



ANNUAL REPORT 2018



📍 30-A/E1, Old FCC Gulberg III, Lahore
☎ 042 111 111 476 (HSM)
📠 +92 42 35712680
✉ info@husein.pk

51 YEARS OF
EXCELLENCE

*HONORING THE PAST,
LOOKING TOWARDS
THE FUTURE..*

Cover Story

As we celebrate our history of excellence and dedication, we are proud to present new initiatives that will honor the core values that have defined us as a company and brought us 51 years of success. While we celebrate our history of honor our legacy, our energies are focused on the future.

At Husein Sugar,

we strive to achieve excellence and innovation in everything that we do, we aim to enjoy our work and the people with whom we work. We continue to seek opportunities to promote greater economic, social, and environmental sustainability.



Table of Contents

Our Founders	04
Vision Statement	07
Mission Statement	09
Company Information	10
Code of Conduct for Directors	12
Code of Conduct for Employees	14
Business Continuity Plan	19
Company Profile	21
Profile of the Directors	25
Organogram	29
Notice of Annual General Meeting	30
Team Management	34
Profile of the Key Management	36
Key Operating and Financial Data	40
Report Of The Board Audit Committee	42
Roles And Responsibilities Of the Chairman And the Chief Executive Officer	46
Chairman's Review	48
Directors' Report	52
Performance at a Glance	64
Statement Of Compliance	68
Independent Auditor's Review Report To The Members	72
Independent Auditors' Report	74
Financial Statement	85
Statement Of Profit Or Loss For The Year Ended 30 September 2018	88
Statement Of Comprehensive Income For The Year Ended 30 September 2018	89
Statement Of Financial Position As At September 30, 2018	86
Statement Of Profit Or Loss For The Year Ended 30 September 2018	88
Statement Of Changes In Equity For The Year Ended 30 September 2018	90
Notes To The Financial Statements	92
Directors' Report (Urdu)	137
Pattern of Share Holding	138
Corporate Calendar	146
Proxy Form	150
Proxy Form (Urdu)	152



Our Founders



MIAN SHAMIM ANWAR

Mian Shamim Anwar was the longest serving executive in the history of the company serving in the capacities of Executive Director, Chief Executive Officer, and Chairman of the Board. One of the scions of the Sargodha Group of Companies, Mr. Anwar is perhaps the single greatest reason for the continued excellence of Husein Sugar. A magnate of the sugar industry, Mr. Anwar served as the chairman of the Pakistan Sugar Mills Association for Punjab between 1984-1986 and then again in 1992-1994. Under Mr. Shamim Anwar's leadership, Husein Sugar was twice conferred the prestigious award of the Top 25 Companies of Pakistan. However, perhaps most of all, he is remembered today as a patron of education and healthcare, for his unprecedented and unwavering efforts to eradicate poverty in Jaranwala and elsewhere in Pakistan by establishing multiple educational and healthcare institutions that have served tens of thousands since.



MIAN MUHAMMAD ALI TARIQ

In his tenure as Management Director of Husein Sugar Mills Ltd., Mr. Tariq laid the groundwork for the remarkable growth that the company has accomplished since. Years ahead of his time, by anticipating and then ensuring the development and incorporation of the latest technologies and systems at Husein, he single-handedly transformed the company to the professional corporation it is today. In particular, Mr. Tariq made efforts to proliferate high sucrose varieties in the area and establish cordial relations with the area's farmers. To date, the company continues to enjoy the benefits of his contributions.

Mr. Tariq, an alumnus of the inaugural class of the Lahore University of Management Sciences, had been closely associated with the Alumni Association of the Lahore University of Management Sciences. He was also on the executive committee of the Pakistan Sugar Mills Association for Punjab and was the Chairman of the Institute of Sugarcane Research and Biological Control in 1997. Mr. Tariq was also unanimously selected by the members of the Pakistan Sugar Mill Association to represent Pakistan in the XXIII Congress of the International Society of Sugarcane Technologists. Apart from his contributions in the sugar industry, he was also a director on the boards of seven textile mills. Today, Muhammad Ali Tariq's legacy lives on in the name of the charitable institutions, scholarships, and foundations.

*TO CONTRIBUTE TO THE
SOCIAL AND ECONOMIC
DEVELOPMENT OF OUR
COMMUNITY*

Vision Statement

- To be a leading producer of sugar and its by-products by delivering the highest quality of products of the highest international standards to our customers at the lowest possible cost.
- To maximize the wealth of our shareholders by increasing equity and earnings in real terms.
- To strive for excellence through integrity, unrelenting efforts, and by synergizing the integral components of the company.
- To achieve sustainable growth and development by anticipating the expectations of our customers, predicting market trends, and through constant and fluid innovation.
- To provide a safe, hygienic, challenging, and non-discriminatory workplace environment to our employees.
- To contribute to the social and economic development of our community.



*OUR MISSION IS TO BE A
DYNAMIC, PROFITABLE,
AND GROWTH ORIENTED
COMPANY*

Mission Statement

Our mission is to be a dynamic, profitable, and growth oriented company by working with all relevant stakeholders to maximize the returns on the investments of our shareholders and investors through the production and sale of the highest quality of products at the lowest possible costs in a secure and harmonious environment.

To conduct business with the philosophy of “business for better life, respect for human dignity, and intelligent investment for a prosperous future.”



Company Information

CHAIRMAN

Mian Ahmed Ali Tariq

CHIEF EXECUTIVE OFFICER

Mian Mustafa Ali Tariq

DIRECTORS

Mrs. Nusrat Shamim

Mrs. Maryam Habib

Mr. Taufiq Ahmed Khan

Mr. Muhammad Iftikhar

Mr. Muhammad Imran Khan

CHIEF OPERATING AND FINANCIAL OFFICER

Mr. Wasim Saleem

COMPANY SECRETARY

Mr. Khalid Mahmood

HEAD OF INTERNAL AUDIT

Mr. Jalal-ud-din Khan

AUDIT COMMITTEE

Mr. Taufiq Ahmad Khan
Chairman

Mian Ahmed Ali Tariq
Member

Mr. Muhammad Imran Khan
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mian Ahmed Ali Tariq
Chairman

Mr. Taufiq Ahmad Khan
Member

Mian Mustafa Ali Tariq
Member

LEGAL ADVISOR

Masud & Mirza Associates
K-29 Gulberg-III, Lahore

BANKERS

Allied Bank Limited

Albarkah Bank
Pakistan Limited

Bank Alfalah Limited

Dubai Islamic Bank
Limited

Faysal Bank Limited

Habib Bank Limited

MCB Bank Limited

Meezan Bank
Limited

National Bank of Pakistan

NIB Bank Limited

Summit Bank Limited

The Bank of Punjab

United Bank Limited

SHARE REGISTRAR / TRANSFER AGENT

M/S Corptec Associates (Pvt)
Limited

503 - E Johar Town, Lahore

Tel: 042- 35170336-7

Fax: 042-35170338

E-mail: info@corptec.com.pk

EXTERNAL AUDITORS

Kreston Hyder Bhimjee & Co

Chartered Accountants

Amin Building, Mall Road,
Lahore

MILLS

Lahore Road, Jaranwala

041-4563299-96

REGISTERED & HEAD OFFICE

30-A E/1, Old FCC Gulberg III,
Lahore

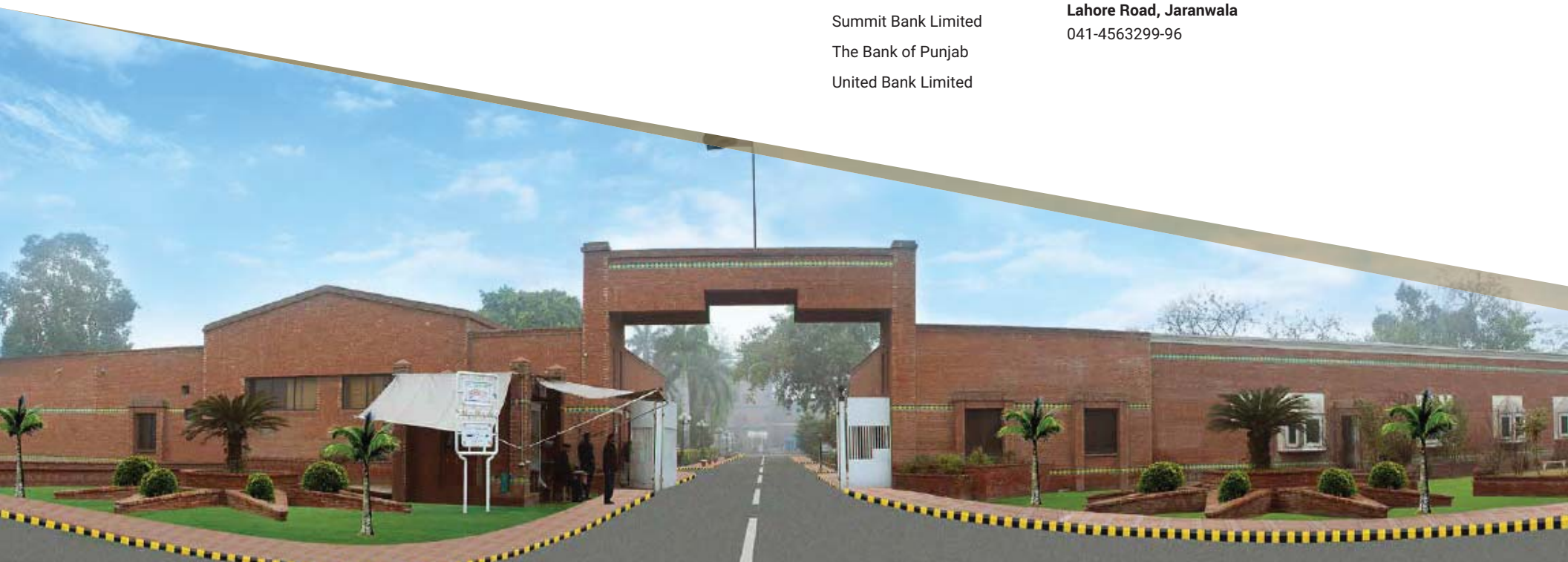
Tel: 042-111-111-HSM (476)

Fax: 042-35712680

E-mail: info@husein.pk

WEBSITE INFORMATION

www.husein.pk



Code of Conduct for Directors

It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for members of the Board of Directors. The Code defines acceptable and unacceptable behavior, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

SALIENT FEATURES OF THE CODE

1. Conflict of Interest

Each Director must avoid any conflict of interest between the Director and the Company, its associated or subsidiary undertaking(s). Any situation that involves, or may reasonably be

expected to involve, a conflict of interest with the Company, should be disclosed promptly.

2. Corporate Opportunities

Directors are prohibited from taking for themselves personally, opportunities related to the Company's business; using the Company's property, information or position for personal gain or competing with the Company for business opportunities.

3. Confidentiality

Directors must maintain the confidentiality of information entrusted upon to them by the Company and any other confidential information about the Company and its associated or subsidiary undertaking(s) that comes to them, except when disclosure is authorized by the Chairman of the Board or legally mandated.

4. Honesty, Integrity and Fair Dealing

Directors must act honestly and fairly and exhibit high ethical standards in dealing with all the stakeholders of the Company.

5. Compliance with Laws, Rules and Regulations

Directors shall comply with laws, rules and regulations applicable to the Company including but not limited to the Companies Act, 2017, Listing Regulations of the Pakistan Stock Exchange and Insider Trading Laws.

6. Encouraging the Reporting of any Possible Illegal or Unethical Behavior

Directors should take steps to ensure that the Company promotes ethical behavior; encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; encourages employees to report violation of laws, rules, regulations, Company policies and procedures or the Company's Code of Conduct to appropriate personnel; and informs employees that the Company will not allow any retaliation for reports made in good faith.

7. Trading in Company Shares

Certain restrictions / reporting requirements apply to trading by the Directors in Company shares. Directors shall make sure that they remain compliant with these statutory requirements.

8. Compliance Procedures

Directors should disclose any suspected violations of this Code promptly in the immediate subsequent meeting of the Board of Directors.

9. Compliance Officer

Company has designated Company Secretary as a Compliance Officer to administer the Code. Directors, at their discretion may make any report or complaint provided for in this Code to the Chairman of the Board or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

10. Public Company Reporting

As a public company it is of great importance the Company's filings with the SECP and Pakistan Stock Exchange on which the shares of the Company are or may be listed be full, fair, accurate, timely and understandable. Directors may be requested to provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects directors to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

11. Disclosure of Interest

Directors are also required to disclose, at the time of appointment and on an annual basis the directorship and/ or memberships they hold in other companies.

It is a fundamental policy of the Company to conduct its business with honesty, integrity and with the highest professional, ethical and legal standards

Code of Conduct for Employees

It is a fundamental policy of the Company to conduct its business with honesty, integrity, and in accordance with the highest professional, ethical and legal standards. The Company has adopted a comprehensive Code of Conduct (Code) for employees. The Code defines acceptable and unacceptable behavior, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.

SALIENT FEATURES OF THE CODE

1. Conflict of Interest

Employees/trainees must not engage in activity or transactions which may give rise, or which may be seen to have given rise to conflict between their personal interests and the interests of the Company.

2. Confidentiality and Disclosure of Information

Employees/trainees are expected to safeguard confidential information and must not, without authority, disclose such information about the Company activities to any third party including, but limited to, the press, customers, suppliers, employees are not entitled to such information or any other outside party.

3. Political Contribution

No funds or assets of the Company may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office except where such a contribution is permitted by law.

4. Bribes and Commercial Payments

An employee/trainee must not give or receive

bribes or other payments, which are intended to influence a business decision or compromise independent judgment; nor must any employee/trainee give money in order to obtain business for the Company, nor receive money for having given Company business to an outside agency.

5. Proper Recording of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements must be properly recorded in the books of the Company.

6. Agreements with Agents, Sales Representatives or Consultants

Agreements with agents, sales representatives or consultants should state clearly the services to be performed for the Company, the amount to be paid and all other relevant terms and conditions.

7. Relations and Dealings with Suppliers, Consultants, Agents, Intermediaries and Other Third Parties

HSML's relations and dealings with suppliers, consultants, agents, intermediaries and other third parties should at all times be such that HSML's integrity and its reputation should not be damaged if details of the relationship or dealings were to become public knowledge.

8. Health, Safety and Environment Policy

Every employee/trainee at work must take reasonable care for the health and safety of himself/herself and others including visitors who may be affected by his / her acts or omissions at work; and co-operate in the Company's efforts to protect the environment.

9. Smoking Policy

Smoking and exposure of workplace to tobacco poses serious health hazards to the employees/trainees besides potential risks of explosions. Considering this, smoking is permitted only in the designated 'Smoking Areas'.

10. Seat Belt Policy

As per policy, it is mandatory for all HSML employees/trainees, contractors, visitors and all other persons to fasten seat belts in the front seats of the vehicle while traveling.

11. Other Employment, Outside Interests, Civic Activities

HSML does not allow its employees/trainees to take any part-time and/or full-time second employment during employees'/trainees' engagement with the Company.

12. Unsolicited Gifts

Accepting gifts that might place an employee/trainee under obligation is prohibited. Employee/trainee must politely but firmly decline any such offer and explain that in accordance with the Company's instructions, they are unable to accept the offer.

13. Family Connections and Employment of Relatives

Any dealings between staff themselves or outside organizations in which they have a direct, indirect or family connection must be fully disclosed to the Management.

14. Company and Personal Property

An employee/trainee must not take or use Company property or the property of another employee/trainee without permission; nor must be employee/trainee use Company property for private purposes without the Management's permission.

15. Alcohol and Drugs

Alcohol in any form and the use of drugs, except under medical advice, is prohibited at all locations.

16. Gambling

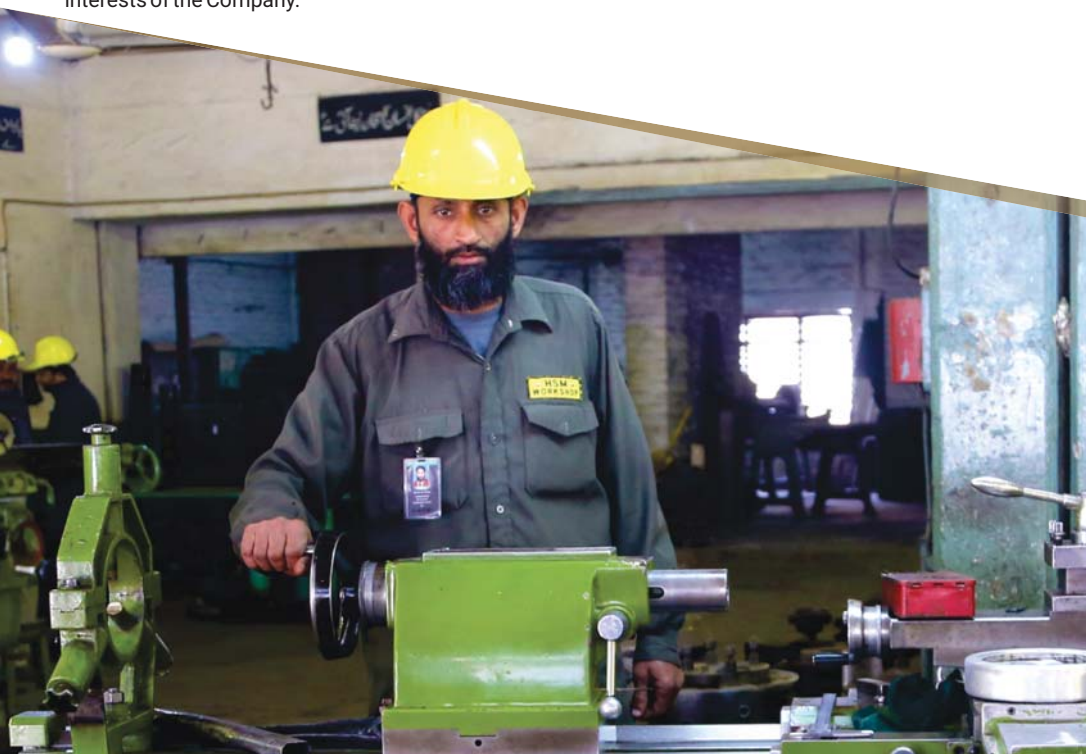
All forms of organized gambling or betting on the Company's premises is forbidden.

17. Rumor Mongering & Gossiping

Rumor mongering, persuasive allegations, accusations and exaggerations with the main purpose of negatively influencing and manipulating the minds and emotions of the fellow employees/trainees are strictly prohibited.

18. Harassment

It is the policy of the Company to promote a productive work environment and not to tolerate verbal or physical conduct by any employee/



trainee that harasses, disrupts or interferes with another's work performance, creates an intimidating, humiliating, offensive or hostile environment.

19. Grievance Handling

HSML strives to provide a fair and impartial process to its employees/trainees and ensure timely resolution of their grievance.

20. Whistle Blowing

In order to enhance good governance and transparency, HSML has introduced a Whistle Blowing Policy. The Policy provides an avenue to employees/trainees and vendors to raise concerns and report legal and ethical issues like fraud, corruption or any other unlawful conduct or dangers to the public or the environment. These concerns should be raised by bringing those into the notice of supervisors/managers or compliance office.

21. General Discipline

Every employee/trainee must adhere to the Company's rules of service and make sure that

he/she is familiar with them.

22. Reporting Violations / Disciplinary Actions

Any violation of this Code shall be promptly reported to the Human Resources department by any employee/trainee having knowledge thereof or having reasonable belief that such a violation has occurred.

23. Compliance Office

The Human Resources Department will act as the designated compliance office for implementation of the code.

Defines acceptable and unacceptable behaviour, provides guidance to Directors in specific situations that may arise and foster a culture of honesty, accountability and high standards of personal and professional integrity.



THE COMPREHENSIVE PLAN IS DESIGNED TO ENSURE THE PROTECTION OF OVERALL COMPANY'S OPERATIONS

Business Continuity Plan

The Board of Directors ensures that the Company has an updated Business Continuity and Disaster Recovery plan in place for the continuity of Company's business and operations in case of any extraordinary circumstances. The comprehensive plan is designed to ensure the protection of overall company's operations and assets along with regular archival and system backups at remote sites.

The key highlights and actions of Husein Sugar's Business Continuity Plan are as follows:

- It is regularly ensured that Data Recovery processes are operating effectively.
- The management is responsible for the development and execution of an effective Business Continuity Plan.
- The development of the plan must be done keeping in mind the on-going business needs and the environment it is operating in.
- A company-wide and detailed Process Documentation Activity has been done whereby all the processes are mapped and serve as an SOP for all practices.
- The Management also ensures the training of all the employees on how to respond in case of any unforeseen or extraordinary event.
- Employees are imparted multi-skill training which helps in the continuity of business activities.
- To ensure protection of employees and assets, adequate systems are in place for natural disasters, fire emergencies, etc at plants.
- The Company has also deployed adequate security staff at its plant to ensure uninterrupted sugar production regardless of the political situation and other external factors.
- The Company ensures backup of all the assets whether physical or virtual; the physical assets are backed by insurance whereas backup of virtual assets and data is created on a routine basis.



*IF YOU DON'T VALUE
EXCELLENCE, YOU WON'T
ACHIEVE EXCELLENCE*

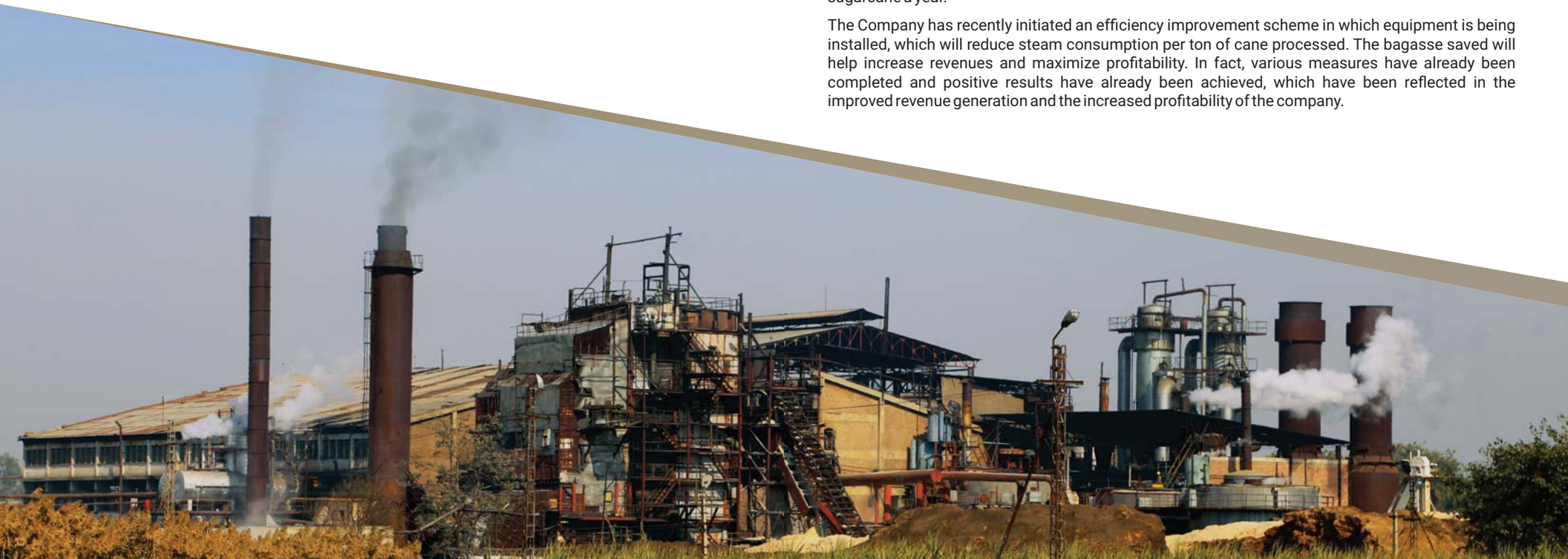
Company Profile

Husein Sugar Mills Limited (The Company) was incorporated on February 14, 1966 in Karachi and received its Certificate for Commencement of Business on April 16, 1966. The Company is listed on the Pakistan Stock Exchange and has received the award for Top 25 Companies of Pakistan twice in its history. The Company commenced trial production on January 22, 1968 and went into commercial production on February 15, 1968, making it one of the pioneers of Pakistan's sugar industries. Given the rich history of the company, which is now in its third generation, it enjoys cordial and familial relations with the sugarcane growers of the area.

The ancestors of the current sponsors took control of the Company in 1977 and transformed the Company to its current identity through a continued process of BMR. The current sponsors consolidated control of the company and took over management in 2015. The existing manufacturing process is based on Defecation and Remelt Sulphitation that was changed in 1986-1987 to replace the out-fashioned Double Carbonation-Double Sulphitation process.

The plant is located in Jaranwala. Approximately 80KM from Lahore and 40 KM from Faisalabad, Jaranwala is situated in the heart of Punjab's urban centers. The region is highly suitable for the plantation of sugarcane because of the area's unique climate and soil conditions. The area has large tracts of land where sugarcane is cultivated and produces approximately 40-45 million maunds of sugarcane a year.

The Company has recently initiated an efficiency improvement scheme in which equipment is being installed, which will reduce steam consumption per ton of cane processed. The bagasse saved will help increase revenues and maximize profitability. In fact, various measures have already been completed and positive results have already been achieved, which have been reflected in the improved revenue generation and the increased profitability of the company.



THE SECRET OF JOY IN WORK IS
CONTAINED IN ONE WORD...

EXCELLENCE!

TO KNOW HOW TO DO SOMETHING
WELL IS TO ENJOY IT



Profile of the Directors



MIAN AHMED ALI TARIQ
CHAIRMAN

Mian Ahmed Ali Tariq is the Chairman of the Board of Directors of the company. He completed his higher education at the Lahore University of Management Sciences and was awarded with a Bachelors of Science (Honors) degree. Mian Ahmed Ali Tariq is also a certified director from the Institute of Cost and Management Accountants of Pakistan (ICMAP). He has been associated with the company for more than a decade, and has served the company for more than a decade. Mian Ahmed's vision and leadership at Husein has played a critical role in the company's growth, success, and development. An industry leader, Mian Ahmed has also served on the Executive Committee of The Pakistan Sugar Mills Association for Punjab.

Mian Ahmed is a strong advocate of giving back to the community. Under his leadership, Husein Sugar Mills has expanded its commitment and contribution towards social welfare and development. His family trust has been providing quality education and healthcare for generations at affordable prices through substantial scholarships and financial aid.



MIAN MUSTAFA ALI TARIQ
CHIEF EXECUTIVE OFFICER

Mian Mustafa Ali Tariq is the Chief Executive Officer of the company. He completed his higher education at the University of California, Los Angeles and was awarded with a Bachelor of Arts degree in Economics. He has also been certified by the Lahore University of Management Sciences for successfully completing their course on Enhancing Board Effectiveness. He is a member of the HR&R Committee of the Board.

He is also a trustee of his family's non-profit social welfare organization. The family's education trust, which operates Mian Mohammad Ali Tariq College and Mian Nazir Husein School, has provided financial aid and scholarships to thousands of children since its inception. The family's healthcare trust operates a non-profit hospital that provides low-cost and free health care services.



MRS. NUSRAT SHAMIM
NON-EXECUTIVE DIRECTOR

Mrs. Nusrat Shamim was the chief executive and chairperson of Husein Sugar Mills for more than a decade. In her time at Husein Sugar, she spearheaded the process of bringing the company's core systems and procedures up to date with the latest practices of the 21st century. A true visionary, Mrs. Shamim led the company through a time of crisis and helped build the base on which the company continues to grow and develop in today. Mrs. Shamim has held directorships in various other companies.

She is also the chairperson of the HSM Education and Healthcare Trusts, which were formalized in 2003. Both the trusts have been providing quality education and healthcare facilities at subsidized rates to the underprivileged members of our community. Besides aforementioned trusts, Mrs. Nusrat Shamim is also operating a number of other welfare projects/non-profit non-governmental organizations to try and eliminate poverty in the country.

Due to her decades of business experience across various industries, Mrs. Shamim's seasoned and wise insights and intuitions have proven essential to successful operations of the company.



MRS. MARYAM HABIB
EXECUTIVE DIRECTOR

Mrs. Maryam Habib was elected as a director on the board of Husein Sugar Mills in March of 2017. Mrs. Habib pursued her higher education at Kinnaird College Lahore. She is currently serving as the Executive Director of the company. In her short time at the company, she has been instrumental in initiating and implementing various programs of the company.



MR. TAUFIQ AHMED KHAN
INDEPENDENT DIRECTOR

Mr. Khan is a highly decorated executive of Pakistan's pharmaceutical industry. Serving as the independent director on Husein Sugar's Board of Directors, and as the Chairman of the Board's Audit Committee, Mr. Khan's contributions to the company are of the utmost importance. He pursued his higher education at the University of Exeter where he was rewarded with a Bachelors of Science Degree in Economics. Mr. Khan is also a director of Highnoon Laboratories Ltd., one of Pakistan's largest pharmaceutical manufacturers. He is also the Chief Executive Officer of Curexa Health Pvt. Ltd, a wholly owned subsidiary of Highnoon Labs. After completing the necessary

necessary requirements as per the Code of Corporate Governance, The Pakistan Institute of Corporate Governance has also certified Mr. Khan. Given his vast capabilities and wide-ranging exposure, Mr. Khan is an invaluable member of the Board of Directors.



MR. MUHAMMAD IFTIKHAR
NON-EXECUTIVE DIRECTOR

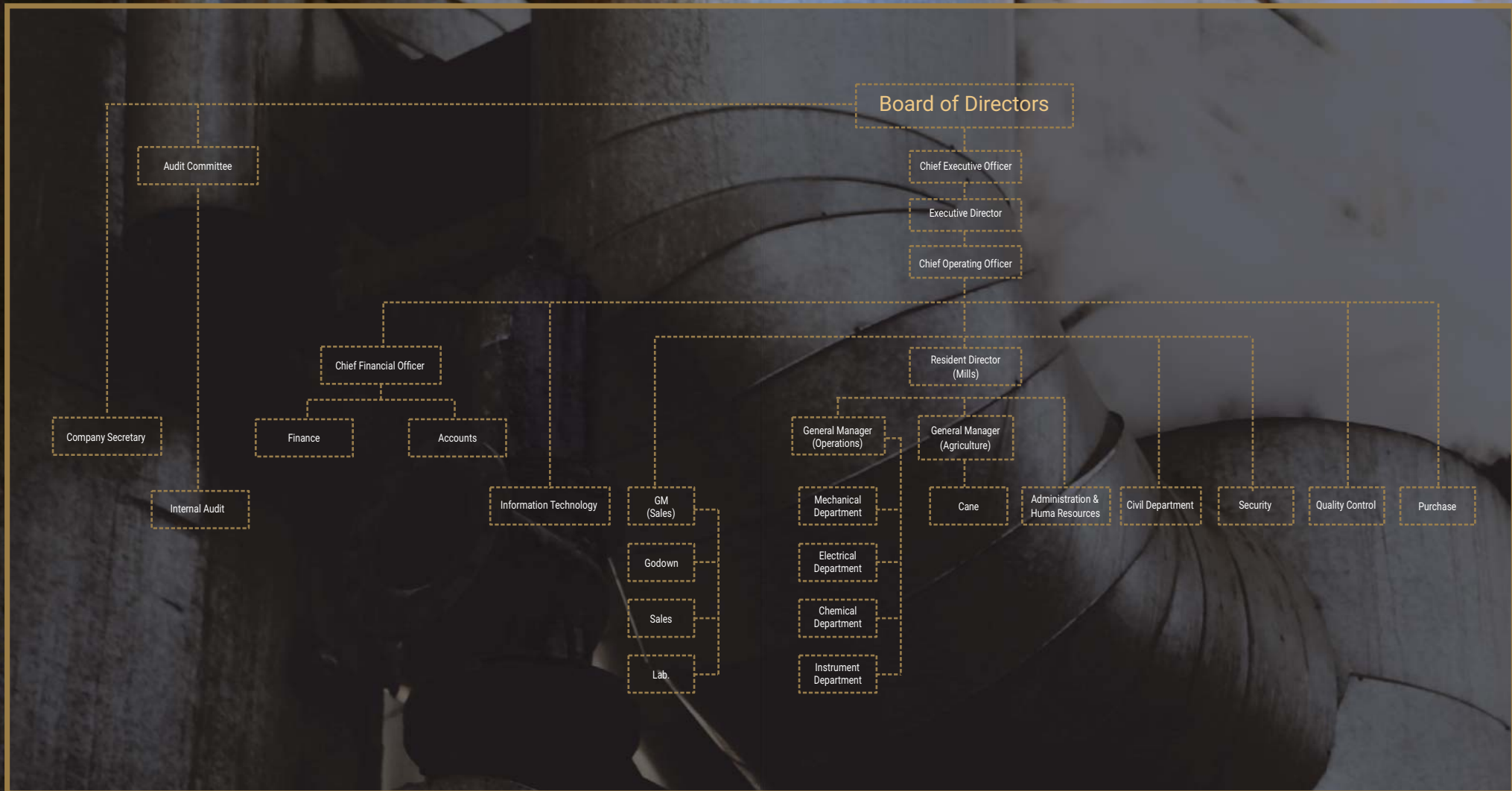
Mr. Muhammad Iftikhar is one of the most highly skilled and technically capable operators in Pakistan's sugar industry. Mr. Iftikhar joined the board of Directors as a non-executive director in February 2016. He has been involved in the sugar industry for more than 25 years and specializes in the design and manufacturing of industrial equipment. Given his vast background in the technical and operational management of sugar mills and engineering companies, his insights have been invaluable to the board of Directors. Mr. Iftikhar was certified in compliance with the Code of Corporate Governance after he completed his Director's Training Program from the Institute of Chartered Accountants of Pakistan. A young and energetic individual, Mr. Iftikhar brings an enthusiastic and technical experience that is instrumental to the policy making of the Board of Directors.



MR. MUHAMMAD IMRAN KHAN
NON-EXECUTIVE DIRECTOR

Mr. Muhammad Imran Khan joined the Board on 31 May 2018. He is currently serving as non-executive director on Husein Sugar's Board of Directors, and as the Member of the Board's Audit Committee. Mr. Khan's contributions to the company are of the utmost importance. Mr. Khan serves as CEO/Founder of Sule International and brings in several years of experience in commodities trading domestic and internationally. He was Co-Founder of Amber Road Trading Co. New York with focus on trading between South East Asia, North America and England. Mr. Khan also serves on the board of Admaxim a global digital advertising technology company. Mr. Khan holds a bachelor's degree from Govt. College (Lahore, Pakistan) and has completed a Business Management and Marketing Certification from the University of California Los Angeles.

Organogram



Notice of Annual General Meeting

HUSEIN SUGAR MILLS LIMITED

NOTICE OF MEETING

Notice is hereby given that 52nd Annual General Meeting of the company will be held on Wednesday the 27nd February, 2019 at 10:00 A.M at its Registered Office 30-A E/1, Old F.C.C., Gulberg III, Lahore to transact the following business:

1. To receive, consider and adopt the annual audited Financial Statements for the year ended 30th September, 2018 together with Directors' and Auditors' Reports thereon.
2. To appoint Auditors for the year ending 30th September, 2019 and to fix their remuneration. The Board on the recommendation of Audit Committee has proposed the appointment of M/s Kirsten Hyder Bhimji & Company, Chartered Accountants, Lahore. The retiring Auditors being eligible have offered themselves for reappointment.
3. To transact any other business with the permission of chair.

Any Other Business:

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

Lahore: 06 February 2019

BY ORDER OF THE BOARD

Khalid Mahmood
Company Secretary



Notes:

1. Book Closure:

The Share Transfer Books of the Company will remain closed from 21 February 2019 to 27 February 2019 (both days inclusive). Transfers received in order at the office of our Share Registrar, Corp Tec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on 20 February 2019, will be treated in time for the purpose of attending, speaking and voting at the meeting.

2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company.

3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notorially attested copy of the power of attorney must be deposited at the Registered Office of the Company at least 48 hours before the time of the meeting.

4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/ her original CNIC or, original Passport at the time of attending the Meeting.

b. In case of corporate entity, the Board's 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

a. In case of individuals, the account holder and/or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.

e. In case of corporate entity, the Board's resolution/power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. Request for Video Conference Facility

In term of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting (AGM). After receiving the request/demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/Messrs., _____ of _____, being Member(s) of Husein Sugar Mills Limited, holder of _____ ordinary share(s) as per Folio # _____ and / or CDC Participant ID & Sub- Account No. _____ hereby, opt for video conference facility at _____ city.

Signature of the Member(s)

6. Change of Address

The members are also requested to notify change in their address, if any, to our Share Registrar / Transfer Agent M/s. Corp Tec Associates (Pvt) Limited, 503-E, Johar Town, Lahore.

Team Management

Mr. Gul Zamin Said Khan

Assistant General Manager Administration and Human Resources

Mr. Iqbal Sodagar

Deputy General Manager Electrical

Mr. Zahid Mahmood

Senior Manager Finance and Accounts

Mr. Jalal Ud Din Khan

Head of Internal Audit

Mr. Khalid Chatta

Deputy General Manager Purchase

Mr. Khalid Mahmood

Company Secretary

Mr. Azher Fazal

General Manager Operations

Mr. Sohail Akber

Assistant General Manager Production

Mr. Waseem Ahmad Ghafoor

Resident Director

Maj. (R) Muhammad Anwar

Manager Security

Rana Ali Asghar

General Manager Agriculture

Mr. Shah Nawaz

Deputy General Manager Cane

Muhammad Mudassar Ahsan

General Manager Head Office

Mr. Saeed Anwar

Assistant General Manager Technical

Mr. Sher-e-Yazdan Khan

Manager Quality Control

Mr. Muhammad Sadiq Sabir

Senior Chief Engineer Instruments



Left to Right

Profile of the Key Management



MR. WASIM SALEEM
CHIEF OPERATING & FINANCIAL OFFICER

Mr. Wasim Saleem is the Chief Financial Officer of the Company. He did his masters in Business Administration. He is a member of Institute of Cost and management Accountants of Pakistan and Institute of Bankers in Pakistan. Besides attending many senior executive/management courses he has diversified experience of over thirty years at senior management level in development banking and sugar industry. Prior to joining Husein Sugar Mills Limited, He has worked with the NDFC and Ashraf Sugar Mills Limited.



MR. MUHAMMAD MUDASSAR AHSAN
GENERAL MANAGER- HEAD-OFFICE

Mr. Muhammad Mudassar Ahsan is working in Husein Sugar Mills Limited as General Manager (Head Office). He has more than 20 years experience of sugar industry. He remained on the Board of the Husein Sugar Mills Limited in 2011-2012. He got his Masters in Business Administration (MBA Marketing) from University of Management and Science, Lahore in 1995 along with Diplomas in Export Marketing Management and Computer Applications. He attended Financial Management Courses from Lahore University of Management Sciences (LUMS).



MR. KHALID MAHMOOD
COMPANY SECRETARY

Mr. Khalid Mahmood has been working in Husein Sugar Mills Limited as the Company Secretary. He has been associated with the Company since 2005 Mr. Khalid is associate member of Institute of Chartered Secretaries of Pakistan (ICSP), who has. He is also Associate Member of Institute of Corporate Secretaries of Pakistan (ICSM) He got his Masters in Business Administration (MBA) from Virtual University of Pakistan, Lahore in 2008. He is done CAF from the Institute of Chartered Accountants of Pakistan (ICAP). He has complete command over good corporate secretarial practices and very competent professional grip on all applicable laws to ensure compliance thereto and to adopt good corporate governance practices.



MR. WASEEM AHMED GHAFOR
RESIDENT DIRECTOR

Mr. Waseem Ahmed Ghafoor is the Resident Director of the company. He joined Husein Sugar Mills in 2012. He has done masters in Chemistry from the University of Agricultural Faisalabad. He has 31 years of practical experience in sugar industry. He is being assisted by adequately qualified and well experienced team of technical persons in the fields of chemical processing, mechanical, electrical and instruments engineering.



RANA ALI ASGHAR
GENERAL MANAGER - AGRICULTURE

Rana Ali Asghar has worked for Husein Sugar for a total of six years between 2005 to date. The University of Agriculture in Faisalabad rewarded Mr. Asghar with a Masters degree in 1995. Mr. Asghar has been instrumental in the innovation and development of the Cane Procurement and Cane Development department at the company.



MR. AZHER FAZAL
GENERAL MANAGER – OPERATIONS

Mr. Azher Fazal has been a part of the Husein team since 2013. Mr. Azher Fazal completed his higher education at the University of Engineering and Technology where he was rewarded with a degree in Mechanical Engineering. Mr. Fazal is also a certified engineer from the Pakistan Engineering Council. Mr. Azher's numerous contributions in the technical operations of the plant have been instrumental in the operating success of the company.



Key Operating and Financial Data

HUSEIN SUGAR MILLS LIMITED KEY OPERATING AND FINANCIAL DATA

OPERATING DATA	2018	2017	2016	2015	2014	2013	2012
Cane Crushed (M.Tons)	600,773	660,136	499,396	447,091	429,617	580,197	650,995
Sugar produced from Sugar Cane (M.Tons)	55,331	65,043	46,861	41,103	40,415	55,368	61,129
Average Recovery from Sugarcane(%)	9.21	9.85	9.41	9.20	9.41	9.55	9.39
Number of days worked	132	151	111	139	114	113	121
(Rupees in ' 000)							
FINANCIAL DATA							
Sales	2,755,737	3,856,539	3,144,147	1,995,710	2,694,801	2,234,951	3,010,669
Gross Profit /(Loss)	263,671	485,320	245,551	(209,329)	(54,950)	24,125	198,169
Operating Profit /(Loss)	78,911	286,354	68,130	(381,278)	(197,430)	(95,843)	109,205
Profit / (Loss) before taxation	29,646	228,853	98,257	(416,144)	(287,973)	(217,021)	24,492
Taxation	3,127	(27,263)	17,408	(2,197)	(6,672)	26,216	(17,571)
Profit / (Loss) after taxation	32,773	201,590	115,665	(418,342)	(294,645)	(190,805)	6,921
Earning /(Loss) per share (Rupees)	1.55	9.55	5.61	(24.61)	(17.28)	(11.22)	0.41
Total Assets	5,031,074	3,624,893	3,139,121	3,337,783	3,149,633	2,183,840	1,450,996
Current Liabilities	2,421,516	1,030,590	1,276,551	1,731,041	1,411,531	1,538,575	574,318
Capital Employed	2,609,558	2,594,303	1,862,570	1,606,742	1,738,103	645,265	876,678
REPRESENTED BY:							
Share Capital	250,000	250,000	170,000	170,000	170,000	170,000	170,000
Reserves	2,088,036	2,132,635	1,644,092	208,855	203,987	207,471	192,171
Accumulated Loss	(418,335)	(511,119)	(770,789)	(952,607)	(594,721)	(300,076)	(109,271)
Shareholders' Equity	1,919,701	1,871,516	1,043,303	(573,752)	(220,734)	77,395	252,900
NON - CURRENT LIABILITIES							
Liabilities against assets subject to finance lease	-	-	-	-	7,576	17,574	25,718
Long term financing	-	-	-	-	-	49,967	99,933
Long term deposits	-	-	-	-	6,753	5,144	5,442
Deferred income tax liability	160,304	191,735	209,585	282,327	295,705	-	-
	160,304	191,735	209,585	282,327	310,034	72,685	131,093

Report Of The Board Audit Committee

The Board Audit Committee (BAC) is governed by the mandate given to it by the Board of Directors in compliance of the Code of Corporate Governance. It is a vital platform to ensure the transparency of financial reporting and is critical for the efficient effectiveness of the company's objectives.

The BAC assists the Board in scrutinizing the financial and non-financial information and maintaining an independent check on the activities of the management. It also serves as a platform to evaluate, assess, and monitor internal controls, compliance, and manage risks.

The Board Audit Committee comprises of three members:

Directors' Names	Status	Category
Mr. Taufiq Ahmad Khan	Independent Director	Chairman
Mr.Ahmed Ali Tariq	Non - Executive Director	Member
Mr.Muhammad Imran Khan	Non - Executive Director	Member

All the members have extensive knowledge and experience in the fields of finance, accounting, controls, and systems management.

The BAC takes into account information from various sources such as biweekly reports from management, internal auditors' report, external auditors' report among other sources. The BAC is empowered to invite and question any person from management as and when required for the purposes it has been authorized to scrutinize by the Board of Directors.

During FY18, The Board Audit Committee met four times. The Chief Financial Officer and the Head of Internal Audit are regular participants of the meeting. The BAC also meets external and internal auditors independently once a year.

The terms of BAC are precisely defined by the Board. The Committee monitors including other things:

- Internal Controls
- Risk Management
- Integrity of Financial Information
- Internal Audit Report
- Audit Observations
- Compliance with Applicable Laws
- Assessing accounting & financial estimates, changes in accounting policies, and compliance with standards.
- Recommendation of External Auditors Appointment based on independence, integrity and satisfactory rating with ICAP

The Board Audit Committee has reviewed the performance and operations of the Company for the year ended September 30, 2018 and reports that:



- Internal controls of the company are sound and are working properly;
- Departments of the company are working in line with company objectives;
- Records are maintained in accordance with applicable laws and regulations;
- Financial statements are in conformity with applicable laws and regulations;
- Code of Corporate Governance is followed;
- Recommended the present auditors, M/S Kirsten Hyder Bhimji & Co. Chartered Accountants, for reappointment for year ending September 30, 2019.

Taufiq Ahmad Khan
Chairman
Board Audit Committee

*The Board Audit Committee (BAC)
is a vital platform to ensure the
transparency of financial reporting*



Roles And Responsibilities Of the Chairman And the Chief Executive Officer

Listed below are the responsibilities of the Chairman and the Chief Executive Officer of the Company.

CHAIRMAN

The Chairman is responsible for the leadership of the Board. In particular, he will:

1. Ensure effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
2. Ensure effective communication with shareholders.
3. Set the agenda of Board discussions to promote constructive debate and effective decision-making.
4. Chair the Nominations Committee and build an effective and complementary Board, initiating change and planning succession on Board and Executive appointments.
5. Ensure that all Board committees are properly established, composed and operated.
6. Ensure comprehensive induction programs for new directors and updates for all directors as and when necessary.
7. Support the Chief Executive in the development of strategy and, more broadly, to support and advise the Chief Executive.
8. Maintain access to senior management as is necessary and useful, but not intrude on the Chief Executive's responsibilities.
9. Promote effective relationships and communications between non-executive directors Executive directors.
10. Ensure that the performance of the Board, its main committees and individual directors is formally evaluated on an annual basis.
11. Preside over all the BOD meetings and AGM.
12. Declare results of the meetings where result based on show of hands of General Meeting.
13. Sign the minutes of meetings of the Board Of Directors and the Annual General Meeting.
14. Establish a harmonious and open relationship with the Chief Executive Officer and Management.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is responsible for

leadership of the business and managing it within the authorities delegated by the Board. In particular, he will:

1. Develop strategy proposals for recommendation to the Board and ensure that agreed strategies are reflected in the business.
2. Develop annual plans, consistent with agreed strategies, for presentation to the Board for support.
3. Plan human resource strategies to ensure that the Company has the capabilities and resources required to achieve its plans.
4. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
5. Be responsible to the Board for the performance of the business consistent with agreed plans, strategies, and policies.
6. Lead the executive team, including the development of performance contracts and appraisals.
7. Ensure that financial results, business strategies and, where appropriate, targets and milestones are communicated to the investors.
8. Develop and promote effective communication with shareholders.
9. Ensure that business performance is consistent with the Business Principles.
10. Ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
11. Develop processes and structures to ensure that capital investment proposals are reviewed thoroughly and that associated risks are identified and appropriate steps taken to manage the risks.
12. Develop and maintain an effective framework of internal controls over risk in relation to all business activities including the Company's trading activities.
13. Ensure that the flow of information to the Board is accurate, timely and clear.
14. Establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate.

Chairman's Review



Dear Shareholders,

It is a great honor and privilege to address my fellow investors at the culmination of yet another financial year. It gives me pleasure to report that Husein Sugar has just concluded its fifty-one years of commercial production. Throughout this period, the company has never compromised on its core philosophy. I would like to take this opportunity to reaffirm your company's commitment to its principles; business for better life, respect for human dignity, and investment for a prosperous future. Shareholders, cane growers, customers, financial institutions, business partners, Husein employees, management, and other stakeholders are the pillars that our ecosystem thrives upon. As always, Husein Sugar continues its unwavering support for sustainable development and remains resolute in its commitments to all its stakeholders.

For the financial year ended September 30, 2018, the Board has judged the overall performance of management as satisfactory and in line with the vision set forth by the Board. The overall assessment as satisfactory is based on an evaluation of integral components, such as strategic planning, effective fiscal budgeting, successful implementation of policies, enhancement of systems, and operational results. Working in a completely different environment this year, the management of the company pursued a completely different selling strategy. Unlike the aggressive selling strategy undertaken in the previous year, this year, we have sold conservatively and held onto stocks foreseeing a substantial increase in sugar prices. With sugar prices finally recovering this year, the management's decision to pursue an conservative selling strategy has ensured decent profitability.

We continue to look toward new avenues for sustainable growth. The initial shipment of sugar that we sent to North America last year has proven successful. Having build on the foundation laid down last year, this year, we have only increased our exports to Canada. We have also begun to approach new vendors and renegotiate with existing partners to ensure financial optimization.

The management at Husein continues to pursue

the policy of hiring capable and motivated individuals, rewarding hard work, and providing platforms for personal development. In this regard, not only are we ensuring that executives undertake Director's Training Programs in compliance with the Code of Corporate Governance, but we are also providing internships to aspiring engineers and investing in the development of our managers and executives throughout the company. We continue to ensure compliance to the Code of Corporate Governance and warrant the highest professional standards throughout the company. Accordingly, we have developed and implemented policies to guarantee the highest safety, health, and equal opportunity standards at your company.

At home, the measures we have taken over the last few years to proliferate high sucrose content varieties in our region have paid off. For next year, we forecast a one-degree rise in our sucrose recovery. Furthermore, the enterprise resource management software that we incorporated has helped us mitigate risks and effectively monitor the implementation of policies. We are continuously integrating the latest technologies to our core systems. These projects are being overseen directly by the senior most executives of our management team.

As the company has grown over the last fifty one years, your company has ensured that our local community has not been left behind. Our commitment to giving back to our community remains resolute. Our CSR projects have set the benchmark for other companies to follow. The schools and college at our associated educational complex continue to provide the highest standard education to more than a thousand children every year from Kindergarten to College. These projects have continued to grow year on year and new investments have persistently being undertaken. Our non-profit hospital continues to provide health care to thousands of patients. In the years ahead, we look forward to initiate new projects to facilitate the local community.

From a record low in sugar prices, to technologies that are disrupting the way we live and work, this year, we at Husein have overcome

a challenging and unfamiliar environment. In this tough environment, by the grace of Allah, I am happy to humbly report, we have had another good year.

The confidence of the shareholders and other stakeholders in the management and the board has been indispensable in permitting the company to embark on a new journey from a time of crisis to a position where we have sound prospects for sustainable development, greater value creation, and stable growth in the years ahead. I look forward to welcome as many of our shareholders as possible at the forthcoming

Annual General Meeting.

Our management has worked tremendously hard to steer the company from a time of crisis to a place where we can comfortably expect sustainable development, growth, and financial success in the years ahead. I would like to take this opportunity to place on record my appreciation to all stakeholders for their continued support. In particular, I would like to acknowledge the hard work, unrelenting efforts, and steadfast dedication of the entire Husein team and look forward to the same cooperation and commitment in the future.

Thank you,



Mian Ahmed Ali Tariq
Chairman



Directors' Report

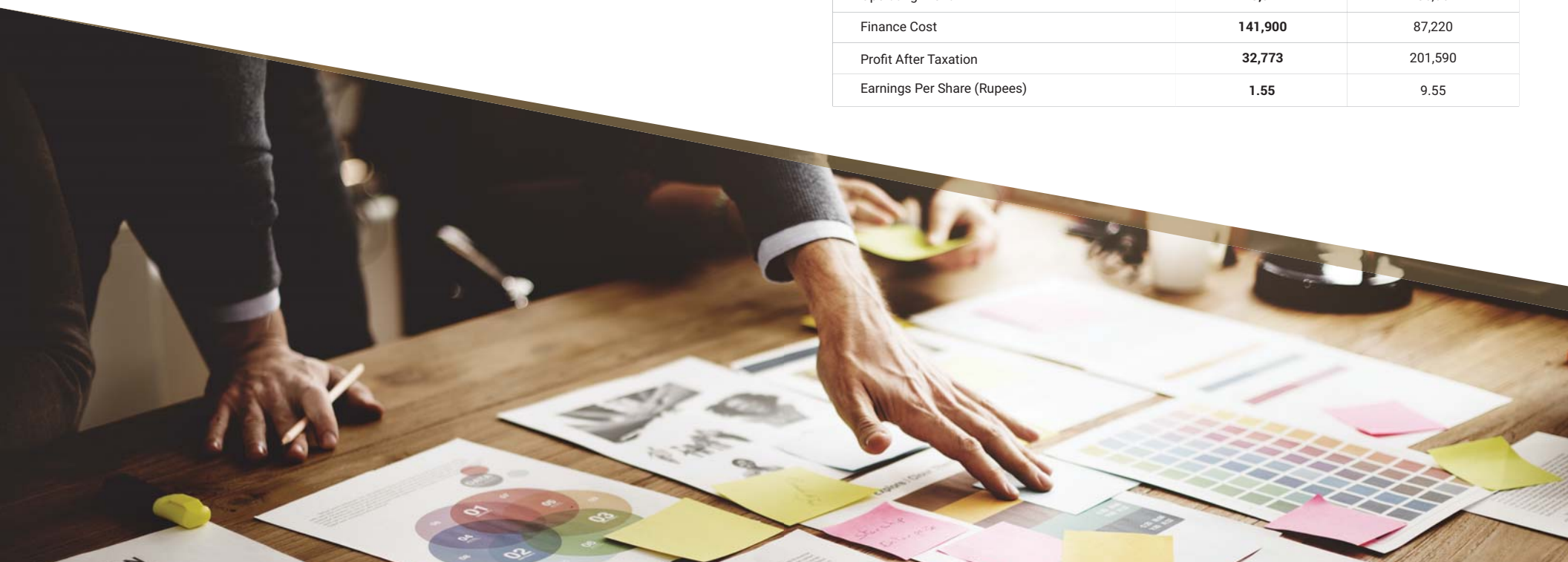
The Board of Directors place before you the annual report of the Company together with the audited accounts for the year ended September 30, 2018. The Company's performance for the current and last year is given below:

SEPTEMBER 30

OPERATIONS	2018	2017
Sugarcane crushed (M. Tons)	600,773	660,136
Sugar produced (M. Tons)	55,331	65,043
Molasses Produced (M. Tons)	32,941	32,941
Sugar recovery (%age)	9.21	9.85

Rupees in Thousand

FINANCIAL		
Sales	2,755,737	3,856,539
Gross Profit	263,671	485,320
Operating Profit	78,911	286,354
Finance Cost	141,900	87,220
Profit After Taxation	32,773	201,590
Earnings Per Share (Rupees)	1.55	9.55



The Directors of your Company fully endorse the Chairman's review for the year ended September 30, 2018.

Sugar Markets And Operational Review

With the exception of the last six weeks, in general, over the last year, the sugar market has not shown any positive movement. Due to the oversupply of sugar and the unavailability of an export market, domestic prices have been significantly depressed. Only after a significant quantity of sugar left the country by the end of December 2018, sugar prices started recovering. Starting January 2016, international prices continued to climb higher from around \$380 per ton until they peaked at around \$600 per ton in the September of 2016. However, the positive sentiment that rallied the commodity throughout the greater part of 2016 did not sustain to 2017. International sugar prices that returned to around \$330 - \$360 per ton in the September of 2017 have stayed within that range till date. With international and sugar prices falling drastically, it has been one of the most difficult years for Pakistan's sugar industry yet. But it was a year when we turned challenges into opportunities, finding new ways to compete in an increasingly challenging industry.

The management at Husein has always emphasized on staying ahead of the market. Acting upon our market intelligence and foreseeing that the surplus of sugar would evaporate by the end of the year, the management pursued a relatively conservative selling strategy. This policy paid off and your company managed to materialize gains at lucrative prices. For this financial year, your company has sales of PKR 2.755 Billion compared to PKR 3.85 Billion the year earlier. The reduced sales reflect the conservative selling strategy. Foreseeing that market prices for the commodity were bound to increase significantly at the end of the year, the management of your company decided to retain a significant quantity of sugar this year. With the recent rise in sugar prices, the sugar stocks that the management decided to keep throughout the last year has given a tenfold return in the profitability margin for those stocks. For the current year, Gross Profit was PKR 263.671 million and Profit after Taxation has been recorded at PKR 32.773

million. The depressed sugar prices that carried through most of last year are the primary reason for lower profitability.

The generation of long-term shareholder value is the primary driving force of our company. The continued confidence and trust of our shareholders is of the utmost importance to us. At Husein - we have always strived to maximize our shareholder's equity and we remain determined in our commitment.

Our strategic financial policies were supplemented with other technical achievements. This year Husein Sugar crushed more than 600,773 tons of sugarcane over the course of 132 days at a recovery of 9.21. As we continue to improve the efficiency of our plant, the latest machinery is being procured to enhance the quality and productivity of our products and processes.

Not only have we invested in the latest machinery to increase the efficiency of our plant, but we have also invested in the latest software and internal control systems to maximize productivity. This year, we have revamped our reporting systems to provide accurate real time intelligence to our policy makers timely. We are also exploring new technologies to improve communication with stakeholders such as cane growers and incorporate the latest software systems to maximize efficiency across the company.

The management at Husein has always emphasized on staying ahead of the market. Acting upon our market intelligence and foreseeing that the surplus of millions of tons locally this year would finish, the management pursued an extremely conservative selling strategy. In fact, in the last six weeks alone, sugar prices have seen a significant upward rise and our expectation is that the commodity will continue to become pricier.

Health, Safety, And Environment

At Husein, we make no compromises on the health and safety of our employees. This year, we have taken measures to implement the latest international techniques to improve and enhance

the working conditions of our workers to maintain the highest safety and health standards. We are committed to providing a hygienic and secure environment for our employees, stakeholders, and visitors. Our top priority is always safety and in 2017 we have continued to build upon the progress of earlier years. I am delighted to report that we have completed another safe and incident free year at Husein.

We continue to take measures to ensure the same level of safety and health in the future. Another priority of ours is the environment. As responsible corporate citizens, we share a collective responsibility in protecting the ecosystem that permits our operations, development, and growth. We look forward to working with local partners and other stakeholders to do our part in ensuring that all Husein products are made in a responsible and environmentally friendly manner. We are also exploring new technologies to innovate and improve our processes.

Future Outlook

Despite the expected sugar surplus in local and international markets that has carried over from last year, the government has notified an unchanged support price of sugar cane for crushing season 2017-18 at Rs.180 per 40 kg. Based on the area of sugarcane under cultivation, the average yield per acre of sugarcane, and the varieties of sugarcane planted, it is expected that sugar production for the upcoming year will be much lower than last year.

Due to poor sugar prices and a significant carryover stock of sugar from last year, the sugar-crushing season for the year 2018-2019 has been delayed extensively. Compared to last year, crushing for this year has commenced approximately one month later. To make it feasible to operate at zero profitability, the Pakistan Sugar Mill Association approached the government for some much needed relief. The government of Punjab has promised to provide a subsidy to the mills that export sugar. However, the unfortunate delay in crushing means a gross loss for Pakistan's agriculture sector. This year, due to climatic reasons, the yield per acre for farmers across Pakistan is almost 35 to 40% less

than last year. Furthermore, due to the unfavorable market conditions of the sugar sector the previous year, many farmers opted to plant different crops this year. Thus, the expected cultivation of sugarcane and manufacturing of Sugar in Pakistan is forecasted to be much lower this year. This will necessarily have an impact in domestic sugar prices. Already, we have seen a rise in sugar prices by a reasonable margin.

It remains to be seen how long the mills can manage to operate for this year, and what sucrose recovery and yields across Pakistan will be. The depressed sugar prices that have loomed over the industry the previous year might be corrected by the shortfall of sugar production this year. It is pertinent to mention that although there are carryover stocks of sugar from the last year, given the lower expected production of sugar this year, there is a positive indication that local sugar prices will increase. Although the commodity has recovered from a five year low in the international market, it is unlikely sugar prices will climb to the levels seen through September to December of 2016. Although the government has finally granted the permission to export sugar and has provided a rebate, it must be noted that the delays in such decisions have affected the welfare of the industry drastically. In fact, subsidies and rebates due from last year are still to be received by firms in the Sugar industry. We are hopeful that the government will facilitate the industry in the coming year, but your company is exploring other avenues to ensure operational and financial success.

In the last few weeks, the government has recently allowed further export of sugar and export rebate. Furthermore, the Rupee has depreciated significantly to the US Dollar. This depreciation makes exporting to international markets more lucrative. We are working with local partners across the world in countries such as Canada to bring Husein goods to their markets. We have already partnered with firms in Canada and are now looking to new markets. We are also looking toward the Middle East and Africa to find new opportunities for growth.

The company has embarked upon an Efficiency Improvement Project (EIP) that aims to reduce operational losses considerably and multiply savings in fuel consumption.

The EIP is being implemented as per schedule and letters of credit for imported machinery have been established and orders for local machines placed. Some machines have been commissioned before the start of the current crushing season in December 2018 and we are hopeful to receive delivery of other equipment by the mid-year.

Husein Sugar has started to look forward again. It has been one of the toughest years on record, with sugar prices at some of their lowest levels in the last five years. We at Husein have not been deterred by the challenges. Rather, we have faced the difficulties head on and persevered. Since 2015, Husein Sugar's story has been one of recovery, rejuvenation, and resilience. Now we look forward with purpose and determination.

As has been the case in the last two years, in 2018, you can expect a story of growth.

Corporate Social Responsibility

The Company provides a safe, healthy, and friendly atmosphere to its all employees, besides promoting a culture of tolerance, mutual respect, and openness.

Apart from offering apprenticeship to fresh graduates and postgraduates, the Company maintains an employment policy purely on the basis of merit. In tune with the vision set forth by the Board of Directors, the Company ensures an equal employment opportunity is provided to all potential employees. Furthermore, the company has strict zero tolerance policy with regard to discrimination. The company also provides employment to physically handicapped and special persons to maximize their potential and integrate them into the community.

As a responsible corporate entity, the Company continues to work with government functionaries and other local representatives to maximize the development of the local community. The Company has, for this purpose, established non-profit institutions for the welfare of the poor and needy, primarily in the field of education and health.

In 1983, The Mian Shamim Anwar Educational Complex was created. Over the 35 years to follow, due to the support of the corporation and the sponsors of both projects, the institutions have grown exponentially. In 1999 the Mian Muhammad Ali Tariq College for Girls was

envisioned and initiated. By 2002, work on fully equipped modern campus was completed. Today, the complex is composed of the Mian Nazir Husein Higher Secondary School for Girls, the Mian Nazir Husein Model School for Boys, the Dastkari School, and the Mian Muhammad Ali Tariq College for Girls. Collectively, these institutions have over 1000 students, taught by a faculty of 60 along with support staff. The educational complex is equipped with an auditorium, science laboratories with equipment, a library, a computer lab, among other facilities. The institution, which has been supported by the company subsidizes tuitions for hundreds of children and provides scholarships on the basis of financial need. The educational trust also provides scholarships to recent graduates who have demonstrated superior intellectual abilities. We take great pride in noting that our alumni have established themselves in all sectors of society; from the armed forces, to the medical and legal community. In fact, a lot of them have come back to contribute within the education sector.

In the sphere of health care, the company has helped set up the Mian Shamim Anwar Memorial Hospital. What started as a small dispensary has grown to be a multi-bed hospital fully equipped with a ten-bed ward, a dispensary, an operation theater, and a lab, among other facilities. The institution provides basic medical facilities at very low costs to the people of area, which has served thousands of patients over the course of its operations.

Husein Sugar remains resolute in its commitment to giving back to its local community. As the company regains a solid financial footing on the backing of sound management and operational policies, there should be no doubt that initiatives of the same nature for the betterment of the people, specifically around Jaranwala will continue to be undertaken.



DIVIDEND

No dividend is recommended for the time being as retention of funds are required for improving permanent working capital and undertaking efficiency improvement projects.

DEBT SERVICING

The company has no long-term liabilities. It is utilizing only short-term working capital loans, which are being serviced to the fullest satisfaction of lenders.

COMMENTS ON AUDITORS' OBSERVATION:

Going concern assumption

The Company earned gross profit and net profit after taxation of Rs. 263.671 million (2017: Rs. 485.320 million) and Rupees 32.773 million (2017: Rupees 201.590 million) respectively in the current financial year. On the other hand, the Company declare accumulated losses of Rs. 418.335 million (2017: Rs. 511.119 million) with adverse current ratio at the terminal date. However, with continuous financial support of the sponsoring directors and financial institutions as well as better results of the Company in the subsequent years, the overall liquidity position of the Company has now improved. These conditions along with adverse current ratio indicate the existence of material uncertainty regarding the future operations of the company which may cast significant doubt about the company's ability to continue as a going concern and, therefore, company may be unable to realize its assets and discharge its liabilities in the normal course of business.

The Company, however, has been successfully able to negotiate with National Bank of Pakistan, Dubai Islamic Bank Limited, Askari Islamic Bank Limited and Bank Islami Pakistan Limited (Islamic Banking) and win the renewal and extension of comprehensive working capital facilities for the next financial year 2018-19. The Company has already started draw down of the working capital facility since its renewal.

The Company, in the entirety of its fifty-one year history, has never and is not in default with any bank or financial institution and there are no adverse remarks against the Company in the eCIB data being maintained by State Bank of Pakistan. Further, there are no fixed terms

borrowings approaching maturity and the Company is not relying on short term borrowings to finance long term assets, as well as, there are no loan agreements which the Company is not able to comply with.

Furthermore, the Company enjoys very good reputation with suppliers of raw material, machinery manufacturers and spare parts. Similarly the end products of the Company are preferred by the buyers and fetches premium owing to better/consistent quality.

The management is confident that all the above stated steps will bring the Company out of the past adverse situation and thus the Company is very much a going concern. These financial statements, therefore, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

MODERNIZATION AND EFFICIENCY IMPROVEMENT

It is your Company's policy to constantly invest and explore options for strategically expansion, technological advancement, and/or environment safety. Cutting edge technologies in key areas of sugar plant to enhance overall efficiencies and reduction in overall cost of production are being adopted.

EARNINGS PER SHARE

Your Company's post-tax profit of RS 32.773 million translates into profit per share Rs. 1.55 as compared profit per shares of Rs 9.55 last year.

CORPORATE GOVERNANCE

Best Corporate Practices

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and the Rule Book of Pakistan Stock Exchange. The statement of compliance with the CCG Regulations, 2017 is enclosed.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

1. These financial statements prepared by the management of the Company present a fair state of affairs of the company, the results of its operations, cash flows and changes in equity.

2. Proper books of accounts of the Company have been maintained as required by the Companies Act, 2017.

3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgments.

4. The 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 a going concern as it has adequate resources and improving its results to continue in operation for the foreseeable future as has been explained in this report and note 1.2.

7. There has been no material departure from the best practices of Corporate Governance as listed in the listing regulations of the Pakistan Stock Exchange where the Company is listed.

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

9. The Provident Fund is managed by a duly executed separate Trust and the Trust has invested Rupees 63.079 million, as at September 30, 2018 (2017: Rupees 53.094 million).

PATTERN OF SHAREHOLDING AND SHARES TRADED

A statement of the pattern of shareholding as at September 30, 2018, which is required to be disclosed under the reporting framework, is annexed to this report.

Detail of transactions in the shares of the Company by Directors, Chief Executive, Company Secretary, Chief Financial Officer, their spouses and minor children is as under:

Shares Purchased/Transferred/Gift in:	
Mian Ahmed Ali Tariq - Chairman	2,445,354
Mian Mustafa Ali Tariq- CEO	2,330,844
Mrs. Maryam Habib- Executive Director	170,000
Shares Transferred/Gift out:	
Mrs. Sadia Ali Tariq Substantial Shareholder	4,776,198

BOARD COMMITTEES

Audit Committee

The Board of Directors has established an Audit Committee in compliance with the Code of Corporate Governance. The Audit Committee consisting of three members headed by a chairman. The committee regularly meets with the Chief Financial Officer and the Head of Internal Audit to review and ensure that the highest accounting standards are being maintained. The Audit Committee comprises of the following members:

Directors' Names	Status	Category
Mr. Taufiq Ahmad Khan	Independent Director	Chairman
Mr. Ahmed Ali Tariq	Non - Executive Director	Member
Mr. Muhammad Imran Khan	Non - Executive Director	Member

The Audit Committee reviewed the quarterly, half yearly, annual financial statements along with the related party transaction register before submission to the Board. The Audit Committee also reviewed internal auditor's findings and held separate meetings with internal and external auditors as required under the Code of Corporate Governance.

Human Resources and Remuneration (HR&R) Committee

Human resource planning and management is one of the most important focus points at the highest management level. The Company has a Human Resource and Remuneration Committee which is involved in the selection, evaluation, compensation and succession planning of the key management personnel. It is also involved in endorsing improvements in Company's human resource policies and procedures and their

periodic appraisal. The Human Resources and Remuneration Committee comprises of the following members:

Directors' Names	Status	Category
Mr. Ahmed Ali Tariq	Non - Executive Director	Chairman
Mr. Taufiq Ahmad Khan	Independent Director	Member
Mr. Mustafa Ali Tariq	Chief Executive Office	Member

Meetings of Board of Directors

The Board of the Company met four times during the current year in Pakistan and the attendance of the directors is summarized below:

Directors' Names	Status	No. of Meetings Attended
Mr. Ahmed Ali Tariq	Chairman	4
Mr. Mustafa Ali Tariq	Chief Executive Officer	4
Mrs. Nusrat Shamim	Non - Executive Director	2
Mrs. Maryam Habib	Executive Director	4
Mr. Taufiq Ahmed Khan	Independent Director	3
Mr. Ali Ashfaq*	Non - Executive Director	2
Mr. Muhammad Iftikhar	Non - Executive Director	4
Mr. Muhammad Imran Khan**	Non - Executive Director	2

Notes:* Retired with effect from May 30, 2018.

**Elected with effect from May 31, 2018.

Leaves of absences were granted to the directors who could not attend the Board meetings.

CHANGE IN THE COMPOSITION OF THE BOARD

During the year Mr. Ali Ashfaq has relinquished the office of Director and in his place the Board has appointed Mr. Muhammad Imran Khan as Director of the Company with effect from May 31, 2018 for the remainder of the term of the outgoing director.

The Board of Directors wishes to record its appreciation for the valuable services rendered by Mr. Ali Ashfaq as a Director and extends its warm welcome to Mr. Muhammad Imran Khan as the new Director of the Company.

ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Chairman and the Chief Executive Officer have separate and distinct roles. The Chairman has all the powers vested under the Code of Corporate Governance and presides over Board meetings. The principal role of the Chairman is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company through the Chief Executive Officer. The Chairman is independent from management and free from any interest and any business or other relationship which could conflict with the Chairman's independent judgment. The Chief Executive Officer performs his duties under the powers vested by the law and the Board, and recommends and implements the business plans, and is responsible for overall control and operation of the Company.

DIRECTORS TRAINING PROGRAM

Details have been provided in the Statement of Compliance with the Code of Corporate Governance, 2017.

FEMALE DIRECTOR

The requirement for a female director on the board of a listed company has been recently mandated by the new Company laws. Husein Sugar Mills has already inducted two female directors on its board of directors.

RELATED PARTIES TRANSACTIONS

All related parties transactions entered into are at arm's length basis and were reviewed and approved by the Board Audit Committee as well as the Board of Directors of the Company in compliance with the Code of Corporate Governance, 2017 and the Companies Act, 2017. The detail of transactions with the related parties is provided in the financial statements.

MERGER / SCHEME OF ARRANGEMENT

During the year under review, the Board of Directors of the Company at its meeting held on 26 January, 2018 approved a Scheme of merger / arrangement in terms of Sections 279-283 of Companies Act, 2013 involving merger of M/s Styles & Trends (Pvt) Limited with Husein Sugar Mills Limited.

The said scheme was approved by shareholders in the Extra Ordinary General Meetings held on May 26, 2018. The said petition finally comes up for hearing on December 17, 2018 and the Honorable Court has been pleased to approve the proposed merger. However, the order of the court has not yet been received by the company.

COMMUNICATION

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The website of the Company is compliant to all requirements of Securities and Exchange Commission of Pakistan (SECP), and all the information relating to the Company is available on the website. Stakeholders and members of the general public can visit the company's website www.husein.pk to get their desired information.

SAFEGUARDING OF RECORDS

The company puts great emphasis for storage and safe custody of its financial records. The access to electronic documentation has been secured through implementation of a comprehensive password protected system.

HEALTH, SAFETY AND ENVIRONMENT

We strongly believe in maintaining the highest standards in health, safety and environment to ensure the well-being of the people who work with us as well as of the communities where we operate.

POST BALANCE SHEET EVENTS

Subsequent to balance sheet date, no significant change has occurred or came to the knowledge of the Board that warrants reporting to shareholders.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Board of Directors has made an efficient system of internal financial controls. They confirm to comply with the Listed Companies code of corporate governance except as disclosed in Statement of Compliance, with applicable laws, regulation and have been effectively implemented and monitored. Internal Audit function of our company regularly appraises the financial controls and Audit committee reviews the internal controls and

Financial accounts on quarterly basis.

BOARD EVALUATION

Complying with the Code of Corporate Governance, the Board approved Self-Evaluation mechanism for evaluation of performance of the Board, its directors and committees through discussion and questions focusing on the Board's scope, objectives, functions, responsibilities, the Company's performance and monitoring. The Board has evaluated all the factors based on the inputs of the Directors made in the Board Meeting.

DIRECTORS' REMUNERATION

Through the Articles of the Company, the Board of Directors is authorized to fix remuneration of Directors from time to time. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and CEO in 2017-18, please refer notes to the Financial Statements.

EXTERNAL AUDITORS

The present Auditors M/s. Kreston Hyder Bhimji & Co. Chartered Accountants, retire at the conclusion of forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. As suggested by the Audit Committee in terms of the Code of Corporate Governance, the Board of Directors has recommended their appointment as Auditors of the Company for the year ending September 30, 2019.



Acknowledgment

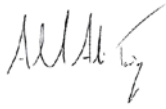
It is an honor and privilege for the directors to serve on a company that has completed fifty-one years of excellence. We would like to take the opportunity to thank the stakeholders that have made this continued excellence possible.

The Directors of your Company would like to thank the Securities & Exchange Commission of Pakistan (SECP), government functionaries, banks, financial institutions, and insurance companies for their continued support and cooperation. The Directors would also like to express their gratitude and appreciation for the support provided by our valued customers and suppliers. We also thank our shareholders, who continue to place their trust and confidence in the Company and assure them of our best efforts to ensure optimum utilization of their investment in the Company. Finally, the Directors also wish to place on record their appreciation for the devotion, loyalty, and hard work of all cadres of employees towards the growth and success of the company.

For and on Behalf of the Board of Directors,



MIAN MUSTAFA ALI TARIQ
Chief Executive Officer



MIAN AHMED ALI TARIQ
Chairman

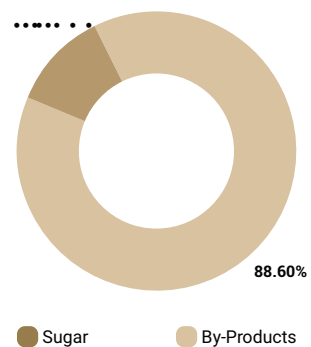
Lahore
January 31, 2019



Performance at a Glance

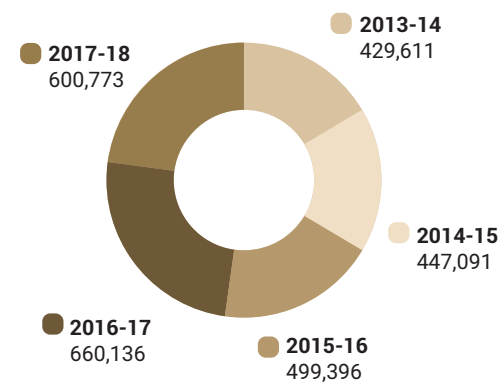
SALES ANALYSIS

SALES BREAK UP-CURRENT YEAR



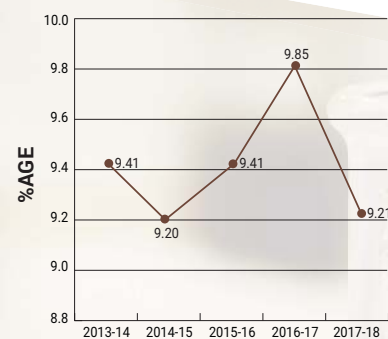
CANE CRUSHING

Five Years Comparison of Sugarcane Crushing (M. Tons)



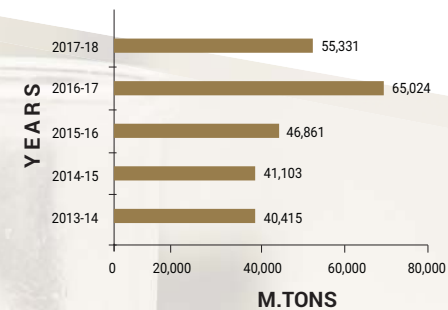
RECOVERY %

SUGAR RECOVERY PERCENTAGE



SUGAR PRODUCTION

SUGAR PRODUCTION-M.TONS





Statement Of Compliance

With listed companies (code of corporate governance) regulations, 2017
for the year ended **September 30, 2018**



The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:

CATEGORY	NO OF DIRECTORS
Male Directors	5
Female Directors	2

2. The composition of board is as follows:

CATEGORY	Name(s)
Independent Director	Mr. Taufiq Ahmad Khan
Executive Directors	Mr. Mustafa Ali Tariq Mrs. Maryam Habib
Non-Executive Directors	Mr. Ahmed Ali Tariq Mrs. Nusrat Shamim Mr. Muhammad Iftikhar Mr. Muhammad Imran Khan

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.

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

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

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board has arranged Directors' Training program for the following Director:

NAME OF DIRECTOR	DESIGNATION
Mr. Muhammad Iftikhar	Non Executive Director

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The Chief Executive and Chief Financial officers have duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below::

Audit Committee:

NAME OF DIRECTOR	DESIGNATION
Mr. Taufiq Ahmad Khan	Chairman
Mr.Ahmed Ali Tariq	Member
Mr.Muhammad Imran Khan	Member

HR and Remuneration Committee:

NAME OF DIRECTOR	DESIGNATION
Mr.Ahmed Ali Tariq	Chairman
Mr. Taufiq Ahmad Khan	Member
Mr. Mustafa Ali Tariq	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a) **Audit Committee:** Four quarterly meetings during the financial year ended September 30, 2018

b) **HR and Remuneration Committee:** One meeting during the financial year ended September 30, 2018

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.

For and on Behalf of the Board of Directors.

Lahore:
January 31,2019

MIAN MUSTAFA ALI TARIQ
Chief Executive Officer

MIAN AHMED ALI TARIQ
Chairman



Independent Auditor's Review Report To The Members

on statement of compliance with the code of corporate governance



To the members of Husein Sugar Mills Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Husein Sugar Mills Limited for the year ended September 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2018.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended September 30, 2018.

Lahore: January 31, 2019

Kreston Hyder Bhimji & Co
Chartered Accountants



Independent Auditors' Report



To the members of Husein Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Husein Sugar Mills Limited ("the Company"), which comprises statement of financial position as at September 30, 2018, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes forming part thereof conform with the accounting and reporting Standards as applicable in Pakistan, and, give the information required by the Companies Act, 2017(XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2018 and of the profit, the other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Material Uncertainty relating to Going Concern

We draw attention to note 1.2 in the financial statements, which indicates that the Company declared accumulated losses amounting to Rs. 418.335 million with adverse current ratio at the reporting date. As stated in note 1.2, these conditions, along with other matters as set forth in note 1.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to note 1.3 to the financial statements, Styles & Trends (Private) Limited - an associated undertaking intends to merge with and into Messrs. Husein Sugar Mills Limited. Legal formalities in this regard are in process. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Following are the Key Audit Matter(s):

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
1	Capitalization of Property, Plant and Equipment:	
	<p>The Company has made significant capital expenditure on balancing and modernization to improve plant efficiency and product quality as discussed in note - 15 to the annexed financial statements.</p> <p>We identified capitalization of property, plant and equipment as a key audit matter because there is a risk that amounts being capitalized may not meet the capitalization criteria with related implications on capitalization of borrowing costs and depreciation charge for the year.</p>	<p>Our audit procedures to assess the capitalization of property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> ● Understand the design and implementation of management controls over capitalization and performing tests of control over authorization of capital expenditure and accuracy of its recording in the system; ● Test on a sample basis, the costs incurred on projects with supporting documentation and contracts; ● Assess the nature of costs incurred for the capital projects through testing, on sample basis, of amounts recorded and considering whether the expenditure meets the criteria for capitalization as per the accounting policy discussed in note 4.8 to the financial statements and applicable accounting standards; and ● verify supporting documents for the date of capitalization when project was ready for its intended use to assess whether depreciation commenced from that date and assessing the useful life assigned by management including testing the calculation of related depreciation.
2	Inventory	
	<p>As at September 30, 2018 inventory comprises consumable stores and spares and stock in trade as disclosed in note - 18 and 19 respectively to the annexed financial statements.</p> <p>There is a risk in estimating the eventual NRV of items held, as well as assessing which items may be slow-moving or obsolete.</p> <p>The Company's principal accounting policy on consumable stores and spares and stock in trade and the critical accounting estimates, judgements and assumptions are disclosed in note 3 (c) and 4.11 to the annexed financial statements.</p>	<p>Our audit focused on whether the valuation of year-end inventory was in line with IAS 2. This included challenging judgements taken regarding obsolescence and net realizable value provisions. We obtained assurance over the appropriateness of management's assumptions applied in calculating the value of inventory by:</p> <ul style="list-style-type: none"> ● checking the effectiveness of controls associated with the existence and condition of inventories by attending inventory counts at year end with sample / verification test; ● critically assessing the Company's provisioning policy, with specific consideration given to aged / slow-moving inventory;

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
	<p>Further, stock in trade in financial statements as disclosed in note - 19 includes:</p> <ul style="list-style-type: none"> ● By-products comprising press mud; ● work-in-progress mainly comprising sugar in process and molasses in process; and ● finished goods in the shape of refined sugar. <p>The press mud is stored in the opened area in the form of stockpiles. As the weighing of these inventories of stock in trade is not practicable, management assesses the reasonableness of the quantities on hand by obtaining measurements of stockpiles and converting these measurements to unit of volumes by using angle of repose.</p> <p>Due to the significance of inventory balances of consumable stores and spares and stock in trade and related estimations involved, this is considered as a key audit matter.</p>	<ul style="list-style-type: none"> ● assessed the management's process of measurement of stockpiles and the determination of values using conversion of volumes to total weight; ● obtained and reviewed the inventory valuation report of the external surveyor and assessed its accuracy; and ● tested the NRV of the inventories held by performing a review of sales close to and subsequent to the year end.
3	Revenue Recognition	
	<p>As per ISA 240, there is a presumed risk of material misstatement due to inappropriate revenue recognition. This may either result from an overstatement of revenues through premature revenue recognition or recording fictitious revenues or understatement of revenues through improperly shifting revenues to a later period.</p> <p>These revenue may also be manipulated through the use of inappropriate rates for the overstatement / understatement of revenue to achieve desired financial results.</p> <p>In view of significant value of transactions and presumed risk of</p>	<p>In this regard, our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> ● Understanding the policies and procedures applied to revenue recognition, as well as compliance therewith, including an analysis of the effectiveness of controls related to revenue recognition processes employed by the company. ● Performing cut-off procedures for a sample of revenue transactions at year end in order to conclude on whether they were recognized at the moment the related goods actually sold.

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
	The Company has made significant capital expenditure on balancing and modernization to improve plant efficiency and product quality as discussed in note - 15 to the annexed financial statements.	<ul style="list-style-type: none"> Analyzing other adjustments and credit notes issued after the reporting date. Performing analytical procedures on entries in the daily ledger related to revenue made by the Company. These procedures were carried out paying special attention to accounting entries recorded close to the yearend or subsequently, as well as those deemed unusual due, among other reasons, to their nature, amount, date of occurrence. Reviewing disclosures included in the notes to the annexed financial statements.
4	Taxation:	
	<p>As described in Summary of Significant Accounting Policies in note – 4.3, significant judgment is required in determining the provision for income tax, both current and deferred, as well as assessment of provision for uncertain tax positions including estimates of penalties / default surcharge, where appropriate.</p> <p>The statement of financial position includes tax refund due from Government net of provision of Rs. 12.891 million together with net deferred tax liability of Rs. 160.304 million. The tax credit recognized in the statement of profit or loss is Rs. 3.127 million. Detail of deferred taxation and taxation expense / credit is disclosed in notes - 9 and 30 to the annexed financial statements respectively.</p> <p>Due to their significance to the financial statements as a whole, combine with the judgement and estimation required to determine their values, the evaluation of current and deferred tax balances is considered to be a key audit matter.</p>	<p>We evaluated the design and implementation of controls in respect of provisions for current tax and the recognition of deferred tax.</p> <p>We discussed with management the adequate implementation of company policies and controls regarding current and deferred tax as well as the reporting of uncertain tax positions.</p> <p>We examined the procedures in place for the current and deferred tax calculations for completeness and valuation and audited the related tax computations and estimates in the light of our knowledge of the circumstances. Our work was conducted with our firm's tax department.</p> <p>We considered management assessment of the validity and adequacy of provision for uncertain tax provision, evaluating the basis of assessment and reviewing relevant correspondence and legal advice where available including any information regarding similar cases with the relevant tax authorities.</p> <p>In respect of deferred tax assets and liabilities, we assessed the appropriateness of management assumptions and estimates.</p> <p>We Reviewed disclosures included in the notes 9 and 30 to the annexed financial statements.</p>

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
5	Contingencies:	
	<p>The Company is subject to a number of legal, regulatory, tax and competition matters, many of which are beyond its control. Consequently, the management make judgements about the incidence and quantum of such liabilities arising from litigation, tax and regulatory or competition claims which are subject to the future outcome of legal or regulatory processes.</p> <p>There are a number of legal and regulatory matters for which no provision has been established, as discussed in note – 14 to the annexed financial statements.</p> <p>There is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis, therefore, considered to be a key audit matter. Importantly, the decision to recognize a provision and the basis of measurement are judgmental.</p>	<p>We assessed and tested the design and operating effectiveness of the controls over the identification, evaluation, provisioning and reporting of legal, tax, regulatory and competition matters. We determined that we could rely on these controls for the purposes of our audit.</p> <p>In view of the significant judgements required, we evaluated the Company's assessment of the nature and status of litigation, claims and provision assessments, if any, and discussed with management to understand the legal position and the basis of material risk positions. We received legal letters from the Company's external counsel setting out their views in major cases.</p> <p>Specifically, we discussed with management the timing of recognition for cases where there was potential exposure as it was not that a provision determinable was required e.g. where obtaining reliable estimates were not considered possible.</p> <p>As set out in the financial statements, the outcome of litigation and regulatory claims are dependent on the future outcome of continuing legal and regulatory processes and consequently the calculations of the provisions are subject to inherent uncertainty.</p>
6	Borrowings	
	<p>The Company has significant amounts of borrowings from financial institutions amounting to Rs. 1,561.753 million, being 64% of total current liabilities, at reporting date.</p> <p>Given the significant level of borrowings, finance costs, gearing ratio and the disclosure given by the management in financial statements and compliance with various loan covenants, this is considered to be a key audit matter.</p>	<p>In response to this matter, our audit procedures included:</p> <ul style="list-style-type: none"> Review of loan agreements / offer letters to ascertain the terms and conditions of repayment and rates of markup used by management in calculation of finance costs and those disclosed by management are correct. Verification of repayments made by the Company during the year on sample basis to confirm that repayments are being made on time and no default has been made. Verification of disbursement of loans and its utilization on sample basis. Assessing procedures designed by management to comply with the debt covenants.

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
		<ul style="list-style-type: none"> ● Obtaining external confirmations from financial institutions of the Company to confirm balances and terms and conditions stated in the loan agreements / offer letters and compliance thereof. <p>Ensuring that the outstanding liabilities and terms thereto have been properly classified and adequately disclosed in the financial statements.</p>
7	First time application of third and fourth schedules to the Companies Act, 2017	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> ● Considering the management's process to identify the necessary amendments required in the Company's financial statements. ● Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the third and fourth schedules to the Companies Act, 2017 and our understanding of the Company's operations and business. ● Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.

As referred to in note - 3 (d) to the annexed financial statements, the Companies Act, 2017 (Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended September 30, 2018. The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. As part of this transition to the requirements of the said third and fourth schedules, the management performed a gap analysis to identify differences between the previous reporting framework and the current reporting framework and as a result assessed the amendments (as specified in the notes 1.4, 15.1.6, 15.1.7, 30.2, 32, 33, 37 and 41 to the annexed financial statements) relating to disclosures required in the Company's financial statements.

Further, the Company has also changed its accounting policy relating to preparation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note – 4.26 to the annexed financial statements.

The above changes and enhancements in the financial statements are considered

S.No.	Key Audit Matter(s)	How the Matter was addressed in audit
	as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017.	

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances,

we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

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

- a) proper books of account have been kept by the Company/branches as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows (together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Shabir Ahmad, FCA.

LAHORE: January 31, 2019



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS



Financial Statement

HUSEIN SUGAR MILLS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2018

	Note	2018 Rupees	Restated 2017 Rupees	Restated 2016 Rupees
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Issued, subscribed and paid-up ordinary share capital				
25 million (30 September 2017: 25 million) ordinary shares of Rupees 10 each	5	250,000,000	250,000,000	170,000,000
Capital reserves				
Share premium	6	141,093,550	141,093,550	21,093,550
Surplus on revaluation of property, plant and equipment	7	1,777,492,862	1,822,091,754	1,453,548,580
		1,918,586,412	1,963,185,304	1,474,642,130
Revenue reserves				
General reserves		169,450,000	169,450,000	169,450,000
Accumulated loss		(418,335,062)	(511,119,452)	(770,789,210)
		(248,885,062)	(341,669,452)	(601,339,210)
Director's loans - related parties	8	529,551,753	531,051,753	-
		2,449,253,103	2,402,567,605	1,043,302,920
Deposit for purchase of shares		-	-	609,681,833
NON-CURRENT LIABILITIES				
Deferred tax liability	9	160,304,314	191,734,794	209,585,106
CURRENT LIABILITIES				
Trade and other payables	10	792,001,110	522,715,575	761,061,743
Accrued mark-up on secured borrowings	11	64,934,674	10,391,674	5,334,298
Short term borrowings	12	1,561,752,772	490,400,182	438,946,777
Loan from related party	13	1,619,760	5,874,760	70,000,000
Unclaimed dividend		1,208,089	1,208,089	1,208,089
		2,421,516,405	1,030,590,280	1,276,550,907
CONTINGENCIES AND COMMITMENTS				
14				
TOTAL EQUITY AND LIABILITIES				
		5,031,073,822	3,624,892,679	3,139,120,766

The annexed notes from 1 to 41 form an integral part of these financial statements.

LAHORE

CHIEF EXECUTIVE OFFICER

	Note	2018 Rupees	Restated 2017 Rupees	Restated 2016 Rupees
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	15	3,124,382,528	2,989,279,104	2,565,173,105
Intangible assets	16	-	-	-
Long term deposits	17	11,885,573	9,246,940	2,687,690
		3,136,268,101	2,998,526,044	2,567,860,795
CURRENT ASSETS				
Consumable stores and spares	18	205,818,645	148,349,789	144,614,335
Stock-in-trade	19	888,742,608	233,027,645	180,513,382
Trade and other receivables	20	682,485,510	49,290,097	104,447,572
Advances, deposits and prepayments	21	32,628,380	80,547,045	93,457,237
Tax refund due from Government - income tax		67,085,586	55,053,929	32,021,299
		1,894,805,721	626,366,635	571,259,971
TOTAL ASSETS				
		5,031,073,822	3,624,892,679	3,139,120,766

CHIEF FINANCIAL OFFICER

DIRECTOR

HUSEIN SUGAR MILLS LIMITED

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 Rupees	2017 Rupees
NET SALES	23	2,755,736,878	3,856,538,629
COST OF SALES	24	(2,492,066,008)	(3,371,219,029)
GROSS PROFIT		263,670,870	485,319,600
OPERATING EXPENSES			
Administrative and general expenses	25	(160,899,355)	(167,616,769)
Selling and distribution cost	26	(15,794,109)	(17,276,929)
Other operating expenses	27	(8,066,199)	(14,071,841)
		(184,759,663)	(198,965,539)
PROFIT FROM OPERATIONS		78,911,207	286,354,061
OTHER INCOME	28	92,634,924	29,719,288
FINANCE COST	29	(141,900,489)	(87,220,411)
PROFIT BEFORE TAXATION		29,645,642	228,852,938
TAXATION	30	3,126,910	(27,262,857)
PROFIT AFTER TAXATION		32,772,552	201,590,081
EARNINGS PER SHARE OF RUPEES 10 EACH - BASIC AND DILUTED	31	1.55	9.55

The annexed notes from 1 to 41 form an integral part of these financial statements.

LAHORE

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

HUSEIN SUGAR MILLS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 Rupees	Restated 2017 Rupees
PROFIT AFTER TAXATION	32,772,552	201,590,081
OTHER COMPREHENSIVE INCOME		
<i>Items that will never be reclassified to statement of profit or loss:</i>		
Surplus on revaluation of property, plant and equipment (impact of restatement note - 4.26)	-	411,091,167
Deferred tax surplus on revaluation of property, plant and equipment	-	(33,786,709)
	-	377,304,458
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	32,772,552	578,894,539

The annexed notes from 1 to 41 form an integral part of these financial statements.

LAHORE

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

HUSEIN SUGAR MILLS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2018

CASH FLOW FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for non-cash and other items:

- Depreciation
- Finance cost
- Profit on bank deposits
- Gain on disposal of operating fixed assets
- Provision for doubtful advances to suppliers
- Provision for balances doubtful of adjustment / recovery

OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES

- Consumable stores and spare parts
- Stock-in-trade
- Trade and other receivables
- Advances, deposits and prepayments
- Trade and other payables

Finance cost paid
Income tax paid

Purchase of operating fixed assets
Capital work in progress incurred
Proceeds from disposal of operating fixed assets
Net increase in long term deposits
Profit on bank deposits received

Proceed from issuance of right shares during the year
Repayment of director's loans - unsecured and interest free
Short term borrowings obtained - net
Repayment of loan obtained from related party

NET CASH INFLOWS FROM FINANCING ACTIVITIES

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR

CASH AND CASH EQUIVALENTS AT END OF THE YEAR

The reconciliation in cash and cash equivalents is as follows:

Cash and cash equivalents

Cash and bank balances	
Temporary book overdraft	

Cash and cash equivalents at the end of the year

The annexed notes from 1 to 41 form an integral part of these financial statements.

2018 Rupees	2017 Rupees
29,645,642	228,852,938
119,450,493	118,055,105
141,900,489	87,220,411
(146,519)	(549,139)
(270,536)	(154,991)
2,749,382	1,448,428
1,357,930	578,522,722
294,686,881	435,541,274
(57,468,856)	(3,735,454)
(655,714,963)	(52,514,263)
(633,195,413)	54,578,953
45,169,283	11,461,764
271,896,590	(237,078,697)
(1,029,313,359)	(227,287,697)
(734,626,478)	208,163,577
(87,357,489)	(82,163,035)
(24,922,281)	(52,614,115)
(846,906,248)	73,386,427
(55,882,714)	(47,839,980)
200,538,597	(105,956,876)
780,000	19,000,000
(2,638,633)	(6,559,250)
148,495	549,139
(258,131,449)	(140,806,967)
-	200,000,000
(1,500,000)	(133,630,080)
1,071,352,590	51,453,405
(4,255,000)	(9,125,240)
1,065,597,590	108,698,085
(39,440,107)	41,277,545
57,483,691	16,206,146
18,043,584	57,483,691
18,044,992	60,098,130
(1,408)	(2,614,439)
18,043,584	57,483,691

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

HUSEIN SUGAR MILLS LIMITED
Notes To The Financial Statements For
The Year Ended 30 September 2018

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

Husein Sugar Mills Limited ("the Company") is a public limited company incorporated in Pakistan under the Companies Act, 1913 (Now the Companies Act, 2017). The shares of the Company are listed on Pakistan Stock Exchange Limited. The Company is principally engaged in the business of production and sale of sugar and its by-products. Its registered office is situated at 30-A E/1, Old FCC, Gulberg-III, Lahore, whereas its mill / plant is situated at Lahore Road, Jaranwala, district, Faisalabad.

1.2 Going concern assumption

The Company declare accumulated losses of Rs. 418.335 million (2017: Rs. 511.119 million) with adverse current ratio at the terminal date. These conditions indicate the existence of material uncertainty regarding the future operations of the company which may cast significant doubt about the company's ability to continue as a going concern and, therefore, company may be unable to realize its assets and discharge its liabilities in the normal course of business.

However, with continuous financial support of the sponsoring directors and financial institutions as well as better results of the Company in the recent years, the overall liquidity position of the Company has now improved. Further, the Company has also been successfully able to negotiate with National Bank of Pakistan, Dubai Islamic Bank Limited, Askari Islamic Bank Limited and Bank Islami Pakistan Limited (Islamic Banking) and win the renewal and extension of comprehensive working capital facilities for the next financial year 2018-19. The Company has already started draw down of the working capital facility since its renewal.

The Company at present is not in default with any bank or financial institution and there are no adverse remarks against the Company in the eCIB data being maintained by State Bank of Pakistan. Further, there are no fixed terms borrowings approaching maturity and the Company is not relying on short term borrowings to finance long term assets, as well as, there are no loan agreements which the Company is not able to comply with.

Furthermore, the Company enjoys very good reputation with suppliers of raw material, machinery manufacturers and spare parts. Similarly the end products of the Company are preferred by the buyers and fetches premium owing to better/consistent quality.

The management is confident that all the above stated steps will bring the Company out of the past adverse situation and thus the Company is very much a going concern. These financial statements, therefore, do not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Company be unable to continue as a going concern.

1.3 The Company filed a petition under sections 279 to 283 of the Companies Act, 2017 on March 30, 2018 with Honourable Lahore High Court, Lahore for merger of Messrs

Styles & Trends (Private) Limited - an associated undertaking intends to merge with and into

Messrs Husein Sugar Mills Limited. The Honourable Lahore High Court, Lahore ordered the Company to issue notice pursuant to Court Order dated April 03, 2018 of the Honourable Lahore High Court, Lahore, to call an Extraordinary General Meeting of the members of Messrs Husein Sugar Mills Limited and Messrs Styles & Trends (Private) Limited. The notice was issued on May 04, 2018 and meetings were held on Saturday, May 26, 2018 at 10.00 AM at 30-A/E-1, Old F.C.C. Gulberg III, Lahore to consider and approve / adopt the Scheme of Arrangement for the merger and amalgamation of Messrs Styles and Trends (Private) Limited into Messrs Husein Sugar Mills Limited.

The said petition finally come up for hearing on December 17, 2018 and the Honourable Court has been pleased to approve the proposed merger. However, the order of the court has not yet been received by the company.

1.4 Summary of significant events and transactions in the current reporting period

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

- The accounting policy for surplus on revaluation of property, plant and equipment changed during the year. Consequently, some of the amounts reported in the prior years have been restated. (Refer to note -4.26).
- Due to the first time application of disclosure and presentation requirements of the Companies Act 2017, some of the amounts reported for the previous period have been reclassified. (Refer to note - 41)
- The Company obtained further short term borrowings from financial institutions during the year. (Refer to note - 12)
- During the year decline in sugar price locally and internationally due to surplus production has significantly affected the performance / profitability of sugar division. However, the Government announced export subsidy during the year which has supported to some extent but its realization is awaited. (Refer to note - 38)
- Analysis of financial performance and financial position is provided in directors' report, and through graphical presentation.

2. STATEMENT OF COMPLIANCE

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

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

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards or IFAS, the provisions of and directives issued under the Companies Act, 2017, have been followed.

3. BASIS OF MEASUREMENT

a) Accounting convention

These financial statements have been prepared under the historical cost convention, except for freehold land, buildings on freehold land and plant and machinery which are carried at revalued amount and certain financial instruments which are carried at their fair value.

b) Functional and presentation currency

The financial statements are presented in Pakistani Rupee (Rs.) which is the Company's functional and presentation currency.

c) Critical accounting estimates, judgements and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented in the following accounting policies and notes, and relate primarily to:

Description	Note
• Current income tax expense, provision for current tax and recognition of deferred tax asset (for carried forward tax losses)	4.3
• Estimation of provisions	4.6
• Estimation of contingent liabilities	4.7
• Useful lives, residual values of property, plant and equipment	4.8
• Useful lives, residual values and amortization method of intangible assets	4.9
• Fair value of property, plant and equipment	15
• Inventories (stock in trade and consumable stores and spares)	4.11
• Impairment of trade receivables	4.12
• Impairment loss of non-financial assets other than inventories	4.15
• Impairment of financial assets other than trade receivables	4.16

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

d) Standards, interpretations and amendments applicable to the financial statements for the year ended 30 September 2018

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

New Standards, Interpretations and Amendments

The Company has adopted the following amendments of IFRSs which became effective for the current year:

Standard or Interpretation

IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

Standards, interpretations and amendments to approved accounting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 2 Share Based Payments - Classification and Measurements of Share Based Payments Transactions (Amendments)	01 January 2018
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments)	01 January 2018
IFRS 9 Financial Instruments	01 July 2018
IFRS 9 Prepayment Features with Negative Compensation (Amendments)	01 January 2019
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 15 Revenue from Contracts with Customers	01 July 2018
IFRS 16 Leases	01 January 2018
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2018
IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2018
IAS 40 Investment Property: Transfers to Investment Property (Amendments)	01 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 Uncertainty over Income Tax Treatments	01 January 2018

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and

December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively.

The Company expects that the adoption of the above revision, amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application except for 'IFRS 15 – Revenue from contracts with customers' and 'IFRS 16 – Leases' for which management is in process of calculating the impact on Company's financial statements.

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	IASB Effective date (annual periods beginning on or after)
IFRS 1 1st time adoption of International Financial Reporting Standards	01 July 2009
IFRS 14 Regulatory Deferral Accounts	01 January 2016
IFRS 17 Insurance Contracts	01 January 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

4.2 Dividend and other appropriations

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

4.3

Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in other comprehensive income or equity.

Current

Provision for current taxation is calculated as payable tax after taking into account tax credits, rebates and exemptions available, if any, plus tax deducted to be treated as full and final discharge. Payable tax is higher of normal tax at corporate tax rate applied to taxable income; or minimum taxation at the rate of 1.25% of the turnover in case there is gross profit; or alternative corporate tax at the rate of 17% of accounting profit adjustable as per income tax laws. The Company also falls under the final tax regime under section 154 and 169 of the Income Tax Ordinance, 2001 to the extent of export sales.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for the financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liability is recognized for all the taxable temporary differences. Deferred tax asset is recognized for all the deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the asset may be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted by the reporting date. Impact of future income subject to final taxation is also considered in accordance with the requirements of Accounting Technical Release – 27 of the Institute of Chartered Accountants of Pakistan, if considered material. The Company recognizes deferred tax liability on surplus on revaluation of property, plant and equipment which is adjusted against the related surplus.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of property, plant and equipment) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Sales tax and Federal Excise Duty

Revenues, expenses and assets are recognized net off amount of sales tax / federal excise duty (FED) except:

- Where sales tax / FED 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
- Receivables or payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Judgment and estimates

Significant judgment is required in determining the income tax expenses and corresponding provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Further, the carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits.

If required, a valuation allowance is recognized against deferred tax assets so that the net amount equals the highest amount that is more likely than not to be realized on the basis of current or future taxable profit.

Off-setting

Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities, and they relate to income taxes levied by the same tax authority.

4.4 Borrowings / loans and borrowing costs

Interest bearing borrowings / Loans

Interest bearing borrowings / loans are initially recognized at fair value less directly attributable transaction costs, if any. Difference between the fair value and the proceeds of borrowings is recognized as income or expense in the statement of profit or loss. Subsequently interest bearing borrowings / loans are measured at amortised cost using the effective interest method.

Interest free loans payable on discretion of the company

Interest free loans given by directors and sponsors of the company and repayable at the discretion of the Company are initially measured and subsequently recognized in line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

Overdrafts

Overdrafts, if any, are repayable in full on demand and are initially measured and subsequently stated at face value (the amount of the loan).

Interest / borrowing costs

Interest expense / borrowing costs are accounted for on the basis of the effective interest method and are included in finance costs which are charged to income in the period in which these are incurred, except borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Borrowings are reported under accrued finance costs to the extent of the amount remaining unpaid and are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.5 Trade and other payables

Liabilities for trade and other amounts payable are initially recognized at fair value, which is normally the transaction cost.

4.6 Provisions

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

4.7 Contingencies and commitments

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Capital commitments, unless those are actual liabilities, are not incorporated in the books of accounts.

4.8 Property, plant and equipment Operating fixed assets - tangible

Owned

Property, plant and equipment except freehold land, buildings on freehold land and plant and machinery are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land is stated at revalued amount less accumulated impairment losses (if any). Buildings on freehold land and plant and machinery are stated at revalued amount less accumulated depreciation and accumulated impairment losses (if any). The accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of these assets; and thereafter the carrying amount of these assets are adjusted to the revalued amount. Cost of property, plant and equipment consists of historical cost, borrowing cost pertaining to erection / construction period of qualifying assets and other directly attributable cost of bringing the asset to working condition.

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 benefit associated with 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 statement of profit or loss during the period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of profit or loss in the year the asset is de-recognized.

Depreciation

Depreciation on all operating fixed assets is charged to statement of profit or loss by applying the reducing balance method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 15.1. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the date on which the assets are available for use and on deletions upto the date on which the assets are deleted.

Capital work in progress

Capital work-in-progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during construction and installation. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when the assets are available for use.

Revaluation

Any revaluation increase arising on the revaluation of free hold land and building on free hold land is recognized in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognized in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of freehold land and building on freehold land is charged to profit or loss to the extent that it exceeds the balance, if any, held in the Revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The surplus on revaluation of building on free hold land to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

During the year the Company changed its accounting policy in respect of the accounting and presentation of revaluation surplus on property, plant and equipment. Previously, the Company's accounting policy was in accordance with those provisions of the (repealed) Companies Ordinance, 1984. Those provisions and resultant previous policy of the company was not in alignment with the accounting treatment and presentation of revaluation surplus as prescribed in the IFRSs. However, the Companies Act 2017 has not specified any accounting treatment for revaluation surplus, accordingly the Company has changed the accounting policy and is now following the IFRSs prescribed accounting treatment and presentation of revaluation surplus. The detailed information and impact of this change in policy is provided in note 4.26 below.

Judgment and estimates

The useful lives, residual values and depreciation method are reviewed on a regular basis. The effect of any changes in estimate accounted for on a prospective basis.

4.9 Intangibles

Expenditure incurred to acquire computer software is capitalized as an intangible asset and stated at cost less accumulated amortization (for finite useful life of intangible asset) and any identified impairment loss. The estimated useful life and amortization method is reviewed at the end of each annual reporting period, with effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with finite useful life are amortized using straight-line method over its useful period. Amortization on additions to intangible assets is charged from the date when an asset is put to use and on disposal up to the date of disposal.

4.10 Long term deposits

Deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the reporting date.

4.11 Inventories

Measurement

Inventories comprises of refined sugar, press mud and molasses, sugar in process and consumables stores and spares.

Inventories are stated at the lower of cost and net realizable value. Cost is calculated on the following basis:

- **Finished goods and work-in-process of sugar**

These are valued at the average annual production cost, which comprise cost of direct material, labour and appropriate manufacturing overheads.

- **Molasses (finished goods), bagasse and press mud**

These are valued at their net realizable value.

- **Consumable stores and spares**

Consumables stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Net realizable value represents the estimated selling price in the ordinary course of the business less all estimated costs of completion and estimated costs necessary to be incurred in order to make the sale.

Impairment

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the cost of sales in the statement of profit or loss.

Judgments and estimates

- The Company reviews the carrying amount of stock-in-trade on a regular basis. Carrying amount of stock-in-trade is adjusted where the net realizable value is below the cost. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.
- The Company reviews the consumable stores and spares for possible impairment on an annual basis. Any change in estimates in future years might affect the carrying amounts of the respective items of consumable stores and spares with a corresponding effect on the provision.

4.1 Trade and other receivables

Measurement

Trade receivables are recognized and carried at original invoice value less an allowance for impairment. Bad debts are written off when identified.

Impairment

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is recognized in the statement of profit or loss.

Bad debts are written-off in the income statement on identification.

Judgments and estimates

The allowance for doubtful debts of the Company is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realization of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer.

4.13 Advances and other receivables

These are carried at cost which is the fair value of the consideration to be received in future less any estimate made for balances doubtful of recovery based on review of balances outstanding at the year end. Balances considered bad by the management are written off as and when identified.

4.14 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise cash in hand, cash at banks on current, saving and deposit accounts and other short term highly liquid instruments that are readily convertible into known amounts of cash net of temporary bank overdrafts.

4.15 Impairment of non-financial assets other than inventories

The assets that are subject to depreciation or amortization are assessed at each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of the asset is estimated and compared with its carrying amount. An impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount. The impairment loss is recognized in the statement of profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. An impairment loss is reversed only to the extent that the asset carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. The Company recognizes the reversal immediately in the statement of profit or loss, unless the asset is carried at a revalued amount in accordance with the revaluation model. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4.16 Impairment of financial assets other than trade receivables

The financial assets other than those that are carried at fair value are assessed at each reporting date to determine whether there is any objective evidence of their impairment. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably. The impairment loss is recognized immediately in the statement of profit or loss and the carrying amount of the related financial asset is reduced accordingly. An impairment loss is reversed only if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

4.17 Operating lease

Leases where significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income on a straight-line basis over the period of lease. Considering the S.R.O 431 (I) 2007 dated May 22, 2007 issued by Securities and Exchange Commission of Pakistan, vehicles obtained

under the Ijarah arrangements are treated as operating lease. Rents payable under Ijarah arrangements are recognized as an expense in the statement of profit or loss on a straight-line basis over the Ijarah term.

4.18 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial Instruments carried on the statement of financial position include, deposits, trade debts, advances adjustable in cash, other receivables, cash and bank balances, short-term borrowings, accrued mark-up, trade and other payables and due to related parties.

Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset.

Financial liabilities are de-recognized 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 financial assets and financial liabilities is included in the statement of profit or loss for the year.

Financial instruments carried on the statement of financial position includes short term investments, long term deposits, trade and other receivables, cash and bank balances, borrowings, trade and other payables and accrued mark-up. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

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

Derivative financial instruments are initially recognized at fair value; any directly attributable transaction costs are recognized in statement of profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, any changes therein are generally recognized in statement of profit or loss.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset when the Company has a legally enforceable right to offset and intends to settle either on a net basis or to realize the asset and settle the liability simultaneously.

4.19 Revenue recognition

Revenue is recognised to the extent the Company has delivered goods under an agreement, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue is measured at the fair value of the consideration received or receivable, exclusive of sales tax and trade discounts.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

Other income

Other income, if any, is recognized on accrual basis.

4.20 Staff retirement benefits

The Company operates a funded provident fund scheme covering all permanent employees. Equal monthly contributions are made to the fund both by the Company and employees at the rate of 10 percent of basic pay plus cost of living allowance.

4.21 Foreign currencies

Transactions in foreign currency during the year are initially recorded in the functional currency at the rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at functional currency rates of exchange prevailing at the reporting date. All differences are taken to the statement of profit or loss.

4.22 Earnings per share (EPS)

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

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

4.23 Related party transaction

All transactions arising in the normal course of business and are conducted at arm's length at normal commercial rate on the same terms and conditions as third party transactions using valuation modes as admissible, except in rarely extreme circumstances where, subject to approval of the Board of Directors, it is in the interest of the Company to do so. Parties are said to be related if they are able to influence the operating and financial decisions of the Company and vice versa.

4.24 Operating segments

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.

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, consumable 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. However, sugar segment being the only one segment, all assets and liabilities are allocated to it.

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.

The Company has only one reportable segment (manufacturing and sale of refined sugar) on the basis of product characteristics and the criteria defined by the IFRS 8, "Segment Reporting".

4.25 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments that are not recognized in profit or loss as required or permitted by approved accounting standards.

4.26 Change in accounting policy of revaluation surplus on property, plant and equipment

On October 01, 2017 the Company changed its accounting policy for the revaluation surplus on property, plant and equipment, in accordance with requirements of the accounting and reporting standards as applicable in Pakistan under the Companies Act, 2017. Previously, the Company's accounting policy for surplus on revaluation of property, plant and equipment was in accordance with the provisions of section 235 of the repealed Companies Ordinance, 1984. Further, the revaluation surplus on property, plant and equipment was shown as a separate item below equity, in accordance with the presentation requirement of the repealed Companies Ordinance, 1984.

The Companies Act, 2017 has not retained the above mentioned specific accounting and presentation requirements of revaluation surplus on property, plant and equipment. Consequently, this impacted the Company's accounting policy for revaluation surplus on property, plant and equipment, and now the related accounting and presentation requirements set out in IAS - 16. The new accounting policy is explained under note 4.8, above. Further, the revaluation surplus on property, plant and equipment is now presented in the statement of financial position and statement of changes in equity as a capital reserve i.e. part of equity.

This change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated.

Retrospective Impact of change in accounting policy						
	As at October 01, 2016			As at September 30, 2017		
	As previously reported on September 30, 2016	Adjustments increase / (decrease)	As restated on October 01, 2016	As previously reported on September 30, 2017	Adjustments increase / (decrease)	As restated on September 30, 2017
	Rupees			Rupees		
Surplus on revaluation of property plant and equipment (within the equity)	-	1,453,548,580	1,453,548,580	-	1,822,091,754	1,822,091,754
Surplus on revaluation of property plant and equipment (below equity)	1,453,548,580	(1,453,548,580)	-	1,822,091,754	(1,822,091,754)	-

Statement of comprehensive income for the year ended September 30, 2017

	As previously reported	(Increase)/ Decrease	(Restated)
		(Rupees)	
Surplus on revaluation of property, plant and equipment	-	411,091,167	411,091,167
Deferred tax surplus on revaluation of property, plant and equipment	-	(33,786,709)	(33,786,709)
	-	377,304,458	377,304,458

There is no impact of the above restatement on the statement of profit or loss and earnings per share.

5. SHARE CAPITAL

5.1. Authorized capital

Ordinary share capital
50 million (30 September 2017: 50 million) ordinary shares of Rupees 10 each
Preference share capital
15 million (30 September 2017: Nil) preference shares of Rupees 10 each

Note	2018 Rupees	2017 Rupees
	500,000,000	500,000,000
	150,000,000	-
	<u>650,000,000</u>	<u>500,000,000</u>

5.2. Issued, subscribed and paid-up share capital

	2018 Number of shares	2017 Number of shares		2018 Rupees	2017 Rupees
16,156,250	16,156,250	Ordinary shares of Rs. 10 each, fully paid in cash	5.1.	161,562,500	161,562,500
161,900	161,900	Ordinary shares of Rs. 10 each, fully paid for consideration other than cash		1,619,000	1,619,000
8,681,850	8,681,850	Ordinary shares of Rs. 10 each, issued as fully paid bonus shares		86,818,500	86,818,500
<u>25,000,000</u>	<u>25,000,000</u>			<u>250,000,000</u>	<u>250,000,000</u>

5.3. Number of shares held by associates

Mr. Ahmed Ali Tariq	6,913,000	4,467,646
Mr. Mustafa Ali Tariq	6,913,000	4,582,156
Mrs. Nusrat Shamim	152,793	152,793
Mr. Taufiq Ahmed Khan	3,676	3,676
Mrs. Maryam Habib	173,676	3,676
Mr. Muhammad Ifkhar	735	735
Mr. Muhammad Imran Khan (2017: Mr. Ali Ashfaq)	500	735
	<u>14,157,380</u>	<u>9,211,417</u>

6. SHARE PREMIUM ACCOUNT

Opening balance	141,093,550	21,093,550
Premium on right shares issued during the year	-	120,000,000
	<u>141,093,550</u>	<u>141,093,550</u>

6.1 Share premium can be utilized by the Company only for the purposes specified in Section 81 of the Companies Act, 2017.

7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT-

NET OF DEFERRED TAX

Balance as at October 01,	2,132,752,618	1,799,859,733
Fresh surplus arosed during the year	-	411,091,167
Less: Incremental depreciation for the year	79,434,581	78,198,282
Balance as at September 30,	2,053,318,037	2,132,752,618
Less: Deferred tax attributed to revaluation surplus	275,825,176	310,660,864
	<u>1,777,492,861</u>	<u>1,822,091,754</u>
7.1 Reconciliation of deferred tax attributed to revaluation surplus		
Balance as at October 01,	310,660,864	346,311,153
Incremental depreciation for the year	(19,422,743)	(20,118,605)
Surplus arosed during the year	-	33,786,709
Tax rate adjustment	(15,412,946)	(49,318,393)
Balance as at September 30,	<u>275,825,176</u>	<u>310,660,864</u>

7.2 The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

8. DIRECTORS' LOANS - RELATED PARTIES

Unsecured and interest free

Mr. Mustafa Ali Tariq
Mr. Ahmed Ali Tariq

Transferred from current liabilities
Mr. Mustafa Ali Tariq

8.1 This represents unsecured, interest free loan given by directors to meet the liquidity requirements of the Company. These loans are repayable at the discretion of the Company. In line with Technical Release - 32 (TR 32 - Accounting Directors' Loan) issued by the Institute of Chartered Accountants of Pakistan (ICAP), these loans are shown as part of equity.

Note	2018 Rupees	2017 Rupees
8.1	529,551,753	531,051,753
	329,405,833	274,405,833
	200,145,920	201,645,920
	529,551,753	476,051,753
13.	-	55,000,000
	529,551,753	531,051,753

9. DEFERRED TAX LIABILITY

The (liability) / asset for deferred taxation comprises temporary differences arising due to:

Taxable temporary differences

Accelerated tax depreciation
Surplus on revaluation of fixed assets

(108,265,960)	(98,550,403)
(275,825,178)	(310,660,866)
(384,091,138)	(409,211,269)

Deductible temporary differences

Provision against doubtful assets & others
Available tax losses

3,740,693	3,175,883
120,671,334	141,579,030
99,374,797	72,721,562

Turnover tax available for carry forward

223,786,824	217,476,475
(160,304,314)	(191,734,794)

Net deferred tax liability

9.1 Reconciliation of deferred tax credit for the year

Opening deferred tax liability
Deferred tax attributed to revaluation surplus arose during the year
Closing deferred tax liability
Deferred tax attributed to revaluation surplus due to change in tax rate
Deferred tax attributed to statement of profit or loss due to change in tax rate
Net deferred tax (credit) / charge recognized in statement of profit or loss

(191,734,794)	(209,585,106)
-	(33,786,709)
160,304,314	191,734,794
15,412,946	49,318,393
12,554	14,637,043
(16,004,980)	12,318,415

10. TRADE AND OTHER PAYABLES

Trade creditors
Advances from customers
Security deposits - interest free
Accrued liabilities
Income tax deducted at source payable
Taxes and duties payable
Payable to HSML Employees' Provident Fund Trust - related party
Worker's Profit Participation Fund payable
Ijarah rentals payable
Temporary book overdraft - unrepresented cheques
Diminishing Musharakah rental payable
Retention money payable
Others

333,489,819	219,726,384
199,326,857	155,198,021
55,805,463	52,897,585
29,130,780	21,243,715
5,779,335	5,524,884
118,195,380	22,992,928
24,666,637	22,801,879
20,745,673	17,657,962
276,225	227,019
1,408	2,614,439
307,669	302,770
695,451	535,537
3,580,413	992,452
792,001,110	522,715,575

10.1 Security deposits - interest free

It includes:

Dealers security deposits
Employee vehicle deposits

Note	2018 Rupees	2017 Rupees
	48,083,000	48,083,000
	7,722,463	4,814,585
	55,805,463	52,897,585

10.1.1 These security deposits have not been kept in a separate bank account as required by section 217 of the Companies Act, 2017.

10.2 This includes rent payable to Mrs. Rukhsana Javed - related party amounting to Rs. 700,900 (2017: Rs. 641,500).

10.3 It includes mark-up payable to HSML Employees' Provident Fund Trust - related party amounting to Rs. 6,604,620 (2017: Rs. 5,406,707) accrued at the rate of 9.31% per annum (2017: 7% per annum).

10.4 Due to workers' profit participation fund (WPPF)

Opening balance
Interest on funds utilized by the Company
Allocation for the year
Closing balance

17,657,962	5,171,431
1,527,414	441,640
1,560,297	12,044,891
20,745,673	17,657,962

This carries interest at the rate prescribed under Companies Profit (Workers Participation) Act, 1968 and effective rate of interest applied during the year was 8.65% (2017: 8.54%)

11. ACCRUED MARK-UP ON SECURED BORROWINGS

From banking companies

Short term borrowings

64,934,674	10,391,674
------------	------------

12. SHORT TERM BORROWINGS

From banking companies - secured

National Bank of Pakistan

Cash finance (hypothecation)
Cash finance (pledge)

12.1	99,995,182	24,995,182
12.2	499,903,125	98,900,000

Dubai Islamic Bank Pakistan Limited

Salam cum wakala
Salam cum Wakala

12.3	250,000,000	-
12.4	17,405,000	-

Bank Islami Pakistan Limited
Istisna finance

12.5	239,810,000	250,000,000
------	-------------	-------------

Meezan Bank Limited
Istisna / tijarah

12.6	354,639,465	-
------	-------------	---

Askari Bank Limited - Islamic banking
Salam OTT (Pledge)

12.7	100,000,000	-
------	-------------	---

The Bank of Punjab
Agricultural finance

12.8	-	116,505,000
	1,561,752,772	490,400,182

12.1 This cash finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 100 million (2017: Rs. 50 million), to meet working capital requirements of the company. It carries mark-up at the rate of 3 months KIBOR + 3% (2017: 3 months KIBOR + 3%) per annum, payable quarterly. It is secured by way of first pari passu charge over all present and future current assets of the company to the extent of Rs. 134 million (2017: Rs. 134 million), first pari passu charge over fixed assets of the company to the extent of Rs. 134 million measuring 77 acres - 14 maralas including land, building & machinery having market value of Rs. 2,109.06 million situated at Lahore Road, Jaranwala evaluated by Harvester Services (Pvt) Limited as on 22.06.2017 and personal guarantees along with Personal Net Worth Statement (PNWS) of the two directors of the Company.

12.2 This cash finance facility has been obtained from National Bank of Pakistan, out of the total sanctioned limit of Rs. 500 million (2017: Rs. 200 million) to procure raw material i.e. sugarcane for manufacturing of refined sugar/stock-in-trade financing. It carries markup at the rate of 1 month KIBOR + 2.5% (2017: 1 month KIBOR + 2.5%) per annum, payable quarterly. It is secured by way of exclusive charge of Rs. 667.67 million with 25% margin against pledge facility of the company registered with SECP, pledge of refined sugar in standard bags of 50 kgs each in shared godowns, ranking charge of Rs. 400 million (2017: Rs. 400 million) already registered with SECP over fixed assets of the company as additional security and personal guarantees alongwith Personal Net Worth Statement (PNWS) of two directors of the Company.

12.3 This salam cum wakala facility has been obtained from Dubai Islamic Bank Limited, out of total sanctioned limit of Rs. 250 million to meet the working capital requirements of the company by purchasing sugarcane from farmers / various suppliers in the local market and subsequent sale. It carries profit at the rate of relevant KIBOR + 3.0% per annum, payable quarterly. It is secured by way of pledge of white refined sugar stock with 25% margin, charge of Rs. 312.50 million over pledged stocks (inclusive of 25% margin), ranking charge of Rs. 400 million over all present and future assets of the company with 25% margin, first pari passu charge of Rs. 252.3 million over all present and future fixed assets of the company, inclusive of 20% margin and personal guarantees along with PNWS of the two directors of the company.

12.4 This Salam cum Wakala facility has been obtained from Dubai Islamic Bank, out of the total sanctioned limit of Rs. 200 million to meet working capital requirements of the Company by purchasing sugar cane from farmers / various supplier in the local market and subsequent sales under agency. It carries profit at the rate of relevant KIBOR + 3.25% per annum, payable quarterly. It is secured by pledge of white refined sugar stock with 25% margin (excluding sales tax). Charge of Rs. 267 million (Inclusive of 25% margin) over the pledged stocks shall be registered with SECP. Ranking/ first pari pasu charge of Rs. 252.3 Million over all present and future Fixed Assets (Land, Building and Plant and Machinery) of the company, inclusive of 20% margin.

12.5 This istisna finance facility has been obtained from Bank Islami Pakistan Limited, out of total sanctioned limit of Rs. 250 million (2017: Rs. 250 million) for production of sugar. It carries profit at the rate of respective KIBOR + 3% (2017: respective KIBOR + 3%) per annum, payable quarterly. It is secured by way of ownership of istisna goods, first pari passu charge over all future and present current assets of the Company to the extent of Rs. 234 million (2017: Rs. 234 million), first pari passu charge over all future and present fixed assets of the company to the extent of Rs. 334 million (2017: Rs. 334 million) and personal guarantees of all the directors of the Company.

12.6 This istisna finance facility has been obtained from Meezan Bank Limited, out of total sanctioned limit of Rs. 500 million for purchase of raw materials / stores and spares / and to meet the working capital requirements of the company. It carries profit at the rate of respective KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future assets (both current and fixed) of the company to the extent of Rs 667 million duly insured, ranking charge over all present and future fixed assets of the Company, pledge of white refined crystalline sugar to the extent of Rs. 715 million, personal guarantees of three directors of the company along with PNWS and cross corporate guarantee of Styles and Trends (Private) Limited, an associated company.

12.7 This Salam - OTT facility has been obtained from Askari Bank Limited, out of total sanctioned limit of Rs. 100 million for production of white refined sugar from sugarcane. It carries profit at the rate of respective KIBOR + 3% per annum, payable quarterly. It is secured by way of ranking charge over all present and future fixed assets of the company to the extent of Rs. 400 million with 25% margin through constructive MOTD and plant & machinery (through letters of hypothecation), ranking charge over all present and future current assets of the company to the extent of Rs 400 million with 25% margin, ranking charge over pledged stocks of white refined sugar of 2017-2018 season to the extent of Rs. 400 million with 25% margin (inclusive of sales tax) stored at the company's premises at shared godown duly stacked and segregated in countable position and insured under the supervision of the banks approved muccadum and personal guarantees of two directors of the company.

12.8 This agricultural finance facility was obtained from Bank of Punjab, with total sanctioned limit of Rs. 140.155 million (2017: Rs. 140.155 million) and was repaid during the year. It carried markup at the rate of 3 months KIBOR + 3% (2017: 3 months KIBOR + 3%) per annum, payable quarterly. It was secured by way of first pari passu charge over all present and future fixed assets of the Company to the extent of Rs. 180 million (2017: Rs. 180 million), corporate guarantee of the Company and personal guarantees of two directors of the Company. However, charge over assets has not been vacated at the reporting date.

12.9 The Company has total credit facilities from all the banks as mentioned in notes 12.1 to 12.8 above, amounting to Rs. 200.102 million (2017: Rs. 140 million) that remained unutilized at the terminal date. The overall charge on the current and fixed assets of the Company is in the sum of Rs. 8.178 billion (2017: 7.875 billion) at the terminal date.

13. LOAN FROM RELATED PARTY

Unsecured and interest free

Balance as on October 01,
Additions during the year
Repaid during the year

Transferred to directors' loans - unsecured and interest free
Balance as on September 30,

13.1 This represents loan obtained from the sponsoring director, Mr. Mustafa Ali Tariq, of the Company to bridge / assist its working capital requirements. It is unsecured, interest free and payable on demand.

2018 Rupees	2017 Rupees
5,874,760	70,000,000
-	32,745,000
(4,255,000)	(41,870,240)
1,619,760	60,874,760
-	(55,000,000)
1,619,760	5,874,760

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

14.1.1 The tax department raised demand of Rs. 44.039 million in show cause notice issued to the Company on 10 November, 2014, alleging that the Company charged federal excise duty (FED) at the rate of 0.5% instead of 8% on local supplies made during the period from January 2014 to June 2014 against quantity of white crystalline sugar exported to Afghanistan which was not in accordance with clause (d) of SRO 77(1)/2013 dated 07 February, 2013. Consequently, the Company filed a writ petition on November 24, 2014 against this notice in the Honorable Lahore High Court, Lahore on the basis that the FED at the rate of 0.5% has been charged as allowed by the order dated 08 November, 2013 passed in W.P No. 4927/2013, which declared that clause (d) of SRO No. 77/2013 was unlawful. The writ petition filed by the Company is in the process of hearing. The Company has also filed appeal dated February 18, 2015 against this order before the CIR (Appeals) Lahore, pending adjudication at the terminal date.

14.1.2 As a result of withholding tax audit for the tax year 2010, the Deputy Commissioner Inland Revenue raised a demand of Rs. 7.264 million under sections 161 / 205 of the Income Tax Ordinance, 2001. The CIR (Appeals) Lahore has rejected Company's appeal. Currently, the Company is in appeal dated August 07, 2014 before Appellate Tribunal Inland Revenue against this order pending adjudication at the terminal date.

14.1.3 For the tax year 2011, the Income Tax Department has created tax demand of Rs. 15.914 million under section 161 / 205. The Company filled appeal before the learned CIR (Appeals) Lahore, who has deleted tax demand to the extent of Rs. 7.991 million. The Company has filed second appeal before the Appellate Tribunal Inland Revenue, Lahore considering the remaining demand is also not in accordance with law, pending adjudication at the terminal date.

14.1.4 The Department has filled reference before the Honorable Lahore High Court Lahore, against the order of the Appellate Tribunal Inland Revenue, Lahore, deleting the income tax demand of Rs. 17.3 million for the assessment years 2001-2002 and 2002-2003. This reference has not been heard so far.

14.1.5 The Company has filed appeal before the Commissioner of Inland Revenue (Appeals) Lahore against the Order in-original no. 14/2015 passed by DCIR Enforcement - 18 zone- III, LTU, Lahore for the tax period January 2015 for illegal adjustment of input sale tax in the sum of Rs. 22,081,342 on the bills of Lahore Electric Supply Company against its liability of federal excise duty in monthly sale tax return in sale tax mode along with additional tax and penalty, pending adjudication at the reporting date.

14.1.6 For the tax year 2009, the case of the Company was selected by Commissioner Inland Revenue under section 177. The Deputy Commissioner Inland Revenue, Audit-15, Zone-III, LTU, Lahore passed an ex-parte order under section 121(1)(d)/177(10) of the Income Tax Ordinance, 2001 dated 05-11-2018 (subsequent to the reporting date) and raised a tax demand of Rs. 202,282,645 by amending the deemed assessment for non-provisions of record by the Company. Against this order Company has filed an appeal before the learned CIR (Appeals-I), Lahore. The appeal is pending adjudication at the reporting date.

14.1.7 A writ petition has been filed by the Company against the assumptions of jurisdiction by the Competition Commission of Pakistan whereby a show cause notice dated December 31, 2009 had been issued to the Company under section 30 of the Competition Ordinance, 2009. The Company has sought declaration that such show cause is without lawful authority and of no legal effect as the Competition Ordinance, 2009 itself is ultra vires the Constitution of the Islamic Republic of Pakistan, 1973 as well as the law laid down by the Supreme Court of Pakistan.

14.1.8 The Company has also filed a writ petition before Sind High Court against the assumption of jurisdiction by Pakistan Standard and Quality Control Authority (PSQCA) for issuing notification demanding marking fee at the rate of 0.1% of ex-factory price of all sales as the fee payable for placing the PSQCA standard mark on the notified item. The learned High Court struck down the notification and declared to be void. The Appellant being aggrieved assailed the judgement before the Supreme Court of Pakistan which is still pending adjudication.

The legal advisor of the Company is of the view that due to complex nature of the legal and constitutional laws it is not possible to assess the outcome of these legal proceedings and the financial impact thereof.

14.1.9 The Sindh High Court in its order has disallowed tax credit u/s 113 of the Income Tax Ordinance, 2001 to companies which has Nil normal tax due to tax losses. The order has been challenged in the Supreme Court of Pakistan which is pending for adjudication at the reporting date. The same point of law has also been brought before the Lahore High Court who has ordered the petitioner to first refer the matter before the forums below where remedy can be sought. Further no adverse orders have been passed by the tax department against those petitioners. The Company has accounted for tax credit u/s 113 amounting to Rs. 99.375 million (2017: Rs. 72.721 million) in these financial statements. The management of Company is confident that these tax credits will be allowed to the Company in accordance with the provision of section 113 and its past history; and of the firm opinion that the interpretation of this provision shall be decided in favour of the Company by the apex court.

14.1.10 The Finance Act, 2017 introduced a tax levy under section 5A of the Income Tax Ordinance, 2001 on every public Company other than a scheduled bank or Modarba, that derives profits for tax year but does not distribute at least 40% of the after tax profit within six months of the end of said tax year through cash or bonus shares. For the tax year 2017 relevant to the income year ended September 30, 2016, bonus share or cash dividends may be distributed before the due date mentioned in sub-section 2 of section 118, for filling of income tax return relevant to the income year ended September 30, 2016. The company declared profit after tax in the sum of Rs. 115.665 million, therefore, 40% of tax should have been distributed among the shareholder through dividend or bonus shares. However, the company has not distributed dividend in the tax year 2017. In the tax year 2018 relevant to the income year ended September 30, 2017, the company declared a profit after tax in the sum of Rs. 201.590 million, which as per the revised provision of section 5A of the Ordinance requires the company to distribute 20% of its profit after tax. However, no distribution was also made in this year as well. Against this levy, the Company file writ petition before the Honourable Lahore High Court Lahore for the tax year 2017, pending adjudication at the reporting date. The management of the Company considered this levy against the Constitution of Pakistan and tantamount to double taxation, therefore a favourable outcome is expected in this case. Accordingly, no provision for tax in the sum of Rs. 11.443 million for the financial year ended September 30, 2018 relevant to tax year 2019 (2017: Rs. 4.913 million being 7.5% of accounting profit before tax) being 5% of the accounting profit before tax on non-distribution dividend in cash or kind has been made in these financial statements.

The management of the Company and its legal / tax advisors expects a favourable outcome of the above mentioned cases / suits, hence no provision has been made against contingencies disclosed in the Note 14.1.1 to 14.1.10 to these financial statements.

14.1.11 The Company is contingently liable for the outstanding principal and markup on the Agri Murabaha facility obtained by the Company's Sugarcane Growers from Bank Islami Pakistan Limited. The Company has given corporate guarantee amounting to Rs. 820 million (2017: Rs. 820 million) and ranking charge over current assets of the Company with 25% margin as security against Agri Murabaha facility to the sugarcane growers obtained from Bank Islami Pakistan Limited.

14.1.12 The Company is contingently liable for the outstanding principal and markup on the Agricultural financing facility to the Company's Sugarcane Growers from Apna Bank Limited. The Company has also given corporate guarantee amounting to Rs. 350 million (2017: Rs. 350 million) against this facility to Company's Sugarcane Growers from Apna Microfinance Bank Limited.

	Note	2018 Rupees	2017 Rupees
14.2 Commitments			
14.2.1 Company is committed to pay the following:			
<i>Jarah rentals</i>			
Due within one year		3,050,676	2,728,476
Due after one year but not later than five years		8,403,039	8,860,947
<i>Diminishing Musharakah rentals</i>			
Due within one year		3,633,240	3,633,240
Due after one year but not later than five years		10,596,950	14,230,190
		25,683,905	29,452,853
14.2.2 Commitment against CAPEX		222,801,761	22,034,605
15. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	2,827,601,031	2,707,124,638
Capital work-in-progress	15.2	296,781,497	282,154,466
		3,124,382,528	2,989,279,104

	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION				NET BOOK VALUE AS AT 30-Sep-18		
	Balance as at 1-Oct-17	Additions	Transfer	Deletion	Revaluation Surplus	Rate %	Balance as at 1-Oct-17	For the year	Deletion		Depreciation Adjustment	Balance as at 30-Sep-18
Owned												
Freehold land	928,856,250	-	-	-	-	-	-	-	-	-	-	928,856,250
Buildings on freehold land	434,835,661	-	9,021,088	-	-	-	10	12,713,193	42,287,423	-	-	388,856,133
Plant and machinery	1,323,842,193	47,338,704	175,832,548	-	-	-	5	18,719,574	67,693,782	-	-	1,460,300,089
Stand by equipments	2,625,683	-	-	-	-	-	10	1,079,470	15,621	-	-	1,294,091
Factory equipments	8,895,145	126,000	-	-	-	-	10	6,256,634	274,351	-	-	2,490,160
Gas and electric installations	22,064,186	8,037,470	-	-	-	-	10	11,113,115	1,857,909	-	-	17,130,632
Railway sidings	492,072	-	-	-	-	-	5	492,072	-	-	-	-
Furniture and fixtures	4,346,237	-	-	-	-	-	10	3,553,039	79,320	-	-	713,878
Office equipments	7,561,049	224,000	-	-	-	-	20	6,102,657	325,965	-	-	1,356,897
Computer equipments	6,034,407	156,540	-	-	-	-	30	4,981,987	326,660	-	-	872,300
Vehicles	82,344,653	-	-	(1,634,995)	-	-	20	49,751,157	6,450,932	(1,125,531)	-	25,633,100
Rupees - 2018	2,821,897,536	55,882,714	184,553,636	(1,634,995)	-	-		114,772,898	119,450,493	(1,125,531)		2,827,601,031

	COST / REVALUED AMOUNT					ACCUMULATED DEPRECIATION					NET BOOK VALUE AS AT 30-Sep-17			
	Balance as at 1-Oct-16	Additions	Transfer	Deletion	Revaluation Surplus	Depreciation adjustment	Balance as at 30-Sep-17	Rate %	Balance as at 1-Oct-16	For the year		Deletion	Depreciation Adjustment	Balance as at 30-Sep-17
Owned														
Freehold land	649,089,430	-	-	-	279,766,820	-	928,856,250	-	-	-	-	-	-	928,856,250
Buildings on freehold land	539,221,222	-	-	-	61,899,553	(166,285,114)	434,835,661	10	137,089,230	41,909,077	-	(166,285,114)	12,713,193	422,122,468
Plant and machinery	2,057,338,943	211,140,560	-	-	69,424,794	(824,062,104)	1,323,842,193	5	777,308,971	65,472,707	-	(824,062,104)	18,719,574	1,305,122,619
Stand by equipments	2,625,683	-	-	-	-	-	2,625,683	10	907,669	171,801	-	-	1,079,470	1,546,213
Factory equipments	7,294,540	1,600,605	-	-	-	-	8,895,145	10	6,077,968	178,666	-	-	6,256,634	2,638,511
Gas and electric installations	16,995,536	5,088,650	-	-	-	-	22,084,186	10	10,058,030	1,055,095	-	-	11,113,115	10,951,071
Railway sidings	492,072	-	-	-	-	-	492,072	5	492,072	-	-	-	492,072	-
Furniture and fixtures	4,266,837	79,400	-	-	-	-	4,346,237	10	3,489,451	83,588	-	-	3,553,039	793,198
Office equipments	7,431,009	130,040	-	-	-	-	7,561,049	20	5,751,785	350,872	-	-	6,102,657	1,458,392
Computer equipments	5,347,217	687,190	-	-	-	-	6,034,407	30	4,686,402	295,985	-	-	4,981,987	1,042,420
Vehicles	92,639,387	19,133,555	-	(29,428,269)	-	-	82,344,653	20	47,915,183	8,537,324	(6,701,350)	-	49,751,157	32,593,496
Rupees - 2017	3,382,741,876	47,839,960	-	(29,428,269)	411,091,167	(980,347,216)	2,827,897,536		988,766,361	118,055,105	(6,701,350)	(980,347,216)	114,772,898	2,707,124,638

15.1.1 Freehold land, building on free hold land and plant and machinery have been carried at revalued amounts determined by professional valuers (level 2 measurement under IFRS-13 'Fair Value Measurements'). The valuations are conducted by an independent valuer, namely, Messrs Harvester Services (Private) Limited, who are approved by Pakistan Banks' Association (PBA) in any amount category. Fresh valuation exercises were carried out on June 22, 2017 (Previously free hold land was carried on March 31, 2014 and building on free hold land and plant and machinery was carried on September 30, 2014). The valuation experts used a market based approach to arrive at the fair value of the Company's properties. The basis used for revaluation were as follows:

Free hold land

Fair market value of freehold land was assessed through survey of land, taking into consideration, the land specifications, independent market inquiries from property dealers / estate agents, recent matured transactions in the vicinity and market trends.

Building on free hold land

Construction specifications were noted for each building and structure and new construction rates are applied according to construction specifications for current replacement values. After determining current replacement values, depreciation was calculated to determine the current assessed market value.

Plant and machinery

Current replacement cost was determined by collecting information regarding current prices of comparable sugar plant from suppliers and different sugar plant consultants in Pakistan and abroad. Fair depreciation factor for each item is applied according to their physical condition, usage and maintenance.

15.1.2 Had the revaluations of these assets not been made, the carrying value of these assets as at September 30, would have been as under:

	2018				2017			
	Opening carrying amount	Addition during the year	Depreciation for the year	Closing carrying amount	Opening carrying amount	Addition during the year	Depreciation for the year	Closing carrying amount
	Rupees				Rupees			
Freehold land	3,600,212	-	-	3,600,212	3,600,212	-	-	3,600,212
Buildings on freehold land	40,927,431	9,021,088	4,167,919	45,780,600	45,474,923	-	4,547,492	40,927,431
Plant and machinery	478,821,078	222,871,252	26,378,706	675,313,624	482,316,527	21,140,560	24,636,009	478,821,078
	523,348,721	231,892,340	30,546,625	724,694,436	531,391,662	21,140,560	29,183,501	523,348,721

15.1.3 Depreciation charge for the year has been allocated as follows:

	Note	2018 Rupees	2017 Rupees
Cost of sales	24	104,760,145	101,883,215
Administrative and general expenses	25	7,159,356	9,267,769
Selling and distribution cost	26	7,530,992	6,904,121
		119,450,493	118,055,105

15.1.4 Detail of operating fixed assets disposed off during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Gain/(Loss)	Mode of Disposal	Particulars of purchasers
Rupees							
Vehicles							
School Bus - SGS - 08 - 1363	673,575	434,817	238,758	630,000	391,242	Negotiation	Muhammad Akram - third party
Honda City LED - 9682	961,420	690,714	270,706	150,000	(120,706)	Negotiation	Muhammad Tariq - third party
2018	1,634,995	1,125,531	509,464	780,000	270,536		
2017	29,428,269	6,701,350	22,726,919	22,881,910	154,991		

- 15.1.5 The cost of operating fixed assets includes fully depreciated operating fixed assets which are still in use of the Company. The breakup of cost of such assets is as follows :

	2018 Rupees	2017 Rupees
Plant and machinery	319,164,000	319,164,000
Vehicles	15,462,221	15,462,221
	<u>334,626,221</u>	<u>334,626,221</u>

- 15.1.6 Forced sale value and assessed value of these fixed assets as at the date of revaluation (i.e. June 22, 2017) was as under:

	Assessed sale vale	Forced sale value
	Rupees	Rupees
Freehold land	928,856,250	789,527,813
Building on freehold land	434,835,661	369,610,312
Plant and machinery	1,316,345,000	1,118,893,250
	<u>2,680,036,911</u>	<u>2,278,031,375</u>

- 15.1.7 Particulars of immovable property (i.e. land) in the name of the Company are as follows:

Location	Usage of immovable property	Area
Lahore Road Jarranwal, District Faisalabad	Manufacturing factory	825 Kanals and 13 Marlas

15.2 Capital work-in-progress

	Opening Balance	Additions	Transfer to operating fixed assets	Closing Balance
Rupees.....			
Civil work and buildings	18,805,088	1,796,501	9,021,088	11,580,501
Plant and machinery	135,346,516	69,849,975	175,532,548	29,663,943
Advances for capital expenditure - plant and machinery	128,002,862	127,534,191	-	255,537,053
2018	<u>282,154,466</u>	<u>199,180,667</u>	<u>184,553,636</u>	<u>296,781,497</u>
2017	<u>176,197,590</u>	<u>105,956,876</u>	<u>-</u>	<u>282,154,466</u>

Provision for balances doubtful of adjustment against advances for capital expenditure was made during the year in the sum of Rs. 1.358 million (2017: nil).

16. INTANGIBLE ASSETS

The Company has fully amortized intangible assets i.e. computer software having a cost of Rs. 1 million (2017: Rs. 1 million) which are still in use of the Company.

17. LONG TERM DEPOSITS

- Security deposits
- against ijarah and diminishing musharikah facilities
- utilities

Note	2018 Rupees	2017 Rupees
17.1.	11,111,133	8,462,500
	<u>774,440</u>	<u>784,440</u>
	<u>11,885,573</u>	<u>9,246,940</u>

- 17.1. This consists of unsecured, non-interest bearing long term deposits paid to banks and utility companies. These balances have not been discounted as the impact of time value of money is considered to be immaterial.

18. CONSUMABLE STORES AND SPARES

- Stores
Spare parts

19. STOCK-IN-TRADE

- Work-in-process
Finished goods

- 19.1 Stock-in-trade includes inventory amounting to Rs. 91.513 million (2017: Rs. 88.773 million) carried at net realizable value.

20. TRADE AND OTHER RECEIVABLES

Unsecured and Considered good

- Trade receivables - local

- Other receivables - unsecured

- Accrued mark-up on PLS bank accounts

- Freight subsidy receivable from Government

- Other receivables

- From related parties

- Others

20.1 Receivables from related parties - unsecured and interest free

- Mr. Ahmed Ali Tariq
Mr. Mustafa Ali Tariq

These receivables are within the age bracket of 0-60 days. The highest aggregate balance during any month was same as on the reporting date.

20.2 Others

- Considered good
Considered doubtful
Less: Provision for doubtful receivables

21. ADVANCES, DEPOSITS AND PREPAYMENTS

Considered good

Advances to:

- Employees against salaries - secured and interest free
Employees against expenses - unsecured
Suppliers - unsecured
Contractors - unsecured
Sugarcane growers - unsecured

Margin deposit against letters of credit

Prepayments

21.1 Advances to suppliers - unsecured

- Considered good
Considered doubtful
Less: Provision for doubtful advances

- 21.1.1 During the year provision against doubtful advances amounting to Rs. 2,749,382 (2017: Rs. 1,448,428) was made.

Note	2018 Rupees	2017 Rupees
	181,260,093	129,375,379
	<u>24,558,552</u>	<u>18,974,410</u>
	<u>205,818,645</u>	<u>148,349,789</u>
	7,428,720	7,264,038
	<u>881,313,888</u>	<u>225,763,607</u>
	<u>888,742,608</u>	<u>233,027,645</u>
19.1	597,450,943	7,592,188
	44	2,020
	<u>68,716,750</u>	<u>36,295,750</u>
20.1	3,600,000	-
20.2	<u>12,717,773</u>	<u>5,400,139</u>
	<u>85,034,567</u>	<u>41,697,909</u>
	<u>682,485,510</u>	<u>49,290,097</u>
20.1	3,300,000	-
	<u>300,000</u>	<u>-</u>
	<u>3,600,000</u>	<u>-</u>
20.2	12,717,773	5,400,139
	<u>1,865,466</u>	<u>1,865,466</u>
	<u>(1,865,466)</u>	<u>(1,865,466)</u>
	<u>-</u>	<u>-</u>
	<u>12,717,773</u>	<u>5,400,139</u>
21.	1,759,734	3,370,065
	5,218	10,836
21.1	<u>26,693,956</u>	<u>60,120,157</u>
	-	10,025
21.2	<u>1,952,439</u>	<u>2,265,492</u>
	-	13,237,138
	<u>2,217,033</u>	<u>1,533,332</u>
	<u>32,628,380</u>	<u>80,547,045</u>
21.1	26,693,956	59,320,157
	<u>9,341,085</u>	<u>6,591,703</u>
21.1.1	<u>(9,341,085)</u>	<u>(6,591,703)</u>
	<u>-</u>	<u>-</u>
	<u>26,693,956</u>	<u>59,320,157</u>

	Note	2018 Rupees	2017 Rupees
21.2 Advances to sugarcane growers - unsecured			
Considered good		1,952,439	2,265,492
Considered doubtful		2,037,006	2,037,006
Less: Provision for doubtful advances		(2,037,006)	(2,037,006)
		-	-
		<u>1,952,439</u>	<u>2,265,492</u>
22. CASH AND BANK BALANCES			
Cash in hand		1,612,143	248,254
Cash at bank in local currency:			
Current accounts		16,339,876	59,220,785
Saving accounts	22.1	92,973	629,091
		<u>16,432,849</u>	<u>59,849,876</u>
		<u>18,044,992</u>	<u>60,098,130</u>
22.1 Rate of profit on saving accounts ranges from 2.50% to 7.50% (2017: 2.25% to 7.05%) per annum.			
23. NET SALES			
Local sales	23.1	2,605,063,395	3,086,123,007
Export sales - sugar		118,038,483	770,415,622
Freight subsidy		32,635,000	-
		<u>2,755,736,878</u>	<u>3,856,538,629</u>
23.1 Local sales			
Sugar		2,646,645,514	2,961,292,290
By Products:			
Molasses		209,258,496	265,117,253
Bagasse		-	59,647,359
Press mud		7,795,627	94,995,238
		<u>217,054,123</u>	<u>419,759,850</u>
		<u>2,863,699,637</u>	<u>3,381,052,140</u>
Less:			
Sales tax on molasses, bagasse and press mud		3,567,693	31,884,803
Federal Excise Duty on local sale of sugar		255,068,549	263,044,330
		<u>258,636,242</u>	<u>294,929,133</u>
		<u>2,605,063,395</u>	<u>3,086,123,007</u>
24. COST OF SALES			
Raw material consumed:			
Sugarcane purchased		2,707,654,959	2,985,062,911
Sugarcane development cess		22,531,034	24,754,824
Market committee fee		6,038,771	3,300,673
		<u>2,736,224,764</u>	<u>3,013,118,408</u>
Salaries, wages and other benefits	24.1	150,417,736	140,412,488
Workers' welfare expense		10,021,346	12,058,658
Stores, spare parts and loose tools consumed		13,750,777	11,413,215
Chemicals consumed		29,648,816	30,761,421
Packing material consumed		23,385,368	23,776,913
Fuel and power		28,861,880	18,580,142
Repair and maintenance		39,358,437	58,385,026
Insurance		5,973,536	5,139,711
Other factory overheads		5,378,166	8,204,095
Depreciation	15.1.3	104,760,145	101,883,215
		<u>3,147,780,971</u>	<u>3,423,733,292</u>
Work-in-process			
Opening stock		7,264,038	8,250,909
Closing stock		(7,428,720)	(7,264,038)
		<u>(164,682)</u>	<u>986,871</u>
Cost of goods manufactured		<u>3,147,616,289</u>	<u>3,424,720,163</u>

	Note	2018 Rupees	2017 Rupees
Finished goods			
Opening stock		225,763,607	172,262,473
Closing stock		(881,313,888)	(225,763,607)
		<u>(655,550,281)</u>	<u>(53,501,134)</u>
		<u>2,492,066,008</u>	<u>3,371,219,029</u>
24.1 Salaries, wages and other benefits include Rs. 3,022,917 (2017: Rs. 3,097,311) in respect contribution to HSML Employees' Provident Fund Trust - related party by the Company.			
25. ADMINISTRATIVE AND GENERAL EXPENSES			
Directors' remuneration	25.1	14,881,958	16,395,738
Salaries and other benefits	25.1	89,497,165	98,959,273
Travelling and conveyance		4,588,421	2,923,047
Communication		2,659,292	2,357,236
Rent, rates and taxes		4,104,653	3,943,810
Printing and stationery		2,745,494	2,489,045
Repair and maintenance		2,755,843	2,022,854
Vehicle running and maintenance		5,203,270	7,539,315
Fee and subscription		6,397,090	6,118,975
Legal and professional		2,835,750	2,447,769
Auditors' remuneration	25.2	1,693,000	1,713,800
Entertainment		5,202,510	3,363,246
Advertisement		275,780	440,500
Insurance		1,064,989	1,277,120
Ijarah rentals		3,301,229	2,160,970
Diminishing musharakah rental		3,647,937	302,770
Depreciation	15.1.3	7,159,356	9,267,769
Miscellaneous		2,885,618	3,893,532
		<u>160,899,355</u>	<u>167,616,769</u>
25.1 Salaries and other benefits include Rs. 3,989,241 (2017: Rs. 3,927,833) in respect contribution to HSML Employees' Provident Fund Trust - related party by the Company.			
25.2 Auditors' remuneration			
Audit services			
Annual audit fee		750,000	750,000
Half yearly review fee		200,000	200,000
Out of pocket expenses		118,000	118,000
		<u>1,068,000</u>	<u>1,068,000</u>
Non audit services			
Tax advisory fee		510,000	577,800
Certification fee		115,000	68,000
		<u>625,000</u>	<u>645,800</u>
		<u>1,693,000</u>	<u>1,713,800</u>
26. SELLING AND DISTRIBUTION COST			
Salaries and other benefits	26.1	3,961,736	4,301,364
Handling and distribution		3,895,342	5,416,506
Repair and maintenance		204,457	41,689
Printing and stationery		201,582	113,479
Commission to selling agents		-	499,770
Depreciation	15.1.3	7,530,992	6,904,121
		<u>15,794,109</u>	<u>17,276,929</u>
26.1 Salaries, wages and other benefits include Rs. 127,227 (2017: Rs. 158,277) in respect contribution to HSML Employees' Provident Fund Trust - related party by the Company.			

	Note	2018 Rupees	2017 Rupees
27. OTHER OPERATING EXPENSES			
Donations	27.1	2,398,590	-
Workers' Profit Participation Fund		1,560,297	12,044,891
Provision for doubtful advances to suppliers	21.1.1	2,749,382	1,448,428
Provision for doubtful advances against CWIP		1,357,930	-
Provision for balances doubtful of recovery		-	578,522
		8,066,199	14,071,841

27.1 There is no interest in the donees fund, of any director or their spouses.

28. OTHER INCOME			
Income from financial assets			
Profit on bank deposits		146,519	549,139
Income from non-financial assets			
Gain on sale of fertilizers		91,806,958	28,601,176
Gain on disposal of operating fixed assets		270,536	154,991
Miscellaneous		410,911	413,982
		92,634,924	29,719,288

29. FINANCE COST			
Mark up on secured borrowings:			
- Short term borrowings		132,749,186	77,748,033
Interest on balance payable to provident fund trust - related party		1,197,913	1,338,570
Interest on Workers' Profit Participation Fund		1,527,414	441,640
Bank charges and commission		6,425,976	7,692,168
		141,900,489	87,220,411

30. TAXATION			
Current income tax:			
Turnover tax		11,745,579	36,947,646
Presumptive / final tax regime		1,180,385	7,704,156
Prior year		(35,340)	(15,070,317)
		12,890,624	29,581,485
Deferred income tax			
Tax rate adjustment		(12,554)	(14,637,043)
For the year	9.1	(16,004,980)	12,318,415
		(16,017,534)	(2,318,628)
		(3,126,910)	27,262,857

30.1 There is no relationship between tax expense and accounting profit as the provision for current taxation is based on turnover tax, therefore no numerical reconciliation has been presented. The Company has carry forward tax losses of Rs. 433.236 million (2017: Rs. 471.930 million).

30.2 The Company computes tax based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Provision for current tax is made @ 1.25% (2017: 1.25%) of the turnover and 1% of export sales, net off tax credit u/s 65B as per provision of the Income tax Ordinance 2001. Further, comparison of tax provision as per accounts viz-a-viz tax assessment for the last three years is as follow:

	2017	2016	2015
		(Rupees)	
As per tax assessment	44,616,462	15,286,375	-
As per financial statements	44,651,802	30,356,692	-

31. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit attributable to ordinary shareholders	Rupees	32,772,552	201,590,081
Weighted average number of ordinary shares outstanding during the year	Numbers	21,104,325	21,104,325
Earnings per share - basic	Rupees	1.55	9.55

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

32. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2018		
	Chief Executive	Executive director	Executives
	Rs. --		
Managerial remuneration	7,800,576	1,548,384	6,626,544
House rent	2,606,896	696,768	2,042,724
Contribution to provident fund	579,300	154,836	662,640
Utilities / medical allowance	-	154,836	662,640
Others	579,300	761,062	662,645
	11,566,072	3,315,886	10,657,193

Number of persons	1	1	3
-------------------	---	---	---

	2017		
	Chief Executive	Executive directors	Executives
	Rs. --		
Managerial remuneration	8,420,251	2,449,950	5,641,321
House rent	2,606,897	1,102,473	1,747,160
Contribution to provident fund	579,300	244,997	548,259
Utilities / medical allowance	-	167,573	564,123
Others	579,300	244,997	291,172
	12,185,748	4,209,990	8,792,035

Number of persons	1	2	3
-------------------	---	---	---

32.1 In addition to above, the chief executive, directors and one executive is provided with the free use of the Company's maintained cars. 2 (2017: 2) executives are also provided with furnished accommodation including utilities.

32.2 No meeting fee was paid to directors during the year (2017: Rs. Nil).

32.3 No remuneration was paid to non-executive directors of the Company (2017: Rs. Nil).

32.4 Definition of executive in the fourth schedule to the Companies Act 2017 has been changed the employees whose annual basic salary is equal to or more than Rs. 1,200,000. Accordingly the comparative figures of the remunerations to executives have been changed which earlier reported as Rs. 40.896 million for 28 executives.

32.5 For the year ended September 30, 2017, remuneration and benefits of executive directors include remuneration and benefits paid to one director who remained executive director of the Company only for seven months and the remaining remuneration and benefits of five months are included in the remuneration to Key Executives.

33. TRANSACTIONS WITH RELATED PARTIES

33.1. Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Related parties of the company are as follow:

Names of related parties	Relationship	Basis of relationship (Common directorship / percentage shareholding)
Mr. Ahmed Ali Tariq	- Chairman of the Board / Non - Executive Director	27.652%
Mr. Mustafa Ali Tariq	- Director / Chief Executive Officer	27.652%
Mrs. Sadia Ali Tariq	Close relative of Chief Executive Officer / Chairman	3.571%
Mrs. Nusrat Shamim	Non - Executive Director	0.611%
Mr. Taufiq Ahmed Khan	Independent Director	0.015%
Mrs. Maryam Habib	Executive Director	0.695%
Mr. Muhammad Iftikhar	Non - Executive Director	0.003%
Mr. Muhammad Imran Khan	Non - Executive Director	0.002%
Styles & Trends (Pvt.) Limited	Associated company	Common directorship
Husein Power Company (Pvt.) Limited	Associated company	Common directorship
Tariq Capital (Pvt.) Limited (Formerly Shamim Anwar Company (Pvt.) Limited)	Associated company	Common directorship
Mrs. Rukhsana Javed	Close relative of CEO and Chairman of the Board	Key management personnel Key management personnel Employees benefit plan
Mr. Wasim Saleem	Chief Financial Officer	
Mr. Khalid Mahmood	Company Secretary	
HSML Employees' Provident Fund Trust	Associate	

33.2. Balances with related parties are disclosed in respective notes to these financial statements, whereas significant transactions with these related parties during the year are as under:

Name of related party	Nature of transaction	2018 Rupees	2017 Rupees
Mr. Ahmed Ali Tariq	Repayment of directors' loan	12,600,000	98,130,080
	Funds provided	11,100,000	-
Mr. Mustafa Ali Tariq	Repayment of directors' loan	4,255,000	77,370,240
	Funds provided	-	32,745,000
	Managerial remunerations	11,566,072	12,185,748
Mrs. Ruksana Javed	Building on rent	3,192,750	2,700,000
Mrs. Maryam Habib	Managerial remunerations	3,315,886	1,277,424
HSML Employees' Provident Fund Trust	Company's contribution for the year	7,139,385	7,152,371
Key management personnel	Managerial remunerations	6,098,779	5,758,176

34. RELATIONSHIP WITH THE ISLAMIC AND CONVENTIONAL FINANCIAL INSTITUTION

The Company in the normal course of business deals with sole Islamic financial institutions as well as the financial institutions who operate both the conventional side and Islamic window. During the period the Company carried out transactions with both the conventional side as well as Islamic window of financial institutions. The details of segregation between Shariah complaints and conventional assets/liabilities and income/expenditure are given below :

	2018			2017		
	Islamic Banks	Conventional Banks	Total	Islamic Banks	Conventional Banks	Total
Account balances:	Rupees.....			Rupees.....		
Accrued markup on secured borrowings	49,633,407	15,310,109	64,943,516	1,489,873	8,901,801	10,391,674
Short term borrowings	599,898,307	961,854,465	1,561,752,772	250,000,000	240,400,182	490,400,182
Bank balances	1,896,441	14,536,408	16,432,849	49,716,623	10,133,253	59,849,876
Ijarah rentals	276,225	-	276,225	227,019	-	227,019
Diminishing Musharikah rentals	307,669	-	307,669	302,770	-	302,770
Class of transactions:						
Ijarah and diminishing musharikah rentals	6,949,166	-	6,949,166	2,463,740	-	2,463,740
Finance cost	81,447,744	51,301,442	132,749,186	48,279,016	29,469,017	77,748,033
Income from PLS bank accounts	333	146,186	146,519	15,022	534,117	549,139
Disclosures:						
Commitments						
Ijarah rentals	11,453,715	-	11,453,715	11,589,423	-	11,589,423
Diminishing Musharikah rentals	14,230,190	-	14,230,190	17,863,430	-	17,863,430

35. PLANT CAPACITY AND ACTUAL PRODUCTION

	2018	2017
Installed crushing capacity 6,500 metric ton (2017: 6,500 metric ton) per day for 132 (2017: 151) working days		
Metric tons	858,000	981,500
Actual crushing	600,773	660,136
Actual production	55,331	65,043
Sugar recovery	9.21	9.85

35.1 Shortfall in actual production from installed capacity was due to the scarcity / shortage of raw material (sugarcane) supply.

36. PROVIDENT FUND RELATED DISCLOSURES

The following information is based on un-audited financial statements of the provident fund as on 30 September 2018 and 30 September 2017:

		2018	2017
Size of the fund	Rupees	109,857,556	98,880,946
Cost of investments	Rupees	112,282,840	98,589,952
Percentage of investments made	Percentage	99.99%	99.71%
Fair value of investments	Rupees	109,850,763	98,589,952

36.1 Break-up of cost of investments is as follows:

	2018 Percentage	2017 Percentage	2018 Rupees	2017 Rupees
Term deposit receipts	31%	39%	35,800,000	38,800,000
National saving scheme	5%	2%	6,000,000	2,000,000
Bank balances	1%	1%	699,750	1,145,756
Mutual funds	18%	11%	20,580,322	11,148,245
Advances to members	22%	22%	23,529,008	21,274,188
Receivable from Company	22%	18%	24,666,638	17,648,624
Others	1%	7%	1,007,122	6,573,139
	100%	100%	112,282,840	98,589,952

36.2 All investments out of provident fund has been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

37. NUMBER OF EMPLOYEES

The number of employees as at September 30 and average during the year is as follows:

Number of employees as at September 30,

	2018	2017
- factory	597	602
- others	32	32
	629	634

Average number of employees during the year

	2018	2017
- factory	816	907
- others	33	32
	849	939

38. FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The accounts department of the Company assist the Board in developing and monitoring the Company's risk management policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The risk management policies of the Company are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. The Company does not engaged in the trading of financial assets for speculative purposes nor does it write options.

The Company's Board Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Board Audit Committee.

The Company is exposed to various risks in relation to financial instruments. The main types of risks are market risk and liquidity risk.

(a) Market risk

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

(I) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which advances, sales and purchases and bank balances are denominated and the respective functional currency of the Company i.e. Pakistan Rupee. The currency in which these transactions are primarily denominated is US dollars. Payables exposed to foreign currency are not covered through any forward foreign exchange contracts or through hedging.

Currently, the Company is not exposed to foreign exchange risk.

(II) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Currently, the Company is not exposed to any commodity price risk.

(III) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no long-term interest-bearing assets except for saving bank accounts. Sensitivity to interest rate risk arises from mismatch of financial assets and financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The short term borrowings and loans by the Company has variable rate pricing that is mostly dependent on Karachi Inter Bank Offer Rate ("KIBOR") as indicated in respective notes.

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

	Note	2018 Rupees	2017 Rupees
Floating rate instruments			
Financial assets			
Bank balances - saving accounts	22	92,973	629,091
Financial liabilities			
Short term borrowings	12	1,561,752,772	490,400,182

Cash flow sensitivity analysis for variable rate instruments

If interest rates at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been (decreased) / increased by Rs. 15.617 million (2017: Rs. 4.898 million), mainly as a result of higher / lower interest expense on floating rate financial instruments. This analysis is prepared assuming the amounts of financial instruments i.e. borrowings net of saving bank accounts outstanding at reporting dates were outstanding for the whole year.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To manage credit risk the Company maintains procedures covering the application for credit approvals, granting and renewal of counterparty limits and monitoring of exposures against these limits. As part of these processes the financial viability of all counterparties is regularly monitored and assessed. The Company is exposed to credit risk from its operating activities primarily for local trade and other receivables, advances adjustable in cash, deposits and other financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the end of the reporting period is as follows:

FINANCIAL ASSETS	Note	2018 Rupees	2017 Rupees
Long term deposits	17	774,440	784,440
Trade and other receivables	20	613,768,760	12,994,347
Advances and deposits	21	1,759,734	16,607,203
Bank balances	22	16,432,849	59,849,876
		632,735,783	90,235,866

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate:

	Rating			2018	2017
	Short Term	Long term	Agency	Rupees	Rupees
Banks					
Allied Bank Limited	A1+	AAA	PACRA	275,547	2,923,437
Bank Islami Pakistan Limited	A1	A+	PACRA	834,681	29,152,622
Faysal Bank Limited	A1+	AA	PACRA	327,367	327,367
The Bank of Punjab	A1+	AA	PACRA	662,629	29,923
Habib Bank Limited	A-1+	AAA	JCR-VIS	2,439,874	1,197,319
Meezan Bank Limited	A-1+	AA	JCR-VIS	837,496	291,213
National Bank of Pakistan	A1+	AAA	PACRA	5,184,470	3,092,444
United Bank Limited	A-1+	AAA	JCR-VIS	1,638,505	1,049,470
Al-Baraka Bank (Pakistan) Limited	A1	A	PACRA	6,104	5,404
Summit Bank Limited	A-1	A-	JCR-VIS	43,911	43,911
NIB Bank Limited	A1+	AA-	PACRA	6,921	6,921
Apna Microfinance Bank Limited	A3	BBB+	PACRA	1,073,482	121,102
Dubai Islamic Bank Limited	A1	AA-	JCR-VIS	205,268	20,166,950
Askari Bank Limited	A1+	AA+	PACRA	15,377	101,261
JS Bank Limited	A1+	AA-	PACRA	23,910	448,910
Finca Microfinance Bank Limited	A1	A	JCR-VIS	8,422	407,000
Soneri Bank Limited	A1+	AA-	PACRA	3,700	5,000
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	87,053	479,622
MCB Bank Limited	A1+	AAA	PACRA	1,611,862	-
Bank Alfalah Limited	A1+	AA+	PACRA	1,146,271	-
				16,432,849	59,849,876

Trade receivables

Customer is counterparty to local trade receivables against sale of refined sugar. New customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms & conditions are offered. Sales limits are established for each customer based on internal rating criteria and reviewed regularly. Any sales exceeding these limits require special approval. Outstanding customer receivables are regularly monitored. The analysis of ages of trade receivables of the Company as at the reporting date is as follows:

	2018 Rupees	2017 Rupees
Past due but not impaired		
1 - 90 days	597,450,943	7,592,188
Past due and impaired		
More than three years	-	27,180
	597,450,943	7,619,368

Due to the Company's long standing business relationships with counter party and after giving due consideration to their strong financial standing, the management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial assets, or that such obligations will have to be settled in a manner unfavourable to the Company. Management closely monitors the Company's liquidity and cash flow position. This includes maintenance of balance sheet liquidity ratios, debtors and creditors concentration both in terms of the overall funding mix and avoidance of undue reliance on large individual customers.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Board of Directors has built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. At 30 September 2018, the Company had Rupees 200.102 million (2017: Rupees 140 million) available credit limits from financial institutions and Rupees 18.045 million (2017: Rupees 60.098 million) cash and bank balances. The management believes the liquidity risk to be low. Following are the contractual maturities of financial liabilities, including interest payments. The amount disclosed in the table are undiscounted cash flows:

'Contractual maturities of financial liabilities as at 30 September 2018

	Carrying amount	Contractual cash flows	6 month or less	6-12 months	1-2 Years	More than 2 years
	Rupees					
Non - derivative financial liabilities						
Trade and other payables	468,699,538	468,699,538	468,699,538	-	-	-
Accrued mark-up on secured borrowings	64,934,674	64,934,674	64,934,674	-	-	-
Short term borrowings	1,561,752,772	1,561,752,772	1,561,752,772	-	-	-
Loan from related party	1,619,760	1,619,760	647,904	971,856	-	-
Unclaimed dividend	1,208,089	1,208,089	-	1,208,089	-	-
	2,098,214,833	2,098,214,833	2,096,034,888	2,179,945	-	-

Contractual maturities of financial liabilities as at 30 September 2017

	Carrying amount	Contractual cash flows	6 month or less	6-12 months	1-2 Years	More than 2 years
	Rupees					
Non - derivative financial liabilities						
Trade and other payables	338,999,742	338,999,742	338,999,742	-	-	-
Accrued mark-up on secured borrowings	10,391,674	10,391,674	10,391,674	-	-	-
Short term borrowings	490,400,182	490,400,182	398,735,121	91,665,061	-	-
Loan from related party	5,874,760	5,874,760	2,349,904	3,524,856	-	-
Unclaimed dividend	1,208,089	1,208,089	-	1,208,089	-	-
	846,874,447	846,874,447	750,476,441	96,398,006	-	-

38.2 Fair values of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

Fair value hierarchy

IFRS 13 requires fair value measurement disclosures using following three level fair value hierarchy that reflects the significance of the inputs used in measuring fair value of financial instruments.

Level 1

Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2

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

Level 3

Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has no financial assets measured at above mentioned levels. The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. As at September 30, 2018, the Company did not hold any financial instruments carried at fair value.

38.3 Financial instruments by categories

	Note	2018 Rupees	2017 Rupees
Financial assets - loans and receivables			
Long term deposits	17	774,440	784,440
Trade and other receivables	20	613,768,760	12,994,347
Advances and deposits	21	1,759,734	16,607,203
Cash and bank balances	22	18,044,992	60,098,130
		634,347,926	90,484,120
Financial liabilities, measured at amortized cost			
Trade and other payables	10	468,699,538	338,999,742
Accrued mark-up on secured borrowings	11	64,934,674	10,391,674
Short term borrowings	12	1,561,752,772	490,400,182
Loan from related party	13	1,619,760	5,874,760
Unclaimed dividend		1,208,089	1,208,089
		2,098,214,833	846,874,447

38.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

	2018 Rupees	2017 Rupees
Total debt	1,561,752,772	490,400,182
Total equity	2,978,804,856	2,933,619,358
Total capital (debt and equity)	4,540,557,628	3,424,019,540
Debt to equity ratio	34%	14%
Total debts (it includes interest bearing debts and accrued mark-up)	1,626,687,446	500,791,856
Total equity	2,978,804,856	2,933,619,358
Total capital (debt and equity)	4,605,492,302	3,434,411,214
Debt to equity ratio	35%	15%

There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

39. SEGMENT INFORMATION

39.1 Sales of sugar represents 92% (2017: 90%) of the total sales of the Company.

39.2 The sales percentage by geographic region is as follows:

	2018	2017
Pakistan	95.30%	80.00%
Afghanistan	4.52%	19.98%
Canada	0.18%	0.02%
	100%	100%

39.3 All non-current assets of the Company as at 30 September 2018 and 2017 were located in Pakistan.

39.4 57.34% (2017: 37.20%) of the total sales of sugar of the Company are made to a single customer in Pakistan.

40. DATE OF AUTHORIZATION

These financial statements have been approved and authorized by the Board of Directors of the Company for issue on _____.

41. CORRESPONDING FIGURES

Figures of the corresponding period have been re-arranged and regrouped to represent better / true presentation and to facilitate appropriate comparison. Major reclassification made in the corresponding figures for better presentation are as under:

Description	Reclassification		2017 Rupees	2016 Rupees
	From Other receivables	To Trade and other receivables		
Other receivables				
Accrued mark-up on PLS bank accounts			2,020	236
Freight subsidy receivable from Government			36,295,750	97,025,250
Miscellaneous receivables			5,400,139	1,994,682
Unclaimed dividend	Trade and other payables	Unclaimed dividend (presented on face of statement of financial position)	1,208,089	1,208,089

ڈائریکٹرز کا مشاہرہ

کبھی کے آرٹیکلز کے ذریعے، بورڈ آف ڈائریکٹرز وقتاً فوقتاً ڈائریکٹرز کا مشاہرہ مقرر کرنے کا مجاز ہے۔ تاہم، کوڈ آف کارپوریٹ گورننس کے مطابق، یہ یقینی بنایا جاتا ہے کہ کوئی ڈائریکٹر خود کا مشاہرہ مقرر کرنے کے فیصلے میں حصہ نہیں لیتا ہے۔ کبھی نان ایگزیکٹو ڈائریکٹرز کو کوئی مشاہرہ ادا نہیں کرتی ہے۔ بہترین مہارت کو برقرار رکھنے کے لئے، کبھی کی ریمیزیشن پالیسیاں موجودہ انڈسٹری رجحانات اور کاروباری طریقوں کے مطابق تشکیل دی گئی ہیں۔ 2017-18 میں ڈائریکٹرز اور سی ای او کے مشاہرہ کی معلومات کے لئے، براہ مہربانی مالی حسابات کے نوٹ ملاحظہ فرمائیں۔

بیرونی آڈیٹرز

کبھی کے بیرونی آڈیٹرز، میسرز کریسٹن جی ایچ بی، چارٹرڈ اکاؤنٹنٹس سالانہ عام اجلاس کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی بناء پر، دوبارہ تقرری کے لئے خود کو پیش کرتے ہیں۔ کوڈ آف کارپوریٹ گورننس کی شرائط میں آڈٹ کبھی کے تجویز کے مطابق، بورڈ آف ڈائریکٹرز نے 30 ستمبر 2019 کو ختم ہونے والے سال کے لئے کبھی کے آڈیٹرز کے طور پر ان کی تقرری کی منظوری دی ہے۔

اظہار تشکر

ڈائریکٹرز کے لئے ایک کبھی پر خدمات سرانجام دینا ایک اعزاز اور استحکام ہے جس نے مہارت کے اکیادان سال مکمل کر لئے ہیں۔ ہم اپنے اسٹیک ہولڈرز کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے اس مسلسل مہارت کو ممکن بنایا ہے۔

آپ کی کبھی کے ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، دیگر سرکاری اداروں، بینکوں، مالیاتی اداروں، اور انڈرس کپنیوں کی مسلسل حمایت اور تعاون کے لئے شکریہ ادا کرنا چاہیں گے۔ ڈائریکٹرز ہمارے قابل قدر کاموں اور سپلائی کی طرف سے فراہم کی گئی حمایت کے شکر گزار اور تعریف کا بھی اظہار کرنا چاہیں گے۔ ہم اپنے حصص داروں کا بھی شکریہ ادا کرتے ہیں، جنہوں نے کبھی میں اپنے اعتماد اور یقین کو برقرار رکھا اور کبھی میں ان کی سرمایہ کاری کے زیادہ سے زیادہ استعمال کو یقینی بنانے کے لئے ہماری بہترین کوششوں پر یقین رکھا ہے۔ بالآخر، ڈائریکٹرز کبھی کی نموا اور کامیابی کے لئے ملازمین کے تمام گروہوں کی جان فدا، وفاداری، اور سخت محنت پر ان کی تعریف کرتے ہیں۔

منجانب بورڈ آف ڈائریکٹرز

LAHORE

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

احمد علی طارق
چیئر مین

مصطفیٰ علی طارق
چیف ایگزیکٹو آفیسر

لاہور: 31 جنوری 2019ء

جناب محمد عمران خان

نان ایگزیکٹو ڈائریکٹر

رکن

آڈٹ کمیٹی سرماہی، ششماہی اور سالانہ حسابات مع متعلقہ پارٹی فرائز یکشنز رجسٹر کا بورڈ کو جمع کرانے سے قبل جائزہ لیتی ہے۔ آڈٹ کمیٹی نے داخلی آڈیٹرز کی فائنلنگ کا جائزہ لیا اور کارپوریٹ گورنس کے ضابطہ کے تحت درکار داخلی اور بیرونی آڈیٹرز کے ساتھ الگ الگ اجلاس بھی کئے۔

انسانی وسائل اور ریمیزیشن (HR & R) کمیٹی

ہیومن ریسورس پلاننگ اور مینجمنٹ اعلیٰ ترین مینجمنٹ سطح پر بہت ہی اہم فوکس پوائنٹس میں سے ایک ہے۔ کمیٹی کی ایک ہیومن ریسورس اینڈ ریمیزیشن کمیٹی ہے جو اہم انتظامی افراد کے انتخاب، مشاہرہ اور جانشینی پلاننگ میں مشغول ہے۔ یہ کمیٹی کی ہیومن ریسورس پالیسیوں اور پروجیکٹ کی اصلاحات میں توثیق اور ان کے دورانیہ کی تحقیقات میں بھی ملوث ہے۔ انسانی وسائل اور ریمیزیشن (HR & R) کمیٹی درج ذیل ارکان پر مشتمل ہے۔

نام ڈائریکٹرز	حیثیت	کمیٹری
جناب احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	چیئر مین
جناب توقیع احمد خان	آزاد ڈائریکٹر	رکن
جناب مصطفیٰ علی طارق	چیف ایگزیکٹو آفیسر	رکن

بورڈ آف ڈائریکٹرز کے اجلاس

کمیٹی کے بورڈ کے رواں سال کے دوران پاکستان میں چار اجلاس ہوئے اور ڈائریکٹرز کی حاضری حسب ذیل ہے:

نام ڈائریکٹرز	حیثیت	تعداد حاضری
جناب احمد علی طارق	چیئر مین	4
جناب مصطفیٰ علی طارق	چیف ایگزیکٹو آفیسر	4
محترمہ نصرت شیم	نان ایگزیکٹو ڈائریکٹر	2
محترمہ مریم حبیب	ایگزیکٹو ڈائریکٹر	4
جناب توقیع احمد خان	آزاد ڈائریکٹر	3
جناب علی اشفاق *	نان ایگزیکٹو ڈائریکٹر	2
جناب محمد افتخار	نان ایگزیکٹو ڈائریکٹر	4
جناب محمد عمران خان *	نان ایگزیکٹو ڈائریکٹر	2

نوٹ:

* 31 مئی 2018 کو منتخب ہوئے۔

جو ڈائریکٹرز بورڈ کے اجلاسوں میں شرکت نہیں کر سکتے تھے کو عدم شرکت کی چھٹی دی گئی۔

بورڈ کی تشکیل میں تبدیلی

سال کے دوران جناب علی اشفاق ڈائریکٹر دفتر سے مستعفی ہو گئے اور ان کی جگہ بورڈ نے جناب محمد عمران خان کو مستعفی ڈائریکٹر کی باقی مدت کے لئے 31 مئی 2018 سے مؤثر کمیٹی کا ڈائریکٹر مقرر کر دیا۔

بورڈ آف ڈائریکٹرز جناب علی اشفاق کی طرف سے بطور ڈائریکٹر پیش کردہ قابل قدر خدمات کو سراہتے ہیں اور کمیٹی کے نئے ڈائریکٹر کے طور پر جناب محمد عمران خان کا پُر تپاک استقبال کرتے ہیں۔

چیئر مین اور چیف ایگزیکٹو آفیسر کا کردار

چیئر مین اور چیف ایگزیکٹو آفیسر کے الگ الگ اور مختلف کردار ہیں۔ چیئر مین کارپوریٹ گورنس کے تحت مندرجہ تمام اختیارات رکھتے ہیں اور بورڈ کے اجلاسوں کی صدارت کرتے ہیں۔ چیئر مین کا اصل کردار کمیٹی کے بورڈ آف ڈائریکٹرز کو قیادت فراہم اور انتظام کرنا ہے۔ چیئر مین بورڈ کو جواب دہ ہے اور چیف ایگزیکٹو آفیسر کے ذریعہ بورڈ اور انتظامیہ کے درمیان براہ راست رابطے کے طور پر کام کرتا ہے۔ چیئر مین انتظامیہ سے آزاد ہے اور کسی بھی دلچسپی اور کسی بھی کاروباری یا دیگر تعلق سے آزاد ہے جو چیئر مین کے آزاد فیصلے سے متصادم ہو سکتے ہیں۔ چیف ایگزیکٹو آفیسر قانون اور بورڈ کی طرف سے مقرر کردہ اختیارات کے تحت اپنے فرائض انجام دیتا ہے، اور کاروباری منصوبوں کی منظوری لاگو کرتا ہے، اور کمیٹی کے مجموعی کنٹرول اور آپریشن کا ذمہ دار ہے۔

ڈائریکٹرز ٹریننگ پروگرام

کوڈ آف کارپوریٹ گورنس، 2017 کی تعمیل کے بیان میں تفصیلات مہیا کی گئی ہیں۔

خاتون ڈائریکٹر

مندرجہ کمیٹی کے بورڈ پر خاتون ڈائریکٹر کی ضرورت حال ہی میں نئے کمیٹی قوانین کے تحت لازمی قرار دی گئی ہے۔ حسین شوگر ملز نے اپنے بورڈ آف ڈائریکٹرز پر پہلے ہی دو خاتون ڈائریکٹرز شامل کر رکھی ہیں۔

متعلقہ پارٹیوں سے لین دین

تمام متعلقہ پارٹیوں کے ساتھ لین دین قابل رسائی قیمتوں پر کیا جاتا ہے اور کوڈ آف کارپوریٹ گورنس 2017 اور کنینٹر ایکٹ، 2017 کی تعمیل میں کمیٹی کے بورڈ آف ڈائریکٹرز اور بورڈ کی آڈٹ کمیٹی کی طرف سے جائزہ اور منظوری دی جاتی ہے۔ متعلقہ پارٹیوں کے ساتھ لین دین کی تفصیلات مالی حسابات میں مہیا کی گئی ہیں۔

انضمام / اختیارات کی اسکیم

زیر جائزہ سال کے دوران، کمیٹی کے بورڈ آف ڈائریکٹرز نے 26 جنوری 2018ء کو منعقدہ اپنے اجلاس میں حسین شوگر ملز لیڈ کے ساتھ میسرز سائلز اینڈ ٹریڈرز (پرائیویٹ) لمیٹڈ کے انضمام میں ملوث کمیٹیز

کاروبار میں اپنی ذمہ داریوں کو پورا کرنے کے قابل نہیں ہو سکتی ہے۔

کئی اگلے مالی سال 2018-19 کے لئے جامع ورکنگ کیپٹل سہولیات کی تجدید اور توسیع حاصل کرنے کے لئے نیشنل بینک آف پاکستان، دینی اسلامک بینک لمیٹڈ، عسکری اسلامک بینک لمیٹڈ، اور بینک اسلامی پاکستان لمیٹڈ (اسلامک بینکنگ) کے ساتھ بات چیت کرنے میں کامیاب رہی ہے۔ اگلے کرٹکس موسم کے لئے کئی نئے پیلے ہی اپنی تجدید سے ورکنگ کیپٹل سہولیات پر ڈراؤ اکاؤنٹ کا آٹا زکریا ہے۔ کئی، اپنی 51 سالہ تمام تاریخ میں کسی بھی بینک یا مالیاتی ادارے کی نادمہ نہیں ہے اور اسٹیٹ بینک آف پاکستان کی طرف سے برقرار eCIB ڈیٹا میں کئی کے خلاف کوئی منفی تبصرہ نہیں ہے۔ اس کے علاوہ، اقتضائے معیاد کوئی مقررہ شرائط قرضے نہیں ہیں اور کئی طویل مدتی افادہ جات کی مالی اعانت کرنے کے لئے مختصر مدتی قرضوں پر انحصار نہیں کر رہی ہے اور کوئی قرض کے معاہدے میں نہیں ہے جس پر کئی عمل کرنے کے قابل نہیں ہے۔

مزید برآں، کئی خام مال کے پلائرز، مشینری مینوفیکچررز، اور اسپتیر پائس پلائرز کے ساتھ بہت اچھی ساکھ سے لطف اندوز ہوتی ہے۔ اسی طرح کئی کی مصنوعات کو مارکیٹ میں خریداروں کی طرف سے ترجیح دی جاتی ہے اور اس کے اعلیٰ اور مسلسل معیار کے باعث ایک پریمیم حاصل کرتی ہے۔

انتظامیہ کو یقین ہے کہ مندرجہ بالا سبھی اقدامات کئی کو ماضی کے خراب حالات سے باہر لے آئیں گے اور اس طرح کئی کو بہت زیادہ توثیق ہے۔ لہذا، ان مالیاتی حسابات میں کئی کے اثاثوں کو تسلیم کرنے اور کسی بھی ذمہ داریوں کی لیکویڈیشن سے متعلق کوئی بھی ایڈجسٹمنٹ شامل نہیں ہے جو ضروری ہو سکتی ہے کہ کئی کو گونگ کنسرن کے طور پر جاری رکھنا چاہیے۔

جدت اور کارکردگی کی بہتری

حکمت عملی کی توسیع تکنیکی ترقی، اور/یا جہول کی حفاظت کے لئے مسلسل سرمایہ کاری اور اختیارات کی تلاش آپ کی کئی کی پالیسی ہے۔ مجموعی صلاحیتوں کو بڑھانے اور پیداوار کی مجموعی لاگت میں کمی لانے کے لئے شوگر پلانٹ کے اہم شعبوں میں جدید ترین ٹیکنالوجیز کو اپنایا جا رہا ہے۔

فی شیئر آمدنی

آپ کی کئی کا بعد از ٹیکس 32.773 ملین روپے کا منافع جو 1.55 روپے فی شیئر منافع بنتا ہے جبکہ گزشتہ سال میں یہ 9.55 روپے فی شیئر منافع تھا۔

کارپوریٹ گورننس

کارپوریٹ کے بہترین طریقے

ڈائریکٹرز بہتر کارپوریٹ گورننس کے لئے پُر عزم ہیں اور پاکستان اسٹاک ایکسچینج لمیٹڈ کی رول بک اور لمیٹڈ کمپنیز (کارپوریٹ گورننس کے ضابطہ اخلاق) ریگولیشنز 2017 کی ضروریات پر عمل کرتے ہیں۔ سی سی جی ریگولیشنز 2017 کی تعمیل کا بیان منسلک ہے:

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کا بیان

- 1- کئی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی حسابات اس کے امور، آپریشنز کے نتائج، نقدی کا بہاؤ اور ایکٹیوٹی میں تبدیلیوں کو مفہانہ طور پر ظاہر کرتے ہیں۔
- 2- کئی کے لکھاتہ جات کیپٹیز ایکٹ 2017 کے تحت درکار بالکل صحیح طور سے بنائے گئے ہیں۔

3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔

4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی ضروریات کی پیروی کی گئی ہے

5- اندرونی کنٹرول کا نظام جدید انتظامی اصولوں کے مطابق ڈیزائن ہے اور اس پر مؤثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔

6- کئی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں کیونکہ اس کے پاس کافی وسائل ہیں اور بہتر مستقبل کے لئے آپریشن جاری رکھنے کے لئے اپنے نتائج کو بہتر بناری ہے جیسا کہ اس رپورٹ کے نوٹ 2.1 میں وضاحت کی گئی ہے۔

7- پاکستان اسٹاک ایکسچینج کے فہرستی قواعد و ضوابط میں تفصیلی کارپوریٹ گورننس کے بہترین عوامل سے کوئی مادی انحراف نہیں کیا گیا ہے۔

8- گزشتہ چھ سال کا کلیدی آپریشننگ اور مالیاتی ڈیٹا منسلک ہے۔

9- پراویڈنٹ فنڈ کا قاعدہ ایک علیحدہ فرسٹ کے زیر انتظام ہے اور ٹرسٹ نے 30 ستمبر 2018 کو 63.079 ملین روپے (53.094:2017 ملین روپے) کی سرمایہ کاری کی ہے۔

نمونہ حصص داری اور حصص کی تجارت

30 ستمبر 2018 ء کے مطابق نمونہ حصص داری کا بیان، جو رپورٹنگ فریم ورک کے تحت منکشف کیا جانا ضروری ہے، اس رپورٹ سے منسلک ہے۔

ڈائریکٹرز، چیف ایگزیکٹو، کئی کیئریری، چیف فنانسل آفیسر، ان کے زوج اور چھوٹے بچوں کی طرف سے کئی کے حصص میں لین دین کی تفصیلات حسب ذیل ہیں:

حصص کی خریداری/ منتقلی / گفٹ ان:

جناب احمد علی طارق- چیئر مین	2,445,354
جناب مصطفیٰ علی طارق- CEO	2,330,844
محترمہ مریم حبیب- ایگزیکٹو ڈائریکٹر	170,000
حصص کی منتقلی / گفٹ آؤٹ:	
محترمہ سعدیہ علی طارق- حقیقی حصص دار	4,776,198

بورڈ کمیٹیوں

آؤٹ کمیٹی

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل میں، بورڈ آف ڈائریکٹرز نے ایک آؤٹ کمیٹی تشکیل دی ہے۔ چیئر مین کی سربراہی میں آؤٹ کمیٹی تین ارکان پر مشتمل ہے۔ کئی باقاعدگی سے چیف فنانسل آفیسر اور داخلی آؤٹ کے سربراہ کے ساتھ جائزہ اور یقینی بنانے کے لئے ملاقات کرتی ہے کہ اکاؤنٹنگ کے اعلیٰ معیار کو برقرار رکھا جا رہا ہے۔ آؤٹ کمیٹی درج ذیل ارکان پر مشتمل ہے:

نام ڈائریکٹرز	حیثیت	کیئریری
جناب توقیع احمد خان	آزاد ڈائریکٹر	چیئر مین
جناب احمد علی طارق	نان ایگزیکٹو ڈائریکٹر	رکن

لئے کرٹک تقریباً ایک مہینہ تاخیر سے شروع ہوئی ہے۔ صفر منافع پالی پر کاروبار کرنے کو ممکن بنانے کے لئے، پاکستان شوگر ملز ایسوسی ایشن نے بہت ضروری ریلیف کے لئے حکومت سے درخواست کی ہے۔ حکومت پنجاب نے اس چینی کو برآمد کرنے کے لئے سبسڈی دینے کا وعدہ کیا ہے۔ تاہم، کرٹک میں بدقسمتی سے تاخیر کے نتیجے پاکستان کے زرعی شعبہ کو مجموعی نقصان ہوا ہے۔ اس سال، ماحولیاتی وجوہات کے باعث، پورے پاکستان میں کسانوں کے لئے فی ایکڑ پیداوار گزشتہ سال سے تقریباً 35 تا 40 فیصد کم رہی ہے۔ اس کے علاوہ، گزشتہ سال شوگر سیکٹر کی غیر موزوں مارکیٹ حالات کی وجہ سے، بہت سے کسانوں نے اس سال مختلف فصلیں اگائیں ہیں۔ چنانچہ پاکستان میں گنے کی متوقع کاشت اور چینی کی تیاری کی اس سال بہت کم ہونے کی پیش گوئی کی گئی ہے۔ اس سے مقامی چینی کی قیمتوں پر زور اثر پڑے گا۔ پہلے ہی، ہم چینی کی قیمتوں میں موزوں مارجن سے چینی کی قیمتوں میں اضافہ دیکھ چکے ہیں۔

یہ دیکھا جائے گا کہ شوگر کمپنیں اس سال کتنا عرصہ کاروبار کو جاری رکھ سکتی ہیں، اور پورے پاکستان میں سکروں ریکوری اور پیداوار کتنی ہوگی۔ چینی کی کم قیمتیں جنہوں نے گزشتہ سال صنعت کو بہت نقصان پہنچایا اس سال چینی کی پیداوار کی کمی سے درست ہو سکتی ہے۔ یہ قابل ذکر ہے کہ اگرچہ گزشتہ سال سے چینی کا دافرا اسٹاک موجود ہے، اس سال چینی کی متوقع کم پیداوار کے مطابق، یہ ایک مثبت اشارہ ہے کہ مقامی چینی کی قیمتوں میں اضافہ ہو جائے گا۔ اگرچہ بین الاقوامی مارکیٹ میں اشیاء کی قیمتیں پانچ سال کم سطح سے بحال ہونا شروع ہوئی ہیں، تاہم یہ امکان ہے کہ چینی کی قیمتیں ستمبر 2016 سے دسمبر 2016 کی سطحوں تک پہنچ جائیں گی۔ اگرچہ حکومت نے بالآخر چینی برآمد کرنے کی اجازت دی ہے اور ایک رعایت فراہم کی ہے، یہ یاد رکھنا ضروری ہے کہ ایسے فیصلوں میں تاخیر نے صنعت کی فلاح و بہبود کو کافی اثر انداز کیا ہے۔ حقیقت میں، گزشتہ سال سے واجب سبسڈی ز اور اعانتیں ابھی بھی شوگر صنعت میں فرومں موصول نہیں ہوئی ہیں۔ ہم بڑا امید ہیں کہ حکومت آئندہ سال میں صنعت کو کھولت دے گی، لیکن آپ کی کہنی آپریٹل اور مالی کامیابی کو یقینی بنانے کے لئے دوسرے مواقع تلاش کر رہی ہے۔

گزشتہ چند ہفتوں میں، حکومت نے حال ہی میں برآمدی رعایت کے ساتھ مزید چینی برآمد کرنے کی اجازت دی ہے۔ اس کے علاوہ، روپیہ کی قدر امریکی ڈالر سے نمایاں کم ہوئی ہے۔ اس کمی نے بین الاقوامی مارکیٹوں میں برآمد کو زیادہ منافع بخش بنادیا ہے۔ ہم کینیڈا جیسے ممالک کی مارکیٹوں میں حسین شوگر کی مصنوعات لانے کے لئے پوری دنیا کے مقامی شرکت داروں کے ساتھ کام کر رہے ہیں۔ ہم پہلے ہی کینیڈا میں فرومں کے ساتھ شرکت دار ہیں اور اب نئی مارکیٹیں تلاش کر رہے ہیں۔ ہم ترقی کے لئے نئے مواقع کی تلاش میں مشرق وسطیٰ اور افریقہ کو بھی دیکھ رہے ہیں۔

کہنی نے ایف سی مشسی امپرومنٹ پروڈیکٹ (ای آئی پی) پر کام کیا ہے جس کا مقصد آپریٹل نقصان کو کافی کم اور ایندھن کی کھت میں کافی بچت کا ہے۔ ای آئی پی شیڈول کے مطابق لاگو کیا جا رہا ہے اور درآمد شدہ مشینری کے لئے کریڈٹ کے خطوط قائم اور مقامی مشینوں کے لئے آرڈرز دے دیئے گئے ہیں۔ کچھ کرٹک مشینیں موجودہ کرٹک سیزن کے آغاز سے پہلے دسمبر 2018 میں کھیڈ ہو گئی ہیں اور ہمیں امید ہے کہ وسط سال تک دیگر ساز و سامان کی ترسیل حاصل ہو جائے گی۔

حسین شوگر نے دوبارہ آگے دیکھنے کا آغاز کر دیا ہے۔ یہ گزشتہ پانچ سالوں میں چینی کی قیمتوں میں سب سے کم سطحوں کے ریکارڈ پر سب سے مشکل سالوں میں سے ایک رہا ہے۔ ہم حسین شوگر میں مشکلات سے گھبرائے نہیں ہیں۔ بلکہ، ہم نے مشکلات کا سامنا کیا اور محفوظ رہے ہیں۔ 2015 سے، حسین شوگر کی کہانی بحالی، دوبارہ تعمیر اور پلکار رہی ہے۔ اب ہم مقصد اور عزم کے ساتھ آگے دیکھتے ہیں۔

جیسا کہ گزشتہ دو سالوں میں حالت رہی ہے، 2018 میں آپ نموی کہانی کی توقع کر سکتے ہیں۔

کارپوریٹ سماجی ذمہ داری

کہنی روادار، باہمی احترام، دوستانہ، اپنی مدد آپ اور باہمی اعتماد اور اعتماد کی ثقافت کو فروغ دینے کے علاوہ، اپنے تمام ملازمین کو ایک محفوظ، صحت مند اور دوستانہ ماحول فراہم کرتی ہے۔ تازہ گریجویٹ اور پوسٹ گریجویٹوں کے لئے پرنٹس شپ کی پیشکش کے علاوہ، کہنی خالصتا ہیرٹ کی بنیاد پر روزگاری پالیسی کو مکمل طور پر برقرار رکھتی ہے۔ بورڈ آف ڈائریکٹرز کی طرف سے مقرر کردہ نقطہ نظر کے ساتھ، کہنی یقینی طور پر ملازمت کے مساوی مواقع کو یقینی بناتی ہے کہ تمام ملکن ملازمین کو فراہم کی جائے۔ اس کے علاوہ کہنی امتیازی سلوک کے سلسلے میں صفر رواداری کی پالیسی پر سختی سے عمل کرتی ہے۔ کہنی جسمانی طور پر معذور اور خصوصی افراد کو بھی معاشرے کا مفید حصہ بنانے کے لئے روزگار فراہم کرتی ہے۔

ایک ذمہ دار کارپوریٹ ادارے کے طور پر کہنی مقامی معاشرہ کی ترقی کو زیادہ کرنے کے لئے سرکاری اداروں اور دیگر مقامی نمائندوں کے ساتھ کام جاری رکھتی ہے۔ اس مقصد کے لئے کہنی نے بنیادی طور پر تعلیم اور صحت کے میدان میں غریب اور مندوں کی فلاح و بہبود کے لئے غیر منافع بخش ادارے قائم کیے ہیں۔

1983 میں میاں شمیم انجیکشنل کیمیکل کمپنیز قیام کیا گیا تھا۔ کارپوریشن اور دونوں منصوبوں کے اسپانسرز کی حمایت کی وجہ سے 35 سالوں سے زائد عرصہ کی کوشش سے اداروں میں تیزی سے اضافہ ہوا ہے۔ 1999 میں میاں محمد علی طارق کالج برائے خواتین کا تصور اور قائم کیا گیا تھا۔ 2002 میں مکمل طور پر آلات سے لیس جدید کیسپس پر کام مکمل کیا گیا۔ آج کیمیکل میاں نذیر حسین گزٹریٹری سکول، میاں نذیر حسین یوا نژاڈل سکول، دستکاری سکول اور میاں محمد علی طارق گزٹریٹری پرنٹیشنل ہے۔ مجموعی طور پر ان اداروں میں 1000 سے زائد طالب علم 60 اساتذہ کے عملے کے تعاون سے پڑھ رہے ہیں۔ انجیکشنل کیمیکل کمپنیز ایک آڈیٹریم، آلات کے ساتھ سائنس لیبارٹریز، ایک لائبریری، ایک کمپیوٹر لیپ اور دیگر سہولیات کے ساتھ لیس ہے۔ ادارہ، جو کہنی کا حمایت یافتہ ہے سینکڑوں بچوں کو نیشن کی سبسڈی دیتا ہے اور مالیاتی ضروریات کی بنیاد پر اسکالرشپ فراہم کرتا ہے۔ انجیکشنل ٹرسٹ حالیہ گریجویٹ جنہوں نے اعلیٰ دانشورانہ صلاحیتیں ظاہر کیں ابھی اسکالرشپ فراہم کرتا ہے۔ ہم اس بات پر فخر کرتے ہیں کہ ہمارے فارغ التحصیل نے معاشرہ کے تمام شعبوں مسلح افواج سے طبی اور قانونی کیونٹی میں خود کو تسلیم کرایا ہے۔ حقیقت میں ان میں سے بہت سے تعلیم کے شعبے میں اپنا حصہ شامل کرنے کے لئے واپس آچکے ہیں۔

صحت کی دیکھ بھال کے میدان میں کہنی نے میاں شمیم انور میڈیمل ہسپتال قائم کرنے میں مدد کی ہے۔ 20 ہسز کا ہسپتال علاقے کے لوگوں کو بہت کم قیمت پر بنیادی طبی سہولیات فراہم کرتا ہے۔ وارڈ، ایک ڈسپنسری، ایک آپریٹن قیمر اور لیپ کے ساتھ لیس ہسپتال نے اپنے آپریشن کے دوران ہزاروں مریضوں کی خدمت کی ہے۔

حسین شوگر اپنی مقامی کیونٹی کو واپس دینے کے لئے اپنے عزم کو برقرار رکھتا ہے۔ جیسا کہ کہنی منظم منجمنٹ اور آپریٹل پالیسیوں کی حمایت پر ٹھوس مالی فوائد حاصل کرتی ہے۔ اس میں کوئی شک نہیں ہوتا چاہئے کہ لوگوں کی بہتری کے لئے اسی فطرت کی ابتدائی سرگرمیاں، خاص طور پر جزاوالہ کے ارد گرد جاری رہیں گی۔

ڈیویڈ بینڈ

مستقل ورکنگ کہنل کو بہتر بنانے اور کارکردگی کی بہتری کے منصوبوں کو شروع کرنے کے لئے کارکنوں کی برقراری کے طور پر کسی ڈیویڈ بینڈ کی سفارش نہیں کی گئی ہے۔

قرض کی ادائیگی

کہنی کے ذمہ کوئی طویل مدتی قرضہ نہیں ہے۔ یہ صرف مختصر مدت کے ورکنگ کہنل قرضوں سے فائدہ اٹھاتی ہے جو قرض دہندہ کے مکمل اطمینان کے لئے ادا کئے جا رہے ہیں۔

آڈیٹرز کے مشاہدے پر تبصرہ:

گوئنک کنسرن مفروضہ

کہنی نے رواں مالی سال میں مجموعی منافع اور ٹیکس کے بعد خالص منافع بالترتیب 263.671 ملین روپے (2017: 485.320 ملین روپے) اور 32.773 ملین روپے (2017: 201.590 ملین روپے) کمایا اور دوسری طرف، کہنی نے فریٹل تاریخ پر موجودہ مفتی تناسب کے ساتھ 418.335 ملین روپے (2017: 511.119 ملین روپے) مجموعی نقصانات کا اعلان کیا ہے۔ تاہم، اسپانسرز ڈائریکٹرز اور مالی اداروں کے مسلسل مالی تعاون اور آئندہ سالوں میں کہنی کے بہتر نتائج کے ساتھ کہنی کی مجموعی لیکویڈٹی حالت اب بتدریج بہتر ہوئی ہے۔ موجودہ مفتی تناسب کے ساتھ یہ حالات کہنی کے مستقبل کے آپریشنز کی بابت غیر یقینی تیز ٹریل کی موجودگی ظاہر کرتے ہیں جو گوئنک کنسرن کو جاری رکھنے کی کہنی کی قابلیت کے بارے نمایاں ٹھنک پیدا کر سکتے ہیں اور اس لئے کہنی اپنے اثاثوں کو پوری طرح سمجھنے اور معمول کے

ڈائریکٹرز رپورٹ

آپ کے ڈائریکٹرز 30 ستمبر 2018ء کو ختم ہونے والے سال کے لئے کمپنی کی 51 ویں سالانہ رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

موجودہ اور گزشتہ سال کے لئے کمپنی کی کارکردگی حپ ذیل ہے:

آپریٹیشنز	30 ستمبر 2018	30 ستمبر 2017
گنے کی کرشک (میٹرک ٹن)	600,773	660,136
چینی کی پیداوار (میٹرک ٹن)	55,331	65,024
تیار دارب (میٹرک ٹن)	32,941	32,941
چینی کا حصول (فیصد)	9.21	9.85
مالیات		روپے ہزاروں میں
فروخت	2,755,737	3,856,539
مجموعی منافع	263,671	485,320
آپریٹنگ منافع	78,911	286,354
مالی لاگت	141,900	87,220
بعد از ٹیکس منافع	32,773	201,590
فی ٹیئر آمدنی (روپے)	1.55	9.55

آپ کی کمپنی کے ڈائریکٹرز نے 30 ستمبر 2018ء کو ختم ہونے والے سال کے لئے کمپنی کی کارکردگی پر چیئرمین کے جائزہ کو مکمل طور پر منظور کیا ہے۔

چینی کی مارکیٹیں اور آپریٹنگ جائزہ

گزشتہ چھ مہینوں کے علاوہ، عام طور پر، گزشتہ پورے سال کے دوران، شوگر مارکیٹ نے کوئی مثبت تحریک نہیں دکھائی ہے۔ چینی کی وافر فراہمی اور ایک برآمد مارکیٹ کی عدم دستیابی کی وجہ سے، مقامی قیمتوں میں نمایاں طور پر کمی ہوئی ہے۔ دسمبر 2018ء کے اختتام تک ملک بھر میں چینی کی ایک اہم مقدار بیچ جانے کے بعد، چینی کی قیمتیں بحال ہونا شروع ہو گئیں۔ جنوری 2016ء کے آغاز میں، بین الاقوامی قیمتیں تقریباً 380 ڈالر فی ٹن سے مسلسل بڑھنا شروع ہوئیں اور ستمبر 2016ء میں 600 ڈالر فی ٹن تک پہنچ گئیں۔ مثبت جذبات جو 2016ء کے زیادہ تر حصہ میں پائے گئے 2017ء تک برقرار نہیں رہے۔ چینی کی بین الاقوامی قیمتیں ستمبر 2017ء میں تقریباً 330 ڈالر 360 ڈالر فی ٹن تک واپس آ گئیں تاریخ اس حد تک برقرار ہیں۔ چینی کی بین الاقوامی قیمتوں میں تیزی سے کمی کے ساتھ، یہ سال پاکستان کی شوگر انڈسٹری کے لئے مشکل ترین سالوں میں سے ایک تھا۔ لیکن یہ ایک ایسا سال تھا جب ہم نے چینلینچوں کو مواقعوں اور تیزی سے چینلینچنگ صنعت کا مقابلہ کرنے کے نئے طریقے تلاش کرنے میں تبدیل کیا۔

حسین شوگر مل کی انتظامیہ نے ہمیشہ مارکیٹ سے آگے رہنے پر زور دیا ہے۔ اس سال ہماری مارکیٹ کی مہارت پر عملدرآمد اور مقامی طور پر لاکھوں ٹن سرپلس کے پیش نظر، انتظامیہ نے ایک انتہائی جارحانہ

فروخت کی حکمت عملی کی پیروی کی ہے۔ اس پالیسی پر عمل کیا گیا ہے اور آپ کی کمپنی نے منافع بخش قیمتوں پر منافع کو مد نظر رکھا ہے۔ اس مالی سال کے لئے، آپ کی کمپنی نے 2.755 بلین روپے پاکستانی فروخت کی جو کہ گزشتہ سال میں 3.85 بلین روپے تھی۔ کم فروخت قدامت پسند فروختی حکمت عملی کی عکاسی کرتی ہے۔ یہ دیکھتے ہوئے کہ اشیاء کی مارکیٹ قیمتیں سال کے اختتام میں نمایاں طور پر بڑھنے کی پابند تھیں، آپ کی کمپنی کی انتظامیہ نے اس سال چینی کی اہم مقدار برقرار رکھنے کا فیصلہ کیا۔ چینی کی قیمتوں میں حالیہ اضافہ کے ساتھ، شوگر اسٹاک جو انتظامیہ نے گزشتہ سال برقرار رکھنے کا فیصلہ کیا تھا، نے کافی منافع دیا۔ رواں سال کے لئے، مجموعی منافع 263.671 ملین روپے تھا اور ٹیکس کے بعد منافع 32.773 ملین روپے درج کیا گیا۔ چینی کی کم قیمتیں جو گزشتہ سال کے زیادہ تر حصہ میں رہیں کم منافع پائی کی بنیادی وجوہات تھیں۔

طویل مدتی شراکت داری کی تیز پیش ہماری کمپنی کی بنیادی ڈرائیونگ فورس ہے۔ ہمارے حصص داروں کا مسلسل اعتماد اور یقین ہمارے لئے انتہائی اہمیت رکھتا ہے۔ حسین شوگر ملز میں۔ ہم نے ہمیشہ اپنے شراکت داری کی لکویڈیٹی کو زیادہ سے زیادہ کرنے کی کوشش کی ہے اور ہم اپنے عزم میں یقین رکھتے ہیں۔

ہماری اسٹریٹیجک مالی پالیسیوں کو دیگر تکنیکی کامیابیوں کے ساتھ ضم کیا گیا تھا۔ اس سال حسین شوگر نے 9.21 کی ریکوری پر 132 ملین ڈالروں کے کورس میں 600.773 ٹن سے زیادہ گنا کرش کیا ہے۔ جیسا کہ ہم اپنے پلانٹ کی کارکردگی کو بہتر بنانا جاری رکھتے ہیں، اپنی مصنوعات اور عمل کے معیار اور پیداوار کو بڑھانے کے لئے جدید ترین مشینری خریدی جا رہی ہے۔

صرف ہم نے جدید مشینری میں سرمایہ کاری اپنے پلانٹ کی کارکردگی کو بڑھانے کے لئے کی ہے، بلکہ ہم نے پیداوار کو زیادہ سے زیادہ کرنے کے لئے جدید ترین سوئفٹ ویئر اور داخلی کنٹرول سسٹم میں بھی سرمایہ کاری کی ہے۔ اس سال، ہم نے اپنے پالیسی سازوں کو بروقت درست حقیقی مہارت فراہم کرنے کے لئے اپنے ریپورٹنگ نظامات کو بہتر بنادیا ہے۔ ہم اسٹیک ہولڈرز جیسے کہ گنے کے کاشتکاروں کے ساتھ مواصلات کو بہتر بنانے اور پوری کمپنی میں کارکردگی کو زیادہ سے زیادہ کرنے کے لئے جدید ترین سافٹ ویئر کے نظام کو شامل کرنے کے لئے نئی ٹیکنالوجیز کو بھی تلاش کر رہے ہیں۔

حسین شوگر مل کی انتظامیہ نے ہمیشہ مارکیٹ سے آگے رہنے پر زور دیا ہے۔ اس سال ہماری مارکیٹ کی مہارت پر عملدرآمد اور مقامی طور پر لاکھوں ٹن سرپلس کے پیش نظر، انتظامیہ نے ایک انتہائی جارحانہ فروخت کی حکمت عملی کی پیروی کی ہے۔ دراصل، گزشتہ چھ مہینوں میں صرف، چینی کی قیمتوں میں اہم اضافہ ہوا ہے اور ہمیں توقع ہے کہ اشیاء کی قیمتوں میں مسلسل اضافہ ہوگا۔

صحت، حفاظت، اور ماحول

حسین شوگر میں، ہم اپنے ملازمین کی صحت اور حفاظت پر کوئی سمجھوتہ نہیں کرتے ہیں۔ اس سال، ہم نے سب سے زیادہ حفاظت اور صحت کے معیار کو برقرار رکھنے کے لئے اپنے کارکنوں کے کام کرنے کے حالات کو بہتر بنانے اور بڑھانے کے لئے جدید ترین بین الاقوامی طریقوں کو لاگو کرنے کے اقدامات کیے ہیں۔ ہم اپنے ملازمین، اسٹیک ہولڈرز اور زائرین کے لئے ایک حفاظت اور محفوظ ماحول فراہم کرنے کے لئے پُر عزم ہیں۔ ہماری سب سے بڑی ترجیح ہمیشہ ہمیشہ کی حفاظت ہے اور 2018ء میں ہم نے گزشتہ برسوں کی ترقی کی تعمیر جاری رکھی ہے۔ میں یہ بیان کرتے ہوئے پُر جوش ہوں کہ ہم نے حسین شوگر میں ایک اور محفوظ اور حادثہ سے پاک سال مکمل کر لیا ہے۔

مستقبل کا نقطہ نظر

مقامی اور بین الاقوامی مارکیٹوں میں متوقع اضافی چینی جو گزشتہ سال سے آگے آیا ہے کے باوجود، حکومت نے 2018-19 مارکیٹ بیزن کے لئے گنے کی امدادی قیمت 180 روپے فی 40 کلوگرام تبدیل نہ کرنے کا اعلان کیا ہے۔ زبرد کاشت گنے کے رقبہ، گنے کی اوسط فی ایکڑ پیداوار، اور کاشت گنے کی اقسام کی بنیاد پر یہ توقع کی جاتی ہے کہ آنے والے سال کے لئے گنے کی پیداوار گزشتہ سال سے بہت کم ہوگی۔

گزشتہ سال سے چینی کی کم قیمتوں اور چینی کے نمایاں وافر اسٹاک کی وجہ سے، سال 2018-2019 کے لئے شوگر مارکیٹ بیزن میں بہت زیادہ تاخیر کی گئی ہے۔ گزشتہ سال کے مقابلے میں، اس سال کے

Pattern of Share Holding

Incorporation Number	0002202
Name of The Company	Husein Sugar Mills Limited
Pattern of Holding as at	September 30, 2018

No. of Shareholders	Shareholding		Total Shares held
	From	To	
333	1	100	6,305
197	101	500	77,487
183	501	1,000	160,326
257	1,001	5,000	706,234
74	10,000	15,000	570,827
28	15,001	20,000	365,711
17	20,001	25,000	315,622
14	25,001	30,000	327,851
4	30,001	35,000	115,483
1	35,001	40,000	33,000
5	40,001	45,000	195,764
2	45,001	50,000	89,117
6	50,001	55,000	294,822
3	55,001	60,000	178,500
3	60,001	65,000	185,301
1	65,001	70,000	70,000
2	70,001	75,000	145,741
1	80,001	85,000	81,705
2	95,001	100,000	191,947
3	105,001	110,000	323,988
1	110,001	115,000	111,000
1	145,001	150,000	147,058
1	150,001	155,000	152,793
1	155,001	160,000	155,378
2	160,001	165,000	320,132
1	165,001	170,000	167,636



No. of Shareholders	Shareholding		Total Shares held
	From	To	
3	170,001	175,000	520,571
1	180,001	185,000	184,000
1	190,001	195,000	192,033
1	200,001	205,000	200,500
2	215,001	220,000	437,985
1	335,001	340,000	337,429
1	360,001	365,000	361,029
1	490,001	495,000	494,068
1	500,001	505,000	502,867
1	520,001	525,000	521,172
1	585,001	590,000	588,219
1	635,001	640,000	635,729
1	705,001	710,000	708,670
2	6,910,001	6,915,000	13,826,000
1,161			25,000,000

Categories of Shareholders	Total	% age
Directors, CEO, Their Spouses and Minor Children:		
Chief Executive Officer		
Mian Mustafa Ali Tariq	6,913,000	27.65
Directors		
Mian Ahmed Ali Tariq	6,913,000	27.65
Mrs. Nusrat Shamim	152,793	0.61
Mrs. Maryam Habib	173,676	0.69
Mr. Taufiq Ahmed Khan	3,676	0.01
Mr. Muhammad Iftikhar	735	0.00
Mr. Muhammad Imran Khan	500	0.00
	14,157,380	56.63
Executive	735	0.00
Banks, NBFCs, DFIs, Takaful, Pension Funds		
Banks	3,220	0.01
Pension Funds	117	0.00
	3,337	0.01
Other Companies, Corporate Bodies, Trust etc.	304,501	1.22
A. General Public (Local)	10,534,047	42.14
	25,000,000	100.00

Shareholders More Than 5.00%		
Mian Ahmed Ali Tariq	6,913,000	27.65
Mian Mustafa Ali Tariq	6,913,000	27.65

Detail of Pattern of Share Holding
As per Requirement of Code of Corporate Governance
As at September 30, 2018

Sr.No	Categories of Shareholders	Total	% age
A	Associated Companies, Undertakings and related parties	-	-
B	Mutual Funds	-	-
C	Directors/Chief Executive Officer and their spouse and minor Children		
	1. Mian Ahmed Ali Tariq	6,913,000	27.65
	2. Mian Mustafa Ali Tariq	6,913,000	27.65
	3. Mrs. Nusrat Shamim	152,793	0.61
	4. Mrs. Maryam Habib	173,676	0.69
	5. Mr. Taufiq Ahmed Khan	3,676	0.01
	6. Mr. Muhammad Iftikhar	735	0.00
	7. Mr. Muhammad Imran Khan	500	0.00
	TOTAL	14,157,380	56.63
D	Executive	735	0.00
E	Public Sector Companies & Corporations	-	-
F	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds		
	1. Habib Bank Limited	2,000	0.01
	2. National Bank of Pakistan	1	0.00
	3. Industrial Development Bank of Pakistan	1,219	0.00
	TOTAL	3,220	0.01
G	*Shareholding 5% or more		
	1. Mian Ahmed Ali Tariq	6,913,000	27.65
	2. Mian Mustafa Ali Tariq	6,913,000	27.65
	TOTAL	13,826,000	55.30
H	Joint Stock Companies		
	1. M/s Muhammad Shafi Tanneries (Pvt) Limited	24,000	0.10

Sr.No	Categories of Shareholders	Total	% age
	2. M/s Everfresh Farms (Pvt) Limited	25,000	0.10
	3. M/s Shaffi Securities (Pvt) Limited	2,000	0.01
	4. M/s. Bulk Management Pakistan (Pvt.) Limited	147,058	0.59
	5. M/s. Westbury (Pvt) Limited	44,117	0.18
	6. M/s. Nadeem International (Pvt.) Limited	1,470	0.01
	7. M/s. HH Misbah Securities (Pvt) Limited	10,000	0.04
	8. M/s. Fair Trade Capital Securities (Pvt.) Limited	352	0.00
	9. M/s EFG Hermes Pakistan Limited	4,500	0.02
	10. M/s Pearl Securities Limited	5,000	0.02
	11. M/s. Fikrees (Pvt) Limited	500	0.00
	12. M/s High Land Securities (Pvt) Limited	3,000	0.01
	13. M/s Bawa Securities (Pvt) Limited	15,000	0.06
	TOTAL	281,997	1.13
I	Investment Companies	-	-
J	Others		
	1. Pakistan Cloth Merchants Association	1,434	0.00
	2. The Okhai Memon Anjuman	953	0.01
	3. Trustee National Bank of Pakistan Employees Benevolent Fund Trust	4	0.00
	4. Trustee National Bank of Pakistan Employees Pension Fund	117	0.00
	5. M/s. Fabtex Corporation	22,500	0.09
	TOTAL	25,008	0.10
K	General Public	10,531,660	42.13
	GRAND TOTAL	25,000,000	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

All trade in the Company's shares,carried out by its Directors,CEO,CFO,Company Secretary and their spouses and minor children during the year are as under:

Sr.No	Name(s)	Transferred Out	Purchased / Transferred in
1	Mian Ahmed Ali Tariq- Chairman	-	2,445,354
2	Mian Mustafa Ali Tariq- CEO	-	2,330,844
3	Mrs.Maryam Habib- Executive Director	-	170,000
4	Mrs. Sadia Ali Tariq - Substantial Shareholder	4,776,198	-



Corporate Calendar

2017-2018



Meetings	Dates
Audit Committee meeting to consider annual accounts of the Company for the year ended September 30, 2017	December 20, 2017
Board of Directors meeting to consider annual accounts of the Company for the year ended September 30, 2017	December 20, 2017
Audit Committee meeting to consider interim accounts of the Company for the first quarter ended December 31, 2017	January 26, 2018
Board of Directors meeting to consider interim accounts of the Company for the first quarter ended December 31, 2017	January 26, 2018
Annual General meeting of Shareholders to consider annual accounts of the Company for the year ended September 30, 2017	January 27, 2018
Extra Ordinary General meeting of Shareholders for Merger on Order of Lahore High Court, Lahore	May 26, 2018
Audit Committee meeting to consider interim accounts of the Company for the second quarter ended March 31, 2018	May 29, 2018
Board of Directors meeting to consider interim accounts of the Company for the second quarter ended March 31, 2018 and right shares issuance	May 29, 2018
Audit Committee meeting to consider interim accounts of the Company for the third quarter ended June 30, 2018	July 31, 2018
Board of Directors meeting to consider interim accounts of the Company for the third quarter ended June 30, 2018	July 31, 2018



AFFIX
CORPORATE
POSTAGE

The Company Secretary
HUSEIN SUGAR MILLS LIMITED
30-A E/1, Old FCC Gulberg III, Lahore

PROXY FORM

I/We _____ of _____

being the member of **HUSEIN SUGAR MILLS LIMITED** hereby appoint Mr. /Mrs./Miss. _____

who is a member of the company vide Registered Folio/CDC participant ID.No. _____

or failing whom Mr. /Mrs./Miss. _____

who is also a member of the company vide Registered Folio/CDC participant ID.No. _____

as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company to be held at its Registered Head Office of the Company 30-A E/1, Old FCC, Gulberg III, Lahore on Wednesday, the 27th February, 2019 at 10:00 A.M and at any adjournment thereof.

Signed this _____ day of _____ 2019.

WITNESS

1. Signature _____

Name _____

Address _____

CNIC or Passport No. _____

2. Signature _____

Name _____

Address _____

CNIC or Passport No. _____

(Signature on
Rupees Five
Revenue
Stamp)

Signature should agree with specimen
signature with the company

Notes:

1. A member entitled to attend and vote at the meeting may appoint any other member as his/her proxy to attend the meeting and vote.
2. If a member is unable to attend the meeting, they may complete and sign this form and send it to the company secretary, the Husein Sugar Mills Limited, Lahore so as to reach not less than 48 hours before the time appointed for holding the meeting.
3. For CDC Shareholders in addition to above the following requirements have to be met.
 - i) In case of individual, 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 requirement notified by the Company.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers 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 being a Member, the Board of Directors' resolution / power of attorney with specimen signature of the nominee/attorney shall have to be submitted (unless it has been provided earlier) along with the proxy form to the Company.

AFFIX
CORPORATE
POSTAGE

The Company Secretary
HUSEIN SUGAR MILLS LIMITED
30-A E/1, Old FCC Gulberg III, Lahore

مختارنامہ

میں / ہم _____ کا / کے _____
 بحیثیت رکن حسین شوگر ملز لمیٹڈ اور عامل عام حصص، برطانیق شیئرز جنرل فوئی نمبر _____ اور ای ڈی سی
 پارٹنر شپ (شرکت) آئی ڈی نمبر _____ اور سب اکاؤنٹ (ذیلی اکاؤنٹ) نمبر _____ بذریعہ ہذا
 محترم محترمہ _____ کو اپنے / ہمارے ایماء پر مورخہ 27 فروری 2019ء بروز بدھ
 بمقام 30-ای/1-اولڈ ایف-سی-سی-بگ برگ-3، لاہور میں صبح 10:00 بجے منعقد ہونے والے کچنی کے سالانہ اجلاس عام میں حق رائے دہی استعمال کرنے یا کسی بھی التواء کی صورت اپنا / ہمارا بطور
 مختار (پراکسی) مقرر کرنا ہوں / کرتے ہیں۔
 آج بروز تاریخ 2019ء کو دستخط کئے گئے۔

گواہان


پانچ روپے مالیت کے رسیدی ٹکٹ پر دستخط

دستخط کچنی کے نمونہ دستخط سے مماثل ہونے چاہئیں

1- _____
 دستخط:
 نام:
 پتہ:
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 2- _____
 دستخط:
 نام:
 پتہ:
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____


نوٹ:

- 1- ایک ممبر (رکن) جو اجلاس میں شرکت اور ووٹ دینے کا حقدار ہو، اپنی جگہ کسی کو بطور نائب شرکت کرنے اور ووٹ دینے کا حق تفویض کر سکتا ہے۔
- 2- ایک ممبر (رکن) جو اجلاس میں شرکت نہیں کر سکتا، وہ اس فارم کو مکمل کرے اور دستخط کرنے کے بعد اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل سیکرٹری حسین شوگر ملز لمیٹڈ لاہور کے پتے پر ارسال کر دے۔
- 3- ای ڈی سی شیئرز ہولڈر ہونے کی صورت میں درج بالا کے علاوہ ذیل میں درج ہدایات پر بھی عمل کرنا ہوگا:
 (الف) فرد ہونے کی صورت میں اکاؤنٹ ہولڈر یا سب اکاؤنٹ اور / یا وہ جس کی سیکورٹیز گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ ہوں انہیں کچنی کی جانب سے دی گئی ہدایات کی روشنی میں پراکسی فارم جمع کرنا ہوگا۔
- (ب) مختار نامے پر بطور گواہان دو افراد کے دستخط ہونے چاہئیں اور ان کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم پر درج ہونے ہوں۔
- (ج) متنبہ شدہ امور (مستفید ہونے والے فرد) کو کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق تفویض کرنی ہوگی جسے نائب مختار نامے کے ہمراہ پیش کرے گا۔
- (د) اجلاس کے وقت نائب کو اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (و) کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر (رکن)، بورڈ آف ڈائریکٹرز کی قرارداد مع نامزد کردہ شخص / انارنی کے نمونہ دستخط یا بورڈ آف انارنی (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم (مختار نامے) کے ہمراہ کچنی میں جمع کرنا ہوگا۔



JamaPunji

Securities and Exchange Commission of Pakistan's
Landmark Initiative for Investor Education
Feedback Survey



JamaPunji
سرمایہ کاری سمجھداری کے ساتھ

www.jamapunji.pk

[jamapunji.pk](https://www.facebook.com/jamapunji.pk) [@jamapunji_pk](https://twitter.com/jamapunji_pk)