

# NAUDERO SUGAR MILLS (PVT) LIMITED

Ref: NSML/NEPRA/28022024

**The Registrar**

National Electric Power Regulatory Authority  
NEPRA Tower, Ataturk Avenue (East), Sector G-5/1  
Islamabad, Pakistan

**SUBJECT: FOR THE GRANT OF GENERATION LICENSE TO NAUDERO SUGAR MILLS LIMITED (NSML)**

Naudero Sugar Mills Limited (NSML) hereby apply to the National Electric Power Regulatory Authority for the grant of a Generation - License to the Naudro Sugar Mills Limited (NSML) pursuant to section 15 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

Naudero Sugar Mills Limited ("NSML") is a private limited company located at Naudero District, Larkana, Sindh which owns and operates a sugar mill with MW power house with capacity of 3.25 MW and working to expand it to 6.25 MW. NSML is engaged in the manufacturing and sale of sugar and the generation of electricity.

NSML produces power through burning of bagasse, a waste product of sugarcane processing, to meet its captive requirements. Bagasse is an environmentally friendly biomass fuel and helps reduce emission of Green House Gases. In additional to meeting its captive energy needs, NSML has the surplus energy capacity of approximately 1.5 MW to 2 MW which can be supplied to the National Grid.

The set of documents presented herewith contain triplicate form of application as per schedule I of NEPRA Licensing procedure 2021, pay order of application fee indexed as per mechanism provided in schedule II of above-mentioned licensing procedure, pay order equivalent to applicable annual license fee for two years as per regulation 3, sub-regulation 8 of above-mentioned licensing procedure, further relevant applicable documents as per regulation 3 of licensing procedure are attached.

It is respectfully submitted that NSML shall provide NEPRA such further or additional information, clarification or explanation as it may require from time to time and request authority to allow it to supplement and submit such information and supporting material that it may deem appropriate.

Date:

  
Authorized Signatory

**Registered Office:** Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

**Corporate Office:** CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533, 35657788, Email: nauderossugarmills@omnigroup.com.pk

Web: www.omnigroup.com.pk

## PROSPECTUS

Naudero Sugar Mills (Private) Limited is a private limited company incorporated under the companies ordinance 1984 and is limited by Shares. The company is engaged in the business of manufacture, purchase and sell and other related activities since its incorporation in October 2001. The facility is located at Larkana Road, Naudero, District Larkana, Sindh with its business office at State Life Building # 10, Main Abdullah Haroon Road, Karachi.

The company has a crushing capacity of 3,000 Tons per day of sugarcane. During the crushing season, the company operates a bagasse fired conventional steam turbine power plant with an installed capacity currently standing at 3.25 MW and looking for an extension in capacity up to 6.25 MW to fulfill the power requirement of this process. The crushing season generally lasts around 115 to 120 days between the months of November and March. Bagasse is burned in a low-pressure boiler to generate steam, which is fed to steam turbine which generates electricity, later, the steam is fed in to the equipment of sugar processing. The company is looking to enhance installed capacity after which excess electricity from the steam turbines can be sold as surplus power to SEPCO.

An expense of PKR 90 Million is estimated for procurement, installation and commissioning of new equipment (including steam turbine, transformer, Panels, Cables etc.) which will enable the power house of sugar mill to export surplus power to SEPCO.

On the social front, it has become a significant source of employment, providing jobs within the community. This has not only improved the local economy but also fostered community development by contributing to infrastructure and services. Additionally, the power plant has played a role in skill development, offering opportunities for individuals to enhance their capabilities.

On the environmental side, the use of bagasse, a byproduct from crushing sugarcane during sugar production, has proven to be environmentally friendly around the globe. The plant operates with reduced emissions, as bagasse is considered a carbon-neutral fuel source, meaning it doesn't add extra carbon dioxide to the atmosphere.

Furthermore, the plant contributes to waste reduction by utilizing bagasse, effectively recycling a byproduct that might otherwise become waste. This sustainable approach has also lessened our dependence on traditional fossil fuels, promoting a cleaner energy source. The overall impact includes a healthier environment with improved air quality, making the bagasse-fired power plant a positive force for both the community and the surroundings.

NSML is already in coordination with Sukkur Electric Power Company (SEPCO) and have shared draft Power Purchase Agreement vide letter No. "NSML/GMP/06032024" dated March 6<sup>th</sup>, 2024 in consideration of supplying surplus 1.5 MW to local grid and the application is under consideration. The replies / correspondence in response to our application are also attached with the letter.

# NAUDERO SUGAR MILLS (PVT) LIMITED

Ref No. NSML/GMP/07122023

Chief Executive Officer  
Sukkur Electric Supply Company (SEPCO),  
Old Thermal House  
Sukkur

December 07, 2023

SUBJECT: REQUEST FOR LETTER OF INTENT (LOI) - PROCUREMENT OF ELECTRIC POWER FROM NAUDERO SUGAR MILLS (PVT) LIMITED (NSML)

Dear Sir,

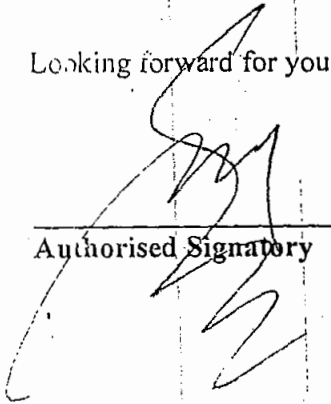
NSML is currently generating electricity through the combustion of bagasse, and we are pleased to offer you the 1.5 MW power supply at the 11KV voltage level.

We are interested in establishing a power purchase agreement (PPA) with Sukkur Electric Power Company (SEPCO) for the procurement of electricity generated by NSML. The utilization of bagasse for power generation aligns with both environmental sustainability goals and the government's vision for promoting renewable and cheapest energy sources.

To formalize this arrangement, we kindly request SEPCO to issue a Letter of Intent (LOI) to signify your commitment to entering into negotiations for the power purchase agreement. This LOI will facilitate the smooth progression of discussions and further steps in finalizing the terms and conditions of the agreement.

The proposed procurement will cost SEPCO 7.57 PKR/KWh while the power purchase price (PPP) from CPPA (G) L is 24 PKR/KWh. The power available for purchase from NSML is significantly lower in price and will result in decrease in the average power purchase price due to being cheaper than the expensive electricity which is being procured from Central Power Purchasing Agency (Guarantee) Limited and create a positive impact on basket price. In addition to that, the power being supplied directly to the 11KV levels and being situated close to the load centre will be available for consumption by end user with minimum losses. The proposed power procurement is based on "Take and Pay" basis which will reduce burden of capacity payment.

Looking forward for your prompt support in this regard.

  
Authorized Signatory

Registered Office: Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

Corporate Office: CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533, 35657788, Email: [nauderossugarmills@omnigroup.com.pk](mailto:nauderossugarmills@omnigroup.com.pk)

Web: [www.omnigroup.com.pk](http://www.omnigroup.com.pk)



# **SUKKUR ELECTRIC POWER COMPANY**

Office of the Chief Executive Officer, SEPCO, Sukkur

Phone: 0719310044  
Fax: 071-5620237

Office of The  
Director General MIRAD,  
Al-Sehra Building 2<sup>nd</sup> Floor,  
Near Dist: Jail, Minara Road, Sukkur

No. DG//MIRAD/ SEPCO/ 114-45

Dated: 05/01/2024

The Management,  
Naudero Sugar Mills (Pvt) Limited,  
CL-5/4, State Life Building # 10,  
Main Abdullah Haroon Road Karachi.

**Subject: REQUEST FOR LETTER OF INTENT (LOI) - PROCUREMENT OF ELECTRIC POWER FROM NAUDERO SUGAR MILLS (PVT) LIMITED (NSML)**

**Reference:** Your letter No. NSML/GMP/07122023.

This has reference to cited letter under reference on the subject matter, it is being intimated that all previous policies regarding power procurement has been repealed after notification of National Electric Power Regulatory Authority, (Electric Power Procurement) Regulations 2022.

Pursuant to Claus 08 of regulations your offered sale of power comes under negotiated power purchase contract, therefore before execution of negotiated power purchase contract Supplier of Last Resort shall file its proposed power purchase contract with the Registrar NEPRA for its approval by the authority. (SEPCO, still not licensed as Supplier of Last Resort).

Before proceeding further in the matter, you are advised to furnish following information.

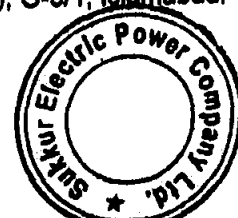
1. Board resolution in favor of authorized signatory, applying for contract with SEPCO.
2. Attested valid CNIC's of all BoD members and authorized signatory.
3. Certificate of Incorporation with SECP, if any.
4. Type of Generation unit / power Plant, year of manufacture and Date of installation.
5. Type of Fuel
6. Location with GPS co-ordinates and detail of site conditions.
7. Maximum Installed capacity.
8. Period of sale of Power. (months)
9. Period of contract.
10. Generation Licence, if any.
11. Any other data required if any will be collected on demand.

Please note that after gathering of all required documents / information, case will be presented before SEPCO BOD for its approval for submission before NEPRA and further proceeding as per Electric Power Procurement Regulations 2022.

  
Director General (MIRAD)  
SEPCO Sukkur

Copy to:

1. The Registrar, NEPRA, NEPRA Tower, Ataturk Avenue (East), G-5/1, Islamabad.
2. Chief Technical Officer, SEPCO, Sukkur.
3. Chief Engineer Development (PMU), SEPCO, Sukkur.
4. Chief Commercial Officer, SEPCO, Sukkur
5. PSO to CEO SEPCO Sukkur.





# NAUDERO SUGAR MILLS (PVT) LIMITED

Ref No. NSML/GMP/25012024

Director General (MIRAD)  
Sukkur Electric Supply Company (SEPCO),  
Al-Sehra Building 2<sup>nd</sup> Floor,  
Near Dist: Jail, Minara Road,  
Sukkur

January 25<sup>th</sup>, 2024

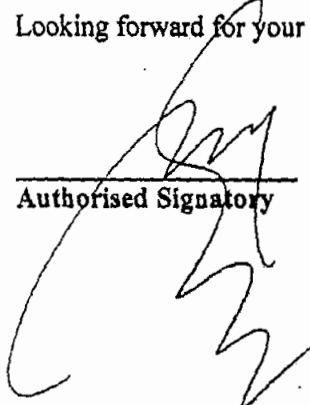
SUBJECT: REQUEST FOR LETTER OF INTENT (LOI) - PROCUREMENT OF  
ELECTRIC POWER FROM NAUDERO SUGAR MILLS (PVT) LIMITED  
(NSML)

Reference: Your Letter No. DG/MIRAD/SECPO/020-25

This is in reference to your letter cited above, the documents requested are enclosed for your record and further necessary action. List of the documents and related facts requested in above cited letter is being reproduced below for your ease,

1. Borad Resolution in favour of authorize signatory, applying for contract with SEPCO.
2. Attested CNIC's of all BoD members and authorized signatory.
3. Certificate of incorporation with SECP
4. Type of Generation unit / power plant, year of manufacture and Date of installation.
5. Type of Fuel
6. Location with GPS co-ordinates and detail of site conditions.
7. Maximum installed capacity.
8. Period of sale of Power. (months)
9. Period of contract.
10. Generation License, if any..(Application for generation license in under process)

Looking forward for your prompt support in this regard.

  
\_\_\_\_\_  
Authorized Signatory

Registered Office: Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

Corporate Office: CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533, 35657788, Email: nauderossugarmills@omnigroup.com.pk

Web: www.omnigroup.com.pk

# NAUDERO SUGAR MILLS (PVT) LIMITED

Ref No. NSML/GMP/06032024

Chief Executive Officer  
Sukkur Electric Supply Company (SEPCO),  
Old Thermal House  
Sukkur

March 6<sup>th</sup>, 2024

SUBJECT: REQUEST FOR THE POWER PURCHASE AGREEMENT WITH  
NAUDERO SUGAR MILLS (PVT) LIMITED (NSML)

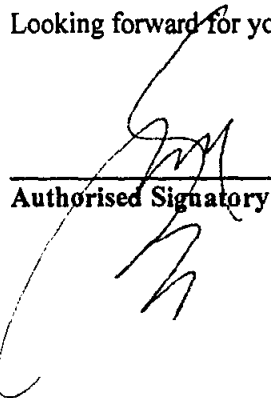
Dear Sir,

Please refer earlier sent letter No. "NSML/GMP/07122023", NSML is currently generating electricity through the combustion of bagasse, and we are pleased to offer you the 1.5 MW power supply at the 11KV voltage level.

We are interested in establishing a power purchase agreement (PPA) with Sukkur Electric Power Company (SEPCO) for the procurement of electricity generated by NSML. The utilization of bagasse for power generation aligns with both environmental sustainability goals and the government's vision for promoting renewable and cheapest energy sources.

NSML has filed application for issuance of generation license with NEPRA and is in close coordination to complete the requirements of the authority, NEPRA letter attached. Alongside, NSML is pleased to submit draft of Power Purchase Agreement to the respected office for further approval from BOD and other relevant forums.

Looking forward for your prompt support in this regard.

  
\_\_\_\_\_  
Authorised Signatory

Registered Office: Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

Corporate Office: CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533, 35657788, Email: nauderossugarmills@omnigroup.com.pk

Web: www.omnigroup.com.pk

# NAUDERO SUGAR MILLS (PVT) LIMITED

RefNo. NSML/GMP/25012024

Director General (MIRAD)  
Sukkur Electric Supply Company (SEPCO),  
Al-Sehra Building 2<sup>nd</sup> Floor,  
Near Dist: Jail, Minara Road,  
Sukkur

January 25<sup>th</sup>, 2024

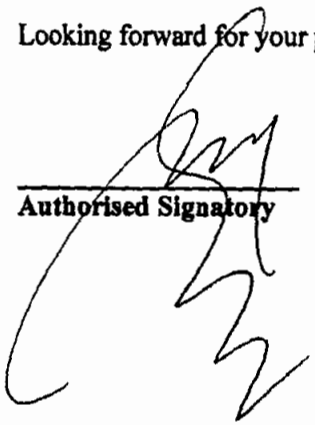
SUBJECT: **REQUEST FOR LETTER OF INTENT (LOI) - PROCUREMENT OF  
ELECTRIC POWER FROM NAUDERO SUGAR MILLS (PVT) LIMITED  
(NSML)**

Reference: Your Letter No. DG/MIRAD/SECPO/020-25

This is in reference to your letter cited above, the documents requested are enclosed for your record and further necessary action. List of the documents and related facts requested in above cited letter is being reproduced below for your ease,

1. Borad Resolution in favour of authorize signatory, applying for contract with SEPCO.
2. Attested CNIC's of all BoD members and authorized signatory.
3. Certificate of incorporation with SECP
4. Type of Generation unit / power plant, year of manufacture and Date of installation.
5. Type of Fuel
6. Location with GPS co-ordinates and detail of site conditions.
7. Maximum installed capacity.
8. Period of sale of Power. (months)
9. Period of contract.
10. Generation License, if any. (Application for generation license in under process)

Looking forward for your prompt support in this regard.

  
\_\_\_\_\_  
Authorized Signatory

Registered Office: Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

Corporate Office: CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533, 35657788, Email: nauderossugarmills@omnigroup.com.pk

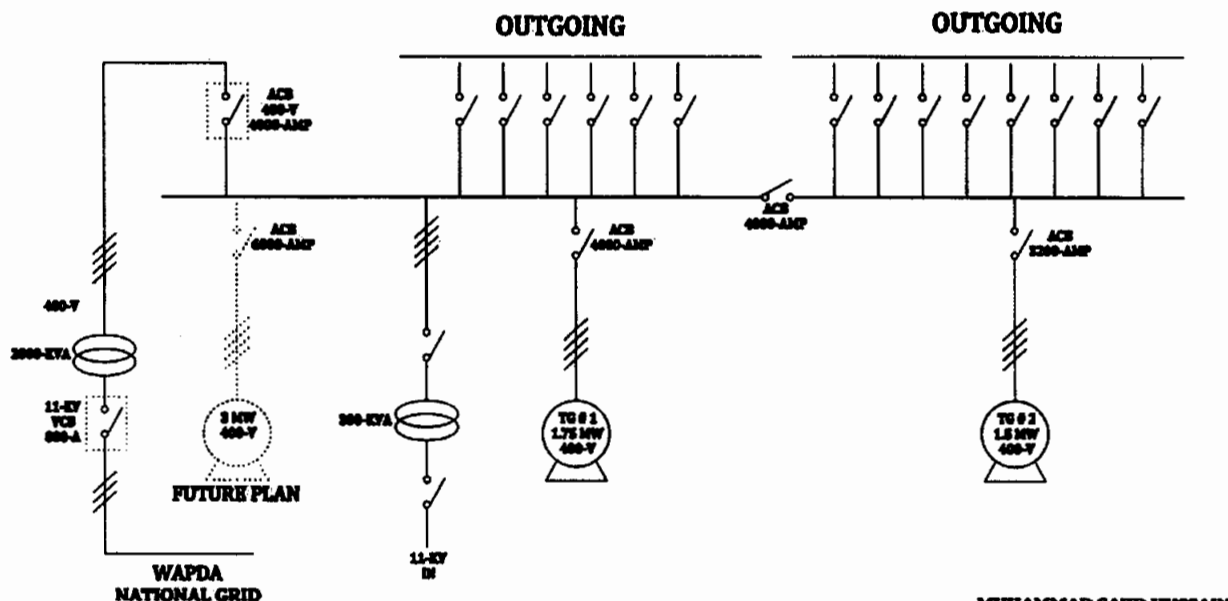
Web: www.omnigroup.com.pk

## TECHNICAL DETAILS:

Naudero Sugar Mills (Pvt) Limited is a sugar plant with a crushing capacity of 3,000 TCD. Some of the major processing equipment includes 4 Boiler Houses of 15 Ton each, Power House, Process House and a mill House. The power requirement of sugar plant is fulfilled by 2 steam turbines installed in power house. These two steam turbines are fed with steam which is generated in a bagasse fired low/medium pressure boilers. Once power is generated through steam turbine, the steam is passed on to the mill house for sugar processing.

The turbine generator produces electricity at 3.25 KV. For export of surplus power to Sukkur Electric Power Company (SEPCO) a 3 MW steam turbine generation along with 2000 KVA step up transformer is planned to be installed which will increase the voltage to 11KV and will be connection with Naudero Grid Station which is situated a distance of 8.5 KM approx. from the plant. SLD is attached below.

### **NAUDERO SUGAR MILLS** **POWER HOUSE SINGLE LINE DIAGRAM 6.25 MW** **FUTURE PLAN**



In terms of operation and maintenance, the sugar plant has almost over 200 personnel in different cadres and different technical and non-technical functions. A number of personnel are stationed at power house for continuous operation of plant during the crushing season.

## FINANCIAL DETAILS:

The power generated currently is consumed internally for the sugar production process, however plans for extension in capacity are under progress after which a certain surplus will be available which can be sold to the SEPCO.

But this export of power needs a set up to step up the voltage so the power could be transmitted through the nearest grid station.

Following are the estimated expenses for development and installation of new equipment for power export.

### Estimated cost in house 1500KW export to WAPDA

| Sr. #          | Description                                 | Unit | Req: Qty | Est: Unit Price (Without GST) Rs. | Est: Total Price (Without GST) Rs. |
|----------------|---|------|----------|-----------------------------------|------------------------------------|
| 1              | Transformer 11KVA to 400V Step up 2000KVA   | No   | 1        | 9,500,000                         | 9,500,000                          |
| 2              | VCB 800A                                    | No   | 1        | 3,000,000                         | 3,000,000                          |
| 3              | Room 14 x 12 x 16                           | No   | 1        | 500,000                           | 500,000                            |
| 4              | Synchrinozing Panel with all accessories    | Set  | 1        | 2,000,000                         | 2,000,000                          |
| 5              | Load Sharing relay with all accessories     | No   | 1        | 500,000                           | 500,000                            |
| 6              | Turbo generator with turbine 3MW multistage | No   | 1        | 60,000,000                        | 60,000,000                         |
| 7              | Cable and bus bar exoenses.                 | No   | 1        | 8,000,000                         | 8,000,000                          |
| 8              | ACB 6300Amp                                 | No   | 1        | 5,000,000                         | 5,000,000                          |
| 9              | Labor Charges                               | Job  | 1        | 1,500,000                         | 1,500,000                          |
| Total Est: Rs. |   |      |          |                                   | 90,000,000                         |

SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

GOVERNMENT OF PAKISTAN



CERTIFICATE OF INCORPORATION

(Under section 32 of the Companies Ordinance, 1984 (XLVII of 1984))

K-08566 OF 2001-2002

Company Registration No. \_\_\_\_\_

NAUDERO SUGAR MILLS (PRIVATE) LIMITED

I hereby certify that \_\_\_\_\_

is this day incorporated under the Companies Ordinance, 1984 (XLVII of 1984) and the  
SHARES AS PRIVATE LIMITED COMPANY

the company is limited by \_\_\_\_\_

KARACHI

Given under my hand at \_\_\_\_\_

22<sup>nd</sup>

OCTOBER

this \_\_\_\_\_ day of \_\_\_\_\_

XXXXXXXXXXXXXXXXX TWO THOUSAND ONE  
one thousand nine hundred and \_\_\_\_\_

265,000/=

Fee Rs. \_\_\_\_\_



CRO-1

(SHAUKAT HUSSAIN)  
JOINT REGISTRAR

Certified to be true Copy COMPANIES.

Deputy Registrar of Companies

S. No. 1858 - dt. 22-10-2001.

1550866  
7/2/23

REVISED  
Form A

THE COMPANIES ACT, 2017  
THE COMPANIES (GENERAL PROVISIONS AND FORMS) REGULATIONS, 2018  
(Section 130(1) and Regulation 4)

ANNUAL RETURN OF COMPANY HAVING SHARE CAPITAL

PART-I

(Please complete in typewritten or in bold block capitals)

1.1 CUIN (Registration Number) 0 0 4 2 9 9 6

1.2 Name of the Company NAUDERO SUGAR MILLS (PVT) LIMITED

1.3 Fee Payment Details 1.3.1 Challan No M-2022-477985 1.3.2 Amount 1,345/-

1.4 Form A made up to dd mm yyyy 3 1 1 2 2 0 2 2

1.5 Date of AGM - - - - -

PART-II

Section-A

2.1 Registered office address NAUDERO, LABRANA, SINDH-33760

2.2 Email Address: Hamza.ahmed@nmggroup.com.pk

2.3 Office Tel. No.: 074-4047495

2.4 Office Fax No.:

2.5 Principal line of business Sugar and Allied

2.6 Mobile No. of Authorized officer (Chief Executive/ Director/ Company Secretary/Chief Financial Officer) 0300-7426541

2.7 Authorized Share Capital

| Classes and Kinds of Shares | No. of Shares | Amount        | Face Value |
|-----------------------------|---------------|---------------|------------|
| Ordinary Shares             | 3,400,800     | 340,000,000/- | 100/-      |
|                             |               |               |            |
|                             |               |               |            |

2.8 Paid up Share Capital

| Classes and Kinds of Shares | No. of Shares | Amount        | Face Value |
|-----------------------------|---------------|---------------|------------|
| Ordinary Shares             | 3,377,748     | 337,777,800/- | 100/-      |
|                             |               |               |            |
|                             |               |               |            |



| 2.9 | Particulars of the holding /subsidiary company, if any |                    |                  |
|-----|--|--------------------|------------------|
|     | Name of company  | Holding/Subsidiary | % of shares held |
|     |  |                    |                  |

2.10 Chief Executive Officer

|         |  |   |   |   |   |   |   |   |   |   |   |   |   |
|---------|--|---|---|---|---|---|---|---|---|---|---|---|---|
| Name    | Khawaja Musafa Zulqarnain Majid        |   |   |   |   |   |   |   |   |   |   |   |   |
| Address | 12-Runnymede Clifton Block-05, Karachi |   |   |   |   |   |   |   |   |   |   |   |   |
| NIC No  | 4                                      | 2 | 3 | 0 | 1 | 5 | 9 | 7 | 3 | 9 | 8 | 4 | 7 |

2.11 Chief Financial Officer

|         |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name    | Hamz Ali  |   |   |   |   |   |   |   |   |   |   |   |   |
| Address | Village Dahi Khan, Chakrani, Tehsil Mirwah, District Khaipur, Mirus |   |   |   |   |   |   |   |   |   |   |   |   |
| NIC No  | 4   | 5 | 2 | 0 | 6 | 5 | 4 | 4 | 2 | 0 | 4 | 7 | 5 |

2.12 Secretary

|         |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Name    | Hamz Ali  |   |   |   |   |   |   |   |   |   |   |   |   |
| Address | Village Dahi Khan, Chakrani, Tehsil Mirwah, District Khaipur, Mirus |   |   |   |   |   |   |   |   |   |   |   |   |
| NIC No  | 4   | 5 | 2 | 0 | 6 | 5 | 4 | 4 | 2 | 0 | 4 | 7 | 5 |

2.13 Legal Advisor

|         |                                   |  |  |  |  |  |  |  |  |  |  |  |  |
|---------|-----------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|
| Name    | Kashif Hanif Law Associates       |  |  |  |  |  |  |  |  |  |  |  |  |
| Address | D-70/I, Block-05, Clifton Karachi |  |  |  |  |  |  |  |  |  |  |  |  |
| NIC No  |                                   |  |  |  |  |  |  |  |  |  |  |  |  |

2.14 Particulars of Auditor(s)

|         |   |  |  |  |  |  |  |  |  |  |  |  |  |
|---------|---|--|--|--|--|--|--|--|--|--|--|--|--|
| Name    | H.A.M.D & CO. CHARTERED ACCOUNTANT                    |  |  |  |  |  |  |  |  |  |  |  |  |
| Address | 302 LAND MARK PLAZA, MUHAMMAD BIN QASIM ROAD, Karachi |  |  |  |  |  |  |  |  |  |  |  |  |

2.15 Particulars of Share Registrar (if applicable)

|         |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Name    |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Address |  |  |  |  |  |  |  |  |  |  |  |  |  |
| e-mail  |  |  |  |  |  |  |  |  |  |  |  |  |  |

Section-B

2.16 List of Directors as on the date annual return is made

| S# | Name            | Residential Address  | Nationality | NIC No. (Passport No. if foreigner) | Date of appointment or election |
|----|-----------------|----------------------|-------------|-------------------------------------|---------------------------------|
| 01 | Khawaja Mustafa | 12-Runnymede Clifton | Pakistani   | 42301-5973984-7                     | 30-03-2018                      |



|    |                      |  |           |                 |            |
|----|----------------------|--|-----------|-----------------|------------|
|    | Zurkhamain Majid     | Block # 05<br>karachi                    |           |                 |            |
| 02 | Mrs. Saima Ali Majid | 12-Runny Mede Clifton Block # 05 Karachi | Pakistani | 35201-1333152-0 | 30-03-2018 |

Use separate sheet, if necessary

2.17 List of members & debenture holders on the date upto which this Form is made

| S#                       | Folio # | Name                            | Address                                  | Nationality | No. of shares held/Debenture | NIC No. (Passport No. if foreigner) |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|--------------------------|---------|---------------------------------|--|-------------|------------------------------|-------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| <b>Members</b>           |         |                                 |  |             |                              |                                     |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
| 01                       |         | Khwaja Mushtaq Zurkhamain Majid | 12-Runny Mede Clifton Block # 05 Karachi | Pakistani   | 3,349,849                    | 4                                   | 2 | 3 | 0 | 1 | - | 5 | 9 | 7 | 3 | 9 | 8 | 4 | - | 7 |
| 02                       |         | Mrs. Saima Ali Majid            | 12-Runny Mede Clifton Block # 05 Karachi |             | 27,899                       | 3                                   | 5 | 2 | 0 | 1 | - | 1 | 3 | 3 | 3 | 1 | 5 | 2 | - | 0 |
| <b>Debenture holders</b> |         |                                 |  |             |                              |                                     |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|                          |         |                                 |  |             |                              |                                     |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|                          |         |                                 |  |             |                              |                                     |   |   |   |   |   |   |   |   |   |   |   |   |   |   |

Use separate sheet, if necessary

| 2.18 Transfer of shares (debentures) since last Form A was made |                    |                    |                              |                                  |
|---|--------------------|--------------------|------------------------------|----------------------------------|
| S#  | Name of Transferor | Name of Transferee | Number of shares transferred | Date of registration of transfer |
| <b>Members</b>  |                    |                    |                              |                                  |
|   |                    |                    |                              |                                  |
|   |                    |                    |                              |                                  |
|   |                    |                    |                              |                                  |
|   |                    |                    |                              |                                  |
| <b>Debenture holders</b>  |                    |                    |                              |                                  |
|   |                    |                    |                              |                                  |
|   |                    |                    |                              |                                  |

Use separate sheet, if necessary

### PART-III

3.1 Declaration:

I do hereby solemnly and sincerely declare that the information provided in the form is:

- (i) true and correct to the best of my knowledge, in consonance with the record as maintained by the Company and nothing has been concealed; and
- (ii) hereby reported after complying with and fulfilling all requirements under the relevant provisions of law, rules, regulations, directives, circulars and notifications whichever is applicable.

3.2 Name of Authorized Officer with designation: 

|           |                   |
|-----------|-------------------|
| Hamiz Ali | Company Secretary |
|-----------|-------------------|

3.3 Signatures: 

|  |
|--|
|  |
|--|

3.4 Registration No of Authorized Intermediary, if applicable: 

|  |
|--|
|  |
|--|

3.5 Date: 

| Day | Month | Year |
|-----|-------|------|
| 3   | 1     | 2022 |

### INSTRUCTIONS FOR FILLING FORM-A

1. The Form shall be made up to the date of last AGM of the Company or the last date of the calendar year where no AGM is held during the year.
2. Under S. No. 2.17 above, the aggregate number of shares held by each member should be stated.
3. When the shares are of different classes the columns should be subdivided so that the number of each class held, is shown separately against S. Nos. 2.17, 2.8 and 2.17.
4. If the space provided in the Form is insufficient, the required information should be listed in a separate statement attached to this return which should be similarly signed.
5. In case a body corporate is a member, registration number may be mentioned instead of NIC number.
6. In case of foreign nationals, indicate "passport number" in the space provided for "NIC No." Pakistani nationals will only indicate "NIC No."
7. This form is to be filed within 30 days of the date indicated in S.No. 1.4.

PARTICULARS OF DIRECTORS AND OFFICERS, INCLUDING THE CHIEF  
EXECUTIVE, SECRETARY, CHIEF FINANCIAL OFFICER, AUDITORS AND LEGAL  
ADVISER OR OF ANY CHANGE THEREIN.



(Please complete in typewriter or in bold block capitals)

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 0 | 0 | 4 | 2 | 9 | 9 | 6 |
|---|---|---|---|---|---|---|

NAUDERO SUGAR MILLS (PVT) LTD

15,985/-

## 2. Particulars

[illegible]





3(5(a)(ii))

**Memorandum and**

**Articles**

**of**

**Association**

# THE COMPANIES ORDINANCE, 1984

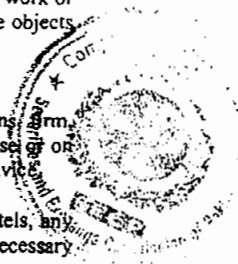
## COMPANY LIMITED BY SHARES

### MEMORANDUM OF ASSOCIATION

OF

#### NAUDERO SUGAR MILLS (PRIVATE) LIMITED

- I. The name of the company is NAUDERO SUGAR MILLS (PRIVATE) LIMITED
- II. The Registered Office of the Company will be situated in the Province of Sindh.
- III. The objects for which the Company is established are:
  1. To purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar-candy, jaggery, sugar-beet, sugar-cane, molasses, syrups, melada, spirits, and all sugar products such as confectionery, glucose, sugar-candy, canned fruit, golden syrup and aerated waters and/or by-products such as bagasse boards, paper pulp, paper, beetyl alcohol acetone, carbon dioxide, hydrogen, potash, can wax, and fertilizers and food products generally, and in connection therewith to acquire, construct, operate factories for the manufacture of sugar or any of its products or by-products and acquire or manufacture machinery for any of the above purposes.
  2. To cultivate, plant, produce and raise or purchase sugar-cane, sorghum, sugar beet, sago, palmyra juice and other crops or raw materials and to transact such other work or business as may be proper, necessary or desirable in connection with the above objects or any of them.
  3. To enter into negotiation, collaboration, technical or otherwise with any persons, firm, company, body corporate, institutions or Government for obtaining grant, license or on other term formulate and to obtain technical information, knowhow and expert advice.
  4. To acquire from time to time and deal or trade in all such stock-in trade, chattels, any patent, trade mark brevets, invention, licenses, concession and effect as may be necessary or convenient for any business for the time being, carried on by the Company.
  5. To borrow money in Pakistan as well as in foreign currencies at any time and from time to time for the purpose of the company with or without securities and to avail third party guarantees and collateral, upon such terms as the directors may deem expedients, to take advances from or by cash credit or current or overdraft accounts with any bank, financial institutions, society, company or organizations, including the directors of the company and/or mortgage, hypothecation, charges, pledge or by the issue of debenture charged upon or any of the company's properties (both present and future) or by such other means as the Directors may in their absolute discretion deem fit.
  6. To draw, make, accept, endures, discount, execute and issue promissory notes, hundies, bills of exchange, bills of lading, warrants, debentures and other negotiable



# THE COMPANIES ORDINANCE, 1984

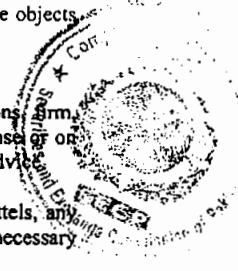
## COMPANY LIMITED BY SHARES

### MEMORANDUM OF ASSOCIATION

OF

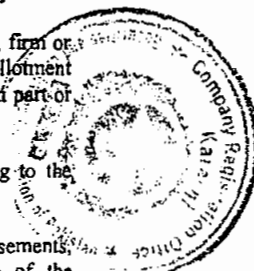
#### NAUDERO SUGAR MILLS (PRIVATE) LIMITED

- I. The name of the company is NAUDERO SUGAR MILLS (PRIVATE) LIMITED
- II. The Registered Office of the Company will be situated in the Province of Sindh.
- III. The objects for which the Company is established are:
  1. To purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar-candy, jaggery, sugar-beet, sugar-cane, molasses, syrups, melada, spirits, and all sugar products such as confectionery, glucose, sugar-candy, canned fruit, golden syrup and aerated waters and/or by-products such as bagasse boards, paper pulp, paper, beetyl alcohol acetone, carbon dioxide, hydrogen, potash, can wax, and fertilizers and food products generally, and in connection therewith to acquire, construct and operate factories for the manufacture of sugar or any of its products or by-products and acquire or manufacture machinery for any of the above purposes.
  2. To cultivate, plant, produce and raise or purchase sugar-cane, sorghum, sugar beet, sago, palmyra juice and other crops or raw materials and to transact such other work or business as may be proper, necessary or desirable in connection with the above objects or any of them.
  3. To enter into negotiation, collaboration, technical or otherwise with any persons, firm, company, body corporate, institutions or Government for obtaining grant, license or on other term formulate and to obtain technical information, knowhow and expert advice.
  4. To acquire from time to time and deal or trade in all such stock-in trade, chattels, any patent, trade mark brevets, invention, licenses, concession and effect as may be necessary or convenient for any business for the time being, carried on by the Company.
  5. To borrow money in Pakistan as well as in foreign currencies at any time and from time to time for the purpose of the company with or without securities and to avail third party guarantees and collateral, upon such terms as the directors may deem expedients, to take advances from or by cash credit or current or overdraft accounts with any bank, financial institutions, society, company or organizations, including the directors of the company and/or mortgage, hypothecation, charges, pledge or by the issue of debenture charged upon or any of the company's properties (both present and future) or by such other means as the Directors may in their absolute discretion deem fit.
  6. To draw, make, accept, endures, discount, execute and issue promissory notes, hundies, bills of exchange, bills of lading, warrants, debentures and other negotiable



instruments in course of the Company's business

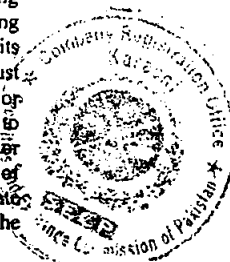
7. To apply for, purchase or otherwise acquire any patents, brevets, invention, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention for the purpose of the company, and to use, exercise, develop or grant or licenses in respect of or otherwise turn to account the property, rights or information so acquired.
8. To appoint agents except managing agents to promote the business of the company.
9. To pay for any property acquired by the company and remunerate any persons, firm or body corporate rendering services to the company either by cash payment or by allotment to him or them of shares or securities of the company which is paid in full or in part or otherwise.
10. To let on lease or to lend or otherwise dispose of any property belonging to the company.
11. To sell, exchange, mortgage, let on lease, royalty or tribute, grant; licenses, easements, options and other rights over in any other manner deal with or, dispose of the undertaking.
12. To carry on business of consultancy for public issue work, drafting of prospectus, arranging press conference, preparing project report, getting it appraised and to carry on all activities connected with promotion of Capital Market.
13. To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on business..
14. Subject to the provisions of the Companies Ordinance, 1984, to amalgamate, or to enter into partnership or into any arrangement for shares, profits, union of interest, co-operation, joint venture, of reciprocal concession or for limiting competition with any person or persons or company or companies carrying on or engage in or about to carry on or engage in, any business transaction on or engage in or which this company is authorized to carry on or engage in or which can be carried on in conjunction therewith.
15. To engage in any business or transaction within the limits of the company's objects, in connection with or any other person, corporation, company or to hold shares, stocks, or bonds in any such company or corporation, the business which this company is authorized to carry on.
16. To procure the recognition of the company in or under the laws of any place outside Pakistan.
17. To undertake and execute any undertaking of which may seem to the company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interest acquired by or belonging to the company in any person or company or companies on behalf of or for the benefit of the company and with or without any declared trust in favour of the company for the purpose of the business of the company.
18. Subject to provisions of the Companies Ordinance, 1984, to give donations to create trusts for the welfare of the employees, members, directors and/or their dependents, heirs and children and for any deserving object and for other persons also and to act as trustees.
19. To subscribe or guarantee money for national, charitable, religious, educational, benevolent or other institutions, societies, clubs, funds, association, public general or useful objects or for any exhibition but not intended to serve any political cause or purpose.
20. To communicate with chambers of commerce and other mercantile and public bodies throughout the world and promote measures for the protection of trade, industry and persons engaged therein.
21. To subscribe for, become a member of, subsidies and co-operate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the company, and to procure from and communicate to any such association,





such information as may be likely to further the objects of the company.

22. To pay legally any premium or salaries and to pay for any property, right or privileges acquired by the company or for services rendered or to be rendered in connection with the promotion, formation of the business of the company or for services rendered or to be rendered by any person, firm or body corporate in placing or assisting to place or guaranteeing the placing of, any of the shares of the company or any debentures, or other securities of the company or otherwise either wholly or partly in cash or in shares, bonds, debentures, or other securities of the company or otherwise either wholly or partly in cash or in shares, bonds, debentures, or other securities of the company and to issue any such shares either as fully paid up or with amount credited as paid up therein as may be agreed upon to charge any such bond, debentures or other securities upon all or any part of the property of the company.
23. To appoint, agents except managing agent, selling representatives, commission agents, and to engage lawyers and solicitors and to grant them or any of them necessary power of attorney.
24. To payout of the funds of the company, all costs, charges or expenses preliminary and incidental to the promotion, formation establishment and registration of the Company.
25. To adopt such means of making known the services, business interest of the company as it may deem to expedient and in particular by advertising in the press, internet, radio, television and cinema, by circulars, by purchase, construction and exhibitions of work or at or general interest, by publication of books and periodicals, subject to the provision of the Companies Ordinance, 1984.
26. In the event of winding up, to distribute all or any of the property of the company amongst the members in specie or kinds or any proceeds or sale or disposal of any property of the company subject to the provisions of the Companies Ordinance, 1984.
27. To undertake, carryout, promote and sponsor development including and program for promoting the social and economic welfare or the uplift of the public in any rural area and to incur any expenditure on any program of rural development and to assist execution and promotion thereof either directly or through an independent agency or in any other manner.
28. To achieve greater growth of the national economy through increase productivity, effective utilization materials and manpower resources, export promotion and continued application of modern techniques so as to discharge its social and moral responsibilities to the shareholders, employees, customers, local community and the society, and to undertake, carry out, promote and sponsor or assist any activity which the Directors consider likely to promote social, economic or moral uplift of the public or any Section of the public and in such manner and by such means as the Directors may think fit and the Directors may without prejudice to the generality of the foregoing undertake, carry out, promote and sponsor any activity for publication of any books, literature, newspaper or for organizing lectures or seminars likely to advance these objects or for giving merit awards, or giving scholarships or other person to enable them to prosecute their studies, academic pursuits or researchers and for establishing, conducting, or assisting any institution, fund, trust having anyone of the aforesaid objects as one of its objects by giving donations or otherwise in any other manner and two Directors may at their discretion in order to implement any of the above mention objects or purposes transfer without consideration or at such value as the Directors may think fit and driver the ownership of any property of the company to or in favor of any public or local body or authority or central or State Govt. or any public institutions or trust or funds or organizations or persons as the Directors may approve.
29. To act as principles, agents, contractors or otherwise by or through attorneys, agents or otherwise and either alone or in conjunction with others and to establish offices, agencies or branches for carrying on any of the aforesaid objects in Pakistan or elsewhere in the world.
30. To publish any kind of information on Internet, a global computer network or otherwise, compiled and update by the Company or any other person, for commercial purposes or otherwise, set up and/or give or take on lease/hire appropriate systems and technology to render these services to any person, including inviting subscriptions, advertisements from



any persons, through agents, franchise, by any available means in Pakistan or abroad.

31. To undertake and provide Internet related services, systems, technology, information and software development services and products, including hardware's, to any person through agents, franchise, by any available means, in Pakistan or abroad including value added services such as interactive, Television, Internet, E-Mail, V-Sat, Telephony, Video Shopping, Entertainment, Infotainment, Teleshopping, E-Commerce, Games, Data Transmission, Computer networking, Video conferencing etc. and to establish links via. Satellite uplink and downlink through available reception systems.
32. To manufacture all kinds of electrical conductors and insulated wires for power generator, transmission and distribution, to manufacture, deal, trade, export and import machines and plants, equipments and accessories for manufacture of electrical conductors and transformers, insulated wire and electrical equipment and to do all kinds of business, all varieties of electrical conductors, and transformers, insulated wire and electrical equipment and to all kinds of business, all varieties of electrical conductors, cables insulated wires and other equipments and to carryon in Pakistan or elsewhere the business of mechanical engineers, iron masters and manufacturers, processors, fabricators, drawers, rollers and refoller of steel and non-ferrous metals, shaftings, bars, flats, squares from scrap billets and ingots.
33. To manufacture, produce, buy, sell, import, export, stock, deal in machine tools, grinding machines, automatic latches, drilling machines, planning machines, planogrinders, machineries of every description, precision tools, cutting and small tools electric motors, electrical equipments, cables, wires, switch gears, flame and drip proof motors, electric fans, regulators of all types, electric kilowatt hour meters magnets, industrial jewels, meters, voltmeters, and other types of measuring instruments, electrical, non-electrical, die-castings, screws, nuts and bolts, transformers of all types, circuit breakers hoists, elevators, gears, trolleys, and coaches, winches, air compressors, welders, refrigerators, domestic washing machines, television and radio receivers and transmitters, micro wave components, radar equipments, valves, resistors, electronic instruments, conductors, materials, transistors and allied items, sewing machines, watches and clocks, tape recorders, household appliances and component part thereof.
34. To carryon the business as forwarding agents, representatives of manufacturers, sale and marketing organizers and insurance agents and to carryon the business or trade of stores suppliers, consultants, company promoters, landed proprietors and supplier of goods to government and other public and private bodies, shroffs, department store operators, publishers, guarantee brokers, carried by land and water, charter parties newspaper owners, wharfingers, warehousemen, marine, fire and other insurers, maccadums and all type of brokers including brokerage and for this purpose to appoint and remunerate any Directors, accountants, experts or agents.
35. To provide technical know-how in Pakistan and abroad which is likely to assist in the manufacture of the goods or the processing of materials or in the installation or erection of plant or machinery for such manufacture processing including providing technological design, installation and erection information and to render engineering, technical management and various types of skilled and other services to all types of business and industry or other organization.
36. To grow, cultivate, produce, buy, sell, manufacture, treat, blend, render marketable and transport whether in bulk or in packeted or concentrated forms tea, coffee, cocoa or any other beverages, all varieties of food and products, plantation crops, orchard crops, cereals, vegetables, spices, essential oils, aromatic substances, rubber, forestry products and other produce of the soil, whether of spontaneous growth or not.
37. To carryon business as manufacturers, producers, dealers, processors, importers, exporters, stockiest, agents, brokers, traders, retailers, of all kinds of paper including writing, printing, rapping and tissues, newsprint, paper for packing including corrugated and craft paper, synthetic papers, all kinds of boards including paper and straw board and all kinds of pulp whether mechanical or chemical including dissolving pulp.
38. To produce, manufacture, refine, prepare, process, import, export, purchase, sell and generally deal in cement, portland cement, white/colored cement, alumina, cement pipes, fittings, sheets, asbestos cement pipes and their fitting, asbestos cement sheets, any other types of reinforced pipe fittings, sheets, boards, tanks, reinforced structural parts, blocks,



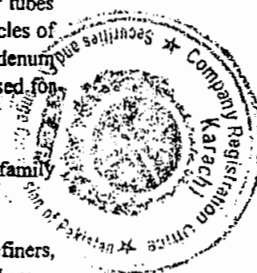
tanks, bricks, stones, blocks marble, granite slabs, stone slabs of all type, cement tiles, ceramic tiles, tiles of any other variety made out of any natural or synthetic material or wood or metal or any material and all other type of building materials used in construction.

39. To manufacture, process, import, export and deal in natural and synthetic resins, plastics, rubber, moulding powders, adhesives, paints, chemicals, nylon, polythene, poly-propylene, poly urethane, laminating materials, colours, varnishes, enamels and spirit in all its branches, raw materials for any of these products, and any materials produced out of these products.
40. To manufacture, produce, refine, prepare, purchase stores, sell and to trade and deal petroleum and all kinds of mineral oils and all products "and byproducts thereof, including wax, paraffin, soap, paints, lubricants, illuminant and butter substitute, oil cloth, candles, glycerin, stearing and in connection therewith to acquire, construct, repair, operate and use oil and other refineries, buildings, mills, factories, oil well derrick, distilleries, ghanies, rotaries, expellers, mechanical or hydraulic press.
41. To carryon business as timber merchants, saw-mill proprietors and timbers growers and to buy, sell, grow, prepare for market, manipulate, import, export, and deal in timber and wood of all kinds and to manufacture and deal in veneer products, for tea chests, packing cases and commercial boards, decorative veneer, laminated boards, composite boards, pressed boards, hard boards, chip boards, bent wood, molded wood and articles of all kind made of timber wood.
42. To deal in, purchase, sell, import, export or supply and to act as principals, dealers, agents, subagents, manufacturers, representatives, for leather and leather goods, gloves, wallets, bags, zippers, oil components, fibres, fibrous goods, garments, metalware, electronic items, spare parts, appliances, machinery equipments, jewelry, handicrafts, ivory, antiques and art of objects.
43. To carryon the business as manufacturers of, dealers in hires, repairers, cleaners, runners, characters, stores, and warehouses of earth moving and agricultural machines, motorcycles, cars, motors, scooters, cycles, tractors, trucks, three wheelers, bicycles, ships and carriage, lifts forklifts and handling equipments, launchers, boats, vans, airplanes, helicopters, hydroplanes, hover crafts and other conveyance of all descriptions.
44. To cultivate, plant, bring, buy, sell, spare, convert, process, treat or manipulate in any manner of all kinds of tobacco, jute, hemp, tea, lac, coffee, rubber, vanaspati oil, sugar cane, sugar beets, dal, oilseeds, vegetable products, food grains, plants and all other products of the soil.
45. To search, win, get, quarry, reduct, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market ferrous and non-ferrous metal, ore, quartz, metal and mineral substance of all kinds including oil and to carryon any other prospecting, mining, and metallurgical operations and to work mines or quarries, and to search frame, getwork, process, calcine, raise, crush, smelt, manufacture, make merchantable, sell or otherwise deal in iron, coal, coat tar, stone, cement, lime, lime stone, chalk, clay, bauxite, soapstone, ores, metals, minerals-oil, precious and other stones, deposits, products and all other kinds of by-products thereof and carryon the business of mining in all its branches.
46. To carryon business as manufacturers, exporters, importers, dealers, stockiest, agents, distributors of batteries, cells, torches, toys, personal aide and such items and goods which may be useful, skin or otherwise connected with anyone or more of the aforesaid items of products.
47. To carryon business of manufacturing, producing, processing, treating, making taking on hire or otherwise acquiring blending, formulating, packaging, selling, retailing, importing, exporting, buying, fabricating, assembling, servicing, repairing, maintaining, of all types of grades, kinds, sizes and descriptions of photographic-films, papers, chemicals, reagents, substances, equipments, instruments, accessories, machineries, raw materials, and things, tools, apparatus, products, suppliers for audiovisual communication films and products, image and document production and copying and information gathering recording, handling, storing, retrieval products to carryon business by making or providing applications for slch equipments, apparatus, accessories, products, machineries, supplies and by providing services and processes relating to photography,

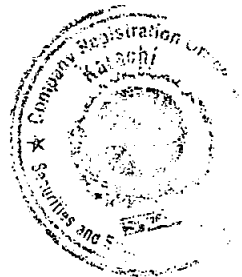


audio-visual communication, image and document production and copying and information gathering, recording, handling storing and retrieval.

48. To manufacture, prepare, import, export, buy, sell and otherwise deal in all kinds of glass, glassware, mirrors, looking glass, scientific glass sheet and plate glass, bangles, flase pears, bottles and all kinds of articles prepared of glass and carryon the business or glass patent solvers, glass embosser, acclesisatical lead worker, glass tabler, show card and show case manufacturers.
49. To carryon the business as refrigerating engineers, cold storage depots and to engage in cold storage trade, and to do the business of sanitary engineers and dealers of all varieties of sanitary-ware and exploiting solar or other energy in commercial or domestic use.
50. To carryon the business as manufacturers, producers, dealers, traders, importers, exporters, stockiest, distributors, or agents or GLS lamps, electric bulbs, lamps or tubes required or used for lighting or for industrial, domestic, electronics, transport vehicles of commercial purpose and glass shells, fittings, tubes, filaments, tungsten and molybdenum wires, caps and other materials, machineries, accessories and spares required or used for manufacture of bulbs, lamps or tubes.
51. To acquire or set up and run hospitals, clinics, nursing homes, maternity and family planning units or pathological laboratories.
52. To carryon business as producers, manufacturers, processors, converters, refiners, makers, bottlers, stockiest, dealers, importers, exporters, traders, retailers, agents, buyers or sellers, of oxygen, acetylene, amonia, nitrogen, hydrogen, coal gas, natural gas, helium and other types and kinds of gases mineral oil, motor and aviation spirit, diesel oil, kerosene, diverse hydrocarbon oils and their blends including synthetic fuels and lubricating oils required for or used in industries, agriculture, clinics, hospitals, refrigeration, aviation, transport vehicles space rockets and crafts, communication, object and media reactors, power plants, domestic, or public lighting, heating, cooling, purposes, lighters, plants, producing water, chemicals, or fuels, pesticides, defense or warfare, establishments, horticulture, forest or plant protection and growth and other allied purpose and to service, repair, manufacture, market or deal in machinery, plants spares, cylinders, containers, gadgets, appliance, and accessories for working on using or producing any of such gases, oils and products.
53. To carryon business as exporters, importers, manufacturers, producers, processors, printers, bleachers, combers, spinners, weavers, dyers, finishers, dealers, merchants, agents, in the various kinds and forms of yarn and fabrics of silk, cotton, wool, flax, jute, hemp, mohair, linen, rayon, nylon, terelyne and natural synthetics and other allied Textiles of any description and kid and to carry on the business as drapers and dealers of furnishing fabrics, and also in connected materials like starch, sizing materials and dye stuff.
54. To produce, manufacture, refine, prepare, import, export, purchase, sell, treat and generally to deal in all kinds of glass and glassware, ceramics, sanitary ware, ceramic ware, industrial ware, porous or coarse earthenware, stoneware, china, terra-cotta, porcelain products, bricks, fire bricks, fire clay, insulation bricks, tiles, pottery, pipes, insulators, refractories of all description and / or by-products thereof and building material in general, and in connection therewith, either as principle or agents, either solely or in partnership with others, to take on lease or acquire, erect, construct, establish, operate and maintain, ceramics, pottery industries, factories, quarries, mines, collieries, workshops and other works.
55. To carryon all or any of the business of buyers, sellers, suppliers, traders, merchants, importers, exporters, indentors, brokers, agents, assemblers, packers, stockists, distributors, and dealers of and in all kind of agricultural produces, food articles, forest's products, beverages, edible and non-edible oils and facts, soap silicate, perfume, chemicals, and detergents of all kinds, commercial, natural and manmade fibres, textiles of all kinds, all types of yarn, jute and jute products.



56. To design, erect, fabricate, process, hire out, buy, sell, prepare, process, manufacture, assemble, fabricate, cast fit, press, machine, treat, weld, harden, temper, annual domestic, electrical and industrial appliances, fans, motors, equipments, plants, machineries, moulds, accessories, components, spare parts, tools and implements.
57. To manufacture, produce, export, import, buy, sell and deal in vanaspati oil, food grains, seeds and their articles, produce and merchandise of all kinds and description either ready or for forward delivery.
58. To carry on the trade, industry, business, occupation and profession of architects, engineers, Contractors, electrical, sanitary and plumbing engineers, and contractors, flooring contractors, and furnishers, decorators, and contractors in all its branches.
59. To carry on the business as manufacturers and dealers in hardware, iron and structural goods of all kinds and in particular, T-irons, beams, angles, washers, railings, collapsible gates, stairs, columns, metal doors and windows and other building material including all kinds of ferrous and non-ferrous metal products, machinery spares and parts and stores of any description required for building constructions.
60. To carry on business as manufacturers of and dealers in any manner and all types of raw materials and products of plastics, thermoplastics, nylon, polythene laminating materials, laminated paper and board.
61. To carry on business as general, commercial, color crafts and process printers, painters, lithographers, engravers, diemakers, publishers of newspaper, books, magazines, art and musical productions, plan and chart printers, press and advertising agents, contractors, ink, dye, colour and chemicals manufacturers, manufactures of metal and other signs, manufacturers and dealers of containers and components and machinery manufacturers, and dealers in printing machinery, types and all printers, supplies, book binders and stationers and dealers in all kinds of supplies and equipment for mercantile and other uses.
62. To carry on the business as importers, exporters, manufacturers and distributors of agents for and dealers in salt and salt based chemicals, Petro-chemicals organic, inorganic and organometallic chemicals including rubber chemicals, leather chemical, synthetic chemicals, industrial explosives and chemical products of every nature and descriptions.
63. To act as consultants and to provide management, financial, technical, engineering, industrial, administrative, advisory, commercial, accountancy, quality control, legal, taxation, electronic data processing, computer and other consultancy services, to undertake and execute design engineering and technical work for projects, to prepare and implement project and feasibility report and to take up contracts and jobs on Turnkeys basis or otherwise. To act as brokers, negotiators with bank, financial institution and others for arranging loans and underwriting of shares and debentures and to undertake and carry out promotion and formation of companies, firms, associations, trust and run and manage them for others and on own account and to assist in selection, recruitment and hiring or personnel.
64. To carry on the business of consultants and advisor and to provide and tender all types of services rendered by consulting engineers, technicians and experts and to undertake techno-economical survey, economic feasibility reports, projects reports and design and developments of new products to assist in selection of technology process, know-how to carry out laboratory test and trials and provide Turnkey engineering services.
65. To manufacture, import, assemble, develop, invent otherwise deal in Audio/ Video systems, electronic typewriters, computers, computers software, floppy diskettes, printers ribbon, paper, magnetic tapes, cassettes and other allied, materials, computer data processing machine, computer printers, computer publication systems computer peripherals, accessories and their services.



66. To establish provide, perform systems, engineering services, related technical and consultancy services, import technical know-how in the field of computers develop technical expertise for providing technological and technical knowhow.
67. To manufacture, import, assemble, develop, invent and otherwise deal in all kinds of electrical and electronics systems, equipments, appliances, components and accessories thereof, suitable for commercial, industrial medical, scientific and consumer purpose.
68. To carryon the-business of planters, Growers and cultivation or rubber, coffee and all other plantation activities.
69. To arrange for imparting education and / or training to the trainees in the workshops, factories, mills or other organizations in any part of Pakistan in such line or lines and / or branch or branches and / or industry or industries and / or where trainees may have full scope for the purpose of extending their technical and managerial skill and gaining practical knowledge in particular in branches or industries on such terms and conditions as the company may deem fit and proper and to lend or make available the services to such technicians and experts who will be trained by the company and / or others to such factories, establishments, mill workshop who are or will be in need of services in the discretion of the company may think fit and proper.
70. To carryon business as tourist agents and contractors and to facilitate travelling and to provide for tourists and travellers, or promote the provisions of conveniences of all kinds in the way of through tickets, circular tickets, slipping cars or berths, reserved places, hotel and boarding and / or lodging accommodation and guides, enquiry bureau, libraries, resting rooms, baggage transport and otherwise and to charter steamships and aeroplanes for fixed periods or for particular voyages and flights and to organise religious, educational sightseeing and business tours and for the purpose of charter ships, trains, aeroplanes, minibuses, motor buses, motor lorries, motor cars, wagons carts and carriages of every description, to book and reserve accommodation and rooms in hotels, restaurants and boarding and or lodging houses and to take on hire houses or unfurnished.
71. To purchase or otherwise acquire, maintain, sell and give on lease all kinds of plant, machinery, motor vehicles, marine engines, marine boars, trawlers, launches, ships, vessels, barges, hotel equipments, medical equipments, airconditioners, air-conditioning plants, equipments, office equipments, computers, photo copying machines, cold storages, ice-cream manufacturing machinery, furniture and fixtures, televisions, electronic equipments, lifts aircrafts, helicopters, household equipments and appliances or any other equipments or assets that the Company may think fit.
72. To carryon all or any of the objects as set out in paragraphs (1) to (74) above as if the same were incorporated as part of this sub-clause as objects incidental or ancillary to the attainment of all or any of the other objects herein before mentioned. And it is declared that:
  - a) The word "company" where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not, and whether domiciled in Pakistan or elsewhere;
  - b) The headings hereto are for convenience of reference only and shall not be deemed to affect the construction of this clause or of any sub-clause thereto;

Provided that nothing herein contained shall be deemed to empower the Company to carryon the business of banking, Insurance Business, Business of Investment companies or of leasing companies or any other business or business which may be illegal or unlawful under the laws applicable in Pakistan.

IV. The liability of the member is limited.

V. The Authorized Share Capital of the Company is Rs. 340,000,000 (Rupees Three Hundred and Forty Million only) divided into 3,400,000/- (Three Million and Four Hundred Thousand only) Ordinary Shares of Rs. 100/- each with the power to increase or reduce the Share Capital for the time being into several classes, and to attach thereto respectively such preferential. Qualified are special rights, privileges or conditions as



may be determined by or in accordance with the Companies Ordinance, 1984 for the time being in force and regulations of the Company and to vary, modify or abrogate such rights.

- Alteration in Clause (V) has been Made vide the minutes of Extraordinary General Meeting held on September 13, 2004, August 25, 2005 and then September 09, 2016.



We, the several persons, whose names and addresses are hereunder subscribed, are desirous of being formed into a company, in pursuance of these Memorandum of Association and we respectively agree to take the number of shares into the Capital of the Company set opposite our respective names:

| Name and Surname<br>(Present and Former)<br>in full (in Block Letters) | Father's / Husband's<br>Name in full | Nationality<br>with former<br>Nationality | Occupation | Residential<br>address              | Number of<br>shares taken<br>by each<br>Subscriber | Signature |
|--|--------------------------------------|---|------------|-------------------------------------|--|-----------|
| KHAWAJA ANVER MAJID  | KHAWAJA ABDUL MAJID                  | Pakistani                                 |            | 12, Runnymede, Clifton,<br>Karachi  | 20<br>Twenty Only                                  | fml-      |
| KHAWAJA ABDUL GHANI MAJID  | KHAWAJA ANVER MAJID                  | Pakistani                                 |            | 12, Runnymede, Clifton,<br>Karachi. | 20<br>Twenty Only                                  |           |
|  |                                      |   |            |                                     | 40<br>(Forty Only)                                 |           |

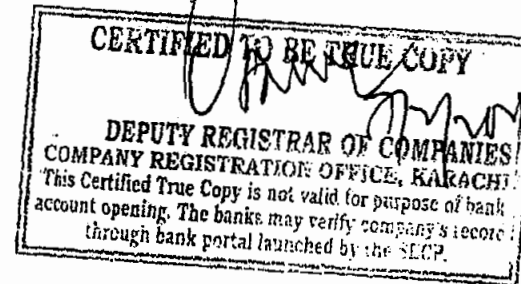
KARACHI: Dated: \_\_\_\_\_ day of \_\_\_\_\_

Witness to the above signatures:

Name \_\_\_\_\_ S/o. \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ N.I.C.No. \_\_\_\_\_





THE COMPANIES ORDINANCE, 1984

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

NAUDERO SUGAR MILLS (PRIVATE) LIMITED

PRELIMINARY

Table "A-" excluded

1. The regulations contained in Table "A" in the First Schedule to the Companies Ordinance, 1984, shall not apply to the company except in so far as they are repeated or contained in these Articles.

Interpretation

2. The chapter headings shall not affect the construction hereof, and in these Articles unless there is something in the subject or context inconsistent therewith.

Articles

"The Articles" mean the Articles of Association, as originally framed or as altered from time to time or the Company acting at a meeting or pursuant to unanimous written consent.

Books and Papers etc.

"Book and Paper", "Book or Paper", or "Books of Account" includes accounts, deeds, vouchers, registers, writings and documents.

Company

"The Company" means NAUDERO SUGAR MILLS (PRIVATE) LIMITED

Chief Executive

"The Chief Executive" means the Chief Executive appointed from time to time by the company pursuant to these Articles.

Directors

"The Directors" mean the directors of the Company appointed from time to time pursuant to these Articles.

Debenture

"Debenture" includes stock, bonds, term finance certificate and any other security other than the shares of the company whether constituting a charge on the assets of the company or not.

Documents

"Documents" include summon, notice, requisition, order, other legal process, vouchers and register.

Dividend

"Dividend" means the distribution of profits of the company to its members, and includes bonus.



Holding Company

"Holding Company" shall have the meaning assigned to it by section 3.

Member

"Member" means a member of the company within the meaning of the provision of Section 2(1) (21).

Month

"Month" means as calendar month according to the English calendar.

Ordinance

"The Ordinance" means the Companies Ordinance, 1984 as amended and any amendment or re-enactment thereof for the time being in force.

Office

"Office" means the registered office of the Company.

Participatory Redeemable Capital

"Participatory redeemable capital" means such redeemable capital as is entitled to participate in the profit and loss of the company.

Proxy

"Proxy" includes attorney duly constituted under a Power of Attorney.

Investor

"Investor" means a corporation, a company incorporated under the Ordinance, financial institution, Federal Government, Provincial Government or such other body which holds shares in the company.

Register

"The Register" means the register of members to be kept pursuant to Section 147 of the Ordinance.

Redeemable Capital

"Redeemable capital" has the meaning assigned to it by section 2(1)(30A).

Share

"Share" means share in the capital of the company.

Secretary

"Secretary" means any individual appointed to perform the secretarial, administrative or other duties ordinarily performed by the Secretary.

Section

"Section" means section of the Ordinance.

Security

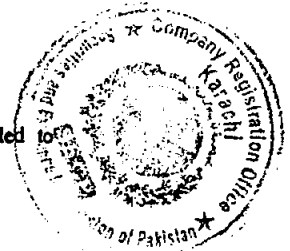
"Security" has the meaning assigned to it by section 2(1) (34).

S.E.C.P.

"S.E.C.P." means Securities and Exchange Commission of Pakistan.

Special Resolution

"Special resolution" has the meaning assigned to it by Section 2(1) (36).



### Seal

"The Seal" means the common seal adopted by the company.

### In Writing and Written

"In writing" and "Written" includes printings, lithography and in writing and other modes of representing or reproducing words in a visible written form.

Word importing the singular number includes the plural number and vice versa.

Word importing the masculine gender only includes the feminine gender.

Words importing persons includes bodies corporate.

## **PRIVATE COMPANY**

### Private- Company

3. The Company is a private company within the meaning of Clause 28 of Section 2(1) of the Companies Ordinance, 1984 and accordingly:
- (a) No invitation shall be issued to the public to subscribe for any shares, debentures or debenture stock of the Company.
  - (b) The number of the members of the Company (exclusive of persons in the employment of the Company) shall be limited to fifty, provided that for the purposes of this provision where two or more persons jointly hold one or more shares in the Company they shall be treated as a single member, and
  - (c) The right to transfer shares in the company is restricted in the manner and to the extent hereinafter appearing.

### Business

4. The business of the Company shall include all or any of the business objects enumerated in the Memorandum of Association and can be commenced immediately after the incorporation of the Company as the Directors may think fit, notwithstanding that part of the capital has been subscribed.

### Place of Business

5. The business of the Company shall be carried at Karachi or at such place in the whole of Pakistan or elsewhere as the Directors may deem proper or, advisable from time to time.

## **CAPITAL**

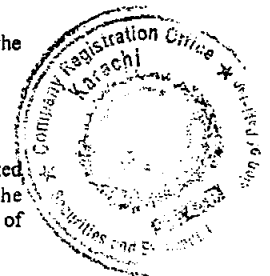
### Capital

6. The Authorized Share Capital of the Company is Rs. 340,000,000 (Rupees Three Hundred and Forty Million only) divided into 3,400,000 (Three Million Four Hundred Thousand Only) Ordinary Shares of Rs. 100/- each with powers to increase or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach to them rights, privileges, conditions, and to vary, modify or abrogate any of such rights, privileges, conditions, as are required or permitted by the Companies Ordinance, 1984 and its statutory amendments, alterations and modifications for the time being in force.

\* Alteration in Clause (6) has been Made vide the minutes of Extraordinary General Meeting held on September 13, 2004, August 25, 2005 and September 09, 2016

### Increase of Capital

7. Where at any time the Board decides to increase the issued capital of the company by issuing any further shares, then subject to any direction to the contrary that may be given by the company in general meeting, such shares shall be offered to the members in proportion to the existing shares held by each member, and such offers shall be made by



1. By order of the  
2. By order of the  
3. By order of the  
4. By order of the  
5. By order of the  
6. By order of the  
7. By order of the  
8. By order of the  
9. By order of the  
10. By order of the

notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time, or on receipt of an intimation from the members to whom such notice is given that he declines to accept the shares offered, the Board may dispose off the same in such manners as they think most beneficial to the company. The notice shall be accompanied by the circular required under section 86.

#### Shares at the Disposal of Directors

8. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, firms or corporations, on such terms and conditions and at such time as may be thought fit.

#### Allotment of Shares

9. The Shares in the capital of the Company may be issued or allotted in payment or part-payment of any property, land, building, machinery, goodwill or goods supplied or any services rendered or likely to be rendered to the Company in promotion and establishment of the Company or conduct of its business and any shares so allotted may be issued as fully paid-up shares.

#### Consolidation or Sub-division of Shares

10. If and whenever as a result of an issue of new shares or any consolidation or subdivision of shares any member becomes entitled to hold shares in fractions, the Board shall not be required to issue such fractional shares and shall be entitled to sell whole shares at a reasonable price and pay and distribute to and amongst the members entitled to such fractional shares in due proportion with the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer the shares sold, to the purchaser thereof, and the purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be entitled to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### Issue of Convertible Securities

11. The company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans, advances or credit, as defined in the banking companies ordinance, 1962 (L VII of 1962) or other non-interest bearing securities and obligations in accordance with the provisions of section 87.
12. The company may issue to one or more schedule banks, financial institutions or such other persons, as are specified for the purpose by the Federal Government by notification in the official gazette, any investment in the nature of redeemable capital in any or several form in accordance with the provisions of section 120.

#### Shares for Consideration Other than Cash

13. Subject to the provision of the Ordinance and these Articles, the Board may allot and issue Shares in the capital of the company as payment for any property sold or transferred, goods or machinery supplied, or for services rendered to the company in the conduct of its business or affairs and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares.
14. Any application or subscription signed by or on behalf of an applicant or Subscriber for shares in the company, followed by an allotment of any shares therein, shall be an acceptance of shares, within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is entered on the register shall for the purpose of these Articles be a member.
15. The money (if any) which the Board shall on the allotment of any shares being made by it require or direct to be paid shall immediately on the insertion of the name of the allottee in the register of members as the holder of such Shares, become a debt due to and, recoverable by the company from the allottee thereof, and shall be paid by him accordingly.

#### Right of ownership of Shares

16. Save as herein otherwise provided the company shall be entity to treat the person whose

name appears on the register of members as the holder of any shares as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as required by law) be bound to recognize any trust or equity or benami, equitable, contingent or other claim to or interest in such shares, on the part of any other person whether or not it shall have express or implied notice thereof.

## UNDERWRITING, COMMISSION AND BROKERAGE

### Brokerage

17. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally), for any shares or debentures or procuring or agreeing to procure, subscriptions, whether absolute or conditional, for, any shares or debentures of the company, but so that the amount or rate of commission shall not exceed the rate per cent of amount as may be fixed by the S.E.C.P. The commission may be paid or satisfied in cash or in any shares or debentures of the company. The company may also pay the usual brokerage not exceeding one (1) per cent in respect of any subscription for shares or debentures.

## CERTIFICATES

### Members Entitled to Share Certificate

18. Every member shall be entitled without payment to one certificate for all the shares registered in his name, or if the Board so approved (upon paying such fee as the Board may from time to time determine), to several certificates, each for one or more shares. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid thereon, such certificate shall be issued under seal and bear the signature of one Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed for that purpose by the Board.

### Renewal of Certificate

19. If any certificate is worn out, defaced or rendered useless, then upon production thereof to the Board, it may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate is lost or destroyed, then on proof thereof, to the satisfaction of the Board and on such indemnity as the board deems adequate being given, a new certificate thereof shall be given to the party entitled to such lost or destroyed certificate.
20. The company shall, within ninety (90) days after the allotment and within forty five (45) days after the application for the registration of the transfer of any share, complete and have ready for delivery the certificates for shares and unless sent by post or delivered to the persons entitled thereto, within that period, shall give notice of the fact to the shareholder immediately thereafter.

A duplicate of a certificate of shares, shall be issued within forty-five (45) days from the date of application.

## TRANSFER AND TRANSMISSION

### Register of Transfer

21. The Company shall keep a book to be called the "Register of Transfer" and therein shall be fairly and distinctly entered the particulars of any transfer and transmission of any shares.
22. The instrument of transfer of any share shall be in writing in the usual common form or in the following form or as near thereto as circumstances will admit:

### NAUDERO SUGAR MILLS (PRIVATE) LIMITED

I \_\_\_\_\_  
\_\_\_\_\_ being \_\_\_\_\_ National, in  
Consideration of the sum of Rs. \_\_\_\_\_

(Rupees \_\_\_\_\_)

Paid to me by \_\_\_\_\_ S/O \_\_\_\_\_

of \_\_\_\_\_ National \_\_\_\_\_

Hereinafter called "The Transferee") do hereby transfer to the \_\_\_\_\_ Ordinary Share(s) numbered in the undertaking called **NAUDERO SUGAR MILLS (PRIVATE) LIMITED** to hold the same into the said Transferee, his (or her) executors, administrators and assigns subject to the several conditions on which I held the same immediately before the execution hereof, and I, the Transferee, do hereby agree to take the said share(s) subject to the said conditions aforesaid. As witness etc.

The Board may from time to time alter or vary the transfer form.

#### Condition for Transfer

23. The share shall be transferred subject to following restrictions:

- (a) the shares shall in the first instance be offered to the exiting shareholders.
- (b) if the exiting shareholders are not willing to accept the shares the Board shall approved transfer of shares, subject to the consent of all exiting shareholders, to other persons.
- (c) the shares shall be sold at a market value to be determined by the Auditors of the company with other experts of the company; if necessary.

#### No Transfer to an Infant

24. No shares in any circumstances shall be transferred to an infant, an Infant insolvent or person of unsound mind.

#### Closure of Transfer Books

25. The Board shall have power to close the register of transfer for such period or periods of time not exceeding thirty days at a time and 45 days in a year.

#### Right of Nomination

26. A person may on acquiring interest in the company as a member, nomination represented by shares, at any time after acquisition of such interest deposit with the company a nomination conferring on one or more persons the right to acquire interest in the shares specified therein in the event of his death.

#### Transmission of Shares

27. In the case of death of shareholders the survivor where the deceased was a joint holder, and (subject as hereinafter provided), where the deceased was a sole or only surviving holder, the execution or administrators of the deceased holding a grant of probate or letters of administration effective in Pakistan, shall be the only persons recognized by the company as having any title to the shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint), from any liability (whether sole or joint), in respect of any share solely or jointly held by him. In any case in which such a grant of probate or letters of administration to the estate of a deceased sole or only surviving holder has not been obtained, the Board may, but shall not be bound to, recognize the title of any person claiming to be entitled to the deceased holder's shares on production by such claimant of a succession certificate or such other evidence of title as the Board may deem sufficient, and upon the claimant furnishing such indemnity, if any, as the Board may require.

#### Right of persons becoming entitled to share

28. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Board, have the right either to be registered as member in respect of the share or instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made but the Board shall, in either cases have the Same right to decline registration as they would have had in the case of a transfer of the share by the

deceased or insolvent person the death or insolvency.

29. A person becoming entitled to a share by reason at the death or insolvency of the holder shall subject to Article 28 above, be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any rights conferred by membership in relation to meeting of the company.
30. The company shall incur no liability whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, but the company shall nevertheless be at liberty to regard and attend any such notice and give effect thereto, if the Board shall so think fit.

#### ALTERATION OF CAPITAL

##### Increase of Capital

31. The company may by a Resolution increase its Authorized Share Capital comprising of any class and denomination.
32. Except and so far as otherwise provided by the conditions of issued or by these Articles, any capital raised by the creation of new shares shall be considered part of the Authorized Capital and shall be subject to the provisions herein contained with reference to transfer and transmission, voting and otherwise.

##### Reduction of Share Capital

33. The company may by special resolution reduce its share capital in any manner and with and subject to any incident authorized and consent required by law.
34. The company may in general meeting by Resolution alter the conditions of its memorandum as follows:

##### Consolidation and Division of Share

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Sub-divide shares or any of them into shares of smaller amounts than originally fixed by the memorandum and subject nevertheless to the provisions of the Ordinance in that behalf;
- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so canceled.

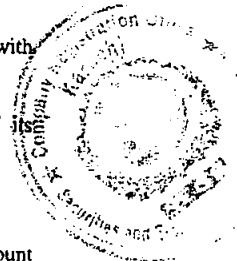
##### Variation of Rights

35. The variation in the right of shareholders shall be made in the manner provided by Section 108.

#### BORROWING POWERS

##### Powers to Borrow

36. The Directors may from time to time at their discretion borrow or secure the payment of any sum or sums of money for the purposes of the Company from any persons, firms or companies, banks, or investment corporation, government or semi-government institutions or any other source whatsoever (expressly including any member of the Company) and may themselves but to the Company any such sum or sums on security or otherwise.



Condition on which money may be borrowed.

37. The Directors may borrow or secure the payment of such sum or sums of money in such manner and upon such terms and conditions in all respect as they think fit, either by creation of any mortgage, hypothecation as charge on the whole or any part of the property of the Company and in particular by the issue of the debentures or debenture-stock of the Company charged upon the whole or any part of the property of the Company both present and future.

Assignment of Securities

38. The debenture, debenture-stock or other securities may be made assignable free from any equities between the company and the person to whom the same may be issued. ,

Issue at Discount etc.

39. Any bonds, debentures or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, drawings, Convertibility into shares, attending and voting at general Meeting of that company, appointment of Directors and otherwise, provided that debentures with the right to vote or be converted into shares shall not be issued without the consent of the company in General Meeting.

Liability for payment of sum due from the Company

40. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

**GENERAL MEETING**

General Meeting

41. An Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company, and thereafter once at least in every calendar year within a period of four months following the close of its financial year. Every Annual General Meeting shall be called during business hours on a day that is not Public holiday and shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which Registered Office of the Company is situated and the notice calling the meeting shall specify it as the Annual General Meeting.

Extra-ordinary General Meeting

42. The Board may call an Extraordinary General Meeting whenever it shall think fit. An Extraordinary General Meeting may also be convened on the requisition of the members in accordance with the provision of Section 159.

Notice of Meeting

43. At least twenty-one days notice specifying the place, the day and the hour of the general meeting and in case of special business, the general nature of such business, shall be given to the members in the manner hereinafter mentioned, or in such other manner as may be prescribed by the Company in General Meeting but accidental omission to give such notice to or non-receipt of such notice by any member shall not invalidate the proceeding of the General Meeting, subject to the provisions of the Ordinance. The Directors may whenever they think fit, and shall on requisition in accordance with the ordinance proceed to convene of Extraordinary General Meeting.

Quorum

44. No business shall be transacted at any General Meeting unless a quorum of members is present, two members present, in person who represent at least twenty-five percent of the total voting power of the company either of their own account or as proxies shall be a quorum for a General Meeting.



#### Quorum for Adjourn Meeting

45. If within half an hour of the time appointed for the holding of a general meeting a quorum be not present, the meeting if convened on the requisition of shareholders, shall be dissolved and in every other case shall stand adjourned to the same day in the next week, at time and place as was appointed for holding the general meeting and if as such adjourned meeting the quorum is not present within half an hour minutes from the time appointed for holding the meeting the members present being not less two shall be a quorum.

#### **PROCEEDINGS AT GENERAL MEETINGS**

##### Chairman to Preside

46. The Chairman of the Board of Directors shall preside at every general meeting but if at any meeting he may not be present within 15 minutes after the time appointed for holding the same or is unwilling to preside, members present shall choose some Director or if no Director be present or if the Directors present decline to take chair, the members shall choose some member to be the Chairman of the meeting.

##### Power of Chairman to Adjourn

47. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. The resolution at an adjourned meeting shall for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier dates.

##### Carrying of Resolution

48. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless poll is (before or on the declaration of the result of the show of hands) demanded by one Member having right to vote on the resolution and present in person or by proxy, if not more than seven members are personally present, and by two such members present in person or by proxy if more than seven such members are personally present or by the Chairman of the Meeting or any member or members present or by proxy and holding or representing not less than one - tenth of the issued capital carrying voting rights, and unless a poll is so demanded, as declaration by the chairman then a resolution has been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the books of the proceedings of the company, shall be conclusive evidence of the fact without further proof of the number or proportion of the votes recorded in favour of or against such resolution.

##### Demand for Poll

49. If a poll is demanded as aforesaid it shall be taken in such manner as the Chairman of the meeting directs, and either at once or after an interval or adjournment, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at anytime by the person or persons who made the demand.

##### Time for taking poll

50. Any poll duly demanded on the election of a Chairman of a Meeting or on any question of adjournment shall be taken forthwith and without adjournment and a poll demanded on any other question shall be taken at such time, not more than fourteen days from the day on which it was demanded, as the chairman of the meeting may direct.

##### Business may proceed notwithstanding demand of poll

51. The demand for a poll shall not prevent the continuation of meeting for the transaction of any business other than the question on which the poll was demanded.

##### Minutes

52. Minutes shall be made in book provided for the purpose of all resolutions and proceedings at General Meetings, and such minutes if signed by any person purporting to have been the Chairman of the Meeting to which it relates or by the Chairman of the Board shall be receivable as evidence of the facts therein stated without further proof.

#### Minutes Book

53. The books containing minutes of proceedings of General Meetings of the company shall be kept at the registered office of the company and shall during business hours (subject to reasonable restrictions as the Board may from time to time impose but so that not less than two hours each day is allowed for inspection) be open to the inspection of any member without charge.

#### **VOTES OF MEMBERS**

##### Votes

54. Upon a show of hands every member entitled to vote and present in person or by proxy shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share conferring voting rights as aforesaid held by him.

##### Right to Vote

55. Any person entitled under the Transmission Clause to Transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Director shall have previously admitted his right to vote at such meeting in respect thereof.

##### Appointment of Proxy

56. No person shall be appointed a proxy who is not a member of the company and qualified to vote, save that a corporation or a company being a member of the company may appoint as proxy or as its representative any person though not a member of the company, and the person so appointed shall be entitled to exercise the same powers on behalf of the corporation which he represents, as that corporation could exercise if it were an individual member of the company. Any such appointment shall be authorized by a resolution of Directors of that company or corporation.

##### Proxy in Writing

57. Every proxy shall be appointed in writing under the hand of the appointer or by an agent duly authorized under a power of Attorney or if such appointer is a company or corporation under the common seal of the company or corporation or the hand of its Attorney who may be the appointer.

##### Irrevocable Proxy

58. Any proxy declared expressly on its face to be irrevocable shall not be revoked or be deemed revoked by the member giving such proxy whether by attendant at any General Meeting held during the period of such proxy or by any other action on his part whatsoever, or otherwise during the term of such proxy if such proxy is furnished to and filed with the records of the company, and the company shall be bound to recognize and give effect to such proxy in accordance with the terms thereof.

##### Validity of Proxy

59. No person shall act as proxy unless the instrument of his appointment and the Power of Attorney, if any, under which it is signed shall be deposited as the office of the company at least forty eight hours before the time for holding the meeting at which he proposes to vote.

##### Form of Proxy

60. An instrument of proxy may be in the following form, or in any other form which the Directors, shall approve or in the form contained in Table "A" of the First Schedule of the Ordinance.

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**

"I \_\_\_\_\_ of \_\_\_\_\_ in  
the district of \_\_\_\_\_ being a member of  
\_\_\_\_\_ hereby appoint \_\_\_\_\_  
as my proxy to vote for me and on my behalf at the  
Ordinary/Extraordinary (as the case may be) General Meeting of the Company to be held  
on the \_\_\_\_\_ day of \_\_\_\_\_ and at any  
adjournment thereof."

#### Validity of Vote

61. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed provided that no intimation in writing of the death or revocation shall have been received at the office before the meeting.
62. No objection shall be made to the validity of any vote except at the meeting or at the poll at which such vote shall be tendered and every vote whether given personally or by proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll.
63. If question is raised, the Chairman of the Meeting shall decide on the validity of every vote tendered at such meeting in accordance with these Articles.

#### DIRECTORS

##### Number of Directors

64. (a) There shall be not less than two Directors of the company. The Directors shall fix the number of elected Directors of the company not later than thirty five (35) days before the convening of the General Meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of the General Meeting of the Company.
- (b) The following shall be the first directors of the Company.
  1. KHAWAJA ANVER MAJID
  2. KHAWAJA ABDUL GHANI MAJID

##### Term of Directors

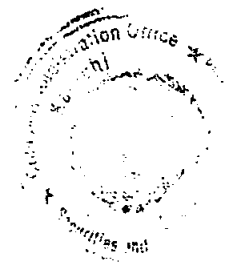
65. The first Directors shall hold office until the election of in the First Annual General Meeting. The Directors elected shall hold office for a period of three years unless he earlier resigns, becomes disqualified or otherwise ceases to hold office. The Director so retiring shall continue to perform his function until his successor is elected.

##### Delegation of Power

66. The Directors may delegate either powers to committees consisting of such member or members as they think fit.
67. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.

##### Remuneration of Directors

68. Until otherwise determined by the company in General Meeting, each Director shall be entitled to be paid as remuneration for his services a fee at the rate of Rs. 2500/= per meeting.
69. Any director who serves on any committee or who devotes special attention to the business of the company or who otherwise performs services which, in the opinion of the Board are outside the scope of the ordinary duties of a director may be paid such extra remuneration by way of salary or allowance as the company in General Meeting may determine.



Received and approved  
of any shares to  
Articles, and every  
entered in the re-

#### Share Qualification of Director

70. A director shall be required to hold at least one qualification share subject to Section 187.

#### Nomination by Directors

71. The investor shall have powers to nominate such number of directors in the Board of Directors of the Company, as are proportionate to its holding in the paid up capital of the company. The Directors so nominated shall not be subject to the provisions of these Articles and Ordinance relating to the eligibility for appointment, election, retirement, removal, filling of casual vacancy and vacation of office etc.

### **POWERS AND DUTIES OF DIRECTORS**

#### Management of Business

72. The control of the company shall be vested in the Board and the business of the company shall be managed by the Board, which may pay all expenses incurred in forming and registering the company, and may exercise all such powers of the company as are not by Ordinance or by these Articles required to be exercised by the company in General Meeting, subject nevertheless to the regulations of these Articles, to the provisions of the Ordinance and such regulations (not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the company in General Meeting but no regulation made by the company in General Meeting shall invalidate any prior act of the Board which have been valid if the regulation had not been made.

#### Power of Board

73. The Board may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures and other securities whether out right or as collateral security for any debt, liability or obligation of the company, or of any third party.

#### Books to keep

74. The Board shall cause minutes to be made in books provided for the purpose;
- (a) of the name of Director present at each meeting of the Board and of any Committee of Directors;
  - (b) of all resolutions and proceedings at all meetings of the company and of the Board and of committee of Directors.

Any such minutes of any meeting of Board or of a Committee of Directors or of the company, if signed or purporting to be signed by the Chairman of such meeting, or of the next succeeding meeting, shall be receivable as evidence of the matters stated in such minutes. The books containing minutes of General Meeting shall be kept at the registered office of company and shall be open to inspection as required by Section 173.

#### Payment of Retirement Benefits

75. The Board may pay and agree to pay pension or other retirement, superannuation, death or disability benefits or allowances to any person in respect of any Director or former Director who may hold or may have held any executive office or employment under the company, or any subsidiary company of the company, or its holding company (if any), and for the purpose of providing any such pensions or other benefits or allowances, may contribute to any scheme or fund and may make payments towards insurance or trusts in respect of such persons.

### **CHIEF EXECUTIVE**

#### Appointment of Chief Executive

76. The Directors as from a date not later than the fifteenth day after the date of its incorporation, appoint any individual to be the Chief Executive of the company. The Chief Executive shall be deemed to be its Director and be entitled to all the rights and privileges and subject to all the liabilities of that office.

Chief Executive to hold office till First Annual General Meeting

77. The Chief Executive shall, unless he earlier resigns or otherwise ceases to hold office, hold up to the First Annual General Meeting or, if a shorter period is fixed by the Directors at the time of his appointment, for such period.

Eligibility for Appointment

78. No person who is ineligible to become a director of the company shall be appointed or continue as the Chief Executive.

Term of office of Subsequent Chief Executive

79. Within fourteen days from the date of election of Directors or the office of the Chief Executive falling vacant, as the case may be the Directors shall appoint any person, including an elected Director, to be the Chief Executive, but such appointment shall not be for a period exceeding three years from the date of appointment.

Eligibility of Re-appointment

80. On the expiry of his term of office under Article 78 & 79 the Chief Executive shall be eligible for reappointment.
81. The Chief Executive retiring under Article 78 & 79 shall continue to perform his functions until his successor is appointed unless non-appointment of his successor is due to any fault on his part or his office is expressly terminated.

Removal of Chief Executive

82. The Directors by resolution passed by not less than three-fourths of the total number of directors for the time being, or the company by a special resolution, may remove a Chief Executive before the expiration of his term of office notwithstanding anything contained in these articles or in any agreement between the company and such Chief Executive.

Remuneration of Chief Executive

83. The Chief Executive shall receive such remuneration (Whether by way of salary, commission, participation in profits, allowances perquisites, etc., or partly in one way and partly in another) as the Board may fix.

Power of Chief Executive

84. The Director may entrust to and confer upon the Chief Executive of the power exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collateral with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

**DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS**

Qualification of Directors

85. No person shall be appointed as a Director of the company if he is ineligible to be appointed as Director under any of the provisions of the Ordinance or any other law for the time being in force.
86. The office of a Director shall be vacated if:

Vacation of office of Directors

- (a) he becomes ineligible to be appointed a director on anyone or more of the grounds enumerated in clauses (a) to (h) of section 187;

Absent from Meeting

- (b) he absents himself from three consecutive meetings of the Directors or from all the meetings of the Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Directors;

- (c) he or any firm of which he is a partner or any private company of which he is a Director:
  - (i) without the sanction of the company in General Meeting excepts or holds any office of profit under the Company other than that of Chief Executive or a legal or technical or a banker; or
  - (ii) accepts a loan or guarantee from the Company in contravention of Section 195.
- (d) he suspends payment to or compounds with his creditors; or
- (e) he resigns office by notice in writing addressed to the Company or to the Directors; or
- (f) he is removed from his office by the Company in General Meeting; or
- (g) he is convicted by a court in Pakistan of any offence and is sentenced in respect thereof to imprisonment for not less than six months or is convicted by a court in Pakistan of any offence involving moral turpitude; or
- (h) he acts in contravention of section 214

The appointment of an Alternate Director under these Articles shall constitute leave of absence to the Director for whom such an alternate is appointed during such Directors absence.

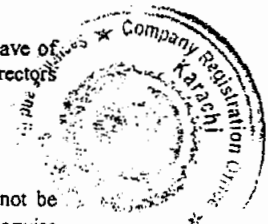
#### Directors Contract with the Company

87. Subject to the provisions of Section 214 of the Ordinance the Directors shall not be disqualified from contracting with the company either as vendor purchaser or otherwise nor shall any such contract or arrangement entered into by or on behalf of the company with any company or partnership of or in which any director shall be a member or so interested be liable to account the company for any profit realized by any such contract or arrangement by reasons of such Director holding that office or of the fiduciary relation thereby established but the nature of his interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on if the interest then exists, or in any other case at the meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Directors shall take part in the discussion of such contract or arrangement or Vote as a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so vote his vote shall not be counted but he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be reckoned for the purpose of ascertaining whether there is a quorum of directors present. This provision shall not apply to any contract by or on behalf of the company to give to the Directors or any loss which they or any of advanced or by way of indemnity against any loss which they or any of them may suffer by reason of becoming or being sureties for the company. A general notice that any Director is a director or a member of any specified company, or is a member of any specified firm and is to be regarded as interested in and subsequent transaction with such firm or company shall, as regards any such transactions, be sufficient disclosures under this Article, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company. Any such general notice shall expire at the end of the financial year in which it is given, but may be renewed for further period of one financial year in which it would otherwise expire. No such general notice, and no renewal thereof, shall be of effect unless it is given at the meeting of the Directors, or the Directors concerned take reasonable step to ensure that it is brought up and read at the first meeting of the Directors after it is given.

#### Register of Directors Contract

88. A register shall be kept by the Director in which shall be entered particulars of all contracts or arrangement to which Article 87 applies.

#### Loan to Directors



89. The Company shall not, directly or indirectly make any loan to, or give any guarantee or provide any security in connection with a loan made by any other person to, or to any other person by such persons as are specified in and to the extent permitted by section 195.

## ROTATION, ELECTION AND REMOVAL OF DIRECTORS

### Election of Directors

90. Any person who seeks to contest an election to the office of Director shall, whether he is a retiring Director or otherwise, file, with the company, not later than fourteen days before the date of the meeting at which election are to be held, a notice of his intention to offer himself or election as Director. The notice shall be transmitted by the company to the members not later than seven days before the date of the meeting.

### Manner of Election of Director

91. The Director shall be elected by the members of the company in General Meeting in the following manner namely:
- (a) a member shall have such number of votes as is equal to the product of the number of voting shares held by him and the number of Directors to be elected;
  - (b) a member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose and the candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected.

### Casual Vacancy

92. Any casual vacancy occurring among the Directors may be filled up by the Directors and the person so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed.

### Removal of Directors

93. A resolution for removing a Director elected in the manner provided for in Article 91 or for reducing the number of Directors shall not be deemed to have been passed if the number of votes against it is equal to election of a Director at the immediately preceding annual election of Director in the aforesaid manner.

## PROCEEDINGS OF DIRECTORS

### Meeting of Directors

94. The directors may meet together for the dispatch of business, adjourn and otherwise regulate meetings of the Board as they think fit. The Chairman or the Chief Executive if any may at time and shall on the written requisition of two Directors at any time summons a meeting of the Board. At least Ten clear days notice must be given to all Directors to summon a meeting of the Board and such notice shall set forth the purpose or purposes for which such meeting is Summoned. However with the consent of all Directors entitled to receive notice of a meeting or to attend and vote at any such meeting, a meeting of the Board may be convened by shorter notice than specified in this Article.

### Quorum

95. A meeting of the board for the time being at which a quorum is present shall be competent to exercise all or any of authorities, powers and discretions by or under these Articles vested in or exercisable by the Board generally at least two Directors personally present shall constitute a quorum.

### Election of Chairman

96. The Chairman shall whenever present preside as Chairman at each meeting of the Board but if at any meeting the Chairman is present and not willing to act or is absent beyond ten minutes after the time fixed for holding the meeting, the Vice Chairman shall act as Chairman, in the absence of both the Chairman and the Vice Chairman or in the event of the unwillingness of both to act, the directors present shall within fifteen minutes of the



time fixed for the meeting choose one of their members to be Chairman of such meeting.

When Act of Directors or Committee valid notwithstanding defective appointment etc.

97. All acts done by meeting of the Board or of a Committee of Directors, or by any person acting as a Director or Alternate Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or person had been duly appointed and was qualified to act.

Resolution in Writing

98. A resolution in writing, except for the matter specified in section 196, signed by all Directors present in Pakistan shall be effective as if such resolution had been passed at a meeting of the Directors. Any director may waive notice of the time, place and purpose of any meeting either before, at or after such meeting.

**ALTERNATE DIRECTORS**

Alternate Director

99. Any Director not permanently resident in Pakistan and any Director so resident but intending to be absent there from for a period of not less than three months may appoint any person acceptable to the Board to be an Alternate Director of the Company to act for him. Every such appointment shall be in writing under the hand of the Director making the appointment. An Alternate Director so appointed shall not be entitled to appoint another Alternate Director, but shall otherwise be subject to the provisions of these Articles with regard to Directors, except that he shall require no share qualification. An Alternate Director shall be entitled to receive notices of all meetings of the Board and to attend and vote as a director at any such meeting at which the Director appointing him is not personally present, and generally to such appointed An Alternate Director shall ipso facto cease to be as Alternate Director if his appointer for any reason ceases to be a Director or if and when his appointer returns to Pakistan, or removes the appointee from office by notice in writing under the hand of the appointer.

**DIVIDENDS AND RESERVES**

Declaration of Dividend

100. The company in General Meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board.

Payment of Interim Dividend

101. The Board may from time to time pay to the members such interim dividend as appear to be justified by the profits of the company.

No Dividend Except out of profit

102. No dividends shall be paid otherwise than out of profits of the year or of any other undistributed profits from prior years or in contravention of section 235 and 248.
103. Subject to the right of any person entitled to shares with rights as to dividends the profits distributed as dividends shall be distributed among the shareholders and all such dividends shall be declared and paid according to the amounts paid on the shares. If any shares are issued on term that it shall rank for dividend as from a particular date, such shares shall rank for dividend accordingly.

Creation of Reserve

104. The Board may, before recommending any dividend, set aside out of the profits of the company such sums as they think proper reserve as a reserve or reserves, which shall, at the discretion of the Board, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments subject to the provisions of section 208, or any other provisions of the Ordinance (other than shares of the



company) as the Board may from time to time think fit.

Payment of Dividend to Joint Holders

105. If several persons are registered as joint holders of any share, anyone of them may give effectual receipts for any dividends payable on the share.

Dividend shall bear no Interest

106. No dividend shall bear interest against the company.

Mode of payment of Dividend

- 107.
- (a) Any dividend may be paid by cheque or warrant sent through the registered post to the registered address of the member or person entitled thereto, or in the case of joint holders to anyone of such joint holders at his registered address or to such person and at such address as the member or person entitled or such joint holders, as the case may be direct. No dividend shall be paid by the company in respect of any share therein except to the registered holder or to his order or to his banker or to a financial institution nominated by him for the purpose and the payment shall be made within thirty (30) days of the declaration.
- (b) Dividends unclaimed for one year may be invested or otherwise used by the Board for the benefit of the company until claimed.

**CAPITALIZATION**

Capitalization of Reserves

108. Any General Meeting may, upon recommendation of the Board resolve that any undivided profits of the company (including profits carried and standing to the credit of any reserve or reserves or other Special accounts or representing premiums received on the issue of shares and standing to the credit of the share premium account), not required for paying the Dividends on any shares issued be capitalized. Such capitalized undivided profits shall be distributed amongst such of the shareholders as would be entitled thereto as capital. All or any part of such capitalized fund may be applied on behalf of such shareholders for payment in full or in part either at par or at such premium as the resolution may provide, for any unissued share or debentures of the company which shall be distributed accordingly, or for outwards payment of uncalled liability on any issued debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

**ACCOUNTS**

Books of Account

109. The Board shall cause to be kept proper books of accounts as required under section 230.

Keeping of Books of Account

110. The books of account shall be kept at the registered office or at such other place as the Board shall think fit in accordance section 230.

Inspection of Books of Account

111. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to inspection of members and no member shall have any right of inspecting any account or books or document of the company except as conferred by Laws or authorized by the Board or by special resolution of the company in force at the time for holding the General Meeting.

Laying Account before the Annual General Meeting

112. Within eighteen months of the incorporation of the company, and subsequently once in



every Calendar year, within a period of Four months following the close of its financial year and not more than fifteen months after the holding of its last preceding Annual General Meeting, the Director shall lay before the company in General Meeting a balance sheet and profit and loss account, both made up in accordance with the Ordinance. Every such balance sheet shall be accompanied by auditor's report and the Director's report, in accordance with the provisions of the Ordinance in that behalf.

#### Dispatch of Accounts & Directors Report to Members

113. A copy of the report of the Directors and of the balance sheet (including every document required by law to be annexed thereto) and of the profit and loss account shall be sent to all members along with the notice convening the General Meeting before which the same are required to be laid.

#### **AUDIT**

##### Auditors

114. Auditors shall be appointed at each Annual General Meeting and their appointment, qualification, removal, casual vacancy, powers and duties etc. shall be regulated in accordance with sections 252 to 255.
115. The Auditors report shall be read before the company in general meeting and shall be open to inspection by any member.

#### **NOTICE**

##### Dispatch of Notices to Members and Directors

- 116.
- (a) A notice may be given by the company to any member either personally or by sending it by post to him at his registered address or (if he has not registered address in Pakistan), to the address, if any, within Pakistan supplied by him to the company for the giving of notices to him.
  - (b) Where a notice is sent by post, services of the notice shall deemed to be effective by properly addressing, prepaying and posting a letter containing the notice, and unless the contrary is proved to have been effected at the time at the letter would be delivered in the ordinary course of post.
- 117.
- (a) If a member has no registered address in Pakistan and has not supplied to the company an address within Pakistan for the giving of notice to him, a notice advertised in a newspaper circulating in the neighborhood of the registered office of the company shall be deemed to duly given to him on the day which the advertisement appears.
  - (b) If a member has supplied an address to the company within Pakistan as contemplated by sub-clause (a) above, the company, in addition, shall furnish to such members notice at an address outside Pakistan which has been supplied by him to the company.

##### Notice to Joint Holders

118. A notice may be given by the company to the joint holders of shares by giving the notice to the joint holder named first in the register in respect of the shares.

##### Notice at death of a member

119. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of letter addressed to them by name, or by the title of representative of the deceased, or assignee of the insolvent, or by any like description, at the address (if any) in Pakistan supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency

had not occurred.

#### Notice of General Meeting

120. Notice of every general meeting shall be given in some manner here in before authorized to:
- (a) Every member of the company;
  - (b) Every person entitle to a share in consequence of the death or insolvency of a member; and
  - (c) The auditors of the company;

#### **SECRETARY**

##### Secretary

121. A secretary shall be appointed by Directors at such remuneration and upon such terms and conditions as they may think fit and any secretary so appointed may be removed by them. The Secretary shall be responsible to ensure compliance with the secretarial formalities under the Ordinance.

#### **THE SEAL**

##### Affixing of Seal

122. The Board shall provide for the safe custody of the Seal, and the seal shall never be used except by the authority of the Board or a Committee of Directors previously given, and one Director at least shall sign every instrument to which the seal is affixed provided, nevertheless, that any instrument bearing the seal of the company and issued for valuable consideration shall be binding on the company notwithstanding any irregularity touching any authority to issue the same.

#### **SECRECY**

##### Secrecy

123. Every Director, Chief Executive, Manager, Auditor, Trustee member of a committee, officer, servant, agent, accountant or other person employed in the business of the company shall, if so required by the Board before entering upon his duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy respecting all transaction of the company its customers and the statement of accounts with individuals and in matters relating thereto, and shall by declaration pledge himself not to reveal any of the matters which come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting, or by a court of law, and except as may be necessary in order to comply with any provisions in these presents contained.

##### Entitlement to enter the property of the Company

124. No member or other person (not being a Director), shall be entitled to enter the property of the company, without permission of the Board or the, Chief Executive and to require disclosure of any information respecting any detail of the company's trading, or any matter which is or may be in the nature over trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the company and which in the opinion of the Board or the Chief Executive, if any, will be inexpedient in the interest of the members to communicate.

#### **WINDING UP**

##### Distribution of Assets

125. If the company shall be wound up (whether voluntarily or otherwise), the liquidator may, with the sanction of a Special Resolution, divide among the members in specie any part of the assets of the company in trustees upon such trust for the benefit of the members as



EXECUTED BY  
[Signature]

liquidator shall think fit.

## INDEMNITY

### Indemnity of Directors and Officers

126. Every Director, Chief Executive, Manager or Officer of the company or any person (whether an officer of the company or not), employed by the Company as Auditor or Advisor shall be indemnified out of the funds of the company against any liability incurred by him, as such Director, Chief Executive, Manager, Officer, Auditor or Advisor, in defending any proceedings, whether civil or criminal, in which judgment is given or in which he is acquitted, or in Connection with any application under Section 488 in which relief to him by court.
127. No Director, Chief Executive, or other Officer of the company will be liable for the acts, receipts, neglects or defaults of any other Director or any Officer or for joining in any receipt of other act for Conformity, or for any loss or expense happening to the company through the insufficiency or deficiency of title to any property acquire by order of the Directors, Chief Executive, or other Officer for or on behalf of the company, or for inefficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any monies, securities or effects shall be deposited, or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

We, the several persons, whose names and addresses are hereunder subscribed, are desirous of being formed into a company, in pursuance of these Articles of Association and we respectively agree to take the number of shares into the Capital of the Company set opposite our respective names:

| Name and Surname<br>(Present and Former)<br>in full (in Block Letters) | Father's / Husband's<br>Name in full | Nationality<br>with former<br>Nationality | Occupation | Residential<br>address              | Number of<br>shares taken<br>by each<br>subscriber | Signature |
|--|--------------------------------------|---|------------|-------------------------------------|--|-----------|
| KHAWAJA ANVER MAJID  | KHAWAJA ABDUL MAJID                  | Pakistani                                 |            | 12, Runnymede, Clifton,<br>Karachi  | 20<br>Twenty Only                                  | FM-       |
| KHAWAJA ABDUL GHANI MAJID  | KHAWAJA ANVER MAJID                  | Pakistani                                 |            | 12, Runnymede, Clifton,<br>Karachi. | 20<br>Twenty Only                                  |           |
|  |                                      |   |            |                                     | 40<br>(Forty Only)                                 |           |

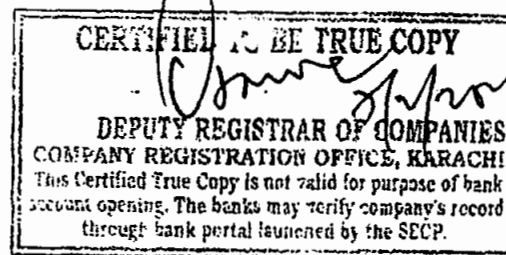
KARACHI: Dated \_\_\_\_\_ day of \_\_\_\_\_

Witness to the above signatures:

Name \_\_\_\_\_ S/o. \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ N.I.C..No. \_\_\_\_\_



THE COMPANIES ORDINANCE, 1984

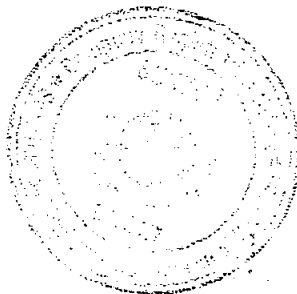
COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

NAUDERO SUGAR MILLS (PRIVATE) LIMITED

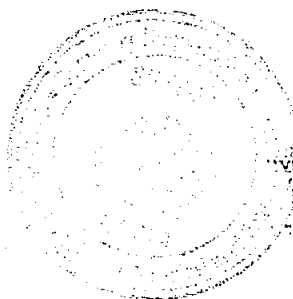
- (i) The name of the company is NAUDERO SUGAR MILLS (PRIVATE) LIMITED
- (ii) The Registered Office of the Company will be situated in the Province of Sindh
- (iii) The objects for which the Company is established are:
  - (a) To purchase, manufacture, produce, boil, refine, prepare, import, export, sell and generally to deal in sugar, sugar-candy, jaggery, sugar-beet, sugar-cane, molasses, syrups, melacha, spirits, and all sugar products such as confectionery, glucose, sugar-candy, canned fruit, golden syrup and aerated waters and/or by-products such as hygroscopic boards, paper pulp, paper, beet/alcohol acetone, carbon dioxide, hydrogen, paraffin, car wax, and fertilizers and food products generally, and in connection therewith to acquire, construct, operate factories for the manufacture of sugar or any of its products or by-products and acquire or manufacture machinery for any of the above purposes
  - (b) To cultivate, plant, produce and raise or purchase sugar-cane, sorghum, sugar beet, rice, palmistry rice, and other crops or raw materials and to transact such other work in business as may be proper, necessary or desirable in connection with the above objects or any of them
  - (c) To enter into cooperation, collaboration, technical or otherwise with any persons, firm, company, body, corporation, institutions or Government for obtaining grant, license or on other terms favorable and to obtain technical information, knowhow and expert advice
  - (d) To acquire from time to time and deal or trade in all such stock-in-trade, channels, any patent, trade mark, brevets, invention, licenses, commission and effect as may be necessary or convenient for any business for the time being carried on by the Company
  - (e) To borrow money in Pakistan as well as in foreign currencies at any time and from time to time for the purpose of the company with or without securities and to avail third party guarantee and collateral, upon such terms as the directors may deem expedient, to take advances from or by cash credit or current or overdraft accounts with any bank, financial institutions, society, company or organizations including the directors of the company and/or mortgage, hypothecation, charges, pledge or by the issue of debenture charged upon or any of the company's properties (both present and future) or by such other means as the Directors may in their absolute discretion deem fit
  - (f) To draw, make, accept, endorse, discount, execute and issue promissory notes, hundies, bills of exchange, bill of lading, warrants, debentures and other negotiable



instruments in course of the Company's business

- 7 To apply for, purchase or otherwise acquire any patents, firevents, invention, licenses, concessions and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention for the purpose of the company, and to use, exercise, develop or grant or licenses in respect of or otherwise turn to account the property, rights or information so acquired.
- 8 To appoint agents except managing agents to promote the business of the company
- 9 To pay for any property acquired by the company, and remunerate any persons, firm or body corporate rendering services to the company either by cash payment or by allotment to him or them of shares or securities of the company which is paid in full or in part or otherwise.
- 10 To let on lease or to lend or otherwise dispose of any property belonging to the company
- 11 To sell, exchange, mortgage, let on lease, royalty or tribute grant, licenses, easements, options and other rights over in any other manner deal with or dispose of the undertaking.
- 12 To carry on business of consultancy for public issue work, drafting of prospectus, arranging press conference, preparing project report, getting it appraised and to carry on all activities connected with promotion of Capital Market
- 13 To acquire and undertake all or any part of the business, property and liabilities of any person or company carrying on or proposing to carry on business.
- 14 Subject to the provisions of the Companies Ordinance, 1984, to amalgamate, or to enter into partnership or into any arrangement for shares, profits, union of interest, co-operation, joint venture, of reciprocal concession or for limiting competition with any person or persons or company or companies carrying on or engage in or about to carry on or engage in any business transaction in or engage in or which this company is authorized to carry on or engage in or which can be carried on in conjunction therewith.
- 15 To engage in any business or transaction within the limits of the company's objects, in connection with or any other person, corporation, company or to hold shares, stocks, or bonds in any such company or corporation, the business which this company is authorized to carry on.
- 16 To procure the recognition of the company in or under the laws of any place outside Pakistan.
- 17 To undertake and execute any undertaking of which may seem to the company desirable and either gratuitously or otherwise and vest any real or personal property, rights or interest acquired by or belonging to the company in any person or company or companies on behalf of or for the benefit of the company and with or without any declared trust in favour of the company for the purpose of the business of the company.
- 18 Subject to provisions of the Companies Ordinance, 1984 to give donations to create trusts for the welfare of the employees, members, directors and/or their dependents, heirs and children and for any deserving object and for other persons also and to act as trustees
- 19 To subscribe or guarantee money for national, charitable, religious, educational, benevolent or other institutions, societies, clubs, funds, association, public general or useful objects or for any exhibition but not intended to serve any political cause or purpose.
- 20 To communicate with chambers of commerce and other mercantile and public bodies throughout the world and promote measures for the protection of trade, industry and persons engaged therein.
- 21 To subscribe for, become a member of, subsidize and co-operate with any other association, whether incorporated or not, whose objects are altogether or in part similar to those of the company, and to procure from and contribute to any such association.

ally resident in the  
from for 1000



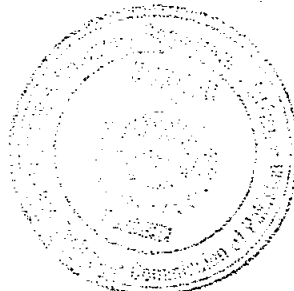
Dividends shall be declared and paid  
are issued on term that  
the 31st day of dividend annum





any persons, through agents, franchise, by any available means in Pakistan or abroad

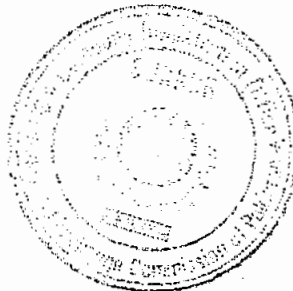
12. To undertake and provide internet related services, systems technology, information and software development services and products, including hardware's, to any person through agents, franchise, by any available means, in Pakistan or abroad including value added services such as internet, television internet, E-mail, V-Sat, Telephony, Video Conferencing, Entertainment, Infotainment, Tele-shopping, E-Commerce, Games, Data Transmission, Computer networking, Video conferencing etc. and to establish links via Satellite uplink and downlink through available reception systems.
13. To manufacture all kinds of electrical conductors and insulated wires for power generation, transmission and distribution, to manufacture, deal, trade, export and import machinery and plants, equipments and accessories for manufacture of electrical conductors and transformers, insulated wire and electrical equipment and to do all kinds of business, all varieties of electrical conductors, and transformers insulated wire and electrical equipment and to all kinds of business all varieties of electrical conductors, cables, insulated wires and other equipments and to carry on in Pakistan or elsewhere the business of mechanical engineers, iron workers and manufacturers, processors, fabricators, drawers, rollers and refiners of steel and non-ferrous metals, castings, bars, flats, squares from scrap, rollers and imports.
14. To manufacture, produce, buy, sell, import, export, stock, deal in machine tools, grinding machines, automatic lathes, drilling machines, planing machines, planigrinders, machinery of every description, precision tools, cutting and small tools, electric motors, electrical equipments, cables, wires, switch gears, flame and drip proof knives, electric fans, regulators of all types, electric kitchen hour meters magnets, industrial jewels, meters, voltmeters, and other types of measuring instruments, electrical, non-electrical, die-castings, screws, nuts and bolts, transformers of all types, circuit breakers, fuses, elevators, gears, trolleys, and coaches, winches, air compressors, welders, refrigerators, domestic washing machines, television and radio receivers and transmitters, micro wave components, radar equipments, valves, resistors, electronic instruments, conductors, minerals, transistors and allied items, sewing machines, watches and clocks, tape recorders, household appliances and component parts thereof.
15. To carry on the business as forwarding agents, representatives of manufacturers, sale and marketing organizations, and insurance agents and to carry on the business or trade of stores, suppliers, consultants, computer programmers, landed proprietors and supplier of goods to government and other public and private bodies, shroffs, department store operators, publishers, guarantee brokers, carriers by land and water, charter parties, newspaper owners, watchmakers, watchhousemen, marine, fire and other insurers, intermediaries and all types of brokers including brokerage and for this purpose to appoint and remunerate any Directors, secretaries, experts or agents.
16. To provide technical know-how in Pakistan and abroad which is likely to assist in the manufacture of the goods or the processing of materials or in the installation or erection of plant or machinery for such manufacture processing including providing technological design, installation and erection information and to render engineering, technical management and various types of skilled and other services to all types of business and industry or other organizations.
17. To grow, cultivate, produce, buy, sell, manufacture, treat, blend, render marketable and transport whether in bulk or in packaged or concentrated forms tea, coffee, cocoa or any other beverages, all varieties of food and products, plantation crops, orchard crops, cereals, vegetables, spices, essential oils, aromatic substances, rubber, forestry products and other produce of the soil, whether of spontaneous growth or not.
18. To carry on business as manufacturers, producers, dealers, processors, importers, exporters, stockiest, agents, brokers, traders, retailers, of all kinds of paper including writing, printing, wrapping and tissues, newsprint, paper for packing including corrugated and craft paper, synthetic papers, all kinds of boards including paper and straw board and all kinds of pulp whether mechanical or chemical including dissolving pulp.
19. To produce, manufacture, refine, prepare, process, import, export, purchase, sell and generally deal in cement, portland cement, white-colored cement, alumina, cement pipes, fibreglass sheets, asbestos cement paper and their fitting, asbestos cement sheets, any other types of reinforced pipe, fittings, sheets, boards, tanks, reinforced structural parts, blocks.



Noted as above

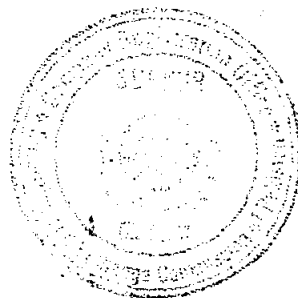
Given by the company to the  
Agency of management

- 19 To manufacture, process, import, export and deal in natural and synthetic resins, plastics, rubber, masticating powders, adhesives, paints, chemicals, nylon, polythene, poly-propylene, poly-methene, laminating materials, colours, varnishes, enamels and spirit in all its branches, raw materials for any of these products, and any materials produced out of these products
- 20 To manufacture, produce, refine, prepare, purchase, import, sell and to trade and deal petroleum and all kinds of mineral oils and all products "and byproducts thereof, including wax, paraffin, soap, paints, lubricants, illuminants and butter substitute, oil stoves, candles, kerosene, kerosene and its products, and to importation thereof to acquire, construct, repair, maintain, and use oil and other petroleum buildings, mills, factories, oil well derricks, tankers, barges, oil rigs, electricity, mechanical or hydraulic presses
- 21 To carry on business as rubber merchants, sub-salt proprietors and rubber growers and to carry out grow process for rubber manufacture, import, export and deal in rubber and to carry out business in rubber manufacture and deal in various products for car tyres, packing, and in all branches, to sell, manufacture, market, fabricated goods, composite goods, produce goods, hand goods, ship boards, hand wood, moulded wood and articles of all materials of rubber wood
- 22 To deal in, purchase, sell, import, export or supply and to act as principals, dealers, agents, sub-agents, manufacturers, representatives, for leather and leather goods, gloves, wallets, bags, zippers, car components, fibres, skins, goods, garments, metalware, electrical items, spare parts, appliances, machinery, equipments, jewelry, handicrafts, toys, antiques and art of objects
- 23 To carry on the business as manufacturers of, dealers in tires, repairs, cleaners, runners, characters, stores, and warehouses of earth moving and agricultural machines, motorcycles, cars, motors, scooters, cycles, tractors, trucks, three wheelers, bicycles, ships and carriage, lifts, forklifts and handling equipments, launchers, boats, vans, airplanes, helicopters, hydroplanes, hover crafts and other conveyance of all descriptions.
- 24 To cultivate, plant, bring, buy, sell, spare, convert, process, treat or manipulate in any manner of all kinds of banana, guava, mango, jack, betel, coffee, rubber, vanaspathi oil, sugarcane, sugar beets, and, etc., crops, vegetable products, food grains, plants and all other products of the soil
- 25 To search, find, quarry, collect, mine, extract, refine, dress, amalgamate, concentrate, and prepare for market ferrous and non-ferrous metal, ore, quartz, metal and mineral concentrates of all kinds including oil and to carry on any other prospecting, mining, and metallurgical operations and to work mines or quarries, and to search forest, geoworks, process, mine, mine, wash, smelt, manufacture, make merchandise, sell or otherwise deal in coal, coal dust, iron, stone, cement, lime, lime stone, chalk, clay, bauxite, sulphur, ores, metals, minerals, oil, precious and other stones, deposits, products and all other kinds of by-products thereof and carry on the business of mining in all its branches
- 26 To carry on business as manufacturers, exporters, importers, dealers, stockists, agents, distributors of batteries, cells, torches, toys, personal aids and such items and goods, which may be useful, skin or otherwise connected with anyone or more of the abovesaid names or products
- 27 To carry on business of manufacturing, producing, processing, treating, making taking on hire or otherwise acquiring, blending, formulating, packaging, selling, retailing, importing, exporting, leasing, fabricating, assembling, servicing, repairing, maintaining, of all types of grades, kinds, sizes and descriptions of photographic-films, papers, chemicals, reagents, standards, equipments, instruments, accessories, appliances, raw materials and things, tools, apparatus, products, reagents for industrial communication films and motion, image and document production and copying and information processing, recording, handling, storing, retrieval products in carry on business by making or providing applications for such equipments, apparatus, accessories, products, instruments, supplies and by providing services and processes relating to photographic





- 56 To design, erect, fabricate, process, hire out, buy, sell, prepare, process, manufacture, assemble, fabricate, cast in, press, machine, treat, weld, harden, temper, anneal domestic, electronic and industrial appliances, fans, motors, equipments, plants, machines, moving accessories, components, spare parts, tools and implements
- 57 To manufacture, produce, export, import, buy, sell and deal in various oil, food grains, seeds and their articles, produce and merchandise of all kinds and description either ready or for forward delivery
- 58 To carry on the trade, industry, business, occupation and profession of architects, engineers, Contractors, electrical, sanitary and plumbing engineers, and contractors, flooring contractors, and furnishers, decorators, and contractors in all its branches
- 59 To carry on the business as manufacturers and dealers in hardware, iron and structural goods of all kinds and in particular, T-irons, beams, angles, washers, railings, collapsible gates, stairs, columns, metal doors and windows and other building material including all kinds of ferrous and non-ferrous metal products, machinery spares and parts and stores of any description required for building constructions
- 60 To carry on business as manufacturers of and dealers in any manner and all types of raw materials and products of plastics, thermoplastics, nylon, polythene laminating materials, laminated paper and board
- 61 To carry on business as general, commercial, color crafts and process printers, painters, lithographers, engravers, die-makers, publishers of newspaper, books, magazines, art and musical productions, plan and chart printers, press and advertising agents, contractors, ink, dye, colour and chemicals manufacturers, manufacturers of metal and other signs, manufacturers and dealers of containers and components and machinery manufacturers, and dealers in printing machinery, types and all printers, supplies, book binders and stationery and dealers in all kinds of supplies and equipment for mercantile and other uses
- 62 To carry on the business as importers, exporters, manufacturers and distributors of agents for and dealers in salt and salt based chemicals, Petro-chemicals organic, inorganic and organometallic chemicals including rubber chemicals, leather chemical, synthetic chemicals, industrial explosives and chemical products of every nature and descriptions
- 63 To act as consultants and to provide management, financial, technical, engineering, industrial, administrative, advisory, commercial, accountancy, quality control, legal, taxation, electronic data processing, computer and other consultancy services, to undertake and execute design engineering and technical work for projects, to prepare and implement project and feasibility report and to take up contracts and jobs on Turnkeys basis or otherwise. To act as brokers, negotiators with bank, financial institution and others for arranging loans and underwriting of shares and debentures and to undertake and carry out promotion and formation of companies, firms, associations, trust and run and manage them for others and on own account and to assist in selection, recruitment and hiring of personnel
- 64 To carry on the business of consultants and advisor and to provide and render all types of services rendered by consulting engineers, technicians and experts and to undertake techno-economic survey, economic feasibility reports, projects reports and design and developments of new products to assist in selection of technology process, know-how to carry out laboratory test and trials and provide Turnkey engineering services
- 65 To manufacture, import, assemble, develop, invent otherwise deal in Audio/ Video systems, Electronic typewriters, computers, computers software, floppy diskettes, printers, ribbon, paper, magnetic tapes, cassettes and other allied materials, computer data processing machine, computer printers, computer publication systems computer peripherals, accessories and their services.



- 66 To establish, provide, perform systems, engineering services, related technical and consultancy services, impart technical know-how in the field of computers develop technical expertise for providing technological and technical knowhow
- 67 To manufacture, import, assemble, develop, invent and otherwise deal in all kinds of electrical and electronics systems, equipments, appliances, components and accessories thereof suitable for commercial, industrial medical, scientific and consumer purpose
- 68 To carry on the business of planters, growers and cultivation of rubber, coffee and all other plantation activities
- 69 To arrange for imparting education and / or training to the trainees in the workshops, factories, mills or other organizations in any part of Pakistan in such line or lines and / or branch or branches and / or industry or industries and / or where trainees may have full scope for the purpose of extending their technical and managerial skill and gaining practical knowledge in particular in branches or industries on such terms and conditions as the company may deem fit and proper and to lend or make available the services to such technicians and experts who will be trained by the company and / or others to such factories, establishments, mill workshop who are or will be in need of services in the discretion of the company may think fit and proper.
- 70 To carry on business as tourist agents and contractors and to facilitate travelling and to provide for tourists and travellers, or promote the provisions of conveniences of all kinds in the way of through tickets, circular tickets, sleeping cars or berths, reserved places, hotel and boarding and / or lodging accommodation and guides, enquiry bureau, libraries, renting rooms, baggage transport and otherwise and to charter steamships and aeroplanes for fixed periods or for particular voyages and flights and to organise religious, educational, sightseeing and business tours and for the purpose of charter ships, trains, aeroplanes, automobiles, motor buses, motor coaches, motor cars, wagons carts and carriages of every description to book and reserve accommodation and rooms in hotels, restaurants and boarding and or lodging houses and to take on hire houses or automobiles.
- 71 To purchase or otherwise acquire, maintain, sell and give on lease all kinds of plant, machinery, motor vehicles, marine engines, marine boats, trailers, launches, ships, vessels, barges, hotel equipments, medical equipments, airconditioners, air-conditioning plants, equipments, office equipments, computers, photo copying machines, cold storages, ice-cream manufacturing machinery, furniture and fixtures, televisions, electronic equipments, lifts aircrafts, helicopters, household equipments and appliances or any other equipments or assets that the Company may think fit.
- 72 To carry on all or any of the objects as set out in paragraphs (1) to (74) above as if the same were incorporated as part of this sub-clause as objects incidental or ancillary to the attainment of all or any of the other objects herein before mentioned. And it is declared that
  - a) The word "company" where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not, and whether domiciled in Pakistan or elsewhere;
  - b) The headings hereto are for convenience of reference only and shall not be deemed to affect the construction of this clause or of any sub-clause thereto;

Provided that nothing herein contained shall be deemed to empower the Company to carry on the business of banking, insurance business, business of investment companies or of leasing companies or any other business or business which may be illegal or unlawful under the laws applicable in Pakistan.

IV The liability of the member is limited

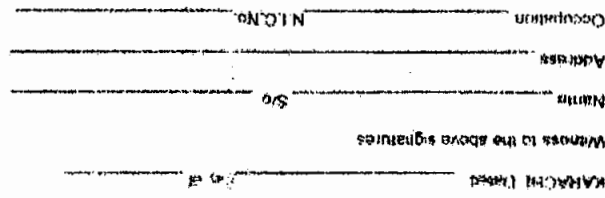
- a) The Authorized Share Capital of the Company is Rs. 500,000,000 (Rupees Five Hundred and Forty Million only) divided into 1,400,000 (Three Million and Four Hundred Thousand only) Ordinary Shares of Rs. 100/- each with the power to increase or reduce the Share Capital or the time being into several classes, and to attach thereto respectively such preferential, Qualified or special rights, privileges or conditions as



may be determined by or in accordance with the Companies Ordinance, 1964 for the time being in force and regulations of the Company and to vary, modify or abrogate such rights

- Abrogation of Clause (1) of Article 166(a) and the adoption of Supplementary General Meeting held on September 14, 1966, August 25, 1966 and then September 20, 1966.





| Phone and Name<br>of Person and Former<br>or Full or Other Names | Relationship<br>with Person<br>Responsible | Relationship<br>to Person in full<br>Name's Residence | Address                                 | Telephone<br>Number of<br>Person in full<br>Name's Residence | Signature |
|--|--|---|---|--|-----------|
| WILKINSON, ABRAHAM MARSH   | Partner                                    | Partner   | 1110 Broadway Station<br>New York 10036 | 212<br>Twelfth City  |           |
| WILKINSON, ABRAHAM MARSH   | Partner                                    | Partner   | 1110 Broadway Station<br>New York 10036 | 212<br>Twelfth City  |           |

We, the several persons whose names are hereunto subscribed, are desirous of being joined into a company, all or some of these Alterations of Association may be respectively given to take the number of shares into the Capital of the Company set opposite and respective names.

We, the several persons, whose names and addresses are hereunder subscribed, are desirous of bringing forth into a company, in pursuance of the Memorandum of Association and we respectively agree to take the number of shares into the Capital of the Company set opposite our respective names:

| Name and Surname<br>(Print and Surname)<br>in full in Block Letters | Father's / Husband's<br>Name in full | Nationality<br>with foreign<br>Nationality | Occupation | Residential<br>address             | Number of<br>shares taken<br>by each<br>subscriber | Signature                |
|---|--------------------------------------|--|------------|------------------------------------|--|--------------------------|
| KHAWAJA ANVER MAJID   | KHAWAJA ABDUL MAJID                  | Pakistani                                  | BUSINESS   | 12, Runnymede, Clifton,<br>Karachi | 20<br>TWENTY                                       | <i>Anwer Majid</i>       |
| KHAWAJA ABDUL GHANI MAJID   | KHAWAJA ANVER MAJID                  | Pakistani                                  | BUSINESS   | 12, Runnymede, Clifton,<br>Karachi | 20<br>TWENTY                                       | <i>Abdul Ghani Majid</i> |
|   |                                      |  |            |                                    | 40<br>FORTY  |                          |

KARACHI: Date 19th day of Dec 1920

Witness to the above signatures:

Name Aslam Masood No. MASOOD-42-HADU

Address C/O 3rd Floor, Block #4, Hameed Building, Garden Road, Karachi

Occupation Service N.I.C. No. 245-55-106598

Certified to be true copy

(IGMAL PROUS)  
Assistant Registrar of Companies  
Registrar and Company Commission of Pakistan  
Company Registration Office, Karachi

68 dt. 25/11/2020



THE COMPANIES ORDINANCE, 1982

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

NAUDERO SUGAR MILLS (PRIVATE) LIMITED

PRELIMINARY

Table "A" excluded

- 1 The regulations contained in Table "A" on the First Schedule to the Companies Ordinance, 1982, shall not apply to the company except in so far as they are repeated or contained in these Articles

Interpretation

- 2 The charter headings shall not affect the construction hereof, and in these Articles unless there is something in the subject or context inconsistent therewith

Articles

"The Articles" mean the Articles of Association, as originally framed or as altered from time to time or the Company acting at a meeting or pursuant to unanimous written consent

Books and Papers etc.

"Book and Paper" "Book or Paper", or "Books of Account" includes accounts, deeds, vouchers, registers, writings and documents

Company

"The Company" means NAUDERO SUGAR MILLS (PRIVATE) LIMITED

Chief Executive

"The Chief Executive" means the Chief Executive appointed from time to time by the company pursuant to these Articles

Directors

"The Directors" mean the directors of the Company appointed from time to time pursuant to these Articles

Debenture

"Debenture" includes stock, bonds, term finance certificate and any other security other than the shares of the company whether constituting a charge on the assets of the company or not

Documents

"Documents" include statement, notice, requisition, order, other legal process, vouchers and register

Dividend

"Dividend" means the distribution of profits of the company to its members, and includes bonus



Holding Company

"Holding Company" shall have the meaning assigned to it by section 1.

Member

"Member" means a member of the company within the meaning of the provision of Section 2(1)(21).

Month

"Month" means as calendar month according to the English calendar.

Ordinance

"The Ordinance" means the Companies Ordinance, 1984 as amended and any amendment or re-enactment thereof for the time being in force.

Office

"Office" means the registered office of the Company.

Participatory Redeemable Capital

"Participatory redeemable capital" means such redeemable capital as is entitled to participate in the profit and loss of the company.

Proxy

"Proxy" includes attorney duly constituted under a Power of Attorney.

Investor

"Investor" means a corporation, a company incorporated under the Ordinance, financial institution, Federal Government, Provincial Government or such other body which holds shares in the company.

Register

"The Register" means the register of members to be kept pursuant to Section 147 of the Ordinance.

Redeemable Capital

"Redeemable capital" has the meaning assigned to it by section 2(1)(38A).

Share

"Share" means share in the capital of the company.

Secretary

"Secretary" means any individual appointed to perform the secretarial, administrative or other duties ordinarily performed by the Secretary.

Section

"Section" means section of the Ordinance.

Security

"Security" has the meaning assigned to it by section 2(1)(34).

SECP

"SECP" means Securities and Exchange Commission of Pakistan.

Special Resolution

"Special resolution" has the meaning assigned to it by Section 2(1)(36).



#### Seal

"The Seal" means the common seal adopted by the company

#### In Writing and Written

"In writing" and "Written" includes printings, lithography and in writing and other modes of representing or reproducing words in a visible written form.

Word importing the singular number includes the plural number and vice versa.

Word importing the masculine gender only includes the feminine gender

Words importing persons includes bodies corporate.

### **PRIVATE COMPANY**

#### Private Company

The Company is a private company within the meaning of Clause 28 of Section 21 (1) of the Companies Ordinance, 1984 and accordingly

- (a) No invitation shall be issued to the public to subscribe for any shares, debentures or debenture stock of the Company
- (b) The number of the members of the Company (exclusive of persons in the employment of the Company) shall be limited to fifty, provided that for the purposes of this provision where two or more persons jointly hold one or more shares in the Company they shall be treated as a single member, and
- (c) The right to transfer shares in the company is restricted in the manner and to the extent hereinafter appearing.

#### Business

- 4. The business of the Company shall include all or any of the business objects enumerated in the Memorandum of Association and can be commenced immediately after the incorporation of the Company as the Directors may think fit, not withstanding that part of the capital has been subscribed.

#### Place of Business

- 5. The business of the Company shall be carried at Karachi or at such place in the whole of Pakistan or elsewhere as the Directors may deem proper or, advisable from time to time

### **CAPITAL**

#### Capital

- 6. The Authorized Share Capital of the Company is Rs. 340,000,000 (Rupees Three Hundred and Forty Million only) divided into 3,400,000 (Three Million Four Hundred Thousand Only) Ordinary Shares of Rs. 100/- each with powers to increase or reduce the capital, to divide the shares in the capital for the time being into several classes and to attach to them rights, privileges, conditions and to vary, modify or abrogate any of such rights, privileges, conditions, as are required or permitted by the Companies Ordinance, 1984 and its statutory amendments, alterations and modifications for the time being in force

\* Alteration in Clause (6) has been Made vide the minutes of Extraordinary General Meeting held on September 11, 2004, August 25, 2005 and September 09, 2010

#### Increase of Capital

- 7. Where at any time the Board decides to increase the issued capital of the company by issuing any further shares, then subject to any direction to the contrary that may be given by the company in general meeting, such shares shall be offered to the members in proportion to the existing shares held by each member, and such offers shall be made by



notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and after the expiration of such time, or on receipt of an intimation from the members to whom such notice is given that he declines to accept the shares offered, the Board may dispose of the same in such manners as they think most beneficial to the company. The notice shall be accompanied by the circular required under section 86.

#### Shares at the Disposal of Directors

8. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons, firms or corporations on such terms and conditions and at such time as may be thought fit.

#### Allotment of Shares

9. The Shares in the capital of the Company may be issued or allotted in payment or part-payment of any property, land, building, machinery, goodwill or goods supplied or any services rendered or likely to be rendered to the Company in promotion and establishment of the Company or conduct of its business and any shares so allotted may be issued as fully paid-up shares.

#### Consolidation or Sub-division of Shares

10. If and whenever as a result of an issue of new shares or any consolidation or sub-division of shares any member becomes entitled to hold shares in fractions, the Board shall not be required to issue such fractional shares and shall be entitled to sell whole shares at a reasonable price and pay and distribute to and amongst the members entitled to such fractional shares in due proportion with the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Board may authorize any person to transfer the shares sold, to the purchaser thereof, and the purchaser shall be registered as the holder of the shares comprised in any such transfer and he shall not be entitled to see the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

#### Issue of Convertible Securities

11. The company may issue ordinary shares or grant option to convert into ordinary shares the outstanding balance of any loans, advances or credit, as defined in the banking companies ordinance, 1962 (L VII of 1962) or other non-interest bearing securities and obligations in accordance with the provisions of section 87.
12. The company may issue to one or more scheduled banks, financial institutions or such other persons, as are specified for the purpose by the Federal Government by notification in the official gazette, any investment in the nature of redeemable capital in any or several form in accordance with the provisions of section 120.

#### Shares for Consideration Other than Cash

13. Subject to the provision of the Ordinance and these Articles, the Board may allot and issue shares in the capital of the company as payment for any property sold or transferred, goods or machinery supplied, or for services rendered to the company in the conduct of its business or affairs and any shares which may be so allotted may be issued as fully paid-up shares and if so issued, shall be deemed to be fully paid up shares.
14. Any application of subscription signed by or on behalf of an applicant or Subscriber for shares in the company, followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is entered on the register shall for the purpose of these Articles be a member.
15. The money (if any) which the Board shall on the allotment of any shares being made by it require or direct to be paid shall immediately on the insertion of the name of the allottee in the register of members as the holder of such Shares, become a debt due to and recoverable by the company from the allottee thereof, and shall be paid by him accordingly.

#### Right of ownership of Shares

16. Save as herein otherwise provided the company shall be entry to treat the person whose



name appears on the register of members as the holder of any shares as the absolute owner thereof, and accordingly shall not (except as ordered by a court of competent jurisdiction or as required by law) be bound to recognize any trust or equity or beneficial, contingent or other claim to or interest in such shares, on the part of any other person whether or not it shall have express or implied notice thereof.

#### UNDERWRITING, COMMISSION AND BROKERAGE

##### Discharge

11. The Company may at any time pay a commission to any person for subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures or procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares or debentures of the company, but so that the amount or rate of commission shall not exceed the rate per cent of amount as may be fixed by the S.E.C.P. The commission may be paid or satisfied in cash or in any shares or debentures of the company. The company may also pay the usual brokerage not exceeding one per cent in respect of any subscription for shares or debentures.

#### CERTIFICATES

##### Memorandum to Share Certificate

12. Every member shall be entitled without payment to one certificate for all the shares registered in his name or if the Board so approved (upon paying such fee as the Board may from time to time determine) to several certificates, each for one or more shares. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued and the amount paid thereon, such certificate shall be signed under seal and bear the signature of one Director and shall be countersigned by the Secretary or by a second Director or by some other person appointed for that purpose by the Board.

##### Renewal of Certificate

13. If any certificate is worn out, defaced or rendered useless, then upon production thereof to the Board, it may order the same to be cancelled and may issue a new certificate in lieu thereof and if any certificate is lost or destroyed, (upon proof thereof) to the satisfaction of the Board and on such indemnity as the Board deems adequate being given, a new certificate thereof shall be given to the party entitled to such lost or destroyed certificate.

14. The company shall, within ninety (90) days after the allotment and within forty-five (45) days after the application for the registration of the transfer of any share, complete and have ready for delivery the certificates for shares and unless sent by post or delivered to the person entitled therein, within that period, shall give notice of the fact to the shareholder immediately thereafter.

A duplicate of a certificate of shares, shall be issued within forty-five (45) days from the date of application.

#### TRANSFER AND TRANSMISSION

##### Register of Transfer

15. The Company shall keep a book to be called the "Register of Transfer" and therein shall be fairly and accurately entered the particulars of any transfer and transmission of any shares.
16. The instrument of transfer of any share shall be in writing in the usual common form or in the following form or as near thereto as circumstances will admit:

#### SAL DERO SUGAR MILLS (PRIVATE) LIMITED

\_\_\_\_\_ being \_\_\_\_\_ National, in  
consideration of the sum of Rs. \_\_\_\_\_



Witnessed

Signature of

Signature of

I, the undersigned, do hereby transfer to the company shares numbered in the undertaking called **SALDERO SUGAR MILLS (PRIVATE) LIMITED** as hold the same into the said Transferee, his (or her) executors, administrators and assigns subject to the several conditions on which I held the same immediately before the execution hereof, and I, the Transferee, do hereby agree to take the said shares subject to the said conditions aforesaid. As witness etc.

The Board may from time to time alter or vary the transfer form.

Conditions for Transfer

1. The share shall be transferred subject to following restrictions:
  - (a) the shares shall in the first instance, be offered to the existing shareholders
  - (b) if the existing shareholders are not willing to accept the shares the Board may give or transfer of shares subject to the consent of all existing shareholders, to other persons
  - (c) the shares shall be sold at a market value to be determined by the Auditors of the company with other experts of the company, if necessary

No Transfer to an Infant

2. No shares in any circumstances shall be transferred to an infant, an infant insolvent or person of unsound mind

Closing of Transfer Books

3. The Board shall have power to close the register of transfer for such period or periods of time not exceeding thirty days in a time and 45 days in a year

Right of Limitation

4. A person may on acquiring interest in the company as a member, nomination represented or agent, at any time after acquisition of such interest deposit with the company a declaration declaring on one or more persons the right to acquire interest in the shares, if such shares are the subject of his claim

Continuation of Shares

5. In the case of death of shareholders the survivors where the deceased was a joint holder, and (subject as hereinafter provided), where the deceased was a sole or only surviving holder the executors or administrators of the deceased holding a grant of probate or letters of administration effective in Pakistan, shall be the only persons recognized by the company as having any title to the shares, but nothing herein contained shall release the estate of a deceased holder (whether sole or joint), from any liability (whether sole or joint) in respect of any share solely or jointly held by him. In any case in which such a grant of probate or letters of administration to the estate of a deceased sole or only surviving holder has not been obtained, the Board may, but shall not be bound to, recognize the title of any person claiming to be entitled to the deceased holder's shares on production by such claimant of a succession certificate or such other evidence of title as the Board may deem sufficient, and upon the claimant furnishing such indemnity, if any, as the Board may require

Right of person becoming entitled to share

6. Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, when such entitlement being produced as may from time to time be required by the Board, have the right when to be registered as member in respect of the share or shares as he is registered himself to make such transfer of the share as the deceased or insolvent person could have made had the Board and, in other cases have the same right as if he were a member of the company as he would have had in the case of a transfer of the share by the



deceased or insolvent person the death or insolvency;

29. A person becoming entitled to a share by reason of the death or insolvency of the holder shall subject to Article 28 above, be entitled to the same dividends and other advantages to which he would be entitled if he was the registered holder of the share, except that he shall not before being registered as a member in respect of the share, be entitled in respect of it to exercise any rights conferred by membership in relation to meetings of the company.
30. The company shall incur no liability whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register) to the prejudice of persons having or claiming any equitable right, title or interest in or in the same shares, notwithstanding that the company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and the company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, but the company shall nevertheless be at liberty to regard and attend any such notice and give effect thereto, if the Board shall so think fit.

#### ALTERATION OF CAPITAL

##### Increase of Capital

31. The company may by a Resolution increase its Authorized Share Capital comprising of any class and denomination.
32. Except and so far as otherwise provided by the conditions of issued or by these Articles, any capital raised by the creation of new shares shall be considered part of the Authorized Capital and shall be subject to the provisions herein contained with reference to transfer and transmission, voting and otherwise.

##### Reduction of Share Capital

33. The company may by special resolution reduce its share capital in any manner and with and subject to any incident authorized and consent required by law.
34. The company may in general meeting by Resolution alter the conditions of its memorandum as follows:

##### Consolidation and Division of Share

- (a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (b) Sub-divide shares or any of them into shares of smaller amounts than originally fixed by the memorandum and subject nevertheless to the provisions of the Ordinance in that behalf;
- (c) Cancel shares which at the date of such General Meeting have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

##### Variation of Rights

35. The variation in the right of shareholders shall be made in the manner provided by Section 108.

#### BORROWING POWERS

##### Powers to Borrow

36. The Directors may from time to time at their discretion borrow or secure the payment of any sum or sums of money for the purposes of the Company from any persons, firms or companies, banks, or investment corporation, government or semi-government institutions or any other source whatsoever (expressly including any member of the Company) and may themselves put to the Company any such sum or sums on security or otherwise.



#### Conditions on which money may be borrowed

17. The Directors may borrow or secure the payment of such sum or sums of money in such manner and upon such terms and conditions in all respects as they think fit, either by creation of any mortgage, hypothecation in charge on the whole or any part of the property of the Company and in particular by the issue of the debentures or debenture stock of the Company charged upon the whole or any part of the property of the Company both present and future.

#### Assignment of debentures

18. The debenture, debenture stock or other securities may be made assignable free from any encumbrance between the Company and the person to whom the same may be issued.

#### Issue of debentures etc.

19. Any bonds, debentures or other securities may be issued at a discount, premium or otherwise and with any special privileges as to redemption, surrender, exchange, convertibility into shares, attending and voting at general Meeting of that company, appointment of Directors and otherwise, provided that debentures with the right to vote or to convertible into shares shall not be issued without the sanction of the company in its general Meeting.

#### Liability for payment of such sum due from the Company

20. If the Directors or any of them or any other person shall become personally liable for the payment of any sum primarily due from the company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the property of the company by way of indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability.

#### GENERAL MEETING

##### General Meeting

21. An Annual General Meeting shall be held within eighteen months from the date of incorporation of the Company and thereafter once at least in every calendar year within a period of four months following the close of its financial year. Every Annual General Meeting shall be called during business hours on a day that is not Public holiday and shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which Registered Office of the Company is situated and the notice calling the meeting shall specify it as the Annual General Meeting.

##### Extraordinary General Meeting

22. The Board may call an Extraordinary General Meeting whenever it shall think fit. An Extraordinary General Meeting may also be convened on the requisition of the members in accordance with the provision of Section 159.

##### Notice of Meeting

23. At least twenty-one days' notice specifying the place, the day and the hour of the general meeting and in case of special business, the general nature of such business, shall be given to the members or the members (hereinafter mentioned, as in such notice) in accordance with the provisions of the Companies Act, 1956 but accidental omission to give such notice to a member or to a shareholder of such notice to any member shall not invalidate the proceedings of the General Meeting subject to the provisions of the Ordinance. The Directors may, whenever they think fit, and shall on requisition in accordance with the Ordinance provided in connection of Extraordinary General Meeting.

##### Quorum

24. No business shall be transacted at any General Meeting unless a quorum of members is present or two members present, or person who represent at least twenty-five percent of the paid-up capital of the company, either of their own account or as proxies shall be a quorum for a General Meeting.





#### Quorum for Adjourned Meeting

49. If within half an hour of the time appointed for the holding of a general meeting a quorum is not present, the meeting if convened on the requisition of shareholders, shall be dissolved and in every other case shall stand adjourned to the same day in the next week, at time and place as was appointed for holding the general meeting and if at such adjourned meeting the quorum is not present within half an hour minutes from the time appointed for holding the meeting the members present being not less two shall be a quorum.

#### PROCEEDINGS AT GENERAL MEETINGS

##### Chairman to Preside

50. The Chairman of the Board of Directors shall preside at every general meeting but if at any meeting he may not be present within 15 minutes after the time appointed for holding the same or is unwilling to preside, members present shall choose some Director or if no Director be present or if the Directors present decline to take chair, the members shall choose some member to be the Chairman of the meeting.

##### Power of Chairman to Adjourn

51. The Chairman with the consent of the meeting may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place. The resolution of an adjourned meeting shall for all purposes be treated as having been passed on the day on which it was or first passed and shall not be deemed to have been passed on any earlier date.

##### Carrying of Resolutions

52. At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is demanded or on the declaration of the result of the show of hands demanded by any member having right to vote on the resolution and present in person or by proxy, if not more than seven members are personally present, and by two such members present in person or by proxy if more than seven such members are personally present or by the Chairman of the Meeting or any member or members present or by proxy and holding or representing not less than one-tenth of the issued capital carrying voting rights, and unless a poll is so demanded, as declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the books of the proceedings of the company shall be conclusive evidence of the fact without further proof of the number or proportion of the votes recorded in favour of or against such resolution.

##### Demand for Poll

53. If a poll is demanded as aforesaid it shall be taken in such manner as the Chairman of the meeting directs, and either at once or after an interval or adjournment, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

##### Time for Polling Poll

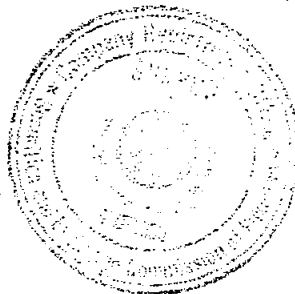
54. Any poll duly demanded on the election of a Chairman at a Meeting or on any question or adjournment shall be taken forthwith and without adjournment and a poll demanded on any other question shall be taken at such time not more than fourteen days from the day on which it was demanded, as the chairman of the meeting may direct.

##### Quorum may proceed on adjourned demand of poll

55. The demand for a poll shall not prevent the continuation of meeting for the transaction of any business other than the question on which the poll was demanded.

##### Minutes

56. Minutes shall be made in book provided for the purpose of all resolutions and proceedings at General Meetings, and such minutes if signed by any person purporting to have been the Chairman of the Meeting or by a director or by the Chairman of the Board shall be receivable as evidence of the facts therein stated without further proof.



#### Minutes Books

34. The books containing minutes of proceedings of General Meetings of the company shall be kept at the registered office of the company and shall during business hours (subject to reasonable restrictions as the Board may from time to time impose but so that not less than two hours each day is allowed for access) be open to the inspection of any member without charge.

#### VOTES OF MEMBERS

##### Vote

35. Upon a show of hands every member entitled to vote and present in person or by proxy shall have one vote, and upon a poll every member entitled to vote and present in person or by proxy shall have one vote for every share conferring voting rights in the said held by him.

##### Right to Vote

36. Any person entitled under the Memorandum to transfer any shares may vote at any General Meeting in respect thereof as if he was the registered holder of such shares, and that at least 48 hours before the time of holding the meeting or appointment (depending on the case) that he proposes to vote he shall satisfy the Directors of his right to transfer such shares unless the Directors shall have previously admitted the right to vote at such meeting or meeting thereof.

##### Appointment of Proxy

37. No person shall be appointed a proxy who is not a member of the company and qualified to vote, save that a corporation or a company being a member of the company may appoint as proxy or as its representative any person though not a member of the company and the person so appointed shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the company. Any such appointment shall be authorized by a resolution of Directors of this company or corporation.

##### Proxy in Writing

38. Every proxy shall be appointed in writing under the hand of the appointor or by an agent duly authorized under a power of attorney or if such appointor is a corporation or company then under the authority and of the directors or corporation or the board or its authority and shall be irrevocable.

##### Irrevocable Proxy

39. Any proxy declared expressly on its face to be irrevocable shall not be revoked or be deemed revoked in the absence of such proxy, whether by agreement at any General Meeting held during the period of such proxy or by any other action on its part whatsoever, or otherwise during the term of such proxy if such proxy is furnished to and filed with the records of the company, and the company shall be bound to recognize and give effect to such proxy in accordance with the terms thereof.

##### Validity of Proxy

40. No person shall act as proxy unless the instrument of his appointment and the Power of Attorney, if any, under which it is signed shall be deposited in the office of the company at least forty-eight hours before the time for holding the meeting at which he proposes to vote.

##### Form of Proxy

41. An instrument of proxy may be in the following form, or in any other form which the Directors shall approve or in the form contained in Table "A" of the First Schedule of the Companies Act.

#### **NAUDERO SUGAR MILLS (PRIVATE) LIMITED**



I, \_\_\_\_\_ of \_\_\_\_\_ in the district of \_\_\_\_\_ hereby appoint \_\_\_\_\_ as my proxy to vote for me and on my behalf at the ordinary extraordinary or the last may be General Meeting of the Company to be held on the \_\_\_\_\_ day of \_\_\_\_\_ and at my address \_\_\_\_\_

#### Validity of Vote

61. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or of any power of attorney under which such proxy was signed provided that no intimation in writing of the death or revocation shall have been received at the office before the meeting.
62. No objection shall be made to the validity of any vote except at the meeting or at the poll or after such vote shall be recorded and every vote whether given personally or by proxy and recorded at such meeting or poll shall be deemed valid for all purposes of such meeting or poll.
63. If question is raised, the Chairman of the Meeting shall decide on the validity of every vote tendered at such meeting in accordance with these Articles.

#### DIRECTORS

##### Number of Directors

64. There shall be not less than two Directors of the company. The Directors shall fix the number of elected Directors of the company not later than thirty five (35) days before the convening of the General Meeting at which directors are to be elected, and the number so fixed shall not be changed except with the prior approval of the General Meeting of the Company.

65. The following shall be the first directors of the Company:

1. KILAWASA NIVER MAJID
2. KILAWASA ABDEL CRISTIAN MAJID

##### Term of Directors

65. The first Directors shall hold office until the election of at the First Annual General Meeting. The Directors elected shall hold office for a period of three years unless he earlier resigns, becomes disqualified or otherwise ceases to hold office. The Directors so retiring shall continue to perform his function until his successor is elected.

##### Delegation of Power

66. The Directors may delegate either powers to committees consisting of such number or members as they think fit.
67. Any committee so formed shall fit the exercise of the powers so delegated conform to any regulations that may be imposed on them by the directors.

##### Remuneration of Directors

68. Until otherwise determined by the company in General Meeting, each Director shall be entitled to be paid as remuneration for his services a fee at the rate of Rs. 2500/- per meeting.
69. Any director who serves on any committee or who devotes special attention to the business of the company or who otherwise performs service which, in the opinion of the board, go outside the scope of the ordinary duties of a director may be paid such extra remuneration by way of bonus or allowance as the company in General Meeting may determine.



#### Share Qualification of Director

70. A director shall be required to hold at least one qualification share subject to Section 137.

#### Nomination by Directors

71. The investor shall have powers to nominate such number of directors in the Board of Directors of the Company, as are proportionate to its holding in the paid up capital of the company. The Directors so nominated shall not be subject to the provisions of these articles and Ordinances relating to the eligibility for appointment, election, retirement, removal, filling of casual vacancy and vacation of office etc.

### **POWERS AND DUTIES OF DIRECTORS**

#### Management of Business

72. The control of the company shall be vested in the Board and the business of the company shall be managed by the Board, which may pay all expenses incurred in forming and registering the company, and may exercise all such powers of the company as are not by Ordinance or by these Articles required to be exercised by the company in General Meeting, subject nevertheless to the regulations of these Articles, to the provisions of the Ordinance and such regulations (not inconsistent with the aforesaid regulations or provisions), as may be prescribed by the company in General Meeting but no regulation made by the company in General Meeting shall invalidate any prior act of the board which have been valid if the regulation had not been made.

#### Power of Board

73. The Board may exercise all the powers of the company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures and other securities whether out right or as collateral security for any debt, liability or obligation of the company, or of any third party.

#### Books to keep

74. The Board shall cause minutes to be made in books provided for the purpose,
- (a) of the name of Director present at each meeting of the Board and of any Committee of Directors;
  - (b) of all resolutions and proceedings at all meetings of the company and of the Board and of Committee of Directors.

Any such minutes of any meeting of Board or of a Committee of Directors or of the company, if signed or purporting to be signed by the Chairman of such meeting, or of the next succeeding meeting, shall be receivable as evidence of the matters stated in such minutes. The books containing minutes of General Meeting shall be kept at the registered office of company and shall be open to inspection as required by Section 173.

#### Payment of Retirement Benefits

75. The Board may pay and agree to pay pension or other retirement, superannuation, death or disability benefits or allowances to any person in respect of any Director or former Director who may hold or may have held any executive office or employment under the company, or any subsidiary company of the company, or its holding company (if any), and for the purpose of providing any such pensions or other benefits or allowances, may contribute to any scheme or fund and may make payments towards insurance or trusts in respect of such persons.

### **CHIEF EXECUTIVE**

#### Appointment of Chief Executive

76. The Directors as from a date not later than the fifteenth day after the date of its incorporation, appoint any individual to be the Chief Executive of the company. The Chief Executive shall be deemed to be its Director and be entitled to all the rights and privileges and subject to all the liabilities of that office.



#### Chief Executive to hold office till First Annual General Meeting

The Chief Executive shall, until he resigns or otherwise ceases to hold office, hold up to the First Annual General Meeting or, if a shorter period is fixed by the Directors at the time of his appointment, for such period

#### Eligibility for Appointment

78. No person who is ineligible to become a director of the company shall be appointed or continue as the Chief Executive

#### Term of office of Subsequent Chief Executive

79. Within fourteen days from the date of election, resignation or the office of the Chief Executive falling vacant, as the case may be the Directors shall appoint any person, including an elected Director, to be the Chief Executive, but such appointment shall not be for a period exceeding three years from the date of appointment

#### Eligibility at Re-appointment

80. On the expiry of his term of office under Article 78 & 79 the Chief Executive shall be eligible for re-appointment

81. The Chief Executive retiring under Article 78 & 79 shall continue to perform his functions until his successor is appointed unless such appointment of his successor is due to his fault or his office is expressly terminated

#### Removal of Chief Executive

82. The Directors by resolution passed by not less than three-fourths of the total number of Directors for the time being, or the company by a special resolution, may remove a Chief Executive before the expiration of his term of office notwithstanding anything contained in these articles or in any agreement between the company and such Chief Executive

#### Remuneration of Chief Executive

83. The Chief Executive shall receive such remuneration (whether by way of salary, commission, participation in profits, allowances perquisites, etc., or partly in one way and partly in another) as the Board may fix

#### Power of Chief Executive

84. The Directors may confer on and order upon the Chief Executive all the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and confer additional with or to the exclusion of their own powers, and may from time to time revoke, suspend, alter or vary all or any of such powers

### DISQUALIFICATION AND VACATION OF OFFICE OF DIRECTORS

#### Qualification of Directors

85. No person shall be appointed as a Director of the company if he is ineligible to be appointed as Director under any of the provisions of the Ordinance or any other law at the time being in force

86. The office of a Director shall be vacated if

#### Vacation of office of Directors

- a. he becomes ineligible to be appointed a director in any one or more of the grounds mentioned in Chapter I of the Ordinance or section 187,

#### Absent from Meetings

- b. he absents himself from three consecutive meetings of the Directors or from all the meetings of the Directors for a continuous period of three months, whichever is the longer, without leave of absence from the Directors



- (a) he or any firm of which he is a partner or any private company of which he is a Director
- (b) without the sanction of the Company in General Meeting except in respect of any office of profit under the Company other than that of Chief Executive or a legal or technical or a financial officer
- (c) accepts a loan or guarantee from the Company in contravention of Section 195
- (d) he suspends payment to or compounds with his creditors; or
- (e) he resigns office by notice in writing addressed to the Company or to the Directors; or
- (f) he is removed from his office by the Company in General Meeting; or
- (g) he is convicted by a court or Tribunal of any offence and is sentenced to respect thereof to imprisonment for not less than six months or is convicted by a court or Tribunal of any offence involving moral turpitude; or
- (h) he acts in contravention of Section 214

The appointment of an alternate Director under these Articles shall constitute leave of absence to the Director for whom such an alternate is appointed during such Director's absence.

#### Directors Contract with the Company

- 87 Subject to the provisions of Section 204 of the Ordinance the Directors shall not be disqualified from contracting with the Company either as vendor purchaser or otherwise nor shall any such contract or arrangement entered into by or on behalf of the Company with any company or partnership of or in which any director shall be a member or interested be liable to account the Company for any profit realized by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relation thereby established but the nature of his interest in it be disclosed by him at the meeting of the Directors at which the contract or arrangement is determined on if the interest then exists, or in any other case at the meeting of the Directors after the acquisition of the interest. Provided nevertheless that no Director shall take part in the discussion of such contract or arrangement or vote in a Director in respect of any contract or arrangement in which he is so interested as aforesaid and if he does so vote his vote shall not be counted nor he shall be entitled to be present at the meeting during the transaction of the business in relation to which he is precluded from voting although he shall not be disqualified for the purpose of ascertaining whether there is a quorum of Directors present. These provisions shall not apply to any contract or on behalf of the Company to give to the Director or any person which may or may be advanced or by way of indemnity against any loss which may or may of them only under the reason of becoming or being a partner for the Company. A general notice that any Director is a director or a member of any specified company or is a member of any specified firm and is to be regarded as interested in and subsequent transaction with such firm or company shall, as regards any such transactions, be sufficient disclosure under this Article, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further period of one financial year or which it would otherwise expire. No such general notice, and no renewal thereof, shall be of effect unless it is given at the meeting of the Directors, or the Directors concerned take reasonable steps to ensure that it is brought up and read at the first meeting of the Directors after it is given.

#### Register of Directors Contracts

- 88 A register shall be kept by the Directors in which shall be entered particulars of all contracts or arrangements to which Article 87 applies.

#### Loans to Directors



20. The Company shall not directly or indirectly make any loan to, or give any guarantee or provide any security in connection with a loan made by any other person to or to any other person by such persons as are specified in (a) to the extent permitted by section 122.

#### ROTATION, ELECTION AND REMOVAL OF DIRECTORS

##### Election of Directors

21. Any member who wishes to present an election to the office of Director shall, whether he is a retiring Director or otherwise, file with the company, not later than fifteen days before the date of the meeting at which election are to be held, a notice of his intention to offer himself or election as Director. The notice shall be transmitted by the company to the members not later than seven days before the date of the meeting.

##### Manner of Election of Directors

22. The election shall be decided by the members of the company in general meeting in the following manner:

- (a) a member shall have such number of votes as is equal to the product of the number of voting shares held by him and the number of Directors to be elected;
- (b) a member may give all his votes to a single candidate or divide them between more than one of the candidates in such manner as he may choose and the candidate who gets the highest number of votes shall be declared elected as Director and then the candidate who gets the next highest number of votes shall be so declared and so on until the total number of Directors to be elected.

##### Vacant Offices

23. Any vacant vacancy occurring among the Directors may be filled up by the Directors and the person so appointed shall hold office for the remainder of the term of the Director in whose place he is appointed.

##### Removal of Directors

24. A resolution for removing a Director passed in the manner provided for in Article 22, by not reducing the number of Directors shall not be deemed to have been passed if the number of votes against it is equal to election of a Director at the immediately preceding annual election of Director in the aforesaid manner.

#### PROCEEDINGS OF DIRECTORS

##### Meeting of Directors

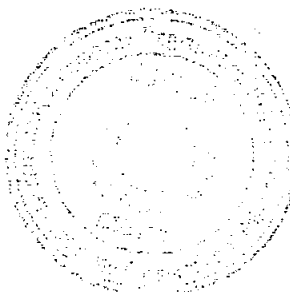
25. The directors may meet together for the dispatch of business, adjourn and otherwise regulate meetings of the Board as they think fit. The Chairman or the Chief Executive if any, may or may not be present. The written requisition of two Directors at any time constitutes a meeting of the Board. At least ten clear days notice must be given to all Directors to convene a meeting of the Board and such notice shall set forth the purpose or purposes for which such meeting is summoned. However with the consent of all Directors entitled to receive notice of a meeting or to attend and vote at any such meeting, a meeting of the Board may be convened by shorter notice than specified in this Article.

##### Quorum

26. A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the powers, policies and discretions by or under these Articles vested in or exercisable by the Board generally at least two Directors personally present shall constitute a quorum.

##### Duties of Chairman

27. The Chairman shall whenever present preside as Chairman at each meeting of the Board. If at any meeting the Chairman is present and not willing to act or is absent before the meeting after the time fixed for holding the same, the Vice Chairman shall act as Chairman, in the absence of both the Chairman and the Vice Chairman or in the event of the unwillingness of both to act, the directors present shall within fifteen minutes of the



be fixed for the meeting choose one of their members to be Chairman of such meeting

107. The Directors may determine whether or not any Director or Directors acting as a Director or alternate Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Director or persons acting as a Director or that they in any of them were disqualified, be as valid as if such defect or person had been duly appointed and was qualified to act

#### Resolution of Directors

108. A resolution in writing, except for the matter specified in section 196, signed by all Directors present in Pakistan shall be effective as if such resolution had been passed at a meeting of the Directors. Any director may cause notice of its true place and purpose of any meeting before, it is then was meeting.

#### ALTERNATE DIRECTORS

##### Alternate Director

109. Any Director not permanently resident in Pakistan and any Director so resident not entitled to be absent more than for a period of not less than three months may appoint any person acceptable to the Board to be an Alternate Director of the Company in accordance with such appointment shall be in writing under the hand of the Director making the appointment. An Alternate Director so appointed shall not be entitled to appoint another Alternate Director, but shall otherwise be subject to the provisions of these Articles with regard to Directors, except that he shall require no share qualification. An Alternate Director shall be entitled to receive notices of all meetings of the Board and to attend and vote at a meeting of the Board at which the Director appointing him is not personally present, and generally to act as appointed. An Alternate Director shall cease to be an Alternate Director if his appointer for any reason ceases to be a Director of the Company and when his appointer returns to Pakistan, or removes the appointee from office by notice in writing under the hand of the appointer.

#### DIVIDENDS AND RESERVES

##### Determination of Dividend

110. The Company in General Meeting may declare dividends, but no dividends shall exceed the amount recommended by the Board.

##### Payment of Dividend

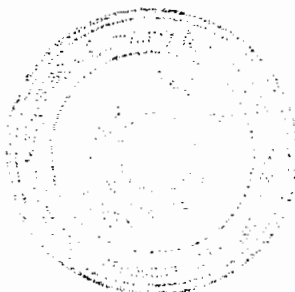
111. The Board may from time to time pay to the members such interest and dividend as appears to be justified by the profits of the company.

##### No Dividend Except out of Profit

112. No dividends shall be paid otherwise than out of profits of the year or of any other undistributed profits from prior years or in contravention of section 235 and 248.
113. Subject to the right of any person entitled to shares with rights as to dividends the profits distributed as dividends shall be distributed among the shareholders and all such dividends shall be declared and paid according to the amounts paid on the shares. If any shares are issued on terms that it shall rank for dividend as from a particular date, such shares shall rank for dividend accordingly.

##### Creation of Reserve

114. The Board may before recommending any dividend, set aside out of the profits of the company such sum as they think proper to reserve as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting contingencies, or for repurchasing dividends, or for any other purpose to which the profits of the company may be properly applied and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments subject to the provisions of section 204 or any other provisions of the Ordinance (other than shares of the





company as the Board may from time to time think fit  
may be of assistance to joint holders

105. If several persons are registered as joint holders of any share, any one of them may give sufficient receipts for any dividends payable on the share

Dividend shall bear no interest

106. Any dividend shall bear interest against the company

Mode of payment of Dividend

107.

107. Any dividend may be paid by cheque or warrant sent through the registered post to the registered address of the member or person entitled thereto, or in the case of joint holders to any one of such joint holders at his registered address or to such person dead at such address as the member or person entitled or any joint holders, at the case may be direct. No dividend shall be paid by the company in respect of any share therein except to the registered holder or to his order or to his banker or to a financial institution nominated by him for the purpose and the payment shall be made within thirty (30) days of the declaration

108. Any moneys obtained by the sale may be invested or otherwise used by the Board for the benefit of the company until claimed

**CAPITALIZATION**

Capitalization of Reserves

109. The General Meeting may, upon recommendation of the Board resolve that any undivided profits of the company (including profits carried and standing to the credit of any reserve or reserves or other Special accounts or representing premiums received on the issue of shares and standing to the credit of the share premium account) not required for paying the dividends on any shares issued be capitalized. Such capitalized undivided profits shall be distributed amongst each of the shareholders as would be entitled thereto at capital. All or any part of such capitalized fund may be applied on behalf of such shareholders for payment in full or in part either in part or at such premium as the resolution may provide, for any unissued share or debentures of the company which shall be distributed accordingly, or for outwards payment of uncalled liability on any issued debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum

**ACCOUNTS**

Books of Account

110. The Board shall cause to be kept proper books of accounts as required under section 210.

Keeping of Books of Account

111. The books of account shall be kept at the registered office or at such other place as the Board shall think fit in accordance section 210.

Inspection of Books of Account

112. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the company or any of them shall be open to inspection of members and no member shall have any right of inspecting any account or books or document of the company except as conferred by law or authorized by the Board or by special resolution of the company in General Meeting

Laying accounts before the Annual General Meeting

113. Within eighteen months of the incorporation of the company, and subsequently once in



every calendar year, within a period of four months following the close of its financial year and not more than twelve months after the holding of its last preceding Annual General Meeting, the Director shall lay before the company in General Meeting a balance sheet and profit and loss account, both made up in accordance with the Ordinance. Every such balance sheet shall be accompanied by auditor's report and the Director's report, in accordance with the provisions of the Ordinance in that behalf.

#### Deposit of Accounts & Directors Report to Members

113. A copy of the report of the Directors and of the balance sheet (including every document required by law to be annexed thereto) and of the profit and loss account shall be sent to all members along with the notice convening the General Meeting before which the same are required to be laid.

#### AT DUT

#### Auditors

114. Auditors shall be appointed at each Annual General Meeting and their appointment, qualifications, removal, casual vacancy, powers and duties shall be regulated in accordance with sections 25 to 28.
115. The Auditors report shall be read before the company in general meeting and shall be open to inspection by any member.

#### NOTICE

#### Deposit of Notices to Members and Directors

116. A notice may be given by the company to any member either personally or by sending it by post to him at his registered address or (if he has not registered address in Pakistan) to the address, if any, within Pakistan supplied by him to the company for the giving of notices to him.
117. Where a notice is sent by post, service of the notice shall be deemed to be effective by properly addressing, prepaying and so on, a letter containing the notice, and unless the contrary is proved to have been effected at the time as the letter would be delivered in the ordinary course of post.
118. If a member has no registered address in Pakistan and has not supplied to the company an address within Pakistan for the giving of notice to him, a notice advertised in a newspaper circulating in the neighbourhood of the registered office of the company shall be deemed to duly given to him on the day which the advertisement appears.
119. If a member has supplied an address to the company within Pakistan as contemplated in sub-section (a) above, the company, in addition, shall furnish to such members notice at an address outside Pakistan which has been supplied by him to the company.

#### Notice to Joint Holders

120. A notice may be given by the company to the joint holders of shares by giving the notice to the joint holder named first in the register in respect of the shares.

#### Notice to estate of deceased

121. A notice may be given by the company to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name, or by the title of letter addressed to them by name, or by the title of representative of the deceased, or assignee of the insolvent, or by any like description, at the address of any in Pakistan notified for the purpose by the person claiming to be so entitled, or until such an address has been supplied by giving the notice to any person in whose name the share might have been given if the death or insolvency



#### Notice of General Meeting

120. Notice of every general meeting shall be given in some manner here in before authorized:
- Every member of the company.
  - Every person entitled to a share in consequence of the death or insolvency of a member, and
  - The auditors of the company.

#### SECRETARY

##### Secretary

121. A secretary shall be appointed by Directors at such remuneration and upon such terms and conditions as they may think fit and any secretary so appointed may be removed by them. The Secretary shall be responsible to ensure compliance with the secretarial duties under the Ordinance.

#### THE SEAL

##### Affixing of Seal

122. The Board shall provide for the safe custody of the Seal, and the seal shall never be used except by the authority of the Board or a Committee of Directors previously given, and no Director or agent shall sign every instrument to which the seal is affixed provided, nevertheless, that any instrument bearing the seal of the company and issued or validated in consideration shall be binding on the company notwithstanding any irregularity touching any authority to issue the same.

#### SECRECY

##### Secrecy

123. Every Director, Chief Executive, Manager, Auditor, Trustee member of a committee, officer, servant, agent, accountant or other person employed in the business of the company shall, if so required by the Board before entering upon his duties, sign a declaration in the form approved by the Board pledging himself to observe strict secrecy respecting all transaction of the company its customers and the statement of accounts with individuals and in matters relating thereto, and shall by declaration pledge himself not to reveal any of the matters which come to his knowledge in the discharge of his duties except when required so to do by the Board or by any general meeting, or by a court of law, and except as may be necessary in order to comply with any provisions in these presents contained.

##### Entitlement to enter the property of the Company

124. No member or other person (not being a Director) shall be entitled to enter the property of the company, without permission of the Board or the Chief Executive and to require disclosure of any information respecting any detail of the company's trading, or any matter which may be in the nature of trade secret, mystery of trade or secret process or of any matter whatsoever which may relate to the conduct of the business of the company, and which in the opinion of the Board or the Chief Executive, if any, will be inexpedient in the interest of the members to communicate.

#### WINDING UP

##### Distribution of Assets

125. If the company shall be wound up (whether voluntarily or otherwise), the liquidator may with the sanction of a Special Resolution, divide among the members in specie any part of the assets of the company or interests upon such trust for the benefit of the members as

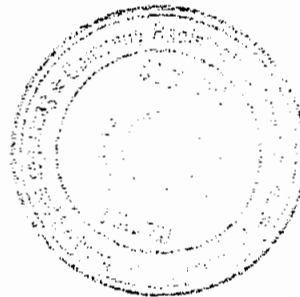


INDEMNITY

Indemnity of Directors and Officers

Every Director, Chief Executive, Manager or officer of the company or any person (whether an officer of the company or not) employed by the Company as Auditor or otherwise shall be indemnified out of the funds of the company against any liability (whether civil or criminal) incurred by him in his capacity as Director, Officer, Manager or otherwise in defending any proceedings (whether civil or criminal) in which judgment is given in his favor or in which he is acquitted, or in connection with any application under Section 438 in which relief is granted to him by court.

No Director or Chief Executive, Manager or other officer of the company will be liable for the acts, omissions, neglects or defaults of any other Director or any Officer or for joining in any receipt of other act for conformity or for any loss or expense happening to the company through the negligence or dereliction of title to any property acquired by order of the Directors, Chief Executive, Manager or other officer for or on behalf of the company, or for the negligence or dereliction of any trustee in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited, or for any loss or damage caused by an error or judgment or oversight on his part, or for any other loss, liability or expense, whatsoever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.



We, the several persons, whose names and addresses are hereunder subscribed, are desirous of being formed into a company, in pursuance of these Articles of Association and we respectively agree to take the number of shares into the Capital of the Company set opposite our respective names:

| Name and Surname<br>(Printed and Filled)<br>in Full (in Block Letters) | Member's Name in full | Nationality<br>with Name<br>Nationality | Occupation | Residential<br>address            | Number of<br>shares taken<br>by each<br>member | Signature    |
|--|-----------------------|---|------------|-----------------------------------|--|--------------|
| KHAWAJA ANVER MAJID  | KHAWAJA ABUL MAJID    | Pakistan                                | Business   | 18, Bapayanda, Chitra,<br>Karachi | 20<br>Twenty                                   | <i>anwer</i> |
| KHAWAJA ABUL GHANI MAJID   | KHAWAJA ANVER MAJID   | Pakistan                                | Business   | 18, Bapayanda, Chitra,<br>Karachi | 20<br>Twenty                                   | <i>anwer</i> |
|  |                       |   |            |                                   | 40<br>Forty                                    |              |

KARACHI: Dated 19th day of Oct. 192001

Witness to the above signatures:

Name Aslam Masood No MASOOD-46-HADU  
Address 9/22, 1st Floor, Block #4, Hockey Stadium Complex Karachi  
Occupation Service N.I.C. No 275 & 55-108578

6-153 P. 54.  
Name of the Company Karachi Sports Club  
Date of formation of the company 19th Oct 2001  
The directors of the company are Aslam Masood  
Secretary Aslam Masood  
Joint Secretary Aslam Masood

Certified to be true copy

(100% CIRCULAR)  
Assistant Registrar of Companies  
Securities and Exchange Commission of Pakistan

69 dt 25/9/2020

**3(5(a)(iii))**

**Annual Return**  
**Statements**

**ACKNOWLEDGEMENT SLIP****114(1) (Return of Income filed voluntarily for complete year)****Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED**Registration No** 1313968**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
South Saddar Town**Tax Year :** 2023**Period :** 01-Oct-2021 - 30-Sep-2022**Medium :****Due Date :** 31-Oct-2023**Contact No:** 00923260668288

110000100493060

**Document Date** 15-Nov-2023

| Description           | Code | Amount  |
|-----------------------|------|---------|
| Refundable Income Tax | 9210 | 673,479 |
| Tax Chargeable        | 9200 | 648,000 |

This is not a valid evidence of being a "filer" for the purposes of clauses (23A) and (35C) of sections 2 and 181A.

**114(1) (Return of Income filed voluntarily for complete year)**
**Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED

**Registration No** 1313968

**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
 South Saddar Town

**Tax Year :** 2023

**Period :** 01-Oct-2021 - 30-Sep-2022

**Medium :**
**Due Date :** 31-Oct-2023

**Contact No:** 00923260668288


110000100493060

**Document Date** 15-Nov-2023

**Manufacturing / Trading Items**

| Description  | Code | Total Amount  | Amount<br>Exempt from<br>Tax / Subject<br>to Fixed /<br>Final Tax | Amount<br>Subject to<br>Normal Tax |
|--|------|---------------|---|------------------------------------|
| Income / (Loss) from Business  | 3000 | -48,436,753   | 0   | -48,436,753                        |
| Net Revenue (excluding Sales Tax, Federal Excise,<br>Brokerage, Commission, Discount, Freight Outward) | 3029 | 1,117,356,374 | 0   | 1,117,356,374                      |
| Gross Revenue (excluding Sales Tax, Federal Excise)  | 3009 | 1,117,356,374 | 0   | 1,117,356,374                      |
| Gross Domestic Sales / Services Fee  | 3004 | 1,117,356,374 | 0   | 1,117,356,374                      |
| Cost of Sales / Services   | 3030 | 785,416,631   | 0   | 785,416,631                        |
| Opening Stock  | 3039 | 2,460,975,413 | 0   | 2,460,975,413                      |
| Domestic Raw Material / Components Opening Balance   | 3035 | 6,363,376     | 0   | 6,363,376                          |
| Work in Process Opening Balance  | 3034 | 20,154,428    | 0   | 20,154,428                         |
| Domestic Finished Goods Opening Balance  | 3031 | 2,434,457,609 | 0   | 2,434,457,609                      |
| Net Purchases (excluding Sales Tax, Federal Excise)  | 3059 | 1,031,314,903 | 0   | 1,031,314,903                      |
| Net Domestic Purchases Raw Material / Components   | 3055 | 979,965,883   | 0   | 979,965,883                        |
| Net Stores / Spares Purchases  | 3057 | 51,349,020    | 0   | 51,349,020                         |
| Consumed   | 3069 | 654,843,158   | 0   | 654,843,158                        |
| Domestic Raw Material / Components Consumed  | 3065 | 981,865,883   | 0   | 981,865,883                        |
| Stores / Spares Consumed   | 3067 | 51,349,020    | 0   | 51,349,020                         |
| Work in Process Consumed   | 3064 | -6,840,676    | 0   | -6,840,676                         |
| Domestic Finished Goods Consumed   | 3061 | -371,531,069  | 0   | -371,531,069                       |
| Direct Expenses  | 3089 | 130,573,473   | 0   | 130,573,473                        |
| Salaries / Wages   | 3071 | 64,973,571    | 0   | 64,973,571                         |
| Power  | 3073 | 15,343,843    | 0   | 15,343,843                         |
| Repair / Maintenance   | 3077 | 2,778,198     | 0   | 2,778,198                          |
| Insurance  | 3080 | 3,218,795     | 0   | 3,218,795                          |
| Other Direct Expenses  | 3083 | 5,701,698     | 0   | 5,701,698                          |
| Accounting Depreciation  | 3088 | 38,557,368    | 0   | 38,557,368                         |
| Closing Stock  | 3099 | 2,837,447,158 | 0   | 2,837,447,158                      |
| Domestic Raw Material / Components Closing Balance   | 3095 | 4,463,376     | 0   | 4,463,376                          |



**114(1) (Return of Income filed voluntarily for complete year)**
**Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED

**Registration No** 1313968

**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
 South Saddar Town

**Tax Year :** 2023

**Period :** 01-Oct-2021 - 30-Sep-2022

**Medium :**
**Due Date :** 31-Oct-2023

**Contact No:** 00923260668288


110000100493060

**Document Date** 15-Nov-2023

**Manufacturing / Trading Items**

| Description                             | Code | Total Amount  | Amount Exempt from Tax / Subject to Fixed / Final Tax | Amount Subject to Normal Tax |
|---|------|---------------|---|------------------------------|
| Work in Process Closing Balance         | 3094 | 26,995,104    | 0   | 26,995,104                   |
| Domestic Finished Goods Closing Balance | 3091 | 2,805,988,678 | 0   | 2,805,988,678                |
| Gross Profit / (Loss)                   | 3100 | 331,939,743   | 0   | 331,939,743                  |

**Management, Administrative, Selling & Financial Expenses**

| Description  | Code | Total Amount | Amount Exempt from Tax / Subject to Fixed / Final Tax | Amount Subject to Normal Tax |
|--|------|--------------|---|------------------------------|
| Management, Administrative, Selling & Financial Expenses | 3199 | 422,048,744  | 0   | 422,048,744                  |
| Rates / Taxes / Cess                                     | 3152 | 1,382,103    | 0   | 1,382,103                    |
| Salaries / Wages / Perquisites / Benefits                | 3154 | 8,321,302    | 0   | 8,321,302                    |
| Traveling / Conveyance / Vehicles Running / Maintenance  | 3155 | 4,359,879    | 0   | 4,359,879                    |
| Electricity / Water / Gas                                | 3158 | 7,446,721    | 0   | 7,446,721                    |
| Communication  | 3162 | 145,116      | 0   | 145,116                      |
| Repair / Maintenance                                     | 3165 | 2,289,360    | 0   | 2,289,360                    |
| Insurance  | 3170 | 368,820      | 0   | 368,820                      |
| Professional Charges                                     | 3171 | 2,127,735    | 0   | 2,127,735                    |
| Profit on Debt (Financial Charges / Markup / Interest)   | 3172 | 388,803,965  | 0   | 388,803,965                  |
| Other Indirect Expenses                                  | 3180 | 3,532,803    | 0   | 3,532,803                    |
| Accounting Amortization                                  | 3197 | 156,058      | 0   | 156,058                      |
| Accounting Depreciation                                  | 3198 | 3,114,882    | 0   | 3,114,882                    |
| Accounting Profit / (Loss)                               | 3200 | -90,109,001  | 0   | -90,109,001                  |

**114(1) (Return of Income filed voluntarily for complete year)**
**Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED

**Registration No** 1313968

**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
South Saddar Town

**Tax Year :** 2023

**Period :** 01-Oct-2021 - 30-Sep-2022

**Medium :**
**Due Date :** 31-Oct-2023

**Contact No:** 00923260668288


110000100493060

**Document Date** 15-Nov-2023

**Inadmissible / Admissible Deductions**

| Description   | Code | Total Amount | Amount Exempt from Tax / Subject to Fixed / Final Tax | Amount Subject to Normal Tax |
|---|------|--------------|---|------------------------------|
| Inadmissible Deductions                               | 3239 | 41,828,308   | 0   | 41,828,308                   |
| Add Backs Accounting Amortization                     | 3237 | 156,058      | 0   | 156,058                      |
| Add Backs Accounting Depreciation                     | 3238 | 41,672,250   | 0   | 41,672,250                   |
| Admissible Deductions                                 | 3259 | 156,060      | 0   | 156,060                      |
| Tax Amortization for Current Year                     | 3247 | 156,060      | 0   | 156,060                      |
| Tax Depreciation / Initial Allowance for Current Year | 3248 | 0            | 0   | 0                            |

**Adjustments**

| Description  | Code | Total Amount | Amount Exempt from Tax / Subject to Fixed / Final Tax | Amount Subject to Normal Tax |
|--|------|--------------|---|------------------------------|
| Income / (Loss) from Business before adjustment of Admissible Depreciation / Initial Allowance / Amortization for current / previous years | 3270 | 0            | 0   | -48,280,693                  |

**Business Assets / Equity / Liabilities**

| Description  | Code | Amount        |         |   |
|--|------|---------------|---------|---|
| Total Assets   | 3349 | 7,628,000,784 | 0       |   |
| Land   | 3301 | 525,000,000   | 0       |   |
| Building (all types)   | 3302 | 570,154,375   | 0       |   |
| Plant / Machinery / Equipment / Furniture (including fittings) | 3303 | 2,070,190,866 | 0       |   |
| Motor Vehicle  | 3304 | 5,653,169     | 0       |   |
| Intangible   | 3305 | 312,120       | 312,120 | 2 |
| Intangible   | 3305 | 312,120       | 312,120 | 2 |
| Capital Work in Progress                                       | 3308 | 94,810,948    | 0       |   |
| Long Term Investments  | 3311 | 4,038,277     | 0       |   |
| Advances / Deposits / Prepayments                              | 3312 | 301,531,921   | 0       |   |

**114(1) (Return of Income filed voluntarily for complete year)**
**Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED

**Registration No** 1313968

**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
 South Saddar Town

**Tax Year :** 2023

**Period :** 01-Oct-2021 - 30-Sep-2022

**Medium :**
**Due Date :** 31-Oct-2023

**Contact No:** 00923260668288


110000100493060

**Document Date** 15-Nov-2023

**Business Assets / Equity / Liabilities**

| Description   | Code | Amount         |   |  |
|---|------|----------------|---|--|
| Trade Debtors / Receivables                         | 3313 | 483,324,983    | 0 |  |
| Stocks / Stores / Spares                            | 3315 | 3,053,141,910  | 0 |  |
| Cash / Cash Equivalents                             | 3319 | 79,335,762     | 0 |  |
| Other Assets  | 3348 | 440,506,453    | 0 |  |
| Total Equity / Liabilities                          | 3399 | 7,628,000,783  | 0 |  |
| Authorized Capital                                  | 3351 | 340,000,000    | 0 |  |
| Issued, Subscribed & Paid up capital                | 3352 | 337,774,800    | 0 |  |
| Revenue Reserves                                    | 3362 | 166,138,009    | 0 |  |
| Accumulated Profits                                 | 3364 | -1,102,669,247 | 0 |  |
| Revaluation Surplus                                 | 3365 | 1,871,492,369  | 0 |  |
| Long Term Borrowings / Debt / Loan                  | 3371 | 1,683,841,559  | 0 |  |
| Liabilities against Assets subject to Finance Lease | 3372 | 2,056,674      | 0 |  |
| Deferred Liabilities                                | 3373 | 567,670,171    | 0 |  |
| Short Term Borrowings / Debt / Loan                 | 3381 | 1,654,680,490  | 0 |  |
| Current Portion of Long Term Liabilities            | 3382 | 161,467,517    | 0 |  |
| Advances / Deposits / Accrued Expenses              | 3383 | 1,387,761,936  | 0 |  |
| Trade Creditors / Payables                          | 3384 | 897,786,505    | 0 |  |

**Adjustable Tax**

| Description  | Code     | Receipts / Value | Tax Collected / Deducted | Tax Chargeable |
|--|----------|------------------|--------------------------|----------------|
| Adjustable Tax   | 640000   | 0                | 673,479                  | 0              |
| Electricity Bill of Commercial / Industrial Consumer u/s 235                   | 64140050 | 0                | 662,307                  | 0              |
| Electricity Bill of Commercial / Industrial Consumer u/s 235 - . - WHT U/S 235 | 64140050 | 0                | 662,307                  | 0              |
| Telephone Bill u/s 236(1)(a)   | 64150001 | 0                | 11,172                   | 0              |
| Telephone Bill u/s 236(1)(a) - . - WHT U/S 236                                 | 64150001 | 0                | 11,172                   | 0              |

**Capital Assets**

| Description | Code | Cost / Declared Value | Fair Market Value |  |
|-------------|------|-----------------------|-------------------|--|
|-------------|------|-----------------------|-------------------|--|

**114(1) (Return of Income filed voluntarily for complete year)**
**Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED

**Registration No** 1313968

**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
 South Saddar Town

**Tax Year :** 2023

**Period :** 01-Oct-2021 - 30-Sep-2022

**Medium :**
**Due Date :** 31-Oct-2023

**Contact No:** 00923260668288


110000100493060

**Document Date** 15-Nov-2023

**Final / Fixed / Minimum / Average / Relevant / Reduced Tax**

| Description   | Code     | Receipts / Value | Tax Collected / Deducted | Tax Chargeable |
|---|----------|------------------|--------------------------|----------------|
| Final / Fixed / Minimum / Average / Relevant / Reduced Tax  | 640001   | 64,800,000       | 648,000                  | 648,000        |
| Contract Payments to Indirect Exporter u/s 154(3B)  | 64070154 | 64,800,000       | 648,000                  | 648,000        |
| Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 1 year but does not exceed 2 years  | 64220059 | 0                | 0                        |                |
| Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 2 years but does not exceed 3 years | 64330058 | 0                | 0                        |                |
| Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 3 years but does not exceed 4 years | 64330059 | 0                | 0                        |                |
| Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 5 years but does not exceed 6 years | 64330064 | 0                | 0                        |                |
| Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 6 years                             | 64330065 | 0                | 0                        |                |

**Computations**

| Description   | Code   | Total Amount | Amount Exempt from Tax / Subject to Fixed / Final Tax | Amount Subject to Normal Tax |
|---|--------|--------------|---|------------------------------|
| Income / (Loss) from Business                                     | 3000   | -48,436,753  | 0   | -48,436,753                  |
| Tax Chargeable  | 9200   | 0            | 0   | 648,000                      |
| Final / Fixed / Minimum / Average / Relevant / Reduced Income Tax | 920100 | 0            | 0   | 648,000                      |
| Accounting Profit / Tax Chargeable u/s 113C @17%                  | 923173 | 0            | 0   | 0                            |
| Refund Adjustment of Other Year(s) against Demand of this Year    | 92101  | 0            | 0   | 0                            |
| Withholding Income Tax  | 9201   | 0            | 1,321,479   |                              |
| Refundable Income Tax   | 9210   | 0            | 0   | 673,479                      |

**Amortization**

| Description | Code | WDV (RF) | Remaining | Extent of | Amortization |
|-------------|------|----------|-----------|-----------|--------------|
|-------------|------|----------|-----------|-----------|--------------|

**114(1) (Return of Income filed voluntarily for complete year)**

**Name:** NAUDERO SUGAR MILLS (PRIVATE) LIMITED

**Registration No** 1313968

**Address:** CL-5/4, Abdullah Haroon Road, Saddar, Karachi  
South Saddar Town

**Tax Year :** 2023

**Period :** 01-Oct-2021 - 30-Sep-2022

**Medium :**

**Due Date :** 31-Oct-2023

**Contact No:** 00923260668288



110000100493060

**Document Date** 15-Nov-2023

**Amortization**

| Description | Code | WDV (BF) | Remaining Useful Years | Extent of Use | Amortization |
|-------------|------|----------|------------------------|---------------|--------------|
| Intangible  | 3305 | 312,120  | 2                      | 100           | 156,060      |
| Intangible  | 3305 | 312,120  | 2                      | 100           | 156,060      |

**Depreciation**

| Description          | Code | WDV (BF) | Deletion | Addition (Used in Pakistan) | Extent of Use | Addition (New) | Extent of Use | Initial Allowance | Depreciation | WDV (CF) |
|----------------------|------|----------|----------|-----------------------------|---------------|----------------|---------------|-------------------|--------------|----------|
| Building (all types) | 3302 | 0        | 0        | 0                           | 0             | 0              | 0             | 0                 | 0            | 0        |

**Option out of**

| Description  | Code     | Receipts / Value | Tax Collected / Deducted / Paid | Tax Chargeable | Attributable Taxable Income | Tax on Attributable Taxable Income | Difference (Option Valid if <=0) |
|--|----------|------------------|---------------------------------|----------------|-----------------------------|------------------------------------|----------------------------------|
| Contract Payments to Indirect Exporter u/s 154(3B) | 64070154 | 64,800,000       | 648,000                         | 648,000        | 0                           | 0                                  | 648,000                          |

**3(5(c))**

**CVs of Applications**  
**Senior Management and**  
**Technical**  
**Professionals.**

1/15/2015 10:10:10 AM

## NAUDERO SUGRA MILLS (PVT) LTD

### List of Resumes.

| S.No | Name                    | Designation               |
|------|-------------------------|---------------------------|
| 01   | Naeem Ajmal             | General Manager (Project) |
| 02   | Muhammad Sajid Hussain  | DGM (E & I)               |
| 03   | Zahoor Ul Hasan         | Chief Engineer            |
| 04   | Wajahat Hussain Qureshi | Electrical Engineer       |
| 05   | Altaf Khokhar           | App: Engineer             |

10/10/2018

10/10/2018

10/10/2018

POWER

Manager / Maintenance

3080

3083

3087

3701

450376

# **CURRICULUM VITAE**

Postal Address.  
332-B EME(DHA)  
Lahore  
Cell No.0300-2666025  
Cell No.03216655397

## **NAEEM AJMAL**

### **Objective:**

To join a reputable concern and excel in the related field for the growth of the company and for a promising long-term career.

### **PROFESSIONAL EXPERIENCE:**

"More than 36 Years working experience at following Sugar Industries on different posts."

- Working as Sr: General Manager in Omnigroup since 15<sup>th</sup> September 2020 to till date.
- Worked as Project Director in Alman Sugar Mills PVT Dara Isamail Khan till June 2020.

Worked as technical director since 15 May 2017 in Ranipur Sugar Mills to June 2019

- Worked as a Senior Vice president in Shakargang Mills Limited.
- Bhone since September 2014 to 15 May 2017.
- Worked as General Manager in Ittefaq Sugar Mills Limited Sahiwal (Since 1<sup>st</sup> November 2012- September 2014).
- June 2010 to October 2012 General Manager (Layyah Sugar Mills)
- July 2005 to June 2010 Deputy General Manager/As a Head of Project CSM expansion for three years Chashma Sugar Mills D.I.Khan.
- October 1999 to July 2005 Chief Engineer/Manager Technical Mehran Sugar Mills Limited Tanod Allahyar.
- October 1997 to October 1999 Dy. Chief Engineer Chanar Sugar Mills Limited.
- August 1994 to September 1997 Technical Manager/AGM Main Muhammad Sugar Mills Limited.
- April 1991 to July 1994 Dy.Chief Engineer Chanar Sugar Mills Limited.
- June 1988 to April 1991 Shift Engineer Punjab/Phalia Sugar Mills Limited.
- Feb 1984 to June 1988 Apprentice Engineer / Shift Engineer Hussain Sugar Mills Limited.



## **ACHIEVEMENTS:**

- 1 Active participation in the achievement of ISO 9002 certification.
- 2 Process conversion from DCDS to DRC (HSML) in 1986.
- 3 BMRE from 2500 TCD to 3500 TCD (HSML) in 1986.
- 4 Erection of 45 Ton boiler and operated successfully independently.
- 5 Conversion of 3-mill roller to 5-roller mill.
- 6 Modification of boiler in the capacity of 25 ton to 40 ton and operated successfully in Mehran Sugar Mills.
- 7 Modification in process house in Mehran Sugar Mill for balancing the steam consumption.
- 8 Modification on boiler and Mills to control the furnace oil position from 450000glns to nil position and successfully operated up to 2005.
- 9 Successfully designed and operated refine sugar process in Mehran Sugar Mill.
- 10 Induction of fly ash catcher and economizer at boilers.
- 11 Energy conservation.
- 12 Independent installed, erect and operated Phalia Sugar Mill (8000 TCD) successfully.
- 13 Erection & Trail of 6000 TCD. Independently of Chanar Sugar Mill & operated successfully.
- 14 Modification in mill house and process house successfully done for the better result.
- 15 Complete operation & erection of Chashma Sugar Mill Unit-2 (8000 t.c.d) and its working successfully.
- 16 In Chashma Sugar Mills successfully improvement on milling, boiler and process house and the results is totally changed.
- 17 Mills extraction improve from 90.5% to 94.75%.
- 18 In process house steam consumption comes down from 56% to 50%.
- 19 Complete designed and installation were of foundry and save the rupees of 7500000 per year from 2005
- 20 Worked on co-generation and its going to be operated in next year.
- 21 Installed one high pressure boiler capacity 135 ton pressure 65 bar, 30 MW turbo generator and Mill Max and operated successfully.
- 22 In Ittefaq sugar mill in my supervision L.T.E.M was installed and successfully operated. This is the first new technology of steam saving system in world of sugar industry.
- 23 In Shakarganj Bhone installed 16.5 MW condensing turbine and operated successfully. Also rectified high pressure boiler (65 Bar) and operated successfully. Falling Film evaporator work is under progress. Lotus roller and bagasse dryer arranged in house and operated successfully.
- 24 I have designed a sugar industry with latest technology and minimum below 40% steam consumption on cane.
- 25 Modify Ranipur sugar mill rom 3500 TCD to 6500 TCD, such as fibrizer,FFE, Vertical continues Pans, raw side batch centrifugal and steam and vapour balancing for batter efficacy of plant.
- 26 Indiviol electric drives on mill rollers

3101  
Signature

V. A. in Progress

**QUALIFICATION:**

- 1 M.B.A
- 2 B-Tech Mechanical engineering from MehranUniversity of Engineering & Technology Jamshoro.
- 3 Diploma of Associate Engineer in Mechanical Technology from Punjab board of technical education Lahore.
- 4 Boiler Engineer competency certificate (class II)

**PROFESSIONAL TRAINING:**

1. Development course for supervisor from Pakistan Institute of Management Karachi.
2. Foundation course in management conducted by Petroman.
3. Introduction to ISO 9000 Quality System Standard & Internal Quality Audit conducted by quality Concern.
4. Windows 98, MS Office.
5. Three month program (South Africa ) about millhouse & process control.

**PERSONAL DATA:**

|                 |                 |
|-----------------|-----------------|
| Father's Name:  | Abdul Ghafoor   |
| Date of Birth:  | July 4, 1962    |
| NIC Number:     | 41307-1867379-5 |
| Material Status | Married         |
| Children:       | 03              |

# **CURRICULUM VITAE**

Postal Address.  
332-B EME(DHA)  
Lahore  
Cell No.0300-2666025  
Cell No.03216655397

## **NAEEM AJMAL**

### **Objective:**

To join a reputable concern and excel in the related field for the growth of the company and for a promising long-term career.

### **PROFESSIONAL EXPERIENCE:**

"More than 36 Years working experience at following Sugar Industries on different posts."

- Working as Sr: General Manager in Omnigroup since 15<sup>th</sup> September 2020 to till date.
- Worked as Project Director in Alman Sugar Mills PVT Dara Isamail Khan till June 2020.

Worked as technical director since 15 May 2017 in Ranipur Sugar Mills to June 2019

- Worked as a Senior Vice president in Shakargang Mills Limited.
- Bhone since September 2014 to 15 May 2017.
- Worked as General Manager in Ittefaq Sugar Mills Limited Sahiwal (Since 1<sup>st</sup> November 2012- September 2014).
- June 2010 to October 2012 General Manager (Layyah Sugar Mills)
- July 2005 to June 2010 Deputy General Manager/As a Head of Project CSM expansion for three years Chashma Sugar Mills D.I.Khan.
- October 1999 to July 2005 Chief Engineer/Manager Technical Mehran Sugar Mills Limited Tanod Allahyar.
- October 1997 to October 1999 Dy. Chief Engineer Chanar Sugar Mills Limited.
- August 1994 to September 1997 Technical Manager/AGM Main Muhammad Sugar Mills Limited.
- April 1991 to July 1994 Dy.Chief Engineer Chanar Sugar Mills Limited.
- June 1988 to April 1991 Shift Engineer Punjab/Phalia Sugar Mills Limited.
- Feb 1984 to June 1988 Apprentice Engineer / Shift Engineer Hussain Sugar Mills Limited.

## **ACHIEVEMENTS:**

- 1 Active participation in the achievement of ISO 9002 certification.
- 2 Process conversion from DCDS to DRC (HSML) in 1986.
- 3 BMRE from 2500 TCD to 3500 TCD (HSML) in 1986.
- 4 Erection of 45 Ton boiler and operated successfully independently.
- 5 Conversion of 3-mill roller to 5-roller mill.
- 6 Modification of boiler in the capacity of 25 ton to 40 ton and operated successfully in Mehran Sugar Mills.
- 7 Modification in process house in Mehran Sugar Mill for balancing the steam consumption.
- 8 Modification on boiler and Mills to control the furnace oil position from 450000glns to nil position and successfully operated up to 2005.
- 9 Successfully designed and operated refine sugar process in Mehran Sugar Mill.
- 10 Induction of fly ash catcher and economizer at boilers.
- 11 Energy conservation.
- 12 Independent installed, erect and operated Phalia Sugar Mill (8000 TCD) successfully.
- 13 Erection & Trail of 6000 TCD. Independently of Chanar Sugar Mill & operated successfully.
- 14 Modification in mill house and process house successfully done for the better result.
- 15 Complete operation & erection of Chashma Sugar Mill Unit-2 (8000 t.c.d) and its working successfully.
- 16 In Chashma Sugar Mills successfully improvement on milling, boiler and process house and the results is totally changed.
- 17 Mills extraction improve from 90.5% to 94.75%.
- 18 In process house steam consumption comes down from 56% to 50%.
- 19 Complete designed and installation were of foundry and save the rupees of 7500000 per year from 2005
- 20 Worked on co-generation and its going to be operated in next year.
- 21 Installed one high pressure boiler capacity 135 ton pressure 65 bar, 30 MW turbo generator and Mill Max and operated successfully.
- 22 In Ittefaq sugar mill in my supervision L.T.E.M was installed and successfully operated. This is the first new technology of steam saving system in world of sugar industry.
- 23 In Shakarganj Bhone installed 16.5 MW condensing turbine and operated successfully. Also rectified high pressure boiler (65 Bar) and operated successfully. Falling Film evaporator work is under progress. Lotus roller and bagasse dryer arranged in house and operated successfully.
- 24 I have designed a sugar industry with latest technology and minimum below 40% steam consumption on cane.
- 25 Modify Ranipur sugar mill rom 3500 TCD to 6500 TCD, such as fibrizer, FFE, Vertical continues Pans, raw side batch centrifugal and steam and vapour balancing for batter efficacy of plant.
- 26 Indiviol electric drives on mill rollers

**QUALIFICATION:**

- 1 M.B.A
- 2 B-Tech Mechanical engineering from MehranUniversity of Engineering & Technology Jamshoro.
- 3 Diploma of Associate Engineer in Mechanical Technology from Punjab board of technical education Lahore.
- 4 Boiler Engineer competency certificate (class II)

**PROFESSIONAL TRAINING:**

1. Development course for supervisor from Pakistan Institute of Management Karachi.
2. Foundation course in management conducted by Petroman.
3. Introduction to ISO 9000 Quality System Standard & Internal Quality Audit conducted by quality Concern.
4. Windows 98, MS Office.
5. Three month program (South Africa ) about millhouse & process control.

**PERSONAL DATA:**

|                 |                 |
|-----------------|-----------------|
| Father's Name:  | Abdul Ghafoor   |
| Date of Birth:  | July 4, 1962    |
| NIC Number:     | 41307-1867379-5 |
| Material Status | Married         |
| Children:       | 03              |



## MUHAMMAD SAID HUSSAIN

Chashma Sugar Mills Residence Colony House No # C-16 Dera Ismail Khan.

Sajidchashmasugarmills@gmail.com

+92346-7370446

12-06-1985

### Objective

To contribute towards the growth & development of a dynamic multinational organization where opportunities to grow both personally and professionally are ample and where I can utilize my skills effectively & efficiently.

### Education

- Technical Education Board Peshawar.  
D.A.E (Electrical)
- Allama Iqbal University Islamabad.  
Electrical Engineering
- Sargodha Board  
S.S.C (Science)

### Experience

- |   |          |
|---|----------|
| • Premier Group of Industries<br>Joined as Electrical Engineer, promoted as Dy. Chief Engineer and Chief Electrical Engineer during my service.<br>From last 7 years working as a A.G.M (Electrical) in Chashma Sugar Mill D.I.Khan | 17 Years |
| • Fecto Sugar Mills Limited<br>Electrical Forman, 2004 to 2006.   | 3 Years  |
| • Fatima Sugar Mills Limited (Fatima group of Industries)<br>Electrical Forman, 1999 to 2004.   | 4 Years  |
| • Fecto Sugar Mills Limited<br>Electrical Forman, 1996 to 1999.   | 4 Years  |
| • Fatima Sugar Mills Limited (Fatima Group of Industries)<br>Electrical Assistant Forman, 1992 to 1996.   | 4 Years  |
| • Chashma Sugar Mills Unit-I Project (Premier Group)<br>Senior Electrician 1991 to 1992.  | 1 Year   |
| • Sangher Sugar Mills Limited<br>Apprentice electrician 1988 to 1991.   | 4 Years  |

### MAIN JOB RESPONSIBILITIES AND SUMMARIZED

- Trouble shooting and maintenance of electrical problems for reduction in down time during emergency.
- Preventive maintenance of motors, pumps, Generators and other electrical equipment for their trouble free operation.
- Power supply managements essential load after black outs startup of power house.
- Trouble shooting and maintenance of VFD/VS drives and refine machine equipment
- Maintenance of electric switch gager.

### MAINTENANCE AND OPERATIONAL EXPERIENCE OF 7 TO 12 MW LT AND HT DIFFERENT PLANTS

- Power House
- Trouble shooting for control and power circuit of Generator.
- Trouble shooting of circuit of HT and LT panel.
- Insulation testing with megger at 11 KV and 500 to 1000 Volts.
- Protection relays tested with relay tester and calibration performed.
- Maintenance and trouble shooting of tube oil purifier and heavy oil purifier.
- Maintenance and Electrical work of LT and HT panel installed in sub-station.
- Maintenance work of power factor improvement panels installed in sub-station.
- Check dielectric strength of oil transforms with insulation tester.
- Degradation performed oil transformers with coordination of M/S transpol oil compressor.



**MUHAMMAD SAJID HUSSAIN**  
Chashma Sugar Mills Residence Colony House No + C-15 Dera Ismail Khan.  
Sajidchashmasugarmills@gmail.com  
+92346-7670446  
12-08-1966

## Objective

To contribute towards the growth & development of a dynamic multinational organization where opportunities to grow both personally and professionally are ample and where I can utilize my skills effectively & efficiently.

## Education

- Technical Education Board Peshawar.  
D.A.E (Electrical)
- Allama Iqbal University Islamabad.  
Electrical Engineering
- Sargodha Board  
S.S.C (Science)

## Experience

- |   |          |
|---|----------|
| • Premier Group of Industries<br>Joined as Electrical Engineer, promoted as Dg. Chief Engineer and Chief Electrical Engineer during my service.<br>From last 7 years working as a A.G.M (Electrical) in Chashma Sugar Mill D.I.Khan | 17 Years |
| • Fecto Sugar Mills Limited<br>Electrical Foreman, 2004 to 2006.  | 3 Years  |
| • Fatima Sugar Mills Limited (Fatima group of industries)<br>Electrical Foreman, 1999 to 2004.  | 4 Years  |
| • Fecto Sugar Mills Limited<br>Electrical Foreman, 1995 to 1999.  | 4 Years  |
| • Fatima Sugar Mills Limited (Fatima Group of Industries)<br>Electrical Assistant Foreman, 1992 to 1995.  | 4 Years  |
| • Chashma Sugar Mills Unit-1 Project (Premier Group)<br>Senior Electrician 1991 to 1992.  | 1 Year   |
| • Sanghar Sugar Mills Limited<br>Apprentice electrician 1988 to 1991.   | 4 Years  |

## MAIN JOB RESPONSIBILITIES AND SUMMARIZED

- Trouble shooting and maintenance of electrical problems for reduction in down time during emergency.
- Preventive maintenance of motors, panels Generators and other electrical equipment for their trouble free operation.
- Power supply managements essential load after black outs startup of power house.
- Trouble shooting and maintenance of VF/VS drives and refine machine equipment
- Maintenance of electric switch gager.

## MAINTENANCE AND OPERATIONAL EXPEDIENCE OF 7 TO 12 MW LT AND HT DIFFERENT PLANTS

- Power House
- Trouble shooting for control and power circuit of Generator
- Trouble shooting of circuit of HT and LT panel
- Insulation testing with megger at 11 KV and 500 to 1000 Volts.
- Protection relays tested with relay tester and calibration performed.
- Maintenance and trouble shooting of lube oil purifier and heavy oil purifier.
- Maintenance and Electrical work of LT and HT panel installed in sub-station.
- Maintenance work of power factor improvement panels installed in sub-station.
- Check dielectric strength of oil transforms with insulation tester
- Degradation performed all transformers with coordination of M/S transpet oil compressor

# ZAHOOOR UL HASSAN

Tehsil Dunya Pur Disst Lodhran Pakistan.

+92-345-7262348

+92-300-0538348

Email [zahoorhassan27@gmail.com](mailto:zahoorhassan27@gmail.com)

## **OBJECTIVE:**

To work for a Challenging position in a Competitive environment to build personal credibility and to enhance and to enhance achievements to satisfaction of the respected employer through efficient performance for long term career development and growth

## **PERSONAL DETAILS:**

Father's Name: **Taj Muhammad**  
NIC No. : **36201-8201116-9**  
Date of Birth : **9- September, 1990**  
Nationality : **Pakistani.**  
Religion : **Islam.**  
Domicile : **Lodhran (Punjab)**  
Languages : **Urdu, Punjabi,English,Sindhi**  
Marital Status : **Married.**

## **ACADEMIC QUALIFICATION**

**Matriculation** (2008)

Board of Intermediate and Secondary Education Multan.

## **EXPERIENCES**

- **Start** From Kiran Sugar mill's as Helper In 13/12/2008
- Asst/Tech Kiran Sugar Mills In 02/11/2009
- Technician In Kiran Sugar Mills 03/01/2011 to 23/06/2012
- Sr,Technician Alliance Sugar Mills Ubaro 26/06/2012
- Supervisor in Alliance Sugar Mills 01/08/2014 to 07/04/2015
- *Supervisor In Ex, Gulf Sugar Mills 09/04/2015 to 09/11/2016*
- *Engineer in Rohi Banaspati Kehrro pakka 15/11/2016 to 30/4/2017*
- *Sr,Engineer in Kiran sugar Mills Ltd 08/05/2017 to 8/10/2019*
- *Sr, Engineer in Naudero Sugar Mills Ltd 15/10/2019 to 31/12/2020*



- *Deputy Chief Engineer (Promoted) from 01/01/2021 to 31/12/2021*
- *Chief Engineer (Promoted) in Naudero Sugar Mills 01/01/2022 to up till now*

### **WORK SKILLS:**

- SEDL Auto condenser installation and operation
- Awareness about DCS control automation written below
- Honeywell c200 DCS
- Holly Sys DCS
- Uwnetek UW500 DCS
- Mill house automation and control
- All types and Power, frequency Inverters installation and programming
- I can perform my duties including installation, Calibration & Maintenance as well routine jobs related instrumentation on Plant.
- Calibration of field instruments; i.e level, flow, pressure temperature transmitters
- Installation and calibration of pressure switches& level switches, .
- Installation and check of thermocouple, RTD.
- Calibration and adjustment of all type of gauges(pressure, temperature.)
- Calibration of control valves.(fisher, Yamatake, Honeywell, Masoneilan, Valltak)
- Maintenance of all type of process parameters like transmitter, switches, sensors and control valves.
- Preparation of junction box wiring details, cable laying etc assembly of pressure transmitter, flow transmitter, level transmitter and control valve.
- Practical involvement in erection and commissioning and trouble shooting
- Calibration of ph and conductivity transmitters.

### **SAFETY AWARENESS:**

- Should know understand the quality policy environmental policy, safety policing and the department of the company.

# **ZAHOOOR UL HASSAN**

Tehsil Dunya Pur Disst Lodhran Pakistan.

+92-345-7262348

+92-300-0538348

Email [zahoorhassan27@gmail.com](mailto:zahoorhassan27@gmail.com)

## **OBJECTIVE:**

To work for a Challenging position in a Competitive environment to build personal credibility and to enhance and to enhance achievements to satisfaction of the respected employer through efficient performance for long term career development and growth

## **PERSONAL DETAILS:**

Father's Name: **Taj Muhammad**  
NIC No. : **36201-8201116-9**  
Date of Birth : **9- September, 1990**  
Nationality : **Pakistani.**  
Religion : **Islam.**  
Domicile : **Lodhran (Punjab)**  
Languages : **Urdu, Punjabi,English,Sindhi**  
Marital Status : **Married.**

## **ACADEMIC QUALIFICATION**

**Matriculation (2008)**

Board of Intermediate and Secondary Education Multan.

## **EXPERIENCES**

- **Start** From Kiran Sugar mill's as Helper In 13/12/2008
- **Asst/Tech** Kiran Sugar Mills In 02/11/2009
- **Technician** In Kiran Sugar Mills 03/01/2011 to 23/06/2012
- **Sr,Technician** Alliance Sugar Mills Ubaro 26/06/2012
- **Supervisor** in Alliance Sugar Mills 01/08/2014 to 07/04/2015
- **Supervisor In Ex, Gulf Sugar Mills** 09/04/2015 to 09/11/2016
- **Engineer in Rohi Banaspati Kehrro pakka** 15/11/2016 to 30/4/2017
- **Sr,Engineer in Kiran sugar Mills Ltd** 08/05/2017 to 8/10/2019
- **Sr, Engineer in Naudero Sugar Mills Ltd** 01/11/2019 to 01/12/2020

- *Deputy Chief Engineer (Promoted) from 01/01/2021 to 31/12/2021*
- *Chief Engineer (Promoted) in Naudero Sugar Mills 01/01/2022 to up till now*

### **WORK SKILLS:**

- SEDL Auto condenser installation and operation
- Awareness about DCS control automation written below
- Honeywell c200 DCS
- Holly Sys DCS
- Uwnetek UW500 DCS
- Mill house automation and control
- All types and Power, frequency Inverters installation and programming
- I can perform my duties including installation, Calibration & Maintenance as well routine jobs related instrumentation on Plant.
- Calibration of field instruments; i.e level, flow, pressure temperature transmitters
- Installation and calibration of pressure switches& level switches,
- Installation and check of thermocouple, RTD.
- Calibration and adjustment of all type of gauges(pressure, temperature.)
- Calibration of control valves.(fisher, Yamatake, Honeywell, Masoneilan, Valltak)
- Maintenance of all type of process parameters like transmitter, switches, sensors and control valves.
- Preparation of junction box wiring details, cable laying etc assembly of pressure transmitter, flow transmitter, level transmitter and control valve.
- Practical involvement in erection and commissioning and trouble shooting
- Calibration of ph and conductivity transmitters.

### **SAFETY AWARENESS:**

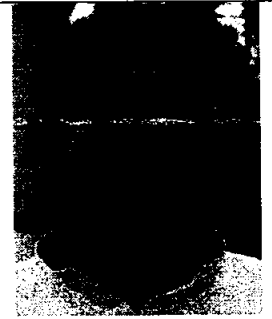
- Should know understand the quality policy environmental policy, safety policing and the department of the company.

**Engr:Wajahat Hussain Qureshi**

AdressHouse No. 0709/018 Qureshi street Muhalla Larkana  
Sindh,Pakistan

Phone number:+92 3352968110

Email:wajahathussain902@gmail.com

**Electrical Engineer*****Summary:***

---

A Dynamic and result-oriented professional Electrical Engineer with 3+ years experience as associate engineer in the areas of grid station ie installation of Transformers, Generators,R.M.U.s, Interior and Exterior lights, L.V cables, Panel boards, installation Panels, UPS System, Grounding / Earthing System,Quality Control, Supervision, Managing the site works , maintenance of infrastructure works.

***Career Objective:***

---

I am looking for a challenging position to play active role in a team of a high quality engineering environment related to Electrical Engineering where my experience and academic skills will add value to organizational operations and contributing to the potential growth of the company.

***Professional Experience:***

---

- Worked as Site Electrical Engineer with Sanullah Construction Company (pvt) ltd, where I looked after installation of Transformers, Generators, R.M.U.s, Interior and Exterior lights ,L.V cables,Panel boards, installation Panels, UPS System, Grounding / Earthing System
- Vast experience in domestic and commercial electrical fittings
- 1 year experience in dhoom crop science

***Education and Technical Qualification:***

---

- B.Tech (Bachelor of Technology in Electrical)  
Quiad-e-Awam University of Engineering ,Science &Technology  
2015-2021
- Diploma of Associate Engineering (DAE) in Electrical Technology  
Sindh board of Technical Education in Karachi  
2012-2014
- Matriculation  
Board of Intermediate & Secondary Education Larkana  
2010-2011

### ***Seminars and Certifications:***

---

- Attended university seminars for ensuring quality standards practically at site.
- Certified Quality Inspector / Site Engineer by SEPCO (Wapda)
- ECPak Consultant Approved QA/QC Electrical Engineer/Vendor-Coordinator

### ***Trainings:***

---

Three months training in SEPCO WAPDA where I Monitored following installation works.

- a. Transformers
- b. Generators
- c. R.M.Us
- d. Interior and Exterior lights
- e. L.V Cables
- f. Panel Boards
- g. Isolation Panels
- h. UPS System
- i. Grounding / Earthing system

### ***Projects:***

---

1. Construction of Grid Station Sanghar, District Mirpurkhas .

### ***Computer Skills:***

---

MS Word, spreadsheets, Auto CAD, Internet & email etc.

### ***Languages:***

---

I can understand and communicate in

- English
- Urdu
- Local languages of Pakistan

### ***Personal:***

---

- Date of Birth: August 27, 1995
- N.I.C No: 43203-1252347-1
- Father's name: Zahid Hussain Qureshi
- Driving licene: Valid Driving license

### ***Activities Volunteer/Coordinator***

---

*Social activities, Readings , Writings , Movies , internet etc*

# Altaf Khokhar

PEC NO/ELECT-90055 YEAR 2020.

ADDRESS: Near qari sahab masjid naudero

dist larkana

03022339366

altafhussainkhokhar146@gmail.com

## Objective

To obtain a challenging position at a recognised firm where I may grow my knowledge, abilities, learnings. And I am dedicated to employ with 2 years of experience in different firms like marketing, field outdoor job, office work in MS Excel Telecom company as well as sugar mill private factory.

## Experience

- 24/7 Marketing ISLAMBAD** 10/21 - 12/21  
Customer Service Representative  
Worked in night shift in 24/7 marketing  
Dealing, managing, offering benefits of products of purchasing, detail guide line of 24/7 marketing services.
- NETKOM TECHNOLOGIES** 3/22 - 11/22  
Radio Frequency Engineer  
Signal side verification including cell, reselection, coverage, CSFB, originating and terminating.  
Swap checking including partial swap and full swap.  
Pre and post drive using nemo and terms.  
Cell reselection 4G to 3G and 3G to 4G.  
Cluster DT including short calls.  
Walk test through pin point.  
Coordination with operation department to make required challenges during test drive.
- Pakistan Engineering Council Karachi Pakistan** 4/23 - 8/23  
Intern  
Store and Manage fresh graduate engineers data of Sindh.  
Collect and store profiles of internees those working under project of PEC.  
Arrange and manage all records of fresh and professional engineers applied for license of engineering.  
Manage all the details in MS Excel including salaries and bank detail and make corrections if any default occurs in stipend sheet.
- Naudero Sugar Mill Private Limited (Omni Group)** 9/23 - Continue  
Shift Engineer  
Checking of all electrical instruments  
Collect reading daily power house 3MW checking RMP and temperature also output load of turbine  
Deal with checking of all motors of NSML and also checking of single starter and double starter connection  
And collect hard copy all records during shift and make sure all electrical instruments are in working condition in my shift.

## Education

| Course / Degree        | School / University                                      | Grade / Score | Year |
|------------------------|--|---------------|------|
| Science                | OPF public school  | B             | 2012 |
| Pre engineering        | Govt degree collage                                      | A             | 2014 |
| Electrical Engineering | Mehran university of engineering and technology Jamshoro | 63.8%         | 2019 |

## Skills

- Management, Microsoft Office, Customer service project planning, strategic planning.

# Altaf Khokhar

PEC NO/ELECT-90055 YEAR 2020.

ADDRESS: Near qari sahab masjid naudero

dist larkana

03022339366

altafhussainkhokhar146@gmail.com

## Objective

To obtain a challenging position at a recognised firm where i may grow my knowledge, abilities, learnings. And i am dedicated employ with 2 year of experience in different firm like marketing, field outdoor job, office work in MS excel Telecom company as well sugar mill private factory

## Experience

- 24/7 Marketing ISLAMBAD** 10/21 - 12/21  
Customer Service Representative  
Worked in night shift in 24/7 marketing  
Dealing, manage, offering benefits of products of purchasing, detail guide line of 24/7 marketing services.
- NETKOM TECHNOLOGIES** 3/22 - 11/22  
Radio Frequency Engineer  
Signal side verification including cell, reselection, coverage, CSFB, originating and terminating.  
Swap checking including partial swap and full swap.  
Pre and post drive using nemo and terms.  
Cell reselection 4G to 3G and 3G to 4G.  
Cluster DT including short calls.  
Walk test through pin point.  
Coordination with operation department to make require challenges during test drive.
- Pakistan Engineering Council Karachi Pakistan** 4/23 - 8/23  
Internee  
Store and Manage fresh graduate engineers data of sindh.  
Collect and store profarmas of internee those working under project of PEC.  
Arrange and manage of all record of fresh and professional engineers applied for license of engineering.  
Manage all the details in MS Excel including salaries and bank detail and make them correction if any default occur in stipened sheet.
- Naudero Sugar Mill Private Limited (Omni Group)** 9/23 - Continue  
Shift Engineer  
Cheaking of All electrical instruments  
Collect reading daily power house 3MW cheaking RMP And and temperature also output load of Turbine  
Deal cheaking of all motors of NSML and aslo cheaking of single starter and double starter connection  
And collect hard copy all record during shift and make sure of All electrical instruments are in working condition in my shift

## Education

| Course / Degree        | School / University                                      | Grade / Score | Year |
|------------------------|--|---------------|------|
| Science                | OPF public school  | B             | 2012 |
| Pre engineering        | Govt degree collage                                      | A             | 2014 |
| Electrical Engineering | Mehran univeristy of engineering and technology jamshoro | 63.8%         | 2019 |

## Skills

- Managment, Microsoft Office, Customer service project planing, , strategic planing.

3(5)(d)(i)

**Cash Balance**

**&**

**Bank Certificate**

7/18/11 11:11 AM



**3(5)(d)(ii)**

**Expression of Interest**  
**to Provide Credit or**  
**Financing Along with**  
**Souces and Details**  
**therof**

**3(5)(d)(iii)**

**Latest Financial**  
**Statements**

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS AT SEPTEMBER 30, 2023**

|  | NOTES | 2023<br>RUPEES<br>Un-Audited | 2022<br>RUPEES<br>Un-Audited |
|--|-------|------------------------------|------------------------------|
| <b>ASSETS</b>  |       |                              |                              |
| <b>Non Current Assets</b>  |       |                              |                              |
| Property, Plant & Equipment  | 4     | 3,226,170,144                | 3,265,809,359                |
| Intangible Assets  | 5     | 208,081                      | 312,120                      |
| Long Term Deposits   |       | 4,038,277                    | 4,038,277                    |
|  |       | 3,230,416,501                | 3,270,159,755                |
| <b>Current Assets</b>  |       |                              |                              |
| Stores, Spare Parts and Loose Tools                                  |       | 197,441,150                  | 215,694,752                  |
| Stock-in-Trade   | 6     | 2,966,365,141                | 2,837,447,158                |
| Trade Debts  |       | 166,114,268                  | 191,346,416                  |
| Loans and Advances   | 7     | 278,269,798                  | 301,531,921                  |
| Trade Deposits, Short Term Prepayments and Other Recievables         | 8     | 279,756,965                  | 291,978,567                  |
| Due from associated undertakings                                     | 9     | 431,480,821                  | 440,506,453                  |
| Current and Bank Balances  |       | 76,335,499                   | 79,335,762                   |
|  |       | 4,395,763,642                | 4,357,841,029                |
| <b>Total Assets</b>  |       | <b>7,626,180,143</b>         | <b>7,628,000,784</b>         |
| <b>EQUITY &amp; LIABILITIES</b>                                      |       |                              |                              |
| <b>Authorised capital</b>  |       |                              |                              |
| 3,400,000 (2022: 3,400,000) Ordinary shares of Rs. 100 each          |       | 340,000,000                  | 340,000,000                  |
| <b>Share Capital</b>   |       |                              |                              |
| Share Capital  | 10    | 337,774,800                  | 337,774,800                  |
| Equity Reserve   |       | 166,138,009                  | 166,138,009                  |
| Unappropriated Profit  |       | (1,376,262,976)              | (1,102,669,247)              |
|  |       | (872,350,167)                | (598,756,438)                |
| Surplus on Revaluation of Fixed Assets                               |       | 1,871,492,369                | 1,871,492,369                |
| <b>Non Current Liabilities</b>                                       |       |                              |                              |
| Long Term Borrowings   | 11    | 1,667,775,787                | 1,683,841,559                |
| Liability against assets subject to finance lease                    |       | 2,056,674                    | 2,056,674                    |
| Deferred Liability for Taxation                                      |       | 567,670,171                  | 567,670,171                  |
|  |       | 2,237,502,632                | 2,253,568,404                |
| <b>Current Liabilities</b>   |       |                              |                              |
| Trade and Other Payables   | 12    | 783,876,732                  | 897,786,505                  |
| Accrued Markup   |       | 1,823,194,020                | 1,387,761,936                |
| Short Term Borrowings  | 13    | 1,604,931,267                | 1,654,680,490                |
| Current Portion of Long Term Finance & deferred markup               |       | 176,723,496                  | 160,657,723                  |
| Current portion of liability against assets subject to finance lease |       | 809,794                      | 809,794                      |
|  |       | 4,389,535,309                | 4,101,696,449                |
| Contingencies & Commitments  | 14    |                              |                              |
| <b>Total Equity and Liabilities</b>                                  |       | <b>7,626,180,143</b>         | <b>7,628,000,784</b>         |



**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

|                           | NOTES | 2023<br>RUPEES<br>Un-Audited | 2022<br>RUPEES<br>Un-Audited |
|---------------------------|-------|------------------------------|------------------------------|
| Sales - Net               | 15    | 669,650,879                  | 985,405,790                  |
| Cost of Sales             | 16    | (475,088,129)                | (653,466,047)                |
| Gross Profit              |       | 194,562,750                  | 331,939,743                  |
| <b>Operating Expenses</b> |       |                              |                              |
| Administrative Expenses   | 17    | 22,505,599                   | 31,150,397                   |
| Selling Expenses          |       | 1,669,020                    | 2,094,382                    |
|                           |       | (24,174,619)                 | (33,244,779)                 |
| Operating Profit          |       | 170,388,130                  | 298,694,964                  |
| Finance Cost              | 18    | 435,467,034                  | 388,803,965                  |
|                           |       | (435,467,034)                | (388,803,965)                |
| Loss before taxation      |       | (265,078,904)                | (90,109,001)                 |
| Taxation-Net              |       | (8,514,825)                  | (13,966,955)                 |
| Profit after taxation     |       | (273,593,729)                | (104,075,956)                |



**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

|   | Share Capital        | Equity Reserve     | Unappropriated<br>profit | Total                |
|---|----------------------|--------------------|--------------------------|----------------------|
|   | -----Un-Audited----- |                    |                          |                      |
| Balance as at September 30, 2022        | <u>337,774,800</u>   | <u>166,138,009</u> | <u>(1,102,669,247)</u>   | <u>(598,756,438)</u> |
| Balance as at October 1, 2022           | 337,774,800          | 166,138,009        | (1,102,669,247)          | (598,756,438)        |
| Loss for the year 2023                  | -                    | -                  | (273,593,729)            | (273,593,729)        |
| Other comprehensive income              | -                    | -                  | -                        | -                    |
| Total comprehensive income for the year | -                    | -                  | (273,593,729)            | (273,593,729)        |
| Balance as at September 30, 2023        | <u>337,774,800</u>   | <u>166,138,009</u> | <u>(1,376,262,976)</u>   | <u>(872,350,167)</u> |

The annexed notes form an integral part of these financial statements



#### 4 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Capital work in progress

|      | 2023                 | 2022                 |
|------|----------------------|----------------------|
| Note | Un-Audited           | Un-Audited           |
|      | ----- (Rupees) ----- |                      |
| 4.1  | 3,131,359,195        | 3,170,998,410        |
| 4    | 94,810,948           | 94,810,948           |
|      | <u>3,226,170,144</u> | <u>3,265,809,359</u> |

#### 4.1 OPERATING FIXED ASSETS

| Description | OWNED         |                            |                     |                        |                              |  |                        | LEASED   | Total |
|-------------|---------------|----------------------------|---------------------|------------------------|------------------------------|--|------------------------|----------|-------|
|             | Freehold Land | Building on Free Hold Land | Plant and machinery | Furniture and Fixtures | Laboratory/ Office Equipment | Electric, Gas & Telephone Installation | Computer & Accessories | Vehicles |       |

#### COST

|                                 |                    |                    |                      |                  |                   |                  |                   |                   |                   |                      |
|---------------------------------|--------------------|--------------------|----------------------|------------------|-------------------|------------------|-------------------|-------------------|-------------------|----------------------|
| Balance as at 01 October 2019   | 525,000,000        | 856,859,206        | 2,213,508,332        | 5,337,175        | 23,345,697        | 7,719,829        | 12,266,636        | 31,489,278        | 11,055,555        | 3,686,581,708        |
| Additions                       | -                  | -                  | 81,300               | -                | 7,000             | -                | 17,550            | -                 | -                 | 105,850              |
| Disposal                        | -                  | -                  | -                    | -                | -                 | -                | -                 | -                 | -                 | -                    |
| Balance as at 30 September 2020 | <u>525,000,000</u> | <u>856,859,206</u> | <u>2,213,589,632</u> | <u>5,337,175</u> | <u>23,352,697</u> | <u>7,719,829</u> | <u>12,284,186</u> | <u>31,489,278</u> | <u>11,055,555</u> | <u>3,686,687,558</u> |
| Balance as at 01 October 2020   | 525,000,000        | 856,859,206        | 2,213,589,632        | 5,337,175        | 23,352,697        | 7,719,829        | 12,284,186        | 31,489,278        | 11,055,555        | 3,686,687,558        |
| Additions                       | -                  | -                  | -                    | -                | -                 | -                | 3,300             | -                 | -                 | 3,300                |
| Disposal                        | -                  | -                  | -                    | -                | -                 | -                | -                 | -                 | -                 | -                    |
| Balance as at 30 September 2021 | <u>525,000,000</u> | <u>856,859,206</u> | <u>2,213,589,632</u> | <u>5,337,175</u> | <u>23,352,697</u> | <u>7,719,829</u> | <u>12,287,486</u> | <u>31,489,278</u> | <u>11,055,555</u> | <u>3,686,690,858</u> |

#### DEPRECIATION

|                                 |          |                    |                    |                  |                   |                  |                   |                   |                  |                    |
|---------------------------------|----------|--------------------|--------------------|------------------|-------------------|------------------|-------------------|-------------------|------------------|--------------------|
| Balance as at 01 October 2021   | -        | 256,696,706        | 149,947,550        | 3,831,678        | 12,709,970        | 3,784,128        | 11,571,793        | 27,052,863        | 8,425,509        | 474,020,198        |
| Charge for the year             | -        | 30,008,125         | 8,549,243          | 225,825          | 1,064,273         | 196,785          | 214,708           | 887,283           | 526,009          | 41,672,250         |
| Balance as at 30 September 2022 | <u>-</u> | <u>286,704,831</u> | <u>158,496,793</u> | <u>4,057,503</u> | <u>13,774,243</u> | <u>3,980,913</u> | <u>11,786,501</u> | <u>27,940,146</u> | <u>8,951,518</u> | <u>515,692,448</u> |
| Balance as at 01 October 2022   | -        | 286,704,831        | 158,496,793        | 4,057,503        | 13,774,243        | 3,980,913        | 11,786,501        | 27,940,146        | 8,951,518        | 515,692,448        |
| Charge for the year             | -        | 28,507,719         | 8,513,825          | 191,951          | 957,845           | 186,946          | 150,295           | 709,826           | 420,807          | 39,639,215         |
| Balance as at 30 September 2023 | <u>-</u> | <u>315,212,550</u> | <u>167,010,618</u> | <u>4,249,453</u> | <u>14,732,088</u> | <u>4,167,859</u> | <u>11,936,797</u> | <u>28,649,972</u> | <u>9,372,326</u> | <u>555,331,662</u> |

|                        |                    |                    |                      |                  |                  |                  |                |                  |                  |                      |
|------------------------|--------------------|--------------------|----------------------|------------------|------------------|------------------|----------------|------------------|------------------|----------------------|
| CARRYING AMOUNT - 2023 | <u>525,000,000</u> | <u>541,646,656</u> | <u>2,046,579,014</u> | <u>1,087,722</u> | <u>8,620,609</u> | <u>3,551,970</u> | <u>350,689</u> | <u>2,839,306</u> | <u>1,683,229</u> | <u>3,131,359,195</u> |
| CARRYING AMOUNT - 2022 | <u>525,000,000</u> | <u>570,154,375</u> | <u>2,055,092,839</u> | <u>1,279,672</u> | <u>9,578,454</u> | <u>3,738,916</u> | <u>500,985</u> | <u>3,549,132</u> | <u>2,104,037</u> | <u>3,170,998,410</u> |
| RATE OF DEPRECIATION   | -                  | 5%                 | -                    | 15%              | 10%              | 5%               | 30%            | 20%              | 20%              |                      |

\* Depreciation on plant and machinery is calculated on the basis of unit production method.

#### 4.2 Depreciation expenses for the year has been allocated as follows:

Cost of goods sold  
Administrative expenditure

| 2023                 | 2022              |
|----------------------|-------------------|
| Draft                | Draft             |
| ----- (Rupees) ----- |                   |
| 37,021,544           | 38,557,368        |
| 2,617,671            | 3,114,882         |
| <u>39,639,215</u>    | <u>41,672,250</u> |

#### 4.3 Land, building and plant and machinery have been secured by the bank for extending financing facilities to the company. (Note 16)

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2023**

|  | Un-Audited<br>2023<br>RUPEES | Un-Audited<br>2022<br>RUPEES |
|--|------------------------------|------------------------------|
| <b>5 INTANGIBLE ASSET</b>  |                              |                              |
| <i>Software</i>  |                              |                              |
| <i>Cost:</i>   |                              |                              |
| Opening balance  | 2,585,562                    | 2,585,562                    |
| Additions during the year  | -                            | -                            |
| Total cost   | 2,585,562                    | 2,585,562                    |
| <i>Amortization:</i>   |                              |                              |
| Opening balance  | 2,273,442                    | 2,117,385                    |
| Amortization during the year   | 104,039                      | 156,058                      |
| Accumulated amortization   | 2,377,481                    | 2,273,442                    |
| <i>Net book value</i>  | 208,081                      | 312,120                      |
| Amortization rate  | 33.33%                       | 33.33%                       |
| <br><b>STORE, SPARE PARTS AND LOOSE TOOLS</b>                                  |                              |                              |
| Stores, Spare Parts and Loose Tools  | 197,441,150                  | 215,694,752                  |
|  | 197,441,150                  | 215,694,752                  |
| <br><b>6 STOCK IN TRADE</b>  |                              |                              |
| Finished goods in hand   | 2,938,982,725                | 2,805,768,400                |
| Molasses   | 145,278                      | 220,278                      |
|  | 2,939,128,003                | 2,805,988,678                |
| <i>Work in Process</i>   |                              |                              |
| Sugar in Process   | 23,322,974                   | 23,995,979                   |
| Molasses in process  | 1,475,911                    | 2,999,125                    |
|  | 24,798,885                   | 26,995,104                   |
| <i>Other Material</i>  | 2,438,253                    | 4,463,376                    |
|  | 2,966,365,141                | 2,837,447,158                |
| <br><b>7 LOANS AND ADVANCES (Unsecured, Considered Good)</b>                   |                              |                              |
| Advance to Cane Growers  | 108,304,359                  | 128,927,573                  |
| Advance for Staff  | 724,657                      | 957,220                      |
| Advance for Expenses   | 18,833,185                   | 19,283,210                   |
| Advance to suppliers / contractors   | 150,407,597                  | 152,363,918                  |
|  | 278,269,798                  | 301,531,921                  |
| <br><b>8 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES</b>      |                              |                              |
| Government grants and subsidy receivable                                       | 254,434,000                  | 254,434,000                  |
| Others   | 25,322,965                   | 37,544,567                   |
|  | 279,756,965                  | 291,978,567                  |
| <br><b>9 DUE FROM ASSOCIATED UNDERTAKINGS - UNSECURED</b>                      |                              |                              |
| Due from Associates  | 431,480,821                  | 440,506,453                  |
| <br><b>10 SHARE CAPITAL</b>  |                              |                              |
| <i>Authorized</i>  |                              |                              |
| 3,400,000 (2017 : 3,400,000) Ordinary shares of Rs. 100 each                   | 340,000,000                  | 340,000,000                  |
| <i>Issued, Subscribed and Paid up Capital</i>                                  |                              |                              |
| 3,377,748 (2017 : 3,377,748) ordinary shares of Rs.100 each fully paid in cash | 337,774,800                  | 337,774,800                  |

|   | Un-Audited<br>2023<br>RUPEES | Un-Audited<br>2022<br>RUPEES |
|---|------------------------------|------------------------------|
| <b>11 LONG TERM BORROWINGS - SECURED</b>    |                              |                              |
| Sindh Bank Limited - Restructured           | 654,517,920                  | 654,517,920                  |
| National Bank Limited                       | 716,277,814                  | 716,277,814                  |
| Summit Bank Limited                         | 473,703,548                  | 473,703,548                  |
|   | <u>1,844,499,282</u>         | <u>1,844,499,282</u>         |
| Less: Due for payment in next twelve months | <u>(176,723,496)</u>         | <u>(160,657,723)</u>         |
|   | <u>1,667,775,787</u>         | <u>1,683,841,559</u>         |

|                                    | Un-Audited<br>2023<br>RUPEES | Un-Audited<br>2022<br>RUPEES |
|------------------------------------|------------------------------|------------------------------|
| <b>12 TRADE AND OTHER PAYABLES</b> |                              |                              |
| Creditors                          | 243,427,833                  | 271,743,592                  |
| Sugar cane payable                 | 384,384,561                  | 409,640,882                  |
| Advance from customers             | 79,663,289                   | 114,926,503                  |
| Accrued Liabilities                | 5,530,772                    | 10,056,404                   |
| Payable to fund                    | 20,163,777                   | 22,189,409                   |
| Other Liabilities                  | 50,706,500                   | 69,229,715                   |
|                                    | <u>783,876,732</u>           | <u>897,786,505</u>           |
|                                    | Un-Audited<br>2023<br>RUPEES | Un-Audited<br>2022<br>RUPEES |

|  |      |                      |                      |
|--|------|----------------------|----------------------|
| <b>13    SHORT TERM BORROWINGS - SECURED</b> |      |                      |                      |
| Cash Finance                                 | 13.1 | 1,505,037,729        | 1,505,037,729        |
| Running Finance                              | 13.2 | 99,893,538           | 149,642,761          |
|  |      | <u>1,604,931,267</u> | <u>1,654,680,490</u> |

#### 13.1 Cash Finance - Pledge Line

Facilities of Rs. 1,624 million for Cash Finance (CF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' KIBOR plus specified spreads ranging from 150 basis points to 250 basis points (2022: 250bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured against pledge of stock with margin ranging from 20% to 25% and personal guarantee of director(s) of the company.

#### 13.2 Running Finance

Facilities of Rs. 149.6 million for Running Finance (RF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' Kibor Plus specified spreads ranging from 200 basis points to 350 basis points (2022: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured by way 1st pari passu charge on all fixed assets of the company, 1st pari passu charge on all present and future current assets with 25% margin, pari passu hypothecation charge over all present and future plant and machinery, personal guarantee of the directors and subordination of sponsor's loans and personal guarantees of sponsor directors.

### 14 CONTINGENCIES AND COMMITMENTS

#### 14.1 CONTINGENCIES

14.1.1 Assistant Director, Agriculture Market, Larkana levied market committee fee of Rs.3,321,580 on the company for the periods commencing from the year 2001-2002 up-to 23-March-2007 which were contested before Civil Judge, in F.C. Suit No.81 of 2007. Judgment of the suit announced on 02-08-2011 wherein the levy was upheld and decree for the recovery of amount against the company was also issued. The company filed appeal bearing no. C.A. 96 C.P.C. against the order of Civil Judge, Larkana which is still in process. In view of the management since the levy pertains to the period during which the company was not operational, hence eventually since the levy pertains to the closed periods, no financial liability is likely to materialize. Hence no provision is made in the accounts.

#### 14.2 COMMITMENTS

14.2.1 Performance Guarantee renewed by Sindh Bank of Rs. 16,250,000 (2022: 16,250,000) in favor of Trading Corporation of Pakistan.



|   | Un-Audited<br>2023<br>RUPEES | Un-Audited<br>2022<br>RUPEES |
|---|------------------------------|------------------------------|
| <b>15 SALES - NET</b>                           |                              |                              |
| Sugar-Local                                     | 353,021,538                  | 1,152,924,774                |
| Export Sales                                    | 368,791,258                  | -                            |
| Less: Sales Tax                                 | (52,161,917)                 | (167,518,984)                |
|   | <u>669,650,879</u>           | <u>985,405,790</u>           |
| <b>16 COST OF SALES</b>                         |                              |                              |
| Raw Material Consumed                           | 562,025,913                  | 979,965,883                  |
| Manufacturing expenses                          | 127,273,539                  | 181,922,493                  |
|   | <u>689,299,452</u>           | <u>1,161,888,376</u>         |
| Molasses-opening                                | 220,278                      | 424,870                      |
| Molasses-closing                                | (145,278)                    | (220,278)                    |
|   | <u>75,000</u>                | <u>204,592</u>               |
| Other Material                                  | 4,463,376                    | 6,363,376                    |
| Other Material                                  | (2,438,253)                  | (4,463,376)                  |
|   | <u>2,025,123</u>             | <u>1,900,000</u>             |
| Sugar in process-opening                        | 26,995,104                   | 20,154,428                   |
| Sugar in process-closing                        | (24,798,885)                 | (26,995,104)                 |
|   | <u>2,196,219</u>             | <u>(6,840,676)</u>           |
| Finish Goods opening                            | 2,805,768,400                | 2,434,032,739                |
| Finish Goods closing                            | (2,938,982,725)              | (2,805,768,400)              |
|   | <u>(133,214,325)</u>         | <u>(371,735,661)</u>         |
| Sale of by product - Molasses                   | (85,293,340)                 | (131,950,584)                |
|   | <u>475,088,129</u>           | <u>653,466,047</u>           |
| <b>16.1 MANUFACTURING EXPENSES</b>              |                              |                              |
| Salaries, Wages and Other benefits              | 44,968,250                   | 64,973,571                   |
| Cartage and Conveyance                          | 1,317,742                    | 2,343,374                    |
| Store material                                  | 26,022,695                   | 51,349,020                   |
| Fuel and Power                                  | 6,005,890                    | 9,031,522                    |
| Utilities                                       | 3,486,956                    | 6,312,321                    |
| Vehicle running and maintenance                 | 775,602                      | 1,031,923                    |
| Factory rent, rates & taxes                     | 1,016,701                    | 1,142,333                    |
| Repair & maintenance                            | 1,746,275                    | 1,746,275                    |
| Communication                                   | 498,650                      | 685,182                      |
| Entertainment                                   | 497,945                      | 727,997                      |
| Other manufacturing expenses                    | 599,557                      | 802,813                      |
| Insurance                                       | 3,315,733                    | 3,218,795                    |
| Depreciation                                    | 37,021,544                   | 38,557,368                   |
|   | <u>127,273,539</u>           | <u>181,922,493</u>           |
| <b>17 ADMINISTRATION &amp; GENERAL EXPENSES</b> |                              |                              |
| Salaries wages and other benefits               | 5,758,046                    | 8,321,302                    |
| Traveling & Conveyance                          | 937,174                      | 1,062,867                    |
| Vehicle running Expenses                        | 1,864,449                    | 3,297,012                    |
| Insurance                                       | 270,005                      | 368,820                      |
| Rent, Rates & Taxes                             | 1,170,650                    | 1,382,103                    |
| Utilities                                       | 4,910,467                    | 7,446,721                    |
| Postage & Stationery                            | 121,865                      | 145,116                      |
| Legal and professional charges                  | 1,564,521                    | 2,127,735                    |
| Repair & Maintenance                            | 2,032,813                    | 2,289,360                    |
| Entertainment                                   | 51,358                       | 39,333                       |
| Sundry Expenses                                 | 1,102,541                    | 1,399,088                    |
| Depreciation                                    | 2,617,671                    | 3,114,882                    |
| Amortisation                                    | 104,039                      | 156,058                      |
|   | <u>22,505,599</u>            | <u>31,150,398</u>            |
| <b>SELLING EXPENSES</b>                         | <u>1,669,020</u>             | <u>2,094,382</u>             |
| <b>18 FINANCE COST</b>                          |                              |                              |
| Long Term Finance                               | 232,880,530                  | 207,929,044                  |
| Short Term Finance                              | 202,551,555                  | 180,849,603                  |
| Bank Charges                                    | 34,950                       | 25,318                       |
|   | <u>435,467,034</u>           | <u>388,803,965</u>           |

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS AT SEPTEMBER 30, 2022**

|  | NOTES | 2022<br>RUPEES<br>Un-Audited | 2021<br>RUPEES<br>Un-Audited |
|--|-------|------------------------------|------------------------------|
| <b>ASSETS</b>  |       |                              |                              |
| <b>Non Current Assets</b>  |       |                              |                              |
| Property, Plant & Equipment  | 4     | 3,265,809,359                | 3,212,670,660                |
| Intangible Assets  | 5     | 312,120                      | 468,178                      |
| Long Term Deposits   |       | 4,038,277                    | 4,038,277                    |
|  |       | <b>3,270,159,755</b>         | <b>3,217,177,115</b>         |
| <b>Current Assets</b>  |       |                              |                              |
| Stores, Spare Parts and Loose Tools                                  |       | 215,694,752                  | 203,248,410                  |
| Stock-in-Trade   | 6     | 2,837,447,158                | 2,460,975,413                |
| Trade Debts  |       | 191,346,416                  | 297,877,886                  |
| Loans and Advances   | 7     | 301,531,921                  | 376,561,586                  |
| Trade Deposits, Short Term Prepayments and Other Receivables         | 8     | 291,978,567                  | 276,838,671                  |
| Due from associated undertakings                                     | 9     | 440,506,453                  | 506,721,185                  |
| Cash and Bank Balances   |       | 79,335,762                   | 76,071,690                   |
|  |       | <b>4,357,841,029</b>         | <b>4,198,294,841</b>         |
| <b>Total Assets</b>  |       | <b>7,628,000,784</b>         | <b>7,415,471,957</b>         |
| <b>EQUITY &amp; LIABILITIES</b>                                      |       |                              |                              |
| <b>Authorised capital</b>  |       |                              |                              |
| 3,400,000 (2017: 3,400,000) Ordinary shares of Rs. 100 each          |       | <b>340,000,000</b>           | <b>340,000,000</b>           |
| <b>Share Capital</b>   |       |                              |                              |
| Share Capital  | 10    | 337,774,800                  | 337,774,800                  |
| Reserve  |       | 166,138,009                  | 166,138,009                  |
| Unappropriated Profit  |       | (1,102,669,247)              | (998,593,291)                |
|  |       | <b>(598,756,438)</b>         | <b>(494,680,482)</b>         |
| Surplus on Revaluation of Fixed Assets                               |       | <b>1,871,492,369</b>         | <b>1,871,492,369</b>         |
| <b>Non Current Liabilities</b>                                       |       |                              |                              |
| Long Term Borrowings   | 11    | 1,683,841,559                | 1,698,446,806                |
| Liability against assets subject to finance lease                    |       | 2,056,674                    | 890,627                      |
| Deferred Liability for Taxation                                      |       | 567,670,171                  | 567,670,171                  |
|  |       | <b>2,253,568,404</b>         | <b>2,267,007,604</b>         |
| <b>Current Liabilities</b>   |       |                              |                              |
| Trade and Other Payables   | 12    | 897,786,505                  | 971,126,418                  |
| Accrued Markup   |       | 1,387,761,936                | 998,983,289                  |
| Short Term Borrowings  | 13    | 1,654,680,490                | 1,654,680,490                |
| Current Portion of Long Term Finance & deferred markup               |       | 160,657,723                  | 146,052,476                  |
| Current portion of liability against assets subject to finance lease |       | 809,794                      | 809,794                      |
|  |       | <b>4,101,696,449</b>         | <b>3,771,652,467</b>         |
| Contingencies & Commitments  | 14    |                              |                              |
| <b>Total Equity and Liabilities</b>                                  |       | <b>7,628,000,784</b>         | <b>7,415,471,957</b>         |



**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|                                  | NOTES | 2022<br>RUPEES<br>Un-Audited | 2021<br>RUPEES<br>Un-Audited |
|----------------------------------|-------|------------------------------|------------------------------|
| Sales - Net                      | 15    | 985,405,790                  | 545,419,872                  |
| Cost of Sales                    | 16    | (653,466,047)                | (510,866,078)                |
| Gross (Loss)/Profit              |       | 331,939,743                  | 34,553,793                   |
| <b><u>Operating Expenses</u></b> |       |                              |                              |
| Administrative Expenses          | 17    | 31,150,397                   | 18,842,088                   |
| Selling Expenses                 |       | 2,094,382                    | 622,145                      |
|                                  |       | (33,244,779)                 | (19,464,233)                 |
| Operating Profit                 |       | 298,694,964                  | 15,089,560                   |
| Finance Cost                     | 18    | 388,803,965                  | 288,186,858                  |
|                                  |       | -                            | -                            |
|                                  |       | (388,803,965)                | (288,186,858)                |
| Profit before taxation           |       | (90,109,001)                 | (273,097,298)                |
| Taxation-Net                     |       | (13,966,955)                 | (6,817,748)                  |
| Profit after taxation            |       | (104,075,956)                | (279,915,046)                |



**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|   | 0 | Share Capital      | Equity Reserve       | Unappropriated<br>profit | Total                |
|---|---|--------------------|----------------------|--------------------------|----------------------|
|   |   |                    | -----Un-Audited----- |                          |                      |
| Balance as at October 1, 2020           |   | 337,774,800        | 166,138,009          | (415,037,302)            | 88,875,507           |
| Shares issued during the year           |   | -                  | -                    | -                        | -                    |
| Profit for the year 2020                |   | -                  | -                    | (303,640,943)            | (303,640,943)        |
| Other comprehensive income              |   | -                  | -                    | -                        | -                    |
| Total comprehensive income for the year |   | -                  | -                    | (303,640,943)            | (303,640,943)        |
| Transfer from liability to equity       |   | -                  | -                    | -                        | -                    |
| Directors' loan induction               |   | -                  | -                    | -                        | -                    |
| Directors' loan expulsion               |   | -                  | -                    | -                        | -                    |
| Balance as at September 30, 2021        |   | <u>337,774,800</u> | <u>166,138,009</u>   | <u>(998,593,291)</u>     | <u>(494,680,482)</u> |
| Balance as at October 1, 2021           |   | 337,774,800        | 166,138,009          | (998,593,291)            | (494,680,482)        |
| Profit for the year 2021                |   | -                  | -                    | (104,075,956)            | (104,075,956)        |
| Other comprehensive income              |   | -                  | -                    | -                        | -                    |
| Total comprehensive income for the year |   | -                  | -                    | (104,075,956)            | (104,075,956)        |
| Balance as at September 30, 2022        |   | <u>337,774,800</u> | <u>166,138,009</u>   | <u>(1,102,669,247)</u>   | <u>(598,756,438)</u> |



**4 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets

Capital work in progress

| Note | 2022                     | 2021                 |
|------|--------------------------|----------------------|
|      | Un-Audited<br>—(Rupees)— | Un-Audited           |
| 4.1  | 3,170,998,410            | 3,212,670,660        |
| 4    | 94,810,948               | —                    |
|      | <u>3,265,809,359</u>     | <u>3,212,670,660</u> |

**4.1 OPERATING FIXED ASSETS**

| OPERATING FIXED ASSETS          |               |                            |                     |                        |                               |  |                        |            |            |               |
|---------------------------------|---------------|----------------------------|---------------------|------------------------|-------------------------------|--|------------------------|------------|------------|---------------|
| Description                     | OWNED         |                            |                     |                        |                               |  |                        |            | LEASED     | Total         |
|                                 | Freehold Land | Building on Free Hold Land | Plant and machinery | Furniture and Fixtures | Laboratory/ Office Equipement | Electric, Gas & Telephone Installation | Computer & Accessories | Vehicles   | Vehicles   |               |
| COST                            |               |                            |                     |                        |                               |  |                        |            |            |               |
| Balance as at 01 October 2019   | 525,000,000   | 856,859,206                | 2,213,508,332       | 5,337,175              | 23,345,697                    | 7,719,829                              | 12,266,636             | 31,489,278 | 11,055,555 | 3,686,581,708 |
| Additions                       | -             | -                          | 81,300              | -                      | 7,000                         | -                                      | 17,550                 | -          | -          | 105,850       |
| Disposal                        | -             | -                          | -                   | -                      | -                             | -                                      | -                      | -          | -          | -             |
| Balance as at 30 September 2020 | 525,000,000   | 856,859,206                | 2,213,589,632       | 5,337,175              | 23,352,697                    | 7,719,829                              | 12,284,186             | 31,489,278 | 11,055,555 | 3,686,687,558 |
| Balance as at 01 October 2020   | 525,000,000   | 856,859,206                | 2,213,589,632       | 5,337,175              | 23,352,697                    | 7,719,829                              | 12,284,186             | 31,489,278 | 11,055,555 | 3,686,687,558 |
| Additions                       | -             | -                          | -                   | -                      | -                             | -                                      | 3,300                  | -          | -          | 3,300         |
| Disposal                        | -             | -                          | -                   | -                      | -                             | -                                      | -                      | -          | -          | -             |
| Balance as at 30 September 2021 | 525,000,000   | 856,859,206                | 2,213,589,632       | 5,337,175              | 23,352,697                    | 7,719,829                              | 12,287,486             | 31,489,278 | 11,055,555 | 3,686,690,858 |
| DEPRECIATION                    |               |                            |                     |                        |                               |  |                        |            |            |               |
| Balance as at 01 October 2021   | -             | 225,109,206                | 141,362,743         | 3,566,002              | 11,527,445                    | 3,576,986                              | 11,265,068             | 25,943,759 | 7,767,998  | 430,119,206   |
| Charge for the year             | -             | 31,587,500                 | 8,584,808           | 265,676                | 1,182,525                     | 207,142                                | 306,725                | 1,109,104  | 657,511    | 43,900,992    |
| Balance as at 30 September 2021 | -             | 256,696,706                | 149,947,550         | 3,831,678              | 12,709,970                    | 3,784,128                              | 11,571,793             | 27,052,863 | 8,425,509  | 474,020,198   |
| Balance as at 01 October 2021   | -             | 256,696,706                | 149,947,550         | 3,831,678              | 12,709,970                    | 3,784,128                              | 11,571,793             | 27,052,863 | 8,425,509  | 474,020,198   |
| Charge for the year             | -             | 30,008,125                 | 8,549,243           | 225,825                | 1,064,273                     | 196,785                                | 214,708                | 887,283    | 526,009    | 41,672,250    |
| Balance as at 30 September 2022 | -             | 286,704,831                | 158,496,793         | 4,057,503              | 13,774,243                    | 3,980,913                              | 11,786,501             | 27,940,146 | 8,951,518  | 515,692,448   |
| CARRYING AMOUNT - 2022          | 525,000,000   | 570,154,375                | 2,055,092,839       | 1,279,672              | 9,578,454                     | 3,738,916                              | 500,985                | 3,549,132  | 2,104,037  | 3,170,998,410 |
| CARRYING AMOUNT - 2021          | 525,000,000   | 600,162,500                | 2,063,642,082       | 1,505,497              | 10,642,727                    | 3,935,701                              | 715,693                | 4,436,415  | 2,630,046  | 3,212,670,660 |
| RATE OF DEPRECIATION            | -             | 5%                         | -                   | 15%                    | 10%                           | 5%                                     | 30%                    | 20%        | 20%        |               |

\* Depreciation on plant and machinery is calculated on the basis of unit production method.

**4.2 Depreciation expenses for the year has been allocated as follows:**

|                            | 2022<br>Draft<br>—(Rupees)— | 2021<br>Draft     |
|----------------------------|-----------------------------|-------------------|
| Cost of goods sold         | 38,557,368                  | 40,172,308        |
| Administrative expenditure | 3,114,882                   | 3,728,684         |
|                            | <u>41,672,250</u>           | <u>43,900,992</u> |

**4.3 Land, building and plant and machinery have been secured by the bank for extending financing facilities to the company. (Note 16)**

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2022**

|   | Un-Audited<br>2022<br>RUPEES | Un-Audited<br>2021<br>RUPEES |
|---|------------------------------|------------------------------|
| <b>5 INTANGIBLE ASSET</b>   |                              |                              |
| <i>Software</i>   |                              |                              |
| <i>Cost:</i>  |                              |                              |
| Opening balance   | 2,585,562                    | 2,585,562                    |
| Additions during the year   | -                            | -                            |
| Total cost  | 2,585,562                    | 2,585,562                    |
| <i>Amortization:</i>  |                              |                              |
| Opening balance   | 2,117,385                    | 1,883,299                    |
| Amortization during the year  | 156,058                      | 234,085                      |
| Accumulated amortization  | 2,273,442                    | 2,117,385                    |
| <i>Net book value</i>   | 312,120                      | 468,177                      |
| Amortization rate   | 33.33%                       | 33.33%                       |
| <br><b>STORE, SPARE PARTS AND LOOSE TOOLS</b>                                 |                              |                              |
| Stores, Spare Parts and Loose Tools   | 215,694,752                  | 203,248,410                  |
|   | 215,694,752                  | 203,248,410                  |
| <br><b>6 STOCK IN TRADE</b>   |                              |                              |
| Finished goods in hand  | 2,805,768,400                | 2,434,032,739                |
| Molasses  | 220,278                      | 424,870                      |
|   | 2,805,988,678                | 2,434,457,609                |
| Work in Process   |                              |                              |
| Sugar in Process  | 23,995,979                   | 16,991,945                   |
| Molasses in process   | 2,999,125                    | 3,162,483                    |
|   | 26,995,104                   | 20,154,428                   |
| Other Material  | 4,463,376                    | 6,363,376                    |
|   | 2,837,447,158                | 2,460,975,413                |
| <br><b>7 LOANS AND ADVANCES (Unsecured, Considered Good)</b>                  |                              |                              |
| Advance to Cane Growers   | 128,927,573                  | 121,418,068                  |
| Advance for Staff   | 957,220                      | 632,220                      |
| Advance for Expenses  | 19,283,210                   | 19,623,883                   |
| Advance to suppliers / contractors  | 152,363,918                  | 234,887,415                  |
|   | 301,531,921                  | 376,561,586                  |
| <br><b>8 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECIEVABLES</b>     |                              |                              |
| Government grants and subsidy receivable                                      | 254,434,000                  | 254,434,000                  |
| Others  | 37,544,567                   | 22,404,671                   |
|   | 291,978,567                  | 276,838,671                  |
| <br><b>9 DUE FROM ASSOCIATED UNDERTAKINGS - UNSECURED</b>                     |                              |                              |
| Due from Associates   | 440,506,453                  | 506,721,185                  |
| <br><b>10 SHARE CAPITAL</b>   |                              |                              |
| Authorized  |                              |                              |
| 3,400,000 (2017: 3,400,000) Ordinary shares of Rs. 100 each                   | 340,000,000                  | 340,000,000                  |
| Issued, Subscribed and Paid up Capital  |                              |                              |
| 3,377,748 (2017: 3,377,748) ordinary shares of Rs.100 each fully paid in cash | 337,774,800                  | 337,774,800                  |

|   | Un-Audited<br>2022<br>RUPEES | Un-Audited<br>2021<br>RUPEES |
|---|------------------------------|------------------------------|
| <b>11 LONG TERM BORROWINGS - SECURED</b>    |                              |                              |
| Sindh Bank Limited - Restructured           | 654,517,920                  | 654,517,920                  |
| National Bank Limited                       | 716,277,814                  | 716,277,814                  |
| Summit Bank Limited                         | 473,703,548                  | 473,703,548                  |
|   | <u>1,844,499,282</u>         | <u>1,844,499,282</u>         |
| Less: Due for payment in next twelve months | <u>(160,657,723)</u>         | <u>(146,052,476)</u>         |
|   | <u>1,683,841,559</u>         | <u>1,698,446,806</u>         |

|                                    | Un-Audited<br>2022<br>RUPEES | Un-Audited<br>2021<br>RUPEES |
|------------------------------------|------------------------------|------------------------------|
| <b>12 TRADE AND OTHER PAYABLES</b> |                              |                              |
| Creditors                          | 271,743,592                  | 307,911,921                  |
| Sugar cane payable                 | 409,640,882                  | 382,440,846                  |
| Advance from customers             | 114,926,503                  | 199,894,873                  |
| Accrued Liabilities                | 10,056,404                   | 21,156,955                   |
| Payable to fund                    | 22,189,409                   | 23,710,100                   |
| Other Liabilities                  | 69,229,715                   | 36,011,723                   |
|                                    | <u>897,786,505</u>           | <u>971,126,418</u>           |
|                                    | Un-Audited<br>2022<br>RUPEES | Un-Audited<br>2021<br>RUPEES |

|   |      |                      |
|---|------|----------------------|
| <b>13 SHORT TERM BORROWINGS - SECURED</b> |      |                      |
| Cash Finance                              | 13.1 | 1,505,037,729        |
| Running Finance                           | 13.2 | 149,642,761          |
|   |      | <u>1,654,680,490</u> |

#### 13.1 Cash Finance - Pledge Line

Facilities of Rs. 1,624 million (2017: Rs. 1,618 million) for Cash Finance (CF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' KIBOR plus specified spreads ranging from 150 basis points to 250 basis points (2017: 250bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured against pledge of stock with margin ranging from 20% to 25% and personal guarantee of director(s) of the company.

#### 13.2 Running Finance

Facilities of Rs. 149.6 million (2017: Rs. 149.6 million) for Running Finance (RF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' Kibor Plus specified spreads ranging from 200 basis points to 350 basis points (2017: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured by way 1st pari passu charge on all fixed assets of the company, 1st pari passu charge on all present and future current assets with 25% margin, pari passu hypothecation charge over all present and future plant and machinery, personal guarantee of the directors and subordination of sponsor's loans and personal guarantees of sponsor directors.

### 14 CONTINGENCIES AND COMMITMENTS

#### 14.1 CONTINGENCIES

14.1.1 Assistant Director, Agriculture Market, Larkana levied market committee fee of Rs.3,321,580 on the company for the periods commencing from the year 2001-2002 up-to 23-March-2007 which were contested before Civil Judge, in F.C. Suit No.81 of 2007. Judgment of the suit announced on 02-08-2011 wherein the levy was upheld and decree for the recovery of amount against the company was also issued. The company filed appeal bearing no. C.A. 96 C.P.C. against the order of Civil Judge, Larkana which is still in process. In view of the management since the levy pertains to the period during which the company was not operational, hence eventually since the levy pertains to the closed periods, no financial liability is likely to materialize. Hence no provision is made in the accounts.

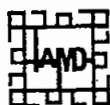
#### 14.2 COMMITMENTS

14.2.1 Performance Guarantee renewed by Sindh Bank of Rs. 16,250,000 (2017: 16,250,000) in favor of Trading Corporation of Pakistan.

|   | Un-Audited<br>2022<br>RUPEES | Un-Audited<br>2021<br>RUPEES |
|---|------------------------------|------------------------------|
| <b>15 SALES - NET</b>                           |                              |                              |
| Sugar-Local                                     | 1,152,924,774                | 633,297,972                  |
| Export Sales                                    | -                            | -                            |
| Less: Sales Tax                                 | (167,518,984)                | (87,878,100)                 |
|   | <u>985,405,790</u>           | <u>545,419,872</u>           |
| <b>16 COST OF SALES</b>                         |                              |                              |
| Raw Material Consumed                           | 979,965,883                  | 447,687,551                  |
| Manufacturing expenses                          | 181,922,493                  | 119,410,140                  |
|   | <u>1,161,888,376</u>         | <u>567,097,691</u>           |
| Molasses-opening                                | 424,870                      | 94,070,520                   |
| Molasses-closing                                | (220,278)                    | (424,870)                    |
|   | <u>204,592</u>               | <u>93,645,650</u>            |
| Other Material                                  | 6,363,376                    | 6,363,376                    |
| Other Material                                  | (4,463,376)                  | (6,363,376)                  |
|   | <u>1,900,000</u>             | <u>-</u>                     |
| Sugar in process-opening                        | 20,154,428                   | 17,026,995                   |
| Sugar in process-closing                        | (26,995,104)                 | (20,154,428)                 |
|   | <u>(6,840,676)</u>           | <u>(3,127,433)</u>           |
| Finish Goods opening                            | 2,434,032,739                | 2,359,242,779                |
| Finish Goods closing                            | (2,805,768,400)              | (2,434,032,739)              |
|   | <u>(371,735,661)</u>         | <u>(74,789,960)</u>          |
| Sale of by product - Molasses                   | (131,950,584)                | (71,959,870)                 |
|   | <u>653,466,047</u>           | <u>510,866,078</u>           |
| <b>16.1 MANUFACTURING EXPENSES</b>              |                              |                              |
| Salaries, Wages and Other benefits              | 64,973,571                   | 35,822,333                   |
| Cartage and Conveyance                          | 2,343,374                    | 1,441,860                    |
| Store material                                  | 51,349,020                   | 32,679,657                   |
| Fuel and Power                                  | 9,031,522                    | -                            |
| Utilities                                       | 6,312,321                    | 3,361,920                    |
| Vehicle running and maintenance                 | 1,031,923                    | 252,215                      |
| Factory rent, rates & taxes                     | 1,142,333                    | 49,299                       |
| Repair & maintenance                            | 1,746,275                    | 503,270                      |
| Communication                                   | 685,182                      | 519,475                      |
| Entertainment                                   | 727,997                      | 304,755                      |
| Other manufacturing expenses                    | 802,813                      | 813,044                      |
| Insurance                                       | 3,218,795                    | 3,490,005                    |
| Depreciation                                    | 38,557,368                   | 40,172,308                   |
|   | <u>181,922,493</u>           | <u>119,410,140</u>           |
| <b>17 ADMINISTRATION &amp; GENERAL EXPENSES</b> |                              |                              |
| Salaries wages and other benefits               | 8,321,302                    | 6,378,114                    |
| Traveling & Conveyance                          | 1,062,867                    | 595,711                      |
| Vehicle running Expenses                        | 3,297,012                    | 2,531,375                    |
| Insurance                                       | 368,820                      | 286,730                      |
| Rent, Rates & Taxes                             | 1,382,103                    | 616,905                      |
| Utilities                                       | 7,446,721                    | 1,950,646                    |
| Postage & Stationery                            | 145,116                      | 63,199                       |
| Legal and professional charges                  | 2,127,735                    | 1,302,929                    |
| Repair & Maintenance                            | 2,289,360                    | 838,154                      |
| Entertainment                                   | 39,333                       | 12,850                       |
| Sundry Expenses                                 | 1,399,088                    | 262,706                      |
| Auditors Remuneration                           | -                            | 40,000                       |
| Depreciation                                    | 3,114,882                    | 3,728,684                    |
| Amortisation                                    | 156,058                      | 234,085                      |
|   | <u>31,150,397</u>            | <u>18,842,088</u>            |
| <b>17.2 AUDITORS REMUNERATION</b>               |                              |                              |
| Annual Audit Fee                                | -                            | -                            |
| Out of pocket Expenses                          | -                            | 40,000                       |
|   | <u>-</u>                     | <u>40,000</u>                |
| <b>SELLING EXPENSES</b>                         | <u>2,094,382</u>             | <u>622,145</u>               |
| <b>18 FINANCE COST</b>                          |                              |                              |
| Long Term Finance                               | 207,929,044                  | 146,321,122                  |
| Short Term Finance                              | 180,849,603                  | 141,840,181                  |
| Bank Charges                                    | 25,318                       | 25,555                       |
|   | <u>388,803,965</u>           | <u>288,186,858</u>           |



**NAUDERO SUGAR MILLS (PVT.) LTD**  
**AUDITORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**SEPTEMBER 30, 2017**



# H.A.M.D. & Co.

## Chartered Accountants

A member firm of  
**McMillan Woods**  
Professionalism at the forefront

McMillan Woods Global Limited  
www.mcmillanwoods.com

### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of NAUDERO SUGAR MILLS (PVT.) LIMITED as at SEPTEMBER 30, 2017 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, (hereinafter referred to as financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies used 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 accounts have been kept by the Company as required by the repealed 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 repealed Companies Ordinance, 1984, and are in agreement with the books of accounts, and are further in accordance with the accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - iii) the business conducted, investments made and the expenditures incurred during the year were in accordance with the objects of the Company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at September 30, 2017 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Chartered Accountants  
Audit Engagement Partner  
Idrees Dawson - FCA

Karachi

Date: 03 JAN 2018

Head Office:  
302 Land Mark Plaza, Mohammed Bin  
Qasim Road, Off I.I. Chundrigarh Road,  
Karachi - 74200, Pakistan.  
Tel: +92-21-32630651 & 37099840  
Fax: +92-21-35872521  
Email: dawson5152@gmail.com  
hamd.co.ca@gmail.com

Islamabad Office:  
Suite No. 202, 2nd Floor, Royal Centre,  
Fazal-e-Haq Road, Near Old Stock  
Exchange Building, Islamabad, Pakistan.  
Ph: +92-51-2806181-82  
Fax: +92-51-2806182  
E-mail: asif@argroup.com.pk

Lahore Office:  
Office No.1, 2nd Floor, Diamond Tower,  
Opposite Capri Cinema, Liberty Market,  
Lahore, Pakistan.  
Tel : +92-42-35784200 - 201  
Fax : +92 42 35784202  
Email : waseem@hamdca.com

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)**  
**AS AT SEPTEMBER 30, 2017**

|  | NOTES | 2017<br>RUPEES       | 2016<br>RUPEES       |
|--|-------|----------------------|----------------------|
| <b>ASSETS</b>  |       |                      |                      |
| <b>Non Current Assets</b>  |       |                      |                      |
| Property, Plant & Equipment  | 4     | 3,411,196,614        | 3,430,816,259        |
| Intangible Assets  | 5     | 2,370,101            | -                    |
| Long Term Deposits   |       | 615,600              | 615,600              |
|  |       | <b>3,414,182,314</b> | <b>3,431,431,859</b> |
| <b>Current Assets</b>  |       |                      |                      |
| Stores, Spare Parts and Loose Tools                                  | 6     | 197,706,607          | 196,562,635          |
| Stock-in-Trade   | 7     | 1,780,083,942        | 825,425,936          |
| Trade Debts  | 8     | 606,110,961          | 444,254,325          |
| Loans and Advances   | 9     | 512,578,505          | 963,964,794          |
| Trade Deposits, Short Term Prepayments and Other Recievables         | 10    | 20,423,000           | 20,423,000           |
| Taxation-Net   | 11    | 25,550,671           | 7,541,360            |
| Due from associated undertakings                                     | 12    | 649,083,169          | 311,273,275          |
| Cash and Bank Balances   | 13    | 5,179,470            | 224,288              |
|  |       | <b>3,796,716,325</b> | <b>2,769,669,613</b> |
| <b>Total Assets</b>  |       | <b>7,210,898,640</b> | <b>6,201,101,472</b> |
| <b>EQUITY &amp; LIABILITIES</b>                                      |       |                      |                      |
| Share Capital  | 14    | 337,774,800          | 337,774,800          |
| Equity Reserve   |       | 196,138,009          | 136,138,009          |
| Unappropriated Profit / (Loss)                                       |       | 213,148,451          | 99,600,487           |
|  |       | <b>747,061,260</b>   | <b>573,513,296</b>   |
| Surplus on Revaluation of Fixed Assets                               | 15    | 1,894,757,696        | 1,933,177,515        |
| <b>Non Current Liabilities</b>                                       |       |                      |                      |
| Long Term Borrowings   | 16    | 1,369,585,579        | 1,262,148,861        |
| Liability against assets subject to finance lease                    | 17    | 1,109,465            | 2,806,584            |
| Deferred Liability for Taxation                                      | 18    | 458,425,929          | 512,547,884          |
|  |       | <b>1,829,120,973</b> | <b>1,777,503,329</b> |
| <b>Current Liabilities</b>   |       |                      |                      |
| Trade and Other Payables   | 19    | 762,299,623          | 659,978,245          |
| Accrued Markup   | 20    | 88,784,526           | 80,255,841           |
| Short Term Borrowings  | 21    | 1,768,641,376        | 1,148,382,761        |
| Current Portion of Long Term Finance & deferred markup               | 16    | 119,104,614          | 25,936,645           |
| Current portion of liability against assets subject to finance lease | 17    | 1,128,571            | 2,353,841            |
|  |       | <b>2,739,958,710</b> | <b>1,916,907,333</b> |
| Contingencies & Commitments  | 22    |                      |                      |
| <b>Total Equity and Liabilities</b>                                  |       | <b>7,210,898,640</b> | <b>6,201,101,472</b> |

The annexed notes form an integral part of these financials statements

Chief Executive

Mr. Khawaja Mustafa Zulqadun Majid

10/11/2017

Director

Saima Ali

10/11/2017

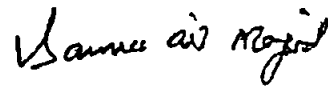
**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

|  | NOTES | 2017<br>RUPEES                    | 2016<br>RUPEES                    |
|--|-------|-----------------------------------|-----------------------------------|
| Sales - Net  | 23    | 1,453,195,720                     | 1,368,106,078                     |
| Cost of Sales  | 24    | (1,072,938,387)                   | (1,051,654,318)                   |
| Gross Profit   |       | <u>380,257,333</u>                | <u>316,451,760</u>                |
| <b><u>Operating Expenses</u></b>   |       |                                   |                                   |
| Administrative Expenses  | 25    | <u>86,864,309</u>                 | <u>62,398,916</u>                 |
| Selling Expenses   |       | <u>8,982,812</u><br>(95,847,121)  | <u>4,929,230</u><br>(67,328,146)  |
| Operating Profit   |       | <u>284,410,212</u>                | <u>249,123,614</u>                |
| Finance Cost   | 26    | <u>257,144,000</u>                | <u>194,502,131</u>                |
| Other Operating (Income) / Expenses  | 27    | <u>(1,930,503)</u>                | <u>27,583,769</u>                 |
| Other Charges  | 28    | <u>1,758,610</u><br>(256,972,108) | <u>5,384,019</u><br>(227,469,918) |
| Profit before taxation   |       | <u>27,438,104</u>                 | <u>21,653,696</u>                 |
| Taxation-Net   | 29    | <u>47,690,041</u>                 | <u>(19,861,219)</u>               |
| Profit after taxation  |       | <u>75,128,145</u>                 | <u>1,792,477</u>                  |
| <i>Other comprehensive income:</i>   |       |                                   |                                   |
| Incremental depreciation arising from revaluation of property, plant and equipment |       | <u>54,885,456</u>                 | <u>40,422,734</u>                 |
| Deferred tax relating to component of comprehensive income                         |       | <u>(16,465,637)</u><br>38,419,819 | <u>(10,307,797)</u><br>30,114,937 |
| Total Comprehensive Income   |       | <u><u>113,547,964</u></u>         | <u><u>31,907,414</u></u>          |
| Earning per share  | 30    | <u><u>22.10</u></u>               | <u><u>0.53</u></u>                |

The annexed notes form an integral part of these financial statements

  
**Chief Executive**

10.11.2017

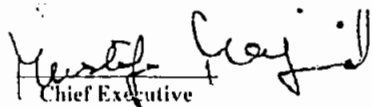
  
**Director**

S. A. 10

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

|  | 2017<br>RUPEES  | 2016<br>RUPEES  |
|--|-----------------|-----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                 |                 |
| Profit before taxation   | 27,438,104      | 21,653,695      |
| Adjustments for non cash charges and other items                   |                 |                 |
| Depreciation   | 72,635,344      | 50,616,288      |
| Loss on disposal of vehicle  | -               | 595,358         |
| Loss on restructuring  | -               | 26,988,411      |
| Financial Charges  | 257,144,000     | 194,502,131     |
|  | 329,779,344     | 272,702,188     |
| <b>Net cash flow before working capital changes</b>                | 357,217,448     | 294,355,883     |
| <b>WORKING CAPITAL CHANGES</b>                                     |                 |                 |
| <i>(Increase) / decrease in current assets</i>                     |                 |                 |
| Biological Assets  | -               | 38,300,000      |
| Stores, spares parts and loose tools                               | (1,143,972)     | (8,683,174)     |
| Stock in trade   | (954,658,006)   | (235,496,405)   |
| Trade debts  | (161,856,636)   | (229,685,450)   |
| Loan and advances  | 451,386,289     | (258,102,680)   |
| Trade deposits, short term prepayments and other receivables       | -               | 20,000,000      |
| Tax refund due from government                                     | -               | 15,821,678      |
| Due from associated undertakings                                   | (337,809,894)   | (121,384,470)   |
|  | (1,004,082,219) | (779,230,501)   |
| <i>Increase / (decrease) in current liabilities</i>                |                 |                 |
| Trade and other payables   | 102,321,378     | 209,097,567     |
| <b>Cash generated / (used) from operations</b>                     | (544,543,393)   | (275,777,051)   |
| Income tax received / (paid)                                       | (24,441,224)    | (30,327,409)    |
| Financial charges paid   | (248,615,315)   | (216,527,444)   |
|  | (273,056,539)   | (246,854,853)   |
| <b>Net cash (outflow) from operating activities ( A )</b>          | (817,599,932)   | (522,631,904)   |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                 |                 |
| Fixed capital expenditure  | (53,015,699)    | (3,965,934)     |
| Intangible assets  | (2,370,101)     | -               |
| Sale proceed of disposal of fixed assets                           | -               | 929,435         |
| Capital work in progress   | -               | (133,500,000)   |
| Long term deposits   | -               | (116,100)       |
| <b>Net cash (used) in investing activities ( B )</b>               | (55,385,800)    | (136,652,599)   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                 |                 |
| Share Capital  | -               | 168,887,400     |
| Increase in equity reserve   | 60,000,000      | -               |
| Deferred Markup  | (514,800)       | (1,878,103)     |
| Liability against assets subject to finance lease                  | (2,922,389)     | 930,545,999     |
| Long term finance  | 201,119,487     | (514,800)       |
| <b>Net cash (outflow) / inflow from financing activities ( C )</b> | 257,682,298     | 1,097,040,496   |
| <b>Net (decrease) in cash and cash equivalents (A+B+C)</b>         | (615,303,433)   | 437,755,993     |
| <b>Cash and cash equivalents at beginning of the year</b>          | (1,148,158,473) | (1,585,914,466) |
| <b>Cash and cash equivalents at end of the year</b>                | (1,763,461,906) | (1,148,158,473) |
| Cash and bank balances   | 5,179,470       | 224,288         |
| Short term borrowing   | (1,768,641,376) | (1,148,382,761) |
|  | (1,763,461,906) | (1,148,158,473) |

The annexed notes form an integral part of these financials statements

  
Chief Executive

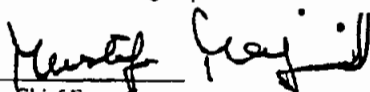
H.M.S.

  
Director

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

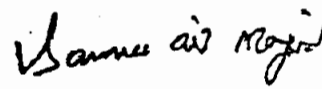
|   | Share Capital        | Equity Reserve     | Unappropriated profit | Total              |
|---|----------------------|--------------------|-----------------------|--------------------|
|   | ----- (Rupees) ----- |                    |                       |                    |
| Balance as at September 30, 2015        | 168,887,400          | -                  | 67,693,073            | 236,580,473        |
| Shares issued during the year           | 168,887,400          | -                  | -                     | 168,887,400        |
| Profit for the year 2016 Net of tax     | -                    | -                  | 1,792,476             | 1,792,476          |
| Other comprehensive income              | -                    | -                  | 30,114,937            | 30,114,937         |
| Total comprehensive income for the year |                      |                    | 31,907,413            | 31,907,413         |
| Transfer from liability to equity       | -                    | 136,138,009        | -                     | 136,138,009        |
| <b>Balance as at September 30, 2016</b> | <b>337,774,800</b>   | <b>136,138,009</b> | <b>99,600,487</b>     | <b>573,513,296</b> |
| <br>Balance as at October 1, 2016       | <br>337,774,800      | <br>136,138,009    | <br>99,600,487        | <br>573,513,296    |
| Shares issued during the year           | -                    | -                  | -                     | -                  |
| Profit for the year 2017 Net of tax     | -                    | -                  | 75,128,145            | 75,128,145         |
| Other comprehensive income              | -                    | -                  | 38,419,819            | 38,419,819         |
| Total comprehensive income for the year | -                    | -                  | 113,547,964           | 113,547,964        |
| Transfer from liability to equity       | -                    | 60,000,000         | -                     | 60,000,000         |
| <b>Balance as at September 30, 2017</b> | <b>337,774,800</b>   | <b>196,138,009</b> | <b>213,148,451</b>    | <b>747,061,260</b> |

The annexed notes form an integral part of these financial statements

  
Chief Executive

Mr Kh. M. Z M

111111

  
Director

E. A. M

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

**1 THE COMPANY AND ITS OPERATIONS**

The Company was incorporated as a Private Limited Company on October 22, 2001 in Pakistan registered under the Companies Ordinance, 1984 and is engaged in the production and sale of refined sugar and molasses. . The registered office and factory is situated at Naudero Road, District Larkana, Sindh, Pakistan.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by 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 of or directives of the Companies Ordinance, 1984 shall prevail.

The companies ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the SECP vide its press release dated 20 July 2017, these financial statement have been prepared in accordance with the provision of the repealed Companies Ordinance, 1984.

**2.2 Critical accounting estimates and judgments**

The preparation of financial statements are in conformity with approved accounting standards requires the use of certain critical accounting judgments. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations on future events that are believed to be reasonable under these circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

**2.2.1 Provision for slow moving, obsolete & dead items**

The Company reviews the stores and spares items periodically therefore provides against the items declared obsolete immediately whereas provision against slow moving items is made if it remained static for certain period of time as decided by the management.

**2.2.2 Property, Plant & Equipment**

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item(s) of Property, Plant & Equipment, with corresponding effects on the depreciation charge and impairment.

**2.2.3 Stock in trade**

These are valued at lower of cost determined on Weighted Average Method (WAM) basis and net realizable value. Cost of finished goods consist of direct material costs and appropriate portion of manufacturing overheads.

NRV signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The Company reviews NRV of stock-in-trade and stores and spare parts to assess any diminution in the respective carrying values.

**2.2.4 Impairment of trade debts**

An estimate of the collectible amount of trade accounts receivable is made when there is objective evidence that the collection of the full amount is no longer together. For individually significant amount, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied at the balance sheet date according to the length of time past due, based on historical recovery rates.

### 2.2.5 Taxation

In making the estimates of income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instances where the Company's view differ from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Accounting convention

These financial statements have been prepared under the 'Historical Cost' convention, except in the case of fixed assets which have been stated at revalued amounts and in the case of stock in trade which are valued at lower of cost or net realizable value.

### 3.2 Initial application of standards, amendments or an interpretation to existing standards

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

#### Amendments to published standards effective in current year

The following standards, amendments and interpretations are effective for the year ended September 30, 2017. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| Standard or Interpretation   | Effective date<br>(accounting periods<br>beginning on or<br>after) |
|--|--|
| IFRS 10 - Consolidated Financial Statements                          | January 1, 2015  |
| IFRS 11 - Joint Arrangements   | January 1, 2015  |
| IFRS 12 - Disclosure of Interests in Other Entities                  | January 1, 2015  |
| IFRS 13 - Fair Value Measurement                                     | January 1, 2015  |
| IAS 27 (Revised 2011) - Separate Financial Statements                | January 1, 2015  |
| IAS 28 (Revised 2011) - Investments in Associates and Joint Ventures | January 1, 2015  |

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.



## Standards / Amendments / Interpretation

Effective date  
(accounting periods  
beginning on or  
after)

|   |                       |
|---|-----------------------|
| Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.   | January 1, 2018       |
| Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture. Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.              | Deferred indefinitely |
| Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception.   | January 1, 2016       |
| Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations.  | January 1, 2016       |
| Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative.   | January 1, 2016       |
| Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.  | January 1, 2017       |
| Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses.   | January 1, 2017       |
| Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization.  | January 1, 2016       |
| Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants.  | January 1, 2016       |
| Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements.  | January 1, 2016       |
| Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:  |                       |
| <ul style="list-style-type: none"> <li>• IFRS 1 – First Time Adoption of International Financial Reporting Standards.</li> <li>• IFRS 9 – Financial Instruments.</li> <li>• IFRS 14 – Regulatory Deferral Accounts.</li> <li>• IFRS 15 – Revenue from Contracts with Customers.</li> <li>• IFRS 16 – Leases.</li> <li>• IFRS 17 – Insurance Contract</li> </ul> |                       |

**3.3 Retirement benefits**

The Company operates a recognized provident fund scheme for all of its eligible employees. Contributions thereto are made at 10% of the basic salary in accordance with the term of the scheme. The Company has 250 number of employees as at September 30, 2017 (2016: 230 employees) and average number of employees during the year were 227 (2016: 220). This scheme is applied on a permanent employee.

**3.4 Taxation****Current**

The charge for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits, tax rebates and tax losses etc, if any.

**Deferred**

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences arising from carrying values of assets and liabilities in financial statements & their tax base.

This is recognized on the basis of the expected manner of the realization or settlement of carrying amount of assets and liabilities using the tax rate enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized to the extent that it is probable the future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.5 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 future for goods and services received, whether or not billed to the Company.

### 3.6 Property Plant & Equipment

#### Owned

These are stated at cost / revalued amounts less accumulated depreciation. Depreciation is charged to income applying the reducing balance method at the rates specified in fixed assets note except for free hold land, which is stated at revalued amount and plant and machinery for which units of production method of depreciation is used. An amount equal to the incremental depreciation charged during the year net of deferred tax on revalued assets is transferred from the surplus on revaluation of fixed assets to accumulated profit.

Depreciation on additions to property, plant and equipment is charged from the quarter in which an item is put to use while no depreciation is charged for the quarter in which the item is derecognized / disposed off.

Gains or losses on disposal of items of property, plant and equipment are dealt through the profit and loss account. Normal repair and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, are retired.

#### 3.6.1 Capital work-in-progress

All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when these assets are available for use.

#### 3.6.2 Assets subject to finance

Assets subject to finance lease are depreciated over their expected useful lives on the same basis as owned assets.

### 3.7 Intangible assets

Intangible assets acquired by the Company are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to the profit and loss account on a straight line basis over the period of three years. Amortization on additions to intangible assets is charged from the month in which an item is acquired or capitalized while no amortization is charged for the month in which the item is disposed off. All intangible assets with an indefinite useful life are systematically tested for impairment at each balance sheet date.

### 3.8 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

### 3.9 Investments

#### In associates

Investments in associates are stated at cost. Permanent diminution in the net book value of unquoted investment is recognized in profit and loss account for the year. Other investments are valued at fair value through profit and loss.

#### At fair value through profit & loss

Investments categorized fair value through profit & loss are initially recorded at cost and thereafter subsequently re-measured at fair value.

**3.9 Stores and spares**

These include spare parts, consumable items and others. These are classified as inventory. Certain Spare parts when they meet asserts criteria upon installation in plant & machinery, they would be reclassified as property, plant & Equipment. Store & Spare have been stated at average cost less provision for obsolete and slow moving stock. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

**3.10 Stock in trade**

These are valued as follows:

|                      |   |   |
|----------------------|---|---|
| Raw material         | : | At weighted average cost                                |
| Work in process      | : | At weighted average cost                                |
| Finished goods       | : | Lower of weighted average cost and net realizable value |
| Molasses and baggase | : | At net realizable value                                 |

**3.11 Trade debts**

Trade debts are stated at invoice value. Debts considered irrecoverable are written off, while provisions are made for debts considered doubtful.

**3.12 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and with banks in current account, deposit and saving accounts and short term borrowings.

**3.13 Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**3.14 Financial instruments**

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument at cost which is the fair value of consideration given or received. These assets except investment in associated undertakings are subsequently measured at fair value. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account.

**3.15 Off setting of financial assets and liabilities**

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

**3.16 Revenue recognition**

Sales of goods are recognized when the goods are delivered and title has passed, i.e., when the significant risks and rewards of ownership have been transferred to the customer.

**3.17 Related parties**

Transactions with the following related parties are carried out on commercial terms and conditions:

- Dadu Energy (Private) Limited
- New Dadu Sugar Mills (Private) Limited
- Chambar Sugar Mills (Private) Limited
- TCB Aviation
- Larr Sugar Mills Limited
- Bawany Sugar Mills Limited

**3.18 Borrowing costs**

Borrowings costs are recognized as an expense in the period in which these are incurred except for the borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

**3.19 Dividend and appropriation**

Dividends and appropriation to reserve is recognized in the financial period in which these are approved.

|  |      | 2017                 | 2016                 |
|--|------|----------------------|----------------------|
|  | Note | (Rupees)             |                      |
| 4 <b>PROPERTY, PLANT AND EQUIPMENT</b> |      |                      |                      |
| Operating fixed assets                 | 4.1  | 3,316,391,376        | 3,057,258,831        |
| Capital work in progress               | 4.7  | 94,805,238           | 373,557,428          |
|  |      | <u>3,411,196,614</u> | <u>3,430,816,259</u> |

4.1 **OPERATING FIXED ASSETS**

| Description                            | OWNED              |                            |                      |                        |                              |  |                        | LEASED            | Total                |
|--|--------------------|----------------------------|----------------------|------------------------|------------------------------|--|------------------------|-------------------|----------------------|
|  | Freehold Land      | Building on Free Hold Land | Plant and machinery  | Furniture and Fixtures | Laboratory/ Office Equipment | Electric, Gas & Telephone Installation | Computer & Accessories | Vehicles          |                      |
| <b>COST</b>                            |                    |                            |                      |                        |                              |  |                        |                   |                      |
| Balance as at 01 October 2015          | 282,800,000        | 621,790,695                | 1,189,060,804        | 5,097,098              | 14,673,454                   | 7,502,409                              | 11,192,727             | 29,267,978        | 2,175,018,720        |
| Additions                              | -                  | -                          | -                    | 102,277                | 485,968                      | 125,280                                | 1,067,409              | 2,185,000         | 3,965,934            |
| Disposal                               | -                  | -                          | -                    | -                      | -                            | -                                      | -                      | -                 | (2,578,000)          |
| Surplus arising on Revaluation         | 171,200,000        | 139,509,378                | 758,487,761          | -                      | -                            | -                                      | -                      | -                 | 1,069,197,139        |
| <b>Balance as at 30 September 2016</b> | <b>454,000,000</b> | <b>761,300,073</b>         | <b>1,947,548,565</b> | <b>5,199,375</b>       | <b>15,159,422</b>            | <b>7,627,689</b>                       | <b>12,260,136</b>      | <b>31,452,978</b> | <b>3,245,603,793</b> |
| Balance as at 01 October 2016          | 454,000,000        | 761,300,073                | 1,947,548,565        | 5,199,375              | 15,159,422                   | 7,627,689                              | 12,260,136             | 31,452,978        | 3,245,603,793        |
| Additions                              | -                  | -                          | 323,978,649          | 87,800                 | 7,676,900                    | 24,540                                 | -                      | -                 | 331,767,889          |
| <b>Balance as at 30 September 2017</b> | <b>454,000,000</b> | <b>761,300,073</b>         | <b>2,271,527,214</b> | <b>5,287,175</b>       | <b>22,836,322</b>            | <b>7,652,229</b>                       | <b>12,260,136</b>      | <b>31,452,978</b> | <b>3,577,371,682</b> |
| <b>DEPRECIATION</b>                    |                    |                            |                      |                        |                              |  |                        |                   |                      |
| Balance as at 01 October 2015          | -                  | 63,652,595                 | 39,060,804           | 1,783,471              | 4,890,661                    | 2,377,695                              | 7,413,785              | 16,581,600        | 138,781,881          |
| Charge for the year                    | -                  | 27,906,905                 | 18,697,761           | 169,517                | 496,723                      | 259,368                                | 646,897                | 1,377,888         | 50,616,288           |
| Accumulated Depreciation               | -                  | -                          | -                    | -                      | -                            | -                                      | -                      | -                 | (1,053,207)          |
| <b>Balance as at 30 September 2016</b> | <b>-</b>           | <b>91,559,500</b>          | <b>57,758,565</b>    | <b>1,952,988</b>       | <b>5,387,384</b>             | <b>2,637,063</b>                       | <b>8,060,682</b>       | <b>17,959,488</b> | <b>188,344,962</b>   |
| Balance as at 01 October 2016          | -                  | 91,559,500                 | 57,758,565           | 1,952,988              | 5,387,384                    | 2,637,063                              | 8,060,682              | 17,959,488        | 188,344,962          |
| Charge for the year                    | -                  | 33,487,029                 | 31,088,748           | 500,128                | 1,744,894                    | 250,758                                | 1,259,836              | 2,698,698         | 72,635,344           |
| <b>Balance as at 30 September 2017</b> | <b>-</b>           | <b>125,046,529</b>         | <b>88,847,313</b>    | <b>2,453,116</b>       | <b>7,132,278</b>             | <b>2,887,821</b>                       | <b>9,320,518</b>       | <b>20,658,186</b> | <b>260,980,306</b>   |
| <b>CARRYING AMOUNT - 2017</b>          | <b>454,000,000</b> | <b>636,253,544</b>         | <b>2,182,679,901</b> | <b>2,834,059</b>       | <b>15,704,044</b>            | <b>4,764,408</b>                       | <b>2,939,618</b>       | <b>10,794,792</b> | <b>3,316,391,376</b> |
| <b>CARRYING AMOUNT - 2016</b>          | <b>454,000,000</b> | <b>669,740,573</b>         | <b>1,889,790,000</b> | <b>3,246,387</b>       | <b>9,772,038</b>             | <b>4,990,626</b>                       | <b>4,199,454</b>       | <b>13,493,490</b> | <b>3,057,258,831</b> |
| <b>RATE OF DEPRECIATION</b>            | <b>-</b>           | <b>5%</b>                  | <b>-</b>             | <b>15%</b>             | <b>10%</b>                   | <b>5%</b>                              | <b>30%</b>             | <b>20%</b>        | <b>20%</b>           |

\* Depreciation on plant and machinery is calculated on the basis of unit production method.

4.2 **Depreciation expenses for the year has been allocated as follows:**

|                            | 2017              | 2016              |
|----------------------------|-------------------|-------------------|
| Cost of goods sold         | 64,575,777        | 46,604,666        |
| Administrative expenditure | 8,059,567         | 4,011,622         |
|                            | <u>72,635,344</u> | <u>50,616,288</u> |

## 4.3 Land, building and plant and machinery have been secured by the bank for extending financing facilities to the company. (Note 16)

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2017**

- 4.4 Revaluation of Freehold land, factory building and plant & machinery had been carried out in May 5, 2016 by M/s. Tracom (Private) Limited, an approved professional valuers on the panel of Pakistan Banks' Association, related to the year 2016 which had been incorporated showing revaluation surplus refer note 15.
- 4.5 Effective from October 01, 2016 management has reassessed the useful lives of Furniture and Fixtures, Laboratory Equipments, Computer and Accessories and Vehicles both owned and leased, as it believes that the said changes in estimate reflects more accurately the pattern of consumption of economic benefits of the respective assets. These changes have been accounted for prospectively in accordance with the requirements of International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had there been no change in useful lives and method of depreciation, depreciation expense would have been lower by Rs. 3.988 million and profit before tax would have been lower by the same amount.
- 4.6 Had there been no revaluation, the net book value of the specific classes of operating assets as at September 30, 2017 would have been as follows:

| Particulars                | 2017                                   |                 | 2016                                   |                 |
|----------------------------|--|-----------------|--|-----------------|
|                            | W.D.V of assets as appearing aforesaid | W.D.V of assets | W.D.V of assets as appearing aforesaid | W.D.V of assets |
| Freehold land              | 454,000,000                            | 3,145,054       | 45,400,000                             | 3,145,054       |
| Building on free hold land | 636,253,544                            | 44,595,823      | 669,740,573                            | 46,942,971      |
| Plant and machinery        | 2,182,679,901                          | 838,524,583     | 1,889,790,000                          | 522,892,881     |
|                            | 3,272,933,445                          | 886,265,459     | 2,604,930,573                          | 572,980,906     |

2017  
RUPEES

2016  
RUPEES

**4.7 CAPITAL WORK IN PROGRESS**

*Capital Stores - Plant and Machinery*

Opening  
Cost Incurred during the year  
Transferred to Fixed Assets (Plant & Machinery)

|                   |                    |
|-------------------|--------------------|
| 373,557,428       | 240,057,428        |
| 40,832,522        | 133,500,000        |
| (319,584,712)     | -                  |
| <b>94,805,238</b> | <b>373,557,428</b> |

**5 INTANGIBLE ASSET**

*Software*

*Cost:*

Opening balance  
Additions during the year  
Total cost

|                  |          |
|------------------|----------|
| -                | -        |
| 2,585,562        | -        |
| <b>2,585,562</b> | <b>-</b> |

*Amortization:*

Opening balance  
Amortization during the year  
Accumulated amortization

|                |          |
|----------------|----------|
| -              | -        |
| 215,461        | -        |
| <b>215,461</b> | <b>-</b> |

*Net book value*

|                  |          |
|------------------|----------|
| <b>2,370,101</b> | <b>-</b> |
|------------------|----------|

*Amortization rate*

|               |               |
|---------------|---------------|
| <b>33.33%</b> | <b>33.33%</b> |
|---------------|---------------|

**6 STORE, SPARE PARTS AND LOOSE TOOLS**

Stores, Spare Parts and Loose Tools  
Oil, Chemicals & Lubricant  
Packing Materials

|                    |                    |
|--------------------|--------------------|
| 190,798,100        | 177,864,569        |
| 3,631,507          | 12,825,793         |
| 3,277,000          | 5,872,273          |
| <b>197,706,607</b> | <b>196,562,635</b> |

|                         | NOTES | 2017<br>RUPEES | 2016<br>RUPEES |
|-------------------------|-------|----------------|----------------|
| <b>7 STOCK IN TRADE</b> |       |                |                |
| <b>Finished Goods</b>   |       |                |                |
| Sugar                   | 7.1   | 1,623,305,766  | 688,632,383    |
| Molasses                |       | 118,099,590    | 94,465,253     |
|                         |       | 1,741,405,356  | 783,097,636    |
| <b>Work in Process</b>  |       |                |                |
| Sugar in Process        |       | 18,288,738     | 18,322,264     |
| Molasses in process     |       | 971,513        | 1,080,394      |
|                         |       | 19,260,251     | 19,402,658     |
| <b>Other Material</b>   |       | 19,418,335     | 22,925,642     |
|                         |       | 1,780,083,942  | 825,425,936    |

7.1 The stock in trade includes sugar which has been pledged with bank as a security for cash finance facility (Note 21).

**8 TRADE DEBTS (Unsecured)**

|                             |             |             |
|-----------------------------|-------------|-------------|
| Unsecured - Considered good | 606,110,961 | 444,254,325 |
|-----------------------------|-------------|-------------|

**9 LOANS AND ADVANCES (Unsecured, Considered Good)**

|                                    |     |             |             |
|------------------------------------|-----|-------------|-------------|
| Advance to Cane Growers            | 9.1 | 260,101,863 | 177,299,641 |
| Advance to Farm                    | 9.2 | 48,652,611  | 557,062,161 |
| Advance for Staff                  |     | 2,402,319   | 3,341,938   |
| Advance for Expenses               |     | 2,635,319   | 6,482,876   |
| Advance to suppliers / contractors | 9.3 | 198,786,393 | 219,778,178 |
|                                    |     | 512,578,505 | 963,964,794 |
|                                    |     | 512,578,505 | 963,964,794 |

9.1 This represents interest free advances paid to cane grower and are adjustable against supplies of sugar cane.

9.2 This represents interest free advances paid to Agricultural farm for cultivation and are adjustable against supplies of sugar cane.

9.3 This represents interest free advances for supply of materials, store and spare parts etc and are adjustable against supplies such things.

**10 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES**

|  |            |            |
|--|------------|------------|
| Government grants and subsidy receivable | 20,423,000 | 20,423,000 |
|  | 20,423,000 | 20,423,000 |

**11 TAXATION-NET**

**Advance Income Tax (Net)**

**Advance Income Tax**

|                      |            |            |
|----------------------|------------|------------|
| Opening              | 29,101,396 | 4,985,382  |
| Paid during the year | 31,635,489 | 24,116,014 |
| Closing              | 60,736,885 | 29,101,396 |

**Provision for Taxation**

|              |              |              |
|--------------|--------------|--------------|
| Opening      | 21,560,036   | -            |
| For the Year | 13,626,179   | 13,681,061   |
| Prior Year   | -            | 7,878,975    |
| Closing      | (35,186,215) | (21,560,036) |
|              | 25,550,671   | 7,541,360    |

**12 DUE FROM ASSOCIATED UNDERTAKINGS - UNSECURED**

This represents balances of current accounts (receipts / payments with some of the associated companies listed in note 3.17 maintained to meet working capital requirements. These are unsecured and interest free.

|   | 2017<br>RUPEES       | 2016<br>RUPEES       |
|---|----------------------|----------------------|
| <b>13 CASH &amp; BANK BALANCES</b>  |                      |                      |
| Cash in hand  | 614,125              | 224,288              |
| Balance with Banks with current A/c   | 4,565,345            | -                    |
|   | <u>5,179,470</u>     | <u>224,288</u>       |
| <b>14 SHARE CAPITAL</b>   |                      |                      |
| Authorized  |                      |                      |
| 3,400,000 (2016: 3,400,000) Ordinary shares of Rs. 100 each                       | <u>340,000,000</u>   | <u>340,000,000</u>   |
| Issued, Subscribed and Paid up Capital  |                      |                      |
| 3,377,748 (2016 : 3,377,748) ordinary shares of<br>Rs.100 each fully paid in cash | <u>337,774,800</u>   | <u>337,774,800</u>   |
| <b>15 SURPLUS ON REVALUATION OF FIXED ASSETS</b>                                  |                      |                      |
| <b>Freehold land</b>  |                      |                      |
| Balance as at October 01  | 450,854,946          | 279,654,946          |
| Revaluation surplus arised during the year  | -                    | 171,200,000          |
| Revaluation surplus arising from freehold land                                    | <u>450,854,946</u>   | <u>450,854,946</u>   |
| <b>Building On Free Hold Land</b>   |                      |                      |
| Balance as at October 01  | 622,797,602          | 511,783,862          |
| Surplus arises during the year  | -                    | 139,509,378          |
| Less: Adjustment for incremental depreciation                                     | <u>(31,139,880)</u>  | <u>(28,495,638)</u>  |
|   | <u>591,657,722</u>   | <u>622,797,602</u>   |
| <b>Related deferred tax</b>   |                      |                      |
| Balance as at October 01  | 158,813,388          | 163,770,836          |
| Surplus arises during the year  | -                    | 35,574,891           |
| Effect of change in tax rate  | -                    | (33,265,951)         |
| Less: related to incremental depreciation   | <u>(9,341,964)</u>   | <u>(7,266,388)</u>   |
|   | <u>149,471,424</u>   | <u>158,813,388</u>   |
| Revaluation surplus arising from factory building - Net                           | <u>442,186,297</u>   | <u>463,984,213</u>   |
| <b>Plant and machinery</b>  |                      |                      |
| Balance as at October 01  | 1,366,897,122        | 620,336,456          |
| Surplus arises during the year  | -                    | 758,487,761          |
| Less: Adjustment for incremental depreciation                                     | <u>(23,745,576)</u>  | <u>(11,927,096)</u>  |
|   | <u>1,343,151,546</u> | <u>1,366,897,122</u> |
| <b>Related deferred tax</b>   |                      |                      |
| Balance as at October 01  | 348,558,766          | 198,507,666          |
| Surplus arises during the year  | -                    | 193,414,379          |
| Effect of change in tax rate  | -                    | (40,321,870)         |
| Less: related to incremental depreciation   | <u>(7,123,673)</u>   | <u>(3,041,409)</u>   |
|   | <u>341,435,093</u>   | <u>348,558,766</u>   |
| Revaluation surplus arising from Plant- Net                                       | <u>1,001,716,453</u> | <u>1,018,338,355</u> |
|   | <u>1,894,757,696</u> | <u>1,933,177,515</u> |

Revaluation of land, building on land and plant and machinery has been carried out by M/s. Tracom (Private) Limited, an approved professional valuers on the panel of Pakistan Bankers Association, related to the year 2016 which has been incorporated showing revaluation surplus of Rs. 1,069,197,139 (2015: Rs. 329,713,139). Previously the same assets were evaluated by M/s. Tracom (Private) Limited in September 2015 and September 2012 and by M/s Asif Associates (Private) Limited in December 2009.

|   | NOTES | 2017<br>RUPEES       | 2016<br>RUPEES       |
|---|-------|----------------------|----------------------|
| <b>16 LONG TERM BORROWINGS - SECURED</b>          |       |                      |                      |
| Sindh Bank Limited - Restructured                 | 16.1  | 163,352,000          | 163,352,000          |
| Sindh Bank Limited - RF converted to term finance | 16.2  | 239,999,999          | 240,000,000          |
| Sindh Bank Limited - TF-I                         | 16.3  | 60,000,000           | 60,000,000           |
| Sindh Bank Limited - TF-II                        | 16.3  | 80,000,000           | 80,000,000           |
| National Bank                                     | 16.4  | 332,879,488          | 346,760,000          |
| Summit Bank Limited                               | 16.5  | 367,330,000          | 397,330,000          |
| Summit Bank Limited - Term Finance                | 16.6  | 110,000,000          | -                    |
| Sindh Bank Limited TF III                         | 16.7  | 54,000,000           | -                    |
| Sindh Bank Limited TF VI                          | 16.8  | 81,000,000           | -                    |
|   |       | <u>1,488,561,487</u> | <u>1,287,442,000</u> |
| Less: Due for payment in next twelve months       |       | <u>(118,975,908)</u> | <u>(25,293,139)</u>  |
|   |       | <u>1,369,585,579</u> | <u>1,262,148,861</u> |

- 16.1 During the last year, Sindh Bank Limited has restructured its outstanding facilities of Rs. 88.352 million and new facility of Rs. 75 million converted into single term finance facility amounting Rs. 163.352 million with effect from July 2016. Since the principal and markup thereon was repayable in seven years including one year grace period. The facility is secured against moveable and immoveable fixed asset (including Land and Building) of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement. The purpose of this facility is to settle cane growers and suppliers/contractors liabilities and to improve liquidity position in the aftermath of devastating flood Sindh in 2011.
- 16.2 During the last year, Sindh Bank Limited had converted running finance facility in to term finance with effect from July 2016. These are secured by way of first pari passu charge on all present and future fixed assets excluding leased assets with 25% margin on facility amount and personal guarantee of all directors. The purpose of this facility is to settle cane growers and suppliers/contractors liabilities and to improve liquidity position in the aftermath of devastating flood Sindh in 2011.
- 16.3 This represent long term finance facilities of Rs. 60 million and Rs. 80 million (2016:60 million & 80 million) from Sindh Bank Limited for the expenses incurred against maintenance, servicing and overhauling of property, plant and machinery of the mill. The Principal repayment would commenced only after the end of 1 year grace period. The facility is secured against moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement. The purpose of this facility is to settle cane growers and suppliers/contractors liabilities and to improve liquidity position in the aftermath of devastating flood Sindh in 2011.
- 16.4 During the last year, National Bank of Pakistan has restructured the long term and short term facilities is now of Rs. 338.09 million (2016: 346.760 million) into single facility with effect from July 2016. Since the principal and markup thereon was repayable in 5.5 years. The facility is secured against moveable and immoveable fixed asset (including Land and Building) and 1st pari passu hypothecation charge over present and future plant and machinery of the company situated at Naudero District Larkana, Sindh. The purpose of this facility is the amalgamation and re-scheduling of four long term loan's and Running Finance outstanding amount up-to PKR 346.76 Million into a single facility.
- 16.5 During the last year, Summit Bank Limited has restructured the long term and short term facilities of Rs. 397.330 million into long facility with effect from July 2016. The principal and markup thereon would be repayable in 7 years including one year grace period. The facility is secured against moveable and immoveable fixed asset (including Land and Building) and 1st pari passu hypothecation charge over present and future plant and machinery of the company situated at Naudero District Larkana, Sindh. The purpose of this facility is the balance sheet restructuring, change in debit mix and optimum utilization of resources to maximize cane crushing.
- 16.6 This represent long term finance facilities of Rs. 110 million from Summit Bank Limited for the settlement of growers liability, suppliers repayment and adjustment of advances. The Principal shall be paid in quarterly 24 installments after completion of a grace period which is one year. however, first payment shall fall due after 15 months from the date of disbursement. The markup is payable in arrears basis, on banks prevailing rate at 6 month KIBOR plus spread. The facility is secured against joint pari passu hypothecation charge / pari passu charge (both acceptable) over all present and future moveable fixed assets of the company with 20% margin over facility amount in favour of SMBL registered with SECP also Joint pari passu equitable mortgage over land, building and any other immovable property of the company with 20% margin over facility amount duly incurred in favour of SMBL registered with SECP. Assignment over all rights and benefits of customer under any and all project insurances and cut through agreements for reinsurance and also personal guarantee of all sponsors / directors along with personal net worth settlement.
- 16.7 This represents Long term finance facility of Rs. 54 million for the payment of growers liabilities. The principle shall be paid in 7 years in 24 unequal quarterly installments including grace period of 1 year from the date of disbursement. The markup is payable quarterly at KIBOR plus 2.75% p.a.. This facility is secured against pari passu charge over all present and future moveable and immoveable assets of the company (including Land and Building) with 20% margin.
- 16.8 This represents Long term finance facility of Rs. 81 million for the payment of growers liabilities. The principle shall be paid in 8 years in 24 unequal quarterly installments including grace period of 1 year from the date of disbursement. The markup is payable quarterly at KIBOR plus 2.75% p.a.. This facility is secured against pari passu charge over all present and future moveable and immoveable assets of the company (including Land and Building) with 20% margin.



17 LIABILITIES AGAINST SUBJECT TO FINANCE LEASE:

Represents finance lease entered into between National Bank Leasing Limited and the company for vehicles. The minimum lease payments have been discounted at an implicit interest rate of KIBOR + 375 bps (2016: KIBOR + 375 bps) per annum to arrive at their present value. Rentals are paid in monthly installments. Security Deposit amounting to Rs. 1,255,700 (2016: 1,255,700) has been given by the company against these assets. Taxes, repairs and insurance costs are to be born by the Company. Liabilities are secured against demand promissory notes and security deposits. Effective interest rate is ranging from 9.8% to 9.9%.

The amount of future payments of the lease and the period in which these payments will become due are as follows :

|   | 2017                  |               | 2016                  |               |
|---|-----------------------|---------------|-----------------------|---------------|
|   | Minimum lease payment | Present value | Minimum lease payment | Present value |
|   | Rupees                |               |                       |               |
| Not later than one year                           | 1,313,490             | 1,128,571     | 3,290,745             | 2,806,584     |
| Later than one year but not later than five years | 1,286,979             | 1,109,465     | 2,520,933             | 2,353,841     |
| Total minimum lease payments                      | 2,600,469             | 2,238,036     | 5,811,678             | 5,160,425     |
| Less: Amount representing finance charges         | (362,433)             | -             | (651,253)             | -             |
| Present value of minimum lease payments           | 2,238,036             | 2,238,036     | 5,160,425             | 5,160,425     |
| Less: Current portion - Present value             | (1,128,571)           | (1,128,571)   | (2,353,841)           | (2,353,841)   |
|   | 1,109,465             | 1,109,465     | 2,806,584             | 2,806,584     |
|   | 2017                  |               | 2016                  |               |
|   | RUPEES                |               | RUPEES                |               |

18 DEFERRED LIABILITY FOR TAXATION

Deferred Tax Credit Due To

Surplus On Revaluation  
Accelerated Depreciation

|             |             |
|-------------|-------------|
| 490,906,518 | 507,372,154 |
| 134,717,461 | 87,243,701  |
| 625,623,979 | 594,615,855 |

Deferred Tax Debit Due To

Minimum tax  
Finance lease obligation  
Carried forward losses

|               |              |
|---------------|--------------|
| (66,413,116)  | (31,104,143) |
| (671,411)     | (1,315,908)  |
| (100,113,523) | (49,647,920) |
| (167,198,050) | (82,067,971) |
| 458,425,929   | 512,547,884  |

19 TRADE AND OTHER PAYABLES

|                                  |                 |             |
|----------------------------------|-----------------|-------------|
| Bank OD                          | -               | 65,409,742  |
| Creditors                        | 75,545,510      | 13,282,455  |
| Sugar cane payable               | 405,099,548     | 375,418,218 |
| Advance from customers           | 209,451,214     | 146,862,000 |
| Accrued liabilities              | 20,242,994      | 14,078,537  |
| Sales tax payable                | 171,360         | 172,558     |
| WITT Payable                     | 1,218,355       | 351,285     |
| Worker Profit Participation Fund | 19.1 10,309,494 | 8,301,613   |
| Workers welfare fund             | 6,033,509       | 5,538,126   |
| Payable to fund                  | 26,106,939      | 20,595,762  |
| Other Liabilities                | 8,120,699       | 9,967,949   |
|                                  | 762,299,623     | 659,978,245 |

19.1 Worker Profit Participation Fund

|                                    |            |           |
|------------------------------------|------------|-----------|
| Balance as at October 01           | 8,301,613  | 6,229,785 |
| Less: Payment made during the year | -          | -         |
|                                    | 8,301,613  | 6,229,785 |
| Add : Interest on unpaid amount    | 744,655    | 560,681   |
| Add : Provision for the year       | 1,263,227  | 1,511,147 |
|                                    | 10,309,494 | 8,301,613 |

|   | NOTES | 2017<br>RUPEES       | 2016<br>RUPEES       |
|---|-------|----------------------|----------------------|
| <b>20 ACCRUED MARKUP</b>                  |       |                      |                      |
| Long term Finance                         |       | 41,477,782           | 59,503,623           |
| Short Term Borrowings                     |       | 47,306,744           | 20,752,218           |
|   |       | <u>88,784,526</u>    | <u>80,255,841</u>    |
| <b>21 SHORT TERM BORROWINGS - SECURED</b> |       |                      |                      |
| Cash Finance                              | 21.1  | 1,618,998,615        | 924,650,000          |
| Running Finance                           | 21.2  | 149,642,761          | 148,732,761          |
| Agriculture Finance                       |       | -                    | 35,000,000           |
| Term Finance                              |       | -                    | 40,000,000           |
|   |       | <u>1,768,641,376</u> | <u>1,148,382,761</u> |

#### 21.1 Cash Finance - Pledge Line

Facilities of Rs. 1,618 million (2016: Rs. 924.6 million) for Cash Finance (CF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' KIBOR plus specified spreads ranging from 150 basis points to 250 basis points (2016: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured against pledge of stock with margin ranging from 20% to 25% and personal guarantee of director(s) of the company.

#### 21.2 Running Finance

Facilities of Rs. 149.6 million (2016: Rs. 148.7 million) for Running Finance (RF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' Kibor Plus specified spreads ranging from 200 basis points to 350 basis points (2016: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured by way 1st pari passu charge on all fixed assets of the company, 1st pari passu charge on all present and future current assets with 25% margin, pari passu hypothecation charge over all present and future plant and machinery, personal guarantee of the directors and subordination of sponsor's loans and personal guarantees of sponsor directors.

### 22 CONTINGENCIES AND COMMITMENTS

#### 22.1 CONTINGENCIES

- 22.1.1 Assistant Director, Agriculture Market, Larkana levied market committee fee of Rs.3,321,580 on the company for the periods commencing from the year 2001-2002 up-to 23-March-2007 which were contested before Civil Judge, in F.C. Suit No.81 of 2007. Judgment of the suit announced on 02-08-2011 wherein the levy was upheld and decree for the recovery of amount against the company was also issued. The company filed appeal bearing no. C.A. 96 C.P.C. against the order of Civil Judge, Larkana which is still in process. In view of the management since the levy pertains to the period during which the company was not operational, hence eventually since the levy pertains to the closed periods, no financial liability is likely to materialize. Hence no provision is made in the accounts.

#### 22.2 COMMITMENTS

- 22.2.1 Performance Guarantee renewed by Sindh Bank of Rs. 16,250,000 (2016: 16,250,000) in favor of Trading Corporation of Pakistan.
- 22.2.2 Posted dated cheques of amounting to Rs.982,114 (2016: Rs. 920,104) are issued against finance lease to NBP leasing.

|  |        | 2017<br>RUPEES         | 2016<br>RUPEES       |
|--|--------|------------------------|----------------------|
| <b>23 SALES - NET</b>  |        |                        |                      |
| Sugar-Local  |        | 1,499,171,850          | 1,420,141,700        |
| Sale of by product - Molasses  |        | 90,577,870             | 53,160,060           |
| Less: Sales Tax  |        | (136,554,000)          | (105,195,682)        |
|  |        | <u>1,453,195,720</u>   | <u>1,368,106,078</u> |
| <b>24 COST OF SALES</b>  |        |                        |                      |
| Raw Material Consumed  |        | 1,810,189,410          | 1,094,378,560        |
| Manufacturing expenses   |        | <u>217,406,983</u>     | <u>192,772,163</u>   |
|  |        | <u>2,027,596,393</u>   | <u>1,287,150,723</u> |
| Molasses-opening   |        | <u>94,465,253</u>      | <u>82,653,770</u>    |
| Molasses-closing   |        | <u>(118,099,590)</u>   | <u>(94,465,253)</u>  |
|  |        | <u>(23,634,337)</u>    | <u>(11,811,483)</u>  |
| Other Material   |        | <u>22,925,642</u>      | <u>29,072,040</u>    |
| Other Material   |        | <u>(19,418,335)</u>    | <u>(22,925,642)</u>  |
|  |        | <u>3,507,307</u>       | <u>6,146,398</u>     |
| Sugar in process-opening   |        | <u>19,402,658</u>      | <u>20,468,310</u>    |
| Sugar in process-closing   |        | <u>(19,260,251)</u>    | <u>(19,402,658)</u>  |
|  |        | <u>142,407</u>         | <u>1,065,652</u>     |
| Finish Goods opening   |        | <u>688,632,383</u>     | <u>457,735,411</u>   |
| Finish Goods closing   |        | <u>(1,623,305,766)</u> | <u>(688,632,383)</u> |
|  |        | <u>(934,673,383)</u>   | <u>(230,896,972)</u> |
|  |        | <u>1,072,938,387</u>   | <u>1,051,654,318</u> |
| <b>24.1 MANUFACTURING EXPENSES</b>   |        |                        |                      |
| Salaries, Wages and Other benefits   | 24.1.1 | 66,078,087             | 57,606,019           |
| Cartage and Conveyance   |        | 1,583,444              | 184,916              |
| Store material   |        | 52,438,041             | 47,515,475           |
| Fuel and Power   |        | 3,012,431              | 15,418,031           |
| Utilities  |        | 9,479,635              | 5,459,982            |
| Vehicle running and maintenance  |        | 1,714,112              | 1,876,595            |
| Factory rent, rates & taxes  |        | 167,800                | 358,340              |
| Repair & maintenance   |        | 5,093,617              | 2,808,033            |
| Communication  |        | 527,372                | 357,801              |
| Entertainment  |        | 1,363,639              | 659,187              |
| Security Services  |        | 4,002,210              | 1,262,800            |
| Other manufacturing expenses   |        | 970,649                | 6,588,080            |
| Insurance  |        | 6,400,169              | 6,072,238            |
| Depreciation   |        | <u>64,575,777</u>      | <u>46,604,666</u>    |
|  |        | <u>217,406,983</u>     | <u>192,772,163</u>   |
| 24.1.1 Salaries, Wages and Other benefits includes Rs.1,746,302 /- (2016: Rs.1,056,396/-) in respect of Staff Retirement Benefits. |        |                        |                      |
| <b>25 ADMINISTRATION &amp; GENERAL EXPENSES</b>  |        |                        |                      |
| Salaries wages and other benefits  | 25.1   | 34,052,058             | 30,683,531           |
| Traveling & Conveyance   |        | 2,016,725              | 1,812,126            |
| Vehicle running Expenses   |        | 9,833,095              | 4,213,191            |
| Insurance  |        | 5,996,706              | 4,702,450            |
| Rent, Rates & Taxes  |        | 3,794,604              | 1,588,280            |
| Utilities  |        | 8,253,293              | 6,825,810            |
| Postage & Stationery   |        | 269,244                | -                    |
| Legal and professional charges   |        | 6,538,068              | 1,555,398            |
| Repair & Maintenance   |        | 4,583,405              | 3,520,694            |
| Watch and Ward   |        | 334,322                | 1,560,007            |
| Entertainment  |        | 224,860                | 688,365              |
| Sundry Expenses  |        | 1,830,617              | 497,742              |
| Auditors Remuneration  |        | 862,283                | 739,700              |
| Depreciation   |        | 8,059,567              | 4,011,622            |
| Amortisation   |        | <u>215,461</u>         | <u>-</u>             |
|  |        | <u>86,864,309</u>      | <u>62,398,916</u>    |
| 25.1 Salaries, Wages and Other benefits includes Rs.613,566/- (2016: Rs.695,085/-) in respect of Staff Retirement Benefits.        |        |                        |                      |

## 25.2 AUDITORS REMUNERATION

|  | 2017<br>RUPEES | 2016<br>RUPEES |
|--|----------------|----------------|
| Annual Audit Fee                       | 665,500        | 605,000        |
| Cost Audit Fee M/s Mushtaq Ahmed & Co. | 85,943         | 74,200         |
| Out of pocket Expenses                 | 110,840        | 60,500         |
|  | <u>862,283</u> | <u>739,700</u> |

## 26 FINANCE COST

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
| Long Term Finance        | 118,760,926        | 98,219,351         |
| Short Term Finance       | 135,164,178        | 87,589,640         |
| Bank Charges             | 2,155,129          | 7,487,839          |
| Markup on WPPF           | 744,655            | 560,681            |
| Finance charges on lease | 319,112            | 644,620            |
|                          | <u>257,144,000</u> | <u>194,502,131</u> |

## 27 OTHER OPERATING INCOME / EXPENSES

|                                  |                  |                     |
|----------------------------------|------------------|---------------------|
| <i>From Non-Financial Assets</i> |                  |                     |
| Retal Income                     | 1,358,640        | -                   |
| Gain / (Loss) on disposal        | -                | (595,358)           |
| Other                            | 571,863          | -                   |
| Loss on rescheduling             | -                | (26,988,411)        |
|                                  | <u>1,930,503</u> | <u>(27,583,769)</u> |

## 28 OTHER CHARGES

|      |                  |                  |
|------|------------------|------------------|
| WWF  | 495,383          | 1,511,147        |
| WPPF | 1,263,227        | 3,872,871        |
|      | <u>1,758,610</u> | <u>5,384,019</u> |

## 29 TAXATION

|                  |                     |                   |
|------------------|---------------------|-------------------|
| Tax for the year | 13,626,179          | 13,681,061        |
| Prior Year       | (7,194,265)         | 7,878,975         |
| Deferred Tax     | (54,121,955)        | (1,698,817)       |
|                  | <u>(47,690,041)</u> | <u>19,861,219</u> |

## 29.1 Relationship between tax expense and accounting profit

|  |                     |                   |
|--|---------------------|-------------------|
| Profit/(Loss) before taxation  | 27,438,104          | 21,653,695        |
| Corporate tax rate   | 30%                 | 31%               |
| Tax on accounting profit   | 8,231,431           | 6,712,645         |
| Tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes | (54,121,955)        | (1,698,817)       |
| Excess charge on account of minimum tax  | 5,394,747           | 6,968,416         |
| Tax effect of prior tax  | (7,194,265)         | 7,878,975         |
| Tax effect on exports under final tax regime   | -                   | -                 |
| Tax charge   | <u>(47,690,041)</u> | <u>19,861,219</u> |

29.1.1 In view of available tax losses, the provision for current taxation represents minimum tax being the turnover tax under section 113 of Income Tax Ordinance, 2001.

## 30 EARNING PER SHARE

|                       | 2017<br>Rupees | 2016<br>Rupees |
|-----------------------|----------------|----------------|
| Profit after taxation | 75,128,145     | 1,792,477      |
| Number of shares      | 3,400,000      | 3,400,000      |
| Earning per share     | <u>22.10</u>   | <u>0.53</u>    |

There is no diluted effect on earning per share.

### 31 REMUNERATION OF CHIEF EXECUTIVE & DIRECTORS

| Particulars      | Chief Executive |           | Director  |           |
|------------------|-----------------|-----------|-----------|-----------|
|                  | (Rupees)        |           |           |           |
|                  | 2017            | 2016      | 2017      | 2016      |
| Remuneration     | 1,636,500       | 1,472,850 | 1,210,500 | 1,089,450 |
| P.F Contribution | 97,838          | 88,054    | 78,097    | 70,287    |
| Total            | 1,734,338       | 1,560,904 | 1,288,597 | 1,159,737 |
| No of Persons    | 1               | 1         | 1         | 1         |

### 32 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of the key management personnel is disclosed in note 30. Other significant transactions with related parties are as follows:

| Name of Related Parties | Nature of transaction | 2017      | 2016      |
|-------------------------|-----------------------|-----------|-----------|
|                         |                       | RUPEES    | RUPEES    |
| TCB Aviation            | Travelling services   | 3,600,000 | 3,600,000 |

### 33 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES

#### On Balance Sheet Items'

|                              |                      |                      |
|------------------------------|----------------------|----------------------|
| <b>Financial assets</b>      |                      |                      |
| Trade debts                  | 606,110,961          | 444,254,325          |
| Loan and advances            | 313,792,112          | 728,809,463          |
| Other receivables            | 649,083,169          | 311,273,275          |
| Cash and bank balances       | 5,179,470            | 224,288              |
|                              | <u>1,574,165,712</u> | <u>1,484,561,351</u> |
| <b>Financial liabilities</b> |                      |                      |
| Long term finance            | 1,488,561,487        | 1,287,442,000        |
| Deferred markup              | 128,706              | 643,506              |
| Subordinated loan            | 60,000,000           | -                    |
| Trade and other payables     | 762,299,623          | 659,978,245          |
| Accrued markup               | 88,784,526           | 80,255,841           |
| Short term borrowing         | 1,768,641,376        | 1,148,382,761        |
|                              | <u>4,168,415,718</u> | <u>3,176,702,353</u> |

### 34 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

#### 34.1 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables and new business ventures.

To manage exposure to credit risk, management applies credit limits and deals with credit worthy parties and / or by obtaining advance against sales. It makes full provision against those balances considered doubtful by dealing with variety of major banks and financial institutions.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

|                   |                      |                      |
|-------------------|----------------------|----------------------|
| Trade debts       | 606,110,961          | 444,254,325          |
| Loan and advances | 512,578,505          | 963,964,794          |
| Other receivables | 649,083,169          | 311,273,275          |
| Bank balances     | 4,565,345            | -                    |
|                   | <u>1,772,337,980</u> | <u>1,719,492,394</u> |

### 34.2 Liquidity risk

The details of company's interest/mark-up and non-interest mark-up bearing liabilities are as follows:

|  | 2017                 |                      |                      | 2016                 |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | Less than one year   | One to five years    | Total                | Less than one year   | One to five years    | Total                |
| <b>Financial Liabilities</b>                       |                      |                      |                      |                      |                      |                      |
| Long term finances                                 | 118,975,908          | 1,369,585,579        | 1,488,561,487        | 25,293,139           | 1,262,148,861        | 1,287,442,000        |
| Liabilities against asset subject to finance lease | 1,128,571            | 1,109,465            | 2,238,036            | 2,353,841            | 2,806,584            | 5,160,425            |
| Short term borrowing                               | 1,768,641,376        | -                    | 1,768,641,376        | 1,148,382,761        | -                    | 1,148,382,761        |
| Trade and other payables                           | 762,299,623          | -                    | 762,299,623          | 659,978,245          | -                    | 659,978,245          |
| Accrued markup                                     | 88,784,526           | -                    | 88,784,526           | 80,255,841           | -                    | 80,255,841           |
|  | <u>2,739,830,004</u> | <u>1,370,695,044</u> | <u>4,110,525,048</u> | <u>1,916,263,827</u> | <u>1,264,955,445</u> | <u>3,181,219,272</u> |

### 34.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

#### 34.3.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transactions or receivables or payables that exist due to transactions in foreign exchange. Company not exposed to foreign risk.

#### 34.3.2 Interest/ Mark-up rate risk

Interest rate risk is the risk that fair value of future cash flows of the financial instruments will fluctuate due to change in the market interest rates. The company interest rate risk arises from long term and short term loan obtained with floating rates. At the balance sheet date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

|                                  | 2017<br>RUPEES       | 2016<br>RUPEES       |
|----------------------------------|----------------------|----------------------|
| <b>Financial liabilities</b>     |                      |                      |
| <b>Variable rate instruments</b> |                      |                      |
| Long term finance                | 1,369,585,579        | 1,262,148,861        |
| Short term borrowings            | 1,768,641,376        | 1,148,382,761        |
|                                  | <u>3,138,226,955</u> | <u>2,410,531,622</u> |

#### Sensitivity analysis

##### Fair value sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

##### Financial liabilities As at 30 September 2017

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| Cash flow sensitivity ± 1% | <u>31,382,270</u> | <u>24,105,316</u> |
|----------------------------|-------------------|-------------------|

#### 34.3.3 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 interest rate risk or currency risk). Whether those changes caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

#### 34.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.

### 34.3.5 Capital risk management

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

### 35 CAPACITY AND PRODUCTION

|                                 |   | 2017    | 2016    |
|---------------------------------|---|---------|---------|
| Installed crushing capacity     | (M. Tons based on actual crushing days) | 403,581 | 281,928 |
| Actual cane crushing            | (M. Tons)                               | 396,591 | 264,020 |
| Percentage of capacity attained | (%)                                     | 98%     | 94%     |
| Number of days of production    | (Days)                                  | 139     | 117     |
| Production of sugar             | (M.Tons)                                | 39,905  | 31,749  |

The sugar production plant capacity is based on crushing of sugarcane on daily basis in a season and sugar production is dependent on various factors which mainly includes sucrose content, recovery.

### 36 PROVIDENT FUND RELATED DISCLOSURES

|   | 2017<br>RUPEES | 2016<br>RUPEES |
|---|----------------|----------------|
| Total Contribution Made by Employees / Company was Rs. 4,719,736. |                |                |
| Outstanding balance payable to the fund Rs. 26,106,939.           |                |                |
| Size of the fund - Net assets                                     | 37,425,060     | 34,211,250     |
| Cost of investments made  | 3,305,000      | 5,218,609      |
| Percentage of investments made                                    | 8.83%          | 15.25%         |
| Fair value of investments   | 3,389,108      | 5,219,116      |

#### 36.1 Break-up of fair value of investment is:

|                                   | 2017             |                | 2016             |                |
|-----------------------------------|------------------|----------------|------------------|----------------|
|                                   | -- (Rupees) --   | -- % --        | -- (Rupees) --   | -- % --        |
| Saving Accounts                   | -                | 0%             | 4,198,609        | 80%            |
| Al-Meezan Islamic Investment Fund | 1,026,637        | 30%            | 1,020,506        | 20%            |
| NAFA Fund                         | 719,893          | 21%            | -                | 0%             |
| UBL Fund                          | 1,642,579        | 48%            | -                | 0%             |
|                                   | <u>3,389,108</u> | <u>100.00%</u> | <u>5,219,116</u> | <u>100.00%</u> |

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

### 37 NUMBER OF EMPLOYEES

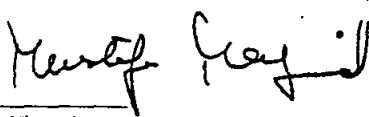
|  |     |     |
|--|-----|-----|
| Number of employees as at September 30 | 250 | 230 |
|--|-----|-----|

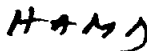
### 38 DATE OF AUTHORIZATION

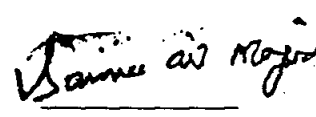
These financial statements were authorized for issue on 03 JAN 2018 by the Board of Directors of the company.

### 39 GENERAL

39.1 Figures have been rounded off to the nearest rupee.

  
Chief Executive



  
Director

S. A. M

**NAUDERO SUGAR MILLS  
(PRIVATE) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
SEPTEMBER 30, 2016**




#### AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **NAUDERO SUGAR MILLS (PRIVATE) LIMITED** ("the Company") as at **September 30, 2016** and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion,
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in notes 3.3 to the financial statements with which we concur;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affair as at September 30, 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980

 **Moochhala Gangat & Co.**  
Chartered Accountants  
Engagement partner: Hussaini Fakhruddin  
Karachi  
Date:

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2016**

|  |      | 2016                 | 2015          |
|--|------|----------------------|---------------|
|  | Note | ----- (Rupees) ----- |               |
| <b>ASSETS</b>  |      |                      |               |
| <b>NON-CURRENT ASSETS</b>                                    |      |                      |               |
| Property, plant and equipment                                | 4    | 3,430,816,259        | 2,276,294,267 |
| Long term deposits   |      | 615,600              | 499,500       |
|  |      | 3,431,431,859        | 2,276,793,767 |
| <b>CURRENT ASSETS</b>  |      |                      |               |
| Biological Assets  | 5    | -                    | 38,300,000    |
| Stores, spare parts and loose tools                          | 6    | 196,562,635          | 187,879,461   |
| Stock in trade   | 7    | 825,425,936          | 589,929,531   |
| Trade debts  | 8    | 444,254,325          | 214,568,875   |
| Loan and advances  | 9    | 948,587,641          | 690,484,961   |
| Trade deposits, short term prepayments and other receivables | 10   | 20,423,000           | 40,423,000    |
| Tax refund due from government                               | 11   | -                    | 15,821,678    |
| Due from associated undertakings                             | 12   | 311,273,275          | 189,888,805   |
| Taxation - net   | 13   | 7,541,360            | 4,985,382     |
| Cash and bank balances                                       | 14   | 224,288              | 3,668,702     |
|  |      | 2,754,292,460        | 1,975,950,395 |
|  |      | 6,185,724,319        | 4,252,744,162 |
| <b>EQUITY AND LIABILITIES</b>                                |      |                      |               |
| <b>SHARE CAPITAL AND RESERVES</b>                            |      |                      |               |
| Authorized capital   |      |                      |               |
| 3,400,000 (2015: 2,000,000) Ordinary shares of Rs.100 each   |      | 340,000,000          | 200,000,000   |
| Issued, subscribed and paid up capital                       | 15   | 337,774,800          | 168,887,400   |
| Equity reserve   |      | 136,138,009          | -             |
| Accumulated profit   |      | 99,600,487           | 67,693,073    |
|  |      | 573,513,296          | 236,580,473   |
| Surplus on revaluation of fixed assets                       | 16   | 1,933,177,515        | 1,049,496,763 |
| <b>NON CURRENT LIABILITIES</b>                               |      |                      |               |
| Subordinated loan  | 17   | -                    | 136,138,009   |
| Long term finance  | 18   | 1,262,148,861        | 223,558,001   |
| Liability against assets subject to finance lease            | 19   | 2,806,584            | 4,585,163     |
| Deferred markup  | 20   | -                    | 643,506       |
| Deferred taxation - Net                                      | 21   | 512,547,884          | 338,068,235   |
|  |      | 1,777,503,329        | 702,992,914   |

*Handwritten signature*

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2016**

|  |      | 2016                 | 2015                 |
|--|------|----------------------|----------------------|
|  | Note | ----- (Rupees) ----- |                      |
| <b>CURRENT LIABILITIES</b>   |      |                      |                      |
| Trade and other payables   | 22   | 644,601,092          | 435,503,525          |
| Accrued markup   | 23   | 80,255,841           | 102,281,154          |
| Short term borrowing   | 24   | 1,148,382,761        | 1,589,583,168        |
| Current portion of long term finance and deferred markup             |      | 25,936,645           | 133,852,800          |
| Current portion of liability against assets subject to finance lease | 19   | 2,353,841            | 2,453,365            |
|  |      | 1,901,530,180        | 2,263,674,012        |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |      |                      |                      |
|  | 25   | -                    | -                    |
|  |      | <u>6,185,724,319</u> | <u>4,252,744,162</u> |

The annexed notes form an integral part of these financial statements

**CHIEF**  
**EXECUTIVE** \_\_\_\_\_

**DIRECTOR** \_\_\_\_\_

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|  |      | 2016              | 2015              |
|--|------|-------------------|-------------------|
|  | Note | (Rupees)          |                   |
| Sales - Net  | 26   | 1,368,106,078     | 938,875,226       |
| Cost of goods sold   | 27   | (1,051,654,318)   | (805,843,373)     |
| Gross Profit   |      | 316,451,760       | 133,031,853       |
| Administrative expenditure   | 28   | (62,398,916)      | (59,878,800)      |
| Selling expenditure  | 29   | (4,929,230)       | (7,121,404)       |
|  |      | 249,123,614       | 66,031,649        |
| Other income   | 30   | (27,583,769)      | 232,106,140       |
| Other charges  | 31   | (5,384,019)       | (161,406)         |
| Profit before financial charges  |      | 216,155,826       | 297,976,383       |
| Financial charges  | 32   | (194,502,131)     | (299,201,415)     |
| Profit / (loss) before taxation  |      | 21,653,695        | (1,225,032)       |
| Taxation   | 33   | (19,861,219)      | 14,154,858        |
| Profit after taxation  |      | 1,792,476         | 12,929,826        |
| Other Comprehensive Income:  |      |                   |                   |
| Incremental depreciation arising from revaluation of property, plant and equipment |      | 40,422,734        | 25,678,508        |
| Deferred tax relating to component of comprehensive income                         |      | (10,307,797)      | (8,217,123)       |
| Other comprehensive income - net of tax  |      | 30,114,937        | 17,461,386        |
| <b>Total comprehensive income for the year</b>                                     |      | <b>31,907,413</b> | <b>30,391,212</b> |

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



**CHIEF  
EXECUTIVE** \_\_\_\_\_

**DIRECTOR** \_\_\_\_\_

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**2016**                      **2015**  
 -----(Rupees)-----

**CASH FLOW FROM OPERATING ACTIVITIES**

|  |                    |                    |
|--|--------------------|--------------------|
| Profit / (loss) before taxation                          | 21,653,695         | (1,225,032)        |
| <i>Adjustments for non cash charges and other items:</i> |                    |                    |
| Depreciation   | 50,616,288         | 39,694,739         |
| Loss on disposal of vehicle                              | 595,358            | -                  |
| Loss on restructuring                                    | 26,988,411         | -                  |
| Financial Charges  | 194,502,131        | 299,201,415        |
| Subordinated loan waived off by sponsors                 | -                  | (183,000,000)      |
|  | <u>272,702,188</u> | <u>155,896,154</u> |
| <b>Net cash flow before working capital changes</b>      | <b>294,355,883</b> | <b>154,671,122</b> |

**WORKING CAPITAL CHANGES**

*(Increase) / decrease in current assets*

|  |                      |                      |
|--|----------------------|----------------------|
| Biological Assets  | 38,300,000           | (38,300,000)         |
| Stores, spare parts and loose tools                          | (8,683,174)          | 10,598,821           |
| Stock in trade   | (235,496,405)        | (229,665,989)        |
| Trade debts  | (229,685,450)        | 28,302,077           |
| Loan and advances  | (258,102,680)        | 150,879,051          |
| Trade deposits, short term prepayments and other receivables | 20,000,000           | (7,762,167)          |
| Tax refund due from government                               | 15,821,678           | (14,634,727)         |
| Due from associated undertakings                             | (121,384,470)        | (873,117)            |
|  | <u>(779,230,501)</u> | <u>(101,456,051)</u> |

*Increase / (decrease) in current liabilities*

|                                     |                      |                    |
|-------------------------------------|----------------------|--------------------|
| Trade and other payables            | 209,097,567          | 247,972,960        |
| <b>Cash generated in operations</b> | <u>(275,777,051)</u> | <u>301,188,031</u> |

|  |                      |                      |
|--|----------------------|----------------------|
| Income tax paid  | (30,327,409)         | (8,013,539)          |
| Financial charges paid   | (216,527,444)        | (269,258,295)        |
|  | <u>(246,854,853)</u> | <u>(277,271,834)</u> |
| <b>Net cash inflow / (outflow) from operating activities ( A )</b> | <b>(522,631,904)</b> | <b>23,916,197</b>    |

**CASH FLOW FROM INVESTING ACTIVITIES**

|  |                      |                     |
|--|----------------------|---------------------|
| Fixed capital expenditure                            | (3,965,934)          | (1,625,700)         |
| Sale proceed of disposal of fixed assets             | 929,435              | -                   |
| Capital work in progress                             | (133,500,000)        | (42,000,000)        |
| Long term deposits                                   | (116,100)            | (149,500)           |
| <b>Net cash (used) in investing activities ( B )</b> | <b>(136,652,599)</b> | <b>(43,775,200)</b> |

2016

2015

(Rupees)

**CASH FLOW FROM FINANCING ACTIVITIES**

|  |                        |                        |
|--|------------------------|------------------------|
| Issue of share capital                                     | 168,887,400            | -                      |
| Liability against assets subject to finance lease          | (1,878,103)            | (2,498,105)            |
| Long term finance  | 930,545,999            | (91,043,999)           |
| Deferred markup  | (514,800)              | (1,632,779)            |
| <b>Net cash (outflow) from financing activities ( C )</b>  | <b>1,097,040,496</b>   | <b>(95,174,883)</b>    |
| <b>Net (decrease) in cash and cash equivalents (A+B+C)</b> | <b>437,755,993</b>     | <b>(115,033,886)</b>   |
| <b>Cash and cash equivalents at beginning of the year</b>  | <b>(1,585,914,466)</b> | <b>(1,470,880,580)</b> |
| <b>Cash and cash equivalents at end of the year</b>        | <b>(1,148,158,473)</b> | <b>(1,585,914,466)</b> |
| Cash and bank balances                                     | 224,288                | 3,668,702              |
| Short term borrowing                                       | (1,148,382,761)        | (1,589,583,168)        |
|  | <u>(1,148,158,473)</u> | <u>(1,585,914,466)</u> |

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

CHIEF

EXECUTIVE \_\_\_\_\_

DIRECTOR \_\_\_\_\_

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

|   | Share Capital        | Equity Reserve     | Unappropriated profit | Total              |
|---|----------------------|--------------------|-----------------------|--------------------|
|   | ----- (Rupees) ----- |                    |                       |                    |
| Balance as at September 30, 2014        | 168,887,400          |                    | 37,301,862            | 206,189,262        |
| Income for the year                     |                      |                    | 12,929,826            | 12,929,826         |
| Other comprehensive income              |                      |                    | 17,461,386            | 17,461,386         |
| Total comprehensive income for the year | -                    |                    | 30,391,212            | 30,391,212         |
| Balance as at September 30, 2015        | 168,887,400          |                    | 67,693,073            | 236,580,473        |
| Shares issued during the year           | 168,887,400          |                    |                       | 168,887,400        |
| Income for the year                     |                      |                    | 1,792,476             | 1,792,476          |
| Other comprehensive income              |                      |                    | 30,114,937            | 30,114,937         |
| Total comprehensive income for the year |                      |                    | 31,907,413            | 31,907,413         |
| Transfer from liability to equity       | -                    | 136,138,009        | -                     | 136,138,009        |
| Balance as at September 30, 2016        | <u>337,774,800</u>   | <u>136,138,009</u> | <u>99,600,487</u>     | <u>573,513,296</u> |

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



**CHIEF**  
**EXECUTIVE** \_\_\_\_\_

**DIRECTOR** \_\_\_\_\_

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**1 THE COMPANY AND ITS OPERATIONS**

The Company was incorporated as a Private Limited Company on October 22, 2001 in Pakistan registered under the Companies Ordinance, 1984 and is engaged in the production and sale of refined sugar and molasses. . The registered office is situated at Naudero Road, District Larkana, Sindh, Pakistan.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by 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 of or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 Critical accounting estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting judgments. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations on future events that are believed to be reasonable under these circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

**2.2.1 Provision for slow moving, obsolete & dead items**

The Company reviews the stores and spares items periodically therefore provides against the items declared obsolete immediately whereas provision against slow moving items is made if it remained static for certain period of time as decided by the management.

**2.2.2 Property, Plant & Equipment**

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective (items) of Property, Plant & Equipment, with corresponding effects on the depreciation charge and impairment.

**2.2.3 Stock in trade**

These are valued at lower of cost determined on Weighted Average Method (WAM) basis and net realizable value. Cost of finished goods consist of direct material costs and appropriate portion of manufacturing overheads.

NRV signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The Company reviews NRV of stock-in-trade and stores and spare parts to assess any diminution in the respective carrying values.

**2.2.4 Impairment of trade debts**

An estimate of the collectible amount of trade accounts receivable is made when there is objective evidence that the collection of the full amount is no longer together. For individually significant amount, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied at the balance sheet date according to the length of time past due, based on historical recovery rates.



### 2.2.5 Taxation

In making the estimates of income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instances where the Company's view differ from the view taken by the income tax department at the assessment stage and where the Company considers that its view on points of material nature is in accordance with law, the amounts are shown as contingency. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except in the case of fixed assets which have been stated at revalued amounts and in the case of stock in trade which are valued at lower of cost or net realizable value.

### 3.2 Initial application of standards, amendments or an interpretation to existing standards

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

#### Amendments to published standards effective in current year

The following standards, amendments and interpretations are effective for the year ended September 30, 2016. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

| Standard or Interpretation   | Effective date<br>(accounting<br>periods beginning<br>on or after) |
|--|--|
| IFRS 10 – Consolidated Financial Statements                          | January 1, 2015  |
| IFRS 11 – Joint Arrangements   | January 1, 2015  |
| IFRS 12 – Disclosure of Interests in Other Entities                  | January 1, 2015  |
| IFRS 13 – Fair Value Measurement                                     | January 1, 2015  |
| IAS 27 (Revised 2011) – Separate Financial Statements                | January 1, 2015  |
| IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures | January 1, 2015  |

#### Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

**Standards / Amendments / Interpretation****Effective date  
(accounting  
periods beginning  
on or after)**

Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions.

January 1, 2018

Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture. Amendments to IFRS 2 'Share-based Payment' - Clarification on the classification and measurement of share-based payment transactions. - Deferred indefinitely

Amendments to IFRS 10 'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' - Investment Entities: Applying the consolidation exception.

January 1, 2016

Amendments to IFRS 11 'Joint Arrangements' - Accounting for acquisitions of interests in joint operations.

January 1, 2016

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure initiative.

January 1, 2016

Amendments to IAS 7 'Statement of Cash Flows' - Amendments as a result of the disclosure initiative.

January 1, 2017

Amendments to IAS 12 'Income Taxes' - Recognition of deferred tax assets for unrealized losses.

January 1, 2017

Amendments to IAS 16 'Property Plant and Equipment' and IAS 38 'Intangible Assets' - Clarification of acceptable methods of depreciation and amortization.

January 1, 2016

Amendments to IAS 16 'Property Plant and Equipment' and IAS 41 'Agriculture' - Measurement of bearer plants.

January 1, 2016

Amendments to IAS 27 'Separate Financial Statements' - Equity method in separate financial statements.

January 1, 2016

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards.
- IFRS 9 – Financial Instruments.
- IFRS 14 – Regulatory Deferral Accounts.
- IFRS 15 – Revenue from Contracts with Customers.
- IFRS 16 – Leases.

### **3.3 Standards, amendments and interpretations that are not yet effective and have been early adopted by the Company.**

IFRS 32 'Accounting Directly from Equity' issued by IASB on January 25, 2016 and applicable for financial statements for the period beginning on or after 1 January 2016 has been earlier adopted by the Company. Resultantly, the loan to an entity which is agreed to be paid at the discretion of the entity does not pass the test of liability and is to be recorded as equity at face value. This is not subsequently re-measured.

The decision by the entity at any time in future to deliver cash or any other financial asset to settle the director's loan would be a direct debit to equity.

### **3.4 Retirement benefits**

The Company operates a recognized provident fund scheme for all of its eligible employees. Contributions



- thereto are made at 10% of the basic salary in accordance with the term of the scheme. The Company has 230 number of employees as at September 30, 2016 (2015: 223 employees) and average number of employees during the year were 227 (2015: 220).

### 3.5 Taxation

#### **Current**

The charge for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits, tax rebates and tax losses etc, if any.

#### **Deferred**

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences arising from carrying values of assets and liabilities in financial statements & their tax base.

This is recognized on the basis of the expected manner of the realization or settlement of carrying amount of assets and liabilities using the tax rate enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized to the extent that it is probable the future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

### 3.6 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 future for goods and services received, whether or not billed to the Company.

### 3.7 Property Plant & Equipment

#### **Owned**

These are stated at cost / revalued amounts less accumulated depreciation. Depreciation is charged to income applying the reducing balance method at the rates specified in fixed assets note except for free hold land, which is stated at revalued amount and plant and machinery for which units of production method of depreciation is used. An amount equal to the incremental depreciation charged during the year net of deferred tax on revalued assets is transferred from the surplus on revaluation of fixed assets to accumulated profit.

Depreciation on additions to property, plant and equipment is charged from the quarter in which an item is put to use while no depreciation is charged for the quarter in which the item is derecognized / disposed off.

Gains or losses on disposal of items of property, plant and equipment are dealt through the profit and loss account. Normal repair and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, are retired.

### 3.8 Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

### 3.9 Investments

#### **In associates**

Investments in associates are stated at cost. Permanent diminution in the net book value of unquoted investment is recognized in profit and loss account for the year. Other investments are valued at fair value through profit and loss.

#### **At fair value through profit & loss**

Investments categorized fair value through profit & loss are initially recorded at cost and thereafter subsequently re-measured at fair value.

**4.10 Biological assets**

These are measured at fair value less costs to sell on initial recognition at each balance sheet date unless the fair value can not be measured reliably. Gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset at the balance sheet date is included in profit and loss account for the period in which it arises.

**4.11 Stores and spares**

These have been stated at average cost less provision for obsolete and slow moving stock. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

**4.12 Stock in trade**

These are valued as follows:

|                      |   |   |
|----------------------|---|---|
| Raw material         | : | At weighted average cost                                |
| Work in process      | : | At weighted average cost                                |
| Finished goods       | : | Lower of weighted average cost and net realizable value |
| Molasses and baggase | : | At net realizable value                                 |

**4.13 Trade debts**

Trade debts are stated at invoice value. Debts considered irrecoverable are written off, while provisions are made for debts considered doubtful.

**4.14 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and with banks in current account, deposit and saving accounts and short term borrowings.

**4.15 Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**4.16 Financial instruments**

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument at cost which is the fair value of consideration given or received. These assets except investment in associated undertakings are subsequently measured at fair value. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account.

**4.17 Off setting of financial assets and liabilities**

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

**4.18 Revenue recognition**

Sales of goods are recognized when the goods are delivered and title has passed, i.e., when the significant risks and rewards of ownership have been transferred to the customer.

**4.19 Related parties**

Transactions with the following related parties are carried out on commercial terms and conditions:

- Pak Ethanol (Private) Limited
- Omni Polymer Packages (Private) Limited
- Tando Allayar Sugar Mills (Private) Limited
- Orient Automotive (Private) Limited
- Dadu Energy (Private) Limited
- Ansari Sugar Mills Limited
- Bawany Sugar Mills Limited

**4.20 Borrowing costs**

Borrowings costs are recognized as an expense in the period in which these are incurred except for the borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

**4.21 Dividend and appropriation**

Dividends and appropriation to reserve is recognized in the financial period in which these are approved.

*flm*

**4 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets:

Capital work in progress

|      | 2016                 | 2015                 |
|------|----------------------|----------------------|
| Note |                      |                      |
| 1.1  | 3,057,258,831        | 2,036,236,839        |
| 4.2  | 373,557,428          | 246,057,428          |
|      | <u>3,430,816,259</u> | <u>2,282,294,267</u> |

**4.1 OPERATING FIXED ASSETS**

| Description                            | OWNED              |                            |                      |                        |                              |  |                        | LEASED            | Total                |
|--|--------------------|----------------------------|----------------------|------------------------|------------------------------|--|------------------------|-------------------|----------------------|
|  | Freehold Land      | Building on Free Hold Land | *Plant and machinery | Furniture and Fixtures | Laboratory/ Office Equipment | Electric, Gas & Telephone Installation | Computer & Accessories | Vehicles          |                      |
| <b>COST</b>                            |                    |                            |                      |                        |                              |  |                        |                   |                      |
| Balance as at 01 October 2014          | 156,550,000        | 448,849,872                | 1,158,538,488        |                        | 14,673,454                   | 5,952,409                              | 11,143,527             | 13,633,555        | 1,843,679,881        |
| Additions                              |                    |                            |                      |                        |                              | 1,550,000                              | 49,200                 |                   | 1,625,700            |
| Surplus arising on Revaluation         | 126,250,000        | 172,940,823                | 30,522,316           |                        |                              |  |                        |                   | 329,713,139          |
| <b>Balance as at 30 September 2015</b> | <b>282,800,000</b> | <b>621,790,695</b>         | <b>1,189,060,804</b> | <b>5,097,098</b>       | <b>14,673,454</b>            | <b>7,502,409</b>                       | <b>11,192,727</b>      | <b>13,633,555</b> | <b>2,175,018,720</b> |
| Balance as at 01 October 2015          | 282,800,000        | 621,790,695                | 1,189,060,804        |                        | 14,673,454                   | 7,502,409                              | 11,192,727             | 13,633,555        | 2,175,018,720        |
| Additions                              |                    |                            |                      |                        | 485,968                      | 1,067,409                              |                        |                   | 1,553,377            |
| Disposals                              |                    |                            |                      |                        |                              |  |                        | (2,578,000)       | (2,578,000)          |
| Surplus arising on Revaluation         | 171,200,000        | 139,509,378                | 758,487,761          |                        |                              |  |                        |                   | 1,069,197,139        |
| <b>Balance as at 30 September 2016</b> | <b>454,000,000</b> | <b>761,300,073</b>         | <b>1,947,548,565</b> | <b>5,199,375</b>       | <b>15,159,422</b>            | <b>7,627,689</b>                       | <b>12,260,136</b>      | <b>11,055,555</b> | <b>3,245,603,793</b> |
| Balance as at 01 October 2014          |                    | 43,379,054                 | 23,854,225           |                        | 4,375,777                    | 2,197,472                              | 6,746,913              | 1,842,127         | 98,087,142           |
| Charge for the year                    |                    | 20,273,541                 | 15,206,579           |                        | 514,884                      | 269,472                                | 666,872                | 1,179,143         | 39,694,739           |
| <b>Balance as at 30 September 2015</b> | <b>-</b>           | <b>63,652,595</b>          | <b>39,060,804</b>    | <b>1,781,471</b>       | <b>4,890,661</b>             | <b>2,377,695</b>                       | <b>7,413,785</b>       | <b>3,021,270</b>  | <b>138,781,881</b>   |
| Balance as at 01 October 2015          |                    | 63,652,595                 | 39,060,804           |                        | 4,890,661                    | 2,377,695                              | 7,413,785              | 3,021,270         | 138,781,881          |
| Charge for the year                    |                    | 27,906,905                 | 18,697,761           |                        | 496,723                      | 259,368                                | 646,897                | 1,061,229         | 50,616,288           |
| Accumulated Depreciation               |                    |                            |                      |                        |                              |  |                        | (1,053,207)       | (1,053,207)          |
| <b>Balance as at 30 September 2016</b> | <b>-</b>           | <b>91,559,500</b>          | <b>57,758,565</b>    | <b>1,952,988</b>       | <b>5,387,384</b>             | <b>2,637,063</b>                       | <b>8,060,682</b>       | <b>3,029,292</b>  | <b>188,344,962</b>   |
| <b>CARRYING AMOUNT - 2016</b>          | <b>454,000,000</b> | <b>669,740,573</b>         | <b>1,889,790,000</b> | <b>3,246,387</b>       | <b>9,772,038</b>             | <b>4,990,626</b>                       | <b>4,199,454</b>       | <b>8,026,263</b>  | <b>3,057,258,831</b> |
| <b>CARRYING AMOUNT - 2015</b>          | <b>282,800,000</b> | <b>558,138,100</b>         | <b>1,150,000,000</b> | <b>3,313,627</b>       | <b>9,782,793</b>             | <b>5,124,714</b>                       | <b>3,778,942</b>       | <b>10,612,285</b> | <b>2,036,236,839</b> |
| <b>RATE OF DEPRECIATION</b>            | <b>5%</b>          | <b>5%</b>                  | <b>5%</b>            | <b>5%</b>              | <b>5%</b>                    | <b>5%</b>                              | <b>15%</b>             | <b>10%</b>        |                      |

Depreciation on plant and machinery is calculated on the basis of unit production method

2016                      2015  
Note                      -----(Rupees)-----

4.1.1 Depreciation expenses for the year has been allocated as follows:

|                            |      |                   |                   |
|----------------------------|------|-------------------|-------------------|
| Cost of goods sold         | 27.1 | 46,604,666        | 35,480,120        |
| Administrative expenditure | 28   | 4,011,622         | 4,214,619         |
|                            |      | <u>50,616,288</u> | <u>39,694,739</u> |

4.1.2 Had the Revaluation not been carried out the book value of the revalued assets would have been as under:

| Particulars                | 2016                                   |                    | 2015                                   |                    |
|----------------------------|--|--------------------|--|--------------------|
|                            | W.D.V of assets as appearing aforesaid | W.D.V of assets    | W.D.V of assets as appearing aforesaid | W.D.V of assets    |
| Freehold land              | 454,000,000                            | 3,145,054          | 282,800,000                            | 3,145,054          |
| Building on free hold land | 669,740,573                            | 46,942,971         | 558,138,100                            | 46,354,238         |
| Plant and machinery        | 1,889,790,000                          | 522,892,881        | 1,150,000,000                          | 529,663,546        |
|                            | <u>3,013,530,573</u>                   | <u>572,980,906</u> | <u>1,990,938,100</u>                   | <u>579,162,838</u> |

2016                      2015  
----- (Rupees) -----

4.2 Capital work in progress

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Opening                               | 240,057,428        | 198,057,428        |
| Addition                              |                    |                    |
| Plant and machinery                   | 133,500,000        | 42,000,000         |
| Less: Transferred to operating assets | -                  | -                  |
|                                       | <u>133,500,000</u> | <u>42,000,000</u>  |
|                                       | <u>373,557,428</u> | <u>240,057,428</u> |

5 BIOLOGICAL ASSETS

|   |              |                   |
|---|--------------|-------------------|
| Carrying value at beginning of the year                     | 38,300,000   | -                 |
| Addition due to cultivation                                 | -            | 38,300,000        |
| Cultivation of crop   | (38,300,000) | -                 |
| Gain arising from initial recognition of standing crop less | -            | -                 |
| Carrying value at end of the year                           | <u>-</u>     | <u>38,300,000</u> |

- 5.1 The cultivation of sugar cane crop have been discontinued from the current year, in comparative year the value of sugarcane crop was cultivated on area of 500 acres. These assets have been measured at cost as fair value of these assets cannot be measured reliably.

6 STORE, SPARE PARTS AND LOOSE TOOLS

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| Store, spare parts and loose tools | 177,864,569        | 170,007,384        |
| Oil, chemicals and lubricants      | 12,825,793         | 12,259,212         |
| Packing material                   | 5,872,273          | 5,612,865          |
|                                    | <u>196,562,635</u> | <u>187,879,461</u> |

*PL*

|  | Note | 2016                 | 2015        |
|--|------|----------------------|-------------|
|  |      | ----- (Rupees) ----- |             |
| <b>7 STOCK IN TRADE</b>  |      |                      |             |
| <b>Finished goods</b>  |      |                      |             |
| Sugar  |      | 688,632,383          | 457,735,411 |
| Molasses   | 7.1  | 94,465,253           | 82,653,770  |
|  |      | 783,097,636          | 540,389,181 |
| <b>Work in process</b>   |      |                      |             |
| Sugar in Process   |      | 18,322,264           | 19,027,785  |
| Molasses in process  |      | 1,080,394            | 1,440,525   |
|  |      | 19,402,658           | 20,468,310  |
| <b>Raw material</b>  |      | 22,925,642           | 29,072,040  |
|  |      | 825,425,936          | 589,929,531 |
| <b>8 TRADE DEBTS</b>   |      |                      |             |
| Unsecured - Considered good  |      | 444,254,325          | 214,568,875 |
| Trade debts include Rs. 162,523,883 (2015: Rs. 109,363,823) due from related party.  |      |                      |             |
| <b>9 LOANS AND ADVANCES - Unsecured Considered good</b>  |      |                      |             |
| Advance to cane growers  |      | 161,922,488          | 89,143,793  |
| Advance to farms   |      | 557,062,161          | 503,353,331 |
| Advance for staff  |      | 3,341,938            | 3,127,070   |
| Advance for expenses   |      | 6,482,876            | 4,285,896   |
| Advance to suppliers / contractors   |      | 219,778,178          | 90,574,871  |
|  |      | 948,587,641          | 690,484,961 |
| <b>10 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES</b>   |      |                      |             |
| Government grants and subsidy receivable   |      | 20,423,000           | 20,423,000  |
| Others   |      | -                    | 20,000,000  |
|  |      | 20,423,000           | 40,423,000  |
| <b>11 TAX REFUNDS DUE FROM GOVERNMENT</b>  |      |                      |             |
| Sales tax refundable   |      | -                    | 15,821,678  |
|  |      | -                    | 15,821,678  |
| <b>12 DUE FROM ASSOCIATED UNDERTAKINGS - Unsecured</b>   |      |                      |             |
| This represents balances of current accounts with the associated companies maintained to meet working capital requirements. These are unsecured and interest free. |      |                      |             |
| <b>13 TAXATION - NET</b>   |      |                      |             |
| Opening  |      | (4,985,382)          | -           |
| Provision for the year   |      | 13,681,061           | 1,354,777   |
| Advance income tax   |      | (24,116,014)         | (4,666,779) |
| Prior year taxation  |      | 7,878,975            | (1,673,380) |
|  |      | (7,541,360)          | (4,985,382) |



|  | 2016                 | 2015                 |
|--|----------------------|----------------------|
|  | ----- (Rupees) ----- |                      |
| <b>14 CASH AND BANK BALANCES</b>   |                      |                      |
| Cash in hand   | 224,288              | 222,939              |
| Cash at bank - in current accounts   | -                    | 3,445,763            |
|  | <u>224,288</u>       | <u>3,668,702</u>     |
| <b>15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>   |                      |                      |
| 3,377,748 (2015: 1,688,874) Ordinary shares of Rs. 100 each allotted as fully paid in cash | <u>337,774,800</u>   | <u>168,887,400</u>   |
| <b>16 SURPLUS ON REVALUATION OF FIXED ASSETS</b>   |                      |                      |
| <b>Freehold land</b>   |                      |                      |
| Balance as at October 01   | 279,654,946          | 153,404,946          |
| Revaluation surplus arising during the year  | 171,200,000          | 126,250,000          |
| Revaluation surplus arising from freehold land   | 450,854,946          | 279,654,946          |
| <b>Factory building</b>  |                      |                      |
| Balance as at October 01   | 511,783,862          | 356,676,884          |
| Surplus arises during the year   | 139,509,378          | 172,940,823          |
| Less: Adjustment for incremental depreciation  | (28,495,638)         | (17,833,844)         |
|  | 622,797,602          | 511,783,862          |
| <b>Related deferred tax</b>  |                      |                      |
| Balance as at October 01   | 163,770,836          | 117,703,372          |
| Surplus arises during the year   | 35,574,891           | 55,341,063           |
| Effect of change in tax rate   | (33,265,951)         | (3,566,769)          |
| Less: related to incremental depreciation  | (7,266,388)          | (5,706,830)          |
|  | 158,813,388          | 163,770,836          |
| Revaluation surplus arising from factory building - Net                                    | 463,984,213          | 348,013,026          |
| <b>Plant and machinery</b>   |                      |                      |
| Balance as at October 01   | 620,336,456          | 597,658,805          |
| Surplus arises during the year   | 758,487,761          | 30,522,316           |
| Less: Adjustment for incremental depreciation  | (11,927,096)         | (7,844,664)          |
|  | 1,366,897,122        | 620,336,456          |
| <b>Related deferred tax</b>  |                      |                      |
| Balance as at October 01   | 198,507,666          | 197,227,406          |
| Surplus arises during the year   | 193,414,379          | 9,767,141            |
| Effect of change in tax rate   | (40,321,870)         | (5,976,588)          |
| Less: related to incremental depreciation  | (3,041,409)          | (2,510,293)          |
|  | 348,558,766          | 198,507,666          |
| Revaluation surplus arising from factory building - Net                                    | 1,018,338,355        | 421,828,790          |
|  | <u>1,933,177,515</u> | <u>1,049,496,763</u> |

Revaluation of land, building on land and plant and machinery has been carried out by M/s. Tracom (Private) Limited, an approved professional valuers on the panel of Pakistan Bankers Association, related to the year which has been incorporated showing revaluation surplus of Rs. 1,069,197,139 (2015: Rs. 329,713,139). Previously the same assets were evaluated by M/s. Tracom (Private) Limited in September 2015 and September 2012 and by M/s Asif Associates (Private) Limited in December 2009.

|                                     | 2016                 | 2015               |
|-------------------------------------|----------------------|--------------------|
|                                     | ----- (Rupees) ----- |                    |
| <b>17 SUBORDINATED LOAN</b>         |                      |                    |
| Subordinated loan                   | 136,138,009          | 319,138,009        |
| Less: Loan waived off by sponsors   | -                    | (183,000,000)      |
| Less: Transferred to equity reserve | (136,138,009)        | -                  |
|                                     | <u>136,138,009</u>   | <u>136,138,009</u> |

Effective from October 01, 2015, loan agreement was amended between company and directors, accordingly the loan is now payable at the discretion of the company and will remain interest free. Accordingly, the accounting treatment of the loan has been charged as per TR-32 "Accounting Director's Loan" and has been transferred to equity reserve directly through statement of changes in equity as an equity contribution. This loan will not be remeasured subsequently.

# 18 LONG TERM FINANCE

|   | Note | Installments<br>Number | Commencing<br>from | Mark-up                             | 2016                 | 2015                 |
|---|------|------------------------|--------------------|-------------------------------------|----------------------|----------------------|
|   |      |                        |                    |                                     | ----- (Rupees) ----- |                      |
| <b>Term loans</b>   |      |                        |                    |                                     |                      |                      |
| Sindh Bank Limited - Syndicated term finance facility           | 18.1 | 10 semi-annual         | May 2015           | 6 months KIBOR plus 2% per annum    |                      | 44,390,561           |
| Summit Bank Limited - Syndicated term finance facility          | 18.1 | 10 semi-annual         | May 2015           | 6 months KIBOR plus 2% per annum    |                      | 55,005,440           |
| Sindh Bank Limited - restructured                               | 18.1 | 24 Quarterly           | July 2017          | 3 months KIBOR plus 2.75% per annum | 163,352,000          | 112,500,000          |
| Sindh Bank Limited- RF converted to term finance - restructured | 18.2 | 24 Quarterly           | July 2017          | 3 months KIBOR plus 2.75% per annum | 240,000,000          | -                    |
| Sindh Bank Limited - Term Finance I                             | 18.3 | 28 Quarterly           | July 2017          | 3 months KIBOR plus 3% per annum    | 60,000,000           | -                    |
| Sindh Bank Limited - Term Finance II                            | 18.3 | 28 Quarterly           | July 2017          | 3 months KIBOR plus 3% per annum    | 80,000,000           | -                    |
| National Bank of Pakistan                                       | 18.5 | 22 Quarterly           | July 2016          | 3 months KIBOR plus 2% per annum    | 346,760,000          | 122,500,000          |
| Summit Bank Limited   | 18.6 | 8 semi-annual          | July 2016          | 6 months KIBOR plus 2.75% per annum | 397,330,000          | 22,500,000           |
|   |      |                        |                    |                                     | <u>1,287,442,000</u> | <u>356,896,001</u>   |
| Less: Current portion shown under current liabilities           |      |                        |                    |                                     | <u>(25,293,139)</u>  | <u>(133,338,000)</u> |
|   |      |                        |                    |                                     | <u>1,262,148,861</u> | <u>223,558,001</u>   |

- 18.1 During the year, Sindh Bank Limited has restructured its outstanding facilities of Rs. 88.352 million and new facility of Rs. 75 million converted into single term finance facility amounting Rs. 163.352 million with effect from July 2016. The principal and markup thereon is repayable in seven years including one year grace period. The facility is secured against moveable and immoveable fixed asset (including Land and Building) of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.
- 18.2 During the year, Sindh Bank Limited has converted running finance facility in to term finance with effect from July 2016. These are secured by way of first pari passu charge on all present and future fixed assets excluding leased assets with 25% margin on facility amount and personal guarantee of all directors.

- 18.3 This represent long term finance facilities of Rs. 60 million and Rs. 80 million from Sindh Bank Limited for the expenses incurred against maintenance, servicing and overhauling of property, plant and machinery of the mill. Principal repayment will commence only after the end of 1 year grace period. The facility is secured against moveable and immoveable fixed asset of the company with 20% margin to be upgraded to pari-passu within 90 days from the date of disbursement.
- 18.4 During the year, National Bank of Pakistan has restructured the long term and short term facilities of Rs. 346.760 million into single facility with effect from July 2016. The principal and markup thereon is repayable in 5.5 years. The facility is secured against moveable and immoveable fixed asset (including Land and Building) and 1st pari passu hypothecation charge over present and future plant and machinery of the company situated at Naudero District Larkana, Sindh.
- 18.5 During the year, Summit Bank Limited has restructured the long term and short term facilities of Rs. 397.330 million into long facility with effect from July 2016. The principal and markup thereon is repayable in 7 years including one year grace period. The facility is secured against moveable and immoveable fixed asset (including Land and Building) and 1st pari passu hypothecation charge over present and future plant and machinery of the company situated at Naudero District Larkana, Sindh.

#### 19 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The cost of operating and maintaining leased assets is borne by the Company.

|   | ----- 2016 -----             |                    | ----- 2015 -----             |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
|   | ----- (Rupees) -----         |                    |                              |                    |
|   | Minimum<br>lease<br>payments | Present<br>Value   | Minimum<br>lease<br>payments | Present<br>Value   |
| Not later than one year                           | 3,290,745                    | 2,806,584          | 3,373,860                    | 2,453,365          |
| Later than one year but not later than five years | <u>2,520,933</u>             | <u>2,353,841</u>   | <u>5,364,226</u>             | <u>4,585,163</u>   |
| <b>Total minimum lease payments</b>               | 5,811,678                    | 5,160,425          | 8,738,086                    | 7,038,528          |
| Less: Amount representing finance charges         | <u>(651,253)</u>             | -                  | <u>(1,699,558)</u>           | -                  |
| <b>Present value of minimum lease payments</b>    | 5,160,425                    | 5,160,425          | 7,038,528                    | 7,038,528          |
| Less: Current portion - Present value             | <u>(2,353,841)</u>           | <u>(2,353,841)</u> | <u>(2,453,365)</u>           | <u>(2,453,365)</u> |
|   | 2,806,584                    | 2,806,584          | 4,585,163                    | 4,585,163          |

2016                      2015  
Note                      ----- (Rupees) -----

#### 20 DEFERRED MARKUP

Balance as at October 01

Add: Deferred during the year

Less: Payment during the year

Current portion of long term deferred markup

|           |             |
|-----------|-------------|
| 1,158,306 | 2,791,085   |
| -         | -           |
| (514,800) | (1,632,779) |
| 643,506   | 1,158,306   |
| (643,506) | (514,800)   |
| -         | 643,506     |

#### 21 DEFERRED TAXATION - NET

##### Taxable temporary differences on

Surplus on revaluation of fixed assets

Accelerated depreciation

|      |                    |                    |
|------|--------------------|--------------------|
| 20.1 | 507,372,154        | 362,278,502        |
|      | 87,243,701         | 111,785,006        |
|      | <b>594,615,855</b> | <b>474,063,508</b> |

##### Deductible temporary differences on

Minimum tax

Finance lease obligation

Carried forward losses

|                     |                      |
|---------------------|----------------------|
| (31,104,143)        | (34,968,068)         |
| (1,315,908)         | (2,252,329)          |
| (49,647,920)        | (98,774,875)         |
| <b>(82,067,971)</b> | <b>(135,995,273)</b> |
| <b>512,547,884</b>  | <b>338,068,235</b>   |

*[Signature]*

|  |      | 2016                 | 2015                 |
|--|------|----------------------|----------------------|
|  | Note | ----- (Rupees) ----- |                      |
| <b>20.1 Surplus on revaluation of fixed assets</b>   |      |                      |                      |
| Opening balance as at October 01,  |      | 362,278,502          | 314,930,777          |
| Deferred tax on revaluation during the year  |      | 228,989,270          | 65,108,204           |
| Deferred tax on incremental depreciation during the year   |      | (10,307,797)         | (8,217,123)          |
| Deferred tax rate adjustment   |      | (73,587,821)         | (9,543,357)          |
|  |      | <u>507,372,154</u>   | <u>362,278,502</u>   |
| <b>22 TRADE AND OTHER PAYABLES</b>   |      |                      |                      |
| Book overdraft   |      | 65,409,742           | -                    |
| Creditors  |      | 388,700,673          | 142,457,586          |
| Advance from customers   |      | 146,862,000          | 211,062,653          |
| Accrued liabilities  |      | 14,078,537           | 14,422,014           |
| Due to associated undertakings   |      | -                    | 6,170,378            |
| Sales tax payable  |      | 172,558              | 10,851,570           |
| Withholding tax payable  |      | 351,285              | 299,193              |
| Workers' profit participation fund   | 22.1 | 8,301,613            | 6,229,785            |
| Worker welfare fund  |      | 5,538,126            | 1,665,255            |
| Payable to fund  |      | 5,218,609            | -                    |
| Other liabilities  |      | <u>9,967,949</u>     | <u>42,345,092</u>    |
|  |      | <u>644,601,092</u>   | <u>435,503,525</u>   |
| <b>22.1 Workers' profit participation fund</b>   |      |                      |                      |
| Balance as at October 01   |      | 6,229,785            | 5,537,586            |
| Less: Payment made during the year   |      | -                    | -                    |
|  |      | <u>6,229,785</u>     | <u>5,537,586</u>     |
| Add: Interest on unpaid amount   |      | 560,681              | 692,198              |
| Add: Contribution for the year   |      | <u>1,511,147</u>     | <u>-</u>             |
|  |      | <u>8,301,613</u>     | <u>6,229,785</u>     |
| <b>23 ACCRUED MARKUP</b>   |      |                      |                      |
| Markup on long term finance  |      | 20,752,218           | 36,372,866           |
| Markup on short term borrowing   |      | <u>59,503,623</u>    | <u>65,908,288</u>    |
|  |      | <u>80,255,841</u>    | <u>102,281,154</u>   |
| <b>24 SHORT TERM BORROWING</b>   |      |                      |                      |
| Cash finance - secured   | 24.1 | 924,650,000          | 548,039,240          |
| Running finance - secured  | 24.2 | 148,732,761          | 1,006,543,928        |
| Agriculture finance -secured   | 24.3 | 35,000,000           | 35,000,000           |
| Term finance   | 24.4 | <u>40,000,000</u>    | <u>-</u>             |
|  |      | <u>1,148,382,761</u> | <u>1,589,583,168</u> |
| 24.1 Facilities of Rs. 549 million (2015: Rs. 1,120 million) for Cash Finance (CF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' KIBOR plus specified spreads ranging from 200 basis points to 350 basis points (2015: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured against first pari passu charge over all present and future fixed assets, first pari passu hypothecation charge over all present and future plant and machinery, pledge of stock with margin ranging from 20% to 25% and personal guarantee of director(s) of the company. |      |                      |                      |

- 24.2 Facilities of Rs. 1,219 million (2015: Rs. 1,000 million) for Running Finance (RF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' Kibor Plus specified spreads ranging from 200 basis points to 350 basis points (2015: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured by way 1st pari passu charge on all fixed assets of the company, 1st pari passu charge on all present and future current assets with 25% margin, pari passu hypothecation charge over all present and future plant and machinery, personal guarantee of the directors and subordination of sponsor's loans and personal guarantees of sponsor directors. During the year, running finance amounting to Rs. 645,851,587 have been restructured and converted into long term finances refer note 18.3 to 18.5.
- 24.3 A facility of Agriculture finance have been obtained by the company from commercial bank amounting to Rs. 35 million. The facility carry mark-up of 3 months' KIBOR Plus 300 basis points. The facility is secured by way of pari passu charge over fixed and current assets with 25% margin.
- 24.4 A facility(s) of bridge finance have been obtained by the company from commercial bank amounted to Rs. 110.440 million for phase I BMR project out of which only Rs. 49.322 has been availed. The facility(s) carry mark up 3 months' KIBOR Plus specified spreads as per term sheet chargeable which is payable on quarterly basis. The principal is repayable as one time payment at the end of the facility through proceeds from Syndicate term finance facility. The facilities are secured against pari passu charge on all present and future moveable fixed assets up to Rs. 148 million and personal guarantee of major sponsors-/ directors

## 25 CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

- 25.1.1 Assistant Director, Agriculture Market, Larkana levied market committee fee of Rs. 3,321,580 on the company for the periods commencing from the year 2001-2002 up to 31 March-2007 which were contested before Civil Judge, in F.C. Suit No.81 of 2007. Judgment of the suit announced on 02-08-2011 wherein the levy was upheld and decree for the recovery of amount against the company was also issued. The company filed appeal bearing no. C.A. 96 C.P.C. against the order of Civil Judge, Larkana which is still in process. In view of the management since the levy pertains to the period during which the company was not operational, hence eventually since the levy pertains to the closed periods, no financial liability is likely to materialize. Hence no provision is made in the accounts.
- 25.1.2 The Company has issued post dated cheques in favour of Trading Corporation of Pakistan amounting to Rs. NIL (2014: Rs. NIL million) as guarantee against performance of contract of sale of goods. The Trading Corporation of Pakistan will refund these cheques upon satisfactory completion of the contract.

### 25.2 Commitments

- 25.2.1 Performance Guarantee issued by Sindh Bank of Rs. 16,250,000 (2015: NIL) in favor of Trading Corporation of Pakistan.
- 25.2.2 Posted dated cheques of amounting to Rs. 920,104 are issued against finance lease to NBP Leasing.

## 26 SALES - NET

Sugar

- local

- exports

Molasses

Less: Sales tax

Note 2016 2015  
----- (Rupees) -----

|               |              |
|---------------|--------------|
| 1,420,141,700 | 735,426,177  |
| 201,757,000   |              |
| 1,420,141,700 | 937,183,177  |
| 53,160,060    | 56,030,195   |
| (105,195,682) | (54,338,146) |
| 1,368,106,078 | 938,875,226  |

*[Signature]*

|   |        | 2016                 | 2015                 |
|---|--------|----------------------|----------------------|
|   | Note   | ------(Rupees)-----  |                      |
| <b>27 COST OF GOODS SOLD</b>            |        |                      |                      |
| Opening stock - Finished goods          |        | 457,735,411          | 242,723,163          |
| Cost of goods manufactured              | 27.1   | 1,282,551,290        | 1,020,855,621        |
| Closing stock - Finished goods          |        | (688,632,383)        | (457,735,411)        |
| Cost of goods sold                      |        | <u>1,051,654,318</u> | <u>805,843,373</u>   |
| <b>27.1 Cost of goods manufactured</b>  |        |                      |                      |
| Raw material consumed                   | 27.1.1 | 1,100,524,958        | 869,534,097          |
| Wages, salaries and other benefits      | 27.1.2 | 57,606,019           | 53,435,553           |
| Cartage and conveyance                  |        | 184,916              | 185,929              |
| Stores, spares and loose tools consumed | 27.1.3 | 47,515,475           | 55,568,475           |
| Fuel and power                          |        | 15,418,031           | 12,072,622           |
| Electricity and gas charges             |        | 5,459,982            | 5,932,807            |
| Vehicle running and maintenance         |        | 1,876,595            | 1,613,131            |
| Rent, rates and taxes                   |        | 358,340              | 1,875,918            |
| Repair and maintenance                  |        | 2,808,033            | 2,407,347            |
| Manufacturing expenses                  |        | 6,588,080            | 2,807,853            |
| Insurance                               |        | 6,072,238            | 7,578,481            |
| Depreciation                            | 4.1.1  | 46,604,666           | 35,480,120           |
| Miscellaneous                           |        | <u>2,279,788</u>     | <u>2,579,490</u>     |
|   |        | 1,293,297,121        | 1,051,071,823        |
| Opening work in progress                |        | 20,468,310           | 194,878              |
| Closing work in progress                |        | (19,402,658)         | (20,468,310)         |
|   |        | 1,065,652            | (20,273,432)         |
| <b>Molasses</b>                         |        |                      |                      |
| Opening stock                           |        | 82,653,770           | 72,711,000           |
| Closing stock                           |        | (94,465,253)         | (82,653,770)         |
|   |        | <u>(11,811,483)</u>  | <u>(9,942,770)</u>   |
|   |        | <u>1,282,551,290</u> | <u>1,020,855,621</u> |
| <b>27.1.1 Raw material consumed</b>     |        |                      |                      |
| Opening Balance                         |        | 29,072,040           | 44,634,501           |
| Purchases                               |        | 1,094,378,560        | 853,971,636          |
| Closing Balances                        |        | <u>(22,925,642)</u>  | <u>(29,072,040)</u>  |
|   |        | <u>1,100,524,958</u> | <u>869,534,097</u>   |

27.1.2 Wages, salaries and other benefits includes Rs. 1,056,396/- (2015: Rs. 978,989) in respect of staff retirement benefits.

|   |      | 2016                 | 2015                 |
|---|------|----------------------|----------------------|
|   | Note | ------(Rupees)-----  |                      |
| <b>27.1.3 Stores, spares and loose tools consumed</b> |      |                      |                      |
| Opening Balance                                       |      | 187,879,461          | 198,478,283          |
| Purchases   |      | 189,698,649          | 86,969,657           |
| Transferred to CWIP                                   |      | (133,500,000)        | (42,000,000)         |
| Closing Balances                                      |      | <u>(196,562,635)</u> | <u>(187,879,461)</u> |
|   |      | <u>47,515,475</u>    | <u>55,568,101</u>    |

|  |       | 2016                 | 2015               |
|--|-------|----------------------|--------------------|
|  | Note  | ----- (Rupees) ----- |                    |
| <b>28 ADMINISTRATIVE EXPENSES</b>  |       |                      |                    |
| Salaries, allowances and other benefits  | 28.1  | 30,683,531           | 29,028,607         |
| Telephone, telex and postage   |       |                      | 123,078            |
| Traveling and conveyance   |       | 1,812,126            | 1,641,657          |
| Vehicles running expenses  |       | 4,213,191            | 3,642,797          |
| Electricity charges  |       | 4,702,450            | 6,649,415          |
| Insurance  |       | 1,588,280            | 1,013,523          |
| Legal and professional   |       | 6,825,810            | 3,231,085          |
| Rent, rates and taxes  |       | 272,313              | 2,496,245          |
| Repairs and maintenance  |       | 1,555,398            | 2,603,156          |
| Sundry expenses  |       | 3,520,694            | 1,126,582          |
| Depreciation   | 4.1.1 | 4,011,622            | 4,214,619          |
| Intangible assets written off  |       | -                    | 1,214,964          |
| Auditors' remuneration   | 28.2  | 739,700              | 644,700            |
| Miscellaneous  |       | 2,473,801            | 2,248,372          |
|  |       | <u>62,398,916</u>    | <u>59,878,800</u>  |
|  |       |                      |                    |
| 28.1 Salaries, Wages and Other benefits includes Rs. 695,427/- (2015: Rs. 653,085/-) in respect staff retirement benefits. |       |                      |                    |
|  |       |                      |                    |
| 28.2 <b>Auditors' remuneration</b>   |       |                      |                    |
| Statutory audit fee  |       | 605,000              | 550,000            |
| Cost audit fee   |       | 74,200               | 39,700             |
| Out of pocket expenses   |       | 60,500               | 55,000             |
|  |       | <u>739,700</u>       | <u>644,700</u>     |
|  |       |                      |                    |
| <b>29 SELLING EXPENDITURE</b>  |       |                      |                    |
| Marketing and selling expenses   |       | 2,939,610            | 2,080,110          |
| Bags stacking and loading & unloading charges  |       | 1,989,620            | 1,710,585          |
| Export sales expenses  |       | -                    | 3,330,709          |
|  |       | <u>4,929,230</u>     | <u>7,121,404</u>   |
|  |       |                      |                    |
| <b>30 OTHER INCOME/(LOSS)</b>  |       |                      |                    |
| Rental income  |       | -                    | 2,506,140          |
| Export rebate  |       | -                    | 46,600,000         |
| Gain / (loss) on disposal of fixed assets  |       | (595,358)            | -                  |
| Loss on rescheduling of bank liability - Summit Bank   |       | (1,426,452)          | -                  |
| Loss on rescheduling of bank liability - NBP   |       | (25,561,959)         | -                  |
| Subordinated loan waived off by sponsors   |       | -                    | 183,000,000        |
|  |       | <u>(27,583,769)</u>  | <u>232,106,140</u> |
|  |       |                      |                    |
| <b>31 OTHER CHARGES</b>  |       |                      |                    |
| Worker profit participation fund   |       | 1,511,147            | -                  |
| Workers' welfare fund  |       | 3,872,871            | 161,406            |
|  |       | <u>5,384,019</u>     | <u>161,406</u>     |

2016                      2015  
 -----(Rupees)-----  
 Note

**32 FINANCE CHARGES**

|   |                    |                    |
|---|--------------------|--------------------|
| Bank charges                                  | 7,487,839          | 5,337,529          |
| Markup on long term finance                   | 50,168,771         | 97,554,380         |
| Markup on short term borrowing                | 135,640,220        | 194,763,848        |
| Mark up on workers' profit participation fund | 560,681            | 692,198            |
| Finance charges on lease                      | 644,620            | 853,460            |
|   | <u>194,502,131</u> | <u>299,201,415</u> |

**33 TAXATION**

|            |                   |                     |
|------------|-------------------|---------------------|
| - Current  | 13,681,061        | 1,354,777           |
| - Prior    | 7,878,975         | 1,673,380           |
| - Deferred | (1,698,817)       | (17,183,015)        |
|            | <u>19,861,219</u> | <u>(14,154,858)</u> |

**33.1 Relationship between tax expense and accounting profit**

|  |                   |                     |
|--|-------------------|---------------------|
| Profit/(Loss) before taxation  | 21,653,695        | (1,225,032)         |
| Corporate tax rate   | 31%               | 33%                 |
| Tax on accounting profit   | 6,712,645         | (404,261)           |
| Tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes | (1,698,817)       | (17,183,015)        |
| Excess charge on account of minimum tax  | 6,968,416         | (258,532)           |
| Tax effect of prior tax  | 7,878,975         | 1,673,380           |
| Tax effect on exports under final tax regime   | -                 | 2,017,570           |
| Tax charge   | <u>19,861,219</u> | <u>(14,154,858)</u> |

**34 Remuneration of Chief Executive & Directors**

| Particulars      | Chief Executive      |           | Director  |           |
|------------------|----------------------|-----------|-----------|-----------|
|                  | ----- (Rupees) ----- |           |           |           |
|                  | 2 0 1 6              | 2 0 1 5   | 2 0 1 6   | 2 0 1 5   |
| Remuneration     | 2,395,800            | 2,178,000 | 1,650,000 | 1,500,000 |
| P.F Contribution | 120,503              | 109,548   | 89,417    | 81,288    |
| Total            | 2,516,303            | 2,287,548 | 1,739,417 | 1,581,288 |
| No of Persons:   | 1                    | 1         | 1         | 1         |

**35 TRANSACTIONS WITH RELATED PARTIES:**

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of the key management personnel is disclosed in note 34. Other significant transactions with related parties are as follows:

*Ally*



| Name of Related Parties                                | Nature of transaction | 2016                 | 2015                 |
|--|-----------------------|----------------------|----------------------|
|  |                       | ----- (Rupees) ----- |                      |
| Pak Ethanol (Private) Limited                          | Sale of Molasses      | 53,160,060           | 56,030,195           |
| Omai Polymer Packages (Private) Limited                | Purchases of PP Bags  | 11,466,000           | 5,612,865            |
| <b>36 NUMBER OF EMPLOYEES</b>                          |                       |                      |                      |
| Number of employees as at June 30                      |                       | <u>230</u>           | <u>223</u>           |
| <b>37 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES</b> |                       |                      |                      |
| <b>Financial assets</b>                                |                       |                      |                      |
| Trade debts  |                       | 444,254,325          | 214,568,875          |
| Loan and advances                                      |                       | 728,809,463          | 599,910,090          |
| Other receivables                                      |                       | 311,273,275          | 189,888,805          |
| Cash and bank balances                                 |                       | <u>224,288</u>       | <u>3,668,702</u>     |
|  |                       | <u>1,484,561,351</u> | <u>1,008,036,472</u> |
| <b>Financial liabilities</b>                           |                       |                      |                      |
| Long term finance                                      |                       | 1,287,442,000        | 356,896,001          |
| Deferred markup  |                       | 643,506              | 1,158,306            |
| Subordinated loan                                      |                       | -                    | 136,138,009          |
| Trade and other payables                               |                       | 644,601,092          | 435,503,525          |
| Accrued markup   |                       | 80,255,841           | 102,281,154          |
| Short term borrowing                                   |                       | <u>1,148,382,761</u> | <u>1,589,583,168</u> |
|  |                       | <u>3,161,325,200</u> | <u>2,621,560,163</u> |

**38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

**38.1 Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables and new business ventures.

To manage exposure to credit risk, management applies credit limits and deals with credit worthy parties and / or by obtaining advance against sales. It makes full provision against those balances considered doubtful by dealing with variety of major banks and financial institutions.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

|                   | 2016                 | 2015                 |
|-------------------|----------------------|----------------------|
|                   | ----- (Rupees) ----- |                      |
| Trade debts       | 444,254,325          | 214,568,875          |
| Loan and advances | 948,587,641          | 690,484,961          |
| Other receivables | 311,273,275          | 189,888,805          |
| Bank balances     | -                    | 3,445,763            |
|                   | <u>1,704,115,241</u> | <u>1,098,388,404</u> |

38.2 The aging analysis of related party balance in trade debtors are as follows:

|                  |                    |                    |
|------------------|--------------------|--------------------|
| 1-30 days        | -                  | 24,672,594         |
| 30-90 days       | 15,633,300         | 40,433,557         |
| 90-180 days      | -                  | 44,257,672         |
| 180 days or more | 146,890,583        | -                  |
|                  | <u>162,523,883</u> | <u>109,363,823</u> |

### 38.3 Liquidity risk

The details of company's interest/mark-up and non-interest mark-up bearing liabilities are as follows:

| Non-Interest Bearing         |                      |                      | September<br>2016    | September<br>2015    |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| Less than one<br>year        | One to five years    | Sub total (b)        | Total                | Total                |
| <b>Financial Liabilities</b> |                      |                      |                      |                      |
| Long term finances           | 1,262,148,861        | 1,262,148,861        | 1,262,148,861        | 223,558,001          |
| Short term borrowing         | 1,148,382,761        | 1,148,382,761        | 1,148,382,761        | 1,589,583,168        |
| Trade and other payables     | 644,601,092          | 644,601,092          | 644,601,092          | 435,503,525          |
| Accrued markup               | 80,255,841           | 80,255,841           | 80,255,841           | 102,281,154          |
|                              | <u>1,975,239,594</u> | <u>1,262,148,861</u> | <u>3,135,388,555</u> | <u>2,350,925,848</u> |

### 38.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

#### 38.4.1 Foreign Exchange Risk

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transactions or receivables or payables that exist due to transactions in foreign exchange.

**38.4.2 Interest/ Mark-up rate risk**

Interest rate risk is the risk that fair value of future cash flows of the financial instruments will fluctuate due to change in the market interest rates. The company interest rate risk arises from long term and short term loan obtained with floating rates. At the balance sheet date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

|                                  | 2016                 | 2015                 |
|----------------------------------|----------------------|----------------------|
|                                  | Carrying amount      |                      |
|                                  | ------(Rupees)-----  |                      |
| <b>Financial liabilities</b>     |                      |                      |
| <b>Variable rate instruments</b> |                      |                      |
| Long term finance                | 1,262,148,861        | 223,558,001          |
| Short term borrowings            | 1,148,382,761        | 1,589,583,168        |
|                                  | <u>2,410,531,622</u> | <u>1,813,141,169</u> |

**Sensitivity analysis****Fair value sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2015.

|                                |                     |                   |
|--------------------------------|---------------------|-------------------|
|                                | ------(Rupees)----- |                   |
| <b>Financial liabilities</b>   |                     |                   |
| <b>As at 30 September 2016</b> |                     |                   |
| Cash flow sensitivity          | <u>(24,105,316)</u> | <u>24,105,316</u> |
| <b>As at 30 September 2015</b> |                     |                   |
| Cash flow sensitivity          | <u>(18,131,412)</u> | <u>18,131,412</u> |

**38.4.3 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 interest rate risk or currency risk), whether those changes caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

**38.5 Fair value of financial instruments**

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.

**38.6 Capital risk management**

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

**39 CAPACITY AND PRODUCTION****2016****2015**

|                                 |   |         |         |
|---------------------------------|---|---------|---------|
| Installed crushing capacity     | (M. Tons based on actual crushing days) | 281,928 | 274,699 |
| Actual cane crushing            | (M. Tons)                               | 264,020 | 220,380 |
| Percentage of capacity attained | (%)                                     | 94%     | 80%     |
| Number of days of production    | (Days)                                  | 117     | 114     |
| Production of sugar             | (M. Tons)                               | 31,749  | 23,418  |

The sugar production plant capacity is based on crushing of sugarcane on daily basis in a season and sugar production is dependent on various factors which mainly includes sucrose content recovery. The short fall in actual crushing is mainly on account of shortage of sugarcane.

**40 PROVIDENT FUND RELATED DISCLOSURES****2016****2015**

----- (Rupees) -----

|                                |            |   |
|--------------------------------|------------|---|
| Size of the fund - Net assets  | 34,211,250 | - |
| Cost of investments made       | 5,218,609  | - |
| Percentage of investments made | 15.25%     | - |
| Fair value of investments      | 5,219,116  | - |

**40.1 Break-up of fair value of investment is:**

|                                   | <b>2016</b>      |                | <b>2015</b>    |          |
|-----------------------------------|------------------|----------------|----------------|----------|
|                                   | -- (Rupees) --   | -- % --        | -- (Rupees) -- | -- % --  |
| Saving Accounts                   | 4,198,609        | 80%            | -              | -        |
| Al-Meezan Islamic Investment Fund | 510,196          | 10%            | -              | -        |
| Al-Meezan Balance Fund            | 510,310          | 10%            | -              | -        |
|                                   | <u>5,219,116</u> | <u>100.00%</u> | <u>-</u>       | <u>-</u> |

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

**41 DATE OF AUTHORIZATION**

These financial statements were authorized for issue on \_\_\_\_\_ by the Board of Directors of the company.

**42 GENERAL**

42.1 Figures have been rounded off to the nearest rupee.



CHIEF  
EXECUTIVE \_\_\_\_\_

DIRECTOR \_\_\_\_\_

**NAUDERO SUGAR MILLS  
(PRIVATE) LIMITED**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED**

**SEPTEMBER 30, 2015**



GLOBAL PRESENCE LOCAL EXCELLENCE



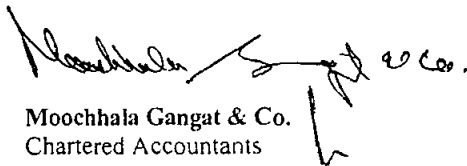
## AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Naudero Sugar Mills (Private) Limited as at September 30, 2015 and the related profit and loss account, statement of comprehensive income and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, its cash flows and the statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the Company's affair as at September 30, 2015 and of the profit, total comprehensive income, its cash flows and statement of changes in equity for the year then ended; and
- (d) in our opinion, no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

  
Moochhala Gangat & Co.  
Chartered Accountants

Name of the audit engagement partner:  
Mr. Hussaini Fakhruddin  
Karachi

Date: 05 JAN 2016

---

**Principal Office** : F-4/2, Mustafa Avenue, Block 9, Behind "The Forum", Clifton, Karachi-Pakistan. Ph: (92-21) 35877806-810  
**Lahore Office** : 25-E Main Market, Gulberg-2, Lahore Ph: (92-42) 35759226  
**Islamabad Office**: 1st Floor, Evacuee Trust Complex, Sir Agha Khan Road, F-5/1, Islamabad Ph: (92-51) 2569470  
**Email**: advice@mgc.com.pk **Web**: www.mgc.com.pk

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**BALANCE SHEET**  
**AS AT SEPTEMBER 30, 2015**

|  |      | 2015                 | 2014                 |
|--|------|----------------------|----------------------|
|  | Note | ----- (Rupees) ----- |                      |
| <b>ASSETS</b>  |      |                      |                      |
| <b>NON-CURRENT ASSETS</b>  |      |                      |                      |
| Property, plant and equipment  | 4    | 2,276,294,267        | 1,942,650,167        |
| Long term deposits   |      | 499,500              | 350,000              |
|  |      | <u>2,276,793,767</u> | <u>1,943,000,167</u> |
| <b>CURRENT ASSETS</b>  |      |                      |                      |
| Biological Assets  | 5    | 38,300,000           | -                    |
| Stores, spare parts and loose tools                                  | 6    | 187,879,461          | 198,478,283          |
| Stock in trade   | 7    | 589,929,531          | 360,263,542          |
| Trade debts  | 8    | 214,568,875          | 242,870,952          |
| Loan and advances  | 9    | 690,484,961          | 841,364,012          |
| Trade deposits, short term prepayments and other receivables         | 10   | 40,423,000           | 32,660,833           |
| Tax refund due from government                                       | 11   | 15,821,678           | 1,186,951            |
| Due from associated undertakings                                     | 12   | 189,888,805          | 189,015,688          |
| Taxation - net   | 13   | 4,985,382            | -                    |
| Cash and bank balances   | 14   | 3,668,702            | 8,253,668            |
|  |      | <u>1,975,950,395</u> | <u>1,874,093,929</u> |
|  |      | <u>4,252,744,162</u> | <u>3,817,094,096</u> |
| <b>EQUITY AND LIABILITIES</b>  |      |                      |                      |
| <b>SHARE CAPITAL AND RESERVES</b>                                    |      |                      |                      |
| Authorized capital   |      |                      |                      |
| 2,000,000 (2014: 2,000,000) Ordinary shares of Rs.100 each           |      | <u>200,000,000</u>   | <u>200,000,000</u>   |
| Issued, subscribed and paid up capital                               | 15   | 168,887,400          | 168,887,400          |
| Accumulated profit   |      | <u>67,693,073</u>    | <u>37,301,862</u>    |
|  |      | <u>236,580,473</u>   | <u>206,189,262</u>   |
| Surplus on revaluation of fixed assets                               | 16   | 1,049,496,763        | 792,809,857          |
| <b>NON CURRENT LIABILITIES</b>                                       |      |                      |                      |
| Subordinated loan  | 17   | 136,138,009          | 319,138,009          |
| Long term finance  | 18   | 223,558,001          | 314,602,000          |
| Liability against assets subject to finance lease                    | 19   | 4,585,163            | 7,390,847            |
| Deferred markup  | 20   | 643,506              | 1,158,309            |
| Deferred taxation - Net  | 21   | 338,068,235          | 299,686,402          |
|  |      | <u>702,992,914</u>   | <u>941,975,567</u>   |
| <b>CURRENT LIABILITIES</b>   |      |                      |                      |
| Trade and other payables   | 22   | 435,503,525          | 187,530,565          |
| Accrued markup   | 23   | 102,281,154          | 72,338,035           |
| Short term borrowing   | 24   | 1,589,583,168        | 1,479,134,248        |
| Current portion of long term finance and deferred markup             |      | 133,852,800          | 134,970,776          |
| Current portion of liability against assets subject to finance lease | 19   | 2,453,365            | 2,145,786            |
|  |      | <u>2,263,674,012</u> | <u>1,876,119,410</u> |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                 |      |                      |                      |
|  | 25   | <u>4,252,744,162</u> | <u>3,817,094,096</u> |

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

**CHIEF  
EXECUTIVE**

*[Signature]*  
 Mr. Mustafa Ali Khan  
 Mr. Mustafa Ali Khan

**DIRECTOR**


*[Signature]*  
 Mr. Sami Ali Khan  
 Mr. Sami Ali Khan

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

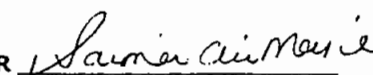
|  | Note | 2015                     | 2014                     |
|--|------|--------------------------|--------------------------|
|  |      | ----- (Rupees) -----     |                          |
| Sales - Net  | 26   | 938,875,226              | 1,105,587,159            |
| Cost of goods sold   | 27   | <u>(805,843,373)</u>     | <u>(966,450,672)</u>     |
| Gross Profit   |      | 133,031,853              | 139,136,487              |
| Administrative expenditure   | 28   | (59,878,800)             | (54,526,134)             |
| Selling expenditure  | 29   | <u>(7,121,404)</u>       | <u>(4,101,829)</u>       |
|  |      | 66,031,649               | 80,508,524               |
| Other income   | 30   | 232,106,140              | 170,179,861              |
| Other charges  | 31   | (161,406)                | (36,213)                 |
| Profit before financial charges  |      | <u>297,976,383</u>       | <u>250,652,172</u>       |
| Financial charges  | 32   | <u>(299,201,415)</u>     | <u>(254,052,537)</u>     |
| Loss before taxation   |      | (1,225,032)              | (3,400,365)              |
| Taxation   | 33   | 14,154,858               | 23,528,579               |
| Profit after taxation  |      | <u>12,929,826</u>        | <u>20,128,214</u>        |
| <b>Other Comprehensive Income:</b>   |      |                          |                          |
| Incremental depreciation arising from revaluation of property, plant and equipment |      | 25,678,508               | 26,298,290               |
| Deferred tax relating to component of comprehensive income                         |      | (8,217,123)              | (8,678,436)              |
| Other comprehensive income - net of tax  |      | 17,461,386               | 17,619,854               |
| <b>Total comprehensive income for the year</b>                                     |      | <u><u>30,391,212</u></u> | <u><u>37,748,068</u></u> |

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

CHIEF  
EXECUTIVE

  
K. M. Z. M.

DIRECTOR

  
M. S. A. M.

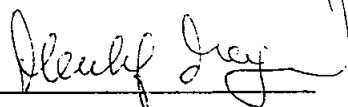


**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

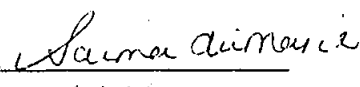
|  | 2015                 | 2014            |
|--|----------------------|-----------------|
|  | ----- (Rupees) ----- |                 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                         |                      |                 |
| Loss before taxation   | (1,225,032)          | (3,400,365)     |
| <i>Adjustments for non cash charges and other items:</i>           |                      |                 |
| Depreciation   | 39,694,739           | 40,152,963      |
| Financial Charges  | 299,201,415          | 254,052,537     |
| Liabilities written off  | -                    | (24,162,629)    |
| Subordinated loan waived off by sponsors                           | (183,000,000)        | (140,000,000)   |
|  | 155,896,154          | 130,042,871     |
| <b>Net cash flow before working capital changes</b>                | 154,671,122          | 126,642,506     |
| <b>WORKING CAPITAL CHANGES</b>                                     |                      |                 |
| <i>(Increase) / decrease in current assets</i>                     |                      |                 |
| Biological Assets  | (38,300,000)         | -               |
| Stores, spare parts and loose tools                                | 10,598,821           | (26,930,936)    |
| Stock in trade   | (229,665,989)        | (85,739,733)    |
| Trade debts  | 28,302,077           | 27,380,361      |
| Loan and advances  | 150,879,051          | 92,219,558      |
| Trade deposits, short term prepayments and other receivables       | (7,762,167)          | (4,070,213)     |
| Tax refund due from government                                     | (14,634,727)         | 3,931,327       |
| Due from associated undertakings                                   | (873,117)            | 124,150,553     |
|  | (101,456,051)        | 130,940,918     |
| <i>Increase / (decrease) in current liabilities</i>                |                      |                 |
| Trade and other payables   | 247,972,960          | (86,987,203)    |
| <b>Cash generated in operations</b>                                | 301,188,031          | 170,596,221     |
| Income tax paid  | (8,013,539)          | (7,015,876)     |
| Financial charges paid   | (269,258,295)        | (232,365,811)   |
|  | (277,271,834)        | (239,381,687)   |
| <b>Net cash inflow / (outflow) from operating activities ( A )</b> | 23,916,197           | (68,785,466)    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |                      |                 |
| Fixed capital expenditure  | (1,625,700)          | (13,888,188)    |
| Capital work in progress   | (42,000,000)         | (198,057,428)   |
| Long term deposits   | (149,500)            | 885,200         |
| <b>Net cash (used) in investing activities ( B )</b>               | (43,775,200)         | (211,060,416)   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |                      |                 |
| Liability against assets subject to finance lease                  | (2,498,105)          | 1,357,881       |
| Long term finance  | (91,043,999)         | (17,500,000)    |
| Deferred markup  | (1,632,779)          | (1,239,531)     |
| <b>Net cash (outflow) from financing activities ( C )</b>          | (95,174,883)         | (17,381,650)    |
| <b>Net (decrease) in cash and cash equivalents (A+B+C)</b>         | (115,033,886)        | (297,227,532)   |
| <b>Cash and cash equivalents at beginning of the year</b>          | (1,470,880,580)      | (1,173,653,048) |
| <b>Cash and cash equivalents at end of the year</b>                | (1,585,914,466)      | (1,470,880,580) |
| Cash and bank balances   | 3,668,702            | 8,253,668       |
| Short term borrowing   | (1,589,583,168)      | (1,479,134,248) |
|  | (1,585,914,466)      | (1,470,880,580) |

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

CHIEF  
EXECUTIVE

  
Kh. V. S. N.

DIRECTOR

  
S. A. D.

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

|   | Share<br>Capital | Unappropriated<br>Profit<br><i>(Rupees)</i> | Total       |
|---|------------------|---|-------------|
| Balance as at September 30, 2013        | 168,887,400      | (446,207)                                   | 168,441,193 |
| Income for the year                     | -                | 20,128,214                                  | 20,128,214  |
| Other comprehensive income              | -                | 17,619,854                                  | 17,619,854  |
| Total comprehensive income for the year | -                | 37,748,068                                  | 37,748,068  |
| Balance as at September 30, 2014        | 168,887,400      | 37,301,862                                  | 206,189,262 |
| Income for the year                     | -                | 12,929,826                                  | 12,929,826  |
| Other comprehensive income              | -                | 17,461,386                                  | 17,461,386  |
| Total comprehensive income for the year | -                | 30,391,212                                  | 30,391,212  |
| Balance as at September 30, 2015        | 168,887,400      | 67,693,073                                  | 236,580,473 |

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

CHIEF  
EXECUTIVE

*[Signature]*  
K. M. S. S.

DIRECTOR

*[Signature]*  
M. C. A. N.

**NAUDERO SUGAR MILLS (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**1 THE COMPANY AND ITS OPERATIONS**

The Company was incorporated as a Private Limited Company on October 22, 2001 in Pakistan registered under the Companies Ordinance, 1984 and is engaged in the production and sale of refined sugar and molasses. The Registered office of the Company is situated at 2nd Floor, Block 3, Hockey Club of Pakistan Stadium, Liaquat Barracks Karachi. The factory is situated at Naudero Road, District Larkana, Sindh, Pakistan.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by 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 of or directives of the Companies Ordinance, 1984 shall prevail.

**2.2 Critical accounting estimates and judgments**

The preparation of financial statements are in conformity with approved accounting standards requires the use of certain critical accounting judgments. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations on future events that are believed to be reasonable under these circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements.

**2.2.1 Provision for slow moving, obsolete & dead items**

The Company reviews the stores and spares items periodically therefore provides against the items declared obsolete immediately whereas provision against slow moving items is made if it remained static for certain period of time as decided by the management.

**2.2.2 Property, Plant & Equipment**

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item(s) of Property, Plant & Equipment, with corresponding effects on the depreciation charge and impairment.

**2.2.3 Stock in trade**

These are valued at lower of cost determined on Weighted Average Method (WAM) basis and net realizable value. Cost of finished goods consist of direct material costs and appropriate portion of manufacturing overheads.

NRV signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make the sale. The Company reviews NRV of stock-in-trade and stores and spare parts to assess any diminution in the respective carrying values.

**2.2.4 Impairment of trade debts**

An estimate of the collectible amount of trade accounts receivable is made when there is objective evidence that the collection of the full amount is no longer together. For individually significant amount, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied at the balance sheet date according to the length of time past due, based on historical recovery rates.

### 2.2.5 Taxation

In making the estimates of income tax payable, the Company takes into account the applicable tax laws and the decision by appellate authorities on certain issues in the past. Instances where the Company's view differ from the view taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingency. In making the estimates for income taxes currently payable by the Company, the management considers the current income tax laws and the decisions of appellate authorities on certain issues in the past.

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

## 3 SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention, except in the case of fixed assets which have been stated at revalued amounts and in the case of stock in trade which are valued at lower of cost or net realizable value.

### 3.2 Initial application of standards, amendments or an interpretation to existing standards

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

#### Amendments to published standards effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on October 01, 2014 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements except for the following:

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

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

#### Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after October 01, 2014 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

### 3.3 Retirement benefits

The Company operates a recognized provident fund scheme for all of its eligible employees. Contributions thereto are made at 10% of the basic salary in accordance with the term of the scheme. The Company has 223 number of employees as at September 30, 2015 (2014: 218 employees) and average number of employees during the year were 220 (2014: 210).

### 3.4 Taxation

#### Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into consideration available tax credits, tax rebates and tax losses etc, if any.

**Deferred**

Deferred tax is recognized using the balance sheet liability method in respect of all temporary differences arising from carrying values of assets and liabilities in financial statements & their tax base.

This is recognized on the basis of the expected manner of the realization or settlement of carrying amount of assets and liabilities using the tax rate enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognized to the extent that it is probable the future taxable profit will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realized.

**3.5 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 future for goods and services received, whether or not billed to the Company.

**3.6 Property Plant & Equipment****Owned**

These are stated at cost / revalued amounts less accumulated depreciation. Depreciation is charged to income applying the reducing balance method at the rates specified in fixed assets note except for free hold land, which is stated at revalued amount and plant and machinery for which units of production method of depreciation is used. An amount equal to the incremental depreciation charged during the year net of deferred tax on revalued assets is transferred from the surplus on revaluation of fixed assets to accumulated profit.

Depreciation on additions to property, plant and equipment is charged from the quarter in which an item is put to use while no depreciation is charged for the quarter in which the item is derecognized / disposed off.

Gains or losses on disposal of items of property, plant and equipment are dealt through the profit and loss account. Normal repair and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized and the assets so replaced, if any, are retired.

**3.7 Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is an indication of impairment loss. Any impairment loss arising is recognized as expense in the profit and loss account.

**3.8 Investments****In associates**

Investments in associates are stated at cost. Permanent diminution in the net book value of unquoted investment is recognized in profit and loss account for the year. Other investments are valued at fair value through profit and loss.

**At fair value through profit & loss**

Investments categorized fair value through profit & loss are initially recorded at cost and thereafter subsequently re-measured at fair value.

**3.9 Biological assets**

These are measured at fair value less costs to sell on initial recognition at each balance sheet date unless the fair value can not be measured reliably. Gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset at the balance sheet date is included in profit and loss account for the period in which it arises.

**3.10 Stores and spares**

These have been stated at average cost less provision for obsolete and slow moving stock. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

**3.11 Stock in trade**

These are valued as follows:

|                      |   |   |
|----------------------|---|---|
| Raw material         | : | At weighted average cost                                |
| Work in process      | : | At weighted average cost                                |
| Finished goods       | : | Lower of weighted average cost and net realizable value |
| Molasses and baggase | : | At net realizable value                                 |

**3.12 Trade debts**

Trade debts are stated at invoice value. Debts considered irrecoverable are written off, while provisions are made for debts considered doubtful.

**3.13 Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand and with banks in current account, deposit and saving accounts and short term borrowings.

**3.14 Provisions**

A provision is recognized in the balance sheet when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

**3.15 Financial instruments**

All the financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument at cost which is the fair value of consideration given or received. These assets except investment in associated undertakings are subsequently measured at fair value. Any gain or loss on derecognizing of the financial assets and financial liabilities is taken to profit and loss account.

**3.16 Off setting of financial assets and liabilities**

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

**3.17 Revenue recognition**

Sales of goods are recognized when the goods are delivered and title has passed, i.e., when the significant risks and rewards of ownership have been transferred to the customer.

**3.18 Related parties**

Transactions with the following related parties are carried out on commercial terms and conditions:

- Pak Ethanol (Private) Limited
- Omni Polymer Packages (Private) Limited
- Tando Allayar Sugar Mills (Private) Limited
- Orient Automotive (Private) Limited
- Dadu Energy (Private) Limited
- Ansari Sugar Mills Limited
- Bawany Sugar Mills (Private) Limited

**3.19 Borrowing costs**

Borrowings costs are recognized as an expense in the period in which these are incurred except for the borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

**3.20 Dividend and appropriation**

Dividends and appropriation to reserve is recognized in the financial period in which these are approved.

**4 PROPERTY, PLANT AND EQUIPMENT**

Operating fixed assets

Capital work in progress

|      | 2015                 | 2014                 |
|------|----------------------|----------------------|
|      | (Rupees)             |                      |
| Note |                      |                      |
| 4.1  | 2,036,236,839        | 1,744,592,739        |
| 4.2  | 240,057,428          | 198,057,428          |
|      | <u>2,276,294,267</u> | <u>1,942,650,167</u> |

**4.1 OPERATING FIXED ASSETS**

| OPERATING FIXED ASSETS          |               |                            |                      |                        |                              |  |                        |            |            |               |
|---------------------------------|---------------|----------------------------|----------------------|------------------------|------------------------------|--|------------------------|------------|------------|---------------|
| Description                     | OWNED         |                            |                      |                        |                              |  |                        |            | LEASED     | Total         |
|                                 | Freehold Land | Building on Free Hold Land | *Plant and machinery | Furniture and Fixtures | Laboratory/ Office Equipment | Electric, Gas & Telephone Installation | Computer & Accessories | Vehicles   | Vehicles   |               |
| COST                            |               |                            |                      |                        |                              |  |                        |            |            |               |
| Balance as at 01 October 2013   | 156,550,000   | 443,007,672                | 967,640,027          | 5,070,598              | 13,708,454                   | 5,707,909                              | 10,947,685             | 27,408,887 | 8,852,000  | 1,638,893,232 |
| Additions                       | -             | 5,842,200                  | -                    | -                      | 965,000                      | 244,500                                | 195,842                | 1,859,091  | 4,781,555  | 13,888,188    |
| Transfer from CWIP              | -             | -                          | 190,898,461          | -                      | -                            | -                                      | -                      | -          | -          | 190,898,461   |
| Disposal                        | -             | -                          | -                    | -                      | -                            | -                                      | -                      | -          | -          | -             |
| Balance as at 30 September 2014 | 156,550,000   | 448,849,872                | 1,158,538,488        | 5,070,598              | 14,673,454                   | 5,952,409                              | 11,143,527             | 29,267,978 | 13,633,555 | 1,843,679,881 |
| Balance as at 01 October 2014   | 156,550,000   | 448,849,872                | 1,158,538,488        | 5,070,598              | 14,673,454                   | 5,952,409                              | 11,143,527             | 29,267,978 | 13,633,555 | 1,843,679,881 |
| Additions                       | -             | -                          | -                    | 26,500                 | -                            | 1,550,000                              | 49,200                 | -          | -          | 1,625,700     |
| Surplus arising on Revaluation  | 126,250,000   | 172,940,823                | 30,522,316           | -                      | -                            | -                                      | -                      | -          | -          | 329,713,139   |
| Balance as at 30 September 2015 | 282,800,000   | 621,790,695                | 1,189,060,804        | 5,097,098              | 14,673,454                   | 7,502,409                              | 11,192,727             | 29,267,978 | 13,633,555 | 2,175,018,720 |
| DEPRECIATION                    |               |                            |                      |                        |                              |  |                        |            |            |               |
| Balance as at 01 October 2013   | -             | 22,115,356                 | 9,447,125            | 1,426,884              | 3,848,044                    | 1,905,634                              | 5,973,827              | 13,605,784 | 611,525    | 58,934,179    |
| Charge for the year             | -             | 21,263,698                 | 14,407,100           | 182,186                | 527,733                      | 202,339                                | 773,086                | 1,566,219  | 1,230,602  | 40,152,963    |
| Disposal                        | -             | -                          | -                    | -                      | -                            | -                                      | -                      | -          | -          | -             |
| Balance as at 30 September 2014 | -             | 43,379,054                 | 23,854,225           | 1,609,070              | 4,375,777                    | 2,107,973                              | 6,746,913              | 15,172,003 | 1,842,127  | 99,087,142    |
| Balance as at 01 October 2014   | -             | 43,379,054                 | 23,854,225           | 1,609,070              | 4,375,777                    | 2,107,973                              | 6,746,913              | 15,172,003 | 1,842,127  | 99,087,142    |
| Charge for the year             | -             | 20,273,541                 | 15,206,579           | 174,401                | 514,884                      | 269,722                                | 666,872                | 1,409,597  | 1,179,143  | 39,694,739    |
| Balance as at 30 September 2015 | -             | 63,652,595                 | 39,060,804           | 1,783,471              | 4,890,661                    | 2,377,695                              | 7,413,785              | 16,581,600 | 3,021,270  | 138,781,881   |
| CARRYING AMOUNT - 2015          | 282,800,000   | 558,138,100                | 1,150,000,000        | 3,313,627              | 9,782,793                    | 5,124,714                              | 3,778,942              | 12,686,378 | 10,612,285 | 2,036,236,839 |
| CARRYING AMOUNT - 2014          | 156,550,000   | 405,470,818                | 1,134,684,263        | 3,461,528              | 10,297,677                   | 3,844,436                              | 4,396,614              | 14,095,975 | 11,791,428 | 1,744,592,739 |
| RATE OF DEPRECIATION            | -             | 5%                         | -                    | 5%                     | 5%                           | 5%                                     | 15%                    | 10%        | 10%        |               |

- Depreciation on plant and machinery is calculated on the basis of unit production method.

2015 2014

Note -----(Rupees)-----

## 4.1.1 Depreciation expenses for the year has been allocated as follows:

|                            |      |                   |                   |
|----------------------------|------|-------------------|-------------------|
| Cost of goods sold         | 27.1 | 35,480,120        | 35,670,798        |
| Administrative expenditure | 28   | 4,214,619         | 4,482,165         |
|                            |      | <u>39,694,739</u> | <u>40,152,963</u> |

## 4.1.2 Had the Revaluation not been carried out the book value of the revalued assets would have been as under:

| Particulars                | 2015                                   |                    | 2014                                   |                    |
|----------------------------|--|--------------------|--|--------------------|
|                            | W.D.V of assets as appearing aforesaid | W.D.V of assets    | W.D.V of assets as appearing aforesaid | W.D.V of assets    |
| Freehold land              | 282,800,000                            | 3,145,054          | 156,550,000                            | 3,145,054          |
| Building on free hold land | 558,138,100                            | 46,354,238         | 405,470,818                            | 48,793,935         |
| Plant and machinery        | 1,150,000,000                          | 529,663,546        | 1,134,684,263                          | 537,025,461        |
|                            | <u>1,990,938,100</u>                   | <u>579,162,838</u> | <u>1,535,635,218</u>                   | <u>401,596,296</u> |

2015 2014

----- (Rupees) -----

## 4.2 Capital work in progress

|                                       |                    |                    |
|---------------------------------------|--------------------|--------------------|
| Opening                               | 198,057,428        | 190,898,461        |
| <b>Addition</b>                       |                    |                    |
| Civil works                           | -                  | 183,129,010        |
| Plant and machinery                   | 42,000,000         | 14,928,418         |
|                                       | <u>42,000,000</u>  | <u>198,057,428</u> |
| Less: Transferred to operating assets | -                  | (190,898,461)      |
|                                       | <u>240,057,428</u> | <u>198,057,428</u> |

## 5 BIOLOGICAL ASSETS

|   |                   |          |
|---|-------------------|----------|
| Carrying value at beginning of the year                                   | -                 | -        |
| Addition due to cultivation   | 38,300,000        | -        |
| Gain arising from initial recognition of standing crop less costs to sell | -                 | -        |
| Carrying value at end of the year   | <u>38,300,000</u> | <u>-</u> |

5.1 The company held 500 acre land (2014: NIL) on which sugarcane is planted. These assets have been measured at cost as fair value of these assets cannot be measured reliably.

## 6 STORE, SPARE PARTS AND LOOSE TOOLS

|                                    |                    |                    |
|------------------------------------|--------------------|--------------------|
| Store, spare parts and loose tools | 170,007,384        | 179,844,573        |
| Oil, chemicals and lubricants      | 12,259,212         | 12,659,997         |
| Packing material                   | 5,612,865          | 5,973,713          |
|                                    | <u>187,879,461</u> | <u>198,478,283</u> |

## 7 STOCK IN TRADE

|                        |                    |                    |
|------------------------|--------------------|--------------------|
| <b>Finished goods</b>  |                    |                    |
| Sugar                  | 457,735,411        | 242,723,163        |
| Molasses               | 82,653,770         | 72,711,000         |
|                        | <u>540,389,181</u> | <u>315,434,163</u> |
| <b>Work in process</b> |                    |                    |
| Sugar in Process       | 19,027,785         | 184,303            |
| Molasses in process    | 1,440,525          | 10,575             |
|                        | <u>20,468,310</u>  | <u>194,878</u>     |
| <b>Raw material</b>    | 29,072,040         | 44,634,501         |
|                        | <u>589,929,531</u> | <u>360,263,542</u> |

## 8 TRADE DEBTS

|                             |             |             |
|-----------------------------|-------------|-------------|
| Unsecured - Considered good | 214,568,875 | 242,870,952 |
|-----------------------------|-------------|-------------|

Trade debts include Rs. 109,363,823 (2014: Rs. 76,358,418) due from related party.



2015 2014

----- (Rupees) -----

**9 LOANS AND ADVANCES - Unsecured Considered good**

Advance to cane growers  
 Advance to farms  
 Advance for staff  
 Advance for expenses  
 Advance to suppliers / contractors

|             |             |
|-------------|-------------|
| 89,143,793  | 361,884,834 |
| 503,353,331 | 317,940,023 |
| 3,127,070   | 1,852,440   |
| 4,285,896   | 60,000      |
| 90,574,871  | 42,505,465  |
| 690,484,961 | 724,242,762 |
| -           | 117,121,250 |
| 690,484,961 | 841,364,012 |

Loan to directors

9.1

9.1 The loan is short term, unsecured and interest free.

**10 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES**

Government grants and subsidy receivable  
 Performance bank guarantee margin- TCP  
 Others

|            |            |
|------------|------------|
| 20,423,000 | 20,423,000 |
| -          | 11,439,001 |
| 20,000,000 | 798,832    |
| 40,423,000 | 32,660,833 |

**11 TAX REFUNDS DUE FROM GOVERNMENT**

Sales tax refundable

|            |           |
|------------|-----------|
| 15,821,678 | 1,186,951 |
|------------|-----------|

**12 DUE FROM ASSOCIATED UNDERTAKINGS - Unsecured**

This represents balances of current accounts with the associated companies maintained to meet working capital requirements. These are unsecured and interest free.

2015 2014

----- (Rupees) -----

**13 TAXATION - NET**

Opening  
 Provision for the year  
 Advance income tax  
 Prior year taxation  
 Liability reversed during the year  
 Tax paid with return

|             |              |
|-------------|--------------|
| -           | -            |
| 1,354,777   | 30,269,091   |
| (4,666,779) | (7,015,876)  |
| (1,673,380) | 909,414      |
| -           | (24,162,629) |
| -           | -            |
| (4,985,382) | -            |

**14 CASH AND BANK BALANCES**

Cash in hand  
 Cash at bank - in current accounts

|           |           |
|-----------|-----------|
| 222,939   | 147,957   |
| 3,445,763 | 8,105,711 |
| 3,668,702 | 8,253,668 |

**15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

1,688,874 (2014: 1,688,874) Ordinary shares of Rs. 100 each allotted as fully paid in cash

|             |             |
|-------------|-------------|
| 168,887,400 | 168,887,400 |
|-------------|-------------|

**16 SURPLUS ON REVALUATION OF FIXED ASSETS**

Balance at the beginning of the year  
 Surplus arises during the year  
 Less: Adjustment for incremental depreciation

|               |               |
|---------------|---------------|
| 1,107,740,634 | 1,134,038,924 |
| 329,713,139   | -             |
| (25,678,508)  | (26,298,290)  |
| 1,411,775,264 | 1,107,740,634 |

**Related deferred tax**

Liability for revaluation at the beginning of the year  
 Increase in deferred tax liability on revaluation  
 Adjustment of deferred tax rate  
 Transfer to retained earnings in respect of incremental depreciation during the year

|               |              |
|---------------|--------------|
| 314,930,776   | 343,221,892  |
| 65,108,204    | -            |
| (9,543,357)   | (19,612,680) |
| (8,217,123)   | (8,678,436)  |
| 362,278,501   | 314,930,776  |
| 1,049,496,763 | 792,809,857  |

Balance at the end of the year

Revaluation of land, building on land and plant and machinery has been carried out by M/s. Tracom (Private) Limited, an approved professional valuers on the panel of Pakistan Bankers Association, related to the year which has been incorporated showing revaluation surplus of Rs. 329,713,139. Previously the same assets were evaluated by M/s. Tracom (Private) Limited and M/s Asif Associates (Private) Limited in September 2012 and December 2009 respectively.

|                                   | 2015                 | 2014               |
|-----------------------------------|----------------------|--------------------|
|                                   | ----- (Rupees) ----- |                    |
| <b>17 SUBORDINATED LOAN</b>       |                      |                    |
| Subordinated loan                 | 319,138,009          | 459,138,009        |
| Less: Loan waived off by sponsors | (183,000,000)        | (140,000,000)      |
|                                   | <u>136,138,009</u>   | <u>319,138,009</u> |

This subordinated loan from sponsors is unsecured and interest free and is in accordance with Subordinated Loan Agreement and is payable at the convenience of the company after repayment of loans and borrowings obtained from the lending banks.

## 18 LONG TERM FINANCE

|   | Note | Installments   |                 | Mark-up                          | 2015                 | 2014          |
|---|------|----------------|-----------------|----------------------------------|----------------------|---------------|
|   |      | Number         | Commencing from |                                  | ----- (Rupees) ----- |               |
| Term loans  |      |                |                 |                                  |                      |               |
| Sindh Bank Limited                                    | 17.1 | 10 semi-annual | May 2015        | 6 months KIBOR plus 2% per annum | 44,390,561           | 49,322,845    |
| Summit Bank Limited                                   | 17.1 | 10 semi-annual | May 2015        | 6 months KIBOR plus 2% per annum | 55,005,440           | 61,117,155    |
| Sindh Bank Limited                                    | 17.1 | 8 semi-annual  | July 2014       | 6 months KIBOR plus 2% per annum | 112,500,000          | 150,000,000   |
| Summit Bank Limited                                   | 17.1 | 8 semi-annual  | July 2014       | 6 months KIBOR plus 2% per annum | 22,500,000           | 30,000,000    |
| National Bank of Pakistan                             | 17.2 | 20 Quarterly   | March 2014      | 3 months KIBOR plus 3% per annum | 122,500,000          | 157,500,000   |
|   |      |                |                 |                                  | 356,896,001          | 447,940,000   |
| Less: Current portion shown under current liabilities |      |                |                 |                                  | (133,338,000)        | (133,338,000) |
|   |      |                |                 |                                  | 223,558,001          | 314,602,000   |

18.1 These are secured by way of first pari passu charge on all present and future fixed assets excluding leased assets with 25% margin on facility amount and personal guarantee of all directors.

18.2 This is secured by way of first pari passu equitable mortgage charge over all present and future fixed assets, first pari passu hypothecation charge over present and future plant and machinery and personal guarantee of all sponsoring directors of the company.

## 19 LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

|   | ----- 2015 -----             |                  | ----- 2014 -----             |                  |
|---|------------------------------|------------------|------------------------------|------------------|
|   | ----- (Rupees) -----         |                  |                              |                  |
|   | Minimum<br>lease<br>payments | Present<br>Value | Minimum<br>lease<br>payments | Present<br>Value |
| Not later than one year                           | 3,373,860                    | 2,453,365        | 3,373,860                    | 2,145,786        |
| Later than one year but not later than five years | 5,364,226                    | 4,585,163        | 9,604,785                    | 7,390,847        |
| <b>Total minimum lease payments</b>               | 8,738,086                    | 7,038,528        | 12,978,645                   | 9,536,633        |
| Less: Amount representing finance charges         | (1,699,558)                  | -                | (3,442,012)                  | -                |
| <b>Present value of minimum lease payments</b>    | 7,038,528                    | 7,038,528        | 9,536,633                    | 9,536,633        |
| Less: Current portion - Present value             | (2,453,365)                  | (2,453,365)      | (2,145,786)                  | (2,145,786)      |
|   | 4,585,163                    | 4,585,163        | 7,390,847                    | 7,390,847        |

Represents finance lease entered into between a leasing company and the company for vehicles. The minimum lease payments have been discounted at an implicit interest rate ranging from 12.87% to 13.90% (2014: 12.87% to 13.90% ) per annum to arrive at their present value. Rentals are paid in monthly installments. Taxes , repairs and insurance costs are to be borne by the company.

|   |      | 2015                 | 2014                 |
|---|------|----------------------|----------------------|
|   | Note | ------(Rupees)-----  |                      |
| <b>20 DEFERRED MARKUP</b>   |      |                      |                      |
| Balance as at October 01  |      | 2,791,085            | 4,030,616            |
| Add: Deferred during the year   | 20.1 | -                    | -                    |
| Less: Payment during the year   |      | (1,632,779)          | (1,239,531)          |
|   |      | 1,158,306            | 2,791,085            |
| Current portion of long term deferred markup  |      | (514,800)            | (1,632,776)          |
|   |      | <u>643,506</u>       | <u>1,158,309</u>     |
| 20.1 The amount represent markup of grace period deferred by the bank on availed finances which is payable along with rescheduled principal installments. |      |                      |                      |
|   |      | 2015                 | 2014                 |
|   | Note | ------(Rupees)-----  |                      |
| <b>21 DEFERRED TAXATION - NET</b>   |      |                      |                      |
| <b>Taxable temporary differences on</b>   |      |                      |                      |
| Surplus on revaluation of fixed assets  | 21.1 | 362,278,502          | 314,930,777          |
| Accelerated depreciation  |      | 111,785,006          | 111,860,309          |
|   |      | <u>474,063,508</u>   | <u>426,791,086</u>   |
| <b>Deductible temporary differences on</b>  |      |                      |                      |
| Minimum tax   |      | (34,968,068)         | (20,225,704)         |
| Finance lease obligation  |      | (2,252,329)          | (3,147,089)          |
| Tax credit carried forward  |      | -                    | (8,033,975)          |
| Carried forward losses  |      | (98,774,875)         | (95,697,916)         |
|   |      | <u>(135,995,273)</u> | <u>(127,104,684)</u> |
|   |      | <u>338,068,235</u>   | <u>299,686,402</u>   |
| 21.1 <b>Surplus on revaluation of fixed assets</b>  |      |                      |                      |
| Opening balance as at October 01,   |      | 314,930,777          | 343,221,892          |
| Deferred tax on revaluation during the year   |      | 65,108,204           | -                    |
| Deferred tax on incremental depreciation during the year  |      | (8,217,123)          | (8,678,436)          |
| Deferred tax rate adjustment  |      | (9,543,357)          | (19,612,680)         |
|   |      | <u>362,278,502</u>   | <u>314,930,777</u>   |
| <b>22 TRADE AND OTHER PAYABLES</b>  |      |                      |                      |
| Creditors   |      | 142,457,586          | 156,950,635          |
| Advance from customers  |      | 211,062,653          | 4,783,940            |
| Accrued liabilities   |      | 14,422,014           | 4,775,460            |
| Due to associated undertakings  |      | 6,170,378            | -                    |
| Sales tax payable   |      | 10,851,570           | 4,570,901            |
| Withholding tax payable   |      | 299,193              | 210,760              |
| Workers' profit participation fund  | 22.1 | 6,229,785            | 5,537,586            |
| Worker welfare fund   |      | 1,665,255            | 1,503,849            |
| Other liabilities   |      | 42,345,092           | 9,197,434            |
|   |      | <u>435,503,525</u>   | <u>187,530,565</u>   |
| 22.1 <b>Workers' profit participation fund</b>  |      |                      |                      |
| Balance as at October 01  |      | 5,537,586            | 4,922,299            |
| Less: Payment made during the year  |      | -                    | -                    |
|   |      | <u>5,537,586</u>     | <u>4,922,299</u>     |
| Add: Interest on unpaid amount  |      | 692,198              | 615,287              |
| Add: Contribution for the year  |      | -                    | -                    |
|   |      | <u>6,229,785</u>     | <u>5,537,586</u>     |

|                                |      | 2015                 | 2014                 |
|--------------------------------|------|----------------------|----------------------|
|                                | Note | ----- (Rupees) ----- |                      |
| <b>23 ACCRUED MARKUP</b>       |      |                      |                      |
| Markup on long term finance    |      | 36,372,866           | 23,106,681           |
| Markup on short term borrowing |      | 65,908,288           | 49,231,354           |
|                                |      | <u>102,281,154</u>   | <u>72,338,035</u>    |
| <b>24 SHORT TERM BORROWING</b> |      |                      |                      |
| Cash finance - secured         | 24.1 | 548,039,240          | 724,549,900          |
| Running finance - secured      | 24.2 | 1,006,543,928        | 719,584,348          |
| Agriculture finance -secured   | 24.3 | 35,000,000           | 35,000,000           |
|                                |      | <u>1,589,583,168</u> | <u>1,479,134,248</u> |

24.1 Facilities of Rs. 1,120 million (2014: Rs. 905 million) for Cash Finance (CF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' KIBOR plus specified spreads ranging from 200 basis points to 350 basis points (2014: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured against first pari passu charge over all present and future fixed assets, first pari passu hypothecation charge over all present and future plant and machinery, pledge of stock with margin ranging from 20% to 25% and personal guarantee of director(s) of the company.

24.2 Facilities of Rs. 1000 million (2014: Rs. 625 million) for Running Finance (RF) have been obtained by the company from various commercial banks. The facility(s) carry mark-up of 3 months' Kibor Plus specified spreads ranging from 200 basis points to 350 basis points (2014: 200bps to 350bps) as per term sheet chargeable which is payable on quarterly basis. The facilities are secured by way 1st pari passu charge on all fixed assets of the company, 1st pari passu charge on all present and future current assets with 25% margin, pari passu hypothecation charge over all present and future plant and machinery, personal guarantee of the directors and subordination of sponsor's loans and personal guarantees of sponsor directors.

24.3 A facility of Agriculture finance have been obtained by the company from commercial bank amounting to Rs. 35 million. The facility carry mark-up of 3 months' KIBOR Plus 300 basis points. The facility is secured by way of pari passu charge over fixed and current assets with 25% margin.

## 25 CONTINGENCIES AND COMMITMENTS

### 25.1 Contingencies

25.1.1 Assistant Director, Agriculture Market, Larkana levied market committee fee of Rs. 3,321,580 on the company for the periods commencing from the year 2001-2002 up-to 23-March-2007 which were contested before Civil Judge, in F.C. Suit No.81 of 2007. Judgment of the suit announced on 02-08-2011 wherein the levy was upheld and decree for the recovery of amount against the company was also issued. The company filed appeal bearing no. C.A. 96 C.P.C. against the order of Civil Judge, Larkana which is still in process. In view of the management since the levy pertains to the period during which the company was not operational, hence eventually since the levy pertains to the closed periods, no financial liability is likely to materialize. Hence no provision is made in the accounts.

### 25.2 Commitments

25.2.1 No Performance Guarantee issued by Sindh Bank (2014: Rs. 8.8 million) in favor of Trading Corporation of Pakistan.  
Posted dated cheques of amounting to Rs. 920,104 are issued against finance lease to NBP leasing.

|  |        | 2015                 | 2014                 |
|--|--------|----------------------|----------------------|
|  | Note   | ------(Rupees)-----  |                      |
| <b>26 SALES - NET</b>  |        |                      |                      |
| Sugar  |        | 735,426,177          | 1,050,781,698        |
| - local  |        | 201,757,000          | 45,266,000           |
| - exports  |        | 937,183,177          | 1,096,047,698        |
| Molasses   |        | 56,030,195           | 76,373,820           |
| Less: Sales tax  |        | (54,338,146)         | (66,834,359)         |
|  |        | <u>938,875,226</u>   | <u>1,105,587,159</u> |
| <b>27 COST OF GOODS SOLD</b>   |        |                      |                      |
| Opening stock - Finished goods   |        | 242,723,163          | 141,517,427          |
| Cost of goods manufactured   | 27.1   | 1,020,855,621        | 1,067,656,408        |
| Closing stock - Finished goods   |        | (457,735,411)        | (242,723,163)        |
| Cost of goods sold   |        | <u>805,843,373</u>   | <u>966,450,672</u>   |
| <b>27.1 Cost of goods manufactured</b>   |        |                      |                      |
| Raw material consumed  | 27.1.1 | 869,534,097          | 907,321,644          |
| Wages, salaries and other benefits   | 27.1.2 | 53,435,553           | 36,521,590           |
| Cartage and conveyance   |        | 185,929              | 148,130              |
| Stores, spares and loose tools consumed  | 27.1.3 | 55,568,475           | 51,809,667           |
| Fuel and power   |        | 12,072,622           | 13,079,330           |
| Electricity and gas charges  |        | 5,932,807            | 8,150,990            |
| Vehicle running and maintenance  |        | 1,613,131            | 1,521,869            |
| Rent, rates and taxes  |        | 1,875,918            | 5,000                |
| Repair and maintenance   |        | 2,407,347            | 5,390,690            |
| Manufacturing expenses   |        | 2,807,853            | 2,266,723            |
| Insurance  |        | 7,578,481            | 11,695,538           |
| Depreciation   | 4.1.1  | 35,480,120           | 35,670,798           |
| Miscellaneous  |        | 2,579,490            | 1,950,973            |
|  |        | <u>1,051,071,823</u> | <u>1,075,532,942</u> |
| Opening work in progress   |        | 194,878              | 140,109              |
| Closing work in progress   |        | (20,468,310)         | (194,878)            |
|  |        | <u>(20,273,432)</u>  | <u>(54,769)</u>      |
| <b>Molasses</b>  |        |                      |                      |
| Opening stock  |        | 72,711,000           | 64,889,235           |
| Closing stock  |        | (82,653,770)         | (72,711,000)         |
|  |        | <u>(9,942,770)</u>   | <u>(7,821,765)</u>   |
|  |        | <u>1,020,855,621</u> | <u>1,067,656,408</u> |
| <b>27.1.1 Raw material consumed</b>  |        |                      |                      |
| Opening Balance  |        | 44,634,501           | 67,977,037           |
| Purchases  |        | 853,971,636          | 883,979,108          |
| Closing Balances   |        | (29,072,040)         | (44,634,501)         |
|  |        | <u>869,534,097</u>   | <u>907,321,644</u>   |
| <b>27.1.2 Wages, salaries and other benefits includes Rs. 978,989/- (2014: Rs. 1,183,018) in respect of staff retirement benefits.</b> |        |                      |                      |
| <b>27.1.3 Stores, spares and loose tools consumed</b>  |        |                      |                      |
| Opening Balance  |        | 198,478,283          | 171,547,346          |
| Purchases  |        | 86,969,657           | 85,857,642           |
| Transferred to CWIP  |        | (42,000,000)         | (7,117,038)          |
| Closing Balances   |        | (187,879,461)        | (198,478,283)        |
|  |        | <u>55,568,101</u>    | <u>51,809,667</u>    |

|   |       | 2015                 | 2014              |
|---|-------|----------------------|-------------------|
|   |       | ----- (Rupees) ----- |                   |
| <b>28 ADMINISTRATIVE EXPENSES</b>       |       |                      |                   |
| Salaries, allowances and other benefits | 28.1  | 29,028,607           | 22,940,638        |
| Telephone, telex and postage            |       | 123,078              | 291,802           |
| Traveling and conveyance                |       | 1,641,657            | 1,149,533         |
| Vehicles running expenses               |       | 3,642,797            | 3,528,894         |
| Electricity charges                     |       | 6,649,415            | 6,558,299         |
| Insurance                               |       | 1,013,523            | 979,151           |
| Legal and professional                  |       | 3,231,085            | 7,971,575         |
| Rent, rates and taxes                   |       | 2,496,245            | 1,239,796         |
| Repairs and maintenance                 |       | 2,603,156            | 1,620,687         |
| Sundry expenses                         |       | 1,126,582            | 508,637           |
| Depreciation                            | 4.1.1 | 4,214,619            | 4,482,165         |
| Intangible assets written off           |       | 1,214,964            | -                 |
| Auditors' remuneration                  | 28.2  | 644,700              | 629,700           |
| Miscellaneous                           |       | 2,248,372            | 2,625,257         |
|   |       | <u>59,878,800</u>    | <u>54,526,134</u> |

28.1 Salaries, Wages and Other benefits includes Rs. 653,085/= ( 2014: Rs. 417,472/=) in respect staff retirement benefits.

|   |  | 2015                 | 2014                |
|---|--|----------------------|---------------------|
|   |  | ----- (Rupees) ----- |                     |
| <b>28.2 Auditors' remuneration</b>            |  |                      |                     |
| Statutory Audit fees                          |  | 550,000              | 550,000             |
| Cost Audit fees                               |  | 39,700               | 39,700              |
| Out of pocket expenses                        |  | 55,000               | 40,000              |
|   |  | <u>644,700</u>       | <u>629,700</u>      |
| <b>29 SELLING EXPENDITURE</b>                 |  |                      |                     |
| Marketing and selling expenses                |  | 2,080,110            | 351,791             |
| Bags stacking and loading & unloading charges |  | 1,710,585            | 3,124,435           |
| Export sales expenses                         |  | 3,330,709            | 625,603             |
|   |  | <u>7,121,404</u>     | <u>4,101,829</u>    |
| <b>30 OTHER INCOME</b>                        |  |                      |                     |
| Rental income                                 |  | 2,506,140            | 1,688,355           |
| Government grants and subsidies               |  | -                    | 4,328,877           |
| Export rebate                                 |  | 46,600,000           | -                   |
| Liabilities written off                       |  | -                    | 24,162,629          |
| Subordinated loan waived off by sponsors      |  | 183,000,000          | 140,000,000         |
|   |  | <u>232,106,140</u>   | <u>170,179,861</u>  |
| <b>31 OTHER CHARGES</b>                       |  |                      |                     |
| Worker profit participation fund              |  | -                    | -                   |
| Workers' welfare fund                         |  | 161,406              | 36,213              |
|   |  | <u>161,406</u>       | <u>36,213</u>       |
| <b>32 FINANCE CHARGES</b>                     |  |                      |                     |
| Bank charges                                  |  | 5,337,529            | 4,833,032           |
| Markup on long term finance                   |  | 97,554,380           | 63,682,864          |
| Markup on short term borrowing                |  | 194,763,848          | 183,666,036         |
| Mark up on workers' profit participation fund |  | 692,198              | 615,287             |
| Finance charges on lease                      |  | 853,460              | 1,255,318           |
|   |  | <u>299,201,415</u>   | <u>254,052,537</u>  |
| <b>33 TAXATION</b>                            |  |                      |                     |
| - Current                                     |  | 1,354,777            | -                   |
| - Prior                                       |  | 1,673,380            | 909,414             |
| - Deferred                                    |  | (17,183,015)         | (24,437,993)        |
|   |  | <u>(14,154,858)</u>  | <u>(23,528,579)</u> |

|  | 2015                 | 2014                |
|--|----------------------|---------------------|
|  | ----- (Rupees) ----- |                     |
| <b>33.1 Relationship between tax expense and accounting profit</b>   |                      |                     |
| Loss before taxation   | (1,225,032)          | (3,400,365)         |
| Corporate tax rate   | 33%                  | 34%                 |
| Tax on accounting profit   | (404,261)            | (1,156,124)         |
| Tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes | (17,183,015)         | (24,437,993)        |
| Excess charge on account of minimum tax  | (258,532)            | 703,464             |
| Tax effect of prior tax  | 1,673,380            | 909,414             |
| Tax effect on exports under final tax regime   | 2,017,570            | 452,660             |
| Tax charge   | <u>(14,154,858)</u>  | <u>(23,528,579)</u> |

**34 Remuneration of Chief Executive & Directors**

| Particulars      | Chief Executive      |           | Director  |           |
|------------------|----------------------|-----------|-----------|-----------|
|                  | ----- (Rupees) ----- |           |           |           |
|                  | 2015                 | 2014      | 2015      | 2014      |
| Remuneration     | 2,178,000            | 1,942,794 | 1,500,000 | 1,898,553 |
| P.F Contribution | 109,548              | 97,140    | 81,288    | 134,797   |
| Total            | 2,287,548            | 2,039,934 | 1,581,288 | 2,033,350 |
| No of Persons    | 1                    | 1         | 1         | 1         |

**35 TRANSACTIONS WITH RELATED PARTIES:**

The related parties comprise associated undertakings and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of the key management personnel is disclosed in note 34. Other significant transactions with related parties are as follows:

| Name of Related Parties                 | Nature of transaction | 2015                 | 2014        |
|---|-----------------------|----------------------|-------------|
|   |                       | ----- (Rupees) ----- |             |
| Pak Ethanol (Private) Limited           | Sale of Molasses      | 56,030,195           | 76,373,820  |
| Omni Polymer Packages (Private) Limited | Purchases of PP Bags  | 5,612,865            | 10,636,493  |
| Directors                               | Loan to directors     | -                    | 117,121,250 |

**36 NUMBER OF EMPLOYEES**

Number of employees as at June 30

|     |     |
|-----|-----|
| 223 | 218 |
|-----|-----|

**37 FINANCIAL INSTRUMENT AND RELATED DISCLOSURES****Financial assets**

|                        |                      |                      |
|------------------------|----------------------|----------------------|
| Trade debts            | 214,568,875          | 242,870,952          |
| Loan and advances      | 599,910,090          | 681,737,297          |
| Other receivables      | 189,888,805          | 189,015,688          |
| Cash and bank balances | 3,668,702            | 8,253,668            |
|                        | <u>1,008,036,472</u> | <u>1,121,877,605</u> |

**Financial liabilities**

|                          |                      |                      |
|--------------------------|----------------------|----------------------|
| Long term finance        | 356,896,001          | 447,940,000          |
| Deferred markup          | 1,158,306            | 2,791,085            |
| Subordinated loan        | 319,138,009          | 459,138,009          |
| Trade and other payables | 435,503,525          | 187,530,565          |
| Accrued markup           | 102,281,154          | 72,338,035           |
| Short term borrowing     | 1,589,583,168        | 1,479,134,248        |
|                          | <u>2,804,560,163</u> | <u>2,648,871,942</u> |

**38 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

**38.1 Credit risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted and arises principally from trade receivables and new business ventures.

To manage exposure to credit risk, management applies credit limits and deals with credit worthy parties and / or by obtaining advance against sales. It makes full provision against those balances considered doubtful by dealing with variety of major banks and financial institutions.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

The carrying amount of financial assets represents the maximum credit exposure before any credit enhancements. The maximum exposure to credit risk at the reporting date is as follows:

|                   | 2015                 | 2014               |
|-------------------|----------------------|--------------------|
|                   | ----- (Rupees) ----- |                    |
| Trade debts       | 214,568,875          | 242,870,952        |
| Loan and advances | 96,444,691           | 363,797,274        |
| Other receivables | 189,888,805          | 189,015,688        |
| Bank balances     | <u>3,445,763</u>     | <u>8,105,711</u>   |
|                   | <u>504,348,134</u>   | <u>803,789,625</u> |

**38.2 The aging analysis of related party balance in trade debtors are as follows:**

|             |                    |                   |
|-------------|--------------------|-------------------|
| 1-30 days   | 24,672,594         | 17,226,540        |
| 30-90 days  | 40,433,557         | 28,230,930        |
| 90-180 days | 44,257,672         | 30,900,948        |
|             | <u>109,363,823</u> | <u>76,358,418</u> |

**38.3 Liquidity risk**

The details of company's interest/mark-up and non-interest mark-up bearing liabilities are as follows:

|                          | Interest Bearing      |                      |                      | Non-Interest Bearing  |                      |                    | September<br>2015    | September<br>2014    |
|--------------------------|-----------------------|----------------------|----------------------|-----------------------|----------------------|--------------------|----------------------|----------------------|
|                          | Less than one<br>year | One to five<br>years | Sub total (a)        | Less than one<br>year | One to five<br>years | Sub total (b)      | Total                | Total                |
| Financial Liabilities    |                       |                      |                      |                       |                      |                    |                      |                      |
| Trade and other payables | -                     | -                    | -                    | 435,503,525           | -                    | 435,503,525        | 435,503,525          | 187,530,565          |
| Accrued markup           | 102,795,954           | -                    | 102,795,954          | -                     | -                    | -                  | 102,795,954          | 73,970,811           |
| Short term borrowing     | 1,589,583,168         | -                    | 1,589,583,168        | -                     | -                    | -                  | 1,589,583,168        | 1,479,134,248        |
|                          | <u>1,692,379,122</u>  | -                    | <u>1,692,379,122</u> | <u>435,503,525</u>    | -                    | <u>435,503,525</u> | <u>2,127,882,647</u> | <u>1,740,635,624</u> |



**38.4 Market risk**

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

**38.4.1 Foreign Exchange Risk**

Foreign exchange risk represents the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign exchange risk arises mainly from future economic transactions or receivables or payables that exist due to transactions in foreign exchange.

**38.4.2 Interest/ Mark-up rate risk**

Interest rate risk is the risk that fair value of future cash flows of the financial instruments will fluctuate due to change in the market interest rates. The company interest rate risk arises from long term and short term loan obtained with floating rates. At the balance sheet date, the interest rate profile of the company's significant interest bearing financial instruments was as follows:

|                                  | 2015                 | 2014                 |
|----------------------------------|----------------------|----------------------|
|                                  | Carrying amount      |                      |
|                                  | ------(Rupees)-----  |                      |
| <b>Financial liabilities</b>     |                      |                      |
| <b>Variable rate instruments</b> |                      |                      |
| Long term finance                | 356,896,000          | 447,940,000          |
| Short term borrowings            | 1,589,583,168        | 1,479,134,248        |
|                                  | <u>1,946,479,168</u> | <u>1,946,479,169</u> |

**Sensitivity analysis****Fair value sensitivity analysis for variable rate instruments**

A change of 100 basis points in interest rates at the reporting date would have decreased / (increased) profit for the year by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014.

|                                |                     |                   |
|--------------------------------|---------------------|-------------------|
|                                | ------(Rupees)----- |                   |
| <b>Financial liabilities</b>   |                     |                   |
| <b>As at 30 September 2015</b> |                     |                   |
| Cash flow sensitivity          | <u>19,464,792</u>   | <u>19,270,742</u> |
| <b>As at 30 September 2014</b> |                     |                   |
| Cash flow sensitivity          | <u>19,270,742</u>   | <u>16,745,998</u> |

**38.4.3 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 interest rate risk or currency risk). whether those changes caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market.

**38.5 Fair value of financial instruments**

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair value.

**38.6 Capital risk management**

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

**39 CAPACITY AND PRODUCTION**

|                                 |   | 2015    | 2014    |
|---------------------------------|---|---------|---------|
| Installed crushing capacity     | (M. Tons based on actual crushing days) | 274,699 | 346,371 |
| Actual cane crushing            | (M. Tons)                               | 220,380 | 208,793 |
| Percentage of capacity attained | (%)                                     | 80%     | 60%     |
| Number of days of production    | (Days)                                  | 114     | 151     |
| Production of sugar             | (M.Tons)                                | 23,418  | 24,470  |

The sugar production plant capacity is based on crushing of sugarcane on daily basis in a season and sugar production is dependent on various factors which mainly includes sucrose content recovery. The short fall in actual crushing is mainly on account of shortage of sugarcane.

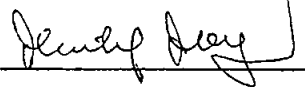
**40 DATE OF AUTHORIZATION**

These financial statements were authorized for issue on 05 JAN 2016 by the Board of Directors of the company.

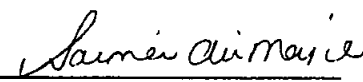
**41 GENERAL**

41.1 Figures have been rounded off to the nearest rupee.

CHIEF  
EXECUTIVE

  
K. S. S. S.

DIRECTOR

  
M. C. S. M.

**3(5)(d)(iv)**

**Employment Record of**  
**Engineers and**  
**Technical Staff**



## NAUDERO SUGAR MILLS (PVT) LIMITED- SITE

| Sr. # | Employee Id | Employee Name          | Position                   | Category  | Department |
|-------|-------------|------------------------|----------------------------|-----------|------------|
| 1     | 001123      | BAKHAT ALI             | Senior Welder              | Permanent | MECHANICAL |
| 2     | 003057      | Ashfaq Ali Larik       | HSE OFFICER                | Contract  | HSE        |
| 3     | 003129      | Abdullah               | Dispenser                  | Contract  | HSE        |
| 4     | 003512      | Munawar Ali            | Senior Pan Chemist         | Permanent | CHEMICAL   |
| 6     | 001108      | ZAKIR HUSSAIN          | Senior Fitter              | Permanent | ELECTRICAL |
| 7     | 001145      | LIAQUAT ALI            | Cane Manager               | Permanent | CANE       |
| 8     | 003476      | Aamir Wazeer           | Fitter                     | Permanent | MECHANICAL |
| 9     | 003477      | Anwar Ali              | Assistant Fitter           | Permanent | MECHANICAL |
| 10    | 003478      | Azizullah Kori         | Assistant Fitter           | Permanent | MECHANICAL |
| 11    | 003480      | Farooque Ali           | Welder                     | Permanent | MECHANICAL |
| 13    | 003484      | Abdul Qayom            | Electrician                | Permanent | ELECTRICAL |
| 14    | 003501      | Wazeer Ali             | Assistant Fitter           | Permanent | MECHANICAL |
| 15    | 003513      | Abdul Sattar           | Senior Pan Man             | Permanent | CHEMICAL   |
| 16    | 003644      | Abdul Ghani            | Assitant Fitter            | Permanent | MECHANICAL |
| 17    | 003648      | Abdullah               | Waterman                   | Permanent | MECHANICAL |
| 18    | 004012      | Allah Dino             | Shaper Man                 | Permanent | MECHANICAL |
| 19    | 004027      | Liaquat Ali            | A.C.P.O                    | Permanent | CANE       |
| 20    | 004028      | Muhammad Anwar         | Assistant Manager Cane     | Permanent | CANE       |
| 21    | 003647      | Imtaiz Ali             | Waterman                   | Permanent | MECHANICAL |
| 22    | 005542      | Rajib Ali              | Senior Foreman             | Permanent | MECHANICAL |
| 25    | 005575      | Muhammad Sajid Hussain | Deputy General Manager (E) | Permanent | ELECTRICAL |
| 26    | 005588      | Waseem Abbas           | Assistant Shift Engineer   | Permanent | MECHANICAL |
| 28    | 005610      | Javid Iqbal            | DCE-Mill House             | Permanent | MECHANICAL |
| 29    | 005613      | Wali Muhammad          | Foreman                    | Permanent | MECHANICAL |
| 32    | 005642      | Arslan Dayo            | A.C.P.O                    | Permanent | CANE       |
| 33    | 005746      | Ali Bahadur            | Foreman                    | Permanent | CHEMICAL   |
| 34    | 005670      | Naveed Sajid           | Technical Manager          | Permanent | MECHANICAL |
| 35    | 005777      | Arshad Hussain         | Senior Fitter              | Permanent | MECHANICAL |
| 36    | 005778      | Farman Ali             | Welder                     | Permanent | MECHANICAL |
| 37    | 005788      | Amanullah Korejo       | Apprentice Engineer        | Permanent | MECHANICAL |
| 38    | 005799      | Mazahar Hussain Shah   | Pan Chemist                | Permanent | CHEMICAL   |
| 39    | 005802      | Zohaib Ali             | Electrician                | Permanent | ELECTRICAL |
| 40    | 005801      | Ali Raza               | Shift Engineer             | Permanent | MECHANICAL |
| 41    | 005835      | Sadam Hussain          | Shift Chemist              | Permanent | CHEMICAL   |
| 42    | 005832      | Wajahat Hussain        | Apprentice Engineer        | Permanent | ELECTRICAL |

|    |        |                    |                            |           |            |
|----|--------|--------------------|----------------------------|-----------|------------|
| 43 | 005833 | Altat Khokhar      | Apprentice Engineer        | Permanent | ELECTRICAL |
| 44 | 005834 | Misbah Qadir       | Apprentice Engineer        | Permanent | MECHANICAL |
| 45 | 005848 | Muhammad Ali       | Assistant Electrician      | Permanent | ELECTRICAL |
| 46 | 005849 | Ghulam Farooq      | Assistant Fitter           | Permanent | MECHANICAL |
| 47 | 005836 | Shahzad Ahmed      | Engineer                   | Permanent | MECHANICAL |
| 48 | 005857 | Romin              | Pan Chemist                | Permanent | CHEMICAL   |
| 49 | 005952 | Muhammad Yasin     | Deputy General Manager (P) | Permanent | CHEMICAL   |
| 50 | 005861 | Wahid Bux          | Yard Officer               | Permanent | CANE       |
| 51 | 005853 | Ibrar Hussain      | Chief Engineer             | Permanent | MECHANICAL |
| 55 | 001042 | ASHIQUE ALI        | Deputy General Manager (T) | Permanent | MECHANICAL |
| 56 | 001043 | GHULAM ULLAH       | Engineer Turbine           | Contract  | MECHANICAL |
| 57 | 001046 | FAHEEM AHMED       | D.C.C Lab:                 | Permanent | CHEMICAL   |
| 58 | 001047 | MUHAMMAD HASSAN    | General Manager            | Contract  | CANE       |
| 59 | 001049 | RAB DINO           | A.C.P.O                    | Permanent | CANE       |
| 60 | 001051 | MUJEEB-UR-REHMAN   | A.C.P.O                    | Permanent | CANE       |
| 61 | 001052 | SYED BACHAL SHAH   | Assistant Cane Manager     | Permanent | CANE       |
| 62 | 001056 | MUHAMMAD NISAR     | Chief Chemist Lab          | Permanent | CHEMICAL   |
| 76 | 001080 | ABDUL QADIR        | Fire Man                   | Permanent | MECHANICAL |
| 77 | 001081 | M YASIN            | Water Attendant            | Permanent | MECHANICAL |
| 78 | 001082 | MUNWAR ALI         | Fireman                    | Permanent | MECHANICAL |
| 79 | 001083 | EIJAZ ALI          | Foreman                    | Permanent | MECHANICAL |
| 80 | 001084 | MASHOOQUE ALI      | Senior Fireman             | Permanent | MECHANICAL |
| 81 | 001085 | NIAZ HUSSAIN       | Foreman                    | Permanent | MECHANICAL |
| 82 | 001086 | ALI SHER           | Deputy Chief Chemist       | Permanent | CHEMICAL   |
| 83 | 001088 | INAM ALI           | Foreman                    | Permanent | ELECTRICAL |
| 84 | 001089 | MUHAMMAD KHALID    | Foreman                    | Permanent | ELECTRICAL |
| 85 | 001092 | RIAZ HUSSAIN       | Forman (Electrical)        | Permanent | ELECTRICAL |
| 86 | 001093 | RASHID ALI         | Senior Electrician         | Permanent | ELECTRICAL |
| 87 | 001095 | AAMIR ALI          | Electrician                | Permanent | ELECTRICAL |
| 88 | 001096 | FIDA HUSSAIN       | Supervisor                 | Permanent | ELECTRICAL |
| 89 | 001097 | ARSHAD ALI         | Senior Winder              | Permanent | ELECTRICAL |
| 90 | 001100 | AIJAZ ALI          | FITTER                     | Permanent | MECHANICAL |
| 91 | 001101 | MUKHTIAR ALI       | Senior Fitter              | Permanent | MECHANICAL |
| 92 | 001102 | GHULAM ASGHAR      | Winder Foreman             | Permanent | ELECTRICAL |
| 93 | 001103 | AKHTIAR ALI        | Senior Diesel Foreman      | Permanent | ELECTRICAL |
| 94 | 001105 | NAZIR AHMED        | Senior Electrician         | Permanent | ELECTRICAL |
| 95 | 001106 | ARIF HUSSAIN LARIK | Senior Electrician         | Permanent | ELECTRICAL |
| 97 | 001119 | ABDUL REHMAN       | Senior Fitter              | Permanent | MECHANICAL |
| 98 | 001120 | MUHAMMAD RAFIQUE   | Fitter                     | Permanent | MECHANICAL |
| 99 | 001125 | BAGAN KHAN         | Rigger                     | Permanent | MECHANICAL |

|     |        |                     |                             |           |            |
|-----|--------|---------------------|-----------------------------|-----------|------------|
| 100 | 001127 | ABDUL GHAFOOR       | Peon                        | Permanent | MECHANICAL |
| 101 | 001129 | MUHAMMAD HASSAN     | Supervisor                  | Permanent | MECHANICAL |
| 102 | 001130 | NAZIR AHMED         | Turbine Oprator             | Permanent | MECHANICAL |
| 103 | 001134 | NIAZ HUSSAIN        | Senior Turbine Operator     | Permanent | MECHANICAL |
| 104 | 001139 | SHAHID HUSSAIN      | Senior Turner               | Permanent | MECHANICAL |
| 105 | 001141 | BULLA SHAH          | Junior Turner               | Permanent | MECHANICAL |
| 106 | 001146 | H. HAFEEZ UR REHMAN | Program Officer             | Permanent | CANE       |
| 107 | 001147 | GHULAM MUHAMMAD     | Field Officer               | Permanent | CANE       |
| 108 | 001149 | MASNOOR ALI         | C.P.O                       | Permanent | CANE       |
| 109 | 001151 | MUHAMMAD BUX        | Senior Fitter               | Permanent | MECHANICAL |
| 110 | 001153 | NAIMAT ULLAH        | Foreman                     | Permanent | MECHANICAL |
| 111 | 001154 | QADIR BUX           | Fitter                      | Permanent | MECHANICAL |
| 116 | 001167 | Muhammad Saleh      | Water Man                   | Permanent | MECHANICAL |
| 117 | 001168 | Shaman Ali          | Fireman                     | Permanent | MECHANICAL |
| 118 | 001169 | Zulfiqar Ali        | Water Attendant             | Permanent | MECHANICAL |
| 119 | 001173 | Ghulam Hussain      | Electrician                 | Permanent | ELECTRICAL |
| 120 | 001174 | Zulfiqar Ali        | Senior Electrician          | Permanent | ELECTRICAL |
| 122 | 001176 | Muhammad Ramzan     | Senior Rigger               | Permanent | MECHANICAL |
| 123 | 001178 | Sher Muhammad       | Field Officer               | Permanent | CANE       |
| 124 | 001179 | Ali Bux             | Circle Officer              | Permanent | CANE       |
| 125 | 001182 | Ali Asghar          | P.Driver                    | Permanent | MECHANICAL |
| 126 | 001183 | Fayaz Hussain       | Sr.Fitter                   | Permanent | MECHANICAL |
| 127 | 001187 | Wali Muhammad       | Fitter                      | Permanent | MECHANICAL |
| 128 | 001188 | Mehtab Ali          | C.P.O                       | Permanent | CANE       |
| 129 | 001189 | Oshaque Ali         | Rigger                      | Permanent | MECHANICAL |
| 130 | 001194 | Rajib Ali           | Assistant Manager (program) | Permanent | CANE       |
| 131 | 001195 | Sajid Ali           | Peon                        | Permanent | CANE       |
| 133 | 001198 | ABDUL QAYOOM        | Senior Talo Technician      | Permanent | CHEMICAL   |
| 134 | 001201 | Rashid Mehmood      | Field Officer               | Permanent | CANE       |
| 135 | 001206 | Zahid Ali           | Electrician                 | Permanent | ELECTRICAL |
| 136 | 001207 | Muhammad Yahya      | Fireman                     | Permanent | MECHANICAL |
| 137 | 001208 | Sajid Ali           | Fireman                     | Permanent | MECHANICAL |
| 138 | 001209 | Gulbahar            | Junior Fitter               | Permanent | MECHANICAL |
| 139 | 001212 | Zahid Hussain       | Senior Rigger               | Permanent | MECHANICAL |
| 140 | 001214 | Manzoor Hussain     | Chief Engineer              | Permanent | MECHANICAL |
| 142 | 001217 | Muhammad Punjal     | Circle Officer              | Permanent | CANE       |
| 143 | 001218 | Kareem Bux          | Field Officer               | Permanent | CANE       |
| 144 | 001219 | Anees Ahmed         | Field Officer               | Permanent | CANE       |
| 145 | 001220 | Muhammad Khan       | Circle Officer              | Permanent | CANE       |
| 146 | 001221 | Zarak Ali           | Senior S.B.O                | Permanent | ELECTRICAL |

|     |        |                     |                                |           |                           |
|-----|--------|---------------------|--------------------------------|-----------|---------------------------|
| 147 | 001225 | Muneer Ahmed        | Foreman                        | Permanent | MECHANICAL                |
| 148 | 001226 | Sajid Hussain       | Engineer (P.H)                 | Permanent | MECHANICAL                |
| 149 | 001233 | Mukhtiar Ali        | Foreman                        | Permanent | MECHANICAL                |
| 150 | 001246 | Imtiaz Ali          | A.C.P.O                        | Permanent | CANE                      |
| 151 | 001247 | Javed Ali           | D.C.E Turbine                  | Permanent | MECHANICAL                |
| 152 | 001333 | Syed Farooque Ahmed | Manager Electrical             | Permanent | ELECTRICAL                |
| 158 | 002439 | Dhani Bux           | Fabricator                     | Permanent | MECHANICAL                |
| 159 | 002440 | Shahid Hussain      | Senior Welder                  | Permanent | MECHANICAL                |
| 160 | 002442 | Riaz-ul-Haq         | Manager                        | Permanent | MECHANICAL                |
| 161 | 002446 | Irshad Ali          | Helper                         | Permanent | MECHANICAL                |
| 162 | 002447 | Fahad Ali           | Manager (ELP & Cane)           | Permanent | ELP                       |
| 163 | 002504 | Qadir Bux           | Lab Boy                        | Permanent | CHEMICAL                  |
| 164 | 002505 | Sahib Dino          | Senior Fitter                  | Permanent | MECHANICAL                |
| 166 | 002821 | Zahid Hussain       | Juice Chemist                  | Permanent | CHEMICAL                  |
| 167 | 003014 | Allah Dino          | Technician                     | Permanent | ELECTRICAL                |
| 168 | 003058 | Sarang Ali          | Fire Figher                    | Contract  | HSE                       |
| 169 | 003059 | Aijaz Ali           | Fire Figher                    | Contract  | HSE                       |
| 170 | 003060 | Naseer Muhammad     | Fire Figher                    | Contract  | HSE                       |
| 171 | 003130 | Irshad Ali          | Senior Pan Man                 | Permanent | CHEMICAL                  |
| 172 | 003210 | Allah Warayo        | Assistant Turbine Operator     | Permanent | MECHANICAL                |
| 173 | 003211 | Nadeem Ali          | Fitter                         | Permanent | MECHANICAL                |
| 174 | 003212 | Mujahid Ali         | Senior Fireman                 | Permanent | MECHANICAL                |
| 175 | 003214 | Ghulam Nabi         | Assistant Fitter               | Permanent | MECHANICAL                |
| 176 | 003253 | Allah Jurio         | Variety Identification Officer | Permanent | CANE                      |
| 180 | 003485 | Aamir Ali           | Junior Fitter                  | Permanent | MECHANICAL                |
| 181 | 003551 | Hafiz Ejaz          | Senior Cane Manager            | Permanent | CANE                      |
| 182 | 003565 | Abid Hussain        | Field Officer                  | Permanent | CANE                      |
| 183 | 003585 | Zahoor-ul-Hassan    | Chief Engineer (INST)          | Permanent | ELECTRICAL                |
| 185 | 003606 | Abdul Rasheed       | Pump Driver                    | Permanent | MECHANICAL                |
| 187 | 003643 | Ameer Ali           | Rigger                         | Permanent | MECHANICAL                |
| 188 | 003825 | Usman Ahmed Khan    | Foreman                        | Permanent | ELECTRICAL                |
| 189 | 003826 | Akram Ali           | Rigger                         | Permanent | MECHANICAL                |
| 190 | 003827 | Sabir Ali           | Assistant Fitter               | Permanent | MECHANICAL                |
| 191 | 003828 | Ghulam Bashir       | Assistant Fitter               | Permanent | MECHANICAL                |
| 192 | 003829 | Mehboob Ali         | Senior Welder                  | Permanent | MECHANICAL                |
| 193 | 003939 | Muntazar Ahmed      | Senior Officer                 | Permanent | INFORMATION<br>TECHNOLOGY |
| 194 | 004330 | Gulshan             | Waterman                       | Permanent | MECHANICAL                |
| 195 | 004331 | Shafqatullah        | Assistant Fitter               | Permanent | MECHANICAL                |
| 196 | 004332 | Ashfaq Ali          | Assistant Fitter               | Permanent | MECHANICAL                |
| 197 | 004333 | Imtiaz Ali          | Assistant Fitter               | Permanent | MECHANICAL                |

|     |        |                        |                            |           |                        |
|-----|--------|------------------------|----------------------------|-----------|------------------------|
| 198 | 004334 | Abid Ali               | Assistant Turbine Operator | Permanent | MECHANICAL             |
| 199 | 004335 | Asghar Ali             | Assistant Fitter           | Permanent | MECHANICAL             |
| 200 | 004336 | Sanaullah              | Khallasi                   | Permanent | MECHANICAL             |
| 202 | 004338 | S.Majid Ali Rizvi      | DCC                        | Permanent | CHEMICAL               |
| 205 | 004552 | Muhammad Latif         | Mechanic                   | Permanent | MECHANICAL             |
| 206 | 004577 | Shafqat Ali            | Senior Officer             | Permanent | MECHANICAL             |
| 207 | 004593 | Oshaque Ali            | Mechanic                   | Permanent | MECHANICAL             |
| 208 | 004803 | Tanveer Ahmed          | Senior Technician          | Permanent | ELECTRICAL             |
| 209 | 004805 | Inayatullah            | Electrician                | Permanent | ELECTRICAL             |
| 210 | 004881 | Muhammad Salam         | Assistant Engineer         | Permanent | MECHANICAL             |
| 212 | 004887 | Abdul Jabbar           | Shift Engineer             | Permanent | ELECTRICAL             |
| 213 | 004899 | Muhammad Amin          | S.C.D.O                    | Permanent | CANE                   |
| 214 | 004901 | Waheed Ali Abbasi      | Field Officer              | Permanent | CANE                   |
| 215 | 004977 | Umaid Ali              | Junior Turbine Operator    | Permanent | MECHANICAL             |
| 216 | 004978 | Muhammad Yaqoob        | Rigger                     | Permanent | MECHANICAL             |
| 217 | 004999 | Tahmoor Ali            | Fabricator                 | Permanent | MECHANICAL             |
| 218 | 005013 | Sadaruddin Lashari     | Circle Officer             | Permanent | CANE                   |
| 221 | 005077 | Imran Khan             | Chief Engineer Turbine     | Permanent | MECHANICAL             |
| 222 | 005078 | Rahib Ali              | Engineer                   | Permanent | MECHANICAL             |
| 223 | 005096 | Muhammad Juman         | Assistant Engineer-Turbine | Permanent | MECHANICAL             |
| 224 | 005139 | Muhammad Aslam         | Shaper man                 | Permanent | MECHANICAL             |
| 225 | 005141 | Tanveer Ali            | Junior Turbine Operator    | Permanent | MECHANICAL             |
| 226 | 005142 | Dhani Bux              | Junior Turbine Operator    | Permanent | MECHANICAL             |
| 227 | 005176 | Sheikh Liaquat Ali     | Welder/Foreman             | Permanent | MECHANICAL             |
| 228 | 005192 | Aftab Ali              | Chief Engineer             | Permanent | MECHANICAL             |
| 229 | 005194 | Khalil Ahmed           | Turner                     | Permanent | MECHANICAL             |
| 230 | 005200 | Muhammad Amin Toor     | Chief Chemist-Pan          | Permanent | CHEMICAL               |
| 231 | 005255 | Qammar Abbas           | Foreman                    | Permanent | ELECTRICAL             |
| 232 | 005256 | Zahid Nawaz            | Foreman                    | Permanent | ELECTRICAL             |
| 233 | 005257 | Sajjad Hussain         | Senior Electrician         | Permanent | ELECTRICAL             |
| 234 | 005258 | Farooque Ahmed         | Junior Electrician         | Permanent | ELECTRICAL             |
| 236 | 005354 | MUHAMMAD AYOUB         | Manager (P)                | Permanent | CHEMICAL               |
| 237 | 005359 | Aliauddin              | Deputy Manager (IT)        | Permanent | INFORMATION TECHNOLOGY |
| 238 | 005368 | Adeel Ali              | Assistant Fitter           | Permanent | MECHANICAL             |
| 240 | 005380 | Muhammad Bux           | Senior Chemist             | Permanent | CHEMICAL               |
| 241 | 005500 | Mehram Ali             | Supervisor-Turbine         | Permanent | MECHANICAL             |
| 242 | 005501 | Sajid Ali -Turbine     | Turbine Operator           | Permanent | MECHANICAL             |
| 243 | 005518 | Shoukat Ali            | Field Officer              | Permanent | CANE                   |
| 244 | 005578 | Salman Faisal          | Junior Turner              | Permanent | MECHANICAL             |
| 245 | 005612 | Muhammad Umar Farooque | Shift Engineer             | Permanent | MECHANICAL             |



|     |        |                        |                    |           |            |
|-----|--------|------------------------|--------------------|-----------|------------|
| 246 | 005615 | Ghulam Shabir          | Mechanic           | Permanent | MECHANICAL |
| 247 | 005659 | Abdul Rahim            | Senior Electrician | Permanent | ELECTRICAL |
| 248 | 005874 | Khalid Hussain Siyal   | Electrician        | Permanent | ELECTRICAL |
| 249 | 005951 | Fayaz Ali Kalhoro      | Field Officer      | Permanent | CANE       |
| 251 | 005999 | Gul Muhammad Taha      | Fireman            | Permanent | MECHANICAL |
| 252 | 006001 | Ghulam Mustafa Qureshi | Pan Chemist        | Permanent | CHEMICAL   |
| 254 | 006002 | Qamaruddin             | Senior Fitter      | Permanent | ELECTRICAL |
| 255 | 001202 | Anees Ahmed            | Field Officer      | Permanent | CANE       |

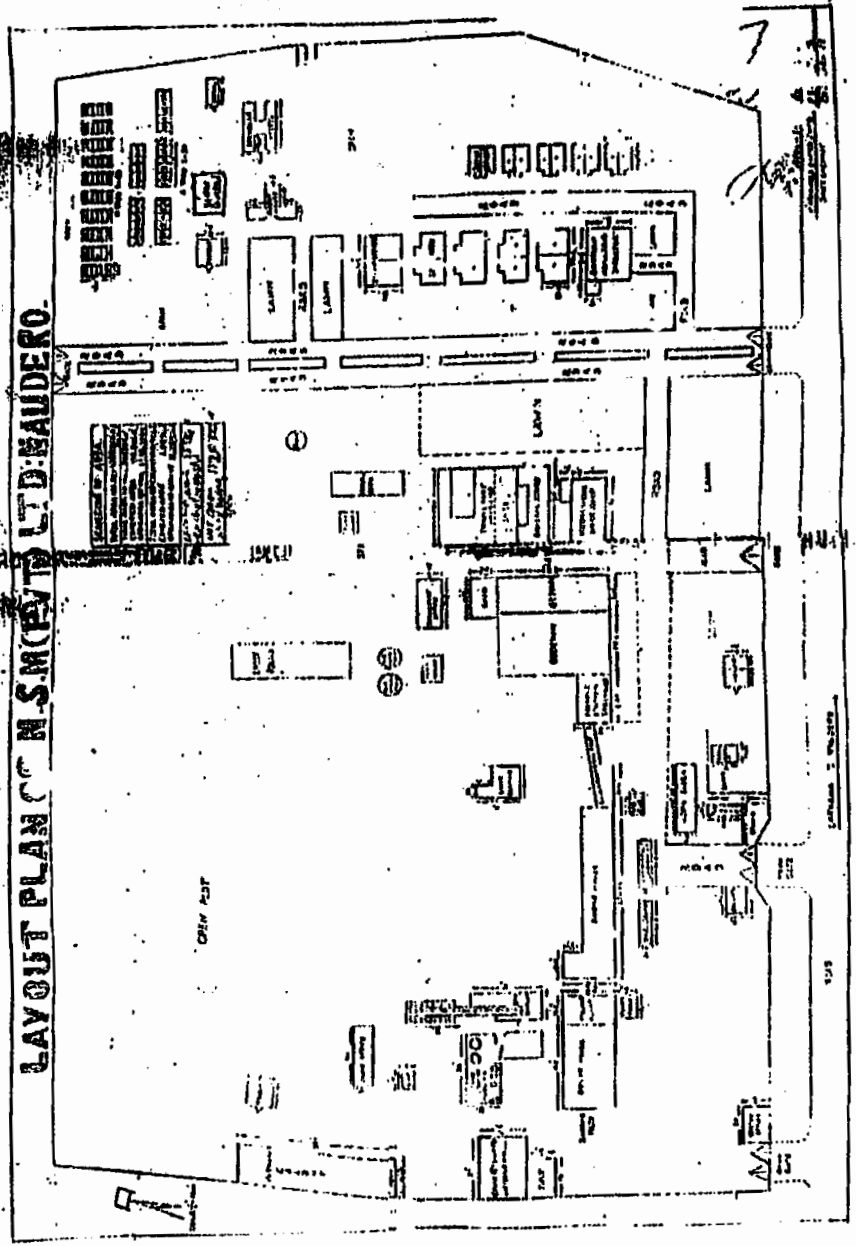
# **SHCEDHULE - III**

**1**

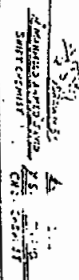
**Location maps, site  
maps, land**



LAYOUT PLAN C N S.M (FV) LTD:HAUDERO.





[illegible]

# **SHCEDHULE - III**

**2**

**Technology, number of**  
**units**

## Details of Generation Facility / Power Plant

### A. General Information

|       |                                |  |
|-------|--------------------------------|--|
| (i)   | Name of the Licensee / Company | Naudero Sugar Mills (Pvt) Limited                            |
| (ii)  | Registered / Business Office   | State Life Building # 10, Main Abdullah Haroon Road, Karachi |
| (iii) | Plant Location                 | Naudero District Larkana                                     |
| (iv)  | Type of Generation Facility    | Bagasse Fired Thermal Power Station                          |

### B. Plant Configuration

|        |  |   |          |                     |
|--------|--|---|----------|---------------------|
| (i)    | Plant Size Installed Capacity  | 6.25 MW   |          |                     |
| (ii)   | Type of Technology   | Conventional Steam Turbine Based Power Plant  |          |                     |
| (iii)  | Number of Unit / Size (MW)   | Unit - 1  | Unit - 2 | Unit - 3            |
|        |  | 1.5 MW  | 1.75     | 3.0 MW              |
| (iv)   | Unit Make / Model & Year of Manufacture  | 2007  | 2008     | Under commissioning |
| (v)    | Commissioning / Commercial Operation Date COD of each unit of the generation facility                                  | 2007  | 2008     | Under commissioning |
| (vi)   | Expected Useful Life of the each unit of the generation facility from its COD/Commissioning                            | 50  | 50       | Under commissioning |
| (vii)  | Expected Remaining useful Life of each Unit of the Generation Facility (at the time of grant of Generation Licence)    | 30  | 30       | Under commissioning |
| (viii) | Term of the Generation Licence of the Generation Facility (based on Remaining Useful Life of Latest Commissioned Unit) | 30  | 30       | Under commissioning |
| (ix)   | Interconnection with National grid company, Distance and name of nearest grid voltage level (single line diagram)      | SEPCO 132 KV grid station Naudero distance 8.5 KM<br>(single line diagram attached) |          |                     |

### C. Fuel/Raw Material Details

|       |                |                                    |
|-------|----------------|------------------------------------|
| (i)   | Primary Fuel   | Bagasse                            |
| (ii)  | Secondary Fuel | Furnace Oil (FO)                   |
| (iii) | Alternate Fuel | Wood, rice husk and other bio mass |



|   |                                   |  |  |  |
|---|-----------------------------------|--|--|--|
| 4 | Startup fuel                      | Wooden / baggase                               |  |  |
| 5 | Fuel source imported / indigenous | Primary fuel                                   | Secondary /Startup                             | Alternate fuel                                 |
|   |                                   | Local  | Local  | Local  |
| 6 | Fuel Supplier                     | Primary fuel                                   | Secondary /Startup                             | Alternate fuel                                 |
|   |                                   | Naudero Sugar Mills (PVT) Limited              | Naudero Sugar Mills (PVT) Limited              | Local farmers                                  |
| 7 | Supply arrangement                | Primary fuel                                   | Secondary /Startup                             | Alternate fuel                                 |
|   |                                   | Through conveyor loading tractors / trucks etc | Through conveyor loading tractors / trucks etc | Through conveyor loading tractors / trucks etc |
| 8 | Sugar cane crushing capacity      | 3000 Tons crushing per day                     |  |  |
| 9 | Baggase generation capacity       | 30% of cane crushing per day                   |  |  |
| 6 | Fuel storage facilites            | Primary fuel                                   | Secondary /Startup                             | Alternate fuel                                 |
|   |                                   | Bluck storage                                  | Bluck storage                                  | Bluck storage                                  |
| 6 | Capacity of storage facilites     | Primary fuel                                   | Secondary /Startup                             | Alternate fuel                                 |
|   |                                   | 20000 tons                                     | 20000 tons                                     | 20000 tons                                     |
| 6 | Gross storage capacity            | Primary fuel                                   | Secondary /Startup                             | Alternate fuel                                 |
|   |                                   | 20000 tons                                     | 20000 tons                                     | 20000 tons                                     |

(D). Emission Values

|   |                 | Primary Fuel               | Alternative Fuel        |
|---|-----------------|----------------------------|-------------------------|
| 1 | SOx             | NA                         | <400mg/m <sup>3</sup>   |
| 2 | NOx             | 188 mg /Nm <sup>3</sup>    | <400mg/m <sup>3</sup>   |
| 3 | CO <sub>2</sub> | 13.5                       | 12% ~13%                |
| 4 | CO              | 560 mg /Nm <sup>3</sup>    | < 3%                    |
| 5 | PM 10           | 91.2 / mg /Nm <sup>3</sup> | 0.107 mg/m <sup>3</sup> |

(E). Cooling System

|   |                              |   |
|---|------------------------------|---|
| 1 | Cooling water source / cycle | Canal water / deep well turbine pump / underground water. |
|---|------------------------------|---|

(F). Other Characteristics

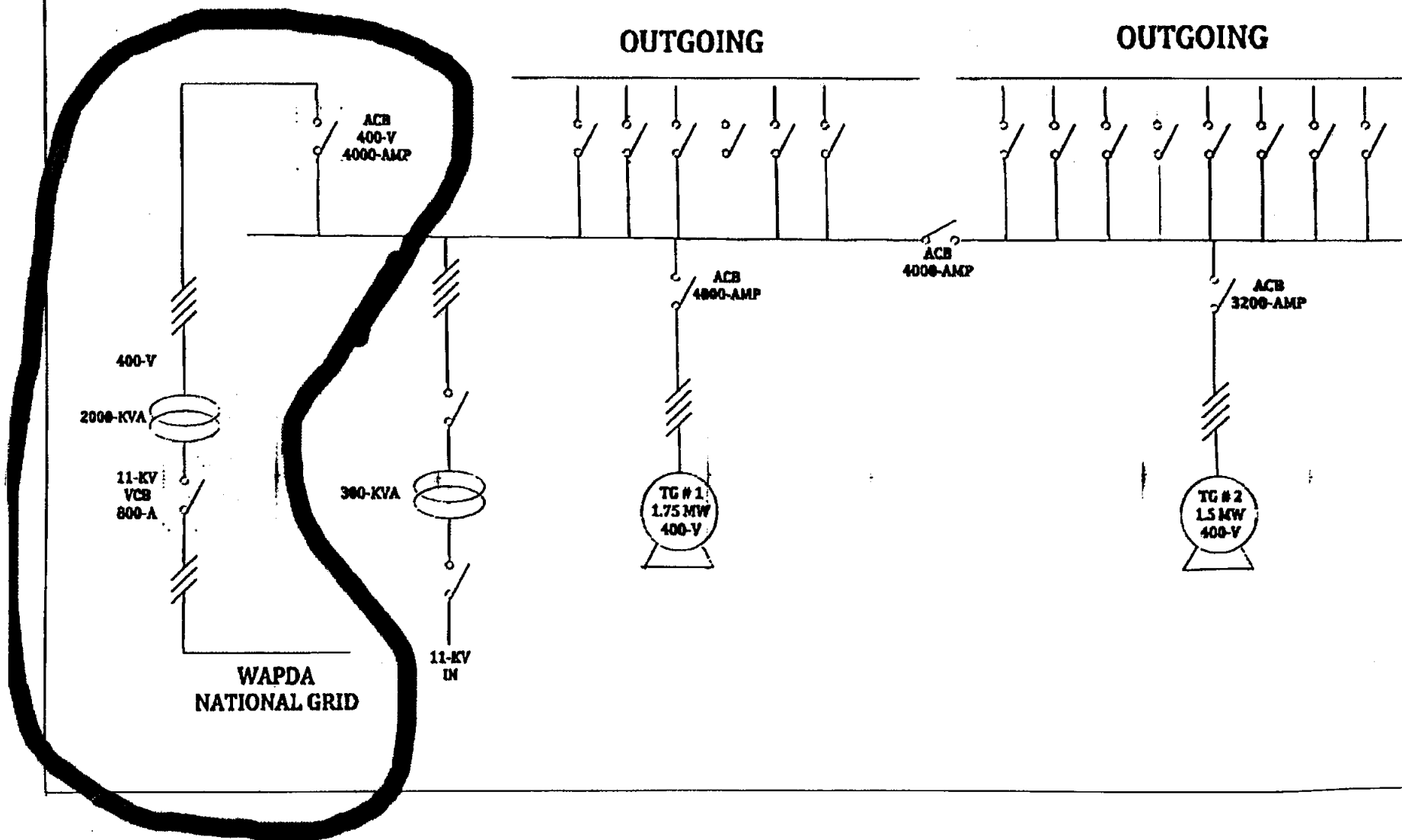
|   |                                      | Unit -1                 | Unit -2                 | Unit -3                 |
|---|--------------------------------------|-------------------------|-------------------------|-------------------------|
| 1 | Generation Voltage                   | 3.25 KV                 | 3.25 KV                 | 3.25 KV                 |
| 2 | Frequency                            | 50 Hz                   | 50 Hz                   | 50 Hz                   |
| 3 | Power Factor                         | 0.8 PF                  | 0.8 PF                  | 0.8 PF                  |
| 4 | Automatic Generation Control (AGC)   | Electronic / Digital    | Electronic / Digital    | Electronic / Digital    |
| 5 | Ramping Rate                         | 10 Minutes to full load | 10 Minutes to full load | 10 Minutes to full load |
| 6 | Time required to Synchronize to gird | 10 Minutes              | 10 Minutes              | 10 Minutes              |

| SCHEDULE # 2 |   | Unit 1   | Unit 2   | Unit 3 |
|--------------|---|----------|----------|--------|
| 1            | Total installed gross capacity of generation facility                             | 1.5 MW   | 1.75 MW  |        |
| 2            | Total installed De-rated capacity generation facility at reference site condition | 1.5 MW   | 1.75 MW  |        |
| 3            | Total auxiliary consumption of generation facility                                | 0.325 MW |          |        |
| 4            | Total installed net capacity of generation facility at reference site condition   | 1.35 MW  | 1.575 MW |        |

2.5 MW  
 and it to 6.25  
 million of air

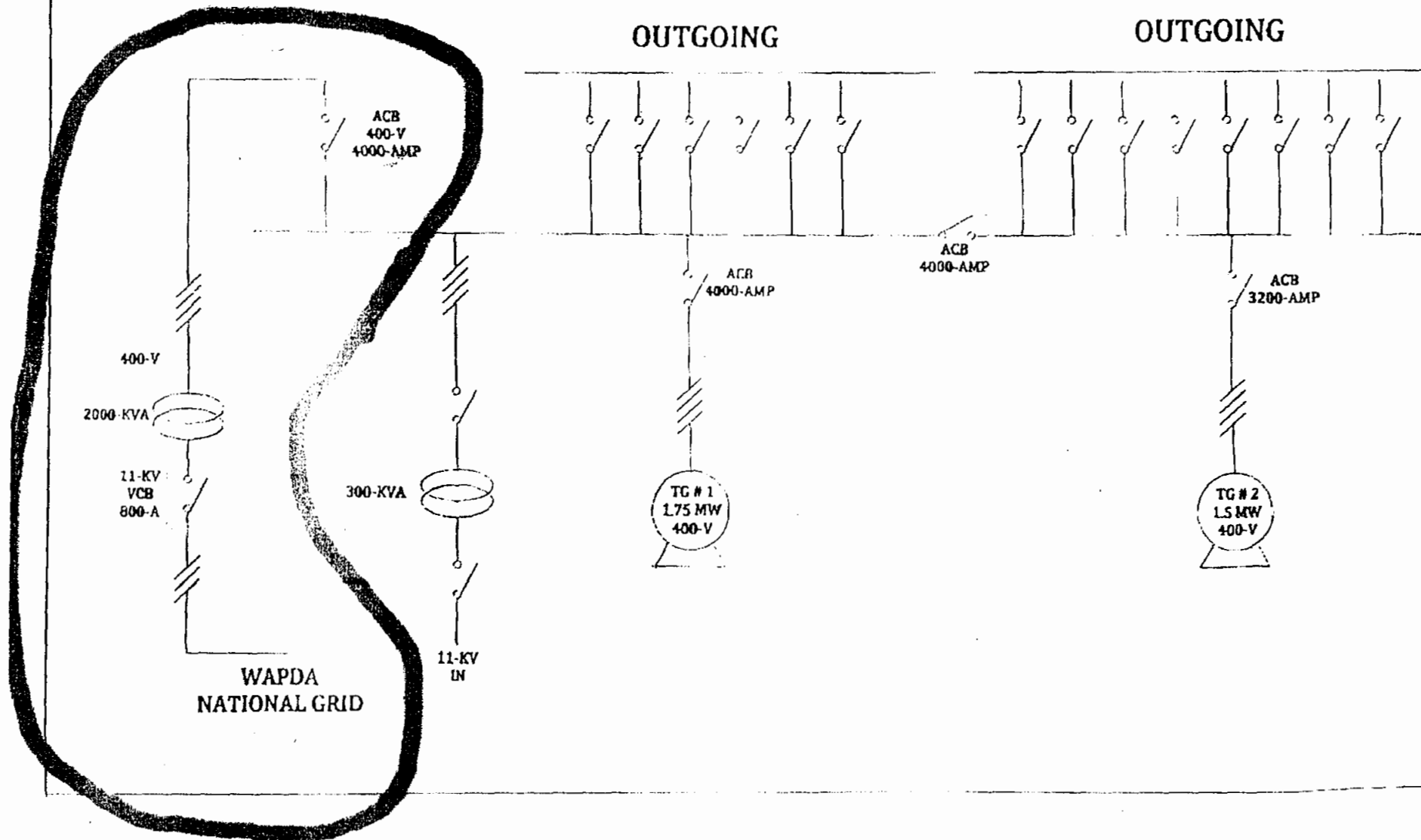
# NAUDERO SUGAR MILLS

## POWER HOUSE SINGLE LINE DIAGRAM 3.25 MW

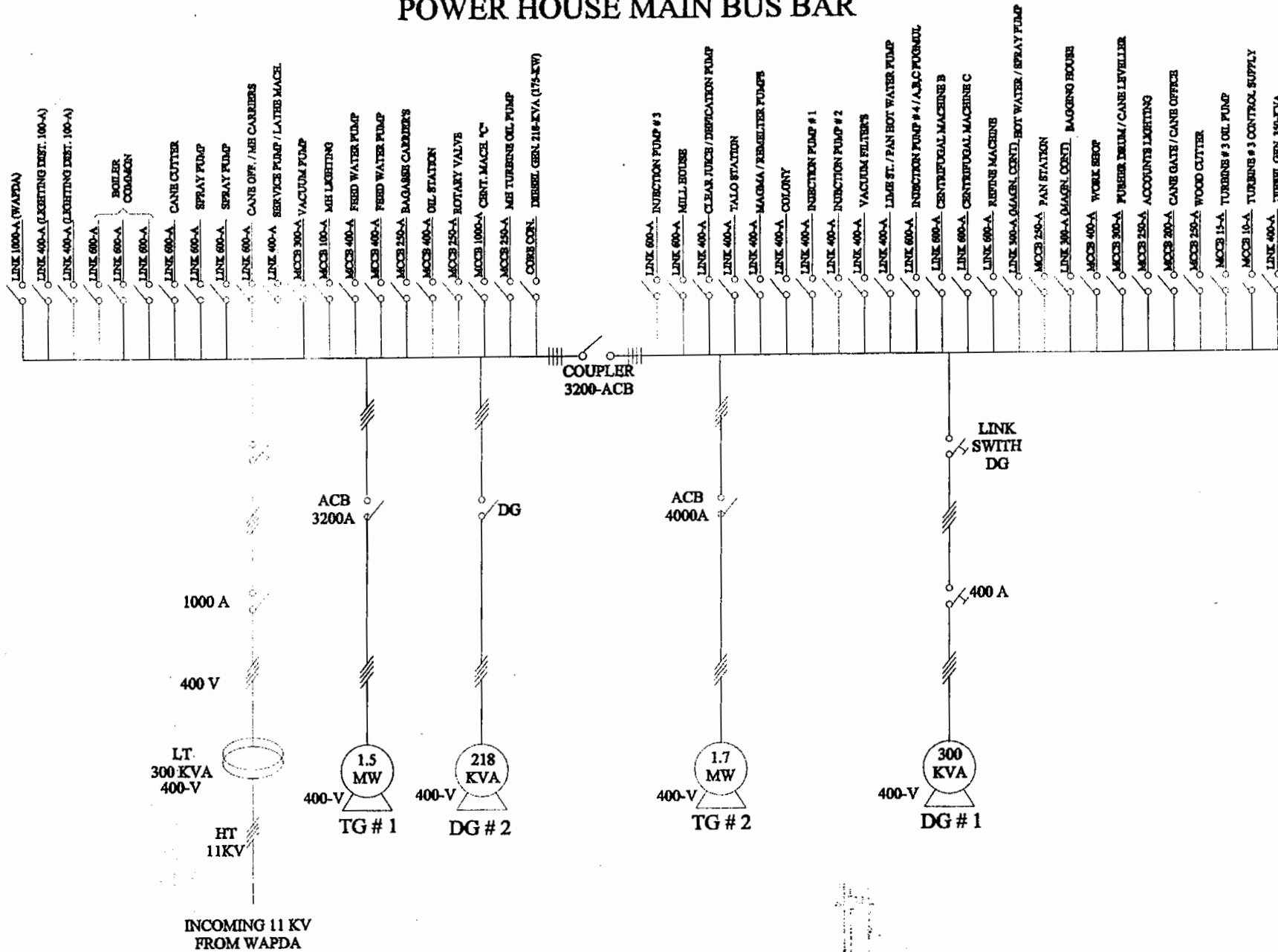


# NAUDERO SUGAR MILLS

## POWER HOUSE SINGLE LINE DIAGRAM 3.25 MW



# SINGLE LINE DIAGRAM POWER HOUSE MAIN BUS BAR





UPPER ONE BOUND

21 FEB 2021

BEFORE THE NATIONAL POWER REGULATORY AUTHORITY

LEAD # 15129

DE  
anish Akhu

**Name: Kamal Danish Akhund**

**Dated:**

# NAUDERO SUGAR MILLS (PVT) LIMITED

**The Registrar**

National Electric Power Regulatory Authority

**SUBJECT: STATEMENT FOR REFUSAL OF GRANT OF GENERATION LICENSE**

I, Kamal Danish Akhund, being the duly authorized representative of Naudero Sugar Mills Limited (NSML), as required pursuant to Regulation 3(h) of the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021, confirm that Naudero Sugar Mills (Pvt.) Limited has never been refused grant of generation license under the Act by the Authority.

Date:

Signature: \_\_\_\_\_

Kamal Danish Akhund

---

**Registered Office:** Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

**Corporate Office:** CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533 , 35657788, Email: [nauderousugarmills@omnigroup.com.pk](mailto:nauderousugarmills@omnigroup.com.pk)

Web: [www.omnigroup.com.pk](http://www.omnigroup.com.pk)

# NAUDERO SUGAR MILLS (PVT) LIMITED

EXTRACTS OF THE RESOLUTIONS OF BOARD OF DIRECTORS OF  
NAUDERO SUGAR MILLS (PVT.) LIMITED  
PASSED IN THEIR MEETING HELD ON MARCH 13, 2024  
AT IT'S HEAD OFFICE AT STATE LIFE BUILDING # 10, MAIN ABDULLAH HAROON ROAD, KARACHI

The Board of Directors of Naudero Sugar Mills (Pvt.) Limited company duly formed and registered in the Islamic Republic of Pakistan under the company's ordinance 1984 having incorporation No. K-08566 OF 2001-2002 and having its registered office at State Life Building # 10, Main Abdullah Haroon Road, Karachi, in their meeting held on March 13, 2024, passed the following resolutions:

**UNANIMOUSLY RESOLVED** that the Company should approach NEPRA for Generation License under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

**Further Resolved**, that **Mr. Kamal Danish Akhund**, is hereby singly authorized to do any or all of the following acts, deeds and things, on behalf of the Company, in connection with this application to be filed with NEPRA under the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and the National Electric Power Regulatory Authority Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021:

- Represent the Company before NEPRA, and in doing so perform all lawful acts, deeds and things, including but not limited to filing, signing, presenting, modifying, amending, withdrawing applications and other documents, responding to any queries and meeting any objections, receiving notices and documents; and
- Do all acts, deeds and things, which are ancillary and incidental to the afore-said purposes. Further Resolved, that extracts of this resolution be provided to the NEPRA with the seal/stamp duly affixed thereon.

Further Resolved, that extracts of this resolution be provided to the NEPRA with the seal/stamp duly affixed thereon.

  
\_\_\_\_\_  
Company Secretary



---

**Registered Office:** Naudero District: Larkana, Sindh.

(77360) Ph: 0744-047161, 0744-047495

**Corporate Office:** CL-5/4, State Life Building # 10, Main Abdullah Haroon Road, Karachi - 75350 Pakistan.

UAN: 111-666-447, Fax: 92-21-35680533, 35657788, Email: [nauderousugarmills@omnigroup.com.pk](mailto:nauderousugarmills@omnigroup.com.pk)

Web: [www.omnigroup.com.pk](http://www.omnigroup.com.pk)