SAKRAND SUGAR MILLS LIMITED

TWENTY SIXTH ANNUAL REPORT
2014

COMPANY PROFILE

BOARD OF DIRECTORS	Mr. Dinshaw H. Anklesaria	Chief Executive/ Director
	Mr. Jamil Akberi	Director
	Syed Abid Hussain	Director
	Mr. Abdul Naeem Quraishi	Director
	Mr. Neville Mehta	Director
	Mrs. Fatma Gulamali	Director
	Dr. Jamshed H. Anklesaria	Director
AUDIT COMMITTEE	Mr. Abdul Naeem Quraishi	Chairman
	Mr. Jamil Akberi	Member
	Mr. Neville Mehta	Member
HR & R COMMITTEE	Syed Abid Hussain	Chairman
	Mr. Jamil Akberi	Member
	Mr. Neville Mehta	Member
CHIEF FINANCIAL OFFICER	Mr. Farhaj Badar	
COMPANY SECRETARY	Mr. Mustafa Kanani	
BANKERS	Allied Bank Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Sindh Bank Limited Summit Bank Limited United Bank Limited	
AUDITORS	M/s. Haroon Zakaria & Co. Chartered Accountants	
LEGAL ADVISOR	Abdul Naeem Quraishi, Adv.	
REGISTRAR	M/s Evolution Factor (Private) Limited 407-408, Al Ameera Centre Shahrah-e-Iraq, Saddar Karachi-74400	
REGISTERED OFFICE	41-K, Block 6, P.E.C.H.S., Karachi. Fax: 021-34546456 www.sakrandsugar.com	
FACTORY	Deh Tharo Unar, Taluka Sakrand, District Shaheed Benazirabad, Sindh.	

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the shareholders of **SAKRAND SUGAR MILLS LIMITED**, will be held on Saturday, January 31, 2015 at 10:00 a.m. at the registered office of the Company situated at 41-K, Block 6, P.E.C.H.S., Karachi for transacting the following business.

ORDINARY BUSINESS:

1. To confirm the minutes of the Annual General Meeting held on January 31, 2014.

2. To receive, consider and adopt the audited accounts of the Company for the year ended September 30, 2014 together with the Directors' Report and Auditors' Report thereon.

3. To appoint Auditors and to fix their remuneration.

4 To consider any other business with the permission of the Chair.

By order of the Board

(MUSTAFA KANANI)
Company Secretary

Karachi
Dated : January 05, 2015

NOTES :

1. The Shares Transfer Book of the Company will remain close from January 24, 2015 to January 31, 2015. (Both days inclusive)

2. A member entitle to attend and vote at this meeting may appoint another member as his/her proxy to attend the meeting and vote on his/her behalf. Proxies, in order to be effective, must be received by the Company not less then 48 hours before the meeting.

3. A member who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number alongwith original Computerised National Identity Card (CNIC) or original Passport at the time of attending the meeting.

4. Members who have not yet submitted photocopy of their Computerised CNIC are requested to send the same to our Shares Registrar at the earliest.

5. Members are requested to notify any change in their address immediately.

6. Kindly quote your folio number in all correspondence with the Company.

VISION & MISSION STATEMENT

VISION

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

MISSION

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

DIRECTORS' REPORT

We are pleased to welcome you to the 26th Annual General Meeting of the Company and present the financial and operating results along with audited financial statements for the year ended September 30, 2014 together with the auditors' report thereon.

INDUSTRY REVIEW

Pakistan has now crossed 5.50 million tonne mark in production of sugar. The industry commenced season with a carry over stock of around 0.844 million tonne of sugar. This surplus production was possible due to the bumper sugarcane crop in Pakistan. The farmers consider sugarcane as the most viable cash crop owing to the continuing increase in sugarcane prices by the provincial governments. The carry over stock of sugar, high sugar production, increase in sugarcane price, all led to a bearish trend in the prices of sugar.

Global markets were also under tremendous pressure due to surplus stocks. International sugar prices were trading at $725/- Ton in 2011, $575/- Ton in 2012, $440/- Ton in 2013and presently is trading at $370/ to $380/-. Local prices range is from 45 to 50 per kg.

The Government of Sindh vide notification dated Dec 11,2013 fixed the sugarcane minimum price for the season 2013-14 at Rs.172 per 40 kg. The industry is continuously igitating on high price of basic raw material prices without relating proportion with the sugar prices and this continuation of high price of basic raw material caused the increase in cost of production. The mills are therefore forced to seek financial borrowing resulting in heavy financial costs.

The Federal Government allowed export to the tune of 650,000 M.T. Due to the slow response of the State Bank of Pakistan coupled with decline in the international prices, the Industry could not avail this opportunity entirely.

Operationally, reports indicate average sugarcane crop during the season 2014-15. In financial terms, continuing pressure on price (both nationally as well as internationally) will over burden the industry.

FINANCIAL RESULTS

The comparative financial results are as follows:

(Amount in '000')

	2014	2013	Increase/ (Decrease)	% age
	.... Rupees	....		
Sales	3,486,661	2,560,803	925,858	36.15
Cost of sales	3,690,363	2,694,633	995,730	36.95
Gross (loss) /profit	(203,702)	(133,830)	69,872	52.21
Loss before tax	(424,328)	(330,535)	93,793	28.38
Net loss after tax	(186,426)	(332,289)	(145,863)	(43.90)

OPERATING RESULTS

		2014	2013	Increase/ (Decrease)	% age
		.... Rupees	....		
Sugarcane crushed	MT	770,516	516,227	254,289	49.26
Sugar produced	MT	70,864	51,050	19,814	38.81
Molasses produced	MT	33,397	22,306	11,091	49.72
Sugar recovery	%	9.188	9.890	(0.70)	(7.10)

During the current season the mill crushed record quantity of 770,516 metric tons of sugarcane and produced 70,864 metic tons of sugar as compare to last season when it crushed 516,227 metric tons of sugarcone to produced 51,050 metric tons of sugar. Due to early start of season the recovery of sucrose declined to 9.188% as against 9.890% last season. In current season the production of molasses increased to 33,397 metric tons as compare to 22,306 metric tons last year. The financial limitations within the company and the steady decline in sugar prices have restricted the Company from incurring a profit.

AUDITORS' REPORT

The auditors have qualified the Annual Accounts on the following not recognizing the financial liability of an amount of Rs. 17 million payable to IDBP & Rs. 224 million payable to HBL, the markup against liability of IDBP and MCB Bank Ltd., and provision against trade debts of Rs. 184 million.

Financial liability of HBL

A settlement has been reached with HBL whereby Company has deposited the securities. The Company has directly recorded the restructuring effect to its profit and loss account, instead of amortising the same until the maturity of the agreements.

Liability of IDBP

The liability of IDBP is sub-judice before the High Court of Sindh. The Company has questioned the markup on markup carried out by IDBP.

Liability of MCB Bank Ltd.

The issue is under discussion with the Bank.

Recovery of trade debts

The Company considers the entire amount as good and expects to recover the amount in due course of time.

FUTURE OUTLOOK

The season 2014-15 is expected to produce surplus sugar by keeping in view the good sugarcane crop. The country expects to produce around 5.5 million tons of sugar this year and overall national requirement would not be more than 4.50 million tons. The Government has allowed exports of 650,000 M.T; however, due to the depressed international market the industry is not showing eagerness in this venture.

The Government of Sindh has fixed the sugarcane support price for the season 2014-15 at Rs.182/40kg plus quality premium. This increase will translates to an increase in the basic cost of sugar. Most of the members of PSMA - Sindh has filed the contitutional petition before the honourable high court of Sindh against this unilateral increase in the basic raw material of the sugar but hon' able high court has declined the case.

As, most of the sugar mills of Sindh believe that this increase may ruin the whole industry therefore the whole industry has decided to file the case in the Hon'able Supreme Court Of Pakistan and also Shut down the mills to avoid the hazardous effects due to increase in sugarcane price.

Beside all the harships facing by the industry the company is fully geared to steer through this hard season of high sugarcane minimum support price, low sucrose recovery and low sugar prices.

LABOUR MANAGEMENT RELATIONS

The management / labour relations remained cordial and helpful. I take this opportunity to thank and appreciate the spirit of understanding, good will and co-operation shown by the staff/workers and hope that the same will continue in future.

I thank the executives, officers and all the staff members of the Company and wish to place on record my appreciation for the devotion, sense of responsibility and loyalty.

AUDITORS

M/s. Haroon Zakaria & Co., Chartered Accountants retire and offer their services for the year 2014-2015.

STATEMENT ON CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

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

4 There is no doubt on the going concern of the Company.

5 The Company maintains Provident Fund account for its employees. The value of investment of the fund as on June 30, 2014 is Rs. 41,992,000.

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

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

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

9 There has been no material departure from the best practices of Corporate Governance except those mentioned in the preamble of the statement.

10 During the year, eight meetings of the Board of Directors and six meetings of Audit Committee were held as detailed below.

Name of Director	Number of meetings attended	
	BOD	Audit Committee
Mr. Dinshaw H. Anklesaria	8	
Mr. Jamil Akberi	8	4
Mr. Abdul Naeem Quraishi	8	4
Mr. Neville Mehta	8	4
Syed Abid Hussain	8	
Mrs. Fatma Gulamali	5	
Dr. Jamshed H. Anklesaria	8	

11 Orientation course for the Directors was arranged by the Company during the year 2014 to appraise their duties and responsibilities. Two Directors have completed and obtained certification under the Corporate Governance, Management and Administration of Company offered by Executive Development Centre, University of Lahore. The Company intends to conduct directors' training program for other directors during the year 2015.

12 During the year, trading of NIL number of shares were carried out by the directors and their spouses and minor children.

13 During the year, the Company suffered loss as per reasons explained earlier and therefore could not declare dividend for the shareholders.

PATTERN OF SHARE HOLDING

The pattern of share holding and additional information regarding pattern of shareholding as on 30th September, 2014 is annexed.

CONCLUSION

At the end, let us pray to Almighty ALLAH to guide us in our pursuits of national development and for the betterment of your organization – Ameen.

Thank you all,
for SAKRAND SUGAR MILLS LIMITED

Syed Abid Hussain
Director

Jamil Akberi
Director

Karachi: January 05, 2015

Note: The Chief Executive being out of station, the Director's Report has been signed by two directors.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in the Listing Regulations of Karachi and Lahore Stock Exchanges for the purposes of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG (Revised Code 2012) in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes 5 (five) non-executive directors and 2 (two) executive directors including the CEO. Further requirement pertaining to independent director is due in the current election of director.

Category	**Names**
Executive Directors	Mr. Dinshaw H. Anklesaria Syed Abid Hussain
Non-Executive Directors	Mr. Jamil Akberi Mr. Abdul Naeem Quraishi Mr. Neville Mehta Mrs. Fatma Gulamali Dr. Jamshed H. Anklesaria

2. The directors have confirmed that none of them is serving as a director in more than 7 (seven) listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a Development Financial Institution or a Non-banking financial Institution or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board of Directors during the year under review.
5. The company has prepared "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. The company has undertaken to ensure the compliance with placements on its website of its code of conduct from next year.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board/Shareholders.
8. The meetings of the Board were presided over by the Chief Executive and, in his absence, by a director elected by the Board for this purpose. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meeting were appropriately recorded and circulated.
9. According to clause 11 of the revised Code 2012, "At least one director is required to have the certification of directors' training program by June 30, 2013 and by June 30, 2016 every year at least one director to acquire the said certification; thereafter all directors shall obtain it. However individuals with a minimum of 14 years of education and 15 years of experience on the board

of a listed company shall be exempted from the directors' training program". Three directors of the company have obtained the certification of directors' training program up to September 30, 2014 as per the requirement of this clause. The company is planning to arrange Director's Training for other directors too, in the next year.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit. All these appointments were made before the revised CCG has taken effect.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The CEO and CFO have duly endorsed the financial statements of the Company before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has compiled with all the corporate and financial reporting requirements of the code.
15. The Board formed an audit committee on 10/08/2009. It comprises of 3 (three) non-executive directors including the Chairman.
16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have already been formed and advised to the committee for compliance.
17. The board has formed a Human Resource and Remuneration Committee (HR&R). It comprises of three (03) members of whom two (02) are non-executive directors and the chairperson of the committee is an executive director.
18. The Board has set-up an internal audit function. Its effectiveness has to be improved as to its independence for which efforts are being made.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control program of the Institute of Chartered Accountants of Pakistan (ICAP), that they are 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 Association of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information, if any, is disseminated among all market participants at once through stock exchange(s).
23. As there is no related party transaction, the statement regarding Transfer Pricing is not applicable to our Company.
24. Our CFO meets the qualification required by the CCG. Our Internal Audit is headed by a qualified Internal Auditor.
25. We confirmed that all material principles contained in the Code have been duly complied with except for note 5 towards which reasonable progress is being made by company to seek compliance by the end of next accounting year.

On behalf of Board of Directors

Syed Abid Hussain	**Jamil Akberi**
Director	Director

January 05, 2015

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

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance(CCG) (Revised 2012) prepared by the Board of Directors of Sakrand Sugar Mills Limited to comply with the relevant Listing Regulations of the Karachi Stock Exchange Limited and Lahore Stock Exchange Limited where the Company is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's 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.

Further, Listing Regulations of Karachi and Lahore stock exchanges require the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transaction are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transaction by the Board of Directors and placement of such transaction before the audit committee. We have not carried out any procedures to enable us to express an opinion as to whether the related party transactions were carried out at arm's length price or not.

Based on our review, except for matter stated in note 5 to Statement of Compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended September 30, 2014.

Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: January 05, 2015

PATTERN OF SHAREHOLDING
OF THE SHARES HELD BY THE SHAREHOLDERS
AS AT SEPTEMBER 30, 2014

NUMBER OF SHAREHOLDERS	SHARE HOLDING FROM		SHARE HOLDING TO	TOTAL SHARES HELD
746	1	-	100	65,206
539	101	-	500	219,874
290	501	-	1000	215,222
230	1001	-	5000	572,843
80	5001	-	10000	635,718
31	10001	-	15000	393,792
10	15001	-	20000	177,116
9	20001	-	25000	208,176
6	25001	-	30000	165,376
4	30001	-	35000	129,000
5	35001	-	40000	197,800
1	40001	-	45000	40,640
8	45001	-	50000	374,080
2	50001	-	55000	107,800
2	55001	-	60000	115,400
1	65001	-	70000	67,200
1	70001	-	75000	74,500
1	75001	-	80000	79,800
1	95001	-	100000	100,000
1	105001	-	110000	107,300
1	120001	-	125000	122,048
1	125001	-	130000	127,420
2	155001	-	160000	317,300
4	195001	-	200000	792,744
1	205001	-	210000	207,092
1	295001	-	300000	300,000
1	310001	-	315000	313,956
1	335001	-	340000	338,900
1	340001	-	345000	340,700
1	395001	-	400000	400,000
1	465001	-	470000	468,860
1	475001	-	480000	479,020
1	495001	-	500000	500,000
1	500001	-	505000	502,804
1	505001	-	510000	508,610
1	895001	-	900000	900,000
1	1030001	-	1035000	1,031,500
1	1545001	-	1550000	1,545,826
1	1555001	-	1560000	1,559,960
1	1925001	-	1930000	1,927,978
1	5575001	-	5580000	5,576,439
1993				**22,308,000**

S.No.	Category	No. of Shareholders	Total Shares Held	Percentage %
1	Individual Local	1959	19,035,126	85.33
2	Financial Institution	10	1,683,858	7.55
3	Insurance Company	3	246,492	1.1
4	Investment Company	5	187,632	0.84
5	Joint Stock Company	11	603,200	2.7
6	Modarba Company	2	198,300	0.89
7	Leasing Company	1	40	0
8	Co-operative Societies	1	12,652	0.06
9	Mutual Fund	1	340,700	1.53
		1993	**22,308,000**	**100**

PATTERN OF SHAREHOLDING AS AT SEPTEMBER 30, 2014 AS PER REQUIREMENTS OF THE CODE OF CORPORATE GOVERNANCE

Category	Number of shares held	Category wise No. of shareholders	Category wise shares held	Percentage %
JOINT STOCK COMPANIES		11	603,200	2.70
INVESTMENT COMPANIES		5	187,632	0.84
DIRECTORS, CHIEF EXECUTIVE AND THEIR SPOUSE AND MINOR CHILDERN		8	9,252,383	41.48
Mr. Dinshaw Hoshang Anklesaria	5,576,439			
Mr. Jameel Akbari	500,500			
Mr. Abid Hussain	543,444			
Mrs. Fatima Gulmali	400,000			
Mr. Abdul Naeem Qureshi	300,000			
Mr. Neville Mehta	1,031,500			
Dr. Jamshed Hoshang Anklesaria	500			
Mrs. Roxanne Mehta	900,000			
EXECUTIVES		1	20,196	0.09
BANKS, DFIS, NBFIS, INSURANCE COMPANIES, MODARADAS AND MUTUAL FUNDS		17	2,469,390	11.07
CO-OPERATIVE SOCIETIES		1	12,652	0.06
INDIVIDIALS		1,950	9,762,547	43.76
		1,993	**22,308,000**	**100.00**

Shareholders holding five percent or more voting interest in the company

Name of Shareholders	No. of Shares held	Percentage
Mr. Dinshaw Hoshang Anklesaria	5,576,439	25.00
Mr. Yasir Gul	1,927,978	8.64
Syed Shujaat Ali	1,559,960	6.99
Nasreen Shujaat	1,545,826	6.93
	10,610,203	**47.56**

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Sakrand Sugar Mills Limited as at September 30, 2014 and the related profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

a. The Company has derecognized bank liabilities of Rs.241.815 million in 2009, the waiver of which is dependent on compliance with term of settlement and rescheduling arrangements. This result in understatement of liabilities and losses by Rs.241.815 million.

b. Markup on IDBP loan liabilities is not recorded since 2010 owing to litigation. Currently its impact could not be determined owing to non availability of accurate mark up rate.

c. Confirmation from MCB remained un-responded and relevant facts are still unsubstantiated including non accrual of markup.

d. Confirmation from trade debts of Rs. 133.808 million remained un-responded and relevant facts are not substantiated by us

e. In our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

f. In our opinion:

   i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied except changes as explained in note 3.2 with which we concur;

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

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

g. in our opinion, except for the effects of matter stated in paragraphs a to d above, the balance sheet, profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2014 and of the loss, its cash flows and changes in equity for the year then ended; and

h. in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Emphasis of matter paragraph

Without qualifying our opinion, we draw attention to the note 1.2 which indicates that the company has incurred continuous losses and its accumulated losses has reached to Rs.718.79 million and its current liability has exceeded its current assets by Rs.1,022.087 million. These conditions indicate the existence of material uncertainty that may cause significant doubt about the company's ability to continue as a going concern.

Other matter paragraph

Financial statements of the company for the year ended September 30, 2013 were audited by another firm of chartered accountants who have issued modified audit report in respect of above mentioned matters dated January 04, 2014.

Haroon Zakaria & Company
Chartered Accountants
Engagement Partner: Farhan Ahmed Memon

Place: Karachi
Dated: January 05, 2015

BALANCE SHEET
AS AT SEPTEMBER 30, 2014

	Note	2014	2013
		.... Rupees	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	**2,592,051,216**	1,568,312,424
Long term investments	6	**126,188,376**	112,517,500
Long term loans	7	**303,304**	238,448
Long term deposits	8	**1,596,366**	1,591,366
CURRENT ASSETS			
Stores, spares and loose tools	9	**29,686,694**	24,537,306
Stock in trade	10	**230,499,284**	288,296,433
Trade debts - Unsecured (Considered good)	11	**134,318,433**	185,003,492
Loans and advances	12	**65,625,705**	19,309,306
Prepayments and other receivables	13	**17,012,683**	8,041,771
Taxation refundable		**32,960,594**	23,555,945
Cash and bank balances	14	**31,600,756**	4,959,712
		541,704,149	553,703,965
TOTAL ASSETS		**3,261,843,410**	2,236,363,703
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
25,000,000 (2013 : 25,000,000) Ordinary shares of Rs.10 each		**250,000,000**	250,000,000
Issued, subscribed and paid-up capital	15	**223,080,000**	223,080,000
Accumulated loss		**(718,799,054)**	(569,463,570)
		(495,719,054)	(346,383,570)
SURPLUS ON REVALUATION OF FIXED ASSETS	16	**1,467,993,107**	745,637,561
NON-CURRENT LIABILITIES			
Subordinate loan from directors		**45,998,100**	-
Deferred taxation	16 & 17	**387,123,454**	283,711,454
Long term finance - Secured			
Markup bearing	18 (a)	**275,519,036**	310,108,101
Markup free	18 (b)	**7,799,181**	6,516,548
		283,318,217	316,624,649
Provision for gratuity	19	**9,338,111**	6,519,559
CURRENT LIABILITIES			
Trade and other payables	20	**1,060,290,269**	693,671,630
Short term borrowings	21	**323,906,899**	380,144,847
Mark up accrued	22	**40,493,024**	37,419,523
Current portion of non current liabilities	18 (a) & (b)	**139,101,283**	119,018,050
		1,563,791,475	1,230,254,050
CONTINGENCIES AND COMMITMENTS	23		
Total Equities and Liabilities		**3,261,843,410**	2,236,363,703

The annexed notes from 1 to 44 form an integral part of these financial statements

Note: As required under Section 241(2) of the Companies Ordinance 1984, these Financial Statements have been signed by two Directors in absence of Chief Executive of the Company who is for the time being out of Pakistan.

Syed Abid Hussain
Director

Jamil Akberi
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014	2013
		.... Rupees	....
Sales - Net	24	3,486,660,907	2,560,803,244
Cost of sales	25	(3,690,363,349)	(2,694,632,967)
Gross loss		(203,702,442)	(133,829,723)
Operating expenses			
Administrative expenses	26	(139,146,441)	(126,177,818)
Distribution cost	27	(5,393,280)	(3,942,067)
		(144,539,721)	(130,119,885)
Operating loss		(348,242,163)	(263,949,608)
Other charges	28	(955,089)	(505,742)
Other income	29	1,244,546	1,495,401
		289,457	989,659
		(347,952,706)	(262,959,949)
Unrealised gain on loan amortisation	30	9,062,099	15,840,825
Finance cost	31	(85,437,350)	(83,415,588)
Loss before taxation		(424,327,957)	(330,534,712)
Provision for taxation			
Current		-	(1,639,488)
Prior		-	(114,372)
Deferred	17.2	237,901,891	-
		237,901,891	(1,753,860)
Loss after taxation		(186,426,066)	(332,288,571)
Loss Per Share-Basic and Diluted	34	(8.36)	(14.90)

The annexed notes from 1 to 44 form an integral part of these financial statements

Syed Abid Hussain
Director

Jamil Akberi
Director

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	2014	2013
	.... Rupees	....
Loss after taxation	**(186,426,066)**	(332,288,571)
Other comprehensive income		
Transferred to retained earnings in respect of impairment charged during the year	**-**	-
Remeasurement of defined benefit liability	**(2,700,825)**	-
Deferred tax related to remeasurement of defined benefit liability	**891,272**	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation for the year net of deferred taxation		
	38,900,133	50,228,944
Total Comprehensive loss	**(149,335,485)**	(282,059,627)

The annexed notes from 1 to 44 form an integral part of these financial statements

Syed Abid Hussain
Director

Jamil Akberi
Director

CASH FLOW STATEMENT
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Note	2014	2013
		.... Rupees	
A. CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(424,327,957)	(330,534,712)
Adjustments for:			
Depreciation	5.1	91,914,760	83,392,561
Financial cost		78,269,327	77,186,253
Interest expense-imputed	31.1	7,168,023	6,229,335
Provision for gratuity	19	1,710,913	1,203,699
Gain on disposal of property, plant & equipment		(1,196,485)	757,557
Effect of increase in KIBOR	30.1	4,608,777	(3,651,011)
Gain on amortisation of investment	30.2	(13,670,876)	(12,189,814)
		168,804,439	152,928,580
Operating loss before working capital changes		(255,523,518)	(177,606,132)
(Increase) / decrease in current assets			
Stores, spares and loose tools		(5,149,388)	5,178,961
Stock in trade		57,797,149	144,064,093
Trade debts		50,685,059	(194,810)
Loans and advances		(46,316,399)	6,784,485
Prepayments and other receivables		(8,970,912)	9,103,942
		48,045,509	164,936,671
Increase in current liabilities			
Trade and other payables		366,618,639	195,358,519
		414,664,148	360,295,190
		159,140,629	182,689,058
Taxes paid		(9,404,650)	(13,013,911)
Financial cost paid		(75,145,827)	(84,909,688)
Gratuity paid		(1,593,183)	(757,652)
		(86,143,660)	(98,681,251)
Net cash generated from operating activities		72,996,969	84,007,807
B. CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property , plant and equipment		(13,415,103)	(11,789,432)
Proceeds from disposal of property , plant and equipment		2,368,880	755,000
Long term deposits		(5,000)	(71,200)
Long term loans		(64,856)	(93,172)
Net cash used in investing activities		(11,116,079)	(11,198,804)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Loan from directors		45,998,100	-
Repayment of long term loans		(24,999,999)	(33,333,332)
Net cash generated from / (used in) financing activities		20,998,101	(33,333,332)
Net increase in cash and cash equivalents		82,878,992	39,475,671
Cash and cash equivalents at the beginning of the year		(375,185,135)	(414,660,806)
Cash and cash equivalents at the end of the year	35	(292,306,143)	(375,185,135)

The annexed notes from 1 to 44 form an integral part of these financial statements

Syed Abid Hussain
Director

Jamil Akberi
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid-up capital	Accumulated Loss	Total
	.... Rupees		....
Balance as at September 30, 2012	223,080,000	(287,403,942)	(64,323,942)
Total Comprehensive loss			
Net loss for the year		(332,288,571)	(332,288,571)
Other comprehensive income for the year		50,228,944	50,228,944
		(282,059,627)	(282,059,627)
Balance as at September 30, 2013	**223,080,000**	**(569,463,569)**	**(346,383,569)**
Total Comprehensive loss			
Net loss for the year		(186,426,066)	(186,426,066)
Other comprehensive income for the year		37,090,581	37,090,581
		(149,335,485)	(149,335,485)
Balance as at September 30, 2014	**223,080,000**	**(718,799,054)**	**(495,719,054)**

The annexed notes from 1 to 44 form an integral part of these financial statements

Syed Abid Hussain
Director

Jamil Akberi
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2014

1 STATUS AND NATURE OF BUSINESS

1.1 Sakrand Sugar Mills Limited was incorporated in Pakistan as a Public Limited Company on March 02, 1989 and its shares are quoted on Karachi and Lahore Stock Exchanges. The registered office of the company is situated in 41-K, Block-6, P.E.C.H.S, Karachi. The principal business of the Company is that of manufacturing and sale of sugar. The mill is located at Deh Tharo Unar, Taluka Sakrand, District Nawabshah, Sindh.

1.2 The company has incurred net loss of Rs.186.426 million (2013 : Rs. 332.289 million). Its accumulated losses amounted to Rs.718.799 million (2013 : Rs.569.464 million) and its current liabilities exceeds its current assets by Rs.1022.087 million (2013 : Rs.676.55 million).

The company filed suit against IDBP in 2010 in the High Court of Sindh Karachi. It has sought settlement of the liability at an amount of Rs. 101.61 million on the ground that the restructured loan includes markup on the capitalized markup amounting to Rs. 29 million which is wrongly charged. Additionally, the Company has not charged markup for the year amounting to Rs.16.9 million (2013 : Rs.16.9 million) and cumulatively mark-up from 01 April, 2010 to September 30, 2014 amounting to Rs. 84.6 million and corresponding increase in current liabilities. The suit is pending since 2010 and the amount of unbooked liability is expected to be reversed by the bank as the same is disputed on merit.

Besides these, trade debts of company amounting to Rs. 133.8 million (2013: Rs.184.2 million) represents un-secured and overdue balance for which management expects subsequent recovery.

The company continues to enjoy long-term finance facility and running finance facility from NBP and expects to settle outstanding growers liability and meet its working capital requirements for commencing its operations for the next season. The final outcome of suit against IDBP is also uncertain at balance sheet date (refer 23 iii). The Company commenced crushing for the season 2014-2015 and have planned increased crushing for the season with increase in its capacity utilization and expects to generate reasonable profit from these operations.

In view of above, these financial statements have been prepared using going concern assumption.

2 STATEMENT OF COMPLIANCE

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

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the following:

- Long term finances are measured at amortized cost using applicable interest rate.

- Property, plant equipment are measured at revalued amount less accumulated depreciation and accumulated impairment loss, if any in period subsequent to the revaluation date.

- Investments held to maturity are measured at amortized cost using effective interest method less any impairment loss, if any

3.2 Changes in accounting policies and disclosures

a. New and amended standards adopted by the Company:

- Prepayments of a minimum funding requirement (amendments to IFRIC 14), effective from January 1, 2011. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognize as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The effective date is from January 01, 2011, however, for the company's gratuity scheme being unfunded, the amendment stands irrelevant.

- IAS 24 (revised), 'Related Party Disclosures', effective from January 1, 2011. The revised standard supersedes IAS 24, 'Related party disclosures', issued in 2003. Application of the revised standard will only impact the format and extent of disclosures presented in the Company's financial statements.

b. New and amended standards, and interpretations mandatory for the first time for the current financial year but not currently relevant to the Company:

- During the year certain amendments to Standards and new interpretations became effective however they did not have any material effect on the financial statements of the Company.

c. New standards, amendments and interpretations issued but not effective for the current financial year and not early adopted

- The following standards, amendments and interpretations of approved accounting standards are only effective for annual periods beginning from the dates specified below. These standards are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements, other than increased disclosures in certain cases:

Standards or interpretation		(effective for annual periods beginning on or after)
IFRS 10	Consolidated Financial Statements	January 01, 2015
IFRS 11	Joint Arrangements	January 01, 2015
IFRS 12	Disclosure of Interests in Other Entities	January 01, 2015

Standards or interpretation		(effective for annual periods beginning on or after)
IFRS 13	Fair value Measurement	January 01, 2015
IAS 16 & 38	Clarification of Acceptable Method of Depreciation and Amortization	January 01, 2016
IAS 16 & 41	Agriculture: Bearer Plants	January 01, 2016 / July 01, 2014
IAS 19	Employee Contributions	January 1, 2014
IAS 32	Offsetting Financial Assets and Financial liabilities	January 1, 2014
IAS 36	Recoverable amount of Non- Financial Assets-(Amendments)	January 1, 2014
IAS 39	Novation of Derivatives and Continuation of hedge Accounting - (Amendment)	January 1, 2014
IFRIC 21	Levies	January 1, 2014

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

- 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:

Standards or interpretation		(effective for annual periods beginning on or after)
IFRS 9	Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14	Regulatory Deferral Accounts	January 01, 2016
IFRS 15	Revenue from Contracts with Customers	January 01, 2017

4 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

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

- Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

- In the process of applying the Company's accounting policies, management has made the following estimates and judgments, which are significant to the financial statements:

i.	Property, plant and equipment	note	4.1
ii.	Taxation	note	4.3
iii.	Staff retirement benefits	note	4.4
iv.	Valuation of stock in trade	note	4.10
v.	Trade debts	note	4.11

4.1 Property, plant and equipment

Operating fixed assets

These are stated at revalued amount less any subsequent accumulated depreciation and subsequent accumulated impairment losses (if any). All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work - in - progress. These are transferred to specified assets as and when assets are available for use.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate assets, as appropriate, only when it is probable that future benefits associated with the items will flow to the Company and the cost of the item can be measured reliably.

Assets carrying amount is written down immediately to its recoverable amount if the carrying amount of an asset is greater than its recoverable amount.

Depreciation is charged to profit and loss account using reducing balance method to write off the cost of an asset over its estimated useful life in accordance with the rates specified in the note 13 to these financial statements and after taking into account residual value, if any.

Depreciation on additions is charged from the quarter in which the assets become available for use while on disposals depreciation is charged up to the quarter of deletion.

Repairs and maintenance are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired.

Gains/ losses on disposal of property, plant and equipment are charged to the profit and loss account.

Capital work in progress

These are stated at cost less impairment, if any, and consist of expenditure incurred and advances made in respect of tangible and intangible assets in the course of their erection, construction and installation including salaries and wages that are directly attributable to assets under work in progress. The assets are transferred to relevant fixed assets as and when they are available for use.

4.2 Provisions

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

4.3 Taxation

Current

Provision for current taxation is based on higher of tax on the basis of taxable income at the current tax rates after taking into account tax credit and rebates available, if any or minimum tax under section 113 of Income Tax Ordinance, 2001. The charge for the current tax also includes adjustments where necessary, relating to prior years which arise from assessment framed/ finalized during the year.

Deferred

Deferred income tax is recognized using the balance sheet liability method on all temporary differences arising between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilized (since the company has history of business losses the company accounts for the deferred tax asset to the extent of unabsorbed depreciation). Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted. Deferred tax is charged or credited to profit and loss account except in the case of items credited or charged to equity in which case it is included in equity.

4.4 Staff retirement benefits

The company operates following staff benefits plan.

4.4.1 Defined Contribution plan

Provident fund

The Company operates a defined contributory Provident Fund for all its employees eligible under the scheme. The scheme has been approved under the Income Tax Ordinance, 2001. Monthly contributions are made both by the Company and by the employee to the fund at a rate of 8.33% of basic salary. During the year the contribution of Rs.1,860,915 (2013 : Rs.1,560,530) have been charged to profit and loss account.

4.4.2 Defined Benefit plan

Gratuity

The Company operates a defined gratuity fund for all of its permanent employees who attain the minimum qualification period for entitlement to gratuity. Actuarial valuation is conducted periodically using "Projected Unit Credit Method" and the latest actuarial valuation was carried out at September 30, 2014 .The detail of valuation is given in note 19.1.

4.5 Impairment of assets

The carrying amount of the assets are reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such asset is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use and impairment loss is recognized whenever, the carrying amount of the asset or its cash generating unit exceed its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

4.6 Financial Instruments

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual right to the cash flow from the financial assets expire or is transferred. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. Financial instruments carried on the balance sheet include investments, trade debts and other receivables, loans and advances, cash and bank balances, deposits, Long term and short term borrowings, trade and other payables and accrued and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.7 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are off set and the net amount is reported in the balance sheet only when the company has a legally enforceable right to offset the recognized amount and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.8 Held to maturity investments

Investments with a fixed maturity that the company has positive intent and ability to hold till maturity are classified as held to maturity investments. Held to maturity investments are initially recognized at fair value plus transaction cost attributable to acquisition and are subsequently carried at amortized cost using effective interest rate method, less any impairment loss.

Profit and loss, gains and losses are recognized in the profit & loss account when the investments are derecognized or impaired, as well as by amortization process.

4.9 Stores, spares and loose tools

These are valued as under:

In hand	-	At lower of moving average cost or NRV.
In transit	-	Actual cost incurred up to the balance sheet date

Provisions for obsolete and slow moving stock are duly made as when required. Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

4.10 Stock in trade

The basis of valuation has been specified against each.

Sugar in process	-	At average cost of raw material consumed
Finished sugar	-	At lower of cost or net realizable value
Molasses	-	At net realizable value.

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

4.11 Trade debts and other receivables

Trade debts and other receivables are carried at original invoice amount less an estimate made for doubtful receivables which is determined based on management review of outstanding amounts and pervious repayment pattern. Balances considered irrecoverable are written off as and when identified.

4.12 Loans and borrowings

These are initially recognized at cost, being the fair value of the consideration received net of cost associated with the borrowings. Subsequently these are measured at amortized cost using the effective interest rate method.

4.13 Trade and other payables

Trade and other payable are carried at cost, which is fair value of the consideration to be paid for goods and services.

4.14 Cash and cash equivalent

Cash in hands and at banks, highly liquid short term investments and deposits and short term running finance, if any are carried at cost. Cash and cash equivalents comprises of cash in hand, balances with banks, short term investments and short term finance and they form an integral part of company's cash management and are included as a component of cash equivalents for the purpose of statement of cash flows.

4.15 Borrowing costs

Borrowing costs are recognized in profit and loss account in the period in which these are incurred except that borrowing costs that are directly attributable to acquisition, construction or production of qualifying asset are capitalized during the period of time it is completed and prepared for its intended use.

4.16 Related party transactions

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method, which sets the price by reference to comparable goods sold in an economically comparable market to a buyer unrelated to the seller.

4.17 Dividend Distribution

Dividend distribution to the company's share holders is recognised as a liability in the period in which dividend is declared/approved.

4.18 Foreign Currency transactions

Transactions in the foreign currencies are translated into rupees at exchange rate prevailing on the date of the transaction. All assets and liabilities in foreign currencies are translated to exchange rate prevailing at the balance sheet date. Exchange gains and losses are taken to profit and loss account currently.

4.19 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in Pakistani Rupees, which is the company's functional currency.

4.20 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Revenue is recognised as follows:

- Sales are recorded on dispatch of goods to customers.

- Commission and handling income is recognized on shipment of products.

- Return/Interest on bank deposits and investments are recognised on accrual basis.

5 PROPERTY, PLANT AND EQUIPMENT

	Free hold land	Factory building	Non factory building	Plant and machinery	Office equipment and others	Furniture & fixture	Vehicles	Tents and tarpulins	Tools and tackles	Total
	Rupees									
As at October 01, 2012										
Cost / Revalued amount	255,675,000	273,068,262	232,545,950	1,626,305,422	9,653,359	6,347,114	53,999,306	1,934,244	2,792,876	2,462,321,533
Accumulated depreciation	-	(74,929,844)	(62,797,243)	(644,986,204)	(6,514,214)	(4,924,781)	(22,489,079)	(1,469,181)	(2,782,877)	(820,893,423)
Net book value	255,675,000	198,138,418	169,748,707	981,319,218	3,139,145	1,422,333	31,510,227	465,063	9,999	1,641,428,110
Year ended September 30, 2013										
Opening net book value	255,675,000	198,138,418	169,748,707	981,319,218	3,139,145	1,422,333	31,510,227	465,063	9,999	1,641,428,110
Revaluation	-	-	-	-	-	-	-	-	-	
Additions(including transfers) during the year	-	-	335,370	7,180,000	164,900	191,500	7,767,662	-	1,550,000	17,189,432
Disposals / transfers	-	-	-	-	-	-				
Cost	-	-	-	1,610,000	-	-	8,866,841	-	-	10,476,841
Accumulated depreciation	-	-	-	(332,503)	-	-	(3,231,781)	-	-	(3,564,284)
Net book value	-	-	-	(1,277,497)	-	-	(5,635,060)	-	-	(6,912,557)
Depreciation for the year	-	(9,906,920)	(17,002,723)	(49,155,529)	(330,092)	(160,084)	(6,296,816)	(153,472)	(386,925)	(83,392,561)
Closing net book value	255,675,000	188,231,498	153,081,354	938,066,192	2,973,953	1,453,749	27,346,013	311,591	1,173,074	1,568,312,424
As at October 01, 2013										
Cost	255,675,000	273,068,262	232,881,320	1,631,875,422	9,818,259	6,538,614	52,900,127	1,934,244	4,342,876	2,469,034,124
Accumulated depreciation	-	(84,836,764)	(79,799,966)	(693,809,230)	(6,844,306)	(5,084,865)	(25,554,114)	(1,622,653)	(3,169,802)	(900,721,700)
Net book value	255,675,000	188,231,498	153,081,354	938,066,192	2,973,953	1,453,749	27,346,013	311,591	1,173,074	1,568,312,424
Year ended September 30, 2014										
Opening net book value	255,675,000	188,231,498	153,081,354	938,066,192	2,973,953	1,453,749	27,346,013	311,591	1,173,074	1,568,312,424
Surplus on revaluation	66,475,500	85,386,333	97,792,607	853,806,404	-	-	-	-	-	1,103,460,844
Additions(including transfers)	-									
during the year	-	15,561	23,957	-	435,300	1,209,880	11,344,005	386,400	-	13,415,103
Disposals / transfers										
Cost	-	-	-	-	-	-	3,458,716	-	-	3,458,716
Accumulated depreciation	-	-	-	-	-	-	(2,236,321)	-	-	(2,236,321)
Net book value	-	-	-	-	-	-	(1,222,395)	-	-	(1,222,395)
Depreciation for the year	-	(10,304,667)	(17,190,711)	(56,703,758)	(318,737)	(221,673)	(6,589,640)	(198,459)	(387,114)	(91,914,760)
Closing net book value	322,150,500	263,328,725	233,707,208	1,735,168,838	3,090,516	2,441,956	30,877,983	499,532	785,960	2,592,051,216
As at September 30, 2014										
Cost / Revalued amount	322,150,500	358,470,155	330,697,884	2,485,681,826	10,253,559	7,748,494	60,785,416	2,320,644	4,342,876	3,582,451,354
Accumulated depreciation	-	(95,141,431)	(96,990,677)	(750,512,988)	(7,163,043)	(5,306,538)	(29,907,433)	(1,821,112)	(3,556,916)	(990,400,139)
Net book value	322,150,500	263,328,725	233,707,208	1,735,168,838	3,090,516	2,441,956	30,877,983	499,532	785,960	2,592,051,216

	2014	2013
	.... Rupees	

5.1 Depreciation for the year has been allocated as under :-

	2014	2013
Cost of sales	**67,395,539**	59,449,374
Administrative expenses	**24,519,221**	23,943,187
	91,914,760	83,392,561

5.2 Details of disposal of property, plant & equipments are as under

	Cost	Accumulated Depreciation	Book Value	Proceeds / Exchange Price	(Gain) / Loss on disposal	Mode of disposal	Purchaser
	----------------	Rupees	--------------				
VEHICLE							
Corolla Saloon AFG-953	396,856	(265,189)	131,667	152,880	(21,213)	Negotiation	Abdul Ghaffar
Toyota Corolla AXD.393	1,609,860	(624,626)	985,234	1,500,000	(514,766)	Negotiation	Danish Bashir
Toyota Corolla ACM-657	1,039,000	(997,874)	41,126	700,000	(658,874)	Negotiation	Wasim Altaf Chima
Honda Civic Z-6340	363,000	(348,632)	14,368	16,000	(1,632)	Negotiation	Asif Baloch
	3,408,716	(2,236,321)	1,172,395	2,368,880	(1,196,485)		

5.3 Had there been no revaluation , the figures of the revalued assets would have been as follows:

Particulars	Sep-14 Cost	Sep-14 Accumulated depreciation	Sep-14 Written down value	Sep-13 Written down value
	....	Rupees	....	
Free hold land	7,601,840	-	7,601,840	7,601,840
Factory building	98,914,946	61,234,271	37,680,675	39,609,529
Non-factory building	20,233,155	18,499,201	1,733,954	1,894,796
Plant & machinery	1,091,383,652	643,142,675	448,240,977	471,618,271
	1,218,133,593	722,876,146	495,257,447	540,322,791

6 INVESTMENT- Held to Maturity

This represents the DSCs purchased by the Company on June 11, 2009 and on November 11, 2009 with a maturity of 10 years from the date of purchase of DSC's having effective interest rate of 12.15%. These have been pledged with National Bank of Pakistan and HBL respectively (Refer note 17.2 and 17.4).

	Note	2014	2013
		.... Rupees	
Cost of Investment in DSC's		**70,500,000**	70,500,000
Unrealized gain on Investments			
Opening balance		**42,017,500**	29,827,686
Income earned during the year		**13,670,876**	12,189,814
Closing balance		**55,688,376**	42,017,500
		126,188,376	112,517,500

7 LONG TERM LOANS - Considered good

	Note	2014	2013
Vehicle loans to employees	7.1	**415,012**	323,712
Less: Current portion of long term loans shown under current assets		**111,708**	85,264
		303,304	238,448

7.1 These are interest free loans given to employees other than directors and executives of the Company. The loan is recoverable in 60 to 84 installments from the date of disbursement and is secured by registration of vehicles in the name of the Company.

8 LONG TERM DEPOSITS

	2014	2013
Utilities	**1,454,166**	1,454,166
Rent	**135,000**	135,000
Others	**7,200**	2,200
	1,596,366	1,591,366

9 STORES, SPARES AND LOOSE TOOLS

	2014	2013
In hand		
Stores	**4,782,605**	4,225,746
Spares	**23,927,737**	19,231,950
Loose tools	**976,353**	993,312
	29,686,694	24,451,008
In transit	**-**	86,298
	29,686,694	24,537,306

10 STOCK IN TRADE

	Note	2014	2013
Finished goods	10.1	**226,492,593**	282,911,090
Sugar in process		**2,324,662**	5,385,343
Molasses		**1,682,030**	-
	10.2	**230,499,284**	288,296,433

10.1 The Stock is valued at NRV. Difference between NRV and Cost recognized in finished stock and is included in 'cost of sales' amounted to Rs. 20.25 million (2013 : Rs.8.3 million).

10.2 Stock pledged with bank against finance facility amounted to Rs. 248.76 million (September 30, 2013: Rs.259.688 million) at the balance sheet date.

	Note	2014	2013
		.... Rupees	

11 TRADE DEBTS - Unsecured

Considered good	11.1	**134,318,433**	185,003,492

11.1 This include trade debts due from a customer amounting to Rs. 133.808 million against sales of molasses for the year 2009 to 2010. The terms of sales stipulated payment against delivery based on which the amount is over due. The management expects to recover the amount in due course of business based on the historical relationship with customer.

12 LOANS AND ADVANCES

	Note	2014	2013
		.... Rupees	
Current portion of vehicle loans	7	**111,708**	85,264
Unsecured considered good			
Loan to growers	12.1	**10,087,819**	13,319,787
Advance to suppliers and contractors		**7,340,353**	4,269,610
Advance against expenses		**316,276**	116,825
Advance against salaries		**2,859,751**	1,517,820
Advance against LC	12.2	**24,999,798**	-
Advance against LG	12.3	**19,910,000**	-
		65,513,997	19,224,042
		65,625,705	19,309,306
Considered Doubtful			
Loan to growers	12.1	**2,575,000**	2,575,000
Advance to supplier, contractors & others		**17,472,545**	17,472,544
		20,047,545	20,047,544
Less: Provision for doubtful advances		**(20,047,545)**	(20,047,544)
		65,625,705	19,309,306

12.1 This includes loan to growers for cultivation of cane over last several years. The recovery of the amount was deferred by a company as a measure of incentive. These growers are supplying cane to the company and considered good as the amount can be adjusted at any stage from future supplies. The company has however retained a provision of Rs.3.775 million (2013 : Rs.2.575 million) on prudent basis against these loans.

12.2 This represents margin of Rs. 24.99 million given to Sindh Bank Limited against in land LC of Rs 100 million for purchase of fertilizers from Engro fertilizer Limited

12.3 The guarantee of Rs. 79.64 million is given to Sindh Bank Limited for the fulfillment of purchase of fertilizer from Pakarab Fertilizer Limited. Advance of Rs 19.91 million given to Sindh bank for the said guarantee.

	Note	2014	2013
		.... Rupees	

13 PREPAYMENTS AND OTHER RECEIVABLES

	Note	2014	2013
Prepayments		-	85,031
Sales tax	13.1	6,464,996	6,464,996
Other receivables	13.2	10,547,687	1,491,744
		17,012,683	8,041,771

13.1 This represents the amount of sales tax paid by the Company in the year ended 2001 against the demand raised by the Collectorate of sales tax. The company had adjusted further sales tax paid earlier by it on its sales against the output tax on its subsequent sales following the judgment of High Court of Sindh on the issue declaring further tax charge as unlawful. The company's suit for the recovery of the same is pending in the High Court of Sindh.

13.2 This include a sum of Rs. 1,017,398 paid subsequent to the decision of Supreme Court that held the levy of sales tax on disposal of fixed assets as lawful with certain exceptions and set aside the decision of the High Court of Sindh that had earlier declared the said levy as unlawful. The payment was made so as to avail amnesty offered by the government and for avoiding additional tax to provide against the risk from an unfavorable judgment.

14 CASH AND BANK BALANCES

	Note	2014	2013
		.... Rupees	
Cash in hand		142,635	183,445
Cash with banks:			
in current account		31,448,120	3,984,474
in deposit account		10,000	791,793
		31,458,120	4,776,267
		31,600,756	4,959,712

15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2014	2013		2014	2013
Number of shares			.... Rupees	
16,900,000	16,900,000	Fully paid ordinary shares of Rs.10 each issued for cash	169,000,000	169,000,000
5,408,000	5,408,000	Fully paid ordinary shares of Rs.10 each issued as bonus shares	54,080,000	54,080,000
22,308,000	22,308,000		223,080,000	223,080,000

16 SURPLUS ON REVALUATION OF FIXED ASSETS

	2014	2013
	.... Rupees	
Surplus on revaluation:		
As at October 01	**1,014,329,608**	1,064,558,552
Revaluation surplus on land	**66,475,500**	-
Revaluation Surplus on Plant, Machinery and Building	**1,036,985,344**	-
Transferred to retained earnings in respect of disposal of Plant Machinery and building (net of incremental depreciation)	**-**	(1,164,727)
Transferred to retained earnings in respect of incremental depreciation charged during the year	**(38,900,133)**	(49,064,218)
	1,064,560,710	(50,228,944)
As at September 30	**2,078,890,318**	1,014,329,608
Related deferred tax:		
As at October 01	**268,692,047**	285,769,888
On revaluation surplus on Plant, Machinery and Building arise during the year	**342,205,163**	-
Reversal in respect of disposal of Plant, Machinery and Building	**-**	(396,007)
Reversal on impairment charged during the year	**-**	-
Reversal on incremental depreciation charged during the year	**-**	(16,681,834)
As at September 30	**610,897,210**	268,692,047
	1,467,993,107	745,637,561

17 TAXATION - Current

Income tax assessment of the Company deemed finalized as per tax return filed up to the tax year 2014 which is subject to further assessment. The Company's carry forward loss amounted to Rs.1033.85 million (tax year 2013 : Rs.740.78 million) up to tax year 2014. The deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available to adjust these differences. No current year tax is computed on the basis of minimum tax u/s 113 of Income Tax Ordinance 2001 as the company suffered gross loss and have already paid advance tax.

17.1 Deferred Tax arises due to following elements:

	2014	2013
	.... Rupees	
Deferred tax liability arises due to :		
Accelerated tax depreciation	**704,314,001**	145,869,373
Unrealized gain on amortization on loan	**33,677,182**	35,055,297
	737,991,183	180,924,669
Deferred tax asset arises due to :		
Loans & advances	**6,615,690**	7,016,640
Gratuity	**3,081,577**	2,281,846
Assessed Losses	**341,170,463**	259,273,229
	350,867,729	268,571,715
Deferred tax (asset) / liability	**387,123,454**	(87,647,046)

	2014	2013
	.... Rupees	

17.2 Reversal of taxable temporary differences includes:

	2014	2013
Due to temporary differences arises during the year	229,557,437	-
Due to change of tax rate	8,344,455	-
	237,901,891	-

17.3 Relationship between tax expense and accounting profit

	2014	2013
Loss for the current year	(424,327,957)	(330,534,712)
Unrealized gain on amortization on loan	(9,062,099)	(15,840,825)
Permanent differences	191,100	10,564,837
Temporary differences	(139,251,489)	60,438,719
Taxable loss	(572,450,445)	(275,371,981)
Add: Carry forward loss (unabsorbed depreciation)	(1,033,849,887)	(465,408,675)
	(1,606,300,332)	(740,780,656)
Minimum tax liability u/s.113	-	-
Tax liability on exports under final tax regime	-	(1,639,488)

18 LONG TERM FINANCE - Secured

18 (a) Mark-up bearing

PARTICULARS	IDBP BF-I	NBP LCY-I	NBP LTF	HBL LCY	MCB LCY	SEPTEMBER 2014	SEPTEMBER 2013
	....	....	....	Rupees	....	....	....
Opening balance	117,499,000	53,316,696	108,333,337	111,292,000	31,654,194	422,095,227	453,131,045
Obtained during the year	-	-	-	-	-	-	-
Interest expense (Refer Note 30.1)	-	6,387,340	-	-	-	6,387,340	5,550,887
	117,499,000	59,704,036	108,333,337	111,292,000	31,654,194	428,482,567	458,681,932
Repaid during the year	-	-	(24,999,999)	-	-	(24,999,999)	(33,333,332)
Effect of remeasurement (Refer Note 29.1)	-	4,106,827	-	-	-	4,106,827	(3,253,373)
	117,499,000	63,810,863	83,333,338	111,292,000	31,654,194	407,589,395	422,095,227
Overdue installments	46,999,600	-	8,333,333	-	31,654,194	86,987,127	66,903,894
Current portion	11,749,900	-	33,333,332	-	-	45,083,232	45,083,232
Closing liability as at September, 30 2014	**58,749,500**	**63,810,863**	**41,666,673**	**111,292,000**	**-**	**275,519,036**	**310,108,101**

Significant terms and conditions:

	IDBP BF-I	NBP LCY-I	NBP LTF	HBL LCY	MCB LCY
Installments	Semi annually	DSCs of Rs. 35m have been deposited that are going to mature after 6 years to settle the above liability	Quaterly	DSCs of Rs. 35.5m have been deposited that are going to mature after 6 years to settle the above liability	Semi annually
No. of installments	20	-	24	-	9
Date of first installment	01-04-10	-	19-01-2011	-	31-03-01
Rate of mark-up per annum	13%	Nil	3 months Kibor + 2%	one year Kibor with 7 % floor	10%
Sub note number	18.1	18.2	18.3	18.4	18.5

18.1 Industrial Development Bank of Pakistan

This represents the liability determined in accordance with rescheduling agreement reached between the company and I.D.B.P on October 17, 2009. Consequent there to total liability of Rs.149.162 million at that date stood reduced to Rs.131.347 million (refer note 18a and 18b) payable on the terms as stated in respective schedule. The difference amounting to Rs. 17.815 million was taken to profit and loss account for the year ended September 30, 2009. The rescheduling was accepted by the Company under protest and appeal is pending before the court (refer note 23(iii)). The company has not paid the last 8 installments amounting to Rs. 46.99 million as per rescheduling agreement till September 30, 2014 which are overdue.

Security:

The finance is secured by way of :

- Mortgage of all immovable properties of the Company.
- Hypothecation by way of floating charges on the Company's movable and immovable properties both present and future.
- Pledge of shares
- Personal guarantees of the directors.
- Demand promissory notes.

18.2 NBP (formerly National Development Finance Corporation)

This represents the liability determined in accordance with the rescheduling agreement reached between National Bank of Pakistan and the company on June 4, 2009 and consequent thereto an amount of Rs.105.125 million was paid as full and final discharge of the outstanding liability through DSCs of Rs.35 million pledged by the company with National Bank of Pakistan maturing after 10 years on June 3, 2019 from the date of purchase of the DSC's having maturity value equivalent to the amount of liability of Rs.105.125 million that will be realized by encashment of DSC's on maturity date(s).

Since the rescheduled loan is interest free and payable after 10 years. It has been initially recognized at cost amounting to Rs.105.125 million (refer note 18(a) and subsequently measured on amortized cost at each balance sheet date with effective interest rate prevailing at year end. The difference was taken to profit and loss in the year ended September 30, 2009 (refer note 31). Effective interest rate prevailing as for the year was 11.98% p.a accordingly imputed interest cost is taken to profit and loss account for the year ended September 30, 2014 (refer note 31).

18.3 This represents new loan obtained from NBP for the purpose of repayment of its outstanding balance of growers liability for the year 2007-2008 and 2008-2009 at markup rate of 3 months kibor + 2% on quarterly basis. Repayment of principal amount of loan commenced with effect from 19-01-2010 in 24 quarterly installments of Rs. 8,333,333 each. The loan is secured as under.

Security

The above finance is secured by way of:

- First Parri Passu hypothecation charge over Plant, Machinery and Equipments of the company for an amount of Rs. 275,639,140 and Rs. 17,983,360.

- First Equitable Mortgage over Land and Building of the company for an amount of Rs. 275,639,140 and Rs. 17,983,360.

- Personal guarantees of directors of the company.

18.4 Habib Bank Limited

This represents the liability determined in accordance with the rescheduling agreement reached between Habib Bank Limited and the company on September 15 , 2009 and consequent thereto an amount of Rs. 111.292 million was paid as full and final discharge of the total outstanding liability standing at that date of Rs. 336.018 million through DSCs of Rs. 35.5 million pledged by the company with HBL bank limited maturing after 10 years from the date of purchase of the DSC's having maturity value equivalent to the amount of liability of Rs. 111.292 million that will be realized by encashment of DSC's on maturity date(s). The difference amount of Rs. 224 million was taken to profit and loss account for the year ended September 30, 2009.

The loan carries mark up at the rate of one year KIBOR with floor @ 7% per annum on Rs. 111.292 (M) till 2019 on quarterly basis . In case of default by the company in payment of mark up for two consecutives quarters, HBL shall have right to withdraw the settlement package and demand the balance decretal amount of Rs. 327.49 million.

Security

The above finance is secured by way of :

- First charge on entire project assets at Deh Unar, Kazi Ahmed, Taluka Sakrand, Nawabshah, ranking parri passu with other secured creditors.
- Hypothecation of stocks.
- Guarantee of the mill duly supported by resolution of Board of Directors.
- DSC's of Rs 35.5 (M).

18.5 MCB Bank Limited

This represents the amount of bank liability as rescheduled by the bank vide its letter No.SAMG/PO/JPICUS/409, dated July 3, 2004 that are outstanding.

During the year 2009-2010, the Company approached to the bank for a negotiated settlement of the said liabilities vide its letter number SSML/Acct/60/2010 on dated February 01, 2010 and proposed to settle the present principle liability by submitting DSC's to bank amounting to Rs. 10 million with 10 years maturity having maturity value of Rs. 31 million and outright payment of Rs. 5 million towards settlement of total mark up outstanding (refer note 18 b).

Security

Pari passu / second charge with other creditors on all assets of the Company and fresh personal guarantees of sponsors / directors.

18 (b) Mark-up free - frozen mark-up

PARTICULARS	IDBP BF-I	MCB LCY-I	SEPTEMBER 2014	SEPTEMBER 2013
	.... Rupees			
Opening balance	6,516,548	7,030,924	13,547,472	13,266,662
Interest Expense (Refer Note 30.1)	780,682	-	780,682	678,448
	7,297,230	7,030,924	14,328,154	13,945,110
Effect of Remeasurement (Refer Note 29.1)	501,951	-	501,951	(397,638)
	7,799,181	7,030,924	14,830,105	13,547,472
Overdue Installments	-	7,030,924	7,030,924	7,030,924
	7,799,181	-	7,799,181	6,516,548

Significant terms and conditions

Installments	Quarterly	Semi annually
No. of installments	4	12
Date of first installment	01-01-20	30-09-04
Sub Note Number	18.6	

18.6 This represents the amount of markup of I.D.B.P payable after 01.01.2020 in four quarterly installments in terms of the rescheduling agreement with I.D.B.P as disclosed in note 18.1. Since the loan is interest free and payable after 10 years. It was initially recognized at cost i.e. Rs.13.848 million and subsequently measured on amortized cost at each balance sheet date with effective interest rate prevailing at year end. The difference was taken to profit and loss in the year ended September 30, 2009 (refer note 31). Effective interest rate prevailing as at September 30, 2013 was 11.98% p.a and such interest expense is taken to profit and loss account (refer note 31).

	Note	2014	2013
		.... Rupees	
19 PROVISION FOR GRATUITY	19.1	**9,338,111**	6,519,559

19.1 Contributions to the fund are made based on actuarial recommendations. The most recent actuarial valuation was carried out as at September 30, 2014 using the Projected Unit Credit Method.

Principal assumptions	**2014**	**2013**
Discount rate	13.5% per annum	12% per annum
Expected rate of eligible salary increase in future years	12% per annum	12% per annum

	Note	2014	2013
		.... Rupees	
Changes in defined benefit liability are as follows:			
Opening defined benefit obligation		**6,519,556**	6,073,509
Current service cost		**1,024,157**	487,115
Interest cost		**686,756**	716,584
Benefit paid directly by the company		**(1,593,183)**	(757,652)
Actuarial losses		**2,700,825**	-
Closing defined benefit obligation		**9,338,111**	6,519,556
Liability for gratuity arose in the following manner:			
Opening net liability		**6,519,556**	6,073,509
Expense for the year		**1,710,913**	1,203,699
Benefit paid		**(1,593,183)**	(757,652)
Other Comprehensive income		**2,700,825**	-
Closing net liability		**9,338,111**	6,519,556
Charge to profit and loss account			
Current service cost		**1,024,157**	487,115
Interest cost		**686,756**	716,584
Total amount chargeable to P&L account		**1,710,913**	1,203,699

20 TRADE AND OTHER PAYABLES

	Note	2014	2013
Trade payables			
Quality premium	20.1	**56,460,953**	56,460,953
Sugar cane and others		**752,238,816**	586,403,868
		808,699,768	642,864,821
Accrued expenses		**27,446,950**	15,467,398
Other payables			
Advance from customers		**182,387,789**	28,462,409
Sales Tax and Excise duty payable	20.1	**21,963,274**	20,966
Unclaimed dividend		**437,154**	437,154
WWF		**-**	974,557
Sales tax penalty payable		**329,801**	-
Others		**19,025,534**	5,444,325
		224,143,551	35,339,411
		1,060,290,269	693,671,630

20.1 This represents the outstanding amount of quality premium for the years 2003 and 2004 withheld since the issue is pending for disposal with the Supreme Court of Pakistan. The Appellants, including the company were granted leave to defend by the Supreme Court of Pakistan in the year 2004 with the direction that no coercive action for recovery of quality premium from the mills shall be taken till the disposal of the Appeal which continues to be in force. The provincial government in its yearly notification since year 2004 onwards for minimum cane price fixation refers to the direction of the Supreme Court as reason for suspending coercive recovery of the quality premium from the mill until uniform formula subsequently is developed by the Ministry of Food and Agriculture However, the Company adjusted the quality premium for the years from 2004 to 2014 in addition to minimum cane price level fixed by the government.

20.2 Sales tax liabilities are outstanding due to shortage of funds.

21 SHORT TERM BORROWING - Secured

	Note	2014	2013
		.... Rupees	
National Bank of Pakistan			
Running finance	21.1	**124,898,749**	120,456,847
Cash finance	21.2	**199,008,150**	259,688,000
		323,906,899	380,144,847

21.1 Running Finance Facility

Purpose:

To finance the working capital requirements of the Company and for procurement of sugarcane.

Mark up rate:

3 months KIBOR + 2.5% p.a.

Security:

1. First pari passu hypothecation charge over plant, machinery & equipment of the company with 25% margin.

2. First equitable mortgage over land and building of the Company of PKR 167 million with 25% margin.

3. Personal Guarantees of the directors of the Company.

21.2 Cash Finance Facility

Purpose:

To finance the working capital requirements of the Company and for procurement of sugarcane.

Mark up rate:

3 months KIBOR + 2.5% p.a.

Security:

1. Pledge of refined sugar stock with 25% margin.
2. Personal guarantees of the directors of the Company.

22 ACCRUED MARK UP

	2014	2013
	.... Rupees	
National Bank of Pakistan	**4,552,930**	2,268,700
MCB Bank Limited	**17,228,787**	17,228,787
Loan from others	**5,518,824**	5,518,824
National Bank of Pakistan - Running and cash finance	**12,467,189**	12,403,212
Summit Bank Limited	**725,294**	-
	40,493,024	37,419,523

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

i. Following sales tax appeals are pending for which favorable outcome is expected:

a) Appeal No 20/2003 before the Hon'ble High Court of Sindh
b) Appeal No 558/2004 before the Hon'ble High Court of Sindh
c) Appeal No 559/2004 before the Hon'ble High Court of Sindh

ii. Civil appeals Nos 938 & 939/2011 remanded back to the High Court of Sindh Karachi Vide Order dated 06-02-2012 of Hon'ble Supreme Court of Pakistan are pending of which the favorable outcome is expected.

iii. In respect of restructured loan amounting to Rs.130 million of Industrial Development Bank (refer in note 18a & 18b) the company filed a suit in the High Court of Sindh Karachi seeking settlement of the liability at an amount of Rs. 101.61 million on the ground that the restructured loan includes markup on the capitalized markup amounting to Rs. 29 million which is wrongly charged though not permissible under the law. The Honorable Court has stayed recovery proceedings till further order. Accordingly the Company has not charged markup for the year amounting to Rs. 16.9 million (2013: 16.9 million) and cumulatively mark-up from 01 April, 2010 to 30 Sep, 2014 amounting to Rs. 84.6 million on the outstanding balance as per rescheduling package of IDBP for the reason that it expects that an amount of Rs. 29 million would be reversible as a result of the final outcome court proceedings on merit of case and this is hence not going to have any effect on these financial statements.Similary the Company is in negotiation with MCB Bank Limited for settlement of liability and a markup of Rs. 38.68 million from year 2001 to 2014 due to the reason that the Company expects to settle the amount at lower than amount as appearing in the books.

23.2 Commitments

During the year company has outstanding uplifted delivery orders of quantity 3478.4 M.Ton (2013 : 622 M.ton) of Rs. 161.037 million (2013 : Rs.32 million).

24 SALES - Net

	2014	2013
	.... Rupees	
Sugar	**3,438,743,039**	2,552,217,749
Less : Brokerage and commission	**(483,160)**	(4,884,531)
	3,438,259,879	2,547,333,218
Molasses	**301,242,389**	190,410,000
Bagasse	**2,200,000**	-
	3,741,702,268	2,737,743,218
Less: Export Expenses	**-**	(10,781,872)
Less: Taxes	**(255,041,361)**	(166,158,102)
	3,486,660,907	2,560,803,244

25 COST OF GOODS SOLD

	Note	2014	2013
		.... Rupees	
Sugarcane consumed	25.1	**3,324,937,029**	2,311,810,328
Manufacturing expenses	25.2	**307,629,171**	238,758,546
		3,632,566,200	2,550,568,874
Sugar in process			
Opening		**5,385,343**	4,288,604
Closing		**(2,324,662)**	(5,385,343)
		3,060,681	(1,096,739)
		3,635,626,881	2,549,472,135
Finished goods			
Opening		**282,911,090**	420,309,817
Closing		**(226,492,593)**	(282,911,090)
		56,418,497	137,398,727
		3,692,045,379	2,686,870,862
Molasses			
Opening		**-**	7,762,105
Closing		**(1,682,030)**	-
		(1,682,030)	7,762,105
		3,690,363,349	2,694,632,967

25.1 This includes quality premium and subsidies for the year amounting to Rs. nil million (2013: Rs.76 million) and Rs. 3.339 million (2013: Rs. 6.4 million) respectively.

25.2 Manufacturing expenses

	Note	2014	2013
Stores and spares consumed		**64,551,080**	39,682,134
Fuel and power		**22,261,661**	18,860,413
Salaries, wages including bonus and staff amenities	25.3.1	**77,048,392**	60,981,241
Repairs and maintenance		**60,389,662**	46,564,214
Vehicle maintenance		**1,359,914**	1,045,396
Insurance		**6,663,881**	6,244,885
Depreciation	5.1	**67,395,539**	59,449,374
Others		**7,959,043**	5,930,889
		307,629,171	238,758,546

25.3.1 This includes Rs. 1,703,958 (2013: Rs. 1,841,000) in respect of contribution to provident fund & gratuity.

	Note	2014	2013
		.... Rupees	

26 ADMINISTRATIVE EXPENSES

	Note	2014	2013
Salaries, including bonus and staff amenities	26.1	73,306,094	59,870,028
Rent, rates and taxes		1,053,620	1,041,437
Insurance		2,945,298	2,103,432
Water, gas and electricity		4,112,984	4,420,853
Printing and stationery		1,482,869	1,228,391
Postage, telephone, telegrams and telex		2,757,865	2,422,498
Vehicle maintenance		8,298,859	7,309,529
Repairs and maintenance		1,815,466	433,580
Traveling and conveyance		1,531,534	1,105,535
Newspaper, books and periodicals		75,104	74,299
Fee and subscription		1,086,071	457,865
Legal and professional		7,926,407	15,599,140
Auditors' remuneration	26.2	832,225	918,800
Entertainment		2,905,024	2,472,396
Computer maintenance		556,773	1,025,811
Advertisement		339,670	67,500
Charity and donation	26.3	191,100	994,584
Depreciation	5.1	24,519,221	23,943,187
Provision for bad debts		1,120,869	-
Sales tax penalty		329,801	-
Others		1,959,587	688,953
		139,146,441	126,177,818

26.1 This includes Rs. 939,280 (2013: Rs. 992,475) in respect of contribution provident fund and gratuity.

26.2 Auditors' remuneration comprises of :

	2014	2013
	.... Rupees	
Audit fees	550,000	550,000
Half yearly review	200,000	200,000
Certifications	50,000	50,000
Out of pocket expenses	32,225	118,800
	832,225	918,800

26.3 The directors or his spouse had no interest in the donees fund.

27 DISTRIBUTION COST

	2014	2013
Loading and stacking	5,237,880	3,829,779
Sampling charges	155,400	112,288
	5,393,280	3,942,067

28 OTHER CHARGES

	2014	2013
Loan processing fees	259,976	34,242
Mucaddam charges	695,113	471,500
	955,089	505,742

	Note	2014	2013
		.... Rupees	

29 OTHER INCOME

	Note	2014	2013
Profit on PLS account		**411**	24,036
Exchange Gain in Foreign Currency		**-**	213,653
Profit/(loss) on sale of fixed asset		**1,196,485**	(757,557)
Other		**47,650**	2,015,269
		1,244,546	1,495,401

30 UN-REALIZED GAIN/(LOSS) ON AMORTIZATION OF LOANS / INVESTMENTS

	Note	2014	2013
National Bank of Pakistan	18(a) & 30.1	**(4,106,827)**	3,253,373
IDBP	18(b) & 30.1	**(501,951)**	397,638
Income on amortization of Investment in DSC's	30.2	**13,670,876**	12,189,814
		9,062,099	15,840,825

30.1 This represents effects of increase in KIBOR over the year and recognizing liability at fair value.

30.2 This represents amortization of investment in DSC's amounting to Rs 70.5 million at the rate of 12.15%.

31 FINANCIAL COST

	Note	2014	2013
		.... Rupees	
Mark-up on loans		**74,603,485**	76,256,664
Bank charges		**3,665,842**	929,589
Interest expense	31.1	**7,168,023**	6,229,335
		85,437,350	83,415,588

31.1 This represents interest expense in respect of amortization of loan and frozen mark up liability of NBP and I.D.B.P (refer 18(a) and 18(b)) using effective interest rate @ 10.5% (2013 : 11.98% p.a).

32 REMUNERATION OF EXECUTIVES

(Amount in Rupees)

PARTICULARS	2014				2013			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
Remuneration	7,324,005	13,109,979	1,448,616	21,882,600	6,348,000	11,362,944	4,000,800	21,711,744
Company's contribution to provident fund	-	-	120,713	120,713	-	-	219,980	219,980
Perquisites, benefits and utilities	-	-	-		-	-	-	
Total	7,324,005	13,109,979	1,569,329	22,003,313	6,348,000	11,362,944	4,220,780	21,931,724
Number of Persons	1	6	2	9	1	6	3	10

	2014	2013
	.... Rupees	

33 PLANT CAPACITY AND PRODUCTION

Installed Production Capacity-Metric ton	86,400	86,400
Duration of Season-Days	142	109
Actual Production-Metric ton	70,864.5	51,050
Actual Crushing-Days	138	101
% of capacity attained	82%	59%

	2014	2013

34 LOSS PER SHARE - Basic / Diluted

Net loss for the year	(186,426,066)	(332,288,571)
Weighted average number of ordinary shares	22,308,000	22,308,000
Loss per share	(8.36)	(14.90)

	2014	2013
	.... Rupees	

35 CASH AND CASH EQUIVALENTS

Short term borrowing - Secured	(323,906,899)	(380,144,847)
Cash and bank balances	31,600,756	4,959,712
	(292,306,143)	(375,185,135)

36 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Interest / mark-up rate risk arises from the possibility that changes in interest / mark-up rates will affect the value of financial instruments. In respect of income earning financial assets and interest / mark-up bearing financial liabilities, the following table indicate their effective interest / mark-up rates at the balance sheet date and the periods in which they will re-price or mature:

2014 (Amount in Rupees)

	Interest bearing		Non-interest bearing		
	Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity after one year	Total
FINANCIAL ASSETS					
Long term Investment	-	70,500,000	-	-	70,500,000
Long term loans	-	-	303,304	-	303,304
Long term deposits	-	1,596,366	-	-	1,596,366
Trade debts	-	-	134,318,433	-	134,318,433
Cash and bank balances	10,000	-	31,590,756	-	31,600,756
	10,000	72,096,366	166,212,492	-	238,318,858
FINANCIAL LIABILITIES					
At Amortized Cost					
Long term loans	132,070,359	275,519,036	7,030,924	7,799,181	422,419,500
Trade and other payables	-	-	485,015,978	-	485,015,978
Mark up accured on loans	-	-	40,493,024	-	40,493,024
	132,070,359	275,519,036	532,539,926	7,799,181	947,928,502

2013 (Amount in Rupees)

	Interest bearing		Non-interest bearing		
	Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity after one year	Total
FINANCIAL ASSETS					
Long term Investment	-	70,500,000	-	-	70,500,000
Long term loans	-	-	238,448	-	238,448
Long term deposits	-	1,591,366	-	-	1,591,366
Trade debts	-	-	185,003,492	-	185,003,492
Other receivables	-	-	-	-	-
Cash and bank balances	791,793	-	4,167,919	-	4,959,712
	791,793	72,091,366	189,409,859	-	262,293,018
FINANCIAL LIABILITIES					
At Amortized Cost					
Long term loans	111,987,126	167,085,157	7,030,924	6,797,358	292,900,565
Trade and other payables	-	-	485,015,978	-	485,015,978
Mark up accured on loans	-	-	37,419,523	-	37,419,523
	111,987,126	167,085,157	529,466,425	6,797,358	815,336,066

37 FINANCIAL RISK MANAGEMENT OBJECTIVES

The Company finances its operations through equity, borrowings and management of working capital with a view to maintain a reasonable mix between the various sources of finance to minimize risk. Taken as a whole, risk arising from the Company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

The board of directors has overall responsibility for the establishment and the oversight of the company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

37.1 Credit risk and concentration of credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counterparties are engaged in similar business. The financial assets that are exposed to credit risk are as follows:

	2014	2013
	.... Rupees	
Long term loans	303,304	238,448
Trade debts - unsecured	134,318,433	185,003,492
Trade deposits and short term prepayments	-	-
Bank balances	31,458,120	4,776,267
	166,079,857	190,018,207

37.1.1 Impairment losses

The aging of financial assets at the reporting date was:

	2014		2013	
	Gross value	Impairment	Gross value	Impairment
	---------------Rupees---------------			
Not past due	-	-	-	-
Past due < 1 year	-	-		-
Past due 1 year to 2 years	-	-	-	-
More than 2 years	133,808,833	-	184,299,083	-
More than 3 years	509,600	-	509,600	-
Total	134,318,433	-	184,808,683	-

The company believes that no impairment allowance is necessary in respect of financial assets past due other than amount provided. Financial assets are essentially due from credit worthy parties. The company is actively pursuing for recovery of debts and the company does not expect these parties to fail to meet their obligations.

37.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities (including interest payments):

The table below summarizes the maturity profile of the Company's financial liabilities as at Sept 30, 2014 based on contractual undiscounted payment dates and present market interest rate:

	2014			
	Carrying amount	Contractual cash flows	Twelve months or less	Two to five years
	-------Rupees-------			
Non-Derivative Financial liabilities				
Long term financing	422,419,500	422,419,500	139,101,283	283,318,217
Trade and other payables	1,038,326,995	1,038,326,995	1,038,326,995	-
Accrued mark-up	40,493,024	40,493,024	40,493,024	-
	1,501,239,519	1,501,239,519	1,217,921,302	283,318,217

	2013			
	Carrying amount	Contractual cash flows	Twelve months or less	Two to five years
	-------Rupees-------			
Non-Derivative Financial liabilities				
Long term financing	292,900,565	404,826,745	215,246,852	189,579,893
Trade and other payables	693,650,664	693,650,664	693,650,664	-
Accrued mark-up	37,419,523	37,419,523	37,419,523	-
	1,023,970,752	1,135,896,932	946,317,039	189,579,893

37.3 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company's market risk may comprises of two types of risk: foreign exchange or currency risk and interest/mark up rate risk. The market risks associated with the Company's business activities are discussed as under:

37.3.1 Foreign exchange risk management

Foreign currency risk arises mainly where balances exist due to the transactions with foreign undertakings. The Company is was not exposed to foreign exchange risk as at September 30, 2014 as no balances existed at the said date due to transactions with foreign undertakings. The management has decided that hedging its foreign currency borrowings, if any, will be more expensive than self assuming the risk. The risk management strategy is reviewed each year on the basis of market conditions.

37.3.2 Yield/ Mark-up rate risk

Yield/ markup rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market yield/ mark-up rates. Sensitivity to yield/ mark-up rate risk arises from mismatches of financial assets and liabilities that mature or reprice in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The Company's exposure to the risk of changes in market interest rates relates primarily to the long-term loans and short-term finances with floating interest rates.

The effective yield/ mark-up rate on the financial assets and liabilities are disclosed in their respective notes to the financial statements.

37.3.3 Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Company's profit/ (loss) before tax (through impact on floating rate borrowing). There is only immaterial impact on Company's equity. The analysis excludes the impact of movement in market variables on the carrying values of employees retirement obligation, provision and on non-financial assets and liabilities of the Company. Further, interest rate sensitivity does not have an asymmetric impact on the Company's result.

	2014	2013
	.... Rupees	....
Increase / decrease in basis points	**100**	100
Effect on profit before tax	**6,758,264**	7,452,875

37.4 Equity price risk

Equity price risk is the risk arising from uncertainties about future values of investments securities. As at balance sheet date, the Company is not exposed to equity price risk.

37.5 Fair value of financial instruments

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

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

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

37.6 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions with foreign buyers and suppliers. As at the balance sheet date the company is not exposed to foreign currency risk as there is no receivable / payable or commitment other than local currency.

38 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.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings.

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

The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital, capital and revenue reserves. During the year, the Company's strategy was to maintain leveraged gearing. The gearing ratios as at September 30, 2014 and 2013 were as follows:

	2014	2013
	.... Rupees	....
Long term finance	**283,318,217**	316,624,649
Total debt	**283,318,217**	316,624,649
Less: Cash and bank balances	**31,600,756**	4,959,712
Net debt	**251,717,461**	311,664,937
Total Equity	**(495,719,054)**	(346,383,570)
Total Capital	**(244,001,593)**	(34,718,633)
Gearing Ratio	**-97%**	-11%

The company finances its operations through equity, borrowings and management of working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The management of the Company continuing with operational and infrastructure rehabilitation program with the objective of converting the Company into profitable entity and has taken financial measures to support such rehabilitation program. In calculating above gearing ratio surplus on revaluation on fixed assets (refer note 15) was not taken into account, had such reserves was considered gearing ratio would have improved to 35% (2013:43%).

39 ACCOUNTING ESTIMATES AND JUDGMENTS

39.1 Staff retirement benefits

Certain actuarial assumptions have been adopted as disclosed in Note 18.1 to the financial statement for valuation of present value of defined obligations and fair value of plan assets any changes in these assumptions in future years might effect gains and losses in those years.

39.2 **Property, plant and equipment**

The Company's management determines the estimated useful life and related depreciation charge for its property, plant and equipment. The Company reviews the value of the assets for possible impairment on an annual base. Any change in the estimates in future years might affect the carrying amount of the respective items of the property, plant and equipments with a corresponding effect on the depreciation charged and impairment.

39.3 **Income taxes**

In making the estimates for income taxes currently payable by the Company, the management considers the current income tax law and the decisions of appellate authorities on certain issues in the past.

40 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise directors, key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with related parties. Amounts due from and to related parties are shown under receivables and payables, remuneration of directors and key management personnel is disclosed in note 33. During the year there is no significant transactions with related parties except contribution paid to the post employment benefits as disclosed in respective note.

	2014	2013
41 NUMBER OF EMPLOYEES		
Total employees during the year	**193**	192
Average number of employees during the year	**192**	192
42 DISCLOSURES RELATING TO PROVIDENT FUND		
Size of the fund	**60,890,331**	56,555,400
Cost of investment made	**41,992,000**	41,992,000
Percentage of investments made	**97.2%**	96.7%
Fair value of investments	**59,177,114**	54,710,232
Breakup of Investment - At Fair Value		
- Shares in listed companies	**18,500,000**	18,500,000
- Investment in deposit certificates	**23,492,000**	23,492,000
	41,992,000	41,992,000
	----- **Percentage** -----	
Shares in listed companies	**44.1%**	44.1%
Investment in deposit certificates	**55.9%**	55.9%
	100%	100%

These figures are based on the audited financial statements of the provident fund as at June 30, 2014. Investments are made out of the fund are in accordance with section 227 of the Companies Ordinance, 1984 and Employees' Provident Fund Rules, 1996 except for investment in listed securities.

43 DATE OF AUTHORIZATION

The financial statements were authorized for issue on January 05, 2015 by the board of directors of the Company.

44 GENERAL

- Figures have been rounded off to the nearest rupee.
- Figures have been rearrange and reclassified where necessary.

Syed Abid Hussain	**Jamil Akberi**
Director	Director

SIX YEARS' REVIEW AT A GLANCE

FINANCIAL RESULTS	2014	2013	2012	2011	2010	2009
	(Rs. in 000)					
Sales	3,486,661	2,560,803	2,463,907	3,125,044	3,193,219	920,514
Gross (loss) / profit	(203,702)	(133,830)	56,038	41,208	217,471	17,067
Operating (loss) / profit	(348,242)	(263,950)	(59,064)	(61,978)	126,643	(42,109)
Profit/ (loss) before taxation	(424,328)	(330,535)	(151,870)	(133,211)	47,753	491,664
Profit/(loss) after taxation	(186,426)	(332,289)	(134,858)	(148,545)	46,405	394,754
Accumulated loss for the year	(718,799)	(569,464)	(291,516)	(192,351)	(76,324)	(157,609)

OPERATING RESULTS		2014	2013	2012	2011	2010	2009
Sugarcane crushed	(tonnes)	770516	516,227	559,968	615,017	543,353	330,553
Sugar recovery	(%)	9.188	9.89	9.75	8.66	9.155	8.3250
Sugar produced	(tonnes)	70864	51,050	54,575	53,250	49,702	27,555
Molasses recovery	(%)	4.187	4.322	4.251	4.193	4.563	5.035
Molasses produced	(tonnes)	33,397	22,306	23,800	25,766	23,625	15,850
Operating period	(days)	142	109	108	149	107	100

ASSETS EMPLOYEED	2014	2013	2012	2011	2010	2009
	(Rs. in 000)					
Fixed capital expenditure	2,592,051	1,568,312	1,641,428	1,177,285	1,225,657	1,240,080
Long term loans and deposits	1,900	1,830	1,665	783	812	875
Investments	126,188	112,517	100,328	89,458	79,766	36,063
Current assets	541,704	553,704	707,817	674,273	484,621	394,297
Total assets employed	3,261,843	2,236,364	2,451,238	1,941,800	1,790,855	1,671,315

FINANCED BY	2014	2013	2012	2011	2010	2009
	(Rs. in 000)					
Shareholders' equity	(495,719)	(346,384)	(68,436)	30,729	146,756	65,471
Revaluation on fixed assets	1,467,993	746,140	781,462	411,440	432,577	455,249
Subordinate loan from directors	45,998	-	-	-	-	
Long term liabilities	283,318	316,625	353,255	383,291	422,473	257,964
Deferred liabilities	396,462	289,729	308,302	220,848	248,930	291,329
Current liabilities	1,563,791	1,230,254	1,076,656	895,491	540,120	601,302
Total funds invested	3,261,843	2,236,364	2,451,238	1,941,799	1,790,856	1,671,315

Break-up value per share	(Rupees)	(22.22)	(15.53)	(3.07)	1.38	6.58	2.93
Earning per share	(Rupees)	(8.36)	(14.90)	(6.05)	(6.66)	2.08	17.70

FORM OF PROXY

The Company Secretary
SAKRAND SUGAR MILLS LIMITED
41-K, Block 6, P.E.C.H.S.
Karachi-75000

I/We ____

of ____

being a Member of Sakrand Sugar Mills Limited and holder of ____________________

Ordinary Shares, as per Register Folio No. ____________________

hereby appoint ____

who is also a Member of the Company of as my/our Proxy to vote for me/us and on my/our behalf at the 26th Annual General Meeting of the Company to be held on January 31, 2015 and at any adjournment thereof.

Signed ____ day of 2015.

RUPEES FIVE
REVENUE STAMP

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

NOTE :

1. This form of proxy duly completed and signed, must be depostied at Company's Registered Office not later than 48 hours before the meeting.
2. This form should be signed by the Member or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to instrument.
3. If a proxy is granted by a member who has deposited his/her shares in Central Depository Company of Pakistan Limited, the proxy must be accompanied with participant's ID number and CDC account/sub-account number alongwith attested photocopies of Computerized National Identity Card (CNIC) or the passport of the beneficial owner. Representatives of corporate members should bring the usual documents required for such purpose.