Ansari Sugar Mills Limited

26th Annual Report 2015

ANSARI SUGAR MILLS LIMITED

TWENTY SIXTH ANNUAL REPORT 2015

COMPANY PROFILE

BOARD OF DIRECTORS	
Rashid Ahmed Khan	Chairman, Non-Executive Director (Independent)
Khawaja Anver Majid	Chief Executive & Executive Director
Khawaja Ali Kamal Majid	Executive Director
Khawaja Aleem Majid	Non Executive Director
Nihal Anwar	Non Executive Director (Independent)
Dawoodi Morkas	Executive Director
Aurangzeb Khan	Executive Director
AUDIT COMMITTEE	
Nihal Anwar	Chairman, Non Executive Director (Independent)
Dawoodi Morkas	Member, Executive Director
Khawaja Aleem Majid	Member, Non Executive Director
HUMAN RESOURCE & RUMENERATION COMMITTEE	
Khawaja Aleem Majid	Chairman,Non Executive Director
Nihal Anwar	Member, Non Executive Director (Independent)
Khawaja Ali Kamal Majid	Member Executive Director
CHIEF FINANCIAL OFFICER	Kamran Munir Ansari
COMPANY SECRETARY	Zafar Ali
BANKERS	National Bank Of Pakistan Sindh Bank Limited Summit Bank Limited UBL Bank Limited MCB Bank Limited
AUDITORS	M/s. Moochhala Gangat & Co. Chartered Accountants
COST AUDITOR	Siddiqi and Company Cost and Management Accountants
LEGAL ADVISOR	Ahmed & Qazi Advocates & Legal Consultants
REGISTRAR	BMF Consultants Pakistan (Pvt) Ltd Room # 310, 311, 3rd Floor Anum Estate Building 49 Darul Aman Society, Main Sharah-e-Faisal Karachi
REGISTERED OFFICE	Deh Jagsiyani, Taluka Tando Ghulam Hayder, District Tando Mohammad Khan, Hyderabad, Sindh
FACTORY	Deh Jagsiyani, Taluka Tando Ghulam Hayder District Tando Muhammad Khan,Sindh

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th **Annual General Meeting of Ansari Sugar Mills Limited** will be held at the registered office of the Company situated at Deh Jagsiyani, Taluka Tando Ghulam Hayder, District Tando Mohammad Khan, Hyderabad, Sindh on Friday, January 29, 2016 at 09:00 am to transact the following business:

Ordinary Business

- To confirm the minutes of the 25th Annual General Meeting held on January 30, 2015.
- To receive, consider and adopt the annual audited financial statements of the Company for the year ended September 30, 2015, together with the Directors' Report and Auditors' report thereon.
- To appoint Auditors of the Company for the next financial year 2015-16 and fix their remuneration. The retiring auditors M/s Moochhala Gangat & Co - Chartered Accountants, being eligible, have offered themselves for reappointment as the external auditors of the Company.
- To elect seven Directors for a period of three (03) years, commencing from January 29, 2016 in accordance with the provision of section 178 of the Companies ordinance 1984. The Board of Directors has fixed the number of Directors to be elected as seven (07). Following are the retiring directors who are eligible for re election as the director of the company and have offered themselves for reelection:

  1. Khawaja Anver Majid
  2. Khawaja Aleem Majid
  3. Khawaja Ali Kamal Majid
  4. Aurangzeb Khan
  5. Dawoodi Morkas
  6. Nihal Anwar
  7. Rashid Ahmed Khan

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

For ANSARI SUGAR MILLS LIMTED

Karachi
Dated: January 07, 2016

Zafar Ali
Company Secretary

NOTES:

1. The share transfer books of the company will remain close from 23rd January, 2016 to 29th January, 2016 (both days inclusive).Transfers received in order at the registered office of the Company or Shares Registrar's office by the close of business on 22nd January, 2016 will be treated in time for attending the Annual General Meeting.
2. All members, entitled to attend and vote at the general meeting, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. All proxies are required to present their original CNICs at the time of meeting. All corporate proxy forms should be accompanied by a Board resolution with specimen signature of the nominated person nominated to represent and vote on behalf of the corporate entity.
3. In order to be effective, duly completed and signed proxy forms must be received at the registered office of the company at least 48 hours before the time fixed for the meeting.
4. Any person who seeks to contest the election of Directors must file with the Company not later than fourteen days before the date of the AGM, a notice of his/her intention to offer himself for election as a director.
5. CDC Account Holders will have to follow the guidelines as issued by the Securities and Exchange Commission of Pakistan.
6. The shareholders are requested to notify any change in their address immediately.
7. Kindly quote your folio number in all correspondences with the company.

VISION & MISSION STATEMENT

VISION

To make a product of International Standard acceptable as a brand in the world market. To explore business opportunities available under the World Trade Organization regime.

MISSION

- To sustain contribution to the National Economy by producing the cost effective product.
- To ensure professionalism and healthy working environment .
- To create a reliable product through adoption of latest technology/ advancement.
- To promote research & development and provide technical know how to growers for improvement of sugar cane yield/recovery.

DIRECTORS' REPORT

Dear Shareholders; -Assalam-o-Alekum

On behalf of the Board of Directors, we are pleased to present 26th Annual audited accounts financial statements of the Company for the year ended September 30, 2015 along with operational results, and Auditors' Report thereon.

OPERATING RESULTS

	(Rupees in thousands)
Profit before taxation	311,775
Less:Taxation	(18,593)
Profit after taxation	293,182
Accumulated loss brought forward	(343,798)
Accumulated loss carried forward	(31,841)
Earning per share - Basic and diluted	12.01

Performance Review

By the Grace of Allah, the overall performance of the Company continued to be satisfactory during the year.

Your Company started the crushing operations 2014-15 commenced on December 09, 2014 and the plant operated up to March 27, 2015 for 109 days as against 134 days in the preceding season. Sugarcane crushed during the current season was 400,216 M.Tons with average sucrose recovery of 9.75% and sugar production of 39,100 M.Tons, as compared with crushing of 382,090 M.Tons with average sucrose recovery of 10.89% and sugar production of 41,643 M.Tons during the preceding season.

		2014-15	2013-14
Crushing duration	Days	109	134
Sugarcane crushed	M.Tons	400,216	382,090
Sugar production	M.Tons	39,100	41,643
Sugar recovery	%	9.75	10.89
Molasses production	M.Tons	17,985	17,090
Molasses recovery	%	4.49	4.47

Audited accounts show that company earned a gross profit of Rs. 309.629 million during the year, as compared to gross profit 248.489 million preceding year.

The company's financial results were also subject to cost audit under the Companies (Audit and Cost Account) Rules 1998 as inprevious years.The cost audit was conducted by Messrs. Siddiqi & Company, Cost & Management Accountants.

Future Prospects

Your Company is considering for corporate forming in order to secure high quality sugar cane at lower cost in order to earn better return on capital employed.

Further more that the government has very recently allowed export of 500,000 M. Tons and also allowed cash subsidy of Rs.13/Kg on export of sugar that will have some positive impact on local sugar market and these measurements will bring relief to the Company to some extent and sugar industry will recoup from the current crises.

Dividend

Due to accumulated losses, the Directors of your company have considered it prudent not to pay dividend.

Value of Provident Fund Investment

The company operates a recognized provident fund scheme covering all its permanent employees. Equal monthly contributions to the fund are made both by the Company and its Employees in accordance with fund rules. The value of investment as on September 30, 2015 aggregating to Rs. 56,865,442 (2014: Rs. 46,583,484).

Corporate Social Responsibility

Since the sugarcane growers are considered to be the important stakeholders, your Company is committed to facilitate the local farmers of the area. In order to support the farmer of the area the company has given them substantial amount as grower's loan and advances particularly for fertilizer and seeds.

Auditors

The auditors Messrs. Moochhala Gangat & Co. Chartered Accountants, retire and being eligible have offered them selves for re-appointment. The Audit Committee has recommended considering the re-appointment of Messrs. Moochhala Gangat & Co. Chartered Accountants, as auditors of the Company for the ensuing year.

Statement on Corporate and Financial Reporting Framework

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

2. Proper books of account of the Company have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements. Changes, if any have been adequately disclosed and accounting estimates are based on reasonable and prudent judgment.

4. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and departure there from if any, has been adequately disclosed.

5. The system of internal control is sound in design and has been effectively implemented and monitored regularly.

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

7. There has been no material departure from the best practices of the corporate governance, as detailed in the listing regulations.

8. Key operating and financial data for last six years in summarized form is given.

9. Information about the taxes and levies is given in the notes to the financial statements.

10. The pattern of shareholding and additional information regarding pattern of shareholding is given.

11. The Directors, CEO, CFO, Company Secretary and their spouses and minor children did not carry out any trade in the shares of the Company.

12. One Director of the Company has completed director training program and rest will be done by end of the next year.

Meeting of Board of Directors

During the year, six meetings of the Board of Directors were held. Attendance was as under.

S. No	Name of Directors	Meeting attended
1	Rashid Ahmed Khan	6
2	Khawaja Anver Majid	5
3	Khawaja Ali Kamal Majid	6
4	Khawaja Aleem Majid	5
5	Nihal Anwar	6
6	Dawoodi Morkas	6
7	Aurangzeb Khan	6

Directors who could not attend board meeting due to their preoccupations were granted leave of absence.

Audit Committee

The Board has constituted an Audit Committee consisting of three members including Chairman of the Committee. The committee regularly meets as per requirement of the code. The committee assists the Board in reviewing internal audit manual and internal audit system. During the year, five audit committee meetings were held and all meetings were attended by all members.

Human Resource Committee

The Board has constituted a Human Resource and Remuneration Committee consisting of three members including Chairman of the Committee in compliance with Code of Corporate Governance. During the year, two HR & R committee meetings was held and attended by all members.

GENERAL

The directors place on record their appreciation of the devoted services and hard work put in by the officers, staff and workers of the Company.

On behalf of the Board of Directors

Rashid Ahmed Khan
Chairman

Karachi: January 07, 2016

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 35 of listing regulations of the Karachi and Lahore Stock Exchangesfor the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present:

CATEGORY	**NAME**
Non-Executive Independent Directors	Mr. Rashid Ahmed Khan Mr. Nihal Anwar
Non-Executive Directors	Mr. Khawaja Aleem Majid
Executive Directors	Mr. Khawaja Anver Majid Mr. Khawaja Ali Kamal Majid Mr. Dawoodi Morkas Mr. Aurangzeb Khan

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.

4. No causal vacancies occurring on the board during the year.

5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. One director have completed director training program during the year, remaining directors will complete director training ensuing year.

10. The Board has approved appointment of CFO including his remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executives directors including the chairman of the committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR and Remuneration Committee. It comprises three members of whom two are non-executive directors including the chairman of the committee.

18. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23. We confirm that all other material principles enshrined in the CCG have been complied.

For and on behalf of the **BoD of Ansari Sugar Mills Limited**

Rashid Ahmed Khan
Chairman

Karachi January 07, 2016

THE COMPANIES ORDINANCE, 1984
(SECTION 236(1) AND 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number: **0 0 1 9 9 0 9**

2. Name of the Company: **ANSARI SUGAR MILLS LIMITED**

3. Pattern of holding of the shares held by the Shareholders as at: **30 09 2015**

4.

Number of Shareholders	Shareholdings				Total Shares held
1,038	1	-	100	Shares	40,517
588	101	-	500	Shares	196,369
269	501	-	1,000	Shares	209,440
356	1,001	-	5,000	Shares	790,784
63	5,001	-	10,000	Shares	447,946
25	10,001	-	15,000	Shares	305,871
9	15,001	-	20,000	Shares	155,869
9	20,001	-	25,000	Shares	201,417
4	25,001	-	30,000	Shares	108,327
1	30,001	-	35,000	Shares	30,550
4	35,001	-	40,000	Shares	154,126
3	40,001	-	45,000	Shares	128,100
1	45,001	-	50,000	Shares	46,000
3	50,001	-	65,000	Shares	168,400
3	65,001	-	70,000	Shares	207,852
1	70,001	-	100,000	Shares	79,065
1	100,001	-	120,000	Shares	102,937
1	120,001	-	500,000	Shares	414,580
1	500,001	-	1,000,000	Shares	720,220
2	1,000,001	-	2,000,000	Shares	3,837,000
1	2,000,001	-	16,100,000	Shares	16,061,828
2,383	**TOTAL**				**24,407,198**

PATTERN OF SHAREHOLDING UNDER REGULATION 37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS AT SEPTEMBER 30, 2015

	Categories of Shareholders	Number of Shareholders	Number of Shares held	% of Shareholding
1.	Associated Companies	-	-	0.00%
2.	NIT and ICP	2	111,290	0.46%
3.	Directors, CEO, their Spouses & Minor Children	7	16,784,148	68.77%
4.	Executives	-	-	0.00%
5.	Public Sector Companies & Corporations	12	2,171,187	8.90%
6.	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarbas & Mutual Funds	10	63,839	0.26%
7.	Individuals	2,352	5,276,734	21.62%
	TOTAL	2,383	24,407,198	100.00%

DETAILS OF CATAGORIES OF SHAREHOLDERS

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1.	**Associated Companies**			
	-	-	-	-
2.	**NIT and ICP**			
2.1	INVESTMENT CORPORATION OF PAKISTAN	1	69,990	0.29%
2.3	NATIONAL BANK OF PAKISTAN TRUSTEE DEPARTMENT	1	41,300	0.17%
		2	111,290	0.46%
3.	**Directors, CEO, their Spouses & Minor Children**			
	Directors and CEO			
3.1	KHAWAJA ANVER MAJID	1	16,061,828	65.81%
3.2	KHAWAJA ALI KAMAL MAJID	1	720,220	2.95%
3.3	KHAWAJA ALEEM MAJID	1	1,000	0.00%
3.4	NIHAL ANVER	1	500	0.00%
3.5	RASHID AHMED KHAN	1	500	0.00%
3.6	AURANGZEB KHAN	1	50	0.00%
3.7	DAWOOD MORKAS	1	50	0.00%
		7	16,784,148	68.77%
	Spouses of Directors and CEO	-	-	-
	Minor Children of Directors and CEO	-	-	-
		7	16,784,148	68.77%

PATTERN OF SHAREHOLDING UNDER REGULATION 37(XX)(I) OF THE CODE OF CORPORATE GOVERNANCE AS AT SEPTEMBER 30, 2015

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES / INTERESTS IN THE COMPANY

	Names	Number of Shareholders	Number of Shares held	% of Shareholding
1	KHAWAJA ANVER MAJID	1	16,061,828	65.81%
3	SAYED ABDUL BAQAR NAQVI	1	1,920,000	7.87%
4	UNICOR PROPERTY DEVELOPMENT LIMITED	1	1,917,000	7.85%

DETAILS OF TRADING IN THE SHARES OF THE COMPANY BY DIRECTORS, CEO, CFO, COMPANY SECRETARY, THEIR SPOUSES AND MINOR CHILDREN

STATEMENT OF ETHICS & BUSINESS PRACTICE

Ansari Sugar Mills Limited was established with an aim of producing high quality sugar for its customer and meeting the expectation of its stakeholders. We ensure transparency and professionalism at every step of our dealings, and look after the interests of our stakeholders.

This statement of the company is based on the following principles:

Quality of Product

- We strive to produce the high quality of sugar for our customers.
- We believe in technology and innovation and strive to implement innovative ideas in the Company.
- We maintain all relevant technical and professional standards to be compatible with the requirements of the trade.

Dealing with Employees

- We recognize and reward employees for their performance.
- We measure the performance of our employees by their ability to meet their objectives, their conduct at work, dealing with others both within and outside the organization, their contribution towards training people and succession planning, and innovation at their work place.
- We provide a congenial work atmosphere where all employees are treated with respect and dignity and work as a team for a common goal.
- Unless specifically mentioned, all rules and regulation prevailing in the company apply to all levels of employees of the company.

Responsibility to Society / Interested Parties

- We have an important role towards our society, shareholders, creditors, the Government and public at large. We are objective and transparent in our dealings with all our stakeholders so as to meet the expectations of the people who rely on us.
- We meet all our obligations and ensure timely compliance.

Financial Reporting and Internal Control

- To meet the expectations of the wide spectrum of society and Government agencies, we have implemented an effective, transparent and fair system of financial reporting and internal control.
- To ensure efficient and effective utilization of Company's resources, we have placed financial planning and reporting at the heart of management practice at this not only serves to facilitate viable and timely decisions, but also makes Company dealings more transparent and objective oriented.
- We have a sound and efficient Internal Audit department to enhance the reliability of the financial information and data generated by the Company. It also helps building the confidence of our external stakeholders.

Purchase of Goods and Timely Payment

- To ensure cost effectiveness, we only purchase goods and services that meet our specifications and are priced appropriately. To gauge the market conditions and availability of substitute or services, we obtain quotations from various sources before finalizing our decision.

- We ensure timely payments, which over the year, has built trust and reliability amongst our suppliers.

Conflict of Interest

- Activities and involvements of the directors and employees of the Company in no way conflict with the interest of the Company. All acts and decisions of the management are made in the interest of the Company.

Observance to laws of the Country

- The Company fulfills all statutory requirements of the Government and follows all applicable laws of the country.

Environmental Protection

- The Company uses all means to protect the environment and to ensure health and safety of the work force. We have, and will continue to attain, necessary technology to ensure protection of the environment and well being of the people living in adjoining areas of our plant.

Objectives of the Company

- We at Ansari Sugar Mils Limited, recognize the need of working at the highest standards to meet the expectations of all our stakeholders.

- We conduct the business of the Company with integrity and supply only quality and credible information.

- We produce and supply goods and information with great care and competence, to ensure that customers and creditors receive the best quality and care.

- We respect the confidentiality of the information acquired during the course of our work with our business associates, and refrain from acting in any manner which could discredit the Company.

- Our organization is free of all vested interests that could affect its integrity, objectivity and independence.

SIX YEARS REVIEW AT A GLANCE

FINANCIAL RESULTS		2015	2014	2013	2012	2011	2010
Sales		1,865,650	1,481,835	2,731,253	1,628,242	1,927,676	2,635,631
Gross profit/(loss)		309,629	248,489	186,126	(63,839)	174,515	7,951
Operating profit/(loss)		227,553	161,570	77,925	(133,228)	109,650	(42,116)
Profit/(loss) before taxation		311,775	46,691	(195,605)	(441,444)	(181,583)	(168,255)
Profit/(loss) after taxation		293,182	232,062	(87,374)	(441,985)	(159,128)	(93,929)
Accumulated (loss)/profit for the year		(31,841)	(343,798)	(497,163)	(455,984)	(31,170)	109,881
OPERATING RESULTS		**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Season Started		09-12-2014	01-11-2013	29-11-2012	21-12-2011	09-12-2012	04-12-2009
Season Closed		27-03-2015	14-03-2014	22-03-2013	16-03-2012	11-04-2011	13-03-2010
Days Worked		109	134	114	87	124	100
Sugarcane crushed	(tonnes)	400,216	382,090	400,574	428,693	604,273	532,262
Sugar Recovery	(%)	9.75%	10.56%	10.55%	8.35	8.31	7.71
Sugar produced	(tonnes)	39,100	41,643	42,300	35,810	50,312	40,955
Molasis Recovery	(%)	4.49%	4.47%	4.30%	4.51	4.63	4.65
Molasis produced	(tonnes)	17,985	17,090	17,255	19,350	28,240	24,700
ASSETS EMPLOYED		**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
Fixed capital expenditure		3,339,049	3,302,064	3,238,354	2,097,820	1,998,006	2,082,902
Long term loans and deposits		1,396	2,726	1,982	1,643	747	729
Current Assets		2,278,513	2,365,424	2,012,999	2,058,550	1,915,465	659,864
Total Assets employed		**5,618,959**	**5,670,214**	**5,253,335**	**4,158,013**	**3,914,218**	**2,743,495**
FINANCED BY		**2015**	**2014**	**2013**	**2012**	**2011**	**2010**
						Rupees	
Shareholder's equity		239,231	(72,726)	(226,091)	(184,912)	239,901	380,954
Long term liabilities		1,326,870	1,244,670	1,504,742	1,150,021	777,587	826,551
Deferred Liabilities		360,583	430,520	423,083	269,598	271,214	313,858
Current Liabilities		2,602,597	2,882,434	1,980,062	2,373,526	1,991,306	574,275
Total funds invested		**4,265,173**	**4,484,898**	**3,681,797**	**3,608,234**	**3,280,008**	**2,095,638**
Break-up value per share		53.85	40.35	50.41	1703	0.98	1.56
Earnings / (loss) per share		12.01	(9.51)	(3.58)	(18.11)	(6.52)	(3.85)

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices ('the Statement') contained in the Code of Corporate Governance ('the code') prepared by the Board of Directors of **Ansari Sugar Mills Limited** ('the Company') for the year ended September 30, 2015 to comply with the requirements of Listing Regulations No.35 of Chapter XI of The Karachi Stock Exchange Limited and Listing regulation No.35 of Chapter XI of The Lahore Stock Exchange Limited where the Company is listed.

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended September 30, 2015. Further, we highlight below instances of non compliance with the requirements of the Code as reflected in the paragraph 23 of the Statement of Compliance.

(a) As disclosed in point 9 of the Statement, only one of the Directors obtained certification under director's training program as required under clause (XI) of the Code.

Moochhala Gangat & Co.
Chartered Accountants

Name of the engagement partner:
Mr. Hussaini Fakhruddin

Karachi
Date: **January 07, 2016**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **ANSARI SUGAR MILLS LIMITED** as at **September 30, 2015** and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affair as at September 30, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The financial statements of the Company for the year ended September 30, 2014 were audited by another firm of Chartered Accountants whose report dated January 9, 2015 expressed an unmodified opinion on those financial statements.

Moochhala Gangat & Co.
Chartered Accountants

Name of the audit engagement partner:
Mr. Hussaini Fakhruddin

Karachi
Date: **January 07, 2016**

BALANCE SHEET AS AT SEPTEMBER 30, 2015

	Note	2015	2014
		----------(Rupees)----------	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	**3,339,049,465**	3,302,064,223
Intangible assets	6	**1,247,072**	339,578
Long term investment	7	**152,430,614**	135,907,037
Long term loans	8	**890,537**	2,227,679
Long term deposits		**505,600**	498,500
		3,494,123,288	3,441,037,017
CURRENT ASSETS			
Biological assets	9	**141,085,000**	176,017,778
Stores, spares and loose tools	10	**248,027,455**	284,423,455
Stock-in-trade	11	**1,051,848,812**	968,721,425
Trade debts	12	**380,850,637**	308,436,728
Loans and advances	13	**329,139,531**	355,266,958
Short term deposits, prepayments and other receivables	14	**109,052,582**	101,219,914
Tax refunds due from the government	15	**6,970,197**	6,970,197
Cash and bank balances	16	**11,538,691**	164,367,559
		2,278,512,905	2,365,424,014
		5,772,636,193	5,806,461,031
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital			
30,000,000 (2014 : 30,000,000) Ordinary shares of Rs.10 each		**300,000,000**	300,000,000
Issued, subscribed and paid-up capital	17	**244,071,980**	244,071,980
General reserves		**27,000,000**	27,000,000
Accumulated losses		**(31,840,628)**	(343,798,111)
		239,231,352	(72,726,131)
Surplus on revaluation of fixed assets	18	**1,074,993,570**	1,057,455,393
NON CURRENT LIABILITIES			
Long term finances	19	**1,062,761,946**	1,244,669,737
Deferred liabilities	20	**360,582,744**	430,520,045
Provision for Quality Premium	21	**264,108,125**	264,108,125
Subordinated loan	22	**168,361,047**	-
		1,855,813,862	1,939,297,907
CURRENT LIABILITIES			
Current portion of long term finances	19	**272,321,429**	387,300,013
Short term borrowings	23	**1,946,473,883**	2,234,003,612
Trade and other payables	24	**230,270,396**	104,454,728
Accrued mark-up		**97,256,962**	131,181,633
Taxation - net		**56,274,739**	25,493,876
		2,602,597,409	2,882,433,862
CONTINGENCIES AND COMMITMENTS	25	**-**	-
		5,772,636,193	5,806,461,031

The annexed notes from 1 to 42 form an integral part of these financial statements.

Director | Director

Due to non-availability of Chief Executive in Pakistan as per the requirement of section 241 of the Companies Ordinance, 1984 Mr. Dawoodi Morkas & Mr. Khawaja Aleem Majid, being the directors of the company, be authorized to sign the audited financial statements of the company for the year ended September 30, 2015.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Note	2015	2014
		-------(Rupees)-------	
Sales - net	26	**1,865,650,369**	1,481,835,741
Cost of sales	27	**(1,556,020,974)**	(1,233,346,574)
Gross profit		**309,629,395**	248,489,167
Operating expenses			
Selling and distribution expenses	28	**(1,717,273)**	(1,818,718)
Administrative expenses	29	**(80,358,789)**	(74,032,649)
		(82,076,062)	(75,851,367)
Operating profit		**227,553,333**	172,637,800
Finance cost	30	**(386,982,210)**	(446,780,855)
Other income	31	**497,743,819**	331,902,165
Other charges	32	**(26,539,983)**	(11,067,518)
		84,221,626	(125,946,208)
Profit before taxation		**311,774,959**	46,691,592
Taxation	33	**(18,592,686)**	(278,753,951)
Profit / (loss) after taxatio		**293,182,273**	(232,062,359)
Earning / (loss) per share - Basic & Diluted	34	**12.01**	(9.51)

The annexed notes from 1 to 42 form an integral part of these financial statements.

Director

Director

Due to non-availability of Chief Executive in Pakistan as per the requirement of section 241 of the Companies Ordinance, 1984 Mr. Dawoodi Morkas & Mr. Khawaja Aleem Majid, being the directors of the company, be authorized to sign the audited financial statements of the company for the year ended September 30, 2015.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	2015	2014
	----------(Rupees)--------	
Profit / (loss) after taxation	**293,182,273**	(232,062,359)
Items not to be reclassified to profit or loss in subsequent period:		
Loss on remeasurement of post employment benefit obligations	**(720,629)**	(287,720)
Incremental depreciation arising from revaluation of property, plant and equipment	**28,866,453**	66,491,245
Deferred tax relating to component of comprehensive income	**(9,370,614)**	(23,271,936)
Total items that will not be reclassified to net income	**18,775,210**	42,931,589
Total comprehensive income / (loss) for the year	**311,957,483**	(189,130,770)

The annexed notes from 1 to 42 form an integral part of these financial statements.

Director

Director

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CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Note	2015	2014
		-------(Rupees)-------	
NET CASH GENERATED FROM / (USED IN) OPERATIONS	*38*	**493,998,572**	(104,039,405)
Taxes paid		**(22,200,060)**	(17,288,436)
Long term staff loans received / (sanctioned)		**1,337,143**	(744,112)
Gratuity paid		**(381,345)**	(1,429,814)
Workers' Welfare Fund paid		**-**	(9,353,826)
Finance cost paid		**(419,286,856)**	(383,694,859)
Net cash generated / (used) in operating activities		**53,467,454**	(516,550,452)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure incurred		**(2,747,917)**	(216,677,044)
Capital work in progress		**(99,125,200)**	-
Long term deposits		**(7,100)**	-
Proceeds from disposal of property, plant and equipment		**-**	47,360
Net cash used in investing activities		**(101,880,217)**	(216,629,684)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term borrowings repaid during the year		**(296,886,375)**	(98,544,939)
Subordinated loan obtained during the year		**480,000,000**	-
Short term Finances to Financial Institutions		**(287,529,729)**	777,093,392
Net cash (outflow) / inflow from financing activities		**(104,416,104)**	678,548,453
Net decrease in cash and cash equivalents		**(152,828,868)**	(54,631,683)
Cash and cash equivalents at the beginning of the year		**164,367,559**	218,999,242
Cash and cash equivalents at the end of the year		**11,538,691**	164,367,559

The annexed notes from 1 to 42 form an integral part of these financial statements.

Director   Director

Due to non-availability of Chief Executive in Pakistan as per the requirement of section 241 of the Companies Ordinance, 1984 Mr. Dawoodi Morkas & Mr. Khawaja Aleem Majid, being the directors of the company, be authorized to sign the audited financial statements of the company for the year ended September 30, 2015.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Issued, subscribed and paid-up capital	General reserve	Accumulated loss	Total
	----------------------------(Rupees)		--------------------------------	
Balance as at October 01, 2013	244,071,980	27,000,000	(154,667,341)	116,404,639
Loss after taxation	-	-	(232,062,359)	(232,062,359)
Other Comprehensive Income				
Remeasurement of defined benefit liability	-	-	(287,720)	(287,720)
Incremental depreciation on revalued fixed assets - net of tax	-	-	43,219,309	43,219,309
Balance as at September 30, 2014	**244,071,980**	**27,000,000**	**(343,798,111)**	**(72,726,131)**
Balance as at October 01, 2014	244,071,980	27,000,000	(343,798,111)	(72,726,131)
Profit after taxation	-	-	293,182,273	293,182,273
Other Comprehensive Income				
Remeasurement of defined benefit liability	-	-	(720,629)	(720,629)
Incremental depreciation on revalued fixed assets - net of tax	-	-	19,495,839	19,495,839
Balance as at September 30, 2015	**244,071,980**	**27,000,000**	**(31,840,628)**	**239,231,352**

The annexed notes from 1 to 42 form an integral part of these financial statements.

Director

Director

Due to non-availability of Chief Executive in Pakistan as per the requirement of section 241 of the Companies Ordinance, 1984 Mr. Dawoodi Morkas & Mr. Khawaja Aleem Majid, being the directors of the company, be authorized to sign the audited financial statements of the company for the year ended September 30, 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

1. STATUS AND NATURE OF BUSINESS

Ansari Sugar Mills Limited ('the Company') was incorporated in Pakistan on July 09, 1989 as a Public Limited Company and its shares are quoted in Karachi and Lahore Stock Exchanges. The principal business of the Company is manufacture and sale of white sugar. The registered office of the Company is situated at 1st floor, Block # 2, Hockey Club of Pakistan Stadium, Liaquat Barracks, Karachi and its factory is located at Deh Jagsiyani, Taluka Tando Mohammad Khan, District Hyderabad, Sindh.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for the land, factory buildings and plant and machinery stated at revalued amounts less accumulated depreciation and impairment losses, if any, certain staff retirement benefits stated at present value and long term investments and certain long term finances stated at amortised cost.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupee which is also the Company's functional currency and figures are rounded off to nearest Rupee except stated otherwise.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise judgment, estimates and assumptions in the process of applying accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

- Useful lives of property, plant and equipment (note: 5)
- Provision against doubtful debts (note: 12)
- Provision for taxation and deferred taxation (note: 33.1 and 20.1)
- Valuation of stock in trade (note: 11)

3 INITIAL APPLICATION OF STANDARDS, AMENDMENTS OR AN INTERPRETATION TO EXISTING STANDARDS

The following amendments to existing standards have been published that are applicable to the company’s financial statements covering annual periods, beginning on or after the following dates:

3.1 Standards, amendments to approved accounting standards and interpretations effective in current year

Following are the amended / revised standards which are considered to be relevant and became effective as of October 1, 2014.

(a) IAS 32 (Amendments), 'Financial instruments: presentation'. These amendments update the application guidance in IAS 32, 'Financial instruments: presentations', to clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet date. The application of these amendments has no material impact on the Company's financial statements.

(b) IAS 36 (Amendment), 'Impairment of assets'. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The application of these amendments has no material impact on the Company's financial statements.

In addition to the above amendments and interpretations, improvements to the following accounting standards have also been issued by IASB. Such improvements are generally effective for accounting periods beginning on or after October 01, 2014

Standard or Interpretation		**Effective date (annual periods beginning on or after)**
IFRS 8	Operating segments	July 1, 2014
IAS 16	Property, plant and equipments - (Amendment)	July 1, 2014
IAS 38	Intangible assets - (Amendment)	July 1, 2014
IAS 24	Related party disclosure	July 1, 2014
IAS 40	Investment property	July 1, 2014

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on October 1, 2014 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.2 Standards, interpretations and amendments to published accounting standards that are issued but not yet effective issued but not yet effective

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on October 1, 2014 and have not been early adopted by the Company:

Standard, Interpretation or Amendment		**Effective date (annual periods beginning on or after)**
IAS 27	Separate financial statements (Amendments)	January 1, 2015
IFRS 10	Consolidated financial statements (Amendments)	January 1, 2015
IFRS 11	Joint Arrangements	January 1, 2015
IFRS 12	Disclosure of interest in other entities (Amendments)	January 1, 2015
IFRS 13	Fair value measurements	January 1, 2015

The company expects that the adoption of the above amendments and interpretation will not effect its financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Employees benefits

Defined benefit plan

The Company operates unfunded gratuity scheme for all its permanent employees. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuation carried out every second year under the Projected Unit Credit method. The latest valuation was carried out at September 30, 2015. The year in which actuarial valuation is not carried out, provision is made for expected charge calculated by the actuary in the year in which valuation is carried out. All actuarial gains and losses are recognized in full in the period in which they occur in other comprehensive income. All the past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

Defined contribution plan

There is an approved funded contributory provident fund for all permanent employees. Equal monthly contributions are made by the Company and employees to the fund in accordance with the fund rules. Contributions are made by the employees at the rate of 10% of the basic salary. Retirement benefits are payable to staff on completion of prescribed qualifying period of service under these rules.

	2015 Un-audited	2014 Audited
	-------(Rupees)-------	
4.2 PROVIDENT FUND RELATED DISCLOSURES		
Size of the fund - Net assets	**56,380,885**	55,429,268
Cost of investments made	**56,737,600**	46,583,484
Percentage of investments made	**100.86%**	84.04%
Fair value of investments	**56,865,442**	46,583,484

4.2.1 Break-up of fair value of investment is:

	-------2015--------		-------2014--------	
	Rupees	**--%--**	Rupees	--%--
Units of open mutual fund - UBL Al-Ameen Islamic active allocation plan	**10,127,842**	**17.81%**	-	-
Saving Accounts	**46,737,600**	**82.2%**	46,583,484	100.0%
	56,865,442	**100%**	46,583,484	100%

Investments out of the Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

4.2.2 UBL Al-Ameen Islamic fund maintains a credit rating of AM2+ with State Bank of Pakistan.

4.3 Taxation

Income tax expense comprises current and deferred tax.

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the periods when the differences reverse based on tax rates that have been enacted or substantially enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in the equity.

4.4 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for freehold land, factory building, non factory building and plant and machinery which are stated at revalued amount less accumulated depreciation.

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

The Company assesses at each balance sheet date that whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in income currently. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Depreciation is charged to income on reducing balance method so as to write off the written down value of assets over their estimated useful lives at rates disclosed in note 5, except plant and machinery on which depreciation is charged using units production method. Depreciation on additions is charged from the quarter in which the assets become available for use while on disposals depreciation is charged upto the quarter of deletion.

Increases in the carrying amount arising on revaluation of fixed assets are credited to surplus on revaluation of fixed assets. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of fixed assets to unappropriated profit. All transfers to/from surplus on revaluation of fixed assets are net of applicable deferred taxation.

Depreciation methods, residual values and useful lives of assets are reviewed at the end of each financial year, and adjusted if impact on depreciation is significant. During the year, the company has changed the method of depreciation on plant and machinery from reducing balance method to production unit method which has been applied prospectively as per the requirements of IAS 8.

Gains/ losses on disposal of property, plant and equipment are included in the income currently.

4.5 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying capital asset under construction are capitalized and added to the project cost until such time the assets are substantially ready for their intended use, i.e., when they are capable of commercial production. All other borrowing costs are recognized as an expense in the income statement in the period in which they are incurred.

4.6 Stores, spares and loose tools

These are valued at lower of cost and net realizable value except for items in transit, which are valued at cost comprising invoice value and related expenses incurred thereon up to the balance sheet date, cost is calculated on First In First Out (FIFO) basis. Obsolete and used stores, spares and loose tools are recorded at nil value.

4.7 Stock-in-trade

The basis of valuation has been specified against each.

Finished goods	At lower of cost or net realizable value
Molasses	Net realizable value
Baggase	Net realizable value
Sugar in process	At average cost of raw material consumed
Molasses in process	Net realizable value
Cotton sticks	Net realizable value
Rice husk	Net realizable value

Provision for obsolete and slow moving stock are made as and when required. Net realizable value signifies the estimated selling price in the ordinary course of business and cost necessary to be included in order to make the sale.

4.8 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

4.9 Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer.

Financial income is recognized as it accrues, using the effective mark up rates.

4.10 Foreign currency transactions

All monetary assets and liabilities in foreign currencies are translated into rupees at the exchange rate prevailing on the balance sheet date. Transactions in foreign currencies are translated into rupees at the spot rate. All non-monetary items are translated into rupees at exchange rates prevailing on the date of transactions or on the date when fair values are determined. Exchange differences are included in the income currently.

4.11 Provisions

Provisions are recognized when the Company has a present, legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.12 Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or a group of assets. If any such indication exists, the recoverable amount of that asset is estimated and impairment losses are recognized in the profit and loss account.

4.13 Related party transactions

All transactions between the Company and related party are recorded at arm's length. Prices are determined in accordance with comparable uncontrolled price method, except for the allocation of expenses such as electricity, gas, water, repair and maintenance that are shared with the associated companies based on actual.

4.14 Investments

Held to maturity investments

When the Company has the positive intent and ability to hold debt securities to maturity, then such investments are classified as held to maturity. Held to maturity investments are recognised initially at fair value plus any directly attributable direct cost. Subsequent to initial recognition held to maturity investments are measured at amortized cost using the effective interest rate method, less any impairment losses.

4.15 Financial Instruments

Financial assets

Significant financial assets include investments, advances, receivables and cash & bank balances. Loans and receivables from clients are stated at their nominal value as reduced by provision for doubtful loans and receivables, investments are stated at amortised cost while other financial assets are stated at cost.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include short term and long term finances, interest accrued and trade and other payables. Certain long term finances are carried at amortised cost while other liabilities are stated at their nominal value.

Recognition and derecognition

All the financial assets and liabilities are recognised at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company looses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to income.

4.16 Off setting of financial assets and liabilities

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

4.17 Cash and cash equivalents

Cash and cash equivalents are carried at cost in the balance sheet. For the purpose of the cash flow statement, cash and cash equivalents comprises cash in hand and bank balances.

4.18 Trade and other payables

Liabilities for 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.

4.19 Dividends

Dividend distribution to the shareholders is recognized as a liability in the period in which the dividends are approved.

4.20 Intangible asset and amotization

Intangible asset represents the cost of computer software acquired and is stated at cost less accumulated amortization and any identified impairment loss.

Amortization is charged to income on the straight line basis so as to write off the cost of an asset over its estimated useful life. Amortization on additions is charged from the quarter in which an asset is acquired or capitalized while no amortization is charged for the quarter in which the asset is disposed off. Amortization is being charged as specified in note 6.

		Note	**2015**	2014
			-------(Rupees)-------	
5	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	5.1	**3,253,924,265**	3,087,434,067
	Capital work in progress	5.2	**85,125,200**	214,630,156
			3,339,049,465	3,302,064,223

5.1 OPERATING FIXED ASSETS

Description	OWNED												Total
	Freehold Land	Factory Building	Non-factory Building	Plant and machinery	Electrical Installations	Weighbridge	Office equipments and Others	Electrical appliances	Furniture and fixtures	Vehicles	Tent and tarpaulins	Tools and tackles	
COST													
Balance as at 01 October 2013	245,541,250	482,575,830	424,711,872	3,023,585,971	9,457,061	4,562,918	8,168,746	9,030,094	3,217,458	35,511,362	6,570,321	1,993,521	4,254,926,404
Additions	-	133,212	-	101,041,638	-	-	1,101,716	-	-	811,960	-	-	103,088,526
Disposal	-	-	-	-	-	-	-	-	-	(92,500)	-	-	(92,500)
Balance as at 30 September 2014	**245,541,250**	**482,709,042**	**424,711,872**	**3,124,627,609**	**9,457,061**	**4,562,918**	**9,270,462**	**9,030,094**	**3,217,458**	**36,230,822**	**6,570,321**	**1,993,521**	**4,357,922,430**
Balance as at 01 October 2014	245,541,250	482,709,042	424,711,872	3,124,627,609	9,457,061	4,562,918	9,270,462	9,030,094	3,217,458	36,230,822	6,570,321	1,993,521	4,357,922,430
Additions / disposal	-	661,300	-	-	-	56,000	144,200	-	2,210	525,000	-	-	1,388,710
Transfer from capital work in progress	-	-	-	228,630,156	-	-	-	-	-	-	-	-	228,630,156
Balance as at 30 September 2015	**245,541,250**	**483,370,342**	**424,711,872**	**3,353,257,765**	**9,457,061**	**4,618,918**	**9,414,662**	**9,030,094**	**3,219,668**	**36,755,822**	**6,570,321**	**1,993,521**	**4,587,941,296**
DEPRECIATION													
Balance as at 01 October 2013	-	152,959,080	47,887,463	866,867,835	6,997,119	1,280,264	5,212,059	4,375,019	2,265,440	22,433,747	5,361,171	1,974,646	1,117,613,843
Charge for the year	-	16,482,503	18,841,220	112,887,989	245,994	328,265	402,196	465,508	95,202	2,765,534	399,020	6,229	152,919,659
Disposal	-	-	-	-	-	-	-	-	-	(45,140)	-	-	(45,140)
Balance as at 30 September 2014	**-**	**169,441,583**	**66,728,683**	**979,755,824**	**7,243,113**	**1,608,529**	**5,614,255**	**4,840,527**	**2,360,642**	**25,154,141**	**5,760,191**	**1,980,875**	**1,270,488,362**
Balance as at 01 October 2014	-	169,441,583	66,728,683	979,755,824	7,243,113	1,608,529	5,614,255	4,840,527	2,360,642	25,154,141	5,760,191	1,980,875	1,270,488,362
Charge for the year	-	15,671,639	17,899,159	26,052,614	221,395	296,839	369,226	418,957	85,737	2,241,586	267,343	4,173	63,528,669
Balance as at 30 September 2015	**-**	**185,113,222**	**84,627,842**	**1,005,808,438**	**7,464,508**	**1,905,368**	**5,983,481**	**5,259,484**	**2,446,379**	**27,395,727**	**6,027,534**	**1,985,048**	**1,334,017,031**
CARRYING AMOUNT - 2015	**245,541,250**	**298,257,120**	**340,084,030**	**2,347,449,327**	**1,992,553**	**2,713,550**	**3,431,181**	**3,770,610**	**773,289**	**9,360,095**	**542,787**	**8,473**	**3,253,924,265**
CARRYING AMOUNT - 2014	**245,541,250**	**313,267,459**	**357,983,189**	**2,144,871,785**	**2,213,948**	**2,954,389**	**3,656,207**	**4,189,567**	**856,816**	**11,076,681**	**810,130**	**12,646**	**3,087,434,067**
RATE OF DEPRECIATION	**-**	**5%**	**5%**	*****	**10%**	**10%**	**10%**	**10%**	**10%**	**20%**	**33%**	**33%**	

* Depreciation on plant and machinery is calculated on the basis of unit production method during the year ended September 30, 2015.

5.1.1 Revaluation of Freehold land, factory building, non-factory building and plant & machinery has been carried out in December 2012 by M/s. Tracom (Private) Limited, an approved professional valuers on the panel of Pakistan Banks' Association, related to the year which has been incorporated showing revaluation surplus of Rs. 1,636,104,199 which has been incorporated in the year of revaluation. Previously, free hold land, factory building and plant & machinery were revalued by the same valuers in December 2009.

5.1.2 The carrying amount of free hold land, factory building, non-factory building and plant & machinery would have been Rs.9.253 million (2014: Rs.9.253 million), Rs. 182.171 million (2014: Rs.191.098 million), Rs.163.685 million (2014: Rs.172.301 million) and Rs.1,177.67 million (2014: Rs. 1,189.39 million) respectively, had there been no revaluation.

		Note	2015	2014
			-------(Rupees)-------	
5.1.3	Depreciation for the year has been allocated as under:			
	Manufacturing expenses	27.1	**42,025,265**	129,704,986
	Administrative expenses	29	**21,503,404**	23,214,674
			63,528,669	152,919,660
5.2	**Capital work in progress**			
	Plant and machinery - stores held for capitalization		**214,630,156**	214,630,156
	Transferred from stores - held for capitalization		**99,125,200**	-
	Transferred to plant and machinery		**(228,630,156)**	-
			85,125,200	214,630,156
6	**INTANGIBLE ASSETS**			
	Software			
	Cost:			
	Opening balance		**1,469,415**	1,469,415
	Addition during the year		**1,359,207**	-
	Total cost		**2,828,622**	1,469,415
	Amortization:			
	Opening balance		**1,129,837**	644,930
	Amortization during the year		**451,713**	484,907
	Accumulated Amortization		**1,581,550**	1,129,837
	Net book value		**1,247,072**	339,578
	Amortization rate		**33%**	33%
7	**LONG TERM INVESTMENT**			
	Held to maturity			
	Defence Saving Certificates (DSCs)	7.1	**72,000,000**	72,000,000
	Accrued profit	7.2	**80,430,614**	63,907,037
			152,430,614	135,907,037

7.1 This represents the DSCs purchased by the Company on March 18, 2009 with a maturity of 10 years having effective interest rate of 12.16%. These have been pledged with National Bank of Pakistan as a security of repayment of term loan of Rs. 213.551 million (2014: 213.551 million)

7.2 The amount represents accrued profit on DSCs purchased by the Company calculated using the effective rate of interest.

	Note	2015	2014
		-------(Rupees)-------	
8 LONG TERM LOANS			
Secured - considered good			
Long term loan to executive		**-**	1,267,500
Long term loan to employees	8.1	**1,781,073**	1,827,419
Less: Current portion shown under current assets		**(890,537)**	(867,240)
		890,537	2,227,679

8.1 These are interest free loans given to employees other than directors and executives of the Company. The loan is recoverable in 60 to 84 installments from the date of disbursement and is secured against outstanding balance of gratuity of employees.

	2015	2014
	-------(Rupees)-------	
9 BIOLOGICAL ASSETS		
Expenditure due to cultivation	**176,017,778**	126,284,445
Cultivation of crop	**(176,017,778)**	-
Expenditures due to cultivation	**94,559,500**	-
Gain arising from initial recognition of standing crop less cost to sell	**46,525,500**	49,733,333
	141,085,000	176,017,778

The value of sugarcane crop is based on estimated average yield of 500 mounds (2014: 600) per acre on cultivated area of 3,064 acres (2014: 3,064).

	Note	2015	2014
		-------(Rupees)-------	
10 STORES, SPARES AND LOOSE TOOLS			
Store and spare parts		**231,909,697**	271,751,330
Packing material		**16,117,758**	12,672,125
		248,027,455	284,423,455
11 STOCK-IN-TRADE			
In hand			
Finished goods		**801,971,500**	741,954,415
Molasses		**222,300,000**	222,300,000
Baggase		**4,640,000**	-
Sugar in process		**18,309,357**	4,302,438
Molasses in process		**4,627,955**	164,572
		1,051,848,812	968,721,425

11.1 The above stocks in hand of the Company have been pledged with the banks against the short term borrowings refer note 23 to these financial statements.

	Note	2015	2014
12 TRADE DEBTS - unsecured and considered good			
Against sugar sales		**62,462,499**	57,814,858
Against molasses sales	12.1	**318,388,138**	250,621,870
		380,850,637	308,436,728

12.1 This represents receivable from Pak Ethanol (Private) Limited (a related party).

		Note	2015	2014
			-------(Rupees)-------	
13	**LOANS AND ADVANCES**			
	Current portion of long term loans	8	**890,537**	867,240
	Considered good, unsecured			
	Advance to cane growers		**184,778,161**	269,400,124
	Advance to suppliers and contractors		**135,720,972**	81,155,400
	Advance to staff		**3,198,037**	3,844,194
	Advance against expenses		**4,551,825**	-
			329,139,531	355,266,958
14	**SHORT TERM DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES**			
	Prepayments		**-**	12,067,941
	Deposits		**12,365**	-
	Other receivables - unsecured, considered good		**2,304,904**	322,619
	Sales tax refundable		**916,213**	39,860,253
	Refundable against freight subsidy		**105,819,100**	48,969,101
			109,052,582	101,219,914
15	**TAX REFUNDS DUE FROM THE GOVERNMENT**			
	Sales tax		**6,970,197**	6,970,197
16	**CASH AND BANK BALANCES**			
	Cash in hand		**738,147**	88,190
	Cash with banks - current account		**10,800,544**	164,279,369
			11,538,691	164,367,559

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Ordinary shares of Rs.10 each

2015	2014		2015	2014
18,296,250	18,296,250	Issued for cash	**182,962,500**	182,962,500
6,110,948	6,110,948	Issued as bonus share	**61,109,480**	61,109,480
24,407,198	24,407,198		**244,071,980**	244,071,980

	2015	2014
	-------(Rupees)-------	
18 SURPLUS ON REVALUATION OF FIXED ASSETS		
Freehold land		
Balance as at October 01	**236,288,520**	236,288,520
Factory building		
Revaluation surplus over written down value at beginning	**122,169,758**	128,599,746
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	**(4,153,772)**	- (4,179,492)
Related deferred tax liability of incremental depreciation charged during the year	**(1,954,716)**	(2,250,496)
	116,061,270	122,169,758
Related deferred tax liability at beginning of the year	**(42,759,414)**	(43,723,913)
Effect of change in tax rate	**3,481,838**	(1,285,997)
Less: related to incremental depreciation	**1,954,716**	2,250,496
	(37,322,860)	(42,759,414)
Non factory building		
Revaluation surplus over written down value at beginning	**185,682,590**	195,455,358
Surplus arising on revaluation carries out during the year		-
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	**(6,313,208)**	(6,352,299)
Related deferred tax liability of incremental depreciation charged during the year	**(2,970,921)**	(3,420,469)
	176,398,461	185,682,590
Related deferred tax liability at beginning of the year	**(64,988,907)**	(66,454,822)
Deferred tax arising on revaluation carried out during the year		
Effect of change in tax rate	**5,291,954**	(1,954,554)
Less: related to incremental depreciation	**2,970,921**	3,420,469
	(56,726,032)	(64,988,907)
Plant and machinery		
Revaluation surplus over written down value at beginning	**955,481,302**	1,005,769,791
Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax	**(9,028,859)**	(32,687,518)
Related deferred tax liability of incremental depreciation charged during the year	**(4,444,977)**	(17,600,971)
	942,007,466	955,481,302
Related deferred tax liability at beginning of the year	**(334,418,456)**	(341,961,729)
Effect of change in tax rate	**28,260,224**	(10,057,698)
Less: Related to incremental depreciation	**4,444,977**	17,600,971
	(301,713,255)	(334,418,456)
	1,074,993,570	1,057,455,393

19 LONG TERM FINANCES

	Note	Installments Number	Installments Commencing from	Mark-up	2015	2014
					-------(Rupees)-------	
Term loans						
National Bank of Pakistan - Demand Finance	19.1	28 quarterly	May 2014	Fixed rate of 10%	119,107,145	139,821,429
National Bank of Pakistan - BMR & E	19.2	14 semi-annual	October 2014	Fixed rate of 10%	401,142,858	468,000,000
National Bank of Pakistan - Frozen Mark-up Facility -	19.3	1	January 2019	Frozen	213,551,000	213,551,000
National bank of Pakistan - Long Term Grower Finance Loan	19.4	16 quarterly	March 2014	3 months KIBOR plus 2.5% per annum	148,782,372	200,168,544
National bank of Pakistan - Long Term Finance Facility	19.5	20 Quarterly	March 2014	3 months KIBOR plus 3% per annum	280,000,000	360,000,000
National Bank of Pakistan - Frozen Mark-up	19.6	Nil	Nil	Nil	-	18,376,653
Summit Bank Limited - Frozen Mark-up	19.7	Nil	Nil	Nil	-	2,052,124
Syndicated Term Finance Facility	19.8	8 semi-annual	July 2014	6 months KIBOR plus 2% per annum	172,500,000	230,000,000
					1,335,083,375	1,631,969,750
Less: Over due installments					-	(62,805,121)
Less: Current portion shown under current liabilities					(272,321,429)	(324,494,892)
					1,062,761,946	1,244,669,737

19.1 The facility was availed for payment to growers' outstanding balances for the year 2007-08. The facility is secured against the property already mortgaged, including additional charge on present and future fixed assets of the Company situated at Deh Jagsiyani Taluka Tando Ghulam Haider District, Tando Muhammad Khan along with personal guarantee of directors.

19.2 The facility of Rs.468 million under markup arrangement availed for the purpose of Balancing, Modernization, Replacement and Expansion (BMR &E) of the Company which envisage enhancement in cane crushing capacity from existing 6,000 TCD to 8,000 TCD. This facility is secured against fixed assets of the Company along with personal guarantee of the directors.

19.3 The Company had entered into an agreement dated February 23, 2009 with National Bank of Pakistan (NBP) in respect of settlement of long term loans amounting to Rs. 956.437 million against which Rs. 656.40 million was reflected in Company's books (NBP - I of Rs. 34.30 million, NBP - II of Rs. 116.45 million of General Term Finance, NBP LCY of Rs. 127.636 and frozen markup on these loans amounting to Rs. 377.20 million). The above settlement resulted in the extinguishment of debt by Rs. 484.9 million. According to the agreement, the Company has to pay an amount of Rs. 213.551 million after ten (10) years from the date of agreement i.e. by January 01, 2019. The amount is secured against the pledge of Defense Saving Certificates (DSCs) of Rs.72 million as explained in note 7.2 to these financial statements.

The NBP will retain the 1st charge but release the sponsor's shares lying pledged in lieu of security in the shape of DSCs of Rs. 72 million to be kept under lien with NBP till recovery of entire settlement amount. However, NBP may consider request for NOC 1st pari passu charge with the approval of competent authority.

	2015	2014
	-------(Rupees)-------	
19.4 National Bank of Pakistan - Long Term Grower Finance Loan		
Opening balance	**200,168,544**	212,677,132
Add: markup amortised during the year	**27,006,313**	29,480,488
Less: repaid during the year	**(78,392,485)**	(41,989,076)
	148,782,372	200,168,544

National Bank of Pakistan had restructured a short term Running Finance Facility of Rs. 200 million as Long Term Grower Finance Loan to the extent of Rs. 189 million with effect from 1st January 2012. The principal and markup thereon is repayable in six years including two years grace period. The Facility is secured against 1st equitable mortgage charge over all present and future fixed assets of the Company including land, building, plant & machinery and 1st exclusive hypothecation charge over present and future plant and machinery of the Company situated at deh Jagsiyani, Tappo Fateh Bagh, Taluka Tando Ghulam Hyder, district Tando Muhammad Khan, Sindh.

19.5 This represent Long term Finance Facility of Rs 400 million from National Bank of Pakistan for repayment of growers' liability of Rs. 180 million, suppliers' liability of Rs.20 million and for meeting permanent working capital requirement and other expenses amounting to Rs. 200 million. The facility is secured against first equitable mortgage charge over all present and future fixed assets of the Company including land & building, first exclusive hypothecation charge over present and future plant and machinery of the Company and personal guarantee of sponsoring directors of the Company.

19.6 This represent deferment of mark-up accrued for December 2011 quarter and partial mark-up for September 2011 quarter on various financing facilities obtained from National Bank of Pakistan. This mark-up is frozen and is repayable in 12 quarterly installments starting from 30 June 2012.

19.7 This represent deferment of mark-up accrued for December 2011 quarter and partial mark-up for September 2011 quarter on Running Finance Facility obtained from Summit Bank Limited. This mark-up is frozen and is repayable in 12 quarterly installments starting from 30 June 2012.

19.8 This represent Syndicated Term Finance Facility (STFF) of Rs 230 million to settle cane growers and suppliers/contractors liabilities and to improve liquidity position. The parties of the syndicates are Sindh Bank Limited with the share of Rs. 200 million and Summit Bank Limited (agent) with the share of Rs. 30 million. The loan is repayable in five years including one year grace period. The facility is secured by first pari passu charge over all present and future fixed assets of the Company.

		Note	2015	2014
			-------(Rupees)-------	
20	**DEFERRED LIABILITIES**			
	Deferred taxation	*20.1*	**353,460,016**	424,908,008
	Staff retirement benefits - Gratuity	*20.2*	**7,122,728**	5,612,037
			360,582,744	430,520,045
20.1	**Deferred taxation**			
	Taxable temporary differences			
	Accelerated tax deprecation		**352,117,614**	337,496,479
	Surplus on revaluation of fixed assets		**432,796,163**	442,166,778
			784,913,777	779,663,257
	Deductible temporary differences			
	Provision for staff retirement and other benefits		**(2,279,273)**	-
	Alternate corporate tax		**(40,509,594)**	-
	Carried forward tax losses		**(388,664,894)**	(354,755,249)
			(431,453,761)	(354,755,249)
			353,460,016	424,908,008

20.2 Staff retirement benefits - Gratuity

Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at September 30, 2015 using the Projected Unit Credit Method.

	Note	2015	2014
Principal assumptions			
Discount rate		9.25% per annum	13.5% per annum
Expected rate of eligible salary increase in future years		9.25% per annum	10.5% per annum
Liability for gratuity arose in the following manner:			
Opening net liability		**5,612,037**	5,581,813
Expense for the year	*20.2.1*	**1,145,668**	1,172,318
Other Comprehensive Income		**746,369**	287,720
Benefits paid		**(381,345)**	(1,429,814)
Closing net liability		**7,122,729**	5,612,037
Reconciliation of the liability			
Present value of defined benefit obligations		**7,122,729**	5,612,037
Fair value of plan assets		**-**	-
		7,122,729	5,612,037

		2015	2014
		-------(Rupees)-------	
20.2.1	**Charge to profit and loss account**		
	Current service cost	**413,784**	563,955
	Interest cost	**731,884**	608,363
	Total amount chargeable to profit and loss account	**1,145,668**	1,172,318

20.2.2 Comparison for five years

	2015	2014	2013	2012	2011
	----------	----------	(Rupees)	----------	----------
Present value of defined Benefit obligations	7,122,729	5,612,037	5,581,813	4,347,905	8,692,257

20.2.3 Expected charge for the year ending 30 September 2016 is Rs.1,130,476

21 PROVISION FOR QUALITY PREMIUM

This represents the amount of Quality Premium up to the years 2003-2004. The Federal Government in its steering meeting held on July 16, 2007 suspended the quality premium till decision of the Honorable Supreme Court of Pakistan/consensus on uniform formula is developed in the Ministry of Food and Agriculture.

The matter of quality premium has been declared unlawful by the Lahore High Court while appeal against the conflicting judgment of the Sindh High Court is pending with the Honorable Supreme Court of Pakistan since the year 2004 after it granted leave to defend on the question of issue of quality premium. The Apex court also ordered that no coercive action for recovery of quality premium shall be taken against the mills till the case is decided. The Company has made the provision of the quality premium up to the year 2004. However with respect to quality premium for the year ranging within 2004 to 2007 the Company has adjusted subsidies paid above minimum cane price level against quality premium to the growers. The Company has no liability for the period 2007-08 due to recovery rate is less than the threshold of quality premium.

		Note	2015	2014
			-------(Rupees)-------	
22	**SUBORDINATE LOAN - unsecured**			
	Original loan amount	*22.1*	**480,000,000**	579,564,536
	Present value adjustment	*22.2*	**(311,638,952)**	(390,937,584)
			168,361,048	188,626,952
	Interest charged to profit and loss accounts			
	Charges in previous years		**-**	48,095,613
	Charge for the year		**-**	29,093,218
			-	77,188,831
			168,361,047	265,815,782
	Less: Loan waived off by sponsors during the year		**-**	(265,815,782)
			168,361,047	-

22.1 These loans are unsecured and interest free and in accordance with subordinated loan agreement, repayable at the convenience of the Company after repayment to the lending banks.

22.2 These long term interest free loans have been measured at amortized cost and have been discounted using the weighted average interest rate of 10%.

		Note	2015	2014
23	**SHORT TERM BORROWINGS - secured**			
	Cash finances	*23.1*	**1,236,061,500**	1,598,496,842
	Running finances	*23.2*	**710,412,383**	635,506,770
			1,946,473,883	2,234,003,612

23.1 During the year the Company has availed cash finances amounting to Rs. 1,424.52 million (2014: Rs. 1,611.88 million). The rate of mark-up applicable during the year was 3 month KIBOR Plus 2% to 2.5% (2014 : 3 month KIBOR Plus 2.5%) on the outstanding balance or part thereof to be paid quarterly. These facilities are secured against charge over all present and future current assets (including stocks and receivables).

23.2 The Company has availed running finance facilities amounting to Rs. 811 million (2014: 811 million). The rate of mark-up applicable during the year is 3 month KIBOR Plus 2.5% to 3% (2014: 3 month KIBOR plus 2.5% to 3%) on the outstanding balance or part thereof to be paid quarterly. The facility is secured against 1st charge on Fixed Assets of the Company including land, building and plant & machinery installed, at Deh Jagsiyani, Taluka Tando Ghulam Hyder, District Tando Muhammad Khan, standing in the name of the Company, hypothecation of stocks of raw material and hypothecation of all book debts and receivables including all other current assets of the Company.

		Note	2015	2014
			-------(Rupees)-------	
24	**TRADE AND OTHER PAYABLES**			
	Creditors	*24.1*	**25,686,066**	27,909,784
	Sugar cane creditors		**95,681,311**	-
	Accrued expenses		**16,376,959**	6,845,814
			137,744,336	34,755,598
	Other liabilities			
	Advances from customers	*24.2*	**53,657,451**	57,687,770
	Payables to employees		**20,780**	-
	Workers' Welfare Fund		**15,768,154**	8,179,562
	Withholding tax payable		**807,469**	-
	Workers' Profit Participation Fund		**21,839,348**	2,887,956
	Unclaimed dividend		**405,084**	405,084
	Others		**27,775**	538,759
			92,526,060	69,699,131
			230,270,396	104,454,729

24.1 This includes Rs.7,194,885 (2014: Rs.5,671,252) payable to Omni Polymer Packages (Private) Limited, a related party, in respect of purchases of polypropylene bags.

24.2 This represents advances received against delivery of sugar for which delivery orders have been issued or sale contracts have been made.

25 CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Excise duty rebate on excess production during the crushing season 1992-93 over the previous three years average production amounting to Rs. 11.969 million refunded by the department had been claimed back by the Collector of Customs and Central Excise on the ground that the amount was erroneously refunded. The Company has filed appeal before the High Court against the decision of the Sales Tax Appellate Tribunal Karachi. No provision has been made in accounts as in view of legal advisor the Company expects a favorable outcome.

25.1.2 Excise duty rebate on excess production during the crushing season 1993-94 over the previous three years average production amounting to Rs. 22.40 million refunded by the department had been claimed back by the Collector of Customs and Central Excise on the ground that the amount was erroneously refunded. The Sales Tax Appellate Tribunal decided the case in favor of Company vide its order dated 20-10-2003. Against the said order the department has filed appeal before the High Court. The Company expects a favorable outcome of the case in view of legal advisor, hence no provision has been made in these financial statements.

25.1.3 The Company is contesting an order passed by the Deputy Commissioner Inland Revenue (DCIR) raising demand of Rs. 12.971 million on account of short payment of SED by the Company during the period from October 2007 to March 2011. The Company preferred an appeal before the Commissioner Inland Revenue (Appeals) against the order who passed a favorable order dated 10 January 2013. However, the department filed an appeal before the Appellate Tribunal Inland Revenue against the order. Meanwhile, the Honourable High Court of Sindh declared the Special Excise Duty as void-abinitio and of no legal effect. However, The Department has filed an appeal before Honourable Supreme Court of Pakistan against the decision of Honourable High Court of Sindh. The Company has made no provision as in view of its legal counsel the Company has a case on merit which is expected to be decided favourably.

25.1.4 The Company is contesting a case relating to additional sales tax amounting to Rs. 10.364 million on account of in house consumption of baggase as fuel for production during season 1996-97. The matter was under appeal at the Sales Tax Appellate Tribunal which passed an unfavorable order dated 22-05-2004. The other bench of the Tribunal had however remanded back similar case of other mills to the department to consider afresh the valuation aspect of baggase and exemption offered by the government for additional taxes and penalties on discharging only the principal sales tax liability in installments by the mills. The Company has preferred an appeal before the High Court against the order and has made no provision as in view of its legal council the Company has a case on merit which is expected to be decided favorably.

25.1.5 The Company is also contesting order passed by the Collector of sales tax raising demands of Rs.11.229 million by virtue of audit conducted by the sales tax auditors of the audit period 2003 to 2005. Against the above order, the Company preferred appeal before the Sales Tax Appellate Tribunal which resultantly set aside the order and remanded the instant case to Commissioner Inland Revenue with direction to hold fresh appellate proceeding against the set order. The matter was also being examined by Alternative Dispute Resolution Committee (ADRC). The Company made a payment of Rs. 0.771 million in this regard and recorded as asset. However, during the year the appeal has been disposed off in favour of the Company by the Commissioner Inland Revenue. The management has decided to charge the amount recorded as asset to profit and loss account as the management is of the view that the same will not be recoverable. No further provision has been made in this regard.

25.1.6 The Company is defending the case of further tax amounting to Rs. 31.181 million under the Sales Tax Act, 1990 pending adjudication before the High Court of Sindh. Earlier, the High Court maintained the favourable order of the Sales Tax Appellate Tribunal, Karachi wherein it was decided that the taxpayer companies were not required to charge impugned further tax. Upon the appeal of Collector of sales tax, the Honourable Supreme Court of Pakistan has remanded the case back to the High Court. The Company has paid a sum of Rs. 6.97 million in the same case in respect of further tax of Rs. 6.45 million and additional tax of Rs. 0.517 million under protest and recorded it as an asset in the financial statements. The Company expects that the High Court will maintain its previous favourable order, hence it does not expect any liability to be materialised and no provision is made in these financial statements.

25.1.7 As discussed in note 20.1, the Company has adjusted the quality premium against the subsidies paid above minimum cane price level for the year ranging from 2004 to 2007 to the growers. The Company has no liability for the period 2007-08 to 2011-12 due to recovery rate is less than the threshold of quality premium. However, for the season 2012-13 and 2013-14, as a matter of prudence the Company has not made any provision for quality premium amounting to Rs. 20.76 million (2013: Rs. 19.82 million).

25.1.8 The Company has issued bank guarantees of Rs. Nil (2014: Rs.13,557,365) in favour of Trading Corporation of Pakistan (TCP) against performance of contracts.

		Note	2015	2014
			-------(Rupees)-------	
26	**SALES - Net**			
	Sugar - Local		**1,472,360,950**	1,346,878,165
	Sugar -Export		**502,229,074**	165,888,320
			1,974,590,024	1,512,766,485
	Sales tax / Federal Excise Duty		**(108,939,655)**	(30,930,744)
			1,865,650,369	1,481,835,741
27	**COST OF SALES**			
	Sugarcane consumed		**1,624,863,360**	1,649,673,566
	Manufacturing expenses	*27.1*	**133,190,964**	222,816,577
			1,758,054,324	1,872,490,143
	Opening stock			
	Sugar in process		**4,302,438**	2,016,553
	Finish goods		**741,954,415**	261,204,426
	Molasses		**222,300,000**	197,600,000
	Molasses in process		**164,572**	86,820
	Finished goods - in transit		**-**	22,480,057
			968,721,425	483,387,856
	Closing stock			
	Sugar in process		**(18,309,357)**	(4,302,438)
	Finished goods - in hand		**(801,971,500)**	(741,954,415)
	Molasses		**(222,300,000)**	(222,300,000)
	Molasses in process		**(4,627,955)**	(164,572)
	Baggase		**(4,640,000)**	-
			(1,051,848,812)	(968,721,425)
	Less : Sale of by product - Molasses		**(118,905,963)**	(153,810,000)
			1,556,020,974	1,233,346,574

		Note	2015	2014
			-------------(Rupees)-----------	
27.1	**Manufacturing expenses**			
	Salaries, wages including bonus and staff amenities	*27.1.1*	**38,418,876**	37,274,467
	Packing material		**21,986,182**	19,873,522
	Production Store		**14,581,360**	14,773,880
	Fuel and power		**5,358,738**	4,238,158
	Repair and maintenance		**3,593,235**	3,982,765
	Insurance expense		**5,603,277**	11,235,371
	Vehicle maintenance		**1,624,030**	1,733,428
	Depreciation	*5.1.3*	**42,025,265**	129,704,986
			133,190,964	222,816,577

27.1.1 This includes Rs. 1,804,375 (2014: Rs.1,779,298) in respect of contribution to provident fund and Rs. 724,357 (2014: Rs. 741,201) in respect of charge for staff gratuity.

			2015	2014
28	**SELLING AND DISTRIBUTION EXPENSEES**			
	Advertisement		**201,550**	-
	Commission on sale		**434,149**	1,067,999
	Loading and stacking		**1,081,574**	750,719
			1,717,273	1,818,718
29	**ADMINISTRATIVE EXPENSES**			
	Salaries including bonus and staff amenities	*29.1*	**26,857,290**	25,915,135
	Rent, rates and taxes		**898,027**	1,835,826
	Insurance		**8,860,717**	1,786,799
	Water, gas and electricity		**1,090,230**	749,965
	Printing and stationery		**671,842**	1,132,679
	Postage, telegram and telephone		**709,571**	1,110,375
	Vehicle maintenance		**574,439**	906,418
	Repairs and maintenance		**1,091,600**	993,488
	Travelling and conveyance		**3,386,071**	386,185
	Fees and subscription		**908,977**	652,535
	Legal and professional		**3,096,390**	6,805,657
	Entertainment		**4,121,105**	2,696,413
	Advertisement		**-**	123,293
	Computer expense		**166,110**	-
	Depreciation	*5.1.3*	**21,503,404**	23,214,674
	Amortization		**451,713**	484,907
	Watch and Wards		**4,608**	1,371,774
	Auditors' remuneration	*29.2*	**1,619,250**	1,347,362
	Charity and donation	*29.3*	**670,300**	399,475
	Sales tax written off		**-**	771,120
	Internet expense		**1,372,545**	-
	Others		**2,304,601**	1,348,569
			80,358,789	74,032,649

29.1 This includes Rs. 259,566 (2014: Rs.251,150) in respect of contribution to provident fund and Rs. 421,311 (2014: Rs. 431,108) in respect of charge for staff gratuity.

		2015	2014
29.2	**Auditors' remuneration**		
	Audit fee - Annual	**913,650**	900,000
	Half yearly review	**262,500**	200,000
	Cost audit fee	**52,400**	50,000
	Certification - Code of Corporate Governance	**125,000**	125,000
	Other Certification	**200,000**	-
	Out of pocket expenses	**65,700**	72,362
		1,619,250	1,347,362

29.3 None of the directors or their spouse had any interest in the donees.

		Note	2015	2014
			-------------(Rupees)-----------	
30	**FINANCE COST**			
	Mark-up on long term finances		**142,910,272**	168,973,533
	Mark-up on short term borrowings		**242,451,913**	245,794,386
	Unwinding of discount on subordinated loan		**-**	29,093,217
	Bank charges		**1,620,025**	2,919,719
			386,982,210	446,780,855
31	**OTHER INCOME**			
	Profit on investment		**16,523,577**	14,732,410
	Exchange loss		**(664,210)**	(1,187,360)
	Income freight subsidy	*31.1*	**123,720,000**	2,808,000
	Loan waived off by sponsors		**-**	265,815,782
	Present value adjustment		**311,638,952**	-
	Fair value gain on revaluation of biological assets		**46,525,500**	49,733,333
			497,743,819	331,902,165

31.1 This represent freight subsidy announced by the Government of Pakistan on export of sugar @ 10 per kg. During the year, the Company has exported 12,372 tons (2014 : 4,914 tons) of sugar and has claimed the subsidy from Government.

		Note	2015	2014
32	**OTHER OPERATING EXPENSES**			
	Workers' welfare fund		**7,588,592**	8,179,562
	Workers' profit participation fund		**18,951,391**	2,887,956
			26,539,983	11,067,518
33	**TAXATION**			
	For the year			
	- current	*33.1*	**45,531,885**	21,218,152
	- prior		**7,474,779**	(334,706)
	- deferred	*20.1*	**(34,413,978)**	257,870,505
			18,592,686	278,753,951

33.1 Current

Income tax assessments of the Company deemed to be finalized up to the accounting year 2012 corresponding to tax year 2013 u/s 120 of the Income Tax Ordinance 2001. In view of the carry forward tax losses of the Company; current year taxation charge, except for income covered under the presumptive tax regime and income from other sources, has been determined as the alternate corporate tax @17% Hence a reconciliation of the accounting and taxable profits is deemed not applicable in the instance.

34	**EARNING / (LOSS) PER SHARE- Basic & Diluted**		2015	2014
	Net profit / (loss) for the year	**Rupees**	**293,182,273**	(232,062,359)
	Number of ordinary shares	**Number**	**24,407,198**	24,407,198
	Earning / (loss) per share - Basic & diluted	**Rupees**	**12.01**	(9.51)

35 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2015		2014	
	Directors	**Executives**	Directors	Executives
	------------------------(Rupees)--------------------------			
Remuneration	**889,200**	**13,287,168**	882,576	7,553,372
Company's contribution to provident fund	**88,260**	**1,222,419**	88,260	487,268
Perquisites, benefits and utilities	**478,800**	**1,222,419**	485,424	2,382,668
	1,456,260	**15,732,006**	1,456,260	10,423,308
Number	**1**	**14**	1	10

35.1 In addition, no remuneration has been paid to chief executive and other directors of the Company. Further, certain executives are provided with Company maintained cars.

36 CAPACITY AND PRODUCTION

Years	Number of days mill operated	Installed crushing capacity (Metric tons)	Total crushing on the basis of number of days mill operated (Metric tons)	Total actual crushing on the basis of number of days mill operated (Metric tons)
2014-2015	**109**	**8,000**	**872,000**	**400,215**
2013-2014	134	8,000	1,072,000	382,090

The low crushing was due to shortage of sugarcane and funds.

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

This note presents the information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to react changes in market conditions and the Company's activities.

37.1 Credit risk

Credit risk is the risk which arises with possibility that one party to financial instrument will fail to discharge its obligations and cause the other party to incur financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transaction with specific counterparties and continually assessing the credit worthiness of counterparties.

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

The Company is exposed to credit risk on long term investment, loans, advances, deposits, trade debts and other bank balances. The Company seeks to minimize the credit risk exposure through exposures only to customers considered credit worthy and obtaining securities where applicable. The maximum exposure to credit risk at the reporting date is as follows:

	2015	2014
	-----------*(Rupees)*	----------
Long term investment	**152,430,614**	135,907,037
Long term loans	**890,537**	2,227,679
Long term deposits	**505,600**	498,500
Trade debts	**380,850,637**	308,436,728
Loans and advances	**4,088,574**	4,711,434
Other receivables	**2,304,904**	322,619
Bank balances	**10,800,544**	164,279,369
	551,871,409	616,383,366

Quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counterparty default rate as shown below:

37.1.1 Long term investments

The Company has made investments in Defence Saving Certificates which are debt securities issued by Federal Government and are considered highly secure.

37.1.2 Trade debts

	2015	2014
	----------(Rupees)--------	
Customers with no default in past one year	**380,850,637**	308,436,728

37.1.3 Bank balances

A1+	**999,424**	10,211,175
A-1+	**9,801,119**	154,047,818
A-2	**-**	20,375
	10,800,543	164,279,368

37.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. For this purpose the Company has sufficient running finance facilities available from commercial banks to meet its liquidity requirements. Further liquidity position of the Company is closely monitored through budgets, cash flow projections and comparison with actual results by the board.

Following is the maturity analysis of financial liabilities:

	2015			
Financial Liabilities	**Carrying Amount**	**Less than 12 months**	**1 to 2 years**	**2 years and above**
	---(Rupees)---			
Long term finances	**1,335,083,375**	**272,321,429**	**272,321,429**	**790,440,517**
Short term borrowings	**1,946,473,883**	**1,946,473,883**	**-**	**-**
Trade & other payables	**137,772,111**	**137,772,111**	**-**	**-**
Subordinate loan	**168,361,047**	**-**	**-**	**168,361,047**
Accrued markup	**97,256,962**	**97,256,962**	**-**	**-**
	3,684,947,378	**2,453,824,385**	**272,321,429**	**958,801,564**

	2014			
Financial Liabilities	Carrying Amount	Less than 12 months	1 to 2 years	2 years and above
	---(Rupees)---			
Long term finances	1,631,969,750	387,300,013	284,555,969	960,113,768
Short term borrowings	2,234,003,612	2,234,003,612	-	-
Trade & other payables	35,294,357	35,294,357	-	-
Accrued markup	131,181,633	131,181,633	-	-
	4,032,449,352	2,787,779,615	284,555,969	960,113,768

Effective interest rates for the monetary financial assets and liabilities are mentioned in the respective notes to the financial statements.

37.3 Market risk

Market risk is a risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices such as foreign exchange rates, interest rates and equity price risks. The objective of market risk management is to manage and control market risk exposures within an acceptable range.

37.3.1 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to any foreign currency risk, as the Company does not have any outstanding foreign currency balances.

37.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's long term and short term loan facilities.

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

	2015	2014	2015	2014
	Effective Rate (%)		---------(Rupees)--------	
Financial liabilities				
Long-term finances	3 MK to 6 MK plus 200 to 300 bps	3 MK plus 200 to 300 bps	**601,282,372**	790,168,544
Short-term borrowings	3 MK plus 200 to 300 bps	3 MK plus 250 bps to 300 bps	**1,946,473,883**	2,234,003,612

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (1%) in interest rates at the reporting date would have changed the Company's profit before tax for the year by the amount shown below, with all other variable held constant.

		2015	2014
Change in interest rates	±	**1%**	1%
Effect on Profit before tax (Rupees)	±	**25,477,563**	27,776,045

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

37.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Fair value of all financial assets and financial liabilities are estimated to approximate their respective carrying amount.

37.5 Capital risk management

The Company’s objectives when managing capital are to safeguard the Company’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares and take other measures commensuration to the circumstances. The Company finances its expansions projects through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

The Company monitors capital using a gearing ratio, which is net debt divided by total shareholders equity and sponsors loan plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and bank balances. The Company's strategy was to maintain leveraged gearing.

The Company is not subject to externally imposed capital requirements.

38 NET CASH GENERATED FROM / (USED IN) OPERATIONS

	2015	2014
	---------(Rupees)--------	
Profit before taxation	**311,774,959**	46,691,592
Adjustments for :		
Depreciation	**63,528,669**	152,919,660
Amortization	**451,713**	484,907
Finance cost	**385,362,185**	446,780,855
Provision for gratuity	**1,145,668**	1,172,318
Workers' welfare fund	**7,588,592**	8,179,562
Workers profit participation fund	**18,951,391**	2,887,956
Sales tax written off	**-**	771,120
Unrealized profit on investment	**(16,523,577)**	(14,732,410)
Present value adjustment of subordinated loan	**(311,638,952)**	-
Loans waived off by sponsors	**-**	(265,815,782)
Fair value on valuation of biological assets	**(46,525,500)**	(49,733,333)
	102,340,188	282,914,853
Operating profit before working capital changes	**414,115,147**	329,606,445
Changes in working capital :		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**36,396,000**	(61,619,506)
Stock-in-trade	**(83,127,387)**	(485,333,569)
Biological Asset	**81,458,278**	(126,284,445)
Trade debts	**(72,413,909)**	270,407,494
Loans and advances	**26,127,427**	93,615,826
Short term deposits, prepayments and other receivables	**(7,832,668)**	(48,880,497)
	(19,392,259)	(358,094,697)
Increase / (decrease) in current liabilities:		
Trade and other payables	**99,275,685**	(75,551,153)
	79,883,426	(433,645,850)
	493,998,573	(104,039,405)

39 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise directors, key management personnel, post employment benefit plan and other related companies. The Company in the normal course of business carries out transactions with related parties. Amounts due from and to related parties are shown under receivables and payables, amounts due from directors and key management personnel are shown under receivables and remuneration of directors and key management personnel is disclosed in notes to the financial statements. During the year there is no significant transactions with related parties other material transactions with related parties are given below:

	2015	2014
	-----------(Rupees)---------	
Loan received from Directors	**480,000,000**	-
Loan waived off by directors / sponsors	**-**	579,564,536
Pak Ethanol (Private) Limited		
Sales of Molasses	**118,905,963**	153,810,000
Omni Polymer Packages (Private) Limited		
Purchases of Polypropylene bags	**30,892,823**	23,372,878
Omni Aviation (Private) Limited		
Aviation services	**3,600,000**	-
Ansari Sugar Mills Limited Employees' Provident Fund Trust		
Contributions to provident fund	**2,063,941**	2,030,448

40 CORRESPONDING FIGURES

The comparative figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison in the financial statements. Major changes in the financial statements are as follows:

Note	Reclassification		Nature	Amount
	From	To		
21	Deferred liabilities	Provision for Quality Premium	Liability payable	264,108,125

41 NUMBER OF EMPLOYEES

Number of persons employed as at year end were 273 (2014: 252) and the average number of persons employed during the year were 298 (2014: 287).

42 DATE OF AUTHORIZATION

These financial statements were authorized for issue on **January 07, 2016** by the Board.

Director | Director

Due to non-availability of Chief Executive in Pakistan as per the requirement of section 241 of the Companies Ordinance, 1984 Mr. Dawoodi Morkas & Mr. Khawaja Aleem Majid, being the directors of the company, be authorized to sign the audited financial statements of the company for the year ended September 30, 2015.

FORM OF PROXY

The Director
ANSARI SUGAR MILLS LIMITED
Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Muhammad Khan Sindh.

I We, ____

of ____

being a member of ANSARI SUGAR MILLS LIMITED and holder of ____________________

ordinary shares, as per Register Folio No. ____________________

who is also a Member of the Company of as my / our Proxy to vote for me / us and on my /our behalf at the 26th Annual General Meeting of the Company to be held on ____________________ and at any adjournment thereof.

Signed ____ day of 2016.

RUPEES FIVE REVENUE STAMP

(Signature should agree with
the specimen signature
registered with the Company)

NOTES :

1. This form of proxy duly completed and signed, must be deposited at the Company's Registered Office not later than 48 hours before the meeting.

2. This form should be signed by the Member or by his/her attorney duly authorized in writing, If the member is a corporation, its common seal should be affixed to instrument.

3. A Member entitled to attend and vote at the meeting may appoint any other Member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is not a member.

ANSARI SUGAR MILLS LIMITED
Deh Jagsiyani, Taluka Tando Ghulam Hayder,
District Tando Muhammad Khan Sindh.