans and advances	69,597,556	124,834,849
Trade deposits and short term prepayments	3,102,985	2,025,234
Other receivables	31,340,756	32,735,917
Short term investments	17,128,849	-
Bank balances	223,512,986	58,568,750

#### Counterparties with external credit ratings

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:

	Rating		Rating Agency	2020	2019
	Short term	Long Term		Rupees	Rupees
Albaraka bank Pakistan limited	A1	A	PACRA	33,573,600	17,736,797
Allied bank limited	A1+	AAA	PACRA	7,492,790	1,060,226
Bank Alfalah limited	A1+	AA+	PACRA	165,347	326,087
Dubai Islamic bank	A1+	AA	JCR-VIS	66,664	61,647
Faysal bank limited	A1+	AA	PACRA	110,644,907	499,229
Habib bank limited	A1+	AAA	JCR-VIS	1,816	2,425

## Notes to the Financial Statements

For the year ended September 30, 2020

JS bank limited	A1+	AA-	PACRA	243,334	295,679
MCB bank limited	A1+	AAA	PACRA	8,930,566	1,166,836
MCB Islamic bank limited	A1	A	PACRA	49,363,663	11,306,851
Meezan bank limited	A1+	AA+	JCR-VIS	177,175	2,445,538
National bank of Pakistan	A1+	AAA	PACRA	300,335	549,219
Soneri bank limited	A1+	AA-	PACRA	10,327,012	16,190,731
United bank limited	A1+	AAA	JCR-VIS	1,336,893	4,712,129
Askari bank limited	A1+	AA+	PACRA	225,901	226,019
Habib Metropolitan bank limited	A1+	AA+	PACRA	662,953	1,989,337
				<u>223,512,986</u>	<u>58,568,750</u>

### 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.

	2020			
	Carrying amount	Contractual cash flows	Less than 1 year	More than 1 year but less than 5 year
	-----Amount in Rupees-----			
Long-term finances	222,115,908	225,170,241	77,237,410	147,932,831
Liabilities against assets subject to lease	-	-	-	-
Unclaimed dividend	1,156,796	1,156,796	1,156,796	-
Trade and other payables	117,102,245	117,102,245	117,102,245	-
Mark-up accrued	3,054,333	3,054,333	3,054,333	-
Short term borrowings	198,320,645	198,320,645	198,320,645	-
	2019			
Long-term finances	227,772,604	266,588,300	136,251,244	130,337,056
Liabilities against assets subject to lease	-	-	-	-
Unclaimed dividend	1,122,395	1,122,395	1,122,395	-
Trade and other payables	65,200,264	65,200,264	65,200,264	-
Mark-up accrued	19,243,202	19,243,202	19,243,202	-
Short term borrowings	408,925,231	408,925,231	408,925,231	-

The Company's current ratio is 1.11 (2019: 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



## Notes to the Financial Statements

For the year ended September 30, 2020

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:

	2020 USD	2019 USD
Export debtors considered good - secured	-	1,664,000

#### Exchange rates applied during the year

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

	Reporting date rate		Average rate for the year
	Buying	Selling	
	----- USD -----		
Exchange rate during the year on transactions Involving foreign currency	155.40	156.21	155.81
Exchange rate during the year on transactions Involving foreign currency	156.00	156.75	153.71

#### 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 translation of export debtors.

## Notes to the Financial Statements

For the year ended September 30, 2020

	2020 Rupees	2019 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:

	Effective interest rate		Carrying amount	
	2020 Percentage	2019 Percentage	2020 Rupees	2019 Rupees
<b>Financial assets</b>				
Fixed rate instruments				
Bank balances - saving accounts	1.1% to 1.8%	5% to 8.5%	40,036,686	17,922,474
<b>Financial liabilities</b>				
Floating rate instrument				
Long term loans from banking companies -secured	10.00% to 16.60%	10.93% to 16.91%	222,115,908	227,772,604
Short term borrowings	10.25% to 16.85%	8.48% to 15.8%	198,320,645	408,925,231
Liabilities against assets subject to finance lease-secured	10.00 to 16.60 %	11.13% to 16.11%	-	135,805

#### 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 loss 100 bp	
	Increase	decrease
	-----Amount in Rupees-----	
As at 30 September 2020		
-Cash flow sensitivity-Variable rate financial liabilities	(4,204,366)	4,204,366
As at 30 September 2019		
-Cash flow sensitivity-Variable rate financial liabilities	(6,368,336)	6,368,336

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

## Notes to the Financial Statements

For the year ended September 30, 2020

### 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, 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.

The gearing ratio as at 30<sup>th</sup> September were as follows:

	2020 Rupees	2019 Rupees
Debt	225,170,241	266,588,300
Equity	4,696,282,464	2,899,934,134
Total capital employed	4,921,452,705	3,166,522,434
Gearing ratio	5%	8%

The Company is less geared as compared to previous year.

## Notes to the Financial Statements

For the year ended September 30, 2020

### 39.5 Accounting classifications and fair values

September 30, 2020	Carrying amount			Total	Fair Value			
	Fair value through profit or loss	Fair value through OCL	At amortized cost	Total	Level 1	Level 2	Level 3	Total
----- Amount in Rupees -----								
<b>Financial assets</b>								
Investment	17,128,849	-	-	17,128,849	17,128,849	-	-	17,128,849
Long term deposit	-	-	2,786,800	2,786,800	-	-	-	-
Trade debts	-	-	1,345,521	1,345,521	-	-	-	-
Loan and advances	-	-	69,597,556	69,597,556	-	-	-	-
Other receivables	-	-	31,340,756	31,340,756	-	-	-	-
Cash and bank balances	-	-	223,512,986	223,512,986	-	-	-	-
	17,128,849	-	328,583,619	345,712,468	17,128,849	-	-	17,128,849
<b>Financial liabilities</b>								
Long term finances	-	-	222,115,908	222,115,908	-	-	-	-
Liabilities against assets subject to finance lease	-	-	-	-	-	-	-	-
Trade and other payables	-	-	117,102,245	117,102,245	-	-	-	-
Accrued mark-up	-	-	3,054,333	3,054,333	-	-	-	-
Short term borrowing	-	-	198,320,645	198,320,645	-	-	-	-
	-	-	540,593,131	540,593,131	-	-	-	-
<b>September 30, 2019</b>								
<b>Financial assets</b>								
Long term deposit	-	-	2,386,800	2,386,800	-	-	-	-
Trade debts	-	-	270,266,327	270,266,327	-	-	-	-
Loan and advances	-	-	124,834,849	124,834,849	-	-	-	-
Other receivables	-	-	32,735,917	32,735,917	-	-	-	-
Cash and bank balances	-	-	58,568,750	58,568,750	-	-	-	-
	-	-	488,792,643	488,792,643	-	-	-	-
<b>Financial liabilities</b>								
Long term finances	-	-	227,772,604	227,772,604	-	-	-	-
Liabilities against assets 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 borrowing	-	-	408,925,231	408,925,231	-	-	-	-
	-	-	721,277,106	721,277,106	-	-	-	-

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.



## Notes to the Financial Statements

For the year ended September 30, 2020

	Unit	2020 Number	2019 Number
<b>40</b>	<b>Number of employees</b>		
	Average number of employees for the year		
	Plant	778	745
	Head Office	11	11
		<b>789</b>	<b>756</b>
	Total number of employees at year end		
	Plant	624	597
	Head Office	11	11
		<b>635</b>	<b>608</b>
<b>41</b>	<b>Plant capacity and production</b>		
	Cane crushing capacity	M.Ton	1,040,000
	Cane crushed	M.Ton	425,433
	Sugar production	M.Ton	41,150
	Recovery ratio	Percentage	9.67%
			10.39%

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 104 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	2020 Rupees	2019 Rupees
Cane Processing Private Limited	Holding company holds 63.63 % (2019: 63.63 %) share capital	Loan received during the year	-	18,550,000
		Loan repaid during the year	176,000	18,825,658
		Amount payable at year end	140,593,488	140,769,488
		Dividend paid	21,725,885	18,098,580
Mrs. Ghazala Amjad	Chief Executive officer of holding company (Cane Processing Private Limited)	Loan received during the year	13,250,000	329,450,071
		Loan repaid during the year	-	328,500,000
		Amount payable at year end	471,234,410	469,907,662
		Dividend paid	3,175,816	2,646,514
Radiant Power Private Limited	The company had been wound up last year and shareholding in the said company was 59.9 %.	Expenses paid during the year on behalf of the company	-	-
		Expenses written off during the year	-	-
		Amount receivable at year end	-	-
Employee benefit-Provident Fund Trust	Employee benefit fund	Provident fund contribution	2,879,184	2,556,112
Chief Executive	Key management personnel	Remuneration paid	2,590,200	694,000
Mrs. Shahida Mazhar	Immediate family member of sponsor	Loan received during the year	111,750,000	-
Executive Director	Key management personnel	Remuneration paid	2,367,000	4,388,000
Non-executive Director	Key management personnel	Dividend paid	18,954	15,796

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

## Notes to the Financial Statements

For the year ended September 30, 2020

	Unit	2020 Rupees	2019 Rupees
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### 43 Employees Provident Fund Trust

The following information is based on the financial statements of Provident Fund Trust.

		Un-audited	Audited
Size of fund - total assets	Rupees	34,577,941	31,649,061
Cost of investments made	Rupees	26,050,000	26,050,000
Percentage of investments made	Percentage	75.34%	82.31%
Fair value of investment	Rupees	26,050,000	26,050,000

The breakup of fair value of investments is as follows:

	2020		2019	
	Rupees	Percentage	Rupees	Percentage
Defence Saving Certificates	26,050,000	75.34%	26,050,000	82.31%
	26,050,000	75.34%	26,050,000	82.31%

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 Date of authorization for issue

These financial statements have been authorized for issue on December 28, 2020 by the Board of Directors of the Company.

### 45 General

45.1 Figures have been rounded off to the nearest Rupee.

45.2 Corresponding figures have been re-classified and re-arranged where necessary, for the purpose of comparison, the effects of which are not material.

Lahore:  
December 28, 2020



Jamal Ahmed  
Chief Executive



Amjad Bashir Husain  
Director



Imran Ilyas  
Chief Financial Officer



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Other  
Information

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

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

## کمپنی کے حصص میں لین دین / تجارت

بورڈ نے ایک پالیسی ترتیب دی ہے کہ پاکستان میں فہرستی قواعد کے مطابق کوئی شخص داخلی تجارت نہیں کرے گا۔ مالی سال کے دوران، کمپنی کے حصص میں کسی ایک ڈائریکٹر، سی ای او، سی ایف او، داخلی آڈٹ کے سربراہ اور کمپنی سیکریٹری کی طرف سے کوئی بھی تجارت نہیں ہوئی ہے۔

## بقایا قانونی ادائیگیاں

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

## پاکستان سے باہر ڈائریکٹرز کا اجلاس

موجودہ مالی سال کے دوران پاکستان سے باہر کمپنی کا کوئی اجلاس منعقد نہیں ہوا۔

## متعلقہ پارٹی کے ساتھ لین دین

کمپنی نے اس سالانہ رپورٹ سے منسلک اپنے مالی حسابات میں متعلقہ پارٹی کے ساتھ لین دین کے بارے تفصیلی انکشافات کئے ہیں۔ ایسا انکشاف کمپنیز ایکٹ 2017 کے چوتھے شیڈول اور قابل اطلاق بین الاقوامی مالی رپورٹنگ معیارات کی ضروریات کے مطابق ہے۔ اس کے علاوہ، کمپنی نے اپنے متعلقہ پارٹی لین دین کو حصص داران کی منظوری حاصل کرنے کے لئے سالانہ اجلاس عام میں پیش کرنے کا بھی فیصلہ کیا ہے۔

## اعتراف اور اظہار تشکر

کمپنی کے ڈائریکٹرز کمپنی کے حصص داران، مالی اداروں اور گاہکوں کی طرف سے مسلسل تعاون، حوصلہ افزائی اور حمایت کے لئے ان کے مخلص رویہ کا شکریہ ادا کرتے ہیں۔ ڈائریکٹرز کمپنی کے تمام ملازمین کی لگاتار کوششوں اور وقف خدمات، ٹیم ورک، وفاداری اور سخت محنت کو بھی سراہتے ہیں اور امید کرتے ہیں کہ جاری لگن کمپنی کو مزید مضبوط بنائے گی اور اسے مستقبل کی ڈویلپمنٹ اور مطالبات کا سامنا کرنے کے قابل رکھے گی۔

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

منجانب بورڈ

Tameel Ahmad

جمال احمد

چیف ایگزیکٹو

## نمونہ حصص داری

30 ستمبر 2020 کو کمپنیز آرڈیننس، 1984 اور کارپوریٹ گورننس کے ضابطہ کے مطابق کمپنی کا نمونہ حصص داری منسلک ہے۔

## بورڈ آف ڈائریکٹرز کے اجلاس

کمپنی کے آپریشن کی شفافیت، اچھی گورننس اور ہموار کام کو یقینی بنانے کے لئے، کمپنی نے بورڈ آف ڈائریکٹرز کی اہلیت، تجربے اور ساخت کے ساتھ ساتھ بورڈ کی ذمہ داریوں کے بارے میں آگاہی کے سلسلے میں ریگولیری فریم ورک نافذ کیا ہے۔ 7 ڈائریکٹرز پر مشتمل بورڈ موثر طریقے سے حصص داران کے انٹریسٹ کی نمائندگی کرتا ہے۔ تمام ڈائریکٹرز اہل اور تجربہ کار ہیں، جو بورڈ کو موثر اور کارگر فیصلہ کرنے کے قابل بناتا ہے۔ مالی سال 2019-20 کے دوران بورڈ آف ڈائریکٹرز کے چار اجلاس منعقد ہوئے۔ ہر ایک ڈائریکٹر کی طرف سے حاضری درج ذیل تھی:

نمبر شمار	نام ڈائریکٹر	عہدہ	تعداد حاضری
1	جناب جمال احمد	چیف ایگزیکٹو/ ایگزیکٹو ڈائریکٹر	4
2	جناب عامر بیگ	آزاد/ نان ایگزیکٹو ڈائریکٹر	4
3	جناب غیاث الحسن	ڈپٹی چیف/ نان ایگزیکٹو ڈائریکٹر	4
4	جناب امجد بشیر حسین	ڈپٹی چیف/ نان ایگزیکٹو ڈائریکٹر	4
5	جناب امجد جاوید آفتاب	ڈپٹی چیف/ نان ایگزیکٹو ڈائریکٹر	2
6	جناب فرحان الیاس	آزاد/ غیر ایگزیکٹو ڈائریکٹر	2
7	جناب محمد سیف الرحمان	ڈپٹی چیف/ ایگزیکٹو ڈائریکٹر	4
8	محترمہ نازیہ وحید	آزاد/ نان ایگزیکٹو ڈائریکٹر	-

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے اور چھٹی کی درخواست گزاری ان کو قانون کے مطابق بورڈ کی طرف سے اجلاس میں غیر حاضری کی چھٹی دی گئی۔

## آڈٹ کمیٹی

کارپوریٹ گورننس کے ضابطہ کے مطابق بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی تشکیل دی ہے۔ سال کے دوران کمپنیز ایکٹ 2017 کی ضروریات کے مطابق آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ متعلقہ ایکٹ کے تحت درکار تمام متعلقہ معاملات زیر غور لائے گئے۔ ہر ایک رکن کی حاضری مندرجہ ذیل تھی:

نمبر شمار	نام	عہدہ	تعداد حاضری
1	جناب فرحان الیاس	چیئر مین	4/4
2	جناب امجد بشیر حسین	رکن	4/4
3	جناب محمد عامر بیگ	رکن	4/4

## انسانی وسائل کی کمیٹی

قابل اطلاق ضوابط کے مطابق بورڈ آف ڈائریکٹرز نے انسانی وسائل کی کمیٹی تشکیل دی ہے۔ مالی سال 2019-20 کے دوران، ملازمین کی انٹریسٹ اور بونس کی منظوری کے لئے انسانی وسائل کی کمیٹی کا ایک اجلاس منعقد ہوا۔ ہر ایک رکن کی حاضری مندرجہ ذیل تھی:

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

## وژن، مشن اور مجموعی کارپوریٹ حکمت عملی

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

## کارپوریٹ گورننس کے ضابطے کی تعمیل

کمپنی کی انتظامیہ اچھے کارپوریٹ گورننس اور اس کے بہترین طریقوں پر عمل کرنے کے لئے پرعزم ہے۔ جیسا کہ کارپوریٹ گورننس قوانین کے تحت درکار ہے، کمپنی کے ڈائریکٹرز خوشی سے بیان کرتے ہیں کہ:-

## مالیاتی حسابات کی پیشکش

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

## کھاتہ جات

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

## اکاؤنٹنگ پالیسی

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

## بین الاقوامی اکاؤنٹنگ معیارات

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

## داخلی کنٹرول سسٹم

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

## حالیہ تشویش

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

## مالیاتی جھلکیاں

گزشتہ سات سالوں کے لئے اہم آپریٹنگ اور مالیاتی اعداد و شمار صفحہ نمبر 45 پر شامل ہیں۔

## عملہ کی ریٹائرمنٹ کی قدر کا بیان

30 ستمبر 2020 کے نظر ثانی شدہ حسابات پر مبنی پراویڈنٹ فنڈ کی سرمایہ کاری کی منصفانہ قدر 26.050 ملین روپے [مالیاتی سال 2019/18: 25.050 ملین روپے] ہے۔

## تعمیل کا بیان

30 ستمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی کے لئے قابل اطلاق پاکستان اسٹاک ایکسچینج کے فہرستی قواعد میں تفصیلی، کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

## مستقبل کے امکانات

آئندہ سیزن کی فصل میں 15-10 فیصد اضافہ کا تخمینہ لگایا گیا ہے۔ فی ایکڑ پیداوار بہتر اور سکروس ریکوری میں بہتری کی بھی توقعات ہیں۔ اپنی مصنوعات کی کوالٹی کو بہتر بنانے اور اپنے برانڈ "کوہ نور" کو مضبوط بنانے کے لئے کمپنی نے حال ہی میں موشچر کنٹرول یونٹ اور الیکٹرونک فلنگ مشینیں نصب کی ہیں۔ کاروباری تنوع کو اب بھی ہماری تنظیم کے استحکام کے لئے ضروری سمجھا جاتا ہے۔ اپنے حریفوں کے مقابلے پائیدار فائدہ حاصل کرنے کے لئے، کمپنی نے مولاس ہولڈر رکھنے کی صلاحیت کو بہتر بنایا ہے۔ اس کے علاوہ، بائیوماس کپٹو پاور پلانٹ EPA منظوری کے حوالہ سے آئندہ مالی سال میں اپنی پیداوار شروع کر دے گا۔ آگے بڑھتے ہوئے انتظامیہ نے ڈسٹری نصب کرنے کا بھی منصوبہ بنایا ہے، جس کی ابتدائی فوہیلٹیز خطرے کے عوامل کو کم کرنے، ممکنہ کاؤٹوں کا پتہ لگانے کے لئے انجام دی جا رہی ہیں۔

## کریڈٹ ریٹنگ

کریڈٹ ریٹنگ پاکستان میں اداروں کے کریڈٹ اسٹینڈنگ کا اندازہ ہے۔ PACRA کا بنیادی کام ہے کہ وہ کسی ادارے کی اپنی ذمہ داریوں کا احترام کرنے کی صلاحیت اور خواہش کا اندازہ کرے۔ سال کے دوران، PACRA نے مستحکم نقطہ نظر کے ساتھ بالترتیب BBB اور A2 میں طویل مدتی اور قلیل مدتی اسٹیٹی ریٹنگ کے طور پر کمپنی کی اسٹیٹی ریٹنگ کو برقرار رکھا۔ درجہ بندی شوگر انڈسٹری کی موجودہ محرکات کے لحاظ سے جوہر آباد شوگر ملز لمیٹڈ کی کاروباری پروفائل بہتر ہونے کی عکاسی کرتی ہے۔ یہ درجہ بندی کریڈٹ رسک کی کم توقع کی نشاندہی کرتی ہے اور مالی وعدوں کی بروقت ادائیگی کے لئے قابل اطمینان صلاحیت کی بھی نشاندہی کرتی ہے۔ کمپنی اپنی تمام ذمہ داریاں پوری کر رہی ہے۔

## ڈیویڈنڈ اور تصرفات

مستقبل کی سرمایہ کاری، مالی عزائم اور کیپٹل اخراجات کی منصوبہ بندی کرتے ہوئے، بورڈ نے 30 ستمبر 2020 کو ختم ہونے والے مالی سال کے لئے 11 روپیہ فی شیئر کا نقد منافع منقسمہ کی تجویز دی ہے باقی رقم مستقبل کے اخراجات کے لئے کمپنی کے ہاں برقرار رکھی گئی ہے۔ یہ نقطہ نظر تمام حصص یافتگان کو مسلسل پائیدار منافع فراہم کرنے کے لئے ہماری کمپنی کے عزم کے مطابق ہے۔ غیر مختص شدہ منافع میں تغیر و تبدل مندرجہ ذیل ہے:

روپے "000" میں	
213,328,747	سال کے لئے خالص منافع
240,007,968	گزشتہ سالوں کا غیر مختص شدہ منافع
453,336,715	تصرفات کے لئے دستیاب خالص منافع
	<b>تصرفات</b>
34,128	تجویز کردہ نقد منافع منقسمہ بشرح 10%
447,159,558	غیر تصرفاتی منافع جو آگے گیا
6.25	فی شیئر آمدنی

## ہولڈنگ کمپنی

کین پروسیڈنگ (پرائیویٹ) لمیٹڈ، پاکستان کے قوانین کے تحت قائم شدہ رجسٹرڈ دفتر بواقع لاہور، 63.66 فیصد حصص کے ساتھ جوہر آباد شوگر ملز لمیٹڈ کی ہولڈنگ کمپنی ہے۔

## آڈیٹر کی رپورٹ

کمپنی کے نظر ثانی شدہ مالیاتی حسابات 28 دسمبر 2020 کو UHY حسن نعیم اینڈ کمپنی کی طرف سے تسلی بخش رپورٹ کے ساتھ حصص داران کو جاری کرنے کے لئے اتھرائیزڈ ہیں۔

## بیرونی آڈیٹرز

کمپنی کے موجودہ آڈیٹرز میسرز یو ایچ وائی حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر ریٹائر ہو جائیں گے اور دوبارہ تقرری کے اہل ہیں۔ بورڈ آف ڈائریکٹرز نے اگلے سالانہ اجلاس عام میں اراکین کی منظوری کے حوالہ سے آڈٹ کمیٹی کی تجویز کے مطابق 30 ستمبر 2021 کو ختم ہونے والے سال کے لئے ریٹائر ہونے والے آڈیٹرز کی دوبارہ تقرری کی سفارش کی ہے۔



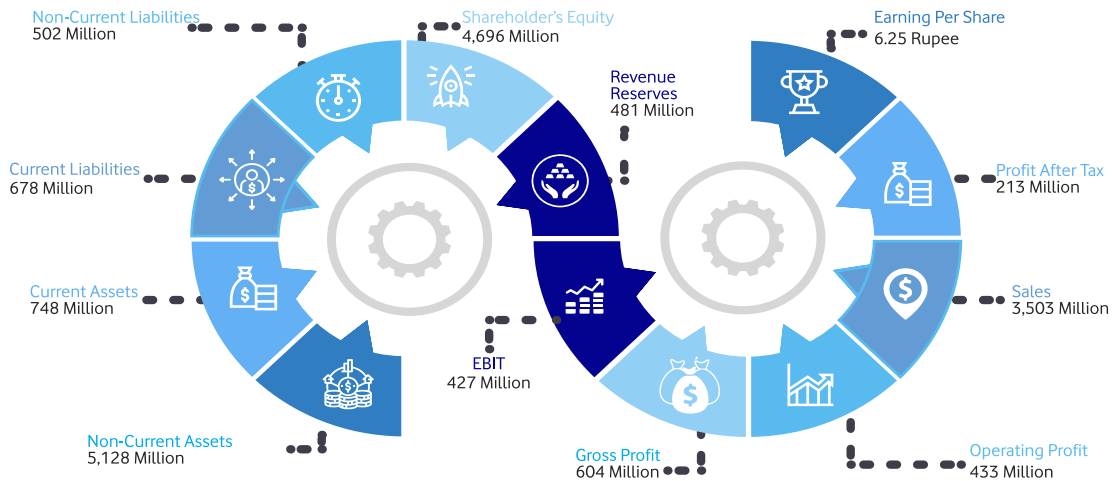
9.67 فیصد (مالی سال 2018/19: 10.39 فیصد) کی ریکوری شرح پر 41,150 ٹن (مالی سال 2018/19: 44,776 ٹن) سفید چینی بنائی ہے۔ گنے کی قلت کے باوجود، کمپنی نے گنے کی بہتری کی مسلسل کوششوں، بروقت ادائیگیوں، کاشتکاروں کی مالی معاونت کے ذریعے گزشتہ سال کے حجم کا 98% گنا کرش کیا، جو علاقائی حریفوں کی کارکردگی سے کہیں زیادہ بہتر ہے۔ کمپنی نے اس مالی سال کے اختتام سے قبل اپنی چھٹی کی پیداوار کا 93.62 فیصد (مالیاتی سال 2018/19: 86.32 فیصد) فروخت کیا۔ کمپنی نے ٹاپ لائن میں 8.14 فیصد حصہ شامل کرتے ہوئے، 4.74% YOY (مالی سال 2018/19: 4.71 فیصد) پر 20,180 ٹن مولاس (مالی سال 2018/19: 20,305 ٹن) پیدا کیا۔

## مالیاتی کارکردگی

اس سال ڈائریکٹرز بخوشی مطلع کرتے ہیں کہ مالیاتی رپورٹ کی ٹرانسپیرینسی پر یزمننگ کی پاکستان کی دو معروف اداروں انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان اور انسٹیٹیوٹ آف کاسٹ اینڈ منیجمنٹ اکاؤنٹنٹس نے اپنی مشترکہ تشخیص میں توثیق کی ہے اور جوہر آباد شوگر ملز لمیٹڈ کو بہترین کارپوریٹ رپورٹنگ 2019 کے لئے میرٹ سرٹیفکیٹ عطا کیا ہے، مزید برآں مالی حسابات کے صارفین کا اعتماد مضبوط ہوا ہے۔ گزشتہ سال کے مقابلے میں آپ کی کمپنی کے مالی سال 2019/20 کی مالیاتی کارکردگی کا خلاصہ مندرجہ ذیل ہے:

تفصیلات	FY2018/19	FY2019/20	YOY تبدیلی
فروخت - خالص	3,441,483	3,502,836	1.78%
فروخت کی لاگت	2,787,754	2,898,771	3.98%
مجموعی منافع	653,729	604,065	-7.60%
فروخت اور تقسیم کے اخراجات	45,828	14,141	-69.14%
انتظامی اور عمومی اخراجات	139,924	157,059	12.25%
آپریٹنگ منافع	467,977	432,865	-7.50%
دیگر آپریٹنگ آمدنی	5,029	(5,296)	-205.31%
مالیاتی اخراجات	205,679	231,178	12.40%
ٹیکس سے قبل منافع	257,269	196,391	-23.66%
ٹیکسیشن	74,552	16,937	-77.28%
ٹیکس کے بعد منافع	182,717	213,329	16.75%
آمدنی فی شیئر (روپے / شیئر)	5.35	6.25	16.82%

اس سال کمپنی نے اپنی مقامی فروخت میں 20.03 فیصد (مالی سال 2018/19: 43.26 فیصد) کا اضافہ کیا اور چینی کے کل اسٹاک کا 6.38 فیصد (مالی سال 2018/19: 13.67 فیصد) آگے لے جانے کی منصوبہ بندی کی ہے۔ ٹاپ لائن 61 ملین روپے بہتر ہوئی جس کے نتیجے میں ٹاپ لائن نمو 1.8 فیصد ہوئی۔ دستیاب وسائل کے زیادہ سے زیادہ استعمال سے متعلقہ اخراجات کو مجموعی طور پر کم کیا گیا ہے جس کے نتیجے میں 17.24 فیصد مجموعی منافع اور ٹیکس کے بعد منافع 6.08 فیصد (مالی سال 2018/19: 5.29 فیصد) ہوا۔ مدت کے لئے کل مجموعی آمدنی 213.329 ملین روپے (مالی سال 2018/19: 182.717 ملین روپے) ہے۔ مالیاتی کارکردگی کے نتیجے میں 6.25 روپے فی شیئر آمدنی حاصل ہوئی، جبکہ گزشتہ مالی سال میں 5.35 روپے فی شیئر آمدنی حاصل ہوئی تھی۔



## ڈائریکٹرز کی حصص یافتگان کو رپورٹ

جوہر آباد شوگر ملز لمیٹڈ (کمپنی) کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ کے ساتھ نظر ثانی شدہ مالی حسابات اور ان پراڈیٹرز کی رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

### صنعت کا جائزہ

بہت زیادہ اہمیت کی حامل شوگر انڈسٹری کو زراعت پر مبنی دوسری بڑی صنعت کا درجہ حاصل ہے۔ اقتصادی سروے 2019-20 کے مطابق، زرعی شعبے کی سالانہ جی ڈی پی میں 19.31 فیصد کی شراکت میں 0.58 فیصد نمو درج کرنے میں اس صنعت نے اہم کردار ادا کیا۔ اس سال صرف یہی انڈسٹری دیہی روزگار کا بنیادی ذریعہ، 23.76 بلین زرعی مزدوری کا تقریباً 13 فیصد رہی۔ اسی طرح، زرعی شعبے کے دوسرے حصوں میں بھی چینی کی صنعت پر COVID-19 کا کوئی خاص اثر نہیں پڑا ہے۔ اس وبائی بیماری کے باعث لاک ڈاؤن کی صورتحال کے دوران چینی کی کھپت کم رہی، جس کے نتیجے میں حکومت کی طرف سے اعداد و شمار کی غلط تشریح کی گئی۔ چینی کی درآمد میں تاخیر کے ساتھ ساتھ لاک ڈاؤن میں نرمی کے بعد طلب میں اچانک اضافہ کی وجہ سے چینی کا بحران بڑھ گیا جس کے نتیجے میں چینی کی قیمتوں میں تیزی سے اضافہ ہو گیا۔ اس کے باوجود، سال 2020 ایک انتہائی مشکل سال رہا۔

اس سال کی فصل میں، گنا، بنیادی خام مال، تقریباً 1.04 بلین ہیکٹرز اراضی [CY2018/19: 1.102 بلین ہیکٹرز] پراگیا گیا، 5.6 فیصد کمی ہوئی، جس کے نتیجے میں 66.880 ملین ٹن [CY2018/19: 67.174 ملین ٹن] تخمینہ پیداوار، یعنی سالانہ بنیاد پر 0.44 فیصد کمی ہوئی۔ کسانوں کی حوصلہ افزائی کے لئے پنجاب کی صوبائی حکومت نے، زیادہ سے زیادہ مدادی قیمت -/190 روپے فی من [CY2018/19: 180 روپے فی من] کا اعلان کیا ہے۔ آپاشی کے لئے پانی کی قلت میں بہتری، زرعی ٹیکنالوجی اور کیڑوں پر موثر طریقے سے قابو پانے کے نتیجے میں فی ہیکٹر پیداوار یعنی 64.308 ٹن فی ہیکٹر [CY2018/19: 60.956 ٹن] میں 5.5 فیصد اضافہ ہوا ہے۔ کھیت میں بہتر اقسام کی پیداوار اور کاشت میں اضافہ کے باوجود، موسمیاتی صورتحال کے نتیجے میں اس سال چینی کی ریکوری کی شرح میں مجموعی طور پر کمی واقع ہوئی ہے۔ کرشنگ سیزن 2019-20 کے لئے چینی کی پیداوار 4.816 ملین ٹن [CY2018-19: 5.210 ملین ٹن] رہی۔ یہ سال اور آئندہ کرشنگ سیزن صنعت کی بحالی میں معاون ثابت ہوگا اور کسان کے لئے بھی یہ فائدہ مند ہوگا۔ آگے بڑھتے ہوئے، چینی کی متوقع پیداوار اور سیزن کے آغاز میں حکومت پاکستان کی طرف سے درآمدہ چینی سالانہ مقامی کھپت کے لئے کافی ہوگی۔

### آپریشنل جائزہ

زیر جائزہ مدت کے دوران کمپنی کی اصل سرگرمیاں یعنی چینی اور اسکی الائیڈ مصنوعات کی تیاری اور فروخت تبدیل نہیں ہوئیں۔ گزشتہ سیزن کے موازنہ میں CY2019/20 کے لئے کمپنی کی پیداوار اور فروخت کے اعداد و شمار مندرجہ ذیل ہیں:

تفصیلات	اکیائیں	مالی سال 2020	مالی سال 2019	YOY تبدیلی
کام کے ایام	دن	104	96	8.33%
گنے کی کرشنگ	میٹرک ٹن	425,433	431,121	(1.32%)
چینی کی پیداوار	میٹرک ٹن	41,150	44,776	(8.1%)
چینی کی ریکوری	فیصد	9.67%	10.39%	(6.93%)
چینی کی فروخت - مقامی	میٹرک ٹن	44,649	48,667	(8.26%)
چینی کی فروخت - بین الاقوامی	میٹرک ٹن	-	5,000	(100%)
چینی کی فروخت - کل	میٹرک ٹن	44,649	53,667	(16.8%)
چینی کا کلوزنگ اسٹاک	میٹرک ٹن	2,624	6,123	(57.15%)
مولاسس کی پیداوار	میٹرک ٹن	20,180	20,305	(0.62%)
مولاسس کی ریکوری	فیصد	4.74%	4.71%	0.64%

اس مالی سال کے دوران، کمپنی نے سیزن کا آغاز 30 نومبر 2019 (CY2018/19: 15 دسمبر 2018) کو کیا اور ملز گزشتہ کرشنگ سال کے مقابلے آٹھ دن زیادہ، یعنی 104 دنوں کے لئے چلائی گئیں۔ کمپنی نے زیر جائزہ کرشنگ سال کے دوران 425,433 ٹن (مالیاتی سال 2018/19: 431,121 ٹن) گنے کی کرشنگ کے ذریعے

## چیئر مین کا جائزہ

میں جو ہر آباد شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی چیئر مین شپ سونپے جانے کو ایک امتیاز اور بہت بڑا اعزاز خیال کرتا ہوں۔ دو ہزار بیس دنیا بھر کی صارفین منڈیوں کے لئے ایک مشکل ترین سال رہا۔ کوویڈ 19 نے دنیا کی معروف ترین معیشتوں کو بے حد متاثر کیا لیکن پاکستان نے سمارٹ لاک ڈاؤن کی اپنی زبردست حکمت عملی کے ذریعے اپنے آپ کو ان اقوام میں شامل کیا جس پر وبائی بیماری کے اثرات کم سے کم اور قابو میں رہیں ہیں۔

اس سال کو چینی کی صنعت کے لئے اہم موڑ کی حیثیت سے یاد کیا جائے گا کیونکہ مقامی پیداوار ملک کی مقامی کھپت کے برعکس کم رہی۔ چینی کی قیمت معقول سطح پر آگئی جس کے نتیجے میں اس صنعت کی ملوں کی کاشت کاروں کو بروقت ادائیگی کرنے، ورکنگ سرمائے میں کافی اور منافع کے امکانات میں اضافے کی صلاحیتوں میں اضافہ ہوا ہے۔

ماضی سے اور ہماری مالی سال 2019 میں ظاہر کردہ کارکردگی سے بھی بہتر کارکردگی کا عزم، کمپنی منافع یابی درج کرنے میں کامیاب رہی جس کی بنیادی وجہ مسابقتی ماحول کے تحت فروخت کی حکمت عملی میں چلک، سخت لاگت کنٹرول، تخفیف اور پیداواری سہولت کا توازن اور گنے کی ہموار فراہمی کے لئے کاشت کاروں کی حوصلہ افزائی کے علاوہ پوری کمپنی میں مسلسل شفافیت اور گنڈ گورنس کی یقین دہانی ہے۔

یہ رپورٹ کمپنیز ایکٹ 2017 کی دفعہ (4) 192 کے تحت بورڈ آف ڈائریکٹرز کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کی طرف سے ادا کردہ کردار کی موثرگی کے بارے میں پیش کی جا رہی ہے۔

مجھے یہ بیان کرتے ہوئے بہت خوشی ہے کہ بورڈ کے ارکان کا انتخاب مورخہ 07 ستمبر 2020 کو منعقدہ EOGM میں کیا گیا۔ ہم اس سال بورڈ میں ایک خاتون آزاد رکن مقرر کرنے میں کامیاب رہے۔ بورڈ اپنی خود مختاری کو برقرار رکھتا ہے اور اس میں رائے اور نقطہ نظر کی کافی تنوع ہے، جس میں صنعت کی گہرائی اور کمپنی کے تجربہ کے درمیان درست توازن اور نئی بصیرت کے فوائد کو تلاش کیا جاتا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز کی کارکردگی سال بھر میں بہت عمدہ رہی۔ سال بھر میں تمام اہم مسائل کارپوریٹ فیصلہ سازی کے عمل کو مضبوط اور رسمی بنانے کے لئے بورڈ اور اس کی کمیٹیوں کے روبرو پیش کئے گئے، جو انتظامیہ کے ساتھ ہم آہنگ شراکت داری کو ظاہر کرتے ہیں۔

آخر میں، میں جو ہر آباد شوگر ملز لمیٹڈ کے ساتھ منسلک ہر شخص کی طرف سے کی گئی سخت محنت اور لگن کو سراہتا ہوں جن کی وجہ سے ہم اعلیٰ درجہ پر فائز ہیں اور صارفین برانڈ کے لئے "کوہ نور" کا انتخاب کرتے ہیں۔ ہم یقین دلاتے ہیں کہ ہم کامیابی کے راستے پر ہیں گے اور پائیدار ترقی حاصل کریں گے۔

جناب محمد عامریگ

چیئر مین



لاہور: 28 دسمبر 2020ء

**نوٹ:-**

12- برطانوی نوٹیفیکیشن PSX/N-92 مورچہ 28 جنوری 2019 پاکستان اسٹاک ایکسچینج کی طرف سے ضروری جوہر آڈیٹور گروپ لمیٹڈ کا کارپوریشن ایکٹ بریفنگ سیشن بھی بروز جمعرات 28 جنوری 2021 کو AGM کی سہیل کے فوراً بعد رجسٹرڈ دفتر B-125، قائد اعظم انڈسٹریل ایسٹ، کوٹ لکھنوت، لاہور میں منعقد ہوگا جس میں 30 ستمبر 2020 کو ختم ہونے والے سال کی کارکردگی اور نتائج مہیا کئے جائیں گے۔

13- مورچہ 28 جنوری 2020 کو 51 ویں سالانہ اجلاس عام میں ارکان پبلک ہیڈ کوارٹرز ایکٹ 2017 سے SECP رولز اور گیلڈس اور PSX ریگولیشنز کے نفاذ کی وجہ سے کمپنی کے نئے آرگنل آف ایسوی ایشن کی منظوری دے چکے ہیں۔ کمپنی ویڈیو میڈیا مدد ختم ہونے کے نتیجے میں SECP ریگولیشنز کے باعث مذکورہ منظوری کو مؤثر بنانے میں ناکام رہی ہے۔ چنانچہ، ارکان سے نئے مجوزہ آرگنل آف ایسوی ایشن کے جائزہ اور منظوری کی ضرورت ہے۔

**14- سالانہ مالی حسابات کی بذریعہ ای میل ترسیل**

سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے بروئے 2014 (1) 787 SRO مورچہ 8 ستمبر 2014 کمپنیوں کو سالانہ بیلنس شیٹ، نقشہ و نقصان اکاؤنٹ، ڈیویڈنڈ، ڈائریکٹرز رپورٹ اور جزیئر میں کی جائزہ رپورٹ ملاحظہ اور اجلاس عام اپنے ممبران کو بذریعہ ای میل جاری کرنے کی اجازت دی ہے۔ ارکان جنہوں نے اپنے ای میل ایڈریسز فراہم کر دیے ہیں وہ بذریعہ ای میل ارسال کئے جا رہے ہیں۔ ارکان جنہوں نے اپنے ای میل ایڈریسز فراہم نہیں کئے اور اس سہولت سے مستفید ہونا چاہتے ہیں، کمپنی کو اپنی رضامندی بھجوائی میل ایڈریسز ارسال کریں۔ سالانہ نظر شدہ حسابات کی بارڈر کا یہاں مطالبہ پرفراہم کی جائیں گی۔

15- کمپنی ایکٹ 2017ء کی دفعہ (2) 132 کے مطابق، اگر کمپنی کو جغرافیائی محل وقوع پر سکونتی مجموعی 10% یا زیادہ شیئر ہولڈنگ مالک ممبران سے اجلاس میں بذریعہ ویڈیو کانفرنس شرکت کیلئے رضامندی AGM کی تاریخ سے کم از کم 7 یوم قبل وصول ہوئی تو، کمپنی اس شہر میں ایسی سہولت کی دستیابی کے حوالہ سے شہر میں ویڈیو کانفرنس سہولت کا انتظام کرے گی۔ کمپنی ایسے حصص داران کو ایسی سہولت تک رسائی کے قابل بنانے کے لئے ویڈیو کانفرنس سہولت کے مقام کی بابت معلومات سالانہ اجلاس عام کی تاریخ سے کم از کم 5 یوم قبل مطلع کرے گی۔

16- ارکان کمپنی ایکٹ 2017 کی دفعہ 143 تا دفعہ 145 اور کمپنی (پوسٹل بیٹ) ریگولیشنز، 2018 کے قابل اطلاق لازمی ضوابط کے حوالہ سے انتخاب کے مطالبہ کا پناہ حق استعمال کر سکتے ہیں۔

**17- اجلاس میں شرکت کے لئے احتیاطی تدابیر:**

کمپنی کے ارکان، عملے اور اسٹیک ہولڈرز (شرکت کرنے والوں) کی صحت ہمارے لئے خاصی اہمیت کی حامل ہے۔ جاری COVID-19 وبائی مرض کے پیش نظر، کمپنی شرکت کی صحت اور تحفظ کو محفوظ بنانے کے لئے سالانہ اجلاس عام میں مندرجہ ذیل اقدامات پملا درآمد کرے گی۔

- a- AGM پنڈال کے داخلی راستے پر ہر ایک شرکاء کے جسمانی درجہ حرارت کا چیک لازمی ہوگا۔ جسمانی درجہ حرارت 37.5 ڈگری سینٹی گریڈ سے زائد کے حامل کسی بھی شخص کو AGM پنڈال میں داخلے سے روکا جائے گا یا اسے AGM پنڈال چھوڑنا ضروری ہوگا۔
- b- ہر ایک شرکاء کو تمام AGM میں اور AGM پنڈال کے اندر سٹیکل ماسک فراہم اور پہنایا جائے گا۔
- c- کمپنی نشستوں کے مابین محفوظ فاصلہ برقرار رکھے گی اور شرکاء کو ہدایت کی جائے گی کہ وہ کسی سے بھی رابطے سے گریز کریں، اپنی سیٹ پر رہیں، دوسروں سے کم سے کم ایک میٹر دور رہیں اور کھانسی کو روکنے سے بھرپور احتیاط کریں، اور اپنے ہاتھوں کو باقاعدگی سے صابن سے دھوئے یا سینیٹائزر کرنے کے ذریعہ دواڑوں سے پھیلنا کو کم سے کم کرنے کی کوشش کریں۔

18- 30 ستمبر 2020ء مستثنیہ سال کیلئے تعلق شدہ سالانہ مالی حسابات معدان پر آڈیٹ اور ڈائریکٹران کی رپورٹس اور جزیئر میں کی جائزہ رپورٹ کمپنی کی ویب سائٹ [www.jsmi.com.pk](http://www.jsmi.com.pk) پر رکھے جائیں گے۔

19- کمپنی نے AGM کانفرنس ایگری اور اردو زبانوں میں پراسی فارم کے ساتھ اپنی ویب سائٹ [www.jsmi.com.pk](http://www.jsmi.com.pk) پر رکھ دیا ہے۔

1- کمپنی کی حصص منتقلی کا سہولت 21 جنوری 2021ء تا 28 جنوری 2021ء (شمول ہر دو ایام) بند رہے گی۔ مستثنیہ کمپنی کے شیئر رجسٹرار، میسرز کارپوریشن (پرائیویٹ) لمیٹڈ، بنگلور، آئی۔ ٹی۔ سی، کراچی، لاہور، کراچی، ماڈل ٹاؤن لاہور کو 20 جنوری 2021ء کو کاروبار کے اختتام تک وصول ہونے والی اجلاس میں شرکت کے استحقاق کیلئے بروقت تصور ہوگی۔

2- اجلاس میں شرکت اور ووٹ دینے کا مستحق ممبر اپنی جانب سے شرکت اور ووٹ دینے کیلئے کسی دیگر ممبر کو اپنا پراسی مقرر کر سکتا ہے۔ کارپوریشن کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اختیار نامہ معتمد نامہ کے نمونہ دستخط کمپنی کے پراسی فارم کے ہمراہ جمع کرانا ہوگا۔ پراسی فارم کو 48 گھنٹے قبل لازمی وصول ہونا چاہئے۔

3- وہ ممبران جو اپنے حصص سنٹرل ڈیپازٹری کمپنی پاکستان لمیٹڈ (سی ڈی سی) کے ہاں جمع کر چکے ہوں، سے درخواست ہے کہ اپنے اصل CNIC اکاؤنٹ اور پاس ورڈ کی کاپی ہمراہ لائیں۔ ایسے ممبران کو مزید برآں سکیورٹیز اینڈ ایکسچینج کمیشن پاکستان کے سرکل نمبر 1 مورچہ 26 جنوری 2020ء میں دی گئی درج ذیل گائیڈ لائنز کی پیروی کرنا ہوگی۔

4- ممبران کو کمپنی کے ساتھ تمام کارپاسٹل میں اور سالانہ اجلاس عام میں شرکت کے وقت اپنے فوٹو نمبر درج کرنے چاہئیں۔ ممبران سے درخواست ہے کہ اپنے رجسٹرڈ دفتر میں تعلق، ڈیویڈنڈ، ڈائریکٹرز رپورٹ اور گیلڈس سیشن، اگر کوئی ہو، باقاعدہ اپنے کارڈ ممبر سیشن کے ہمراہ کمپنی کے شیئر رجسٹرار کو فی الفور مطلع فرمائیں۔

6- کمپنی ایکٹ 2017ء کی دفعہ 242 پر ویڈیو کے مطابق کوئی منافع منقسمہ قابل ادا صورت میں منصفانہ طور پر تقسیم کرنے کے ذریعے براہ راست مستحق ممبران کے منقسمہ حصہ ایک اکاؤنٹ میں ادا کیا جائے گا۔ اس کے مطابق تمام ممبران سے درخواست ہے کہ کمپنی کے شیئر رجسٹرار، ممبر روکر، ڈیپازٹری، سی ڈی سی اور نیٹ ورک ڈیویڈنڈ مینڈیٹ معلومات مہیا کریں۔ سی ڈی سی میں حصص رکھنے کی صورت میں یہ معلومات سی ڈی ایس کو براہ راست مہیا کی جانی چاہئیں۔ ممبران سے معلومات حاصل کرنے کا نوٹس انہیں الگ الگ ارسال کیا جا رہا ہے۔ میٹریٹیوریٹی درخواست فارم کمپنی کی ویب سائٹ [www.jsmi.com.pk](http://www.jsmi.com.pk) پر بھی رکھا جا چکا ہے۔ معلومات مہیا کرنے میں ناکامی کی صورت میں، کمپنی ویڈیو میڈیا کے ذریعے اطلاع دے گا۔

7- الگ الگ آرڈیننس، 2001 (آرڈیننس) کی طرف سے مروجہ کے مطابق ویڈیو میڈیا کے ذریعے ممبران کے موجودہ ویڈیو نمبر شیئر رجسٹرار کے نام کیلئے جزیئر رجسٹر (ATL) میں درج ہیں کے لئے 15% اور افراد جن کے نام ATL میں درج نہیں ہیں کے لئے 30% ہیں۔ کمپنی کو نقد ویڈیو میڈیا کی رقم پر ٹیکس 30% کے بجائے 15% شرح سے مہیا کرنے کے قابل بنانے کے لئے، تمام حصص داران جن کے نام فیڈرل بورڈ آف ریونیو کی ویب سائٹ پر دستیاب ATL میں درج نہیں ہیں کو ہدایت ہے کہ ویڈیو میڈیا ڈیٹا کی تاریخ سے قبل ATL میں اپنے ناموں کا اندراج یقینی بنائیں، بصورت دیگر ان سے بطور ٹیکس سٹیمپنگ نہیں کیا جائے گا (باوجودیکہ وہ ٹیکس ریٹرن کے فائلرز ہیں) اور ان کے نقد ویڈیو میڈیا پر ٹیکس 30% کی شرح سے مہیا کیا جائے گا۔

8- سی ڈی سی اکاؤنٹ کے حامل کارپوریشن ممبران کو اپنے متعلقہ پاس ورڈ کے ہاں اپنے سہیل ٹیکس نمبر (NTN) اپ ڈیٹ رکھنے چاہئیں جبکہ کارپوریشن ممبران کو اپنے این بی این سہیل ٹیکس کی کاپی کمپنی کے شیئر رجسٹرار کو ارسال کرنی چاہئیں۔

9- ایف بی آر کی وضاحت کے مطابق آرڈیننس کی دفعہ 159 کے تحت کارڈ ممبران سہیل ٹیکس آرڈیننس کے دوسرے شیڈول کے پارٹ IV کی کارڈ 47B کے تحت دو ہولڈنگ ٹیکس کی ایگریمنٹ کیلئے لازمی ہے۔ وہ جو مذکورہ بالا کارڈ کی کٹیگری میں آتے ہیں کو لازمی طور پر کمپنی کے شیئر رجسٹرار کو کارڈ ممبران، ایگریمنٹ سہیل ٹیکس مہیا کریں بصورت دیگر مجوزہ شرحوں کے مطابق ویڈیو میڈیا پر ٹیکس مہیا کیا جائے گا۔

10- ایف بی آر نے واضح کیا ہے کہ فائلرز اور نان فائلرز کے ملکیٹی مشرک حصص داران کے اکاؤنٹس سے الگ الگ سلوک کیا جائے گا اور ایسی خاص صورت حال میں ہر ایک اکاؤنٹ ہولڈر سے یا تو فائلر یا نان فائلر سلوک کیا جائے گا اور ٹیکس ان کے شیئر ہولڈنگ کے مطابق مہیا کیا جائے گا۔ اگر شیئر قابل تحیق نہیں ہوا تو ہر اکاؤنٹ ہولڈر شیئر کے مساوی تناسب کا مالک تصور ہوگا اور اس کے مطابق ڈیویڈنڈ ہونے سے زیادہ شرح پر ٹیکس کی ڈیویڈنڈ سے بچنے کیلئے مشرک اکاؤنٹ ہولڈرز سے درخواست ہے کہ اپنے شیئر ہولڈنگ کی حسب ذیل تفصیلات کمپنی کے شیئر رجسٹرار کو کم از کم AGM کی تاریخ تک مہیا کریں۔

فیلڈی ڈی سی اکاؤنٹ نمبر	نام شیئر ہولڈر	کمپوز انڈیویڈیو شناختی کارڈ	شیئر ہولڈنگ کارڈ	کل حصص شیئر ہولڈر	پوسٹل / جوائنٹ شیئر ہولڈر
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11- کمپنی ایکٹ 2017ء کی دفعہ 244 کے تحت ضروری ہے کہ کوئی شیئر جو تین سالوں (یا زیادہ) کی مدت کیلئے غیر رجسٹرڈ شدہ رہے ہوں وفاقی حکومت کو پتہ چائے جائیں۔ قانون کے مطابق کمپنی کیلئے ضروری ہے کہ اگر حصص داران کو نوٹس دینے کے بعد کمپنی کے ہاں کوئی رجسٹرڈ نہ کیا جائے تو غیر رجسٹرڈ یا غیر ادا شدہ رقم فیڈرل حکومت کے ہاں جمع کرائی جائے۔ لہذا تمام حصص داران جو کسی وجہ سے اپنے ویڈیو میڈیا حصص کوئی نہیں کر سکتے تھے کو نوٹس ہڈا کے ذریعے بصحت کی جاتی ہے کہ اپنے غیر رجسٹرڈ ویڈیو میڈیا پنڈلنگ حصص آکر کوئی ہوں فی الفور حاصل کرنے کے بارے میں تفتیش کیلئے کمپنی کے شیئر رجسٹرار سے رابطہ کریں۔



# جمعرات

## 28 جنوری 2021

## اطلاع سالانہ اجلاس عام

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ جوہر آباد شوگر ملز لمیٹڈ ("کمپنی") کے ممبران 52 واں سالانہ اجلاس عام روز جمعرات 28 جنوری 2021ء کو صبح 11:30 بجے، رجسٹرڈ دفتر B-125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ کھپت، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

### عام امور:

- 1- 07 ستمبر 2020ء کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- 30 ستمبر 2020ء کو ختم ہونے والے سال کیلئے کمپنی کے نظر ثانی شدہ سالانہ مالی حسابات معائنہ پر ڈائریکٹرز اور آڈیٹرز کی رپورٹس اور چیئرمین کی جائزہ رپورٹ کی وصولی، غور و خوض اور منظوری دینا۔
- 3- 30 ستمبر 2020ء کو ختم ہونے والے سال کیلئے بورڈ آف ڈائریکٹرز کی سفارشات کے مطابق نقد ڈیویڈنڈ شرح 10% یعنی 11 روپے فی عام شیئر کی ادائیگی کیلئے غور و خوض اور منظوری دینا۔
- 4- 30 ستمبر 2021ء کو ختم ہونے والے اگلے مالی سال کیلئے آڈیٹرز کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔ میسرز یو ایچ وائی حسن فہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے اہل ہونے کی بناء پر دوبارہ تقرری کے لئے اپنے آپ کو پیش کیا ہے۔
- 5- PSX کے تقاضہ کے مطابق کارپوریٹ بریفنگ سیشن۔

### خصوصی امور:

- 6- کمپنیز ایکٹ، 2017 کے سنے SECP کے قواعد و ضوابط اور PSX ریگولیشنز کے نفاذ کی وجہ سے کمپنی کا نیا میمورنڈم آف ایسوسی ایشن اپنانا اور درج ذیل قرارداد کو بطور خصوصی قرارداد منظور کرنا۔  
قرارداد کیا کہ کمپنی کا نیا میمورنڈم آف ایسوسی ایشن انتظامیہ کی تجویز کے مطابق ہے اور بذریعہ ہذا اس کی منظوری دی گئی ہے۔  
"مزید قرارداد کیا کہ کمپنی سکرٹری کو تمام کاموں، اعمال اور چیزوں کو کرنے کا اختیار ہے اور جو مذکورہ بالا مقاصد کو انجام دینے اور مذکورہ بالا مقصد کو موثر بنانے کے لئے درکار ہو سکتے ہیں۔"  
"مزید قرارداد کیا کہ کمپنی سکرٹری کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، کمپنیز کے رجسٹرار کے ذریعہ جس طرح کی نشاندہی یا ہدایت کی گئی اس میں کوئی اصلاحات/ترمیم/تبدیلی کرنے کا اختیار ہے۔"  
7- کمپنیز ایکٹ، 2017 کے سنے SECP کے قواعد و ضوابط اور PSX ریگولیشنز کے نفاذ کی وجہ سے کمپنی کا نیا آرٹیکل آف ایسوسی ایشن اپنانا اور درج ذیل قرارداد کو بطور خصوصی قرارداد منظور کرنا۔  
قرارداد کیا کہ کمپنی کا نیا آرٹیکل آف ایسوسی ایشن انتظامیہ کی تجویز کے مطابق ہے اور بذریعہ ہذا اس کی منظوری دی گئی ہے۔  
"مزید قرارداد کیا کہ کمپنی سکرٹری کو تمام کاموں، اعمال اور چیزوں کو کرنے کا اختیار ہے اور جو مذکورہ بالا مقاصد کو انجام دینے اور مذکورہ بالا مقصد کو موثر بنانے کے لئے درکار ہو سکتے ہیں۔"  
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8- دیگر امور:  
صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی کرنا۔  
کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے تحت بیان نوٹس ہذا کے ہمراہ حصص داران کو ارسال کیا جا رہا ہے۔ نیا مجوزہ میمورنڈم آف ایسوسی ایشن اور آرٹیکل آف ایسوسی ایشن اجلاس میں ارکان کے معائنہ کے لئے دستیاب ہوگا۔

بحکم بورڈ



الیوسف

کمپنی سیکرٹری

لاہور

مورخہ: 06 جنوری 2021ء



تشکیل نیابت داری (پراسی فارم)

میں / ہم  
ساکن

بحیثیت حصہ دار جوہر آباد شوگر ملز لمیٹڈ  
ساکن

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

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

یا بصورت دیگر

ساکن کو اپنی جگہ بروز جمعرات 28 جنوری 2021

کو بوقت 11:30 بجے دن B - 125، قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور پاکستان۔ میں منعقد یا ملتوی ہونے والے سالانہ عام اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

بطور گواہ میرے / ہمارے دستخط سے مورخہ \_\_\_\_\_ جنوری 2021 کو دی گئی۔

۱۵ روپے کارسیدی ٹکٹ  
چسپاں کر کے دستخط کریں

۱- گواہ

دستخط

نام

شناختی کارڈ نمبر

پتہ

دستخط

(ممبر / اجازت فر)

۲- گواہ

دستخط

نام

شناختی کارڈ نمبر

پتہ

حامل عام حصص

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

کمپیوٹرائزڈ شناختی کارڈ نمبر

نوٹس:

- (۱) پراسی فارم کے منوٹر ہونے کیلئے لازم ہے کہ وہ اجلاس سے ۳۸ گھنٹے قبل بجمہ دستخط گواہان اور رسیدی ٹکٹ کمپنی کو موصول ہو جانی چاہئیں۔
- (۲) سی ڈی سی حصص داران اجلاس ہذا میں شرکت کرنے، بولنے اور ووٹ دینے کیلئے اہل ہیں اور اپنی شناخت ثابت کرنے کے لیے اپنے اصلی کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ ساتھ لائیں اور پراسی کی صورت میں اپنے کمپیوٹرائزڈ قومی شناختی کارڈ / پاسپورٹ کی تصدیق شدہ کاپی ساتھ لگائیں۔
- (۳) کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بجمہ نمائندہ کے دستخط پراسی فارم کے ساتھ لف کرنے ہوں گے۔

درست رسیدی  
نگلٹ چپاں کریں

کمپنی سیکرٹری

جوہر آباد شوگر ملز لمیٹڈ

B - 125، قائد اعظم انڈسٹریل اسٹیٹ،

کوٹ لکھپت، لاہور پاکستان۔

فون: 042 35213491





## JAUHARABAD SUGAR MILLS LIMITED

125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore-Pakistan.

### PROXY FORM

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

of \_\_\_\_\_

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

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

of \_\_\_\_\_

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

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

of \_\_\_\_\_

as my/our proxy to attend, speak and vote for and on my/our behalf at the Annual General Meeting of the Company to be held at its Registered Office, 125-B, Quaid-e-Azam Industrial Estate, Kot Lakh Pat, Lahore, Pakistan, on **Thursday, January 28, 2021 at 11:30 AM** and any adjournment thereof:

As witnessed given under my/our hand(s) \_\_\_\_\_ day of January, 2021.

#### 1. Witness:

Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

Affix Revenue  
Stamp of Rs. 15/-

#### 2. Witness:

Signature : \_\_\_\_\_  
Name : \_\_\_\_\_  
CNIC No. : \_\_\_\_\_  
Address : \_\_\_\_\_  
\_\_\_\_\_

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

SHARE HELD : \_\_\_\_\_

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

#### Notes:

CNIC No.       -       -

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

AFFIX  
CORRECT  
POSTAGE

The Company Secretary

**Jauharabad Sugar Mills Limited**

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

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

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

**Registered Office :**

125-B, Quaid-e-Azam Industrial Estate, Kot Lakhpat, Lahore, Pakistan.  
Phone : 042-35213491, Fax : 042 35213490, Email : secretary@jsml.com.pk

**Mills :**

Jauharabad, District Khushab, Pakistan.  
Phone : 0454 720063-6, Fax : 0454 7200880