

29th Annual Report
2015

C O N T E N T S

	Page No.
Company's Information	2
Notice of Annual General Meeting	3
Ten Years' Review	4
Performance Report	5
Directors' Report	7
Auditors' Report	10
Balance Sheet	13
Profit and Loss Account	14
Statement of Comprehensive Income	15
Statement of Cash Flows	16
Statement of Changes in Equity	17
Notes to the Accounts	18
Pattern of Shareholding	47

COMPANY'S INFORMATION

DIRECTORS

Syed Shafqat Ali Shah Managing Director & Chief Executive
Mr. Masood Ahmed
Pir Syed Noor Shah
Mr. Feroz F. Golwalla
Mr. Hameedullah Khan Paracha
Mrs. Shamim Noor Shah
Syed Muhammad Ali Shah
Syed Taimur Ali Shah
Syed Reza Ali Shah
Mr. Habib Hameed Paracha

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Iqbal-ur-Rahman

AUDITORS

Rahman, Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Plot No. 180, Block-A, S.M.C.H.S.,
Karachi-74400.

COST AUDITORS

Siddiqi & Company
Cost & Management Accountants
Suit No. 147, First Floor, Haroon Shopping Emporium,
Sector 15-A/1, North Karachi - 75780.

HEAD OFFICE

Matiari House,
C-48, K.D.A. Scheme No. 1,
Karachi-75350.

FACTORY

Matiari/Nasarpur Road,
Matiari,
District Matiari.

NOTICE OF 29TH ANNUAL GENERAL MEETING

NOTICE is hereby given that 29th Annual General Meeting of the Company will be held on Saturday 30th January, 2016 at 11:00 a.m. at the registered office of the Company to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of Extra Ordinary General Meeting held on 31st March, 2015.
2. To receive, consider and adopt the audited accounts for the year ended 30th September, 2015 together with the Directors' and Auditors' Report.
3. To approve 60% interim dividend as final dividend for the year ended 30th September, 2015.
4. To appoint Auditors of the Company for the Year 2015-2016 and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and pass the following resolutions with or without modifications as special resolutions for the following purposes:

"RESOLVED that the Company is authorized to provide one or more guarantees from time to time for the financial and non-financial obligations and liabilities of Matiari Health Services (Pvt.) Ltd. upto a maximum aggregate sum at any one time of Rs. 300 Million and to make provision from time to time of one or more loans to Matiari Health Services (Pvt.) Ltd. upto a maximum aggregate principal sum at any one time outstanding of Rs. 300 Million on all such conditions and such considerations as may be determined by the Board of Directors of the Company."

"FURTHER RESOLVED that such person or persons as may be authorized by the Board of Directors of the Company being authorized to do all such acts, deeds and things and to execute and deliver all such deeds, agreements, declarations, undertakings, assurance guarantees, indemnities for and on behalf and in the name of the Company as may be necessary or required or as they or any of them may think fit for or on connection with aforesaid loans or guarantees for Matiari Health Services (Pvt) Ltd."

6. To transact any other business which may be placed before the meeting with the permission of the chair.

By the order of the Board



IQBAL-UR-RAHMAN
Company Secretary

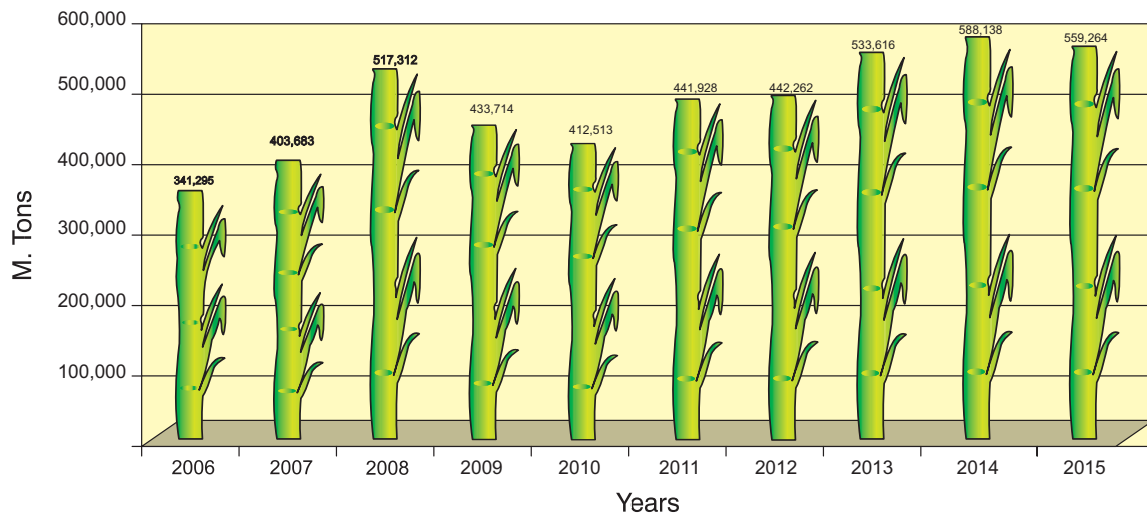
Karachi
Dated: 09th January, 2016

TEN YEARS' REVIEW

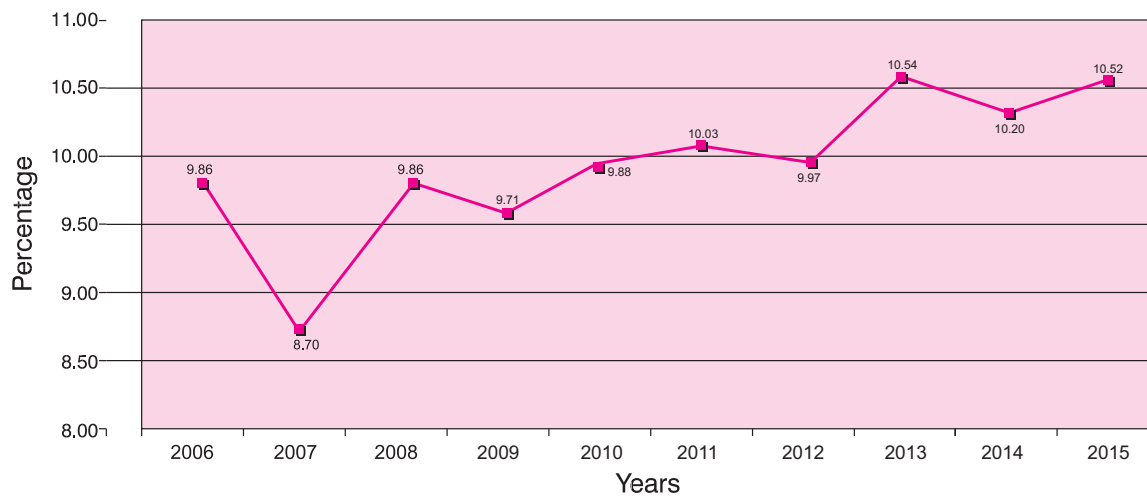
DESCRIPTION	1 2006	2 2007	3 2008	4 2009	5 2010	6 2011	7 2012	8 2013	9 2014	10 2015
PRODUCTION										
No. of days of season	117	140	156	126	121	157	123	153	161	159
Cane crushed - Tons	341,295	403,683	517,312	433,714	412,513	441,928	442,262	533,616	588,138	559,264
Recovery%	9.86	8.70	9.86	9.71	9.88	10.03	9.97	10.54	10.20	10.52
Sugar made - Tons	33,633	35,612	51,005	42,107.5	40,759.5	44,445.0	44,098.5	56,259.5	59,969.5	58,847.5
Molasses - Tons	16,625	20,282	27,920	21,420	18,630	19,886.0	20,380	24,530	27,194	25,055
OPERATING RESULTS										
Sales	928,358,142	743,051,423	857,382,692	1,635,602,583	2,140,909,100	2,609,680,867	2,182,939,160	2,702,863,375	2,784,391,542	2,914,709,123
Cost of sales	731,447,714	731,160,966	709,077,998	1,334,255,372	1,787,284,598	2,146,913,095	1,970,202,855	2,498,612,712	2,583,078,598	2,559,748,362
Gross profit / (Loss)	196,910,427	11,890,457	148,304,694	301,347,211	353,624,502	462,767,772	212,736,305	204,250,663	201,312,944	354,960,761
Operating profit / (Loss)	169,218,753	(18,947,088)	104,159,207	264,481,757	306,895,822	389,413,751	125,732,936	79,901,514	105,919,671	251,998,850
Profit / (Loss) before taxation	115,872,638	(62,671,032)	67,757,171	186,518,901	245,960,351	328,850,457	158,217,785	72,823,339	133,300,141	211,103,345
Profit / (Loss) after taxation	109,269,638	(66,926,032)	62,733,739	144,382,049	157,214,201	198,751,961	127,646,220	122,564,380	90,948,581	136,285,096
Gross profit / (Loss) (percentage)	21.21	1.60	17.30	18.42	16.52	17.73	9.75	7.56	7.23	12.18
Operating profit / (Loss) (percentage)	18.23	(2.55)	12.15	16.17	14.33	14.92	5.76	2.96	3.78	8.65
Profit / (Loss) before tax (percentage)	12.48	(8.43)	7.90	11.40	11.49	12.60	7.25	2.69	4.79	7.24
Profit / (Loss) after tax (percentage)	11.77	(9.01)	7.32	8.83	7.34	7.62	5.85	4.53	3.27	4.68
Growth in net profit / (Loss) after tax (percentage)	411.97	(161.25)	206.68	56.55	8.16	20.90	(55.71)	(4.15)	(34.76)	33.27
Raw materials percent of sales	74.64	98.89	94.07	65.93	81.39	83.06	81.50	89.92	91.69	86.27
Labour percent of sales	4.91	7.48	7.59	4.91	3.91	3.95	4.78	4.68	4.73	5.64
Administrative expense percent of sales	2.87	4.05	4.85	2.15	2.14	1.84	2.58	2.71	2.71	3.03
Selling expenses percent of sales	0.12	0.10	0.30	0.10	0.04	0.06	0.86	1.66	0.39	0.10
Financial expenses percent of sales	4.76	6.84	4.45	4.22	3.20	3.54	3.54	3.64	2.46	2.54
Income tax percent of sale	1.03	0.57	0.19	2.58	4.15	4.99	1.40	1.36	1.52	2.69
Repayment of long term financing										
Principal - Rs.	36,811,906	15,282,553	59,101,257	112,011,168	95,050,519	116,149,065	127,757,884	121,271,618	107,093,543	108,800,223
Mark-up - Rs.	47,166,891	50,810,565	52,747,428	93,699,342	69,670,620	86,643,816	81,655,546	95,665,134	69,242,087	72,811,993
Payment to Employees										
Bonus - Rs.	5,574,391	7,244,149	7,613,510	7,535,426	8,016,394	9,014,385	9,091,925	10,495,290	13,591,234	14,489,619
W.P.P. Fund - Rs.	6,098,560	-	3,387,859	9,816,784	9,816,784	23,732,871	11,726,130	11,726,130	3,943,712	7,158,976
SHAREHOLDERS' EQUITY										
Paid up capital	65,250,000	65,250,000	65,250,000	65,250,000	65,250,000	65,250,000	65,250,000	65,250,000	65,250,000	65,250,000
Bonus shares	-	65,250,000	65,250,000	78,300,000	121,365,000	140,026,500	160,554,150	160,554,150	160,554,150	160,554,150
	65,250,000	130,500,000	130,500,000	143,550,000	186,615,000	205,276,500	225,804,150	225,804,150	225,804,150	225,804,150
Reserves and surplus	151,713,459	35,553,346	113,502,209	223,203,530	245,887,142	379,195,366	657,747,862	727,522,505	847,315,760	896,931,816
Earning / (Loss) per share (before tax)	17.76	(4.80)	5.19	12.99	13.18	16.02	7.01	3.23	5.90	9.35
Earning / (Loss) per share (after tax)	16.75	(5.13)	4.81	10.06	8.42	9.68	5.65	5.43	4.03	6.04
Book value per share	33.25	12.72	18.70	25.55	23.18	28.47	39.13	42.22	47.52	49.72
Dividend										
Amount - Rs.	-	-	13,050,000	57,420,000	74,646,000	74,646,000	82,110,600	90,321,660	45,160,830	90,321,660
Percentage	-	-	10%	40%	40%	40%	40%	40%	20%	40%
Interim Dividend										
Amount - Rs.	-	-	-	-	-	-	-	45,160,830	-	-
Percentage	-	-	-	-	-	-	-	20%	-	-
Bonus Shares										
Amount - Rs.	65,250,000	-	13,050,000	43,065,000	18,661,500	20,527,650	-	-	-	-
Percentage	100%	-	10%	30%	10%	10%	-	-	-	-
FINANCIAL POSITION										
Current ratio	1 : 1.29	1 : 0.98	1 : 1	1 : 1.11	1 : 1.13	1 : 1.13	1 : 1.15	1 : 0.84	1 : 1	1 : 1.02
Acid test ratio	0.56 : 1	0.49 : 1	0.85 : 1	0.46 : 1	0.35 : 1	0.45 : 1	0.28 : 1	0.44 : 1	0.25 : 1	0.13 : 1
Number of times interest earned	3.62	(0.23)	2.78	3.70	4.59	4.56	3.05	1.74	2.94	3.98
Debt equity ratio	28 : 72	31 : 69	38 : 62	17 : 83	21 : 79	16 : 84	15 : 85	11 : 89	15 : 85	10 : 90

PERFORMANCE REPORT

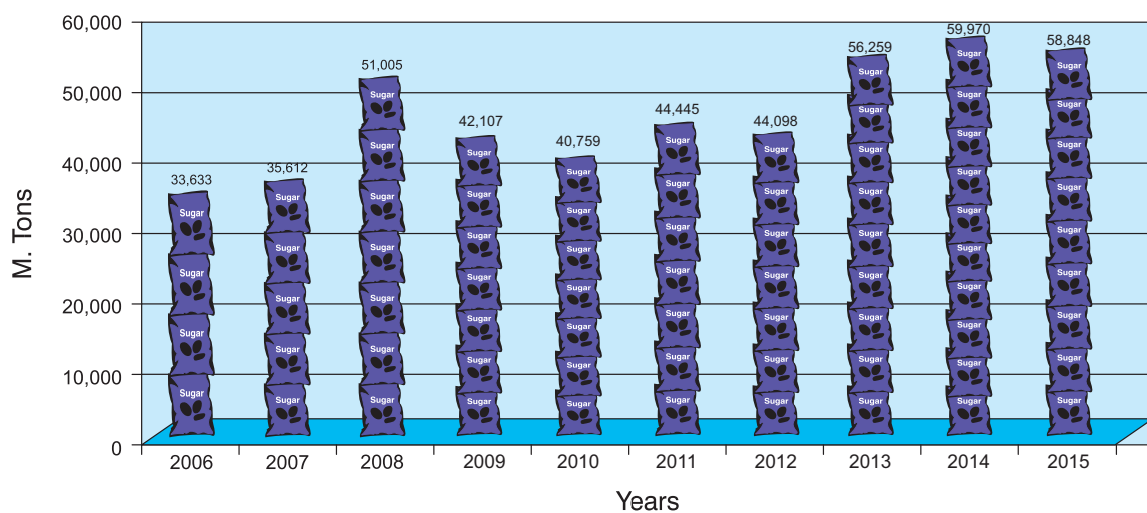
CANE CRUSHED



SUCROSE RECOVERY

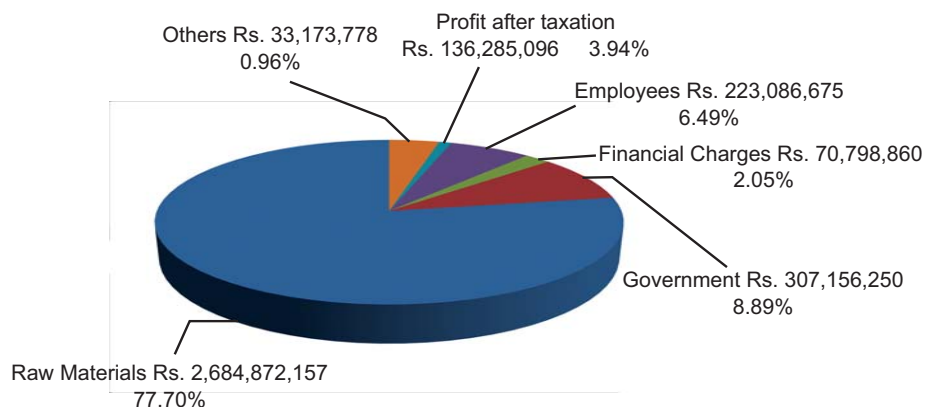


SUGAR PRODUCTION



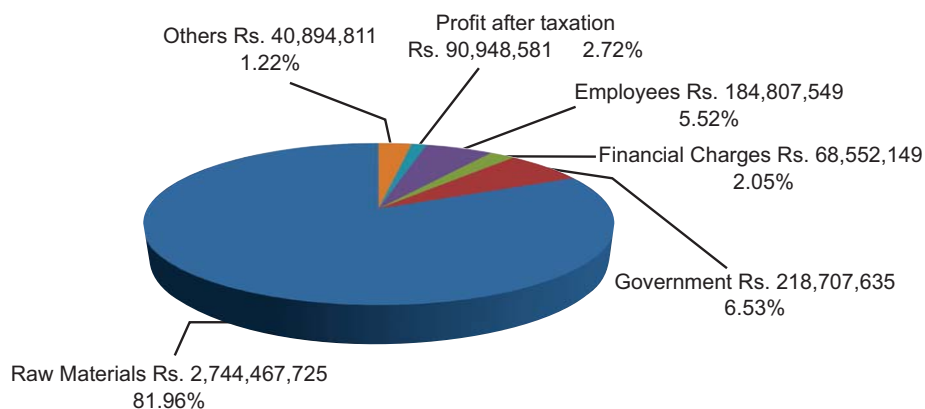
APPLICATION OF REVENUE

2015



Total Revenue Rs. 3,455,372,816

2014



Total Revenue Rs. 3,348,378,450

Revenue Distribution

	2015		2014	
	%	Amount	%	Amount
Raw Materials	77.70	2,684,872,157	81.96	2,744,467,725
Government	8.89	307,156,250	6.53	218,707,635
Financial charges	2.05	70,798,860	2.05	68,552,149
Employees	6.46	223,086,675	5.52	184,807,549
Others	0.96	33,173,778	1.22	40,894,811
Profit/(Loss) after taxation	3.94	136,285,096	2.72	90,948,581
Total	100.00	3,455,372,816	100.00	3,348,378,450

DIRECTORS' REPORT

Your Directors are pleased to present the 29th Annual Report together with audited accounts for the year ended 30th September 2015.

FINANCIAL RESULTS

By the grace of Almighty Allah, your Company earned an after tax profit of Rs.136,285,096 during the year 2014-2015 and following are Financial results for the year :

	<u>Rupees</u>	<u>Rupees</u>
PROFIT BEFORE TAXATION		211,103,345
Provision for Taxation		
Current	51,519,834	
Prior	10,931,944	
Deferred	<u>12,366,471</u>	<u>74,818,249</u>
Profit After Taxation		136,285,096
Accumulated profit brought forward		847,315,760
Add: Transfer from surplus on Revaluation of property, plant & equipment-Net of deferred tax.		18,575,009
Loss on re-measurement of Investment -Matol (Pvt.) Limited		(13,984,097)
		<u>988,191,768</u>
Less: 40% Interim/Final Dividend Paid:		<u>(90,321,660)</u>
Accumulated Profit carried forward:		<u>897,870,108</u>
Earnings per share - Basic & Diluted:		<u>6.04</u>

The cane crushing season 2014-15 commenced with uncertainty and dispute amongst the growers, the sugar millers and the Sindh government. The government's decision to fix the cane support price at Rs.182/- per 40 kg was the cause of this situation, considering the prevalent sugar prices, both in domestic and international market did not justify such raw material price. The company along with other members of the sugar industry filed a constitutional petition before the Sindh High Court arguing that the minimum sugar price be fixed in relation to the minimum sugarcane support price. Consequently, the Honorable Sindh High Court directed the Federal/Provincial governments to fix the sugarcane support price accordingly.

Pakistan Sugar Mills Association also requested the Sindh government to reconsider the minimum support price of cane. The government of Sindh accepted the difficulties of the Sindh sugar mills and revised the sugarcane price on 3rd December 2014 for interim period, reducing it from Rs.182/- to Rs.155/- per 40 kg. However, on 9th December 2014 the Sindh government abruptly withdrew the notification and restored the support price of sugarcane of Rs.182/- per 40 kg. This restoration of support price at Rs.182/- was challenged in the Sindh High Court by the Sindh sugar industry. On 30th December 2014 the Sindh High Court confirmed notification of the government of 9th December 2014. Consequently the Sindh sugar industries filed a civil petition with Honourable Supreme Court of Pakistan against the 30th December judgment of the Sindh High Court. The case remains pending with Pakistan Supreme Court.

The issue of minimum support price went back to the Honourable Sindh High Court and finally settled by an Interim Order passed by the Sindh High Court notifying an interim minimum support price of sugar cane at Rs.172 per 40 kg with the arrangement that Mills would pay Rs.160 per 40 kg and the Sindh Government would pay

Rs.12 per 40 kg. In compliance with the Interim Order of Honourable High Court of Sindh the Company made total payment to Growers of Rs.172 per 40 kg representing our share of Rs.160 per 40 kg and Rs.12 per 40 kg received from the Government of Sindh. This arrangement was subject to the final adjudication of the petition filed by the Sugar Mills of Sindh Province before the Honourable Supreme Court of Pakistan.

We started cane crushing from 30th October, 2014. However, crushing was suspended from 6th January, 2015 till 11th January, 2015 in view of collective decision of all Sugar Mills operating in Sindh Province. Pakistan Sugar Mills Association Sindh Zone (PSMA-SZ) took up this matter with the higher authorities to safeguard the basic survival of the Sugar Industry in Pakistan under the circumstances. Notwithstanding those circumstances we crushed 559,264.424 M.Tons of cane and produced 58,847.500 M.Tons sugar at an average sucrose recovery of 10.5184%.

The Economic Coordination Committee of the Cabinet (ECC) in their meeting held on 24th December, 2014 allowed export of 650,000 M.Tons of sugar and allowed subsidy of Rs.10/kg on sugar export vide SRO No.1(4) CF-C/2014-114 dated 10th February, 2015. Despite the subsidy announced by the Government, export of sugar was not viable due to depressed sugar prices in the International market and no sugar was exported by the Company during this year.

The Matiari Agricultural Services is continuously providing biological cards, Bio-compost to the growers and cultivation of sugar cane on Company's land. The Company earned profit of Rs.19,276,726 through agricultural related activities for the year.

DIVIDEND

On recommendations of the Board of Directors, the Company announced interim dividend at the rate of Rs.6/- per share (60%). The Directors subsequently recommended the 60% interim dividend as final dividend for the year ended 30th September, 2015 subject to approval of shareholders in the 29th Annual General Meeting.

OPERATIONAL RESULTS:

Brief summary of the operational results is as under:

	<u>2015</u>	<u>2014</u>
Cane Crushing	559,264	588,138
Period of operation number of days	159	161
Recovery percentage	10.52	10.20
Sugar produced - M.Tons	58,847.5	59,969.5
Capacity utilization percentage	83.75	93.67

CONTRIBUTION TO THE ECONOMY

The Company's contribution to the National Exchequer stands at Rs.348.256 Million (2014 - Rs.219.663 Million) in respect of payments towards Federal Excise Duty, Income tax and other statutory levies. This does not include withholding tax deducted by the Company from payments made to employees, suppliers, dividend to shareholders etc. and deposited with Government Treasury.

FUTURE PROSPECTS

The crushing season 2015-16 commenced on 20th October, 2015 up till this date the Sindh Government has not announced the minimum support price of sugarcane. However, the government made clear there would be no subsidy on cane this year. Pakistan Sugar Mills Association, Sindh Zone (PSMA-SZ) on behalf of Millers approached

to Sindh Government and drew their attention to consider the carrying over sugar stock from last year and current sugar price in Local and International market while fixing the minimum support price of sugar cane. Presently the Company is paying cane price of Rs.160 per 40 kgs. to the Growers with an understanding for payment of difference if any after issuance of notification from Sindh Government for minimum support price of cane.

The Federal Government had increased regulatory duty on import of sugar in Finance Act 2015 which helped to stabilize the sugar prices in the local market. In addition to this the Economic Co-ordination Committee (ECC) of the Cabinet in its decision dated 8th December 2015 allowed export of 500,000 M.Tons of sugar by March 31, 2016 and approved cash subsidy of Rs.13/kg on the export of sugar. In spite of these measures the cash subsidy would be disbursed through State Bank of Pakistan. The sugar export still not yet compatible in the International market; hence no sugar has been exported till date.

The ECC had also proposed that the minimum support price of sugarcane, in principle be de-regulated from the next season so that the government's involvement and provision of subsidy is eliminated. The whole issue becomes complicated due to fixation of sugarcane price as against free market forces that determine prevailing sugar prices. The ECC also directed the Ministry of Industries and Production to place the case before the Federal Cabinet after due consultations with the Provinces.

MSM till 9th December, 2015, crushed 180,580 M.Tons and produced 16,438 M.Tons sugar at 9.10% sucrose recovery. Our sugar recovery trend is lower as compared to last year, and the overall cane availability remains unpredictable at this point.

The claims of freight subsidy on sugar export remain pending for payment with Trade Development Authority of Pakistan (TDAP) for 2012-13 and 2013-14. Early release of these claims by the Federal Government will give relief to the industry and timely payment to sugar cane growers against their cane supply.

SOCIAL ACTIVITIES:

The Company actively participates in various social work initiatives and contributes generously to various social and charitable causes.

In accordance with the Company's policies to share the benefits with the workers and employees of the company, management has paid bonuses equal to five month's basic salary to all employees of the company and has also paid the allocated amount of WPPF to all the workers.

Your Directors are pleased to report cordial relations between workers and management and appreciate the hard work put in by officers and workers for achieving positive results.

Retiring Auditors M/s. Rahman Sarfraz, Rahim Iqbal Rafiq, Chartered Accountants offer themselves for appointment for the year 2015-2016.

PATTERN OF SHAREHOLDING

The pattern of shareholding and categories of shareholders of the Company as on 30th September, 2015 are annexed to this Annual Report.

On behalf of the Board



(SYED SHAFQAT ALI SHAH)
MANAGING DIRECTOR

09th January, 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of MATIARI SUGAR MILLS LIMITED ("the Company") as at September 30, 2015, the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

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

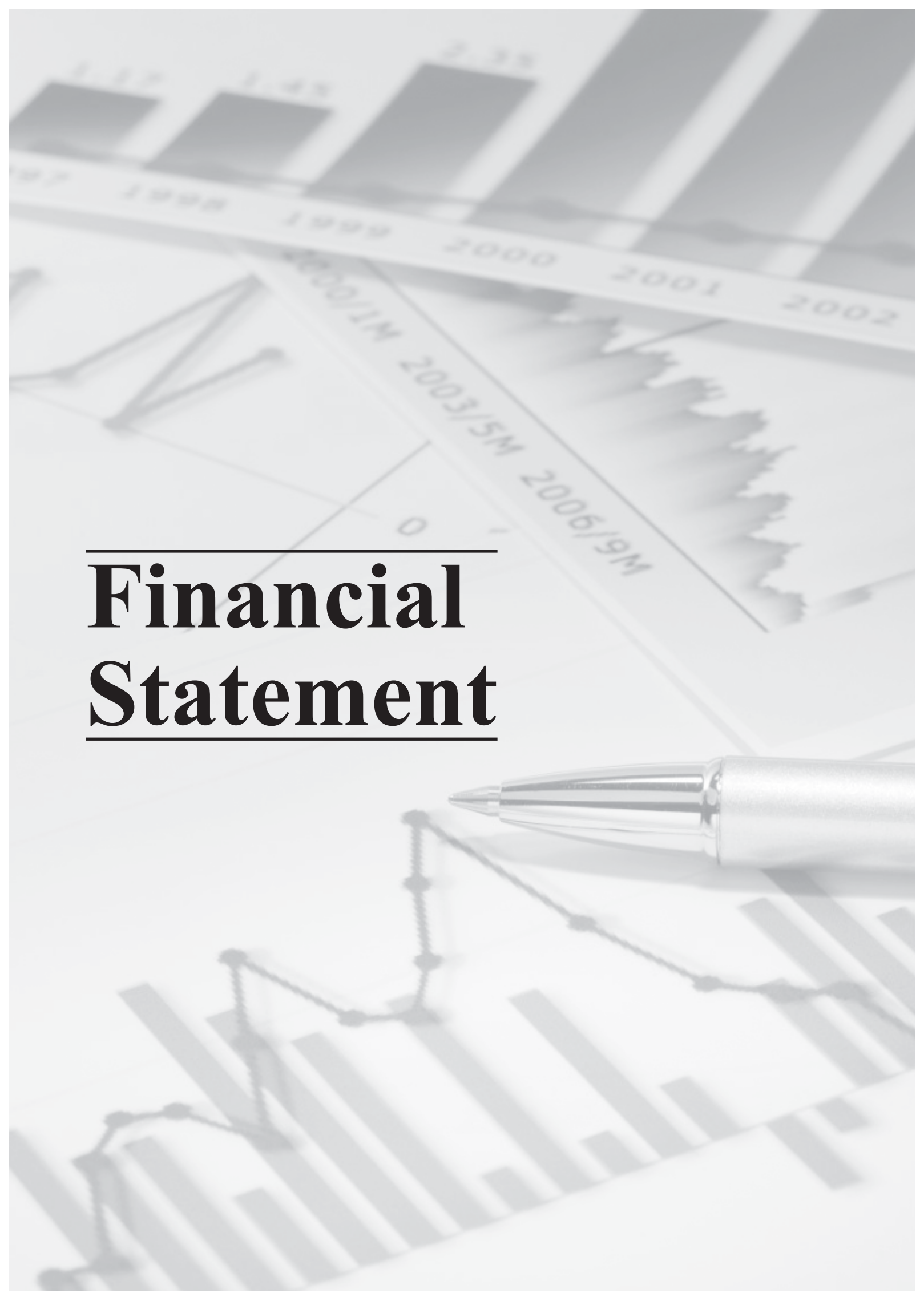
We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit included examining, on a test basis,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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion;
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - ii) the business conducted and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with the 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 state of the Company's affairs as at 30 September 2015 and of the Profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980) was deducted by the Company and deposited in the central zakat fund established under section 7 of that Ordinance.



RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS
Engagement Partner: **Muhammad Waseem**

Karachi
09th January, 2016

The background of the image features a grayscale collage of financial data. At the top, a bar chart shows values for the years 1997, 1998, 1999, 2000, 2001, and 2002, with values increasing from 1.17 to 2.38. Below this, a line chart displays data for periods including 2000/1M, 2003/5M, and 2006/9M. In the lower right, a silver pen is positioned diagonally over another bar chart. The overall theme is financial analysis and reporting.

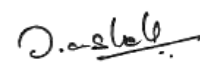
Financial Statement

Balance Sheet
As At September 30, 2015

	Note	2015 ----- (Rupees) -----	2014
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,219,714,816	2,163,140,473
Investment in subsidiary	5	414,099,792	427,083,889
Long term investment - held to maturity		-	5,000,000
Long term deposits	6	16,802,440	16,913,473
		2,650,617,048	2,612,137,835
Current assets			
Stores, spares and loose tools	7	45,982,540	43,668,345
Stock in trade	8	1,600,618	70,048,768
Biological Assets	9	10,989,175	-
Trade debts - unsecured- considered good		1,806,792	11,656,597
Loans, advances, prepayments and other receivables	10	264,078,653	388,819,990
Short term investment - held to maturity	11	19,706,300	13,656,300
Tax refunds due from government		189,654,815	115,482,224
Cash and bank balances	12	11,695,790	31,158,506
		545,514,683	674,490,730
		3,196,131,731	3,286,628,565
SHARE CAPITAL AND RESERVES			
Authorised capital			
25,000,000 (2014: 25,000,000) ordinary shares of Rs. 10 each		250,000,000	250,000,000
Issued, subscribed and paid up capital	13	225,804,150	225,804,150
Unappropriated profit		897,870,108	847,315,760
		1,123,674,258	1,073,119,910
Surplus on revaluation of property, plant and equipment	14	1,062,257,135	886,134,470
LIABILITIES			
Non-current liabilities			
Long term finances - secured	15	-	15,000,000
Liabilities against assets subject to finance leases	16	63,242,357	81,913,214
Deferred liabilities	17	411,250,648	558,850,247
		474,493,005	655,763,461
Current liabilities			
Trade and other payables	18	313,947,257	184,022,942
Accrued mark up	19	11,175,892	13,189,025
Short term borrowings - secured	20	141,044,198	372,067,997
Current portion of long term liabilities	21	67,622,022	100,258,877
Unclaimed dividend		1,917,964	2,071,883
		535,707,333	671,610,724
Contingencies and commitments	22		
		3,196,131,731	3,286,628,565

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


Chief Executive

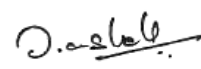

Director

Profit and Loss Account For The Year Ended 30 September 2015

		2015	2014
	Note	----- (Rupees) -----	-----
Sales - net	23	2,914,709,123	2,784,391,542
Cost of sales	24	(2,559,748,362)	(2,583,078,598)
Gross Profit		<u>354,960,761</u>	<u>201,312,944</u>
Administrative expenses	25	(84,584,901)	(75,467,679)
Distribution costs	26	(2,731,327)	(10,774,207)
Other operating costs	27	(15,645,683)	(9,879,387)
		<u>(102,961,911)</u>	<u>(96,121,273)</u>
Operating profit		<u>251,998,850</u>	<u>105,191,671</u>
Other income	28	29,903,355	96,660,619
		<u>281,902,205</u>	<u>201,852,290</u>
Finance cost	29	(70,798,860)	(68,552,149)
Profit before taxation		<u>211,103,345</u>	<u>133,300,141</u>
Taxation	30	(74,818,249)	(42,351,560)
Profit after taxation		<u><u>136,285,096</u></u>	<u><u>90,948,581</u></u>
Earnings per share - basic and diluted	37	<u><u>6.04</u></u>	<u><u>4.03</u></u>

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


Chief Executive

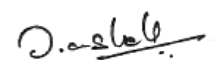

Director

Statement of Comprehensive Income For The Year Ended 30 September 2015

	Note	2015 ----- (Rupees) -----	2014 -----
Profit after taxation		136,285,096	90,948,581
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit or loss:</i>		-	-
<i>Items that will or may be reclassified to profit or loss:</i>			
- (Loss) / Gain on remeasurement of investment in subsidiary - available for sale	5	(13,984,097)	53,612,320
Total comprehensive income for the year		122,300,999	144,560,901

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


 Chief Executive

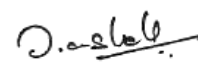

 Director

Statement of Cash Flows For The Year Ended 30 September 2015

	Note	2015 (Rupees)	2014
Cash generated from operations	35	704,027,370	180,934,744
Taxes paid		(136,624,369)	(95,991,306)
Finance cost paid		(72,811,993)	(69,242,087)
Net cash generated from operating activities		494,591,008	15,701,351
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment		(117,527,430)	(53,479,099)
Biological Asset		(10,989,175)	-
Short term investment - held to maturity		(1,050,000)	(656,300)
Proceeds from disposal of property, plant and equipment		4,194,080	4,250,000
Proceeds from disposal of shares in subsidiary		-	10,000
Investment in subsidiary		(1,000,000)	-
Long term deposits		111,033	3,948,832
Net cash used in investing activities		(126,261,492)	(45,926,567)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against assets subject to finance leases - net		(46,307,712)	3,556,456
Long term finances - secured		(20,000,000)	(40,769,234)
Dividend paid		(90,475,579)	(45,610,094)
Deferred Liabilities		14,858	1,104,667
Short term borrowings - secured		(232,997,108)	105,600,000
Net cash (used in) / generated from financing activities		(389,765,541)	23,881,795
Net decrease in cash and cash equivalents during the year		(21,436,025)	(6,343,421)
Cash and cash equivalents at the beginning of the year		(43,754,491)	(37,411,070)
Cash and cash equivalents at the end of the year		(65,190,516)	(43,754,491)
Cash and cash equivalents comprise the following:			
Cash and bank balances	13	11,695,790	31,158,506
Short term borrowings - running finance	21	(76,886,306)	(74,912,997)
		(65,190,516)	(43,754,491)

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


Chief Executive


Director

**Statement of Changes in Equity
For The Year Ended 30 September 2015**

	Share capital	Unappropriated profit	Total
	----- (Rupees) -----		
Balance as at September 30, 2013	225,804,150	727,522,505	953,326,655
Interim dividend paid @ 20%	-	(45,160,830)	(45,160,830)
Transfer of incremental depreciation from surplus on revaluation of property, plant and equipment	-	20,393,184	20,393,184
Total comprehensive income for the year ended September 30, 2014	-	144,560,901	144,560,901
Balance as at September 30, 2014	225,804,150	847,315,760	1,073,119,910
Interim dividend paid @ 40%	-	(90,321,660)	(90,321,660)
Transfer of incremental depreciation from surplus on revaluation of property, plant and equipment	-	18,575,009	18,575,009
Total comprehensive income for the year ended September 30, 2015	-	122,300,999	122,300,999
Balance as at September 30, 2015	<u>225,804,150</u>	<u>897,870,108</u>	<u>1,123,674,258</u>


Chief Executive


Director

Notes to the Financial Statements For the Year Ended 30 September 2015

1 THE COMPANY AND ITS OPERATIONS

The Company was incorporated in Karachi as a public limited liability Company on 26 May 1987. The principal business of the Company is the manufacture and sale of white sugar. The mill is located at Matiari, Sindh. The registered office of the Company is situated at Matiari House C-48, K.D.A Scheme No 1, Karachi, Pakistan.

2 BASIS OF PREPARATION

2.1 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 Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for land, buildings and plant and machinery which are stated at revalued amounts and certain investments which are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements is in conformity with approved accounting standards, as applicable in Pakistan, which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the future periods are as follows:

- | Taxation (Note 3.13)
- | Useful lives and residual values of property, plant and equipment (Note 3.1)
- | Investment in subsidiary (Note 3.3)
- | Biological asset (Note 3.8)
- | Provision for obsolete / slow moving stores and spares (Note 3.6)

2.5 Standards, amendments or interpretations which became effective during the year

During the period, certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

2.6 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2014 but are considered not to be relevant or do not have any significant effect on the financial statements and are therefore not detailed in these financial statements.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Company's financial statements.
- IFRS 10 'Consolidated Financial Statements' - (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on the Company's financial statements.
- IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on the Company's financial statements.
- IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on the Company's financial statements.
- IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value

measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on the Company's financial statements.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on the Company's financial statements.
- Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, an entity can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on the Company's financial statements.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on the Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.
- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.
- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.
- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on the Company's financial statements.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Property, plant and equipment

Owned

Operating fixed assets are stated at cost / revalued amount less accumulated depreciation and any identified impairment losses (if any), except for capital work - in - progress which is stated at cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be measured reliably. Cost incurred to replace a component of an item of property and equipment is capitalized, the asset so replaced is retired from use and its carrying amount is derecognized. Normal repairs and maintenance are charged to profit and loss account during the period in which they are incurred.

Depreciation on additions is charged for the quarter in which an asset is put to use and no depreciation is charged in the quarter in which assets are disposed. Depreciation on all property, plant and equipment is charged to profit and loss account using the reducing balance method over the asset's useful life at the rates stated in note 4.1.

Disposal of an item of property and equipment is recognized when significant risks and rewards incidental to ownership have been transferred to buyers. Gains and losses on disposal of fixed assets are included in income currently.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at 30 September 2015 did not require any adjustment as its impact is considered insignificant.

Capital work in progress is stated at cost and consists of expenditure incurred and advances made in respect of property, plant and equipment in the course of their construction and installation. Transfers are made to relevant asset's category as and when assets are available for intended use.

Leased

Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets each determined at the inception of lease. Subsequent to initial recognition, the asset is stated at the amount determined at initial recognition less accumulated depreciation and impairment losses, if any.

Leased assets are depreciated on reducing balance method at the same rates as Company's owned assets as disclosed in the fixed asset schedule to the financial statements.

3.2 Financial instruments

Financial assets and financial liabilities are recognized at fair value or amortized cost when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow from the financial assets expire or is transferred. Financial liabilities are derecognised 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 long term investments,

investment in subsidiary, trade debts, loans, advances and other receivables, due from subsidiary, cash and bank balances, long term finance, trade and other payables and short term finance. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3.3 Financial assets

Company's financial assets includes investments, loans, advances, deposits, trade debts, other receivables and cash and bank balances. These are initially recognised at its cost which represent fair value of consideration given for it and subsequent to initial recognition. Financial assets are carried at cost, if fair value is not materially different at the balance sheet date.

3.3.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

The Company classifies its investments in the following categories:

a) Available for sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. These are primarily those investments that are intended to be held for an undefined period of time or may be sold in response to the need for liquidity. They are included in non-current assets unless the investment matures or management intends to dispose off it within 12 months of the end of the reporting date.

b) Fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

c) Held to maturity

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held to maturity investments. Held-to-maturity investments are carried at amortised cost using the effective interest rate method, less any impairment losses.

d) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'proceed receivable', 'short term loans', 'trade deposits and other receivables' and 'cash and cash equivalents' in the balance sheet.

3.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through

profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within income / expenses in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of operating income when the Company's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

3.3.3 Investment in subsidiary

The Company considers its subsidiary to be such in which the Company have ownership of not less than fifty percent of the voting power and / or has control through common directorship.

The Company accounts for its investment in subsidiary initially at cost, being the fair value of consideration given includes acquisition charges associated with such investments. Subsequently, the investment is carried at fair value. The fair value of the quoted equity instruments is determined by using market value the at each reporting date and for unquoted equity instruments by using the alternative techniques for the valuation of unquoted equity instruments.

3.4 Financial liabilities

Financial liabilities are classified according to the substance of the contractual agreements entered into. All financial liabilities are initially recognized at cost, which represents fair value of the consideration received at initial recognition. After initial recognition financial liabilities held for trading are carried at fair value and all other financial liabilities are measured at amortised cost.

3.5 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet, if the Company has a legally enforceable right to setoff the recognised amounts and the Company intends to settle either on a net basis or realise the asset and settle the liability simultaneously.

3.6 Stores, spares and loose tools

Stores, spares and loose tools excluding items in transit are valued at lower of average cost and net realizable value. Provision is made for slow moving and obsolete items.

Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding their future usability.

3.7 Stock in trade

Stock in trade are valued at the lower of cost and net realisable value except for stock in transit which is valued at invoice price and related expenses incurred up to the balance sheet date. Cost includes cost of direct materials, labour and appropriate portion of manufacturing overheads. Items in transit are stated at cost comprising invoice value and other incidental charges paid thereon.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less costs necessary to be incurred for its sale.

Cost is determined as follows:

Work in process	: at average raw material cost
Finished goods	: at lower of average manufacturing cost and net realisable value
Molasses	: at net realisable value

3.8 Biological assets

The company reviews the fair value of biological assets to assess changes in fair value less cost to sell during a period. Agriculture produce is initially recognized at cost and remeasured at reporting date at fair value less cost to sell at the point of harvest because harvested produce is a marketable commodity as there is no "measurement reliability" exception for produce.

3.9 Trade debts and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

These are carried at original invoice amount / cost, which is the fair value of the consideration to be received, less an estimate made for doubtful receivables which is determined based on management review of outstanding amounts and previous repayment pattern. Balance considered bad and irrevocable are written off.

3.10 Impairment of Assets

Financial assets

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

In case of investment in equity securities classified as available for sale and measured at fair value, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists, the cumulative loss measured as a difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised is transferred from equity and recognised in the profit and loss account. Such impairment losses are not subsequently reversed through the profit and loss account.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit and loss account.

Non - financial assets

The carrying amount of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in profit and loss account.

3.11 Employee benefits

a) Compensated absences

The Company accounts for all accumulated compensated absences when employees render services that increase their entitlement to future compensated absences.

b) Staff retirement benefits - Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution and will have no legal or constructive obligation to pay further amounts. Obligations for the defined contributions plans are recognised as an employee benefit expense in profit or loss when they are due.

The Company is operating a recognised provident fund scheme, with effect from 01 October 1991. The Scheme is applicable to all permanent employees of the Company. Equal monthly contributions are made by the Company and employees respectively @ 10% per annum of the basic salary. Company's contributions are charged to profit and loss account.

3.12 Trade and other payables

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

3.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

Current tax is the amount of tax payable on taxable income for the year, using tax rate enacted by or subsequent to the reporting date, and any adjustment to the tax payable in respect of previous year. Provision for current tax is based on higher of the taxable income at current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any or minimum tax as per section 113. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax base and carrying amount of assets and liabilities for financial reporting purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and carry forward of unused tax losses, and tax available credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused tax losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The amount of deferred tax provided is based on the expected manner of realization of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the difference reverse based on tax rates that have been enacted at the balance sheet date.

3.14 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies. The revenue is recognised on following basis:

- Revenue from sale of goods is recognised when the significant risk and rewards of ownership of the goods have been passed to the buyer, usually on dispatch of the goods to customers.

The profit earned on deposits is accounted for on receipt basis.

- Return on long and short term investment is recognised on a time proportion basis on the principal amount outstanding and the rate applicable.
- Mark up on grower loan is accounted for in line with the recovery of the respective loan due to exigencies involved in such matters.
- Dividend income is recognised when the right to receive the dividend is established.

3.15 Foreign currency translation

Foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year-end spot foreign exchange rates. Non-monetary assets are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in income currently.

3.16 Provisions

Provision is recognized when, as a result of past event, the company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Subsequently, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.17 Borrowing cost

Borrowing costs are recognised as an expense in the year in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of the relevant asset.

3.18 Mark up and financial charges under lease arrangements

Mark up and financial charges under lease arrangements are allocated to the deferred payment period so as to produce constant periodic rate of financial cost on the remaining balance of principal liability for each period.

3.19 Dividend and appropriation to reserve

Dividend distribution to the Company's shareholders and appropriation to reserves are recognised as a liability in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the balance sheet date is considered as a non adjusting event and is recognized in the financial statements in the period in which such transfers are made.

3.20 Transaction with related parties

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

3.21 Cash and cash equivalents

Cash in hand and at banks, short term bank deposits and short term running finances, if any, are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consists of cash in hand and deposits in bank, net of short term running finances (if any) that are highly liquid in nature, readily convertible into known amounts of cash and subject to insignificant risks of changes in value.

		2015	2014
	Note	Rupees	
4 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
Owned assets	4.1	1,963,590,710	1,911,164,009
Leased assets	4.2	256,124,106	251,976,464
		<u>2,219,714,816</u>	<u>2,163,140,473</u>

4.1 Owned assets

Description	Freehold Land	Building - Factory	Freehold Building - Non Factory	Plant and machinery	Furniture, fixtures and office equipment	Electrical equipment and installations	Computers	Vehicles	Tools, Fire fighting equipment and arms and ammunitions	Total
As at October 1, 2013										
Cost / Revalued amount	440,775,000	289,985,382	83,950,528	1,754,871,435	9,717,529	17,176,779	7,893,986	37,326,685	3,053,031	2,644,750,355
Accumulated depreciation	-	(76,773,717)	(28,883,990)	(551,510,862)	(6,392,812)	(8,879,617)	(7,492,961)	(25,531,472)	(2,073,755)	(707,539,186)
Net book value	440,775,000	213,211,665	55,066,538	1,203,360,573	3,324,717	8,297,162	401,025	11,795,213	979,276	1,937,211,169
Year ended September 30, 2014										
Opening net book value	440,775,000	213,211,665	55,066,538	1,203,360,573	3,324,717	8,297,162	401,025	11,795,213	979,276	1,937,211,169
Additions / transfers during the year	-	1,587,525	-	2,957,000	36,600	673,800	-	3,998,675	585,200	9,838,800
	-	1,587,525	-	103,140,686	36,600	673,800	-	3,998,675	585,200	103,140,686
Disposals / transfers	-	-	-	(47,009,701)	-	-	-	(5,009,000)	-	(52,018,701)
Cost	-	-	-	2,329,894	-	-	-	3,449,718	-	5,779,612
Accumulated depreciation	-	-	-	(44,679,807)	-	-	-	(1,559,282)	-	(46,239,089)
Net book value	-	-	-	(13,745,964)	-	-	-	(2,671,836)	-	(13,745,964)
Accumulate Depreciation of transferred	-	(10,703,900)	(2,753,325)	(61,434,197)	(333,387)	(873,826)	(120,314)	(2,671,836)	(150,808)	(79,041,593)
Depreciation for the year	-	204,095,290	52,313,213	1,189,598,291	3,027,930	8,097,136	280,711	11,562,770	1,413,668	1,911,164,009
Closing net book value	440,775,000	204,095,290	52,313,213	1,189,598,291	3,027,930	8,097,136	280,711	11,562,770	1,413,668	1,911,164,009
As at September 30, 2014										
Cost	440,775,000	291,572,907	83,950,528	1,813,959,420	9,754,129	17,850,579	7,893,986	36,316,360	3,638,231	2,705,711,140
Accumulated depreciation	-	(87,477,617)	(31,637,315)	(624,361,129)	(6,726,199)	(9,753,443)	(7,613,275)	(24,753,590)	(2,224,563)	(794,547,131)
Net book value	440,775,000	204,095,290	52,313,213	1,189,598,291	3,027,930	8,097,136	280,711	11,562,770	1,413,668	1,911,164,009
Year ended September 30, 2014										
Opening net book value	440,775,000	204,095,290	52,313,213	1,189,598,291	3,027,930	8,097,136	280,711	11,562,770	1,413,668	1,911,164,009
Additions / transfers during the year	94,101,800	-	-	6,000,000	1,613,820	2,182,635	-	4,251,000	108,175	108,257,430
	135,123,200	-	-	6,000,000	1,613,820	2,182,635	-	46,714,816	108,175	150,721,246
Revaluation	-	(38,618,864)	(25,969,214)	(35,818,376)	-	-	-	-	-	34,716,746
Disposals / transfers	-	-	-	(34,971,064)	-	-	-	(4,200,158)	-	(39,171,222)
Cost / Revalued amount	-	-	-	1,748,553	-	-	-	3,252,783	-	5,001,336
Accumulated depreciation	-	-	-	(33,222,511)	-	-	-	(947,375)	-	(34,169,886)
Net book value	-	-	-	(59,779,915)	-	-	-	(21,999,342)	-	(81,779,257)
Accumulate Depreciation of transferred	-	(10,204,764)	(2,615,661)	(59,779,915)	(410,158)	(930,210)	(84,213)	(2,667,074)	(150,068)	(76,842,063)
Depreciation for the year	-	155,271,662	23,728,338	1,066,777,489	4,231,592	9,349,561	196,498	32,663,795	1,371,775	1,963,590,710
Closing net book value	670,000,000	155,271,662	23,728,338	1,066,777,489	4,231,592	9,349,561	196,498	32,663,795	1,371,775	1,963,590,710
As at September 30, 2015										
Cost / Revalued amount	670,000,000	252,954,043	57,981,314	1,749,169,980	11,367,949	20,033,214	7,893,986	78,831,018	3,746,406	2,851,977,910
Accumulated depreciation	-	(97,682,381)	(34,252,976)	(682,592,491)	(7,136,357)	(10,683,653)	(7,697,488)	(46,167,223)	(2,374,631)	(888,387,200)
Net book value	670,000,000	155,271,662	23,728,338	1,066,777,489	4,231,592	9,349,561	196,498	32,663,795	1,371,775	1,963,590,710
Annual rates of depreciation	-	5%	5%	5%	10%	10%	30%	20%	10%	

4.1.1 Had there been no revaluation, the carrying value of the following assets would have been:

	Note	2015 Rupees	2014
Land - freehold		130,990,010	36,888,210
Building		146,736,942	154,459,935
Plant and Machinery		340,711,351	385,276,238
		<u>618,438,303</u>	<u>576,624,383</u>

4.2 Leased assets

	Plant and machinery	Vehicles	Total
	Rupees		
As at October 1, 2013			
Cost	258,744,251	42,463,816	301,208,067
Accumulated depreciation	(22,823,787)	(10,488,076)	(33,311,863)
Net book value	<u>235,920,464</u>	<u>31,975,740</u>	<u>267,896,204</u>
Year ended September 30, 2014			
Opening net book value	235,920,464	31,975,740	267,896,204
Additions / transfers during the year	90,650,000	-	90,650,000
Disposals / transfers			
Cost	(103,140,686)	-	(103,140,686)
Accumulated depreciation	13,745,964	-	13,745,964
Net book value	(89,394,722)	-	(89,394,722)
Accumulate Depreciation of transferred	(2,329,894)	-	(2,329,894)
Depreciation for the year	(8,449,976)	(6,395,148)	(14,845,124)
Closing net book value	<u>226,395,872</u>	<u>25,580,592</u>	<u>251,976,464</u>
As at September 30, 2014			
Cost	246,253,565	42,463,816	288,717,381
Accumulated depreciation	(19,857,693)	(16,883,224)	(36,740,917)
Net book value	<u>226,395,872</u>	<u>25,580,592</u>	<u>251,976,464</u>
Year ended September 30, 2015			
Opening net book value	226,395,872	25,580,592	251,976,464
Additions / transfers during the year	42,492,511	-	42,492,511
Disposals / transfers			
Cost	-	(42,463,816)	(42,463,816)
Accumulated depreciation	-	21,999,342	21,999,342
Net book value	-	(20,464,474)	(20,464,474)
Accumulate Depreciation of transferred	-	-	-
Depreciation for the year	(12,764,277)	(5,116,118)	(17,880,395)
Closing net book value	<u>256,124,106</u>	<u>-</u>	<u>256,124,106</u>
As at September 30, 2015			
Cost	288,746,076	-	288,746,076
Accumulated depreciation	(32,621,970)	-	(32,621,970)
Net book value	<u>256,124,106</u>	<u>-</u>	<u>256,124,106</u>
Annual rates of depreciation	<u>5%</u>	<u>20%</u>	

4.3 Depreciation for the year has been allocated as follows:

	2015 Rupees	2014
Cost of sales	89,111,969	87,037,868
Administrative expenses	5,610,489	6,848,849
	<u>94,722,458</u>	<u>93,886,717</u>

5 INVESTMENT IN SUBSIDIARY

				2015	2014
				Rupees	
(Number of shares)					
14,473,160	14,473,160	Matol (Pvt.) Limited	5.1	413,099,792	427,083,889
100,000	-	Matlari Flour Mills (Pvt) Limited	5.2	1,000,000	-
14,573,160	<u>14,473,160</u>			<u>414,099,792</u>	<u>427,083,889</u>

5.1 Movement of investment in subsidiary
Matol (Pvt.) Ltd

Opening balance - cost	427,083,889	373,481,569
Shares sold during the year	-	(10,000)
	427,083,889	373,471,569
(Loss) / Gain on remeasurement	(13,984,097)	53,612,320
Closing balance	<u>413,099,792</u>	<u>427,083,889</u>

5.1.1 The Company's present shareholding is 14,473,160 (2014: 14,473,160) shares of Rs.10 each i.e. 66.21% (2014: 66.21 %) thus Matol (Pvt.) Limited continues to be its subsidiary company. The shares of subsidiary are not quoted at the Stock Exchanges ,therefore, these are reflected at fair value determined on the basis of breakup value of Rs. 28.54/- (2014: Rs. 29.51/-) per share as per the audited financial statements of the company for the year ended June 30, 2015.

5.2 The Company acquired 100,000 shares of Rs.10 each (i.e. 99.95% shares) of Matlari Flour Mills (Pvt.) Limited in January 2015 by virtue of which it became the company's subsidiary. The shares of the company are not quoted on stock exchange due to which it is assumed that its cost is equivalent to its fair value.

		2015	2014
		Rupees	
6 LONG TERM DEPOSITS	Note		
Lease		15,776,967	15,888,000
Utilities		819,473	819,473
Others		206,000	206,000
		<u>16,802,440</u>	<u>16,913,473</u>
7 STORES, SPARES AND LOOSE TOOLS			
Stores		11,259,972	9,971,294
Spares		49,055,363	48,458,701
Loose tools		2,177,205	1,748,350
		<u>62,492,540</u>	<u>60,178,345</u>
Less: Provision for slow moving and obsolete items		<u>(16,510,000)</u>	<u>(16,510,000)</u>
		<u>45,982,540</u>	<u>43,668,345</u>
8 STOCK IN TRADE			
Work in process		577,722	1,530,912
Finished goods		1,022,896	68,517,856
		<u>1,600,618</u>	<u>70,048,768</u>

9 BIOLOGICAL ASSETS

Biological assets represents cost of agricultural produce harvested on company's own land as well as on leased land for cultivation of sugar cane and other produce that is estimated to be its approximate fair value.

		2015	2014
	Note	Rupees	
10 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Loans to growers - secured, considered good		95,297,467	118,514,409
Advances - unsecured, considered good			
Suppliers		30,490,002	7,105,561
Expenses		4,609,203	2,066,756
Advance against purchase of land		-	42,000,000
Others		7,296,489	4,919,587
		42,395,694	56,091,904
Receivable from provident fund		-	3,756,527
Prepaid insurance		1,817,503	1,685,368
Sales tax receivable		1,829,737	-
Deposits		3,000,000	7,497,205
Other receivable	10.1	119,000,000	200,037,095
Accrued interest		738,252	1,237,482
		264,078,653	388,819,990
10.1	This includes receivable from related parties as per following detail:		
	Matol (Private) Limited		
Dividend		-	72,365,800
Sale of molasses		-	-
		-	72,365,800
	Matiari Flour Mills (Private) Limited		
Advance for purchase of shares		119,000,000	120,000,000
Advance against expenses		-	7,671,296
		119,000,000	127,671,296
11 SHORT TERM INVESTMENT - Held to maturity			
Term deposit certificate (MCB Bank)	11.1	14,706,300	13,656,300
Term deposit certificate (FCIBL)	11.2	5,000,000	-
		19,706,300	13,656,300

11.1 These represent term deposit receipts placed with MCB Bank Limited. They carry average profit rate of 6.12% and maturity date of April 14, 2016 and June 05, 2016.

11.2 Term deposit certificate carrying mark up of 11.5% (2014: 11.5%) per annum deposited with the First Credit Investment Bank Limited (FCIBL) under lien against guarantees issued in favor of Sui Southern Gas Company Limited on behalf of Matol (Pvt.) Limited having maturity of three years. This investment have a maturity date of 04 April 2016.

12	CASH AND BANK BALANCES	Note	2015	2014
			Rupees	
	Cash in hand		136,130	94,392
	Cash at banks			
	Savings accounts		1,174,510	1,916,867
	Current accounts		10,385,150	29,147,247
			11,559,660	31,064,114
			11,695,790	31,158,506
13	ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
	2015	2014	2015	2014
		Ordinary shares of Rs. 10/- each fully paid in cash		
	6,525,000	6,525,000	65,250,000	65,250,000
		Ordinary shares of Rs. 10/- each issued as fully paid bonus shares		
	16,055,415	16,055,415	160,554,150	160,554,150
	22,580,415	22,580,415	225,804,150	225,804,150
14	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT	Note	2015	2014
	Surplus on revaluation-net of deferred tax		1,075,073,891	899,390,040
	Less: Incremental depreciation-net of deferred tax		(12,816,756)	(13,255,570)
			1,062,257,135	886,134,470
Revaluation of land, buildings and plant and machinery was carried out by M/s. Oceanic Surveyors (Pvt.) Limited on the basis of present market value . This represents surplus over book values resulting from the revaluation of plant and machinery carried out in the year 2003, 2006, 2009, 2012 and 2015 adjusted by surplus realized on disposal if any of revalued assets, incremental depreciation and deferred tax rate adjustment arising out of revaluation.				
15	LONG TERM FINANCES	Note	2015	2014
	Secured			
	Pak Iran Investment Company Limited - I		-	-
	Pak Iran Investment Company Limited - II	15.1	15,000,000	35,000,000
			15,000,000	35,000,000
	Less: Current maturity			
	Pak Iran Investment Company Limited - I		-	-
	Pak Iran Investment Company Limited - II	21	(15,000,000)	(20,000,000)
			(15,000,000)	(20,000,000)
			-	15,000,000

- 15.1** This term finance facility of Rs.70 million was obtained for construction of molasses tank to increase the storage capacity. The loan was repayable in quarterly installments after a grace period of 06 months commencing from 01 January 2012 till 25 April 2016 and carries mark up at the rate of 3 months KIBOR plus 3.25% per annum. The loan is secured by first pari passu charge on all present and future fixed assets to the extent of Rs 100 million, exclusive charge on molasses storage tank and personal guarantees of directors.

16	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES	Note	2015	2014
			Rupees	
	Balance as at 01 October		162,172,091	158,615,634
	Assets acquired during the year		42,492,511	90,650,000
			204,664,602	249,265,634
	Less: Installments paid during the year		(88,800,223)	(87,093,543)
			115,864,379	162,172,091
	Less: Current maturity	21	(52,622,022)	(80,258,877)
	Balance as at 30 September		63,242,357	81,913,214

- 16.1** The future minimum lease payments to which the Company is committed are as follows:

	Not later than one year	Later than one year but not later than five years
	Rupees	
2015		
Principal	52,622,022	63,242,357
Finance charges allocated to future years	8,445,489	8,983,399
Total lease rentals	61,067,511	72,225,756
2014		
Principal	80,258,877	81,913,214
Finance charges allocated to future years	17,705,121	9,174,495
Total lease rentals	97,963,998	91,087,709

- 16.2** This represents lease arrangements for assets leased from Orix Leasing Pakistan Limited, NBP Leasing Limited MCB Bank Limited, JS Bank Limited and Standard Chartered Leasing Limited. The lease rentals are payable in equal monthly / quarterly installments. Cost of operating and maintaining the leased assets is borne by the Company. The payments of lease rentals are secured by way of demand promissory notes and personal guarantees of directors of the Company. These assets are under the restrictions of transfer, sublease and assignment of rights to third party.

17	DEFERRED LIABILITIES	Note	2015	2014
			Rupees	Restated
	Deferred taxation - net	17.1	335,328,343	482,942,800
	Sales tax	17.2	48,518,096	48,518,096
	Market committee fee	17.3	23,868,214	23,868,214
	Accumulated leave absences		2,602,156	1,653,458
	Deferred income		933,840	1,867,679
			411,250,648	558,850,247

		2015	2014
	Note	Rupees	
17.1 Deferred taxation - net			
<i>Deferred tax liability arising in respect of:</i>			
- Accelerated tax depreciation		62,690,545	64,238,319
- Surplus on revaluation of property, plant and equipment		235,082,051	395,062,979
- Assets acquired on finance lease		43,480,515	29,635,443
		341,253,111	488,936,741
<i>Deferred tax asset arising in respect of:</i>			
- Provision for deferred liabilities		(806,668)	(545,641)
- Provision for slow moving and obsolete items		(5,118,100)	(5,448,300)
		(5,924,768)	(5,993,941)
		335,328,343	482,942,800
17.2	This represents further tax levied by the Government under section 3 (1-A) of the Sales Tax Act, 1990. In the light of Supreme Court of Pakistan decision the Company filed application and challenged the levy which has been heard by different forums of Additional Collector, Collector Appeals, and Custom, Sales Tax & Federal Excise Appellate Tribunal. The Tribunal decided the cases in the favor of the Company. However, the Department has filed reference application against the decision of the Appellate Tribunal before Honorable High Court of Sindh which is under proceedings.		
17.3	The Company challenged the levy of market committee fee before Sindh High Court on different grounds. High Court and Supreme Court decided the case against the Company. The Company has provided the amount claimed and had filed the suit against such decision which is still pending in Civil Court in Hyderabad.		
18 TRADE AND OTHER PAYABLES	Note	2015	2014
		Rupees	
Cane growers		145,616,570	29,212,606
Suppliers			
- Stores		17,363,601	21,543,967
Accrued liabilities		7,073,843	11,578,903
Workers' profit participation fund	18.1	11,337,451	7,158,976
Workers' welfare fund		19,879,362	15,571,130
Payable to Provident Fund		1,015,571	-
Advances from customers	18.2	59,185,531	38,744,922
Inland LC Bills Payable		50,065,273	44,709,191
Sales tax payable		-	12,052,728
Advances deducted from staff against vehicles		1,384,870	3,032,779
Income tax deducted at source		1,025,185	417,740
		313,947,257	184,022,942

18.1 Workers' profit participation fund

Opening balance		7,158,976	3,943,712
Amount allocated during the year	28	11,337,451	7,158,976
		18,496,427	11,102,688
Amount paid during the year		(7,158,976)	(3,943,712)
		11,337,451	7,158,976

18.2 This represents amount of Rs 59.19 million (2014: 29.76 million) from Matol (Private) Limited for molasses.

	Note	2015 Rupees	2014
19 ACCRUED MARK UP			
Long term finances		272,465	1,984,148
Short term borrowings		10,903,427	11,204,877
		11,175,892	13,189,025

20 SHORT TERM BORROWINGS - SECURED
MCB Bank Limited

Agricultural finance	20.1	50,000,000	50,000,000
Running finance		76,886,306	74,912,997
Cash finance		-	227,000,000
		126,886,306	351,912,997

Habib Bank Limited

Agricultural finance		-	20,155,000
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United Bank Limited

Agricultural finance	20.2	14,157,892	-
		141,044,198	372,067,997

The limits of facilities are as follows:

20.1 MCB Bank Limited

Agricultural finance	50 million	50 million
Running finance	100 million	75 million
Cash finance	800 million	750 million

These borrowings carry markup at the rate of 3 months KIBOR plus 1.75% (2014: 3 months KIBOR plus 1.75%) and are secured by way of pledge of white refined sugar packed in bags against cash finance, first exclusive charge of Rs. 900 million over plant and machinery installed at factory premises and personal guarantees of all directors.

	Note	2015 Rupees	2014
20.2 United Bank Limited			
Agricultural finance		30 million	-

This represents finance facility has a limit of Rs 30 million obtained during the year carrying mark up at the rate of 1 year KIBOR plus 2.2% . Facility is secured by way of corporate guarantee of the Company.

			2015	2014
	Note		Rupees	
21		CURRENT PORTION OF LONG TERM LIABILITIES		
		Long term finances		
		PAIR Investment Company Limited (Formerly Pak Iran Joint Investment Co. Limited)	15	15,000,000
		Lease		
		Liabilities against assets subject to finance leases	16	52,622,022
				80,258,877
			67,622,022	100,258,877

22 CONTINGENCIES AND COMMITMENTS

22.1 Contingencies

There is no contingency existing at year end.

22.2 Commitments

In respect of :

-Corporate Guarantee issued by the company to MCB Bank Limited in favour of Matol (Pvt.) Limited (Subsidiary) against Export Refinance Arrangement amounting to Rs. 300 Million.

-Corporate Guarantee issued by the company to MCB Bank Limited in favour of Matiari Flour Mills (Pvt.) Limited (Subsidiary) against Leasing facility amounting to Rs. 222 Million.

-Corporate Guarantee issued by the company to Pair Investment Co. Ltd. in favour of Matiari Flour Mills (Pvt.) Ltd against Term Finance Facility amounting to Rs. 241 Million.

-Corporate Guarantee issued by Matiari Sugar Mills Limited to SSGC in favour of Matol (Pvt.) Limited (Subsidiary) amounting to Rs. 5 Million.

			2015	2014
	Note		Rupees	
23		SALES - NET		
		Local sales	3,166,644,664	2,800,195,931
		Export sales	-	160,258,843
			3,166,644,664	2,960,454,774
		Less: Sales tax and special excise duty	(251,328,184)	(175,475,968)
		Brokerage expense	(607,357)	(587,264)
			(251,935,541)	(176,063,232)
			2,914,709,123	2,784,391,542

24	COST OF SALES	Note	2015	2014
			Rupees	
	Opening stock of finished goods		68,517,856	78,259,590
	Add: cost of goods manufactured	24.1	2,775,329,804	2,869,237,667
			2,843,847,660	2,947,497,257
	Less: Closing stock of finished goods		(1,022,896)	(68,517,856)
	Sale of by-products		(283,076,402)	(295,900,803)
			2,559,748,362	2,583,078,598
24.1	Cost of goods manufactured			
	Raw material consumed		2,402,215,602	2,552,919,707
	Chemicals and packing material consumed		39,593,061	39,193,661
	Fuel and power		7,505,040	3,266,369
	Salaries, wages and benefits	24.1.1	156,999,417	131,714,234
	Stores, spares and maintenance		64,155,244	39,369,686
	Vehicles maintenance		5,093,743	6,758,896
	Insurance		4,229,873	4,323,020
	Others		5,472,665	5,532,785
	Depreciation	4.3	89,111,969	87,037,868
			2,774,376,614	2,870,116,226
	Opening work in process		1,530,912	652,353
	Closing work in process		(577,722)	(1,530,912)
			953,190	(878,559)
	Cost of goods manufactured		2,775,329,804	2,869,237,667

24.1.1 This includes Rs. 2,141,291 (2014: Rs.2,014,598/-) in respect of staff retirement benefits.

25	ADMINISTRATIVE EXPENSES	Note	2015	2014
			———— Rupees ————	
	Directors' remuneration	31	12,277,382	11,022,618
	Salaries, wages and benefits	25.1	42,472,425	34,911,721
	Rent, rates and taxes		165,101	165,101
	Insurance		1,917,579	2,045,940
	Water, gas and electricity		2,532,334	2,765,148
	Printing and stationery		1,356,128	1,623,973
	Postage and telephone		1,172,958	1,180,685
	Vehicles maintenance		2,258,569	2,338,892
	Repairs and maintenance		4,482,334	4,326,158
	Travelling and conveyance		915,329	1,684,302
	Subscription, books and periodicals		591,574	269,839
	Legal and professional charges		6,081,882	4,271,654
	Entertainment		1,493,788	1,218,249
	Auditors' remuneration	25.2	590,000	590,000
	Cost auditors' remuneration		70,000	65,000
	Donation	25.3	535,000	5,000
	Miscellaneous expenses		62,029	134,550
	Depreciation	4.3	5,610,489	6,848,849
			84,584,901	75,467,679

25.1 This include Rs. 1,237,739 (2014: Rs.1,102,819/-) in respect of staff retirement benefits.

25.2	Auditors' remuneration	Note	2015	2014
			———— Rupees ————	
	Audit fee		570,000	570,000
	Audit of funds and other services		20,000	20,000
			590,000	590,000

25.3 None of the directors and their spouses had any interest in these donations.

26	DISTRIBUTION COST		2015	2014
	Loading and unloading charges		787,192	722,445
	Other expenses		1,944,135	2,843,751
	Export expenses		-	7,208,011
			2,731,327	10,774,207

27	OTHER OPERATING CHARGES		2015	2014
	Workers' profit participation fund		11,337,451	7,158,976
	Workers' welfare fund		4,308,232	2,720,411
			15,645,683	9,879,387

28 OTHER INCOME

Profit on short term deposits		2,350,979	2,395,279
Gain on sale of property, plant and equipment		3,246,705	2,690,718
Deferred income - amortisation		933,840	933,840
Interest income on loans to growers		4,095,105	6,106,361
Dividend income		-	72,365,800
Agriculture income - net	28.1	19,276,726	12,168,621
		29,903,355	96,660,619

		2015	2014
28.1 Agriculture income - net	Note	Rupees	
Income from farms		43,540,261	48,061,620
Expenses of farms		(24,263,535)	(35,892,999)
		19,276,726	12,168,621

29 FINANCE COST

Mark up on long term finances	1,944,829	7,904,189
Mark up on short term borrowings	45,142,330	37,780,827
Financial charges on leased assets	22,948,364	21,058,694
Bank charges	763,337	1,808,439
	70,798,860	68,552,149

30 TAXATION

Current	51,519,834	36,835,255
Prior	10,931,944	(388,911)
Deferred	12,366,471	5,905,216
	74,818,249	42,351,560

- 30.1** Income tax assessments of the Company deemed finalized as per tax return file upto tax year 2015. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

Particulars	2015				2014			
	Chief Executive	Directors	Executives	Total	Chief Executive	Directors	Executives	Total
(Rupees)								
Meeting fees	-	75,000	-	75,000	-	25,000	-	25,000
Managerial remuneration	12,202,382	-	32,783,950	44,986,332	10,997,618	-	31,073,519	42,071,137
Other benefits	-	-	1,261,510	1,261,510	-	-	1,196,643	1,196,643
Retirement benefits	-	-	950,161	950,161	-	-	750,784	750,784
Total	12,202,382	75,000	34,995,621	47,273,003	10,997,618	25,000	33,020,946	44,043,564
No. of Persons	1	9	18	28	1	9	15	25

- 31.1** The Chief Executive is also provided with the Company's maintained car.

32 TRANSACTIONS WITH RELATED PARTIES

Related parties include associated companies, directors of the Company, companies where directors also hold directorship, related group companies, key management personnel and staff retirement funds. All transactions involving related parties arising in the normal course of business are conducted at commercial terms and conditions, and at prices agreed, based on inter company prices using admissible valuation modes, i.e. comparable uncontrolled price method except service charges received / paid on cost plus method. There are no transactions with the key management personnel other than under their terms of employment / entitlements. Contributions to the employees retirement benefits are made in accordance with terms of employees retirement benefits schemes. Particulars of transactions with employee retirement benefit plans are disclosed in notes 24 and 25 to these financial statements.

Transactions with related parties and associated undertakings, other than those disclosed elsewhere in these financial statements, are as follows:

Transactions during the period:	Nature of Relationship	2015	2014
		Rupees	
Security services hired	Associate	17,475,864	17,475,864
Advance for expenses	Subsidiary	(7,671,296)	39,571,552
Advance for purchase of shares	Subsidiary	-	120,000,000
Dividend Income	Subsidiary	-	72,365,800
Sale of molasses	Subsidiary	223,388,003	268,413,846
Provident fund contribution	Staff	2,141,291	3,117,417

Transactions with key management personnel are disclosed in Note 31 to the financial statements.

Outstanding balances:

(Payable)/ Receivable	Subsidiary	(59,185,531)	42,607,086
Advance against shares/Expenses	Subsidiary	119,000,000	127,671,296
(Payable)/ Receivable	Trust	(1,015,571)	3,756,527

33 NUMBER OF EMPLOYEES

	2015	2014
	Number	
Total employees at year end	361	363
Average number of employees during the year	371	373

34 DISCLOSURES RELATING TO PROVIDENT FUND

		————— Rupees —————	
		Un-Audited	
(i)	Size of the fund	55,036,811	60,304,578
(ii)	Cost of investment made	33,250,000	33,750,000
(iii)	Percentage of investments made	60.41%	55.97%
(iv)	Fair value of investments	65,055,431	70,108,167
Breakup of Investment-Amount			
-	Defence Saving Certificates	21,590,000	22,090,000
-	Orix Leasing Pakistan Limited	11,660,000	11,660,000
		33,250,000	33,750,000
Breakup of Investment-Percentage			
-	Defence Saving Certificates	39.23%	36.63%
-	Orix Leasing Pakistan Limited	21.19%	19.34%
		60.41%	55.97%

34.1 Investments are made out of the fund are in accordance with section 227 of the Companies Ordinance, 1984 and Employees' Provident Fund Rules, 1996.

		————— Rupees —————	
		2015	2014
		Note	
35 CASH GENERATED FROM OPERATIONS			
Profit before taxation		211,103,345	133,300,141
Adjustments for:			
Depreciation		94,722,458	93,886,717
Finance cost		70,798,860	68,552,149
Gain on sale of property, plant and equipment		(3,246,705)	(2,690,718)
Provision for workers' profit participation fund	27	11,337,451	7,158,976
Provision for workers welfare fund	27	4,308,232	2,720,411
Working capital changes	35.1	315,003,729	(121,992,932)
		492,924,025	47,634,603
		704,027,370	180,934,744
35.1 Working capital changes			
(Increase)/decrease in current assets			
Stores, spares and loose tools		(2,314,195)	8,251,205
Stock in trade		68,448,150	8,863,175
Trade debts		9,849,805	(2,781,686)
Loans, advances, prepayments and other receivables		124,741,337	(225,624,863)
		200,725,097	(211,292,169)
Increase/(decrease) in current liabilities			
Trade and other payables		114,278,632	89,299,237
		315,003,729	(121,992,932)

36 PRODUCTION CAPACITY	2015	2014
No. of days mill operated	159	161
Crushing capacity per day (M.tons)	4,200	4,200
Total crushing capacity based on operational days (M.tons)	667,800	676,200
Actual crushing (M.tons)	559,264	588,138
Sugar production (M.tons)	58,848	59,970

The sugar production is based upon plant's crushing capacity and certain factors which include sucrose recovery percentage.

37 EARNINGS PER SHARE - BASIC AND DILUTED	2015	2014
	Rupees	
Profit after taxation	136,285,096	90,948,581
	(Number)	
Weighted average number of ordinary shares	22,580,415	22,580,415
	Rupees	
Earnings per share - basic and diluted	6.04	4.03

38 FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's Finance Department under policies approved by the Board.

a) Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. Market risk comprises of currency risk, interest rate risk and other price risk. The Company is exposed to currency risk and interest rate risk only.

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from long term and short term financing. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk.

At the balance sheet date the interest rate profile of the Company's interest-bearing financial instrument was as follows:

	Carrying amount	
	2015	2014
Variable rate instruments	Rupees	
Long term finances - secured	15,000,000	35,000,000
Liabilities against assets subject to finance leases	115,864,379	162,172,091
Short term borrowings - secured	141,044,198	372,067,997
	271,908,577	569,240,088

All borrowings bear variable interest rate and are indexed to KIBOR. Borrowing is generally determined on the basis of business needs.

Cash flow sensitivity analysis for variable rate instruments

As at September 30, 2015, if interest rate on Company's borrowings had been 1% higher / lower with all other variables held constant, post tax profit for the year would have been lower / higher by Rs.1.80 million (2014: 3.80 million), mainly as a result of interest exposure on variable rate borrowings.

	2015	2014
	Rupees	
Financial assets :		
Long term investment - held to maturity	-	5,000,000
Long term deposits	16,802,440	16,913,473
Trade debts - unsecured- considered good	1,806,792	11,656,597
Loans, advances, prepayments and other receivables	264,078,653	388,819,990
Short term investment - held to maturity	19,706,300	13,656,300
Cash and bank balances	11,695,790	31,158,506
	314,089,975	467,204,866
	2015	2014
	Rupees	
Financial liabilities - at amortized cost :		
Long term finances - secured	-	15,000,000
Liabilities against assets subject to finance leases	63,242,357	85,469,671
Deferred liabilities	2,602,156	1,653,458
Trade and other payables	313,947,257	184,022,942
Accrued mark up	11,175,892	13,189,025
Short term borrowings - secured	141,044,198	372,067,997
Current portion of long term liabilities	67,622,022	100,258,877
Unclaimed dividend	1,917,964	2,071,883
	601,551,846	773,733,853

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets/liability at fair value through profit or loss.

iii) **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market. The Company is not exposed to price risk.

b) **Credit risk**

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk arises from deposits with banks and financial institutions, due from customer, loans, advances, deposits and bank guarantees. Out of the total financial assets of Rs. 356.17 million (2014: Rs. 467.20 million), the financial assets which are subject to credit risk amounted to Rs.356.17 million (2014: Rs 467.20 million). The credit risk to liquid funds is limited because the counter parties are the banks with a reasonably high credit rating. The Company maintains an internal policy to place funds with commercial banks having a minimum short term credit rating of A.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under.

The Company is not exposed to major concentration of credit risk and manage its exposure to credit risk by making export sales against letters of credits at site and making appropriate provisions for doubtful receivables, where it considers necessary.

The credit quality of receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history, however, no losses incurred. The credit quality of Company's bank balances can be assessed with reference to external credit ratings as follows:

Banks	Rating Agency	Rating	
		Short term	Long term
Bank Alfalah Limited	PACRA	A1+	AA
Habib Bank Limited	JCR-VIS	A1+	AAA
JS Bank Limited	PACRA	A1+	A+
MCB Bank Limited	PACRA	A1+	AAA
NIB Bank Limited	PACRA	A1+	AA-
Soneri Bank Limited	PACRA	A1+	AA-
Allied Bank Limited	PACRA	A1+	AA+

c) **Liquidity risk**

Liquidity risk is the risk that a Company will not be able to meet its financial obligations as they fall due.

The Company's approach to managing liquidity is to ensure as far as possible to always have sufficient liquidity to meet its liabilities when due. The Company is not exposed to liquidity risk as substantially all obligations / commitments of the Company are short term in nature, however are restricted to the extent of available suppliers credits.

The table below analysis the Company's financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to contractual maturity dates.

2015					(Amount in rupees)
Interest Bearing		Non-interest Bearing		Total	
Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity after one year		
FINANCIAL ASSETS					
Investment in subsidiary	-	-	-	414,099,792	414,099,792
Trade debts	-	-	1,806,792	-	1,806,792
Due from subsidiary	-	-	-	-	-
Other receivables	-	-	264,078,653	-	264,078,653
Short term investment	19,706,300	-	-	-	19,706,300
Cash and bank balances	1,174,510	-	10,385,150	-	11,559,660
	20,880,810	-	276,270,595	414,099,792	711,251,197
FINANCIAL LIABILITIES					
At Amortized Cost					
Long term loans	15,000,000	-	-	-	15,000,000
Finance lease liabilities	52,622,022	63,242,357	-	-	115,864,379
Trade and other payables	-	-	313,947,257	-	313,947,257
Mark up accrued on loans	-	-	11,175,892	-	11,175,892
Short term borrowing	141,044,198	-	-	-	141,044,198
Unclaimed dividend	1,917,964	-	-	-	1,917,964
	210,584,184	63,242,357	325,123,149	-	598,949,690
2014					(Amount in rupees)
Interest Bearing		Non-interest Bearing		Total	
Maturity upto one year	Maturity after one year	Maturity upto one year	Maturity after one year		
FINANCIAL ASSETS					
Investment in subsidiary	-	-	-	427,083,889	427,083,889
Long term Investment	-	5,000,000	-	-	5,000,000
Trade debts	-	-	11,656,597	-	11,656,597
Other receivables	-	-	388,819,990	-	388,819,990
Short term investment	13,656,300	-	-	-	-
Cash and bank balances	1,916,867	-	29,147,247	-	31,064,114
	15,573,167	5,000,000	429,623,834	427,083,889	877,280,890
FINANCIAL LIABILITIES					
At Amortized Cost					
Long term loans	20,000,000	15,000,000	-	-	35,000,000
Finance lease liabilities	80,258,877	81,913,214	-	-	162,172,091
Trade and other payables	-	-	184,022,942	-	184,022,942
Mark up accrued on loans	-	-	13,189,025	-	13,189,025
Short term borrowing	372,067,997	-	-	-	372,067,997
Unclaimed dividend	-	-	2,071,883	-	2,071,883
	472,326,874	96,913,214	199,283,850	-	768,523,938

38.2 Capital risk management

The Company's objectives, while managing capital, are to safeguard the ability to continue as a going concern in order to provide benefits to the share and stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages capital structure and makes adjustments to it, in the light of changes in the economic conditions. To maintain or change the capital structure, the Company may declare higher dividends or issue new shares.

The management seeks to maintain a balance between higher returns and possible levels to manage borrowings.

38.3 Fair value of financial Assets and Liabilities

The carrying value of all financial assets and liabilities approximate their fair value. Fair values are the amount for which an asset could be exchanged, or liabilities settled, between knowledgeable willing parties at an arm's length transactions..

39 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors in their board meeting held on October 01, 2015 has approved interim cash dividend @ 60% (2014: 40%). The financial statements for the year ended 30 September 2015 do not include the effect of

these dividends which will be accounted for in the financial statement for the year ending September 30, 2016.

40 CORRESPONDING FIGURE

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation.

41 DATE OF AUTHORISATION FOR ISSUE

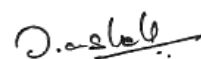
Theses financial statements were authorised for issue on 9th January 2016 by the Board of Directors of the Company.

42 GENERAL

- Figures have been rounded off to the nearest rupee.
- Figures, including comparatives, have been re-arranged and reclassified wherever necessary.



Chief Executive



Director

PATTERN OF SHARE HOLDING

NO. OF SHARE HOLDERS	SHAREHOLDING RANGE	TOTAL SHARE HELD
4	From 1 to 2,000 Shares	2,076
2	From 2,001 to 10,000 Shares	6,922
4	From 10,001 to 20,000 Shares	69,212
44	From 20,001 and above	22,502,205
54		22,580,415

CATEGORIES OF SHARE HOLDERS	NUMBER	SHARE HELD	PERCENTAGE
Individual (Pakistan)	52	21,680,299	96.01
Individual (Foreign)	-	-	-
Investment Companies	-	-	-
Join Stock Companies	1	865,510	3.83
Financial Institutions	-	-	-
Private Companies and Institutions	1	34,606	0.15
	54	22,580,415	100