



Imperial Sugar Limited

Annual Report
2018



Imperial Sugar Limited



Contents

Corporate Information	02
Vision & Mission Statement	03
Notice of the Annual General Meeting	04
Chairman's Review	10
Directors' Report to the Members	11
Statement of Compliance with Code of Corporate Governance	17
Independent Auditors' Review Report of Imperial Sugar Limited Review Report on Statement of Compliance contained in Listed Companies (Code of corporate Governance) Regulations, 2017...	20
Independent Auditors' Review Report to the members of Imperial Sugar Limited Report on the Audit of the Financial Statements	21
Statement of Financial Position	27
Statement of Profit or Loss	28
Statement of Comprehensive Income	29
Statement of Cash Flows	30
Statement of Changes in Equity	31
Notes to the Financial Statements	32
Financial Highlights	57
Pattern of Shareholding	58
ڈائریکٹرز رپورٹ	66
Jama Punji سرمایہ کاری سمجھ داری کے ساتھ	67
Form of Proxy English	69
پراکسی فارم	71



Imperial Sugar Limited

Corporate Information

Board of Directors	Mr. Asad Ali Mr. Naveed M. Sheikh Mr. Waqar Ibn Zahoor Bandey Mr. Muhammad Tariq Mr. Shahzad Ullah Khan Mr. Ahmed Haji Mussa Mr. Najam Faiz	- Chairman - Director/CEO - Director - Director - Director - Director - Director
Audit Committee	Mr. Najam Faiz Mr. Asad Ali Mr. Shahzad Ullah Khan	- Chairman - Member - Member
HR & Remuneration Committee	Mr. Najam Faiz Mr. Waqar Ibn Zahoor Bandey Mr. Shahzad Ullah Khan	- Chairman - Member - Member
Chief Financial Officer	Mr. Makhdoom Faisal Javed	
Head of Internal Audit	Mr. Muhammad Tayyab	
Company Secretary	Mr. Mubashhar Asif	
Financial Institutions	BankIslami Pakistan Limited Al Baraka Bank (Pakistan) Limited	
Auditors	Tariq Abdul Ghani Maqbool & Co. Chartered Accountants	
Legal Advisors	Ms. Aniqua Sheikh Advocate	
Registered Office	M. Ismail Aiwan - e - Science Building, 205 Ferozepur Road Lahore-54600 Ph # + 92 (042) 3575-8970 + 92 (042) 3575-1308 Fax # + 92 (042) 3576-3247	
Shares Registrar	Hameed Majeed Associates (Pvt) Limited H.M. House, 7-Bank Square, Lahore. Ph # + 92 (042) 3723-5081-2 Fax # + 92 (042) 3735-8817	
Production Facilities	Karmanwala, Tehsil Phalia Distt. Mandi Bahauddin Ph # + 92 (546) 541-151/54 Fax # + 92 (546) 541-162	



Imperial Sugar Limited

Vision Statement

To exploit our company's potential by diversifying into the entire range of industrial and consumer products that can be derived from Sugar Cane

Mission Statement

To exceed our customers' expectations in quality and delivery on one hand and maximize profit for the stakeholders of our company on the other hand by continuous cost reduction through identifying and deploying latest technologies in process and monitoring control systems



Notice of Annual General Meeting

NOTICE is hereby given that the 12th Annual General Meeting of the shareholders of Imperial Sugar Limited will be held on Monday the January 28, 2019, at 10:00 a.m. at the Registered Office at Ismail Aiwan-e-Science Building, 205 Ferozepur Road, Lahore to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of last Annual General Meeting.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended September 30, 2018 together with the Directors' and Auditors' Reports thereon.
3. To appoint Auditors for the year 2018-19 and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and approve the sale of freehold land, buildings on freehold land, plant and machinery and other assets of the Company located at Karmanwala, Tehsil Phalia, District Mandi Bahauddin by passing following resolution(s) as ordinary resolution(s) with or without any modification, addition or deletion in terms of Section 183(3)(a) of the Companies Act, 2017:

RESOLVED THAT the consent of shareholders be and is hereby accorded to the disposal and sale of Company's Assets located at Karmanwala, Tehsil Phalia, District Mandi Bahauddin comprised of Freehold Land, Buildings on Freehold Land, Plant and Machinery, Furniture & Fixture, Equipments and other assets.

RESOLVED FURTHER that, as part and parcel of the foregoing consent, Board of Directors be and are hereby authorized and empowered for Asset Sale. The Board may delegate its powers to Chief Executive Officer (CEO) or any other person on such terms and conditions they deem fit, to act on behalf of the Company in doing and performing all acts, matters, things and deeds to implement and /or give effect to the asset sale and the transaction contemplated by it, which shall include, but not be limited to:-

- a) conducting negotiations, obtaining quotations etc, with interested parties in such manner and on such terms and conditions as are in the best interest of the Company and its shareholders and which secure the best available market price for the assets;
- b) selling the assets to any individual, firm / partnership, bank or private / public limited company or organization or to any other person and, for that purpose, negotiating with financial institution for vacation of lien/charges against assets if any, entering into an agreement to sell, sale deed or any other agreement with the buyer(s) or any other person, receiving of sale consideration, executing, preparing and signing any sale deed, conveyance deed and /or transfer documents in favor of the buyer(s) or another person to effect the asset sale in favor of the buyer(s) or any other person by representing the same before all parties & authorities concerned and admitting execution thereof;



c) representing before the Sub-Registrar or any other Competent Authority and getting any sale deed or other documents registered and collecting consideration amount in respect of the assets sale, and

d) generally performing and executing in respect of the assets all lawful deeds, agreements, acts and things as they may think fit and proper in order to implement and complete the Asset Sale.

FURTHER RESOLVED that the Company be and is hereby authorized to take all actions incidental or ancillary thereto with regard to Asset Sale.

FURTHER RESOLVED that the Board be and is hereby empowered to agree upon modification in these resolutions that may be directed / required by the SECP without the need of any other further approval of the shareholders.

FURTHER RESOLVED that certified copies of this resolution as present form or modified by CEO/Company Secretary be communicated to the concerned authorities and shall remain in force until notice in writing to the contrary be given.

5. To ratify and approve the transactions carried out with related parties during the year ended September 30, 2018 by passing the following Special Resolution with or without modification(s):

RESOLVED THAT:

- a) The transactions conducted with the Related Parties as disclosed in the Note 11 to the Financial Statements for the year ended September 30, 2018 and specified in the Statement of Material Information under Section 134(3) be and are hereby ratified, approved and confirmed.

6. Any other business with permission of the Chair.

The statement under Section 134(3) of the Companies Act, 2017 pertaining to Special Business is annexed with this Notice.

By Order of the Board

-sd-

Company Secretary

Lahore
January 04, 2019



NOTES:

1. The Share Transfer Books of the Company will remain closed from January 21, 2019 to January 28, 2019 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Hameed Majeed Associates (Private) Limited, H.M. House, 7-Bank Square, Lahore, at the close of business on January 18, 2019 will be considered in time to determine voting rights of the shareholders for attending the meeting.
2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. The proxy, in order to be effective, properly filled in must be received at the Company's Registered Office not later than 48 hours before the time for holding the meeting.
3. The members are requested to bring their Folio / Account details (participant ID and sub-account) and original CNIC for identification purpose at the time of meeting. In case of corporate entity, the Board of Director's Resolution or power of attorney with specimen signatures of the nominee should be produced.
4. Members can also avail facility of video conference at their hometown. In this case if the Company receives consent from members holding aggregate 10% or more shareholding, residing at a geographical location to participate in the meeting through video conference at least 07 days prior to the date of meeting, the Company will arrange video conference facility. For the purpose, please fill the following and submit at Registered Office of the Company as per time frame given above:

"I/We, _____ of
_____, being a member of Imperial Sugar
Limited, holder of _____ Ordinary Share(s) as per Registered Folio / CDC A/c #
_____ hereby opt for video conference facility at _____.

Signature of Member / Attorney"

5. The Annual Financial Statements are being transmitted to shareholders through DVD and also have been placed at website of the Company at www.imperialsugars.com. However, the company shall send printed copy of its Financial Statements to desirous member within a week of such request without any cost. Shareholders desirous to receive the Financial Statements through eMail are requested to send written consent to Company for the purpose.
6. In future, all dividend payments shall be paid through banks (ePayment Machnism), therefore, shareholders are requested to provide Bank Account details (IBAN) to update the record.



7. Members are again advised:

- a) To provide the copies of their valid CNIC's if not provided earlier to update the members register.
- b) To notify the change of address immediately, if any.

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts pertaining to the special businesses to be transacted at the Annual General Meeting of the Company to be held on January 28, 2019.

Item No. 4 of the Agenda, Sale of Assets

Several entities have shown interest in the purchase of remaining assets of the Company situated at Phalia. Information exchange has taken place with several interested parties and positive movement in this regard is expected in the near future. Whereas, the approval accorded by the Shareholders to sell the assets of the Company in the last Annual General Meeting stand lapsed with the completion of One (01) year in terms of Section 183(5) of the Companies Act, 2017. Therefore, the Directors have proposed the Special Resolutions to be approved and passed by the Shareholders in forthcoming Annual General Meeting to conclude the asset sale transaction.

The information required under SRO 423(1)/2018 dated April 03, 2018 is as follows:

Detail of Assets to be sold

Description of Asset(s)	Cost as at 30-09-2018	Book Value as at 30-09-2018 (without surplus on revaluation)	Revalued Amount / Fair Value / Current Market Value
	Rupees in thousands		
Land 138 Acres 02 Kanals and 16 Marlas Situating at Karmanwala, Tehsil Phalia District Mandi Bahauddin	173,577	173,577	1,106,448
Building	791,400	493,124	2,478,950
Plant & Machinery	2,146,247	1,496,107	5,137,125
Furniture, fixture and equipment	37,947	17,291	-
Vehicles	25,666	6,183	-
Stores, spares & loose tools	262,106	262,106	-

The assets are revalued as of September 30, 2018. Revalued amounts of Assets are given against respective asset. The management is trying its best to enter into deal with that buyer who will pay the maximum amount above the revalued amounts. However, 5% to 15% dip is expected depending on the customer and market conditions.

The proposed manner of disposal

Notice (Tender) inviting bids was published in newspapers, further Notice may be published if needed.



Reason for the disposal of assets

There are certain factors which have led to the decision by the Directors of the Company to dispose of the assets, as aforesaid.

Based on saturated capacity of Sugar in Pakistan, lower prices of sugar and global decrease in ethanol prices due to depressed oil prices, management has decided to dispose off the assets and undertake the most profitable business segment.

Utilization of Sale Proceeds

The proceeds received from the sale of assets will be utilized to setup an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) which will be started upon close of sale transaction.

At present a sum of Rs. 3,118.75 Million has been kept in Banks, from the remaining amount of sale proceeds of Mian Chanu Unit, after making payments to (Financial Institutions: Rs. 940.304 Million, Sponsors' Loan: Rs. 566.732 Million and Trade Creditors and other Payables: Rs. 429.928 Million, including Cane Growers). This amount includes the Markup accumulated on deposits with Banks.

The borrowings from financial institutions / banks are secured against charges over movable and immovable assets of the Company and personal guarantees of directors of the Company. The amount of

Name of Bank	Amount of Charge Rupees
BankIslami Pakistan Limited	271,000,000/-
AlBaraka Bank Pakistan Limited	467,000,000/-
TOTAL	738,000,000/-

As of 04 January 2019, settlement with AlBaraka Bank Pakistan Limited has been made and negotiations are being made to get NOC from Bank for vacation of Charges registered in favour of AlBaraka Bank Pakistan Limited.

The shareholders are being informed that the assets of the Company under reference can only be disposed of, after obtaining NOCs from Banks against clearance of borrowings of the Company from Banks.

There will be no effect on operational capacity of the Company as the operational activities have been suspended.

In the light of above circumstances, the Board of Directors has approved the disposal plan as mentioned above. The disposal of assets under reference is expected in near future.

Benefits expected to accrue to the shareholders

The proceeds received from the disposal of the Mian Channu Unit are being utilized for repayments of borrowings of the Company, Growers and other Creditors. Consequently, the borrowing cost has been substantially reduced.

The proceeds from disposal of the assets under reference alongwith remaining proceeds from the disposal of assets of Mian Channu Unit will help the Company in roll out of future business plan and hence will enhance the shareholders' value.



Future Business Plan

We plan to setup an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) subject to regulatory approvals. The total cost of this project is estimated at USD 221.263 million, with 70:30 Debt to Equity Ratio. IRR on Equity Investment is projected to be 17% per annum (tax free) in US Dollar terms. Project completion time is estimated to be 2-3 years depending upon the financial close of the project and other regulatory approvals related thereto.

None of the Directors have any direct or indirect interest in the sale/disposal of the said assets except as shareholders of the Company. The Directors also undertake and confirm that they have carried out due diligence in respect of disposal of assets and the new project.

Availability of Relevant Documents

The documents pertaining to foregoing special business are available for inspection at the registered office of the Company on any working day upto 28 January 2019 during business hours and also at the time of General Meeting.

Item No. 5 of the Agenda,

Ratification and Approval of Transaction made with Related Parties.

During the Financial Year 2017-18 an amount of Rs. 566.911 Million was paid to One Director and his Family Members being related parties against their Sub-Ordinated Loan given to Company. Detail of transactions against which ratification and approval is requested are:

Name of Related Party	Opening Balance as at 01-10-2017 (Rupees)	Paid During the Financial Year (Rupees)	Closing Balance as at 30-09-2018 (Rupees)
Mr. Naveed M. Sheikh – Director	392,061,289	392,061,289	-
Mrs. Aasiya Naveed Sheikh – W/O Mr. Naveed M. Sheikh	74,656,326	74,656,326	-
Ms. Eesha Naveed Sheikh – D/O Mr. Naveed M. Sheikh	100,014,040	100,014,040	-
TOTAL	566,731,655	566,731,655	-

The transactions were carried as per the Company Policy and were duly approved by the Audit Committee of the Company. The Board of Directors has proposed the Resolution for approval of Shareholders of the Company in forthcoming Annual General Meeting.

No one Director is interested in passing of this resolution except Mr. Naveed M. Sheikh and ratification of the transactions.

Availability of Relevant Documents

The documents pertaining to foregoing special business are available for inspection at the registered office of the Company on any working day upto 28 January 2019 during business hours and also at the time of General Meeting.



Imperial Sugar Limited

Chairman's Review

The Board of Directors of Imperial Sugar Limited is comprised of Seven Members. The Board Members are competent persons having vast and rich experience of business management. The Board and its Committees are constituted in accordance with the guidelines provided in the Listed Companies (Code of Corporate Governance) Regulations, 2017. The Gender representation and minimum number of Independent Directors on Board will be met at the time of next election of directors or earlier as the case may be.

Human Resource & Remuneration Committee has been given the task to evaluate the performance of Board and its Committees which ensures that all statutory and legal requirements are fulfilled with regard to procedures, meetings and the role of Board.

During the year, the Board diligently performed its duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, Plans, Financial Statements and other reports. The Board remained update with respect to achievement of the Company's Objectives, Core Values, Goals, Strategies and Financial Performance through regular presentations by the Management, Internal and

Asad Ali
Chairman

Lahore
January 04, 2019



DIRECTORS' REPORT TO THE MEMBERS

On behalf of Board of Directors, we are pleased to present the Annual Report for the year ended **September 30, 2018** along with Financial Statements and Auditors' Report thereon and welcome you at the forthcoming 12th Annual General Meeting.

During the year under review your Company earned revenue of Rs. 195.781 Million as compare to the last years' revenue of Rs. 6.083 Million against Mark up on deposits with Banks against receipt of sale proceeds of Mian Chanu Unit. Net Loss after Taxation for the year comes to Rs. 562.502 Million (2017: Rs. 882.067 Million-Restated). Loss per share for the year is Rs. 5.68 (2017: Rs. 8.91 - Restated).

Several entities have shown interest in the purchase of remaining assets of the Company. Information exchange has taken place with several interested parties and positive movement in this regard is expected in the near future.

Various liabilities (Financial Institutions: Rs. 940.304 Million, Sponsors' Loan: Rs. 566.732 Million and Trade Creditors and other Payables: Rs. 535.486 Million, including Cane Growers) amounting to Rs. 2,042.522 Million were paid out of the sale proceeds of Mian Chanu unit. Presently, a sum of Rs. 3,117.875 Million (inclusive of Mark-up) is being kept with various Commercial Banks.

Under the prevailing scenario, the Company is not considered a going concern. These financial statements for the year ended September 30, 2018 have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

Company plans to set up / establish an Independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) subject to regulatory approvals for which Board and Shareholders had approved business plan.

Fresh approval from the shareholders of the Company in forthcoming Annual General Meeting has been proposed for sale of remaining assets of the Company and the future business plan. For this purpose, the Company got the assets revalued by Anderson Consulting (Pvt) Limited to ascertain the present estimated value of its assets and to comply with the requirements of Law.

PRINCIPAL ACTIVITIES

The principal activities of the company are manufacturing and sale of Sugar and its bye products. At present the Principal Activities have been suspended due to sale of assets.

SUB-ORDINATED LOAN / RELATED PARTY TRANSACTION

During the Financial Year under review the subordinated interest free loan was repaid with a commitment from the Sponsoring Directors that the same shall be made available to the Company for the proposed LNG project. The transaction being related party transaction was carried out by the Company and is being placed before shareholders for its ratification and approval in the forthcoming Annual General Meeting.

DIVIDEND

Considering the financial results of the company for the year ended September 30, 2018 the management has not recommended any dividend in this year.

FUTURE OUTLOOK

The management is confident that the sale of remaining Company assets should materialized within the next financial year, immediately after which, work on the proposed new project will commence to setup an independent Power Producer (IPP) Project of 225 MW, based on Liquefied Natural Gas (LNG) subject to regulatory approvals for which Board and Shareholders had approved business plan in preceding years.

ENVIRONMENT, HEALTH AND SAFETY

The Company maintains safe working conditions avoiding the risk to the health of employees and public at large.

CORPORATE SOCIAL RESPONSIBILITY

We actively seek opportunities to contribute to the communities in which we do business, and to improve the environment that sustains us all. Our main CSR focuses are Education, Healthcare and Community Building.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

Honesty, integrity and strong commitment to high standards of ethical, moral and lawful conducts are among the most important traditions of the Company. This dedication is critical to meet our commitment to our Shareholders, Customers, Suppliers and Employees.

IMPACT OF COMPANY'S BUSINESS ON ENVIRONMENT

Your Company strives to follow best practices such as paper less environment and conserving energy.

CORPORATE SOCIAL RESPONSIBILITY

Social welfare and community service are integral consideration of the company. We pride ourselves for being an equal opportunity employer. Your company is running initiatives through donating to the institutions engaged in providing the health services to needy people.

AUDIT COMMITTEE

This is the most prime and effective committee of the Board. It has a vital role in the compliance of internal controls to ensure safeguard the interest of company, through monitoring of internal audit functions, risk management policies in the light of Terms of Reference developed by the Board. The committee recommends the appointment of the external auditors and also reviews the critical reporting made by the internal and external auditors.

The names of Members of Audit Committee are as under:

Name of Director	Category	Designation in Committee
Mr. Najam Faiz	Independent Director	Chairman
Mr. Asad Ali	Non-Executive Director	Member
Mr. Shahzad Ullah Khan	Non-Executive Director	Member



HUMAN RESOURCE & REMUNERATION COMMITTEE

The human resource committee determines the compensation packages for all cadres of the company's employees according to the terms of reference of Committee. The committee is also responsible to create and maintain conducive working environment that instill trust and ensure respect, fair treatment, development opportunity and grooming and make succession plans for all employees. We feel that human resource is key element in our business strategy.

The names of Members of HRR Committee are as under:

Name of Director	Category	Designation in Committee
Mr. Najam Faiz	Independent Director	Chairman
Mr. Waqar Ibn Zahoor Bandey	Non-Executive Director	Member
Mr. Shahzad Ullah Khan	Non-Executive Director	Member

BOARD OF DIRECTORS

The Board of Directors consist of seven members and responsible to manage the Company affairs in a transparent manner to achieve the sustainable growth of business.

Presently, the Board consists of seven male members. Other requirements relating to formation of Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 will be met at the time of election of Directors.

Category wise composition of present Board is as under:

Category	Number of Directors
Independent Directors	01
Non-Executive Directors	04
Executive Directors (including Chief Executive)	02

During the year under review five meetings of the Board of Directors, four meetings of the audit committee and one meeting of human resource & remuneration committee were held. Attendance in the meetings by each director was as under:

Directors' Name	Board of Directors	Audit Committee	HR Committee
Mr. Naveed Mughis Sheikh	04	-	-
Mr. Waqar Ibn Zahoor Bandey	05	-	01
Mr. Ahmed Haji Mussa	05	-	-
Mr. Najam Faiz	05	04	01
Mr. Asad Ali	05	04	-
Mr. Muhammad Tariq	05	04	-
Malik Sohail Ahmed	03	-	-
Mr. Shahzad Ullah Khan	02	01	01

Leave of absence was granted to those who have not attended the meetings.

During the year vacancies of Director and Chief Executive occurred and were filled on the date of occurrence.



Leave of absence was granted to those who have not attended the meetings. During the year vacancies of Director and Chief Executive occurred and were filled on the date of occurrence.

DIRECTORS' REMUNERATION

Aggregate amount of Rs. 8.930 Million was paid as remuneration to the Chief Executive Officer and Executive Directors whereas no amount was paid to any Director. During the year remuneration of Chief Executive Officer was revised in July 2018 and fixed at Rs. 1.500 Million per month with other benefits as per Company Policy.

BOARD EVALUATION

The Board of Directors approved comprehensive mechanism for evaluation of Board's own performance and its Committees. The terms of reference have been advised to Human Resource and Remuneration Committee for this purpose.

CHAIRMAN'S REVIEW

The Board has considered the Chairman's review to the Members and has also been annexed to the Annual Report.

CODE OF CONDUCT

The Directors of your Company have developed Code of Conduct with set procedures. Copies of Code have duly been acknowledged by all the concerned.

STATEMENT OF COMPLIANCE

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 duly reviewed by the Auditors is attached with Annual Report.

PRINCIPAL RISKS

The Company exposed to principal risk, if any, is explained in the Notes to the Financial Statements at relevant section.

CORPORATE GOVERNANCE

The management ensures that all requirements of the Code of Corporate Governance were complied with. The statement of compliance with the best practices of Code of Corporate Governance is annexed.

PATTERN OF SHAREHOLDING

The pattern of shareholding and information under clause XIX (i) of the Code of Corporate Governance as on September 30, 2018 is annexed,

No trading in the shares of the Company was carried out by Chief Executive, Directors', Chief Financial Officer and Company Secretary and their spouses and minor children except the following:

Name	Designation	Nature of Transaction	No. of Shares
Mr. Naveed M. Sheikh	Director	Received through Gift	4,900,000



EXTERNAL AUDITOR

The present auditors M/S Tariq Abdul Ghani Maqbool & Company, Chartered Accountants, will retire at the Annual General Meeting. The Audit Committee and Board of Directors have recommended their reappointment for the ensuing year.

The auditors have conveyed that they have been assigned satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan and the firm is fully compliant with code of ethics issued by the International Federation of Accountants (IFAC). Further they are not rendering any related services to the company. The auditors have also confirmed that neither the firm nor any of their partners, their spouses and minor children at any time during the year held or traded in the shares of the company except disclosed in the attached shareholding information.

WEB PRESENCE

Annual and periodic financial statements of the Company are also available on www.imperialsugars.com.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

As required by the Code of Corporate Governance and Companies Act 2017 Directors are pleased to report that:

1. The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity. Owing to non-going concern assumption and the financial reporting requirements, the financial statements have been prepared on the basis of estimated realizable (settlement) value of asset and liabilities respectively.
2. Proper books of accounts have been maintained by the Company.
3. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
4. The International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements and departures there from, if any, has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. The significant doubts upon the Company's ability to continue as a going concern have been adequately disclosed in Note No.2 to the financial statements.
7. There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations of the stock exchange.
8. Key operating and financial data for the last six years is annexed in summarized form.
9. There are no statutory payments on account of taxes, duties, levies and charges that are outstanding as on September 30, 2018 except for those disclosed in the financial statements.



10. The company operates a gratuity fund scheme for all employees. The net value of investment in their respective accounts is given in related note(s) to the accounts.
11. All material information, as described in the Code is disseminated to Stock Exchange and Securities and Exchange Commission of Pakistan in a timely fashion.
12. The company has complied with requirements as stipulated in Code in respect of related party transactions.
13. The Directors are aware of their fiduciary responsibilities and in-house orientation course was arranged for management.

POST BALANCE SHEET EVENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of Financial Year and the date of this report.

ACKNOWLEDGEMENT

We would like to place on record our deep appreciation for the efforts of the executives, officers and other staff members for their hard work, cooperation and sincerity to the company. The management is quite confident that these relations and cooperation will continue in the coming years.

For and on behalf of the Board

Asad Ali
Chairman

Muhammad Tariq
Director

Lahore
January 04, 2019



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017.

Name of Company: Imperial Sugar Limited

Year ending: September 30, 2018

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

- 1) The total number of directors are 7 as per the following:
 - a. Male: 07
 - b. Female:-

The requirement of induction of female director on the Board will be met at the time of reconstitution of Board or earlier as the case may be.
- 2) The composition of board is as follows:
 - a. Independent Directors: 01
 - b. Non-Executive Director: 04
 - c. Executive Directors: 02
- 3) The directors have confirmed that none of them is serving as a director in more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 4) The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
- 5) The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. Record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6) All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7) The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The Board has complied with the requirements of Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- 8) The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9) Mr. Asad Ali has completed the Director's Training Program (DTP) in December 2018. Applications by three Directors for exemption from DTP are being made with Securities & Exchange Commission of Pakistan.
- 10) The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements.



11) Chief Financial Officer and Chief Executive Officer duly endorsed the Financial Statements prior to approval of Board.

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

a. Audit Committee

Name of Director	Category	Designation in Committee
Mr. Najam Faiz	Independent Director	Chairman
Mr. Asad Ali	Non-Executive Director	Member
Mr. Shahzad Ullah Khan	Non-Executive Director	Member

b. HR and Remuneration Committee

Name of Director	Category	Designation in Committee
Mr. Najam Faiz	Independent Director	Chairman
Mr. Waqar Ibn Zahoor Bandey	Non-Executive Director	Member
Mr. Shahzad Ullah Khan	Non-Executive Director	Member

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

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

- a. Audit Committee: Quarterly during the year
b. HR and Remuneration Committee: Once during the year

15) The Board has set up an effective internal audit function, the members of internal audit team are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16) The Statutory Auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by the ICAP.



Imperial Sugar Limited

- 17) The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirements and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18) We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of the Board

Asad Ali
Chairman

Lahore
January 04, 2019



Imperial Sugar Limited

**Independent Auditors' Review Report of Imperial Sugar Limited
Review Report on Statement of Compliance contained in
Listed Companies (Code of corporate governance)
Regulations, 2017**

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

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

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

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

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

Dated: 04 January 2019
Lahore

Tariq Abdul Ghani Maqbool
Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants



**Independent Auditors' Report
To the members of Imperial Sugar Limited
Report on the Audit of the Financial Statements**

Opinion

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

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

Basis for Opinion

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

Emphasis of Matters

We draw attention to note No. 02 to the financial statements, which states that these financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of assets and liabilities respectively as the Company is no longer a going concern for the reasons stated in the aforesaid note. Our report is not modified on this matter.

Key Audit Matters

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



S. No.	Key audit matters	How the matter was addressed in our audit
1.	Promulgation of Companies Act, 2017	
	(Refer to notes no 5.01 and 5.02 to the financial statements) The Companies Act, 2017 ("the Act") was promulgated on May 30, 2017 which introduced certain new requirements including certain changes in accounting and disclosures with respect to preparation of financial statements by companies. The third and fourth schedules to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedules) forms an integral part of the statutory financial reporting framework applicable to the Company. In view of the significant changes in disclosures, we consider it as key audit matter.	Our audit procedures included the following: - Obtained an understanding of the requirements regarding preparation and filing of financial statements applicable to the Company and assessed the design and operation of its key controls over preparation and filing of financial statements. - Reviewed minutes of meetings of Board of Directors for any recorded instances of potential non-compliance and maintained a high level of vigilance when carrying out other audit procedures for indication of non-compliance. - Reviewed financial statements to ensure completeness and accuracy of disclosure in the financial statements to ensure compliance with reporting and disclosure requirements of Companies Act, 2017
2.	Change in Accounting Policy	
	(Refer to note 40 to the financial statements) The company has changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective affect. The impact of the said changes in accounting policy has been disclosed in note 40 to the accompanying financial statements. In view of the significant change in accounting policy, we consider it as key audit matter.	In respect of change for the accounting policy and presentation of revaluation surplus as referred to note 40 to the accompanying financial statements, we assessed the accounting implications in accordance with applicable financial reporting standards and evaluated its application in the context of the Company.



S. No.	Key audit matters	How the matter was addressed in our audit
3.	Preparation of financial statements using the non-going concern basis of accounting	
	(Refer to note 02 to the financial statements) The Company is no longer a going concern, therefore, these financial statements have been prepared on the basis of estimated realisable / settlement values of assets and liabilities respectively. Estimated realizable / settlement values are based on the management's best estimates. Estimation involves judgements based on the latest available, reliable information, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realised and liabilities will be settled may be different from those carried in these financial statements. Therefore, we identified preparation of financial statements using the non-going concern basis of accounting as a key audit matter specially with reference to the estimates and judgments associated with the determination of estimated realisable / settlement values of assets and liabilities respectively. For further information, refer to going concern assumption, note 2 to the financial statements.	Our audit procedures included the following: - Checked compliance with "Guidelines on the Basis of Preparation of Financial Statements for Companies that are Not Considered Going Concern" by The Institute of Chartered Accountants of Pakistan. - Tested how management made the estimate of realisable / settlement values of assets and liabilities respectively and the data on which it is based. - Considered events occurring up to the date of our report to obtain audit evidence regarding the estimates. - Ensured that where the shareholders of the Company have approved to dispose of any assets, these have been classified as non-current assets held for sale. - Confirmed that impairment losses based on the differences between the expected transaction values and the carrying amounts of the assets have been fully recognized. - Ensured that non-current assets are measured at the lower of their carrying amounts and fair value less cost to sell.
4.	Recognition of deferred tax asset relating to un-used business losses and unabsorbed depreciation losses to the extent of available/expected profits in foreseeable future	
	(Refer to note 14.01 to the financial statements) Significant judgment is required in determining provisions for deferred tax as well as assessment of provision for un-certain tax positions. Based on management's plan for disposal of assets of Phalia Unit of the Company, management is of the view that whole amount of un-absorbed tax depreciation and unused business losses (tax) of the Company as at 30th September 2018 shall not be utilized by the Company in the foreseeable future	Our audit procedures included the following: - We evaluated the design and implementation of controls in respect of the recognition of recoverability of deferred tax assets. - We discussed with management the adequate implementation of Company's policies and controls regarding deferred tax, as well as the reporting of uncertain tax positions.



S. No.	Key audit matters	How the matter was addressed in our audit
	Thus, deferred tax asset relating to unused business losses and unabsorbed depreciation losses has only been recognized, to the extent of expected profits in foreseeable future from disposal of assets of Phalia Unit of the company. Due to its significance to the financial statements, combined with the judgment and estimation required to determine its value, the evaluation of deferred tax asset is considered to be a key audit matter.	- We examined the procedures in place for deferred tax calculations for completeness and valuation; and audited the related tax computations and estimates in the light of our knowledge of the tax circumstances. Our work was conducted with our tax specialist. - We considered the management's assessment of the validity and the adequacy of provision for uncertain tax positions, evaluating the basis of assessment and reviewing the relevant correspondence and legal advice where available. - In respect of deferred tax assets and liabilities, we assessed the appropriateness of management's assumptions and estimates, including the likelihood of generating sufficient future taxable income to support deferred tax assets for the utilization of tax losses carried forward as disclosed in note No. 14.01 to the financial statements. - We validated the appropriateness and completeness of the related disclosures in the note No. 14.01 of the financial statements. Based on the procedures performed above, we obtained sufficient audit evidence to corroborate management's estimates regarding deferred tax balances and provisions for uncertain tax positions.



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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditors' report is Shahid Mehmood.

Dated: 04 January 2019
Lahore

Tariq Abdul Ghani Maqbool
Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants



STATEMENT OF FINANCIAL POSITION

As at September 30, 2018

		2018	2017	2016
	Note	(Rupees in '000')		
			Restated	Restated
EQUITY AND LIABILITIES				
Share Capital And Reserves				
Authorized share capital				
100,000,000 (2017: 100,000,000)				
ordinary shares of Rupees 10 each		1,000,000	1,000,000	1,000,000
Issued, subscribed and paid-up share capital	10	990,200	990,200	990,200
Sponsors' loan	11	-	566,732	332,330
Surplus on revaluation of property, plant and equipment				
- net of deferred tax	12	5,466,889	5,466,889	9,075,042
Unappropriated profit		3,217,303	3,780,999	17,418
		9,674,392	10,804,820	10,414,990
LIABILITIES				
Non-Current Liabilities				
Long term financing	13	-	-	366,875
Deferred liabilities	14	1,829,625	1,907,013	2,991,396
Current Liabilities				
Trade and other payables	15	776,185	1,019,918	1,264,421
Short term borrowings	16	-	278,496	1,054,806
Current maturity of long term loans	17	202,881	412,881	-
Liabilities against assets subject to Diminishing Musharaka	18	-	-	1,413
Accrued finance cost	19	23,056	63,864	183,627
Provision for taxation	20	-	49,726	49,726
		1,002,122	1,824,885	2,553,993
Contingencies and commitments	21	-	-	-
		12,506,139	14,536,718	16,327,254
ASSETS				
Non-Current Assets				
Property, plant and equipment	22	26,933	6,183	15,249,900
Current Assets				
Stores, spares and loose tools	23	259,630	262,106	263,761
Stock in trade		-	-	1,363
Trade debts	24	8,802	9,111	12,795
Loan and advances	25	214,318	155,317	154,208
Trade deposits and other receivables	26	18,554	384,451	492,730
Tax refunds due from government	27	120,213	147,363	149,538
Cash and bank balances	28	3,117,875	4,061,972	2,959
		3,739,392	5,020,320	1,077,354
Non current assets held for sale	29	8,739,814	9,510,215	-
		12,506,139	14,536,718	16,327,254

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Imperial Sugar Limited

STATEMENT OF PROFIT OR LOSS

For the year ended September 30, 2018

	Note	2018 (Rupees in '000')	2017 (Rupees in '000') Restated
Profit or loss - continuing operations :			
Sales - net		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses		-	-
Inoperative plant expenses		-	-
Distribution and marketing expenses		-	-
Other operating expenses		-	-
Other operating income		-	-
Profit / (loss) from operations		-	-
Finance cost		-	-
Profit / (loss) before taxation		-	-
Taxation		-	-
Profit / (loss) after taxation- continuing operations		-	-
Loss after taxation- discontinued operations	30	(562,502)	(882,067)
Loss after taxation		<u>(562,502)</u>	<u>(882,067)</u>
Loss per share - basic and diluted	31	<u>(5.68)</u>	<u>(8.91)</u>

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



Imperial Sugar Limited

STATEMENT OF COMPREHENSIVE INCOME

For the year ended September 30, 2018

	Note	2018 (Rupees in '000')	2017 (Rupees in '000') Restated
Loss for the year - continuing operations		-	-
Loss for the year - discontinued operations		(562,502)	(882,067)
Other comprehensive loss		(1,194)	-
Total comprehensive loss for the year		(563,696)	(882,067)

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



For the year ended September 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation

Adjustments for:

Finance cost

Depreciation of property, plant and equipment

Provision for staff retirement benefits - gratuity

Asset held for sale

(Gain)/ loss on sale of operating fixed assets

Loss on sale of assets held for sale

Operating profit / (loss) before working capital changes

Changes in working capital:

(Increase) /decrease in current assets:

Stores, spares and loose tools

Stock in trade

Trade debts

Loan and advances

Trade deposits and other receivables

Guarantee/ LC margin

Increase / (decrease) in current liabilities:

Trade and other payables

Net working capital changes

Finance cost paid

Staff retirement benefits - gratuity paid

Income tax paid

Net cash used in operating activities-continuing operations

Net cash used in operating activities-discontinued operations

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure

Sale proceeds from sale of property, plant and equipment

Sale proceeds from sale of assets held for sale

Net cash generated from investing activities-continuing operations

Net cash generated from investing activities-discontinued operations

CASH FLOWS FROM FINANCING ACTIVITIES

Long term finances

Short term finances

Sponsors' loans received

Liabilities against assets subject to Diminishing Musharaka

Net cash (used in) / generated from financing activities-continuing operations

Net cash used financing activities discontinued Operations

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the year

Cash and cash equivalents at the end of the year

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



STATEMENT OF CHANGES IN EQUITY

For the year ended September 30, 2018

	Ordinary Share Capital	Revaluation surplus on property, plant and equipment	Sponsors' loan	Unappropriated profit / (loss)	Total
	(Rupees in '000')				
Balance as at 01 October 2016	990,200	-	332,330	17,418	1,339,948
Adjustment due to change in accounting policy - note 40.01		9,075,042			9,075,042
Balance as at 01 October 2016 - restated	990,200	9,075,042	332,330	17,418	10,414,990
Total comprehensive income:					
Loss for the year ended 30 September 2017	-	-	-	(882,067)	(882,067)
Other comprehensive loss	-	-	-	-	-
	-	-	-	(882,067)	(882,067)
Sponsors' loan - net	-	-	234,402	-	234,402
Transfer from surplus on revaluation of property, plant and equipment on account of					
- Incremental depreciation - net of deferred tax	-	(114,716)	-	114,716	-
- Revaluation surplus on disposal of assets	-	(4,530,932)	-	4,530,932	-
- Related deferred taxation	-	1,037,495	-	-	1,037,495
	-	(3,608,153)	-	4,645,648	1,037,495
Balance as at 30 September 2017	990,200	5,466,889	566,732	3,780,999	10,804,820
Total comprehensive income:					
Loss for the year ended 30 September 2018	-	-	-	(562,502)	(562,502)
Other comprehensive loss	-	-	-	(1,194)	(1,194)
	-	-	-	(563,696)	(563,696)
Sponsors' loan - net	-	-	(566,732)	-	(566,732)
Transfer from surplus on revaluation of property, plant and equipment on account of					
- Incremental depreciation - net of deferred tax	-	-	-	-	-
- Revaluation surplus on disposal of assets	-	-	-	-	-
- Related deferred taxation	-	-	-	-	-
	-	-	-	-	-
Balance as at 30 September 2018	990,200	5,466,889	-	3,217,303	9,674,392

The annexed notes from 1 to 46 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

Imperial Sugar Limited ("the Company") was incorporated in Pakistan on May 09, 2007 under the repealed Companies Ordinance, 1984 (Now Companies Act, 2017). The shares of the Company are quoted on Pakistan Stock Exchange Limited. The Company's registered office is situated at Ismail Aiwan-e-Science building, 205 Ferozepur road, Lahore and its manufacturing facility is located at tehsil Phalia, district Mandi Bahauddin. The Company is engaged in manufacturing and sale of white refined sugar, ethanol and by products. During the year, the Company did not operate its production facility which comprises of sugar manufacturing plants and ethanol plant at Phalia, district Mandi Bahauddin.

2 GOING CONCERN ASSUMPTION

Shortage of working capital resulted in the closure of Company's operations since proceeding two years. The Company in its Annual General Meeting held on January 31, 2017 decided to dispose off its land, building and plant and machinery. Whole of the land, building and plant and machinery located at Mian Channu was disposed off on August 21, 2017.

In view of the aforesaid reasons, the Company is not considered a going concern. These financial statements have been prepared using the non-going concern basis of accounting on the basis of estimated realizable / settlement values of the assets and liabilities respectively.

3 SEASONALITY OF OPERATION

Normally the Company is inter alia, engaged in manufacturing of sugar, for which the season begins in November and ends in April. Therefore, normally majority of the expenses are incurred and production activities are undertaken in first half of the Company's financial year but as discussed in note 02 to the financial statements the operations of the company has been closed.

4 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Due to first time application of financial reporting requirements under the Companies Act, 2017, including disclosure and presentation requirements of the fourth schedule of the Companies Act, 2017, some of the amounts reported for the previous period have been reclassified.

The accounting policy for surplus on revaluation of property, plant and equipment was changed during the year. Consequently, the amount of surplus on revaluation of property, plant and equipment reported outside the equity in the prior years has been reclassified to equity.

All significant transactions and events that have affected the Company's statement of financial position and performance during the year have been adequately disclosed in the notes to these financial statements. For a detailed discussion about these significant transactions and events please refer to the Directors' report.

The Institute of Chartered Accountants of Pakistan issued "Guidelines on the Basis of Preparation of Financial Statements for Companies that are not considered Going Concern" as on 04 August 2017, which necessitated changes in presentation and disclosures in these financial statements. The main change being current and non-current classification of assets and liabilities.

5 BASIS OF PREPARATION

5.01 Statement of compliance

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

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

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

5.02 Implementation of Companies Act, 2017

The third and fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of these financial statements. The Companies Act, 2017 (including its third and fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

Additional disclosures include but are not limited to, particulars of immovable assets of the Company (refer note 29), management assessment of sufficiency of tax provision in the financial statements (refer note 30.11), change in threshold for identification of executives (refer note 32), additional disclosure requirements for related parties (refer note 35) etc.



The other amendments to published standards and interpretations that were mandatory for the Company's financial year ended September 30, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and therefore not disclosed in these financial statements.

5.03 Standards, interpretations and amendments to published approved accounting 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:

- Standards, amendments to published standards and interpretations effective in current year

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

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

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

The adoption of the above improvements to accounting standards and interpretations are not likely to have an impact on the Company's financial statements.

- Standards, interpretations and amendments to existing standards that are not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective effective dates.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 2 - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	01 January 2018
IFRS 9 - Financial Instruments	01 July 2018
IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)	01 January 2019
IFRS 15 - Revenue from Contracts with Customers	01 January 2018
IFRS 16 - Leases	01 January 2019
IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 - Long term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IAS 40 - Transfer of Investment Property (Amendments)	01 January 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	01 January 2018
IFRIC 23 - Uncertainty over Income Tax Treatments	01 January 2019

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

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

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

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	01 January 2018
IFRS 17 - Insurance contracts	01 January 2018

The Company expects that above new standards will not have any material impact on the Company's financial statements in the period of initial application.



6 BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for certain items of property, plant and equipment that are stated at revalued amounts, employee benefits at present value. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

7 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for staff retirement benefits, doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of approved standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

7.01 Depreciation method, rates and useful lives of property, plant and equipment

The management of the Company reassesses useful lives, depreciation method, and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from those items.

7.02 Fair value of financial instruments having no active market

Fair value of financial instruments having no active market is determined using discounted cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instruments.

7.03 Taxation

The Company takes into account income tax law and decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by tax department at the assessment stage and where the Company considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

7.04 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

7.05 Revaluation of property, plant and equipment

Revaluation of property, plant and equipment is carried out by independent professional valuer. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present market and depreciated replacement values.

7.06 Stores, spares and loose tools and stock-in-trade

The Company estimates the net realizable values of its stores, spares and loose tools and stock-in-trade to assess any diminution in the respective carrying values.

7.07 Staff retirement benefit obligations

The present values of these obligations depend on a number of factors that are determined on actuarial basis, using a number of assumptions. Any change in these assumptions will impact the carrying amounts of these obligations. The underlying assumptions and the present value of these obligations are disclosed in notes 9.02 and 14.03 respectively.

8 PRESENTATION AND FUNCTIONAL CURRENCY

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



9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

9.01 Tangible fixed assets and depreciation

a) Owned

Property, plant and equipment except freehold land, building on freehold land and plant and machinery are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at revalued amount less any identified impairment loss, building on freehold land and plant and machinery are stated at revalued amounts less accumulated depreciation and impairment losses, if any. Increases in the carrying amount arising on revaluation of operating fixed assets are credited to surplus on revaluation of operating fixed assets. Decreases that offset previous increases of the same assets are charged against this surplus, all other decreases are charged to income. Each year the difference between depreciation based on revalued carrying amount of the asset (the depreciation charged to the income) and depreciation based on the assets' original cost is transferred from surplus on revaluation of operating fixed assets to retained earnings. All transfers to/from surplus on revaluation of operating fixed assets are net of applicable deferred income tax.

Residual value and the useful life of assets are reviewed annually at each financial year end and adjusted if impact on depreciation is significant.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss statement during the year in which these are incurred.

b) Depreciation

Depreciation on property, plant and equipment (except freehold land) is charged to profit or loss statement by applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates specified in note No. 22 to the financial statements. Depreciation on additions is charged from the month in which the asset was available for use up to the month prior to disposal. The residual values, depreciation method and useful lives of property, plant and equipment are reviewed by the management, at each financial year-end and adjusted if appropriate.

c) De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use. Disposal of an asset is recognized when significant risk and rewards, incidental to the ownership of an asset, have been transferred to the buyer. Gains and losses on disposal of assets are taken to the profit or loss statement, and the related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings/unappropriated profits.

d) Surplus on revaluation

Surplus on revaluation of revalued assets is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of property, plant and equipment (net of deferred taxation, if any) is transferred directly to retained earnings/unappropriated profits.

9.02 Staff Retirement Benefits

Defined Benefit Plan

The Company operates an un-funded gratuity scheme covering all employees whose period of services with the Company is more than one year. Provision is made annually to cover the liability under the scheme. The Company pays a lump-sum gratuity to members on leaving the Company after completion of one year of continuous service. The benefit is calculated as follows:

Last drawn gross salary x Number of completed years of services

Six or more months of service in excess of completed years of services is counted as one complete year. However, less than six month of services is ignored.

During the year, the company assessed its liabilities under the gratuity scheme through actuarial valuation under IAS-19 (Employee Benefits). As per actuarial valuation carried out as at 30 November 2018 and Company has a policy to make the actuarial valuation after two years.

Amounts arising as a result of 'Premeasurement', representing the actuarial gains and losses are recognised in the Statement of Financial Position immediately, with a charge or credit to 'Other Comprehensive Income' in the periods in which they occur.



The following significant assumptions were used:

	2018	2017
Discount factor used	7.25%	7.25%
Expected rate of eligible salary increase in future	9.00%	9.00%
Actuarial valuation method	Project Unit Credit Method	

9.03 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortized cost.

9.04 Dividend and appropriation to reserves

Dividend and appropriation to reserve are recognized in the financial statements in the period in which they are approved by the shareholders and therefore, they are accounted for as non-adjusting post financial position statement event.

9.05 Taxation

Current and prior years:

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

Deferred:

Deferred tax is accounted for using the financial position statement liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Income subject to final tax regime is also considered in accordance with the requirements of Technical Release-27 of Institute of Chartered Accountants of Pakistan.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit or loss statement, except in the case of items credited or charged to equity in which case it is included in equity.

9.06 Stores, spare parts and loose tools

Stores, spares and loose tools are stated at lower of cost and net realizable value. The cost of inventory is based on weighted average cost. Items-in-transit are stated at cost accumulated up to reporting date. The Company reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence, if any. Impairment is also made for slow moving items identified as surplus to the requirements of the Company.

9.07 Stock in trade

These are valued at lower of cost and net realizable value. Cost of raw materials and components represents invoice value plus other charges paid thereon. Cost of inventory is based on weighted average cost. Cost in relation to work-in-process and finished goods represents direct cost of raw materials, wages and appropriate manufacturing overheads. Goods-in-transit are stated at cost accumulated up to the reporting date.

The Company reviews the carrying amount of stock-in-trade on a regular basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolete items, if any.

9.08 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amount of such assets are estimated and impairment losses or reversal of impairment losses are recognized in the profit or loss statement. Reversal of impairment loss is restricted to the original cost of asset.



9.09 Trade debts and other receivables

Trade debts and other receivables are recognized initially at original invoice amount which is the fair value of trade debts and other receivables and subsequently measured at amortized cost less provision for impairment, if any. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

9.10 Cash and cash equivalents

Cash and cash equivalents are carried in the financial position statement at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand and cash with banks in current and saving accounts.

9.11 Foreign currency transactions

Foreign currency transactions are translated into Pak Rupees at exchange rates prevailing on the date of transaction. Assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the reporting date. Exchange gains and losses are included in income currently.

9.12 Revenue recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commissions, sales returns and discounts. Revenue from different sources is recognized on the following basis:

- Revenue from sales of goods is recognized when goods are dispatched and invoiced to customers.
- Interest income on deposits with banks and other financial assets is recognized on accrual basis.
- Dividend income is recognized when the Company's right to receive dividend has been established.

9.13 Financial instruments

All the financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial asset. Financial liabilities are de-recognized when they are extinguished (when the obligation is discharged, cancelled, or expired).

9.14 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

9.15 Contingencies and commitments

Capital commitments and contingencies, unless those are actual liabilities are not incorporated in the financial statements.

9.16 Provisions

Provisions are recognized in the statement of financial position when the Company has a present 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 of the obligation can be made. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect best estimate.

9.17 Related party transactions and transfer pricing

Transactions with related parties are based on the transfer pricing policy that all transactions between the Company and the related party of the Company are at arm's length prices using the comparable uncontrolled price method except in circumstances where it is in the interest of the Company not to do so.

9.18 Related parties

Directors and key management personnel.

9.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.



9.20 Earnings per share (EPS)

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

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

10 ISSUED, SUBSCRIBED AND PAID UP CAPITAL	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
64,020,000 (2017: 64,020,000) ordinary shares of Rupees 10/- each fully paid in cash		640,200	640,200
35,000,000 (2017: 35,000,000) ordinary shares of Rupees 10/- each fully paid for consideration other than cash		350,000	350,000
		990,200	990,200

- Fully paid ordinary shares, which have a par value of Rs. 10/-, carry one vote per share and carry right to dividends.

- There are no rights, preferences and restrictions attached to any class of shares including restrictions on the distribution of the dividends and the repayment of capital.

- There are no shares reserved for issue under options and contracts for the sale of shares.

11 SPONSORS' LOAN	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Loan from sponsors'	11.01	-	566,732

11.01 These are interest free loans from sponsors of the Company payable at the discretion of the Company. They do not pass the liability test and thus recorded as equity at the face value. They will not be re-measured subsequently. The decision by the Company at any time in future to deliver cash or any other financial assets to settle the sponsors' loan would be a direct debit to equity. The Company has applied TR-32 "Directors' Loan" issued by the Institute of Chartered Accountants of Pakistan whose compliance is mandatory with effect from period beginning on or after 1 January 2016. However, this loan has been fully repaid during the year ended 30 September 2018 and has been debited to equity.

12 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT- NET OF TAX	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Land-Free hold			
Opening balance		1,119,361	2,191,974
Transfer to retained earnings			
Revaluation surplus on disposal		-	(1,072,613)
Closing balance		1,119,361	1,119,361
Building on free hold land			
Opening balance		2,492,063	4,174,833
Transfer to retained earnings			
Incremental depreciation		-	(69,580)
Revaluation surplus on disposal		-	(1,613,190)
Closing balance		2,492,063	2,492,063
Plant, machinery and equipment			
Opening balance		3,718,691	5,658,122
Transfer to retained earnings			
Incremental depreciation		-	(94,302)
Revaluation surplus on disposal		-	(1,845,129)
Closing balance		3,718,691	3,718,691
Total Gross surplus - closing balance		7,330,115	7,330,115
Opening Balance		1,863,226	2,949,887
Addition during the year		-	-
Less: Incremental depreciation		-	(49,165)
Less: Revaluation surplus on disposal		-	(1,037,496)
Closing balance		1,863,226	1,863,226
Net surplus - closing balance		5,466,889	5,466,889



12.01 Property, plant and equipment has been revalued as at 30 September 2016. The valuation has been carried out by M/S Anderson Consulting (Private) Limited, included in the list of approved valuers of Pakistan Banks Association, on the basis of market and depreciated replacement value.

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
13 LONG TERM FINANCING			
BankIslami Pakistan Limited (Formerly: KASB Bank Limited)	13.01	202,881	202,881
Habib Metropolitan Bank Limited	13.02	-	210,000
		202,881	412,881
Less : Current maturity of long term loans	17	(202,881)	(412,881)
		-	-

13.01 This represents Qardh facility of Rs. 202.88 million obtained from BankIslami Pakistan Limited (Formerly: KASB Bank Limited) which will be repayable on 30 September 2019. It carries zero percent mark up rate. It is secured by way of first charge over fixed assets of the Company and personal guarantees of a sponsor director. The Company has classified fixed assets as held for sale during the year consequently, this loan has been classified in current maturity under current liabilities.

13.02 This represents the term loan of Rs. 210.00 million extended by Habib Metropolitan Bank Limited which was repayable in lump sum amount up till 15 April 2018. It carried mark up at the rate of 3 month KIBOR +1.5% (2017: 3 month KIBOR +1.5%) per annum that was reviewed and serviced on quarterly basis. It was secured against financial guarantee in favour of Habib Metropolitan Bank Limited and the counter guarantee of the Company. The Company has classified fixed assets as held for sale during the year ended 30 September 2017, consequently, at reporting date, this loan has been classified in current maturity under current liabilities. However, this loan has been fully repaid during the year ended 30 September 2018.

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
14 DEFERRED LIABILITIES			
Deferred taxation	14.01	1,801,119	1,863,226
Staff retirement benefits	14.03	28,506	43,787
		1,829,625	1,907,013

14.01 Deferred taxation

Deferred taxation comprises of the following:

Deferred tax liability on taxable temporary differences
in respect of the following:

- Accelerated tax depreciation allowance	350,386	356,244
- Surplus on revaluation of assets	1,801,119	1,863,226
	2,151,505	2,219,470

Deferred tax asset on deductible temporary differences
in respect of the following:

- Provision for staff retirement benefits	(8,267)	(13,136)
- Business losses	(207,662)	(760,127)
- Unabsorbed depreciation	(604,095)	(586,509)
	(820,024)	(1,359,772)

Deferred tax liability	1,331,481	859,698
Net deferred tax asset not recognised	469,638	1,003,528
	1,801,119	1,863,226

14.02 Deferred tax asset has been recognized to the extent of expected profits in foreseeable future.



14.03 Staff retirement benefits	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Statement of financial position liability			
Opening balance		43,787	41,509
Amount recognized during the year		4,195	4,713
		47,982	46,222
Benefits paid during the year		(20,669)	(2,435)
Experience adjustment		1,174	-
Actuarial (gain) / loss		19	-
Closing balance		28,506	43,787

The amounts recognized in the statement of financial positions are as follows

Present value of defined benefit obligation	11,619	9,363
Benefits due but not paid	16,888	34,424
	28,506	43,787

Charge for the defined benefit plan

Current service cost	3,630	1,419
Past service cost	-	2,791
Interest cost	565	503
Charged to statement of profit or loss	4,195	4,713

Sensitivity analysis for actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions set-out in note . The following table summarizes how the net defined benefit obligation at the end of the reporting year would have increased/ (decreased) as a result of change in respective assumptions.

	Change in assumptions	Increase Rupees	Decrease Rupees
Discount rate	1%	10,925	12,418
Increase in future salaries	1%	12,418	10,913

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Expected mortality rate		SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year
Retirement assumptions		60 years	60 years

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.



Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

The average duration of the defined benefit obligation is 3 years.

15 TRADE AND OTHER PAYABLES	Note	2018 (Rupees in '000')	2017 (Rupees in '000') Restated
Trade creditors		431,534	549,954
Advances from customers		274,839	308,907
Accrued liabilities		30,337	91,899
Withholding tax payable		20,175	22,334
Sales tax payable		777	26,509
Security deposits		16,143	17,270
Other payables		2,380	3,045
		776,185	1,019,918

16 SHORT TERM BORROWINGS

	Limit Sanctioned		
From Banking Companies -Secured:	Rupees in million		
Al-Baraka Bank (Pakistan) Limited			
- Bai-salam	325	16.01	-
			278,496
			278,496

16.01 This represents the Bai-salam facility and is subject to mark up of matching tenure at the rate of KIBOR + 375 bps. It was secured against pledge of stock-in-trade with 25% security margin, charge on current assets and personal guarantee of a director. This facility has been expired in November 2015. On 16th October 2017, the Honourable Lahore High Court has passed the decision in the favour of the Bank. The Bank has recovered an amount of Rs. 315 million from the Company inclusive of mark-up during the year ended 30 September 2018.

17 CURRENT MATURITY OF LONG TERM LOANS	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
BankIslami Pakistan Limited		202,881	202,881
Habib Metropolitan Bank Limited		-	210,000
		202,881	412,881

18 LIABILITIES AGAINST ASSET SUBJECT TO DIMINISHING MUSHARAKA FINANCE

Opening balance	18.01	-	1,413
Repaid during the year		-	(1,413)
		-	-

18.01 This represents diminishing musharaka finance agreement with First Habib Modaraba for a term of three years. The mark up was charged at the rate of 6 month KIBOR plus 3.5 percent per annum with 12% floor and 22% ceiling rate. This facility was secured against diminishing musharaka assets and personal guarantee of a director. The Company has option to purchase the assets at the expiry of the term.

19 ACCRUED FINANCE COST	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Accrued finance cost on:			
- Long term finances		-	4,307
- Short term borrowings		23,056	59,557
		23,056	63,864
20 PROVISION FOR TAXATION			
Opening balance		49,726	49,726
Add: Taxation - current		-	-
		49,726	49,726
Less: Tax payments /adjustments during the year		49,726	-
		-	49,726



21 CONTINGENCIES AND COMMITMENTS

- Guarantee issued by bank on behalf of the Company to the Director Excise and Taxation, Karachi for Sindh Excise Duty on imports is Rs. 1.8 million (2017: 1.8 million).
- A guarantee had been issued in favour of Sui Northern Gas Pipelines Limited (SNGPL) by bank on behalf of the Company for Rs. 45.4 million. Sui Northern Gas Pipelines Limited encashed Rs. 29.31 million out of the guarantee for alleged demand of arrears. The Company has filed case before OGRA vide complaint no.458/15 against this alleged demand, which is still pending and not fixed for hearing yet. The management of the Company is hopeful for favourable outcome of the case.
- The Deputy Commissioner Audit Unit-15, Zone III, LTU passed the order under section 121 on 26 September 2017 for the tax year 2014 making certain additions under different heads of profit and loss statement with a refund of Rs. 43,603,573/- . The Company has filed an appeal against the said order on 25 October 2017 for which hearing is still pending and the Company is expecting a favourable outcome. Further, the Company filed an appeal on 30 October 2018 before Commissioner Inland Revenue (A) against the order of Additional Commissioner Inland Revenue, Zone-III, LTU under section 122(5A), dated 18 October 2018 for the tax year 2015 creating demand amounting to Rs. 24,598,071/-, for which the Company is expecting a favourable outcome.



22 PROPERTY, PLANT AND EQUIPMENT

The following is a statement of operating fixed assets (tangible):

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixture and equipment	Owned vehicles	Musharaka vehicles	Total
	Rupees '000'						
At 30 September 2016							
Cost/revalued amount	2,529,200	5,647,294	8,264,010	37,947	34,490	2,647	16,515,588
Accumulated depreciation	-	(534,796)	(683,164)	(20,060)	(26,659)	(1,009)	(1,265,688)
Net book value	2,529,200	5,112,498	7,580,846	17,887	7,831	1,638	15,249,900
At 30 September 2017							
Additions / adjustments							
Cost	-	-	110,021	-	2,647	-	112,668
Accumulated depreciation	-	-	-	-	(1,337)	-	(1,337)
	-	-	110,021	-	1,310	-	111,331
Disposal							
Cost	-	-	-	-	(11,471)	(2,647)	(14,118)
Depreciation	-	-	-	-	9,884	1,337	11,221
Net book value	-	-	-	-	(1,587)	(1,310)	(2,897)
Depreciation charge for the year (note 22.01)	-	(85,208)	(128,181)	(596)	(1,371)	(328)	(215,685)
Re-classified to non-current assets held for sale:							
Cost / revalued amount	(2,529,200)	(5,647,294)	(8,374,032)	(37,947)	-	-	(16,588,473)
Accumulated depreciation	-	620,004	811,346	20,656	-	-	1,452,006
	(2,529,200)	(5,027,290)	(7,562,686)	(17,291)	-	-	(15,136,467)
Net book value as at 30 September 2017	-	-	-	-	6,183	-	6,183
At 30 September 2018							
Additions/ Adjustments							
Cost	-	-	-	-	97,871	-	97,871
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	97,871	-	97,871
Disposals (note 22.02)							
Cost	-	-	-	-	(78,080)	-	(78,080)
Depreciation	-	-	-	-	4,154	-	4,154
Net book value	-	-	-	-	(73,926)	-	(73,926)
Depreciation charge for the year (note 22.01)	-	-	-	-	(3,195)	-	(3,195)
Re-classified to non-current assets held for sale:							
Cost / revalued amount	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Net book value as at 30 September 2018	-	-	-	-	26,933	-	26,933



Imperial Sugar Limited

	Freehold land	Building on freehold land	Plant and machinery	Furniture, fixture and equipment	Owened vehicles	Musharaka vehicles	Total
Rupees '000'							
At 30 September 2017							
Cost/revalued amount	-	-	-	-	25,666	-	25,666
Accumulated depreciation	-	-	-	-	(19,483)	-	(19,483)
Net book value	-	-	-	-	6,183	-	6,183
Annual rates (%) of depreciation 2017	-	5	5	10	20	20	
At 30 September 2018							
Cost/Revalued amount	-	-	-	-	45,457	-	45,457
Accumulated depreciation	-	-	-	-	(18,524)	-	(18,524)
Net book value	-	-	-	-	26,933	-	26,933
Annual rates (%) of depreciation 2018	-	5	5	10	20	20	

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

	2018 Rupees '000'	2017 Rupees '000'
Administration expenses	3,195	2,296
Inoperative plant expenses	-	213,389
	3,195	215,685

22.02 DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The following operating fixed assets with net book value exceeding in aggregate Rs. 500,000 were disposed off during the year:

Particulars	Cost	Accumulated Depreciation	Net Book Value	Sale Proceeds	Mode of disposal	Buyer name
Rupees '000'						
Honda Civic	2,200	1,648	552	1,175	Negotiation	Namett Ullah
Honda Civic	2,647	1,556	1,092	1,325	Negotiation	Alyas Farooq
Honda Civic	2,728	-	2,728	2,803	Negotiation	Prime Fiber Ginning, Pressing &
Toyota Corolla Altis Grande	2,687	-	2,687	2,782	Negotiation	Jehanzeb Khan
Toyota Corolla Altis Grande	2,687	-	2,687	2,787	Negotiation	Nadeem Nawaz
Honda Civic	2,787	-	2,787	2,862	Negotiation	Shahid Khan
Toyota Corolla Altis Grande	2,687	90	2,597	2,707	Negotiation	Muhammad Javed
Honda City	1,703	28	1,675	1,753	Negotiation	Wilshire Laboratories (Pvt.) Ltd
Honda Civic	2,787	-	2,787	2,862	Negotiation	Riaz Textile Mills Ltd.
Honda Civic	2,787	46	2,741	2,862	Negotiation	Ghulam Abbas
Honda Civic	2,787	-	2,787	2,862	Negotiation	Ehsan Corporation (Pvt.) Ltd
Honda Civic	2,787	-	2,787	2,862	Negotiation	Ehsan Corporation (Pvt.) Ltd
Honda Civic	2,787	-	2,787	2,862	Negotiation	Ehsan Corporation (Pvt.) Ltd
Honda Civic	2,787	93	2,694	2,862	Negotiation	Muhammad Azeem
Honda Civic	2,728	91	2,637	2,803	Negotiation	Salman Ahmad Khan
Honda Civic	2,787	-	2,787	2,862	Negotiation	Zia ur Rehman
Honda Civic	2,787	-	2,787	2,862	Negotiation	Tariq Mahmood
Honda Civic	2,728	45	2,682	2,728	Negotiation	Systems Limited
Honda Civic	2,787	46	2,741	2,862	Negotiation	Multan Sultan Company
Honda Civic	2,728	45	2,682	2,803	Negotiation	Azra Parveen
Honda Civic	2,728	45	2,682	2,803	Negotiation	Khurram Javed
Honda City PTE	2,033	34	1,999	2,083	Negotiation	Nawaz Ali
Honda Civic	2,728	45	2,682	2,728	Negotiation	Faheem Hussain Malik
Honda Civic	2,787	46	2,741	2,862	Negotiation	Moazzam Ali
Honda City	1,703	-	1,703	1,733	Negotiation	Syed Ali Hussain
Honda City	1,703	-	1,703	1,753	Negotiation	Bilal Shahid Cheema
Toyota Corolla GLI	2,147	72	2,075	2,147	Negotiation	Pak Wheels
Honda Civic	2,728	45	2,682	2,728	Negotiation	Muhammad Usman Sajid
Honda City	1,703	28	1,675	1,753	Negotiation	Syed Akbar Ali
Honda City	1,703	57	1,646	1,753	Negotiation	Munaza Shabnam
Honda Civic	2,728	91	2,637	2,803	Negotiation	Muhammad Faisal
Rupees 2018	78,080	4,154	73,926	77,428		
Rupees 2017	11471	9,884	1,587	8,765		

22.03 Included in fixed assets, there are assets which are secured with the bank against 1st parri passu charge for Rs. 271.00 million (2017: Rs. 738.00 million) over fixed assets (including land and building) of the company. Fixed assets have been reclassified as held for sale, so charge on fixed assets has been removed as per agreement with immediate effect.



		2018 (Rupees in '000')	2017 (Rupees in '000')
23 STORE, SPARES AND LOOSE TOOLS	Note		
Stores		145,352	145,352
Spares		103,702	103,702
Loose tools		13,052	13,052
		<u>262,106</u>	<u>262,106</u>
Less: Provision for slow moving and obsolete store, spares and loose tools		(2,476)	-
		<u>259,630</u>	<u>262,106</u>
23.01 There are no stores, spares and loose tools in transit as at September 30, 2018 (2017: Nil).			
24 TRADE DEBTS	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Unsecured - considered goods			
Local		8,802	9,111
Less: Provision for doubtful debts		-	-
		<u>8,802</u>	<u>9,111</u>
25 LOANS AND ADVANCES			
Advances - considered good	25.01	<u>214,318</u>	<u>155,317</u>
25.01 It includes advances given to sugarcane growers of Rs. 5.778 million (2017: Rs. 5.987 million) which are recoverable from growers and suppliers of Rs. 20.112 million (2017: Rs. 24.941 million). It also includes Rs. 100 million paid for purchase of property after obtaining Court's consent decree which is presently under execution with the same Court. Advances and other receivables are recorded on estimated realizable value.			
26 TRADE DEPOSITS AND OTHER RECEIVABLE	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Security deposits		3,496	4,749
Other receivables	26.01	<u>15,058</u>	<u>379,702</u>
		<u>18,554</u>	<u>384,451</u>
26.01 Other receivables amounting to Rs. 366 million which were deposited in profit bearing scheme under the custody of Honorable Lahore High Court till the final decision of the case filed by Al Baraka Bank (Pakistan) Limited against the Cane Commissioner. On 06 October 2015, the Honourable High court passed an order to stop Cane Commissioner from the sale of sugar. The case has been decided during the year as explained in note No. 16.01.			
27 TAX REFUND DUE FROM GOVERNMENT	27.01	<u>169,939</u>	<u>147,363</u>
27.01 Tax refund due from government			
Opening balance		147,363	149,538
Add: Tax deducted during the year		<u>22,576</u>	<u>948</u>
		169,939	150,486
Less: Tax refunded / adjusted during the year		<u>(49,726)</u>	<u>(3,123)</u>
		<u>120,213</u>	<u>147,363</u>
28 CASH AND BANK BALANCES			
Cash in hand		-	-
Cash with banks:			
Current accounts			
-Local		25,956	27,843
-Foreign		91	91
Saving accounts	28.01	<u>3,091,828</u>	<u>4,034,038</u>
		<u>3,117,875</u>	<u>4,061,972</u>
		<u>3,117,875</u>	<u>4,061,972</u>
28.01 These carry profit ranging from 5.5 % to 6.5% (2017: 4.5% to 5%) per annum approximately.			



	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
29 NON-CURRENT ASSETS - HELD FOR SALE			
Freehold land	29.01	1,106,448	1,292,937
Building on freehold land	29.02	2,478,950	2,985,187
Plant and machinery	29.03	5,137,125	5,214,800
Furniture, fixture and equipment	29.04	17,291	17,291
		8,739,814	9,510,215
29.01 Freehold land			
Opening Balance		1,292,937	-
Transferred from operating fixed assets	22	-	2,529,200
Less: Carrying amount of freehold land disposed off		-	(1,236,263)
Less: Impairment charged during the year		(186,489)	-
		1,106,448	1,292,937
Loss on disposal of non-current assets held for sale			
Sale proceeds		-	719,280
Less: Carrying amount of freehold land disposed off		-	(1,236,263)
Loss on disposal		-	(516,983)
29.02 Buildings on freehold land			
Opening Balance		2,985,187	-
Transferred from operating fixed assets	22	-	5,027,290
Less: Carrying amount of building disposed off		-	(2,042,103)
Less: Impairment charged during the year		(506,237)	-
		2,478,950	2,985,187
Gain on disposal of non-current assets held for sale			
Sale proceeds		-	2,080,720
Less: Carrying amount of building disposed off		-	(2,042,103)
Gain on disposal		-	38,617
29.03 Plant and machinery			
Opening Balance		5,214,800	-
Transferred from operating fixed assets	22	-	7,562,686
Less: Carrying amount of plant and machinery disposed off		-	(2,347,886)
Less: Impairment charged during the year		(77,675)	-
		5,137,125	5,214,800
Loss on disposal of non-current assets held for sale			
Sale proceeds		-	2,200,000
Less: Carrying amount of plant and machinery disposed off		-	(2,347,886)
Loss on disposal		-	(147,886)
29.04 Furniture, fixture and equipment			
Opening Balance		17,291	-
Transferred from operating fixed assets	22	-	17,291
Less: Carrying value of furniture, fixture and equipment disposed off		-	-
Net carrying value		17,291	17,291
29.05	The shareholders of the company have resolved in Annual General Meeting, held on 31 January 2017, to dispose off land, building and plant and machinery along with all other assets installed. These non-current assets have been classified as held for sale at lower of their carrying amount or fair value less costs to sell in accordance with the requirements of International Financial Reporting Standard 5 (IFRS 5) "Non-current Assets Held for Sale and Discontinued Operations".		
	Management is committed to selling the asset and actively looking for a buyer. It is possible that the sale may not be completed within one year, but the delay effectively must be caused by events beyond the Company's control.		
29.06	Assets held for sale have been revalued as at 30 September 2018. The valuation has been carried out by an independent valuers M/S Anderson Consulting (Private) Limited, included in the list of approved valuers of Pakistan Banks Association.		



29.07 Particulars of immovable assets of the Company are as follows:

Location	Addresses	Usage of immovable property	Total Area (Sq. ft.)	Covered Area (Sq. ft.)
Mandi Bahauddin	Karmanwala, Tehsil Phalia, Mandi Bahauddin	Held for sale	6,026,526	960,078

- 30** Due to fact disclosed in note No. 2 to these financial statements, operating assets of Imperial Sugar Limited has now been classified as held for sale. The following are the results for the year ending 30 September 2018 and the comparative year of discontinued operations:

	Note	2018 (Rupees in '000')	2017 (Rupees in '000') Restated
PROFIT OR LOSS - DISCONTINUED OPERATIONS			
Sales - net	30.01	-	-
Cost of sales	30.02	-	-
Gross profit		-	-
Administrative expenses	30.03	(55,007)	(35,182)
Inoperative plant expenses	30.04	(29,477)	(274,844)
		(84,484)	(310,026)
Other operating expenses	30.05	(774,586)	(658,332)
Other operating income	30.06	236,001	44,291
Loss from operations		(623,069)	(924,067)
Finance cost	30.07	(1,540)	(7,165)
Loss before taxation		(624,609)	(931,232)
Taxation	30.08	62,107	49,165
Loss after taxation- discontinued operations		(562,502)	(882,067)

30.03 Administrative expenses

Salaries, wages and other benefits		33,845	18,849
Fee and subscription		1,288	1,016
Vehicle running and maintenance		1,921	1,943
Legal and professional		347	7,904
Rent, rates and taxes		304	90
Travelling and conveyance		4,407	86
Postage, telephone and telegram		937	331
Utilities expenses		1,280	764
Entertainment		721	202
Insurance		414	-
Repair and maintenance		986	170
Printing and stationery		277	172
Charity and donations	30.03.1	2,500	-
Auditors' remuneration	30.03.2	975	885
Advertisement and publicity		111	139
Depreciation	22.01	3,195	2,296
Other expenses		1,499	335
		55,007	35,182

30.03.1 Donation to the following organisation is equal to or exceeds Rs. 0.5 million:

	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Friends of Cardiology Multan Foundation		2,500	-
- No director or his / her spouse has any interest in the donees' fund.			

30.03.2 Auditors' remuneration

Statutory audit		770	700
Half yearly review		165	150
Out of pocket expenses		40	35
		975	885



	Note	2018 (Rupees in '000')	2017 (Rupees in '000') Restated
30.04 Inoperative plant expenses			
Salaries, wages and other benefits		3,300	8,505
Fuel and power		1,875	3,082
Chemicals consumed		-	105
Fee and subscription		-	75
Vehicle running		-	225
Legal and professional		21,463	86
Commission on sale of Mian Channu-Unit		-	47,250
Repair and maintenance		220	-
Utilities expenses		791	1,669
Entertainment		-	126
Rent, rates and taxes		144	-
Insurance		1,657	-
Other expenses		27	332
Depreciation	22.01	-	213,389
		29,477	274,844
30.05 Other operating expenses			
Loss on sale of assets held for sale		-	626,250
Provision for slow moving and obsolete store, spares - and loose tools		2,476	-
Foreign exchange loss		-	23,939
Debtors written off		1,709	8,143
Impairment on assets held for sale		770,401	-
		774,586	658,332
30.06 Other operating income			
Creditors written back		826	24,373
Gain on sale of operating fixed assets		3,501	7,178
Profit on bank deposit		195,781	6,083
Miscellaneous income		35,893	6,657
		236,001	44,291
30.07 Finance cost			
Financial charges on:			
- Finances		1,277	32,351
- Diminishing Musharaka finance		-	26
- Other commercial banks		-	39,439
Bank charges, commission and excise duty		263	158
Mark-up settled during the year		-	(64,809)
		1,540	7,165
30.08 Taxation			
Current tax:			
- For the year		-	-
- Prior year		-	-
Deferred tax:		62,107	49,165
		62,107	49,165

30.09 Income tax return has been filed to the income tax authorities up to tax year 2018 under the provisions of the Income Tax Ordinance, 2001.

30.10 Deferred taxation has been provided using income tax rate applicable to tax year 2019 under the provisions of Income Tax Ordinance, 2001 to the extent of income of the Company chargeable under normal tax regime.

30.11 As per the management's assessment, sufficient tax provision has been made in the Company's financial statements. The comparison of tax provision as per the financial statements viz-a-viz tax assessment for last three years is as follows:

Description	2017 (Rupees in '000')	2016 (Rupees in '000')	2015 (Rupees in '000')
Provision as per financial statements	-	3,446	-
Tax assessment	-	-	-



31 LOSS PER SHARE

Basic and diluted loss per share:

	Note	2018 (Rupees in '000')	2017 (Rupees in '000') Restated
Loss from continuing operation	Rupees	-	-
Loss from discontinued operation	Rupees	(562,502)	(882,067)
Loss after taxation	Rupees	(562,502)	(882,067)
Weighted average number of ordinary shares	Numbers	99,020	99,020

Earnings / (Loss) per share -Basic and diluted:

Continued operation	Rupees	-	-
Discontinued operation	Rupees	(5.7)	(8.91)

Diluted earnings per share:

There is no dilutive effect on the basic earnings per share of the company because the company has no outstanding potential ordinary shares.

32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTOR		EXECUTIVES	
	2018	2017	2018	2017	2018	2017*
	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')	Rupees ('000')
Managerial remuneration	5,227	1,600	2,792	1,680	6,160	2,182
Rent and utilities	47	560	49	588	39	-
Medical	529	240	286	252	621	218
	5,803	2,400	3,127	2,520	6,820	2,400
Number of persons	1	1	2	2	4	1

* Comparatives have been amended to reflect changes in the definition of executive as per Companies Act, 2017.

32.01 In addition to the above, certain executives are also provided with Company maintained cars in accordance with their entitlements. There was no remuneration paid to Non Executive Directors and no fee was paid to any director for attending meetings of the board and its committees.

33 BUSINESS SEGMENT INFORMATION

		For the year ended 30-Sep-2018			For the year ended 30-Sep-2017		
	Note	Sugar	Ethanol	Total	Sugar	Ethanol	Total
		(Rupees in '000')			(Rupees in '000')		
Revenue							
Local and export	30	-	-	-	-	-	-
Inter-segment	30	-	-	-	-	-	-
		-	-	-	-	-	-
Segment expenses							
Cost of sales - Intersegment	30	-	-	-	-	-	-
- External	30	-	-	-	-	-	-
		-	-	-	-	-	-
Gross (loss)/profit		-	-	-	-	-	-
Administrative expenses	30	-	-	-	-	-	-
Inoperative plant expenses	30	-	-	-	-	-	-
Other expenses	30	-	-	-	-	-	-
Other operating income	30	-	-	-	-	-	-
		-	-	-	-	-	-
Operating loss		-	-	-	-	-	-

33.01 Reconciliation of reportable segment assets and liabilities

	30-Sep-18			30-Sep-17		
	Sugar	Ethanol	Total	Sugar	Ethanol	Total
	(Rupees in '000')			(Rupees in '000')		
Segment assets	8,754,298	3,751,842	12,506,139	10,175,703	4,361,015	14,536,718
Segment Liabilities	1,982,223	849,524	2,831,747	2,612,329	1,119,569	3,731,898
Depreciation of property, plant and equipment	2,236	959	3,195	150,980	64,706	215,685



2018
(Rupees in '000')

2017
(Rupees in '000')

34 CASH FLOWS FROM DISCONTINUED OPERATIONS

34.01 Cash flows from operating activities - discontinued operations

Profit / (Loss) before taxation (624,609) (883,982)

Adjustments for:

Finance cost	1,277	-
Profit on saving accounts	(195,781)	(6,083)
Depreciation of property, plant and equipment	3,195	215,684
Provision for staff retirement benefits - gratuity	4,195	4,713
Impairment loss on assets held for sale	770,401	-
(Gain) on sale of operating fixed assets	(3,501)	(7,178)
Loss on sale of assets held for sale	-	626,250
	<u>579,786</u>	<u>833,386</u>

Operating profit / (loss) before working capital changes (44,823) (50,596)

Changes in working capital:

(Increase) / decrease in current assets:

Stores, spares and loose tools	2,476	1,655
Stock in trade	-	1,363
Trade debts	308	3,684
Loan and advances	(59,001)	(1,108)
Trade deposits and other receivables	365,897	(1,742)
	<u>309,680</u>	<u>3,852</u>

Increase / (decrease) in current liabilities:

Trade and other payables	(243,733)	(291,753)
	<u>65,947</u>	<u>(287,901)</u>

Finance cost paid	(42,085)	(119,763)
Staff retirement benefits - gratuity paid	(20,669)	(2,435)
Income tax (paid) / refunded	(22,576)	2,175
	<u>(85,330)</u>	<u>(120,023)</u>

Net cash used in operating activities (64,206) (458,520)

34.02 Cash flows from investing activities - discontinued operations

Fixed capital expenditure	(97,871)	-
Sale proceeds from sale of property, plant and equipment	77,428	8,765
Profit on saving accounts	195,781	6,083
Sale proceeds from sale of assets held for sale	-	5,000,000
Net cash generated from investing activities	<u><u>175,338</u></u>	<u><u>5,014,848</u></u>

34.03 Cash flows from financing activities - discontinued operations

Long term finances	(210,000)	(366,875)
Short term finances	(278,496)	(363,429)
Sponsors' loans (paid) / received	(566,732)	234,402
Liabilities against assets subject to Diminishing Musharaka	-	(1,413)
Net cash used in financing activities	<u><u>(1,055,228)</u></u>	<u><u>(497,315)</u></u>



35 TRANSACTIONS WITH RELATED PARTIES

The Company in the normal course of business carries out transactions with various related parties which comprise of associated undertakings, directors, key management personnel and post employment benefits plan. Remuneration of Chief Executive Officer is disclosed in note No. 32. Other significant transactions with related parties are as follows:

Nature of transaction	Relationship with the Company	Note	2018 (Rupees in '000')	2017 (Rupees in '000')
Receipt of loan during the year	Directors		-	235,536
Repayment of loan during the year	Directors		566,732	954
Related parties balances:				
Sponsor's loan			-	566,732

36 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets as per statement of financial position

Trade debts	8,802	9,111
Loans and advances	214,318	155,317
Trade deposit	3,496	4,749
Other receivables	15,058	379,702
Bank balances	3,117,875	4,061,972
	3,359,549	4,610,851

Financial liabilities as per statement of financial position

Trade and other payables	461,871	641,853
Short term borrowings	-	278,496
Accrued interest/mark-up	23,056	63,864
	484,927	984,213

36.01 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

36.01.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company does not hold any instrument which could be included in Level 1, Level 2 and Level 3.

37 FINANCIAL INSTRUMENTS

37.01 Financial risk factors

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors.



(a) **Market risk**

(i) **Currency risk**

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD). The Company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to foreign entities. However, there is exposure to currency risk at the year end.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk arises from short term borrowings and interest bearing assets. Borrowings obtained at variable rates exposes the company to cash flow interest rate risk.

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

	2018 (Rupees in '000')	2017 (Rupees in '000')
Floating rate instrument		
Financial liabilities		
Short term borrowings	-	278,496
Financial assets		
Bank balances- saving accounts	3,091,828	4,034,038

Cash flow sensitivity analysis for floating rate instruments

If interest rate at the year end date, fluctuates by 1% higher / lower with all other variables held constant, profit after taxation for the year would have been Rs. 30,918 lower / higher (2017: 37,555 higher / lower), mainly as a result of higher / lower interest income / expense on floating rate borrowings and bank balances. This analysis is prepared assuming the amounts of liabilities outstanding at reporting dates were outstanding for the whole year.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

(iii) **Other price risk**

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

(b) **Credit risk**

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

The maximum exposure to credit risk for trade debts, loans and receivables at the reporting date by type of parties was:

	2018 (Rupees in '000')	2017 (Rupees in '000')
Government institution	8,532	374,957
Private sector's companies	64,941	177
Others	168,201	173,745
	241,674	548,879
The aging of loans and receivables at the reporting date was:		
Past due 0-6 months	-	-
Past due 6-12 months	-	-
More than one year	241,674	548,879
	241,674	548,879



The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which have not impaired are as under:

	2018 (Rupees in '000')	2017 (Rupees in '000')
Trade debts	8,802	9,111
Loans and advances	214,318	155,317
Trade deposit	3,496	4,749
Other receivables	15,058	379,702
Bank balances	3,117,875	4,061,972
	3,359,549	4,610,851

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

	Rating agency	Short term	Rating Long term
Faysal Bank Limited	PACRA	A1+	AA
Summit Bank Limited	JCR-VIS	A-3	BBB -
Bank Alfalah Limited	PACRA	A1+	AA+
BankIslami Pakistan Limited	PACRA	A1	A+
The Bank of Khyber	JCR-VIS	A1	A
National Bank of Pakistan	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
The Bank of Punjab	PACRA	A1+	AA
United Bank Limited	JCR-VIS	A1+	AAA
Habib Bank Limited	JCR-VIS	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Bank Al-Habib Limited	PACRA	A1+	AA+
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
Silk Bank Limited	JCR-VIS	A2	A-
The Bank of Khyber - TDR	PACRA	A1	A
The Bank of Punjab - TDR	PACRA	A1+	AA

(c) Liquidity risk

Liquidity risk represents the risk that the company will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to growing nature of the business, the company maintains flexibility in funding by maintaining committed credit lines available.

The table below analyses how management monitors net liquidity based on details of the remaining contractual

maturities of financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

30 September 2018	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
(RUPEES '000')							
Non-derivative Financial Liabilities							
Trade and other payables	461,871	461,871	461,871	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-
Accrued interest/mark-up	23,056	24,933	24,933	-	-	-	-
	484,927	486,804	486,804	-	-	-	-



30 September 2017	Carrying Amount	Contractual cash flows	6 months or less	6 - 12 month	1 - 2 years	2 - 5 years	More than 5 years
(RUPEES '000')							

Non-derivative Financial

Liabilities

Trade and other payables	641,853	641,853	641,853	-	-	-	-
Short term borrowings	278,496	301,166	268,519	32,646	-	-	-
Accrued interest/mark-up	63,864	69,063	69,063	-	-	-	-
	<u>984,213</u>	<u>1,012,081</u>	<u>979,435</u>	<u>32,646</u>	<u>-</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to above financial liabilities have been determined on the basis of interest rates/mark-up rates effective as at 30 September 2018/2017. The rates of interest have been disclosed in note 16 to these financial statements.

38 CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company is not subject to any externally imposed capital requirements.

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

However, the Company can finance its operations through equity, loans and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Net debt is calculated as total borrowings as referred to in note No. 15 of the notes to the financial statements less cash and bank balances. Total capital employed includes 'total equity' as shown in the statement of financial position and 'net debt'. The gearing ratio as at 30 September 2018 and as at 30 September 2017 is as follows:

	2018 (Rupees in '000')	2017 (Rupees in '000')
Debt	202,881	691,377
Cash and bank balances	<u>3,117,875</u>	<u>4,061,972</u>
Net debt	<u>(2,914,994)</u>	<u>(3,370,595)</u>
Total equity	<u>9,674,392</u>	<u>10,804,820</u>
Total capital employed	<u>6,759,398</u>	<u>7,434,225</u>
Gearing ratio (%)	<u>Nil</u>	<u>Nil</u>

39 EMPLOYEES

Average number of employees during the year - factory
- others

	2018 Number	2017 Number
	<u>51</u>	<u>82</u>
	<u>19</u>	<u>18</u>
	<u>70</u>	<u>100</u>
	<u>52</u>	<u>53</u>
	<u>20</u>	<u>19</u>
	<u>72</u>	<u>72</u>

40 CHANGE IN ACCOUNTING POLICY

40.01 Accounting and reporting of surplus on revaluation of fixed assets

As per circular No. 23 of 2017 of SECP, the Companies whose financial year closes after December 31, 2017 shall prepare their financial statements in accordance with the provisions of the Companies Act, 2017. Accordingly, section 235 of the repealed Companies Ordinance, 1984 has not been carried forward to the Companies Act, 2017, which used to restrict to classify surplus on revaluation of fixed assets in equity, which is, hereby, interpreted to be suspending the compliance of section 235 of the repealed Companies Ordinance, 1984.



Therefore, this change in accounting policy has been applied retrospectively in accordance with the provisions of the IAS 8 "Change in Accounting policies, errors and estimates" and comparative figures of equity has been rearranged/reclassified. As there is no change in comparative figures therefore prior year financial statements have not been restated. The effect of reclassification has been re-summarized below:

Reclassification from the caption component	Reclassification to the caption component	Amount (Rs. '000')
AFTER SHARE CAPITAL AND RESERVES	SHARE CAPITAL AND RESERVES	
Surplus on revaluation of property, plant and equipment - net of deferred tax	Surplus on revaluation of property, plant and equipment - net of deferred tax	9,075,042

41 FUNDMENTAL ERROR

41.01 Expense did not accrue in previous financial year

During the previous year, erroneously an amount of Rs. 47.25 million, related to commission on the sale of Mian Channu unit was not accrued. The effect of this error has been recognised retrospectively in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

	2017 (Rupees in '000')
Effect on equity / profit or loss	
Increase in legal and profession expenses	47,250
Effect on current liabilities	
Increase in trade and other payables	47,250

42 CAPACITY AND PRODUCTION

		2018	2017
Sugar			
Plant capacity on the basis of operating days	M. Tons	825,000	825,000
Actual production	M. Tons	-	-
Ethanol			
Rated capacity on the basis of operating days	Liters	33,875,000	33,875,000
Actual production	Liters	-	-

The operations of the Company have been closed since proceeding two years.

43 SHARIAH SCREENING DISCLOSURE

	2018		2017	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	(Rupees in '000')			
Loans and advances	-	214,318	-	155,317
Bank Balances	3,091,828	26,047	4,034,038	27,934
Short term borrowings	-	-	278,496	-
Mark-up for the year	1,277	-	71,816	-
Profit on bank deposits	195,781	-	6,083	-
Exchange Gain / (Loss) on foreign - currency	-	-	-	(23,939)

44 AUTHORIZATION OF FINANCIAL STATEMENTS

These financial statements have been approved and authorized for issue by the Board of Directors of the Company on 04 January 2019.

45 NON ADJUSTING EVENTS AFTER THE REPORTING DATE

There were no non-adjusting events after the reporting date.



Imperial Sugar Limited

46 GENERAL

- Figures have been rounded off to the nearest thousand, unless otherwise stated.
- Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

Chief Executive Officer

Director

Chief Financial Officer



Financial Highlights

	2018	2017 (Restated)	2016 (Restated)	2015	2014	2013
	(Rupees in thousands)					
Share capital	990,200	990,200	990,200	990,200	990,200	990,200
Sponsors' loans	-	566,732	332,330			
Unappropriated profit	3,217,303	3,780,999	17,418	319,687	819,386	956,611
Surplus on revaluation of property, plant and equipment- net of deferred tax	5,466,889	5,466,889	9,075,042			
Non current liabilities	1,829,625	1,907,013	3,358,271		424,512	420,463
Current liabilities	1,002,122	1,824,885	2,553,993	3,157,064	2,393,378	2,120,415
Non current assets	26,933	6,183	15,249,900		3,374,303	3,111,713
Current assets	12,479,206	14,530,535	1,077,354	4,466,951	1,253,173	1,375,976
Turnover	-	-	344,713	1,071,053	5,298,805	7,234,928
Gross profit	-	-	17,749	53,609	250,130	617,789
(Loss) / profit from operations	(623,069)	(924,067)	(230,168)	(335,112)	57,083	493,286
(Loss) / profit before taxation	(624,609)	(931,232)	(303,014)	(453,799)	(126,535)	231,917
(Loss) / profit after taxation	(562,502)	(882,067)	(302,269)	(499,699)	(126,615)	262,121
Production Data						
Cane crushed (M.Tons)	-	-	-	288,754	836,931	1,057,447
Sugar produced (M.Tons)	-	-	-	24,402	78,273	101,063
Ethanol produced (Litres)	-	-	-	-	21,260,418	26,936,431



Pattern of Shareholding

As at September 30, 2018

Number of ShareHolders	Shareholdings		Total Share Held
	From	To	
408	1	100	14,956
594	101	500	170,036
280	501	1000	224,773
391	1001	5000	908,310
89	5001	10000	703,526
23	10001	15000	287,651
12	15001	20000	222,958
10	20001	25000	237,861
11	25001	30000	309,258
8	30001	35000	262,014
10	35001	40000	379,690
4	40001	45000	169,824
7	45001	50000	339,000
4	50001	55000	211,631
2	55001	60000	116,500
1	60001	65000	64,585
4	65001	70000	273,500
1	80001	85000	81,500
1	85001	90000	87,500
1	100001	105000	103,000
1	115001	120000	120,000
1	120001	125000	125,000
1	135001	140000	138,176
1	140001	145000	141,500
1	145001	150000	150,000
1	160001	165000	162,500
1	215001	220000	220,000
1	255001	260000	257,912
1	270001	275000	271,203
1	345001	350000	350,000
1	375001	380000	378,000
1	420001	425000	423,550
1	1190001	1195000	1,193,000
1	1435001	1440000	1,436,148
1	1850001	1855000	1,853,957
1	2370001	2375000	2,374,265
1	3010001	3015000	3,010,413
1	4965001	4970000	4,965,861
1	5865001	5870000	5,866,010
1	6465001	6470000	6,467,445
1	9215001	9220000	9,219,617
1	9710001	9715000	9,714,076
1	9800001	9805000	9,801,640
1	9880001	9885000	9,882,145
1	9890001	9895000	9,890,098
1	15435001	15440000	15,439,411
1887			99,020,000



Categorical Pattern of Shareholding

As at September 30, 2018

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage
Individuals	1,825	80,667,393	81.47
Financial Institutions / Modarabas / Pension Funds etc	17	82,600	0.08
Joint Stock Companies	31	17,609,185	17.78
Insurance Companies	6	86,526	0.09
Investment Companies	1	196	0.00
Mutual Funds	2	519,500	0.52
Others	5	54,600	0.06
Total	1,887	99,020,000	100.00



Pattern of Shareholding (Additional Information)

Under Code of Corporate Governance as at September 30, 2018

Directors, CEO, and their spouses and minor children:	Shareholding	Percentage
Mr. Naveed M. Sheikh	4,965,861	5.02
Mr. Waqar Ibn Zahoor Bandey	10,252	0.01
Mr. Asad Ali	1,000	0.00
Mr. Ahmed Haji Mussa	1,000	0.00
Mr. Muhammad Tariq	1,000	0.00
Mr. Najam Faiz	1,000	0.00
Mr. Shahzad Ullah Khan	56,500	0.06
Mrs. Aasiya Naveed Sheikh	3,810,413	3.85
Executives	9,714,076	9.81
Associated Companies, Undertakings & related parties	-	-
Mutual Funds	519,500	0.52
Public Sector Companies & Corporation	-	-
Joint stock Companies	17,609,185	17.78
Banks, Finance Institutions, Insurance Companies, Modarabas and Pension Funds etc.	169,322	0.17
Others	54,600	0.06
General Public	62,106,291	62.72
Total	99,020,000	100.00
Shareholding 5% and More		
M/s Colony Textile Mills Limited	15,862,961	16.02
Ms. Noreen M. Sheikh	9,890,098	9.99
Ms. Izza Naveed Sheikh	9,882,145	9.98
Ms. Naila Imtiaz Sheikh	9,801,640	9.90
Ms. Eesha Naveed Sheikh	9,714,076	9.81
Mr. Mashal Kamran Khan	9,219,617	9.31
Ms. Noveen Noorul Amin	6,467,445	6.53
Ms. Aniqua M. Sheikh	5,866,010	5.92
Mr. Naveed M. Sheikh	4,965,861	5.02



Imperial Sugar Limited

13. کمپنی کے ڈائریکٹران اپنے فرائض کی ادائیگی سے بخوبی واقف ہیں۔ انتظامیہ کے افراد کے لئے معلوماتی کورس کا اہتمام کیا گیا ہے۔

مالی حسابات کی تاریخ کے بعد کی مادی تبدیلیاں

مالیاتی حسابات کی تاریخ اور ڈائریکٹرز کی رپورٹ کی تاریخ کی درمیانی مدت میں کوئی مادی تبدیلی نہیں آئی ہے۔

۔ اظہار تشکر

ہم ایگزیکٹوز، افسران اور دیگر عملے کے ارکان کی سخت محنت، تعاون اور مخلصانہ کوششوں کو سراہتے ہیں انتظامیہ اس بات کے لئے پُر اعتماد ہے کہ یہ تعلقات اور تائید آئندہ آنے والے سالوں میں بھی جاری رہے گی۔

بورڈ آف ڈائریکٹرز کی جانب سے

محمد طارق

ڈائریکٹر

اسد علی

ڈائریکٹر / چیئرمین

لاہور 4 جنوری 2019



Imperial Sugar Limited

دوران مالی سال کمپنی کے حصص میں جناب نوید ایم شیخ کے سوا کسی بھی ڈائریکٹر، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکٹری یا خاندان کے کسی فرد کی طرف سے کوئی تجارت نہیں ہوئی۔ جبکہ جناب نوید ایم شیخ نے 4,900,000 حصص بطور گفٹ وصول کئے۔

بیرونی محاسبان

کمپنی کے بیرونی محاسب طارق عبدالغنی مقبول اینڈ کمپنی نے اپنی خدمات جاری رکھنے کی خواہش ظاہر کی ہے جس کی محاسبتی کمیٹی نے بھی نامزدگی کی تائید کی ہے۔ چنانچہ حصص داران سے ان کو دوبارہ تعینات کرنے کی منظوری کی درخواست کی جاتی ہے، جبکہ طارق عبدالغنی مقبول اینڈ کمپنی تعیناتی کے قانون میں موجود اہلیت پر پورا اترتے ہیں۔ اور انہوں نے یقین دہانی کروائی ہے کہ ان کے ادارہ یا ادارہ سے متعلقہ کسی بھی فرد نے کمپنی کے حصص میں کوئی تجارت نہیں کی۔

ویب سائٹ کی دستیابی

کمپنی کے سالانہ اور وسط مدتی مالی حسابات کمپنی کی ویب سائٹ www.imperialsugars.com پر دستیاب ہیں۔

کارپوریٹ گورننس

کوڈ آف کارپوریٹ گورننس اور کمپنیز ایکٹ 2017 کے تحت ڈائریکٹران بخوشی مطلع کرتے ہیں کہ:

1. کمپنی کے مالیاتی حسابات جو کہ اس کی انتظامیہ نے تیار کیے ہیں جن میں آپریشنل نتائج، نقدی بہاؤ، ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کیا گیا ہے۔ کمپنی کے کاروبار بند ہونے کے مفروضے کی وجہ سے مالیاتی حسابات اثاثہ جات اور واجبات کی حقیقی مالیت کی بنیاد پر تیار کئے ہیں۔

2. مالیاتی حسابات واضح اور درست طریقے سے بنائے گئے ہیں۔ اور کمپنی نے مالیات کی کتابیں قانون کے مطابق بنائی ہوئی ہیں۔

3. حسابات کی پالیسیاں مناسب انداز میں لاگو کی گئی ہیں۔

4. بین الاقوامی قوانین مالیات جو کہ پاکستان میں لاگو ہیں پر عمل ہو رہا ہے۔

5. کمپنی کا اندرونی محاسبتی نظام مضبوط اور بہتر انداز میں کام کر رہا ہے۔

6. کمپنی کے کاروبار کے جاری نہ رہنے کے مفروضے کو مالی حسابات میں متعلقہ نوٹ 02 میں واضح کیا گیا ہے۔

7. سٹاک ایکسچینج کے ریگولیشنز جو کہ کوڈ آف کارپوریٹ میں درج ہیں ان پر عمل درآمد میں روگردانی نہیں ہوئی۔

8. پچھلے چھ سالوں کے کمپنی کے مالیاتی اعداد و شمار منسلک ہیں۔

9. حکومتی واجب الادا ادائیگیوں کی تفصیل مالی حسابات کے متعلقہ نوٹ میں واضح کر دی گئی ہیں۔

10. کمپنی اپنے ملازمین کے لئے گریجویٹ فنڈ اسکیم پر عمل پیرا ہے۔ جس کی تفصیل مالی حسابات کے متعلقہ نوٹ میں واضح کی گئی ہے۔

11. مادی و مالی معاملات کی تفصیلات سٹاک ایکسچینج اور ایس ای سی پی کو بروقت مہیا کی گئیں ہیں۔

12. کمپنی نے متعلقہ پارٹی سے جڑی ہوئی معاملت پر قوانین کے مطابق عمل کیا ہے۔



اجلاس میں عدم شرکت کرنے والوں کو رخصت کی اجازت دی گئی۔ دوران سال چیف ایگزیکٹو آفیسر اور ایک ڈائریکٹر کے مستعفی ہونے پر نئی تعیناتیاں کی گئیں۔

محاسبتی کمیٹی کے سال میں چار اجلاس ہوئے، اس کے تمام ممبران نے اپنی مدت کے دوران تمام اجلاس میں شرکت کی۔ انسانی وسائل اور مراعاتی کمیٹی کا سال میں ایک اجلاس ہوا، اس کے تمام ممبران نے اپنی مدت کے دوران شمولیت کی۔

ڈائریکٹران کا معاوضہ

مجموعی طور پر 8.930 ملین روپے ایگزیکٹو ڈائریکٹرز کو معاوضہ کی مد میں ادا کئے گئے جبکہ کسی دوسرے ڈائریکٹر کو کسی قسم کی کوئی ادائیگی نہیں کی گئی۔ مالی سال کے دوران جولائی 2018 میں چیف ایگزیکٹو آفیسر کے صلہ معاوضہ مبلغ 1.500 ملین روپے ماہانہ اور دیگر فوائد کمپنی کی پالیسی کے مطابق طے کئے گئے ہیں۔

بورڈ کی کارکردگی کی جانچ کاری

لسٹڈ کمپنیز کے کوڈ آف گورننس ریگولیشنز 2017 کے تحت ڈائریکٹران نے اپنی اور ذیلی کمیٹیوں کی کارکردگی کی جانچ کاری پر کھنے کے لیے نظام واضح کیا ہے جس کے اصول مشاہراتی کمیٹی کو تفویض کر دیے گئے ہیں۔

چیرمین کی جائزہ رپورٹ

بورڈ نے چیرمین کی طرف سے جاری کردہ جائزہ رپورٹ پر غور و خوض کیا ہے اور یہ سالانہ رپورٹ کے ساتھ منسلک ہے۔

کاروباری ضابطہ اخلاق

اخلاقیات اور کاروباری طرز عمل کے ضابطے کمپنی کے ڈائریکٹران اور ملازمین میں تقسیم کیئے گئے ہیں اور ان سے تسلیم شدہ ہیں۔

تعمیلی بیان

کمپنی کے ڈائریکٹران کی طرف سے لسٹڈ کمپنیز کے کوڈ آف گورننس ریگولیشنز 2017 کے تحت تعمیلی بیان منسلک ہے۔

اصولی خطرات

کمپنی کو درپیش خطرات اگر کوئی ہیں، وہ مالی حسابات میں متعلقہ جگہ پر واضح کر دیئے گئے ہیں۔

کارپوریٹ گورننس

انتظامیہ نے کارپوریٹ گورننس کی تمام ضروریات پر عمل درآمد کو یقینی بنایا ہے۔ متعلقہ بیان اس رپورٹ میں شامل ہے۔

ملکیتی حصص کا نمونہ

ملکیتی حصص کا نمونہ برائے سال ختمہ ستمبر 2018، 30 اءلف ہے۔



کو بہتر بنانے، ملازمین کے عزت و وقار، ترقی کے مواقع مہیا کرنے کے ساتھ ساتھ جان نشینی کی کامیاب منصوبہ بندی کی بھی ذمہ دار ہے۔ ہمیں احساس ہے کہ انسانی وسائل کا کاروباری منصوبہ بندی میں اہم کردار ہے۔

انسانی وسائل اور مراعاتی کمیٹی کے ممبران کے نام یہ ہیں:

ڈائریکٹر کا نام	تخصیص	عہدہ
جناب نجم فیض	آزاد ڈائریکٹر	چیئر مین
جناب وقار ابن ظہور بانڈے	نان ایگزیکٹو ڈائریکٹر	ممبر
جناب شہزاد اللہ خان	نان ایگزیکٹو ڈائریکٹر	ممبر
بورڈ آف ڈائریکٹرز		

کمپنی کے بورڈ آف ڈائریکٹرز جو تعداد میں سات ہیں۔ شفاف طریقوں سے نگران کے طور پر اپنی ذمہ داریاں ادا کروہے ہیں تاکہ کمپنی کی پائیدار ترقی میں اضافہ ہو۔

موجودہ بورڈ میں کوئی خاتون ممبر نہیں ہے اور خاتون ڈائریکٹر آئندہ الیکشن میں منتخب کی جائے گی۔

موجودہ بورڈ آف ڈائریکٹرز کی تخصیص اس طرح سے ہے۔

تفصیل ڈائریکٹران کی تعداد

آزاد / غیر متعلقہ ڈائریکٹر 01

نان ایگزیکٹو ڈائریکٹر 04

ایگزیکٹو ڈائریکٹر 02

آزاد / غیر متعلقہ ڈائریکٹر کی تعداد کے متعلق تعمیل آئندہ انتخابات میں کی جائے گی۔

زیر جائزہ سال میں ڈائریکٹران کے پانچ اجلاس ہوئے تھے، جس میں جس میں ڈائریکٹران کی شمولیت اس طرح رہی۔

ڈائریکٹر کا نام	اجلاس میں حاضری
جناب نوید ایم شیخ	04
جناب وقار ابن ظہور بانڈے	05
جناب احمد حاجی موسیٰ	05
جناب اسد علی	05
ملک سہیل احمد	03
جناب نجم فیض	05
جناب محمد طارق	05
جناب شہزاد اللہ خان	02



منافع منقسمہ

کمپنی نے مالیاتی نتائج کو مد نظر رکھتے ہوئے حصص داران کے لیے کوئی عمومی منافع کا اعلان نہیں کیا۔

مستقبل کے امکانات

کمپنی انتظامیہ پر اعتماد ہے کہ جاری مالی سال کے دوران کمپنی کے باقی ماندہ اثاثہ جات فروخت ہو جائیں گے۔ اور اس کے فوراً بعد نئے کاروباری منصوبے پر عمل درآمد شروع ہو جائیگا۔

ماحول، صحت اور تحفظ

کمپنی اپنے ملازمین اور عوام الناس کی صحت کے حفاظتی اصولوں پر کاربند ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی اپنے کاروباری حلقوں میں تعلیم اور صحت عامہ کے شعبوں میں بہتری کے لئے مستعدی سے مواقعوں کو پورا کر رہی ہے۔

اخلاقیات اور کاروباری معاملات پر بیان

ایمانداری، سالمیت اور مضبوط عزم کمپنی کی اہم روایات ہیں۔ جو ہمارے حصص داران، گاہکوں، سپلائرز اور ملازمین پر اعتماد کی امین ہیں۔

کمپنی کے کاروبار کا ماحولیاتی اثر

آپ کی کمپنی کی کوشش ہے کہ وہ بہترین اصولوں پر چلے جیسا کہ کاغذ کا کم سے کم استعمال اور بجلی کی بچت وغیرہ شامل ہیں۔

محاسبی کمیٹی

محاسبی کمیٹی بورڈ کی اہم اور موثر کمیٹی ہے۔ جو کہ بنیادی پالیسیوں کے نفاذ کے ساتھ ساتھ کمپنی کے مفادات کی نگہبان بھی ہے اور کمپنی کے اندرونی محاسبی معاملات کو بغور دیکھ رہی ہے۔ محاسبی کمیٹی کمپنی کے بیرونی محاسبان کے تقرر کی سفارش کے ساتھ ساتھ اندرونی محاسبان کی طرف سے جاری کردہ رپورٹوں کا جائزہ بھی لیتی ہے۔

محاسبی کمیٹی کے ممبران کے نام یہ ہیں:

کمیٹی میں عہدہ

تخصیص

ڈائریکٹر کا نام

چیئر مین

آزاد ڈائریکٹر

جناب نجم فیض

ممبر

نان ایگزیکٹو ڈائریکٹر

جناب اسد علی

ممبر

نان ایگزیکٹو ڈائریکٹر

جناب شہزاد اللہ خان

انسانی وسائل اور مراعاتی کمیٹی

انسانی وسائل اور مراعاتی کمیٹی کمپنی کے تمام ملازمین کے لیے معاوضہ جات اور دیگر مراعات کا تعین کرتی ہے۔ یہ کمیٹی کام کی جگہ کے ماحول



ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹرز کی جانب سے، ہم آئندہ ہونے والے سالانہ عمومی اجلاس میں ہم آپ کو خوش آمدید کہتے ہیں اور سالانہ تنقیح شدہ حسابات برائے سال ختمہ 30 ستمبر 2018ء بمعہ محاسبان کی رپورٹ پیش کرتے ہیں۔

اس سال کمپنی کی آمدن مبلغ 195.781 ملین روپے ہے۔ جبکہ پچھلے سال یہ آمدن 6.083 ملین روپے تھی جو کہ بینکوں میں جمع کروائی گئی رقم پر منافع کی صورت میں حاصل ہوئی ہے۔ اس سال کمپنی کا کل نقصان ٹیکس منہا کرنے کے بعد 562.502 ملین روپے ہے جبکہ پچھلے سال یہ نقصان 882.067 ملین روپے تھا (اعادہ شدہ)۔ اس سال نقصان فی حصہ 5.68 روپے ہے۔ جبکہ پچھلے سال یہی نقصان 8.91 روپے فی حصہ تھا (اعادہ شدہ)۔

دوران سال مختلف پارٹیوں نے کمپنی کے باقی ماندہ اثاثہ جات خریدنے میں دلچسپی دکھائی اور ان کے ساتھ معلومات کا تبادلہ کیا گیا۔ اس سلسلے میں مستقبل قریب میں مثبت نتائج متوقع ہیں۔

میاں چنوں میں واقع مل کی فروخت سے حاصل شدہ رقم میں سے مبلغ 2,042.522 ملین روپے بینکوں، ڈائریکٹران کا قرضہ اور دیگر قرض خواہان بشمول گنے کے کاشتکاروں کو ادا کئے گئے۔ جبکہ باقی ماندہ رقم مبلغ 3,117.875 ملین روپے پشمول منافع رقم بینکوں میں جمع ہے۔

پیداواری سرگرمیوں کی عدم موجودگی میں کمپنی کا رو باری معاملات جاری نہیں رکھ سکتی۔ اسی بنیاد پر انتظامیہ نے مالی حسابات برائے سال 2017-18 اثاثہ جات اور واجبات کی حقیقی مالیت کی بنیاد پر تیار کئے ہیں۔ ان حسابات میں اثاثہ جات اور واجبات تحلیلی اعتبار سے مرتب کئے گئے ہیں۔

حصص داران سے آنے والے سالانہ اجلاس عام میں باقی ماندہ اثاثہ جات کی فروخت اور نئے کاروبار کے لئے دوبارہ منظوری مانگی گئی ہے۔ اثاثہ جات کی فروخت کے مقصد کے لئے ان کی موجودہ مالیت کا اینڈرسن کنسلٹنگ پرائیویٹ لمیٹڈ سے تخمینہ لگوا گیا ہے۔

اصولی کاروباری سرگرمیاں

چینی اور اس سے منسلک مصنوعات کمپنی کی اصولی کاروباری سرگرمیوں میں شامل ہیں۔ جو کہ اس وقت اثاثہ جات کی فروخت کے سلسلے میں منقطع ہیں۔

ذیلی مربوط قرضہ

دوران سال ڈائریکٹران کی طرف سے کمپنی کو دستاب بغیر سودی قرضہ کی ادائیگی کی گئی جبکہ یہ قرضہ کی رقم کمپنی کو نئے کاروبار کے دوران پھر سے دستیاب ہوگی۔ ڈائریکٹران کو ادائیگی کرنے کی وجہ سے اس کی منظوری حصص داران سے آئندہ اجلاس عام میں درخواست کی گئی ہے۔



Imperial Sugar Limited

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Imperial Sugar Limited

FORM OF PROXY

I/We _____ of
_____ being member of **Imperial SUGAR LIMITED** and holder of _____ Ordinary shares as per Registered Folio / CDC Participant I.D. No. _____ hereby appoint Mr. / Mrs. / Miss. _____ of _____ or failing him / her Mr. / Mrs. / Miss. _____ of _____ who is also a member of the IMPERIAL SUGAR LIMITED vide Registered Folio / CDC Participant I.D. No. _____ as my proxy to vote for me and on my behalf at the 12th Annual General Meeting of the Company to be held on Monday, January 28, 2019 at 10.00 a.m. and any adjournment thereof.

Signed this _____ day of **January 2018**.

Revenue
Stamp(s) of
Rupees five

Signature
(As registered with the company)

Witness: 1

Signature _____

Name _____

Address _____

CNIC or _____

Passport # _____

Witness: 2

Signature _____

Name _____

Address _____

CNIC or _____

Passport # _____

NOTES:-

- This proxy form, duly completed and signed, must be received at the Registered Office of the company not less than 48 hours before the time of holding the Meeting.
- No person shall act as Proxy unless he/she himself / herself is a Shareholder of the Company except that a company may appoint a person as its representative who is not a shareholder.



Imperial Sugar Limited

امپیریل شوگر لمیٹڈ

تشکیل نیابت داری برائے سالانہ اجلاس عام

میں / ہم _____ ساکن _____ امپیریل شوگر لمیٹڈ _____
 کا / کے حصص دار ہوں / ہیں اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر کے تحت _____
 عمومی حصص کا / کی مالک ہوں / ہیں۔ اپنی جگہ پر حق رائے دہی کے لیے _____
 رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی ڈی سی کھاتہ نمبر _____ کو یا اس کے نہ
 آنے کی صورت میں _____ رہائشی _____ اور بموجب رجسٹرڈ کھاتہ نمبر یا مجوزہ سی
 ڈی سی کھاتہ نمبر _____ کو جو کہ امپیریل شوگر لمیٹڈ کا / کی حصص دار ہے / ہیں۔ کو اپنی جگہ بروز سوموار
 بتاریخ 28 جنوری 2019 بوقت صبح 10 بجے بمقام اسماعیل ایوان سائنس بلڈنگ 205 فیروز پور لاہور میں منعقد ہونے والے سالانہ
 اجلاس عام یا کسی متبادل دن جو بھی ہوگا میں رائے دہندگی کے لئے نمائندہ مقرر کرتا / کرتی / کرتے ہوں / ہیں۔

یہ فارم _____ جنوری 2019 کو دستخط کیا گیا۔

پانچ روپے کی رسیدی ٹکٹ

چسپاں کریں

دستخط۔

کمپنی کے ریکارڈ کے مطابق دستخط

گواہ نمبر: 2

گواہ نمبر: 1

دستخط _____

دستخط _____

نام _____

نام _____

پتہ _____

پتہ _____

شناختی کارڈ نمبر یا _____

شناختی کارڈ نمبر یا _____

پاسپورٹ نمبر _____

پاسپورٹ نمبر _____

نوٹ: 1- یہ مختار نامہ مکمل اور دستخط شدہ کمپنی کے رجسٹرڈ آفس کے پتے پر اجلاس کے شروع ہونے سے 48 گھنٹے پہلے پہنچ جانا چاہیئے۔

2- کوئی بھی فرد مختار نامہ اس وقت تک استعمال نہیں کر سکتا جب تک وہ کمپنی کا حصص دار نہ ہو۔ علاوہ اس کے کہ کوئی ایک کمپنی کسی فرد کو نمائندہ مقرر

کرے جو کمپنی کا حصص دار نہ ہو۔



Imperial Sugar Limited

M. Ismail Aiwan-e-Science Building
205-Ferozpur Road
Lahore - 54600 Pakistan
Tel: +92 (42) 3575-8970, 3575 1308
Fax: +92 (42) 3576 3247
E-mail: info@imperialsugars.com