

ANNUAL REPORT 2016



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COMPANY INFORMATION

BOARD OF DIRECTORS

MR. YUSUF AYOOB MR. ISMAIL H. ZAKARIA

MR. SULEMAN AYOOB

MR. A. AZIZ AYOOB

MR. NOOR MOHAMMAD ZAKARIA

MR. ZIA ZAKARIA

MR. SALIM AYOOB MR. ZOHAIR ZAKARIA MR. SHAMIM AHMAD

MR. MUHAMMAD ASIF

BOARD AUDIT COMMITTEE

MR. A. AZIZ AYOOB MR. ZIA ZAKARIA

MR. SHAMIM AHMAD

MR. MUHAMMAD ASIF

HUMAN RESOURCE AND REMUNERATION COMMITTEE

MR. NOOR MOHAMMAD ZAKARIA

MR. ISMAIL H. ZAKARIA

MR. ZIA ZAKARIA

CHIEF FINANCIAL OFFICER

MR. ZOHAIR ZAKARIA

COMPANY SECRETARY

MR. MOHAMMAD YASIN MUGHAL

FCMA

AUDITORS

KRESTON HYDER BHIMJI & CO.

Chartered Accountants

LEGAL ADVISOR

MR. ABDUL SATTAR PINGAR

REGISTERED OFFICE

96-A, SINDHI MUSLIM SOCIETY,

KARACHI-74400

Tel: 34550161-63 Fax: 34556675

FACTORY

SHAHPUR JAHANIA, P.O. NOOR JAHANIA, TALUKA MORO, DISTRICT SHAHEED BENAZIR BHUTTO ABAD (NAWABSHAH)

REGISTRAR & SHARE REGISTRATION OFFICE

C & K MANAGEMENT ASSOCIATES (PVT) LTD. 404-TRADE TOWER, ABDULLAH HAROON ROAD, NEAR METROPOLE HOTEL, KARACHI - 75530

WEBSITE

www.alnoorsugar.co

Chairman

Managing Director Resident Director

Independent Director (N.I.T. Nominee)

Chairman Member

Independent Director

Member

Chairman Member Member



To gain strength through industry leadership in the manufacturing and marketing of sugar and Lasani Wood and to have a strong presence in these products markets while retaining the options to diversify in other profitable ventures.

To operate ethically while maximizing profits and satisfying customers' needs and stakeholders' interests.

To assist in the socio economic development of Pakistan especially in the rural areas through industrial expansion and development.

Vision Statement

To be a model company producing sugar and allied products of international quality by maintaining a high level of ethical and professional standards.

CODE OF CONDUCT

Al-Noor Sugar Mills Limited is guided by the following principles in its pursuit of excellence in all activities for the attainment of the Company's Objectives.

THE COMPANY

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

AS DIRECTORS

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

AS EXECUTIVE AND MANAGERS

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

AS EMPLOYEES AND WORKERS

- Observe Company's policies, regulations and codes of Best Business Practices.
- Exercise prudence in effective, efficient and economical utilization of resources of the Company.
- Make concerted struggle for excellence and quality.
- Devote productive time and continued efforts to strength the Company.
- Protect and safeguard the interest of the Company and avoid the conflict of interest. Ensure the primary interest
 in all respects is that of the Company.
- Maintain financial integrity and must avoid making personal gain at the Company's cost by participating in or assisting activities which compete with the Company.

NOTICE OF MEETING

Notice is hereby given that 47th Annual General Meeting of AL-NOOR SUGAR MILLS LIMITED will be held at the Registered Office of the Company at 96-A, Sindhi Muslim Society, Karachi on Tuesday, 31st January, 2017 at 03.00 p. m to transact the following Business.

ORDINARY BUSINESS

- 1. To confirm the Minutes of the 46th Annual General Meeting of the Company held on 29th January, 2016.
- 2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended September 30, 2016 together with the Directors' and Auditors' Reports thereon.
- 3. To approve payment of cash dividend @ 40% .i.e. Rs.4.00 per ordinary share of Rs.10/= each for the year ended 30th September 2016 as recommended by the Board of Directors.
- 4. To appoint Auditors and to fix their remuneration for the year ended 30th September 2017. The present Auditors M/s.Kreston Hyder Bhimji & Co., Chartered Accountants, retire and offer themselves for re-appointment.

SPECIAL BUSINESS

- 5. To obtain consent of the shareholders in terms of S.R.O 470(1)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan (SECP) for the transmission of the annual balance sheet and profit and loss account, auditors' and directors' reports etc. ("annual audited accounts") and other information contained therein of the Company through CD/DVD/USB. In this regard following resolution to be considered and, if thought fit, to be passed as a special resolution with or without modification:
 - "Resolved that transmission of annual balance sheet, profit and loss account, auditors' and directors' reports etc. ("annual audited accounts") and other information contained therein to the members at their registered address through CD/ DVD/ USB, instead of transmitting the same in hard copies, be and is hereby approved,"
- 6. To consider, and if thought fit, to pass the following resolution, with or without modification(s), as Special Resolution to alter the Articles of Association of the Company by inserting new Articles Nos. 43C, 66-A, and 66-B to enable to the members for e-voting as required by Companies (E-Voting) Regulations. 2016 and video conferencing, issued by Securities and Exchange Commission of Pakistan vide SRO 43(1)/2016 dated January 22, 2016 and Circular No.10 of 2014 dated May 21, 2014.
 - "Resolved by way of special resolution the Articles of Association of the Company be amended by adding following new clauses as 43-C, 66-A, and 66-B."
- 43-C "Resolved that the company may provide video conference facility to its Members at places other than the town in which general meeting is taking place after considering the geographical dispersal of its Members, subject to the condition that Members collectively holding ten percent (10%) or more shareholding residing at a geographical location provide their consent to participate in the general meeting through video conference at least ten (10) days prior to the date of the general meeting. The company shall arrange video conference facility subject to availability of such facility in that city and an intimation to the Members shall be given by the Company at least five (5) days before the date of general meeting regarding venue of video conference facility along with complete information. However, the quorum, as required under the Ordinance, as well as the Chairman of the general meeting, shall be present at the place of the general meeting."
- 66-A "Resolved that a Member may opt for e-voting in a general meeting of the Company under the provisions of the Companies (E-Voting) Regulations, 2016 (including any statutory modification thereof), as amended from time to time. In the case of e-voting, both Members and non-members can be appointed as proxy. The instruction to appoint execution officer and option to e-vote through intermediary shall be required to be deposited with the Company, at least ten (10) days before holding of the general meeting, at the Company's registered office address or through email. The Company will arrange for e-voting if the Company receives demand for poll from at least five (5) members or by any member having not less than one tenth of the voting power."

	I/We of	being a member of Al-Noor Sugar Mills Limited holdingOrdinary
	Share(s) as per Registered Folio	No hereby opt for e-voting through intermediary and hereby consent the
		as proxy and will exercise e-voting as per the Companies (E-voting)
	-	lemand for poll for resolutions. My secured e-rnail address is please
	send login details, password and	l electronic signature through e-rnail.
		Signature of Members
		CNIC No. (Signature should agree with the specimen signature registered with the Company.)
		(Signature should agree with the specimen signature registered with the company.)
	Signed in the presence of:	
	Signature of Witness	Signature of Witness
	CNIC No	•
	deeds and things, take all steps of the Company including filing Registrar of Companies and cor	Executive Officer or Company Secretary be and is hereby authorized to do all acts, and action necessary, ancillary and incidental for altering the Articles of Association of all requisite documents/statutory forms as may be required to be filed with the applying with all other regulatory requirements so as to effectuate the alterations in the menting the aforesaid special resolution."
ОТ	HER BUSINESS	
7.	To transact any other business v	vith permission of the Chair.
		By Order of the Board
		Ph/s - 2
		/// (Assure)
	Karachi: December 27, 2016	(M. YASIN MUGHAL) COMPANY SECRETARY

NOTE:

- The Register of the Members of the Company will remain closed from 24th January, 2017 to 2nd February, 2017 (Both days inclusive) for the purpose of holding the Annual General Meeting / Transfer of shares.
- A member of the Company entitled to attend and vote may appoint any member as his/her proxy to attend and vote on his/her behalf . PROXIES MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- Submission of copies of CNIC:

SECP has directed vide SRO No.831(1)2012 dated July 05, 2012 to issue dividend warrant only crossed as "A/c Payee only" and should bear the computerized National Identity Card (CNIC) number of the registered member. All those shareholders who have not submitted their valid CNICs are once again requested to send a photocopy of their valid CNIC/NTN alongwith the Folio number(s) to the Company's Share Registrar. No dividend will be payable unless the CNIC number is printed on the dividend warrants, so please let us have your CNIC, failing which we will not be responsible, if we are unable to pay the dividends to the Shareholders who have not submitted their valid CNIC's.

Deduction of Withholding Tax from Dividend U/S 150 of the Income Tax Ordinance, 2001

- (i) Pursuant to the provisions of the Finance Act, 2016 effective from July 1, 2016, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follow:
 - 1. Rate of tax deduction for the filer(s) of income tax return 12.50%.
 - 2. Rate of tax deduction for the non-filer(s) of income tax return 20%.

To enable the company to make tax deduction on the amount of cash dividend @ 12.50% instead of 20%, shareholders whose names are not entered into the Active Tax-payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 12.50%.

(ii) Further, according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard, all shareholders who hold such shares jointly, are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share registrar in writing as follow:

			Principal	shareholder	Joint Sha	areholders	
Company Name	Folio/CDS Account #	Total Shares	Name and CNIC #	Proportion (No. of shares)	Name and CNIC #	Proportion (No. of shares)	Signature

5 Requirement of Valid Tax Exemption Certificate for Claiming Exemption from Withholding Tax.

As per FBR Circulars C No. 1(29) WHT/2006 dated June 30, 2010 and C No. 1(43) DG (WHT) 2008-Vol-II-66417-R dated May 12, 2015 the valid exemption certificate is mandatory to claim exemption amount of withholding tax U/S 150 of the Income Tax Ordinance 2001 (tax on dividend amount) where the statutory exemption under clause 47B of Part-IV of Second Schedule is available. The shareholder who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide Valid Tax Exemption Certificate to our Share Registrar.

In case of those shareholders who are non-residents are requested to please provide their respective detail including residence status /country of residence with copy of their NICOP to our Share Registrars before book closure. In case of non availability of status in their respective portfolio, the respective tax on dividends would be applicable.

6 Payment of Cash Dividend Electronically (Optional):

The Company wishes to inform its shareholders that under the law they are also entitled to receive their cash dividend directly in their bank account instead of receiving it through dividend warrants. Shareholders wishing to exercise this option may submit their application to the Company's Share Registrar, giving particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank. CDC account holders should submit their request directly to their broker (participant) CDC.

7 Electronic Transmission of Annual Financial Statement and Notices of the Company.

Pursuant to SRO.787(1)/2014 of September 08, 2014 the Securities and Exchange Commission of Pakistan (SECP) has directed to facilitate the members of the company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through email in future. In this respect members are hereby requested to convey their consent via email on a standard request form which is available at the Company website i.e. www.alnoorsugar.co Please ensure that your email has sufficient rights and space available to receive such email which may be larger than 1MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered email address.

- 8 Financial Statements and relevant reports have been placed on the website of the company which can be seen on www.alnoorsugar.co
- 9 CDC Account Holders will further have to follow the under-mentioned guidelines as laid down in Circular I dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- In case of individuals, the account holder or sub-account holder and/or person whose securities are in group account and their registration details are uploaded as per the Regulations shall authenticate his identity by showing his Original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- ii. In case of corporate entity, the Board of Directors' resolution /power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

- In case of individuals the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form
- iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form to the company.

10 Change of Address:

Shareholders are requested to inform the Company's Share Registrar , M/S. C & K Management Associates (Pvt.) Limited, 404-Trade Tower, Abdullah Haroon Road, Near Metropole Hotal, Karachi of any change in their addresses immediately.

Statement under Section 160 (1)(b) of the Companies Ordinance. 1984

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on Tuesday, January 31,2017.

Circulations Of Annual Reports Through CD/DVD/USB

To give effect to the notification S.R.O 470(1) 2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan ('SECP"). shareholders' approval is being sought to allow the Company to circulate its Annual Report through CD/DVD/USB at their register address. If a members prefer to receive hard copies for all the future annual reports, then such preference of the member shall be communicated to the Company in writing in which case the Company shall be bound to provide hard copies of all the future annual reports.

Alteration in the Articles of Association

To give effect to the Companies (E-Voting) Regulations 2016. shareholders' approval is being sought to amend the Articles of Association of the company to enable e-voting. The detail of amendments proposed in the Articles of Association is part of resolution mentioned in the Notice.

None of the Directors of the Company have any direct or indirect interest in above said Special Business.

DIRECTORS' REPORT TO THE MEMBERS

IN THE NAME OF ALLAH THE MOST GRACIOUS AND MOST MERCIFUL

Dear Members

Assalam-o-Alaikum:

On behalf of Directors and on my own behalf, I welcome you to 47th Annual General Meeting of Al-Noor Sugar Mills Limited and to place before you the audited financial statements of your company, the significant achievements as reflected therein together with the Directors' and Auditors' Reports thereon, for the year ended September 30, 2016. The Company has earned a profit after tax amounting to Rs. 170.080 million as against Rs 166.319 million earned last year.

Salient comparative production and financial data are summarized as under:

PRODUCTION DATA	2015-16	2014-15
Crushing season commenced on	27-11-2015	09-12-2014
Season concluded on	07-03-2016	29-03-2015
Duration of crushing (days)	102	110
Sugarcane crushed (Metric Tons)	907,287	1,013,118
sugar produced (Metric Tons)	92,501	104,283
Sugar recovery rate (percentage)	10.20	10.30
Molasses produced (Metric Tons)	39,405	47,925
MDF Board produced (Cubic Meter)	49,166	58,808
Duration of MDFB Plant operated (Days)	306	309

FINANCIAL DATA (Rupees in thousand)

Sales Revenue	8,103,145	6,966,274
Cost of sales	(7,139,365)	(5,938,537)
Gross profit	963,780	1,027,737
Administrative expenses	(435,024)	(409,024)
Other operating expenses	(24,863)	(75,633)
Distribution expenses	(35,555)	(23,225)
Other income	19,093	55,745
Share of profit in associates	18,904	28,497
Finance Cost	(280,185)	(383,008)
Profit before taxation	226,150	221,089
Provision for taxation	(56,070)	(54,770)
Profit after tax	170,080	166,319
Earning per share basic	Rs. 8.31	Rs. 8.12

PERFORMANCE REVIEW:

SUGAR DIVISION:

From the production data as tabulated above it would be observed that during the year under consideration sugarcane crushed was less than the last season by 10.45 percent as the crop position was weaker and lesser quantity of raw material was available for crushing. Consequently the production of sugar also decreased due to lower volume of crushing coupled with the decline of recovery percentage. Your mills crushed 907,287 metric tons of sugarcane as against 1,013,118 metric tons crushed in the last year's crushing season.

For the crushing season 2015-16 the Government of Sindh issued price notification fixing the minimum support price of sugarcane at Rs.172/= per 40 kg of the same. Due to scarcity of the raw material in the franchise area of the mills the sugarcane was purchased from far flung area for which substantial amount for transportation charges were paid raising the cost of raw material to Rs.197.54 as against Rs.170.18 per 40 kg of sugarcane last year. During the period under consideration the production of sugar was more than the requirements of the country including carry over stock and the Government allowed export of the same but this option was also not suitable for the producers as the production of sugar on worldwide basis was also more which depressed the price of the product in the international markets.

MEDIUM DENSITY FIBRE (MDF) BOARD DIVISION:

During the year under consideration, the sales volume increased to 73,056 cubic meters as against 67,318 cubic meters sold during the last year. The sales volume is, therefore, 8.57 percent higher compared to last year. The sales value registered an increase of 8.43 percent, from Rs. 2,282.902 million to Rs.2,475.365 million, during the current year. The final product, during the year, included a higher component of value added laminated sheets; and this significantly contributed to sales value increase. Export to Afghanistan also significantly increased due to prudent marketing of a wider product range. The production during the current year is low by about 16.40 percent, as the plant made 49,166 cubic meters of MDF board compared to 58,808 cubic meters made in the previous year. The decline was due to BMR of Mende line for enhancement of capacity. The work has since been completed, which will result in increased capacity as well as improvement in production efficiency and effectiveness consequently. Some new units have also recently become operational in Khyber Pakthunkhwa. Which have an advantage of reduced transportation cost to Afghanistan, which may adversely affect our export business in the future.

POWER GENERATION DIVISION:

As discussed in the last year's Annual Report, the availability of power from WAPDA was uncertain due to frequent load shedding and accordingly the Company had acquired its own power generators to overcome the situation which are being operated during the crushing season and bagasse is utilized as fuel therein. The additional boiler and turbine that had been installed has achieved reasonable capacity of power generation; as a result surplus power was supplied to WAPDA during the crushing season. Your company generated additional revenue valuing Rs.99.330 million from sale of power this year as against Rs.102.106 million last year. In addition the requirements of power of the Sugar Mills and MDF Board division were also met during the crushing season.

CAPITAL EXPENDITURE:

In the Sugar Industry, upgrading the plant and machinery is a continuous process. During the year under consideration the Company incurred an expenditure of Rs.713.634 million on additions and BMR in order to maintain the efficiency of the plant.

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CORPORATE GOVERNANCE:

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

- 8. There have been no outstanding statutory payments; except those under normal course of business and some disputed cases which are appearing in the relevant notes to the financial statements.
- 9. The pattern of share holding in the Company as on September 30, 2016 is also included in the Annual Report.
- 10. The Directors, Chief Executive, Chief Financial Officer, Company Secretary, their spouses or minor children carried out no trade in the shares of the company except as disclosed in the detail of the pattern of shareholding.
- 11. Value of investment and balance in deposit accounts of Provident Fund based on un-audited accounts as at June 30, 2016 amounted to Rs.126.383 million.

The key operating and financial data of the last ten years and pattern of shareholding have been included in the Annual Report. There has been no significant change in the holding of directors or their spouses except as otherwise indicated.

CHANGES IN THE COMPOSITION OF BOARD OF DIRECTORS:

There was no change in the composition of Board of directors since its constitution on March 25, 2014 in an Extra Ordinary General Meeting of the members. During the year under review four Board meetings were held and attendance by each Director was as follow:

	NAME OF DIRECTORS	ATTENDED	STATUS
01.	Mr. Yusuf Ayoob (Chairman)	4	Non-Executive
02.	Mr. Ismail H Zakaria (Managing Director)	4	Executive
03.	Mr. Suleman Ayoob	4	Executive
04.	Mr. A. Aziz Ayoob	4	Non-Executive
05.	Mr. Noor Mohammad Zakaria	4	Non-Executive
06.	Mr. Zia Zakaria	2	Non-Executive
07.	Mr. Salim Ayoob	3	Non-Executive
08.	Mr. Zohair Zakaria	2	Executive
09.	Mr. Shamim Ahmad	4	Independent Director
10.	Mr. Muhammad Asif	4	N.I.T. Nominee

The details of the remuneration of executives and non-executive directors have also been provided in the relevant note to the financial statements as required under the Code of Corporate Governance.

AUDIT COMMITTEE:

The Board has also constituted an Audit Committee comprising of the following directors. During the year under consideration four meetings of Audit Committee were held and attendance of each member is also indicated as under.

NAMES OF DIRECTORS			ATTENDED	STATUS	
01.	Mr. A. Aziz Ayoob	Chairman	4	Non-Executive	
02.	Mr. Zia Zakaria	Member	3	Non-Executive	
03.	Mr. Shamim Ahmed	Member	3	Independent Director	
04.	Mr. Muhammad Asif	Member	4	Non-Executive	

Term of Reference of the Audit Committee has also been determined by the Board in accordance with the guidelines provided in the Listing Regulations of the Stock Exchange.

HUMAN RESOURCE AND REMUNERATION COMMITTEE:

The Board in accordance with the Code of Corporate Governance had constituted Human Resource and Remuneration Committee comprising of the following directors. During the year one meeting of the Committee was held and attendance was as follow:

	NAME OF THE DIRECTORS	POSITION	STATUS	ATTENDED
01.	Mr. Noor Mohammad Zakaria	Chairman	Non-Executive	1
02.	Mr. Ismail H Zakaria	Member	Executive	1
03.	Mr. Zia Zakaria	Member	Non-Executive	1

FUTURE OUTLOOK:

SUGAR DIVISION:

For the crushing season 2015-16, the Government of Sindh enhanced the cane price to Rs. 172 per 40 kg of cane and Government of Sindh vide notification No.80(142)/S.O(Ext)2016-17 has fixed price of sugarcane at Rs.182 per 40 kg of the same indicating a price increase of Rs.10/=. The government exercises control over the price of the sugarcane to protect the growers, which is highly appreciated, it is imperative that similar control is also exercised over the selling price of sugar. It is a well known fact that the price of sugar has been depressed in the international and domestic markets due to excessive production of sugar during the last three years. Meanwhile the crushing of sugarcane for 2016-17 has commenced on November 18, 2016 and recovery rate trend is not yet clear. The same would be clear when substantial volume of sugarcane crushing is completed. The area under plantation has remained more or less the same and the yield is expected to improve due to timely availability of water. It is expected that the production of sugar by your mills during 2016-17 would be more or less similar to that of last year provided the recovery percentage is improved.

The countrywide sugar production in the year ahead once again seems to be a significant surplus as the sugarcane crop in Punjab is good. The prospects of export may enable an outlet for this excess sugar and help to ease the over-supply scenario. However, this will depend largely on the international market price of the product which also appears to be depressed due to international excessive production of the same. Exports sales not only allow a better price realization and regular lifting of sugar also help to reduce the financial charges of your company.

Presently the oil price reduction has affected most of the commodities prices. The general trend has been gradual weakening of commodities prices including sugar worldwide. This trend seems poised to continue for the next few years and accordingly the price of sugar may continue to remain depressed in the distant future.

MDF BOARD DIVISION:

Efforts are underway to enhance value addition of the MDF products by adding new lamination processes. The general consumption trend locally and internationally is emerging whereby the finished products have higher demand. Accordingly the management is focusing all efforts towards this goal.

During the first quarter of the current year up to December 19, 2016, the plant has operated satisfactorily and produced 7,983 Cubic Meters of Board in various thicknesses which also included laminated sheets and it is expected that the production of the Division would increase during the remaining period of the year.

CREDIT RATING OF THE COMPANY:

JCR-VIS Credit Rating Company Limited has assigned initial medium to long term entity rating of "A-/A-2" (Single "A" Minus A-Two) to the Company. Outlook on the outstanding rating is "Stable".

MECHANISM FOR EVALUATION OF THE BOARD:

The Board and Board's Committees continuously strive to improve their effectiveness and undertake annual reviews to access the Board's performance. The Board also reviews developments in the corporate governance to ensure that the company remains aligned with the best practices. In order to ensure on-going effectiveness as high performing Board, a Board Performance Evaluation process has been initiated through introducing a questionnaire covering Board's scope, objectives, functions, company's performance and monitoring. The Board also reviews performance of the CEO against predetermined operational, tactical and strategic goals.

CORPORATE & SOCIAL RESPONSIBILITY:

The company continues to operate a school in the factory area and provides education not only to the children of employees but also to the children residing in the surrounding areas of the Mills. Your company also availed medical coverage scheme from M/s Pak Qatar Family Takaful Limited for executives and employees and medical cards have been provided enabling them to avail medical facilities from the authorized hospitals as and when required.

DIVIDEND:

Directors are pleased to recommend the payment of cash dividend @ 40 percent i.e. Rs. 4.00 per share of Rs.10 each. (2015 - 33% cash dividend i.e. Rs.3.30 per share of Rs.10 each).

AUDITORS:

The present auditors, M/s Kreston Hyder Bhimji & Co., Chartered Accountants retired and being eligible have offered their services for reappointment for the financial year 2016-2017. Audit Committee has also recommended their appointment and Board of Directors of the company endorsed the recommendations of the Audit Committee for re-appointment of M/s Kreston Hyder Bhimji & Co., Chartered Accountants, till the conclusion of the next Annual General Meeting of the members.

STAFF RELATIONS:

Karachi: December 27, 2016

Finally the Directors of your Company record their appreciations for the perseverance, commitment to meeting the objectives and targets and the team work put in by the Management and employees, in the current demanding environment and are confident that they will continue to demonstrate the same zeal and vigor in future.

By order of the Board

ISMAIL H. ZAKARIA CHIEF EXECUTIVE OFFICER

بورد كى كاركردگى كوجانيخ كيليخ نظام:

بورڈی جانب سے مسلسل اس سلسلے میں کوششیں کی جاتی رہتی ہیں کہ اس کی کارکردگی میں اضافہ ہواور اس سلسلے میں سالانہ نظر ثانی بھی پیش کی جاتب سے کارپوریٹ گورنٹ سے شمن میں بھی نیش کی جاتب سے کارپوریٹ گورنٹ سے شمن میں بھی نیش کی کومنظر عام پر لا یا جاتا ہے تا کہ اس بات کوممکن بنا یا جاسکے کہ کمپنی کارپوریٹ گورنٹ سے شہر سے اصولوں کی ممل پاسداری کر ہے۔ بورڈ کی کارکردگی اور ڈیرفارمنس ایو بلیوایشن پروسس کا آغاز کیا گیا ہے جس میں سوالناموں کے ذریعے جانچ کا عمل کیا جاتا ہے، یہ سوالنا مے بورڈ پہلے سے متعین کردہ کاروباری سرگرمیوں ، انتظامی امور کی مہارتوں اور حکمت عملی کے مقاصد کو مذظر رکھتے ہوئے CEO کی کارکردگی کا جائزہ بھی لیتا ہے۔

كاربوريث معاشرتي ذمهداري:

کمپنی نے فیکٹری کے احاطے کے اندرایک اسکول کا بندوبست کررکھا ہے ،اس اسکول میں نہ صرف ملاز مین کے بچوں کوتعلیم فراہم کی جاتی ہے بلکہ اس اسکول کی خدمات سے فیکٹری کے قرب وجوار میں آبادلوگوں کے بچے بھی مستفید ہوتے ہیں۔آ کپی کمپنی نے ملاز مین کی صحت سے متعلق انشورنس کے سلسلے میں تجدید کی بنیاد پر میسرز پاک قطرفیملی تکافل لمیٹٹر سے معاملات طے کئے ہیں اورانہیں میڈیکل کارڈکاا جراء بھی کیا گیا ہے تا کہ بیاری کی صورت میں وہ نامزدکر دہ جبپتالوں سے رابطہ کرسکیں۔

تقسيم منافع:

انتہائی مسرت لے ساتھ ڈائر کیٹروں کی جانب سے 40 فیصد نقد منافع تقسیم کرنے کی سفارش کی گئی ہے جو کہ 10روپے والے صف پر 4.00روپے فی صف بتا ہے (برطابق 2015، 3.30روپے فی صف یعنی 33 فیصد).

آ دُيٹروں کی تعیناتی:

موجودہ آڈیٹرمیسرزکریسٹن حیدر جیمی اینڈ کمپنی، چارٹرڈاکا وَنٹنٹس ریٹائر ہو چکے ہیں اور دوسری مرتبہ بھی اس کام کیلئے اہلیت ہونے کی وجہ سے انہوں نے اپنی خدمات مالی سال 17-2016 کی ایک مرتبہ پھر سفارش کی ہے اور آپکی کمپنی کے بورڈ آف ڈائر کیٹرز نے اس تعینا تی کی منظور کی بھی دے دی ہے کہ میسرز کریسٹن حیدر سمجی اینڈ کمپنی کومبران کے اگلے سالانہ اجلاس کے انعقاد تک اس مقصد کیلئے دوبارہ تعینات کر لیا جائے۔

ملاز مین کےروابط:

آخر میں آ کی کمپنی کے ڈائر کیٹرانتہائی مسرت کے ساتھ اس بات کوسرا ہتے ہیں کہ کمپنی کے مقاصد کوآ گے بڑھانے اور اہداف کے حصول کی غرض سے انتظامیہ اور ملاز مین جس اخلاص اور ٹیم ورک کا مظاہرہ کیا ہے وہ قابل ستائش ہے اور چیلنجز سے بھر پورموجودہ دور میں اسکی بہت ضرورت بھی ہے اور اس بات کی قوی امید کرتے ہیں کہ آنے والے دنوں میں بھی انکی جانب سے اسی جوش وجذ ہے کامطاہرہ در کیھنے کو ملے گا۔

> بى بورۇ ساغىل ئىڭ ذكريا چىف ا گىزىكىيۇنو آفيىر

بمقام کراچی: بتاریّ 27 دسمبر 2016

مستقبل كاجائزه:

شوكر ذويژن:

کومت سندھ نے پہائی کے سین برائے 16-2015 سندھ بھر میں فی چالیس کلوگرام گئے کی قیمت بڑھا کر 172 روپے کردی تھی اوراب کومت سندھ کی جانب سے بھوالہ وٹیفیٹیشن نبر 17-2016 (Ext) 8.0 (Ext) 8.0 (الم عرری ہے پہائی سال 17- 2016 (الم عرری ہے بعنی اس میں دس روپے بڑھانے کا عند بید یا گیا ہے ، حکومت کی جانب سے گئے کے کم از کم نرخوں کو مقرر کئے جانے جیسے اقدامات کی اصل وجہ کا شکاروں کا حقوظ ہے جو کہ ایک قابل میں دس روپے بڑھانے کا عند بید یا گیا ہے ، حکومت کی جانب سے گئے کے کم از کم نرخوں کو مقرر کئے جانے جیسے اقدامات کی اصل وجہ کا شکاروں کا حقوظ ہے جو کہ ایک قابل میں مقامی اور عالمی منڈ یوں میں مندی کا رجمان رہا ہے جس کی اصل وجہ پیداوار کی زیادتی اور ملوں کے پاس سابقہ اسٹاک کا موجود ہونا تھا۔ در یں اثناء مل میں پہائی کا سیزن 18 نومبر 2016 سے شروع ہو چکا ہے۔ جبکہ ریکوری سے متعلق رجمان انہی تک غیرواضح ہے اور اس کا صحیح طور پر اس وقت اندازہ ہو پائے گا جب پسائی کا ممل خواہ حد تک پاپیٹ کی ایک شروع ہو چکا ہے۔ جبکہ ریکوری سے متعلق رجمان انہی تک غیرواضح ہے اور اس کا صحیح کے باس سیزن جب کہ اس سین کا مید کی جاتی ہوئی ہوئی کے قلام ہی کھر ہیں آئی ہے کہ اس سیال گئی کا ممل خواہ حد تک پاپیٹی کی خدا ہیں گئی ہیداوار گزشتہ سال کی طرح بہتر ہوگی بھر طیکہ ریکوری کے در سال ایوں کی وجہ سے بھی فرا ہمی آب میں بہتری پیدا ہوئی ہے ، اس لئے امید کی جب کہ اس سال یعنی 17 - 2016 میں چینی کی پیداوار گزشتہ سال کی طرح بہتر ہوگی بشر طیکہ ریکوری کی شرح میں بہتری پیدا ہو

اسبات کا اندازہ لگا یا جاسکتا ہے کہ پورے ملک کی سطح پرآنے والے سال کے دوران ایک مرتبہ پھر پیداوار میں خاطر خواہ اضافہ دیکھنے کو سلے گا کیونکہ پنجاب میں گئے کی فصل اچھی پیدا ہوئی ہے۔ برآ مدات کے مواقع کی وجہ اضافی پیداوار کو کھپانے میں مددل سکتی ہے اور برآ مدات کی وجہ سے طلب سے زائد پیداوار کی صورتحال کو معمول پرلانے میں بھی مددل سکتی ہے۔ تاہم اس بات کا دارو مدار بنیا دی طور پر عالمی منڈیوں میں چینی کے فرخ پر ہوگا کیونکہ عالمی منڈیوں میں چینی کے فرخ میں مندی کا رجوان اس لئے واقع ہواتھا کہ ملاب سے ذیادہ پیداوار کی گئی تھی برآ مدات سے خصر ف یہ کہ پیداوار کے اجھے فرخ مل جاتے ہیں بلکہ معمول کے مطابق پیداوار کی مل جاری رہنے اوراسٹاک کلئیر ہونے کی وجہ سے آئی کی میٹن تو بلی لاگت میں بھی کی آجاتی ہے۔

عالمی منڈیوں میں تیل کی نرخوں میں مندی کے رجحان کی وجہ سے پوری دنیا میں اشیاء صرف کی قیمتیں بھی دباؤ کا شکار رہی ہیں جس میں چینی بھی شامل ہے، اور اندازوں کے مطابق آنے والے چند سالوں میں بیر بھان برقر ارر ہنے کے امکانات موجود ہیں اس لئے بیکہا جاسکتا ہے کہ چینی کی قیمتیں آنے والے بھی سالوں تک دباؤ کا شکار روسکتی ہیں۔

ايم دي الف بورد دويرن:

اس بات کی بھر پورکوشش کی جارہی ہے کہ ایم ڈی ایف کی مصنوعات کی قدر میں اضافہ کیا جائے اور اس ضمن میں کیمینیشن کے پروسس پر اضافی کام کیا جارہا ہے۔اب چونکہ مقامی اور عالمی سطح پر اس قسم کی مصنوعات کی امانگر سے اس اعتبار سے انتظامیہ کی بھر پور توجہ اس مقصد کو عاملی اور عالمی سطح پر اس قسم کی مصنوعات کی امانگر نے پر مبذول ہے۔دوران سال رواں پہلی سہ ماہی وسمبر 2016 تک بلانٹ کو اطمینان بخش انداز سے فعال کیا جا چکا ہے، اور اس بلانٹ پر 983,7 محمد محمد میں میں میں گیمینی پیڈھیٹیں بھی موجود ہیں۔اس بات کی قوی امید ہے کہ اس ڈویژن کی پیداواری صلاحیت دوران سال رواں کے بقتہ جھے میں مزید بڑھ گی۔

كېينى كى كريد كريدنكنگ:

JCR-VIS کریڈٹ ریٹنگ کمپنی کمیٹر کی جانب سے ہمیں ابتدائی متوسط سے طویل المیعاد ادارے کے بطور A-/A-2 کی ریٹنگ دی گئی ہے، کمپنی کی ریٹنگ اور تاثر متوسط سے طویل المیعاد عرصے کیلئے متواز ن ہے۔

عبده	حاضري	ڈائز یکٹروں کے نام	نمبرشار
غيرانظاي	4	جناب بوسف ابوب (چيمر مين)	01
انتظامی	4	جناب اساعيل ان ذكريا (مينيجنگ ڈائير کٹر)	02
انظامی	4	جناب سليمان الوب	03
غيرانتظامي	4	جنابا بيعزيز الوب	04
غيرانتظامي	4	جناب نور محمرذ کریا	05
غيرانتظامي	2	جناب ضياء ذكريا	06
غيرانتظامي	3	جناب سليم الوب	07
انظامی	2	جناب زوهميرذ كريا	08
آزاددائر يكثر	4	جناب شييم احمد	09
این آئی ٹی سے نامزد کردہ	4	جناب محرآ صف	10

ا شظامی وغیرانتظامی ڈائر مکٹرول کےمشاہرے سے متعلق تفصیلات کوبھی سالانہ مالیاتی رپورٹ میں کوڈ آف کورپوریٹ گوریننس کے قواعد کی پاسداری کرتے ہوئے متعلقہ نوٹس کے اندر پیش کیا گیا ہے۔

آ دُك تميني:

بورڈ کی جانب سے ایک آڈٹ کمیٹی بھی تھکیل دی گئی ہے جس کے مبران میں درج ذیل ڈائز بیٹر شامل ہیں۔دوران سال رواں آڈٹ کمیٹی کے چارا جلاس منعقد کئے گئے ہیں جن میں شرکت کرنے والے ممبران کی حاضری سے متعلق تفصیلات درج ذیل ہیں:

عہدہ	حاضري	ڈائر یکٹروں کے نام	نمبرنثار
غيرانظامي	4	جناباے عزیز ایوب (چیمر مین)	01
غيرانظامي	3	جناب ضياءذ كريا (ممبر)	02
آزاد ڈائز یکٹر	3	جناب شميم احمد (ممبر)	03
غيرانظامي	4	جناب مُرآصف (ممبر)	04

پاکستان اسٹاک ایجیجیج کے سٹنگ کے ضوابط کو مدنظر رکھتے ہوئے بور ڈنے آڈٹ کمیٹی کے کام کی شرا نطا کا تعین بھی کرر کھا ہے۔

انسانی وسائل اورادئیگیوں سے متعلق کمیٹی:

بورڈ کی جانب سے کوڈ آف کارپوریٹ گورننس کے ضوابط کے مطابق انسانی وسائل اورادئیگیوں پر ایک کمیٹی بھی تھکیل دی گئ ہے جودرج ذیل ڈائر یکٹروں پر شتمل ہے۔ دوران سال اس کمیٹی کا ایک اجلاس منعقد کیا گیاجس میں ممبران کی حاضری درج ذیل رہی:

عبده	حاضري	ڈائز یکٹروں کا نام	نمبرنثار
غيرانتظامي	1	جناب نور محمد ذكريا (چير مين)	01
انتظامی	1	جناب اساعيل الحجي ذكريا (ممبر)	02
غيرا نتظامي	1	جناب ضياء ذكريا (ممبر)	03

سرماییکاری:

شوگر کی صنعت میں پلانٹس اور مشینری کومتوازن رکھنا ایک مسلسل عمل ہے، آ پکی کمپنی نے پلانٹس کی کارکر دگی کو بحال رکھنے کی غرض سے مشینری میں اضافہ اور بی ایم آر کی مدمیں 713.634 ملین رویوں کے اخراجات کئے ہیں۔

كود آفكار بوريث ورنس كى ياسدارى:

1۔ مینجمنٹ کی جانب سے تیار شدہ مالیاتی دستاویزات کمپنی کے تمام امور، آپریشنز کے نتائج ، ترسیل نقدرقوم اور قصص میں ردوبدل سے متعلق معاملات کی سیحے سیحے ترجمانی کرتی ہیں۔

2 كى جانب سے متعلقه ريكار ذكوبا قاعده قواعد كے مطابق كھا توں ميں درج كيا كيا ہے۔

3۔ تمام تر مالیاتی دستاویزات کی تیاری کے سلسلے میں مناسب محاسبی پالیسیوں پڑمل کیا گیاہے، نیز تمام تر مالیاتی تخیفے معقول اور قرین قیاس ہیں۔

4۔ مالیاتی دستاویزات کی تیاری کے سلسلے میں پاکستان میں مستعمل بین الاقوامی محاسبی معیارات کی ممل پاسداری کی گئی ہے۔ اگراس خمن میں کسی قسم کی روگر دانی کی گئی ہےتواس کی با قاعدہ وضاحت کی گئی ہے۔

5_ اندرونی کنرول کا نظام انتهائی منظم اورجامع ہاوراسے مؤثر اندازسے نافذ کیا گیاہے اوراس پر کمل نظر رکھی جاتی ہے۔

6۔ ایس کوئی وجنظ نہیں آتی جس کی بنیاد یر کمپنی کوئم کرنے سے متعلق کوئی سوال پیدا ہوتا ہو کہ کمپنی اپناوجود برقر ارندر کھ یائے۔

7۔اسٹاک ایکسچینجر کےلسٹنگ تواعد میں مزکور کارپوریٹ گورننس کی بہترین پالیسیوں سےکوئی ایسانحراف نہیں کیا گیاجو کہ قابل غور ہو۔

8۔ قانو نا کمپنی کوکوئی قابل ذکرادئیگیا انہیں کرنا پڑیں ماسوائے ان ادئیگیوں کے جو کہ کاروبار میں معمول کا حصہ ہیں اور ماسوائے ان چند تنازعات کے جن کا ذکر مالیاتی دستاویزات کے اندر متعلقہ نوٹس میں کیا جاچکا ہے۔

9 كىپنى كى بابت ترتيب تصص دارى كى جدول برائے 30 ستمبر 2016 كوبھى سالا ندر يورث كا حصد بنايا گيا ہے۔

10 کمپنی کے ڈائر کیٹروں، چیف ایگزیکیٹو، چیف فانشل آفیسر، کمپنی کے سیکرٹری اور ان کے ازواج اور نابالغ بچوں کی جانب سے کمپنی کے صفص میں ماسوائے اس لین دین کے کہ جس کا ذکر کیا جاچا ہے کسی قشم کی کوئی اور لین دین نہیں کی گئی۔

11_پراویڈنٹ فنڈ کے ڈپازٹ اکاؤنٹس میں موجودانویسٹنٹ اوربیلنس کی قدر برطابق غیر آ ڈٹ شدہ اکاؤنٹس 30 جون 2016 کو 126.383 ملین روپ بنتی ہے۔

گزشته دس سال سے متعلق اہم مالیاتی معلومات اور تر تیب صف داری کی جدول کوبھی اس سالا نہ رپورٹ کا حصہ بنایا گیا ہے، ڈائز یکٹروں اورائنے از واج کی ہولڈنگ میں پہلے سے مزکورہ ہولڈنگ سے ہٹ کرکوئی خاطرخواہ تنبہ ملی نہیں ہوئی ہے سوائے اس کے جس کا ذکر تر تیب صفص داری کے جدول میں کیا گیا ہے۔

بوردْ آف دُائر يكثر كي ساخت مين تبديلى:

بورڈ آ ف ڈائر مکٹرز کی ساخت میں ممبرز کے غیر معمولی اجلاس میں تھکیل از 25 مارچ 2014سے کوئی تبدیلی واقع نہیں ہوئی۔دوران سال بورڈ کے چاراجلاس منعقد کئے جن کے دوران ڈائر مکٹروں کی حاضری سے متعلق معلومات ذیل میں پیش خدمت ہے:

كاركردگى كاجائزه:

شوكر ذويژن:

مندرجہ بالا گوشواروں میں مزکور معلومات سے دیکھا جاسکتا ہے دوران سال رواں گئے کی پیائی 10.45 فیصد کم کا ٹی جس کی اصل وجہ گئے کی فسلوں میں کی تھی جس کی وجہ سے خام مال بھی کم مقدار میں دستیا برہانیتجا کی سیز ن میں چینی کی پیداوار بھی کم رہی جس ایک وجہ ریکوری کی شرح فیصد میں کی بھی تھی۔اس عرصے کے دوران آپی مل میں 907,287 میٹرکٹن گنا پیسا گیا جبکہ بیر مقدار گزشتہ سال پیائی کے سیزن میں 1,013,118 میٹرکٹن تھی۔

دوران سال رواں 16-2015 کے سیزن کیلئے حکومت سندھ کی جانب سے فی چالیس کلوگرام گئے گئے تیت =/172 روپے مقرر کی گئی تھی کیکن خام مال کی فراہمی نہ ہونے کی وجہ سے خام مال کو دور دراز علاقوں سے خریدا گیا۔ اس اقدام کی وجہ سے مل کوٹر انہوں ہے کہ میں بھاری اخراجات ادا کرنا اپڑے جسکی وجہ سے خام کی قیمت فی چالیس کلوگرام کی قیمت اور کی تا پہنے کی چورے کے دوران 170.18 روپے فی چالیس کلوگرام تھی۔ پورے ملک کی سطح پر چینی کی پیداوار ما نگ سے زیادہ رہی ہیں گؤشتہ سال اس کو جورون ملک برآ مد بھی کر رہی جس میں گزشتہ اسٹاک بھی شامل ہے۔ حکومت پاکستان نے چینی پیدا کرنے والی کمپنیوں کو اس بات کی اجازت دے رکھی تھی کہ اگر وہ چاہیں تو چینی کو بیرون ملک برآ مد بھی کر سطح بر بھی منڈیوں میں چینی کی پیداوار طلب کے مقابلے میں زیادہ رہی اس لئے عالمی سطح پر بھی منڈیوں میں چینی کی پیداوار طلب کے مقابلے میں زیادہ رہی اس لئے عالمی سطح پر بھی منڈیوں میں چینی کی پیداوار طلب کے مقابلے میں زیادہ رہی اس لئے عالمی سطح پر بھی منڈیوں میں چینی کی پیداوار طلب کے مقابلے میں زیادہ رہی اس لئے عالمی سطح پر بھی منڈیوں میں چینی کی تیموں میں مندی کا رجون پایا گیا۔

اوسط كمافت فائبر (ايم ذي الف) بورد دويرن:

دوران سال رواں فروخنگی میں 73,056 معب میٹر تک اضافہ ہوا ہے جبکہ گزشتہ سال بورڈی فروخت 67,318 معب میٹررہی تھی ، اسطر ۲ اس سال بورڈی فروخت 8.57 معب میٹررہی تھی ، اسطر ۲ اس سال بورڈی فروخت 8.57 معب میٹر شہرال کے مقابلے میں 8.57 فیصدا ضافہ ہوا ہے۔ اس سال فروخنگی کے قدر گزشتہ سال کے مقابلے میں بنایا گیا تھا اوراس طرح بورڈزی میں بنایا گیا تھا اوراس طرح بورڈزی مصنوعات کی قدر میں خاطر خواہ مصنوعات کی قدر میں خاطر خواہ اضافہ پیدا کر دیا گیا اوراس اقدام سے فروخنگی کے جم کو بڑھانے میں کافی مدد کی ہے۔ وسیع انداز سے مختلف النور مصنوعات کی خاطر خواہ مارکینگ کی وجہ سے پڑوی ملک افغانستان کی جانے والے مصنوعات میں گی گراں قدراضافہ ریکارڈ کیا گیا ہے۔ دوران سال رواں پلانٹ پر 49,166 معب میٹرا بم ڈی مارکینگ کی وجہ سے پڑوی ملک افغانستان کی جانے والے مصنوعات میں گی گر، جبکہ گزشتہ سال اس عرصے کے دوران کی یہ پیداوار 88,808 معب میٹرا بم ڈی اندار گئی ہے پیداوار کی گئی اور یہ پیداوار کی گئی اور میں میں ان گئی جس کی وجہ مینڈ کے لائین کی بہا آتھی جس کی جگی ایک پلانٹ کی تصیب عمل میں ان گئی جس کی جکی سے بہا واراس اقدام کی بعداب اس بات کی قوی المید ہے کہ دوران سال رواں اس تمن میں پیداوار میں خاطر خواہ اضافہ ہوگا۔ بورڈ سازی کے کچھ یؤٹس کا آغاز خیبر پختون خواہ میں اوراس اقدام کی وجہ بیے ہے ، اس اقدام کی وجہ بیے ہے ہوں ملک افغانستان کو برآ مد کئے جانے والے بورڈز کی برآ مدی لاگت میں کافی کی آجاتی ہے ، اس کی وجہ بیے ہوئی کی برآ مدی لاگت میں کافی کی آجاتی ہے ، اس کی وجہ بیے ہوئی کی برآ مدی کا گئی کی آخا کا ان موجود ہے۔

انرجى كى پيداداركادويرن:

جیسا کہ گزشتہ سال کی سالا نہ رپورٹ میں اس بات کا ذکر کیا گیا تھا کہ واپڈا کی جانب سے فراہم کی جانے والی بکی میں لوڈشیڈنگ کی وجہ سے تعطل رہتا ہے اس کئے اس مسئلے سے منطنے کی غرض سے آپی کمپنی نے اپنے جزیئرز لے لئے ہیں جنسی پیائی کے سیزن میں استعال میں لایا جاتا ہے اور ان میں ایندھن کیلئے گئے کے چھکا کو استعال کیا جاتا ہے۔ اضافی بوائلر اورٹر بائن جن کی تنصیب مکمل کرلی گئی تھی اب از جی کی پیدا وارکے قابل ہو بھے ہیں اور اس کا نتیجہ بین لکا کہ دوران پیائی سیزن پیدا کی جانے والی وافر بھل کو واپڈا کو سیلائی کیا گیا۔ آپی کمپنی نے انر جی کی فروخت سے 99.330 ملین روپے تھی ۔ اس کے علاوہ ان اقدامات سے بیھی فائدہ پہنچا کہ پیائی کے سیزن کے دوران شوگر مل اور ایم ڈی ایف بورڈ ڈویڈن کو بکی کی فراہمی تھی بالقطل جاری رہی ۔

ڈائر کی شرزر بورٹ برائے ممبران بم الشارحن الرجم

معززمبران گرامی: السلام علیم

میں اپنی اور بورڈ کی جانب سے آپ سب کوالنور شوگر ملز کمیٹیٹر کے 47ویں سالانہ اجلاس میں خوش آمدید کہتا ہوں ، اور آپکی کمپنی کی آڈٹ شدہ مالیاتی رپورٹس اور کمپنی کی جانب سے پیش کی جانب سے بیش کی جانب سے پیش کی جانب سے پیش کی خدمت میں پیش کررہا ہوں کمپنی نے اس سال بعد از ادبیکی ٹیکس 170.080 ملین روپے تھا۔

چیدہ چیدہ پیداواری اور مالیاتی معلومات کا تقابلی جائزہ ذیل میں پیش کیا جارہاہے:

2014-15	2015-16	پیداداری معلومات
09-12-2014	27-11-2015	
29-03-2015	07-03-2016	ىپائى ئىنجىل ئى تارىخ
110	102	پیائی کاکلءرصه(دنوں میں)
1,013,118	907,287	کُنے کی پیائی (میٹرکٹن میں)
104,283	92,501	چینی کی پیداوار (میٹرکٹن میں)
10.30	10.20	چینی کی ریکوری کی شرح -شرح فیصد میں
47,925	39,405	راب کی پیدادار (میٹرکٹن میں)
58,808	49,166	ایم ڈی ایف بورڈ کی پیداوار (مکعب میٹر میں)
309	306	ایم ڈی ایف بورڈ کی پیداوار میں پلانٹ آ پر کیشن (ونوں میں)
(روپے ہزاروں میں)	(روپے ہزاروں میں)	مالياتی معلومات
6,966,274	8,103,145	فروخگی
(5,938,537)	(7,139,365)	لاگت برائے فروخنگی
1,027,737	963,780	خام منافع
(409,024)	(435,024)	انظامی اخراجات
(75,633)	(24,863)	دیگرآ پریئنگ اخراجات
(23,225)	(35,555)	ڈ سٹری بیوش کے اخراجات ۔
55,745	19,093	دیگرآ مدن .
28,497	18,904	دیگرآ مدن پشمول ایسوی ایٹس
(383,008)	(280,185)	لاگت برائے تمویل • بنات تاریخ
221,089	226,150	منافع قبل ازادا ئيكي فيكس
(54,770)	(56,070)	پروویژن برائے میکس د
166,319	170,080	منافع بعدازادئیگی نیکس پیر خصر
Rs. 8.12	Rs. 8.31	آ مدن فی خصص

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED 30TH SEPTEMBER 2016

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 5.19.24 of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

 The company encourages representation of independent non-executives directors and directors representing minority interests on its board of directors. At present the Board includes:

<u>Category</u>		Names
Independent Director	i)	Mr. Shamim Ahmed
Executive Directors	ii) iii) iv)	Mr. Ismail H Zakaria Mr. Suleman Ayoob Mr. Zohair Zakaria
Non-Executive Directors	v) vi) vii) viii) ix) x)	Mr. Yusuf Ayoob Mr. A. Aziz Ayoob Mr. Noor Mohammad Zakaria Mr. Zia Zakaria Mr. Salim Ayoob Mr. Muhammad Asif

The independent director meets the criteria of independence under clause 5. 19. 1 (b) of the CCG.

- 2. The directors have confirmed that none of them is serving as director on more than seven listed companies, including this Company.
- 3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a Broker of stock exchange, has been declared as a defaulter by the stock exchange. None of the directors of the company is a member of the stock exchange.
- 4. No casual vacancy occurred in 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 executives and non-executive directors, have been taken by the Board/shareholders.
- 8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the board meetings, along with the agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9. Since all the directors possess 14 years of education and more than 15 years of experience, they are exempt from the directors' training program under clause 5.19.7 of the listing regulation or Pakistan Stock Exchange. However one of the directors has acquired the required certification from the Pakistan Institute of Corporate Governance.

- 10. No new appointment of CFO, Company Secretary or the Head of Internal Audit has been made during the year. The remuneration, terms and conditions of the employment of CFO, Company Secretary and Head of Internal Audit and any changes thereto has been approved by the Board.
- 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 four members. All members are non-executive directors and Chairman of the Committee is a non-executive director.
- 16. The meetings of the Audit Committee were held at least once every quarter prior to the 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 a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive including Chairman and one executive director.
- 18. The Board has set up an effective internal audit function in the Company managed by qualified and experience professional who are conversant with the policies and procedures of the Company and the industry's best practices. They are involved in the internal audit functions on a full time basis. The head of internal audit department functionally reports to the Board's Audit Committee.
- 19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
- 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 the Company's securities, was determined and intimated to directors, employees and stock exchange.
- 22. Material / price sensitive information has been disseminated amongst all the market participants at once through stock exchange.
- 23. The Company has complied with the requirement relating to maintenance of register of person having access to inside information by designated senior management officer in a timely manner and maintain proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24. We confirm that all other material principles contained in the CCG have been complied with except those indicated in the notes to the accounts.

ISMAIL H. ZAKARIA MANAGING DIRECTOR

Karachi; December 27, 2016

KEY OPERATION & FINANCIAL DATA FOR LAST TEN YEARS

(Rupees in thousand)

						(Lynhees II	i iliousariu)			
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
					(Restated)	(Restated)		(Restated)	
BALANCE SHEET:										
Share Capital	204,737	204,737	204,737	194,988	185,703	185,703	185,703	185,703	185,703	185,703
Reserves	1,391,033	1,232,727	1,028,809	956,392	926,504	980,792	928,612	691,371	568,382	344,659
Surplus on revaluaiton										
of fixed assets	1,140,876	1,184,605	1,230,740	1,243,465	621,224	656,126	708,767	765,432	795,686	337,261
Long Term Liabilities	1,607,704	1,120,111	1,174,073	1,052,803	715,979	457,783	408,534	358,463	270,630	400,714
Deferred Liabilities	613,960	648,983	690,169	731,339	374,560	453,761	561,830	518,674	473,657	346,074
Current Liabilities	2,044,518	2,758,206	2,236,586	1,930,760	3,147,017	3,142,284	1,431,018	1,283,079	1,542,332	723,653
Operating Assets	4,110,945	3,639,629	3,706,951	3,479,922	2,674,032	230,921	2,681,942	2,327,921	2,264,422	1,527,982
Long Term Deposits	3,560	3,552	46,954	37,889	42,835	42,375	4,688	4,290	5,071	11,317
Long Term Loans	3,935	6,022	3,516	2,196	4,230	5,032	4,476	4,144	-	-
Long Term Investments	267,515	260,215	246,884	260,215	172,566	151,852	143,933	143,772	98,416	10,263
Current Assets	2,616,873	3,239,951	2,560,809	2,406,599	3,074,050	2,850,409	1,389,425	1,322,595	1,466,075	788,502
TRADING:										
Turnover	8,103,145	6,966,274	7,699,097	7,594,313	6,129,081	5,983,046	6,313,220	4,249,981	3,048,478	2,382,212
Gross Profit	963,780	1,027,737	848,907	837,847	678,924	737,206	1,001,803	682,952	622,358	327,203
Operating Profit (Loss)	963,737	1,028,381	851,525	840,823	682,242	739,831	1,006,841	690,503	637,048	212,905
Profit(Loss) before Tax	226,150	221,089	76,223	126,267	(85,513)	59,875	391,453	210,749	244,243	39,759
Profit(Loss) after Tax	170,080	166,319	31,333	24,074	(43,099)	104,465	254,398	119,738	212,217	26,924
Earning per share	8.31	8.12	1.53	1.18	(2.21)	5.63	13.70	6.45	11.26	1.45
Cash dividend	40%	33%	10%	5%	5%	30%	50%	40%	30%	15%
Bonus shares	-	-	-	5%	5%	NIL	NIL	. NIL	NIL	NIL
SUGAR PRODUCTION:										
a) From Cane	92,501	104,283	126,719	99,740	88,058	71,655	73,175	66,495	98,113	68,310
b) From Raw Sugar	-		-		-	-	-		-	-
Sugar Produced (M.Tons)	92,501	104,283	126,719	99,740	88,058	71,655	73,175	66,495	98,113	68,310
Cane crushed (M.Tons)	907,287	1,013,118	1,293,261	959,302	885,101	888,736	774,230	736,420	1,062,304	782,777
Recovery (%)	10.20%	10.30%	9.80%	10.40%	9.95%	8.05%	9.47%	9.03%	9.24%	8.72%



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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the code") prepared by the Board of Directors of **Al-Noor Sugar Mills Limited** ("the Company") for the year ended September 30, 2016 to comply with the requirement of Rule 5.19 of the Rule Book of the Pakistan 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 requirement 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 part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal 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 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 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 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, 2016.

KRESTON HYDER BHIMJI & CO. CHARTERED ACCOUNTANTS

Krethun Lyde Parinja

Engagement Partner: Shaikh Mohammad Tanvir

Karachi, December 27, 2016

KARACHI Office:

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **AL-NOOR SUGAR MILLS LIMITED** ("the Company") as at **September 30, 2016** and the related profit and loss account, statement of comprehensive income, 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 purpose 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 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:
 - 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 the 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, statement of comprehensive income, cash flow statement and statement of changes in equity, together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2016 and of profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

KRESTON HYDER BHIMJI & CO. CHARTERED ACCOUNTANTS

Kleffun flyde Burning

Engagement Partner: Shaikh Mohammad Tanvir

Karachi, December 27, 2016

KARACHI Office:

Suite No. 1601, 16th Floor, Kashif Centre, Shahrah-e-Faisal, Karachi. Phone: 92-21-35640050-1-2, Fax: 92-21-35640053, E-mail: bhimji@cyber.net.pk, info-khi@hyderbhimji.com

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BALANCE SHEET

AS AT SEPTEMBER 30, 2016

		2016	2015
	Note	Rupees in	thousand
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	4	4,110,945	3,639,629
Intangible asset Long term investments	5 6	267,515	260,215
Long term loans	7	3,935	6,022
Long term deposits	8	3,560	3,552
CURRENT ASSETS		4,385,955	3,909,418
Stores, spare parts and loose tools	9	306,976	313,986
Stock in trade	10	1,968,261	2,495,964
Trade debts	11	62,521	120,106
Loans and advances Trade deposits and short term prepayments	12 13	71,133 5,367	83,115 38,946
Other receivables	14	40,712	74,208
Income tax refund due from Government		15,453	7,037
Income tax refundable - net of provision Cash and bank balances	15	9,558 136,892	8,416 98.173
Cash and bank balances	13	2,616,873	3,239,951
		7,002,828	7,149,369
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Capital 50,000,000 ordinary shares of Rs.10 each		500,000	500,000
•	40		
Issued, subscribed and paid-up capital General reserve	16	204,737 1,000,000	204,737 1,000,000
Share of associate's unrealised loss on remeasurement		1,000,000	1,000,000
of associate's investments		(2,038)	(1,998)
Unappropriated profit		393,071 1,595,770	234,725 1,437,464
Surplus on Revaluation Of Property, Plant and Equipment	17	1,140,876	1,184,605
curpide on novaldation of Property, Figure and Equipment	.,	2,736,646	2,622,069
NON-CURRENT LIABILITIES			2,022,000
Long term financing	18	1,607,704	1,120,111
Liabilities against assets subject to finance lease Deferred liabilities	19 20	613,960	648,983
	20	2,221,664	1,769,094
CURRENT LIABILITIES			
Trade and other payables	21	865,476	1,067,464
Accrued finance cost Short term borrowings	22 23	47,536 691,100	48,114 1,173,087
Current portion of Long term financing and	24	440.406	469,541
liabilities against assets subject to finance lease		2,044,518	2,758,206
CONTINGENCIES AND COMMITMENTS	25	-	
		7,002,828	7,149,369
The annexed notes from 1 to 47 form an integral part of these financial sta	atements.		

ISMAIL H. ZAKARIA Chief Executive Officer

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED SEPTEMBER 30, 2016

		2016	2015
	Note	Rupees in	n thousand
Sales	26	8,103,145	6,966,274
Cost of sales	27	(7,139,365)	(5,938,537)
Gross profit		963,780	1,027,737
(Loss)/Profit from trading activities	28	(43)	644
		963,737	1,028,381
Less: Distribution cost Administrative expenses Other operating expenses	29 30 31	(35,555) (435,024) (24,863)	(23,225) (409,024) (75,633)
		(495,442) ———————————————————————————————————	(507,882) ———————————————————————————————————
Other income	32	19,136	55,101
		487,431	575,600
Finance cost	33	(280,185)	(383,008)
		207,246	192,592
Share of profit in associates	6	18,904	28,497
Profit before taxation		226,150	221,089
Taxation	34	(56,070)	(54,770)
Profit after taxation		170,080	166,319
Earning per share - Basic and Diluted (Rupees)	35	8.31	8.12

The annexed notes from 1 to 47 form an integral part of these financial statements.

ISMAIL H. ZAKARIA Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Note	2016 Rupees i	2015 n thousand
Profit after taxation		170,080	166,319
Share of associate's unrealized (Loss) on remeasurement of investment - net of deferred tax	6	(40)	(993)
Total Comprehensive Income for the year		170,040	165,326

The annexed notes from 1 to 47 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

CASH FLOW STATEMENT

FO	R THE YEAR ENDED SEPTEMBER 30, 2016		2016	2015
		Note	Rupees in	thousand
A.	CASH FLOWS FROM OPERATING ACTIVITIES Profit before taxation		226,150	221,089
	Adjustments for: Depreciation of property, plant and equipment Gain on disposal of property, plant and equipment Loss on disposal of property, plant and equipment Provision for export freight subsidy Provision for obsolescence and slow moving items Finance cost Share of profit in associates	4.1.2 32 31 14 9.1 33 6	235,330 (1,854) 577 - 8,926 280,185 (18,904) 504,260	240,925 (7,389) - 49,779 10,201 383,008 (28,497) 648,027
	Cash generated before working capital changes		730,410	869,116
	(Increase) / decrease in current assets Stores, spare parts and loose tools Stock in trade Trade debts Loans and advances Trade deposits and short term prepayments Other receivables		(1,916) 527,703 57,585 11,982 33,579 33,496	(25,633) (701,067) (64,786) 20,426 (179) (20,417)
	Increase / (decrease) in current liabilities Trade and other payables Short term borrowings		(201,988) (481,987) (683,975)	(791,656) 610,247 (133,212) 477,035
	(Payments to) / Receipts from Income tax paid - net Income tax refund received / adjusted Finance cost paid Increase in long term loans Decrease in long term deposits		708,864 (88,536) - (280,763) 2,087 (8) (367,220)	554,495 (72,806) 34,553 (400,327) (2,506) 8,000 (433,086)
	Net cash inflow from operating activities		341,644	121,409
B.	CASH FLOWS FROM INVESTING ACTIVITIES Additions to property, plant and equipment Sale proceeds from disposal of property, plant and equipment Dividend received from long term investment Net cash used in investing activities		(713,634) 8,265 11,549 (693,820)	(184,983) 18,768 6,600 (159,615)
C.	CASH FLOWS FROM FINANCING ACTIVITIES Proceeds from long term financing Repayment of long term financing Repayment of liabilities against assets subject to finance lease Dividend paid Net cash inflows/ (outflow) from financing activities		1,144,000 (623,448) (62,094) (67,563) 390,895	585,000 (543,967) (32,689) (20,474) (12,130)
	Net increase/(decrease) in cash and cash equivalents (A+B+C)		38,719	(50,336)
	Cash and cash equivalents at the beginning of the year		98,173	148,509
	Cash and cash equivalents at the end of the year		136,892	98,173
	The annexed notes from 1 to 47 form an integral part of these financials	statomonto		

The annexed notes from 1 to 47 form an integral part of these financial statements.

ISMAIL H. ZAKARIA
Chief Executive Officer

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED SEPTEMBER 30, 2016

•	Issued, Subscribed & paid up capital	General reserves	Un-appropriated profit	associate's unrealized (loss) on remeasurement of investment	Total
		Ru	pees in thousand	l	
Balance as at October 01, 2014	204,737	1,000,000	29,814	(1,005)	1,233,546
During the year ended September 30, 2015					
Transaction with owners Final dividend for the year ended September 30, 2014 @ Re 1 per share	-	-	(20,474)	-	(20,474)
Total Comprehensive income for the year	-	-	166,319	(993)	165,326
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation net of deferred tax from:					
Company's revaluation surplus	-	-	54,801	-	54,801
Share of associate's incremental depreciation of revaluation surplus Share of associate's unrealized gain on remeasurement of associate's investment		-	3,739	-	3,739
Share of associate's share in reversal of its associates' incremental depreciation on account of revaluation of property plant and equipment - net of deferred tax	-	-	(7)	-	(7)
Transfer from surplus on revaluation of property, plant and equipment on account of disposal of plant and machinery - net of deferred tax	_	-	509	-	509
Share of associate's share in its associates' incremental depreciation on account of revaluation of property plant and equipment - net of deferred tax	-	-	24		24
	-	-	59,066	-	59,066
Balance as at September 30,2015	204,737	1,000,000	234,725	(1,998)	1,437,464
During the year ended September 30, 2016					
Total Comprehensive Income for the year					
Transaction with owners Final dividend for the year ended September 30, 2015 @ Re 3.30 per share	_	_	(67,563)	-	(67,563)
Total Comprehensive Income for the year			170,080	(40)	170,040
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation	-	-	52,831	-	52,831
Share of associate's incremental depreciation of revaluation surplus	-	-	3,006	-	3,006
Share of associate's share in reversal of its associates' incremental depreciation on account of revaluation of property plant and equipment - net of deferred tax	-	-	(23)	-	(23)
Share of associate's share in its associates' incremental depreciation on account of revaluation of property plant and equipment - net of deferred tax	-	-	15	-	15
	-	-	55,829	-	55,829
Balance as at September 30,2016	204,737	1,000,000	393,071	(2,038)	1,595,770
				·	_

The annexed notes from 1 to 47 form an integral part of these financial statements.

ISMAIL H. ZAKARIA Chief Executive Officer SULEMAN AYOOB Director

Share of

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED SEPTEMBER 30, 2016

1. THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Pakistan as a public limited company on August 08, 1969 and its shares are quoted at the Pakistan Stock Exchange Limited. The Company owns and operates sugar, medium density fiber (MDF) board and generation of power units which are located at Shahpur Jahania, District Shaheed Benazirabad in the Province of Sindh. The registered office of the Company is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh.

2 BASIS OF PREPARATION

2.1 BASIS OF MEASUREMENT

These financial statements have been prepared under the 'historical cost convention' except certain items of property, plant and equipments, stated at revalued amount and long term investment in associates accounted for under equity method and stock in trade when valued at net realizable value. The company uses accrual basis of accounting except for cash flow statement.

2.2 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 the International Accounting Standards 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.

2.3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements have been prepared in Pak Rupees, which is the Company's functional currency.

2.4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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 its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods as appropriate. In the process of applying the accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

a) Property, plant and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made to determine possible impairment on an annual basis. In making these estimates, the Company uses technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with a corresponding effects on the depreciation and impairment.

b) Stock-in-trade

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

c) Taxation

In making the estimate for income tax payable by the Company, the Company takes into account the applicable tax laws and decision by appellate authorities on certain issues in past. Due weightage is given to past history while determining the ratio of future export sales for the purposes of calculating deferred taxation.

Deferred tax assets are recognized for all unused tax losses and credits to the extent that it is probable that taxable profit will be available against such losses and credits can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

d) Impairment

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

e) Stores and spare parts and loose tools with respect to provision for obsolescence and slow moving items

The estimates of slow moving and obsolete stores, spare parts and loose tools, are made, using and appropriately judging the relevant inputs and applying the parameters i.e. age analysis, physical condition, obsolescence, etc. as the management considers appropriate, which, on actual occurrence of the subsequent event, may fluctuate. The effect of variation is given as and when it takes place.

f) Trade debts, Loan and Receivables

The Company reviews its doubtful trade debts, loans and receivables at each reporting date to assess whether an impairment allowance should be recorded in the profit and loss account. In particular, judgment by management is required in the estimation of the irrecoverable amount and timing of future cash flow when determining the level of provision required. Such estimates on assumptions about a number of factors and actual results may differ, resulting in future changes to the provision. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in making payments are considered as indicators that the dues are doubtful and the impairment allowance is recognized in the profit and loss account.

g) Contingencies

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

h) Provisions

Estimates with respect to provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

2.5 STANDARDS, AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARD AND INTERPRETATIONS

2.5.1 New and amended standards and interpretations became effective

During the year, the following approved accounting standards, interpretations, amendments / revisions to the following approved accounting standards became effective for the accounting periods beginning from the dates specified below;

Effective dates as determined by

		relevant IFRS
IFRS-10	Consolidated Financial Statements - Amendment	1-Jan-15
IFRS-11	Joint Agreements - Amendment	1-Jan-15
IFRS-12	Disclosure of Interests in Other Entities - Amendment	1-Jan-15
IFRS-13	Fair Value Measurement	1-Jan-15
IFRS-27	Separate Financial Statements (Revised 2011)	1-Jan-15
IFRS-28	Investment in Associate & Joint Venture (Revised 2011)	1-Jan-15

These Standards, interpretations and amendments are not expected to have significant impact on company's financial statements except certain additional disclosures. In addition to above, certain new cycle of improvements are applicable in current year, which are either considered not to be relevant or are not to have significant impact to the company's financial statements and hence have not been specified.

2.5.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective in the current financial year

The following Standards, interpretations and amendments to published approved accounting standards that are effective for accounting periods, beginning on or after the date mentioned against each of them.

Effective dates as

		determined by relevant IFRS
IAS-1	Presentation of Financial Statements - Amendment	1-Jan-16
IAS-7	Statement of Cash flows - Amendment	1-Jan-17
IAS-12	Income Taxes - Amendment	1-Jan-17
IAS-16	Property, Plant and Equipment - Amendment	1-Jan-16
IAS-27	Separate Financial Statements - Amendment	1-Jan-16
IAS-28	Investments in Associates and Joint Ventures - Amendment	1-Jan-16
IAS-38	Intangible Assets - Amendment	1-Jan-16
IAS-41	Agriculture - Amendment	1-Jan-16
IFRS-2	Share based Payments - Amendment	1-Jan-18
IFRS-9	Financial Instruments: Classification and Measurement Replacement	
	of IAS-39 Amended	1-Jan-18
IFRS-10	Consolidated Financial Statements - Amendment	1-Jan-16
IFRS-11	Joint Agreement - Amendment	1-Jan-16
IFRS-14	Regulatory Deferral Accounts	1-Jan-16
IFRS-15	Revenue from Contracts with Customers	1-Jan-18
IFRS-16	Leases	1-Jan-19

These standards, interpretations and the amendments are either not relevant to or are not expected to have significant impact on the company's financial statements other than certain additional disclosures, if applicable.

In addition to above, certain new cycle of improvements will apply prospectively for period beginning on or after 01, October 2016, are either considered not to be relevant or are not expected to have significant impact to the company's financial statements and hence have not been specified.

3 SIGNIFICANT ACCOUNTING POLICIES

The Principal accounting policies adopted are set out below

3.1 Property Plant & Equipments

a) Operating assets

Recognition/measurement

Operating fixed assets except furniture, fixture & fittings and vehicles are stated at revalued amounts less accumulated depreciation and impairment, if any. Furniture, fixture & fittings and vehicles are stated at cost less accumulated depreciation and impairment, if any.

Depreciation

Depreciation is charged to income applying the reducing balance method at the rates specified in assets note no. 4.1. Depreciation on additions including revaluations is charged from month of acquisition and up to the month preceding the month of disposal respectively.

Subsequent cost

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. All other repair and maintenance costs are charged to profit and loss account during the period in which they are incurred.

The costs of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits associated with it will flow to the Company and its cost can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognized in profit and loss account as incurred.

Revaluation surplus

In accordance with Section 235 of the Companies Ordinance, 1984 an amount equal to the incremental depreciation charged on assets after revaluation has been transferred from the surplus on revaluation of property, plant and equipment to unappropriated profit in the current year through Statement of changes in equity. Consequently incremental depreciation charged for the period on revalued assets is transferred from surplus on revaluation of property, plant and equipment to retained earnings through statement of changes in equity.

Derecognition

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

b) Capital work-in-progress

Capital work-in-progress is stated at cost accumulated up to the balance sheet date less impairment if any and represents costs / expenditures incurred on property, plant and equipment during the course of construction and implementation, including borrowing cost capitalized, if any. These are transferred to specific assets as and when assets are available for intended use.

3.2 Investment in Associates

The Investment in associates is accounted for under equity method. Under this method, the investment is initially recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition which is recognized in the profit and loss account. Dividend received, if any, reduces the carrying amount of investment. Changes in associate's equity including those arising from incremental depreciation on revaluation of property, plant and equipment are recognized in retained earnings through statement of changes in equity.

Investment is de-recognized when the Company has transferred substantially all risks and rewards of ownership and rights to receive cash flows from the investment has expired or has been transferred.

3.3 Stores, Spare parts and Loose Tools

Stores, spare parts and loose tools are valued at cost, using weighted average method. Items in transit are valued at cost comprising invoice value and other charges incurred thereon up to the balance sheet date. Adequate provision is made for obsolescence and slow moving items as and when required based on the parameters set out by the management as stated in note 2.4 (e).

3.4 Stock-in-Trade

Stock-in-trade except "by products" are valued at the lower of cost and net realizable value. By products are valued at net realizable value.

Cost of raw material and finished goods is determined using weighted average cost basis except for those in transit which are stated at invoice price plus other directly attributable costs paid thereon up to the balance sheet date.

Finished goods and work-in-process consist of cost of direct materials, labor and a proportion of manufacturing overheads based on normal capacity.

Cost of trading stock is determined using weighted average cost except for those in transit which are stated at invoice price plus other charges paid thereon up to the balance sheet date.

3.5 Trade Debts

Trade debts are carried at original invoice amount that is fair value of goods sold. An impairment allowance for doubtful debt is established when there is objective evidence that the Company will not be able to collect amount due according to the original terms of the debts. When a trade debt is uncollectable, it is written off.

3.6 Employees post employment benefits

Defined Contribution Plan

The Company operates an approved funded contributory provident fund scheme for all its employees eligible for benefit. Equal monthly contributions are made by the company and employees at the rate of 10% of basic salary plus cost of living allowance. The company's contribution to the fund is charged to profit and loss account for the year.

3.7 Compensated unavailed leaves

The Company accounts for its liability towards unavailed leaves accumulated by employees on accrual basis.

3.8 Taxation

a) Current Income Tax

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credits, rebates and exemptions available, if any, or minimum tax under section 113 or alternate corporate tax under section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where considered necessary, to provision for taxation made in previous years arising from assessments framed during the year for such years. The Company falls under the final tax regime under section 154 and 169 of the Income Tax Ordinance, 2001 to the extent of export sales.

b) Deferred taxation

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

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable income will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard, the effect on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted.

c) Sales tax

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

- Where sales tax incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- ii) Receivables or payables that are stated with the amount of sales tax included.
- iii) The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

3.9 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

3.10 Borrowings and their costs

Borrowings are recorded at the proceeds received.

Borrowing costs incurred on finances obtained for the construction/installation of qualifying assets are capitalized up to date the respective assets are available for the intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

3.11 Provisions

Estimates and judgments are required with respect to provisions which are reviewed at each balance sheet date and adjusted to reflect current best estimate.

3.12 Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual right that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities are taken to profit and loss account.

3.13 Offsetting of Financial Assets and Liabilities

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

3.14 Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicated that one or more events have had a negative effect on the estimated future cash flows of that asset.

The company considers evidence of impairment for receivable and other financial assets at specific asset level. Impairment losses are recognised as expense in profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

Non-Financial assets

The carrying amount of non-financial assets is assessed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount of such assets is estimated. Recoverable amount is higher of an asset's fair value less cost to sell and value in use. An impairment loss is recognised as expense in the profit and loss account for the amount by which asset's carrying amount exceeds its recoverable amount.

3.15 Revenue Recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The following recognition criteria is adopted for recognizing revenue;

- Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods to customers.
- Return on bank deposits is recognized on a time proportion basis on accrual basis at applicable rate.
- Mark-up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters. Recognition of markup on loans considered doubtful is deferred.
- Share of the profit or loss of associates is taken to profit & loss account under equity method (note 3.2) and dividend is credited to investment in associate in the period when the Company's right to receive the payment is established.

3.16 Foreign currency transactions and translation

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

3.17 Cash and Cash Equivalents

For the purpose of cash flow statement cash and cash equivalents comprises cash in hand, balances with banks on current, savings and deposit accounts.

3.18 Segment Reporting

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the company's other components. Operating segments are reported in a manner consistent with the internal reporting structure based on the operating (business) segments of the company. An operating segment's operating results are regularly reviewed by the management and the chief executive officer for the purpose of making decisions regarding resource allocation and performance assessment and for which discreet financial information is available.

Segment results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Segment assets, consist primarily of property, plant and equipment, intangibles, stores and spares, stock in trade and other debts. Segment liabilities comprise of operating liabilities and exclude items that are common to all operating segments.

The accounting policies of the reportable segments are the same as the Company's accounting policies described in this note. Inter-segment transactions are recorded at fair value. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets.

3.19 Dividends and other appropriations

Dividend and appropriation to reserves are recognized in the financial statements in the period in which these are approved.

		Note	2016 Rupees i	2015 n thousand
4	PROPERTY, PLANT AND EQUIPMENT			
	Operating fixed assets	4.1	3,467,597	3,549,052
	Capital work in progress	4.2	643,348	90,577
			4,110,945	3,639,629

4.1 OPERATING FIXED ASSETS

The following is a statement of operating fixed assets

				0700							
				20.10							
			Z	NET CARRYING VALUE	VALUE			GROS	GROSS CARRYING VALUE	LUE	
PARTICULARS	Opening Net Book Value At Oct 01, 2015	Direct Additions	Transfer From CWIP	Disposal	Depreciation	Transfer at NBV - Lease to owned	Net Book Value At Sep 30, 2016	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2016	Depreciation Rate
					Rupees in thousand	usand					
OWNED FREE HOLD LAND											
Cost * Revaluation	3,787 135,013	16,400			, ,		20,187	20,187 135,013		20,187 135,013	
FACTORY BUILDING Cost Revaluation	89,208 109,418	•	10,032		9,253 10,942		89,987	163,016 141,390	73,029 42,914	89,987 98,476	10%
NON FACTORY BUILDING Cost Revaluation	89,947 394,159	ı	5,647		5,319 21,444		90,275 372,715	172,333 476,762	82,058 104,047	90,275 372,715	9% - 10%
POWER PLANT Cost Revaluation	66,790	1 1			7,520	107,057	166,327	321,707 22,621	155,380 5,316	166,327 17,305	%9
PLANT & MACHINERY Cost Revaluation	1,625,637 822,275	13,517	95,563	5,863	106,790 42,144		1,622,064	3,172,677 1,494,568	1,550,613	1,622,064	5% - 20%
FURNITURE, FIXTURE AND Cost	6,038	247	,		2,102	,	4,183	16,057	11,874	4,183	10%
OFFICE EQUIPMENT Cost	10,711	3,610	,		4,165	,	10,156	67,410	57,254	10,156	10%
VEHICLES Cost	59,720	15,847	,	1,125	13,664	,	60,778	165,089	104,311	80,778	20%
LEASED PLANT AND MACHINERY Cost	117,008	1		,	9,951	(107,057)	1	,	,	,	2%
	3,549,052	49,621	111,242	6,988	235,330		3,467,597	6,368,830	2,901,233	3,467,597	

* Additions in land represent the land acquired during the year adjacent to the factory premises located at Shahpur Jahania, District Shaheed Benazirabad, Sindh.

2,063,957 1,403,640 **3,467,597**

2,034,519 866,714 **2,901,233**

4,098,476 2,270,354 **6,368,830**

2,063,957 1,403,640 **3,467,597**

158,764 76,566 **235,330**

6,988

111,242

49,621 -49,621

2,068,846 1,480,206 **3,549,052**

TOTAL Cost Revaluation

				2015	2						
			NET	NET CARRYING VALUE	-UE			GROS	GROSS CARRYING VALUE	LUE	
PARTICULARS	Opening Net Book Value At Oct 01, 2014	Direct Additions	Transfer From CWIP	Disposal	Depreciation	Transfer at NBV	Net Book Value At Sep 30, 2015	Cost	Accumulated Depreciation	Net Book Value At Sep 30, 2015	Depreciation Rate
diversity of the state of the s					Rupees in thousand	sand					
Cost Revaluation	3,787 135,013						3,787 135,013	3,787 135,013		3,787	
FACTORY BUILDING Cost Revaluation	95,069 121,576		3,533		9,394		- 89,208 109,418	152,984	63,776 31,972	89,208 109,418	10%
NON FACTORY BUILDING Cost Revaluation	81,229 416,934		13,629		4,911 22,775		89,947 394,159	166,686 476,762	76,739 82,603	89,947 394,159	5% - 10%
POWER PLANT Cost Revaluation	76,155 20,359				9,365		- 66,790 19,341	146,707	79,917	66,790	2%
PLANT & MACHINERY Cost Revaluation	1,659,940 867,423	8,141	71,966	4,164	110,246 44,639		1,625,637 822,275	3,070,492	1,444,855	1,625,637	5% - 20%
FURNITURE, FIXTURE AND FITTINGS	3,907	6,131		2,504	1,496		- 6,038	15,810	9,772	6,038	10%
OFFICE EQUIPMENT Cost	8,474	6,219		259	3,723		10,711	63,800	53,089	10,711	10%
VEHICLES Cost	44,763	29,044		3,944	10,143		59,720	155,007	95,287	59,720	20%
LEASED PLANT & MACHINERY Cost Revaluation	128,065	1 1	1 1	1 1	11,057		117,008	175,000	57,992	117,008	%9
ATC	3,662,694	49,535	89,128	11,380	240,925		3,549,052	6,220,627	2,671,575	3,549,052	
Cost Revaluation	2,101,389	49,535	89,128	10,871 509	160,335 80,590		2,068,846	3,950,273 2,270,354	1,881,427	2,068,846 1,480,206	
	3,662,694	49,535	89,128	11,380	240,925		3,549,052	6,220,627	2,671,575	3,549,052	

4.1.1 Revaluation of land, buildings and plant and machinery was carried out on September 30, 2013 by an independent valuator on the basis of market value or depreciated replacement values as applicable. Revaluation surplus has been credited to surplus on revaluation of property, plant and equipment account to comply with the requirement of section 235 of the Companies Ordinance, 1984.

	Note	2016	2015
4.1.2 Depreciation for the year has been allocated as follows:		Rupees in	thousand
Cost of Sales Administrative expenses	27.1 30	188,636 46,694	197,829 43,096
		235,330	240,925

4.1.3 Detail of disposal of property, plant, equipment and vehicles

- by negotiation except othewise stated

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	(Loss)/C on disp	Particulars of Ruyer
		Rupe	es in thousa	nd		
Plant & Machinery						
Steel Belt	6,895	1,032	5,863	5,300	(563)	Insurance Claim - Reliance Insurance Company Limited
VEHICLES						
Suzuki Mehran ASU-431	449	339	110	100	(10)	Mukaram Ali, House No A 390, Mauhalla A Area Malir Colony Malir.
Suzuki Baleno AHV-341	789	735	54	50	(4)	Younus Rajput, R 36 Street No 1 Sector 1 Ahsanabad Karachi.
Suzuki Alto-AQE-861	511	421	90	300	210	Anas Israr, House No B 160 A Shahrah e Quidine Muhalla Khudadad Colony Karachi.
Toyota Corrolla ARM-251	1,319	1,055	264	940	676	Muhammad Ibrahim, Flat No R-A /4 Golf Course Road Phase IV , DHA Karachi.
Suzuki Mehran ASQ-904	449	347	102	250	148	Abid Mehmood, House No 189 Mauhalla Fayyaz Colony Tando Allah Yar.
Suzuki Swift AVG-563	1,078	753	325	400	75	Abdul Haleem, 7/A Jinnah Cooperative Housing Society Karachi.
Honda City AGN-318	606	578	28	500	472	Ataullah Khattak, House No G 275 A 1 Chowk Asad Clinic Shahfaisal Colony Karachi
Suzuki Bolan CT-3193	564	412	152	425	273	Zulfiqar Ali, Flat No. A-54, Sector, 4-D Kashmir Road Islam Nagar Orangi Town Karachi
	5,765	4,640	1,125	2,965	1,840	
2016	12,660	5,672	6,988	8,265	1,277	
2015	33,594	22,215	11,379	18,768	7,389	

4.2 Capital work in progress

	2	2016	
	During	g the year	
Opening Balance	Capital expenditure incurred	Transferred to operating fixed assets	Closing Balance
	Rupees	in thousand	

Civil works under erection

Plant and machinery under installation 4.2.1 ___

40,379	11,754	(15,679)	36,454
50,198	652,259	(95,563)	606,894
90,577	664,013	(111,242)	643,348

	-	2015	
		g the year	
Opening Balance	Capital expenditure incurred	Transferred to operating fixed assets	Closing Balance
	Rupees	in thousand	

Civil works - under erection
Plant and machinery- under installation

33,087	24,454	(17,162)	40,379
11,170	110,994	(71,966)	50,198
44,257	135,448	(89,128)	90,577

4.2.1 Additions to plant and machinery under installation includes borrowing cost of Rs. 28.797 million (2015: nil) capitalize at the effective rate of 7.99% - 8.45% (2015: nil).

Note 2016 2015

Rupees in thousand

5 INTANGIBLE ASSET

ERP Software

Gross Carrying value basis

Cost

Accumulated amortization

6,873	6,873
(6,873)	(6,873)
-	-

5.1 Cost of ERP Software has been amortized over the period of 3 years on straight line basis as per company policy; however the software is still in use of the company.

Shahmurad

Al Noor

6 LONG TERM INVESTMENTS

Investment in associates: -

	Sugar Mills Limited	Modaraba Management (Pvt.) Limited	Total 2016	Total 2015
		Rupees in	thousand	
Opening balance	256,456	3,759	260,215	246,884
Share of profit /(Loss) of associates	19,511	(607)	18,904	28,497
Share of associate's unrealized (loss) on remeasurement of associate's available for sale investment	-	(46)	(46)	(993)
Share of associate's share in reversal of its associates' incremental depreciation on account of revaluation of property plant and equipment.	-	(26)	(26)	(7)
Share of associate's share in its associates' incremental depreciation on account of revaluation of property plant and equipment.	-	17	17	24
Dividend received from associate	(11,549)		(11,549)	(14,190)
	7,962	(662)	7,300	13,331
Closing Balance	264,418	3,097	267,515	260,215

6.1 The Company holds 3,299,784 (15.625%) and 500,000 (14.285%) fully paid ordinary shares of Shahmurad Sugar Mills Limited (SSML) and Al-Noor Modaraba Management (Pvt.) Limited (ANMM) respectively. Original cost of investments in SSML and ANMM is Rs. 21.631 million and Rs. 5 million respectively. SSML and ANMM being group companies of Al-Noor Group and having common directors are associates of the Company and this strategic investment in associates is determined by using equity method.

SSML was incorporated in Pakistan as a public limited company on April 9, 1979. Its shares are quoted at the Pakistan Stock Exchange Limited. SSML owns and operates Sugar and Ethanol manufacturing units which are located at Jhok, District Thatta in the Province of Sindh. The registered office of SSML is located at 96-A, Sindhi Muslim Cooperative Housing Society, Karachi, Sindh. Chief Executive of SSML is Mr.Yusuf Ayoob. The market value of Shahmurad Sugar Mills Limited shares as at September 30, 2016 was Rs.197.525 million. (2015: Rs.194.030 million).

ANMM was incorporated on July 21, 1991, its principal business is to float and manage MODARABA and its principal place of business is 96-A, S.M.C.H.S. Karachi. Chief Executive of ANMM is Mr.Jalaluddin Ahmed Breakup value per Share Rs.6.20 (2015: Rs.7.52 and aggregate breakup value of the Company's investment is Rs.3,097 thousand (2015:Rs.3,759 thousands). In view of regulatory framework applicable in Pakistan the financial year end of ANMM is June 30, 2016 and since there are no significant change in the associate's financial affairs up to September 30, therefore, the financial results of ANMM as June 30,2016 have been used for the purpose of application of equity method.

6.2 Summarized financial information of associates based on their latest available audited financial statements is as follows: -

	20	16	20	15
	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited	Shahmurad Sugar Mills Limited	Al Noor Modaraba Management (Pvt.) Limited
		Rupees in	thousand	
Assets, Liabilities and net assets				
Assets				
Tangible and intangible fixed assets	2,541,075	1,400	2,424,783	1,775
Long Term Investments	3,097	22,805	3,759	25,370
Other non current assets	4,618	28	4,976	28
Current assets	1,407,923	3,339	2,696,867	4,585
	3,956,713	27,572	5,130,385	31,758
Liabilities		1		
Non - current liabilities	(810,804)	(4,160)	(831,133)	(3,700)
Current liabilities	(1,428,785)	(1,742)	(2,642,076)	(1,755)
	(2,239,589)	(5,902)	(3,473,209)	(5,455)
Net assets	1,717,124	21,670	1,657,176	26,303
Share of net assets	268,301	3,097	258,934	3,759
Operating Results Revenue / Income Total expenses Share of profit of associates Taxation Profit after taxation for the year Share of Al-Noor Sugar Mills Limited	5,901,981 (5,731,301) (590) (45,219) 124,871 19,511	2,463 (6,762) 410 (359) (4,248)	5,308,780 (5,045,631) (366) (78,060) 184,723	3,691 (6,719) 819 (354) (2,563)
Items transferred through other comprehensive income / equity				
Unrealized (loss) on remeasurement of associate's available for sale investment	-	(322)	<u>-</u>	(6,951)
Share of Al-Noor Sugar Mills Limited	-	(46)	-	(993)
Share of associate's share in reversal of its associate's incremental depreciation on account	-	(184)		(49)
Share of Al-Noor Sugar Mills Limited	-	(26)	-	(7)
Equity share of associate incremental depreciation on revaluation of investment	-	120		166
Share of Al-Noor Sugar Mills Limited	-	17		24

		Note	2016	2015
			Rupees in	n thousand
7	LONG TERM LOANS			
	Secured & Interest free			
	Considered good Due from - Executives - Non Executive	7.1	3,022 10,981	5,279 8,751
	Less : Current portion of loans		14,003	14,030
	Due from - Executives - Non Executive		(2,128) (7,940) (10,068)	(1,716) (6,292) (8,008)
			3,935	6,022
7.1	Movement of outstanding amount of loans to Executives	s:		
	Balance at the beginning of the year Disbursed during the year Recovered during the year Balance at the end of the year		5,279 5,223 (7,480) 3,022	3,713 4,641 (3,075) 5,279
7.2	Loans and advances have been given in accordance with period of three years in monthly installments. These are seculong term loan have been carried at cost as the effect of camaterial.	red against the retir	ement benefits.	These interest free
7.3	The maximum aggregate amount due from executives at any 5.380 million).	month end during t	he year was Rs.6	.651 million (2015:
	3.300 Hillion).	Note	2016	2015
			Rupees ii	n thousand
8	LONG TERM DEPOSITS			
	Interest free-considered good		3,560	3,552
9	STORES, SPARE PARTS AND LOOSE TOOLS			
	Stores Spare parts Loose tools Stores in transit		132,997 217,784 896 1,339 353,016	131,180 219,013 907 - 351,100
	Less: Provision for obsolescence and slow moving items	9.1	(46,040)	(37,114)
	_		306,976	313,986
9.1	Provision for obsolescence and slow moving items			
	Opening balance Provision for the year Closing balance	31	37,114 8,926 46,040	26,913 10,201 37,114

	Note	2016 Rupees	2015 in thousand
10	STOCK IN TRADE		
	Raw material - in hand - in transit	274,429 26,564 300,993	208,423 151,689 360,112
	Sugar in process	11,928	9,096
	Finished goods/By Products Sugar MDFB Sheets Trading stock of laminated flooring / Edge Banding	1,481,641 165,201 1,646,842 4,873	1,940,651 179,423 2,120,074 6,682
	Baggasse	3,625	-
		1,968,261	2,495,964

- **10.1** Stocks of refined sugar amounting to Rs.666 million (2015: Rs.1,940.65 million) is pledged against cash finance facilities and Murabaha / Istisna arrangements as referred in Note.23.1 and 21.2 respectively.
- 10.2 Stock in trade includes stocks costing Rs. 47.322 million (2015: Rs. 321.607 million) written down to their net realizable value of Rs. 22.427 million (2015: Rs.285.880 million).

	· · · · · · · · · · · · · · · · · · ·			
		Note	2016	2015
			Rupees in	n thousand
11	TRADE DEBTS			
	Against Local sales - Unsecured, considered good		62,521	120,106
12	LOANS AND ADVANCES			
	Secured & Interest free Current portion of long term loans	7	10,068	8,008
	Un-secured & Interest free			
	Considered good Advances against purchases and services Advances to Employees Loans to Growers Considered doubtful Loans to growers For purchase and services For transportation	12.1	29,578 7,019 24,468 61,065 36,801 1,555 2,740 41,096	50,909 6,189 18,009 75,107 36,801 1,555 2,740 41,096
	Impairment allowance against loans and advances	12.2	(41,096) 71,133	(41,096) 83,115

12.1 These overdue loans are given to farmer/growers to support them for sugarcane cultivation and development. These are adjusted against purchase of sugarcane from respective growers. Interest is charged on these loans @ 10%. However, impairment allowance has been made in respect of loans against which future adjustment through purchase of sugarcane is considered doubtful and hence no interest is accrued thereon.

		Note	2016	2015
			Rupees i	n thousand
12.2	Impairment allowance against loans and advances		-	
	Opening balance Allowance made during the year Closing balance		41,096 - 41,096	41,096 - 41,096
13	TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
	Trade deposits Lease deposit Short term prepayments		2,850 - 2,517 5,367	1,810 35,000 2,136 38,946
14	OTHER RECEIVABLES			
	Receivables from related parties Sales tax receivable Cane Development Cess Export Freight Subsidy Export Subsidy receivable Dividend receivable from related party Others Less: impairment allowance against export freight subsidy	14.1 25.8 14.2 14.3	300 31,173 8,238 49,779 - - 1,001 90,491 (49,779)	11,049 31,173 8,238 49,779 15,200 7,590 958 123,987 (49,779)
			40,712	74,208

- 14.1 These represent rent and insurance claims receivable from First Al-Noor Modaraba and Reliance Insurance Company Limited, respectively. The maximum aggregate amount due from related parties at the end of any month during the year was Rs.21.262 million (2015: 38.107 million).
- **14.2** This represents freight subsidy on sugar exports receivable from Trade Development Authority of Pakistan. However, due to uncertainties regarding the recoverability of the subsidy, impairment allowance has been made as a matter of prudence.
- **14.3** This represents export subsidy receivable from State Bank of Pakistan Vide EPD Circular Letter No.5 dated March 11, 2015, which have been received during the year.

15 CASH AND BANK BALANCES

Cash in hand Cash at banks		582	1,121
In Current accounts In Saving accounts	15.2	98,901 37,409 136,310	93,730 3,322 97,052
		136,892	98,173

- **15.1** This carry profit at the rate ranging between 3.75% and 5.02% (2015: 5% and 7%).
- 15.2 This includes deposits of Rs. 11.098 million (2015: Rs. 21.849 million) with Shariah Compliant financial institutions.

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016	2015		2016	2015
No. of	f Shares	Note	Rupees i	n thousand
3,617,635	3,617,635	Ordinary shares of Rs.10 each allotted for consideration paid in cash.	36,177	36,177
884,637	884,637	Ordinary shares of Rs. 10 each allotted as fully paid up otherwise than in cash (issued in terms of loan arrangement and debenture trust deeds).	8,846	8,846
15,971,430	15,971,430	Ordinary shares of Rs. 10 each allotted as fully paid bonus shares.	159,714	159,714
20,473,702	20,473,702	•	204,737	204,737

16.1 Associated companies hold 1,994,950 i.e. 9.75% ordinary shares in the Company (2015: 1,996,950 i.e. 9.75%) .

17 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

	,			
	Surplus on revaluation of property, plant and equipment	17.1	1,052,013	1,092,736
	Share of associates' surplus on revaluation of property, plant and equipment	17.2	88,863 1,140,876	91,869 1,184,605
17.1	Surplus on revaluation of property, plant and equipment			
	Opening balance - gross		1,480,206	1,561,305
	Incremental depreciation - net of deferred tax Related deferred tax liability		(52,831) (23,735) (76,566)	(54,801) (25,789) (80,590)
	Transfer to equity on account of disposal of plant and machine	ery	-	(509)
	Closing balance - gross		1,403,640	1,480,206
	Related deferred tax liability		(351,627)	(387,470)
	Revaluation surplus net of deferred tax		1,052,013	1,092,736
17.2	Share of associates' surplus on revaluation of property, plant and equipment			
	Opening balance		91,869	95,608
	Transfer from surplus on revaluation of property, plant and equaccount of Share of associate's incremental depreciation of re		3,006	3,739
			88,863	91,869
18	LONG TERM FINANCING- Secured			
	Banks Financial Institution Modaraba	18.1 18.1 18.1	1,213,273 224,306 170,125 1,607,704	699,208 346,528 74,375 1,120,111

18.1						BANKS							ľ	FINANCIAL INSTITUTION	ITUTION		ŀ		MODARABA	4	Ĺ	TOTA	Γ.
	Al Baraka Bank Pakistan Ltd	Burj Bank Ltd	Burj Bank Ltd	Bank Al Falah Ltd	Meezan Bank Ltd	Meezan Bank Ltd	MCB Bank Ltd	Dubai Islamic Bank Pakistan Ltd	Samba Bank Ltd	Samba Bank Ltd	Total	Pak Oman Inv	Pak Oman Inv	Pak Oman Inv	Pak Brunei Inv	Pak Brunei Inv	St. Total Ch	Standard Chartered Modaraba	Sindh Modaraba	Standard Chartered Modaraba	Total	2016	2015
					(Rupees in	(Rupees in thousand)																	
Opening balance	. 000	187,500	16,667		75,000	100,000	246,891	, 00	300,000	. 000 000	926,058	100,000	112,500	20,000	100,000	100,000	462,500	54,000	85,000	. 00	139,000	1,527,558	1,486,525
Less: Repayment	000,000	187,500	16,	, , ,	75,000	100,000	63,684	, ,	, 000	000000	442,851	18,750	37,500	12,500	25,000	1 22,22	115,972	24,000	10,625	000/1		623,448	543,967
Less: Current Maturity Shown under current liabilities	000,27			46.875			898	28,125	56,250		269,934	25.000	37,500	12.500	25,000		22,222		21.250	27.000		440,406	407,447
	325,000			203,125			119,523	121,875	243,750	200,000	1,213,273	56,250	37,500	25,000	20,000	55,556 2	224,306		53,125	117,000	170,125	1,607,704	1,120,111
Description	Diminishing Musharaka	Diminishing Musharaka	Diminishing Musharaka	Term Finance	Diminishing Musharaka	Diminishing Musharaka	Demand Finance	Shirkat ul Melk	Medium Term	Medium Term		Long Term Finance	Long Term Finance	Long Term Finance	Long Term Finance	Long Term Finance	ig ₹	Diminishing Di Musharaka M	Diminishing Nusharaka	Diminishing Musharaka			
Sanctioned/Sale Price/ Disbursed Amount (Rs in million)	400	520	100	220	700	100	278.733	150	300	500		100	150	25	100	100		180	180	¥			
Facilty Tenor	5 Years	5 Years	4 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	SYears		5 Years	5 Years	SYears	5 Years	SYears	4	4 Years	4 Years	5 Years			
Grace Period	1 Year	1 Year	1 Year	1 Year	1 Year	1 Year	1Year	1Year	1Year	lYear		1 Year	1 Year	1Year	1 Year	Year	-	1 Year	1 Year	1 Year			
Effective rate of markup (per annum)	6M KIBOR + 1.75%	6M KIBOR + 2%	3M KIBOR + 2.50%	3 M KIBOR + 1.50%	6 M KIBOR + 2.25%	6 M KIBOR + 1.75%	3 M KIBOR + 2.00%	3 M KIBOR + 1.50%	3 M KIBOR + 1.75%	3 M KIBOR + 1.50%		6M KIBOR + 2.00%	6M KIBOR + 2.00%	6 M KIBOR + 2.00%	6 M KIBOR 6 + 2.75%	6 M KIBOR + 2.00%	6M 2	6 M KIBOR + 6 M 2.00%	6 M KIBOR + 6 2.00%	6 M KIBOR + 1.50%			
Installments Payable	Quarterly	Half Yearly		Quarterly	Half Yearly	Half Yearly	Half Yearly	Quarterly	Quarterly	Quarterly		Quarterly	Quarterly			Half Yearly	ŏ			Quarterly			
Number of installments	16	80	12	16	80	80	∞	16	16	16		16	16	16	∞	∞		12	16	16			
Date of disbursement Date of maturity	08-10-2015	30-09-2013	21-03-2012	29-12-2015	23-11-2011	18-07-2014 18-07-2019	24-03-2014	28-12-2015 28-12-2020	09-09-2015	22-06-2016 01-07-2021		05-12-2014 05-12-2019	27-09-2013	30-09-2014	08-04-2014 0 08-04-2019 0	06-11-2014	¥ ¥	15-05-2012 15 15-05-2016 15	15-05-2015 3	30-12-2015			
SECURITIES																							
Al-Baraka Bank (Pakistan) Ltd Rs.400-M.	First pari passu	E/M & hypothe	cation charge ov	er all fixed asse	's including land,	. building, Plant &	Machinery of Al-	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Wills Limited-MDFB Division - New	nited-MDFB Divisi	on - New													
Burj Bank Ltd Rs.250-M.	First pari passu	E/M & hypothe	cation charge ov	er all fixed asse	's including land,	. building, Plant &	Machinery of Al-	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division	mited-Sugar Divisi	*													
Burj Bank Ltd Rs. 100-M.	First pari passu	E/M & hypothe	xation charge ov	er all fixed asse	is including land,	. building, Plant &	Machinery of Al-	Flist pari passu E,M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of A-Noor Sugar Wills Limited-MDFB Division	mited-MDFB Divisi	S.													
Bank Al-Falah Ltd-250-M.	First pari passu	E/M & hypothe	xation charge ov	er all fixed asse	is including land,	. building, Plant &	Machinery of Al-	First pari passu E.M. & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Woor Sugar Mills Limited-Sugar Division - New	nited-Sugar Divisi	on - New													
Meezan Bank Ltd Rs.200-M.	First pari passu	hypothecation	charge over all f.	wed assets inclu	ding Plant & Ma	chinery of Al-Noc	First pari passu hypothecation charge over all fixed assets including Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Divisio	ted-Sugar Division															
Meezan Bank Ltd Rs.100-M.	First pari passu	hypothecation	charge over all f.	wed assets inclu	ding Plant & Ma	chinery of Al-Noc	First pari passu hypothecation charge over all fixed assets including. Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division	ted-Sugar Division															
MCB Bank Ltd Rs. 278.73-M.	First pari passu	E/M & hypothe	scation charge ox	er all fixed asse	ts including land,	. building, Plant &	Machinery of Al-	First pari passu. E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of A-Noor Sugar Mills Limited-Sugar Division	mited-Sugar Divisi	*													
Dubai Islamic Bank Pakistan Ltd Rs.150-M.	First pari passu	hypothecation	dharge over all f.	ixed assets inclu	ding Land, Buildi	ing, Plant & Mach	inery of Al-Noor S	First pari passu. hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd-MDFB Division	FB Division.														
Samba Bank Ltd Rs.300-M.	First pari passu	E/M & hypothe	scation charge ov	er all fixed asse	ts including land,	. building, Plant &	Machinery of Al-	First pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division	mited-Sugar Divisi	*													
Samba Bank Ltd Rs.200-M.	First pari passu	E/M & hypothe	scation charge ou	er all fixed asse	ts including land,	. building, Plant &	' Machinery of Al-	First pai passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-Sugar Division	mited-Sugar Divisi	*													
Pak Oman Investment Co. Ltd Rs100-M.	First pari passu	E/M & hypothe	scation charge ow	er all fixed asset	s including Land,	Building, Plant &	Machinery of Al-	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd-Sugar Division	d- Sugar Division.														
Pak Oman Investment Co. Ltd Rs150-M.	First pari passu	· E/M & hypothe	xation charge ou	er all fixed asse	is including land,	building, Plant &	Machinery of Al-	Flist pari passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Mills Limited-MDFB Division	nited-MDFB Divisi	5													
Pak Oman Investment Co. Ltd Rs50-M.	First pari passu	E/M & hypothe	scation charge ou	er all fixed asse	is including land,	. building, Plant &	Machinery of Al-	Flex pai passu E/M & hypothecation charge over all fixed assets including land, building, Plant & Machinery of Al-Noor Sugar Wills Limited-MDFB Division	nited-MDFB Divisi	5													
Pak Brunei Investment Co. Ltd Rs100-M.	First pari passu	· E/M & hypothe	xation charge ow	er all fixed asset	s including Land,	Building, Plant &	: Machinery of Al-	First pari passu E/M & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd- MDFB Division	d- MDFB Division.														
Pak Brunei Investment Co. Ltd Rs100-M.	First pari passu	· E/M & hypothe	scation charge ow	er all fixed asset	s including Land,	Building, Plant &	Machinery of Al-	First pai passu EJM & hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of A-Noor Sugar Wills Ltd-MDFB Division	d- MDFB Division.														
Standard Chartered Modaraba Rs.180-M.	First pari passu	E/M & hypothe	cation charge ov	er all fixed asse	ts of Al-Noor Sug	First pari passu E/M & hypothecation charge over all fixed assets of Al-Noor Sugar Mills Limited-Sugar Division	Augar Division																
Standard Chartered Modaraba Rs.144-M.	First pari passu	E/M & hypothe	scation charge or	er all fixed asse	ts of Al-Noor Sug	First pari passu E/M & hypothecation charge over all fixed assets of Al-Noor Sugar Mills Limited-Sugar Division	Sugar Division																
Sind Modaraba-85 M	First pari passu	Hypothecation	charge over all t	ixed assets inclu	ding Land, Buildi	ing, Plant & Mach	inery of Al-Noor S	First pari passu. Hypothecation charge over all fixed assets including Land, Building, Plant & Machinery of Al-Noor Sugar Mills Ltd-Sugar Division.	jar Division.														

18.2 Long financing under Shariah compilant arrangements aggregated to Rs. 768.375 million (2015; Rs. 518.167 million).

		Note	2016	2015
			Rupees i	n thousand
19	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
	Minimum lease payments / rentals payable Within one year After one year but not more than five years		-	63,388
	Less: Amount representing finance charges payable Within one year After one year but not more than five years		-	(1,294) (1,294)
	Present value of minimum lease payments		-	62,094
	Less: Current portion shown under current liabilities	24	-	(62,094)
19.1	After expiry of the lease, the Company opted to purchase the leased	assets		
20	DEFERRED LIABILITIES			
	Deferred taxation Excise duty	20.1 20.2	578,840 35,120	613,863 35,120
			613,960	648,983
20.1	Deferred taxation			
	Opening Balance Effect of reduction in tax rate related to revaluation surplus Effect of items taken to other comprehensive income & statement of changes in equity Reversal for the year to profit and loss account		613,863 (12,108) (7) (22,908)	655,049 (12,914) - (28,272)
	reversal for the year to profit and loss account		578,840	613,863
	Deferred tax liabilities / assets arising in respect of;			
	Taxable temporary differences Accelerated depreciation rates Investment in associates Surplus on revaluation of property, plant and equipments Lease financing arrangements Deductible temporary differences Provisions / impairment allowances Minimum tax carried forward		306,218 30,111 351,627 - 687,956 (24,046) (85,070) (109,116) 578,840	290,642 29,198 387,470 14,928 722,238 (23,305) (85,070) (108,375)
			======	======

20.2 This represents provision made in respect of denial of excise duty exemption by Central Excise and Land Customs Department vide notification of December 23, 1992. The company had filed a constitutional petition before the High Court of Sindh however the same was rejected by the Sindh High Court. The company has filed an appeal before the Supreme Court of Pakistan against the order of Sindh High Court. The appeal is pending for hearing, whereas the Company has recognised full amount of liability in this respect as a matter of abundant precaution and being prudent.

21	TRADE AND OTHER PAYABLES	Note	2016 Rupees in t	2015 housand
	Creditors Murabaha / Istisna payable Accrued expenses Advances from customers Workers' Profit Participation fund Workers' welfare fund Unclaimed dividend Sales tax payable Payable to provident fund - related party Trade deposits and retention money	21.1 21.2 21.3	384,205 - 65,460 276,043 11,130 4,230 4,228 65,666 11 54,503	344,467 300,000 61,540 202,590 10,412 6,800 3,272 106,035 64 32,284

- 21.1 This includes Rs. NIL (2015: Rs. 0.127 million) payable to related party.
- 21.2 Murabaha / Istisna have been availed from Islamic banks at 6M Kibor+0.5% to 1% per anum (2015: 6M Kibor+0.50% to 1% per anum). The profit is payable with principle amount on the date of maturity of transaction. These include pledge and hypothecation facilities. Pledge facilities are primarily secured by pledge of sugar and collaterally secured by ranking charge on current assets and hypothecation facilities are secured by 1st pari passu hypothecation charge over plant and machinery. The aggregate limit of Murabaha/Istisna arrangements is up to Rs. 1,100 million (2015: Rs 1,100 million). The unavailed facility at the year end amounted to Rs. 1,100 million (2015: 800 million).

21.3 Workers' Profit Participation fund

Opening balance		10,412	4,103
Interest on funds utilized	21.3.1	676	330
Allocation for the year	31	11,130	10,412
		22,218	14,845
Payments made during the year		(11,088)	(4,433)
Closing balance		11,130	10,412

21.3.1 This carries interest at the rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 9.10% (2015: 12.00%).

22 ACCRUED FINANCE COST

On Long term financing	23,968	16,346
On Finance lease obligation	-	28
On Murabaha / Istisna / IERF	-	2,178
On Short term borrowings	23,568	29,562
	47,536	48,114

22.1 This includes Rs. 7.5 million (2015: Rs. 6.8 million) in respect of borrowings under Shariah Compliant arrangements.

23 SHORT TERM BORROWINGS

From banking companies - Secured			
Running finance/Cash finance	23.1 & 23.2	691,100	1,173,087

- 23.1 These carry markup at rates ranging from 1/3/6M Kibor+0.25% to 1.50% (2015: 3/6M Kibor+1% to 1.5%) per annum chargeable and payable quarterly. These are secured against pledge of refined sugar (collaterally secured by hypothecation of stock and receivable) and 1st pari passu equitable mortgage charge on fixed assets. The aggregate limit of running finance arrangements is up to Rs. 3,875 million (2015: Rs 3,875 million). The aggregate unavailed running finance/cash finance facilities from commercial banks amounts to Rs. 3,184 million (2015: Rs.2,702 million) as on balance sheet date.
- 23.2 This includes Rs. Nil under Shariah Compliant arrangements.

		Note	2016	2015
24	CURRENT PORTION OF LONG TERM FINANCING		Rupees in	n thousand
	Long term financing Liabilities against assets subject to finance lease	18 19	440,406	407,447 62,094 469,541

25 CONTINGENCIES AND COMMITMENTS

a). Contingencies

25.1 A demand of Rs. 6.216 million in respect of sales tax on in house use of baggasse as fuel was raised by the Collectorate of Sales Tax, Hyderabad. The Company has challenged the liability and had filed an appeal before the Appellate Tribunal Karachi. The Appellate Tribunal has remanded back the case to the department of sales tax with a direction to compute the sales value and the sales tax payable thereon correctly after providing proper opportunity to the parties. The Sales Tax Tribunal has also directed the department to consider the fact that there was no deliberate or willful attempt to defraud the revenue therefore, the additional tax liability may be uncalled. However, to avail relief from levy of additional tax, as provided through SRO 1349(1) 99 dated 17th December,1999, the Company had paid a total amount of Rs. 11.791 million including additional tax of Rs.5.577 million in December,1999.

The adjudicating authority has conducted the proceedings on remanded back case of the Tribunal and maintained its previous order. The Company had filed an appeal before Collector Appeals which was decided against the company. Against which the company has filed an appeal before the Appellate Tribunal. Appellate Tribunal once again remanded back the case to the adjudicating authority. Thereafter no action has been taken by sales tax department. However the company has provided for the contingency for the amount of sales tax and additional tax already paid through the aforesaid SRO.

25.2 The Company filed petition before the High Court of Sindh contesting the levy of further tax against taxable supplies made to persons liable to registration under section 3(IA) of the Sales Tax Act, 1990. The entire liability till November 30, 2000 against such further tax had been paid by the Company including additional tax and penalties. During December 2000, a judgment in favor of Company was awarded by the High Court of Sindh. In presence of this the Company has claimed for refund of such further tax amounting to Rs.48.990 million out of which an amount of Rs.5.233 million has been refunded by the department.

The Department of Sales Tax has filed an Appeal before the Honorable Supreme Court against the Order of the High Court of Sindh. The Honorable Supreme Court has allowed the Appeal with direction to the department to act in accordance with law, however ratio-decidendi ordered by the High Court of Sindh has not been reversed, over ruled or amended. The Company is therefore of the view that the final outcome of the matter will be in favor of the Company. Sales Tax department has however raised a demand of further tax involving amount of 116 million, which has been contested by the company in the light of Sindh High Court Judgment. Thereafter the Sales Tax Tribunal has issued order in favor of the company against which the sales tax department filed appeal against the orders of Tribunal which are pending at Honorable Sindh High Court.

25.3 The Company's appeal in the Honorable Supreme Court against the Order of the Sindh High Court for levy of Quality Premium has been accepted by the Honorable Supreme Court by assailing the Order of Sindh High Court. Accordingly, no provision has been made in the books of accounts amounting to Rs. 339.65 million (2014: 339.65 million), as the matter is pending in the Honorable Supreme Court. Furthermore as per decision of federal government steering committee held on 16-07-2007, the quality premium shall remain suspended till decision of Honorable Supreme Court or consensus on uniform formula to be developed by MINFAL.

25.4 The Company has filed a petition before the Honorable High Court of Sindh against the imposition of special excise duty. The Honorable High Court has issued stay order for the recovery of 70% of the total amount of Rs 7.135 million against excise duty involved. The Company however as a matter of abundant prudent has provided for the amount of said duty in the financial statements. The case has been decided in favor of the Company declaring Special Excise Duty as void ab-initio and of no legal effect. The Inland Revenue department has filed an appeal before Honorable Supreme Court of Pakistan against the decision of Honorable High Court. In previous year, the company has received Show Cause Notice, from department of Inland Revenue -LTU Karachi, against refund claim of Special Excise Duty amounting to Rs. 118.208 million filed by the company, in compliance of order of Honorable High Court of Sindh Karachi.

The company has filed another appeal in Honorable High Court of Sindh Karachi, against the Show Cause Notice issued by the department of Inland Revenue-LTU Karachi. Honorable High Court of Sindh has issued, stay order against the proceedings on the show cause notice.

- 25.5 The company had received Show Cause Notice, from department of Inland Revenue, for recovery of Federal Excise Duty of respect of benefit availed by the company amounting to Rs.51.397 million, under SRO 77(1) 2013 dated 7th February 2013. The company has filed an appeal, before Honorable High Court of Sindh against Show Cause Notice and the Honorable High Court of Sindh has issued, stay order against the proceedings on the Show Cause Notice.
- 25.6 The Company has filed a petition in the Honorable Supreme Court of Pakistan against a show cause notice issued by Competition Commission of Pakistan (CCP), challenging the vary jurisdiction of the Competition Commission. The Honorable Supreme Court of Pakistan has disposed the petition on the ground that this matter is already under proceedings with Honorable High Courts and refrained CCP from passing any final / penal order till a final decision is achieved at Honorable High Courts. The matter is yet to heard and decided by the Honourable high court. Therefore, there are no financial implications related to this at the moment.
- 25.7 The Company has filed a suit before the Honorable High Court of Sindh against Pakistan Standards and Quality Control Authority (the Authority) challenging the levy of marking fee under PSQCA Act-VI of 1996. The Authority has demanded a fee payment @ 0.1% of ex-factory price for the year 2008-09 amounting to Rs. 6.5 million. The Company is of the view that demand notifications so raised are without any lawful authority under the PSQCA Act-VI of 1996 and are violation of the constitution. The Honorable High Court of Sindh has accepted the petition and termed that the impugned notification have been issued without lawful authority and suspended the operation of the impugned, notifications. The constitutional petition filed before the Honorable High Court of Sindh has been allowed in favor of the company. In the meantime the legal counsel of the company filed caveat in respect of an appeal to be filed by the PSQCA against the Judgment in Honorable Supreme Court of Pakistan. The Pakistan Standards and Quality Control Authority has filed an appeal before the Honorable Supreme Court of Pakistan against the decision of Honorable High Court of Sindh. No provision has been made in this respect.
- 25.8 An order was issued by Large Taxpayer Unit Karachi for recovery of Rs.31.173 million including additional tax and penalty being alleged inadmissible input tax claimed by the company. The amount of alleged inadmissible input tax was deposited by the company after receipt of order. However, the company filed an appeal before the Commissioner Inland Revenue Karachi. The Commissioner Inland Revenue decided the matter in favour of the company, declaring the input tax adjustment claimed by the company as admissible against which Large Taxpayer Unit Karachi has filed an appeal before Sales Tax Appellate Tribunal Inland Revenue Karachi. Appellate Tribunal Inland Revenue has partly remanded back the case, while other part of department appeal was rejected. However the Company has applied for refund of the amount deposited and is confident for outcome in favour of the company so no provision is made in this respect.
- 25.9 Against the sugarcane purchase price of Rs. 172 per 40 kgs as fixed for the season 2013-2014, the company had filed a case before the Honourable High Court of Sindh for linkage with prevailing market sugar price which was dismissed and the matter was taken up with the Honourable Supreme Court. In the due course of time, the Government of Sindh fixed the price of sugarcane at Rs. 182 per 40 kgs for the current season in pursuance of which the Sindh Chamber of Agriculture filed a petition in the Honourable High Court of Sindh. The Honourable Court disposed of the case upon settlement with the consent of all the stake holders whereby it was settled that Sugar Mills shall purchase the sugarcane from growers at Rs. 160 per 40 kgs for crushing season 2014-15 whereas Rs. 12 per 40 kgs will be paid by the Government of Sindh. The Honourable Court has subjected this interim arrangement to the decision of Civil appeal No 48 of 2015 pending before the Honourable Supreme Court of Pakistan and also have ordered that the fate of remaining Rs. 10 i.e., difference of Rs. 182 and 172 will also be dependent on upon the decision of Honourable Supreme Court of Pakistan. The Company as a matter of prudence has accounted for the said difference of Rs. 10 per 40 kgs in the accounts aggregating to Rs. 253.279 million.

		Note	2016	2015
b).	Commitments		Rupees in	thousand
	The Company's commitment as on September 30, are as follow	ws:		
	Letters of credit			
	Stores		34,130	25,881
	Raw Material		75,367	94,889
	Machinery		79,603	106,624
			189,100	227,394
26	SALES			
	Export		660,108	521,942
	Local			
	Local Sales including Sales Tax and Federal excise duty		8,271,565	7,157,495
	Sales tax and federal excise duty		(827,483)	(712,229)
	Brokerage and commission		(1,045) 7,443,037	(934) 6,444,332
			8,103,145	6,966,274
27	COST OF SALES			
	Opening stock of finished goods		2,120,074	1,620,785
	Cost of goods manufactured	27.1	6,666,133	6,437,826
			8,786,207	8,058,611
	Less: Closing stock of finished goods		(1,646,842)	(2,120,074)
			7,139,365	5,938,537
27.1	Cost of goods manufactured			
	Raw material consumed	25.9 & 27.1.1	5,933,041	5,585,177
	Salaries, wages and benefits Stores and spare parts consumed	27.1.2	241,224 263,374	213,500 315,119
	Packing materials		36,613	57,477
	Fuel and oil		95,330	124,661
	Power and water		167,684	247,579
	Repair and maintenance		117,725	128,568
	Insurance	4.4.0	17,358	16,008
	Depreciation Other manufacturing expenses	4.1.2	188,636 33,836	197,829 32,820
			7,094,821	6,918,738
	Less: Sale of Molasses		313,091	357,938
	Sale of Baggasse	27.1.3	9,240	16,925
	Inventory adjustment of baggasse		3,625	-
	Sale of Sunder dust		570	930
	Sale of Electric Power		99,330	102,106
	Work-in-process		(425,856)	(477,899)
	Opening stock		9,096	6,083
	Closing stock		(11,928)	(9,096)
			(2,832)	(3,013)
			6,666,133	6,437,826

Note

2016

2015

			Rupees ii	n thousand
27.1.1	Raw material consumed			
	Opening stock	Г	208,423	150,157
	Purchases and related expenses	L	5,999,047	5,643,443
	Closing stock		6,207,470 (274,429)	5,793,600 (208,423)
		-	5,933,041	5,585,177
27.1.2	It includes Rs. 6.951 million (2015: Rs. 6.116 million) in respect of the Comp	= cany's	contribution towa	ards staff provident
	fund.	,		·
27.1.3	These figures are net of sales tax of Rs.0.616 million (2015 : Rs. 2.877 mill	lion).		
28	(LOSS)/PROFIT FROM TRADING ACTIVITIES			
	Sales	Γ	2,735	132,046
	Sales tax	L	(415)	(19,238)
			2,320	112,808
	Less: Cost of sales Opening stock	Γ	6,682	5,228
	Purchases		- 0,002	113,327
	Closing stock		(4,873)	(6,682)
		-	1,809	111,873
			511	935
	Distribution expenses	-	(554)	(291)
	(Loss) / Profit for the year	=	(43)	644
29	DISTRIBUTION COST			
	Sales promotion		10,703	8,280
	Export sale expenses		2,267	2,044
	Dispatch, stacking and other expenses	-	22,585	12,901
		=	35,555	23,225
30	ADMINISTRATIVE EXPENSES			
	Salaries, wages and benefits 30.	.1	194,779	175,945
	Staff welfare		30,787	29,244
	Rent, rates and taxes		8,345	6,498 15,227
	Electricity and gas charges Repair and maintenance		15,883 41,736	15,337 41,260
	Legal and professional		3,326	5,857
	Vehicle running		24,439	25,670
	Insurance		3,468	3,505
	Communication		6,047	6,871
	Entertainment		10,205	8,787
	Printing and stationery Fees and subscription		2,175 3,928	2,120 3,784
	Traveling and conveyance		9,349	10,748
	Security Expenses		24,066	19,205
	Auditors' remuneration 30.		1,137	1,038
	Charity and donation 30.	.3	3,792	2,246
	Depreciation		46,694	43,096
	Others	-	4,868 435,024	7,813 409,024
		=	.50,02-7	100,024

30.1 It includes Rs.5.322 million (2015 : Rs. 4.633 million) in respect of the Company's contribution towards staff provident fund.

		Note	2016 Rupees in	2015 thousand
30.2	Auditors' remuneration			
	Kreston Hyder Bhimji & Co Audit fee Out of pocket expenses Half yearly review fee Code of corporate governance review fee		790 102 93 12 997	700 105 83 10 898
	A.D.Akhawala & Co Provident Fund A.D.Akhawala & Co Cost Audit		30 110 140 1,137	30 110 140 1,038
30.3	No directors or their spouses had any interest in the donee funds.			
31	OTHER OPERATING EXPENSES			
	Provision for obsolescence and slow moving items Provision for export freight subsidy Worker's Profit Participation fund Workers welfare fund Loss on disposal of Property plant & equipment	9.1 21.3 4.1.3	8,926 - 11,130 4,230 <u>577</u> 24,863	10,201 49,779 10,412 5,241
32	OTHER INCOME			
	Income from financial assets Profit on bank deposits Exchange gain on export proceeds Income from non financial assets Insurance claim Gain on disposal of property, plant and equipment Rent from related party Income from Others Sale of scrap Export Subsidy	4.1.3	2,339 1,662 4,001 11,838 1,854 600 14,292	3,818 894 4,712 21,759 7,389 600 29,748 1,441 19,200
			843	20,641
33	FINANCE COST		<u>19,136</u>	55,101
	Profit / Markup / Interest on: Long term financing Liabilities against asset subject to finance lease Short term borrowings Cash/Running finance Export refinance Murabaha / Istisna Workers' profit participation fund Bank charges Export finance fines	21.3	148,889 1,223 102,557 166 102,723 22,814 676 3,860	168,527 5,613 160,829 9,749 170,578 25,651 330 3,718 8,591
			280,185	383,008

33.1 This includes Rs. 102.9 million (2015: 108.6 million) in respect of Shariah Compliant Financial Institutions.

Note 34 TAXATION	2016 Rupees in t	2015 housand
Current Deferred 34.1	78,978 (22,908) 56,070	83,042 (28,272) 54,770
34.1 Tax Reconciliation		
Tax at 31% (2015:32%) on Accounting profit	70,106	70,748
Effect of		
Final tax regime	(5,044)	7,535
Minimum tax	14,232	-
Dividend income	2,392	1,609
Share of profit of associate	(5,860)	(9,119)
Tax credit	(8,726)	(8,011)
Reduction in tax rate	(18,811)	(9,514)
Others	7,781	1,521
	(14,036)	(15,979)
	56,070	54,770

34.2 Subsequent to the balance sheet date, as disclosed in note no 45, the Board of Directors have recommended dividend of Rs. 4 per share aggregating to Rs 81.895 million which is in excess of lower of 40% of its taxable profit and 50% of paid up capital and is expected to be paid within six months of the end of the tax year. Accordingly no provision for tax on undistributed reserves under section 5A of the Income Tax Ordinance 2001 is made in these financial statements.

35 EARNINGS PER SHARE

Basic and diluted

Profit after taxation (Rupees in thousands)	170,080	166,319
Weighted average number of ordinary shares outstanding during the year	20,474	20,474
Earnings per share (Rupees)	8.31	8.12

36 RELATED PARTY TRANSACTIONS

The related parties comprise associates, key management personnel and staff retirement benefit plans. The transactions with related parties are carried out as per agreed terms in the normal course of business. Amounts due from and to related parties are shown in respective notes of investment, receivables and payables, and remuneration of directors and key management personnel is disclosed in note.37 Other transactions with related parties are as follows: -

		2016	2015
Relationship with the Company	Nature of Transactions	Rupees i	n thousand
Reliance Insurance Company Limited	Insurance premium paid Insurance claims received Insurance claims receivable	30,506 37,679 300	26,830 56,764 11,049
Shahmurad Sugar Mills Limited	Sale of goods Dividend received Dividend receivable Share of profit in associates	323,902 11,549 - 19,511	362,738 6,600 7,590 28,863
First Al-Noor Modaraba (Pvt) Limited	Rent income Share of loss in associates Share of other comprehensive loss and item taken directly to equity	600 (607) (55)	600 (366) (976)
Staff Retirement Benefits Plan	Employer's contribution to provident fund	12,273	10.749
Stall Netherlicht Delleng Flan	Employer a continuation to provident fund	12,213	10,749

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration including all benefits to Chief Executive, Directors and Executives of the Company were as follows:-

	Chief Exe	cutive	Direct	ors	Execut	ives	To	tal
	2016	2015	2016	2015	2016	2015	2016	2015
			R	Rupees in th	nousand			
Meeting fee	-	26	187	242	-	-	187	268
Remuneration	7,589	6,535	9,984	9,282	62,710	52,299	80,283	68,116
Provident fund	-	-		-	5,137	3,659	5,137	3,659
Perquisite (including house rent and bonus)	3,794	3,426	4,992	4,641	77,085	51,228	85,871	59,295
Reimbursable expenses including traveling expenses	2,614	1,618	1,098	1,294	-	-	3,712	2,912
	13,997	11,605	16,261	15,459	144,932	107,186	175,190	134,250
Number of persons	1	1	2	2	98	71		

- 37.1 The Chief Executive, certain Directors and Executives are also provided with free use of company's cars.
- 37.2 Meeting fee has been paid to all 09 Directors including CEO.

	2016	2015
38 CAPACITY AND PRODUCTION		
Sugar Division		
Capacity Days	120	120
Cane crushing capacity per day (M.Ton)	7,000	7,000
Total Crushing Capacity on basis of no. of days (M.Ton)	840,000	840,000
No of days Mill operated	102	110
Total Crushing Capacity on basis of no. of days Mill operated (M.Ton)	714,000	770,000
Actual Crushing (M.Ton)	907,287	1,013,118
Sugar Production (M.Ton)	92,501	104,283

The sugar production plant capacity is based on crushing sugar cane on daily basis and the sugar production is dependent on certain factors which include sucrose recovery.

MDF Board division

Mande Line		
No. of Days Mill Operated	159	303
Capacity Per Day (Cubic Meter)	70	70
Total Capacity on basis of no. of days (Cubic Meter) mill operated	11,130	21,210
Actual Production (Cubic Meter)	9,325	19,053

Production of Mande Line of MDF Board Division was lowered due to production mix of different sizes.

Sunds Line

No. of Days Mill Operated Capacity Per Day (Cubic Meter)	306 122	309 122
Total Capacity on basis of no. of days (Cubic Meter) mill operated Actual Production (Cubic Meter)	37,332 39,841	37,698 39,755

39 SEGMENT INFORMATION

The Company has two operating / reportable segments, i.e., Sugar and Medium Density Fiber Board (MDFB) on the basis of product characteristics, internal reporting and the criteria defined by the "IFRS 8 Segment Reporting". The Company also generates and sells electric power, however this is not considered as separate segment since this does not meet the threshold requirements of a reportable segment.

Sugar Division - Manufacturing and sale of Refined Sugar MDF Board - Manufacturing of Medium Density Fiber Board

The operating results, assets and liabilities and other significant information of each segment is as follows:

		SUGAR	MDF BOARD		тот	AL
	2016	2015	2016	2015	2016	2015
			Rupees in	thousand		
REVENUE						
External sales	5,627,781	4,683,372	2,475,364	2,282,902	8,103,145	6,966,274
External Sales of By-product, Electricity and bagasse	425,286	476,969	570	930	425,856	477,899
Inter-segment transfer - Electricity	41,605	46,183	-	-	41,605	46,183
Total Revenue	6,094,672	5,206,524	2,475,934	2,283,832	8,570,606	7,490,356
RESULTS						
Profit from operations (Loss) / profit from trading	306,494 - 306,494	450,089 (291) 449,798	186,707 (43) 186,664	145,398 936 146,334	493,201 (43) 493,158	595,487 645 596,132
Other operating expenses Other Income Finance cost Share of profit from associates Profit before tax Taxation Net profit for the year					(24,863) 19,136 (280,185) 18,904 226,150 (56,070) 170,080	(75,633) 55,101 (383,008) 28,497 221,089 (54,770) 166,319
BALANCE SHEET						
Assets						
Segment assets Investment in associates Unallocated Assets Total assets	4,122,328 267,515 -	4,526,515 260,215 -	2,587,974 - -	2,347,186 - -	6,710,302 267,515 25,011 7,002,828	6,873,701 260,215 15,453 7,149,369
Liabilities						
Segment liabilities Unallocated liabilities Total liabilities	3,406,891	3,770,681	839,703	736,135	4,246,594 19,588 4,266,182	4,506,816 20,484 4,527,300
OTHER INFORMATION						
Additions to property, plant and equipment	244,115	77,742	469,519	107,241	713,634	184,983
Depreciation	127,343	128,516	107,987	112,409	235,330	240,925

Geographical Information

All non-current assets of the Company are located in Pakistan. Company's local external sales represent sales to various customers in Pakistan as well as outside Pakistan. The company is not dependent on any single major customer whose sales is more than 10% of segment revenues. Geographical information about sales is as follows:

	· ·	0 .		
Pakistan Afghanistan			7,443,037 660,108	6,444,332 521,942
			8,103,145	6,966,274

40 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities of the company as at September 30 are as follows:

				2016			
	Marl	kup / Interest Ba	ased	Non Ma	arkup / Interest	Based	
	Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	Total
			F	Rupees in thou	sand		
FINANCIAL ASSETS							
1 0 1				44.555	0.005	45 400	45 400
Loans & advances Deposits	-	-	-	41,555 2,850	3,935 3,560	45,490 6,410	45,490 6,410
Trade debts	-	-	-	62,521	3,300	62,521	62,521
Other receivables	_	_	_	1,301	_	1,301	1,301
Cash and bank balances	37,409	-	37,409	99,483	-	99,483	136,892
	37,409		37,409	207,710	7,495	215,205	252,614
FINANCIAL LIABILITIES			<u> </u>			·	
Long term financing	440,406	1,607,704	2,048,110	-	-	-	2,048,110
Trade and other Payables	11,130	-	11,130	508,407	-	508,407	519,537
Accrued finance cost	-	-	-	47,536	-	47,536	47,536
Short term borrowings	691,100	-	691,100	-	-	-	691,100
	1,142,636	1,607,704	2,750,340	555,943	-	555,943	3,306,283
				2015			
	Mar	kup / Interest Ba	ised	Non M	larkup / Interest	Based	
	Maturity up to One Year	Maturity after One Year	Sub Total	Maturity up to One Year	Maturity after One Year	Sub Total	Total
				Rupees in thous	sand		
FINANCIAL ASSETS							
Loans & advances	_	_	_	32,206	6,022	38,228	38,228
Deposits	-	-	-	36,810	3,552	40,362	40,362
Trade debts	-	-	-	120,106	-	120,106	120,106
Other receivables	-	-	-	19,597	-	19,597	19,597
Cash and bank balances	3,322	-	3,322	94,851	-	94,851	98,173
	3,322	-	3,322	303,570	9,574	313,144	316,466
FINANCIAL LIABILITIES							
Long term financing Liabilities against assets	407,447	1,120,111	1,527,558	-	-	-	1,527,558
subject to finance lease	62,094	-	62,094	-	-	-	62,094
Trade and other Payables	310,412	-	310,412	441,627	-	441,627	752,039
Accrued finance cost	-	-	-	48,114	-	48,114	48,114
Short term borrowings	1,173,087		1,173,087			-	1,173,087
	1,953,040	1,120,111	3,073,151	489,741	-	489,741	3,562,892

41 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

41.1 Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks; credit risk, liquidity risk and market risk (including interest / markup rate risk, currency risk and other price risk). The Company's overall risk management programs focuses on the under predictability of financial markets and seek to minimize potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risk, the company's objectives, policies and procedures for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Company's senior management provides policies for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest / markup rate risk, credit risk, financial instruments and investment of excess liquidity. The Board of Directors reviews and agrees policies for managing each of these risks as summarized below.

A Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's operating activities exposes it to credit risks arising mainly in respect of loans, advances, deposits, trade debts, other receivables and bank balances. The maximum exposure to credit risk at the reporting date is as follows:

	2016	2015
	(Rupees i	n thousand)
Loans and advances	45,490	38,228
Deposits	6,410	40,362
Trade debts	62,521	120,106
Other receivables	1,301	19,597
Bank Balances	<u>136,310</u> 252,032	97,052 315,345
	252,032	313,343

Loans and advances

These represent balances due from employees that are secured against their balances of retirement benefited. The Company actively pursues for the recovery through monthly deductions from salaries and based on past experience the Company does not expect that these will fail to meet their obligations hence no impairment allowance is necessary. Loans to growers are considered good and the Company does not expect default in this respect and also the Company can adjust these against sugarcane hence no impairment allowance is required in this respect.

Deposits

These represent security deposits with utility and trade deposits to suppliers. Based on past experience and credit worthiness of the counter parties the Company does not expect that these counter parties will fail to meet their obligations and the Company believes that it is not exposed any significant credit risk in respect of deposits.

Trade debts

Trade debts are due from local customers. The Company manages credit risk in respect of trade debts in respect by setting credit limits in relation to individual customers and / or by obtaining advance against sales and / or through irrevocable letter of credits and / or by providing for doubtful debts. Receivables against sale of electric power are due from Sukkur Electric Power Company; a Government owned entity and chances of default in this respect are remote. Furthermore the Company actively pursues for the recovery and the Company does not expect these companies will fail to meet their obligation and also these are neither past due nor impaired, hence no allowance is necessary in respect of trade debts. Aging of trade debts is as follows;

1 to 3 months	16,384	641
3 to 6 months	46,137	119,465
	62,521	120,106

Other receivables

These represent amounts receivables from related and other parties against which the Company actively pursues for the recovery and the Company expects that the amounts will be recovered, hence no impairment allowance is necessary in respect of receivable because these are neither past due nor impaired. Further, an impairment allowance has already been made against the export subsidy in view of uncertainties related to its realization.

Bank balances

The Company limits its exposure to credit risk by maintaining bank accounts only with counter-parties that have stable credit rating and given these high credit ratings, management does not expect that any counter party will fail to meet their obligations.

The bank balances along with credit ratings are tabulated below

	Long Term Ratings	Short Term Ratings	2016 Rupees ii	2015 n thousand
United Bank Limited	AAA	A-1+	27,322	3,443
Habib Bank Limited	AAA	A1+	2,133	8,740
Allied Bank Limited	AA+	A1+	67	3,075
MCB Bank Limited	AAA	A1+	25,830	3,230
Standard Chartered Bank Limited	AAA	A1+	1,876	1,213
National Bank of Pakistan Limited	AAA	A1+	878	1,819
Faysal Bank Limited	AA	A1+	3,682	3,213
Bank Al-Falah Limited	AA	A1+	50,859	26,371
Bank Islami Limited	A+	A1	428	238
Habib Metropolitan Bank Limited	AA+	A1+	3,420	642
Al-Baraka Bank (Pakistan) Limited	Α	A1	1,852	370
Soneri Bank Limited	AA-	A1+	172	577
Industrial Commercial bank of china	A1	P-1	2	2
Meezan Bank Limited	AA	A-1+	8,032	20,151
Burj Bank Limited	BBB+	A-2	618	856
JS Bank Limited	A+	A1+	1,134	1,035
Bank Al-Habib Limited	AA+	A1+	5,169	21,767
Askari Commercial Bank Limited	AA+	A1+	1,526	12
Dubai Islamic Bank Limited	A+	A-1	168	234
Samba Bank Limited	AA	A-1	1,059	49
Bank of Khyber	Α	A1	83	15
			136,310	97,052

Financial assets that are either past due or impaired

The credit quality of financial assets that are either past due or impaired is assessed by reference to historical information and external ratings or to information about counter party default rates. As at balance sheet date there were no significant past due or impaired financial assets. However besides financial instruments as stated above;

(a) As at the balance sheet date amounts of Rs. 41.096 millions (2015: 41.096 million) receivable from growers, suppliers and contractors were past due against which impairment allowance have been made. The aging of the past due financial asserts is as under;"

2 year to 3 years 41,096 41,096

(b) The company has also made provision of Rs.49.779 million in respect of Export freight subsidy due to uncertainties regarding the recoverability.

B Liquidity risk

Liquidity risk represents the risk where the Company will encounter difficulty in meeting obligations associated with financial liabilities when they fall due. The exposure to liquidity risk along with contractual maturities (undiscounted) of the financial liabilities is as follow;

	Less than 3 months	3 to 12 months	1 to 5 years	Total
		(Rupees in t	housand)	
Year ended 30 September 2016				
Long term financing	-	440,406	1,607,704	2,048,110
Trade and other payables	75,175	444,362	-	519,537
Accrued finance cost	47,536	-	-	47,536
Short-term borrowings		691,100	-	691,100
	122,711	1,575,868	1,607,704	3,306,283
Year ended 30 September 2015		407.447	4 400 444	4 507 550
Long term financing	-	407,447	1,120,111	1,527,558
Finance lease Liabilities	-	62,094	-	62,094
Trade and other payables	310,476	441,563	-	752,039
Accrued finance cost	48,114	-	-	48,114
Short-term borrowings	-	1,173,087	- 1 100 111	1,173,087
	358,590	2,084,191	1,120,111	3,562,892

The Company manages liquidity risk by maintaining sufficient cash and ensuring the fund availability through adequate credit facilities. At September 30, 2016 the Company has PKR 4,284 million (2015: PKR 3,502 million) available unutilized short term borrowing limit from financial institutions and also has PKR 136.892 million (2015: PKR 98.173 million) being cash and banks balances. Based on the above, management believes the liquidity risk is insignificant.

C Market Risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest/markup rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. Market risk comprises of three types of risks: interest /markup rate risk, currency risk and other price risk.

D Interest/ markup rate risk management

Interest / markup rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest / markup rates. The Company's major interest / markup rate exposure arises from long term financings, short term borrowings and murabaha financing. The Company analyses its interest / markup rate exposure on a regular basis by monitoring markup/interest rate trends. At the balance sheet date the interest / markup rate profile of the Company's mark up/interest bearing financial instruments is:

	Effective interest rates	Carry	ing Values
Financial Liabilities	2016 Note number	2016 Rupees	2015 in thousand
Variable Rate Instruments			
Long Term Financing	18	2,048,110	1,527,558
Murabaha / Istisna	21.2	-	300,000
Liability against assets subject to finance lease	24	-	62,094
WPPF	21.3	11,130	10,412
Short term Borrowings	23	691,100	1,173,087
Less: Balances in saving bank account		(37,409)	(3,322)
-		2,712,931	3,069,829

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet would not effect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

An increase / decrease of 100 basis points in interest rates at the reporting date would have decreased /increased profit for the year before tax by the amount of Rs. 27.13 million (2015: 30.698 million) assuming that all other variables remains constant.

E Foreign exchange risk management

Foreign exchange risk is the risk that the fair value of future cash flows of financial statements will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economical transactions or receivables and payables that exist due to transactions in foreign currencies.

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. The Company's major interest rate exposure arises from long term financings, short term borrowings and payables. The Company analyses its mark up/interest rate exposure on a regular basis by monitoring mark-up/interest rate trends and taking appropriate actions. As at the balance sheet date the interest / mark-up rate profile of the Company's mark up/interest bearing financial instruments is:

	20	16	20	15	2016	2015
		in thous	ands		Rupees in thousands	
Off Balance Sheet Exposure Commitments						
US Dollars	\$	1,185	\$	849	124,086	89,145
EUROS	€	212	€	1,068	24,895	127,092
SWISS FRANC	CHF	70	CHF	18	7,631	1,944
Pound	GBP	17	GBP	-	2,476	-
					159,088	218,181
The following significant exchange rate has	been applie	d:			2016	2015
Rupee per USD						
Average rate					104.88	103.75
Reporting date rate					104.75	105.00
Rupee per EURO						
Average rate					118.25	124.56
Reporting date rate					117.49	119.00
Rupee per CHF						
Average rate					108.21	107.66
Reporting date rate					108.41	108.00
Rupee per GBP						
Average rate					147.08	162.63
Reporting date rate					135.85	158.31

Sensitivity analysis

The effect of 10 percent strengthening / weakening on off Balance Sheet date items would have been Rs.15.909 million (2015: Rs.21.818 million). This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2015.

F Capital risk management

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix amongst various sources of finance to minimize risk.

The primary objectives of the Company 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 an optimal capital structure.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares.

During 2016 the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2016 and 2015 were as follows:

2016

2015

(Puppes in thousand)

	(Rupees ii	i tilousaliu)
Total borrowings Less: Cash and bank balances	2,739,210 (136,892)	3,062,739 (98,173)
Total equity Total equity and debt	2,602,318 1,595,770 4,198,088	2,964,566 1,437,464 4,402,030
Gearing ratio (%)	61.99%	67.35%

42 FAIR VALUES / MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

A number of the Company's accounting policies and disclosure require the measurement of fair values, for both financial, if any and non-financial assets and liabilities. When measuring the fair value of an asset or a liability, the Company uses valuation techniques that are appropriate in the circumstances and uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the management recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. There were no transfers between different levels of fair values mentioned above.

Management assessed that the fair values of cash & cash equivalent and short term deposits, other receivable, trade receivables, trade payables, short term borrowing and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. For long term deposit asset and long term liabilities, management considers that their carrying values approximates fair value.

The fair value of land and buildings and plant and machinery is a level 3 recurring fair value measurement. Management engages an independent external expert / valuator to carry out periodic valuation of its non-financial assets (i.e. Land, Building and Plant and Machinery and equipment) and selection criteria include market knowledge, reputation, independence and whether professional standards are maintained by the valuer.

Land and Building The valuation is considered on the factors of location, need of the

buyers, the overall prevailing market situation and other

considerations linked with this.

Plant and Machinery and office equipment Factors taken into consideration in order to assess the present

value of the machinery and equipments include Make, Model, Quality, Operational, Capacity, Existing Condition, Demand and

Resale Prospects, Depreciation and Obsolescence etc.

43 PROVIDENT FUND RELATED DISCLOSURES

The following information based on latest financial statements of the fund:

	2016 (Rupees i	2015 in thousand) ·······
	Un-audited	Audited
Size of the fund - Total assets	126,383	110,127
Cost of investments made	123,129	107,885
Percentage of investments made	97.43%	97.96%
Fair value of investments	123,129	107,885

43.1 The break-up of fair value of investment is:

Meezan Amdan Certificate
Saving accounts with banks

2016		2015	
Rs. 000s	%	Rs. 000s	%
Un-aı	Un-audited		ited
122,100 1,029	99.16% 0.84%	107,100 785	99.27% 0.73%
123,129	100.00%	107,885	100.00%

43.2 The investment out of provident fund have been made in accordance with the provisions of Section 227 of the Companies Ordinance, 1984 and rules formulated for this purpose.

44 NUMBER OF EMPLOYEES

No of persons employed as on year end were 751 (2015:769) and average number of employee during the year were 823 (2015:820).

45 EVENTS AFTER BALANCE SHEET DATE

45.1 Subsequent to the year ended September 30, 2016, the Board of Directors has proposed a final cash dividend of Rs. 81.895 million at 40% i.e Rs. 4.00/- per share of Rs. 10 each (2015: Rs.67.563 million at 33% i.e. Rs.3.30 per share of Rs. 10 each) in their meeting held on December 27, 2016 subject to the approval of the members at the Annual General meeting scheduled to be held January 31, 2017.

46 DATE OF AUTHORIZATION

These financial statements were authorized for issue in the Board of Directors meeting held on December 27, 2016.

47 GENERAL

47.1 Amounts have been rounded off to the nearest thousand rupee unless otherwise stated.

ISMAIL H. ZAKARIA Chief Executive Officer SULEMAN AYOOB
Director

PATTERN OF HOLDING OF THE SHARES HELD BY THE SHAREHOLDERS AS ON 30-09-2016

NO. OF SHARESHOLDERS	CHARE HOLDINGS		TOTAL SHARES HELD	
458	1	TO	100	11,810
384	101 501	TO TO	500 1000	109,664
113 159	1001	TO	5000	85,314 378,633
37	5001	TO	10000	257,165
10	10001	TO	15000	126,660
11	15001	TO	20000	202,727
6	20001	TO	25000	138,103
2	25001	TO	30000	56,826
3	30001	TO	35000	93,288
2	35001	TO	40000	79,000
1	40001	TO	45000	44,000
3	45001	TO	50000	149,678
2	50001	TO	55000	105,758
5	60001	TO	65000	307,220
2	65001	TO	70000	134,803
2	70001	TO	75000	149,538
1	75001	TO	80000	77,475
1 2	85001	TO TO	90000 95000	85,374
1	90001 95001	TO	10000	185,308 98,387
1	100001	TO	105000	101,981
1	110001	TO	115000	110,250
1	115001	TO	120000	119,275
1	120001	TO	125000	121,039
1	125001	TO	130000	128,933
i	150001	TO	155000	152,170
2	155001	TO	160000	314,440
1	165001	TO	170000	166,976
3	185001	TO	190000	560,330
2	190001	TO	195000	384,953
1	195001	TO	200000	196,268
2	205001	TO	210000	415,766
2	220001	TO	225000	442,176
1 1	230001	TO TO	235000	230,500
1	235001	TO	240000 250000	236,046 249.692
1	245001 270001	TO	275000	270,403
2	280001	TO	285000	560,589
1	285001	TO	290000	288,383
i	300001	TO	305000	304,117
1	320001	TO	325000	323,394
1	370001	TO	375000	371,032
1	390001	TO	395000	391,648
1	400001	TO	405000	402,483
1	465001	TO	470000	469,637
1	480001	TO	485000	482,550
1	565001	TO	570000	566,416
1	735001	TO	740000	739,500
1	775001	TO	780000	775,750
1 1	850001	TO	855000 010000	853,375
1	905001 1015001	TO TO	910000 1020000	908,610 1,019,227
1	1015001	TO	1100000	1,100,000
1	1875001	TO	1880000	1,875,675
1	1960001	TO	1965000	1,963,387
1247		-		20,473,702

CATAGORIES OF SHAREHOLDING AS ON 30-09-2016

SR. NO.	CATEGORIES OF SHARE HOLDERS	NUMBER OF SHARE HOLDERS	SHARES HELD	PERCENTAGE %
1	INDIVIDUALS	1219	14,747,255	72.03
2	INSURANCE COMPANIES	1	566,416	2.77
3	JOINT STOCK COMPANIES	16	2,805,177	13.70
4	MUTUAL FUND	1	1,963,387	9.59
5	FINANCIAL INSTITUTIONS	4	34,030	0.17
6	MODARABAS	1	119,275	0.58
7	OTHERS	5	238,162	1.16
	TOTAL:-	1247	20,473,702	100.00



Categories of Shareholders	No. of Share Holders	Sheres Held	Percentage
ASSOCIATED COMPANIES UNDERTAKINGS AND RELATED PARTIES			
FIRST AL-NOOR MODARABA NOORI TRADING CORP. (PVT) LTD	1 1	119,275 1,875,675	0.58 9.16
NBP, NIT & ICP			
INVESTMENT CORPORATION OF PAKISTAN NATIONAL INVESTMENT TRUST LTD. ADMINISTRATION FUND NATIONAL BANK OF PAKISTAN TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND. TRUSTEE NATIONAL BANK OF PAKISTAN EMP. BENEVOLENT FUND TRUST.	1 1 1 1	208 20,881 12,831 220,468 7,736	0.00 0.10 0.06 1.08 0.04
MUTUAL FUNDS			
CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,963,387	9.59
DIRECTORS , CEO & THEIR SPOUSES AND MINOR CHILDERN			
MRS. MUNIRA ANJUM (W/O YUSUF AYOOB) MR. MUHAMMAD SULEMAN AYOOB MR. MUHAMMAD YUSUF AYOOB MR. ABDUL AZIZ AYOOB MRS. MEHRUNNISA A. AZIZ (W/O A. AZIZ AYOOB) MRS. ZARINA ISMAIL ZAKARIA (W/O ISMAIL H. ZAKARIA) MR. ZIA ZAKARIA MR. ZOHAIR ZAKARIA MRS. SURAIYA SULEMAN (W/O SULEMAN AYOOB) MR. MOHAMMAD SALIM SULEMAN MR. ISMAIL H. ZAKARIA MR NOOR MOHAMMAD ZAKARIA MRS. SHEHNAZ SATTAR ZAKARIA (W/O NOOR MOHAMMAD) MRS. ADIBA SALIM (W/O SALIM SULEMAN)	1 1 1 1 1 1 1 1 1 1 1 1	402,483 323,394 371,032 121,039 208,218 191,165 193,788 304,117 60,070 92,811 469,637 207,547 207,548 74,538	1.97 1.58 1.81 0.59 1.02 0.93 0.95 1.49 0.29 0.45 2.29 1.01 1.01 0.36
PUBLIC SECTOR COMPANIES AND CORP.	1	566,416	2.77
BANK, DEVELOPMENT FINANCE INSTITUTIONS, NON BANKING FINANCE COMPANIES INSURANCE COMPANIES, MODARABAS, LEASING, TAKAFUL AND PENSION FUND	1	110	0.00
JOINT STOCK COMPANIES	15	929,502	4.54
OTHERS	3	9,958	0.05
INDIVIDUALS	1205	11,519,868	56.27
TOTAL:-	1,247	20,473,702	100.00

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE LISTED COMPANY

CDC-TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1,963,387
NOORI TRADING CORPORATION (PVT.) LTD.	1,875,675
SAMIA ZAKARIA	1,100,000

Details of trading in the shares by the Directors, Executives and their spouses and minor children:

None of the Directors, Executives and their spouses and minor Children has traded in the shares of the Company during the year except the following:

		BUY Gift Received No. of Shares	SELL Gift Given No. of Shares
Mr. Noor Mohammad Zakaria	Director	496,268	300,000
Mrs. Shehnaz Sattar Zakaria	Spouse	133,806	300,000

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PROXY FORM

I/We .					
in the	e district of	being a Member of AL-NOC	R SUG	AR MILLS LIN	VITED
and h	older of		Ordinary	Shares as per	Share
		(Number of Shares)			
Regis	ter Folio No. .	and/or CDC Participant I.D. No and S	Sub Acco	ount No	
hereb	y appoint	of			
or faili	ng him				
of		also a member; as my/our	r Proxy ir	n my/our abse	nce to
attend	l and vote for m	ne/us at the 47th Annual General Meeting of the Company to be held	on the 31	st day of Janua	ary two
thousa	and and sevent	een at 3.00 a.m. at Company's Registered Office 96-A, Sindhi Muslin	n Housing	Society, Karac	hi and
at any	adjournment th	nereof:			
Signe	d this	day of			. 2017
WITN	ESSES:				
1.	Signature		_		
	Name:			Rupees five	
	Address		'	Revenue	
	NIC or			Stamp	
	NIC or Passport No.				
2.	Signature				
	Name:				
	Address				
	NIC or				
	Passport No.		Signatu	re of Member(s	.)

NOTE:

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy need be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم

النورشوگر ملز لمدينار			
		حال حال	
		ی می کے شرائق آئی ڈی نمبر۔۔۔۔۔۔۔۔۔۔۔۔۔	
و بیگر	يا بصورت	اکن	بذربعهمذا
· · · · · · · · · · · · · · · · · · ·	•		
ِسنُگ سوسائنُ کراچی میں منعقد یا ملتوی	غام رجشرة آفس 96-ا <i>ے سندھی مسلم</i> ہاؤ	مالا نہ اجلاس عام مؤرخہ 31 جنوری 2017 بوقت 3: 00 ہج بمذ لے میں رائے دہندگی کیلئے اپنانمائندہ مقرر کرتا /کرتی ہوں۔	
.2017	;,,;	بتاريخ ــــــــــــــــــــــــــــــــــــ	وستخطشده
			گوامان:
برائے کرم پانچ روپ مالیت کے ربو نیونکٹ		د شخط و سید می است و سید و سید می است و سید و	
چپاں کریں۔		/t	
		كمپيوٹرائز ڈشناختی كارڈيا پاسپورٹ نمبر۔۔۔۔۔۔۔	
		رستخط	۲
براممبران	د مشخط برائے	t	
ہ رہ مہ مونہ کے دستخط کے مطابق ہونے چ <u>اہی</u> ے)	_		
		كمپيوٹرائز ڈشناختی كارڈيا پاسپورٹ نمبر۔۔۔۔۔۔۔	
ئی کارکن ہوناضروری ہے۔	گھنٹہ قبل کمپنی کوموصول ہوں۔ نیابت دار کا کمپن	نوٹ: پراکسیز کےمؤثر ہونے کیلئے لازم ہے کہ دہ اجلاس سے 48 ً	
کی تصدیق شده کا پی پرائسی	اپنے کمپیوٹرایز ڈقومی شناختی کارڈیا پاسپورٹ	CDC کے قصص یافتگان اوران کے نمائندوں سے التماس ہے کہوہ ۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔۔	
		فارم کےساتھ کمپنی میں جمع کرائیں۔	



96-A, Sindhi Muslim Society, Karachi-74400.